103

CONGRESSIONAL RECORD:

1284
3430
Part 1

CONTAINING

THE PROCEEDINGS AND DEBATES

OF THE

SIXTY-THIRD CONGRESS, SECOND SESSION.

VOLUME LI.

WASHINGTON
1914

AUTHENTICATED
U.S. GOVERNMENT
INFORMATION
GPO

KF35
.S4 A2



D. OF D.
NOV 4 1914



SURPLUS - 1
LIBRARY OF CONGRESS
DUPLICATE

VOLUME LI, PART VIII.

CONGRESSIONAL RECORD,

SIXTY-THIRD CONGRESS, SECOND SESSION.

SENATE.

MONDAY, *April 27, 1914.*

The Chaplain, Rev. Forrest J. Prettyman, D. D., offered the following prayer:

Almighty God, we seek an especial measure of Thy grace and blessing for the discharge of the duties of this day. Thou hast forced us out of all narrow individualism into the great world community, with world relations, with world responsibilities. We pray that we may be subject to the Divine guidance; that we may be enabled to stand for the highest ideals amidst the great brotherhood of nations. Especially do Thou give us influence with the circle of nations nearest to us, that we may yet, through our power and influence, write the highest, divinest chapter in the history of Christian civilization. Give to our statesmen a far-seeing vision, a will subject to the Divine will, and hearts responsive to human needs. May they be guided by the great God of nations, that they may perform well and faithfully the duties committed to them in Thy providence. For Christ's sake. Amen.

The VICE PRESIDENT resumed the chair.

The Journal of the proceedings of Saturday last was read and approved.

NEW YORK CENTRAL & HUDSON RIVER RAILROAD.

The VICE PRESIDENT laid before the Senate a communication from the Interstate Commerce Commission, transmitting, in response to a resolution of July 10, 1913, the report of the commission in the matter of a proposed bond issue by the New York Central & Hudson River Railroad Co., which, with the accompanying paper, was referred to the Committee on Interstate Commerce.

PENSIONS AND INCREASE OF PENSIONS.

The VICE PRESIDENT laid before the Senate the amendment of the House of Representatives to the bill (S. 4353) granting pensions and increase of pensions to certain soldiers and sailors of the Regular Army and Navy and of wars other than the Civil War and to certain widows and dependent relatives of such soldiers and sailors.

Mr. SMOOT. I move that the Senate disagree to the amendment of the House and request a conference with the House of Representatives on the disagreeing votes of the two Houses thereon, the conferees on the part of the Senate to be appointed by the Chair.

The motion was agreed to; and the Vice President appointed Mr. SHIVELY, Mr. JOHNSON, and Mr. SMOOT conferees on the part of the Senate.

The VICE PRESIDENT laid before the Senate the amendments of the House of Representatives to the bill (S. 4167) granting pensions and increase of pensions to certain soldiers and sailors of the Regular Army and Navy and of wars other than the Civil War and to certain widows and dependent relatives of such soldiers and sailors.

Mr. SMOOT. I move that the Senate disagree to the amendments of the House, request a conference with the House of Representatives on the disagreeing votes of the two Houses thereon, the conferees on the part of the Senate to be appointed by the Chair.

The motion was agreed to; and the Vice President appointed Mr. SHIVELY, Mr. JOHNSON, and Mr. SMOOT conferees on the part of the Senate.

PETITIONS AND MEMORIALS.

The VICE PRESIDENT presented petitions of sundry citizens of Mount Vernon and Kokomo, in the State of Indiana; of sundry citizens of Sault Ste. Marie and Saginaw, in the State of Michigan; of sundry citizens of Conshohocken, Pa.; Defiance, Ohio; St. Paul, Minn.; Maquoketa, Iowa; Junction City, Kans.; Old Town, Me.; and McKinney, Tex., praying for the adoption of an amendment to the Constitution to prohibit polygamy, which were referred to the Committee on the Judiciary.

He also presented resolutions adopted by the National Association of Vicksburg Veterans at Chicago, Ill., favoring recognition and assistance in carrying out the purposes of commemorating the semicentennial of the ending of the Civil War, which were referred to the Committee on Military Affairs.

He also presented a petition of the Democratic Club, of Haines, Alaska, praying that Congress allow the people of Alaska to settle by direct vote the question whether intoxicating beverages shall be manufactured and sold in that Territory, which was referred to the Committee on the Judiciary.

He also presented a memorial of the Local Northeast Washington Socialist Party of the District of Columbia, remonstrating against sending American troops into Mexico, which was referred to the Committee on Foreign Relations.

He also presented petitions of the Volkszeitungs Conference of Brooklyn, N. Y.; of the Local Socialist Party of Philadelphia, Pa.; and of the Local Northeast Washington Socialist Party of the District of Columbia, praying for Federal protection in the mining district of Colorado, which were referred to the Committee on Education and Labor.

He also presented a memorial of Crocker Post, No. 12, Grand Army of the Republic, Department of Iowa, of Des Moines, Iowa, remonstrating against any change in the United States flag; also against granting pensions to the soldiers or widows or orphans of soldiers of the Confederacy; and, further, against placing in the Capitol any picture, statue, or bust of a Confederate soldier, which was referred to the Committee on the Judiciary.

Mr. LEA of Tennessee presented petitions of sundry church organizations of the State of Tennessee, praying for the adoption of an amendment to the Constitution to prohibit the manufacture, sale, and importation of intoxicating beverages, which were referred to the Committee on the Judiciary.

Mr. JOHNSON presented petitions of sundry citizens of Pittsfield, Leeds, Mechanics Falls, Sabattus, Auburn, Biddeford, Freedom, Machias, Rockland, Topham, and Joneseboro, all in the State of Maine, praying for the adoption of an amendment to the Constitution to prohibit the manufacture, sale, and importation of intoxicating beverages, which were referred to the Committee on the Judiciary.

He also presented memorials of sundry citizens of Bangor and Bar Harbor, in the State of Maine, remonstrating against the adoption of an amendment to the Constitution to prohibit the manufacture, sale, and importation of intoxicating beverages, which were referred to the Committee on the Judiciary.

He also presented a petition of the Business Men's Association of Wiscasset, Me., praying for the enactment of legislation to prevent discrimination in prices and to provide for publicity of prices to dealers and the public, which was referred to the Committee on Manufactures.

He also presented a petition of Local Union No. 69, Stationary Firemen, of Millinocket, Me., praying for the enactment of legislation to compel the observance of Sunday as a day of rest in the District of Columbia, which was referred to the Committee on the District of Columbia.

He also presented a petition of St. Croix Valley Lodge, No. 739, Brotherhood of Railroad Trainmen, of Calais, Me., praying for the enactment of legislation to further restrict immigration, which was ordered to lie on the table.

Mr. KERN presented memorials of sundry citizens of South Bend, Ind., remonstrating against the adoption of an amendment to the Constitution to prohibit the manufacture, sale, and importation of intoxicating beverages, which were referred to the Committee on the Judiciary.

Mr. BRANDEGEE. I present resolutions in the nature of a memorial adopted by Richard E. Holcomb Camp, No. 38, Sons of Veterans, of New Canaan, Conn., remonstrating against any change being made in the American flag. I move that the resolutions be referred to the Committee on the Judiciary.

The motion was agreed to.

Mr. CATRON presented a petition of the congregation of the Methodist Episcopal Church South of Farmington, N. Mex., praying for the adoption of an amendment to the Constitution to prohibit the manufacture, sale, and importation of intoxicating beverages, which was referred to the Committee on the Judiciary.

Mr. NORRIS presented a petition of the Socialist Party of Omaha, Nebr., praying for Federal protection of miners and their families in the mining districts of Colorado, which was referred to the Committee on Education and Labor.

Mr. SHIVELY presented memorials of sundry citizens of South Bend, Ind., remonstrating against the adoption of an amendment to the Constitution to prohibit the manufacture, sale, and importation of intoxicating beverages, which were referred to the Committee on the Judiciary.

Mr. PERKINS presented a petition of sundry citizens of Napa County, Cal., praying for the enactment of legislation to compel the observance of Sunday as a day of rest in the District of Columbia, which was referred to the Committee on the District of Columbia.

He also presented a petition of sundry citizens of Napa County, Cal., praying for the enactment of legislation to provide compensatory time for Sunday service performed by employees of the Post Office Department, which was referred to the Committee on Post Offices and Post Roads.

Mr. WARREN presented a petition of Local Union No. 2702, United Mine Workers of America, of Gunn, Wyo., and a petition

of the National Executive Board, Workmen's Sick and Death Benefit Fund, of New York City, N. Y., praying for Federal protection in the mining district of Colorado, which were referred to the Committee on Education and Labor.

Mr. PAGE presented a petition of the congregation of the First Baptist Church of Bellows Falls, Vt., praying for national prohibition, which was referred to the Committee on the Judiciary.

Mr. TOWNSEND presented a petition of sundry citizens of Spring Arbor, Mich., praying for national prohibition, which was referred to the Committee on the Judiciary.

He also presented a memorial of sundry citizens of Corunna, Flint, and Owosso, all in the State of Michigan, remonstrating against the enactment of legislation compelling the observance of Sunday as a day of rest in the District of Columbia, which was referred to the Committee on the District of Columbia.

He also presented a petition of Detroit Post, No. 384, Department of Michigan, Grand Army of the Republic, of Detroit, Mich., praying for an appropriation for the purchase of the battlefield of Franklin, Tenn., to be used as a national park, which was referred to the Committee on Military Affairs.

LAND IN NOXUBEE COUNTY, MISS.

Mr. THOMAS, from the Committee on Public Lands, to which was referred the bill (H. R. 6831) to quiet title to lot 5, section 33, township 14, range 18 east, Noxubee County, Miss., reported it without amendment and submitted a report (No. 454) thereon.

BILLS INTRODUCED.

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. JOHNSON:

A bill (S. 5410) granting a pension to Annie Stober; to the Committee on Pensions.

By Mr. CUMMINS:

A bill (S. 5411) granting a pension to Jennie Moul (with accompanying papers); to the Committee on Pensions.

By Mr. CHAMBERLAIN:

A bill (S. 5412) to provide for the erection of a public building at Astoria, Oreg. (with accompanying paper); to the Committee on Public Buildings and Grounds.

By Mr. WORKS:

A bill (S. 5413) for the relief of Isabel E. Rockwell (with accompanying papers); to the Committee on Claims.

By Mr. BANKHEAD:

A bill (S. 5414) granting a pension to Sarah B. Scott; to the Committee on Pensions.

By Mr. SMITH of Arizona:

A bill (S. 5415) for the relief of J. M. Zepeda; to the Committee on Claims.

By Mr. CRAWFORD:

A bill (S. 5416) granting an increase of pension to Isaac E. Hunt (with accompanying paper); to the Committee on Pensions.

By Mr. PAGE:

A bill (S. 5417) granting an increase of pension to Austin Peck (with accompanying paper); to the Committee on Pensions.

AMENDMENTS TO APPROPRIATION BILLS.

Mr. CHAMBERLAIN submitted an amendment proposing to appropriate $47,000 for the establishment of a new site of a life-saving station at Coos Bay, Oreg., on the south side of the entrance thereof, etc., intended to be proposed by him to the sundry civil appropriation bill, which was ordered to be printed and, with the accompanying paper, referred to the Committee on Appropriations.

Mr. CLARKE of Arkansas submitted an amendment proposing to appropriate $237,840 for labor and material required in the installation of a drainage system in the city of Hot Springs, Ark., to care for storm waters from the mountains of the Hot Springs Reservation, etc., intended to be proposed by him to the sundry civil appropriation bill, which was referred to the Committee on Appropriations and ordered to be printed.

Mr. MARTINE of New Jersey submitted an amendment proposing to increase the appropriation for investigations in bee culture from $15,000 to $21,500, etc., intended to be proposed by him to the Agricultural appropriation bill, which was ordered to be printed and, with the accompanying papers, referred to the Committee on Agriculture and Forestry.

WARNING SIGNALS FOR VESSELS WORKING ON WRECKS.

The VICE PRESIDENT. The morning business is closed, and the calendar——

Mr. MARTINE of New Jersey. I ask unanimous consent for the consideration of the bill (S. 5289) to provide for warning signals for vessels working on wrecks or engaged in dredging or other submarine work.

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill, which was read, as follows:

Be it enacted, etc., That section 2 of the act approved June 7, 1897, entitled "An act to adopt regulations for preventing collisions upon certain harbors, rivers, and inland waters of the United States," be amended to read as follows:

"SEC. 2. That the supervising inspectors of steam vessels and the Supervising Inspector General shall establish such rules to be observed by steam vessels in passing each other and as to the lights to be carried by ferryboats and by barges and canal boats when in tow of steam vessels, and as to the lights and day signals to be carried by vessels marking a wreck or other obstruction to navigation or moored for submarine operations, or made fast to a sunken object which may drift with the tide or be towed, not inconsistent with the provisions of this act, as they from time to time may deem necessary for safety, which rules when approved by the Secretary of Commerce are hereby declared special rules duly made by local authority, as provided for in article 30 of chapter 802 of the laws of 1890. Two printed copies of such rules shall be furnished to such ferryboats and steam vessels, which rules shall be kept posted up in conspicuous places in such vessels."

The bill was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

Mr. MARTINE of New Jersey. I ask that the report of the committee be printed in the RECORD.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

Mr. PERKINS, from the Committee on Commerce, submitted the following report, to accompany S. 5289:

The Committee on Commerce, to whom was referred the bill (S. 5289) to provide for warning signals for vessels working on wrecks or engaged in dredging or other submarine work, having considered the same, report thereon with a recommendation that S. 5289 pass without amendment.

The bill has the approval of the Department of Commerce, and was prepared by that department, as will appear by the following letter, which is made a part of this report:

DEPARTMENT OF COMMERCE,
OFFICE OF THE SECRETARY,
Washington, April 10, 1914.

MY DEAR SENATOR: On the 6th instant, at the request of the Senate Committee on Commerce, this department wrote the chairman of that committee a letter in which it was suggested that Senate bill 2798, entitled "A bill to provide for warning signals for vessels working on wrecks or engaged in dredging or other submarine work," should be recast so as to read as follows:

"*Be it enacted, etc.*, That section 2 of the act approved June 7, 1897, entitled 'An act to adopt regulations for preventing collisions upon certain harbors, rivers, and inland waters of the United States, be amended to read as follows:

"'SEC. 2. That the supervising inspectors of steam vessels and the Supervising Inspector General shall establish such rules to be observed by steam vessels in passing each other and as to the lights to be carried by ferryboats and by barges and canal boats when in tow of steam vessels, and as to the lights and day signals to be carried by vessels marking a wreck or other obstruction to navigation or moored for submarine operations or made fast to a sunken object which may drift with the tide or be towed, not inconsistent with the provisions of this act, as they from time to time may deem necessary for safety, which rules, when approved by the Secretary of Commerce, are hereby declared special rules duly made by local authority, as provided for in article 30 of chapter 802 of the laws of 1890. Two printed copies of such rules shall be furnished to such ferryboats and steam vessels, which rules shall be kept posted up in conspicuous places in such vessels.'"

It was at that time further suggested that the matter of international signals for this purpose might be arranged, but that the passage of the bill as above would not prevent such a later arrangement. It has now been brought to the attention of this department that an emergency exists in this connection in the form of a contract which requires the laying across the Narrows at the mouth of New York Harbor of a large aqueduct from Long Island on the east to Staten Island on the west. This work will involve the continuance for a year or more of vessels engaged in the carrying out of this contract in the very path of navigation in our most crowded port. No law exists now indicating what the marks upon the vessels engaged in that work should be. It is important that this gap in the law should be closed with the least possible delay, and the department therefore, after considering the matter carefully with the Commissioner of Navigation, the Supervising Inspector General of the Steamboat-Inspection Service, and the Commissioner of Lighthouses, together with the solicitor of the department and myself, strongly urges that a special effort be made to enact the above bill into law as speedily as possible.

The interests of the United States, those of the city of New York, and of the contractor, as well as the commerce centering in our greatest port, are alike involved in an early settlement of this question.

Yours, very truly,

WILLIAM C. REDFIELD, *Secretary.*

Hon. J. P. CLARKE,
Chairman Committee on Commerce,
United States Senate, Washington, D. C.

SITE OF RED CROSS BUILDING IN CITY OF WASHINGTON.

Mr. LEA of Tennessee. I ask unanimous consent for the present consideration of the bill (S. 5031) quieting the title to lot 44 in square 172 in the city of Washington.

Mr. SMOOT. I ask for the regular order.

Mr. LEA of Tennessee. If the Senator will allow me a moment, I hope he will not interpose an objection. This is a bill to quiet title to a lot of ground purchased by the Red Cross Society on which to erect a building in this city. Its consideration will take only a moment. It is routine matter. There is some urgency that it should be passed now.

Mr. SMOOT. I shall not object to this bill, but the proper course is to proceed with the calendar in regular order.

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill, which was read, as follows:

Be it enacted, etc., That for the purpose of removing a cloud from the title to lot 44 in John Rothert's subdivision in square 172 in the city of Washington, D. C., whatsoever right, title, or interest the United States may have in and to said lot by reason of escheat or otherwise, be, and the same is hereby, quitclaimed unto Delia C. Condron, owner of the record title.

The bill was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

LANDS IN IMPERIAL COUNTY, CAL.

Mr. WORKS. I ask unanimous consent for the present consideration of the bill (H. R. 122) authorizing the State of California to select public lands in lieu of certain lands granted to it in Imperial County, Cal., and for other purposes.

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill, which was read, as follows:

Be it enacted, etc., That the State of California or its grantees may, with the approval of the Secretary of the Interior, reconvey to the United States any of the lands heretofore granted to said State in the townships authorized to be resurveyed by the act of July 1, 1902 (32 Stat. L., p. 728), and select in lieu thereof an equal amount of vacant, unappropriated, surveyed, unreserved, nonmineral public lands within said State: *Provided*, That any application to select land under this act must be presented within three years from the date of its passage: *Provided further*, That the Secretary of the Interior be, and he is hereby, authorized and directed to issue a patent conveying to Victor E. Shaw, of Los Angeles, Cal., the south half of section 26, in T. 11 S., R. 13 E., San Bernardino base and meridian, containing 320 acres, in Imperial County, Cal., upon the express and prior condition that said Victor E. Shaw shall execute and deliver to the Secretary of the Interior a grant and deed satisfactory to the Secretary of the Interior relinquishing and conveying to the Government of the United States all his right, title, and interest in and to the north half of section 36, in T. 16 S., R. 13 E., San Bernardino base and meridian, Imperial County, Cal., according to the original survey, containing 320 acres, now known as part of tract 37, in T. 16 S., Rs. 13 and 14 E., San Bernardino base and meridian, according to the resurvey.

SEC. 2. That the Secretary of the Interior may make proper rules and regulations for carrying this act into effect.

The bill was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

THE CALENDAR.

Mr. SMOOT. The regular order.

The VICE PRESIDENT. There is a request for the regular order, and the Secretary will state the first bill on the calendar.

The bill (S. 1240) to establish the legislative reference bureau of the Library of Congress was announced as first in order on the calendar.

The VICE PRESIDENT. The bill has been read in full.

Mr. CLARK of Wyoming. Let the bill go over.

The VICE PRESIDENT. It will go over.

The bill (S. 655) authorizing the Secretary of the Interior to survey the lands of the abandoned Fort Assinniboine Military Reservation and open the same to settlement was announced as next in order.

Mr. SMOOT. Let the bill go over.

The VICE PRESIDENT. The bill will go over.

The joint resolution (S. J. Res. 41) authorizing the Secretary of the Interior to sell or lease certain public lands to the Republic Coal Co., a corporation, was announced as the next business on the calendar.

The VICE PRESIDENT. The vote by which the joint resolution was passed has been reconsidered, and the question is on its passage.

Mr. CLARK of Wyoming. I observe that neither of the Senators from Montana is in the Chamber. I think the joint resolution ought not to be acted upon in their absence.

The VICE PRESIDENT. The joint resolution will go over.

The bill (S. 2242) making it unlawful for any Member of Congress to serve on or solicit funds for any political committee, club, or organization was announced as next in order.

Mr. BURTON. Let that go over.

The VICE PRESIDENT. The bill will go over.

The bill (S. 3112) to authorize the Secretary of the Interior to acquire certain right of way near Engle, N. Mex., was announced as next in order, and the Secretary read the bill.

Mr. SHEPPARD. Let that go over.

The VICE PRESIDENT. The bill goes over.

The bill (S. 2651) providing for the purchase and disposal of certain lands containing kaolin, kaolinite, fuller's earth, and other minerals within portions of Indian reservations heretofore opened to settlement and entry, was announced as next in order.

Mr. KERN. Let that go over.

The VICE PRESIDENT. The bill goes over.

The resolution (S. Res. 156) limiting expenditures for telegrams sent or received by Senators was announced as next in order.

Mr. KERN. Let that go over.

The VICE PRESIDENT. The resolution goes over.

The resolution (S. Res. 84) providing that any Senator upon his own request may be recorded and counted as present in order to constitute a quorum was announced as next in order.

Mr. CLARK of Wyoming. Let that go over.

The VICE PRESIDENT. The resolution goes over.

The resolution (S. Res. 218) proposing an amendment to the standing rules of the Senate was announced as next in order.

Mr. SMOOT. Let that go over.

The VICE PRESIDENT. The resolution goes over.

The joint resolution (S. J. Res. 26) proposing an amendment to the Constitution of the United States was announced as next in order.

Mr. SUTHERLAND. Let that go over.

The VICE PRESIDENT. The joint resolution goes over.

The bill (S. 3023) relating to the duties of registers of United States land offices and the publication in newspapers of official land-office notices was announced as next in order.

Mr. BURTON. I ask that the bill may go over. There is an amendment which I desire to offer to it, and the Senator from Montana [Mr. MYERS], who has charge of the bill, is absent. He will no doubt desire to be present when I shall propose the amendment.

The VICE PRESIDENT. Being objected, the bill goes over.

The joint resolution (S. J. Res. 94) to authorize the Secretary of Commerce to investigate the condition of trade in China, for the purpose of determining the desirability of establishing there a permanent exposition of the products of the United States of America, was announced as next in order.

Mr. SMOOT. Let that go over.

The VICE PRESIDENT. The joint resolution goes over.

The bill (S. 2425) to authorize the Roanoke River Development Co. to construct and maintain a dam across the Roanoke River in Mecklenburg County, in the State of Virginia, approximately 20 miles below the town of Clarksville, in said State, was announced as next in order.

Mr. PITTMAN. Let that go over.

The VICE PRESIDENT. The bill goes over.

The bill (S. 3971) to provide for a permanent exhibit of the resources of the States of the Union in or near Washington, D. C., was announced as next in order.

Mr. SMOOT. Let that go over.

The VICE PRESIDENT. The bill goes over.

The joint resolution (S. J. Res. 10) proposing an amendment to the Constitution of the United States, fixing the time for the convening of Congress and commencement of the terms of the President, Vice President, Senators, and Representatives, was announced as next in order.

Mr. OVERMAN. Let that go over.

The VICE PRESIDENT. The joint resolution goes over.

The bill (S. 120) to provide for the inspection and grading of grain entering into interstate commerce, and to secure uniformity in standards and classification of grain, and for other purposes, was announced as next in order.

Mr. SMOOT. Let that go over.

The VICE PRESIDENT. The bill goes over.

The bill (S. 1986) to remove the charge of desertion from the military record of Henry Fuller was announced as next in order.

Mr. SMITH of Michigan. I ask that the bill may be passed over.

The VICE PRESIDENT. The bill will be passed over.

The bill (S. 3594) to correct the military record of Peter Duchane was announced as next in order.

Mr. SMITH of Michigan. Let that go over.

The VICE PRESIDENT. The bill goes over.

The bill (S. 1990) to correct the military record of Samuel J. Kerns was announced as next in order.

Mr. SMITH of Michigan. I ask that the bill go over.

The VICE PRESIDENT. The bill goes over.

The resolution (S. Res. 254) to create a special committee of five Senators to assist the Interstate Commerce Commission in investigating certain facts regarding the methods and practices of the Louisville & Nashville Railroad, and for other purposes, was announced as next in order.

Mr. LEA of Tennessee. I ask that that go over.

The VICE PRESIDENT. The resolution goes over.

The bill (S. 392) to create in the War Department and Navy Department, respectively, a roll designated as "the Civil War volunteer officers' retired list," to authorize placing thereon

with retired pay certain surviving officers who served in the Army, Navy, or Marine Corps of the United States in the Civil War, and for other purposes, was announced as next in order.

Mr. OVERMAN. Let that go over.

The VICE PRESIDENT. The bill goes over.

The bill (S. 121) to provide that petty officers, noncommissioned officers, and enlisted men of the United States Navy and Marine Corps on the retired list who had creditable Civil War service shall receive the rank or rating and the pay of the next higher enlisted grade was announced as next in order.

Mr. OVERMAN. I ask that the bill go over.

The VICE PRESIDENT. The bill goes over.

The bill (H. R. 6282) to provide for the registration of, with collectors of internal revenue, and to impose a special tax upon all persons who produce, import, manufacture, compound, deal in, dispense, sell, distribute, or give away opium or coca leaves, their salts, derivatives, or preparations, and for other purposes, was announced as next in order.

Mr. THOMAS. Mr. President, since this bill was up at the last calling of the calendar I have received a communication from the Treasury Department concerning some needed amendments, which I have not had an opportunity up to this time to carefully examine. I shall, therefore, be compelled to ask that the bill go over.

Mr. BURTON. Mr. President, I should like to ask the Senator from Colorado whether the communication which he has received from the Treasury Department has been printed and is available for the use of Members of the Senate, or was it simply presented to the Committee on Finance?

Mr. THOMAS. It is not available, I will say to the Senator from Ohio; I only received it a day or two ago, but I shall be very glad to have it printed for the use of Senators, if that is desired.

Mr. BURTON. May I suggest to the Senator from Colorado that it be printed and so be made available?

Mr. SMOOT. I suggest to the Senator from Colorado that he ask that the communication be printed for the use of the Senate.

Mr. THOMAS. I make that request.

The VICE PRESIDENT. Is there objection? The Chair hears none, and the communication referred to will be printed for the use of the Senate. (S. Doc. No. 473.)

The bill (H. R. 6827) to amend an act entitled "An act to change the name of the Public Health and Marine-Hospital Service to the Public Health Service, to increase the pay of officers of said service, and for other purposes," approved August 14, 1912, was announced as next in order.

Mr. OVERMAN. I ask that the bill go over.

The VICE PRESIDENT. The bill goes over.

PENSIONS AND INCREASE OF PENSIONS.

The Senate, as in Committee of the Whole, proceeded to consider the bill (S. 4552) granting pensions and increase of pensions to certain soldiers and sailors of the Civil War and certain widows and dependent relatives of such soldiers and sailors. It proposes to pension the following-named persons at the rates stated:

Agnes Hallsworth, widow of James Hallsworth, late of Company H, Seventeenth Regiment Massachusetts Volunteer Infantry, and Company G, One hundred and ninety-eighth Regiment Ohio Volunteer Infantry, $20 per month in lieu of that she is now receiving.

Jennie C. Marks, widow of Eugene P. Marks, late of Company H, First Regiment Connecticut Volunteer Heavy Artillery, $20 per month in lieu of that she is now receiving.

Sophronia E. Sawyer, widow of Elmer E. Sawyer, late first lieutenant Company A, Ninety-seventh Regiment New York Volunteer Infantry, $20 per month in lieu of that she is now receiving.

Abbie A. Upson, widow of Henry Upson, late chaplain, Thirteenth Regiment Connecticut Volunteer Infantry, $20 per month in lieu of that she is now receiving.

Ellen M. Banning, widow of Elbert J. Banning, late of Company E, Twenty-fifth Regiment Connecticut Volunteer Infantry, $20 per month in lieu of that she is now receiving.

Catherine A. French, widow of Francis L. French, late of Company H, Second Regiment Connecticut Volunteer Heavy Artillery, $20 per month in lieu of that she is now receiving.

Ellis R. Douglass, dependent mother of Dudley M. Douglass, late of Company K, Twenty-third Regiment Wisconsin Volunteer Infantry, $20 per month in lieu of that she is now receiving.

James E. Stalker, late of Company D, One hundred and fourteenth Regiment New York Volunteer Infantry, $50 per month in lieu of that he is now receiving.

John McMillin, late of Company C, Eighteenth Regiment Indiana Volunteer Infantry, $36 per month in lieu of that he is now receiving.

William S. Patterson, late of Company E, Seventh Regiment Indiana Volunteer Infantry, $40 per month in lieu of that he is now receiving.

William Redding, late of U. S. S. *Great Western* and *Collier*, United States Navy, $30 per month in lieu of that he is now receiving.

Clinton Neligh, late of Company I, Sixty-seventh Regiment Indiana Volunteer Infantry, $30 per month in lieu of that he is now receiving.

Sarah Childress, widow of Henry J. Childress, late of Company H, Twenty-eighth Regiment Iowa Volunteer Infantry, $20 per month in lieu of that she is now receiving.

Mary E. Hurlburt, widow of Benjamin F. Hurlburt, late of Company M, Third Regiment New York Volunteer Light Artillery, $20 per month in lieu of that she is now receiving.

William L. Sapp, late of Company B, Sixth Regiment West Virginia Volunteer Cavalry, $50 per month in lieu of that he is now receiving.

James F. McGrew, late of Company A, Forty-third Regiment Ohio Volunteer Infantry, $40 per month in lieu of that he is now receiving.

Jacob Everson, late of Company E, Fifteenth Regiment, and Company B, One hundred and twentieth Regiment, Indiana Volunteer Infantry, $36 per month in lieu of that he is now receiving.

Annie Shannon, widow of John Shannon, late of Company H, Second Regiment Illinois Volunteer Cavalry, $20 per month in lieu of that she is now receiving.

Pauline G. Murphy, widow of Monroe M. Murphy, late assistant engineer, United States Navy, $20 per month in lieu of that she is now receiving.

John W. Wareham, late of Company A, Forty-ninth Regiment Ohio Volunteer Infantry, $30 per month in lieu of that he is now receiving.

William Willis, late of Company K, Ninth Regiment Indiana Volunteer Infantry, $36 per month in lieu of that he is now receiving.

William H. H. Morris, late of Company I, One hundred and fifty-fourth Regiment New York Volunteer Infantry, and One hundred and fifty-first Company, Second Battalion, Veteran Reserve Corps, $30 per month in lieu of that he is now receiving.

Franklin R. Simmons, late of Company A, Fifth Regiment, and Company C, First Regiment, Michigan Volunteer Cavalry, $30 per month in lieu of that he is now receiving.

Matilda M. White, widow of Joseph P. White, late of Company K, Eighty-second Regiment New York Volunteer Infantry, $12 per month.

Samuel Baughman, late of Company E, Thirteenth Regiment Pennsylvania Volunteer Cavalry, $36 per month in lieu of that he is now receiving.

John Marsh, late of Company B, Ninth Indiana Legion, $30 per month in lieu of that he is now receiving.

Kate G. Caton, widow of Henry T. Caton, late of Companies G and E, One hundred and twenty-sixth Regiment New York Volunteer Infantry, $12 per month.

William A. Owens, late of Company I, Second Regiment Wisconsin Volunteer Infantry, $36 per month in lieu of that he is now receiving.

Cornelia Kenyon, widow of Robert Kenyon, late of Company C, Twenty-second Regiment Connecticut Volunteer Infantry, $20 per month in lieu of that she is now receiving.

Milo E. Cook, late of Company F, Forty-sixth Regiment Massachusetts Militia Infantry, $24 per month in lieu of that he is now receiving.

Levin A. Harvey, late first lieutenant Company H, Twelfth Regiment Ohio Volunteer Cavalry, $50 per month in lieu of that he is now receiving.

Oliver B. Bond, late of Company K, One hundredth Regiment New York Volunteer Infantry, $36 per month in lieu of that he is now receiving.

Cyrus Hicks, late of Company H, Seventh Regiment Michigan Volunteer Infantry, $40 per month in lieu of that he is now receiving.

Jacob Hilfinger, late of Company B, Sixth Regiment Pennsylvania Volunteer Heavy Artillery, and Company K, One hundred and thirty-fourth Regiment Pennsylvania Volunteer Infantry, $30 per month in lieu of that he is now receiving.

Austin B. Wells, late of Company D, Eleventh Regiment West Virginia Volunteer Infantry, $40 per month in lieu of that he is now receiving.

Sallie E. Masmar, widow of John Masmar, late of Company D, Fourth Regiment Indiana Volunteer Cavalry, $20 per month in lieu of that she is now receiving.

Judson Bayne, late first lieutenant Company F, Fifteenth Regiment Kentucky Volunteer Infantry, $30 per month in lieu of that he is now receiving.

Van Buren Fisher, late of Company H, Forty-fourth Regiment Indiana Volunteer Infantry, $36 per month in lieu of that he is now receiving.

Edgar T. Limes, late of Company I, Thirty-third Regiment, and Company I, Thirty-fourth Regiment, Iowa Volunteer Infantry, $30 per month in lieu of that he is now receiving.

Daniel Sullivan, late of Company K, One hundred and fifty-second Regiment Indiana Volunteer Infantry, $30 per month in lieu of that he is now receiving.

Daniel M. Freeman, late of Company K, Second Regiment Michigan Volunteer Infantry, $36 per month in lieu of that he is now receiving.

David E. Bird, late of Company D, First Regiment Maine Volunteer Cavalry, $30 per month in lieu of that he is now receiving.

Mary V. Canaday, widow of Henry D. Canaday, late of Company D, One hundred and twenty-fifth Regiment Illinois Volunteer Infantry, and former widow of Con Hendrickson, late of Company D, Tenth Regiment Indiana Volunteer Cavalry, $12 per month.

Hamilton M. Steele, late of Company F, First Regiment Indiana Volunteer Heavy Artillery, $40 per month in lieu of that he is now receiving.

Sidney Williams, late of Company H, Eighth Regiment Connecticut Volunteer Infantry, $30 per month in lieu of that he is now receiving.

Willet Van Winkle, late of Company I, Thirty-ninth Regiment Illinois Volunteer Infantry, $30 per month in lieu of that he is now receiving.

Alfred L. Cain, late of Company F, Twentieth Regiment Ohio Volunteer Infantry, $24 per month in lieu of that he is now receiving.

Jackson Stout, late of Companies E and C, Twenty-eighth Regiment Illinois Volunteer Infantry, $50 per month in lieu of that he is now receiving.

Cornelius Curran, late of Company B, Second Regiment Massachusetts Volunteer Heavy Artillery, $30 per month in lieu of that he is now receiving.

George H. Partridge, late of Company I, Fifteenth Regiment Maine Volunteer Infantry, $24 per month in lieu of that he is now receiving.

Josiah F. Gifford, late of Company C, Sixth Regiment Michigan Volunteer Heavy Artillery, $24 per month in lieu of that he is now receiving.

Peter Prock, late of Company B, First Battalion Maine Volunteer Sharpshooters, $36 per month in lieu of that he is now receiving.

Winfield S. Brooks, late of Company C, Second Regiment, and Company K, Third Regiment, Maryland Volunteer Cavalry, $30 per month in lieu of that he is now receiving.

Andrew T. Machesney, late of Company K, Fifty-third Regiment Pennsylvania Volunteer Infantry, $30 per month in lieu of that he is now receiving.

Celina Little, widow of William Little, late of Company D, One hundred and seventy-fifth Regiment Ohio Volunteer Infantry, $20 per month in lieu of that she is now receiving.

Ira Felt, jr., late of Company I, Sixty-second Regiment Pennsylvania Volunteer Infantry, $36 per month in lieu of that he is now receiving.

Adelaide W. Wheeler, widow of Frank M. Wheeler, late of Company A, One hundred and forty-first Regiment New York Volunteer Infantry, $12 per month.

Rachel C. Smith, widow of Barnett Smith, late of Company H, One hundred and third Regiment Illinois Volunteer Infantry, $20 per month in lieu of that she is now receiving.

Olive H. Bowen, widow of Ira W. Bowen, late of Company H, Thirty-second Regiment Wisconsin Volunteer Infantry, $20 per month in lieu of that she is now receiving.

John Wright, late of Company C, One hundred and seventy-third Regiment Ohio Volunteer Infantry, $24 per month in lieu of that he is now receiving.

Mary Thomas, widow of Pierre W. Thomas, late captain Company A, Thirty-fifth Regiment Illinois Volunteer Infantry, $20 per month in lieu of that she is now receiving.

Sarah E. Frazier, widow of Jasper N. Frazier, late of U. S. S. *Clara Dolsen* and *Great Western*, United States Navy, $20 per month in lieu of that she is now receiving.

Nettie Randolph, widow of Thomas J. Randolph, late captain Company B, Twenty-eighth Regiment Kentucky Volunteer Infantry, $20 per month in lieu of that she is now receiving.

Oden Gibson, late of Company I, Ninth Regiment, and Company I, Eleventh Regiment, Tennessee Volunteer Cavalry, $36 per month in lieu of that he is now receiving.

Alfred G. Hawkins, helpless and dependent son of Lewis G. Hawkins, late of Company E, Thirty-fifth Regiment Kentucky Volunteer Infantry, $12 per month.

Ada S. Goodrell, widow of William H. Goodrell, late of Company B, First Regiment, and captain Company B, Fifteenth Regiment, Iowa Volunteer Infantry, $20 per month in lieu of that she is now receiving.

Mary A. Burdick, widow of Asher Burdick, late of Company K, Eighteenth Regiment Connecticut Volunteer Infantry, $20 per month in lieu of that she is now receiving.

Thomas F. Edwards, late of Company D, Eighth Regiment, and Company F, Eighteenth Regiment, Connecticut Volunteer Infantry, $40 per month in lieu of that he is now receiving.

William R. Holmer, alias Charles Hoxie, late of Company D, Fourteenth Regiment Connecticut Volunteer Infantry, and Company B, Second Regiment Connecticut Volunteer Heavy Artillery, $30 per month in lieu of that he is now receiving.

Charles E. Mulkin, late of Company D, Eighth Regiment Connecticut Volunteer Infantry, $30 per month in lieu of that he is now receiving.

Robert W. McClaughry, late major, One hundred and eighteenth Regiment Illinois Volunteer Infantry, and major and additional paymaster United States Volunteers, $50 per month in lieu of that he is now receiving.

John Gowland, late of Company G, Eighth Regiment, and Company M, Sixteenth Regiment, Pennsylvania Volunteer Cavalry, $36 per month in lieu of that he is now receiving.

Ebenezer A. Whitney, late of Company H, Ninety-ninth Regiment Pennsylvania Volunteer Infantry, $24 per month in lieu of that he is now receiving.

Adda A. Benson, widow of Peter Benson, late of Company K, Sixteenth Regiment Wisconsin Volunteer Infantry, $20 per month in lieu of that she is now receiving.

Henry C. Smith, late first lieutenant Company A, Thirty-sixth Regiment Indiana Volunteer Infantry, $50 per month in lieu of that he is now receiving.

Austin Groninger, late of Company H, One hundred and fiftieth Regiment Indiana Volunteer Infantry, $30 per month in lieu of that he is now receiving.

Edgar A. Hamilton, late captain Company C, and major, First Regiment New York Volunteer Mounted Rifles, $36 per month in lieu of that he is now receiving.

Waddy Hoover, late of Company F, Seventieth Regiment Indiana Volunteer Infantry, $30 per month in lieu of that he is now receiving.

Corydon M. Turnbull, late of Company B, Sixtieth Regiment New York Volunteer Infantry, and Company L, Fourteenth Regiment New York Volunteer Heavy Artillery, $30 per month in lieu of that he is now receiving.

John H. Williamson, late of Company K, Third Regiment Ohio Volunteer Infantry, $24 per month in lieu of that he is now receiving.

Henry C. Doll, late of Company F, Twenty-fifth Regiment Pennsylvania Volunteer Infantry, $12 per month.

Frank Laplante, late of Company F, Thirty-second Regiment Wisconsin Volunteer Infantry, $30 per month in lieu of that he is now receiving.

Cornelius T. Ham, late of Seventh Company, unassigned, Maine Volunteer Infantry, $24 per month in lieu of that he is now receiving.

Alphonso Maddocks, late of Company A, Twenty-sixth Regiment Maine Volunteer Infantry, and Company I, Ninth Regiment Maine Volunteer Infantry, $40 per month in lieu of that he is now receiving.

Adam Daum, late of Company C, First Battalion, Pennsylvania Volunteer Light Artillery, and Company I, Seventy-eighth Regiment Pennsylvania Volunteer Infantry, $24 per month in lieu of that he is now receiving.

John H. McCreary, late of Company B, Two hundredth Regiment Pennsylvania Volunteer Infantry, $30 per month in lieu of that he is now receiving.

Carey G. Colburn, late of Company E, One hundred and twelfth Regiment Illinois Volunteer Infantry, $50 per month in lieu of that he is now receiving.

Joel R. Smith, late of Company C, United States Voltigeurs, War with Mexico, and Company F, Second Regiment Pennsylvania Volunteer Cavalry, $50 per month in lieu of that he is now receiving.

Gashem Norris, late of Company H, Fifteenth Regiment Kentucky Volunteer Infantry, $50 per month in lieu of that he is now receiving.

George R. Hall, late of Company F, One hundred and fifth Regiment Pennsylvania Volunteer Infantry, $40 per month in lieu of that he is now receiving.

Van R. Eels, late of Company A, Twenty-sixth Regiment, and Company G, Twenty-ninth Regiment, Maine Volunteer Infantry, $30 per month in lieu of that he is now receiving.

Hanson B. Simmons, late of Company B, Fourth Regiment Maine Volunteer Infantry, and Company F, Twentieth Regiment Veteran Reserve Corps, $36 per month in lieu of that he is now receiving.

George W. Plaisted, late of Company E, Thirty-second Regiment, and Company E, Thirty-first Regiment, Maine Volunteer Infantry, $30 per month in lieu of that he is now receiving.

John Johnson, No. 2, late of the U. S. S. *Saranac*, United States Navy, $12 per month.

Sarah Jane Palmer, widow of Lewis H. Palmer, late of Company A, Tenth Regiment Iowa Volunteer Infantry, $20 per month in lieu of that she is now receiving.

Margaret Delashmutt, former widow of John J. Gately, late of Company E, Thirty-seventh Regiment Iowa Volunteer Infantry, $12 per month.

Nancy A. Albert, widow of Amos M. Albert, late of Company K, One hundred and sixty-ninth Regiment Ohio Volunteer Infantry, $12 per month.

Charles N. Points, late of Company E, Thirteenth Regiment Kansas Volunteer Infantry, and Company B, First Battalion Kansas Veteran Volunteer Mounted Infantry, $30 per month in lieu of that he is now receiving.

Maggie Carter, widow of Henry Carter, alias Henry Wilkinson, late of Company C, Fifty-first Regiment United States Colored Volunteer Infantry, $12 per month.

Elisha J. Melton, late of Company D, Stone County Battalion Missouri Home Guards, $24 per month in lieu of that he is now receiving.

William W. Green, late of Company F, Osage County Regiment Missouri Home Guards, $36 per month in lieu of that he is now receiving.

Mary L. Tarbox, widow of William W. Tarbox, late of Company G, Tenth Regiment Connecticut Volunteer Infantry, $20 per month in lieu of that she is now receiving.

George W. Berry, late of Company H, One hundred and sixtieth Regiment Ohio Volunteer Infantry, $30 per month in lieu of that he is now receiving.

Mr. SMOOT. I move, on page 13, that lines 4, 5, 6, and 7, be stricken out, as the beneficiary therein named is now dead.

The VICE PRESIDENT. The amendment proposed by the Senator from Utah will be stated.

The SECRETARY. On page 13, after line 3, it is proposed to strike out:

The name of Mary A. Burdick, widow of Asher Burdick, late of Company K, Eighteenth Regiment Connecticut Volunteer Infantry, and pay her a pension at the rate of $20 per month in lieu of that she is now receiving.

The amendment was agreed to.

Mr. BRYAN. I move to strike from the bill the name of John Johnson. I have not a copy of the bill before me, but the statement in reference to his case occurs in the report on page 50. It appears by the report that he enlisted August 21, 1865, in the United States Navy. There was no proof of disability furnished, and the enlistment was after the war was over.

The VICE PRESIDENT. The item to which the Senator from Florida refers will be stated.

The SECRETARY. On page 17, after line 22, it is proposed to strike out:

The name of John Johnson, No. 2, late of the U. S. S. *Saranac*, United States Navy, and pay him a pension at the rate of $12 per month.

Mr. SMOOT. Mr. President, I desire to call the attention of the Senator from Florida to the fact that the report states:

Claimant was examined January 3, 1900, by a board of Pension Bureau surgeons, who found rheumatism, deafness, and disease of eyes, and it is conceded by the medical authorities of the bureau that a ratable degree of disability from those complaints is shown to exist. Two neighbors testify to have known of sailor's suffering from rheumatism from 1880, and that at times he was not able to work.

Claimant is now 75 years old and, as the evidence shows, no longer able to work and in destitute circumstances. He suffers from deafness, eye trouble, heart disease, and other physical infirmities, and is without property or means of any kind.

Mr. President, upon this report from the Pension Bureau surgeons the Committee on Pensions thought that it was very proper, indeed, that this man should be granted a pension. It is true that he did not enlist until the date named by the Senator from Florida.

Mr. BRYAN and Mr. SMITH of Georgia. After the war was over.

Mr. SMOOT. But he served after the war, and these disabilities came upon him while in the service. I am perfectly aware that the claimant did not serve in the Civil War, because at the time of his enlistment the war had closed; but any soldier or sailor serving in the Army or the Navy and incurring disabilities in the service is entitled to a pension under the general law. That is the reason why the name of this sailor appears in this bill.

Mr. SMITH of Georgia. Does it appear that his troubles were of service origin?

Mr. SMOOT. No. The ruling of the Pension Department was against him, and that was the reason why he appealed to Congress.

Mr. SMITH of Georgia. So that he was not in the Civil War and he received no injuries of service origin?

Mr. SMOOT. He was not in the Civil War, but he was in the Regular Navy.

Mr. SMITH of Georgia. But he was not in the Civil War?

Mr. SMOOT. That is true.

Mr. SMITH of Georgia. He was merely a sailor.

Mr. SMOOT. That is true.

Mr. SMITH of Georgia. Who retired without any injuries of service origin?

Mr. SMOOT. That is where the dispute arises. The testimony shows that he did contract the diseases spoken of while he was in the service, but the Pension Bureau held that he did not.

Mr. SMITH of Georgia. The finding of the court which we have established to pass on such cases was that the disabilities were not of service origin. Furthermore, he was not in the war.

Mr. SMOOT. Yes; but the pension surgeons did find that those disabilities exist, and they so report.

Mr. BRYAN. Mr. President, the Bureau of Pensions found that it could not grant relief on the application for pension, because the applicant served less than 90 days in the Civil War. He did not enlist until after the war was over in fact, although the war was not officially declared over until 1866. Further, the bureau rejected his application upon the ground that his ailments were not of service origin. Those are the facts of the case.

The VICE PRESIDENT. The question is on the amendment proposed by the Senator from Florida.

The amendment was rejected.

Mr. BRYAN. On page 15, I move to strike out lines 16, 17, and 18, the item granting a pension to Henry C. Doll.

The VICE PRESIDENT. The amendment will be stated.

The SECRETARY. On page 15, after line 15, it is proposed to strike out:

The name of Henry C. Doll, late of Company F, Twenty-fifth Regiment Pennsylvania Volunteer Infantry, and pay him a pension at the rate of $12 per month.

Mr. BRYAN. Mr. President, the report of the committee, on page 44, shows that Mr. Doll served from May 2, 1861, to July 26, 1861, less than 90 days. He could not get a pension under the law, and he has no injury of service origin. He enlisted during the early part of the war, but served less than 90 days; and now, finding he can not get upon the pension roll under any of the many generous general pension laws, he comes here asking a special favor of Congress.

Mr. SMOOT. Mr. President, Henry C. Doll, of Denver, Colo., it is true, served but 86 days. It was not because of the fact that he had not enlisted for more than that length of time, but he was discharged at the end of that period, but even then his service was only 4 days less than 90 days.

I wish to say to the Senator that many such bills have passed both Houses of Congress. The claimant was honorably discharged. At present he is 75 years of age, in poor health, unable to labor, without a cent of means to live upon outside of such pension as we may give him here, and that he is living entirely upon charity. He would be entitled to a pension if he had been allowed to serve 4 more days.

Mr. BRYAN. I do not know who stopped him from serving four more days.

Mr. SMOOT. He was discharged, Mr. President, so the report says, four days before his 90-day service was over.

Mr. BRYAN. He enlisted for three months and was discharged a few days before the expiration of that term. He could have reenlisted. The Senator appeals for the applicant on the ground of charity. If we put it upon that basis, I have nothing further to say.

In a bill which I learn passed the Senate last week, but which I thought was still upon the calendar, I find that a soldier was granted an increase of pension who has, according to the House report, a home of the value of $3,000 and also $1,800 in bank. The increase was granted upon the ground

that to deny him an increase of pension would be what they call "to penalize thrift."

Mr. SMOOT. To what case does the Senator refer?

Mr. BRYAN. When a man can not come within any law, when he did not serve even 90 days in the war, this appeal is made for him on the ground of charity. The same appeal can be made for every man who is 75 years of age and penniless.

Mr. SMOOT. Mr. President, it is not only upon the ground of charity that I appeal to the Senate in this case, but it is on the ground that the applicant was a soldier, who served in the war for 86 days, and who would have served longer but for the fact that he was discharged. I can not tell the Senator why he was discharged at that particular time. There may have been no necessity for his service longer; but the Government honorably discharged the soldier.

In relation to the other case to which the Senator refers, what he has stated is information to me. I do not recall the case, and I should like to look it up, because I am quite positive it has not been the policy of the committee to increase pensions in such cases.

Mr. BRYAN. Mr. President, the committee has no policy. No member of the committee, I suppose, knew that such a case existed or that a pension was being asked for a man in those circumstances; but nevertheless the House put it on the bill, and in the way in which we pass pension bills nobody had an opportunity to find it out; so that there is no disagreement between the two Houses; and that individual will get a pension of $50 a month, although he has a home worth $3,000 and has a bank account of $1,800.

Mr. SMOOT. I will say to the Senator that the committee does have certain rules which it follows, and in a case of that kind the examiner certainly ought to have called the committee's attention to it. I want to say that he is very careful indeed in going over every bill from the House, and my experience has been that he has been exceedingly careful in calling attention to any case that did not fall within the rule.

Mr. BRYAN. The case to which I have just called the Senator's attention demonstrates this proposition. Under no law can this man, who was not injured in the service, get upon the pension roll except by the charity of Congress. I move to strike out the item.

The VICE PRESIDENT. The question is on the amendment of the Senator from Florida to strike out the item referred to by him.

The amendment was agreed to.

The bill was reported to the Senate as amended, and the amendments were concurred in.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

APPRAISERS' STORES BUILDING AT MILWAUKEE, WIS.

The bill (H. R. 5487) to authorize an additional appropriation for the erection of the United States appraisers' stores building at Milwaukee, Wis., was considered as in Committee of the Whole. It provides that in addition to the sum of $75,000 heretofore authorized by act of Congress for the construction on a site at Milwaukee, Wis., already purchased by the Government for such purpose, of a suitable and commodious appraisers' stores building, including fireproof vaults, heating and ventilating apparatus, elevators, and approaches, for the use and purpose of the United States Government appraising goods and merchandise imported from foreign countries and into Milwaukee, Wis., the additional sum of $40,000 is authorized, at a total cost, including said vaults, heating and ventilating apparatus, elevators, and approaches, complete, not to exceed $115,000, for which plans, specifications, and full estimates shall previously be made and approved according to law.

The bill was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

BILLS PASSED OVER.

The bill (S. 2902) to reduce fees in the United States district courts, to fix the salaries of the clerks of such courts, to increase the mileage and per diem of witnesses and jurymen therein, and to repeal section 840 of the Revised Statutes and all other conflicting laws was announced as next in order.

Mr. CLARK of Wyoming. Let that bill go over.

The VICE PRESIDENT. The bill will be passed over.

The bill (S. 67) for the relief of Emory Scott Land was announced as next in order.

The VICE PRESIDENT. The bill has been reported adversely.

Mr. WARREN. A House bill on the same subject has been reported favorably. I ask that this bill may go over without prejudice.

The VICE PRESIDENT. The bill will be passed over.

CONSTRUCTION OF FOUR REVENUE CUTTERS.

The bill (S. 4377) to provide for the construction of four revenue cutters was considered as in Committee of the Whole. It authorizes the Secretary of the Treasury to construct one steam revenue cutter of the first class for service in the waters of southern California, at a cost not to exceed the sum of $350,000; one steam revenue cutter of the first class for service in the Gulf of Mexico, at a cost not to exceed the sum of $250,000; one steam revenue cutter of the second class for service on the coast of Maine, at a cost not to exceed the sum of $225,000; and one steam revenue cutter of the third class for service as anchorage patrol boat in New York Harbor, at a cost not to exceed the sum of $100,000.

The bill was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

BILL PASSED OVER.

The bill (H. R. 12045) granting pensions and increase of pensions to certain soldiers and sailors of the Civil War and certain widows and dependent children of soldiers and sailors of said war was announced as next in order.

Mr. BRYAN. Let that bill go over.

The VICE PRESIDENT. The bill will be passed over.

REMOVAL OF SNOW AND ICE.

The bill (S. 3696) providing for the removal of snow and ice from the paved sidewalks of the District of Columbia was announced as next in order.

Mr. OVERMAN. Let that bill go over.

Mr. DILLINGHAM. Mr. President, I wish to suggest to the Senator who has made the objection that the bill has been passed through the Senate, after debate and without objection, and died in the House only for lack of consideration. It is a very much needed measure.

Mr. OVERMAN. Is it really needed. I did not understand that it was likely that there would be any snow or ice to be removed for some time to come. However, I will withdraw my objection.

The VICE PRESIDENT. Is there an objection?

Mr. OVERMAN. I withdraw my objection.

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill, which was read, as follows:

Be it enacted, etc., That it shall be the duty of every person, partnership, corporation, joint-stock company, or syndicate in charge or control of any building or lot of land within the fire limits of the District of Columbia, fronting or abutting on a paved sidewalk, whether as owner, tenant, occupant lessee, or otherwise, within the first four hours of daylight after the ceasing to fall of any snow or sleet, to remove and clear away, or cause to be removed and cleared away, such snow or sleet from so much of said sidewalk as is in front of or abuts on said building or lot of land.

SEC. 2. That it shall be the duty of the Commissioners of the District of Columbia, within the first four hours of daylight after the ceasing to fall of any snow or sleet, or after the accumulation of ice on the paved sidewalks within the fire limits of the District of Columbia, in front of or adjacent to all public buildings, public squares, reservations, and open spaces in the said District owned or held by lease by said District, to cause such snow, sleet, and ice to be removed, and also to cause the same to be removed from all crosswalks of improved streets and places of intersection of alleys with paved sidewalks, and also from all paved sidewalks or cross walks used as public thoroughfares through all public squares, reservations, or open spaces within the fire limits of said District owned or held by lease by the District of Columbia; but in the event of inability to remove such accumulation of snow, sleet, and ice without injury to the sidewalk, by reason of the hardening thereof, it shall be their duty, within the first four hours of daylight after the hardening thereof, to make reasonably safe for travel, or cause to be made reasonably safe for travel, by the sprinkling of sand or ashes thereon, such paved sidewalks, crosswalks, and places of intersection of alleys with paved sidewalks, and shall, as soon thereafter as the weather shall permit, thoroughly clean, or cause to be thoroughly cleaned, said sidewalks, crosswalks, and places of intersection of alleys with paved sidewalks.

SEC. 3. That it shall be the duty of the Chief of Engineers of the United States Army, within the first four hours of daylight after the ceasing to fall of any snow or sleet, or after the accumulation of ice upon the paved sidewalks within the fire limits of the District of Columbia, to remove or cause to be removed from such sidewalks as are in front of or adjacent to all buildings owned or leased by the United States, and from all paved sidewalks or crosswalks used as public thoroughfares in front of, around, or through all public squares, reservations, or open spaces within the fire limits of the District of Columbia, owned or leased by the United States, such snow, sleet, and ice; but in the event of inability to remove such accumulation of snow, sleet, and ice, by reason of the hardening thereof, without injury to the sidewalk, it shall be his duty, within the first four hours of daylight after the hardening of such snow, sleet, and ice, to make reasonably safe for travel, or cause to be made reasonably safe for travel, by the sprinkling of sand or ashes thereon, such paved sidewalks and crosswalks, and shall, as soon thereafter as the weather shall permit, thoroughly clean said sidewalks and crosswalks.

SEC. 4. In case the snow, sleet, and ice can not be removed from so much of the paved sidewalks within the fire limits of the District of Columbia as front upon or abut such buildings or lots of land as are not owned or held by lease by the District of Columbia or the United States without injury to said sidewalks because of the hardening thereof,

the person, partnership, corporation, joint-stock company, or syndicate in charge or control of such buildings or lots of land, whether as owner, tenant, occupant, lessee, or otherwise, shall, within the first four hours of daylight after the same has formed, make reasonably safe for travel, or cause to be made reasonably safe for travel, by the sprinkling of sand or ashes thereon, said sidewalks, and shall, as soon thereafter as the weather shall permit, thoroughly clean said sidewalks.

SEC. 5. That in the event of the failure of any person, partnership, corporation, joint-stock company, or syndicate to remove or cause to be removed such snow or ice from the said sidewalk, or to make the same reasonably safe for travel, or cause the same to be made reasonably safe for travel, as hereinbefore provided, it shall be the duty of the Commissioners of the District of Columbia, as soon as practicable after the expiration of the time herein provided for the removal thereof, or for the making of the said sidewalks reasonably safe for travel, to cause the snow and ice in front of such building or lot of land to be removed or to cause the same to be made reasonably safe, as hereinbefore directed to be done by such person, partnership, corporation, joint-stock company, or syndicate in charge or control of such building or lot of land, and the amount of the expense of such removal or such work of making the said sidewalks reasonably safe for travel shall in each instance be ascertained and certified by the said commissioners to the corporation counsel of the District of Columbia.

SEC. 6. That the corporation counsel is hereby directed and authorized to sue for and recover from such person, partnership, corporation, joint-stock company, or syndicate the amount of such expense in the name of the District of Columbia, together with $3 penalty for each offense, with costs, and when so recovered the amount shall be deposited to the credit of the District of Columbia.

SEC. 7. That in order to enable the said commissioners and the Chief of Engineers of the United States Army to comply with their duties under this act and to carry it into effect there is hereby appropriated the sum of $10,000, one-half out of the general revenue fund of the District of Columbia and the other one-half out of any moneys in the Treasury not otherwise appropriated.

Mr. LANE. I should like to ask who introduced the bill—what member of what committee?

The VICE PRESIDENT. The bill was reported by the Senator from Vermont [Mr. DILLINGHAM].

Mr. DILLINGHAM. I had the honor to report the bill from the Committee on the District of Columbia.

Mr. LANE. I wish to say, for the Senator's information, that I do not think the passage of this bill will secure the desired result. Does the Senator know what city has adopted this method?

Mr. DILLINGHAM. Substantially all of the cities in all of the Northern States, wherever they have snow.

Mr. LANE. Has it succeeded?

Mr. DILLINGHAM. It has succeeded. It is done under the police power.

I will say to the Senator that Congress has already passed two separate acts intended to secure the object mentioned in this bill. Both of them have been held inoperative and illegal by the court of appeals of this District. Only one of them raised any constitutional question, and that was because the provisions of the bill were not just and equal and adequate for the purpose. In other words, it did not cover all classes of property.

This bill has been drawn to meet all of those objections. If the Senator will look at the report, he will see that the bill covers, first, United States property, including public buildings, public grounds, and open spaces; second, District of Columbia property, including public buildings, public grounds, and crosswalks; third, private property, including unimproved lots, improved lots, and apartment houses.

The bill has been drawn with great care, and I think it meets every objection that was considered by the Court of Appeals of the District of Columbia when the other cases were passed upon.

I will say to the Senator from Oregon that the necessity for this bill lies in the fact that unless snow is promptly removed it can not be removed at all. There are 550 miles of paved sidewalks in this city, and the street department say it would require an army of 12,000 men to remove any snowfall from the streets or from the sidewalks of this city within four hours after the storm ceased. It is a manifest impossibility for the city government to bring together an army of that kind to remove the snow within that time. On the other hand, if the duty is laid upon each householder or each custodian of property to remove the snow from the sidewalk abutting such property, we shall have clean streets, and shall not suffer what we suffered during the last storm in Washington.

Mr. LANE. It may be that this plan will work. I do not say that it will not, but I question it very much. All kinds of laws and ordinances on the subject have been introduced in cities of the United States, and the only plan that has ever worked out satisfactorily to the people, so far as I know, and has secured the desired result at the least cost and expeditiously, has been for the city to do the work itself and tax the cost on the property, making it a general property tax. When it is left to the property owner, he frequently is away, and you can not find his agent, and you can not serve notice upon him.

Mr. DILLINGHAM. You do not have to do that under this bill.

Mr. LANE. No; you hunt him up, or his heirs and assigns, and bring a suit against them, and the city must go to law to make the collection for a dollar or a dollar and a half's worth of work.

It has been found, I think, that the only successful method is the same method that you pursue in cleaning the streets. You do not compel each property owner to go out with a brush and a broom and sweep the streets in front of his premises. The municipality undertakes it and accomplishes the result. I think the same thing should be done in the case of snow.

I am not criticizing the bill. If the bill is all right, I want to help in securing its passage. I think it is a mistake, however, not to organize it on a scientific plan, and the only plan I have ever heard of that has worked successfully—and I have been watching this matter for a good many years—and that is to put it in the hands of the municipality and let them do it.

Mr. LODGE. Mr. President, referring to the statement that this plan may not work successfully, I will say that I have known all my life the results obtained in the city of Boston, and this is the plan that is followed there. Every householder is made responsible for removing the snow, and he is fined if he does not.

Mr. ROOT. I will ask the Senator if they have snow there.

Mr. LODGE. We occasionally have a snowstorm in Boston, and it is taken care of in that way. It would be absolutely impossible for the city to remove the snow promptly by any force it could get together. This system, at all events, has worked well in Boston, which is a city of 758,000 people.

Mr. LANE. If there is any city in which this plan has worked well, I am willing to try it in this city. I have not known of it, however.

Mr. DILLINGHAM. I think perhaps the Senator from Oregon is laboring under a misapprehension, as this bill relates only to the sidewalks of the city and not to the streets.

Mr. LANE. That is exactly what I refer to—the sidewalks.

Mr. BURTON. Mr. President, there is one question I should like to ask before voting for the bill. I think the plan of the bill altogether preferable to that suggested by the Senator from Oregon. That is to say, the duty ought to be imposed in the first instance on the abutting property owner or the tenant. Perhaps the property owner or tenant desires to clean off the snow himself and does not desire that a tax shall be imposed upon him for work which he would prefer to do. So this bill imposes a duty upon him in the first instance. Another reason is that the force of any city—Washington or any other—might be inadequate to look after the whole of the work.

Did the committee consider, however, the question of the relative advantages of making the cost of the work a tax or special assessment upon the property? According to this bill there is a civil remedy, with a penalty provided in case the person upon whom the duty is imposed fails to remove the snow or ice. I know in my own city it is not left to a civil action; but a lien for the cost is imposed upon the property, certified by the auditor, and collected along with other taxes and assessments.

Mr. DILLINGHAM. Section 5 of the bill provides for a report being made to the corporation counsel, who, in section 6, is instructed to collect the penalty.

Mr. BURTON. There seems, however, to be no provision except for a personal judgment; and if the owner or tenant were insolvent or irresponsible, the amount could not be collected.

Mr. DILLINGHAM. That is as far as the bill goes.

Mr. LANE. That is exactly the key to the situation. There is the weakness of the measure.

Another thing which you will all recognize is that when you have a heavy snowstorm there are always plenty of unemployed men who are glad to get the job of going out to work on the streets; and the city would have no difficulty in hiring them, through the superintendent of street cleaning. You can always secure plenty of men to do the work. You need not worry about that at all.

Under this bill you must chase around and hunt up the owner or tenant, and it throws on the department a duty with which they are not able to cope.

It should be thoroughly well defined in the bill that this is a necessity, the cost of which can be levied upon the property as a tax. If that is done, I am perfectly willing to vote for the bill. Otherwise, I merely prophesy that it will fail.

Mr. NORRIS. Mr. President, I have not had an opportunity to read the bill, and I am familiar with it only from having heard it read by the Secretary. I should like to ask the Senator from Vermont one or two questions in regard to it.

As I heard the bill read, it provides that in case the snow becomes hard, so that it is impossible to remove it without injuring the sidewalk, the property owner will comply with the law if he sprinkles ashes, sand, or some other material over it. Then, in another place, it provides that in case the owner or other person whose duty it is to remove the snow or ice does not remove it within four hours it becomes the duty of the commissioners to remove it, and to commence an action against the proper person to recover the amount expended for such removal, together with $3 penalty.

It seems to me, if there is not some other provision placed in the bill, there might be a possibility of a conflict arising in this way: In case the snow becomes hard and can not be removed without injury to the sidewalk, if the property owner complies with the law by sprinkling ashes or sand over it he is not relieved under the bill as I heard it read from an action on the part of the commissioners, and it would be the duty of the commissioners to remove the snow or ice no matter whether ashes or sand had been put over it or not.

Mr. DILLINGHAM. This bill was drawn for the purpose of meeting all the different conditions which may arise. We will assume, for instance, that we have had a storm during the nighttime and it ceased with dawn. It is the duty, then, of every householder and every custodian of property, whether private or governmental or owned by the District, to remove the snow within the time limited from the sidewalks abutting the property which the person or official represents; or if he fails, then the city government shall do the work, and it is charged up under another provision of the bill. Take another case, where a storm comes in the daytime, when traffic is heavy and snow comes down upon the sidewalk in such a way that it can not at that time be removed, then the obligation is laid upon the householder or custodian of property to sprinkle upon the surface of the trampled snow and ice some substance which will prevent, as far as may be, passers-by from slipping upon it.

Then when the weather moderates and conditions become such that the snow and ice can be removed, as in the case of a thaw, the work is to be done, and on the failure of the proper person to do it the city government may step in.

The chief requirement for this act lies in the fact that in the morning after a storm during the night the ice or snow is trodden and it is almost an impossibility for the city government to organize a gang of men sufficient in numbers to do this work in all parts of the city.

Mr. NORRIS. I understand that. I do not believe the Senator gets my point.

Mr. DILLINGHAM. The object of the bill is to so concentrate the responsibility on the owners of the property and those who represent it as to bring about the removal of snow and ice from the sidewalks.

Mr. NORRIS. I think the Senator did not understand my suggestion.

Mr. DILLINGHAM. Yes; I think I understood it.

Mr. NORRIS. Suppose in front of the residence the sidewalk becomes covered with ice, under the conditions the Senator has narrated, and the householder is unable to remove that ice and snow without injury to the sidewalk; as I understand the bill, he has fully complied with the law when he sprinkles sand or ashes over it——

Mr. DILLINGHAM. That is the case.

Mr. NORRIS. Commencing four hours after the storm. Let us take that case. The householder has complied with that requirement. There is no place in the bill where it is made the duty of the commissioners in any case where within four hours after a storm the person whose duty it is to remove the snow does not remove it to go on and remove it at his expense and let him assume it. If he has complied with the law by sprinkling ashes or sand on the ice, then it seems to me it is still the duty of the commissioners, under the law, to remove that ice.

Mr. DILLINGHAM. No; the Senator is mixing the two classes of cases.

Mr. NORRIS. Is provision made for that in the bill?

Mr. DILLINGHAM. There is provision for removing the snow after it becomes trodden. When he has sprinkled a substance upon it there is no duty upon him nor upon the commissioners to further act.

Mr. NORRIS. Then I misunderstood the reading of the bill.

Mr. DILLINGHAM. If the Senator will look at the latter part of section 2, it says that "as soon thereafter as the weather shall permit, thoroughly clean, or cause to be thoroughly cleaned."

Mr. NORRIS. I should like to have the Senator read that provision which makes it the duty of the commissioners to remove snow and ice when the period of four hours has expired.

Mr. DILLINGHAM. That is section 5, which provides:

That in the event of the failure of any person, partnership, corporation, joint-stock company, or syndicate to remove or cause to be removed such snow or ice from the said sidewalk, or to make the same reasonably safe for travel, or cause the same to be made reasonably safe for travel, as hereinbefore provided, it shall be the duty of the Commissioners of the District of Columbia, as soon as practicable after the expiration of the time herein provided for the removal thereof, or for the making of the said sidewalks reasonably safe for travel, to cause the snow and ice in front of such building or lot of land to be removed or to cause the same to be made reasonably safe, as hereinbefore directed to be done by such person, partnership, corporation, joint-stock company—

And so forth.

Mr. NORRIS. I did not understand that provision fully when the bill was read. I think that is a full explanation and meets the objection I have made.

I want to ask the Senator another question. Suppose some nonresident owns a vacant lot; are there any means provided for a recovery from him for the expenses involved?

Mr. DILLINGHAM. To meet such a case is one object of the bill. There are a great many such cases. I presume the Senator has noticed the vacant lot on Dupont Circle, where there is an old cellar, where the snow never is removed. The owner of that lot must provide somebody to look after it; otherwise the city government will look after it and charge the cost against him, and of course against the property.

Mr. NORRIS. But suppose the owner has no one to look after it. I judge, from the particular case the Senator refers to, it is absolutely true that there is not anybody to look after it.

Mr. LODGE. He must employ some one.

Mr. NORRIS. Suppose the owner does not employ some one; would the commissioners proceed and remove the snow and ice and have the owner of the property liable to pay for it?

Mr. DILLINGHAM. Under section 6 they are directed to do this work. The corporation counsel is directed to proceed against the person who is charged with that duty.

Mr. WEST. How would you get service in a case of that sort? He has no one here to represent him.

Mr. DILLINGHAM. I suppose he could make an attachment of the property.

Mr. LANE. That is the point I wanted to call attention to.

Mr. NORRIS. Does the bill provide for an attachment and sale?

Mr. DILLINGHAM. I think the code makes full provision for it.

Mr. LANE. It will cost 40 cents—not to exceed half a dollar—to take off the snow and ten times that amount to get judgment. That is exactly the point I wished to make. If you are to get service on him, it takes the time of an officer for hours, it may be for days, and then the corporation counsel has to begin proceedings in court. I think that is the weakness of this measure. It has been discovered, at least in some cities, that the best way is to allow the city to clean off the snow, as they do mud, as they sprinkle the streets, and then levy a tax for it. The trouble we have had is in searching and hunting for the absentee owners of vacant property. That is the point which causes trouble and damage in that respect, as well as many others.

Mr. McCUMBER. Mr. President, I wish to ask the Senator if instead of a judgment it would not be more appropriate, as is done in many places, to assess the cost against the property itself and collect it the same as any other tax?

Mr. DILLINGHAM. I have no objection to that.

Mr. McCUMBER. That would be much easier and less expensive.

Mr. DILLINGHAM. The bill was drafted with reference to the code now in operation in the District.

Mr. McCUMBER. I think there is a great deal in what the Senator from Oregon [Mr. LANE] has said about the most expensive way of removal proposed. In some instances you could not collect a judgment at all. In most cities I know anything about the cost is assessed against the property itself, a return is made, and when the taxes are collected that is collected with the other taxes. It is a very simple method, and I do not see any reason why it should not be adopted here.

Mr. WEST. I will ask the author of the bill, the Senator from Vermont, if it is possible here to assess a tax so as to penalize the man who owns the property and compel him to clean the snow and ice away from his door?

Mr. DILLINGHAM. I do not know that I understand the question which has been propounded, or if I did that I should be able to answer the legal proposition.

Mr. WEST. Suppose you assess this as a tax in the event the person or corporation owning property fails to remove the snow, and let it go as a tax instead of bringing a suit in

order to recover the amount. Could not that be done under the law here?

Mr. DILLINGHAM. I do not know whether it could be done or not. It was considered that this was the simplest way to reach the matter, because the property is here and, under the code, the suit would be instituted and a lien created.

Mr. LANE. I propose to amend the bill, if I may be allowed to do so, by providing that after a certain number of hours have expired the owner may assume that to be due notice, and the municipality—the District government—shall assess the cost against the householder the same as any other tax and make it a lien on his property the same as in the case of any other tax. Will the Senator allow that amendment to be made?

The VICE PRESIDENT. The Chair will be compelled to say to the Senator from Oregon that the Chair can not state the amendment, and he does not think the Secretary will be able to do it.

Mr. LANE. Such a provision has worked all right in many cities. If I could secure one of those laws I could soon frame the amendment. If the Senator would be willing to give me time to do it, I would be glad to undertake it. [After a pause.] The Senator says the bill will go into conference, and it can be fixed up there; and I will withdraw the objection.

The VICE PRESIDENT. If there be no amendment as in Committee of the Whole, the bill will be reported to the Senate.

The bill was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

BILLS PASSED OVER.

The bill (S. 4161) to prohibit the importation and entry of goods, wares, and merchandise made in whole or in part by convict, pauper, or detained labor, or made in whole or in part from materials which have been made in whole or in part or in any manner manipulated by convict or prison labor, was announced as next in order.

Mr. SMITH of Georgia. Let that bill go over.

The VICE PRESIDENT. It will go over.

The bill (S. 387) relating to bills of lading was announced as next in order.

Mr. SUTHERLAND. Let that bill go over. It will lead to a good deal of debate, I think.

The VICE PRESIDENT. The bill will go over.

PAY CLERKS IN THE NAVY.

The bill (S. 3590) to make the appointment of pay clerks in the United States Navy permanent, and to create the grade of chief pay clerk, and for other purposes, was considered as in Committee of the Whole.

The bill had been reported from the Committee on Naval Affairs with an amendment.

Mr. LODGE. I am instructed by the committee to withdraw the amendment which is printed in the bill, and to offer the amendment which I send to the desk as a substitute for it.

The VICE PRESIDENT. The amendment printed in text will be withdrawn, and the amendment of the committee submitted by the Senator from Massachusetts will be read.

The SECRETARY. At the end of section 4, after line 21, page 4, insert the following:

SEC. 5. That all officers of the Navy or Marine Corps shall be credited with the actual time they may have served as officers, enlisted men, paymasters' clerks, or clerks of commandants in the Regular or Volunteer Army or Navy or Marine Corps, or both, and shall receive all the benefits of such actual service in all respects in the same manner as if said service had been continuous and in the Regular Navy or Marine Corps: *Provided*, That nothing in this clause shall be so construed as to authorize any change in the dates of commission or in the relative rank of such officers: *Provided further*, That nothing herein contained shall be so construed as to give any additional pay to any such officer during the time of his service in the Volunteer Army or Navy, or Marine Corps.

SEC. 6. That sections 1386, 1387, and 1388 of the Revised Statutes, and all acts and parts of acts, so far as they are in conflict with the provisions of this act, be, and the same are hereby, repealed.

So as to make the bill read:

Be it enacted, etc., That the title of paymaster's clerk in the United States Navy is hereby changed to pay clerk, and hereafter all pay clerks shall be warranted from acting pay clerks who shall be appointed from enlisted men in the Navy holding acting or permanent appointments as chief petty officers who have served at least three years as enlisted men, at least two years of which service must have been on board a cruising vessel of the Navy. All appointments as acting pay clerk shall be made by the Secretary of the Navy, and all such appointees, in addition to the qualifications above set forth, must be citizens of the United States. All acting appointments herein provided for shall be made permanent under regulations established by the Secretary of the Navy: *Provided*, That paymasters' clerks now in the Navy whose total service as such is less than one year and who are citizens of the United States may, upon the passage of this act, be given appointments as acting pay clerks without previous service as enlisted men: *Provided further*, That paymasters' clerks now in the service and former paymasters' clerks whose appointments have been revoked within six months next preceding the passage of this act, who have had not less than one year's actual service as such, and who are citizens of the United States, may, upon the passage of this act, be warranted as pay clerks without previous service as enlisted men or as acting pay clerks: *And provided further*, That pay clerks and acting pay clerks shall have the same pay, allowances, and other benefits as are now or may hereafter be allowed other warrant officers and acting warrant officers, respectively.

SEC. 2. That all pay clerks shall, after six years' service as such, be commissioned chief pay clerks and shall on promotion have the rank, pay, and allowances of chief boatswain: *Provided*, That in computing the six years' service herein provided for credit shall be given for all service in the Navy as pay clerk, acting pay clerk, and paymaster's clerk: *Provided further*, That paymasters' clerks now in the Navy and former paymasters' clerks whose appointments have been revoked within six months next preceding the passage of this act, who have had not less than six years' actual service as such, and who are citizens of the United States, may, upon the passage of this act, be commissioned as chief pay clerks without previous service as enlisted men, acting pay clerks, or pay clerks.

SEC. 3. That the total number of chief pay clerks, pay clerks, and acting pay clerks allowed by this act shall not exceed one for each 250 enlisted men in the United States Navy now or hereafter allowed by law, and such chief pay clerks, pay clerks, and acting pay clerks shall be assigned to duty with pay officers under such rules as the Secretary of the Navy may prescribe: *Provided*, That no person shall be appointed a chief pay clerk, pay clerk, or acting pay clerk under any provisions contained in this act until his physical, mental, moral, and professional qualifications have been satisfactorily established by examination before a board of examining officers appointed by the Secretary of the Navy, from officers of the pay corps when practicable and according to such regulations as he may prescribe: *Provided further*, That no person shall be appointed a chief pay clerk, pay clerk, or acting pay clerk unless his accumulated previous service in the Army, Navy, and Marine Corps, together with his possible future service prior to attaining the age of 62 years, will amount to at least 30 years, except that this proviso shall not apply to such persons as were serving in the Navy as paymasters' clerks during the period from September 1, 1913, to October 31, 1913.

SEC. 4. That the limitation as to age contained in section 1379 of the Revised Statutes of the United States, relating to appointment of assistant paymasters in the United States Navy, shall not apply to chief pay clerks and pay clerks appointed under the provisions of this act, who must be between the ages of 21 and 35 years at the time of appointment as assistant paymasters in the United States Navy: *Provided*, That this shall not be construed as giving any preference in said appointment of assistant paymasters to said chief pay clerks and pay clerks except as to the limitation of age.

SEC. 5. That all officers of the Navy or Marine Corps shall be credited with the actual time they may have served as officers, enlisted men, paymasters' clerks, or clerks of commandants in the Regular or Volunteer Army or Navy or Marine Corps, etc.

Mr. SMOOT. May I ask the Senator from Massachusetts to explain in as few words as possible the purpose of the bill and what the effect of it will be if passed?

Mr. LODGE. The purpose of the bill is to put paymasters' clerks on a permanent footing and bring them within the ordinary rules which govern clerks. I think it will be a great improvement in the character of the service, because these clerks are often charged with large amounts of money. This is a department bill. It is desired to make secure the administration of funds, to give a permanent tenure, not to have them shifted with each paymaster, and to give them regular promotion through the grade of paymaster clerks instead of having them taken by the paymaster as he needs them and then perhaps dropped out of the service afterwards. It is to make them a permanent force, more responsible and more trustworthy.

The VICE PRESIDENT. The question is on agreeing to the committee amendment.

The amendment was agreed to.

Mr. OVERMAN. I will ask the Senator whether the bill gives any increase of pay?

Mr. LODGE. I do not think there is any material increase or expense, except it gives them permanent service and the right of retirement. They may now have it or they may not.

Mr. OVERMAN. If they are retired, will it be on the usual pay that a regular officer of the same grade in the Navy receives?

Mr. LODGE. This relates only to clerks. Of course, it enables the clerks to go up through that grade into the regular grade of paymaster.

Mr. OVERMAN. Does it allow them to retire on three-quarters pay?

Mr. LODGE. Of course, if they are paymasters they have what the law gives paymasters. It does not add to that at all. It gives the opportunity to the paymaster's clerk to be promoted through the regular grades into the regular corps and to become a paymaster.

Mr. OVERMAN. And then at a certain age to go on the retired list?

Mr. LODGE. All paymasters go on the retired list now.

The bill was reported to the Senate as amended and the amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

POSTAL SAVINGS DEPOSITORIES.

The bill (H. R. 9318) to amend the act approved June 25, 1910, entitled "An act to establish postal savings depositories for depositing savings at interest with the security of the Government for repayment thereof, and for other purposes," was announced as next in order.

Mr. VARDAMAN. Mr. President, I am very anxious to have that bill acted upon; but I understand that the senior Senator from Kansas [Mr. BRISTOW] desires to be heard upon it. For that reason I ask that the bill go over.

The VICE PRESIDENT. The bill goes over.

POSTAL SAVINGS BANK FUNDS.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 7967) to amend the act approved June 25, 1910, authorizing a postal savings system.

The VICE PRESIDENT. The bill has been heretofore read and amended.

Mr. BURTON. Is not that bill open to the same objection as the other, which is that it raises the limit of the amount that may be deposited?

Mr. SMOOT. This is the bill to which the Senator refers.

The VICE PRESIDENT. There is an amendment pending to the amendment reported by the committee, which was submitted by the Senator from New Hampshire [Mr. GALLINGER].

Mr. SMOOT. Mr. President, the Senator from New Hampshire is absent from the city and the senior Senator from Kansas is absent from the Chamber. If the Senator from Florida desires to proceed with the consideration of the bill now, I shall simply ask for a quorum, so that I may at least secure the presence of the Senator from Kansas in the Chamber.

Mr. BRYAN. It is my purpose to ask the Senate to proceed with the consideration of the bill.

Mr. SMOOT. Then, I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Ashurst	James	Perkins	Smith, S. C.
Bankhead	Johnson	Pittman	Smoot
Brady	Kenyon	Poindexter	Sterling
Bryan	Kern	Ransdell	Stone
Burton	Lane	Robinson	Sutherland
Catron	Lee, Md.	Saulsbury	Thomas
Chamberlain	Lewis	Shafroth	Tillman
Chilton	Lodge	Sheppard	Vardaman
Clark, Wyo.	Martin, Va.	Sherman	Weeks
Dillingham	Martine, N. J.	Shields	West
Hitchcock	Norris	Smith, Ariz.	Works
Hollis	Overman	Smith, Ga.	
Hughes	Page	Smith, Md.	

The VICE PRESIDENT. Fifty Senators have answered to the roll call. There is a quorum present. The question is on the amendment proposed by the Senator from New Hampshire [Mr. GALLINGER] to the amendment reported by the Committee on Post Offices and Post Roads.

Mr. SMOOT. Let the amendment be stated.

The SECRETARY. On page 1, line 9, in the committee amendment, the Senator from New Hampshire proposes to strike out "$2,000" and insert "$1,000."

Mr. WEEKS. Mr. President, when this bill was under consideration some days ago I was pointing out the fact that the purpose of the bill was entirely contrary to the original purposes of the postal savings bank legislation. It was intended originally that the postal savings system should provide a suitable depositary for those citizens of foreign birth who had been accustomed to deal with government banks in their own countries, and who, being used to that method, had sent to their former homes their savings for deposit. It was supposed that it would bring into active use more or less money which the owners were afraid to deposit in any bank, and that it would enable them to obtain some reasonable return on that money, as well as to make it of direct benefit to the community where it was deposited. The morning hour having expired, I did not have quite time enough in which to finish the remarks which I was making, and I wish now to add something to the comments which I then made.

The purpose of this bill is to try to make the postal savings banks profitable, or, rather, pay expenses. We provided in the original act that we should pay depositors 2 per cent, and that the Government should deposit that money in the local banks at a rate of interest high enough that the difference between the rate paid the depositor and the rate received from the banks would pay the expenses of the system. That policy has been followed. We have been charging 2½ per cent on the deposits in the local banks, but that has not been sufficient by at least 2 per cent to pay the expenses of running the postal savings banks. I have before me the actual returns of the postal savings banks during the last 30 months and the cost of running them, and it would have been necessary to have deposited the money in the local banks at 4½ per cent in order to have returns enough to pay the Government's expense for managing the business.

It costs eight times as much to run our postal savings banks, or it has done so up to this time, as it does to run the mutual savings banks in the States where mutual savings banks are in operation. Certainly that is true of the Massachusetts banks. I want particularly to call that fact to the attention of those Senators who have it in their minds that the Government can conduct business operations on a more economical basis than can corporations or individuals. The mutual savings banks of Massachusetts are conducted along exactly the same lines as is our Postal System.

Mr. HITCHCOCK. Mr. President——

The VICE PRESIDENT. Does the Senator from Massachusetts yield to the Senator from Nebraska?

Mr. WEEKS. I yield to the Senator from Nebraska.

Mr. HITCHCOCK. I should like to inquire whether statistics at the disposal of the Senator from Massachusetts indicate to what extent the postal savings banks are used in Massachusetts and other States where mutual savings banks are in existence? I ask this question because it was frankly stated and well understood at the time that the postal savings bank bill was passed that it was intended particularly to serve that great part of the country which has no mutual savings banks, and it might be that the operations of the postal savings banks are entirely satisfactory in those portions of the United States which are not served by mutual savings banks.

Mr. WEEKS. Mr. President, I have not before me the actual deposits in any State, but I can say to the Senator from Nebraska that there have been very considerable postal savings deposits in those States where mutual savings banks are in operation. I think I am justified in saying that in the city of Boston, for instance, where there are at least a dozen mutual savings banks, one of them with about $70,000,000 of deposits, the number of depositors in the postal savings bank compares favorably with the number of such depositors in communities where there are no mutual savings banks.

Now, we propose in this bill to increase the amount of deposits allowed in the postal savings banks to $2,000, $1,000 of which shall bear interest and the other thousand dollars shall not bear interest, so that the Government can make out of the second thousand dollars, presuming that it is deposited by some one, an amount sufficient to make up the loss now incurred in managing the system. The real way to make this system profitable, if the department wishes to do so, is to reduce the expense of managing it rather than to adopt a method of paying expenses which has never been undertaken anywhere else in the world.

It is inadvisable for other reasons to attempt any such method of conducting this system. For instance, in a rural community where there are no banks a man having a surplus amount of money on hand might drop into the post office and leave his money with the postmaster for safe-keeping. He would not care whether he received interest on that money or not, but the Government would be responsible for it; and he might draw it out again in two or three days should he wish to use it. In first and second class post offices safes are provided where we lease the offices, but safes are not provided in third and fourth class offices; so that there are very nearly 50,000 offices in the United States where in all probability no safes are provided; and you are opening the door for any citizen to deposit his money in a local post office, large or small, as it may be, for safe-keeping, he not caring anything about the interest. So you put the responsibility on the Government of keeping his money for him until he requires it. Almost inevitably that is going to mean large losses in small post offices where there are no facilities for the care of money.

If that is not going to be the method followed, then we are doing an injustice to our own citizens, because wherever there are mutual savings banks or stock savings banks depositors can obtain a return on their deposits amounting to substantially 4 per cent. In Massachusetts they receive 3.9 per cent on an average, and yet you are expecting them to deposit their money in postal banks, a thousand dollars of it at 2 per cent and no interest at all on the balance, which is an absolute injustice to the citizen and an encouragement to deposit in postal savings banks, which should not be held out to him under any circumstances.

By doing this we are taking a course directly contrary to that which has been followed in European countries. They do not allow any such large deposits in any of their postal savings banks. The average deposit in postal savings banks in European countries is less than the average deposit in the postal savings banks of the United States to-day. We have something like $102 per depositor in our postal savings banks. In Austria, according to the last returns I have before me, the average deposit in the postal savings bank or the savings department was $20.48; in Belgium it was $67.04; in Denmark it was $19.37; in France it was $55.08; in Hungary it was $28.73, and in Japan

it was $17.90. In fact, as I go through the list I only see one country where the average deposit in the postal savings banks per depositor is more than $100, and that is in the postal savings banks of our neighbors across the northern border.

We have 331,000 depositors in our postal savings banks, with an average of $102 per depositor; and it has cost us, with an average deposit of about $20,000,000 during the first 30 months of the operation of the system, $1,400,000 to operate the banks, and the net return to the system from the interest received from other banks has been but $538,000.

Mr. HITCHCOCK. Will the Senator state what amount has been paid in interest to depositors?

Mr. WEEKS. Those figures are found on page 80 of the hearings on the Post Office bill of this year in the testimony given by Mr. Charles H. Fullaway, who is the assistant director of postal savings banks. I do not at this moment see the amount of interest actually paid, but it is in that testimony.

Mr. HITCHCOCK. I am curious to know the proportion between the amount of interest paid to depositors and the cost of operating the postal savings department itself.

Mr. WEEKS. The cost of operating the system for 30 months has been $676,000 direct expense; extra expense to the department and service, $696,000; transportation of mail, $114,000; making a total expense of $1,486,000, while the net interest and profits have been $538,000.

Senators should remember when it is said that the expenses of managing this system are exorbitant that all the department does is to receive the deposit and turn it over to the bank in the locality where the deposit is made. In the mutual savings banks not only is the money received from depositors but it must be invested, and invested at a very considerable expense in time and detail. For instance, the Massachusetts savings banks hold 97,935 real estate loans. Of course those loans have to be looked up, the title to the property has to be examined, and all the details with which we are familiar in examining a real estate loan have to be undertaken by the bank, yet the expense of managing those banks is only about one-eighth of the expense of managing the postal savings-banks system. The number of depositors in the Massachusetts savings banks is 2,100,000, and during one year 284,000 deposits were opened and 224,000 were closed; in other words, substantially as much business as was done by the postal savings banks in 30 months was done by Massachusetts mutual savings banks in that one year in opening and closing accounts.

The total expense of managing the Massachusetts system is only 5.73 per cent of the income of the investments, and that includes the taxes which the Massachusetts banks pay to the State as well as all other expenses, while the management of the postal savings banks has cost nearly three times as much as the total income.

I submit to Senators that the only proper policy for us to follow in order to make these banks useful, as they are, and also profitable, as they should be, is to reduce the cost of operation and not undertake to put the Government into the banking business, as will inevitably be done if we allow deposits of $2,000 to be made by one individual. It is going to involve us not only in expense but in loss and in all the evils that come from governmental management. Even if this bill were passed and every deposit in the postal savings banks contained $1,000, drawing interest at 2 per cent, and $1,000 on which no interest were paid, I doubt very much if that would pay the expenses of managing the postal savings-bank system under the methods which are being followed to-day.

In my judgment the Postmaster General, instead of proposing this legislation, instead of urging Congress to adopt an unscientific bill like this, a bill which proposes to do something which I believe never has been done in banking operations before, should appoint a suitable and competent commission to investigate the methods which are being followed by the department in conducting its business and try to get it down to a business basis.

I protest against the enactment of a bill which is going to change fundamentally the whole purposes of the postal savings-bank system, which proposes to conduct it on a basis which has not been followed in any country in the world, which is unscientific in every particular, and which is going in some degree to upset banking operations in the localities where the postal savings banks are in operation.

I feel perfectly sure that if this is undertaken you will see men from time to time dropping into the country post office and depositing their money where the postmaster has no facilities for caring for it, having no safe or any other means of protecting deposits, simply for safe-keeping; not for the purpose of saving the money, not for the purpose of getting interest on it, but simply for the purpose of leaving it there for safe-keeping until it is wanted.

All of these reasons, or any one of them, I think is sufficient for our failure to give our approval to this legislation.

Mr. NORRIS. Mr. President, I should like to ask the Senator from Massachusetts a question before he takes his seat. As I understand, the immediate proposition before the Senate is an amendment offered by the Senator from New Hampshire [Mr. GALLINGER] to strike out "$2,000" and insert "$1,000."

Mr. WEEKS. That is the proposition. I was speaking against the bill. Of course, the amendment offered by the Senator from New Hampshire would make the bill better than it is now, because now we propose to permit deposits of $2,000, and the amendment would reduce it one-half.

Mr. NORRIS. That is the point upon which I wanted the Senator's judgment, relating particularly to this amendment. The amendment of the committee provides that the balance to the credit of any person, exclusive of interest, shall not exceed $2,000. That is the $2,000 which, as I understand, the Senator from New Hampshire by his amendment would strike out and insert $1,000.

Mr. WEEKS. Yes.

Mr. NORRIS. Further on the bill provides that no interest shall be paid on any part of such balance in excess of $1,000. I wish to ask the Senator whether, in his judgment, if we permitted deposits to the extent of $2,000 and paid interest only on $1,000, it would not have a tendency, if it did anything, to get on deposit a class of funds that would not be deposited anywhere if their owners were not allowed under the law to deposit them with the United States?

Mr. WEEKS. Mr. President, in my judgment, this bill would fail to accomplish the purpose which is desired. I do not believe that any considerable number of citizens of the United States are going deliberately to put their money into postal savings banks when $1,000 of it will receive only 2 per cent interest and the other thousand dollars will receive no interest. It is on those terms that the proposers of this legislation hope to get in the people's money to pay the expenses of operating the system.

I should like to ask the Senator from Nebraska if he knows any man, where there are banks or otherwise, who would be foolish enough to deposit $2,000 in a postal savings bank at an average of 1 per cent when he can put it in almost any bank, certainly any savings bank, and get 3 or 4 per cent on the entire $2,000, instead of only 2 per cent on one half of it and no interest on the other half, or an average of 1 per cent on the total deposit?

Mr. NORRIS. The Senator does not get the drift of my question. It pertains particularly to this amendment. I am conceding, for the sake of the argument, that the Senator's position is right; but it seems to me, regardless of what we may think as to the wisdom of passing this bill, that we ought at least to vote down the amendment of the Senator from New Hampshire, for the reason that if there is anything in the idea of the committee—and I confess I do not know whether there is or not—we ought to give an opportunity at least to carry it out by permitting people to deposit money upon which they will get no interest.

There certainly would be no harm, it seems to me, if we permit deposits up to a thousand dollars, in saying, "You can deposit more than a thousand dollars, $1,000 more, but we will not pay you any interest on it." If, as the Senator says, the object of the committee is to make enough money out of the law to pay the expense of its operation, there certainly ought to be no objection to that proposition.

Mr. WEEKS. I object even to that proposition, because it is going to put the Government into the banking business. It is going to say to every one of the 60,000 postmasters in the United States, "If any citizen comes into your office and offers you $2,000, you must take it on deposit," although there is not even a safe in more than 45,000 of the post offices of the United States. In other words, any citizen who happened to have that amount of money on hand, and who did not himself care to take the risk of carrying it over Sunday or over any temporary time, would give it to the postmaster, and the Government would be responsible for it.

Mr. NORRIS. I see the force of the Senator's objection, and I am not questioning the validity of it. I think there is a great deal in it. With all due respect to the Senator, however, it does not seem to me that that meets the proposition.

We could easily meet the objection the Senator sets out by limiting as we saw fit the amount that might be deposited in any month or week. If we do not like the limit that is in the law now, we can raise it. That has nothing to do with the proposition that seems to have been in the mind of the commit-

tee. It seems to me, whether we agree with them or not, we must give them credit for undertaking to get on deposit here some money that under existing circumstances will not be deposited anywhere. If that could be accomplished, I think we will all have to agree it would be a good thing. Whether it will be accomplished or not, of course, is a different proposition; but if we agree to the amendment of the Senator from New Hampshire [Mr. GALLINGER], we blot out any opportunity to attempt it.

Mr. WEEKS. Mr. President, the whole purpose of the postal savings bank law was to encourage people to save their money, and give them as much interest on their deposits as the Government could afford to pay. We decided that 2 per cent was the amount of interest that we should pay, and that we should charge the banks enough additional on the deposits we made in the banks that the difference in the two would pay the expenses. Are we going to encourage our citizens to deposit their money in banks at 1 per cent interest, which would be the average amount paid on the $2,000 which we are asking them to deposit, when they can go into any bank anywhere and get two or three times as much, and four times as much in any State where there is a mutual savings bank? It is bad policy from the standpoint of the Government, and it is unfair to the citizens of the country, to hold out to them such inducements.

Mr. SMOOT. Mr. President——

The VICE PRESIDENT. Does the Senator from Massachusetts yield to the Senator from Utah?

Mr. WEEKS. I yield.

Mr. SMOOT. I wish to say to the Senator from Nebraska that I believe there is one class of men that perhaps would use the right to deposit up to $2,000, notwithstanding the fact that they would not receive interest upon an amount exceeding $1,000. I have received a number of letters stating that there were people who used the postal savings banks, depositing their money in the post offices of the country, with the purpose of preventing the money from being garnisheed; that being deposited there it was impossible to reach it, and they felt perfectly safe about keeping it from their creditors.

It seems to me the only reason why that class of people would want to have the amount increased would be that they could cover up that much more of their money from being garnisheed in order that they may avoid paying their just debts.

I simply wanted to call the Senator's attention to the fact that there is that class of citizens who could use the post offices and postal savings banks for that purpose if we pass this bill.

Mr. SHERMAN. Mr. President, I wanted to ask the Senator from Massachusetts if he had considered the very point raised by the Senator from Utah. Exemption laws are created by the statutes of all the different States. The exemptions are of varying amounts for real and personal property—the real property in the form of homesteads, the personal property in the way of personal effects, household furniture, cash, or sometimes anything the debtor desires to choose. It is a general principle, applicable in both State and National Government, that no department of the Government, no one holding Government funds, from the village treasurer to the United States Treasurer, is subject to attachment, garnishment, creditor's bill, bill of discovery, or any legal process by which the property of the debtor, judgment or otherwise, may be reached.

It is proposed in this bill to raise the limit of deposits to $2,000. It is obvious that by the bill the exemption laws of the various States are enlarged by the amount of $2,000, and that a judgment debtor may deliberately avoid the process of his creditor for collection, not to encourage legitimate saving, but to deprive the creditor of his proper remedy, under present conditions.

I desire to know whether the Senator has considered that as a just criticism of the proposed amendment.

Mr. WEEKS. Mr. President, I should have referred to that in the brief statement which I made. The Senator from Utah is entirely right about it, and the supposition made by the Senator from Illinois is correct. It would remove from attachment $2,000 when under the present law $500 is the limit of deposit that can be put in a postal savings bank. In other words, you are protecting to the extent of $2,000 the dishonest man who wishes to avoid paying his debts, that being the amount he may put in the postal savings banks under these proposed conditions.

Mr. SHERMAN. Mr. President, I wish to say, further, that like the Senator from Utah [Mr. SMOOT] I have had many letters and complaints on this subject from a great variety of people, not collection agencies or lawyers engaged in the collection business, but from all varieties of trade; not only the jobbers, but the retail trade in mercantile lines.

A limit of $2,000 would include assets that might be covered into a postal savings bank so as seriously to impair a merchant's ability to pay his account. For instance, I know of no reason why, under this amendment, a local merchant might not sell a two or three thousand dollar stock of goods, deposit the money in a postal savings bank, and thereby permanently deprive his lawful creditors of any remedy whatever.

In some States the exemption by way of homestead is a given quantity of land—80 or 160 acres of land. In other States it is a limitation on value to $1,000. In some States the personal exemptions are very liberal; much more so in the Western States than in the Middle West and Eastern States, on this side of the Allegheny Mountains. In many instances the personal exemptions run from four hundred to a thousand dollars, with 160 acres of exempt homestead without any regard to the value, which puts the legitimate exemptions under the exemption laws of the State at a very considerable sum.

A merchant may have those exemptions. Any debtor may have those exemptions. He may turn around and sell his stock of merchandise for $2,000 cash under this amendment, deposit the $2,000 in the local postal savings bank, and he can absolutely defy his creditors, and have five or six thousand dollars' worth of property in my State, where the exemptions are not so liberal as they are in some of the Western States.

To be specific, we have a thousand dollars' homestead exemption under the laws of the State from which I come. We have what is practically $400 exemption in the way of personal property. It is nominally $400 worth of personal property. It is practically a thousand dollars' worth, because no jury or board of appraisers that goes on the request of the holder of an execution, or the officer holding a writ, to make an appraisement, ever appraises the property at its real value. It is appraised like the assessor assesses it, at about half of its real value in fact.

Mr. NORRIS. Mr. President, I should like to ask the Senator if the merchant would not be able to defeat his creditors, even if we did not have a law that gave him the right to deposit his funds with the postmaster, by simply putting the money in his pocket instead of depositing it anywhere?

Mr. SHERMAN. Yes; he may do so; but you have a fighting chance to get it under the laws of some States.

Mr. NORRIS. If there is any provision of law that will make him disclose his property, he could be just as well required to disclose the fact that he had deposited the money with the postmaster as though he had put it in his pocket.

Mr. SHERMAN. No, sir. If, for instance, he should take the limit of deposit in this bill, $2,000, and put it in his pocket, under the laws of many States—at least three States with which I am familiar—he could be reached almost instantly by process. For instance, if a merchant should sell a stock of goods and have $2,000 of cash in his pocket, he could be reached on creditor's process by way of creditor's bill, bill of discovery, or by summary process under the attachment act in many States.

Mr. NORRIS. When you found out that it was in his pocket, could you recover it?

Mr. SHERMAN. Yes, sir. I have seen cases under the jurisdictions I mentioned, one in particular, where the sheriff took the money out of his pocket—searched his clothes and removed it—and put it in the custody of the court until the suit was determined.

Mr. NORRIS. I have an idea that the sheriff was violating the law when he did that.

The point I want to get at is this: As I understand—I may be mistaken; I am speaking only from memory—the fact that a given amount is deposited in a postal savings bank gives the man who deposits it no additional exemption under the law, does it?

Mr. SHERMAN. Yes; it does, because the Post Office Department, unless the bill should be amended so as expressly to permit it, could not be reached by any known process of the State or Federal courts.

Mr. NORRIS. I understand that; but what I mean is this: If a man has $2,000 deposited with a postmaster, and that $2,000, together with other property he has, exceeds in value what the exemption law permits him to hold, why can not the creditor take the other property?

The VICE PRESIDENT. The hour of 2 o'clock having arrived, the Chair lays before the Senate the unfinished business, which will be stated.

The SECRETARY. A bill (S. 120) to provide for the inspection and grading of grain entering into interstate commerce, and to secure uniformity in standards and classification of grain, and for other purposes.

Mr. MCCUMBER. Mr. President, the Senator having in charge the bill which has been under discussion thinks that we can

dispose of it within an hour, and he has requested me to consent to lay the unfinished business temporarily aside for that purpose. I am somewhat doubtful whether that can be done; but I wish to say that there is at least one Senator who is ready now to go on and speak upon the unfinished business, and I would not wish to put it off unless it was agreeable to that Senator to yield at this moment. If it is entirely agreeable to the junior Senator from Massachusetts [Mr. WEEKS] that the unfinished business may be temporarily laid aside, with the hope that we may dispose of the postal savings bank bill in about an hour, it will be agreeable to me.

Mr. WEEKS. I make no objection to proceeding in that way if the Senator from Florida has any assurance that we can get action on the bill now.

Mr. BRYAN. It is difficult, of course, to say when any bill will be completed in the Senate, but debate has taken place on this bill several days, and I thought the debate was about over. I appreciate the offer of the Senator from North Dakota. We might do the best we could within the hour, and I believe we could dispose of the bill.

Mr. HITCHCOCK. Mr. President, I shall object to that if the purpose is to pass the bill after the short consideration suggested. I think it is a measure of considerable importance and it has not had proper consideration up to this time. I believe it would be a mistake to undertake to put it through within the hour.

Mr. BRYAN. Does the Senator from Nebraska know that the bill has been discussed on two days prior to this time?

Mr. HITCHCOCK. I realize that it has been discussed in a fragmentary way, but I think a bill of such vast importance should not be passed with such slight consideration as can be given in the time indicated. The objections which have just been raised here as to the possible exemption of $2,000 against creditors and the other possibility that it might be used for the purpose of escaping taxation, and the fact that it violates all the precedents in postal savings banks, other countries having limited the deposits to small amounts, lead me to have very serious question as to the advisability of the bill, and certainly I am opposed to rushing it through within the proposed hour.

Mr. BRYAN. I will say to the Senator that there are four or five countries in which there is no limit to the deposits, so far as that is concerned. The Senate will do as it pleases with the bill. It has been on the calendar for a long time. The Post Office Department are anxious to have it considered and acted upon, because their plans depend somewhat upon what the Senate does. I can see, I think, clearly from the debate which has taken place this morning that the Senate will soon be prepared to vote upon it. The provisions are not difficult to understand. It seems to me that we can dispose of it within an hour.

The bill which the Senator from North Dakota [Mr. MCCUMBER] has in charge has been the unfinished business for nearly two months, and if it were not in the way I could move to proceed to the consideration of this bill. It is not supposed that the bill of the Senator from North Dakota will be voted upon to-day. Therefore it seems to me it would be perfectly legitimate and would not interfere with any other business to proceed with the consideration of this bill.

With the consent of the Senator from North Dakota, inasmuch as the Senator from Nebraska indicates that he will object, I will move that the Senate proceed to the consideration of the bill, and I assure the Senator that whenever he asks me to lay it aside I will do so.

Mr. MCCUMBER. I will make this countersuggestion. I understand the junior Senator from Massachusetts will not speak very long upon the unfinished business to-day. I assume that the senior Senator from Massachusetts will follow him, and he stated that he would not talk more than half an hour.

Then if the Senator from Missouri [Mr. REED] is not ready to go on to-day—and I have been informed that he prefers to wait until to-morrow—I will then consent to lay it aside by unanimous consent and let the Senator from Florida take up the balance of the afternoon with the postal savings bank bill. I think that course would be agreeable to all Senators here, and it would be the best one to pursue under the circumstances.

Mr. BRYAN. Very well, Mr. President.

Mr. MCCUMBER. I ask the Senator to allow the unfinished business to be proceeded with. I believe by that course he will get more time for his bill to-day.

Mr. REED. Then, as I understand the Senator from North Dakota, the two Senators from Massachusetts will probably speak this afternoon upon the unfinished business, and the bill will then be laid over. I make the inquiry so that I may know I shall not be expected to speak on the bill to-day.

Mr. MCCUMBER. If it can be done by unanimous consent after the two Senators have spoken, I will ask unanimous consent that the unfinished business be laid aside for the day. That course will be satisfactory to me.

Mr. CUMMINS. We have been considering the postal savings bill under Rule VIII, I understand, and if it comes again before the Senate to-day it would have to come up upon motion.

Mr. MCCUMBER. No.

Mr. SMOOT. Or by unanimous consent.

Mr. CUMMINS. It can not, in other words, be taken up, unless the Senate determines that it shall be taken up on motion.

The VICE PRESIDENT. Either by unanimous consent or by motion.

Mr. CUMMINS. Either by unanimous consent or by motion. If it came before the Senate on motion, what would become of the present unfinished business?

The VICE PRESIDENT. The unfinished business would simply be displaced for the time being. If the Senator from Iowa is making a parliamentary inquiry——

Mr. CUMMINS. I am.

The VICE PRESIDENT. The Chair will state that if subsequent to the discussion of the unfinished business by the two Senators from Massachusetts a motion is made to take up the postal savings bill and it prevails it will displace the unfinished business.

Mr. MCCUMBER. To make it certain, Mr. President, suppose that the unfinished business be laid aside by unanimous consent and that then the other bill is taken up on motion, what would be the effect as to displacing the unfinished business to-morrow at 2 o'clock?

The VICE PRESIDENT. A question of that kind has never arisen since the present occupant of the chair has been here. The unfinished business has always been laid temporarily aside for the consideration of some particular measure, and so it did not displace it. But if it is temporarily laid aside and then subsequently a motion is made to take up some other bill, the Chair thinks that that would displace the unfinished business.

Mr. WARREN. There is not any doubt about that.

Mr. MCCUMBER. That being the case, Mr. President, if that ruling is going to be made, I should dislike to have the unfinished business displaced in that way. I am very willing and anxious to accommodate every Senator, but——

Mr. BRYAN. I would not undertake to take any advantage of the Senator, as far as I can control matters; but would the Senator be willing to allow the postal savings bank bill to be proceeded with for an hour or two at this time?

Mr. MCCUMBER. I am perfectly willing to do that if I think it can be done without injuring the position of the unfinished business. I will state that that course would be satisfactory to me, but the Senator from Nebraska [Mr. HITCHCOCK], I understood, objected to it.

Mr. WEEKS. Mr. President, I have not any desire to delay the consideration of the bill which has been under discussion in the morning hour to-day. I am well aware that the Senator from Florida has been endeavoring to get consideration of it for a long time; but he should recall that the senior Senator from Kansas [Mr. BRISTOW] is very much interested in the bill, and he can not now be present, and that the amendment which is under consideration was offered by the senior Senator from New Hampshire [Mr. GALLINGER], who is out of the city to-day. I think under those circumstances the Senator from Florida should be willing to let the unfinished business take its course and take up his bill under the call of the calendar to-morrow.

Mr. BRYAN. The senior Senator from Kansas is absent and the senior Senator from New Hampshire is out of the city, but when here the Senator from New Hampshire did not ask to have the bill go over. The only amendment he had was the amendment now pending. The senior Senator from Kansas is not opposed to the bill. It is true both Senators are away to-day, but somebody will be away to-morrow, and somebody will be away every day.

Mr. REED. Let me ask the Senator from Florida if he insists upon forcing the bill to a vote, or simply wants to have it discussed? That might make a difference in the viewpoint of the Senator from Nebraska and others. If he simply wants to have the matter considered and discussed for a while this afternoon, I take it no one would object.

Mr. BRYAN. Mr. President, I am not as much interested in the discussion as I am in a vote on the bill. There has been a great deal of discussion upon it, and what I want to do is to pass the bill. I do not care much about the discussion.

Mr. MCCUMBER. Let me ask the Senator from Florida and other Senators if it would be entirely satisfactory to them if I should secure unanimous consent to have the unfinished busi-

ness temporarily laid aside until half past 3. That would give an hour and a quarter for the consideration of the postal savings bank bill.

Mr. BRYAN. I would be very much obliged to the Senator.

Mr. McCUMBER. The unfinished business to be taken up at half past 3. With that understanding, if agreeable, I will ask unanimous consent that the unfinished business may be laid aside until that time.

Mr. BRISTOW. Mr. President, if the Senator from Florida will just give me his attention for a moment; I have been engaged all morning on committee work, being a member of a committee that has very important matters before it. That has kept me out of the Chamber. I am very anxious to have an amendment made to the bill, and I think the amendment is agreeable to the Senator from Florida. I regard the amendment as one of very great importance. I must leave the Chamber to attend the committee meeting at once.

Mr. BRYAN. The amendment to which the Senator from Kansas refers has been offered. It is not pending now, but it will be before the Senate. It is offered as a committee amendment. I will say to the Senator that I know of no opposition to it.

Mr. BRISTOW. I am very anxious that that amendment should be incorporated in the bill. I can not be here this afternoon, because it is impossible to be in two places at the same time. That is why I mention it now, if the bill is to be taken up.

Mr. BRYAN. I have not heard of any objection to the amendment which the Senator has proposed.

Mr. CUMMINS. Mr. President, I think it is only fair to say that there are some of us who are very much opposed to the adoption of a policy which will authorize the Post Office Department or the Government in any capacity to become a mere custodian of money. I would just as soon have the Government become the custodian of diamonds or jewelry, or any other valuable property, as the custodian of money on behalf of an individual. There will be some discussion along that line. I think whatever money the Government takes from the savings depositors it ought to pay interest upon. I doubt whether the argument can be concluded in an hour. Of that anyone can judge as well as I can.

Mr. REED. I understand the Senator from Iowa is going to make a speech on it.

Mr. CUMMINS. I have it in my mind to do that.

Mr. REED. Then, what is the matter with laying the unfinished business aside for an hour and a half and let the Senator make his speech?

Mr. CUMMINS. We have not reached that point yet. I have no doubt the Senator from Missouri will want to make a speech on it.

Mr. McCUMBER. I ask the Senator from Nebraska if he objects to the proposition to lay the unfinished business aside until half past 3, that the pending bill may be discussed in the interim?

Mr. HITCHCOCK. I dislike to make my personal arrangements interfere with the desire of the Senator from North Dakota and the Senator from Florida, but——

Mr. McCUMBER. It is my only desire to accommodate others.

Mr. HITCHCOCK. I consider that it is going to be impossible to come to a vote upon this bill after a discussion of an hour or an hour and a half. I think it is the most important measure that is before the Senate at the present time. It involves practically a perversion of the postal savings banks proposition. I speak of that with some feeling, because I was originally deeply interested in the savings bank system and had the honor of being the author of one of the first bills introduced in the House for its establishment. I dislike to see it taken up here in a fragmentary way. I think it is a measure worthy of careful discussion, and I shall object to anything that contemplates reaching a vote upon it within an hour or an hour and a half; and if it is not to be voted upon, I think it is unwise to displace the unfinished business.

Mr. McCUMBER. Then I withdraw the request for unanimous consent and ask that the unfinished business may be proceeded with.

The VICE PRESIDENT. The unfinished business will be proceeded with.

Mr. WEEKS. Mr. President——

Mr. NELSON. I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Bankhead	Bryan	Chilton	Dillingham
Borah	Burton	Clark, Wyo.	du Pont
Brady	Catron	Clarke, Ark.	Gore
Bristow	Chamberlain	Cummins	Hitchcock
Hollis	Martine, N. J.	Root	Swanson
Hughes	Nelson	Sheppard	Thomas
James	Norris	Sherman	Thompson
Johnson	O'Gorman	Smith, Ga.	Townsend
Kenyon	Overman	Smith, Md.	Vardaman
Kern	Page	Smith, S. C.	Warren
La Follette	Perkins	Smoot	Weeks
Lane	Reed	Stone	West
McCumber	Robinson	Sutherland	

Mr. ROBINSON. I was requested to announce the unavoidable absence of the Senator from Arizona [Mr. ASHURST] on business of the Senate.

The PRESIDING OFFICER (Mr. SMITH of Georgia in the chair). Fifty-one Senators have answered to the roll. There is a quorum present.

Mr. STONE. It is desired to have a short executive session this afternoon, and I ask if it is agreeable to the Senator from North Dakota that we may dispose of it now, so that he will have a clear way for the rest of the afternoon?

Mr. WARREN. I ask if it is expected to resume the legislative session after the executive business?

Mr. STONE. Oh, certainly.

Mr. LA FOLLETTE. Will the Senator withhold the motion for a moment, that I may submit a resolution?

Mr. STONE. Certainly; I withhold the motion for that purpose.

REVENUES OF RAIL CARRIERS.

Mr. LA FOLLETTE. I offer a Senate resolution, which I send to the desk, and ask unanimous consent for its present consideration.

The PRESIDING OFFICER. Is there unanimous consent that the resolution may come up, offered out of order? The Chair hears no objection.

Mr. SMOOT. Let it be read.

The PRESIDING OFFICER. The resolution will be read.

The resolution (S. Res. 343) was read, as follows:

Resolved, That the Interstate Commerce Commission be, and it is hereby, requested to transmit to the Senate of the United States all anonymous letters and communications and all written or printed letters and communications received with signatures thereto, and all circulars, clippings, newspaper or magazine articles, marked or otherwise, received by said commission or member thereof, which were manifestly designed to influence the action of said commission in making or refraining from making any ruling, conclusion, finding, recommendation, report, or order in the determination of the case known as "Docket No. 5860," entitled "Revenues of rail carriers in official classification territory," and in the case known as "Investigation and suspension docket No. 333," entitled "Rate increases in official classification territory," now pending before said commission, excepting such letters, communications, briefs, records, and other matters as have been received by said commission or any member thereof, under the rules and regulations of the commission governing its proceedings in the orderly administration of the interstate-commerce law and the acts amendatory thereof, from the officials, employees, and attorneys of the railroads, parties to such proceedings, the attorneys, investigators, and employees of the commission engaged in investigating and preparing said cases and from the shippers and associations of shippers, individuals, and attorneys who appear in the proceedings as protestants.

Mr. LA FOLLETTE. I ask unanimous consent for the present consideration of the resolution.

Mr. ROBINSON. Inasmuch as this is a matter the Committee on Interstate Commerce has jurisdiction of, and as the chairman of that committee is not present, I ask that the resolution may go over.

The PRESIDING OFFICER. One objection carries it over. The resolution goes over until to-morrow.

EXECUTIVE SESSION.

Mr. STONE. I renew my motion to proceed to the consideration of executive business.

The motion was agreed to, and the Senate proceeded to the consideration of executive business. After 25 minutes spent in executive session the doors were reopened.

CONFIRMATION OF WINTHROP MORE DANIELS.

Mr. THOMAS. On the 3d instant the Senate, by a yea-and-nay vote, confirmed the appointment of Hon. Winthrop More Daniels to be an Interstate Commerce Commissioner. The injunction of secrecy was removed from the vote, and it was ordered published in the RECORD. I notice on looking at the RECORD that I am simply recorded as having been paired with the senior Senator from New York [Mr. ROOT]. That is true, but I wish it to appear in the permanent RECORD that, being paired with the senior Senator from New York, if I had been at liberty to vote, I would have voted "nay." I ask that the permanent RECORD may be corrected.

The VICE PRESIDENT. Without objection, the permanent RECORD will be corrected.

FOREST PRODUCTS EXPOSITIONS AT CHICAGO AND NEW YORK.

Mr. RANSDELL. I ask unanimous consent for the present consideration of the joint resolution (H. J. Res. 204) authorizing the Secretary of Agriculture to make exhibits at Forest

Products Expositions to be held in Chicago, Ill., and New York, N. Y.

The reason why I ask for the present consideration of the joint resolution is that it provides for the appropriation of a small amount of money to make some forestry exhibits at a big exposition which is to begin at Chicago on April 30. Unless the joint resolution is acted on now, and the appropriation granted, it will do no good. So I ask unanimous consent for the consideration of the joint resolution at this time. It will take but a moment to act on it.

The PRESIDING OFFICER (Mr. SAULSBURY in the chair). Is there objection to the request of the Senator from Louisiana?

Mr. McCUMBER. I think, Mr. President, I will have to object to that. I think the joint resolution could go over one day.

Mr. RANSDELL. I hope the Senator will not object; it is a matter of very great importance to many people all over the country and involves only a small appropriation. It will take only a moment to pass the joint resolution. It was reported over a month ago. The exposition begins on April 30.

Mr. McCUMBER. With the understanding that the joint resolution will not lead to debate, I will not insist on the objection.

Mr. OVERMAN. Let us know what the joint resolution is before unanimous consent is given for its consideration.

Mr. RANSDELL. It is a joint resolution reported by the Committee on Agriculture and Forestry, which passed the other House unanimously and which appropriates $10,000 to make an exhibit of forestry products at a big exposition to be held at Chicago from the 30th of this month to the 9th of next month and in New York from May 21 to May 30.

Mr. OVERMAN. As I understand, this is a House joint resolution?

Mr. RANSDELL. This is a House joint resolution. It would be very beneficial, I think, to the forestry interests of the whole United States to have the joint resolution passed. There is a great deal of waste, I may say, in forestry; stumps are wasted; the tops of trees are wasted; and there is an immense amount of waste products which we might save, and which, if saved, the Forestry Bureau estimates would amount to a great many million dollars. As I have said, the joint resolution involves a very small sum—$10,000—and if we can not get it now it will not do any good.

Mr. SHAFROTH. Mr. President, if the Senator will allow me, I will state that I am a member of the Committee on Agriculture and Forestry. This appropriation of $10,000 seems very insignificant, but the Bureau of Forestry has already prepared the exhibit; it is right here in Washington; and all we have to do is to ship it. Inasmuch as we have many thousands of dollars already invested in the exhibits, it seems to me that it would be a wrong policy not to appropriate this sum of money, so that the people may learn what the exhibits are.

Mr. SMOOT. I desire to ask the Senator from Louisiana if the exhibits have not already been shipped and are not already in place in Chicago?

Mr. RANSDELL. I understand that some of them are and that others are not. The officials of the Forestry Bureau tell me that it is necessary to have this appropriation properly to make these exhibits. I talked to Mr. Graves in person about that.

Mr. SMOOT. I understand that the exhibits are already in place in Chicago. I am not going to object to the appropriation of the money, but it does seem to me that this joint resolution could come up in its regular order and be passed. I am told by men who seem to know that those exhibits are already in place in Chicago.

Mr. SHAFROTH. They have been probably shipped there in anticipation that this joint resolution would be passed, because it was reported unanimously by the Committee on Agriculture and Forestry. The joint resolution authorizes the appropriation of the amount of money named, or so much thereof as may be necessary; and if anybody else is paying for the shipment of the exhibits, it seems to me that we will save that expense.

Mr. SMOOT. I am perfectly aware of that; but I want the Senator to understand my position in regard to it. I do not believe there is any necessity for immediate action upon this joint resolution, or I would have allowed it to come to a vote before this, but, as I heretofore told the Senator, if bills are to be picked out of the calendar here and there and asked to be voted upon, there are a great many of them we will never reach. So I thought the proper thing to do was to have the joint resolution come up in its regular order.

Mr. RANSDELL. I will say to the Senator that I would not ask for immediate consideration in any ordinary case, but this exposition begins on the 30th of April. It is not a local matter, but one which will benefit the entire forestry products of the United States; and it does seem to me, when the amount involved is so small and when there is so much good that may possibly come by allowing the small expenditure of $10,000 to a great industry like the timber and forestry industry of this country, we ought to pass the joint resolution.

Mr. OVERMAN. Is this a private affair, or what is it?

Mr. RANSDELL. It is an exposition which the forestry people are having in Chicago. The timber interests of the country are holding an exposition in Chicago.

Mr. OVERMAN. Is the exposition to be conducted by the lumbermen themselves? Has the State appropriated any money?

Mr. RANSDELL. No, sir; the lumbermen themselves are having this exposition; and no salaries are to be paid out of this appropriation at all. It is simply to provide for making an exhibit of what we have, and to demonstrate at these bix expositions the methods which the Forestry Bureau has already worked out, showing what use could be made, for instance, of stumps, of tops of trees, and of odds and ends that are now wasted.

The PRESIDING OFFICER. Is there objection to the present consideration of the joint resolution?

Mr. SMOOT. Mr. President, I am rather in sympathy with the idea of making such an exhibit at Chicago. I have not any doubt, however, that the exhibit will be made whether we make this appropriation or not; I am positive that the lumbermen of this country would pay the bill. But, be that as it may, I want to ask a few questions in relation to this policy that we are now entering upon. I pick up the calendar here and look at page 5, where I notice a joint resolution, being Senate joint resolution 94, to authorize the Secretary of Commerce to investigate the condition of trade in China for the purpose of determining the desirability of establishing there a permanent exposition of the products of the United States of America; on the same page I notice Senate bill 3971, to provide for a permanent exhibit of the resources of the States of the Union in or near Washington, D. C.; and all through the calendar I find bills introduced for the purpose of making some exhibit somewhere. Not only that, but expenses are to be defrayed by the Government for certain congresses to be held in different parts of the United States.

Mr. President, I do not know where this is going to lead; I do not know what the expense will ultimately be. I will state, however, to the Senator that if there is one thing that needs an exhibit and needs information being given upon it to the American people, I believe that it is the question of the waste of our timber. I have spoken upon this floor upon that subject a number of times. I am in full sympathy with the preservation of our timber, our timberlands, and even of the lumber that belongs to private individuals and corporations of this country. I know what the effect of this exhibit will be, and I am not going to object to the present consideration of the joint resolution, though, it being out of order, I should object, as I have objected in similar cases in the past, and let the measure come up in its regular order.

Mr. RANSDELL. I thank the Senator for not objecting. It is a matter of great public interest.

Mr. STONE. The Senator from Utah says that he knows "what the effect of this exhibit will be." I should like to be advised as to what the effect will be.

Mr. SMOOT. The effect of the exhibit will be to show to a great many of the lumbermen of this country how to take care of the waste products from the sawmills, and also to show them what can be done with the waste products to bring revenue from them when prepared in conformity with the exhibits shown.

Mr. STONE. What is this exhibit?

Mr. SMOOT. It is an exhibit of the forest products of this country.

Mr. McCUMBER. Mr. President, I wish either that we would consent to take up the joint resolution and dispose of it or else that it would be laid aside.

Mr. RANSDELL. I hope there will be no further debate on it. It is a matter that ought to be acted upon quickly.

Mr. McCUMBER. I will not object that the unfinished business may be temporarily laid aside to dispose of the joint resolution, if it is not going to require any discussion.

Mr. RANSDELL. I do not think it will require any discussion.

Mr. OVERMAN. Mr. President, does it not require a motion to lay aside the unfinished business in order to take up this joint resolution?

Mr. McCUMBER. I did not understand the Senator.

Mr. OVERMAN. Will we not have to temporarily lay aside the unfinished business in order to take up this joint resolution?

Mr. SMOOT. The Senator from Louisiana asks unanimous consent for the present consideration of the joint resolution.

The PRESIDING OFFICER. The request of the Senator from Louisiana is for unanimous consent?

Mr. OVERMAN. I rise to a question of order. Will not that displace the grain-inspection bill? If we take up the joint resolution by unanimous consent, we take it up for consideration, and then, of course, it displaces the regular order.

The PRESIDING OFFICER. The Chair believes that that is not the effect of the request.

Mr. OVERMAN. If we lay aside the unfinished business temporarily, it will be all right.

Mr. RANSDELL. Then, I make the request that the unfinished business be laid aside temporarily. I do not want to displace the grain-inspection bill.

The PRESIDING OFFICER. The Chair has decided that that will not be the effect of it.

Mr. GORE. Mr. President, I simply want to join in the request of the Senator from Louisiana that the way shall be cleared for the immediate consideration of the joint resolution, and I hope it will be passed.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Louisiana for the consideration of the joint resolution?

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the joint resolution.

The joint resolution was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

INSPECTION AND GRADING OF GRAIN.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (S. 120) to provide for the inspection and grading of grain entering into interstate commerce, and to secure uniformity in standards and classification of grain, and for other purposes.

Mr. WEEKS. Mr. President, I am going to take very little time to discuss the bill which is the unfinished business, because it has been discussed for and against in a most comprehensive manner by Senators who come from grain-raising States.

The very fact that those who are directly interested in the production of grain and the inspection and shipment of grain are at cross-purposes on this legislation is one of the reasons why I am opposed to its favorable consideration. Massachusetts and the rest of New England are not grain-raising sections. Substantially speaking, with the exception of oats there is no grain raised in New England. We are purchasers of grain and furnish the ports through which grain is shipped to foreign countries.

Assuming that there are two sides to this important question, which have been so well pointed out by those who have spoken on it, I am particularly interested in the course of business, in preventing as far as possible throwing impediments in the way of the completion of business transactions like the shipment of grain, and in preventing delay in completing business operations under all circumstances.

I hardly think this bill can be put on all fours with the meat-inspection legislation or the pure-food legislation, because they both had to do with the public health. This is a proposition to put under the National Government the inspection of grain under all conditions. From the investigation I have been able to make it seems to me that the immediate local conditions under which grain is inspected would have a material effect on the classification of the grain itself. If it were inspected during a very dry season, the result would be quite different from the result if it were inspected during a rainy season. For that reason and the reason that the differential which would be allowed on the transportation of grain to the seaboard for export would depend materially on the amount of moisture in the grain, it strikes me that it is inadvisable to require a national inspection.

There is, however, another reason which is more important from my viewpoint, and to which I wish to direct the attention of Senators, and that is the expense which we are piling up all the time in the conduct of business. This bill proposes that there shall be 16 inspection centers. Two of those centers are to be in New England—one Portland, Me., and the other Boston, Mass. Neither of them is a distributing point for grain or any similar product. They are simply the shipping points from which grain is shipped which is sent abroad. The distributing points are entirely distinct from these two centers. The bill provides that there shall be inspectors stationed at the 16 cities named in the bill, and that the Secretary of Agriculture may appoint inspectors for other localities. How many inspectors, or for what localities, the bill does not determine in any way; and I suspect we shall build up a very large inspection force in connection with this service.

If I understand the bill correctly, if a carload of corn or wheat were shipped to Massachusetts, if it came by one route, the Harlem River route, it would come under a blind bill of lading to the Harlem River and then would be billed to the point where it was going to be used. There are more than 40 places in Massachusetts having a population of over 10,000, and all of them are consumers of grain that comes from the West. If that grain came by the Harlem River route it would be rebilled at that point. An inspection would have to take place at that point, it seems to me, under the proposed act, and certainly another inspection would have to take place at the city where the grain was finally shipped before it could be unloaded. If it came by the Grand Trunk or by any other Canadian railroad to Massachusetts, it would be reshipped at Richford, on the northern border of Vermont; or if it came over the Fitchburg line it would be reshipped at Williamstown, Mass., and, as I have said, would come under a blind bill of lading until it reached this point, and then would be billed to the point where it was going to be used.

Mr. McCUMBER. Mr. President, will the Senator allow me to correct that error, into which many people have fallen in regard to this bill?

Mr. WEEKS. Certainly.

Mr. McCUMBER. The bill provides in express terms that after the grain has been once inspected at any one of these great terminals it shall not be inspected again, no matter how many places it goes through, unless it is mixed with other grain, when, of course, it is not the same grain; that the same inspection will follow it through until it is in the hands, practically, of the ultimate consumer, except the bill provides that under certain conditions it may be inspected in accordance with our present laws as it is shipped out of the country.

Mr. REED. Mr. President——

The PRESIDING OFFICER (Mr. RANSDELL in the chair). Does the Senator from Massachusetts yield to the Senator from Missouri?

Mr. WEEKS. I yield to the Senator.

Mr. REED. If that be true, then the bill is utterly vicious. If you can inspect a carload of corn at San Francisco, put a brand upon it, and that brand remains with it and the sale must be had upon that brand, then if that car is shipped to Portland, Me., and in the process of shipping the corn becomes heated or damaged, it would have to be taken upon that inspection.

Now, it frequently happens that a carload of wheat or a carload of corn shipped a much shorter distance, the ordinary distance, is five or six weeks in transit. It frequently happens that a carload of corn or of wheat does become heated, and its entire quality affected and its value affected, during the process of shipment. Any bill which proposes to attach a tag to a car, and compel all people to buy upon the inspection which took place at the initial point of shipping or at the first inspection point, will inevitably involve all sorts of injustices, because the grain does change its character.

Mr. McCUMBER. Mr. President, will the Senator from Massachusetts allow me to answer the Senator from Missouri right there?

The PRESIDING OFFICER. Does the Senator from Massachusetts yield to the Senator from North Dakota?

Mr. WEEKS. Yes.

Mr. McCUMBER. I am pretty thoroughly acquainted with the entire grain business in the United States. I know the system under which the operations are conducted. Under the present system, if a car of grain should be shipped from San Francisco to Portland, Me.—which, of course, would be an impossibility—the person purchasing that car of grain would purchase it on the certificate as it was graded at San Francisco, and no change whatever in the character of the grain en route could affect the first certification, on which it was purchased. All of the sales are made upon certificates, and purchasers are compelled to purchase under those certificates. Under this bill, however, if there has been a change in the quality, a reinspection may be had at these terminals—no other place—if either party so desires.

Mr. REED. Mr. President——

The PRESIDING OFFICER. Does the Senator from Massachusetts further yield to the Senator from Missouri?

Mr. WEEKS. Yes; I yield.

Mr. REED. I ask the Senator to yield so that we may thrash out this point.

The Senator says a reinspection may be had. I have not found it in the bill in terms broad enough to cover the case;

but if there could be a reinspection at a terminal point, what good would that do nine-tenths of the ordinary consumers?

Here are eight points selected in the United States for inspection. Others may be added. A man living at Bangor, Me., buys a carload of corn in Kansas City. There is no inspection at Bangor, but there is one provided for at Portland, Me. Unless he catches that car at Portland, Me., and has it inspected while it is really en route, he has no means of protection afforded him. That defect, or defects of a similar character, run throughout the bill.

Mr. McCUMBER. Mr. President, the Senator is considering the matter just as the custom is to-day. He would have no protection, as the Senator calls it, to-day. The grain would not be reinspected at all at this terminal to which it would be sent. If its quality changes in course of shipment by absorbing water, and it thereby becomes less valuable, he takes the loss, and if it becomes better because it has dried out in course of shipment, he gets the benefit. In one instance he has to stand the loss; in the other he receives the benefit.

No system could possibly guard against changes in transit. All we can ask for is certainty of grade at the great terminals where 95 per cent of our grain passes into the market.

Mr. REED. Why, under the present system——

The PRESIDING OFFICER. Does the Senator from Massachusetts further yield to the Senator from Missouri?

Mr. WEEKS. Yes; I yield.

Mr. REED. Under the present system there is no law which compels a man to take the grain at the grade that was originally established in inspection. Unless he foolishly ties himself down by a contract which deprives him of the right to do so, he always has the right to dispute the quality of the grain when it arrives.

As a matter of fact, grain is reinspected; and the Senator himself has said upon this floor that there is nothing more common than to find a car of grain inspected in Minneapolis and given a certain grade, and, as he has stated and as his report states, it may be sent to Kansas City and given another grade and may be sent to New Orleans and given another grade.

That might result from either one of two causes. It might result from dishonest or incompetent inspectors or it might result from a change in the character of the grain in transit. To-day the purchaser does have the right and does have the opportunity to protect himself, but if you pass this bill he will not have.

Mr. McCUMBER. Mr. President——

The PRESIDING OFFICER. Does the Senator from Massachusetts further yield to the Senator from North Dakota?

Mr. WEEKS. I yield once more.

Mr. McCUMBER. The Senator shows that he is not acquainted with the grain business. If he were acquainted with it, he would know that there is no sale of grain that does not provide that the purchaser must absolutely accept the grade at which it is certified, without any appeal, unless he can show that fraud was purposely perpetrated upon him. That is what is provided in the contract in common use in every grain center in the United States.

Mr. REED. Mr. President——

The PRESIDING OFFICER. Does the Senator from Massachusetts further yield to the Senator from Missouri?

Mr. WEEKS. I do.

Mr. REED. Of course I am embarrassed by my ignorance, and am completely overwhelmed by the superior knowledge of the Senator from North Dakota; but when I come to address the Senate I think I shall be able to show that at least the gentleman who wrote the report that accompanies this bill was not possessed of all knowledge with reference to the grain business, nor gifted with the infallibility which ought always to accompany the positiveness of assertion that we hear this afternoon.

Mr. WEEKS. Mr. President, I can not claim great familiarity with the grain business or with the inspection of grain, but I have instanced the common course which much of the grain used in the New England States, and which is shipped abroad to foreign ports, takes when it reaches the New England borders.

It must be true that a considerable part of the grain sent into New England is sent directly from the point where it is raised to the point where it is going to be consumed, and billed to that point. For instance, if a carload of grain were coming from Indiana to Worcester, Mass., it would naturally come over the New York Central system, which includes the Boston & Albany Railroad, to Worcester, and would be billed directly to Worcester. Worcester is not one of the 16 distributing centers named in this bill, neither is it a distributing center for grain of any considerable moment at any time; but it is a city of 100,000 people. If, as must be the case, a considerable amount of grain is shipped there, it will be necessary to keep inspectors there, or to send them there, at travel expense in addition to their pay, whenever a carload of grain must be inspected, if it is inspected when it is discharged; and, as I understand this bill, no railroad can permit the unloading of a carload of grain without notifying a chief inspector somewhere and an inspection being made at that time.

Mr. McCUMBER. At the terminals where the chief inspectors are, and at no other terminals.

The PRESIDING OFFICER. The Senator from North Dakota must address the presiding officer.

Mr. McCUMBER. I beg the Chair's pardon.

Mr. WEEKS. I do not read the bill in that way; but if there are only 16 chief terminals, I want to call the Senator's attention to the fact that the Secretary of Agriculture may designate as many more terminals as he sees fit, and the inspectors must be located there or must be sent there at any time to inspect the grain which is passing through.

I am assuming that there may be arguments in favor of this proposition, and there certainly are arguments against it. All of this means additional Government equipment and additional governmental expense. We are already running riot in the expenses required to maintain our Government. I wish to read some figures here which will illustrate what I am now pointing out.

In 1894 the United States Government employed 247,000 persons. In 1914—20 years later—it employed 712,000 persons. That does not include municipal or State employees or those who are employed in connection with contract work which is being done for the Government or for the State or for the municipality. In 20 years, therefore, while the population of the United States has been increasing from 66,000,000 to 97,000,000, or 47 per cent, the number of persons directly employed by the Government has increased 186 per cent.

I submit, Mr. President, that that is one of the essential factors which go to make up the cost of living in this country. It is the cost of government which is being imposed on the people of this country. Very soon, if we have not in mind what we are doing, we are going to load onto the back of everyone who is producing something in this country a Government employee to be carried.

Where it can not be demonstrated beyond question that course should be taken, I am opposed to establishing in this country any system which is going to add to the number of governmental employees. In this case I certainly think the arguments are against the bill. I admit there may be arguments on both sides; but, feeling as I do about increasing governmental expenses, I must oppose legislation that is presented under such conditions.

Mr. McCUMBER. Mr. President, I desire to answer the Senator right here with the statement that under this bill not one penny would be added to the governmental expenses. Every dollar that the bill would cost would be charged right back against the grain itself, just exactly as it is done to-day. There is not one dollar of expense incurred by the boards of trade or other bodies that inspect grain except that which is paid right back to them, and a little more, in the fees that are charged to each carload of grain that is inspected.

Under the present system the charges run from 25 cents to 75 cents a carload. The Department of Agriculture has made its estimates, and it has stated that between 30 and 40 cents a carload will cover the entire expenses of the system; so there is no additional expense involved. Of course, we will have to provide in the first instance to pay these men that are now paid by the boards of trade; but the money will come back in the fees that are charged against the grain as it is inspected.

Now, I desire to answer another proposition of the Senator from Massachusetts.

Mr. WEEKS. Before the Senator goes on, will he permit me to say a word?

Mr. McCUMBER. Certainly.

The PRESIDING OFFICER. Does the Senator from North Dakota yield to the Senator from Massachusetts?

Mr. McCUMBER. Certainly.

Mr. WEEKS. A little earlier this afternoon we were discussing the amendment of the law providing for postal savings banks; and I was interested to see in the recommendation for the enactment of that law, in the statement made by the Postmaster General, that the rate of interest paid depositors would be 2 per cent, and the rate of interest to be paid by the banks for the deposits would be 2¼ per cent; that one-quarter of 1 per cent would be sufficient to pay the expenses of the system. Yet we find that it is costing 2½ per cent, or ten times as much as the Post Office Department estimated, to conduct that system. Even if the statement which the Senator from North Dakota makes is correct, somebody will have to pay these in-

spectors; and it is placing another burden on commerce to impose the charge which will be imposed in this case.

Mr. NELSON. Mr. President——

The PRESIDING OFFICER. Does the Senator from North Dakota yield to the Senator from Minnesota?

Mr. McCUMBER. I do.

Mr. NELSON. I should like to reply to the Senator from Massachusetts. I will not take more than a minute.

I will say that if you establish a national system here, it will involve the establishment of an expensive bureau here, with a chief, an assistant chief, and a number of clerks; and we all know how much these additional bureaus cost when they are established. Those charges will come directly out of the Government, and these other charges will come out of the consumers. In many instances now they can ship and handle grain without any inspection at all.

Mr. McCUMBER. I will answer that in connection with the other statement. We have already a bureau that does this work in the department. That bureau has been making its investigation right along. It has adopted a system with reference to the inspection and grading of corn which has now been adopted by all of the exchanges; so that if the bill adds any employees it will not be more than one or two clerks at the most, which would add very little to the expense.

Mr. REED. Mr. President——

The PRESIDING OFFICER. Does the Senator from North Dakota yield to the Senator from Missouri?

Mr. McCUMBER. I yield.

Mr. REED. On that point, I wish to ask the Senator if it is not a fact that that very Government board or bureau, by whatsoever name it may be called, has recommended an entirely different bill from the one the Senator is now pressing?

Mr. McCUMBER. Mr. President, I have answered that question before. Whether they support another bill or whether they do not will not change my opinion. In the first place, the Senator will recall that a few years ago they reported in favor of this bill, too; not only the Secretary of Agriculture, but the same men who are now recommending the other bill. With those two statements I do not know why I, as a legislator, must conform my mind to the statement of either one of them.

I want to correct the Senator from Massachusetts again. I had that very subject up in a discussion with a number of New England buyers, in which they thought that perhaps they might have to send for an inspector to come out to some of these little places, and that a delay would be necessary in order to have their inspection made. I explained to them that there was no inspection whatever at those places; that if they bought grain at a place where it was not inspected, other than one of these great terminals, and it was shipped to another place where there was no inspector, there would be no inspection at all, just exactly the same as it is to-day.

Let me make that clear. If in New Hampshire a buyer for a mill there buys grain that is inspected in Minneapolis or Duluth or Buffalo, he buys it on the Minneapolis, Duluth, or Buffalo inspection; and if the consignment is to be delivered at that place, no further inspection at all takes place. There is no change whatever in the present system.

I want to explain to the Senator the fact that we do not change the system of inspection anywhere. We simply provide for different inspectors at the same places where the grain is inspected at the present time, either under board of trade rules or under the State law. There is not a single additional one provided in this bill. It does provide, however, that the Secretary of Agriculture may include other important grain centers if the business grows up in a certain territory so that it becomes an important center.

Every little New England town can not become an important grain center. There are the great grain centers of Minneapolis, Duluth, Chicago, and Buffalo and, when you get to the exporting places, Baltimore, New York, and Boston. They have become important exporting places. You have now a system of inspecting grain there. The grain is inspected there before it is shipped out, so that there is no change except in the personnel of the inspectors.

I have attempted to follow as closely as possible the Minnesota law, which I regard as a good law if it is complied with properly in the matter of inspection, in the handling, and in the grading of grain, but leaving the matter of changing the grades, and so forth, to the department itself.

Mr. WEEKS. Mr. President——

The PRESIDING OFFICER. Does the Senator from North Dakota yield to the Senator from Massachusetts?

Mr. McCUMBER. I do.

Mr. WEEKS. I should like to put to the Senator a hypothetical case. Suppose a shipment of grain is made from his own State to Duluth and goes into an elevator there, where is it inspected?

Mr. McCUMBER. It is inspected before it goes into the elevator.

Mr. WEEKS. When it goes into the elevator, it having been mixed with other grain, and is then shipped in a barge to Buffalo, where would it be inspected?

Mr. McCUMBER. It would be inspected before it left for Buffalo as it would go out in the barge, because it is not the same grain, because there is a mixing of the grain. It is received at Duluth in carload lots. That is one lot of grain. When a whole shipload is shipped, either in separate bins or otherwise, it is inspected out under the present system. I do not propose to change the system at all. It is inspected in and it is inspected out under the present system.

Mr. WEEKS. Now, one more question. Suppose that grain is shipped from Buffalo to a town of 5,000 people in Massachusetts; where is the grain going to be inspected next time?

Mr. McCUMBER. If it is resold, and is the same grain——

Mr. WEEKS. It can not be the same grain, because it has been mixed.

Mr. McCUMBER. It is a different grain. It will be inspected in Buffalo as it is inspected in Buffalo now; and then if it is consigned to a little town, that is an end of the inspection.

Mr. WEEKS. Does the Senator mean to say that the grain would be inspected three times in transit now?

Mr. McCUMBER. If the grain is mixed three times, the inspection will be just the same as it is now. If it was inspected three times under the present system, it would. If you mix different kinds of grain—Nos. 1, 2, and 3—that makes a different grade, and it will be reinspected as it is inspected under the present system, in all the trade centers, but only at these given centers where it is now inspected. Under the bill, when the grain has been once inspected, no further inspection is required.

Mr. SMITH of Georgia. Mr. President——

The PRESIDING OFFICER. Does the Senator from North Dakota yield to the Senator from Georgia?

Mr. McCUMBER. I yield to the Senator from Georgia.

Mr. SMITH of Georgia. I have been endeavoring for quite a length of time to-day to find an opportunity, without inconveniencing some Senator who had a matter he desired to press, to present a conference report upon the agricultural extension bill. I ask unanimous consent that the grain-inspection bill may be laid aside for just a few moments that I may submit the report?

The PRESIDING OFFICER. Is there objection? The Chair hears none.

AGRICULTURAL EXTENSION WORK.

Mr. SMITH of Georgia submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 7951) to provide for cooperative agricultural extension work between the agricultural colleges in the several States receiving the benefits of an act of Congress approved July 2, 1862, and of acts supplementary thereto, and the United States Department of Agriculture, having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 2, 4, 5, 11, 15, and 16.

That the House recede from its disagreement to the amendments of the Senate numbered 1, 3, 6, 7, 8, 12, and 14, and agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 9, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$500,000"; and the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 10, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$4,100,000"; and the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 13, and agree to the same with an amendment as follows: After the word "contributions" in said amendment, insert the following: "from within the State"; and the Senate agree to the same.

HOKE SMITH,
JOE T. ROBINSON,
JAS. H. BRADY (all but No. 4),
Managers on the part of the Senate.

A. F. LEVER,
GORDON LEE,
G. N. HAUGEN,
Managers on the part of the House.

The report was agreed to.

INSPECTION AND GRADING OF GRAIN.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (S. 120) to provide for the inspection and grading of grain entering into interstate commerce, and to secure uniformity in standards and classification of grain, and for other purposes.

Mr. McCUMBER. Mr. President, the Senator from Massachusetts [Mr. WEEKS] made some suggestions to the effect that under the pending bill there would be a delay in shipping grain. The bill does not change in any respect the present method of making the inspections. As a matter of fact, although it is not enforced to any great extent, a provision has been carried for years in the Agricultural appropriation act requiring the Secretary of Agriculture to see that all grain in vessels exporting grain shall be certified and inspected. I do not know whether that inspection is being carried on or not, but we provided for it for a number of years, and I think it is still the law. But whether that is the case or not, there will be no change whatever.

I understood that the senior Senator from Massachusetts [Mr. LODGE] was to go on and follow his colleague, but I observe that he is not present.

Mr. NELSON. I wish to say to the Senator from North Dakota that the senior Senator from Massachusetts is necessarily detained in a committee meeting. Otherwise he would be here, but he can not be here this afternoon. I therefore suggest to the Senator that he allow the bill to go over until to-morrow and that the Senate adjourn.

Mr. McCUMBER. Let me ask the Senator from Missouri [Mr. REED] if he can possibly go on this afternoon?

Mr. REED. I prefer to go on to-morrow.

Mr. McCUMBER. Under the circumstances, I move that the Senate adjourn.

The motion was agreed to; and (at 3 o'clock and 35 minutes p. m.) the Senate adjourned until to-morrow, Tuesday, April 28, 1914, at 12 o'clock meridian.

NOMINATIONS.

Executive nominations received by the Senate April 27, 1914.

PROMOTIONS IN THE ARMY.

MEDICAL CORPS.

Lieut. Col. Jefferson R. Kean, Medical Corps, to be colonel from April 23, 1914, vice Col. Daniel M. Appel, who died April 22, 1914.

Maj. Charles Lynch, Medical Corps, to be lieutenant colonel from April 23, 1914, vice Lieut. Col. Jefferson R. Kean, promoted.

Capt. John L. Shepard, Medical Corps, to be major from April 23, 1914, vice Maj. Charles Lynch, promoted.

PROMOTIONS AND APPOINTMENTS IN THE NAVY.

Ensign Boyce K. Muir to be a lieutenant (junior grade) in the Navy from the 6th day of June, 1913.

Samuel L. Howard, a citizen of the District of Columbia, to be a second lieutenant in the Marine Corps from the 13th day of April, 1914.

The following-named assistant surgeons in the Medical Reserve Corps to be assistant surgeons in the Navy from the 10th day of April, 1914:

Carroll R. Baker.
Cliff C. Wilson.
George W. Calver.
Daniel Hunt.
Claude W. Carr.
Howard Priest.
Arthur E. Beddoe.
Robert L. Crawford.
Thomas A. Ratliff.
Louis Lehrfeld.
John F. Riordan.
Ovid C. Foote.
Martin B. Hiden.
Arthur E. Younie.
Louis H. Roddis
Frank H. Haigler.
Frederick Ceres.
Horace V. Cornett.
James D. Bobbitt.
William H. Massey.
Harvey R. McAllister.
Walter C. Espach.
Howard A. Tribou.
Thomas A. Fortesque.
William B. Hetfield.
Jesse B. Helm.
Walter L. Haworth.

CONFIRMATIONS.

Executive nominations confirmed by the Senate April 27, 1914.

CONSULS.

Samuel H. Wiley to be consul at Asuncion, Paraguay.
Herman L. Spahr to be consul at Montevideo, Uruguay.
Lawrence P. Briggs to be consul at Saigon, Cochin China.
Ross Hazeltine to be consul at Cartagena, Colombia.
Hernando de Soto to be consul at Warsaw, Russia.

CONSULS GENERAL.

George H. Murphy to be consul general at Cape Town, Cape of Good Hope.

Leo. J. Keena to be consul general at Buenos Aires, Argentina.

CONSUL GENERAL AT LARGE.

Ralph J. Totten to be consul general at large.

RECEIVERS OF PUBLIC MONEYS.

William U. Hews to be receiver of public moneys at Hailey, Idaho.

Charles E. Harris to be receiver of public moneys at Blackfoot, Idaho.

REGISTERS OF THE LAND OFFICE.

Joseph Winczewski to be register of the land office at Duluth, Minn.

Henry Heitfeld to be register of the land office at Lewistown, Idaho.

John E. Williams to be register of the land office at Hailey, Idaho.

PROMOTIONS AND APPOINTMENTS IN THE NAVY.

Commander Philip Andrews to be a captain.
Surg. Norman G. Blackwood to be a medical inspector.
Chaplain George E. T. Stephenson to be a chaplain in the Navy.
Commander Archibald H. Scales to a captain.
Commander Victor Blue to be a captain.
Lieut. Commander George E. Gelm to be a commander.
Lieut. Walter N. Vernou to be a lieutenant commander.
Lieut. (Junior Grade) Guy E. Davis to be a lieutenant.
Ensign Sydney M. Kraus to be a lieutenant (junior grade).
Henry M. Stenhouse to be an assistant surgeon in the Medical Reserve Corps of the Navy.
William A. Stoops, a citizen of Michigan, to be an assistant surgeon in the Medical Reserve Corps of the Navy.

POSTMASTERS.

ALASKA.

T. H. Deal, Fairbanks.

ARKANSAS.

O. D. Bareing, Magnolia.
James F. Hurst, Clarendon.
Harry L. Kelley, Holly Grove.
Emmet H. McMurry, Marianna.
W. L. Newton, Camden.
James H. Stack, Brinkley.

CALIFORNIA.

J. H. Garner, Hollister.
Thomas E. Klipstein, Bakersfield.
W. M. Redman, Lancaster.
William T. Tschierschky, Tracy.

CONNECTICUT.

Simon C. Bradley, Fairfield.
Edward F. Daly, Portland.

FLORIDA.

Robert J. Dunnam, Fellsmere.
Thomas H. Milton, Trenton.

GEORGIA.

Johnnie B. Roddenbery, Thomasville.

IDAHO.

E. C. Davis, Milner.
J. A. Edlefsen, Driggs.

INDIANA.

C. E. Garriott, Scottsburg.
Oren A. Rawlings, Portland.

KANSAS.

George H. Goodholm, Lindsborg.
C. C. Holbrook, Waterville.
W. D. Sturgis, Kanopolis.

KENTUCKY.

Francis E. Bradley, Scottsville.
John O'Reilly, Hardinsburg.
James T. Wilhoit, Versailles.

LOUISIANA.

Albert Hanson, Berwick.
W. J. M. Tilley, Oil City.
Mary E. Vandegaer, Many.

MAINE.

Frank E. DeCoster, Norway.
Wallace O. Estes, Brooks.
D. M. Murphy, Rockland.
Frank O. Wellcome, Yarmouth.

MISSOURI.

Thomas J. Board, Oronogo.
William R. Bowles, Greenfield.
William R. Jackson, Mexico.
John F. Kincannon, Anderson.
Uriah A. McBride, Warrensburg.
J. K. Saunders, Pierce City (late Peirce City).

MONTANA.

Mary E. Meinhardt, Bainville.
Exzelia J. Pepin, Havre.

NEW HAMPSHIRE.

George E. Fellows, Raymond.

NEW JERSEY.

Eugene S. Burke, Morristown.
Arthur J. Halladay, Kenilworth.
John F. Peniston, Cranford.
Isaiah C. Shinn, Woodstown.

NORTH CAROLINA.

O. C. Nicholson, Maxton.
Nathan R. Pool, Clayton.

OHIO.

Vallee Harold, Portsmouth.
Frank J. Sonderman, Fort Recovery.

OKLAHOMA.

H. A. Crawford, Temple.
James M. Keys, Pryor.
R. L. Lunsford, jr., Cleveland.
T. C. Shacklett, Yukon.

OREGON.

Henry D. Reed, Gold Hill.

PENNSYLVANIA.

John T. Brew, Erie.
Paul O. Brosius, Lock Haven.
Charles S. Duncan, Gettysburg.
John J. McAllister, Bryn Mawr.

PORTO RICO.

Rodulfo Blanco, Rio Piedras.

SOUTH DAKOTA.

John C. Borcherding, Presho.
Charles P. Dahlen, Oldham.
Harry Donovan, Heckla.
M. K. Nolan, Winner.
C. H. Peckham, Alexandria.

TEXAS.

R. C. Dial, Greenville.
J. N. Fallis, Clifton.
C. A. Lawler, Jacksonville.
A. J. Page, Como.
F. T. Roche, Georgetown.
L. V. Vanek, Lagrange.

UTAH.

Samuel W. Hendricks, Richmond.

WASHINGTON.

J. W. Shaw, Vancouver.

WEST VIRGINIA.

Walter A. Ervin, Petersburg.
W. S. Wray, Northfork.

HOUSE OF REPRESENTATIVES.

MONDAY, *April 27, 1914.*

The House met at 12 o'clock noon.

The Chaplain, Rev. Henry N. Couden, D. D., offered the following prayer:

O Lord, God of hosts, let Thy spirit come mightily upon us as a people, especially upon all those who are in authority, that the affairs of State may be wisely and amicably adjusted, that strife may cease, and the terrible effects which must follow in the wake of war be avoided.

Hear us when we pray for the families who have already been bereft of their dear ones and those who are in anxiety for the wounded and their sons who are at the front exposed to the dangers which threaten them. May the good offices of those who have intervened in behalf of peace be received in good faith by all concerned, that peace may once more reign supreme with us and all peoples. In the spirit of Christ, the Lord. Amen.

The Journal of the proceedings of Saturday was read and approved.

RANDOLPH SUMMERLIN.

Mr. WALKER. Mr. Speaker, I ask unanimous consent to address the House for 10 minutes.

The SPEAKER. The gentleman from Georgia asks unanimous consent to address the House for 10 minutes. Is there objection?

Mr. MONDELL. Reserving the right to object, Mr. Speaker, I would like to ask the gentleman from Georgia on what subject?

Mr. WALKER. I desire to pay a tribute to young Summerlin, who lived in my State and district and was killed at Vera Cruz last week.

Mr. MONDELL. I think there will be no objection on this side.

Mr. WALKER. Mr. Speaker, I desire to pay tribute to the bravery, valor, and heroism of Randolph Summerlin, of Willacoochee, Coffee County, Ga., who on Friday last gave up his promising young life in defense of his country and his country's cause.

Georgia mourns to-day the death of her brave and heroic son; but in her unswerving loyalty and consecrated devotion to our common flag she finds consolation in the reassuring thought that among the young American patriots who have so far given their lives in Mexico she has made a generous contribution in the defense of our country's flag and the national honor of our glorious Republic.

As a member of the Committee on Foreign Affairs I have favored and counseled peace. I had fervently wished and hoped that the heretofore peaceful and friendly relations which have so long existed between this Government and our sister Republic might be maintained and preserved.

I have at all times deeply sympathized and been in perfect accord with the policies of the President of the United States in treating with the many delicate situations that have arisen and confronted him from time to time in dealing with Mexico. The wisdom of his policies I yet approve. His able statesmanship, his sincere desire, his devoted and patriotic service as the President of this Republic, none can question. Mr. Speaker, I shall yet hope for peace in Mexico, although the war clouds, which they seem to invite, are gathering thick and fast about the heads of this unfortunate and unhappy people. Whether or not it may be possible to mediate our differences, as now proposed, with Mexico I shall not at this time undertake to discuss. That we have accepted, however, the generous offer of the three South American Republics to mediate our differences upon a friendly basis is at this time and under existing conditions more convincing proof before the nations of the world that our honest purpose and most sincere desire is for peace. I am for peace, so long as it may be honorable to ask for peace; but if the price of peace in the present crisis with the mad and distracted Huerta is to condone open, flagrant, and studied insult to our flag and uniform; if the assurance of peace is to be purchased at the cost of sacrificing our national honor, then, Mr. Speaker, I am no longer for peace [applause], but I shall then take my place among the countless number of American citizens and patriots in defense of our flag, our uniform, and our national honor, who are ready and willing, if needs be, to share the glory, the honor, and renown of the 17 young American heroes who lie dead at Vera Cruz. [Applause.]

Private Randolph Summerlin, of the battleship *Vermont*, whose people are my constituents and personal friends, was but a few hours ago in the vigor of splendid young manhood, buoyant and full of hope. His proud spirit rests to-day in the bosom of the

Master. He sleeps in the tranquil and quiet peace of heroic duty done. In the tender love and affection of his comrades his generous and beautiful sacrifice shall be cherished. His devotion to duty, his bravery, and his courage will inspire in the hearts of his countrymen a greater national zeal, a loftier and a more exalted patriotism, while his splendid heroism shall live and be perpetuated in the admiration and devotion of a liberty-loving and a patriotic people. [Applause.]

LEAVE OF ABSENCE.

By unanimous consent, leave of absence was granted to Mr. WATSON for four days, on account of important business.

PERE MARQUETTE RAILROAD.

Mr. CRAMTON. Mr. Speaker, I ask unanimous consent to extend some remarks in the RECORD on House resolution 409, relating to the Pere Marquette Railroad.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

TAXATION OF REAL ESTATE IN THE DISTRICT OF COLUMBIA.

Mr. JOHNSON of Kentucky. Mr. Speaker, I move that the House resolve itself into Committee of the Whole House on the state of the Union for the consideration of business relating to the District of Columbia.

The SPEAKER. The gentleman from Kentucky moves that the House resolve itself into Committee of the Whole House on the state of the Union for the consideration of legislation pertaining to the District of Columbia.

The motion was agreed to.

Accordingly the House resolved itself into Committee of the Whole House on the state of the Union, with Mr. ADAIR in the chair.

Mr. JOHNSON of Kentucky. Mr. Chairman, when the District Committee last had the floor the bill H. R. 12873 was under consideration, and I now call it up.

The CHAIRMAN. The Clerk will read the title to the bill.

The Clerk read as follows:

A bill (H. R. 12873) relating to the assessment for taxation of real estate in the District of Columbia, and for other purposes.

Mr. JOHNSON of Kentucky. Mr. Chairman, I ask unanimous consent that the first reading of the bill be dispenced with.

The CHAIRMAN. The gentleman asks unanimous consent that the first reading of the bill be dispensed with. Is there objection?

There was no objection.

Mr. JOHNSON of Kentucky. I reserve the balance of my time.

Mr. BORLAND. Mr. Chairman, I am glad to see that the discussion which has occupied the attention of this House at intervals for the last four or five years and with an increasing degree of interest on the part of Members, has finally crystallized into some definite form of legislation. My service on the District Committee in the Sixty-first Congress convinced me, as it has convinced a great many other men of both parties who have served on that committee, that the fiscal relations between the Federal Government and the District of Columbia are radically wrong; that there is in the District of Columbia an exemption of private property from taxation such as would not be tolerated from any other American community. The only object now to be attained is that those of us who believe that that condition of affairs exists in the District of Columbia agree upon some method of reform.

I had nothing to do with the preparation of this bill. I have no reason to doubt the reason and sagacity of the gentleman from New York [Mr. GEORGE], who prepared it, but I do know that unless this House agrees upon some reform in the fiscal relations of the District the existing tax abuses will continue, and the only result of the disagreement among the Members of this House on the subject of the remedy will be to perpetuate the continuation of the tax exemptions of special privileges and abuses which have been shown.

This subject has been thoroughly elucidated by the gentleman from Iowa [Mr. PROUTY], and from his map he has shown that the levy in the District of Columbia, which is a tax of 15 mills, is lower than that of the average levy in the cities of the United States of similar size. The District of Columbia is not overtaxed, so that even the small home owner in the District of Columbia has nothing to fear from the action of Congress. In my judgment, the small home owner of the District of Columbia, who pays 15 mills on two-thirds of the valuation of his property, and included in that 15 mills is all of the expense of the Government which he must bear, has no reason to complain as against the small home owner in other parts of the United States.

It is true that many of these men here are Government employees, civil-service employees, who have bought their own homes and, I assume, are paying for them at some hardship and self-sacrifice. But that identical situation is true in every city in the United States.

The civil-service employees of the District of Columbia represent but a small fraction of the civil-service employees of the Union. A large percentage of them—over 90 per cent of them, probably—are in other cities of the United States, cities like Boston, Chicago, Kansas City, Baltimore, Philadelphia, and San Francisco, all of them containing civil-service employees that are on the same basis as the civil-service employees in this city are.

Mr. MURRAY of Massachusetts. Will the gentleman yield?

Mr. BORLAND. Yes.

Mr. MURRAY of Massachusetts. Has the gentleman compiled any statistics in regard to the distribution of civil-service employees in the United States? I would like to have them incorporated in the RECORD, because I have frequent requests for them.

Mr. BORLAND. No; I have not; but I think it will be conceded that by far the greater number are in the larger cities of the United States.

Mr. MURRAY of Massachusetts. Oh, yes; but I wondered if the gentleman had any accurate information about it.

Mr. BORLAND. I have not. The point I want to make is that the civil-service employees in the larger cities of the United States who desire to do what the civil-service employees are said to be doing here—that is, to buy their own homes and pay for them on the installment plan out of their earnings—are confronted with higher rates of taxation. Why? Because they must support their local city, county, and State governments. The civil-service employee owes that duty to the Government as a citizen, and he performs it, and is willing to perform it. So the civil-service employee here is in no special class.

There is no reason why the fact, if it were true, that the majority of the home owners in the District of Columbia are civil-service employees should alter the situation at all. The question simply is to place those men upon a fairly equal and uniform basis with the civil-service employees in other cities of like size, so that the comparison still remains good, as made by the gentleman from Iowa [Mr. PROUTY]. If the average rate in the District of Columbia is lower, considering the rate of assessment and levy, than in other cities of like size, then it follows that the small home owner in this city has no reason to complain. No hardship has ever been visited upon him, nor will be visited upon him. But the evil is not there. We are not confronted with any complaints from the civil-service employees, nor are we confronted with any complaints from the small home owner in the District of Columbia. What we are confronted with is the fake, the sham opposition by the great landowners and the real estate speculators of the District of Columbia, by the bankers and the exploiters of the civil-service employees of the District of Columbia, who are sheltering their own tax abuses behind the name of the civil-service employees. This investigation by the George committee exposed that condition with relentless definiteness and publicity. It showed that the large home owners and the speculators who have owned vacant land, being improved and brought in for the purpose of being sold for small homes, are enjoying a lower rate of assessment than that of the small home owners. That is exactly where the difficulty comes in reforming the tax system of this city. It is the big fellow that makes the holler. It is the big fellow that brings the pressure to bear; it is the big fellow who holds the meetings. It is the big fellow who agitates through the press; it is the big fellow who will be made to walk up and pay his share if this bill becomes a law. That is the whole sum and substance of it.

Under the peculiar arrangement of the District of Columbia, where all of the public improvements are paid out of the general fund, it is possible, and, in my judgment, not only possible, but has been customary in the past, to so conduct those special improvements, such as paving, street lighting, curbing, sidewalks, trees, ornamental grounds, and so forth, as to gradually bring into the market large tracts of lands which were enjoying a comparatively low rate of assessment, because they were acreage property, unplatted, and as soon as by the contribution of the small home owners of the District of Columbia and the contribution of the Federal Treasury, public improvements have been carried out and around those tracts of land, they were immediately put on the market, and the price then went to a fancy residential price. Those improvements are made largely without cost or expense to the speculator. Out of that evil has grown most of the complaints of the management of the District of Columbia.

Not very long ago one of the commissioners of the District, Mr. Newman, showed me a statement, compiled during the last four years of the administration of the District, in which it appeared that in every case more than 50 and in some cases more than 60 per cent of the public improvements have gone into one section of the city, and in other sections they run down as low as 12 per cent of the total cost of public improvements. He showed me this in justification of his own change of administration, for the point he was making was that in his allotment of money for the year 1914 he had equalized it, and that the four districts—north, south, east, and west—were getting approximately equal expenditure of public funds under his administration.

Mr. MADDEN. Mr. Chairman, do the District Commissioners have anything to do with equalizing it? I thought Congress did that.

Mr. BORLAND. No; the commissioners do it.

Mr. MADDEN. The Committee on Appropriations does that. I served on that committee for four years, and we always decided just what the allotment would be and where it would be expended.

Mr. BORLAND. Did the gentleman ever figure out where those allotments went in the different portions of the district?

Mr. MADDEN. I did, and I went over every street in the district before I decided what I would vote for, and so did every other member of the committee.

Mr. BORLAND. And is it true that you put three-fourths of them in some cases in one particular part of the city?

Mr. MADDEN. Not at all. We put them wherever they were needed.

Mr. BORLAND. But the record shows that to be the fact.

Mr. MADDEN. They were placed wherever they were needed.

Mr. BORLAND. I assume that that was done upon the recommendation of the commissioners and not upon the recommendation of the committee? In other words, it was the adoption by the committee of the recommendations of the commissioners.

Mr. MADDEN. The commissioners would make suggestions and then the committee decided, after investigations, which of the suggestions would be adopted.

Mr. BORLAND. Certainly. That is the way we proceed.

Mr. MADDEN. If there is no improvement needed on A Street SE., there will be no money expended upon that, or if there was an improvement needed on A Street NW. the money would be expended there.

Mr. BORLAND. In other words, the gentleman would have no idea where the improvements ought to be initiated except the recommendation of the commissioners?

Mr. MADDEN. Of course they did that.

Mr. BORLAND. The gentleman has never added anything in the Southeast which the commissioners did not recommend?

Mr. MADDEN. Yes; I think we did.

Mr. BORLAND. Although he has sometimes taken away things in the Northwest which the commissioners did recommend?

Mr. MADDEN. I think we did in every case.

Mr. BORLAND. So that the basis of the allotment was the recommendation of the commissioners?

Mr. MADDEN. Of course, they had the data on which we acted.

Mr. BORLAND. Mr. Chairman, I want to say this: That the dissatisfaction among the small home owners in the District of Columbia has probably arisen out of that condition of affairs. It has not arisen out of the fact that they are paying more taxes than they believe their property ought to be assessed for; that is, that the rate or levy of 15 mills is too high. As a matter of fact, the levy of 15 mills in the District of Columbia is fairly moderate and economic.

In many cities of the United States of the same size the levy runs higher than that even where it includes special improvements; but in all cities of the United States the city levy does not include the State and many other expenses of the Government. Now, a few cities like St. Louis include the county government, but in most of the cities of the Union it does not even include the county government. In my city it does not include the school tax, the parks, or special assessments for sewers, sidewalks, and improvement of streets. Now, just one brief comparison on that proposition to show the city of Washington is not and never has been overassessed: Here in the city of Washington we raise $7,000,000 on approximately 350,000 people. Uncle Sam contributes $7,000,000, if we were to expend all the commissioners estimate for us to spend.

In my city of 250,000 people we raise $2,700,000—what we call the general fund. That is equivalent to the general fund of the District here. That costs us 12½ mills on the dollar. Then we raise $1,400,000 for school taxes that here are included in the District general fund. We raise $1,250,000 for special improvements, sewers, sidewalks, pavements, opening, grading, and widening streets, and so forth, and we raise nearly $600,000 more for parks and boulevard extensions and maintenance, and we raise our excise taxes in addition. We raise $6,000,000 for city purposes off of 250,000, but here they raise $7,000,000 off of 350,000 people. But the comparison does not stop there. We raise for county and State purposes $3,000,000 more; so we raise $9,000,000 off of 250,000 people, and they raise $7,000,000 off of 350,000 people. Now, that is a fair comparison. The reason I say that is a fair comparison is that the city of Kansas City is one where the tax rate is so low it is not even on this Prouty list. I have taken a city of lower rate of taxation than the average in the United States and have compared it with the District of Columbia. But the difficulty has been, gentlemen, not that the tax rate of the District of Columbia was too high, but it was not fairly distributed on the wealth of the District. There is ample taxable wealth in the District of Columbia, but it has escaped taxation. There are two classes of wealth that have escaped taxation, and both of them, I think, are caught by this particular legislation. One is the underassessment of the large holdings. That is an evil that we ought not to permit to exist in the District of Columbia. I am satisfied we would not permit to exist in our home cities the underassessment of men who hold handsome homes and the underassessment of men who are holding vacant property for speculation. Those two things, as developed in the report, are unjustifiable and indefensible, and they should not exist in the National Capital. The National Capital should levy the same rate of taxation, approximately, on private property that is levied in any other city of its size.

If it levies more it might be said to be an injustice, although in comparison with the greater benefit which property owners here enjoy the injustice might be more apparent than real. If it is less, it is certainly a very gross injustice to the people who are contributing to the support of the National Capital. Not only that, but it is demoralizing to the people of the District of Columbia. We ought not to permit private property to be underassessed in the District of Columbia, especially if it be held for speculative purposes.

Mr. MOORE. Will the gentleman yield?

Mr. BORLAND. Yes.

Mr. MOORE. One of the things I can not quite understand is why this property is underassessed. Does that rest with the assessor? Is it a matter of discretion with him?

Mr. BORLAND. That matter was very fully covered by Judge PROUTY in his opening speech on this matter, and I think it is also very fully covered in the George report. It was intimated here on the floor very strongly, and I can only give what was intimated, that certain individuals in the District here allied together, allied with these speculative enterprises engaged in exploiting the Government clerks by selling them homes on the installment plan, were enabled in some way or other to keep down their assessment, but that the assessment was not kept down on the individual who owned a $4,000 or a $5,000 home. He had no access to any source of information, and he just simply took what was handed him, and the other fellows busied themselves in seeing that their assesment was lowered.

Mr. MOORE. Would that not still be subject to the discretion of the assessor, or to the judgment of the board, no matter how you changed the law?

Mr. BORLAND. I do not see how we can avoid having that difficulty to contend with.

Mr. MOORE. I am very much interested in what the gentleman says, and I would like to know whether by law we can either regulate this unfair assessment or this so-called undervaluation unless we can get at the method of assessment. The existing law, apparently, does not control the discretion of the assessor, and I wondered whether the proposed law would prevent the unfair influences to which the gentleman referred.

Mr. BORLAND. Now, the purpose of this law is to make the assessment at the real value. The real value of property is generally disclosed when you come to sell it, and it is disclosed sometimes when you put it in condemnation proceeding. Here is an article that appeared in yesterday's paper, in which the statement is made about the sale of the property occupied by Engel's saloon, on E Street, what is practically Pennsylvania Avenue. It was sold for $100,000, subject to a seven-year lease of Mr. Engel. I assume the property is underimproved, as it is only a little bit of a building there, but it is a very valuable lot, only 23 feet wide. I assume that if the tenant did not have that seven-year lease it would have brought more than $100,000, because I think it is of great value to Mr. Engel to keep the saloon.

But it did bring $100,000. Now, the assessment on the property, which is only 23 feet wide, is $59,260. The ground is assessed at $15 a square foot, which is $55,260, and the building at $4,000, making a total of $59,260. The property sold for $100,000. That property is assessed at 59 per cent of its value. Another piece of business property sold last week for $100,000. I find it was assessed at $52,000, or 52 per cent of its value. Now, I presume the assessor, who is honest and capable, would be able to locate practically the value of these pieces.

Mr. MOORE. Just one more question. Suppose a railroad should come along in front of that property and the value of it should decrease while the present owner held it, would not the assessor still have a discretionary power to reduce the rate?

Mr. BORLAND. Oh, unquestionably.

Mr. MOORE. Suppose for some reason or other, after the value was fixed at $100,000, it would depreciate in value. How are we going to get at that?

Mr. BORLAND. This provides for a change like that.

Mr. MOORE. Would he have to appeal in the regular way and ask for a readjustment of the assessment? Some one may have purchased this property for $100,000, but in the course of a year something might come along that would depreciate the value of that property one-half. Would it be assessed continually at the rate of $100,000?

Mr. BORLAND. That is not so apt to happen, but I will tell you what is apt to happen: For this very piece of property, the paper says, the purchase price was $100,000. It was sold subject to a lease by Mr. Engel, which will expire in seven years. The property was owned by Julia Magee. An attempt was made to buy it five years ago, and Mrs. Magee placed a price of $35,000 on it, which was refused. To-day she has sold it for $100,000. Of course, we are going to readjust these values, I assure the gentleman from Pennsylvania——

Mr. MOORE. She started in at $35,000, and in five years it was sold for $100,000? Apparently it was worth $100,000 before it was sold. That value might have held for five years. There was still a discretion with the assessor, I submit, which the law does not cover.

Mr. BORLAND. Undoubtedly.

Mr. IGOE. Right in that connection I wish to say that both of the bills provide for annual assessment.

Mr. BORLAND. It provides for annual assessment instead of a triennial assessment, as I understood it was before. The sale of the Engel property ought to fix the assessment for a considerable area on E street.

Mr. LINTHICUM. I would like to ask the gentleman if he were an assessor assessing this property how would he get at the value of that property?

Mr. BORLAND. I would get at it in the same way as if you were selling real estate. If you and I owned the property next to Mr. Engel, of the same availability, we would hold it at the same price. We are business men and would not sell our property for less than $100,000.

Mr. MOORE. If the gentleman will permit, I presume Mr. Engel has a saloon and a license. It is a valuable piece of property. Suppose a man next door occupies a residence, or perhaps a blacksmith shop, out of which he makes very little or nothing. Are you going to levy taxes on that property at the same rate you assess against Mr. Engel?

Mr. BORLAND. The gentleman knows it is the potential value of property that fixes its value.

Mr. MOORE. The gentleman says if he owned the property next door he would value it at the same price. He would be unfair to himself.

Mr. BORLAND. The fact that a man does not produce its whole value——

Mr. MOORE. A hotel with a growing business, assessed at $100,000, might depreciate the value of the residence next door. It would not be fair to assess it at the same price.

Mr. BORLAND. The gentleman is radically wrong about that.

Mr. MOORE. I think, in practical experience, that if you owned the property next door you would find the saloon in the nature of a nuisance, and you would have difficulty in renting your property for residential purposes. It would be impossible for you to get the price which the man who owned the saloon could get for his.

Mr. BORLAND. The gentleman is wrong about that.

Mr. MOORE. You can apply it to a store or other business as well as to a hotel next door.

Mr. BORLAND. The saloon license does not run with the land, and therefore, if the land was worth $100,000, had a potential value of $100,000, the property next door would approximately have a value of $100,000, regardless of what you used it for.

Mr. MOORE. There is one way the gentleman could sell his property next door, and that would be in the event that a man wanted a large frontage on which to erect a building; in that case the gentleman might be able to hold out against a possible purchaser and get a large price for it, but it would be accidental.

Mr. BORLAND. The gentleman is radically wrong if he thinks the accidental use of property determines its value.

Mr. MOORE. I think this: I think you could find hundreds of cases in this community where corner property is held at a large price, and that the next door property is affected detrimentally by the nature of the business conducted in the corner property. Unless some one comes along and wants enough frontage to take in the next door property it is sometimes difficult to dispose of it. In that event you could hold out until you got a better price.

Mr. BORLAND. The difference between a corner and an inside lot is not involved in this case, because these are inside lots.

Mr. LINTHICUM. I want to say to the gentleman that I have in mind the case of a lot in Baltimore city which was not worth more than $50,000, but it was located right next to a hotel that wanted the lot, and the owner of it got about $140,000 for the property because it was in a location where the hotel had to have it. I have in mind another lot which was adjoining a department store, and the people paid much more than $100,000 for it when it would not have brought over $60,000 otherwise, because it was in a particular location where a department store had to have more room.

Mr. BORLAND. These cases frequently happen where a hotel or something of that kind wants a particular lot and is willing to pay a fancy price for it. And there are cases which happen where property, such as soap factories, has depreciated other property in the neighborhood. Those things have to be adjusted, and you can not make a law to fit individual cases, but as a general principle the sale value of the property adjoining is the potential value of the property.

Mr. CLINE. These isolated cases do not fix the value of the property.

Mr. BORLAND. No——

Mr. CLINE. I would like to ask the gentleman a question. Is there a board of review in the District of Columbia that reexamines and reassesses property in cases where people make complaint?

Mr. BORLAND. Yes. They send out a notice if any change is made in the assessment.

Mr. CLINE. Is that constituted of different persons from the persons composing the board of assessment; that is different persons make up the board of review?

Mr. BORLAND. It was different under the old law. I do not know whether it is under this law or not.

Mr. CLINE. I know that is the rule generally.

Mr. BORLAND. I will say to the gentleman that there is a board of equalization provided for here in section 8 and a board of appeals, too.

Mr. CLINE. How does that board get its existence? Who appoints it?

Mr. BORLAND. I will ask the gentleman from Missouri [Mr. IGOE] to answer that question.

Mr. MADDEN. They are the same men.

Mr. IGOE. It is composed of the two assessors who are not members of the board that actually assess the property.

Mr. CLINE. They are the same parties who originally fix the values?

Mr. IGOE. No; they are not. They are detailed especially for this work on the board of appeals.

Mr. CLINE. As I understand it, then, they are a sort of court en banc to readjust the values fixed by those who are detailed to go out and make the assessment?

Mr. IGOE. The assistant assessors go out and report the value, then that is passed upon by a board of equalization composed of a number of assistant assessors, and then there is an appeal to the board of appeals.

Mr. BROWNING. Mr. Chairman, will the gentleman yield?

The CHAIRMAN. Does the gentleman from Missouri yield to the gentleman from New Jersey?

Mr. BORLAND. I do.

Mr. BROWNING. I would like to know if the gentleman thinks that anyone else would have given $100,000 for that property which the gentleman mentions, except the man that bought it?

Mr. BORLAND. Yes; I think so. I realize that it was next to the holdings of the purchaser and that he might have had a special reason for buying; but as a matter of fact most people buy because they have a special reason or want to make a

speculation. But I think that property which the gentleman refers to is fairly worth $100,000.

Mr. BROWNING. I do not think anyone would have given $100,000 except the Munsey people, who wanted to increase the size of their building.

Mr. BORLAND. I think the land could be made to pay the full interest on the $100,000 by better improvements. I do not know what rent Mr. Engel paid, but he would not have to make a great deal of money in order to make it pay the interest on that investment. Five hundred dollars a month is not a great deal for a store in that vicinity, and I have no doubt he may pay somewhere in that neighborhood.

But that is not the main reasoning here. This underassessment that has been going on here has applied to large holdings and to speculative property, and has not applied to the same extent, in my judgment, to business property. I believe the business property in the District of Columbia has been assessed more nearly at the rate required—that is, two-thirds of the real value—than the speculative holdings or the handsome homes. I think that the chief beneficiaries under this system have been the speculative holdings. They always have the benefit of the doubt.

But there is another evil to be corrected by this law—an evil that the Congress of the United States should not tolerate in the National Capital—the evil of exemption from taxation, an exemption from taxation of property in the hands of those least entitled to an exemption, and that is the exemption of intangible personal property. That exemption is a plain violation of this half-and-half principle or organic law of 1878.

I want to call your attention to that. I want to emphasize it. What these gentlemen have so often contended as the inviolable, sacred act of 1878 has been violated for 30 years in the District of Columbia, and violated in the interest of a privileged class. If that law ever was a compact between the people of the United States and the people of the District of Columbia, it has been shamelessly violated for 30 years. But I deny that it was ever a compact. I deny that the District of Columbia, or any set of men in it, are a set of foreigners or a foreign nation; that we must make a treaty with them, and that we are bound by that treaty and can not violate it without mutual consent. That is the greatest legal absurdity that I have ever heard of—that this act of 1878, which was intended to put the District on its feet, when it was down in the dust, was a solemn compact between the two parties, a compact that could not be violated without the consent of both. That is a perfect legal absurdity.

But it has been violated. That is the point. When that law was passed it provided that a tax of 15 mills should be levied upon all property in the District of Columbia, all real property, and all personal property not taxable elsewhere. That is the express law of 1878—"all personal property not taxable elsewhere." But when Congress passed the law providing for the machinery for the collection of taxes on personal property, somebody slipped in the word "tangible," and made it read so that the assessors should collect evidence only of tangible personal property. That word "tangible" is not in the law of 1878. It is in the law of 1881, and that struck out of that law the words "not taxable elsewhere." The result is that the assessor can make only a list of tangible personal property.

Mr. JOHNSON of Kentucky. Mr. Chairman, will the gentleman yield?

The CHAIRMAN. Does the gentleman yield?

Mr. BORLAND. Yes.

Mr. JOHNSON of Kentucky. I understood the gentleman to say that the word "intangible" was left out of the act of 1881. The word "intangible" was left out of the act of 1902, according to my recollection.

Mr. BORLAND. My recollection is that it was left out of the act in 1881. The gentleman says it was in the act of 1902. He is doubtless correct. Who did that I do not know. But I know what the effect of it was. The effect of it was simply this: That the little merchant in the District of Columbia pays on his stock of goods, because it is tangible property. The little home owner would pay on his furniture, if it were not under the exemption limit, because it is tangible property. The man with his team and wagon on the street pays on his team and wagon, because they are tangible. But the man with stocks and bonds does not pay a penny to the support of the District of Columbia or the Federal Government, because it is intangible property, and no machinery is provided for its collection.

Mr. MOORE. Why is it intangible?

Mr. BORLAND. Oh, I am like a gentleman down in my State; I can not give the gentleman a college education all in one morning. [Laughter.]

Mr. MOORE. A certificate of stock is tangible, is it not?

Mr. BORLAND. The paper is tangible, of course, but the right that it represents to collect some money is not tangible.

Mr. MOORE. Not being a lawyer and, perhaps, being at fault in my interpretation of the word, I would like to know from the gentleman whether any court here has ever ruled on that question.

Mr. BORLAND. There is a difference between a thing in possession and a chose in action. A thing in possession is the watch in my pocket, but a chose in action is the ticket by which I can get the watch from the pawnbroker. A piece of paper which gives you a right to something is intangible property.

Mr. MOORE. I have heard complaints that jewelry is nonassessable in the District of Columbia. Is that tangible property or intangible property?

Mr. BORLAND. It is tangible property if a man has it.

Mr. MOORE. If you have a watch in your pocket, that would be tangible property.

Mr. BORLAND. Oh, yes; the distinction is clear.

Mr. MOORE. I want to find out whether the assessor is at fault or whether it is the law.

Mr. BORLAND. It is not within the assessor's discretion. The law says that in sending out lists for return he shall ask for a return of tangible personal property.

Mr. MOORE. Take the illustration used the other day by the gentleman from Iowa, Judge PROUTY, of the lady who wears so many diamonds besparkling her hands and her bosom while abroad, and who, when she comes back to the United States, makes no return of them. Would that be tangible property which the assessor could find?

Mr. BORLAND. Yes.

Mr. MOORE. Why does he not find them?

Mr. BORLAND. I do not know.

Mr. MOORE. Is any more law necessary for that?

Mr. BORLAND. No; not if he can find them.

Mr. PROUTY. Will the gentleman from Missouri yield?

Mr. BORLAND. Yes.

Mr. PROUTY. I wish to call the attention of both gentlemen to the fact that the law of 1902, the law that exempted intangible property, expressly exempted jewelry and articles of personal adornment.

Mr. MOORE. Then it is no longer a matter of discretion. That answers the question.

Mr. PROUTY. But that law has been changed since, although the effect of it has not been changed, because they never have put a single item on the list.

Mr. IGOE. Will the gentleman yield?

Mr. BORLAND. Yes.

Mr. IGOE. I want to say that the illustration so vividly given by Judge PROUTY I think is not good, because the exemption of articles of personal adornment has been repealed.

Mr. BORLAND. That is a matter which, if it had not been expressly exempted by statute, would be within the classification of tangible personal property. The intangible personal property applies to rights, credits, and securities, paper founded on debt, which give you the right to collect money when you have not got the money. It is the basis of invested fortunes. This is the shape in which people intending to live on an accumulated income, when they want to leave the active business to others, put their property. They put it in the form of an investment in intangible property. When they want to do something by their own skill and activity they put their wealth in the form of tangible property, like farms, droves of live stock, stocks of goods, manufactories, all of which is tangible. There the man is an active agent and helps build up the community. But the minute he puts his property in intangible shape, so as to live off the earnings of investments, he is living exclusively off the activity of others.

Mr. COADY. Will the gentleman yield?

Mr. BORLAND. Yes.

Mr. COADY. Does not he contribute it to the building of railroads and other public improvements?

Mr. BORLAND. That is one of the deepest economic questions to be considered; I do not think that he does.

Mr. COADY. Where would they get the money from if it was not from these people?

Mr. BORLAND. The money never would be in that shape if somebody had not earned it and put it into that shape. It is the activity of the wage earner and the toiler, men active in business, with brain and brawn, that makes the wealth, and when it is put into intangible property the great mass of the people, the active workers, make it valuable, and all the man does who owns it is to clip the coupons.

Mr. COADY. Can the gentleman suggest any other way?

Mr. BORLAND. No; I am not here in this brief time to argue that great economic question, but I am here to say that that form of wealth ought to pay its share of taxation for the protection which it enjoys.

Mr. LINTHICUM. Will the gentleman yield?

Mr. BORLAND. Yes.

Mr. LINTHICUM. What would be the gentleman's idea of the share of taxation on stock and bonds?

Mr. BORLAND. The same share as anybody else pays.

Mr. LINTHICUM. Would the gentleman advocate paying 15 mills on a 4 per cent bond?

Mr. BORLAND. Certainly; the owner is not under any obligation to take a 4 per cent bond.

Mr. LINTHICUM. What is the difference between going into a partnership in a large business and dividing profits and going into a corporation and investing the money and receiving stock as evidence of the money invested? Why is not one as good as the other for the public?

Mr. BORLAND. What is valuable to the public is the fact that we put brain and muscle into the development of the business of the country and the production of wealth. If we do that, it does not make any difference in what form, whether it is a partnership or corporation or individual; what is valuable to the country is that we have added something to the national wealth. But if all the owner does is simply to clip his coupons and contribute nothing to the wealth, that is an entirely different matter.

Mr. LINTHICUM. To get back to the 4 per cent bond. Suppose I hold a 4 per cent bond in the United Railways of Baltimore. That money has gone into building the railroad, into building power houses, and so on, and these power houses and property are all taxed, and the railroad pays a franchise tax, a park tax, is not my money which is invested in that property taxed? Why should it pay another high tax at real estate rates which has not been and is not taxed more than once?

Mr. BORLAND. That is one of the widest questions that you can open up in the field of taxation, and for this reason: There are a lot of thinkers who contend that that is double taxation, that the men who own the railroad are paying a tax on its taxable property, and the man who owns the bond is paying a tax on the bond, and that therefore it is double taxation. Now you open up a field of discussion which sweeps the whole horizon of economics. But to get back to your question, I would say simply this, that the use which a man makes of his property is not the measure of his burdens for public purposes. If you make no use of your property, if you let your money lie in a safe-deposit vault, you ought to pay taxes on it. If you put it in a 2 per cent bond, if you put it in a 4 per cent bond, if you can get a 10 per cent bond for it, it is still the same, as far as the Government is concerned. The use that you make of your property is your business. The duty which you owe to the State that protects you in your ownership is a matter of law and not of judgment, and we can not make a law to fit what is your business judgment as to the return value of your property; that is, its earning value.

Mr. LINTHICUM. If you tax at the rate of 15 mills on the 4 per cent bonds, will one not refuse in future to buy any more 4 per cent bonds? Will not your company have to issue bonds bearing interest rate sufficient to cover that rate of taxation?

Mr. BORLAND. I have no doubt, if that condition of affairs came about, a great many street railway companies in Baltimore and in other places would not issue quite so many bonds. I have no doubt if every man who held one of these bonds was to pay the same rate of taxes that other people pay, there would be less watered stocks and bonds on the market.

Mr. LINTHICUM. As far as the street railways of my town are concerned, they are probably of more use to the public than any other street railways. The gentleman mentions a park tax. The street railways pay all the park tax, and we have some money left over; our people do not pay any park tax. The railway companies pay it from their earnings.

Mr. BORLAND. No; they do not pay any of the park tax. The man who rides on the street car pays every penny of it. The man who sends his little children to school, back and forth every day, pays your park taxes and pays the interest on your money invested in street railways. All earnings and taxes are paid by the strap holder and not by the bondholder.

Mr. COADY. Do I understand the gentleman to say that he favors taxation of all issues of stock in corporations at full city rates?

Mr. BORLAND. I think so.

Mr. COADY. He does not believe, then, in any classification?

Mr. BORLAND. No.

Mr. COADY. Is the gentleman, then, in favor of this Johnson-Prouty amendment, which makes some classification?

Mr. BORLAND. I would not say that no classification is possible. I am not clear in my own mind whether classification is possible or not; but I would be in favor prima facie of an equal rate of taxation. If I voted for any other proposition, my judgment would be overruled by the members of the committee.

Mr. COADY. Then, I take it from what the gentleman says, he is also favorable to the taxation of the savings-bank deposits of the poor, which yield them 3 per cent per annum. He is in favor of taxing them 1½ per cent. Is that the gentleman's position?

Mr. BORLAND. That is unquestionably the strongest point you have, but I do not see how we can discriminate in taxation. In fact, my State constitution says that taxation must be uniform, and I think that a great many State constitutions say that; and the fact that a savings-bank deposit is owned by a poor man and that the bond is owned by a rich man is no justification for discrimination. If a discrimination can be made upon the classification of property, whoever owns it, that may be a just discrimination; but your basis is that somebody who may be a poor man ought to be exempt is not a justification for that discrimination.

Mr. COADY. Does not the gentleman think the passage of this bill with this amendment would put the savings banks of Washington City and the District of Columbia out of business?

Mr. BORLAND. No; I do not think so.

Mr. COADY. Would it not drive the depositors here to take their money to Virginia and Maryland?

Mr. BORLAND. No; I do not think so.

Mr. COADY. You think, then, that the savings banks of this city and District could compete with the savings banks of Maryland and Virginia, whose rate of taxation is about one-third, and in the case of Virginia about one-seventh, what you propose to put on them here?

Mr. BORLAND. In the first place, I think the gentleman is wrong about his facts as to what the taxes are in these other places.

Mr. COADY. No; I beg the gentleman's pardon. I have the figures. I am sure about it.

Mr. BORLAND. And in the second place, I want to say that there is not any city in the United States, and I am not making an exception of New York City, that is so overbanked as the District of Columbia. I never saw so many banks for so few people in my life as in the District of Columbia. I have made an examination into that question in a cursory way in my brief career of five years here, and I have wondered how so many banks could exist in the District of Columbia. There is not here the manufacturing business or the shipment of live stock or grain, or the great shipping interests of a city like Baltimore; and there are no great mercantile interests.

The banks have not the business in the commercial paper of men who are engaged in business that other cities have, and yet this town is just literally dotted with banks. Now, if a few of these banks went out of existence, I can not conceive that the people of Washington would suffer materially, for they would still have all the banking facilities they need. I think that the presence of so many banks in the District of Columbia is just another evidence of this tax exemption. I think the fact that there are so many banks in the District, and such large and prosperous banks, and everybody here seemingly connected with banks, is simply another evidence that there is tax exemption going on here that does not exist in other cities.

Mr. COADY. In the gentleman's own State intangible property is taxed at the full rate, is it?

Mr. BORLAND. No; it is taxed at 50 per cent.

Mr. COADY. In the gentleman's own State?

Mr. BORLAND. Yes.

Mr. COADY. Then the gentleman is one of those who want to impose upon the people of this District a tax three or four times as large as that paid in his own State, like my friend from Iowa [Mr. PROUTY]?

Mr. BORLAND. No; I am not one of those gentleman. I think I made it clear at the beginning that I think the tax rate in the District of Columbia ought to fairly approximate the tax rate in other cities of like size.

Mr. COADY. Is not the tax rate here in the District now about one dollar and a half?

Mr. BORLAND. Yes.

Mr. COADY. If we include intangible personal property, will not that make the security holders pay a dollar and a half on their securities?

Mr. BORLAND. They ought to make the security holders pay a dollar and half on their securities.

Mr. COADY. Is not that three times the amount paid in the gentleman's own city?

Mr. BORLAND. No.

Mr. COADY. Did not the gentleman say that his own city charged 50 cents?

Mr. BORLAND. But our assessment is not limited to 15 mills. Our assessment runs nearer 30 mills.

Mr. COADY. But I am speaking if the rate?

Mr. BORLAND. The gentleman is making the same mistake that others make.

Mr. COADY. I think the gentleman must misunderstand me or I must misunderstand him. I am speaking about the rate of taxation. Is not the rate of taxation in the gentleman's city the same on all classes of property?

Mr. BORLAND. Yes.

Mr. COADY. In other words, there is no classification?

Mr. BORLAND. That is true. Our constitution requires that taxes be uniform.

Mr. COADY. Does the gentleman know under that system of taxation how much intangible personal property you have on the tax books in the State of Missouri?

Mr. BORLAND. No; but I know the rate in Kansas City is 12½ mills for city purposes. I know that for State, county, school, and special assessment it runs up close to 30 mills, and I know that the 50 per cent valuation in Kansas City would be the equivalent of 15 mills on the dollar here.

Mr. COADY. So the gentleman is unable to tell us how much intangible personal property there is on the tax books in the State of Missouri?

Mr. BORLAND. I can not.

Mr. COADY. Then the gentleman is not able to refute the statement that a large tax on securities drives securities out of the State?

Mr. BORLAND. No; but I am going to answer the gentleman more fully than he expects. Instead of driving securities out of the District, this tax exemption in the District of Columbia has brought securities here and has made the District of Columbia the great paradise for tax dodgers in the United States.

Mr. COADY. I agree with the gentleman that there are a great many people coming here, and I agree with the gentleman that we should tax them, but I do not agree with the gentleman that we should fix a rate that will drive them out of the District of Columbia.

Mr. BORLAND. The fixing of a rate is a matter of detail on which I think we could get together.

Mr. JOHNSON of Kentucky. Would the gentleman welcome them to his State of Maryland?

Mr. COADY. Yes.

Mr. JOHNSON of Kentucky. Why not let them go there?

Mr. SAUNDERS. Is the intangible personal property in Missouri assessed at its face value?

Mr. BORLAND. Fifty per cent of it; and as our levy runs nearly 30 mills for all purposes, it comes to about the same thing. I have no doubt that lots of personal property escapes taxation. That is one of the evils of taxation that we have never been able to remedy.

Mr. COADY. The gentleman recalls the figures I gave him for Maryland and Pennsylvania, showing the enormous increase in the taxable securities when the rate was reduced?

Mr. BORLAND. Mr. Chairman, I will ask the gentleman to put them in the RECORD. The District of Columbia has a uniform tax rate of 15 mills, and has had that for 30 years or more. That is a distinct advantage, and a very proper advantage. I wish all communities had a uniform rate of taxation, and that it never would be levied at any greater rate for special purposes. That will be of great advantage. The District of Columbia has had that advantage of a uniform levy of 15 mills. Other great cities have had a great many problems to solve that require the constant expenditure of more money. How would the District of Columbia solve such a problem? How does the city of Baltimore solve such a problem, the gentleman's own city?

That city has either to increase its bonded indebtedness to take care of great civic improvements by vote of the people, and possibly by vote of the legislature, or, if it has reached the limit of bonded indebtedness, then it must find some other way of financing these propositions. It must, perhaps, create special districts and levy an assessment on those special districts. I will give you an illustration of that in my own city. We have danger from two rivers in flood, the Kansas and the Missouri. We have created two special drainage districts, embracing the property liable to be affected by a flood. We have the power now to levy a special assessment on those districts to build levees and dykes. How would the District of Columbia solve that problem? I will tell you how they would solve it. They would solve it by making an overdraft on Uncle Sam, and that overdraft would be carried on the books of Uncle Sam year after year until the District got ready to pay it. There is not any country in the world that I know of where a municipality has the great privilege which the District of Columbia has of making practically an unlimited overdraft upon a boundless source of revenue and paying only interest upon its daily indebtedness. Yet the District of Columbia has done that for years—ever since I have been in Congress. When it had to move this depot down here—the Pennsylvania Station—and make all of those readjustments and tunnels, etc., it ran up a big floating indebtedness, and at that time one of the District Commissioners was strongly in favor of turning that debt into bonds—3.65 bonds. If he had, Uncle Sam would not only have had to pay back half of the debt but half of the interest as well. We would not let them do that. At that time there was a Republican of the most rigid honesty who was chairman of the subcommittee of the Appropriations Committee having in charge the District of Columbia—the gentleman from Michigan [Mr. Washington Gardner]—and he absolutely refused to permit the commissioners to turn the floating indebtedness into a bonded indebtedness, and he did a great service to the District and to the country when he refused to do that.

He refused to permit them to saddle about $7,000,000 upon Uncle Sam. Every great city has problems to meet, and they are great problems, heavy burdens upon its people, but they have to solve them alone. The District of Columbia alone can draw an overdraft on Uncle Sam and with that meet expenses. Even then we have difficulty in getting them to pay their overdraft. I think that is customary because people are always a little bit slow to pay overdrafts.

Mr. LINTHICUM. Will the gentleman yield?

Mr. BORLAND. Yes.

Mr. LINTHICUM. The gentleman speaks of the removal of the stations and construction of Union Station in this city. Now, if it had been the city of the gentleman or my city we could not have afforded to have that great station and its beautiful surroundings——

Mr. BORLAND. Yes; we have built one.

Mr. LINTHICUM. Yes; but the gentleman has not any such station in his city that compares with the one we have here in Washington. I have been to the gentleman's city and my recollection is it is an extremely poor one.

Mr. BORLAND. We are to open a new one this year.

Mr. LINTHICUM. I know that; but nothing like compared with this station here.

Mr. BORLAND. No; it is better than this.

Mr. LINTHICUM. Larger than this?

Mr. BORLAND. It is.

Mr. LINTHICUM. Well, it must be a new one, for a few years ago——

Mr. JOHNSON of Kentucky. I might add, if I may be permitted, that the Union Station just referred to in Kansas City had no Federal aid——

Mr. BORLAND. No.

Mr. JOHNSON of Kentucky (continuing). Whereas nearly $8,000,000 of the public money for the building of this Union Station was presented to the railroads who own it.

Mr. LINTHICUM. That is what I want to say. We built a station here, not only a station, but made it an ornament to the city of Washington.

Mr. BORLAND. So did we.

Mr. LINTHICUM. And surrounded it with parks.

Mr. BORLAND. So did we.

Mr. LINTHICUM. And under the terms on which that station was projected and built it was that it should have such ornamentation——

Mr. BORLAND. So did we.

Mr. LINTHICUM. But you had nothing to do like we did here in the way of streets, approaches, and so forth——

Mr. BORLAND. Oh, yes; we reached out into the city for our approaches for 8 miles.

Mr. IGOE. Who paid for that station, as a matter of fact?

Mr. BORLAND. We paid a great portion of the cost in the cost of readjusting the streets, parks, and so forth.

Mr. LINTHICUM. But the city did not pay for the station.

Mr. BORLAND. We paid no part of the station, of course, but we compelled the railroads when they received the franchise to agree to that. They could not go ahead until plans were submitted for the building and approved, and we only approved the plans when they conformed to the wish of the people.

Mr. LINTHICUM. Then you got a splendid station by compelling the railroads to do certain things?

Mr. BORLAND. By business ability. We said to the railroads, "We will give you this franchise if you will do what we desire." That was the way it was done. The point I am making is the District need not to have to issue bonds, need not to have to go into the market and try to sell them, need not to have

a special election at a considerable expense. It escapes all that expense that other cities must meet by simply drawing on Uncle Sam.

Mr. IGOE. Let me ask the gentleman a question, getting away from that phase of it. The original bill dealt with real estate. Does not the gentleman think, before we attempt to fix the rate of taxation of personal property, we should have a scientific investigation of the subject to ascertain what is fair and reasonable under modern conditions?

Mr. BORLAND. Well, I say to the gentleman I know he is one of the earnest advocates of reform in the District of Columbia, and has given probably a great deal of time and personal attention to the subject. I will say to him it is difficult to adjust equitably and approximately a fair tax upon personal property. My own idea is that this condition that allows escape of taxation is intolerable and indefensible, and ought not to be allowed to go on. I do not think we are in danger of doing much injustice. We are now doing a great injustice by allowing it to escape taxation——

The CHAIRMAN. The time of the gentleman has expired.

Mr. BORLAND. Mr. Chairman, I would like to have about 10 minutes more.

The CHAIRMAN. The gentleman from Missouri asks unanimous consent that he may proceed for 10 minutes. Is there objection? [After a pause.] The Chair hears none.

Mr. IGOE. The gentleman stated that owners of personal property came to the District to escape taxation. Does the gentleman believe that under the rate of $1.50 they will stay here very long?

Mr. BORLAND. Yes; because I do not know where else they would go. Here is——

Mr. IGOE. They could go right over to Maryland, where they pay less.

Mr. BORLAND. I do not think, in discussing these matters, I have ever used a person's name, because that is against my habit and rule. I would not in this case if the matter was not a closed incident. However, now we are dealing with principles and not men, and I shall now use a name for the purpose of illustration. I would not in this case if it affected anybody now, or it would be likely to do so; but here is the Leiter fortune that is now being litigated in the courts of the District of Columbia between two foreign noblemen. Why is it now being litigated in the courts of the District of Columbia? Was that fortune produced in the District of Columbia? Why, no; it was produced in the States of Illinois, Minnesota, and elsewhere.

What became of it when it was produced in those States? Did it remain there for the purposes of taxation? No; it was turned into investment securities and was withdrawn from the State of Illinois, or wherever its situs was, and brought to the District of Columbia. Does Illinois pay its share to support the National Capital? Yes; she continues to pay it after losing that valuable wealth. But the District of Columbia gains the fortune. What becomes of it here? It remains untaxed; it escapes taxation. There is no tax upon that property at all, and yet its local situs is here. The people who are interested have so declared in their suit down here in the District court. These foreign noblemen are litigating over the control of that fortune in the courts of the District of Columbia, and yet that fortune was never produced in the District of Columbia, and I undertake to say it would not take very much investigation to show that the amount it contributed, directly or indirectly, to the support of the District or any other government would be trifling—practically negligible. That is a system of tax dodging that ought not to be permitted anywhere. Where else could that fortune go and enjoy such an exemption as that? The gentleman talks about a prohibitive rate; but would it stay in Illinois?

Mr. COADY. The gentleman has unwittingly made a mistake. I said that if we taxed it at this prohibitive rate. I am in favor of taxing intangibles at a fair rate.

Mr. BORLAND. Then we can get together on the details. He need not talk about a prohibitive rate, because I am not talking about a prohibitive rate. Where would the fortune go? If it would stay in Illinois, I am in favor of making it stay in Illinois. It was made in Illinois, by the energy of the people of that State, by the fertility of Illinois, by the progress and development of Illinois, and it should stay there. But it did not stay there. Now, if it can be made to stay there, I am in favor of it; and if we needed to put a prohibitive rate on the personal property in the District of Columbia and compel it to stay in Illinois, I will be in favor of that; but I do not——

Mr. PLATT. It might go to New York. We do not tax any of these things in New York.

Mr. BORLAND. The State of New York has one of the best systems of inheritance tax in the United States. The District of Columbia has no inheritance tax at all. Now, where would your fortune go in order to escape an inheritance tax? Would it go to New York? You have some of those New York fortunes here? Why did they come here?

Mr. PLATT. Not to escape New York taxation, surely.

Mr. BORLAND. Then we would gain nothing by sending them back to New York, but every fortune that remains in New York must pay a pretty large inheritance tax. The papers have announced some very large taxes collected on inheritances in the State of New York, but there have been none collected in the District of Columbia.

Mr. PLATT. But none of these estates are taxed in the State of New York so that you can notice it.

Mr. BORLAND. I consider that it is the solemn duty of Congress to see that untaxed wealth is taxed. I am satisfied if it were, instead of producing $7,000,000 as it does now, off of the small home owners and merchants, we would provide $12,000,000. I am satisfied that would be nearly enough, if not quite enough, to run the District of Columbia.

Mr. PAYNE. I want to ask the gentleman whether there is any provision for an inheritance tax in this bill? I have not discovered it.

Mr. BORLAND. No. There is no provision in this bill for an inheritance tax, but there is such a law before the District Committee, which, in my judgment, they will report out favorably. But the first thing to do is to get rid of the half-and-half plan, because as long as Uncle Sam must match every dollar that is raised by the District, then if you put on an inheritance tax and raised $2,000,000, you would have to raise $2,000,000 by taxation in the District. So the half-and-half principle is the bulwark against the reform in the District, and the very best principle in this bill is that it absolutely does away with the necessity for the half-and-half principle. If we raised in the District of Columbia here, on the private property in the District, the same rate of taxation that is raised by your constituents back home, or even a little less, there is no necessity for the half-and-half plan. It could approximately be what the people are paying back home, and private property in the District will not be unjustly treated, but will be able to contribute more than $11,000,000 to the support of the Federal Government.

Mr. GORMAN. Does the gentleman believe the Federal Government ought to contribute anything to the District treasury?

Mr. BORLAND. Yes; and I am liberal to the District in that. I want to look at the thing fairly. The District of Columbia is not only a National Capital, but primarily and exclusively a National Capital. We own the whole thing. Private property is here by our sufferance, and we owe it no duty except to not tax it out of existence. We owe it to ourselves to make it pay its fair share of taxation. It is our function to govern the District, but not without expense to private property. We contribute in many ways directly and indirectly to the support of the District. We have given them a great deal of beauty here that they would not otherwise have had or otherwise have paid for. But the Federal Government owes a larger duty than that, and it owes it on this account. The District will never be a manufacturing center or a wealth-producing district. It will never be a great wealth-producing district like some of our manufacturing cities. Congress would not tolerate for one minute the introduction on a large scale of manufacturing in the District. It would be to the disadvantage of everybody except a few real estate speculators. We have no facilities for taking care of them. They are not wanted here. There are plenty of places in the United States where the location would be much better and productive energy much better. The District of Columbia is a city of homes. It contains the homes of people directly or indirectly connected with the Federal Government. We owe it to them to keep up a better system of government than their system of taxation will justify. I do not think we will shirk that duty. I think we will keep up a better system of government than if the city were turned back to its own taxing power.

Mr. GORMAN. And if we could raise the taxes here to carry on the expenses of the District government without aid from the Federal Government, would the gentleman be in favor of that?

Mr. BORLAND. Yes; I would be. But that is only a problematic question. There are many real problems to be solved in the District.

Mr. GORMAN. I know; but it has been stated that if the property of the District, both real and personal, tangible and intangible, is assessed according to the provisions of the bill now before the House on the property mentioned there will not be any need for Federal aid. Does the gentleman favor the taxing of private property in the District of Columbia and

leaving the Federal Government exempt from the obligation of paying anything at all?

Mr. BORLAND. No; I do not. The Federal Government owns, according to the statement of the commissioners, $90,000,000 worth of real estate in the District of Columbia. Private property owners own $170,000,000 worth of real estate. That is the exact proportion. Now, we are large landowners for our business purposes. We carry on the business of the Federal Government here. We ought to contribute something, even on that sordid basis. But above and beyond that, I take it that we ought to solve problems here in the District of Columbia that lots of cities would like to solve, but can not for lack of means—solve the problem of sanitation, the problem of lighting and of policing, and the destruction of alley slums, the abolition of all possibility of slums, and so on. All of these things ought to be solved in the District of Columbia, because we have the taxable wealth in our power to-day to do it, and if we do not we are under a patent obligation to do it. We are better able to keep up a city government here than if we were to confine ourselves simply to the taxes contributed by the people of the District of Columbia alone. For the purpose of illustrating this I want to give somewhat in detail my views of the history and the relations of the District of Columbia to the United States.

I do not intend to discuss the intimate personal or local history of the District, nor to catalogue the various acts of Congress relating thereto, nor to present to you tedious statistics. I hope to take briefly a broad glance at the situation. The District of Columbia exists by virtue of the provision of the Federal Constitution giving Congress exclusive jurisdiction over a district not exceeding 10 miles square which shall be ceded to the United States for the purpose of the seat of government. The reason for this provision of the Federal Constitution is found in the early history of the Continental Congress and of Congress under the Articles of Confederation. The Federal Government in its infancy and in its feebleness found itself unable to command respect, maintain dignity, or even to protect its own peace and safety if required to meet in a city in some one of the States where the police authority and the maintenance of public order was entirely under the control of the local sovereignty. This was the compelling cause of the creation and establishment of the District of Columbia. It was desired that Congress should have exclusive jurisdiction over sufficient territory to establish in peace, dignity, and safety the National Capital and to protect the administration of the national power and the sessions of the National Legislature. Washington is not only primarily a National Capital, it is exclusively a National Capital. It belongs to the people of the Nation. It has been determined that no government can exist in the District of Columbia, no matter what its form may be, which is independent of the Federal Government. The District of Columbia is not, never has been, and never can be an organized political entity like a State, nor even a corporate political entity like a municipality with power to deal on a contractual basis with the Federal Government. I say this because it seems to be fashionable in discussing the affairs of the District to use the term "organic act" in referring to the act of 1878, and to talk of a solemn contract, as though some contractual relations existed between two relatively equal bodies which could not be violated or altered without the consent of both. The reference to any particular act of Congress creating or altering its relations to the District of Columbia as an organic act in the sense that word is used in creating a new entity in the system of States is a legal absurdity. Congress is charged not only with the right but with the duty to deal with the District from time to time as altered conditions may justify. It is absurd to talk of an act as though it were irrepealable and beyond the power of amendment, or as though it were a contract based upon some form of valuable consideration. The only restriction upon the power of Congress to deal with the District is that it shall not invade private property rights except within the well-defined limitations of the exercise of public power. Congress exercises all of the usual powers of taxation over the District which are exercised by States, through their municipalities or otherwise, over the property of private citizens. Congress has not relinquished, waived, nor bargained away any portion of its taxing power, and it has no moral right to exempt private property in the District, either real or personal, from the operation of laws imposing taxes which are usual and necessary in other portions of the United States.

Prior to 1874 the District enjoyed a territorial form of government, with a species of local autonomy. In 1874 this local government broke down. The policemen, firemen, and city employees were unpaid. The credit of the District was entirely exhausted, and at the same time the tax burden was very grievous. The physical appearance of Washington at that time must have been ludicrous, if we believe the account of Louisa M. Alcott. She described in detail the pigs she met on Pennsylvania Avenue and their individual traits and habits. I suppose the cows still fed in Lafayette Square at that time. The debt which had been incurred for public improvements was enormous, compared with the population of the city, and tangible results were scarcely apparent. Various reasons were given for this humiliating condition. It is said that the great number of ex-slaves who poured into Washington during and following the Civil War demoralized the local government and introduced an element of ignorance and corruption which made home rule impossible. This may be partially true, but the demoralizing effects of the Civil War were by no means confined to Washington. Hundreds of municipalities and scores of States were struggling with the unusual burdens and revolutionary changes of that period, and they were required to meet their problems unaided by the Federal Government. The truth is that all of the larger cities of the country were suffering from the era of extravagance and corruption which followed the Civil War. New York had its Tweed ring, which saddled it with an enormous public debt. Many of the cities throughout the country were burdened with public obligations recklessly imposed upon the people without adequate return. Private property was everywhere confiscated by the tax burdens to meet those obligations. Many of the cities were utterly unable to refund their public indebtedness at any rate of interest and public securities were considerably below par. Some American municipalities actually went out of existence as a means of avoiding this weight of obligations, which were wholly political and largely fraudulent. Washington, however, was fortunate in being the National Capital. It was imperative that a city government be maintained here of the best type and that it be done without the confiscation of private property. Law, order, and the usual functions of the local government must be carried on and paid for. Washington must not be permitted to suffer from the sins of its political rulers or even from its own sins, although other American municipalities could hope for no special relief. In 1874 the District was put in the hands of the receivers and its affairs were straightened out by Congress.

The Federal Government contributed by special appropriations as much as was needed to keep the District government running, and even to provide for the interest on the public debt. I will not stop at this time to discuss the honesty of this public debt nor whether the refunding of it was in the interest of the bondholders or in the interest of the people. I do not know whether the people who claimed to own the bonds paid 30 cents on the dollar for them or less, and I do not know how many private fortunes in the District or elsewhere began with the refunding of these bonds. It is utterly useless at this time to stir the depths of this stagnant pond when we can pluck the pond lily from the surface. The pond lily was the act of 1878 establishing a permanent government for the District of Columbia. From whatever stagnant depths of corruption it arose, it has proved to be a wonderful blessing to the District. Its liberality to the District is doubtless due to the utter financial and political prostration in which the District was then found. It is the wildest dream of the imagination to call it a solemn contract, as though it were a contract between two independent and competent parties. It imposed then and imposes now no obligations upon the Federal Government beyond the obligation contained in the Federal Constitution to provide a seat of government for the Federal power. The false note in all of this recent discussion has been to treat the interest of the property owners of the District as something entirely apart from the rights of other American citizens. The District was not created and is not governed in the interest of those who choose to buy real estate here.

The act of 1878 relieved the District from its embarrassments and removed a great load from private property. It prevented the confiscation of property by excessive taxation. It relieved the people of the District from the results of mismanagement. It refunded the public debt at the rate of 3.65 per cent interest. At that time no State or municipality in the Union could refund its public debt for less than 6 per cent, and in most cases, on account of the sale of the bonds below par, they were paying from 8 per cent to 10 per cent. For more than 30 years the District has enjoyed this low rate of interest. This would be a remarkable benefit even if the District had to pay all of the principal and interest, which is no more than all other American municipalities were compelled to do with indebtedness of this character. This result was achieved by placing the credit of the United States behind the bonds. It is now claimed that the United States not only guaranteed the bonds but jointly agreed to pay them.

If the technicalities are with the District in this matter, the people of the United States must submit, whatever may be the moral aspect of the question. The act of 1878 not only saved

the District at the time but has made possible its continuous growth and improvement. It has made it truly a National Capital. Congress has paid 50 per cent of the running expenses of the District, and, in addition thereto, it has spent a large amount of money in improving the District in various ways which is not charged against the District. These improvements are of a class that other cities would have to pay for themselves or look to the generosity of some patriotic citizen. The most striking of these is the park system. Congress has done so much for the District in addition to its contribution of one-half of the running expenses that it may be truly said that we found Washington of mud and left it of marble.

The act of 1878 provides that taxation in the District should be limited to 15 mills on all of the real property and upon all personal property not taxable elsewhere. This is a very moderate rate of taxation. It must be remembered that this rate covers all of the taxation paid by a property owner in the District. It includes what in other States throughout the Union would be divided into several additional assessments. It includes not only the general expenses of the District government but the school taxes, street improvements, special assessments, road taxes, and so forth, while in the other municipalities an additional tax for the support of the county and State is assessed.

The rate of assessment in the District of Columbia is 66⅔ per cent of the cash value. In other cities the rate of assessment runs from 33⅓ to 100 per cent, so that it requires some care to compare the tax rate in the District with the tax rate elsewhere, and it is very easy to make misleading figures. The statistics are available in a speech of Judge PROUTY, of Iowa, in Congress, and therefore I will not repeat them. It is sufficient to say that the cost of government per capita is higher than in any other city except New York and Boston, while the rate of taxation per dollar on property in the District is the lowest of any municipality of 100,000 or over, and the per capita wealth in Washington is the greatest of any city on the globe. Fifteen mills is the average taxation in American cities for city purposes alone, but this does not include the school tax and special improvements, such as street paving, and frequently does not include park taxes. In addition to this, the property owner in the average American city must pay county taxes and State taxes. The aggregate which he pays runs from 30 to 50 mills on the dollar. If the assessment of property were only half the assessment of property in the District of Columbia, he would in most cases pay more taxes, but the assessments probably average very close to the assessment of the District of Columbia.

Property in the District of Columbia is not overtaxed. I may illustrate by a comparison with my own city of Kansas City, Mo. That city raises approximately $6,000,000 for city purposes, including the general fund, schools, and public improvements, and it raises about $3,000,000 more for county and State purposes. Thus, this city, which is fairly moderate in its tax rate and has constructed one of the most beautiful park systems in the world, raises $9,000,000 from 250,000 people, while the city of Washington raises about $7,000,000 from 350,000 people. In the former city special improvements, such as street paving, are paid for by the abutting property owners, and this is an almost universal rule in American cities. The Supreme Court of the United States has declared that these improvements are special benefits which are not properly included in the general term "taxes."

The act of 1878 provided that there should be levied in the District of Columbia a tax of 15 mills on all real estate and all personal property not taxable elsewhere. It does not seem to be generally understood by the people of Washington that this act has been violated for 30 years in the interest of a privileged class. In the act of Congress providing the machinery for the assessment of personal property in the District the words in the act of 1878 were changed by the addition of the word "tangible" before the words "personal property." I would not undertake to say how this word "tangible" crept into the law. The result is that there is no legal machinery in the District for the taxation of intangible personal property, such as stocks, bonds, and investment securities generally. A merchant pays on his stock of goods, because that is tangible, but the banker or the owner of invested capital pays nothing on his securities. There is no inheritance tax in the District of Columbia, although such a tax exists very generally in the American States. The low tax rate of 15 mills, the exemption of intangible personal property, and the absence of an inheritance tax have resulted in bringing to the District of Columbia a large number of invested fortunes representing wealth which was not created in the District, but which was created in some one of the several States. The owner of one of these invested fortunes who thus withdraws his wealth from the State which produced it and where it can be subject to taxation, practically escapes taxation on it by becoming nominally a legal resident of the District of Columbia. The State from which he withdrew the fortune is doubly wronged, for it not only loses that taxable wealth, but it continues to pay its full quota of the expense of the District of Columbia for the protection and enjoyment of the owner of the fortune. In my judgment, this condition of affairs is morally and economically wrong.

The fact that Washington is the National Capital is no reason for providing tax exemptions in favor of those citizens who can remove their wealth here. Property in the District of Columbia should be assessed and taxed upon an equal and just basis in comparison with property in other American cities. Of all localities in the country the National Capital should be the last place where invested wealth should escape its just share of public burdens. An experience on the District of Columbia Committee and a subsequent service on the Appropriations Committee of the House has led me to believe that to bring the taxes within the District to a just level with taxes outside the District it is necessary first to segregate public improvements from the general fund and tax them upon the abutting property owner; second, to provide for the taxation of intangible wealth on the same basis as tangible property; third, to provide for an inheritance tax. All of these reforms will meet with bitter opposition from certain elements in the District, but no reform is ever popular and no tax was ever received with enthusiasm. If these reforms are accomplished, the District instead of raising $7,000,000 annually will raise $11,000,000.

The plan of paying one-half of the District expenses out of the Federal Treasury and one-half out of the District revenues is responsible for keeping static these abuses of the taxing system. In practice the plan is that every dollar raised in the District shall be matched with a dollar out of the Federal Treasury. If the untaxed wealth in the District were subject to taxation and the revenues of the District correspondingly increased, the charge upon the Federal Treasury would also be increased. As long as the $7,000,000 raised from small house owners and business men, supplemented by an equal amount from the Federal Treasury, is ample for the District expenses no serious attempt is made to tax the exempt classes. As soon as a serious attempt is made it will reveal that the half-and-half plan has long since performed its function and is becoming an increasing burden to the Federal Government and a temptation to extravagance; hence the sacredness of the half-and-half plan is the citadel of privileged wealth. It is sometimes urged in justification of the half-and-half principle that the Federal Government owns half of the real estate in the District. So far as I can find, this was never true. When the boundaries of Washington extended only to Florida Avenue it may have been possible to make such a showing by charging to the Federal Government all of the area of streets, squares, parks, and other land used for city purposes, as well as that used for Federal purposes. My best information is that the Federal Government actually occupies for Federal purposes less than 100 acres in the District of Columbia. It has the title to a great deal of land, like the big parks and the tiny parks at the intersection of avenues, which it has acquired for the beautification of the city and which it holds, not as a private landowner but as trustee for the public. Most of the avenues shown on the map as of exceptional width are not so in fact, the surplus width being actually fenced into the front yards of the adjoining proprietors. I believe that all of the public land in the District will total less than 20 per cent of the area of the District.

The half-and-half plan should be modified by providing that a fair tax be levied upon all private property in the District at approximately the same rate that such property would bear in other American cities and that the Federal Government should contribute either on the basis of its holdings as a private landowner or on the basis of the increased burdens, if any, which it places on the District to maintain a higher standard of government than would be necessary in other cities.

Much has been said about making Washington a beautiful city, and the appeal to the Nation at large is always on this basis, but it is utterly impossible to show any connection between those tax exemptions and the beautification of Washington. Washington has been beautified by Congress and will continue to be so beautified without expense to the property owners, and thus Washington enjoys an advantage which no other city can possibly enjoy. It is more than probable that the liberality of Congress has discouraged rather than encouraged the growth of the spirit of public enterprise in the District.

The present plan of the city of Washington follows in a general way the plans of Maj. L'Enfant, which were made out

at the instance of President Washington. As far as they have been adhered to they have resulted in a very beautiful city, although beauty was not the primary reason for such plans. The first element to be considered in a national capital is not beauty, but strength and defensibility. In this respect Washington is woefully deficient. Twice in our national history we have found that Washington was utterly incapable of defense from a military standpoint. In 1814 the disaster really happened; in 1864 it was only threatened. However, the National Capital is here, and whether it be defensible or not, it has around about it the powerful arms of Uncle Sam, and the whole Nation must stand or fall with the Capital. The Capital can not protect the country nor be the last citadel of its strength, as is the case in most powerful nations, but the country can and will protect the Capital in any case of risk. The plans of Maj. L'Enfant contemplated that Washington should be laid out on a very generous scale. The usual number of streets were provided for, but of a width which was then thought unusual. In addition to the usual streets were the avenues running diagonally across the city, which were all of unusual width. At the crossings of these avenues were arranged circles and squares. At a glance it would appear that this was a plan merely to beautify the city and a design to create a large amount of public grounds and open space within the District. We know, however, that this was not the primary object.

The plan was the conception of an Army engineer, who regarded it as the most effective way of guarding against a sudden rising of the populace, accompanied by rioting and mob violence, such as has so frequently disturbed the peace of capitals, and even threatened the life of governments.

Napoleon afterwards adopted this idea for Paris. He held that if a sufficient number of circles and squares connected by broad avenues could be dispersed throughout Paris, he could plant artillery at the circles and sweep any one of the radiating avenues clear of a mob in a few minutes. The most striking example of this idea is the Place d'Etoile, in Paris, which takes advantage of a little knoll and which is surrounded by radiating boulevards like the spokes of a wheel. From this commanding point all Paris on that side of the Seine can be held in order by a minimum number of men and guns.

Fortunately, we have never been called upon to put this idea to a test in Washington. The plan remains with us as one of those happy accidents which produce beauty and which are the despair of the artist who labors so hard with line, scale, and rule to accomplish in the creation of artistic beauty that which is so frequently done without his aid or even knowledge. It took Washington three-fourths of a century to grow into l'Enfant's plan. But what is three-fourths of a century in the life of a nation? It is well for us that the plan was comprehensive enough at the beginning. About a decade ago it was assumed that an improvement could be made upon l'Enfant's plan, and a committee of artists was set to work on a plan for the beautification of Washington. This has resulted in some fragmentary good. It has resulted in the permanent reclamation of the unsightly swamp near the Potomac Drive. It may further result in the grouping of public buildings in some artistic and imposing way. As far as I can discover, however, it has utterly neglected the possibilities of beauty in other locations of the District. It did not take advantage, as it might have, of the beautiful circle of hills surrounding Washington and the wonderful valleys behind them. It provided no circling boulevards adapted to the topography of the country, opening up the more remote sections of the District for future development. It is not for me as a mere layman and an untutored barbarian to criticize a plan gotten up by a committee who themselves admit that they are fine artists. It is my misfortune, however, to grasp only the art which links itself to nature and smell with a rather keen nose the midnight oil which betrays the laborious efforts of the literary hack or the artistic hack who grasp only the conventionalities of others. However, we should all be gratified, though we may differ as to details, that Washington is rapidly becoming the most beautiful Capital in the world, and the only danger that we have of marring its beauty is in overloading it with too many statues and monuments, many of which we may eventually destroy. In the brief time of six years that I have served in Congress 11 statues or monuments, or an average of 2 a year, have been constructed. This is going fast enough, it seems to me, for a capital which we hope will endure for several hundred years at least.

The obligations of the Federal Government toward the National Capital do not stop with a mere reform in its financial relations. It should be the aim of Congress, with the cooperation of the people of the District, to build here not only the most beautiful but the most progressive city in the country. Living conditions in Washington should reflect the high type of the American ideal of city life. A city is both a home and a workshop. In most of the American cities the workshop idea predominates, because their very existence as a city depends upon their industry and commercial operations. In Washington the home idea predominates. The great population of Washington is dependent upon the existence here of the seat of the Government. The largest employer of labor in the District is Uncle Sam, and even the commercial and financial interests here are dependent upon the business created by the sessions of Congress and the employees of the Federal Government. Washington is not a manufacturing city and never will be. It is entirely unlikely that Congress would encourage or even tolerate the creation of manufacturing districts in the District of Columbia, with the massing of industrial population, the danger of strikes, boycotts, lockouts, the fluctuation in the labor market caused by recurring trade depressions, and all of the problems which arise in an industrial center. No one but a few real estate agents could possibly profit by the establishment of manufacturing industries in the District. In all other respects it would be a distinct and irreparable disadvantage. On the other hand, Washington will be not only the Nation's Capital and the center of its political life, but in many respects the center of its artistic, literary, and scientific life. It will always be a great educational center and will be the greatest convention city of the United States. We are on the eve of a new awakening of the civic consciences all over our land. Cities which have boasted only of the material wealth and their pagan appeals to the senses are beginning to have a soul. This soul of the city is a realization of the demands for social justice.

The humblest worker in the city is entitled to decent conditions for home and family life. He is not only entitled to them but through the inscrutable justice of Providence we realize he will either get them or inflict the penalty upon the city at large. Slum politics have never plundered Washington as they have other cities, but slum conditions exist here because they are a by-product of American civilization. A city can not be made exclusively of boulevards, parks, grand opera houses, and public buildings. Washington should not only be known throughout the world as the city beautiful, but the city with a soul. This is a type of civic effort in which the good people of Washington can command the enthusiastic support of the Nation. Many other American cities are far in advance of Washington in grasping this problem, although they have greater burdens to carry and greater problems to solve.

The time has come for constructive legislation for the city of Washington. Not constructive in the mere sense of expending Federal money wisely or unwisely in the purchase of property or the erection of public buildings, but constructive in the sense of establishing a rule of social justice which will bring the city organism to its highest development. In my view the first step in this direction is a reform in the tax laws by which special privilege should be abolished and all taxpayers made to stand on an equal footing. Second, the abolishment of the alley slums with their danger of physical and moral contamination. Third, the rehousing of the former slum dwellers in sanitary quarters. Fourth, the physical appearance of all parts of the District should be improved, including the reclamation of the Anacostia Flats, the bed of Rock Creek, and other abandoned spots. Both banks of the Potomac should again be in the control of the District by a recession of the Virginia shore. Fifth, a control of the public utilities of the District. There should be universal transfers between the street car lines and better car service. The price of gas in the District is now 85 cents while in Indianapolis, Ind., it is 60 cents, and in many other American cities it ranges from 70 cents to 75 cents. Electric current in the District is selling at 10 cents per kilowatt, and the greatest natural hydroelectric power in the world lies at the very door of the District without being used. As fast as these public utilities come under public ownership they should be put upon a business basis so that they will pay not only their running expenses, but the sinking fund represented by the investment. Sixth, the schools should be made social centers, especially in view of the fact that the plain citizens of Washington have no other common meeting point. They should be made not only centers of instruction for the children, but for the adults as well. They should combine manual training, public baths, public playgrounds, physical and public recreation, day nursery, library features. They should be open every night either for public discussion or amusement, and available for any legitimate meeting either political, civic, or social. In offering recreation of this kind they should lead to a higher standard of citizenship by putting low-class and doubtful places of amusement out of business. Seventh, if I may borrow again an illustration from my own city of Kansas City, Washington should have a board of public welfare to look after the condition of its police court, its juvenile court, public dances, cafés, and other places

of resort and expending its activity in helpful ways for the young citizens, especially the inexperienced boys and girls who may drift into the dangerous environments of a big city. Kansas City, under the direction of its welfare board, even conducts a free legal-aid bureau for poor women and laboring men who can not afford to go to law to secure their rights. It conducts a municipal loan bureau which has almost solved the loan-shark evil. These are some of the constructive measures which ought to find their highest development in the Nation's Capital, so that life here would not only be more beautiful, but purer and cleaner than ever before in the world's history. Before we had gotten very far on such a program as this Washingotn would not only be known as the most beautiful city, but as the city with a soul.

Mr. STAFFORD. Mr. Chairman, for a good many years I have believed that the system of taxation in vogue in the District of Columbia was at fault, and particularly so far as it exempted the taxation of personal intangible property.

I recognize that the exemption of personal intangible property is in large measure the magnet that has attracted to this city, the Nation's Capital, the wealthy classes from other parts of the country for the very purpose of avoiding taxation. Now, any person who has given any consideration to the subject of taxation knows the difficulty that all taxation officials encounter in trying to locate personal property, whether it is tangible or intangible, and particularly so far as intangible personal property is concerned, which is the most elusive of all forms of property for purposes of taxation.

Wisconsin, which is in the vanguard of much advanced legislation, has grappled with this very problem, and I submit this suggestion for the consideration of the chairman of the Committee on the District of Columbia and the members of that committee as a solution for reaching this large and intangible wealth that is to-day escaping taxation in Washington, which at present is exempted on the statute books, but which would also in large measure escape taxation even if you were to put on the statute books the taxation of it, and that is that you establish or extend the principle of the income tax as a substitute for the personal-property tax.

Mr. COADY. That is what they have in the gentleman's State?

Mr. STAFFORD. Yes. In Wisconsin we have adopted the policy of levying an income tax on all persons and granting to the taxpayers the right to be recouped for all personal-property taxes that may be levied against them.

But now that we have this very thorough Federal income-tax system, we have the machinery whereby the National Government is in possession of the returns of income from all persons in this District. How easy it will be for the National Government to levy upon these inordinately wealthy people who are coming to this District for the purpose largely of escaping taxation and require of them the payment of their just share of taxation.

The Members of this House are not seeking to lay an undue burden upon these thousands of people living in this District who are largely dependent upon the Government for their employment and their maintenance and support. We do not wish to place an undue burden upon them; but I think throughout this Chamber there is a desire to reach these wealthy people who are coming here, to my knowledge, in great numbers for the express purpose of escaping taxation, and who would escape even if the gentleman's proposition were adopted of taxing the intangible personal property, because you are still going to have a large amount of escaped taxable property. You are still going to have the problem, whereas if you would extend the principle of the income tax to the District of Columbia as a substitute for or supplement to the personal-property tax for the maintenance of the District government, you would certainly be able to reach this large wealthy class and make them pay their just share of the burdens of local government.

Mr. LINTHICUM. Mr. Chairman, will the gentleman yield for a suggestion?

Mr. STAFFORD. I will be glad to yield to my friend from Maryland.

Mr. LINTHICUM. In my State we found, when we had this very heavy taxation on stocks and bonds, that we got less taxes than when we made a moderate tax.

Mr. STAFFORD. Of course, we all recognize that when a heavy tax is levied it will add to the incentive to hide property that is subject to taxation; but I rather agree with the previous speaker [Mr. BORLAND], that even if it is high, the effort to reach it is to be commended, as, perhaps, the social life of the Capital would be better if there were not so many of these wealthy people here, giving lavish entertainments and supplanting the old order of things, with its strong and pleasing democracy.

Now, Mr. Chairman, I yield 15 minutes of my time to the gentleman from New York [Mr. PAYNE]. I ask, Mr. Chairman, how much time have I used?

The CHAIRMAN. The gentleman has used 5 minutes.

Mr. PAYNE. Mr. Chairman, the subject of assessment and taxation is a very difficult one, and has not been fully solved in any part of the United States, and will not be here, under the terms of this bill. There would not seem to be any reason why the real estate in the city of Washington or the District of Columbia should not be assessed at a uniform value, at the full value, if you please. The gentleman from Iowa [Mr. PROUTY] has brought in a chart here, containing the names of a number of cities in the State of New York, where he says they report to him the assessment is at full value, and yet outside of the city of Greater New York I do not believe the assessment of any one of them is anywhere near the full value. It is against the nature of things that it should be so.

In the State of New York we levy now, growing out of our canal debt, a State tax, and in order to apportion the State tax fairly we have an equalization board, which takes into consideration the assessed value of every county in the State. They inquire into the matter; they go around sometimes and visit the various counties, and have a session with the board of supervisors and assessors, to find out the percentage of value that the assessment has really been fixed at. They get at it as nearly as they can, but even in getting at it as nearly as they can the result is very far from the true state of affairs. Then they make an equalization for the State of the amount of the assessed value for each county, in order to get at the proper amount of the State tax for each county. Well, they find there is a great discrepancy in the valuation put upon the property in the different counties; and yet they do not get anywhere within a long way of the truth of it, and they can not get anywhere near the truth of it.

Then we have what is called the county tax in each county, and that is levied upon the property of the various towns. The assessment is made by individual towns. Our laws require that the real estate shall be assessed at its full value, and yet it never is. I know of but one instance in the whole State of New York where the assessment is the full value, and that is for local reasons. The supervisors of the county meet and they equalize the assessment and the valuation between the various towns.

If there is a city in the county having a smaller number of supervisors than the number from the country towns, the equalization is against the city and in favor of the country towns. Years ago I served on the board of supervisors and I know something about it. I was on the equalization committee of the board of supervisors. It is surprising how low is the valuation of farms in the county. It is all human nature, and it all works out. Everyone is in favor of paying as little taxes as he can; there is no question about that. Human nature is the same the world over. They put it on the city. I remember once getting up and saying that I would go into court and bust up the whole thing if they did not cut down the equalized value they had put on the city of Auburn, where I live, and I succeeded in getting a very substantial reduction. Some said it was a bluff, but it was not; I meant to fight all the way through, and they realized it.

Now, bringing in that chart here and saying that the assessment of those cities in New York outside of Greater New York represents their full value will not impose on any man in New York who knows anything about the mode of assessment there. Our law requires it, but they do not do it. The assessors have to make a pretty stiff affidavit in regard to it. There is no deduction from the assessed value of real estate on account of indebtedness, and yet it is not assessed at the full value, or anywhere near it. I am not surprised that the assessment in the city of Washington is found to be below the full value, and yet there is not any such reason for it as there is in the cities and towns of our State, because here the taxes are all paid in one tax. There is no county or State tax for them to pay here. It is all included in one. There is no equalization of valuation. I do not see why we could not get at pretty nearly a fair distribution of the taxes upon the real estate in the city of Washington. I do not believe in this 1½ per cent business, and never did. I believe that a budget should be made up as intelligently as we used to make it up in our county board of supervisors, putting in the entire expenditure and then getting at the entire assessment as it would equalize when we finally got down to equalization; get at the full value of the assessment and divide the budget by the amount of the assessment, and get a percentage figure and extend the tax rates according to that. I never have seen any good reason why that was not a very fair method of getting at it, and I think it would be a good method of getting at it here. If the original George bill had come in here,

there were at least two good features in it, in my judgment. But the committee, in their wisdom, have sought to search out the intangible personal property. Well, the intangible property has been sought after for years, more or less, and a good many men who have been seeking after it have given up the chase to get at it for taxation purposes. It is involved in a good deal of wrong, injustice, and inequality.

Now, take this bill assessing intangible property at the same rate as tangible property, and "including moneys, credits, shares of stocks, bonds, annuities, and all other evidences of indebtedness," and then exempting the shares of stocks and bonds of District corporations which pay a tax now upon that same property. Suppose a man owned some shares in the Pennsylvania Railroad Co. That company pays taxes, of course, in the District of Columbia upon the property that it has here. Why should not the man owning shares in the Pennsylvania Railroad Co. have an exemption under this bill the same as a man owning shares in street railroads? Suppose a man owns stocks and bonds issued by a corporation in the State of New York. The corporation there pays a tax on the full valuation of its property. It can not get rid of it. It has already paid it. When the corporation comes to fix its dividends it takes that into consideration as a part of its expense. Suppose a man holds bonds of the State of New York or bonds of the city of New York which go into the construction of the subways, large amounts of which have been sold within the past few weeks, and which are made exempt from taxation there. Why are those bonds issued by the municipality exempted from taxation? In order to get the loan at the low rate of interest. Why, the gentleman from Missouri [Mr. BORLAND] admitted a few minutes ago that the taxes paid in Baltimore on the public utilities there were paid by the man who rides on the street car. And so the man riding on the car in New York is paying those taxes; and there in the city of New York they exempt the bonds to get a low rate of interest, in order that they may help the man riding on the car in the subway. Now you come along here, after these people have bought these bonds and paid par for them and seek to tax them at the full amount of the value of the bonds—the face of the bonds—and if the rate of taxation is 1½ per cent, tax them 1½ per cent and you take half the income, when they have already bargained for them at 3 per cent or 3½. But, you say, "Oh, well, they are rich, and why should not the rich be made to pay?" Not all the people who own bonds are rich. Some men can not see beyond the rich man who has stock in a corporation; yet statistics show that more than half of the stockholders are poor people who have a few hundred dollars invested in that stock and are getting their annual dividends, and it becomes a necessity in their households and they go hungry if dividends stop. There are some people here in the city of Washington who are in the same plight. They are not all giving entertainments. And, by the way, I have no objection to a rich man giving entertainments. I remember when our present great Secretary of State broke into Washington as a Member of this House.

The fact was announced that Vanderbilt was putting two front doors on his house that cost $100,000 apiece, and Mr. Bryan thought it was an awful waste of money. I said no, the bronze and other materials in those doors cost a very few paltry dollars, and the other part of the $75,000 or $100,000 went to labor. I think that is the best way of helping the laborer, to give him something to do, and the more money they spend in that way the better I like it, because it helps to scatter that money among the poor and deserving people. The best way to help a man always is to give him some work to do and pay him well for doing the work. But you gentlemen over there do not seem to have got that into your political economy.

Mr. COADY. Will the gentleman yield?

Mr. PAYNE. Yes.

Mr. COADY. Has the gentleman observed another vicious part of this plan? It seeks to tax intangible property whether it produces a revenue or not. In other words, if any bonds are in the hands of trustees for the benefit of an orphan and they fail to pay interest, those bonds would depreciate in value. That would be hardship enough, but under this bill they would be compelled to pay a tax on those securities.

Mr. PAYNE. Yes; bonds in our State are largely held by trustees for the benefit of estates.

Mr. JOHNSON of Kentucky. Will the gentleman yield?

Mr. PAYNE. I have not the time. If I do not cover the matters that the gentleman wants to inquire about, I will yield to him later. This bill seeks to tax bonds and mortgages. We have had in our State a tax upon bonds and mortgages. They were according to law to be taxed for the full value, and we did not get any tax out of them. They invented a way to get around it by getting in debt. They had the same provision you put in here, that the debts that a man owed should be deducted from the value of his personal property, so they got around it and did not pay the tax. We got little or no taxes from the bonds and mortgages until the owner died. If he had a little bond or a mortgage of $4,000 or $5,000, when he died his estate went through the probate court and it became a part of the public records, and the assessors were compelled to assess the widows and orphans for the benefit of the State to the full value of the bond or the mortgage, and took their 1½ or 2 per cent of taxes and deducted it from that little income.

People got tired of that. It was an injustice. They would not stand for it, and then they invented something else, five or six years ago, and whatever may be its merit or demerit, it has accomplished this: It has brought in more revenue by the way of taxation, and it is more uniform.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. STAFFORD. Mr. Chairman, I yield to the gentleman 10 minutes more.

Mr. PAYNE. They tax the bond and the mortgage at its full value at a rate of one-half of 1 per cent. This tax must be paid to the recording clerk before the mortgage can be recorded. It is a dead open and shut. We get the amount of that tax. Who pays it? The man that gives the mortgage pays it in almost every instance, because he records the mortgage. Savings banks' mortgages are drawn paying, perhaps, 5½ per cent interest the first year, and after that 5 per cent, because the tax is only collected once, no matter how long the mortgage has to run. It shows, what we have always known, that wherever we do get a little money on a bond or a mortgage or any other indebtedness, it comes out of the man who borrows the money, and not out of the man who owns the security. It comes out of the man who borrows the money, as an additional amount of interest on the loan which he has got; and your endeavor to tax the rich exclusively has fallen upon the poor man that has to borrow the money.

Oh, the borrowers are not all poor; of course they are not; but a great many of them in the city of Washington are. It is the little homes costing $3,500, having a mortgage on them of $2,000 or $3,000. You want to get at that mortgage. It raises the interest when they build new homes, and the man who buys a little home must pay for it. You are greatly interested because the little homes are assessed somewhere near the full value, while you say the rich man is not so assessed, and you are trying to get at the intangible property to make it pay the same rate of taxation; but you are putting it on the owner of the little home that runs in debt when he purchases it.

I have been advising my people who come down here in the civil service to buy a little home, and a good many have done so. They never have laid up any money before, but they are now doing something toward it. They have mortgaged it, but the mortgage is being reduced. Do not make it any harder for these people. You came in here the other day with an amendment changing the method by which the improvement of sidewalks and the paving of streets were to be paid for; that where the pavements were over 40 feet wide the abutting owners paid for the 40 feet and the city for the rest of it, but where they were 40 feet or less—that is, the streets in front of the humble homes—you put it all on the abutting owners; and then you get up and talk about helping the poor man as against the rich man. That thing has been going on so long, and the city at large, with the United States, has been paying for those things, that we had better leave the paving of the street where it is, and not give an advantage to the owners who live on the wide streets—the business streets—where the paving has already been done and paid for by the city government and the United States, and put the balance of what is to be paid on the other streets on the abutting owners.

Do not go backward in making progress. It is only the crawfish and some politicians that make progress backward. If you are going to make progress, take your time and get it right. Now, if you pass this George bill, and then pass that part of it which allows the budget and fixing of the rate in accordance with the budget, you will have made some progress. Before you take the figures of my friend from Iowa, made honestly and in good faith by him, take a little time. Does he suppose that any of the officials are going to give the game away? Why, they have to meet the equalization board in each of the counties and they are not going to confess in any letter of theirs that they have assessed property below the full valuation of that property. Once in a while you can get a response from some one who pays the tax who will say, as some have said to me on the floor of the House when my friend from Iowa was speaking, that they are not being assessed at the full value, but much below it.

Mr. PROUTY. Will the gentleman put those names in the RECORD?

Mr. PAYNE. No; I am not going to give the men away.

Mr. PROUTY. Will the gentleman yield for a question?

Mr. PAYNE. Mr. Chairman, I yield to the gentleman if he will yield me time.

Mr. PROUTY. I will be very glad to yield the gentleman five minutes. Will the gentleman now answer my question?

Mr. PAYNE. If the gentleman will ask it, I shall endeavor to do so.

Mr. PROUTY. What city did the gentleman to whom he refers have in mind?

Mr. PAYNE. I do not propose to say.

Mr. PROUTY. Then, how can I contradict it?

Mr. PAYNE. The gentleman can not. He has made his statement, and I have made mine.

Mr. PROUTY. I offered to produce the evidence for mine.

Mr. PAYNE. No; the gentleman offers to produce some letters, but when he does produce the letters I want the opportunity of cross-examining the men who wrote the letters; and when I produce my statement the gentleman desires to cross-examine my friend who made the statement. I suggest to the gentleman that his committee send a subcommittee into those towns and examine into the matter and find out about it and then call in men from these outside towns and see what they think about it.

Mr. PROUTY. If the gentleman will give me the towns where these facts exist, then we can all of us get at the matter. I will say frankly that if there is anything of which the gentleman knows personally, and will give me his word that it is so, I will accept it. I think it is hardly fair to quote some man whose name he does not reveal and who did not want known the city to which he referred.

Mr. PAYNE. If the man had given me authority to give his name, I would very gladly do it, but I do not know that I would care to have it known without his authority. The gentleman knows that there are some things people do not like to give away. I have no objection in my own case, if I knew the facts, for I would tell them, but I do not want to do this with a man who simply said that to me without his saying that I could reveal his name. But the gentleman will find that to be the case, if he will examine into it and take the evidence on the subject, but he can not do it in a minute.

Mr. PROUTY. I have been working at it for two years.

Mr. PAYNE. I know; but the gentleman has not gotten the evidence that the gentleman from New York [Mr. GEORGE] did. He worked here, and he got the evidence here, and he went into the facts and got the evidence. I suggest to the gentleman that he go to those towns and get the evidence before he undertakes to compare what people are paying there and what people are paying here.

Mr. Chairman, I desire to say one more word before I sit down. I have talked longer than I expected to. This is the Capital City. I want to see it made the finest city in the world [applause], and it is approaching that now. I want the Government of the United States to pay its fair share and more, too, to make it the finest city in the world. [Applause.] But I am not going to weigh it with apothecary's scales. What do your constituents or mine care whether they pay on an average 7 cents apiece a year toward making this the finest city in the world or 5 cents apiece a year. Do not split hairs. Be not only fair, but liberal. This is the Capital City, and it was ceded to the Government of the United States and belongs to the Government of the United States. Let us make it the best-governed city in the world, and let us keep the strings in our own hands to do it. Do not be niggardly; do not go too fast. Be sure you are right before you go ahead.

The CHAIRMAN. The time of the gentleman from New York has again expired.

Mr. STAFFORD. Does the gentleman desire some more time?

Mr. PAYNE. Give me five minutes more.

Mr. STAFFORD. Mr. Chairman, do I understand that the time yielded by the gentleman from Iowa [Mr. PROUTY] has been consumed?

The CHAIRMAN. The gentleman from Iowa has not any time to yield.

Mr. STAFFORD. Mr. Chairman, I yield the gentleman five minutes more.

Mr. PAYNE. I thank the gentleman. Mr. Chairman, I am very glad time is getting so precious, because that makes it begin to look, if we hurry on in this way, as though we might adjourn some time in November—how much before the Lord only knows.

In going around the city I notice a good many things that I think cost an extra amount simply because this is the Capital City. Take the station over here. It cost a great deal more money than it would if it had been in any other city of the same size. It is a beautiful structure, and the surroundings of it will be beautiful if we can ever get the value appraised so that the President will approve it. That is going to cost a great deal of money. I do not see why the United States should not pay the most of that money. The proportion of half and half may not be just right now, but examine into it carefully. Get the facts, not from correspondence merely from interested officials, but go into it in a thorough manner as the gentleman from New York [Mr. GEORGE] went into it in getting at the assessed valuation here in the city of Washington.

I could have gone on through with this intangible-property proposition and demonstrated that you are double taxing a great deal of property. Suppose the property does pay a tax in Iowa or New York. Why should it be made to pay a tax here again in the city of Washington? There is no justice in that. Taxes should be made as uniform as possible, and the same property should not be made to pay taxes twice. If you do that, you simply get it out of the people who use the property, and it may be the poor man, about whom you agonize so much because he happens to be in the majority and has the vote. It may be he when he gets onto a street car every day. Treat all of the inhabitants in the United States, in Washington or anywhere else, with equal and exact justice; and whatever you do, do not retard the progress of this city, which is to remain the Capital forever of a Nation that will never die. [Applause.]

Mr. STAFFORD. Mr. Chairman, I yield 10 minutes to the gentleman from Washington [Mr. JOHNSON].

[Mr. JOHNSON of Washington addressed the committee. See Appendix.]

Mr. STAFFORD. How much time have I remaining?

The CHAIRMAN. Twenty-one minutes.

Mr. STAFFORD. I yield to the gentleman from Washington [Mr. HUMPHREY].

Mr. HUMPHREY of Washington. Mr. Chairman, I have no particular desire to talk partisan politics at this time, and I would not do so were it not for the fact that a member of the Cabinet has been traveling up and down the country making political speeches when he should have been at his desk in this time of his country's need. If he is not worth anything when he is here in the city of Washington attending to his duty, the President should at least persuade him to lapse into valuable silence. This distinguished gentleman has been going around the country, standing among closed mills and smokeless factories and idle men, telling of the great prosperity in the land. In order to show this prosperity he has been drawing upon a fevered and distempered imagination for facts and figures. In one of his speeches, as reported the other day from Columbus, Ohio, he expressed great regret that there was not honesty in discussing business conditions. I call attention to the fact that this same distinguished gentleman sent certain experts out to my State to investigate certain industries; that these experts came back and made a report based entirely upon anonymous testimony. These experts were unable to find any citizens in the entire State of Washington that they dared quote to bolster up the report which they made. The Secretary, upon that kind of discreditable evidence, submitted a report to this House, and yet this is the gentleman who talks about being fair and honest in discussing business. It now transpires that these experts refused to report evidence which did not agree with their preconceived ideas. The West Coast Lumber Association, the great lumber association of the Pacific Northwest, appointed a committee to confer with these experts.

They did confer with them. They made a report in writing, but that report was suppressed by these experts because it did not agree with what they had been instructed to report. I have not seen any statement anywhere that this distinguished member of the Cabinet, who talks about honesty in discussing business, has seen fit to rebuke these gentlemen for making these dishonest and disreputable reports based upon disreputable and anonymous evidence. Not only that, but this same distinguished member of the Cabinet, if he is correctly reported, upon the statement of some gentleman by the name of J. W. Sullivan, of New York City, has changed the method of making certain reports and statements in his department. Why? It will be impossible hereafter to make comparison with former reports. This will make it impossible to tell what the present trade conditions are as compared with those of previous years. Was this the purpose of the change? Who is J. W. Sullivan that has such influence with the Department of Commerce? Was this change made to show or to conceal the truth?

Now, this distinguished gentleman in his speech the other day complains about another thing. He complains because somebody

has criticized the bringing into this country of Argentine corn and beef, and he says:

If any addition to our food supplies is in itself an element of evil, then a State with a large crop is an injurious neighbor to its sister States, and the man who uses up-to-date methods of cultivation is a foe to those who are less enterprising.

This great economist at the head of the Department of Commerce can not distinguish between bringing beef and corn from Argentina, where it is raised on cheap land and by foreign labor, paid for by money sent out of the country, and crops raised in a neighboring State by American labor, by American cultivation, by men who pay taxes, by men who owe allegiance to this country.

Then he has still another statement more remarkable than the other, if possible. He says:

If we want the cost of living to be reduced, that can only be done by having prices fall.

Now, contemplate the wonderful wisdom of that remark, will you?

And this takes time to settle in many relations of our commerce.

Have prices been reduced to the consumer in anything that constitutes the necessities of life? If so, will some one mention it?

The Democratic Party in the last campaign made one of its principal issues the high cost of living. Upon every stump they promised that if they went into power they would reduce the cost of living. Have they done it? I hold in my hands here a statement made by Dun & Co., giving the wholesale quotations of the commodities that we eat and that we wear on the 4th day of October last and on the 4th day of April this year—six months under the new tariff law. I suppose that my Democratic friends will not say that this is partisan evidence. Looking over it, taking one item after another, there has been no reduction in the cost of living even in the wholesale prices. Some of the articles have been slightly reduced and some of them have been slightly increased. Taking them as a whole, there has been some increase. The tariff on these particular articles has nothing whatever to do with it. You take articles on which the tariff has been reduced or removed and just as many of them have increased in price as have decreased in price. Articles upon which the tariff has remained have been reduced just as much as upon those that were placed on the free list. I am going to ask unanimous consent, Mr. Chairman, to insert this schedule in the RECORD, showing the prices and the result of six months of Democratic tariff upon the cost of living. It demonstrates how that party has kept its promises to the American people. I also want to extend my remarks by inserting one or two other articles that I have here.

The CHAIRMAN. The gentleman from Washington asks unanimous consent to extend his remarks by inserting certain matters in the RECORD. Is there objection? [After a pause.] The Chair hears none.

Mr. HUMPHREY of Washington. Mr. Chairman, the distinguished Secretary of Commerce says that they have not had time to reduce the cost of living. Well, they have had time to do some things. They have had time to reduce the revenues of the Government. They have had time to greatly increase the expenditures. They have had time to increase the market in this country for the products of every nation of Europe, of South America, and North America. They have had time to decrease the market for American products in every nation of North America, South America, and Europe. They have had time to increase the sale of foreign-made cotton goods in this country at the rate of $10,000,000 per year. They have had time to increase the sale of foreign-made woolen goods in this country at the rate of $28,700,000 per year. They have had time to close mills and factories. They have had time to see the railroads discharge 250,000 men who are now idle and out of employment. They have had time to see the iron and steel industries of this country throw a million men out of employment. They have had time to bring to idleness 3,000,000 men in this Nation. But they have not had time to reduce the cost of living. They have had time to increase idleness and poverty and want. They have had time to decrease wages and employment. But they have not had time to reduce the cost of living. The American workingman has had less work and received less wages, but it still costs him as much to live as ever. While the American people are not buying as much clothes or as much food as they did a year ago, yet they are buying a good deal more food and clothing made abroad than they did a year ago. This means that the American workmen are out of employment, and that we are giving employment to the labor of other nations.

Mr. JOHNSON of Washington. Will the gentleman yield?

Mr. HUMPHREY of Washington. Certainly.

Mr. JOHNSON of Washington. Has my colleague heard that within the last few days bids have been opened for the furnishing of a large number of United States flags, and the British bid is some $4,000 less than the bids from home, and the Navy Department is considering the advisability of accepting the foreign bid?

Mr. HUMPHREY of Washington. I have heard that rumor. I do not know whether it is true or not.

Mr. LINTHICUM. Will the gentleman yield?

Mr. HUMPHREY of Washington. Just a moment. When I answer this question I will yield.

I do not know whether the information of my colleague is correct or not. I have heard it. But I prophesy that there is one instance of free trade that even the Democratic Party will not dare accept. I would like to see my Democratic friends and this administration go on record as having the American flags manufactured in England. And yet I am not so sure but that is where our flag ought to be manufactured in view of the attitude of this administration toward the Panama Canal. Probably that is a part of their canal policy. It would be most fitting to have a British-made American flag fly over that zone as long as the Democratic Party is in power. But I would like to see the Democratic Party dare go on record as saying that they would have the American flags manufactured abroad because they can get them cheaper than they can at home. They advocate that policy in regard to other things; why not pursue it in regard to the flag? What is the difference? Is the labor that makes the American flag any more sacred than the labor that manufactures any other article?

Now I yield to the gentleman from Maryland [Mr. LINTHICUM].

Mr. LINTHICUM. I want to say to the gentleman that in one of his speeches he made about a month ago he referred to the mills at Sparrows Point, in Maryland, having been closed.

Mr. HUMPHREY of Washington. Yes.

Mr. LINTHICUM. I will say to the gentleman that I would like to report progress. The mills are all running full time.

Mr. HUMPHREY of Washington. I would like to ask the gentleman if he has noticed since making that speech that 250,000 men employed by the railroads have become idle?

Mr. LINTHICUM. I have noticed that. There are always a good many of them idle.

Mr. SHARP. I would like to ask the gentleman also if in the 1907 panic, under Republican administration, and for five or six years afterwards, there were not 500,000 or 600,000 idle cars on the railroad sidings that they could not use?

Mr. HUMPHREY of Washington. I know that when the Republican administration went out of power our railroads were running at full capacity, but now there are about 200,000 idle cars as compared with the number in use then. And I know that there are to-day 3,000,000 men idle and seeking employment. I know that you can not go into a city in this country where they do not have the soup house and the bread line.

Mr. SHARP. Was not that true in the panic of 1907, and did it not remain true for three years thereafter?

Mr. HUMPHREY of Washington. Oh, no. That was not true. But suppose that that were true. Let us admit for the sake of argument that that was true. Does that justify you now in doing it?

Mr. SHARP. We are not doing it.

Mr. HUMPHREY of Washington. I hold in my hand a statement which shows that since the present tariff law went into effect in six months the imports of articles used in manufacturing have decreased $47,000,000. That tells the story.

Mr. SHARP. Does that cover the preceding six months or only the last month or two?

Mr. HUMPHREY of Washington. That is since the Democratic tariff bill went into effect.

Mr. SHARP. But for the last two months it does not show that.

Mr. HUMPHREY of Washington. I am afraid the gentleman has been reading some of the reports put out by the optimistic Secretary of Commerce. [Laughter on the Republican side.]

Mr. SHARP. I would rather take his unbiased report of it than that of the gentleman from Washington, who, I think, is a little prejudiced on account of recent events in regard to Panama Canal tolls.

Mr. HUMPHREY of Washington. I admit that I am not particularly in love with the Democratic attitude on the question of Panama Canal tolls, but that does not justify the Secretary of Commerce, a member of the Cabinet, in running about the country and manufacturing his facts as he goes.

Mr. COOPER. Mr. Chairman, will the gentleman yield?

Mr. HUMPHREY of Washington. Yes.

Mr. COOPER. Men were not thrown out of manufacturing establishments in the panic of 1907, as alleged, because of importations of goods from foreign countries. The panic of 1907 was a bankers' panic, pure and simple, and did not come from

the importation of foreign goods or the uncertainty in the minds of manufacturers as to what importations the tariff then existing was going to permit. That was a bankers' panic, pure and simple, and a few days after it began a prominent banker in the city of New York blew out his brains. The gentleman should study the facts of history. [Applause on the Republican side.]

Mr. SHARP. Mr. Chairman, will the gentleman yield?

The CHAIRMAN. Does the gentleman from Washington yield to the gentleman from Ohio?

Mr. HUMPHREY of Washington. I can not yield now.

Now, referring to the question of woolen manufactures, although the tariff on woolen goods did not go into effect until the 1st day of January of this year, since that time we have imported of foreign woolen goods more than we ever imported in any single year before except the year 1910, and the importations thus far this year in three months has almost equaled the total importations of the exceptional year of 1910.

The CHAIRMAN. The time of the gentleman from Washington has expired.

Mr. STAFFORD. Mr. Chairman, I yield the gentleman five minutes of my time.

The CHAIRMAN. The gentleman from Washington [Mr. HUMPHREY] is recognized for five minutes more.

Mr. HUMPHREY of Washington. Mr. Chairman, I just want to read a word in regard to the woolen industry, to show its prosperity—not in this country, but in England. I will read from the report of Consul Franklin D. Hale, of Huddersfield, England. He says:

> The general improvement in business and the more hopeful attitude of manufacturers that have been noticed since the beginning of the year continues, and although there is not yet anything in the nature of a trade boom present operations are much more favorable than at any time since October, 1913. The outlook for 1914 seems most encouraging. There is a brisk demand for fancy tweeds and serges in the home market, but fancy worsteds are in only moderate demand owing to high prices. This is perhaps more than offset by a greatly improved continental trade and the great expansion in the general textile trade with the United States.
>
> There is no doubt that Huddersfield manufacturers are benefiting materially by the new American tariff. Many of the mills are again on full time after many weeks of depression. The value of all kinds of textile goods invoiced through this consulate to the United States in February, 1914, exceeded by $199,000 the exportation of similar goods during the same month of 1913.

The farmers of this country sold their wool this year at 33 per cent less than they did a year ago. Who has been benefited by it? Wool has been reduced, but has any man bought a suit of clothes for less? Yet, says our Secretary of Commerce, we have not had time; we have not yet had time to reduce the price. Well, we have had time to buy corn and beef from Argentina. We have had time to purchase eggs from China and from Siberia. We have had time to bring in butter from New Zealand and from Europe. We have had time to materially affect the price of farm products to the farmer, but we have not had time to reduce the price of these products to the consumer.

Mr. MOORE. Mr. Chairman, will the gentleman yield?

The CHAIRMAN. Does the gentleman yield?

Mr. HUMPHREY of Washington. Certainly.

Mr. MOORE. With respect to beef and corn coming in from Argentina in competition with American-grown corn and beef, is there not a fair reason for believing that the trusts still control corn and beef products?

Mr. HUMPHREY of Washington. Well, as I called attention once before on the floor of this House that so far as we have been able to ascertain, the only people who have benefited by importing corn from Argentina have been the food-products combine and the whisky distillers.

Mr. MOORE. The men who buy the cattle from the raisers and sell the beef to the consumers here are still in control of the Argentine market?

Mr. HUMPHREY of Washington. Apparently so.

Mr. MOORE. Has the price of corn and of beef been affected to the advantage of the consumer here by reason of the lowering of the tariff?

Mr. HUMPHREY of Washington. Before the gentleman came in I called attention to the fact that I had a schedule here prepared by R. G. Dun & Co., in which it is shown that that is not correct; that the consumer has not been benefited.

Now, Mr. Chairman, I want to call attention to just one other matter. I have here in my hand——

Mr. BROCKSON. Mr. Chairman, will the gentleman yield for a question?

The CHAIRMAN. Does the gentleman from Washington yield to the gentleman from Delaware?

Mr. HUMPHREY of Washington. Yes; I yield.

Mr. BROCKSON. What do you consider a fair price for the farmer to receive for his corn?

Mr. HUMPHREY of Washington. I do not know.

Mr. BROCKSON. Does the gentleman consider 64 cents a bushel a fair price?

Mr. HUMPHREY of Washington. I do not know.

Mr. BROCKSON. Is 64 cents a reasonable price?

Mr. HUMPHREY of Washington. I do not know. I do not raise it. I seldom eat it and seldom drink it. [Laughter.] So I do not know anything about it.

Mr. BROCKSON. I will say that on the 16th day of this month I saw corn sold at 64 cents a bushel at public auction. That is 32 cents a bushel basket, on the ear.

Mr. HUMPHREY of Washington. If the gentleman is satisfied in getting that in the RECORD, all right.

Mr. SIMS. Mr. Chairman, will the gentleman yield?

The CHAIRMAN. Does the gentleman yield?

Mr. HUMPHREY of Washington. Yes.

Mr. SIMS. I wanted to ask the gentleman a question for information.

Mr. HUMPHREY of Washington. Well, you are coming to the right place for it. [Laughter.]

Mr. SIMS. I understand the gentleman's argument is that imports are increasing and that our markets are so good, both as to imports and our domestic products, that prices are not going down?

Mr. HUMPHREY of Washington. Oh, no; the gentleman did not understand the situation. I have here another statement of figures that I will put in the RECORD, and I hope the gentleman will study it.

Mr. SIMS. I want to know why prices do not decline with an increasing supply.

Mr. HUMPHREY of Washington. If the gentleman will give me an opportunity, I will reply.

Mr. SIMS. I want the gentleman to understand my inquiry, that is all.

Mr. HUMPHREY of Washington. In the first place the imports of farm products have greatly increased. As I pointed out a while ago, in corn, beef, eggs, dairy products, and various other articles——

Mr. SIMS. Then why does not the price go down?

Mr. HUMPHREY of Washington. The price does not go down, as I just explained to you, because the difference is so small that the wholesaler absorbs it. This is illustrated by the corn-food products company and the whiskey distillers; they get their corn for less, but they do not sell their products for less.

Mr. SIMS. I want the price of eggs and butter to go down. I am buying eggs and butter and can not get them for any less.

Mr. HUMPHREY of Washington. Where the imports have greatly increased, the increase has been in finished manufactured products and in agricultural products. I hold in my hand a list which shows that on finished manufactured products the imports increased $9,800,000 in the month of February, 1914, as compared with the month of February, 1913. In the importation of articles used in manufactures I called attention a while ago to the fact that there has been a decrease of $47,000,000 since the Underwood law went into effect. There is the difference. You have so arranged your tariff that you are increasing the imports of the finished product and decreasing the imports of the materials that go into manufactures in this country. The story these figures tell is as clear as the noonday sun. We have largely stopped manufacturing in this country; and while the people of this country are buying less than they did a year ago, yet they are buying a great deal more of imported finished manufactured products.

Mr. SIMS. If they can sell as high as ever, I do not know why they should quit manufacturing. That is what is worrying me.

Mr. HUMPHREY of Washington. I will leave that to the gentleman to explain on the stump this fall. I want you gentlemen on that side to face the people that you told you were going to reduce the cost of living and explain the situation to them. And I will ask you to carry around this schedule that I will insert and read it, and read the list of articles that go upon the poor man's table that you are so fond of talking about; read it article by article and show the reduction in duty that you have made upon it, and then look your audience in the face and tell them how much you have reduced the retail price. Read this schedule item by item and explain why you have not reduced the cost of living, as you promised; read it and explain why the price was not reduced when you reduced the tariff on the article; read it item by item and point out to your audience where you have put articles on the free list and the price of these articles has increased, and then sing to them your ancient song that the "tariff is a tax, that it is added to the price of the article and the consumer pays it." Read it to them item by item and then read to them what you say in your last platform—although I realize that no Democrat should be reminded of his platform—about the tariff being the cause of the high cost of living, and then explain to them whether, when you made that declaration, you were ignorant or whether you were attempting to get their votes under false pretenses. Explain these things to the people.

It ought to be easily done if you are correct in regard to your theories on the tariff. The people would like to know why it is that, although their work has grown less, the revenues of the country have grown less, the import of the products of foreign labor grown greater, that there is no decrease in the cost of living. Work and wages have been reduced, but the cost of living has increased. This is not in accordance with Democratic promises and Democratic prophecies. Go out to the people and explain why.

I especially ask the Members to study the schedule of wholesale quotations of commodities from Dun's Review, giving the minimum price at New York on the 4th day of October, 1913, on the day when the present tariff law went into effect, and on April 4, 1914, after six months' trial of that law. The rate of tariff under the Payne-Aldrich law and under the present tariff law is given in each case. Here you have an opportunity to see in detail what the effect of a tariff reduction means in relation to prices. No unprejudiced mind can read it without being convinced of the fallacy of the theory of free trade, that the tariff duty is added to the price of the article. The Government has lost the revenue, and we are paying, where we purchase goods abroad, as much as we paid for the same article purchased in this country. The schedule is as follows:

Wholesale quotations of commodities.

[From Dun's Review.]

MINIMUM PRICE AT NEW YORK.

Article.	Oct. 4, 1913.	Apr. 4, 1914.	Payne-Aldrich rates.	Underwood rates.
Apples			25 cents per bushel.	10 cents per bushel.
Common, per barrel	$1.25	$2.50		
Fancy, per barrel	3.00	4.00		
Beans			45 cents per bushel.	25 cents per bushel.
Marrow, choice, 100 pounds	6.50	5.40		
Medium, 100 pounds	3.80	3.65		
Building material:				
Brick, Hud. R. Com., per 1,000.	6.75	7.00	30 per cent	10 per cent.
Cement, Portland, dom	1.58	1.58	20 per cent	Free.
Lath, Eastern, spruce	5.00	3.85	20 cents per 1,000.	Do.
Lime, Rockport, com., per barrel.	.90	.92	Free	1 cent per pound.
Shingles, cypress, No. 1, per 1,000.	8.00	8.00	50 cents per 1,000.	Free.
Coffee, No. 7 Rio, per pound	.10⅛	.09⅛	Free	Do.
Cotton goods			42.75 per cent	7½ to 30 per cent.
Brown sheetings, standard yard.	.08	.08		
Wide sheetings, 10-4	.28	.30		
Bleached sheetings, st., per yard.	.08¾	.09½		
Medium, per yard	.07¾	.08½		
Brown sheetings, 4-yd	.06¾	.06½		
Standard prints, per yard	.05½	.05½		
Brown drills, st., per yard	.08	.08		
Staple ginghams, per yard	.06½	.06½		
Blue denims, 9-oz, per yard	.14	.14		
Print cloths, per yard	.03⅞	.03⅞		
Dairy:				
Butter, creamery, etc., per pound.	.30¾	.24½	6 cents per pound.	2½ cents per pound.
State dairy, common to fair, per pound.	.24	.17		
West'n factory, firsts, per pound.	.24½	.18		
Cheese, w. m., special, new, per pound.	.16½	.19½	do	20 per cent.
W. m., common to fair, per pound.	.12¾	.16		
Eggs, near-by, fancy, per dozen.	.30	.25	5 cents per dozen.	Free.
Western, firsts, per dozen	.27	.19½		
Dried fruits:				
Apples, evaporated, choice, in cases, 1912, per pound.	.07½	.10¼	2 cents per pound	1 cent per pound.
Apricots, Cal. st., boxes, per pound.	.12½	.14½	2 cents per pound.	1 cent per pound.
Citron, boxes, per pound	.11½	.12	4 cents per pound.	2 cents per pound.
Currants, cleaned, bbl., per pound.	.07½	.07	2 cents per pound.	1½ cents per pound.
Lemon peel, per pound	.09½	.08¾	do	1 cent per pound.
Orange peel, per pound	.09½	.08¾	do	Do.
Peaches, Cal. stand., per pound.	.06	.06	1 cent per pound.	Do.
Prunes, Cal. 30-40, 25-lb. box	.11¾	.11½	do	Do.
Raisins, Mal., 3-cr. box	2.90	3.00	2½ cents per pound.	2 cents per pound.
California standard loose musoatel, 4-cr., per pound.	.05½	.07¾		
Flour			25 cents per bushel.	Free with conditions.
Spring patent, per barrel	4.40	4.55		
Winter patent, per barrel	4.80	4.90		
Spring, clear, per barrel	4.10	4.10		
Winter, clear, per barrel	3.80	4.00		

Wholesale quotations of commodities—Continued.

Article.	Oct. 4, 1913.	Apr. 4, 1914.	Payne-Aldrich rates.	Underwood rates.
Grain:				
Wheat, No. 2, new cr., per bushel.	$.96	$1.05	25 cents per bushel.	Free with conditions.
Corn, No. 2, yellow, per bushel	.79¼	.72¾	15 cents per bushel.	Do.
Malt, per bushel	.84	.72	45 cents per bushel.	25 cents per bushel.
Oats, No. 2, white, per bushel	.47½	.46	15 cents per bushel.	6 cents per bushel.
Rye, No. 2, per bushel	.71	.68½	10 cents per bushel.	Free.
Barley, malting, per bushel	.74	.60	30 cents per bushel.	15 cents per bushel.
Hay, prime timothy, per 100 pounds.	1.05	1.05	$4 a ton	$2 a ton.
Straw, long rye, No. 2, per 100 pounds.	.82½	.85	$1.50 a ton	50 cents a ton.
Lumber			50 cents to $1.25 per M feet.	Free.
Hemlock, Pa., base, per 1,000 feet.	24.50	24.50		
White pine, No. 1 barn, 1 x 4, per 1,000 feet.	37.50	37.50		
Oak, plain, 4 x 4, 1sts & 2ds	59.00	59.00		
Oak, qtd. 6-in., 10 to 16 ft., 1sts & 2nds.	87.00	87.00		
Cottonwood, 1-in., 6 to 13 in. w., 1sts & 2ds.	36.00	36.00		
Red gum, 1-in., 1sts & 2nds	42.00	36.00		
Poplar, 1-in., 7 to 17 in. w., 1sts & 2nds.	61.00	60.00		
White ash, 4 x 4, firsts	52.00	53.00		
Chestnut, 4 x 4, firsts	53.00	50.00		
Cypress, shop, 1-in	28.00	28.00		
Mahog. No. 1 com., 1 in., per 100 feet.	12.00	11.50		
Spruce, 2x4, 14 ft., per 1,000 feet.	23.00	23.00		
Yellow pine, L. L. flatfli, per 1,000 feet.	28.00	30.00		
Cherry, 4x4, firsts, per 1,000 feet.	95.00	95.00		
Basswood, 4x4, firsts, per 1,000 feet.	41.00	41.00		
Molasses and sirups:				
New Orleans, cent common, per gallon.	.15	.15	3-6 cents per gallon.	2¼-4½ cents per gallon.
Open kettle, per gallon	.35	.35		
Sirup, common, per gallon	.12	.12		
Oils:				
Cocoanut, Cochin, per pound	.13¾	.10¾	3½ cents per pound.	3½ cents per pound.
Cod, domestic, per gallon	.41	.38		
Newfoundland, per gallon	.44	.40	15 cents per gallon.	Free.
Corn, per pound	6.25	6.45		
Cottonseed, sum'r, white, per pound.	7.20	.07½	Free	Do.
Lard, prime, city, per gallon	.95	.93	1½ cents per pound.	Do.
Extra No. 1, per gallon	.61	.59		
Linseed, city, raw, per gallon	.50	.54	15 cents per gallon.	10 cents per gallon.
Neat's-foot, prime, per gallon	.64	.64		
Palm, red, per pound	.06¾	.06¾	Free	Free.
Petroleum, cr. at well, per barrel.	2.50	2.50	do	Do.
Refined, in bbls., per gallon	.13	.13		
Tank, wagon delvy., per gallon.	.09	.09		
Rosin, first run, per gallon	.32	.32		
Soy bean, per pound	.06¾	.06½	do	Do.
Peas, Scotch, choice, per 100 pounds.	3.30	2.25	25 cents per bushel.	10 cents per bushel.
Provisions, Chicago:				
Beef, live, per 100 pounds	7.15	6.95	1½ cents per pound.	Free.
Hogs, live, per 100 pounds	8.30	8.65	$1.50 per head.	Do.
Lard, prime, steamed, per 100 pounds.	10.95	10.47½	1½ cents per pound.	
Pork, mess, per barrel	21.60	20.82½	do	Do.
Sheep, live, per 100 pounds	3.75	5.40	75 cents to $1.50 per head.	Do.
Short ribs, loose, per 100 pounds.	11.05	11.07½	1½ cents per pound.	Do.
Tallow, N. Y., per pound	.06¾	.06¾	½ cent per pound.	Do.
Rice, domestic, prime, per pound	.05½	.05½	2 cents per pound.	1 cent per pound.
Salt:				
Domestic No. 1, 300-lb., per barrel.	3.79	3.79	7 to 11 cents per 100 pounds.	Free.
Turk's Island, 200-lb., per barrel.	1.00	1.00		
Salt fish:				
Mackerel, Norway No. 1, 165-180, per barrel.	28.00	40.00	1 cent per pound.	Free.
Norway No. 4, 425-450	11.00	17.00		
Herring, round, large	6.50	6.50	½ cent per pound.	Do.
Cod, Georges, per 100 pounds	7.75	7.50	¾ cent per pound.	Do.
Boneless, genuine, per pound	.08½	.08½	1¼ cents per pound.	¾ cent per pound.

Wholesale quotations of commodities—Continued.

Article.	Oct. 4, 1913.	Apr. 4, 1914.	Payne-Aldrich rates.	Underwood rates.
Silk, raw (Shanghai), best, per pound.	$4.80	$4.80	Free	Free.
Spices:				
Cloves, Zanzibar, per pound	.16½	.15½	do	2 cents per pound.
Nutmegs, 105s-110s, per pound.	.13½	.14	do	1 cent per pound.
Mace, per pound	.28	.31	do	8 cents per pound.
Ginger, Cochin, per pound	.06½	.06⅜	do	1 cent per pound.
Pepper, Singapore, blk	.11⅛	.11⅛	do	Do.
Pepper, Singapore, white	.20	.18½		
Sugar:				
Raw, Muscavado, per 100 pounds.	2.95	2.51	Equivalent ad valorem 48.54.	36.25.
Refined, crushed, per 100 pounds.	5.15	5.00		Free after May 1, 1916.
Standard, granu., per barrel, 100 pounds.	4.50	3.90		
Tea:				
Formosa, fair, per pound	.13½	.13½	Free	Free.
Fine, per pound	.24	.24		
Japan, low, per pound	.13½	.12½		
Best, per pound	.30	.30		
Hyson, low, per pound	.22	.22		
Firsts, per pound	.33	.33		
Tobacco:				
L'ville '12 crop			1.85–2.50 per pound.	1.85–2.50 per pound.
Burley Red—Com. short, per pound.	.11	.10		
Common, per pound	.13	.11		
Medium, per pound	.15	.13		
Fine, per pound	.18	.17		
Burley colory—				
Common, per pound	.14	.13		
Medium, per pound	.16	.15		
Dark, rehandling—				
Common, per pound	.06½	.06		
Medium, per pound	.07½	.07½		
Dark, export—				
Common, per pound	.07½	.10½		
Medium, per pound	.09	.11½		
Vegetables:				
Cabbage, per 100 head	6.00	1.50	2 cents each	15 per cent, par. 215.
Onions, per basket	1.25	2.00	40 cents per bushel.	30 cents per bushel.
Potatoes, State, per barrel	2.25	2.25	25 cents per bushel.	Free.
Turnips, rutabagas, per barrel	.75	1.00		
Turnips, white, per barrel	1.25	1.25		
Wool:				
Philadelphia—				
Average 100 grades, per pound.	23.57	23.48	11–12 cents per pound.	Do.
Ohio XX, per pound	.27	.25		
X, per pound	.26	.25		
Medium, per pound	.28	.27		
New York & Michigan—				
Three-eighths, per pound.	.23	.23		
Quarter blood, per pound.	.23	.23		
Wisconsin & Illinois—				
Fine, per pound	.16	.17		
Medium, per pound	.21	.21		
Quarter blood, per pound	.23	.23		
Coarse, per pound	.21	.21		
North & South Dakota—				
Fine, per pound	.18	.17		
Medium, per pound	.20	.19		
Quarter blood, per pound	.20	.19		
Utah, Wyoming & Idaho—				
Light fine, per pound	.17	.17		
Heavy, per pound	.14	.14		
Woolen goods			Equivalent ad valorem 94 per cent.	35 per cent.
Stand. Clay worsted, 16 oz. per yard.	1.42½	1.37½		
Serge, 11 oz. per yard	1.12½	1.17½		
Serge, 16 oz. per yard	1.62½	1.60		
Fancy cassimere, 16 ounce	1.35	1.20		
36-inch all-worsted serge, per yard.	.30	.30		
36-inch all-worsted Panama, per yard.	.30	.30		
Broadcloth, 54-inch, per yard.	1.55	1.40		
36-inch cotton-warp serge, per yard.	.23½	.23½		

I also insert another schedule showing the prices as given to-day by the Bureau of Labor Statistics of the retail prices of commodities in the city of Seattle on December 15, 1912, and on December 15, 1913, and giving the rate of the tariff on each article under the Payne law and the Underwood law.

This schedule demonstrates that in the city of Seattle at least that the cost of living increased immediately after the Underwood law went into effect. It further shows that some of the most marked increases were upon articles on which the tariff had been entirely removed. This schedule is as follows:

Retail prices at Seattle, Wash.

[Page 146, Bulletin No. 140, Bureau of Labor Statistics.]

Commodity.	Dec. 15, 1912.	Dec. 15, 1913.	Payne-Aldrich rate.	Underwood rate.
Sirloin steak, per pound.	$0.20 -$0.22	$0.20 -$0.25	1½c. per lb	Free.
Round steak, per pound.	.18 - .20	.20 - .22½	do	Do.
Rib roast, bone in, per pound.	.15 - .18	.18 - .22	do	Do.
Chuck roast, per pound.	.12½- .15	.15 - .18	do	Do.
Pork chops, loin, per pound.	.22 - .25	.22 - .25	do	Do.
Bacon, smoked, per pound.	.30 - .35	.28 - .40	4c. per lb	Do.
Ham, smoked, per pound.	.25 - .30	.22 - .35	do	Do.
Lard, pure, tub, per pound.	.15 - .18	.15 - .18	1½c. per lb	Do.
Leg of lamb, yearling, per pound.	.15 - .18	.15 - .20	do	Do.
Hens, year or more old, dressed but not drawn, per pound.	.20 - .25	.22 - .25	5c. per lb	2c. per lb.
Flour, wheat, one-half bag.	1.25 - 1.45	1.30 - 1.45	25c. per bush	Free.
Corn meal, 10-pound lots, per pound.	.03 - .03½	.03 - .03½	40c. per 100 lbs.	Do.
Eggs, strictly fresh, per dozen.	.35 - .50	.50 - .55	5c. per doz	Do.
Eggs, storage, per dozen.	.32½- .40	.32½- .40		
Butter, creamery, print, in 1 or 2 pound lots, per pound.	.40 - .45	.40 - .45	6c. per lb	2½c. per lb.
Potatoes, Irish, per 100 pounds.	.90 - 1.15	1.35 - 1.60	25c. per bush	Free.
Sugar, granulated, per pound.	.057- .066	.52 - .62	Equivalent ad valorem (48.54).	36.25 (free May 1, 1916).
Milk, fresh, unskimmed, delivered, bottled, per quart.	.08 - .10	.09 - .10	2c. per gal	Free.

I also insert another schedule that shows the increase in the imports of merchandise ready for consumption in February, 1914, as compared with the same month in 1913. I have shown that our imports of articles to be used in manufacturing in this country has greatly decreased under the present tariff law. This table demonstrates very strikingly the further important fact that we have greatly increased our imports in finished products. In other words, we are giving our wages and our employment to foreign labor instead of to our own labor.

The schedule is as follows:

Imports of merchandise ready for consumption in February, 1914, showing increase compared with imports in same month in 1913.

Products.	1914	1913	Increase.	Per cent.
Aluminum, manufactures of	$136,873	$78,373	$58,500	74.6
Watches and parts of	250,018	182,237	67,781	37
Cotton cloths	1,454,439	727,121	727,318	100
Stockings	372,741	265,169	107,572	40.5
Other knit goods	340,637	43,825	296,812	677
Linen yarns	88,806	62,287	26,519	42.7
Fruit and nuts	3,265,553	2,523,651	741,932	29
Glassware	561,420	463,947	97,473	21
Cutlery	212,356	157,658	54,698	34.6
Tin plate	209,938	27,979	181,959	650
Leather and tanned skins	1,357,428	755,549	601,879	79.6
Gloves	850,933	782,973	67,960	8.6
Paper and manufactures of	1,998,835	1,581,723	417,112	26
Manufactures of silk	3,126,092	2,257,264	868,828	34
Vegetables	1,222,778	848,255	374,523	44
Wool:				
Class 1	4,398,235	2,192,326	2,205,909	100
Class 2	690,195	248,278	441,917	178
Class 3	1,687,964	1,211,219	476,745	39
Woolen cloths	1,564,197	464,742	1,099,455	236
Dress goods	782,121	262,938	519,183	197
Wearing apparel	142,555	113,947	28,608	25
All other wool manufactures	484,450	85,501	398,949	466
Total	25,198,594	15,336,962	9,861,632	64.2

The above figures are from official sources.

The increase in imports as shown above leaves no doubt as to what the Underwood tariff law is doing to industries employing large numbers of American working men and women.

Mr. MONDELL. Mr. Chairman, the newspaper dispatches of last evening and this morning inform us that the Mexican government has agreed to accept the friendly offer of mediation heretofore accepted by our Government, as I understand it, made by the Governments of Argentina, Brazil, and Chile in

connection with the Mexican situation, particularly with regard to the disagreement between our country and Mexico. I think that most of us regret that an offer of this kind was not made and accepted before we went to the very great expense of sending our battleships to the coast of Mexico and before there was the very considerable lamentable loss of life at Vera Cruz, both on the part of our own sailors and marines and on the part of the Mexican people, quite a number of them, perhaps the majority of them, noncombatants. We regret that this offer, which may lead to the settlement of the trouble in Mexico, was not made and accepted sooner. But notwithstanding that, I think every good citizen hopes that the offer now made, and which we hope has been accepted in good faith, covering all questions at issue, will lead to the establishment of peace and good government in Mexico; that there will be no further necessity for warlike operations.

Even though some of us may not be overhopeful of the results of the negotiations now apparently under way or initiated, still, as good citizens, we ought to hope for the best and do all we can to encourage and aid in the settlement that is thus proposed. In this connection, however, I want to call attention to what I consider some very unfortunate occurrences of the past few days. I had not intended to refer to them until we reached the discussion of the naval bill, but as that has gone over I want to discuss them briefly now.

It seems to have been the deliberate purpose of some people to create the impression throughout the country that American citizens have not been generally protected in their liberty, their lives, and their property in the territory controlled by the Mexican federal government. Those of us who have taken the trouble to keep closely in touch with the situation know that it is a fact that amid all of the rumors of war and amid all of the recent warlike operations of our Government American citizens have to a very remarkable degree—a very unusual degree, considering the circumstances and conditions—been protected in their liberties, their rights, their lives and property in the territory under the complete control of the Mexican federal authorities. It is very unfortunate that anyone should attempt to create the impression that there are causes for war which do not exist. This attempt to create a false impression relative to the condition of our people in the territory under control of the Mexican federal government is all the more marked in view of the fact that very little has been said by the same class of people and from the same sources in regard to the repeated outrages which have been perpetrated on our people and other foreigners in territory under control of the so-called constitutionalists. It is possibly not to be wondered at that newspapers of the yellow stripe, desirous of finding a market for their numerous special editions, should seize upon every dispatch or alleged dispatch wafted to them from anywhere and everywhere containing allegations of the arrest, of the insult, and in some cases the putting to death of American citizens in Mexican federal territory. That, perhaps, is not to be wondered at, coming from sensational journals; but it is altogether a different thing and an exceedingly serious thing when we find this same disposition to magnify the troubles in the City of Mexico, to emphasize the difficulties that American citizens may have encountered in leaving the City of Mexico, to exaggerate tremendously the dangers our people have been subjected to, coming from official sources.

In these times of trouble and threatened war the officials of the Government of the United States at least should be careful what they say, should realize their responsibility, and how great an injury they may do when they create the impression that Americans are in peril and danger of their lives when, as a matter of fact, there has been but little danger to the lives of American citizens in federal territory in Mexico and very little if any actual loss of life. As an illustration of this sort of thing from high official sources, let me call your attention to the dispatches that have been sent out and the interviews that are said to have been given out by a gentleman by the name of Canada, who represents the United States at Vera Cruz. Of all the sensation mongers down in that disturbed district Mr. Canada seems to have been the chief. What he has not reported himself officially he has said to newspaper men seeking highly colored reports to such an extent that of all the dispatches which have come from any source as to the conditions of Americans in the city of trouble in Mexico, lurid as they have been from other sources, have not equaled the extravagance of this official representative of the United States.

Mr. RAGSDALE. Will the gentleman yield?

Mr. MONDELL. Yes.

Mr. RAGSDALE. Does the gentleman think at this time that criticism of our administration of its consuls will make it any easier for the South American representatives to bring about a settlement of peace?

Mr. MONDELL. I do.

Mr. RAGSDALE. Does not the gentleman think that the American Congress should forbear criticism of anybody until this committee has acted?

Mr. MONDELL. No; my opinion is that if we have an official at the seat of trouble who is attempting to create an erroneous impression, or whether attempting or not is creating an erroneous impression relative to the condition of Americans in the Mexican territory, my idea is that he ought to be criticized, for two reasons: First, in order that if criticism has any effect at all on him, which I doubt, he shall desist from a course that is likely to inflame our people until they will be disinclined to accept any reasonable settlement that may be proposed; and, second, because when these people enter upon the negotiations in Mexico they should not have the back fire of this overofficious American representative in Vera Cruz sending out or making sensational reports with regard to alleged conditions that do not exist. I am not criticizing the President or the administration in this particular matter. I am not criticizing anyone but the man I have mentioned.

Mr. RAGSDALE. Will the gentleman permit another question?

Mr. MONDELL. Yes.

Mr. RAGSDALE. Does not the gentleman think that criticism and control of that gentleman should come from the State Department and that the representation that the gentleman has to make should be made to the State Department? Is the gentleman relying upon information received from correct authority or upon newspaper reports in his criticism? The information may not be correct.

Mr. MONDELL. I have not reached the time or condition when I no longer believe that this is a coordinate branch of the Government. As a Representative of a very considerable American constituency, I feel that I have a right, and that it is my duty, to criticize American officials when in my opinion these officials are attempting to or if they are not attempting to are in fact creating an impression on the part of the American people altogether erroneous and altogether contrary to the facts. And if I had no other reason for doing it, then this would be sufficient, and that is that no man has a right, particularly a man in an official position, who ought to know better, to arouse the fears of the relatives and the friends of these Americans in Mexico by sending out inflammatory dispatches about conditions that do not exist and prophesying the slaughter and execution of Americans that has not and is not likely to occur.

Mr. RAGSDALE. Will the gentleman say that the reports that are sent out are incorrect and that the reports as published are correct?

Mr. MONDELL. I will say to the gentleman that I take it for granted that the newspapers of this country, including those that are inclined to publish sensational news, certainly are informed and become informed eventually as to just what has and does happen, and the dispatches of to-day do not bear out either the statements or the prophesies of this official representative of our Government at Vera Cruz. It is not true that mobs have been in control of the City of Mexico to any considerable extent, insulting and threatening Americans and looting their property; that it is not true that Americans have been executed by order of the federal government. Consul Canada, I believe, has declared the one and repeatedly prophesied the other. He would be doing his full duty if he reported the facts as they are and as he knew them to exist, and the best service he can render his Government is not to inflame the public mind by sensational assertions and prophesies.

But Consul Canada is a minor official. He may be a very lovable gentleman and he may mean well, he may in other respects be a good official. I do not know him. I criticized him in good faith because I feel it my duty to criticize him. But I want to call the attention of the House to some statements that have been given out on much higher authority than that of Consul Canada. I call attention to the Washington Times of Saturday, April 25, on the third page, in which there is a message sent by the Secretary of State to Herbert A. Parkyn, president of the Motzorongo Co., Chicago, Ill. It is as follows:

CHICAGO, *April* 25.

Twenty refugees, 19 of them Americans, and 1 a British subject, are believed to have been executed following their capture by Huerta's men near the 155,000-acre plantation of the Motzorongo Co., of Chicago, in Mexico late Friday.

Secretary of State Bryan wired Dr. Herbert A. Parkyn, of Chicago, president of the company, to-day, telling of the seizure and probable execution of the party. A. M. Turner, of Chicago, is believed to be one of the 20 shot.

Turner was sent to the plantation by the company to order the force to seek protection in case of trouble, but from Bryan's message it is thought he arrived too late.

Bryan's dispatch names a majority of the party captured.

The Bryan message follows:

"HERBERT A. PARKYN,
"President Motzorongo Co.,
1511 Marquette Building, Chicago, Ill.:

"The following, date April 24, at 10 a. m., and received from the American consul at Vera Cruz, is sent for your information:

"'Am just reliably informed at 8 o'clock Tuesday night soldiers stopped train in vicinity of Tierra Blanca on Vera Cruz Isthmus Railroad, taking following prisoners:

"'W. Mangum, railroad superintendent.

"'Elliott, engineer.

"'Riley and Hart, conductors.

"'All are Americans. These persons are taken to Cordoba or Orizaba and believed ordered shot.

"'Some 18 or more Americans left for Tierra Blanca. C. B. Herron, secretary Isthmus Railroad, wife and three children; J. O. Cook, chief engineer; John Flighter, conductor; J. F. Langston and wife; Kerwin, engineer; and Mrs. Mrs. George Macomber.

"'Same soldiers stopped at Hacienda Motzorongo on same railroad, taking prisoners Edward Wunsch and son Sidney; A. M. Turner, secretary of the Hacienda Motzorongo, all Americans; also a man named Boyd, British subject.

"'All taken to Cordoba or Orizaba. It is reliably stated all these prisoners may be executed.

"'Admirals Fletcher and Badger have this information before them.'

"BRYAN."

Mr. MADDEN. Who said this?

Mr. MONDELL. The Secretary of State sent that cheerful message across the continent to the troubled and anxious relatives of these men. What information did the Secretary of State have? Why, if there was anything in the statement at all, would not the newspapers have had it? The first account we had of this outrage came from Chicago. Chicago is a progressive, up-to-date town, but it is some distance from Vera Cruz, and the dispatch coming from Chicago did not impress anyone very much. But when the Secretary of State takes it upon himself to wire across the continent to the anxious friends of these people, to the relatives, that they are ordered to be shot, the Secretary of State at least ought to have some real facts on which to base that sort of alarming statement.

Mr. RAGSDALE. Will the gentleman yield for a question?

Mr. MONDELL. I do not believe, answering the gentleman's question in advance, that he had any such information.

Mr. RAGSDALE. Does not the gentleman think the Secretary of State had that information?

Mr. MONDELL. I do not believe he had it.

Mr. RAGSDALE. Why not?

Mr. MONDELL. Because there has been nothing in the dispatches from other sources to indicate that anyone had any such information from any source that could be construed as at all reliable, and because up to this time the men have not been shot.

Mr. RAGSDALE. Will the gentleman take the position that after the Secretary of State, acting on the information that he had, had sent this telegram out, no change could have taken place in the attitude of the Mexicans there, and because there had been no execution the gentleman hastily criticizes our Secretary of State adversely, in the face of war, with our men on the firing line? Does the gentleman think that that adds to the prestige of the American flag or the American arms [applause on the Democratic side], or is the gentleman looking for an excuse to criticize?

Mr. MONDELL. Mr. Chairman, I did not yield to the gentleman for a speech. The gentleman can not disturb me with his cheap appeals to the flag and to patriotism. I do not yield to the gentleman from South Carolina or to any gentleman on the ground of patriotism. I do not have to proclaim my patriotism. I take it for granted that every Representative of an American constituency in this House is patriotic, and I never question any man's patriotism except that I might be tempted to question the patriotism of a man who stands here and attempts to parade it. He would be the only man whose patriotism I might be tempted to question.

Mr. RAGSDALE. Mr. Chairman, will the gentleman yield?

Mr. MONDELL. I do not yield for a speech.

Mr. THOMPSON of Oklahoma rose.

The CHAIRMAN. Does the gentleman from Wyoming yield to the gentleman from Oklahoma?

Mr. MONDELL. Yes.

Mr. THOMPSON of Oklahoma. Mr. Chairman, I just wanted to know if the gentleman is sorry because it did not occur?

Mr. MONDELL. Mr. Chairman, I am delighted, I am pleased beyond measure, that it did not occur, and if I had been Secretary of State, not knowing any more about it than the Secretary probably did, I certainly would have hesitated to inflame the American people. I certainly would have hesitated to harrow up the souls of these relatives by a dispatch like that, and you can not hide it under any cheap appeal to the flag or to patriotism. Of course we are going to uphold the flag. Of course we are going to uphold our troops wherever they may be gathered under our standards, and nobody except a man who possibly may question in his own heart his own patriotism would raise that question with regard to anyone. [Applause.]

Mr. RAGSDALE. Mr. Chairman, will the gentleman yield?

Mr. MONDELL. I yield, but not for a speech.

Mr. RAGSDALE. Does the gentleman think that the criticism of the Secretary of State at this particular juncture adds to the ease with which our forces abroad may win renown for the flag or defend this country?

Mr. MONDELL. Mr. Chairman, I think that any proper criticism of any man who attempts to inflame 90,000,000 patriotic people at a time like this—that any proper criticism of any improper act that tends to make the situation worse helps every good cause everywhere.

Mr. RAGSDALE. Mr. Chairman, will the gentleman permit a further question?

The CHAIRMAN. Does the gentleman yield?

Mr. MONDELL. Oh, if the gentleman is taking that side of it——

Mr. RAGSDALE. Mr. Chairman, will the gentleman yield?

Mr. MONDELL. For a question.

Mr. RAGSDALE. Does the gentleman pretend to put the Secretary of State among the jingoes who try to create a condition of war in this country?

Mr. MONDELL. Mr. Chairman, I am not attempting to put the Secretary of State anywhere. I am simply trying to point out where he has put himself. [Laughter and applause on the Republican side.] I am not responsible for what the Secretary of State did. I have not said that the Secretary of State was a jingo. I have been rather inclined to think that he was not; but that kind of message, if sent by anyone else—and I want to say that I have high regard for the office of Secretary of State and high personal regard for the gentleman who occupies it—if anyone else had sent that message, I would be tempted to say that he was trying to make conditions worse by creating an erroneous impression about them, and that that is jingoism of the worst sort coming from anybody anywhere. It is bad enough as it is, Mr. Chairman. We are all of us pretty quick on the trigger when it comes to the question of the rights of American citizens and when it comes to the honor of the flag, and the man who will attempt to create in the public mind an impression of a condition that does not exist, which is liable to drive a nation headlong into war, is not performing the part of a good citizen, to put it no stronger than that.

Mr. THOMPSON of Oklahoma. Mr. Chairman, will the gentleman yield?

Mr. MONDELL. I yield to the gentleman.

Mr. THOMPSON of Oklahoma. If I understand the gentleman correctly, he criticizes Consul General Canada for his report made at Vera Cruz.

Mr. MONDELL. Mr. Chairman, I have not time to yield for a speech. I have made my statement. Consul General Canada has recently made a report that indicates that these alarms and exaggerations of his were without foundation. So that Consul General Canada has condemned himself out of his own mouth.

Mr. THOMPSON of Oklahoma. My understanding is that the gentleman from Wyoming criticizes the constitutionalists of Mexico.

But I want to know what the gentleman says about Mr. Hanna, the consul at Tampico, and about the conduct of Huerta's government, and the conduct of the constitutionalists in Mexico, as reported this morning?

Mr. MONDELL. Mr. Chairman, I have not time to go into that report of Consul Hanna. I think it illuminating as an evidence of how little a consul may see and how little he may report. He does say some things about alleged outrages on the part of federal soldiers, and the way in which he reports them raises in the mind of any fair-minded man the impression that he has grossly exaggerated.

He tells about insults to the flag by individual Mexicans, and then he concludes by saying that he does not know or has not heard, or something of that sort, of any excesses by the rebels, by so-called constitutionalists. I do not know what happened at the taking of Monterey by the rebel forces, because I was not there. I am informed, however, on what I consider most excellent authority, that at the time of the taking of that city by the constitutionalists an American flag fastened across the door of a building to protect Americans was torn down by the rebels or constitutionalists. They broke open the heavy door and entered the building in which the Americans had gathered for safety and tore down the flag found hanging there, and trampled it under foot. They grossly insulted women gathered there, demanded money, looted the building, and in the mêlée

that resulted one American, at least, was wounded, and yet our Consul General Hanna never heard of it. He seems to be well informed in regard to alleged misconduct on the part of the federals, but occasions such as that I have related entirely escaped him. Certain officials of our Government do not see or recognize outrages when perpetrated by the——

Mr. THOMPSON of Oklahoma. Will the gentleman yield?

Mr. MONDELL. Not until I finish my sentence.

Mr. THOMPSON of Oklahoma. Excuse me.

Mr. MONDELL. Can not see the outrages perpetrated by the constitutionalists. Why, one of our delightfully companionable representatives down at Chihuahua the other day, so the dispatches tell us, was in the warm embrace of a gentleman by the name of Villa, asking him to please be good, and Mr. Carothers was sent there for that purpose by the Secretary of State.

Who is Villa? Why, the first time he came into international prominence was when the American ambassador to Mexico demanded his arrest and punishment for looting American ranches in Mexico. They say he can read, because he learned to read in the penitentiary when under confinement because of looting American property. If he did not kill American citizens in that foray, he at least drove them away from their property. This looter does not like Huerta. Why? Because when Huerta, as one of the generals of Madero against Orozco, was endeavoring to conduct warfare in a civilized manner, this gentlemanly bandit wanted to attack and loot an unprotected town. Huerta insisted that he should not do it, and when he disobeyed orders ordered him to be shot, and only withdrew his order when this brave leader of the constitutionalists got down on his knees and plead for his life.

Mr. LLOYD and Mr. THOMPSON of Oklahoma rose.

The CHAIRMAN. To whom does the gentleman yield?

Mr. MONDELL. I yield to the gentleman from Missouri [Mr. LLOYD].

Mr. THOMPSON of Oklahoma. I beg the gentleman's pardon.

Mr. MONDELL. Do I understand the gentleman desires——

Mr. THOMPSON of Oklahoma. I will not ask any further questions. I do not care anything about the gentleman.

Mr. MONDELL. Oh, very well; as you like.

Mr. MANN. The gentleman from Wyoming does not have to yield.

Mr. THOMPSON of Oklahoma. I do not care whether the gentleman yields or not.

Mr. MONDELL. I yield, if the gentleman desires.

Mr. THOMPSON of Oklahoma. The gentleman does not have to sit in his seat and tell me whether a gentleman wants to yield or not.

Mr. MONDELL. I have yielded to the gentleman from Oklahoma several times. Then, as he was in his seat, as I recall, my friend from Missouri [Mr. LLOYD] rose. For the moment I could not yield, but as soon as I could, supposing under the ordinary courtesies of the House it was my duty to yield to my friend from Missouri, I did so.

Mr. LLOYD. Mr. Chairman, I very much regret the gentleman from Oklahoma did not seem to appreciate the situation that is presented. I do not think there is any intention of discourtesy on the part of the gentleman from Wyoming at all.

Mr. MONDELL. Certainly not.

Mr. LLOYD. I rose simply to ask a question I had in mind, and I am sure the gentleman from Wyoming had no intention of mistreating the gentleman from Oklahoma.

Mr. MONDELL. I will be very glad to yield to either gentleman.

Mr. LINTHICUM. Will the gentleman yield to me while these gentlemen are settling their difference?

Mr. MONDELL. I will be glad to do so.

Mr. LINTHICUM. I merely want to ask how long has Consul Canada been in the service in Mexico?

Mr. MONDELL. Well, I do not know; I know nothing of the gentleman at all.

Mr. LINTHICUM. He was not appointed by the present administration.

Mr. MONDELL. Well, I am not holding the present administration responsible for him. My criticism was directed against the gentleman himself and no one else. But let me make this suggestion to the gentleman: What can you expect from the consuls in Mexico when one official representative embraced Villa and asked him to please be an ally of ours; when everywhere our consuls realize that it is the determination of our Government—not of our pople, but of our Government—that the present federal government in Mexico, without regard to any other feature of the situation, must be overthrown, must be eliminated from the situation? What can you expect of our consuls except that they should echo the views and sentiments held and expressed by their superior officers? Assuming, for the sake of the argument, that Huerta is no better than Villa, why do we war on the one who has in the main protected our citizens and their property and make a friend and ally of the other, who until the past few days has made no pretense of doing anything but loot and plunder?

Mr. LINTHICUM. The reason I asked the gentleman that is, the gentleman brings in the Secretary of State in his argument and then brings in this consul, and I wanted to show that this consul was not appointed by the present administration.

Mr. MONDELL. I do not care who appointed him, and I do not know who appointed Mr. Carothers, and I have no objection to Mr. Carothers fondly fondling and embracing Mr. Villa if he likes that sort of a man. That is his affair, not mine. He was sent there as a representative of this great Government, with its twenty-odd battleships in Vera Cruz, with its tens of thousands of fighting men on the border, with the best fighting people in the world back of them; he was sent down to try to negotiate peace with a man who began life as a looter of American property and has continued up to this time as a bandit chieftain, regardless of the laws of war, relentless and murderous in his methods.

This man drove from Mexico the other day some 600 American Spaniards, people who have lived in that country for generations; confiscated their property and sent them across the border. We are responsible for those Spaniards under the Monroe doctrine. We have assumed the responsibility for the nationals of all foreign powers down there. It is as much our duty to protect these Spaniards and their property as it is to protect our own people, and I do not know but that it is a higher responsibility we owe these unfortunate nationalists of Spain, because we have said that Spain can not and must not intervene. And yet what did we do? Our Government, I am informed, in a polite and semiapologetic note asked Mr. Villa if he please would withhold or modify the orders of expulsion and confiscation. And what kind of an answer did we get? He said in effect that he would do as he darn pleased, and the State Department reported the incident closed. This is the gentleman that we are now officially embracing and imploring to be good to us.

Mr. LINTHICUM. I want to say to the gentleman for his information that Consul Canada, of whom he speaks and thinks has done wrong, is a member of his own party, and has been in the service down there for about 12 years, and is from Indiana. So he ought not to criticize the Secretary of State about things that Consul Canada is doing when his own party appointed him and has had him in the service for 12 years.

Mr. MONDELL. The gentleman from Maryland, who is generally very fair, can not help falling into the same attitude that his party has assumed from the beginning toward these things, of trying to put a partisan color to them. To the gentleman from Maryland it is all a matter of politics. What do I care what party Canada belongs to or if he does not belong to any party? If he bore the waving ears of the Democratic donkey, the classic features of the Republican elephant, or the antlers of the Bull Moose, it would make no difference to me in my criticisms of him. What I have attempted to show is this, that in times of trouble and threatened war, with the dogs of war unleashed, with troops on the border, it is bad enough to have irresponsible people send out exaggerated dispatches, and it does not become the representatives of the American people to attempt to inflame the public mind by sending out dispatches not based on the facts and making prophecies which are proved to be without foundation. That is what I have attempted to say. And I include in that criticism all of our officials who may have erred in that regard, though I have mentioned only these two.

Let us hope that the representatives of these South American Republics may be able to bring about an understanding which will restore peace in Mexico under which orderly constitutional government may be established there. While we are trying to do this, let us not attempt to mislead the people, to so inflame public sentiment that an honorable settlement will be practically impossible.

It will be impossible, if the wires are to be laden with official dispatches that Americans have been insulted and their property destroyed, that our citizens have been killed, when there is no foundation for it. As a matter of fact, the probability is—and I am borne out by the latest dispatches—that, with two possible exceptions—and I doubt if the dispatches are correct in their case—that, with the possible exception of these two, not an American citizen in federal territory in Mexico has lost his life or been seriously injured in the City of Mexico or en route from there to Vera Cruz. Some of the sensational dispatches of which I am speaking told us that Mr. O'Shaughnessy, our

chargé d'affaires at the City of Mexico, was compelled to slink away in the dark and try to escape by way of the west coast. As a matter of fact, he was escorted out of the city to the railway station by the finest crack military troop in Mexico, the President's guard, and protected all the way to Vera Cruz, as he should have been. In other words, the federal Government in Mexico has attempted as far as it has been humanly possible for it to do so to protect Americans in Mexico. Are not the facts bad enough as they are? Must the conditions be painted in heightened colors to serve some sinister purpose? I do not think it should be done; and, if done from official sources, I think it our duty to criticize.

Mr. STEPHENS of Texas. Will the gentleman yield?

Mr. MONDELL. Yes.

Mr. STEPHENS of Texas. Has the gentleman heard of the American ranchman who lived in Texas and whose property was taken away from him, a great many horses, and carried across into the enemy's country?

Mr. MONDELL. Was his name Vergara?

Mr. STEPHENS of Texas. Yes. And when he was invited over there by one of Huerta's captains to get his money, he was seized upon and murdered, and it was denied they had murdered him until Texans went over there and brought his body back. Has the gentleman heard of that?

Mr. MONDELL. Yes; and the remarkable part of that is that, assuming that it occurred just as the gentleman has stated, it is the only authenticated case, if it is authenticated, of an American citizen attending to his own affairs suffering death at the hands of the federals in Mexico in all these months during which we have been breathing threatenings and slaughter from high places against the government of Huerta. The probability is, however, as the gentleman from Texas [Mr. STEPHENS] probably knows better than I do, that that affair of Vergara was a purely personal one. That was an isolated federal garrison, probably not in direct communication with the federal government.

The ranches in the neighborhood had had dealings with these men. The probability is that there was some personal trouble and disagreement, and that his death had no bearing whatever upon the condition of war then existing, and that his death in nowise resulted from the fact that he was an American citizen and that these soldiers were the soldiers of the federal government. That is probably the fact of that one isolated case. But I would not leave that case unchallenged. Had I been the President I think I would have seen to it that we knew more about it, and I would, I believe, have seen to it that we knew more about the killing of Benton by Villa, or one of his aids, a killing which was probably a simple, plain, cold-blooded murder without provocation, and only 1 out of 150, as was stated by a very conservative man in the Senate of the United States the other day. I do not vouch for that number, but the Senator who gave it is a man who ordinarily does not speak unless he knows whereof he speaks. But all these are overlooked by our official representative, who when last heard from was in fond embrace of the arch villain who committed or connived at or had to do with many of these deeds. Meanwhile from official sources we have wild and incendiary accounts of happenings that never happened and prophecies of dire impending calamities that never came to pass.

As a relief from these alarms and sensations, I am pleased to place in the RECORD just a paragraph or two from the latest issue of the Washington Times, which I have just this minute received and which I am sure is up to date:

> Transportation as far as Soledad, 26 miles from Vera Cruz, will be furnished by the Huerta authorities for all Americans leaving Mexico City. This information was given by Admiral Craddock, of the British Navy, to Admiral Badger, who transmitted it to Washington to-day.
>
> A train with 250 Americans probably will leave Mexico City some time to-day.
>
> According to advices received by Secretary of State Bryan, there are still from 600 to 700 Americans in Mexico City. All is quiet and there is no fear for them.

Mr. Chairman, how much time have I remaining?

The CHAIRMAN. Twelve minutes and a half.

Mr. MONDELL. I yield 10 minutes to the gentleman from New York [Mr. WALLIN].

Mr. WALLIN. Mr. Chairman, I am opposed to this bill, but not because I am wedded to the half-and-half plan; but after this law has been in operation for 36 years and the time has come when that division is not fair, when some other proportion would be more just, I think the matter should be gone into thoroughly. I do not think that this plan of bringing in a bill every week or two, affecting the property interests here in the District of Columbia, is fair.

Mr. Chairman, this bill was originally intended to apply to real estate only. At the last moment and by a very close vote an amendment was added taxing personal property of all kinds and also retaining the fixed rate of assessment. Thus, its originators evidently were not willing to allow this question to be decided singly and alone on its merits, but so arranged that it must be considered in connection with another proposition, thus endangering the original question.

If, owing to this and similar action, the present acute state of feeling between the property owners in the District of Columbia and the Congress has ever been surpassed, it is beyond my knowledge and time for research. Whether or not that is the fact, the situation of to-day is to be deplored and should be amicably adjusted. While it was said in olden time that "it takes nine tailors to make a man," it has always been conceded that two parties are necessary to a difference. The residents of Washington, it is true, have much to bear. Congress is constantly changing in membership, in personnel of its committees, in policy, and in its estimates of the necessities for the District, so that the permanent resident is uneasy as to what may or may not be done which will affect his personal interests. Then, too, the peculiar form of government for the District entails hardship and also taxation without representation. The executive officers and employees are responsible in no way to the people. They are unsympathetic and often autocratic in their management of affairs, because they are selected for position not by ballot but appointment, coming virtually under the title of patronage. Responsible to Congress for their financial policies in a way, the method of carrying out their determinations is such that those most affected are not consulted or advised with. It is always the little things that sting and create opposition. Most people, not only elsewhere but in Washington, believe their homes are their castles, and while perhaps ready and willing to bear any reasonable burden, are desirous of at least decent treatment at the hands of those who have in their keeping the authority of the municipal government, but whose administration thereof should not permit them to enter the precincts of a man's home without at least a courteous inquiry if it will be convenient.

Sudden and frequent changes of policy, entailing useless expense on the taxpayers, without even a suggestion of the fact, is not welcomed, and yet I am told is of frequent occurrence. All these little things go to creating and emphasizing a feeling on the part of the people toward Congress and the administering officials of the District. Then, again, there is as much of the selfish element in Washington as in any other city, and because this is the Capital of the Nation it seeks excuse for making itself felt. The man who wants something for nothing, the agitator, the dissatisfied, all help to increase the unpleasantness of a situation when it most injures the cause of those sincere in their opposition.

On the other hand, is Congress blameless for the present differences? It is a matter of record that when Washington was chosen as the site for the capital, the few people here were as enthusiastic and as generous as would have been those of any other place. They had nothing whatever to say with reference to the planning of the city or the uses to which their gifts of land were put. The public authorities did all that for them, and from that moment until the present they have enjoyed an almost monarchial form of government, so far as their participation in the affairs of the city is concerned. True, they have made money. True, the worth of their property has increased beyond their wildest dreams; and true, also, as charged here, speculations in land by those whose only claim on the city was their ability to buy cheaply and sell dearly have increased their purses. But that very fact made for the betterment of the city in many ways, and is always an adjunct, if not always a necessity, yet always in some degree beneficial to the comfort and stability of an increasing population. In this direction have the people benefited, but without part in their self-government for many years.

That Congress intended to make of Washington one of the most beautiful cities in the world is unquestioned, and that it did not expect the people of the District to pay for that realization is also evident. As far back as 1800 President Adams, speaking of the District, said to Congress:

> You will consider it as the capital of a great nation, advancing with inexhaustible rapidity in arts, in commerce, in wealth, and in population.

From that time until to-day, with varying enterprise and regularity and under different systems of taxation in the District, Congress has proceeded to carry out the original scope and plan for the city with creations of added merit. This work has continued with more or less regularity until to-day, when it is argued that former policies of nearly every name or nature must be abandoned, a new scheme of taxation inaugurated, the Government relieved of a large share of its responsibility, and

but little heed paid to making the city the beauty spot which its founders intended for it.

On several occasions there appears to have been cause or need for investigation into the affairs of the District. In 1835 a most exhaustive inquiry into its finances was instituted and carried through to a report. In 1875 another investigation was made, including the method of taxation, and so forth. In 1874 the House Committee on the Judiciary reported regarding "the extent and character of the mutual obligations between the Government and the District in regard to municipal expenses," in which it was found:

The Federal City was to be a temple erected to liberty, toward which the wishes and expectations of all true friends of every country would necessarily be directed; and, considered under such important points of view as evidently controlled the minds of the founders, it could not be calculated on a small scale. Everything about it was to correspond with the magnitude of the object for which it was intended. It foresaw a far distant future when it was to be the center of a continent under one form of government, looking to it for its laws and for its protection. It was to be a city where all improvements made and expenses incurred were to be for the benefit of the whole people.

Viewing the Capital City in this national aspect, we may well understand the motives which governed its founders in imposing upon all who were to come after them such duties and responsibilities toward it as would be peculiar to the Capital City alone, and which would fully justify a liberal if not a munificent policy in expenditures.

As to the mutual obligations of the Federal Government and the citizens to defray these expenses, the committee find little difficulty. It is clear, if this National Capital was founded for the use of the United States and was placed under its exclusive government and control, and upon a scale of magnificence appropriate only for a national capital, it never could have been contemplated that the burden of expenditures should fall upon those citizens of the United States who might temporarily or permanently take up a residence at the Capital.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. WALLIN. Will the gentleman let me have another minute?

Mr. MONDELL. Mr. Chairman, I yield two minutes to the gentleman.

The CHAIRMAN. The gentleman from New York is recognized for two minutes more.

Mr. WALLIN. I read further:

Originally we know there was no population here to which the Government could look for contributions toward these expenditures, and as the city was not to become one of trade and commerce and manufactures the local population could not be looked to in the future as being sufficient, either in numbers or wealth, to carry out the magnificent intentions of the founders. Nor, indeed, would it have been just to impose this burden upon them, for upon the theory upon which the Capital was founded all these expenditures would ultimately be for the benefit of the whole people, and justice would dictate that the burden should fall upon the whole people.

I believe that this feeling permeates this country to-day. The people look upon Washington as a national asset. They are proud of it and object not to any step which will add to its beauty in any way. They wish to see it a model city—abreast or leading any other capital in any other nation. They note with regret our obsolete school structures, our obsolete sanitary arrangements. They are willing to see the Government expend its funds for betterments in Washington, for, after all, it is their city, made possible only by the patriotism, the independence, and the suffering of their forefathers. They admire the governmental structures, the wide avenues, the beautiful parks. They criticize the poorly lighted streets, the brick pavements, the dumping of sewage in the historic river at their feet. They are irritated because of the meager accommodations afforded the President of their country for the transaction of business. They are a unit for a Washington beautiful, a Washington unsurpassed.

This can only be attained by a complete and thorough cooperation between the Congress and the people of this governmental reservation, formed for the purpose of the making of Washington the greatest capital of the greatest Nation in the world. [Applause.]

Mr. Chairman, I yield back the balance of my time.

Mr. MONDELL. Mr. Chairman, how much time have I remaining?

The CHAIRMAN. Half a minute.

Mr. JOHNSON of Kentucky. Mr. Chairman, I ask unanimous consent that general debate on this bill now close.

Mr. MANN. I would like to have half an hour.

Mr. JOHNSON of Kentucky. We tentatively agreed during the gentleman's absence that this debate should be closed long ago. The gentleman from Wyoming [Mr. MONDELL] was here representing the gentleman.

Mr. MONDELL. I will say, Mr. Chairman, to the gentleman from Kentucky that I did not intend to talk over 45 minutes at the outset; but, as the gentleman knows, I was interrupted by gentlemen on the other side and answered their questions, and that prolonged my remarks. Mr. Chairman I yield half a minute to the gentleman from Washington [Mr. FALCONER].

Mr. JOHNSON of Kentucky. I make the point, Mr. Chairman, that the gentleman has no time. His time has expired.

The CHAIRMAN. The gentleman did have half a minute remaining. I will recognize the gentleman from Washington [Mr. FALCONER] and the gentleman from Kentucky immediately afterwards. The gentleman from Washington is recognized.

Mr. JOHNSON of Kentucky. Mr. Chairman, I believe I have recognition from the Chair. Have I not the floor?

The CHAIRMAN. The Chair will state to the gentleman that the Chair did recognize him, but the gentleman from Wyoming has a half minute remaining, and the Chair suggested to the gentleman from Kentucky that the gentleman from Washington [Mr. FALCONER] would be recognized and then the gentleman from Kentucky would be recognized. The gentleman from Washington [Mr. FALCONER] is recognized.

Mr. FALCONER. Mr. Chairman, we have just listened to a dissertation by the gentleman from Wyoming [Mr. MONDELL] on the perplexing problems of the Mexican difficulty. We also read this morning of the undesirable conditions obtaining in Colorado, where up to this time little has been done to bring about peace between the warring parties to the industrial conflict in the mining regions.

MEXICO AND INTERNATIONAL DIFFICULTIES—COLORADO AND DOMESTIC DIFFICULTIES.

For the moment, Mr. Chairman, we wonder if the work is not too big for the present administration. The final solution will answer the query.

I read in the morning paper:

"Gov. Ammons, of Colorado, telegraphed to the White House yesterday that the warfare had grown to such proportions that the State troops now are helpless to cope with it.

"Senator THOMAS also took to the White House a telegram received by him from Gov. Ammons. The governor said both sides were preparing for trouble, and that the strikers were bringing reenforcements and arms and ammunition into the State. He made it plain that he considered the situation serious.

"The Senator told White House officials that the State was nearly bankrupt, and that he did not know what could be done in case a request for Federal troops was not granted. He laid before the President the following telegram received by him last night from a close friend in Denver:

"'The situation is getting more urgent every minute. Strikers are absolutely disregarding truce, and took Pictou mines, near Walzenburg, this morning, and at this moment heavy fighting is going on at the Chandler mines, near Canon City. There has been heavy shooting there all day. I can not hear of any fatalities. The strikers largely outnumber the mine guards, and the men and their families have had to flee to the hills. There is every probability of strikers gaining the camp and a possibility of their securing the machine gun there. The union has also purchased all the guns and ammunition in Glenwood Springs. We look for trouble there. They are also securing automobiles in small towns throughout the State and buying all the guns and ammunition. I trust President Wilson will order Federal troops here to-morrow.'

"Senator THOMAS broke down and cried when he recited the horrors of the strike in the mining camps. Women and children are being killed without an opportunity to defend themselves. They live in trenches and tunnels under their tents, he said.

"SITUATION GROWING WORSE.

"Senator THOMAS told the President last night that the situation in Colorado was growing worse, and that Federal assistance was needed immediately."

The above, Mr. Chairman, presents an incident attendent upon mining operations in the several States all too frequent of late.

Is it not possible to enact legislation that will tend to put a stop to such occurrences?

Tears of emotion and sentiment, salted by senatorial gentleness, is not what is wanted, but what is needed is substantial legislation covering the responsibilities involved in developing and producing the product of the natural resources of the country.

Here we have in Colorado minerals—natural resources—for the product, and the public for the market, interests of the whole people, combined in an industry where the employers and the employees are involved in a conflict bringing death and disaster while the public looks on.

Are we of this Congress to continue here paying little heed to the demands of this undesirable situation?

Why does not our Committee on Mines and Mining, having this matter under consideration, bring in and act upon its investigation? Why have not we—the Congress—long before this time taken steps to bring an end to this industrial warfare?

Gov. Ammons asks for Federal troops, announcing that the treasury of Colorado is depleted and without funds to pay State militia.

The gentleman from Colorado [Mr. SELDOMRIDGE] several days ago told us that because of the depleted condition of the State treasury that indebtedness warrants, issued to defray the expense of the State militia, were universally handled by the clearing houses and big business in Colorado, saying, in effect, that when the State militia was engaged in keeping peace it was subject to suggestion from and control of the moneyed interests of the State, or, in other words, under the control of one of the parties to the controversy.

This is a sad reflection upon the conditions now obtaining in Colorado, a condition that involves the integrity of the State militia feature of our governmental fabric.

This being the case, sir, State militias would better be eliminated from the field of military action, especially in connection with industrial disturbances, and industries built on natural resources, with the whole people as a market, would better be under the jurisdiction of the National Department of Labor.

The time will come, and that soon, too, when the public will demand changed conditions.

West Virginia, Michigan, and Colorado mining operations menacing our standard of citizenship!

What is the cause and what is the remedy? Let us hear from the Committee on Mines and Mining, and then let the Congress follow with legislation that will give the Department of Labor power to act.

Mr. Chairman, I have received many protests from organizations in my State against the brutal methods employed in Colorado.

Protests of the Central Labor Council of the city of Seattle and others I have forwarded to the committee. I herewith attach resolutions from several organizations which would indicate that the Congress is expected to act now.

The greatest argument for Government ownership or absolute control of mines is the fact that disturbances like the present in Colorado periodically occur to the discredit of the country.

SNOHOMISH, WASH., *April 22, 1914.*

Hon. J. A. FALCONER, M. C.,
Washington, D. C.:

We, the Timber Workers' Union and Women's Label League of Snohomish, urge you to use your good office to stop the slaughter of innocent women and children in Colorado. Our people in Colorado should have the same protection as that which is being so vigorously demanded in Mexico.

W. E. WINSCOTT, *President,*
CHAS. M. MARTIN, *Secretary,*
Mrs. GUY C. BEEDE,
Women's Label League.

—

LOCAL UNION No. 2610,
UNITED MINE WORKERS OF AMERICA,
Ravensdale, Wash., February 13, 1914.

Hon. J. A. FALCONER,
Representative from Washington, Washington, D. C.

DEAR SIR: As acting secretary of this local union, I have been instructed to submit the following for your consideration:

"Whereas the corporations of the State of Colorado engaged in the production of copper are engaged in conflict with their employees; and

"Whereas the first steps taken by said corporations was the importation of gunmen and thugs for the purpose of beating, intimidating, and, in some cases, shooting the strikers, even going so far as to order certain of the labor men and union officials from certain cities of the State; and

"Whereas such proceedings are contrary to the Constitution of the United States and the rights therein guaranteed to its citizens; and

"Whereas the periodical recurrence of such conflicts between labor and capital work to the detriment of all citizens, we believe that the best interest of the Nation would be conserved if an end be made to existing conditions: Therefore be it

"*Resolved*, That an investigation by the Senate and the House of Representatives be held at once, covering these matters; and be it further

"*Resolved*, That the Government of the United States take steps immediately to acquire all mines in its domain."

Respectfully,

WILL LLEWELLYN.

ROSLYN, WASH.

Whereas a state of war exists in the Commonwealth of Colorado between the coal operators and the coal miners; and

Whereas the principal cause of this war is the nonenforcement of the labor laws of the Commonwealth of Colorado; and

Whereas the coal operators of the Commonwealth of Colorado have imported an armed force from another State, maintaining them and equipping them with rapid-fire guns and armored automobiles, etc.; and

Whereas such an act is one of treason and is destructive of the liberties of the people and of good government; and

Whereas the moving of armed forces from one State to another is vested solely in the President of the United States or such persons as he may designate; and

Whereas the governor of the Commonwealth of Colorado is derelict in his duty in not carrying out the laws of the State of Colorado, so far as they relate to the above matter: Therefore be it

Resolved, That a copy of these resolutions be sent to the President of the United States, urging upon him the necessity of having a committee of the Senate or House of Representatives, or both, appointed or elected by either body to investigate this matter immediately.

Resolved, That a copy of these resolutions be sent to Senators and Members of the House of Representatives from the State of Washington, urging upon them the necessity of such an investigation; and it is further

Resolved, That, in our opinion, the best interests of the people would be conserved by the Government ownership of all mines. We therefore urge upon our representatives the necessity of taking steps whereby the Government may secure control of all mines; and be it

Resolved, That a copy of these resolutions be sent to the United Mine Workers' Journal and to the convention of the Washington State Federation of Labor.

Adopted and indorsed by Local Union No. 2583, United Mine Workers of America, Roslyn, Wash., this 13th day of January, 1914.

[SEAL.]

JOHN FERKO,
GEO. TEMPERELAY,
GEO. MCCULLOCH,
Committee.

—

LOCAL UNION No. 934,
UNITED MINE WORKERS OF AMERICA,
Carbonado, Wash.

Hon. J. A. FALCONER, M. C.,
Washington, D. C.

HONORABLE SIR:

Whereas the military authorities, at the instigation of the Colorado Fuel & Iron Co. and other coal operators operating coal mines in the State of Colorado, under orders of Adjt. Gen. John Chase, on date of March 11, destroyed the tents of the striking miners at their camp located at Forbes, Colo., and threatened to deport the striking miners; also ordered them to leave their homes in 48 hours; and

Whereas these tents were erected on land leased by the United Mine Workers of America, and therefore their property by law; and

Whereas on March 23 Mother Mary Jones, an old lady over 80 years of age, was rearrested while a passenger on board a train near Walsenburg and thrown into the county jail there and held incommunicado, in violation of amendments 4, 5, and 6 of the United States Constitution: Therefore be it

Resolved by the members of Local Union No. 934, United Mine Workers of America, located at Carbonado, Wash., That we call on the Congress of the United States, in the name of humanity, to immediately put a stop to such atrocities perpetrated against poor, defenseless coal miners, who are only asking for a chance to live and asking that they be granted the right to organize and thereby protect themselves against the illegal methods used by various coal operators in robbing said miners of their just earnings, said acts being in violation of the State laws of Colorado; and be it further

Resolved, That we call on Congress to grant to said striking miners their constitutional rights, which are denied them at present in Colorado, and compel Gov. Ammons to immediately restore to said miners their constitutional freedom and hold in check the rapacious militiamen under command of Gen. Chase, and see to it that said militia in future live up to and do not violate the United States Constitution by beating up, bayoneting, or shooting the poor, defenseless miners or destroying their

homes and driving them out to perish in the snow of a Colorado winter; and be it further

Resolved, That we call you, if you have any feeling for humanity, to demand the immediate release of poor old Mother Mary Jones, and that in future her constitutional rights be not abridged by such men as Gov. Ammons or Gen. Chase, of Colorado, and that you call them to task for such violation of Article I of the United States Constitution, and that they be dealt with as provided by law for such violations of the United States Constitution; and be it further

Resolved, That if you ignore this call for justice in defense of our striking brother coal miners of Colorado we will call on all coal miners in the United States who are organized to lay down their tools and strike until justice is granted us and the coal miners of Colorado are granted their demands and constitutional rights, as we consider the atrocities perpetrated against the coal miners of West Virginia and Colorado, also against the copper miners of Michigan, of sufficient extent to cause a rebellion, and should not be allowed to continue for a day in a country that boasts of so much freedom as does the United States, and which to-day has become worse than ever Russia was, as far as tyranny of the laboring class is concerned.

Respectfully, yours,

ALBERT EDWARDS,
LEW REES,
JACOB DAVIS,
CANDIDO PAROLINI, *President*,
JACK HOPKINS, *Secretary*,
Resolution Committee L. U. No. 934, U. M. W. of A.

—

UNITED MINE WORKERS OF AMERICA,
LOCAL No. 2369,
Mendota, Wash., March 17, 1914.

Hon. J. A. FALCONER, M. C.,
Washington, D. C.

DEAR SIR: At a mass meeting of the members of the above local union held at Mendota, Wash., the following resolutions were unanimously adopted:

"Whereas constitutional law has been abolished and the rights and liberties of citizens have been trampled upon; in many instances women and children have been brutally assaulted and men have been brutally murdered, because they have rebelled against the brutal and tyrannical force of corporate rule in southern Colorado; and

"Whereas all of those crimes have been committed with the full knowledge and approval of a corporation governor, who has permitted his corporation masters to import into the State of Colorado large numbers of gunmen of the lowest type and arm them for the purpose of terrorizing and intimidating those citizens who refuse to longer submit to enforced slavery; and

"Whereas those gunmen, in conjunction with the State militia, under Gen. Chase, have attacked the tent colonies, destroying the tent homes of our people in an effort to drive them out of Colorado; and

"Whereas said Gov. Ammons has refused to give those citizens and their families any constitutional protection of life and liberty, but has allowed the corporations and Gen. Chase to perpetrate greater outrages upon the citizens of southern Colorado than has ever been perpetrated by the most vicious revolutionists in Mexico: Therefore be it

"*Resolved*, That this Local Union No. 2369, United Mine Workers of America, of Mendota, Wash., urgently protest and ask President Woodrow Wilson and the United States Senate and Congress to take such steps as will restore to those people the protection of life, liberty, and the pursuit of happiness guaranteed them by the Constitution of the United States of America, and to prosecute to the fullest extent in the power of the National Government those fiends who have committed those outrages: And be it further

"*Resolved*, That these resolutions be forwarded to President Wilson and to each of the Senators and Representatives from the State of Washington in the hope that action may be taken at once thereon."

PETER HENRETTY,
FRED BEHRBAUM,
FRANK BIEDERMAN,
Committee.

Friend ALEX: I fully expect you to raise Cain over the treatment which organized labor is receiving in Colorado, for old time's sake. From

Your friend,

PETE HENRETTY.

Whereas there are thousands of coal miners in the State of Colorado engaged in a fierce and bitter struggle with the mining barons to obtain by lawful means through trades-unions a living wage for themselves and their families; and

Whereas the State of Colorado, through its authorities, has denied said coal miners, citizens, and trades-unions their civil rights of peaceful assemblage and free speech, which is contrary to the Constitution of the United States; and

Whereas the governor of the State of Colorado, to intimidate said miners and to prevent them from being successful in carrying on a peaceful strike against said barons, has by unlawful use of the State militia, private detectives, and other powers of the State, for the financial interests of the coal barons, acted against the interests and welfare of the working class and the large majority of the citizens of said State; and

Whereas the unlawful detention and imprisonment of Mother Jones, the valiant fighter and champion of the working class, and the breaking up of peaceful parades, inciting riots, assaulting women with drawn sabers, and riding roughshod over women and children: Therefore be it

Resolved by Carpenters' Union No. 131, of Seattle, Wash. (in regular meeting assembled), To demand an immediate congressional investigation of the conditions prevailing in the coal mines of the State of Colorado; the reestablishment of civil law and the abolition of martial law; the immediate release of Mother Jones; that the findings of Congress be published at the earliest possible moment; that the Federal Government be urged to take immediate steps to acquire ownership of all mines and to operate them for the benefit of all and the welfare of its citizens.

J. L. HARDY,
Secretary Carpenters' Union, Seattle.

The CHAIRMAN. The time of the gentleman from Washington has expired.

Mr. MONDELL. Mr. Chairman, I ask unanimous consent to extend and revise my remarks.

The CHAIRMAN. The gentleman from Wyoming [Mr. MONDELL] asks unanimous consent to revise and extend his remarks. Is there objection?

There was no objection.

Mr. JOHNSON of Kentucky. Mr. Chairman, I ask unanimous consent that general debate now close on the bill.

Mr. BORLAND. Mr. Chairman, pending that, I ask unanimous consent to extend my remarks in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri [Mr. BORLAND]?

There was no objection.

The CHAIRMAN. The gentleman from Kentucky [Mr. JOHNSON] asks unanimous consent that general debate now close on the bill. Is there objection?

Mr. THOMPSON of Oklahoma. Reserving the right to object, Mr. Chairman——

Mr. MANN. On what?

Mr. THOMPSON of Oklahoma. I reserve the right to object. I do not care to talk under the five-minute rule. The gentleman from Wyoming refused to yield to me for general debate. I want the right to extend my remarks, at least, if nothing else.

Mr. JOHNSON of Kentucky. How much time does the gentleman want? Would five minutes do?

Mr. THOMPSON of Oklahoma. Yes.

Mr. JOHNSON of Kentucky. Mr. Chairman, I ask unanimous consent that all debate on the bill close in 25 minutes, 20 minutes to be used by the gentleman from Illinois [Mr. MANN] and 5 minutes to be used by the gentleman from Oklahoma [Mr. THOMPSON].

Mr. LINTHICUM. Reserving the right to object, Mr. Chairman, I would like to say to the gentleman that I want to have five minutes.

Mr. JOHNSON of Kentucky. The gentleman can get time under the five-minute rule. Mr. Chairman, I move that the committee do now rise.

The CHAIRMAN. The gentleman from Kentucky [Mr. JOHNSON] moves that the committee do now rise. The question is on agreeing to that motion.

The question was taken, and the Chairman announced that the noes seemed to have it.

Mr. JOHNSON of Kentucky. I make the point of order, Mr. Chairman, that there is no quorum present.

The CHAIRMAN. The gentleman from Kentucky makes the point of order that there is no quorum present.

Mr. LINTHICUM. If the gentleman will yield me 15 minutes, I will withdraw my reservation of the right to object.

Mr. JOHNSON of Kentucky. I move that the committee do now rise.

The CHAIRMAN. The gentleman from Kentucky moves that the committee do now rise. The question is on agreeing to that motion.

The question was taken, and the Chairman announced that the noes seemed to have it.

Mr. JOHNSON of Kentucky. Mr. Chairman, a division.

The CHAIRMAN. A division is called for. Those in favor of the motion to rise will stand until they are counted. [After counting.] Twenty-six gentlemen have risen in the affirmative. Those opposed will rise and stand until they are counted. [After counting.] Twenty-three gentlemen have arisen in the negative. On this vote the ayes are 26 and the noes are 23, and the motion prevails.

Mr. JOHNSON of Kentucky. What is the vote, Mr. Chairman?

The CHAIRMAN. The ayes are 26 and the noes are 23; and the committee decides to rise.

Mr. GORMAN. Mr. Chairman, I make the point of order that there is no quorum present.

Mr. STAFFORD. It does not require a quorum of the committee to rise.

The committee accordingly rose; and the Speaker having resumed the chair, Mr. ADAIR, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill (H. R. 12873) relating to the assessment for taxation of real estate in the District of Columbia, and for other purposes, and had come to no resolution thereon.

Mr. JOHNSON of Kentucky. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the purpose of further considering House bill 12873, and pending that I move that all general debate thereon be now closed.

Mr. MANN. Will not the gentleman give us a little further time for general debate by unanimous consent?

Mr. JOHNSON of Kentucky. Mr. Speaker, I will say to the gentleman that we have agreed practically upon the closing of general debate several times, and it did not close. I regret to be compelled to make this motion.

Mr. MANN. I think there was some misunderstanding. I have no criticism of the gentleman for the course that he takes, but I wish he would let me have 20 minutes.

Mr. THOMPSON of Oklahoma. Reserving the right to object, Mr. Speaker, I am a member of the Committee on the District of Columbia, and I have not occupied the time of the House. I do not wish to do so, but in view of the fact that I was denied even the privilege of asking a question of the gentleman from Wyoming [Mr. MONDELL] I think I am entitled to a little time. I will ask for five minutes. I should like to have more time than that, but will make out with that.

Mr. JOHNSON of Kentucky. Pending the motion that the House resolve itself into the Committee of the Whole House on the state of the Union, I move that all general debate be closed in 40 minutes, 20 minutes to be used by the gentleman from Illinois——

Mr. MANN. Will not the gentleman make it a request for unanimous consent?

Mr. JOHNSON of Kentucky. I ask unanimous consent that all general debate close in 40 minutes, 20 minutes to be controlled by the gentleman from Illinois [Mr. MANN], 15 minutes by the gentleman from Maryland [Mr. LINTHICUM], and 5 minutes by the gentleman from Oklahoma [Mr. THOMPSON].

The SPEAKER. The gentleman from Kentucky moves that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 12873) relating to the assessment for taxation of real estate in the District of Columbia, and for other purposes; and pending that he asks unanimous consent that the general debate be limited to 40 minutes, 20 minutes to be controlled by the gentleman from Illinois [Mr. MANN], 15 minutes by the gentleman from Maryland [Mr. LINTHICUM], and 5 minutes by the gentleman from Oklahoma [Mr. THOMPSON]. Is there objection?

Mr. MOORE. Mr. Speaker, reserving the right to object, I should like to inquire of the gentleman from Kentucky [Mr. JOHNSON] whether he has any further business to call up to-day besides this half-and-half bill?

Mr. JOHNSON of Kentucky. No.

Mr. MOORE. Are you likely to consume the rest of the day?

Mr. JOHNSON of Kentucky. The gentleman knows as much about that as I do. It seems as though it might take two weeks if we go along as we have been.

Mr. MOORE. I ask the question because a number of gentlemen desire to be here when the naval bill is next taken up.

Mr. JOHNSON of Kentucky. I will say to the gentleman that I expect to call up no other bill except this, and the gentleman is as good a judge as I am of the time that this bill will consume.

The SPEAKER. Is there objection to the request?

There was no objection.

The SPEAKER. The question is on the motion of the gentleman from Kentucky that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of House bill 12873.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 12873) relating to the assessment for taxation of real estate in the District of Columbia, and for other purposes, with Mr. ADAIR in the chair.

Mr. THOMPSON of Oklahoma. Mr. Chairman, a little while ago when the gentleman from Wyoming [Mr. MONDELL] was discussing the administration's attitude toward Mexico he was apparently criticizing the attitude of the administration toward the Huerta government. I asked him at that time if he had read the communication from Monterey, Mexico, under date of April 26, 1914, signed by Consul General Hanna. He did not see fit to answer that interrogatory.

Mr. MONDELL. Will the gentleman yield?

Mr. THOMPSON of Oklahoma. Yes.

Mr. MONDELL. The gentleman wants to have his statement accurate.

Mr. THOMPSON of Oklahoma. Certainly.

Mr. MONDELL. It would not look well for the gentleman's statement to be published in just the words that he has used, in view of the fact that he will find, if he will consult the notes of the Official Reporter, that in my speech I did say that I had read that, and I went on and made some observations in regard to it.

Mr. THOMPSON of Oklahoma. Of course I am sure the gentleman from Wyoming is in perfect good faith, but he has made a statement which is not exactly correct. I asked him that question in good faith, and I received no response. I notice that the gentleman from Wyoming [Mr. MONDELL] criticized the conduct of Consul General Canada at Vera Cruz, and his criticism was in connection with the acts of the Washington administration in its opposition to this murderer, this assassin, Huerta; and his criticisms were that the Washington administration was in opposition to Huerta, but in recognition of Villa, and his excoriation of Villa was most severe.

I want to say to the gentleman that the same paper which contains the dispatch from Monterey which shows that the Huerta government had imprisoned the consul general of the United States at Monterey shows that the constitutionalists had liberated that representative of the United States, and that Villa had said in the public press that he approved of the conduct of the United States, and was waiting for the United States to bottle up this drunken Huerta, so that he could go down there and get him and feed his bones to the sharks in the Gulf of Mexico.

Mr. Chairman, if we are to be spared the horrors of a war with Mexico, in my judgment, we can thank the God of nations for this despised and abused Villa. He may not be all we would have him be; his character may not be such that we would have our children emulate him, but he is the iron man of Mexico in this crisis. At Juarez, while his so-called chieftain, Carranza, is inspiring hatred toward the Americans, he is sending out messages of good cheer to them and protecting their lives and property and bidding Godspeed to the American arms. Born of Indian parents, brought up amid oppression and misrule, forced to the life of a bandit by abuse, maltreatment, and usurpation on the part of the so-called governing aristocracy of Mexico, he feels most keenly the injustice to his people by the usurper, Huerta, and his conduct of the war with untrained Indians, without equipment and without money, during the past year stamps him as the dominant character of the Mexican revolution. I sincerely trust he may be able to calm the oppressed people of Mexico and thereby avert a war with the United States.

Mr. Chairman, I have just read in the newspaper a word picture of Villa by H. M. Dean, who has just returned from Mexico, where he lived for months with him in camp and on the battle field. He was with him in the campaign against Chihuahua and in the battles about Torreon, and took moving pictures of the havoc of those conflicts. He is here now to exhibit to the President the pictures taken. In describing Villa he says:

Far from being uncouth and savage, he is a man of intelligence, who has surrounded himself with others from whom he can learn more. He has a passionate regard for the welfare of the peon class, with which the rich landed Mexicans of the south have little in common. Between battles he reads constantly, and has been informing himself on such

matters as the single tax and kindred ideas designed to relieve the burdens of the poorer classes. He believes that north and south Mexico never can get along harmoniously, and wants them constituted into separate States. His friendship for the United States can not be questioned. He is not the cruel man with a blood lust, as he is described, and has permitted wholesale killings only when they were absolutely necessary. Away from the battle field he has many humanitarian impulses, is fond of children, and loves his home. His main purpose is to obtain from the war the right for the peon to own land and work it without giving all profits to the taxgatherers.

Mr. Chairman, the man who suffers when the cruel hand of oppression is pressed against his fellow man can not be the black and soulless fiend his accusers would have us believe he is.

That the revolution in Mexico is justified can not be disputed by those at all familiar with the conditions there. Here I want to quote the language of our colleague from California [Mr. KENT] himself a man of affairs and of keen and discriminating judgment. In speaking on the Mexican situation he said today:

I have been associated with some of the rich men, some of the plutocrats, and a more useless gang of crooks I have never met. They have no regard whatever for their own common people. They despise them, look down upon them; but they understand the method of thought better than we do, and therefore they are preferred by the common people to us. Our history in Mexico has been scandalous to us until recent times. We have sent down there our outlaws, our promoters, our grafters, our refugees, who have uniformly and always despised the common people. They have spit upon them; they have killed the men and they have not dealt fairly with the women. Now we wonder that our good efforts and impulses, our good intentions, are not appreciated by the people of Mexico.

In this connection the condition of the peons of Mexico appears to me to present a very strong parallel to the condition of our laboring people in the mines of West Virginia, Michigan, and Colorado. The newspapers bring us reports daily from the troubled regions of Colorado. I am glad that I was one of the Members of the House to assist in calling a Democratic caucus to provide for an investigation of the conditions there, and that I was one of the Democrats in that caucus who voted to secure the passage of a resolution providing for the investigation. While the committee that made that investigation has not yet filed its report, we have seen enough of the testimony taken and we have heard enough through the newspapers to know that a condition exists in Colorado worse in its bloodshed than exists at this time in Mexico.

My sympathies have at all times been with the revolutionists of Mexico. That revolution is a natural result of the long period of misrule of the Diaz reign. During his administration every natural resource of the Republic came under the control of special interests. The railroads, the timber, the mines, the cattle, and the oil industries all found a home in the tight grip of monopoly. The common people—the laboring people—of Mexico were ground beneath the heel of oppression until they could bear it no longer, and the revolution resulted. The special interests that controlled the natural resources of Mexico were the cause of that revolution, and the special interests that control the mines of Colorado are behind the murders and outrages now being perpetrated on the defenseless women and children who are being shot to death in the mining camps of that State. I read in the morning papers that Rockefeller is unwilling to arbitrate—unwilling to permit his laborers to organize themselves for self-protection—and that his reply to all suggestions of a peaceable settlement to the laboring men is:

You can work at our price or you can starve.

Mr. Chairman, if the laborers should give in and work at his price, they would soon find that they both work and starve. The conditions among the miners of Colorado, Michigan, and West Virginia are very similar to the conditions of the common people of Mexico. Our people, with a genius for organization and a genius for self-protection, are striving to meet powerful monopolistic combinations that control the mines by organizing themselves into unions. In doing this they ought to have the sympathy of the people of the United States. They are fighting a battle for their homes, for their families, and for the right to work and to receive a living wage for that work. If they are defeated, the lessons of Mexico will be repeated. They are being shot down—men, women, and children—by hired assassins simply because they ask to work and to receive a living wage for that work.

Now, Mr. Chairman, that is about all I want to say about that. I have not the time. I desire to talk about the pending bill, which has to do with the half-and-half plan. I am in favor of the Prouty substitute for the George bill. I am a member of the Committee on the District of Columbia, Mr. Chairman. I do not know how I came to be a member of the District Committee, except that the Committee on Ways and Means wanted to bury me here and never hear of me afterwards. That is the way they haze a new Member, I understand, but they can not haze me. I am here to discharge a public duty as I understand it, and I am going to do it to the best of my ability, whether it pleases or displeases any Member of this House or any person in this country or any newspaper in Washington.

Now, I know that the position I have taken with reference to the George bill does not please the newspapers of the District of Columbia. I know that from what they have said about it. I am not anxious to displease them, but I would much prefer to displease them, Mr. Chairman, than to do what I believe in my own conscience is wrong. I do not believe that it is right to charge the people of Oklahoma a part of the taxes that are required to sustain the government of the District of Columbia.

Mr. Chairman, the George bill is the result of an exhaustive examination into the taxing methods of the District of Columbia, and it provides that all real estate shall be assessed at 15 mills on the dollar of its actual value. The bill was amended in committee by providing that all property in the District should be assessed at 15 mills on the dollar of its actual value. Under the present law in force in the District, stocks and bonds, notes, accounts, money, jewelry, and diamonds are not taxed, and it seems that the assessors have a sliding scale for the purpose of taxing real estate. For instance, the homes of the poor people are taxed at 75 cents on the dollar of their value, while the thousands of acres of unimproved land around the city, held by millionaires for speculative purposes, is taxed at 45 cents on the dollar; the homes of the middle class are taxed at 60 cents on the dollar; the business property, which belongs usually to the wealthy class, is taxed at 45 cents on the dollar, and the homes of the millionaires—the idle rich—are taxed at 40 cents on the dollar. If a poor man goes to a rich real-estate speculator and purchases one of these unimproved lots that is now taxable at 45 cents on the dollar and erects his home, it is immediately put on the tax duplicate at 75 cents on the dollar, or nearly double in the rate of taxation. If the millionaire goes to one of these real-estate speculators and purchases land on which to erect his mansion, it is put on the tax duplicate at 40 cents on the dollar. The team which the poor man drives on the street, and his wagon, his pick, his shovel, his cow that furnishes the milk for his children, and every article of property that he owns is taxable, while the bonds and the stocks and the notes, money, the jewelry, and the diamonds of the millionaire are not subject to taxation. It makes no difference to me how much condemnation the newspapers of the District of Columbia may give me—how much abuse they may heap upon me—this is not right, and I for one will never cast my vote to tax the cow, the pick, and the hoe of the poor man and exempt the jewelry, diamonds, stocks and bonds, and the money of the rich man, nor will I consent to tax the home of the poor man at 75 cents on the dollar and let the mansion of the rich man escape at 40 cents on the dollar. If we love this country, if we would preserve it and hand it down to our children, emblazoned with the motto of Thomas Jefferson: "Equal rights to all and special privileges to none," such inequalities as these must not be permitted. Why should a hundred millions of dollars in stocks and bonds, moneys, credits, jewelry, and diamonds escape taxation, and the thousands of acres of land held for speculative purposes, and the million-dollar residences, be taxed at 40 cents on the dollar, and the people of the United States have a tribute levied on them of $7,000,000 per year to assist the people of the District of Columbia in keeping up their government?

The actual value of the real estate in the District of Columbia assessed at 19 mills would produce $10,830,000; moneys, stocks, bonds, and credits, estimating them to amount to a hundred million dollars, would produce $1,900,000. There was collected last year from tangible personal property—property belonging mostly to the poor people, consisting of household goods, horses, wagons, cows, chickens, and the like—$1,130,840.52; from penalties and interest on delinquent taxes, $45,830.31; license, excise tax, and so forth, $1,010,648.92, making a total of $14,917,750, and this amount will more than meet the expenses of the District of Columbia. The rate of taxation of 19 mills on the dollar is the average rate paid in the different cities of the country, based on full valuation. I desire to incorporate in my remarks a list of the leading cities of the country with the rate in force on the actual value of the property. This table was prepared by Judge PROUTY and appears in his remarks on this bill:

	Mills.
Boston	17.2
Bridgeport, Conn	16.5
Brooklyn, N. Y	18.5
Buffalo, N. Y	22.9
Baltimore	19.8
Cambridge, Mass	20.4
Camden, N. J	20
Charleston, S. C	25
Chicago	17.1
Cincinnati	15.6

	Mills.
Cleveland	18.8
Detroit	19.9
Des Moines, Iowa	22.2
Fall River, Mass	20.3
Grand Rapids, Mich	21.4
Jersey City, N. J	21.2
Lawrence, Mass	18
Lowell, Mass	19.4
Indianapolis, Ind	15.8
Lynn, Mass	20
Milwaukee	17.6
Minneapolis, Minn	17.9
Newark, N. J	20.2
New Bedford, Mass	20.2
New Haven, Conn	19
New Orleans	17.2
New York	18.2
Philadelphia	15
Providence, R. I	20.5
Rochester, N. Y	19.3
Springfield, Ill	18.2
St. Louis, Mo	15.1
St. Paul, Minn	17.6
Syracuse, N. Y	20
Tacoma, Wash	21.7
Trenton, N. J	20
Utica, N. Y	22
Washington, D. C	10

The average rate of taxation in the cities named above is 19 mills on the dollar. What reason can be given why the property owners of the District of Columbia should not pay the average rate required of the citizens who live or own property in all these cities? Is there anything sacred about the Capital of the country that should exempt property located here from the ordinary burden that it bears all over the country? We know, of course, that this claim was made for the capital of the Chinese Empire, and that property in Peking, the capital—the holy city, the city of the celestial Empire—was exempt from taxation, while the burden of supporting the Government fell upon the poor people of China. The rich who lived at the capital escaped taxation. Can it be possible that the example is to be followed in the United States? If it is, we had as well confess our incapacity for self-government and abandon the rule of equality which has been the boast of our civilization.

What just claim can there be for the people of the United States outside of the District of Columbia paying one-half the cost of the construction of all the public buildings belonging to the District—the city hall, fire stations, and the schoolhouses? Why should they pay one-half the expenses of the 1,000 policemen on the pay roll of the city of Washington, one-half of the expenses of the fire department, one-half the salaries of all the employees of the District, one-half the expenses of running the schools in the District? Why should the people of Oklahoma pay $28,815 every year to support the schools in the District of Columbia? Is it because that 10 months during the year children from the age of 6 to 66 can attend school either in the day or in the night time here? Is it to take care of the services of the physician who treats the school children free, and of the dentist who keeps their teeth brushed? Is it to employ the nurses who lounge about the school buildings to bind up their toes and fingers if they happen to receive an injury in play? Is it to pay for the shower baths that one of the colored teachers said were of "so much benefit to his pupils," or to erect a greenhouse that another colored teacher advocates? Is it to pay for the arnica and salve now kept on the playgrounds to remove the soreness from the stiffened joints of the 66-year-old children, or is it to pay for the 300,000 lead pencils which annually are furnished at public expense to the Washington schools?

The $9,190 levied on the Oklahoma people every year as its part of sustaining the 1,000 policemen is a small matter, and the Oklahoma people ought to be glad to embrace the opportunity of showing their pride in the Capital of their country. The $10,925 levied on my people in Oklahoma as their part in keeping up the streets, sewers, and water mains is a fund that they ought to gladly contribute, though out in our State we have a backwoods way of requiring the man whose property is benefited to pay these expenses.

Why should not the people of the United States pay one-half for paving the streets and building sidewalks in front of these millionaires' homes? Absolutely no reason can be given why they should not.

Only blockheads could be expected to oppose a bill of this kind. The taxpayers all over the country are volunteering to help meet these expenses, and a man who opposes the system of taxation which levies this $7,000,000 on the people of the United States is wanting in patriotism and in intelligence. When this bill was reported by the Committee on the District of Columbia with the amendment, the Washington Times, under date of March 7, 1914, carried a cartoon of the 10 members of the Committee on the District of Columbia, which was described at the time in the great speech of the chairman of this committee, Hon. BEN JOHNSON. In commenting on the cartoon and the Times's reference to it Mr. JOHNSON said:

> That cartoon represents the District of Columbia with a large man dressed in colonial style "winking his other eye," and opposite him are some roughly drawn things, which might be taken for human beings, and they are topped off with blockheads. One of these blockheads is a Member of the House of Representatives from Iowa. In that they refer to Judge PROUTY, of Iowa. The next blockhead is the chairman of the District Committee, which is myself. Then down the row we have 8 more blockheads. Those blockheads are the other 8 members of the committee who stood up like men and said, "Yes; we will cast our vote in favor of taxing stocks and bonds in this community and not permit the burden of that tax to fall upon our constituents at home," and who are those other 8? They are Messrs. O'LEARY, REED, THOMPSON, CLAYPOOL, CARY, CARAWAY, MAPES, and HART. The other 2, making 10 members, are Judge PROUTY and myself. But, gentlemen, there is one thing in connection with this cartoon which the casual observer might overlook. Down at the bottom of it is printed this: "The man representing the District of Columbia and winking his other eye is looking over this array of blockheads and saying, 'It is evident they are not owners of District property.'"

And after some interruption, and speaking further with reference to this blockhead cartoon, Mr. JOHNSON continued:

> But, reverting just here to the cartoon of blockheads who do not own property in the District of Columbia, and referring to some statements made here the other day to the effect that owning property did not change anybody's views, let us see what the Washington Post says about it. This article appeared in the Washington Post:
>
> "The drift of the well-to-do and influential toward this city could take no better turn than we see in the increasing number of congressional homes. Once they become interested it is noticed that Members undergo a change of heart that bodes no ill for the municipality. Naturally they come to see that Washington really needs all that Washington people are asking for. Already we owe much to the efforts of Senators and Representatives who have made permanent investments here, and conceivably the good offices of many others would be quickened if proper influences were brought to accelerate the movement from the 'deestrict' to the District."

Mr. Chairman, I do not own any property in the District of Columbia, and I never expect to. I am here to represent the people of Oklahoma, and I do not expect during the time I am honored by them as their Representative to divide that representative capacity between them and the people of the District of Columbia.

Then, again, going a little further into the expenses contributed by the Oklahoma people, I see that they pay $20,806 yearly for improvements and repairs to the District property. This is to keep in repair these schoolhouses, city halls, fire stations, and other public property owned exclusively by the District of Columbia and which our people contributed one-half toward building. It seems that they are not satisfied with the contribution of one-half the original cost, but we must perpetually be charged with one-half the cost of repairs. I notice a little further on that we pay $7,485 per annum toward the salary and health account and $8,785 on interest and sinking fund account of the District, $4,190 for the streets and alleys, $6,012 to support the fire department, and $12,581 for charity work. I have always been taught that charity begins at home. The sum of $698,216 is contributed annually by the people of the United States for charity work in the District of Columbia.

Then, Mr. Chairman, I notice a little further on that Oklahoma contributes $2,876 for miscellaneous expenses of the District, making a total of $111,664 levied on the Oklahoma people toward supporting the government of this District; and the whole people of the United States contribute the stupendous sum of $6,197,403 toward supporting the District.

For opposing this we are called "blockheads." We are charged with being unpatriotic and unworthy citizens of this Republic. Now, Mr. Chairman, I have no objection to beautifying Washington. The only objection I have is that they levy a tribute upon my people to assist in beautifying it, and I much prefer that they be taxed the average rate levied on the property of all the people of the United States, and that these men here who are thirty, forty, and fifty times millionaires come forward and assist the poor people of Oklahoma in beautifying the Capital City. All this talk about the Capital being a burden on the people of Washington could be better addressed to some one who had made no study of the benefits Washington receives from the location of the Capital here. If the Capital were removed, instead of being a city of 350,000 population you could count its population with 10,000 and have numbers to spare. If it were not for the untold millions being spent here from day to day in the construction of public buildings and the rent of private buildings for offices for Government use; were it not for the millions and millions of dollars paid out monthly to the employees of the Government, amounting to more than $72,000,000 annually; if it were not for the more than 1,000 visitors attracted to this place daily throughout the year by reason of its being the Capital, there would be no great furor raised about the half-and-half plan, because there would be no

city here. There is not a town or city in the United States that would not give free to the Federal Government sufficient land on which to locate all its buildings and guarantee that land and the buildings free from taxation for all time to come if the Capital could be removed from Washington and located there. Practically all the land owned by the Government in the District of Columbia is used for the comfort and pleasure of Washington people.

The Government does not use for its own purposes exceeding 100 acres of the nearly 3,000 acres of land it owns in the District of Columbia. The remainder of the land is dedicated to parks for the enjoyment and pleasure of the District people. Potomac Park and Rock Creek Park contain more than 2,000 acres, and they are maintained at an enormous expense out of the taxes paid by the people of the United States for the enjoyment of the people here. Not only are they kept in the finest condition, but great zoos, containing every known species of snake, fowl, and animal, are there kept and exhibited for their pleasure. The Congressional Library, one of the finest in the world, is maintained at an enormous expense, and its enjoyment is largely local. The National Museum, one of the finest in the world, is maintained wholly at the expense of the American taxpayers, and its enjoyment is largely local.

But they say this is the Capital of the Nation and belongs to all the people. Now, let one of your people back at home, or one of mine, come here and announce that this is the Capital and in part belongs to him; that he has been paying taxes to build these streets and sidewalks, to erect these schoolhouses, fire stations, and city halls, and to keep them in repair; to conduct the schools, maintain the police and firemen, and see how quickly these thousand policemen would round him up and hurry him off to the madhouse. All this talk about "Our Capital" is like naming one of those "ocean-to-ocean" highways the "Lincoln Highway," or the proposed bridge across the Potomac at public expense the "Grant and Lee" bridge. It is for the purpose of beclouding the real issue and arousing the patriotism of the people. But I warn you that while they are tickling your ear with beautiful speech to be careful lest they have their hands in your pockets up to the elbows.

Mr. Chairman, because I have seen fit to favor a bill that will require the rich of this District to pay their just portion of the taxes and to relieve the people of Oklahoma from this burden, it has gone forth that I am to be defeated and not sent back to Congress. Because I favor putting on the tax duplicate more than one hundred millions of stocks and bonds, notes, accounts, money, jewelry, and diamonds; because I favor requiring the millionaire home owner to pay taxes like the man who owns an humble home; because I favor requiring the Mary Leiter Curzon estate to pay taxes on $1,500,000 of stocks and bonds in the District that are not now taxable; because I favor the Blanchard estate in the District paying taxes on $700,000 securities that do not now contribute one cent toward supporting the District government; because I favor requiring the Clapp estate to pay on more than a million dollars of securities which are now untaxed; because I favor requiring the Eugene Peters estate to pay taxes on more than $600,000 which is now untaxed; and the Richardson estate, amounting to more than $150,000 in securities, which is now untaxed, I am to be defeated and left at home. The Washington Times, under date of December 20, 1913, announced that this would be the policy of the people of the District of Columbia. It said:

> Plans for a concerted fight against the reelection of the Members who voted for the measure are already under way. Their respective districts will be flooded with letters protesting against their unpatriotic stand toward the National Capital. Voters throughout the country will be appealed to in the hope that Congressmen will be urged to take the welfare of the District at heart and aid in making the Capital City of the United States the queen metropolis of the world.
>
> Members of the executive committee of the joint committee of chamber of commerce, the board of trade, and the Retail Merchants' Association have been notified by Chairman William H. Singleton, of the committee, that they must be ready at a moment's notice to answer a call to meet and determine on some concerted action immediately.

Mr. Chairman, if by the passage of this bill we were doing an injustice to the people of Washington, if we were treating them differently and putting an unjust burden on them not borne by the rest of the people of this country, then I would fear an attack, but I have no fear of the result when the facts are understood by the people of the country. The people are just and will do right when they know the facts. When it is understood that by the provisions of this bill we are seeking to tax stocks, bonds, notes, accounts, money, jewelry, and diamonds that are now untaxed, and that we are seeking to require the rich to bear their just proportion of the burdens of taxation, and when it is known that we are fixing a lower rate than the average rate throughout the country on the property of the people of the District of Columbia, and a rate less than one-half the people of Oklahoma pay, I have no fear of the result. The danger in this opposition will not come from a knowledge of the facts, but it will come because they will not submit their opposition to me on the stand I have taken on this tax question. They will put their opposition on some imaginary ground. They are resourceful, they have an abundance of money, and when a Member of Congress arouses their antagonism it is certain he will be made to feel the strength of their opposition. I have for the past 22 years lived in the district I represent. I was born and raised within a hundred miles of its borders. Men live in every county who have known me since I was a child, and they will be able to take care of any slanders or misrepresentation that may be circulated against me.

Mr. Chairman, these threats will not deter me from discharging the duty I owe the people of Oklahoma. I would prefer defeat fighting for what I believe is right than to be returned by a betrayal of those back home who depend on me to guard their interests here.

Mr. MANN. Mr. Chairman, I yield 10 minutes to the gentleman from California [Mr. KENT].

Mr. KENT. Mr. Chairman, there are very few Members present, and I do not suppose that what I shall say will have much influence; but I wish to speak from a standpoint of sympathy with the Mexican people, whom I know and like, as well as from a knowledge of what will constitute our own welfare. I have had much experience in Mexico. I have spent months in the back country and can claim to have a knowledge of and a sympathy with the common everyday people, whom we vaguely know and often despise as peons. I have been associated with some of the rich men, the plutocrats, the nickel-plated aristocrats, and a more useless gang of crooks I never met. [Laughter and applause.] These folk are in no sense an aristocracy—they never heard of "noblesse oblige"—they have no regard whatever for their own common people. They despise them more than we do, look down upon them more than we do; but they understand their methods of thought better than we do, are more prone to superficial politeness, and therefore they are more popular with the common people than we are.

The history of our people in Mexico has been scandalous until recent times. We have sent down there our outlaws, our promoters, our grafters, our refugees, and these have uniformly and always despised the common people. They have treated them with contempt; they have killed the men, and they have not dealt fairly with the women, and we have participated in the larceny of their land. Now, we wonder that our protestations of our good intentions are not taken at their face value by the people of Mexico.

I voted against the resolution that the President requested simply because I know the Mexican people. I felt that in the passage of that resolution for the acts complained of we had stumbled into hell. [Laughter and applause.] I did not believe that any leading Mexican could have the courage to indorse an act of territorial aggression.

Now, between us and a general war in Mexico there seems to be but one thing, and that is the fact that there is one man in Mexico, one strong man—Villa, bandit to be sure, a child of ignorant Indian parentage, who began an outlaw career because he was robbed, insulted, and abused, started out on the hypothesis that he must make war against Mexican society in accordance with the only code he knew, and that code justified barbarous methods. With the little education he had he proved himself to be a great leader of men. That man has been continually growing, not alone in power but in knowledge of what the civilized world demands of him and in knowledge of the needs of his country. The testimony I have received from private sources is that he is a brave man who keeps his word. He has, in a crucial time, had the courage of his convictions, and the enlightenment, almost alone among his people, to believe our protestations of disinterestedness, and seems to possess such a marvelous power of leadership as to hold his people in leash. We have now before us the choice of whether, in view of all the facts, we are willing to recognize this man as, in a measure, our ally, whether we are willing to accept his good offices in conjunction with the good offices of the great Republics of South America, or whether we feel it incumbent on us to go into Mexico and to declare war on the Mexican people, 15,000,000 in number, who can not understand us any more than we can understand them, and to fight through a war to its indefinitely distant conclusion.

It is simple to talk about war as something short and determinate; but when the longer we fight the less we are going to be understood and the more inherent hostility we are going to incur, in view of this irreconcilable situation, it is time to see whether in God's name we can not be led out of this hell. [Applause.]

Therefore, in the hope of peace, in the hope that we may not be forced into war and bitter misunderstanding with a fifteenth-century people of Indian and Spanish blood, I sincerely hope that something may be done to stop this conflict.

I am utterly sick at heart when I think of the petty futility that would sacrifice thousands of lives on the ground of preserving the national self-respect. Does any gentleman of to-day feel it incumbent upon him to kill every underbred, drunken bully that accosts him? When shall nations reach an equal sanity?

These people are barbaric. We ought to know that. They are 90 per cent Indian. The wars among themselves have been cruel; they shoot prisoners as a matter of course and torture as a matter of course. So-called civilization has been cruel to them; they are only gentle when kindly and sympathetically treated. What a farce it is to expect what we call civilized warfare with a people like this. If we become involved, we shall be forced to accept their view of the game. We can not reciprocate, but we must understand what we shall have to suffer.

Within the last 10 years I know of my own knowledge and can give the names of a new type of Americans that have been going to Mexico, men who have sympathy with the common people, who have treated them as human beings. These men have shown the honest, hardworking people of Mexico that ahead of them was opportunity for food, clothing, and, most of all, for their children to have a better chance than they had. To my own knowledge these common people have responded to this appeal and have worked faithfully, so that their children might be educated and become self-supporting and self-respecting. We have been sending there mining and civil engineers and railroad contractors and other producers of things—decent people, who were not there to exploit or rob the Mexicans. We have sent men who have realized that these backward folk, who are living in a fifteenth century, of Indian and Spanish origin, simple and backward, yes, and cruel, though they are, after all, good, honest, kindly, human beings, entitled to a chance and worthy of it.

I could bring many men here who could tell of their own knowledge that these common Mexicans whom we propose to kill are the kindest-hearted people in the world; could tell of their fortitude, their boundless hospitality; could tell of the antecedent causes of their backwardness. If you believe that we can send an army of men into Mexico that will so comport itself that the survivors of these people will have a better understanding of the altruistic impulses of this country, such impulses having been shot into them, I think you are not thinking. If we can have 10 years more of peace, I believe the Mexicans will come to be friendly with us. I can not tolerate the thought of war with these people, looked at either from our viewpoint or theirs. Thousands of our soldiers would be killed by a people fully armed, incompetent in many warlike ways, but a people in a fighting state of mind. We all know that psychologically as between a man who is mentally in a state of peace and a man who is mentally in a state of war you can shoot the latter through the heart and before he falls he will kill his adversary, whereas the man who is mentally peaceful will quit with the slightest wound. Those people are excited; as we cow-punchers say, they are "on the prod." They have arms which they did not have until recently, and as long as their ammunition holds out they will make a desperate fight, and it will be a war of miserable reprisals. If we fight it will be against a people who do not know civilized methods of war, and who can blame them for not understanding the absurd refinements of murder? I know what such war would mean—the 50 years, the 100 years, the 150 years of misunderstanding and bitterness. It means possibly the wiping out of existence of a people who, though backward, are honest, kindly, hospitable, and industrious, and who, I believe, have the right to live and be led toward civilization through the use of the opportunities of a rich country, and who have been looted, despoiled, embittered, and rendered savage by despots of Spanish and Mexican origin. If those on this side of the line who are chiefly plotting, planning, and fomenting war against this people were free of the lust of profit and land, we should merely call them senseless; we could not call them ghouls. [Applause.]

Mr. MANN. Mr. Chairman, the pending bill, as I understand, is designed to increase the taxes in the District 50 per cent upon the real estate, and, in addition, to tax the intangible personal property which is not now taxed. I think I am correct in saying that it will increase the taxes 50 per cent upon real estate.

Mr. BORLAND. Mr. Chairman, if the gentleman is asking me, I will say that he is not quite right. It increases it more than 50 per cent on the big fellows and less than that on the little fellows.

Mr. MANN. I do not take that interpretation. I do not think that is correct. It increases the taxes 50 per cent.

Mr. COADY. Mr. Chairman, I will say that I just obtained some figures from the tax assessor, and he says it will have the effect of increasing the taxes on the small property holders.

Mr. MANN. It increases the taxes on its face 50 per cent. Mr. Chairman, all of my life I have heard certain gentlemen talk about how the rich had their property assessed at a low rate and the poor had their property assessed at a high rate. I think that is all a mistake. I have no doubt whatever that as a rule the small owner of property living in a home of his own has a much lower rate of assessment than the rich fellow, because the assessor has sympathy for the small one and he has no sympathy for the rich one, and unless the assessors are bribed the rich do not get the best of it, in my judgment and in my experience. I have watched the assessment of property for a long time. It is claimed that the people of the District of Columbia do not pay their fair proportion of the expenditures in the District—that they pay only one-half of the expenditures—and we have before us a chart, or whatever it may be called, to show the rate of expenditure in various cities. My distinguished friend from Des Moines, Iowa [Mr. PROUTY], for whom I have a high regard, calls attention to the fact that in his city the rate of taxation is a little more than 20 mills on the dollar, on the actual valuation, while in the District of Columbia it is only 1 cent on the dollar.

If that is the fact, then I think that the District of Columbia form of government ought to be maintained as a school, and that it would be desirable to make an appropriation to bring to Washington the city officials of all these other cities in the United States, because no one will contend who has ever been in Des Moines and Washington that the city of Des Moines is as well governed and is kept in as handsome a condition, as clean and as healthy, as the city of Washington. I do not single out Des Moines. Take the city of Chicago, where it is said the tax rate is 17 mills on the dollar as against 10 mills on the dollar in Washington. If we should double the tax rate in Washington, so as to pay in the amount contributed by the United States Government, the tax rate here would be 20 mills on the dollar. Let us assume that for the purpose of argument. There is no comparison in the value of the service received by the people who live in Washington for the expenditure of the 20 mills on the dollar here and the 17 mills on the dollar in Chicago. In addition to that, they call our attention further to the fact that special improvements here are to a large extent paid out of the general fund, while in my city—and I assume the same is true of Des Moines—sidewalks, sewers, water mains, water-service pipes, sewer drains, street improvements, and everything are paid for by special assessment and not out of a general fund; and if it be true that we have a form of government in the District of Columbia under which, by the payment of 1 cent on the dollar in taxation and 1 cent on the dollar out of the Treasury of the Federal Government, we can maintain a government more efficient, more economic, of more value to the people, paying for the special improvements out of the general fund, than these other cities can, not paying for the special improvements out of the general funds, then we ought to bring them here and show them how it is done. And no more valuable education has ever been received by any Member of Congress than is the education which my distinguished friend from Iowa, whom I regret to say has informed us publicly that he is not coming back to the House, has received, and I hope when he goes out of the House he will carry with him the knowledge that he has received about what we do here with the money which we expend for the Government, and take that knowledge home to Des Moines and teach the people there how to get half as good a government for twice the cost. [Applause.]

Mr. Chairman, we have before us another chart, telling how much more the people of Alexandria, Va., pay in taxes than do the people of Washington. I believe I am not mistaken in supposing that Alexandria is in that portion of Virginia which was formerly in the District of Columbia, and that there have been various propositions to bring Alexandria back into the District. I see before me my very good friend from Virginia [Mr. CARLIN], representing the Alexandria district. I never have been able to observe any energetic efforts upon his part to get the Alexandria people back into the District of Columbia in order to avoid the payment of these great taxes which they pay down there.

Mr. CARLIN. And the gentleman never will.

Mr. MANN. No; I assume I never will. One would suppose from the chart before us that the people of Alexandria sit up nights to complain about the amount of taxes they pay for their

own government and the amount they pay for the District government, and yet when they are offered in a way the opportunity to be brought into the District and have these taxes reduced—on the chart—they decline, and why? One reason is because the chart is wrong.

Mr. PROUTY and Mr. CARLIN rose.

The CHAIRMAN. To whom does the gentleman yield?

Mr. MANN. I yield first to the gentleman from Virginia.

Mr. CARLIN. The people of Alexandria have no knowledge of any such chart as this. There are no better friends of the National Capital anywhere on earth than the citizens of Virginia, and especially those of Alexandria. [Applause.]

Mr. MANN. And no better friend than the gentleman from Virginia [Mr. CARLIN]. [Applause.]

Mr. CARLIN. I hope not, and I hope that no chart which attempts to make any comparison between the figures in Alexandria and Washington will have any effect upon the membership of this House, especially a chart that does not state the facts, as this chart does not. In fact, this chart gives the impression that for Alexandria's sidewalks the people pay all and for pavements they pay a third. That is practically true. Under the constitution of Virginia the law requires that the streets shall be paved out of the treasury of the whole people, and that the abutting property owner shall not pay any part of it anywhere in our State, but despite the fact of this constitutional provision it turns out sometimes that the people of Virginia, who wanted to get a street paved, contribute their part——

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. CARLIN. I hope I did not take up the gentleman's time. [Laughter.] I just came into the Hall of the House, and I did not know anything about this controversy.

Mr. LINTHICUM. Mr. Chairman, it is not my intention to take up a great deal of the time of the committee, for I have not much to say. The fact is I have been questioning the various speakers upon this bill, and it might be supposed if I said nothing that I am against the taxation of the District upon unfair terms, and therefore these few remarks.

I am in favor of taxing the District fairly. I do not oppose taxing the realty upon a proper basis. I believe in taxing the intangible property of the District upon a fair basis, but I am not in favor of taxing bonds and savings-bank deposits upon the same basis that we tax realty. I notice in this amendment, known as the Prouty amendment, the following section:

> Neither shall a tax be imposed upon shares of the capital stock of any corporation which corporation pays to the District of Columbia the tax herein provided for upon all the property represented by its capital stock or pays taxes on its gross income—

And so forth.

Now, why should a man holding a bond of a corporation of the District of Columbia be exempt from taxation on these bonds any more than the man who owns the bonds of corporations in your city or my city? The theory upon which bonds are not taxed at the same rate as realty, we all recognize, is this: That the money which the bond represents is already taxed. Let us take, for instance, that I, practicing law, should happen—which is merely a supposition—to lay up some money derived from that practice. Now, let us assume that I put that money into a corporation and that that corporation invests the money in laying tracks, in building power houses, and in general improvement of its railroad system.

Now, my State and city tax that railroad and tax everything in which that money is invested. It will tax the power house that it builds, it will tax the rails that it helps to buy and lay, it will tax everything that that money is put into, which is then represented by tangible property of the road. Therefore, if you tax me again at the full rate upon that bond, you are not only taxing what the money is invested in, the tangible property of the railroad, but you are taxing the money or bond again at the same rate upon the money which is represented by the bond in my possession.

Now, you will notice that the Prouty amendment especially recognizes this fact as to the District of Columbia. If I invest money in a bond of a railroad in this District, then I would not be compelled to pay taxes on that bond, but if I invested in the bond of a railway in Baltimore city, then I have to pay full tax upon that bond if I should happen to live here. And what does that mean? Our railroad, for instance, pays 4 per cent interest on its first bonds. It would mean that I would be compelled to give practically a dollar and a half of every $4 that I got as a tax upon that bond, and it would reduce my money to 2½ per cent interest. In effect, it would depreciate the value of my bond and I would lose part of my principal.

Mr. MOORE. Mr. Chairman, will the gentleman yield?

Mr. LINTHICUM. Will the gentleman allow me to proceed along this theory a little longer and then I will yield to him?

Now, when the railroad wants more money, what must it do? Why, if you pay on those bonds at a dollar and a half it will have to raise the rate of interest and pay 5½ per cent or 5 per cent instead of 4 per cent, so the tax really goes back to the railroad and depreciates the value of the bonds in which the man has his money invested at 4 per cent. Now, in my city we tax the real estate at its full value, and I think that is fair, because, what is the difference in taxing property at half its value and have the rate higher than taxing it at the full rate and having the rate lower? It is the same in the end. I think property ought to be taxed at its full value and have the rate lower, as this reduces the rate and looks better. Then there ought to be a fair rate upon the bonds and savings deposits. In my city we found this: We tried to tax them at the full rate at which we tax real estate up until some 15 years or more ago, and the effect was we did not get the bonds on the books. The people would not come there and turn them in for taxation, because the tax took such a large part of their income; so we devised a system by which we made the taxation for local taxes 30 cents on the hundred, and then we added on the State tax, which at that time was 16 cents, but our State tax began to rise, just like those in every State rise where you build extensive systems of good roads, and State taxes ran up to 32 cents.

What was the result? There we had a tax of 62 cents on investments, in bonds and securities, and our people found it was unwise. It would not produce the amount of taxes that a moderate taxation would. Every man is willing to pay a fair tax, or, at least, a majority of people are. It did not produce as much taxes, because you could not get the people to turn in their securities. So our legislature, upon the advice of men versed in tax matters, decided to make it a flat rate of 45 cents on the hundred, 30 cents to go to the local community and 15 cents to the State. You will find by adopting such a system as that that you will get more taxes out of the bonds and investments than you ever would get by a large tax rate which takes nearly half of the income. Now I yield to the gentleman from Pennsylvania.

Mr. MOORE. I wanted to call the gentleman's attention to the question he raised a moment ago that the money invested in stocks or bonds is already taxed. Has the gentleman considered the savings funds, all of which reinvest the deposits of the poor which come into their vaults? If he has not, I call his attention to one savings fund in my city which has about 300,000 depositors, whose deposits average about $500. Over $120,000,000 of these savings deposits is invested in stocks and bonds throughout the whole of the United States, and some of it in the District of Columbia. Does the gentleman think in a case of this kind that the burden of new taxation would fall so much upon the rich as it would fall upon the poor depositors who thus have their money in savings funds?

Mr. LINTHICUM. I will say to the gentleman that, in my opinion, the rich find a wider field for investment. They have a great many bonds and other securities in which to invest, while the poor man has only a few hundred dollars, and does not know anything about other institutions than the savings banks and savings funds, and he goes there and loans his money for 3 to 3½ per cent interest. If you take a dollar out of his 3 per cent interest, you take half of his interest away from him.

Mr. MOORE. And the savings fund necessarily invests this money in enterprises which issue stocks and bonds?

Mr. LINTHICUM. I think it is safe to say on a broad principle that comparatively little money lies idle, unless it is in the hands of some fellow who wants to bury it in the ground. The idea some people have that great sums of money are hoarded in banks is wrong. No sensible bank will put its money in a vault and let it lie there. It goes out. It goes from the savings bank to real estate at 4½ to 5 per cent. But a small amount of it is kept in the bank. It is generally invested in bonds and mortgages and other gilt-edged security, and constantly works. No bank keeps its money in its vaults and does not make it work.

Mr. BORLAND. The gentleman was speaking about the tax on corporation bonds in his State. I will ask him whether his State does not levy an excise tax upon the capital stock of the corporation over and above what it levies upon other property? In a great many States, you know, they have a State tax on corporate stocks or corporations, which is a general State tax in addition to property tax. Does your State levy that tax upon its corporations?

Mr. LINTHICUM. Our State tax commission fixes the stock value, and we also have a State tax on business corporations—a franchise or excise tax.

Mr. BORLAND. I want to call the attention of the gentleman to the fact that that kind of tax is absent also in the District of Columbia. Corporations here have no State tax to pay.

Mr. LINTHICUM. We have a State tax, of course, but I am talking principally about bonds and savings-bank deposits. I would like to say to the gentleman from Missouri, that while he is in favor of a dollar and a half tax rate on securities, or some other rate, the same as on real estate in the District of Columbia, in his own State he says he only pays 50 per cent of the tax on bonds and securities. So I think you will find that nearly all the States in the Union do not tax bonds and securities or that kind of property at the same rate they tax real estate.

Now, Mr. Chairman, I merely wanted to bring out these facts to show that I am not in favor of the District people escaping taxation. I am in favor of their having fair taxation. I am in favor of their having just about what we have, which I think is fair. Of course this chart here is gotten up in the very best shape it could be gotten up, but we all recognize it can not be correct. There are certain cities which charge a paving tax——

Mr. PROUTY. Will the gentleman yield?

Mr. LINTHICUM. In just a moment. They charge a water tax and various taxes of that kind. And why? Because they do not want the tax rate of their city to seem too large, as it drives away capital and keeps people away from the city; and, therefore, many cities have a plan by which they have these various kinds of taxes, and I do not take it that those are included in this chart.

Now I yield to the gentleman.

Mr. PROUTY. You said they were incorrect. Will the gentleman be so kind as to point out any one of those cities that are incorrect?

Mr. LINTHICUM. I do not know that I could go through all of those.

Mr. PROUTY. Any one of those.

Mr. LINTHICUM. My own city, for instance, is not correct.

Mr. PROUTY. I said that these only include general taxes; not special taxes.

Mr. LINTHICUM. That is what I mean to say, that in many cities general taxes and special taxes are all one. In some cities they are divided up into various classes.

Mr. KELLEY of Michigan. Will the gentleman yield to me for a suggestion on that point?

Mr. PROUTY. In half a second. If you would add that special tax, it would make those figures larger.

Mr. LINTHICUM. I realize that. I am not saying that the figures are too low. I am saying that chart is not correct by reason of that fact.

Mr. KELLEY of Michigan. Mr. Chairman, will the gentleman yield to me for a suggestion on that point?

Mr. LINTHICUM. Yes.

Mr. KELLEY of Michigan. In the city of Washington there are no industrial corporations to speak of, as I understand it, while in all these large cities there are millions of dollars' worth of property owned by industrial corporations, and it is a fact well known to almost everybody that in many cities it is the custom to put these industrial corporations on the tax roll at a very low valuation for the purpose of encouraging those industries; so that it is safe to say that there are millions of dollars' worth of industrial and corporate property in every large city in the United States, or nearly so, that is not found upon the tax roll, which, if put upon the tax roll, would very much reduce the tax rate. This is undoubtedly true of many of these cities named on the chart.

The CHAIRMAN. The time of the gentleman has expired. All time has expired.

Mr. LINTHICUM. I want to say that in our State of Maryland, by a recent act of the legislature, we have taken all taxes off industrial plants and all taxes off furniture, up to the limit of $500.

In conclusion, Mr. Chairman, as I have said, I have spoken at this time for the reason that I wanted the people of the District of Columbia to have just as fair treatment as the citizens of any other part of our country. In fact, in my view we owe them even more consideration, for the reason that they are compelled to entirely rely upon us to administer the affairs of this District. They have no power by which they can yea or nay to anything we do except by complaint to those in authority. In other cities, if Congress or their other public officials do that which they do not like they have redress to the ballot; but here in the District we are taxing people without giving them representation, and it is therefore incumbent upon us to be most particular in the administration of their affairs. I for one am particularly anxious that they should be done no wrong, and that they should bear only their just portion of the burden, which I am sure they are willing to bear.

In a lecture which I had the pleasure of listening to the other evening the speaker spoke of Paris being the most beautiful city in the world save one, and the one to which he had reference was our own city of Washington. I do not believe that the people of this country wish to be parsimonious with the beautiful Capital of this Republic. I believe they want it to be the most beautiful city in the world, and that they are willing to make up any necessary difference after the residents of the District have paid a fair taxation. I am not prepared to say whether or not the half-and-half plan is fair. I rather think that since the city has grown to such large proportions, and since its revenues have so greatly increased, perhaps some other ratio would be just; but that is a question for those who understand the affairs of the District better than I do. I am opposed, however, to the Prouty amendment for the reasons I have assigned and which seem to me to prove conclusively that it is absolutely unfair to the residents of the District of Columbia.

My colleague [Mr. COADY] has shown by facts and figures unimpeachable that the very gentlemen who are supporting this Prouty amendment are not giving the residents of the District of Columbia as liberal treatment as the people of their own States receive. They are attempting to tax securities at the same rate as they do real estate, when the laws of their own States do not do it. They are endeavoring to limit expenditures upon the capital of the Nation which they would favor were they to be devoted to beautifying and adorning their own cities.

I for one am proud of the city of Washington, of its splendid buildings, its magnificent thoroughfares, its beautiful parks, with their wonderful foliage. Let me say to those gentlemen who are upholding this amendment, which would hinder and delay the progress and prosperity of this city, that when they go home they will find that those of their constituents who have visited Washington and beheld the beauties which I have enumerated are proud of our Capital and do not begrudge what it has cost them or their State.

We are all one people. Some of us are engaged in making the laws, some in manufacture, some in the professions, and some in various other lines of industry and work; but we are, nevertheless, partners in the same enterprise, citizens of the same great country; and while some may receive more than others for their labors, it is a partnership in which we are all interested and of which we all should be proud and satisfied.

When I return to my constituents I shall say to them that I was in favor of continuing the progress of our Capital upon the same broad lines upon which it is now moving and that, while I am in favor of taxing the people of the District of Columbia fairly and justly, I am also in favor of the National Government beautifying and adorning its own home, as it should, as the Capital of a great and enlightened people.

Mr. JOHNSON of Kentucky. Mr. Chairman, I call for the regular order.

The CHAIRMAN. The Clerk will read the bill.

The Clerk read as follows:

Be it enacted, etc., That all real estate in the District of Columbia subject to taxation shall hereafter be assessed annually at its true value.

Mr. PROUTY. Mr. Chairman, I move to strike out the last word.

The CHAIRMAN. The gentleman from Iowa [Mr. PROUTY] moves to strike out the last word.

Mr. PROUTY. As I have not had an opportunity to explain or discuss this chart heretofore, I am going to avail myself of the opportunity under the five-minute rule.

In the first place, the paper this morning, or yesterday—it came into my hands this morning, and it has come into the hands of all of you, no doubt—said this is a table of Prouty-made figures. I want to say to the Members of this House that there is not a figure on that chart that is made by PROUTY, except where reductions have been made in certain instances, for instance, like one-fourth, and so forth. I have left this chart in the lobby of the Hall for two weeks. Those figures have been in the possession of the newspapers of this city for two weeks, and if you will read the article through, which undertakes to comment upon my speech, you will notice they do not call in question a single figure that is on this chart.

Now, what does this chart show? It shows the actual tax rate at actual cash value that is paid in the cities named. It shows that the average is 19 mills on full value. It shows that in Washington the rate is 10 mills. If the Members of this House, under the idea of being generous to Washington, wish to

go back home and say they voted for a bill that gave a preference to the citizens of Washington that amounted to one-half of the taxes they are paying at home, all right. I have done my duty. I have examined the facts carefully and candidly, and I can say truthfully to the Members of this House that under the present system of taxation the people of the United States are paying to this people to support it while this people is paying only half the taxes that are paid at home.

Mr. REED. Mr. Chairman, will the gentleman yield for just a question?

Mr. PROUTY. No; I can not yield under the five-minute rule. Now, the gentleman from Illinois [Mr. MANN] suggested that this chart was false. I ask him now to rise and in my time point out the item in it that is wrong.

Mr. MANN. I will say that the valuation that the gentleman puts upon real estate in both this city and Alexandria is entirely erroneous.

Mr. PROUTY. I did not place the valuation at all. Under the laws of the State of Virginia, in which the city of Alexandria is located, it is provided that property shall be assessed at its full value, and the ordinances of the city show that the real estate is assessed at 18 mills on the dollar.

Mr. MANN. The gentleman asked me to point out wherein the figures are wrong. The law of my State for many years required property to be assessed at its full value, but it was not.

Mr. PROUTY. True; but the mayor of Alexandria says in fact it is assessed at 75 cents, while the George report shows that in the District of Columbia it is assessed at only 66⅔ per cent of the required amount under the laws of the United States.

Mr. MADDEN. How does the gentleman know?

Mr. PROUTY. I will explain that if I have another five minutes.

Mr. MADDEN. I would like the gentleman to explain it.

Mr. PROUTY. Here is Alexandria, just across the river. A man living in Alexandria—a poor man, who has just as poor a house as the man living in this city—is called upon to pay 18 mills on his personal property, while in this city a man pays only 15 mills. On his real estate the man over in Alexandria pays 18 mills, and the man in Washington pays only 10 mills. On intangible personal property the man in Alexandria pays 18 mills, while the man in Washington pays nothing. On stocks and bonds, such as we have been proposing to tax here, the man in Alexandria pays 18 mills and the man in Washington pays 5.

These figures are accurate, gentlemen, and I will risk my reputation as a man that every one of them is absolutely correct. Are you going, now, to say that a poor man living over in Alexandria that pays these taxes shall come over here and help educate the people of this District and help to build the sidewalks and pavements in this city? Is that equity, gentlemen? I am not discussing war in Mexico; I am discussing the broad principles of right and equity at home.

The CHAIRMAN. The time of the gentleman from Iowa has expired.

Mr. LINTHICUM. Mr. Chairman, I ask unanimous consent to revise and extend my remarks in the RECORD.

The CHAIRMAN. The gentleman from Maryland [Mr. LINTHICUM] asks unanimous consent to revise and extend his remarks in the RECORD. Is there objection?

There was no objection.

Mr. MADDEN rose.

The CHAIRMAN. The gentleman from Illinois [Mr. MADDEN] is recognized.

Mr. MADDEN. Mr. Chairman, I suppose it is quite out of order for any person to tell what his personal experience is anywhere, and particularly in the District of Columbia; but I happen to be one of those men here who own a little house, and I will sell that house to anybody here who wants it for $10,000, and if we are only being taxed 6½ mills on the value of the property, I want to say that I am paying over $130 a year taxes on that house. I paid $12,000 for the house; it is not worth more than $10,000, and I am willing to sell it to anybody who wants it for that price. Now, that is $1.30 instead of 65 cents on $100. There is no place in America where the money is expended as judiciously as it is in this city.

Mr. BORLAND. Then the gentleman would not be hurt by raising the assessed value to the full valuation, I take it?

Mr. MADDEN. I certainly would be hurt by raising it, because I am paying on the full value of it now.

Mr. BORLAND. Then the gentleman would gain, perhaps, by having other people pay on the full valuation, likewise.

Mr. MADDEN. I take it everybody is paying on the same basis as I am.

Mr. Chairman, we are living in the Capital of the Nation, and every man, woman, and child in America is interested in having this the most beautiful city in America.

Mr. COOPER. Will the gentleman yield for an interruption?

Mr. MADDEN. Yes.

Mr. COOPER. How is it possible in a great many cases to determine what is the full valuation of property?

Mr. MADDEN. Why, nobody on earth can tell. It is only the imagination of the assessor.

Mr. MANN. But when it comes to writing a chart they can tell exactly.

Mr. MADDEN. Yes; when it comes to writing a chart you can tell, but there is no way on earth that any man can fix the full value and know that he is right in fixing it.

Now, I take it nobody cares whether you assess property on the basis of the full value of it or on the basis of 10 per cent of the value.

Mr. GARRETT of Texas. How does the gentleman arrive at the value of his house?

Mr. MADDEN. I do not arrive at it. I am simply saying to you that I will sell it to you for $10,000.

Mr. GARRETT of Texas. I understand the gentleman is paying on the full valuation. I ask him how he arrives at that.

Mr. MADDEN. I am simply saying that I will sell the house for $10,000, and that I am paying $130 a year taxes. I do not know whether it is full value or half value, but I am offering to sell this property to you for $10,000, if you want to buy it, and I am saying to you that instead of paying 6½ mills on the dollar on the full value I am paying 1 cent and 3 mills on the dollar.

Mr. GARRETT of Texas. Who fixes the assessed value of the property?

Mr. MADDEN. I suppose the assessors do.

Mr. GARRETT of Texas. Did they have any idea what it cost the gentleman?

Mr. MADDEN. I do not know anything about that. I am only telling the gentleman what I paid for it, and what I consider it is worth.

Mr. GARRETT of Texas. I did not understand the gentleman to say what he paid for the property.

Mr. MADDEN. I told what I paid for it, and what it is worth, and what I will sell it to you for.

Mr. GARRETT of Texas. I did not catch what the gentleman said he paid for it.

Mr. SIMS. I want to know if the gentleman knows of any village anywhere in the United States where the total amount of taxes on a piece of real estate does not exceed $1.30 a hundred?

Mr. MADDEN. I will say to you right now that I own a piece of property in Chicago that is worth a good deal more money than the house in which I live here is worth, and on it, instead of paying $130, I pay only $79.

Mr. SIMS. I said any village.

Mr. MADDEN. I am talking about a great city.

Mr. SIMS. There is not any village in the United States whose taxes are as low as they are here.

Mr. MADDEN. When property in the great city of Chicago is only taxed $79 a year, and property which is worth no more pays $130 taxes here, I assume that the people in Washington are not untaxed. And I am paying in Chicago the same rate that everybody else pays. I am not making this argument on account of my personal interest in it, but I simply want this House to understand that there is a misconception somewhere about the amount of taxes paid, according to the value of the property, by the people of the District of Columbia.

In all the States of the Union, in all the cities of all the States of the Union, we have great manufacturing enterprises. These manufacturing enterprises employ our people. Here there is no such thing. The Government departments take the place of the factories in the District of Columbia, and the department is the only place where people can find employment.

Mr. GARRETT of Texas. May I ask the gentleman a question?

Mr. MADDEN. Yes.

Mr. GARRETT of Texas. I understand, in the District of Columbia, that all the public parks and buildings, all the public property, are taken care of by the public separate and apart from the city. If that be true, then, outside of that property all the other property owned by individuals would be on an equal footing.

Mr. MADDEN. I do not think that is the case.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. MADDEN. Mr. Chairman, I ask for five minutes more.

The CHAIRMAN. The gentleman from Illinois asks that his time be extended five minutes. Is there objection?

The was no objection.

Mr. MANN. The gentleman knows that the parks, and so forth, are paid for under the half-and-half rule?

Mr. MADDEN. Yes. I understand that Potomac Park is not.

Mr. SIMS. And the park around this building is not, and it is a pretty good-sized park.

Mr. MADDEN. All of the parks in the city except Potomac Park and the Capitol Grounds is paid one-half out of the District revenues and one-half out of the National Treasury, Rock Creek Park as well. I want to say, further, that there is no opportunity here for building a new factory, and so adding to the assessible value of the property. The people of the District of Columbia are employed by the Government. The only activity in which they can engage to increase the value of property in the District is to endeavor to get a new bureau created somewhere in one of the departments of the Government. Everywhere else, all over the Union, people are engaged in the activity of bringing new enterprises into town to employ more labor and increase the wealth, so that they will have more taxable property and, in a way, create greater prosperity. We live here in this Capital of the Nation owned by everybody in the Union. Every man and woman in the Union is proud of this Capital City of the United States. They want to see it made the most beautiful city in the world. They want it kept, as it ought to be and will be if we do our duty, as the most beautiful city in the world. [Applause.] This Capital City is to be here for all time. It is to be the property of all the people of the Union. I have never yet known a man or a woman to come here from any place in the Union who did not go away and feel proud that they were part owners in this beautiful city. Can we, in our capacity as Members of Congress, afford to say to the people of the Nation that we no longer have any interest in beautifying this city? I take it not. Can we afford to say that the Nation whose Capital buildings are here, whose Government is here, that that Nation ought not pay something to maintain it?

Mr. BORLAND. Will the gentleman permit me to ask him a question?

Mr. MADDEN. Certainly.

Mr. BORLAND. During the last five years the Government has erected 11 Federal monuments without expense to the District. Is not that beautifying the Capital at rather a rapid rate?

Mr. MADDEN. Monuments are not all that this Capital needs.

Mr. BORLAND. But is it right for the gentleman to cast such slurs against us who have voted for those improvements?

Mr. MADDEN. I am not casting any slurs.

Mr. BORLAND. Is not Congress beautifying the Capital?

Mr. MADDEN. I am giving you an opinion of what I think ought to be done. The gentleman from Missouri has vociferated about what the people of the United States ought not to do for the Capital of the Nation, and I have not interrupted him or questioned his integrity or honesty of purpose. I say to the gentleman that I am as patriotic as he. I have no desire to impugn his motives, and I only ask of him the same right to exercise my views as he arrogates to himself.

Mr. BORLAND. But I think in all fairness the gentleman ought to state what Congress is doing on behalf of the city.

Mr. MADDEN. Everybody knows what Congress has done and what it is doing. Everybody that I know, everywhere in the United States, hopes that Congress will continue to do what it has done in the past, and not only what it has done in the past, but will do more, so that Washington, the National Capital, may be considered by everybody coming from anywhere to look upon it as the most attractive and beautiful city in the world. [Applause.]

Mr. CROSSER. Mr. Chairman, I offer the following amendment, which I send to the Clerk's desk.

MESSAGE FROM THE SENATE.

The committee informally rose; and the Speaker having resumed the chair, a message from the Senate, by Mr. Tulley, one of its clerks, announced that the Senate had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 11269) granting pensions and increase of pensions to certain soldiers and sailors of the Civil War and certain widows and dependent children of soldiers and sailors of said war.

The message also announced that the Senate had disagreed to the amendment of the House of Representatives to the bill (S. 4353) granting pensions and increase of pensions to certain soldiers and sailors of the Regular Army and Navy and of wars other than the Civil War, and to certain widows and dependent relatives of such soldiers and sailors, asked a conference with the House on the disagreeing votes of the two Houses thereon, and had appointed Mr. SHIVELY, Mr. JOHNSON, and Mr. SMOOT as the conferees on the part of the Senate.

The message also announced that the Senate had disagreed to the amendments of the House of Representatives to the bill (S. 4167) granting pensions and increase of pensions to certain soldiers and sailors of the Regular Army and Navy, and of other wars than the Civil War, and certain widows and dependent relatives of such soldiers and sailors, asked a conference with the House on the disagreeing votes of the two Houses thereon, and had appointed Mr. SHIVELY, Mr. JOHNSON, and Mr. SMOOT as the conferees on the part of the Senate.

The message also announced that the Senate had passed without amendment bills and joint resolution of the following titles:

H. R. 122. An act authorizing the State of California to select public lands in lieu of certain lands granted to it in Imperial County, Cal., and for other purposes;

H. R. 5487. An act to authorize an additional appropriation for the erection of the United States appraisers' stores building at Milwaukee, Wis.; and

H. J. Res. 204. Joint resolution authorizing the Secretary of Agriculture to make exhibits at forest products expositions to be held in Chicago, Ill., and New York, N. Y.

The message also announced that the Senate had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 7951) to provide for cooperative agricultural extension work between the agricultural colleges in the several States receiving the benefits of an act of Congress approved July 2, 1862, and of acts supplementary thereto, and the United States Department of Agriculture.

TAXATION OF REAL ESTATE IN THE DISTRICT OF COLUMBIA.

The committee resumed its session.

The Clerk read as follows:

Strike out all after the enacting clause and insert the following:

"That all real estate in the District of Columbia subject to taxation shall hereafter be assessed annually at its true value.

"SEC. 2. That upon the assessed value of all real estate the Commissioners of the District of Columbia shall hereafter annually levy a tax of such per cent as shall, with other revenues of said District, be sufficient to pay the portion to be borne by said District of the estimated expenses of the government thereof for the ensuing fiscal year and to satisfy the portion to be paid by said District of any debts thereof. Said tax rate shall be fixed by the said commissioners on or before the 16th day of October of each year for the ensuing fiscal year. If the commissioners shall fail to make said levy or to fix said tax rate on or before said date, the tax rate for the preceding year shall be the rate of taxation for the ensuing year to all intents and purposes the same as if made and fixed by the commissioners. The tax rate hereafter levied upon tangible personal property now assessable shall be the same as that fixed by the said commissioners to be levied upon real estate as herein provided.

"SEC. 3. That to accomplish the purposes herein specified the said commissioners, within 90 days after this act shall become effective, shall appoint nine assistant real estate assessors, who, with the assessor and the five members of the present board of assistant assessors, shall constitute and compose the board for the assessment for taxation of taxable property in said District. In cases of emergency arising during the first two assessments under this act the said commissioners may appoint not exceeding five additional assistant real estate assessors for periods of not exceeding three months each, who shall be compensated at the same rate as the assistant assessors in performing the duties herein imposed on them. Each person so appointed shall, within 10 days after receiving notice of his appointment, take and subscribe to an oath diligently, faithfully, and impartially to perform all and singular the duties imposed upon him by law. If any such appointee shall fail to qualify within the time stated or shall fail to enter upon the discharge of his duties within 10 days after such qualification, the appointment shall be invalid, and the commissioners shall forthwith appoint another suitable person, who shall qualify as above provided. The only qualifications of the assessor or of any assistant assessor shall be good, moral character and competency; and all members of the said board of assessors shall devote their time exclusively to the discharge of their official duties. The said commissioners are vested with power to remove the assessor or any of the assistant assessors for any cause deemed by said commissioners to be sufficient and to appoint the successor of the officer so removed.

"SEC. 4. That the assessor shall receive an annual compensation of $5,000, and the 14 assistant assessors shall each receive an annual compensation of $3,000.

"SEC. 5. That, in addition to the duties now imposed upon him by law, the assessor shall supervise the assessments of all taxable property in said District, and the assistant assessors shall at all times be subject to his administrative control. He shall cause to be prepared annually the tax roll herein provided. He shall annually select 10 of the assistant assessors, who shall constitute the board of equalization of assessments of real estate, and shall also annually select two other assistant assessors, who shall compose the board of personal tax appraisers to assess personal property as now provided by law, and the two remaining assistant assessors shall constitute the board of appeals from assessments of real estate, and shall also constitute the board of personal tax appeals and shall perform all the duties prescribed by law immediately prior to the passage of this act to be performed by the board of personal tax appeals. When not engaged in hearing and determining appeals as herein provided the members of the said board of appeals shall perform such duties connected with the assessor's office and the records thereof as may be

assigned to them by the assessor, but they shall not participate in the actual work of making assessments, except as hereinafter provided. The assessor shall be a member and chairman of all boards created by this act and shall designate a member of each board and of each division thereof to act as chairman in his absence. A majority of the members of each board or of any division thereof shall constitute a quorum for the transaction of business.

"SEC. 6. That the assessor shall, subject to approval by said commissioners, divide the District of Columbia into such assessment districts as will best facilitate the making of the assessments herein directed. To each assessment district the assessor shall assign one or more of the said assistant assessors other than the members of the said board of appeals or the assessors of personal property. The assistant assessors so assigned shall diligently devote themselves to the study of conditions affecting the value of land and of improvements throughout the District of Columbia, particularly in their respective districts, and shall, under the direction of the assessor, from actual view and from the best sources of information obtainable, determine and assess the true value of each parcel of land within their respective districts and of the improvements thereon. They shall record such values in field books with appropriate descriptions, showing separately the value of the land and the value of the improvements, the area of each parcel, the location by square, lot, and street numbers, the name of the owner, if obtainable, otherwise the name of the person in possession, and such other information as shall be required by the assessor.

"SEC. 7. That said work of assessing real estate shall be commenced not later than the first Monday in November and concluded by the last day of February in each year. On or before the first Monday in March the said board of equalization shall convene, and shall review and fairly and impartially equalize said assessments within each and all of said districts. Said board of equalization shall hear such complaints as may be made relative to said assessments, and shall raise the valuation of such parcels of land or improvements as, in its opinion, have been returned below their true value, and shall reduce the valuation of such as, in its opinion, have been returned above their true value, so as to make each assessment represent the true value of the property and taxation uniform according to value throughout the District of Columbia. The assessor may, in his discretion, divide said board of equalization into not more than three divisions, whose duties and powers shall be the same as those of the whole board, but the action of any of said divisions shall be subject to revision or alteration by the whole board. The said work of equalization shall be completed, as nearly as practicable, by the 15th day of May of each year, after which date no complaints as to valuations shall be received. The assessor shall thereupon record or cause to be recorded, in a set of books properly prepared for such purpose, every parcel of land and all improvements so assessed and equalized, which record shall constitute the assessor's roll, and shall show the following facts in each instance, namely: The name of the owner or other person in whose name the property is assessed; the number of each parcel; the assessment per square foot or per acre of each parcel; the number of square feet in each parcel, or in the case of lands not subdivided the number of acres; the value of the land and the value of the improvements stated separately; the location of the property by square, lot number, and street number; and such other information as the Commissioners of the District of Columbia shall direct to be shown thereon. Said roll shall be properly ruled in tabular form to show the said facts in appropriate columns. When said roll shall have been so prepared and completed and shall have been approved by said commissioners, it shall constitute the basis of taxation for the ensuing fiscal year, subject only to such changes as may be made by the board of appeals, as hereinafter provided; and when all valuations therein shall have been finally determined, the said commissioners shall have prepared such numbers of printed copies of said roll as shall be needed for the use of the officers of the District of Columbia, the committees of Congress, and for the inspection of the public.

"SEC. 8. That any taxpayer who shall have made complaint to said board of equalization and who shall feel aggrieved at the action taken thereon may, on or before June 1, appeal to the board of appeals by filing with the assessor, on printed blanks furnished by the assessor, a statement verified by oath or affirmation of the owner or his agent taken before the assessor or one of the assistant assessors, or other officer authorized by law to administer oaths, showing the assessment complained of and also the true value of the property in the opinion of the affiant, estimated at the price it would bring at a fair, voluntary sale, without regard to conflicting claims of title. Beginning the first Monday in June and continuing as long as may be necessary to dispose of the appeals filed, but not later than the first Monday in July, the said board of appeals shall hear and determine said appeals; but no valuation shall be reduced unless it shall have clearly appeared that the assessed value of the property is more than the true value as herein defined. The said board of appeals, and also the said board of equalization, are empowered to make all reasonable rules and regulations for the transaction of their business not inconsistent herewith and to limit the number of witnesses who shall testify for or against any complainant or appellant. Within five days after any valuation shall have been changed by said board of appeals the chairman thereof shall certify such fact to the board of equalization, which shall make a corresponding change on the assessor's roll. At the conclusion of their work the said board of appeals shall file in the assessor's office and with the Commissioners of the District of Columbia duplicate reports of the action taken by them on each appeal, showing also the name of the appellant and names of the witnesses, the valuation fixed by the board of equalization and that fixed by the taxpayer, and a brief description of the property.

"SEC. 9. That it shall be the duty of the board of equalization at any time to retrospectively assess for taxation at its true value for any year or years any real estate omitted from assessment, in whole or in part, and also any real estate the assessment of which has heretofore been declared by judgment of court to be invalid: *Provided*, That no such property shall be retrospectively assessed for more than five years, except in case the validity of the assessment or any part thereof has been or is in litigation. The board of equalization shall at once certify all such retrospective assessments to the collector of taxes and to the auditor of the District of Columbia, and such retrospective assessments shall have the same force and effect as the regular annual assessments herein directed

"SEC 10. That as soon as said assessor's roll shall have been corrected to conform to the action of the board of appeals and finally completed, duplicate copies thereof shall be certified by the assessor to the auditor of the District of Columbia and to the collector of taxes of said District. Hereafter it shall be the duty of the said collector of taxes and the subordinates of his office, under his direction, to prepare and issue the tax bills according to said roll. The said collector of taxes shall receipt for said roll in triplicate and he shall be held responsible individually, and on his official bond, for all taxes, cost, interest, and penalties on the valuations contained in said roll and all valuations of property retrospectively assessed as herein directed, except such as he may not be able to collect after fully complying with the requirements of law. Copies of the said receipt shall be delivered to the assessor and to the board of commissioners of said District. The remaining copy shall be retained by the collector.

"SEC. 11. That all real estate in the District of Columbia subject to taxation shall hereafter be assessed and its taxable status determined as of the commencement of the 1st day of January for taxes of the fiscal year beginning the 1st day of July following.

"SEC. 12. That all real estate shall be assessed in the name of the owner or owners, trustee, agent, claimant, or person in possession, in the order named. The real estate of the estate of deceased persons shall be assessed in the name of the representative of such estate or as the property of the heirs or devisees of the deceased person without naming them. The real estate of any person under disability and such as may be held in trust for another or others shall be assessed in the name of the person controlling the property or in that of the beneficial owner or owners. If there be no known person of any of the classes herein named, such property shall be assessed to "unknown owner."

"SEC. 13. That all field books and all other books and plats pertaining to or used in the preliminary or final assessment of real estate are hereby declared to be public records and shall be subject to the inspection of the public during the office hours of the officers herein mentioned.

"SEC. 14. That each of the said boards, and also the assessor and each of the assistant assessors, are authorized and empowered to take testimony, on oath or affirmation, relative to any matter pertaining to assessment of real estate; and they, and each of them, are given power to administer oaths or affirmations to any person so testifying. The assessor or the acting chairman of any of the aforesaid boards or divisions thereof is empowered to summon by subpœna any person before him or before any of said boards or any division thereof, and to require such witness or witnesses to give testimony under oath or affirmation touching the subject matter of the investigation or hearing. Any member of the Metropolitan police force may serve such subpœnas anywhere in the District of Columbia, but no extra compensation shall be paid for such service. Such fees shall be allowed witnesses so examined as are allowed in civil actions before the Supreme Court of said District, and said fees shall be paid out of the contingent fund of the commissioners on the certificate of the assessor, except those of witnesses for complaints before the said board of equalization and for appellants before the said board of appeals, for which said District shall not be liable. In case of disobedience, neglect, or refusal on the part of any person to comply with any such subpœna, or on the refusal of any witness to testify to any matter about which he may be interrogated by any of the officials aforesaid, it shall be the duty of any judge of the Supreme Court of said District, on the application of the assessor, to compel obedience and the giving of testimony by proceedings for contempt as in the case of disobedience of the requirements of a subpœna issued from such court or a refusal to testify therein. Any false swearing on the part of any person in any statement to secure the appeal herein provided, or of any witness testifying before the assessor or any of the said assistant assessors or any board or any division thereof, shall be deemed perjury, and shall be punished as in other cases of perjury.

"SEC. 15. That no error or informality in the description or location of the property, or in the name of the owner or party assessed, or in any step or proceeding herein provided shall invalidate the assessment. Any act herein directed to be performed by any of said boards may be performed and certified by a majority of the members thereof.

"SEC. 16. That the words 'real estate,' as herein used, in addition to their ordinary meaning, shall include easements, rights of way, and rights of occupancy of the lands of another. The word 'improvements,' in addition to its ordinary meaning, shall include all structures of every kind upon, beneath, or over land. The words 'true value,' as herein applied to assessments, shall be construed to mean the fair cash value of the property, or the equivalent thereof, estimated at the price it would bring at a fair, voluntary sale, without regard to conflicting claims of title. The word 'person,' in appropriate cases, shall include persons, firms, corporations, companies, associations, executors, administrators, guardians, committees, or trustees. The word 'parcel' shall include lots, parts of lots, tracts, acreage, and other pieces of real estate.

"SEC. 17. That the provisions of law in force immediately prior to the passage of this act for the exemption of property from taxation shall remain in full force and effect.

"SEC. 18. That this act shall become effective on July 1, 1914, and all laws or parts of laws inconsistent or in conflict herewith are hereby repealed."

Mr. STAFFORD. Mr. Chairman, I make the point of order that the substitute offered by the gentleman from Ohio is not in order at the present time. I direct the Chair's attention to the following to be found in section 805 of the Manual:

When a bill is considered by sections or paragraphs an amendment in the nature of a substitute is properly offered after the reading for amendment is concluded.

The gentleman's substitute is virtually the bill that has been reported to the House for consideration without the amendments of the committee, and under the ruling to which I just called the Chair's attention it is not in order to offer this substitute until the bill has been read for amendment and an opportunity has been given to perfect it. We have had no opportunity to act at the present time upon the amendments submitted by the committee. I call the attention of the Chair to the citation, which is paragraph 5788 of Hinds' Precedents, volume 5.

Mr. MANN. Mr. Chairman, if the gentleman will just read one line more than he did——

Mr. STAFFORD. I will read it:

But when it is proposed to offer a single substitute for several paragraphs of a bill which is being considered by paragraphs, the substitute may be moved to the first paragraph, with notice that, if agreed to, motions will be made to strike out the remaining paragraphs.

Mr. MANN. I think that covers the case.

Mr. STAFFORD. But, Mr. Chairman, here we have a substitute offered that is substantially the bill reported to the

House without the committee amendments. It presupposes that we are going to act on the substitute without having any opportunity to offer more than one amendment, a substitute embodying not only 1 paragraph, but 16 sections.

Mr. CROSSER. Mr. Chairman, that has more to do with the wisdom of the thing than with the question of whether it is in order.

Mr. STAFFORD. In the interest of orderly procedure, we ought to have the substitute deferred until we pass upon the committee amendments.

Mr. MANN. Mr. Chairman, I think the rule is pretty well settled upon the subject. It is true that where a paragraph itself is under consideration a substitute to the paragraph can be submitted only after amendments to perfect the paragraph have been voted on. On the other hand, parliamentary law is for the purpose of enabling the body to transact business in an orderly way. When the first paragraph or the first section is read, it is in order to offer a substitute for the entire bill, giving notice that if agreed to you will move to strike out the other sections as they are reached. That is in order. If the body has concluded to take the entire substitute, to save time, and adopt it instead of going ahead and perfecting a large number of sections which in the end will be stricken out of the bill, it is surely in the interest of orderly procedure to act upon the substitute. It is good sense, and it is parliamentary law that has been adhered to in this House for many years.

The CHAIRMAN. The point of order is overruled.

Mr. CROSSER. Mr. Chairman, the amendment just read is the real George bill. The one which is pending before the House is the bill as amended by the majority of the committee. The provisions of this bill are as follows: It provides for a full-value assessment, a thing as to which both sides are agreed.

Mr. COOPER. That is on real estate only?

Mr. CROSSER. Yes; on real estate only. It provides for full-value assessment of real estate for the purposes of taxation. That is also provided by the majority report on the bill. Our bill provides that the rate of taxation shall be fixed by the commissioners in order to meet the requirements of the budget of the District. The other bill provides for a fixed, rigid one dollar and a half rate, regardless of whether we may need more or less revenue than that will raise. I think that is dangerous, unwise, and unscientific. I think that is the chief reason for the existing inequality in assessments in the District of Columbia to-day. We have assessments of some kind of property at 25 cents on the dollar, others at 35, and at varying amounts up to 65 cents on the dollar. None of the assessments goes to the limit required by the law. It is natural and reasonable that you should expect just that situation. As long as you have your rate absolutely fixed, determined by statute, how in the world would it be possible for the commissioners to adjust the situation so as to get the required amount of revenue, no more and no less, unless they did lift this assessment up or down, according to the requirements of the budget. It seems to me manifestly the more sensible and wiser plan to fix the tax base correctly to start with and then, if you require more or less revenue, make your rate higher or lower accordingly.

Why upset all of the assessments in order to retain a fixed tax rate and meet exactly the requirements of the budget? Another provision in this bill is that which changes the triennial to an annual assessment, but both sides agree to that. That is common sense. Now, the only other thing this bill does not do that the bill as amended by the committee does is that we do not change the kinds or classification of property which are to be subject to taxation. We leave that exactly as it is. At the end of section 2 the only reference we make to personal property is—

> The tax rate hereafter levied upon tangible personal property now assessable shall be the same as that fixed by the said commissioners to be levied upon real estate as herein provided.

We neither add to the quantity of personal property assessed nor take away from it, so that you therefore have presented to you the question of assessment and not a question of taxation policy at all, which I think ought to be settled in another bill. You never will settle it until you settle it in that way. You will not only defeat the taxation rate you may have in mind, but you will defeat the much-desired object of getting a full-value assessment of real estate for the purpose of taxation. Now, we could debate from now until doomsday whether or not intangible property ought to be subject to taxation. I have my own opinion about that and the gentlemen of the majority have theirs, but certainly it has not anything to do with this bill which provided originally for a method of assessment.

Mr. MAPES. Will the gentleman yield?

Mr. CROSSER. Yes.

Mr. MAPES. Just for information. The gentleman did not complete the reading of the sentence he started to read. Does the substitute the gentleman proposes provide for a flexible rate as to personal property, or does it fix it at 1½ per cent?

Mr. CROSSER. The substitute provides for a flexible rate on personal property and real property alike. In other words, the commissioners shall levy such a rate as will be sufficient to raise revenue upon the tax base which is furnished them; and the real purpose and the only purpose of this bill, as I said when I was on my feet before, is to provide for a full-value assessment of real estate; and I will tell you that if you leave it as it is, the very people we have heard so much about—the poor people—will suffer a much greater injustice than they would if——

The CHAIRMAN. The time of the gentleman has expired.

Mr. CROSSER. I would like to ask unanimous consent that I may have five minutes more.

The CHAIRMAN. The gentleman asks unanimous consent to proceed for five minutes. Is there objection? [After a pause.] The Chair hears none.

Mr. CROSSER. The small home owner's property is on the duplicate at about 60 cents on the dollar, whereas the large homes are on about 40 per cent, and if you leave that as it is at present that injustice will be continued indefinitely. Now, these gentlemen have indulged in a great deal of discussion here in regard to taxes paid in the cities, all for the purpose of showing that we ought to repeal the half-and-half plan. Why do not they come in and do that, if that is their purpose? Why do not they call up the bill which has been on the calendar for months and repeal the half-and-half, if that is their purpose? If they have the sentiment of the House with them, and it is sufficient to pass it, why do not they do it? No; they bring that proposition into a bill which has nothing more to do with the half-and-half plan than the man in the moon—not a bit. Why? Because it makes a fine vehicle; this is a popular idea—the full-value assessment. This would make a good machine to carry their proposition through, and thereby annul the half-and-half.

It will have the effect of repealing the half-and-half, as it would produce practically all the revenue necessary to run the District of Columbia. I think any fair-minded man who believes in legislating on one proposition at a time and not trying to carry some other thing through on it will see the advantage in adopting this substitute, and I give notice, Mr. Chairman, that if this substitute is adopted I shall move to strike out each section of the bill as it is read afterwards.

Mr. COOPER. Will the gentleman yield?

Mr. CROSSER. Yes.

Mr. COOPER. To see if I can state exactly the issue raised by the gentleman. The substitute proposes that there shall be a full-value assessment on real estate for taxation and that the present law as to personal property shall be left untouched so far as the substitute is concerned?

Mr. CROSSER. Yes.

Mr. COOPER. That is just as it is now——

Mr. CROSSER. Except we levy the same rate on that as the other.

Mr. COOPER. Precisely; and then the commissioners determine what the budget is, and having the full value of the real estate and the budget, that determines the rate?

Mr. CROSSER. That determines the rate of taxation.

Mr. COOPER. And the proponents, the friends of the substitute, the ones who introduced it, have opposed fixing an arbitrary rate by statute?

Mr. CROSSER. That is it.

Mr. COOPER. Because when you have the full valuation and the arbitrary rate, you may produce more or less than is necessary for the budget?

Mr. CROSSER. That is exactly the situation.

Mr. COOPER. Does the gentleman know of any city, or any place, anywhere, where they have a full valuation required by statute and then in the same statute arbitrarily fix the rate?

Mr. CROSSER. This is the only place in the United States where I have heard it proposed.

Mr. COOPER. I never heard of it, either, before.

Mr. CROSSER. There is not a place in the United States where they have a tax rate fixed by statute, so far as I know.

Mr. COOPER. They do not arbitrarily fix the rate and then have the full valuation fixed in the same statute?

Mr. CROSSER. Certainly not.

Mr. COOPER. At least, I never heard of it.

Mr. BORLAND. Is there any place in the United States where the outside community pays anything of the running expenses?

Mr. COOPER. That has nothing to do with this proposition.

Mr. BORLAND. Is not that vital?

Mr. COOPER. Not at all. I can not see the wisdom of requiring in a statute a full valuation of property and then arbitrarily fixing a rate, until you know what your budget is. The true way is to value your property and find out how much money you need, and then that of itself fixes the rate. I never heard of a tax proposition in any other way.

Mr. BORLAND. The gentleman, then, would be in favor of having full valuation, and then fixing the rate in the District to meet the budget, which would exclude the United States from any contribution?

Mr. COOPER. I am talking about one thing at a time. The gentleman wants to repeal the half-and-half proposition arbitrarily by the bill which has been reported by the majority here, and that, I understand, if carried out, would relieve the United States Government from paying any part of this tax. And it has seemed to me from the facts that have come to my knowledge, and from the study I have been able to give it, that the United States ought to do something from the Public Treasury in the way of paying the taxation.

Mr. BORLAND. Will the gentleman yield?

The CHAIRMAN. The time of the gentleman from Ohio has again expired.

Mr. CROSSER. Mr. Chairman, I want about a minute more.

Mr. BORLAND. I ask unanimous consent that the gentleman have five minutes more.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. BORLAND. Does the gentleman believe somebody in the District, the commissioners or somebody else, ought to be empowered with discretion to fix the rate of assessment and Congress pay what it does not fix?

Mr. COOPER. If they know what the budget is, and know the valuation, that of itself determines the rate, if they are going to raise the money. I do not care to argue it any further than that, but it seems to me if you want to bring up this question of repealing the half-and-half principle, to have that a distinct issue before the House, this other proposition is quite separate and distinct from that, and ought to be determined on its own merits aside from anything else.

Mr. CROSSER. I simply want to say in reply to the gentleman from Missouri here, if he is not satisfied to have the United States Government pay half of the expenses of running the District government there is a very simple and obvious way of correcting that, and that is by amending the statute which provides for the United States Government paying half of that expense, instead of coming here and attempting to regulate that through a tax measure. Do you not concede yourself that that is the more sensible way?

Mr. BORLAND. If the gentleman will yield to me, the only objection I have heard urged against the repeal of the half-and-half principle is that in repealing it we must otherwise raise the funds that we would lose by repealing it. This precedes, necessarily, a direct repeal.

Mr. CROSSER. It does not precede any such thing. This bill which we have offered here as a substitute, which I have offered in the absence of my friend Mr. GEORGE, as a substitute for the pending amendment, simply provides that whatever the District is required to pay the rate required to produce it shall be determined by the commissioners, whether the amount of the expense to be raised be all, only half, or some other part. I know that the bill provides that. Now, is not that a fair and equitable way of getting at it?

Mr. KELLEY of Michigan. Mr. Chairman, will the gentleman yield?

The CHAIRMAN. Does the gentleman from Ohio yield to the gentleman from Michigan?

Mr. CROSSER. Yes; I yield to the gentleman.

Mr. KELLEY of Michigan. I would like to ask whether, in connection with this whole matter, you thought of this: That where the rate is an arbitrary rate it will raise an arbitrary amount?

Mr. CROSSER. Absolutely.

Mr. KELLEY of Michigan. Now, what authority has the Government to levy a tax that will meet an arbitrary amount? The Government has authority to raise only a sufficient tax to pay the expenses of the Government, and not to raise an arbitrary amount.

Mr. CROSSER. That is right. That is why I say that this proposition of the majority is ridiculous.

Mr. KELLEY of Michigan. And it is in conflict with the fundamental principles of taxation?

Mr. CROSSER. Yes; I never saw anything so unscientific whether you are simply considering this from the standpoint of assessment for taxation or for taxation itself.

Mr. MAPES and Mr. BORLAND rose.

The CHAIRMAN. To whom does the gentleman yield?

Mr. CROSSER. I will yield to the gentleman from Michigan.

Mr. MAPES. So far as that unscientific part of it is concerned, the fixed rate is the rate that has been in vogue here for 36 years, has it not?

Mr. CROSSER. Yes; but it is unscientific nevertheless.

Mr. BORLAND. Mr. Chairman, will the gentleman yield?

Mr. CROSSER. Yes.

Mr. BORLAND. The gentleman and I are pretty well agreed on mattters here in the District.

Mr. CROSSER. Yes.

Mr. BORLAND. If the District paid its own taxation, all its expenses, this flexible rate might apply, but inasmuch as the District is not meeting all its expenses, then the rate should be apportioned differently?

Mr. CROSSER. The way to change the portion to be paid by the United States is to change the statute providing how much each party shall bear. It has no business here. I ask you why you put it here if it is not for the reason that you think this measure for full value of assessment is a good vehicle to carry along some questionable merchandise? If it is not so, why did you not call up the Crisp bill, which has been on the calendar here since the 17th of December and which provides specifically for the repeal of the half-and-half principle? I say take up one measure at a time and do not come here and jeopardize this bill by any such proposition as you make.

Mr. BORLAND. The Crisp bill does not provide for this.

Mr. CROSSER. This bill provides for it. The gentleman from Missouri evidently did not understand me.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

Mr. PROUTY rose.

Mr. BUCHANAN of Illinois. Mr. Chairman, I want to have an opportunity to talk for half a minute on another matter.

The CHAIRMAN. The Chair will ask the gentleman from Illinois whether he is a member of the District Committee?

Mr. BUCHANAN of Illinois. No.

The CHAIRMAN. The Chair will recognize, then, the gentleman from Iowa [Mr. PROUTY]. He is a member of the committee.

Mr. PROUTY. Mr. Chairman, the question has now reached its vital point, and I do not want the members of this committee to labor under any misapprehension or be deceived by any ambiguity. The question now before you is clear-cut. The amendment that has been offered is not the original bill. The gentleman from Ohio [Mr. CROSSER] stated that, but he did not mean to so state it.

Mr. CROSSER. Practically so.

Mr. PROUTY. It is practically not true. The original bill left the rate to be fixed upon real estate as a floating rate, while the rate to be fixed upon personal property was fixed by law.

Mr. CROSSER. The gentleman agrees that I stated the points of this bill correctly?

Mr. PROUTY. Yes; but not the contents of the original bill. I know that the gentleman wants to be accurate and correct.

Mr. CROSSER. I stated the terms of this bill correctly?

Mr. PROUTY. Yes; the gentleman stated the terms of this bill correctly. But the bill introduced by the gentleman from New York [Mr. George] left personal property at 15 mills and real estate to be fixed as would be found necessary. That appeared to me to be unfair, and I offered an amendment as it appears in the majority report.

Now, let us be real calm and look at this thing from the pure schoolmaster's standpoint. There are no figures that we need to quarrel about. The facts are all practically well known. If the bill that has been just now offered by the gentleman prevails, and it accomplishes just what is desired to be accomplished by it, you will have exactly the results that appear upon Mr. MANN'S placard, as he called it, and these are figures taken from the report.

The District half of the budget is $6,143,401.74. I am splitting the difference between the Senate bill and the House bill. We collected last year from licenses and taxes on gross incomes $1,056,451.23. Under the minority bill the commissioners will have to levy a tax on personal property and real property enough to collect the balance of $5,086,950.51. Now, there is no dispute about those facts. There will be no quarrel about that. That will be the amount that the District Commissioners will have to levy and collect.

The valuation of real estate by the George report is $744,000,000.

During all my discussion I have taken these figures because they were prepared by the gentlemen who are advocating what is known as the George bill, and if they are not reliable upon their report upon that proposition it would naturally raise the suspicion that they might be mistaken on something else. But I will take a moment to show how that $744,000,000 was obtained. A committee was appointed and spent one year in investigating. I will tell you how they got at the principal facts. There are in the city of Washington what is known as guaranty title companies. Every transaction that is made in the District of Columbia passes through them, because they guarantee it; but in order to do that, they require that the man who buys the property shall pay the money to the company, and after they have taken out their per cent they turn it over to the man who has sold the property. They do that in order to protect themselves against an inflated guaranty. That is the way real estate passes in the District of Columbia.

Now, the District assessors had long tried to get hold of that information, because that would show bona fide, real cash transactions, but the guaranty title companies had always refused to give it. But when this committee got after them, using the strong power of the United States, and issuing a subpœna duces tecum, the guaranty companies consented to lay their books open for examination. Expert accountants were put upon those books and they examined transactions covering the last three years. They found actual bona fide cash transactions amounting to 46,000. If you will remember that there are only 70,000 families in Washington, you will see what a large per cent they got in actual bona fide cash transactions. Here was a row of houses. If they found sales of two of them, it was no trouble whatever to find out the value of the rest of them. That is not the only thing they did, but that is the principal thing. The report says that in order to make a conservative estimate they cut off $31,000,000. That is the way they reached these figures of $744,000,000, and it is the purpose of this bill to have the property so assessed that it will show $744,000,000.

The CHAIRMAN. The time of the gentleman has expired.

Mr. PROUTY. I ask unanimous consent for five minutes more.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. PROUTY. The present assessment of personal property, as shown by the assessor's books, is just about $39,000,000. It is so near that that nobody will quibble about it. They will have $783,000,000 worth of property on which they will have to levy a rate of taxation enough to raise $5,086,952.50. If you will take those figures you will find it will take 6.5 mills on the dollar to produce that result. Now, to some members of the committee it seemed that that was a shocking situation; that Congress, by a deliberate act, with its eyes wide open, should come in here and pass a law that would require the payment of only 6.5 mills on property in the District of Columbia while all over the United States men who are contributing to the education of these children here, and so forth, are paying about 19 mills. What is the effect of this bill of ours as amended? It is simply to make the people of the District of Columbia pay 15 mills. I do not care who he is, there is not a man on either side of this House who will say that that is an unfair and unreasonable rate of taxation.

Mr. BUCHANAN of Illinois. Will the gentleman yield?

Mr. PROUTY. With pleasure, if you do not take up too much time.

Mr. BUCHANAN of Illinois. I can not understand why the different cost of operation in Washington is due to the different measures. How does it come that one calls for 15 mills and the other for 6.5? Is it due to the fact that the expenses of the government are reduced?

Mr. PROUTY. In the first place, the question of the gentleman from Illinois is not quite accurate.

Mr. BUCHANAN of Illinois. That is what I understood the gentleman to say.

Mr. PROUTY. I said on the valuation of real estate it would only take 6.5 mills to produce the revenue required to make the budget to be raised on the part of the District.

Mr. OGLESBY. Then, why make it 15 mills if 6½ is enough?

Mr. PROUTY. Because I am in favor of making it enough so that my people—poor people, if you please—having less capital, having less goods, having less salary, before they are required to come down here and contribute to the expenses of the District of Columbia, the people of the District of Columbia shall pay somewhere near what my people are paying.

Mr. BUCHANAN of Illinois. The difference is that the bill you are in favor of changes it so that the District pays all of the taxes.

Mr. PROUTY. My bill does not do that.

Mr. CROSSER. That is the effect of it.

Mr. PROUTY. I will be frank with you. I am in favor of the District of Columbia paying 15 mills on the actual value, which is the least rate, if you will look over the chart, of any city of its size in the United States. If they do have to pay that, and I have exempted all the intangible personal property.

I have excluded all the inheritance tax, I have left out the special improvement tax, and only ask them to pay 15 mills on the dollars, which is the least rate that is paid in any city of the United States of its size.

Mr. BUCHANAN of Illinois. What is the amount of revenue that 15 mills would create?

Mr. OGLESBY. What is going to be done with the surplus?

Mr. PROUTY. Answering the gentleman from Illinois, it would raise about $14,000,000.

Mr. GORMAN. If you assess the personal property, tangible and not intangible, you will have more money than is needed to run the District, and what are you going to do with the surplus?

Mr. PROUTY. It rather amuses me to hear these fellows yelling for the half-and-half plan—the organic act of 1878—to hear them for the first time in 36 years criticizing the fact that the Government levies a rate. For 36 years every man that has spoken on this side of the House has voted for the straight flat rate—every one of them—and yet because we come in and want to make it really applicable they are shocked.

Mr. MADDEN. I understand the gentleman's idea is that if he levies the rate he proposes there will be no necessity for taking any money out of the National Treasury.

Mr. PROUTY. I am not trying to conceal it.

Mr. MADDEN. I did not say that the gentleman was trying to conceal it.

Mr. PROUTY. I said it the other day in as loud tones as I could command, and I say it again, that if the people were assessed as my people are, as your people are, it would not be necessary for my people or your people to send money down here to the District of Columbia to help educate these children, build sidewalks, and put down pavements.

Mr. GORMAN. The gentleman has not yet answered my question.

Mr. PROUTY. No; but I will answer it.

The CHAIRMAN. The time of the gentleman from Iowa has again expired.

Mr. GORMAN. I ask unanimous consent that the gentleman's time be extended five minutes.

The CHAIRMAN. The gentleman from Illinois asks unanimous consent that the time of the gentleman from Iowa be extended five minutes. Is there objection?

There was no objection.

Mr. PROUTY. Here is the way the bill will work automatically. There is no concealment about it and nothing mysterious about it. The District appropriation bill which this House has passed provides—

That to the extent the revenues of the District of Columbia for the year 1915 shall exceed the proportional part of the appropriation made in this or any other act chargeable against such revenues, the same shall be covered into the Treasury of the United States to the credit of miscellaneous receipts.

The effect of that is simply that the District of Columbia will pay a fair rate, compared with the rest of the people in the United States. After they have paid that the rest of the burden will fall on the General Government.

Mr. OGLESBY. But under your plan you will raise more revenue than the District government needs, and what are you going to do with the surplus?

Mr. PROUTY. Pardon me, I have not raised anything.

Mr. BARTON. I would like to get the difference between this bill and the amendment so that I may know what property your bill assesses and what property the amendment assesses.

Mr. PROUTY. The amendment leaves out intangible property moneys and credits. But the effect is this: Under the law that has been enforced in this District for 36 years Congress fixes the rate. If you will examine the practice carefully and shrewdly, you will find that the District of Columbia fixes the amount of property so as to meet the amount that it is necessary to raise on a fixed tax rate.

Mr. BARTON. Does the law which we have now in force tax diamonds and jewelry?

Mr. PROUTY. The law requires it, but it has never been done. The law of 1902 repealed it and in 1909 reenacted it.

Mr. OGLESBY. Can the gentleman mention any city in the United States that fixes its rate with reference to the amount that some other city pays, or do they fix it according to the amount of revenue needed?

Mr. PROUTY. No; that can not be done and ought not to be done. Where a city raises its own money and expends it, that

is all right. It fixes both ends of it, and it has a right to; but so long as you make the Government of the United States responsible for a deficit, if there is one, then it becomes proper that the United States shall fix both ends of it—the amount of property and the rate—otherwise this District could easily mulct the United States in the whole thing.

Mr. CROSSER. Mr. Chairman, will the gentleman yield?

Mr. PROUTY. Yes.

Mr. CROSSER. What does the statute provide in regard to the amount to be contributed by the National Government and by the District government?

Mr. PROUTY. One-half by each.

Mr. CROSSER. What does the law say?

Mr. PROUTY. That is, until this bill was passed the other day by the House.

Mr. CROSSER. That has not passed as yet.

Mr. PROUTY. It passed the House.

Mr. CROSSER. But it is not going to pass in the Senate.

Mr. PROUTY. I do not know. Unfortunately I have little influence in the House and none over there.

Mr. CROSSER. The gentleman knows that the law at the present time requires that the United States Government shall contribute one-half?

Mr. PROUTY. Yes.

Mr. CROSSER. If we get such a great amount of revenue, what will be the duty of the United States? Will it not be to contribute this other amount?

Mr. PROUTY. No; because they have always absolutely the right to fix the budget.

Mr. CROSSER. But the statute would still remain unamended.

Mr. PROUTY. They have amended it in this bill.

Mr. CROSSER. It is not amended as yet.

Mr. PROUTY. If you concede that the Senate will never pass anything that the Houses passes, then, of course, there is no use of our doing anything.

Mr. CROSSER. We have as much right to insist upon that as to suppose that this bill will go through the Senate.

Mr. PROUTY. I never legislate in this House with reference to what the Senate will do. If I should concede for one moment that we should pass nothing in this House except what the Senate shall pass, then, without question, I would like to abolish the House of Representatives. I shall not hesitate a moment to insist upon anything that I think is right to the people of the United States at this end of the Capitol, simply because I am menaced with the threat that the Senate may not adopt it.

Mr. CROSSER. Then this amendment, which the gentleman's fond hope seems to indicate will go through the Senate, does not in terms repeal the half-and-half statute.

Mr. PROUTY. No.

Mr. CROSSER. Of course, it does not. It still provides they shall raise half. If the gentleman thinks half is too much, why does he not amend this law?

Mr. PROUTY. I may say this: If the gentleman does not know the effect of this bill——

Mr. CROSSER. Oh, I know the effect of it.

Mr. PROUTY. I am quite sure that the newspapers of the city of Washington know the effect of it. They have said a hundred times, and the gentleman must have read it, that this in effect repeals the half-and-half law.

Mr. CROSSER. The gentleman helped to report a bill that would do it directly.

Mr. PROUTY. I was not there.

Mr. CROSSER. That was a misfortune.

Mr. PROUTY. Yes.

Mr. CROSSER. Why do they not call that bill up and pass it?

Mr. PROUTY. The gentleman asked that question before. I have already told him that I am not the author of that bill, and that the author is away sick.

Mr. CROSSER. That is no reason, is it, why we should stop legislating—because a man has been away from here for a number of months. The gentleman from New York [Mr. GEORGE] is away from here sick now, and we are discussing his bill, and I expect that he will be gone for a number of months.

Mr. PROUTY. The gentleman was going to ask a question.

Mr. CROSSER. That is a question, but it consists of more than three words.

Mr. COADY. Mr. Chairman, will the gentleman yield?

Mr. PROUTY. No. Let me answer the gentleman from Ohio. That bill has been reported favorably to this House. That fact does not in the least interfere with this bill which has been reported to this House and is now up for consideration.

I had the honor of presenting the amendment that has aroused this storm; I had the honor of proposing the amendment that has raised a committee of 100 in this town; I had the honor of introducing every amendment that has caused lobbyists to meet practically every Member of this House who would listen to them.

The CHAIRMAN. The time of the gentleman from Iowa has again expired.

Mr. CROSSER. Let me call attention of the gentleman to the fact that he has not answered my question yet.

Mr. PROUTY. Mr. Chairman, may I ask unanimous consent to proceed for five minutes?

The CHAIRMAN. The gentleman from Iowa asks unanimous consent to proceed for five minutes. Is there objection?

Mr. GARNER. Mr. Chairman, reserving the right to object, this bill has been under discussion for two days. It is now 20 minutes of 6 o'clock, and I think we ought to have some information whether it is intended to conduct this bill to a vote to-night.

Mr. IGOE. Mr. Chairman, reserving the right to object, I would like to say to the gentleman from Texas that I expect to have a few minutes to-night; the gentleman from Iowa has already had about four hours.

Mr. GARNER. I am not objecting to the extension of time.

Mr. PROUTY. Well, I hardly think we can get a vote to-night, but I do not know——

Mr. JOHNSON of Kentucky. I do not know.

Mr. GARNER. Let us have some understanding about it.

Mr. JOHNSON of Kentucky. Nobody can tell how many gentlemen are going to rise to debate under the five-minute rule. I have no idea how many are going to speak.

Mr. STAFFORD. Mr. Chairman, reserving the right to object, I would like to have the attention of the chairman for a moment. Does not the gentleman think, in view of the fact we will not be able to come to a decision on this proposition to-night, that it would be advisable to let it go over and have this discussion on the next District day, so that a larger membership of the House will be able to appreciate the arguments being advanced by the proponents of the amendment?

Mr. JOHNSON of Kentucky. I have said to those gentlemen inquiring of me it was my purpose to move that the committee rise about 6 o'clock.

Mr. STAFFORD. I so understand, and that is the purpose of the inquiry.

The CHAIRMAN. Is there objection?

Mr. COOPER. Mr. Chairman, reserving the right to object, what is the request?

The CHAIRMAN. The gentleman from Iowa asks unanimous consent to proceed for five minutes. Is there objection? [After a pause.] The Chair hears none.

Mr. COADY. Will the gentleman yield to me for a question?

Mr. PROUTY. Well, I had wanted to say a few words on my own account, if I could.

Mr. COADY. I just wanted to make a correction. A few moments ago the gentleman from Illinois [Mr. MANN] questioned the accuracy of this comparative statement about Alexandria and Washington, and, as I recall, the gentleman was very vehement in declaring this was accurate. I want to call attention to one inaccuracy just now; that is, tangible personal property and intangible personal property in Alexandria is taxed at 18 mills. That is true, but I will call the attention of the gentleman to the fact that so far as bank deposits are concerned they are only taxed 2 mills——

Mr. PROUTY. Pardon me, I have not put that in, as the gentleman will notice. I have before me in my budget the law in reference to Alexandria, and I will go on record that it provides that all kinds of personal property shall be assessed at 18 mills on the dollar——

Mr. COADY. And I also have——

Mr. PROUTY (continuing). Which was furnished me by the mayor of Alexandria. I have the law in my possession.

Mr. SUTHERLAND. Will the gentleman yield for a question?

Mr. PROUTY. Yes; I yield.

Mr. SUTHERLAND. If $5,086,000 is all the money needed to be raised, what would you do with the rest of the revenue that would be raised by the 15 mills assessment?

Mr. PROUTY. Well, of course it is my opinion, to be perfectly frank with this committee, that while there is $744,000,000 worth of real estate here that ought to be assessed, I am well satisfied in my mind that the assessing forces here under the influences that are at work would never assess it that high. Now, that is a perfectly candid statement from me. That does not change the fact the property ought to be assessed at 15 mills

at least before we have any right to call upon the rest of the people of the United States to contribute to Washington's welfare.

We forget the prime equity all the time. If the District of Columbia needs the assistance of the other people of the United States, they will give it, and I am one who will. I am not at all penurious about that. But before they call on the rest of the people of the United States who are poorer than they are to pay for their education and for their works of improvement, they ought at least to pay as much as those from whom they ask alms. That is all there is to it.

Mr. SMITH of Minnesota. Will the gentleman yield to a question?

Mr. PROUTY. With pleasure.

Mr. SMITH of Minnesota. I notice you have Minneapolis paying 17.9 mills. I would like to know what valuation the property is assessed at in Minneapolis—whether it is full value or not?

Mr. PROUTY. My recollection is, just offhand, that Minneapolis is assessed at full 100 per cent value.

Mr. SMITH of Minnesota. City, county, and State taxes, or just——

Mr. PROUTY. County and State.

Mr. SMITH of Minnesota. City, county, and State?

Mr. PROUTY. Yes, sir; all the taxes they pay upon their property.

Mr. SMITH of Minnesota. The valuation is 50 per cent, the basis that you use——

Mr. PROUTY. You will probably find, although I have not the figures here—I have left them here for a week for somebody to trip me up on it, and I have not had any occasion to correct them——

Mr. SMITH of Minnesota. I am not trying to trip you. I think our tax is about 32 mills on the dollar.

Mr. PROUTY. That corresponds, then. That makes 16 mills on the full value.

Mr. SMITH of Minnesota. Yes.

Mr. PROUTY. That is as I remember it. This is 17.9. It is not very far out of the way.

Mr. SMITH of Minnesota. You stated that that includes the city and the State tax?

Mr. PROUTY. Yes.

Mr. SMITH of Minnesota. And, of course, in the District of Columbia they have no county or State tax, but they have some of the burdens that are borne by the county and the State?

Mr. PROUTY. Some of them. But we have none of the legislative expenses, for instance, like the salaries of legislators, governors, and so forth.

Mr. SMITH of Minnesota. The overhead charges are not so great?

Mr. PROUTY. We have not the overhead charges here that we have in other cities of the United States.

Mr. JOHNSON of Kentucky. Mr. Chairman——

Mr. PROUTY. Just one minute, and I will finish. I want this House and this committee to know exactly what you are doing. If you do it, you will hear no complaint from me. If you vote for this amendment which has been offered here by the gentleman from Ohio [Mr. CROSSER], you will find, if his bill works, and I admit it will, that the District Commissioners, when they meet, will make a levy of 6.5 mills. If they levy any more than that, they will have a surplus. I want to know if you wish to go home and face your people who are paying 19 mills on the dollar and say to them, "I voted for a rate here in the most beautiful city in the world of 6.5 mills"?

Mr. SMITH of Minnesota. Suppose this bill—the minority proposition—is adopted, and subsequently Congress decides that the District shall pay more than half of the expenses, or all the expenses, can not that sum be raised under this minority bill?

Mr. PROUTY. Yes; if you had a commission to do it.

Mr. SMITH of Minnesota. They would have to do it, would they not, if they wanted the money to pay the expenses?

Mr. PROUTY. I admit that they can do it.

The CHAIRMAN. The time of the gentleman has again expired.

Mr. JOHNSON of Kentucky. Mr. Chairman, I move that the committee do now rise.

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. ADAIR, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill (H. R. 12873) relating to the assessment for taxation of real estate in the District of Columbia, and for other purposes, and had come to no resolution thereon.

UNANIMOUS CONSENT CALENDAR.

Mr. RAKER. Mr. Speaker, I ask unanimous consent that the bill H. R. 117 be placed upon the Unanimous Consent Calendar, at the foot thereof. It was objected to twice, and the gentleman who objected says he has no objection now; and, if there is no objection, I would like to have it go back, so that it can be considered.

The SPEAKER. Has it been taken off twice or only once?

Mr. RAKER. Twice. If there is no objection, can it not go on?

The SPEAKER. You can do anything on earth by unanimous consent.

The gentleman from California [Mr. RAKER] asks unanimous consent that the bill H. R. 117, which has been taken from the calendar twice under the rule, shall be restored to the Unanimous Consent Calendar, to go to the foot of the said calendar.

Mr. STAFFORD. Mr. Speaker, reserving the right to object, personally I think it would be very bad practice to change the rules of the House, which are so very positive as to the Unanimous Consent Calendar, by giving Members opportunity at a late hour to ask unanimous consent to have some bill that has been objected to reinstated on that calendar, and I feel constrained to object.

Mr. RAKER. Before the gentleman objects, will he withhold until I can make this little statement?

Mr. STAFFORD. Yes; I will withhold for a statement.

Mr. RAKER. The bill has an amendment in it. I could reintroduce the bill with the amendment and get it back on the calendar again. The report has been made. There will be no objection when it is brought up on the calendar again.

Mr. STAFFORD. I have no objection to the bill, but I think it would be a very bad practice to do what is desired. It would be better to reintroduce the bill again and have it reported.

The SPEAKER. Is there objection?

Mr. STAFFORD. I object.

The SPEAKER. The gentleman from Wisconsin [Mr. STAFFORD] objects.

ADJOURNMENT.

Mr. JOHNSON of Kentucky. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 51 minutes p. m.) the House adjourned until to-morrow, Tuesday, April 28, 1914, at 12 o'clock noon.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII,

Mr. FLOOD of Virginia, from the Committee on Foreign Affairs, to which was referred the bill (H. R. 15503) authorizing the appointment of an ambassador to the Republic of Chile, reported the same without amendment, accompanied by a report (No. 583), which said bill and report were referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII,

Mr. EDMONDS, from the Committee on Claims, to which was referred the bill (H. R. 57) making an appropriation to M. C. Burke for tax liens held by him on property acquired by the United States, reported the same without amendment, accompanied by a report (No. 582), which said bill and report were referred to the Private Calendar.

PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills, resolutions, and memorials were introduced and severally referred as follows:

By Mr. EDWARDS: A bill (H. R. 16052) to authorize the Secretary of War to donate two condemned brass or bronze cannon and cannon balls to the city of Statesboro, in the State of Georgia; to the Committee on Military Affairs.

By Mr. ADAMSON: A bill (H. R. 16053) to amend an act entitled "An act to regulate the construction of dams across navigable waters," approved June 21, 1906, as amended by the act approved June 23, 1910; to the Committee on Interstate and Foreign Commerce.

By Mr. McKELLAR: A bill (H. R. 16054) to authorize the President in making appointments in the Volunteer forces of the United States to prefer officers on the active list holding medals of honor for distinguished service; to the Committee on Military Affairs.

By Mr. KAHN: A bill (H. R. 16055) to amend section 4474 of the Revised Statutes of the United States; to the Committee on the Merchant Marine and Fisheries.

By Mr. TAYLOR of Colorado: A bill (H. R. 16056) to increase the limit of cost of the United States post-office building at Grand Junction, Colo.; to the Committee on Public Buildings and Grounds.

By Mr. HAMLIN: A bill (H. R. 16057) to provide for the erection of a public building at Sedalia, Mo.; to the Committee on Public Buildings and Grounds.

PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ASHBROOK: A bill (H. R. 16058) for the relief of Cornelia E. Laws; to the Committee on Claims.

By Mr. BELL of Georgia: A bill (H. R. 16059) granting a pension to Robert Shope; to the Committee on Invalid Pensions.

Also, a bill (H. R. 16060) granting an increase of pension to Elizabeth McMinn; to the Committee on Pensions.

By Mr. BORLAND: A bill (H. R. 16061) granting an increase of pension to Jerome Dano; to the Committee on Invalid Pensions.

By Mr. BRUMBAUGH: A bill (H. R. 16062) granting a pension to Goldie Woods; to the Committee on Pensions.

By Mr. BURNETT: A bill (H. R. 16063) granting an increase of pension to Anna C. Moore; to the Committee on Invalid Pensions.

By Mr. DOREMUS: A bill (H. R. 16064) granting an increase of pension to Mary Haas; to the Committee on Invalid Pensions.

Also, a bill (H. R. 16065) for the relief of Julia Klavinski; to the Committee on Claims.

By Mr. FRANCIS: A bill (H. R. 16066) granting a pension to Abner D. Moore; to the Committee on Pensions.

Also, a bill (H. R. 16067) granting an increase of pension to Amanda W. Clancy; to the Committee on Invalid Pensions.

Also, a bill (H. R. 16068) granting an increase of pension to Thomas Cochran; to the Committee on Invalid Pensions.

Also, a bill (H. R. 16069) granting an increase of pension to William Graham; to the Committee on Invalid Pensions.

Also, a bill (H. R. 16070) granting an increase of pension to Robert Henry; to the Committee on Invalid Pensions.

By Mr. GILMORE: A bill (H. R. 16071) granting a pension to Walter F. Carman; to the Committee on Pensions.

Also, a bill (H. R. 16072) for the relief of Edward H. Wheeler; to the Committee on Military Affairs.

By Mr. HAMLIN: A bill (H. R. 16073) granting a pension to Napoleon B. Goodknight; to the Committee on Invalid Pensions.

Also, a bill (H. R. 16074) granting a pension to Claus Henning; to the Committee on Invalid Pensions.

Also, a bill (H. R. 16075) granting an increase of pension to Charles Van Buren; to the Committee on Invalid Pensions.

By Mr. KENNEDY of Iowa: A bill (H. R. 16076) granting an increase of pension to John Newhouse; to the Committee on Invalid Pensions.

By Mr. KEY of Ohio: A bill (H. R. 16077) granting an increase of pension to Charlotte Diller; to the Committee on Invalid Pensions.

Also, a bill (H. R. 16078) granting an increase of pension to Jacob C. Utz; to the Committee on Invalid Pensions.

By Mr. KIRKPATRICK: A bill (H. R. 16079) granting a pension to Squire F. Brown; to the Committee on Invalid Pensions.

By Mr. NEELY of West Virginia: A bill (H. R. 16080) granting an increase of pension to Joseph Pettit; to the Committee on Invalid Pensions.

Also, a bill (H. R. 16081) granting an increase of pension to Woodman S. Sample; to the Committee on Invalid Pensions.

By Mr. J. I. NOLAN: A bill (H. R. 16082) for the relief of Mary Curtin, widow of Michael Curtin; to the Committee on Military Affairs.

By Mr. SELLS: A bill (H. R. 16083) granting an increase of pension to Mollie A. Crosswhite; to the Committee on Pensions.

Also, a bill (H. R. 16084) granting a pension to Hiram C. Jett; to the Committee on Pensions.

By Mr. SUTHERLAND: A bill (H. R. 16085) granting an increase of pension to George Thomas; to the Committee on Invalid Pensions.

By Mr. TAYLOR of Arkansas: A bill (H. R. 16086) granting a pension to Jennie Parker; to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

By the SPEAKER (by request): Petition of sundry citizens of Iowa, Minnesota, Indiana, and New York, against polygamy in the United States; to the Committee on the Judiciary.

By Mr. ANSBERRY: Petition of the International Association of Machinists, relative to building battleships in Government navy yards; to the Committee on Naval Affairs.

Also, petition of various Ohio miners, favoring Federal intervention in Colorado mining trouble; to the Committee on the Judiciary.

Also, petition of the Ohio Retail Jewelers' Association, of Columbus, Ohio, favoring passage of Owen-Goeke bill, relative to fraud in gold-filled watchcases; to the Committee on Interstate and Foreign Commerce.

Also, petitions of 18 citizens of Defiance, Ohio, and 1 citizen of Continental, Ohio, favoring national prohibition; to the Committee on the Judiciary.

By Mr. BAILEY (by request): Petitions of B. C. Shaw, W. W. Bosworth, Joseph Furley, Frank Pardoe, Frank Leese, A. D. Mingle, D. E. Machamer, Ralph Sauter, Orson Rice, William S. Rice, Irvin Pebley, Cameron Watchman, Samuel Harvey, sr., James Price, Henry Reese, R. G. Lewis, Albert Robins, William H. Watkins, Roy Furley, J. G. Leamer, James W. Salkeld, Thomas Reese, B. E. Philips, J. E. Jones, J. G. Helsel, William Jones, J. W. Harrison, Barney Heintz, Robert Barcley, and J. W. Bracken, all of Dunlo, Pa., for passage of House joint resolution 168, relative to national prohibition; to the Committee on the Judiciary.

By Mr. BATHRICK: Petition of 49 citizens of Ashtabula, Ohio, favoring national prohibition; to the Committee on the Judiciary.

By Mr. BEAKES: Petitions of 812 voters of Monroe County, Mich., in opposition to national prohibition; to the Committee on the Judiciary.

Also, petitions of 108 citizens of the second district of Michigan, favoring an investigation of the Menace; to the Committee on Rules.

Also, petitions of 19 dairymen of Flat Rock, Mich., in opposition to the removal of the tax on oleomargarine colored to imitate butter; to the Committee on Ways and Means.

By Mr. BROWNING: Petition of Edward I. Wood, of Camden, N. J., favoring national prohibition; to the Committee on the Judiciary.

By Mr. CALDER: Petition of the United Societies for Local Self-government of Chicago, Ill., and sundry citizens of Kings County, N. Y., against national prohibition; to the Committee on the Judiciary.

Also, petition of the federal council of the Churches of Christ in America, relative to Mexican situation; to the Committee on Foreign Affairs.

By Mr. CARR: Petitions of 188 citizens of Pine Bank, 561 citizens of Carmichaels, 2,256 citizens of Uniontown, and 758 citizens of Rockwood, all in the State of Pennsylvania, favoring national prohibition; to the Committee on the Judiciary.

By Mr. CARY: Petition of the Merchants and Manufacturers' Association, relative to selection of regional reserve bank at Minneapolis; to the Committee on Banking and Currency.

Also, petition of the Northwestern Lithography Co., of Milwaukee, Wis., protesting against the Hobson-Works-Sheppard resolutions relative to national prohibition; to the Committee on the Judiciary.

Also, petition of M. V. Price and other citizens of Milwaukee, Wis., against national prohibition; to the Committee on the Judiciary.

Also, petition of I. C. Schmidt, John Druse, and A. J. Rechliez, all of Milwaukee, Wis., against passage of House bill 11321; to the Committee on Patents.

By Mr. CLINE: Petition of 500 citizens of the twelfth Indiana district, protesting against national prohibition; to the Committee on the Judiciary.

By Mr. DALE: Petition of 77 citizens of the fourth New York congressional district, against national prohibition; to the Committee on the Judiciary

Also, petition of the Association of Master Plumbers of New York City, favoring passage of House bill 14288, relative to estimating on Government work; to the Committee on Public Buildings and Grounds.

Also, petition of K. Schulz, of Jamaica, N. Y., favoring passage of the Bartlett-Bacon bill (H. R. 1873); to the Committee on the Judiciary.

Also, petition of the National Board of Workmen's Sick and Death Benefit Fund of United States of America, relative to mining troubles in Colorado; to the Committee on the Judiciary.

By Mr. DAVENPORT: Petition of the First Baptist Church of Maramec, Okla., favoring national prohibition; to the Committee on the Judiciary.

By Mr. DOOLITTLE: Petition of sundry citizens of the State of Kansas, favoring bill to create a bureau of farm loans (H. R. 11755); to the Committee on Banking and Currency.

Also, petition of sundry citizens of Emporia, Kans., protesting against passage of Sunday observance bill; to the Committee on the District of Columbia.

Also, petitions of sundry citizens of Emporia, Kans., favoring passage of House bill 12928, retaining section 6; to the Committee on the Post Office and Post Roads.

By Mr. ESCH: Memorial of the Merchants and Manufacturers' Association of Milwaukee, Wis., protesting against reserve-bank districting; to the Committee on Banking and Currency.

Also, petition of the national executive board of the Workmen's Sick and Death Benefit Fund of the United States of America, asking Federal intervention in mining trouble in Colorado; to the Committee on the Judiciary.

Also, petition of the Wisconsin State Court of the Guardians of Liberty, favoring literacy test in immigration bill; to the Committee on Immigration and Naturalization.

By Mr. FERGUSSON: Petition of E. M. Brockman, R. W. Magill, and 50 other citizens of Mills, Mora, and Roy, all in the State of New Mexico, favoring national prohibition; to the Committee on the Judiciary.

Also, petition of the Law and Order League of Las Vegas, N. Mex., signed by its presiding officer, John Lee Imhof, and its secretary, R. B. Schoonmaker, favoring national prohibition; to the Committee on the Judiciary.

Also, petition of L. L. Klienfelter, I. H. Hall, and 68 other citizens of Obar, N. Mex., favoring national prohibition; to the Committee on the Judiciary.

Also, petition of 33 citizens of La Plata precinct, of San Juan County, N. Mex., favoring national prohibition; to the Committee on the Judiciary.

By Mr. FLOOD of Virginia: Petitions of 115 citizens of Appomattox, Va., and various voting citizens of Riverhead district, Va., favoring national prohibition; to the Committee on the Judiciary.

By Mr. FRANCIS: Petition of 194 citizens of Tacoma, 500 citizens of Steubenville, and the Woman's Christian Temperance Union of Short Creek, all in the State of Ohio, favoring national prohibition; to the Committee on the Judiciary.

By Mr. GILMORE: Memorial of the City Council of Cambridge, Mass., favoring passage of the Hamill bill, for retirement of aged civil-service employees; to the Committee on Reform in the Civil Service.

By Mr. GOOD: Petition of sundry citizens of the fifth congressional district of Iowa, against national prohibition; to the Committee on the Judiciary.

By Mr. GOULDEN: Petition of 1,000 citizens of the twenty-third congressional district of New York, against national prohibition; to the Committee on the Judiciary.

By Mr. GREEN of Iowa: Petitions of 24 citizens of Glenwood, 29 citizens of Emerson, 40 citizens of Emerson, 138 citizens of Malvern, 175 citizens of Malvern, 200 citizens of Malvern, 50 citizens of Hastings, 88 citizens of Malvern, and 82 citizens of Glenwood, all in the State of Iowa, favoring national prohibition; to the Committee on the Judiciary.

Also, petition of various members of the Musket Home Guard of the Mosquito Valley, Iowa, favoring pensions for home guard for services rendered in Civil War; to the Committee on Invalid Pensions.

Also, petition of sundry citizens of the ninth congressional district of Iowa, against national prohibition; to the Committee on the Judiciary.

Also, petitions of 40 citizens of Henderson, Iowa, and 13 citizens of Malvern, Iowa, favoring national prohibition; to the Committee on the Judiciary.

By Mr. HAMILTON of Michigan: Petitions of 448 citizens of the fourth congressional district of Michigan, opposing the adoption of national constitutional prohibition amendment; to the Committee on the Judiciary.

By Mr. HAMLIN: Petition of N. L. Murray and 19 other citizens of Walnut Grove, Mo., favoring national prohibition; to the Committee on the Judiciary.

By Mr. HAYES: Petition of sundry citizens of California, favoring national prohibition; to the Committee on the Judiciary.

Also, petition of sundry citizens of California, against national prohibition; to the Committee on the Judiciary.

Also, petition of the Juvenile Protective Association of Los Angeles, Cal., and the faculty of the California State Normal School, favoring appropriation for children's bureau; to the Committee on Appropriations.

Also, petition of sundry citizens of Victor Valley, Cal., favoring appropriation for the Mojave River; to the Committee on Rivers and Harbors.

Also, petition of the Riverside (Cal.) Chamber of Commerce, favoring House bill 12292, relative to child-labor legislation; to the Committee on Labor.

Also, petition of the board of directors of the Chamber of Mines and Oil, of Los Angeles, Cal., relative to restoration of mineral lands to entry under United States mining laws; to the Committee on Mines and Mining.

Also, petition of the San Francisco Labor Council, favoring House bill 1933, regulating interstate commerce in convict-made goods; to the Committee on Labor.

By Mr. HOWELL: Petitions of the Mine & Smelter Supply Co., the Boyle Furniture Co., the Blackman & Griffin Co., the Utah Implement Vehicle Co., the Inland Crystal Salt Co., the Zion's Cooperative Merchandize Co., and the Salt Lake Hardware Co., all of Utah, indorsing House bill 14328, to prohibit the transmission through the mails of false statements in writing for the procuring of credit; to the Committee on the Post Office and Post Roads.

Also, petition of 16 citizens of Uinta County, Utah, favoring law creating national farm-land banks; to the Committee on Banking and Currency.

Also, petition of Salt Lake (Utah) Typographical Union, No. 115, against increasing rates on second-class mail matter; to the Committee on the Post Office and Post Roads.

By Mr. IGOE: Petitions of George P. Jones & Co., the Blackwell-Wilandy Book & Stationery Co., the Desmonds National Detective Agency, the St. Louis Screw Co., W. H. Markham & Co., the Democratic City Central Committee, the Mermod, Jaccard & King Jewelry Co., and W. L. Hempelmann, all of St. Louis, Mo., protesting against national prohibition; to the Committee on the Judiciary.

Also, petition of the Butler Manufacturing Co., of Kansas City, Mo., favoring passage of House bill 14328; to the Committee on the Post Office and Rost Roads.

Also, petition of George O. Carpenter, of St. Louis, Mo., favoring submitting prohibition amendment to the States; to the Committee on the Judiciary.

Also, petition of St. Louis (Mo.) Electrotypers' Union, No. 30, National Stereotypers and Electrotypers' Union, favoring passage of the Bartlett-Bacon bill (H. R. 18731); to the Committee on the Judiciary.

Also, petition of the Alumni Association of the Missouri School for the Deaf, favoring passage of House bill 15217; to the Committee on Labor.

By Mr. JOHNSON of Washington: Petition of sundry citizens of Montesano, Wash., opposing the passage of the Sabbath observance bill (H. R. 7826); to the Committee on the District of Columbia.

Also, petition of sundry citizens of Shelton, Wash., opposing the passage of the Sabbath observance bill (H. R. 9674); to the Committee on the District of Columbia.

Also, petition of sundry citizens of Battle Ground, Wash., favoring the passage of a bill to amend postal and civil-service laws (H. R. 12928); to the Committee on the Post Office and Post Roads.

Also, memorial of the United Mine Workers of Carbonado, Wash., asking that Federal troops be sent to strike district in Colorado; to the Committee on the Judiciary.

Also, petitions of sundry citizens of Cowlitz County, Wash., and Montesano, Wash., favoring passage of bill to amend postal law (H. R. 12928); to the Committee on the Post Office and Post Roads.

By Mr. KALANIANAOLE: Petition of 55 citizens of Honolulu, favoring national prohibition; to the Committee on the Judiciary.

By Mr. KEISTER: Petitions of the Methodist Episcopal Churches of Renfrew and Conoquenessing, Pa., favoring national prohibition; to the Committee on the Judiciary.

By Mr. KELLEY of Michigan: Petition of 4,828 citizens of Michigan, opposing the national prohibition amendments to the Constitution proposed in House joint resolution 168 and Senate joint resolutions 88 and 50; to the Committee on the Judiciary.

Also, petition of Loyd Ligon and 44 other citizens of Flint, Mich., protesting against section 6 of House bill 12928, relative to Sunday work in post offices; to the Committee on the Post Office and Post Roads.

By Mr. KETTNER: Memorial of the State Reclamation Board, of Sacramento, Cal., protesting against passage of the

Newlands inland waterways commission bill; to the Committee on Rivers and Harbors.

By Mr. KIESS of Pennsylvania: Petition of the Men's Personal Workers League, of Jersey Shore, Pa., favoring national prohibition; to the Committee on the Judiciary.

Also, petitions of sundry citizens of the fifteenth congressional district of Pennsylvania, favoring national prohibition; to the Committee on the Judiciary.

By Mr. KINDEL: Petition of sundry citizens of Colorado, against national prohibition; to the Committee on the Judiciary.

Also, petition of sundry citizens of Denver, Colo., favoring House bill 12928, relative to Sunday hours for postal employees; to the Committee on the Post Office and Post Roads.

Also, petition of sundry citizens of Denver, Colo., against Sabbath-observance bill; to the Committee on the District of Columbia.

By Mr. LANGHAM: Petition of various churches of Indiana and of Pennsylvania, favoring national prohibition; to the Committee on the Judiciary.

By Mr. LEVY: Petition of 257 citizens of the fourteenth congressional district of New York, against national prohibition; to the Committee on the Judiciary.

Also, petition of Camp No. 171, United Confederate Veterans, disclaiming authority for an appeal recently made by one of their number for subscriptions to defray expenses of veterans to the reunion at Jacksonville, Fla.; to the Committee on Military Affairs.

By Mr. LINDQUIST: Petitions of sundry citizens of the State of Michigan, protesting against national prohibition; to the Committee on the Judiciary.

By Mr. McKENZIE: Petitions of sundry citizens of Apple River, Ill., favoring national prohibition; to the Committee on the Judiciary.

By Mr. MAGUIRE of Nebraska: Petitions of various members of the Deaconess Daughters' Class of the St. Paul's Methodist Episcopal Sunday School, of Lincoln, Nebr., favoring national prohibition; to the Committee on the Judiciary.

By Mr. MAPES: Petition of sundry citizens of Kent and Ottawa Counties, Mich., against national prohibition; to the Committee on the Judiciary.

Also, petition of sundry citizens of Conklin, Mich., favoring national prohibition; to the Committee on the Judiciary.

By Mr. MARTIN: Petitions of sundry citizens of Camp Crook, S. Dak., favoring passage of House bill 12928, retaining section 6, relative to Sunday work in post offices; to the Committee on the Post Office and Post Roads.

Also, petitions of sundry citizens of Camp Crook, S. Dak., protesting against passage of the Sunday-observance bill; to the Committee on the District of Columbia.

By Mr. MERRITT: Petitions of 245 citizens of Plattsburg, N. Y., favoring national prohibition; to the Committee on the Judiciary.

Also, petitions of sundry citizens of Ogdensburg, N. Y., favoring passage of House bill 12928, retaining section 6; to the Committee on the Post Office and Post Roads.

Also, petitions of sundry citizens of Ogdensburg, N. Y., protesting against passage of Sunday-observance bill; to the Committee on the District of Columbia.

By Mr. METZ: Petition of sundry citizens of the tenth congressional district of New York, against national prohibition; to the Committee on the Judiciary.

By Mr. MURRAY of Oklahoma: Petition of the Presbytery of Oklahoma and sundry citizens of Pryor and Verden, Okla., favoring national prohibition; to the Committee on the Judiciary.

By Mr. NEELY of West Virginia: Petition of sundry citizens of Cameron and Glen Falls, W. Va., favoring national prohibition; to the Committee on the Judiciary.

By Mr. O'LEARY: Petition of sundry citizens of the second congressional district of New York, against national prohibition; to the Committee on the Judiciary.

Also, petition of the Property Owners and Business Men's Association of Metropolitan New York, favoring Hamill retirement bill; to the Committee on Reform in the Civil Service.

Also, petition of sundry citizens of New York, against national prohibition; to the Committee on the Judiciary.

Also, petition of the United Societies for Local Self-Government of Chicago, Ill., against national prohibition; to the Committee on the Judiciary.

By Mr. O'SHAUNESSY: Petition of J. G. Gabrieken and other citizens of Providence; 21 citizens of Portsmouth; 23 citizens of Jamestown; and Francis H. Spear, of Warren, all in the State of Rhode Island, favoring national prohibition; to the Committee on the Judiciary.

Also, petition of District No. 44, International Association of Machinists, of Washington, D. C., favoring building of one battleship in a Government navy yard; to the Committee on Naval Affairs.

Also, petition of the Belcher & Loomis Hardware Co., of Providence, R. I., and the Providence (R. I.) Retail Druggists' Association, favoring House bill 13305, to prevent discrimination in prices; to the Committee on Interstate and Foreign Commerce.

By Mr. SCULLY: Petitions of sundry citizens of Lakewood and Asbury Park, N. J., favoring national prohibition; to the Committee on the Judiciary.

Also, petition of the national executive board of the Workmen's Sick and Death Benefit Fund of the United States of America relative to strike conditions in Colorado; to the Committee on Rules.

Also, petition of the board of directors of the First National Bank of Perth Amboy, N. J., relative to selection of Federal reserve banks; to the Committee on Banking and Currency.

Also, petition of the International Photo-Engravers' Union of North America, favoring Bartlett-Bacon anti-injunction bill; to the Committee on the Judiciary.

By Mr. J. M. C. SMITH: Papers to accompany a bill (H. R. 14149) granting an increase of pension to Daniel F. Vickery; to the Committee on Invalid Pensions.

By Mr. STEPHENS of California: Petitions of the Victor Valley Mutual Water and Power Distributing Association and the Victor Valley and Riverside Chambers of Commerce, relative to irrigation of semiarid lands along the Los Angeles and Salt Lake Railroads; to the Committee on the Public Lands.

Also, petition of the Parent Teacher Association of the Loretto Street School, of Los Angeles, Cal., and the Riverside Chamber of Commerce, of Riverside, Cal., favoring passage of the child-labor bill; to the Committee on Labor.

By Mr. SUTHERLAND: Papers to accompany a bill (H. R. 16085) granting an increase of pension to George Thomas; to the Committee on Invalid Pensions.

By Mr. THOMSON of Illinois: Petition of 1,346 citizens of Chicago, Ill., favoring national prohibition; to the Committee on the Judiciary.

Also, petition of 1,061 citizens of Lake County, Ill., favoring national prohibition; to the Committee on the Judiciary.

By Mr. TUTTLE: Petition of the German Branch of the Socialist Party of Dover, N. J., relative to strike conditions in Colorado; to the Committee on Rules.

By Mr. WALTERS: Petitions of sundry citizens of the State of Pennsylvania, protesting against national prohibition; to the Committee on the Judiciary.

Also, petitions of various voting citizens of Johnstown, Pa., favoring national prohibition; to the Committee on the Judiciary.

By Mr. WHITE: Petition of sundry citizens of Ohio, against national prohibition; to the Committee on the Judiciary.

Also, petitions of Rev. Ashwood and 25 others, of Cambridge; William Duez, of Cambridge, and 700 others, all of the State of Ohio, favoring national prohibition; to the Committee on the Judiciary.

By Mr. WILSON of New York: Petition of 120 citizens of the third congressional district of New York, against national prohibition; to the Committee on the Judiciary.

SENATE.

TUESDAY, *April 28, 1914.*

The Chaplain, Rev. Forrest J. Prettyman, D. D., offered the following prayer:

Almighty God, our sense of need compels us to prayer. It is not for need of power or of material resources, which Thou hast given to us with such great abundance, but, lest we come short of Thy glory, our need of divine help to meet the higher obligations of life. Throughout all the providences of God with us as individuals and as a Nation there runs the golden thread of a divine purpose. We need to know what God's purpose is. We come to Thee lifting our hearts that we may receive that wisdom which cometh from above that will enable us to meet the mighty responsibilities of the day. Thou hast taught us to overcome evil with good. Oh, give us hearts to understand the divine program and courage to commit ourselves and our Nation to God's great plan for us. For Christ's sake. Amen.

The Journal of yesterday's proceedings was read and approved.

MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by J. C. South, its Chief Clerk, announced that the Speaker of the House had

signed the following enrolled bills and joint resolution, and they were thereupon signed by the Vice President:

H. R. 122. An act authorizing the State of California to select public lands in lieu of certain lands granted to it in Imperial County, Cal., and for other purposes;

H. R. 5487. An act to authorize an additional appropriation for the erection of the United States appraisers' stores building at Milwaukee, Wis.;

H. R. 11269. An act granting pensions and increase of pensions to certain soldiers and sailors of the Civil War and certain widows and dependent children of soldiers and sailors of said war; and

H. J. Res. 204. Joint resolution authorizing the Secretary of Agriculture to make exhibits at forest products expositions to be held in Chicago, Ill., and New York, N. Y.

PETITIONS AND MEMORIALS.

The VICE PRESIDENT presented a telegram in the nature of a petition of Local Division No. 482, Brotherhood of Locomotive Firemen and Enginemen, of White Fish, Mont., praying for the enactment of legislation to further restrict immigration, which was ordered to lie on the table.

Mr. McLEAN. I have here a petition signed by several American societies in favor of an appropriation for the enforcement of the Federal law for the protection of migratory birds. The petition contains but four sentences, and I ask permission to have it read at the desk, with the accompanying signatures.

The VICE PRESIDENT. Is there objection? The Chair hears none, and the Secretary will read as requested.

The Secretary read as follows:

NATIONAL ASSOCIATION OF AUDUBON SOCIETIES,
1974 Broadway, New York City, April 27, 1914.

To Hon. GEORGE P. MCLEAN,
United States Senate, Washington, D. C.

SIR: The undersigned authorized representatives of National and State associations for the protection of wild life request you to present to the Senate of the United States the following petition in behalf of the many thousand members of those associations and affiliated societies, representing practically every State in the Union:

"To the honorable Senate of the United States in Congress assembled:

"The undersigned citizens of the United States, being authorized and accredited representatives of National and State organizations for the preservation of birds, game, and wild life, hereby represent that their enormous combined membership is a unit in favor of the enforcement of the Federal law for the protection of migratory birds. We believe that the great majority of the people of the United States are in favor of Federal protection of such birds. We represent most respectfully that such a law can not be made fully effective until its enforcement is provided for, and we believe it is imperative that at least $100,000 be included in the Agricultural appropriation bill for the purpose of enforcing this law. This will give but two Federal game protectors to each State. We believe that it is essential to have at least this number to cooperate with the State authorities to secure the proper enforcement of this statute, and we urge that the honorable Senate appropriate this sum, which was originally recommended in the estimates of the Department of Agriculture."

Boone and Crockett Club, George Bird Grinnell, Vice President, Camp Fire Club of America, Marshall McLean, Chairman Conservation Committee. New York Zoological Society, Madison Grant, Chairman; William T. Hornaday, Director Zoological Park. American Game Protective and Propagation Association, William S. Haskell, First Vice President. National Association of Audubon Societies, Frederick A. Lucas, Acting President; T. Gilbert Pearson, Secretary.

Mr. THOMPSON presented a petition of sundry citizens of Valley Falls, Kans., praying for the adoption of a system of rural credits, which was referred to the Committee on Banking and Currency.

He also presented a petition of James R. Fulton Post, No. 257, Grand Army of the Republic, Department of Kansas, of Garden City, Kans., praying for the enactment of legislation granting a minimum pension of $30 per month to persons honorably discharged who served 90 days or more in the Civil War, which was referred to the Committee on Pensions.

Mr. OLIVER presented memorials of sundry citizens of Pennsylvania, remonstrating against the adoption of an amendment to the Constitution to prohibit the manufacture, sale, and importation of intoxicating beverages, which were referred to the Committee on the Judiciary.

Mr. SHEPPARD. I send to the desk a telegram from the president of the Woman's Missionary Council of the Methodist Episcopal Church South, in the nature of a petition. I ask that it may be read.

There being no objection, the telegram was read, as follows:

FORT WORTH, TEX., *April 16, 1914.*

Hon. MORRIS SHEPPARD, *Washington, D. C.:*

In behalf of the Woman's Missionary Council of the Methodist Episcopal Church South, now in annual session in Fort Worth, Tex., representing a great host of women actively engaged in many forms of philanthropic and religious activity, we do hereby petition the Senate to pass the Smith-Hughes bill to establish a Federal censorship of motion pictures in interstate commerce and in the Territories and wherever else the jurisdiction of Congress extends. In view of our large constituency, we request that this petition and resolution be printed in full in the CONGRESSIONAL RECORD.

Miss BELL H. BENNETT, *President.*
Mrs. FRANK SILER, *Recording Secretary.*

Mr. SHEPPARD. I send to the desk a telegram from the Lutcher & Moore Lumber Co., of Orange, Tex., which I ask to have read.

There being no objection, the telegram was read, as follows:

ORANGE, TEX., *April 27, 1914.*

Hon. MORRIS SHEPPARD,
United States Senate, Washington, D. C.:

In yesterday's press we notice Pacific coast lumbermen are protesting against the repeal of free tolls through canal. If competitive shipping is to be a factor in the toll fight, would it not be advisable to hear from the Gulf? West coast of South America is as attractive to us as the Atlantic coast line is to Pacific coast lines; yet we believe President Wilson's attitude correct, and protest against Pacific coast interest befogging the issue.

THE LUTCHER & MOORE LUMBER CO.

Mr. SHEPPARD presented a memorial of sundry citizens of Naples, Tex., remonstrating against the enactment of legislation to compel the observance of Sunday as a day of rest in the District of Columbia, which was referred to the Committee on the District of Columbia.

He also presented a petition of sundry citizens of Naples, Tex., praying for the enactment of legislation providing for compensatory time for Sunday services of employees of the Post Office Department, which was referred to the Committee on Post Offices and Post Roads.

He also presented a petition of the congregation of the Twenty-third Avenue Baptist Church, of Oakland, Cal., and a petition of sundry citizens of Oakland, Cal., praying for the adoption of an amendment to the Constitution to prohibit the manufacture, sale, and importation of intoxicating beverages, which were referred to the Committee on the Judiciary.

He also presented the memorial of John Harris, of Choice, Tex., remonstrating against the adoption of an amendment to the Constitution to prohibit the manufacture, sale, and importation of intoxicating beverages, which was referred to the Committee on the Judiciary.

He also presented a petition of the Trades Council of Austin, Tex., praying for the enactment of legislation to increase the salaries of compositors and bookbinders and bookbinder machine operators in the Government Printing Office, which was referred to the Committee on Printing.

Mr. MARTINE of New Jersey. I present a petition signed by a number of citizens of Pemberton, N. J., which I ask may be printed in the RECORD and referred to the Committee on the Judiciary.

There being no objection, the petition was referred to the Committee on the Judiciary and ordered to be printed in the RECORD, as follows:

We, the undersigned, earnestly petition for the passage by the United States Congress of the joint resolution introduced in the House of Representatives December 10, 1913, by Congressman RICHMOND P. HOBSON and on the same day introduced in the Senate by Senator MORRIS SHEPPARD, providing for the prohibition of the sale, manufacture for sale, transportation for sale, importation for sale, and exportation for sale of intoxicating liquors for beverage purposes in the United States and all territory subject to the jurisdiction thereof.

Rev. A. B. CARLIN
(And others).

PEMBERTON, N. J.

Mr. LODGE. I send to the desk a resolution adopted by the survivors of the Old Sixth Massachusetts Regiment. It is brief, and I ask that it may be printed in the RECORD.

There being no objection, the resolution was referred to the Committee on Military Affairs and ordered to be printed in the RECORD, as follows:

MEMORIAL HALL,
Lowell, Mass., April 20, 1914.

The survivors of the Old Sixth Regiment, assembled on the fifty-third anniversary of the march of the regiment through Baltimore, April 19, 1861, hereby pledge our continued loyalty and support to the Government and offer our services for any duty we are able to perform.

Resolved, That a copy of the offer be sent to the President of the United States and to our Congressmen from Massachusetts.

EDWIN F. SPOFFORD,
Secretary Old Sixth Regiment Infantry Association.

Mr. O'GORMAN presented resolutions adopted by the New York Board of Trade and Transportation, favoring the enactment of legislation to provide for warning signals for vessels working on wrecks or engaged in dredging or other submarine work, which were ordered to lie on the table.

Mr. POINDEXTER presented a memorial of the Pacific Coast Loggers' Association, of Hoquiam, Wash., remonstrating against the repeal of the exemption clause of the Panama Canal act, which was referred to the Committee on Interoceanic Canals.

Mr. WORKS presented a memorial of the Loggers' Association of Oregon and Washington, remonstrating against the repeal of the exemption clause of the Panama Canal act, which was referred to the Committee on Interoceanic Canals.

Mr. WARREN presented a petition of Local Union No. 2055, United Mine Workers of America, of Acme, Wyo., and a petition of Local Union No. 2335, United Mine Workers of America, of Hanna, Wyo., praying for Federal protection in the mining districts of Colorado, which were referred to the Committee on Education and Labor.

Mr. KERN presented petitions of sundry citizens of Seymore, Ind., praying for national prohibition, which were referred to the Committee on the Judiciary.

He also presented memorials of sundry citizens of Terre Haute, Ind., remonstrating against national prohibition, which were referred to the Committee on the Judiciary.

Mr. CRAWFORD presented petitions of sundry citizens of Elk Point, Faulkton, and Harding, all in the State of South Dakota, praying for the adoption of an amendment to the Constitution to prohibit the manufacture, sale, and importation of intoxicating beverages, which were referred to the Committee on the Judiciary.

Mr. McLEAN presented a memorial of Richard E. Holcomb Camp, No. 38, Sons of Veterans, of New Canaan, Conn., remonstrating against any change in the American flag, which was referred to the Committee on the Judiciary.

He also presented a memorial of sundry citizens of Bridgeport, Conn., remonstrating against the adoption of an amendment to the Constitution to prohibit the manufacture, sale, and importation of intoxicating beverages, which was referred to the Committee on the Judiciary.

Mr. PAGE presented a petition of the congregation of the Methodist Church of Pittsford, Vt., praying for the adoption of an amendment to the Constitution to prohibit the manufacture, sale, and importation of intoxicating beverages, which was referred to the Committee on the Judiciary.

Mr. WEEKS presented resolutions adopted by the City Council of Cambridge, Mass., favoring the enactment of legislation to provide for the retirement of superannuated civil-service employees, which were referred to the Committee on Civil Service and Retrenchment.

Mr. SHIVELY presented a petition of 57 citizens of Huntingburg, Ind., and a petition of the congregation of the West Creighton Church of Christ, of Fort Wayne, Ind., praying for national prohibition, which were referred to the Committee on the Judiciary.

REPORTS OF COMMITTEES.

Mr. OVERMAN, from the Committee on Claims, to which was referred the bill (S. 2359) for the relief of Rittenhouse Moore, reported it without amendment and submitted a report (No. 455) thereon.

Mr. MARTIN of Virginia, from the Committee on Claims, to which was referred the bill (H. R. 2407) for the relief of the Pennsylvania Engineering Co., of the city of Philadelphia, reported it without amendment.

Mr. SHIVELY, from the Committee on Pensions, to which was referred the bill (H. R. 13920) granting pensions and increase of pensions to certain soldiers and sailors of the Regular Army and Navy, and certain soldiers and sailors of wars other than the Civil War, and to widows of such soldiers and sailors, reported it with amendments and submitted a report (No. 456) thereon.

SOUTHERN COALING STATION FOR NAVY.

Mr. TILLMAN. From the Committee on Naval Affairs, I report back favorably Senate resolution 291 with a substitute, which I ask to have read.

The VICE PRESIDENT. The proposed substitute will be read.

The SECRETARY. The committee reports to strike out all the text of the resolution as referred to it and in lieu to insert:

Whereas in view of the early completion of the Isthmian Canal and of its importance to the United States Navy and the national defense generally, and to the development of trade with Central and South American countries, the establishment of adequate coal-supplying facilities south of Cape Hatteras is deemed imperative; and

Whereas the usefulness and efficiency of any harbor as a coaling station must depend upon the facilities (first) of the coal producers for reaching it and (second) of the coal carriers in the matter of assembling the product at said port, including coal docks and other facilities for loading and handling, which should be accessible to all shippers and carriers alike on the same terms and conditions; and

Whereas it appears from numerous complaints now before the Interstate Commerce Commission, as well as from other sources, that the power and influence of the so-called Coal Trust is being persistently used through the management of the railroads reaching south Atlantic ports to prevent the free movement of coal not belonging to said Coal Trust, and it is alleged that practically all of such roads are actually dominated by the same financial interests that control the great coal combines finding outlet chiefly through New York Harbor, Philadelphia, and the Chesapeake Bay ports: Now, therefore, be it

Resolved, That the Committee on Naval Affairs be, and it is hereby, authorized and instructed to investigate the natural and strategic advantages for naval purposes of ports south of Hatteras as compared with Norfolk and other Chesapeake Bay ports as a permanent point for coal distribution, and included and embraced in the scope of said investigation the said committee is further authorized and instructed to investigate into the character and proximity of the coal supply, and the rates obtainable on coal from the coal fields near by; and the committee is further instructed to ascertain, as far as it is practicable—

First. What quantity of bituminous coal is consumed or used at Charleston, Savannah, Brunswick, Fernandina, and Jacksonville, and in their vicinities, and what proportion of this coal is supplied from mines located on the Pennsylvania Railroad system, including the Baltimore & Ohio, Norfolk & Western, and Chesapeake & Ohio, and what proportion is supplied by mines on the Southern Railway.

Second. Whether the United States Navy, including the naval stations, now pays a higher freight rate for coal supply at any or all Atlantic seaports than is charged to commercial ships for bunkerage or for coastwise distribution; and whether all coal for naval supply, at the Atlantic seaports, is not supplied by the so-called Coal Trust; that is, by the mines that have a common ownership or control with the coal carriers; and whether present conditions prevent competitive bidding for the United States Navy coal supply, or any part thereof, by independent coal operators.

Third. The mileage from mine groups located on the Southern Railway in Virginia, Kentucky, Tennessee, Georgia, and Alabama to Wilmington, Charleston, Savannah, Brunswick, Fernandina, and Jacksonville; and the mileage to these same ports, the way the coal is moved from the mines on the Pennsylvania Railroad system and on the Baltimore & Ohio, Norfolk & Western, and Chesapeake & Ohio Railroads and all connecting lines in West Virginia; and in all cases show the freight rates on coals to the cities named, both by rail and rail and water; and where two or more carriers participate, ascertain the proportion of the rate (or service charge) each receives; and also compare these rates with those at seaport towns and cities from Norfolk to New York for local use, for tidewater shipment, and for naval use.

Fourth. Why the Southern Railway has built no wharves or made no provision for handling tidewater coal at any of the South Atlantic ports, and whether the riparian rights and water frontage of South Atlantic harbors is not now being bought up by the parties in the interest of the Coal Trust, while the Southern Railway is taking no active steps to build for itself an independent outlet.

Fifth. Whether trustees for the stockholders and members of the board of directors of the Southern Railway are financially interested in coal-mining industries on the Pennsylvania Railroad system, the Baltimore & Ohio, the Norfolk & Western, or the Chesapeake & Ohio, and to what extent; and whether they, or any of them, are financially interested in any coal-mining indutries tributary to any of said railways. And if found to be interested, ascertain whether such mines have been allowed preference or advantages not allowed to all other shippers (shown by cases already decided by the Interstate Commerce Commission or State commissions). And in all coal-mining operations tributary to the Southern Railway in which any director of the Southern Railway or director of any railroad controlled by it, or allied with the Southern Railway, is financially interested, ascertain the division of through rates with other railroads, and in all cases where a coal operation tributary to the Southern Railway controls a local railroad, or when such local railroad is controlled in common with a coal operation, for assembling and distributing its own coal, ascertain just what proportion of rates it receives, if any, from the carriers, or what compensation other than a division of the rates it may receive.

Sixth. Whether the rate making for the Southern Railway, or other southern carriers of coal, is dominated by the Pennsylvania Railroad or Norfolk & Western; or whether the freight rates of the Southern Railway and any of the other southern coal carriers are made and fixed and maintained by the traffic men of the Southern Railway and other southern carriers; or whether the Pennsylvania Railroad, the Norfolk & Western Railway, the Baltimore & Ohio, and Chesapeake & Ohio exercise any influence either through a rate-making or traffic association or otherwise in the matter of making the rates for the Southern Railway and other southern carriers.

Seventh. Whether or not there is any discrimination now existing in favor of any one port on the Atlantic seaboard as against another port, and, if so, in what does such discrimination consist; and whether or not any coal trust or combination of railroads and coal companies control the coal tonnage to any port or ports, and, if so, how; and whether or not the coal supply of West Virginia, Virginia, Pennsylvania, Tennessee, and Kentucky flows naturally and without unnecessary obstruction to their respective natural ports upon the Atlantic seaboard; and whether or not there is any discrimination in rates against any coal operators.

Eighth. The coal rates to 30 or more representative cities on the Southern Railway in Virginia, North Carolina, South Carolina, Georgia, and Florida, and compare these rates with the rates enjoyed by the cities of relative importance and location, with regard to mines, in Pennsylvania, Ohio, Indiana, and Michigan on the Pennsylvania Railroad system, including the cities whose rates are compared in the letter read into the CONGRESSIONAL RECORD by Senator TILLMAN on April 8.

Ninth. What actual ownership each director of the Southern Railway Co. has in that company, and what ownership, if any, is held in it by the individuals composing the trustees for the stockholders.

Said Committee on Naval Affairs is authorized to sit during the sessions of the Senate and during any recess of Congress, and its hearings shall be open to the public, and it is authorized and empowered to employ counsel, coal experts, railroad-rate experts, and such other clerical and stenographic and expert assistants as it may deem necessary. Said committee shall have power to compel witnesses to testify, to send for persons and papers, to administer oaths to witnesses, and do anything necessary to arrive at all the facts.

The expenses incident to the investigation herein authorized not to exceed $10,000, shall be paid out of the contingent fund of the Senate upon vouchers signed by the chairman of the Committee on Naval Affairs and approved by the Committee to Audit and Control the Contingent Expenses of the Senate. The said Committee on Naval Affairs may, in its discretion, conduct this investigation by a subcommittee of not less than five members, to be appointed by the chairman, and shall make its report as soon as possible.

Mr. TILLMAN. Mr. President, in order that the Senate may understand the scope and purpose of this proposed investigation, I take the liberty to say that I consider it as important as anything we have before us at this time—I mean a merely domestic matter relating to our internal affairs.

I published in the RECORD of April 8 a letter from Mr. B. L. Dulaney, of Bristol, Tenn. I also published in the RECORD of April 20 a letter from Mr. Fairfax Harrison, president of the Southern Railway, contradicting Mr. Dulaney's statements of fact and asking for an investigation before the Naval Committee to be promptly and thoroughly made. The fight is in the interest of the Navy and naval stations and for the consumers of coal in the South Atlantic States, and for the producers of coal in the Appalachian fields, involving mines in West Virginia, Virginia, Kentucky, and Tennessee, against the alleged Coal Trust which is dominated and is run in the interests of the Pennsylvania Railroad system and the mines which use that system and its tributaries in order to reach the markets. The owners of the coal mines not in the Coal Trust are making little or no money because of discrimination and favoritism on the part of the railroads. The Southern States are being milked systematically to enrich Morgan & Co., George F. Baker, and their associates, living in New York mainly. Southern industries are languishing and being put to undue expense because of the high price of coal and other discrimination.

I was talking with a friend last week in South Carolina, who is president of three cotton mills, and he told me that coal cost them at the mines around $1 per ton, and the miners could make money at that; that the cost of transportation was anywhere from $1.75 to $2.50. This is due to the fact that the Southern Railway, as is alleged, is controlled by Morgan & Co. and associates, who use and abuse it in the interest of their greater investments in coal mines on the Pennsylvania System.

There can be no just reason why the manufacturers in Georgia, South Carolina, North Carolina, Florida, and Virginia should be discriminated against and their industries throttled or made to bear unjust burdens as compared with their competitors in other States.

Another thing: This Coal Trust, so called, by some arrangement which we seek to find out, prevents the shipment of coal from West Virginia and the territory I have outlined to New York or any point south of it. The city of Washington itself is prevented from getting coal from this field on account of the Pennsylvania's dominating attitude toward the other coal roads, viz, the Southern Railway, the Chesapeake & Ohio Railroad, and the Norfolk & Western Railway.

I am told it costs 67 cents a ton to get coal across the bridge here from Alexandria, 7 miles, if it comes from the mines on the Southern Railway, while coal from the mines on the Norfolk & Western Railway shipped over the Southern Railway, comes into Washington at only 20 cents a ton higher than the rate to Alexandria.

I am told that the people of the South Atlantic States are sending several millions of dollars to the coal fields of the Pennsylvania System to pay for fuel and for its transportation, which ought to go to the Southern Railway and to the mines on the Southern Railway. I am no champion of the Southern Railway's interests, but I do hate to see a fine property like that robbed of its just rights by its trustees. The relation of the trustees to the property in trust is a sacred one, and I want to call on Mr. George F. Baker and his associates in the trusteeship to give an account of their stewardship of the Southern Railway. Besides the people of my State are directly interested in getting cheap coal for fuel, both for consumption in their homes and to run their factories with; and as the Southern Railway penetrates the coal fields, it ought to serve our people by bringing us cheap coal; but it is not allowed to do so, because it is not managed for the interests of the stockholders.

If coal is shipped to Norfolk, it can not go to New York at all or to any intermediate port or point. There is no free trade in coal within the area embracing the States of New York, Pennsylvania, New Jersey, Delaware, and Maryland, nor in the South Atlantic States, and the Navy and naval stations on the Atlantic coast are completely at the mercy of the Coal Trust, both as to the supply and as to the price of their coal. Therefore I sincerely trust the Senate will pass the resolution authorizing an investigation; and for that reason I ask for its prompt consideration.

The VICE PRESIDENT. The resolution will be referred to the Committee to Audit and Control the Contingent Expenses of the Senate.

BILLS INTRODUCED.

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. CHAMBERLAIN:

A bill (S. 5418) to provide for certain changes and additions to the public building at Salem, Oreg.; to the Committee on Public Buildings and Grounds.

By Mr. STERLING:

A bill (S. 5419) granting an increase of pension to John Flynn (with accompanying papers); to the Committee on Pensions.

By Mr. TOWNSEND:

A bill (S. 5420) granting an increase of pension to Pliny H. Barnes (with accompanying papers); to the Committee on Pensions.

By Mr. ASHURST:

A bill (S. 5421) granting an increase of pension to Mary A. Flynn (with accompanying papers); to the Committee on Pensions.

By Mr. SIMMONS:

A bill (S. 5422) granting an increase of pension to Abraham J. Yeomans; and

A bill (S. 5423) granting an increase of pension to Nancy A. Stanley (with accompanying papers); to the Committee on Pensions.

INDIANS IN NORTH CAROLINA.

Mr. SIMMONS submitted the following resolution (S. Res. 344), which was read and, with the accompanying papers, referred to the Committee on Indian Affairs:

Resolved, That the Secretary of the Interior be, and is hereby, requested to make an investigation of the Indians of Robeson and adjoining counties of North Carolina, recently declared by the Legislature of North Carolina to be Cherokees, and formerly known as Croatans, and report to Congress whether or not they have received any lands, whether there are any moneys due them from the Government, their present condition, their educational facilities, and such other facts as would enable Congress to determine whether the Government is obligated to make suitable provision for them.

REVENUES OF RAIL CARRIERS.

The VICE PRESIDENT. The Chair lays before the Senate a resolution coming over from a preceding day, being Senate resolution 343, which was submitted on yesterday by the Senator from Wisconsin [Mr. LA FOLLETTE].

Mr. LA FOLLETTE. Mr. President, I do not wish to take up the time of the Senate to discuss the resolution. I do not believe any discussion will be necessary. I therefore ask for the present consideration and adoption of the resolution.

Mr. NEWLANDS. Mr. President, I will state that I have consulted the members of the Interstate Commerce Committee on the floor, and none of them has any objection to the present consideration of the resolution without a reference to the committee.

The VICE PRESIDENT. The resolution was read on yesterday. The question is on agreeing to the resolution.

Mr. CLARKE of Arkansas. I was probably absent from the Chamber on yesterday when the resolution was read, and, if it will not consume too much time, I should like to have it read.

The VICE PRESIDENT. The Secretary will read the resolution.

The Secretary read Senate resolution 343, submitted by Mr. LA FOLLETTE on yesterday, as follows:

Resolved, That the Interstate Commerce Commission be, and it is hereby, requested to transmit to the Senate of the United States all anonymous letters and communications and all written or printed letters and communications received with signatures thereto, and all circulars, clippings, newspaper or magazine articles, marked or otherwise, received by said commission or member thereof which were manifestly designed to influence the action of said commission in making or refraining from making any ruling, conclusion, finding, recommendation, report, or order in the determination of the case known as Docket No. 5860, entitled Revenues of Rail Carriers in Official Classification Territory, and in the case known as Investigation and Suspension Docket No. 333, entitled Rate Increases in Official Classification Territory, now pending before said commission, excepting such letters, communications, briefs, records, and other matters as have been received by said commission or any member thereof, under the rules and regulations of the commission governing its proceedings in the orderly administration of the interstate-commerce law and the acts amendatory thereof, from the officials, employees, and attorneys of the railroads parties to such proceedings, the attorneys, investigators, and employees of the commission engaged in investigating and preparing said cases, and from the shippers and associations of shippers, individuals, and attorneys who appear in the proceedings as protestants.

The Senate proceeded to consider the resolution.

Mr. LA FOLLETTE. I desire to modify the resolution in line 7, page 1, after the word "or" and before the word "member," by inserting the word "any," so that the line will read "received by said commission or any member thereof."

The VICE PRESIDENT. The question is on the adoption of the resolution as modified.

The resolution as modified was agreed to.

THE INTERSTATE COMMERCE COMMISSION.

Mr. LA FOLLETTE. In this connection, if I may be permitted, I wish to give notice that on Thursday morning, after the routine morning business, and not to interfere with other business of the Senate, I shall address the Senate upon Senate

bill 5127, which I introduced some time ago and asked to have lie on the table. It is a bill making it an offense to transmit communications to the Interstate Commerce Commission with the intention of influencing their action upon cases pending before them, excepting such communications as they receive under the rules and regulations which they prescribe in the ordinary conduct of the business of the commission under the law.

Mr. LEWIS. Mr. President, may I ask the Senator from Wisconsin, if I may be permitted, if the Senator's resolution as tendered now, or if the remarks which he proposes to make, will comprehend information as to the people, their names, and addresses, who have been influencing or seeking to influence the commission in the appointment of lawyers and special examiners in connection with the matter of the physical valuation of the railroads?

Mr. LA FOLLETTE. No, Mr. President; the resolution which I have submitted to the Senate, and which the Senate has acted upon, as well as the remarks which I shall submit, are limited entirely to what has taken place regarding what is known as the advance rate cases now pending before the Interstate Commerce Commission.

Mr. LEWIS. I only desire to say that I did not refer to Senators or Representatives; that is their privilege; but I am interested in knowing who they are who have been effective in having a certain class of men named as attorneys and examiners in that department touching the physical valuation of the railroads for the Interstate Commerce Commission. That is why I made the inquiry.

PANAMA CANAL TOLLS.

Mr. NORRIS. I desire to give notice that on Friday next, immediately after the routine morning business, I shall address the Senate upon the economic aspects and the arbitration of the Panama Canal tolls dispute.

RESERVATION OF PUBLIC LANDS.

The VICE PRESIDENT laid before the Senate the amendments of the House of Representatives to the bill (S. 657) to authorize the reservation of public lands for country parks and community centers within reclamation projects in the State of Montana, and for other purposes.

Mr. SMOOT. I should like to ask the Senator who has the bill in charge if he will not let the conference report go over to-day and have it printed, so that we may see just what it is?

The VICE PRESIDENT. It is not a conference report. It is a message from the House of Representatives showing certain amendments to a Senate bill.

Mr. SMOOT. I understood the Senator had presented it as a conference report.

Mr. WALSH. Mr. President, I desire to accommodate the Senator in this matter as much as I can. I will say to the Senator from Utah that the principal amendment proposed by the House is the one to which I called his attention the other day. It extends the operation of the act to all of the States within which are reclamation projects, the original purpose having been to confine it in its operation to the State of Montana. It gives the Secretary of the Interior the right to set aside for parks and community purposes a limited area in any reclamation project. I myself think the amendment ought to be adopted; I believe it is a meritorious provision. I understood the Senator, however, to believe otherwise, and that he would like to have it restricted to Montana. If he perseveres in that purpose, I will move that the Senate disagree to the amendments of the House, request a conference with the House of Representatives on the disagreeing votes of the two Houses thereon, and that the conferees on the part of the Senate be appointed by the Chair.

Mr. SMOOT. That will be perfectly satisfactory.

The VICE PRESIDENT. The question is on the motion of the Senator from Montana that the Senate disagree to the amendments made by the House of Representatives, request a conference with the House on the disagreeing votes of the two Houses, and that the conferees on the part of the Senate be appointed by the Chair.

The motion was agreed to; and the Vice President appointed Mr. PITTMAN, Mr. SMITH of Arizona, and Mr. SMOOT conferees on the part of the Senate.

POSTAL SAVINGS BANK FUNDS.

The VICE PRESIDENT. Morning business is closed.

Mr. BRYAN. I ask unanimous consent to proceed to the consideration of Calendar No. 269, being House bill 7967.

The VICE PRESIDENT. Is there objection?

Mr. WALSH. Mr. President——

The VICE PRESIDENT. Does the Senator from Florida yield to the Senator from Montana?

Mr. BRYAN. Certainly.

Mr. WALSH. I desire to inquire of the Chair what the parliamentary status would be if this bill should now be taken up for consideration? I make the inquiry because I have given notice that, upon the conclusion of the unfinished business, I shall ask the Senate to proceed with the consideration of Senate bill 4405.

The VICE PRESIDENT. If the bill be taken up, the parliamentary situation would be that it would run until 2 o'clock, at which time it would be the duty of the Chair to lay before the Senate the unfinished business.

Mr. WALSH. Would the motion of which I gave notice then be in order at the conclusion of the unfinished business?

The VICE PRESIDENT. A motion to take up a bill is always in order after 1 o'clock.

Mr. WALSH. Then I have no objection.

Mr. SMOOT. Mr. President, will the Senator make his request for unanimous consent, so that we will begin at Order of Business 269? Then, if we get through with the bill before 2 o'clock, we can proceed with the calendar from that point on.

Mr. BRYAN. I have no objection to that modification, Mr. President.

The VICE PRESIDENT. Is there any objection to beginning with the calendar at Order of Business 269, the point where the Senate left off on yesterday?

Mr. GORE. Mr. President, I should like to ask the Senator from Florida if he has any idea of being able to finish the consideration of the bill to-day?

Mr. BRYAN. It is very difficult to answer that question. I hope to be able to do so.

Mr. GORE. I have been deferring the consideration of the Agricultural appropriation bill for several days; but I wish to state now that at the first opportunity—and I will make an opportunity as soon as possible—I intend to ask to bring up that bill and get it out of the way.

The VICE PRESIDENT. Is there any objection to the request of the Senator from Florida? The Chair hears none.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 7967) to amend the act approved June 25, 1910, authorizing a postal savings system.

The VICE PRESIDENT. The question is on the amendment proposed by the Senator from New Hampshire [Mr. GALLINGER], which will be stated.

The SECRETARY. It is proposed to amend the committee amendment, on page 1, line 9, by striking out "$2,000" where it appears and in lieu thereof inserting "$1,000," so that, if amended, it will read: "but the balance to the credit of any person, exclusive of accumulated interest, shall not exceed $1,000."

Mr. HITCHCOCK. Mr. President, I have not heard any effective argument for permitting the total amount of the depositor's account in a postal savings bank to reach as high a figure as $2,000.

In the first place, while the present limit is $500, the average account in the postal savings banks at the present time is only $102. In the second place, there is no country in the world that permits depositors in postal savings banks to use them for investment purposes.

It has been universally conceded that postal savings banks should be used only as the kindergarten for savings accounts; that they should be used to encourage people of very small means to make their initial deposits and accumulate in a small way the money which they may be afraid to deposit with private banks, or even with mutual savings banks.

Those were the considerations which induced the Congress, when the postal savings bank bill was passed, to limit the accounts to $500; and no experience since that time has given any reason why that limit should be made as great as $2,000. I shall vote for the amendment offered by the Senator from New Hampshire to limit the amount to $1,000; but I believe that is going the extreme limit of wisdom and safety.

Mr. President, let me point out what would be a danger not yet referred to if this limit is raised, as is proposed in the House bill. It would encourage runs on savings banks. A few weeks ago we had the spectacle in New York City of a dangerous run upon one of the strongest savings banks in the United States, a bank which had existed through many panics, and which was recognized to be one of the safest savings institutions in the United States, and perhaps in the world; a bank which, I believe, had total savings accounts approximating $100,000,000. Yet thousands of people besieged that bank and withdrew their accounts day after day for nearly a week.

Suppose during that time the proposed amendment had been in effect, and depositors had known that they could take out $2,000 from that bank and deposit it with the post office in New York City. The inevitable result would have been to encourage the run upon that bank, because one of the deterring influences upon such an occasion has been that the depositor has not known where to find a safe place for his money. One of the reasons why that run was finally stopped was that the panic-stricken people finally realized that their money was safer in that bank than it would be if they withdrew it and took it elsewhere, and the result was that the panic finally subsided and the run ceased. If, however, you make it possible for depositors to place as much as $2,000 in a postal savings bank at one time, or possibly even $1,000, every run that begins upon a savings bank will be stimulated, and timid people will take out their money and possibly wreck a perfectly sound savings bank by temporarily placing their money in a postal savings bank.

Mr. President, another danger has been already pointed out here—that if you permit postal savings banks accounts to go past the kindergarten stage of legitimate savings accounts and reach the condition of being investments, you practically give an invitation to people to withdraw their money in large amounts from accounts where it is accessible to their creditors. You practically enlarge to $2,000 the statutes of States which now give exemptions to the extent of a few hundred dollars; and that is not all. It has been, I understand, developed under the present postal savings bank law, even where the amount is limited to $500, that it has been used for tax-dodging purposes. If we permit the limit of savings accounts with the Post Office Department to reach $2,000, we practically afford an almost unlimited opportunity for those people to dodge taxes to a greater extent than now. If this bill is passed, you will have the spectacle of money being withdrawn from ordinary banks just before the time arrives when the taxes are levied, or when they are assessed, temporarily placed in the Post Office Department, and then withdrawn from the Post Office Department and placed back in the banks for use for ordinary purposes after the tax period has elapsed.

In other words, Mr. President, the proposed enlargement of the limit opens the door to a number of evils which will not exist if our Postal Savings Bank System is kept where it was originally placed and where every nation of the world places it, as a kindergarten of savings-bank accounts.

Mr. President, it was a difficult matter to induce the Congress to enter upon the Postal Savings Bank System. I was an enthusiastic advocate of that system. I believe it is highly valuable under proper limitations, but I think it is the first step toward destroying the Postal Savings Bank System to enlarge it to a point where the limit of the postal savings bank accounts passes the legitimate uses of savings-bank business.

I am for the amendment which the Senator from New Hampshire offers, because it places the limit at a lower point than it is placed in the bill supported by the Senator from Florida; but I believe it will be better still to leave the limit at $500, as it is now, particularly in view of the fact that the present average account is only $102, particularly in view of the fact that the average of savings-bank accounts in other countries is less than $102 and particularly in view of the fact that a provision is made in the present law by which those having larger amounts of money can invest them in Government bonds carrying 2½ per cent interest.

Mr. GORE. Mr. President——

The VICE PRESIDENT. Does the Senator from Nebraska yield to the Senator from Oklahoma?

Mr. HITCHCOCK. I yield to the Senator from Oklahoma.

Mr. GORE. I wish to ask the Senator from Nebraska if he has any report showing the average of deposits in banks other than savings banks?

Mr. HITCHCOCK. I have not at the present time. I think the chances are, by reason of the fact that the mutual savings banks of New England and New York belong to an older system, that the average accounts are probably larger. I have not the figures at hand at the present time. Possibly the Senator from Massachusetts can state the average.

Mr. WEEKS. Mr. President, the average account in the Massachusetts savings banks is about $380 at this time. It gradually increases from year to year. There are in those banks about two and a quarter million depositors, or within a million of as many depositors as there are inhabitants of the State. I think the average deposit in some of the New England States is somewhat higher than in Massachusetts, because there is not the same limit on the total deposit that can be placed in bank by one individual in some of the New England States.

Mr. GORE. Mr. President, can the Senator from Massachusetts state the average deposit in banks other than savings banks? That is what I was trying to ascertain.

Mr. WEEKS. No; I can not, Mr. President.

Mr. HITCHCOCK. Of course the average deposits in banks other than savings banks would be very much larger. I think the figures have been stated in the case of national banks, for which statistics are more or less accurate; but while they would undoubtedly be somewhat larger than the average deposit in savings banks, those deposits consist, to a great extent, of notes discounted. They do not represent the deposit of actual cash. They represent, for instance, the credit given to a borrower who goes to the bank and draws a note for $10,000 which he discounts there, the amount being then placed to his credit. So the average cash deposits of commercial banks probably would not reach the limit which is contemplated here in the proposed amendment to the postal savings bank law.

It is because I believe in the Postal Savings Bank System, because I was an enthusiastic advocate of it, that I do not like to see it perverted here in a way which will lead ultimately to its destruction. I believe it ought to be kept within the lines that experience in European countries has demonstrated to be wise; that it should be retained as it was intended to be. It has been upon the statute books all too short a time to warrant such a radical departure. Our experience has not been great enough to warrant us in a revolution of the system that was introduced. As I understand, the only reason back of the contention for the change is to do something to place more money under the jurisdiction of the Post Office Department, so that the system may be operated at a profit instead of, as at the present time, at a loss.

Mr. President, we all knew that the early operations of the Postal Savings Bank System would be at a loss. We all realized that if the United States paid to the depositors 2 per cent interest and received from the banks only 2½ per cent interest the margin of profit would not be sufficient to make it a profitable operation for the United States at the outset. We did not go into the system for the purpose of making money. We went into the system for the purpose of introducing in this country a method and a means by which people who were too timid to place their money in private banks, too timid to trust even mutual savings banks in the Eastern States, would place their money with the post offices scattered throughout the country under a management known to be safe. I do not think the fact that the first years of operation have developed a loss, due possibly to some mismanagement in the Post Office Department itself, affords a reason for tearing the system up by the roots, converting it into an investment project, and inviting accounts running up to $2,000.

Mr. BRYAN. Mr. President, I shall be very brief in what I have to say in reply to the remarks of the Senator from Nebraska [Mr. HITCHCOCK]. While I am on my feet I shall also undertake to answer, as best I can, some of the statements and remarks made upon yesterday by the Senator from Massachusetts [Mr. WEEKS].

The Senator from Massachusetts called attention to the fact that there are about 60,000 post offices in the United States, and wondered what would happen in case men with money about their persons who wanted a safe place to put it should go to any of these 60,000 post offices in the United States—any fourth-class post office, for instance—and ask the postmaster to take care of $2,000 for them. The Senator from Massachusetts was under the impression that any postmaster in the United States would be obliged to accept the deposits offered to him and preserve them for the depositors.

The facts are that not more than 12,000 banks have ever been designated by the Postmaster General and the other members of the board of trustees for this Postal Savings System. Under an amendment of 1912, I believe, that matter is now entirely in the hands of the Postmaster General. I understand that since the last report of the Postmaster General a number of offices have been discontinued, it appearing that in certain localities where people had confidence in the banks, whether State or national or private, where the population was made up of citizens of this country who had confidence in the banks, it was perfectly useless and a waste of time and energy to undertake to operate the postal savings banks there; but there are certain other great localities in this country, where the population is largely foreign born and where little faith is placed in a bank, whether national or State, but they are willing to trust the Government. I rather suppose that comes about because of the fact that the countries from which they came have a system similar to our Postal Savings Bank System. Remarks were submitted to the effect that there was no unlimited amount allowed

in any country; but there is no limit on the amount which may be deposited in New Zealand, or in Italy, or in Belgium, or in the Netherlands, or in Sweden, countries from which our foreign-born population comes. In Canada deposits to the amount of $3,000 are allowed. So it is not accurate to say that all the 60,000 post offices of the United States are open to deposits.

The Senator from Massachusetts argues that to increase the amount which may be deposited in one of these banks would operate to the injury of the mutual savings banks, and yet it seems to me that the Senator answers his own argument when he says that mutual savings banks pay 4 per cent interest on deposits, whereas under the present law the Government pays only 2 per cent interest, and under this amendment it would pay only 2 per cent interest to the amount of $1,000.

The Government, however, would put this money in the banks at 2½ per cent, and thereby the banks get whatever money comes in because of this system. The Post Office Department says $42,000,000 have been taken out of hiding by reason of this system. The banks will get that at a less rate of interest than they now pay their time depositors.

Another thing, Mr. President, the Government does not pay interest for a quarter or for any time less than a year. Money may be placed in a postal savings bank on the 1st of January, 1914, and taken out of it December 20, 1915, and only one year's interest will be paid. So the inducement is not sufficient for depositors who have confidence in banks which will pay a higher rate of interest for their savings.

Coming now to the objection of the Senator from Nebraska [Mr. HITCHCOCK], that when runs occur upon banks, under the amendment proposed by the committee money will be withdrawn from the banks, and that this system would aid in runs upon banks and cause perhaps failures where otherwise failures would not occur. Mr. President, there can be no better assistance provided for banks of whatever character when runs are made upon them than this very system. Under the law as it now is, and under the rules made in pursuance of the law, when money is taken out of a bank and placed in a postal savings bank it goes right back into the bank out of which it was taken, whereas in an ordinary run the depositors withdrawing their money place it in hiding. How it can be argued that to take money out of a bank by a depositor who is timid in regard to leaving it there longer, or who, trusting this system, will deposit his money in a postal savings bank, when by the postal savings bank it will be replaced in the very bank out of which it was taken, would operate to assist a run, I confess I am unable to understand.

Mr. SMOOT. Mr. President——

The VICE PRESIDENT. Does the Senator from Florida yield to the Senator from Utah?

Mr. BRYAN. Certainly.

Mr. SMOOT. I wish to ask the Senator where money is taken from a bank in case of a run or otherwise and placed on deposit in a postal savings bank, and the postmaster having the money in charge deposits it in the bank, is it not true that before that can be done the bank in which the money is deposited must have deposited in Washington bonds of a certain character, and in order to buy those bonds it would have to pay at least par for them? Is it not also a fact that the banks are allowed a deposit of only 90 per cent of the value of the bonds that they have deposited here at Washington, or, in other words, that for every $1,000 of postal funds deposited in a bank in any part of the country the bank has to deposit with the Government $1,100 of bonds? Banks do not generally carry such bonds, and in order to get the deposit they would have to go out and purchase the bonds and deposit them in Washington before the postal funds could be deposited with them.

Mr. BRYAN. Mr. President, it is not the fact, as I understand it, that whenever a deposit is made at a particular time the bank puts up security. The banks that desire to receive these deposits qualify, and it is said that more than 7,200 of them have already qualified and already have the securities up.

Mr. SMOOT. For the money they have.

Mr. BRYAN. They have the securities not only for the money they have, but for the money they receive. They do not put up an additional security every time a deposit is made. Let me read to the Senator the rule adopted by this board:

> If one or more local banks have qualified under the law, the postmaster shall deposit each day to the credit of the board of trustees, Postal Savings System, all postal savings funds amounting to $10 or more on hand at the close of business on the preceding business day.

Then follows a provision that the deposits shall be equally distributed; that if $200 is gathered up within a day it need not be distributed among all the banks; it may be deposited in one, but that no more shall be deposited in that particular bank until the other banks have been treated in like manner. I suppose it is true that a bank that can not furnish security satisfactory to the Government can not receive these deposits, and it ought to be true.

Mr. SMOOT. I am not objecting to that, Mr. President. I was simply calling attention to the fact that the Government requires it, and rightfully requires it.

Mr. BRYAN. Certainly.

Mr. SMOOT. I know banks that qualified and to secure the first deposit made by the Government of the United States obtained $10,000 in bonds. Just as soon as they had $9,000 of deposits they were called upon for additional security, and then, of course, they would deposit another $10,000 in bonds, and as soon as they had reached the limit—that is, 90 per cent of the value of the bonds deposited—they were called upon for additional security.

I am not objecting to the Government calling upon the banks for security. The Government ought to have it; I agreed with the proposition, in the first place, that they ought to have it; but I do not want a misunderstanding as to the proposition that this is helping a bank in the case of a panic. The only way it would help a bank in the case of a panic would be by having in its safe bonds that the Government would accept for the deposit, and then it would get 90 per cent of the money on them, whereas if the bonds were accepted by the Government, or with a suggestion that the Government would accept them, they could be sold on the market at any time and the bank receive full value instead of a deposit of 90 per cent of their value.

Mr. BRYAN. Of course that but illustrates the point that a bank able to put up security, solvent in every respect, can save itself under this system when a run is made upon it and stop the run when otherwise all its deposits might be withdrawn and the bank eventually ruined. It gives them a chance, at any rate, to get back the deposits taken out of the bank by creditors who are panic-stricken.

Mr. SUTHERLAND. Mr. President——

The VICE PRESIDENT. Does the Senator from Florida yield to the junior Senator from Utah?

Mr. BRYAN. Certainly.

Mr. SUTHERLAND. I wish to ask the Senator from Florida about another feature of the bill. I understand under the existing law no person can make a deposit of more than $100 in any one calendar month, and he can not in the aggregate deposit more than $500. Under the bill as now proposed the limitation as to $100 is taken off altogether, as is also the limitation upon the aggregate amount of $500, so that a person might at one time deposit $2,000. I ask the Senator whether he understands under the postal savings bank law that the amounts deposited in the post offices are exempt from execution or attachment?

Mr. BRYAN. I understand they are, under an opinion of an Assistant Attorney General.

Mr. SUTHERLAND. It would seem that funds on deposit in an institution of the Government would not be subject to execution. Then, is it not the effect of the bill to enable any debtor, if he should be sued, to withdraw at once from the bank $2,000 which in that State would be liable to execution and put it in a situation where it could not be reached? Is it not the effect of the bill, so far as that aspect of it is concerned, to aid a dishonest debtor?

Mr. BRYAN. Mr. President, the ingenuity of man has never yet been able to overcome the schemes of dishonest debtors. Suppose a man had $2,000 that he wanted to get out of the reach of his creditors and he would buy Government bonds, State bonds, or city bonds; it would have the same effect. I call the attention of Senators to the fact that the deposits which are now in the postal savings banks have the same protection, and if it is wrong to exempt them at all, it is only a matter of degree, because under the law now if a man is indebted and has $500 in a postal savings bank, it is beyond the reach of his creditor.

Mr. SUTHERLAND. Of course, he can only——

Mr. BRYAN. Let me read to the Senator the proviso occurring in section 10 of the act:

> *And provided further*, That the bonds herein authorized shall be exempt from all taxes or duties of the United States, as well as from taxation in any form by or under State, municipal, or local authority.

Mr. SUTHERLAND. I am not speaking of taxes. I am speaking of funds being withdrawn from the process of the court.

Mr. BRYAN. The bonds authorized to be purchased under this law are exempt, as all Government bonds and all State bonds are exempt.

Mr. SUTHERLAND. The point I am arguing, however, is that under the present law no debtor could at once withdraw

a large sum of money and turn it over to the Post Office Department and thereby avoid a judgment or an execution.

Mr. BRYAN. But he can now, without this law being passed, withdraw $2,000 from the bank and invest it in bonds and have it beyond the reach of his creditors.

Mr. SUTHERLAND. That is not quite so simple as the method provided here. He would have to find bonds to buy and he would have to withdraw his money, and in the meantime an attachment could be levied. This gives him a very ready method of withdrawing his money and at once putting it into the post office, where it is completely sequestered from any possible process of a court.

Mr. BRYAN. That brings up the question whether we ought to provide that these funds shall be exempt, which is an entirely different proposition and is only one of degree, because they are exempt now under a $500 limit, and they would be exempt if this amendment is passed under a $2,000 limit.

The Senator from Nebraska referred also to tax dodgers. He said that money might be deposited for the purpose of avoiding the payment of taxes on the fund. Ohio and Indiana especially, I am informed, have undertaken to tax these deposits. What was the result? The depositor converted the money into bonds and immediately placed it beyond the taxing power. So instead of accomplishing anything the State, in trying to reach the fund, gave an excuse to the depositors to withdraw it. Furthermore, the depositors sent it away from the localities where the money was deposited.

Now, by another provision the committee has offered and which will be pending, all this money except 5 per cent reserve is required to remain in the locality, and I submit that in that respect the amendment is much better than the present law.

Mr. CUMMINS and Mr. WEST addressed the Chair.

The VICE PRESIDENT. Does the Senator from Florida yield, and to whom?

Mr. BRYAN. I yield first to the Senator from Iowa.

Mr. CUMMINS. There is one phase of this matter which I should like to submit to the Senator from Florida, which, it seems to me, has not yet been sufficiently considered. We will assume that a depositor has $2,000 to his credit in a bank. He becomes a little fearful of the bank and draws it out and walks over to the post office and deposits it. Then he has the Government's obligation to repay it. The Government then goes back to the bank from which it was drawn and deposits it there at 2½ per cent interest. In doing so, the bank must give to the Government at least $2,000 in public bonds for the security of repayment. In doing that the bank diminishes its assets by just so much applicable to the payment of other depositors. Does the Senator from Florida think that that is a fair transaction? Does he not think that it would be exceedingly unjust to the remaining depositors, who were depending upon the solvency or the assets of the bank to pay them whenever they demanded or were entitled to their money?

In other words, this is simply another way of making the Government the guarantor of bank deposits. If it were extended so that there were no limitations, then the process would be comparatively easy. If the bank were willing to take the Government deposits, the Government would in that way become responsible for the deposits that might be withdrawn from the bank or banks on account of this trust.

Mr. BRYAN. That is the very reason, Mr. President, why the committee thought it would be unwise to leave the deposits unlimited, but it was not supposed that if the limit was placed as low as $2,000 that result would come about.

Mr. CUMMINS. If the Senator will strike out of this bill the provision that requires special security to be given to the Government and make the Government take its chances with other depositors in these banks, I would have no objection at all to the enlargement of the deposits, but I can not see the justice in the Government interfering so that it may protect one depositor and leave the others without any security at all. I think when the Government comes to deposit money in a bank, it ought not to demand any security, anyway, to the disadvantage and to the impairment of the security that the bank has for other depositors. I hope the Senator from Florida will not overlook this phase of it when he comes to consider the matter.

Mr. BRYAN. Mr. President, it occurs to me that the Senator from Iowa overlooks the fact that when the securities are put up by the banks with the Government, the Government is putting money in place of the security, which goes, of course, to the benefit of the bank and all of its depositors.

Mr. WEST. Mr. President——

Mr. BRYAN. I yield to the Senator from Georgia.

Mr. WEST. I understand from the discussion that this $2,000 is nontaxable. What would be the result? I will say that in my own State the time is fixed——

Mr. BRYAN. No; the Senator is mistaken. It depends upon the law of the State whether these deposits are taxable or not.

Mr. WEST. Does the Senator from Florida refer to deposits in savings banks?

Mr. BRYAN. Yes.

Mr. SHIVELY. I think the Senator from Florida is mistaken about that. So far as the money deposited in postal savings banks is concerned where a citizen makes a deposit and receives an evidence of it from the Government, I understand that that evidence of that deposit is not taxable.

Mr. BRYAN. I was informed differently at the Post Office Department.

Mr. WEST. I want to show to the Senator from Florida the situation that would exist in my State. A return of property must be made there on the 1st day of May. What would prevent every bank depositor who had $2,000 on deposit from going to his bank just before the 1st of May, taking it out, and turning it over to the Government by putting it into a Government savings bank, so that he would not have that money in his possession on the 1st day of May, and then on the 2d day of May go and turn it back into his own savings bank?

Mr. BRYAN. That would be a mere dodging of taxes, which I do not believe any court would uphold.

Mr. WEST. It would amount to thousands and thousands of dollars in the State of Georgia.

Mr. BRYAN. Well, a man would perjure himself in order to do it; and, if the Senator from Georgia will allow me to say so, I do not believe that there are more people in the State of Georgia in proportion to their numbers that would do that than there are elsewhere.

Mr. NORRIS. Mr. President——

Mr. BRYAN. I yield to the Senator from Nebraska.

Mr. NORRIS. I wish to ask the Senator from Florida a question. Suppose the deposits in savings banks are exempt from taxation—I do not remember that there is anything in the law that exempts them from taxation—that operation could not be performed, could it?

Mr. BRYAN. Such deposits are not exempt by the law, as I understand. That is my information about it.

Mr. NORRIS. Then, the suggestion made by the Senator from Georgia [Mr. WEST] would not be applicable. A man could not avoid paying taxes on his money by depositing it in a postal savings bank.

Mr. SHIVELY. Will the Senator from Florida yield for a moment?

Mr. BRYAN. Certainly.

Mr. SHIVELY. Mr. President, when the bill creating the Postal Savings Bank System was before the Senate, the question was raised whether the certificate of a deposit in the postal savings banks would be exempt from taxation. At that time it seemed to be the general opinion in the Senate that such certificate would be exempt from taxation; that it would be one of those evidences of debt against the Government of the United States that would fall in the same category of exemption from taxation as would a Government bond. It may be that in some of the States such deposits are in fact taxed. But very probably that is because the issue has not been raised.

Mr. NORRIS. Mr. President——

Mr. BRYAN. Just a moment, if the Senator from Nebraska will pardon me. I said a moment ago that I was informed by the Post Office Department—and it was the Third Assistant Postmaster General who gave me the information—that in some of the States such deposits are taxed.

Mr. NORRIS. If the Senator from Florida will yield to me, I should like to suggest, in reference to what the Senator from Indiana [Mr. SHIVELY] has said, that my recollection is that as the bill was introduced in the other House it contained a direct provision that these deposits should not be subject to taxation, and that that was stricken out, the idea of Congress being that they ought to be subject to taxation. If the Senator from Indiana is right, then we have a serious proposition before us.

So far as I am concerned, I am not willing to exempt these deposits from taxation any more than I would exempt deposits in an ordinary savings bank from taxation. I concede they might be exempted by the State law from taxation, but not because they are savings deposits. If all deposits were to be exempted, it would, of course, be proper to exempt these; but I do not understand—although, of course, I may be mistaken and the Senator from Indiana may be right—that there is anything in the postal savings bank law that could be construed into an exemption from taxation of such deposits.

Mr. WEST. Mr. President, I understand they are exempt because they are in the postal savings banks under the law as it at present exists.

Mr. BRYAN. Mr. President, I will conclude what I have to say by quoting from the report of the Postmaster General upon this subject as to the amount allowed to be received under the existing law.

Mr. CLARK of Wyoming. Mr. President, before the Senator from Florida proceeds with that, I wish to suggest to the Senator, in view of the discussion which has just occurred in regard to the taxability of these deposits, that it seems to me that the deposits while they are in the bank constitute an indebtedness of the United States to depositors, and therefore would be free from taxation by any local authority.

Mr. SHIVELY. And under the general statute.

Mr. CLARK of Wyoming. And under the general statute; yes.

Mr. BRYAN. Mr. President, I must say that my information is different, and that in Ohio and Indiana such deposits have been taxed. I do not know whether the matter was questioned or litigated, but some of the depositors, because of that very fact, converted their deposits into Government bonds.

Mr. NORRIS. I was unable to hear what the Senator from Florida said or what the Senator from Wyoming said in regard to such deposits being taxable.

Mr. CLARK of Wyoming. I suggested that probably these deposits would be an indebtedness of the United States to the individual depositors, and would therefore not be subject to taxation.

Mr. NORRIS. I should like to inquire of the Senator from Florida if he has a definite opinion from the Attorney General on the subject?

Mr. BRYAN. No; I have not. I have stated several times——

Mr. NORRIS. It had not occurred to me that postal savings deposits were not subject to the laws of the respective States in regard to taxation, and I have been laboring under that impression all the time. I know that the question was discussed when the bill was passed in the House. The bill as originally introduced exempting deposits in the postal savings banks from taxation received my opposition; I wanted to strike out any provision exempting them from local taxation; and if by construction of the general law they are now exempt from taxation, it seems to me that is another particular in which we ought to amend the law and make them subject to the laws of the States.

Mr. WEST. Mr. President——

The VICE PRESIDENT. Does the Senator from Florida yield to the Senator from Georgia?

Mr. WEST. Is a national indebtedness taxable, I ask the Senator from Nebraska?

Mr. BURTON. Mr. President——

The VICE PRESIDENT. Does the Senator from Florida yield to the Senator from Ohio?

Mr. BRYAN. I do.

Mr. BURTON. I think postal savings deposits are subject to taxation. The question of the taxation of Government obligations of similar nature was very much discussed during the time of the Civil War, and I think it was conceded that, without some affirmative provision for exemption, they would be taxable in the respective States or jurisdiction in which they were held. There is another provision in the postal savings law that rather confirms the position that they are taxable. In the tenth section provision is made for exchange of deposits for bonds, and there is this provision:

And provided further, That the bonds herein authorized shall be exempt from all taxes or duties of the United States as well as from taxation in any form by or under State, municipal, or local authority.

If the deposits and the bonds were to be free from taxation, why was it necessary to insert a provision of that kind? Under the general principle expressio unius est exclusio alterius, the expression of the provision exempting bonds seems to convey the intention that the deposits are not exempt from taxation.

Mr. BRYAN. I am obliged to the Senator. Mr. President, the Postmaster General in his report for the year ending June 30, 1913, has this to say in advocacy of this change:

A conservative estimate indicates that more money has been refused by the Postal Savings System than has been accepted.

He means because of the limit of $100 and the aggregate limit of $500.

A still more serious effect than the loss to business of rejected savings, a large percentage of which has been sent abroad, is the confused thought and consequent lack of confidence which prevails among foreign-born people, who can not understand why the Government will safeguard a part of their savings and not all of them. This misunderstanding is generally prevalent among those who are most in need of the service.

Mr. President, I trust the amendment will not prevail.

Mr. WEST. Mr. President, I do not propose to address the Senate at any length on this subject, but only wish to give a few reasons why I do not think the postal savings-bank law ought now to be changed. I think it ought to be tried out longer. Furthermore, outside of the question as to whether or not the deposits in the postal savings banks are taxable, I think that the proposed increase in the limit of deposits to $2,000 will give the person who has his money on deposit in the postal savings bank too much leeway from his indebtedness. If a man who ought to pay his debts and who has the money elsewhere becomes involved, he can remove his money to a postal savings bank in order to elude the payment of a just and honest debt. I even think the $500 limit is too much. Each State of the Union makes laws providing for exemptions in their respective jurisdictions. Then, why should the United States Government come forward and make provision for the exemption of $2,000 more?

Another reason is, I do not think the original scope and purpose of the postal savings act contemplated that the Government should go into the banking business; and, in my judgment, the banks scattered over this country would be injured by making this limit $2,000. For these reasons I shall oppose the amendment offered to the present law.

Mr. SHIVELY. Mr. President, one of the alleged purposes of the act establishing the system of postal savings banks was to encourage habits of thrift, prudence, and economy. This was to be accomplished by furnishing depositories where those people who are suspicious of the ordinary banks of deposit could place their savings in perfect confidence that they would incur no risk of loss. It was thought that this sense of security would not only encourage the savings habit, but that it also would bring hoarded savings from their hiding places, which, through deposit with the Government and redeposit by the Government in the local banks, would reenforce the actual available circulation of the community. The system so established is now patronized, as I am informed, up to the sum of $40,000,000. There is no question that these deposits are exempt from seizure on execution. I believe they are exempt from all forms of local taxation. When the bill was before the Senate I submitted to Senator Carter, of Montana, who was in charge of the measure, the question whether the certificate of deposit contemplated by the bill would not, under then existing law, be exempt from State and local taxation. He replied that in his opinion it would. I have not had occasion to examine the subject recently, but my impression is that there is a general Federal statute——

Mr. BURTON. Mr. President, if the Senator from Indiana will yield to me, I will say that the general Federal statute on the subject, section 3701 of the Revised Statutes, reads:

All stocks, bonds, Treasury notes, and other obligations of the United States shall be exempt from taxation by or under State or municipal or local authority.

The Senator from Indiana will remember that there was a considerable amount of discussion when the postal savings bill was under consideration in 1910 as to whether the postal savings bank deposits were obligations of the United States. As the bill was at first framed, I think they were not. Payment was to be made from the securities in which deposits were invested. I remember conducting a line of questioning with the then Senator from Montana, Senator Carter, at the time, asking his opinion about it. But this is the provision as it was finally inserted in the postal savings bank act:

SEC. 16. That the faith of the United States is solemnly pledged to the payment of the deposits made in postal savings depository offices, with accrued interest thereon as herein provided.

Query, does not that leave the Federal Treasury in the position of a guarantor rather than of an original obligor? I think that question is certainly open to doubt, with the probability that it is not a direct obligation of the United States in the sense intended by section 3701 of the Revised Statutes.

I thank the Senator from Indiana for yielding to me.

Mr. WEST. If they were obligations of the United States Government, would they not be nontaxable?

Mr. BURTON. They would be under a literal interpretation of this statute; but, as the Senator from Georgia knows, a general expression of that kind following specific expressions such as "stocks, bonds, and Treasury notes" would be interpreted by reference to those items.

Mr. WEST. The inclusion of the one is the exclusion of the other.

Mr. SHIVELY. Mr. President, I can not accept the view of the Senator from Ohio as the correct one. Here is a certificate issued to the citizen by the United States Government. It is a certificate calling for a certain amount of money. The money has been placed on deposit at the post office. That certificate is payable by the United States. That paper, that certificate, that whatever you see fit to call it, bears interest at the rate of 2 per cent. That interest is also payable by the United States Government to the holder of the certificate. It seems to me that these facts bring the certificate squarely within the section of

the Revised Statutes exempting "obligations of the United States" from "taxation by or under State or municipal or local authority." When it is contended that in certain States these deposits actually have been taxed, I apprehend that it will be found that that was because no one raised the question of exemption, and therefore that no adjudication of the right to tax was had. With these features of exemption from execution and taxation in the system, no good purpose can be served by advancing the maximum deposit to the amount proposed in the bill. I doubt the wisdom of increasing the limit fixed in the act creating the system. I certainly could not vote to raise the limit above $1,000. This limit would leave in full force all laudable inducements to habits of economy and thrift and to bring money out of its hiding places. The system should not be permitted to degenerate into a convenience for execution jumping and tax dodging.

Mr. WORKS. Mr. President, before the Senator takes his seat, does he agree with the suggestion that is made here that the Government is only a guarantor and not a principal debtor?

Mr. SHIVELY. No, indeed; I do not—a guarantor of what?

Mr. WORKS. It has been claimed by the Senator from Ohio [Mr. BURTON] that the Government is only a guarantor. It seems to me that as the deposit is made in a Government institution and a certificate is issued by the Government, it becomes the original and principal debtor.

Mr. SHIVELY. Undoubtedly; the original undertaker. Of what or of whom is the Government the guarantor? Who is guaranteed? No; the Government is an original debtor.

Mr. BANKHEAD. Mr. President, it seems to me we have entirely forgotten the purpose of the establishment of the Postal Savings Bank System. It seems to me we have entirely forgotten the argument that was made in the Senate that induced the Senate to vote for the establishment of the system. We were told—and I conclude the Senate were convinced of the correctness of the statements made at that time—that the main purpose of establishing the system was to bring money out of hiding; to induce people who had small amounts of money, and who were not willing to trust the banks in this country with the deposits, largely the class of people who had been accustomed to postal savings banks in foreign countries, to deposit it with the post offices here. That was the purpose of establishing the system. If that is not the purpose now, it ought to be abolished.

I can see no reason why the Postal Savings Bank System should be conducted by the Government of the United States at a cost largely beyond the revenues derived from it by the Government. I think the proposition to increase the limit of deposits to $2,000 ought to be adopted, and I think so mainly for the reason that it is the only way the Post Office Department has discovered, and I believe it is the only means, by which the Post Office Department can recoup its losses and make the system self-sustaining. More than a million dollars is already charged up to the Postal Savings System as a loss to the Government.

I do not see very much force in the suggestion that in times of stress, or at a time when small depositors become suspicious of the banks, they will go and withdraw their deposits and redeposit the money with the postal savings bank. I can see no reason why they should do that. There is no profit in it. If, however, they can not have the opportunity of depositing the money somewhere when they become frightened and withdraw it from the bank, they will inevitably put it in their stockings, or hide it somewhere around the premises, and thereby it will be taken absolutely out of the channels of trade and commerce. If they can not make their deposits in the postal savings banks to an amount that is satisfactory to them, they will do what they did before the Postal Savings System was adopted; they will go and buy money orders and send their funds abroad, to be deposited in Government depositories or in countries where the postal savings bank laws permit deposits, in some cases, without limit.

If this amendment could be adopted, it would enable the Post Office Department to run the Postal Savings Bank System without a clear loss of a large amount to the Government; and, in my opinion, they can not do it in any other way. Something ought to be done in this respect. I do not know whether this is the proper remedy or not; but I simply desire to call the attention of the Senate back to the original proposition and the arguments that were submitted that induced the Senate in the beginning to adopt this system, namely, that it would offer encouragement to the class of people who were suspicious of our banks and desired some place to make their deposits where they would feel secure, or else they would continue to do as they have done for a long period of time—send their money away to be deposited in banks where they had confidence, where they had been accustomed to making these deposits.

There has not been as much money deposited in these banks by far as was contemplated. Many of them have been discontinued and ought to have been discontinued. No doubt the department went too fast and too far in their establishment. Postal savings banks were established in many places where there was never any excuse or reason for their establishment. There is no question about that. Necessarily, as a matter of economy and good common sense, they have been discontinued.

The whole purpose of this amendment is to enable those who have shown some evidence of thrift and saving to have what they consider a safe depository, and one akin to or along the lines of those to which they have been accustomed.

I have no doubt—and I think the statistics will show—that a very large percentage of the deposits in our postal savings banks have been made by foreigners. I am informed by the Senator from Florida [Mr. BRYAN] that 75 per cent of the money comes from that source. Doubtless, Mr. President, from the information we have, from the statistics that have been gathered, more than twice the amount that had been deposited would have been deposited if it had not been for the narrow limits imposed.

If the Senate should adopt this amendment, I do not think there is any reason to fear that any great harm will be done by the so-called tax dodger. He is a pretty hard fellow to catch when he makes up his mind to dodge. I have never yet discovered any means by which you can discover and tax the money that is hidden away in the old family trunk or in the old lady's stocking or in the cracks around the cottage. You can not discover that; you can not reach it for any purpose. I submit that it is better to have that money go into the banks, in order that it may be returned to the channels of trade and commerce and be active in business, than it is to permit it or encourage it, if you please, to remain in hiding, as is the case now and was before the establishment of this system.

So the tax dodger does not concern me very much. The amount that he will deposit in one of those postal savings banks does not amount to very much in the way of revenues to the State or municipal government when you come to talk about taxing values. It seems to me it is an excuse rather than a reason why this proposition should not be adopted.

That is all I care to say about the matter. If the Senate in their wisdom think best, they may continue this system as it is now; but I beg Senators to remember that, like all other new systems, it was to be expected from the beginning that it would be discovered when we came to apply the machinery of this system that there were defects in it that ought to be remedied. It is perfectly natural that all great machines like this, obtaining all over the country and applying to thousands and thousands of postal savings banks, would have to be adjusted. It is natural that a great machine like this should "slip a cog," so to speak, that it might get off the track somewhere, and that it would become necessary to investigate all of its bearings and to adjust them as circumstances and experience indicate.

Mr. WEST. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Bankhead	Johnson	Page	Smith, S. C.
Brady	Kern	Perkins	Smoot
Brandegee	Lane	Pittman	Sutherland
Bristow	Lea, Tenn.	Poindexter	Thomas
Bryan	Lewis	Ransdell	Thornton
Burton	Lippitt	Reed	Tillman
Catron	Lodge	Shafroth	Townsend
Chamberlain	McCumber	Sheppard	Vardaman
Cummins	Martin, Va.	Sherman	Warren
Dillingham	Martine, N. J.	Shively	Weeks
du Pont	Norris	Simmons	West
Gore	Oliver	Smith, Ariz.	Works
Hitchcock	Overman	Smith, Md.	

Mr. TOWNSEND. I wish to announce the absence of my colleague, the senior Senator from Michigan [Mr. SMITH], on important business. He is paired with the junior Senator from Missouri [Mr. REED]. This announcement may stand for the day.

Mr. SMOOT. I desire to announce the unavoidable absence of the senior Senator from Kentucky [Mr. BRADLEY] and also the junior Senator from Wisconsin [Mr. STEPHENSON].

The VICE PRESIDENT. Fifty-one Senators have answered to the roll call. There is a quorum present. The hour of 2 o'clock having arrived, the Chair lays before the Senate the unfinished business, which will be stated.

The SECRETARY. A bill (S. 120) to provide for the inspection and grading of grain entering into interstate commerce, and to secure uniformity in standards and classification of grain, and for other purposes.

Mr. BRYAN. I ask the Senator from North Dakota, in charge of the unfinished business, if he will not ask unanimous consent to lay it aside for the present? I have canvassed the situation thoroughly and I think the discussion of the postal savings-bank bill is over, or practically so. I make this request in view of the fact that yesterday when the unfinished business was placed before the Senate it was discussed for only a few minutes and then the Senate adjourned until to-day.

Mr. McCUMBER. I do not question the sincerity of the view of the Senator from Florida as to the probability of obtaining a vote in a very short time, but I have made some inquiry upon this side and I find that there will be an amendment offered and that there will be considerable discussion upon that amendment, enough so, Senators think, that probably it would take all day if I should yield at this time.

There are notices on the calendar to take up important bills after we have disposed of Senate bill 120; and I feel, under the circumstances, that it is due to the Senators who have given those notices that I should try and see if we can not get a vote upon this bill to-day and have it disposed of. Then it will be entirely out of the way of the Senator from Florida.

Mr. BRYAN. I hope very much that it will be, Mr. President. The unfinished business has been standing in the way of the regular procedure of the Senate for a long time. I do not concede that Senators have a right to insist that the Senate shall take up bills simply because they put notices on the calendar that they will call them up.

Mr. McCUMBER. No; I do not know that I concede that right, but the unfinished business has been before the Senate for a long time. I have taken a great many chances with the bill in trying to accommodate Senators. I tried my best to make an arrangement whereby the Senator could dispose of his measure yesterday, and the Senator thought then, as he thinks now, that a vote could be reached upon it in a very short time. Yet we have had another discussion of an hour and a half to-day, and we do not seem to be any nearer the end than we were yesterday. I am informed that the amendments which will be offered will require considerable discussion. I really want to accommodate the Senator, but——

Mr. BRYAN. The trouble is, if we proceed as we have been doing, we shall not get through with it by taking it up one morning for an hour and then be cut off by the unfinished business and have to start all over again the next day.

Mr. McCUMBER. The Senator will let me try and finish this bill to-day, and then he can have the whole day to-morrow.

INSPECTION AND GRADING OF GRAIN.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (S. 120) to provide for the inspection and grading of grain entering into interstate commerce, and to secure uniformity in standards and classification of grain, and for other purposes.

Mr. REED. Mr. President, I do not know whether it is possible to engage the attention of the Senate with this bill. It has been before the Senate now for, I think, nearly six weeks as the unfinished business. The discussion has been taken part in by the Senator from North Dakota [Mr. McCUMBER] and the Senator from Minnesota [Mr. NELSON] at great length. The Senator from Illinois [Mr. SHERMAN] delivered some illuminating remarks upon the bill. Yet, Mr. President, I undertake to say that the situation then was as I find it when I rise to discuss the bill, namely, that there are only a very few Senators in the Chamber. I make no complaint of this, because we all understand that there are several committees engaged in very important work which compels the absence of the members of those committees from the Senate Chamber. Nevertheless, it is a regrettable fact that a bill of far-reaching importance should be discussed in the absence of Senators, and then voted upon by Senators without any real knowledge of the question.

This bill is not like an ordinary matter of legislation relating to a law of a general nature and which may be well considered by Senators when they come to vote in the light of the general information they possess. This bill requires an intimate study and knowledge regarding the subject with which it deals.

Mr. President, by way of preliminary, I remark that just now we appear to be embarking upon a policy of regulating everything "in heaven above, on the earth beneath, and the waters under the earth" by acts of Congress. A fitting illustration of the direction in which we are going is afforded by the petition which was filed here this morning by some good citizen praying that the Federal Government proceed to regulate moving-picture shows. We will speedily arrive, I think, at a period where the size and contents of pap bottles will be made the solemn subject of congressional action and a commission of Federal officeholders will be appointed to regulate the nursing of babies.

We go from one of these propositions to another, and, having once seized a jurisdiction, we hold it fast and reach out greedily for some new object for regulation. We started with laws which had for their purpose the prevention of the propagation of disease. That was followed by laws regulating the sale of foodstuffs deleterious to the human being. Then we undertook to regulate crimes committed within the States. Thus we passed a law prohibiting the use of the mails in the furtherance of fraud, and that law, which seemed at the time to be of limited scope, has been extended by construction, so that now it is held that if two or three residents of a State engage within the State in a conspiracy to commit a crime, and actually commit the crime within the State, and therefore are amenable to the State laws, nevertheless, if some letter be written and mailed, which does not in itself constitute a crime, but simply is a message sent in furtherance of some act of the conspirators, the entire conspiracy becomes at once subject to the purview of the Federal court. So we find our Federal courts are to-day congested with cases which are properly triable by the State tribunals, but which are immediately seized upon by the Federal tribunals because of the mere fact that a letter was sent through the mails.

We passed a law whch was supposed to prohibit the decoying of an innocent, unsuspecting girl from one State to another, from the overreaching of her by some fraudulent pretense or by some trick or device and inducing her to cross a State line. That law has been construed by some of the Federal courts to include cases where men and women by mutual consent and with full knowledge of what is to occur have crossed a State line. Naturally such a law has become the most powerful instrument of the blackmailer.

The peculiar thing about conferring Federal jurisdiction lies in this fact that the authority granted by Federal statutes appears to possess the equality of indefinite expansion and unlimited stretching. The law is held to embrace not only that which its terms describe but all incidental powers which the imagination of men can add to or deduce from the act.

So that when we propose to establish a system of Federal inspection of grain we must do so fully understanding that the Federal authority will at once grasp not only that which we now have within our minds but that its arm will be stretched over many fields we do not contemplate.

I want to emphasize the fact that this is not a bill concerning the health of the people. It is not a bill concerning the morals of the people. It is not a bill which concerns the prevention and propagation of disease. It is a bill having for its object and purpose the mere regulation of an article of commerce. It is proposed that we shall inspect wheat, corn, rye, oats, barley, and things of that kind. Of course no distinction in principle can be drawn between the inspection of wheat and corn and rye and oats, on the one hand, and the inspection of potatoes, carrots, beets, alfalfa, and hay, on the other hand. If you reply that wheat is a great article of commerce, I answer so are the other commodities I have mentioned. If you reply that wheat is a prime necessity of life, or that corn is an article of great value, I reply that the same argument can be made for all the products of the farm.

If we are to have a Government inspection of all the products of the farm, I inquire why we should not have a Government inspection of all the products of the factory? Why not put a Government officer beside the door of every manufacturing establishment in the United States and insist upon an inspection and a Government stamp going upon everything produced. I repeat what I said, not because it is brilliant but because it is in point, that if we continue to expand our governmental activities it will not be long until some people will want us to regulate the size of the pap bottle, to prescribe its contents, and to specify the shape of the nipple.

To my mind, Mr. President, when this Government was formed it was intended that the Federal Government should only exercise those powers essential to the solidarity and strength of a National Government. The fathers were extremely careful in limiting the powers of the Federal Government. It was intended that every State should remain sovereign in all respects save as it had expressly delegated powers to the Federal Government. It was contemplated that the people of the States would know how to maintain the peace within their borders, that they would know how to establish courts of justice, to regulate trade and commerce, to pass wise and provident laws, and to enforce those laws through the ordinary machinery of State government.

But it has come to a point now where it is expected that Congress shall be the clearing house for all human ills and

that every man who has a cause of complaint shall immediately bring it here to the Halls of Congress and demand a remedy by national legislation.

I repeat, Mr. President, if there is any reason why this bill should be passed, it being a bill that neither relates to the health nor the police powers of Government, then the same argument could be advanced for the inspection of everything which comes from the farm, everything which comes from the mine, and everything which comes from the doors of the factories of this country, because we will have entered into a new field, into the field of commerce and trade; we are no longer in the domain of morals or of health.

Mr. President, I want to call the attention of the Senate to just what this bill undertakes to do. It is an extremely radical measure. It is a measure which, if understood by the Senate, will, in my judgment, not be passed.

In the first place, Mr. President, this bill gives the Secretary of Agriculture broader powers than have ever been conferred upon any governmental official to my knowledge.

First. The Secretary of Agriculture is authorized to hire an unlimited number of men.

Second. He is authorized to pay unlimited salaries. It is true, there is a clause which states the salaries shall be consistent with the salaries usually paid for similar work, but that constitutes no legal limitation or bar upon his powers.

Third. The fees that he shall charge for his services are limited only by the statement that they shall simply be sufficient to defray the expense of inspection.

Fourth. He is authorized to fix an unlimited number of points of inspection.

Mr. President, these are very broad powers, and very improper powers, and very dangerous powers to grant to any one man. Of course what I say is no reflection upon the present occupant of the position of Secretary of Agriculture. This law is not intended to apply to him. It is intended to apply to the office and to any man who may occupy it. But whether wise men or foolish men shall hereafter fill the office, the fact nevertheless remains that Congress should not grant to any man the right to employ an unlimited number of men at an unlimited number of places and at unlimited salaries. The author of this bill can not point to a real limitation with respect to any of the powers I have mentioned.

Mr. President, this bill prohibits the shipment of any grain from one State to another unless that grain has been inspected.

Mr. HITCHCOCK. Mr. President——

The PRESIDING OFFICER (Mr. McLEAN in the chair). Does the Senator from Missouri yield to the Senator from Nebraska?

Mr. REED. Certainly.

Mr. HITCHCOCK. Before the Senator leaves the part of the discussion he was just engaged in, I should like to ask whether he has made any computation or whether he knows of any computation showing the number of grain inspectors that would be necessary if this bill should become a law?

Mr. REED. I have not made a computation of that.

Mr. McCUMBER. Mr. President——

Mr. REED. It is impossible, I think, for any human being to make an accurate computation, for the reason that as the bill is drawn, while it names certain points where there must be inspection, it also leaves it within the power of the Secretary of Agriculture to establish any other points he may see fit. I was about to say that the bill, as I construe it, requires the inspection of every bushel of grain that is shipped across a State line.

I can, in partial reply to the interrogatory of the Senator from Nebraska, say that the estimate of the man charged by the Secretary of Agriculture with the duty of fixing grades is that Federal inspection will cost $1 a car, which is about two and a half times what inspection now costs.

Mr. McCUMBER. Mr. President——

The PRESIDING OFFICER. Does the Senator from Missouri yield to the Senator from North Dakota?

Mr. REED. I yield.

Mr. McCUMBER. I wish to answer the question which the Senator from Missouri said he was unable to answer. The Secretary of Agriculture a few years ago made an estimate—and, of course, he made it upon the probable number of inspectors that are now required at these grain centers—and his estimate was something even above the number that were employed at that time. He gave 650 as the limit of the number that would be required; that is, about the same number now employed at the several exchanges at these points. While the Senator from Missouri says that the bill authorizes the Secretary to establish other places, that is simply other places that may grow into importance, and the bill uses the words "important centers of interstate grain traffic." Of course, the Secretary would not appoint additional inspectors unless there were such important points developed.

Mr. REED. No, Mr. President; the bill goes further than that.

Mr. McCUMBER. I want to suggest, further, that the Secretary of Agriculture has estimated that the cost of inspection would be about 40 cents a carload.

Mr. REED. I have a different estimate, and I shall produce it in a moment.

The bill which the Senator from North Dakota has drawn here goes beyond the mere inspection of interstate grain, and proposes to establish a system by which intrastate shipments shall also be inspected. There is, in my judgment, no human being capable of making even a reasonable guess as to the extent to which this system may be enlarged.

Mr. SMITH of Michigan. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The absence of a quorum is suggested. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Bankhead	Hitchcock	Norris	Smith, Ariz.
Brady	Hollis	O'Gorman	Smith, Ga.
Brandegee	Johnson	Overman	Smith, Md.
Bristow	Kern	Owen	Smith, S. C.
Bryan	Lane	Page	Smoot
Burton	Lea, Tenn.	Perkins	Thomas
Catron	Lee, Md.	Pittman	Thompson
Chamberlain	Lewis	Reed	Thornton
Chilton	Lippitt	Robinson	Vardaman
Clark, Wyo.	McCumber	Shafroth	Walsh
Crawford	McLean	Sheppard	Warren
Dillingham	Martin, Va.	Sherman	West
du Pont	Martine, N. J.	Shields	
Fall	Nelson	Shively	

Mr. WALSH. I announce the absence of my colleague [Mr. MYERS] on account of illness. I am pleased to say that he is recovering very satisfactorily.

Mr. REED. Mr. President, I desire to say that my colleague [Mr. STONE] is detained from the Senate by official business.

The PRESIDING OFFICER. Fifty-four Senators have answered to the roll call. There is a quorum of the Senate present.

Mr. REED. I was about to say, Mr. President, when interrupted by the call for a quorum, that the bill prohibits the shipment of grain from one State to another in the absence of inspection. I undertake to say, sir, that under this bill a farmer living in the State of Missouri can not buy a load of corn in the State of Kansas, haul it 2 miles across the State line, and feed it to his hogs without laying himself liable to the pains and penalties of the proposed statute; I undertake to say that a farmer living in the State of Ohio, if there are no places established for inspection other than those named in the bill, desiring to buy corn in the State of Indiana, just across the State line, would be obliged to have that corn sent to Philadelphia and have it there inspected and shipped back to him. I undertake to say that this bill calls for the inspection of ten times the amount of grain inspected under the present system, of ten times more grain than goes at present to the terminal markets. Over 90 per cent of the grain of the country is consumed in the United States. The greater part of it never reaches a terminal market; nevertheless vast quantities of it are shipped across State lines. As I construe the bill, it will compel all of the grain that is shipped from one State to another to be sent to a terminal market, possibly hundreds of miles away, then shipped back. All that burden of transportation will fall upon the consumer. Not only would the cost fall upon the consumer, but there is no adequate advantage to be gained by the inspection of the greater part of the grain used in domestic consumption.

The farmer, Mr. President, in the State of Illinois finding himself short of corn to feed his hogs or cattle, who goes to his neighbor across the State line and buys a few hundred bushels of corn, does not care to have it inspected by a civil-service employee or by anyone else. He uses his own eyes and his own judgment.

Let us see, now, if I am correct in this construction of the bill. It is conceded that, as the bill was originally drawn by a committee which has had it under consideration for at least six years, it required the inspection of all grain crossing a State line. But it is claimed that certain amendments have been proposed, although not yet adopted, if I understand the state of the record, that will limit the operation of the bill to those grains which do in fact reach some one of the terminal markets. I undertake to say, however, that if this bill is passed as now written, including the amendments to which I have just adverted, non obstante the amendments, it will still remain true that you can not transport a bushel of corn or of wheat

or of oats or of barley across a State line unless it has gone to a terminal market and has there been inspected. I challenge attention to the language contained in section 2. That section reads:

SEC. 2. That said Secretary shall also appoint, in accordance with the rules of the civil service, at each of the following cities, to wit, Portland, Me.; Boston; New York; Philadelphia; Baltimore; Chicago; Minneapolis; Duluth; Superior; Kansas City, Mo.; St. Louis; New Orleans; Seattle; Tacoma; and San Francisco; and at such other important centers of interstate trade and commerce in grain as he may consider necessary or proper for carrying out the provisions of this act, one chief grain inspector and such assistants as may be required to inspect and grade grains as herein provided.

Then follows a provision with reference to intrastate shipments or business. I now turn to section 8, which reads:

SEC. 8. That it shall be the duty of any railroad company, steamship company, or other firm or corporation or private individual engaged in the transportation of grain destined to any State, Territory, or country other than that in which it is received for inspection, or received from any other State, Territory, or country than that to which it is consigned, to notify the chief grain inspector at the place of destination of any consignment of grain, where an inspector is located at such place—

The words "where an inspector is located at such place" constitute the much-talked-of amendment—

within 24 hours after its arrival, that a shipment, cargo, or load of grain is in its, their, or his hands and the place of destination of said grain.

That it shall be unlawful for any person herein named—

That is, any corporation, firm, or private individual—

to willfully unload or otherwise discharge any load, cargo, or consignment of grain which has been at any time during the period of its transit an article of interstate commerce and which has not been inspected in accordance with the provisions of this act, until the same has been inspected as provided herein.

Now, Mr. President, you will observe that the language of the bill is that it shall be the duty of any corporation or private individual—

engaged in the transportation of grain destined to any State, Territory, or country other than that in which it is received for inspection, or received from any other State, Territory, or country than that to which it is consigned—

To do what?—

to notify the chief grain inspector—

Where?—

at the place of destination of any consignment of grain, where an inspector is located at such place—

If the bill stopped at that point, there might be a doubt as to the meaning, but when we go to the next clause we find the general language—

That it shall be unlawful for any person herein named—

That is, any private individual or any firm or any railroad—

to willfully unload or otherwise discharge any load, cargo, or consignment of grain which has been at any time during the period of its transit an article of interstate commerce and which has not been inspected in accordance with the provisions of this act.

Mr. President, remembering that Federal courts extend their authority to the limit, remembering also that the proposed statute will be regarded as a remedial statute, and not as one to be construed strictissimi juris, we are forced to conclude that if we pass this bill as it is written, the Federal courts in all probability will hold this clause—

That it shall be unlawful for any person herein named to willfully unload or otherwise discharge any load, cargo, or consignment of grain which has been at any time during the period of its transit an article of interstate commerce, and which has not been inspected in accordance with the provisions of this act—

as sufficiently broad in its language to embrace all shipments across a State line. The courts are very likely to hold that the general clause controls and that the other provisions of the bill must be regarded as subsidiary to it.

I would undertake as a district attorney of the United States to convict under this bill any man who transported corn across a State line for sale. The amendment which has been introduced here does not at all meet the case; it does not accomplish the objects which the Senator who is fathering this bill intended it should accomplish.

Permit me at this point to summarize. We have here a bill which declares:

First, that all grain shipped across a State line must be inspected;

Second, the Secretary of Agriculture is granted unlimited power to fix the number of places where grain shall be inspected;

Third, the bill gives him the right to employ an unlimited number of men;

Fourth, it gives him substantially the unlimited power to determine the grades and the character of inspection;

Fifth, it gives him the unlimited power to fix the salaries of the employees; and

Sixth, it gives him the power to fix a charge for inspection which is limited only by the amount of cost which he may incur in the inspection.

Mr. WEST. Mr. President——

The PRESIDING OFFICER. Does the Senator from Missouri yield to the Senator from Georgia?

Mr. REED. Certainly.

Mr. WEST. For the purpose of transit, if a train is going across the corner of a State in a section where there might not be any place for inspection, would that train have to stop there in order that the grain it carried might be inspected?

Mr. REED. Under this bill it would have to go on to a point of inspection and there be inspected before it could be unloaded at the point of consumption.

Mr. President, think of the situation we would be in. Suppose there were no points selected except those named in this bill and that the construction I have given to the bill is accurate—and that it is accurate I feel absolutely convinced—we would have an inspection point at Portland, Me., another at Boston, another at New York, another at Philadelphia, and another at Baltimore, these places all being upon or near the eastern coast. There would be no other place of inspection until we reach Chicago, 900 miles farther west. We jump then to Minneapolis and Duluth and Superior, all located far to the north. In the great interior Kansas City and St. Louis and New Orleans are named. There is not another point of inspection named until we get west of the Sierra Nevada Mountains. If, then, a man in Oklahoma wanted to buy grain from a man in New Mexico, he would have to ship that grain to Kansas City, four or five hundred miles, and haul it back to Oklahoma. If a man in New Mexico wanted to buy from a man in Arkansas, he would be compelled to have the grain shipped to Kansas City, hundreds of miles, then inspected and hauled back to his own State. If he did otherwise, he would violate this law and lay himself liable to a fine of $5,000. That is the absurd condition in which it is admitted that this bill was when it was introduced, and the amendment which is proposed does not, in my opinion, avoid the difficulty.

It was said here by the Senator who is the author of the bill—indeed, it has been said several times to Senators who have ventured to ask questions—that they are not acquainted with the grain business. I submit that the bill fails to disclose any great familiarity with the grain business by the committee.

Mr. President, before we pass a bill of this kind we ought to give it careful consideration. Mark you, the commonest thing in this life, when we find some evil has grown up under a system, is, keeping our eyes upon the evil alone and thinking of none of the virtues, to proceed to demolish the whole system. Then we start to build an entirely new structure, forgetful of the fact that the new may embrace more evils than the old. There is a class of philosophers in this world who, if they found the plumbing in their house out of order, would want to dynamite the house. There are certain gentlemen who, if they found that a prisoner had cut his way through the bars of a cell in a jail, would want to burn down the jail instead of fixing that cell.

There is a class of people, very numerous just now, who, finding that some evil exists under a State regulation or a State law, immediatetly propose to destroy the State authority and take over all of the business into the hands of the Federal Government. These assume that Federal agents are gifted with infallibility, and that if the agents pass a civil-service examination the reign of righteousness and virtue and goodness is certain.

My experience, sir, has been that, almost without exception, that government is best which is closest to the people directly affected and that government is worst which is farthest from the people directly affected. The reason is that when local communities possess the power to regulate their own affairs the moment an oppressive or bad condition exists the effect is immediately felt by those responsible for the state of affairs. As soon, therefore, as they feel the effects they begin to set about to find a remedy. But when the seat of authority is far off it is impossible to rectify an evil unless it becomes so widespread as to provoke a general revolt. Therefore, I lay it down as a fundamental proposition that, so far as the inspection of grain is concerned, local boards created by State authority are better qualified for the business than is a general board created by Federal authority.

I want to impress, if I can, upon the few Senators who do me the honor of listening the important consideration that the mere fact that some evils may exist under our present system affords no reason whatever for the destruction of the system and the establishment of a Federal scheme. The question to be deter-

mined is whether Federal inspection is better than State inspection, or will be if improved so far as it can reasonably be improved.

Mr. President, I call the attention of the Senate to the peculiar fact that the report in favor of this bill is six years old; that the hearings upon this bill were concluded six years ago; that since that time there has not been a bit of evidence taken in this case, except that two years ago some men came and demanded the right to be heard. When that demand was made they were treated in a manner so discourteous and so unfair that I blushed as I read the record.

The circumstances were these: This bill was before a committee, and a report was written attacking the entire grain trade and all inspection boards. That old, original report appears here to-day, six years old, without a single addendum to it, so far as I have been able to discover. At a subsequent session of Congress—in the Sixty-first Congress—there was an appearance by some men interested upon the other side of the bill, and the bill passed over without being reported. At the Sixty-second or Sixty-third Congress the bill was again reported. About this time the newspapers printed what was claimed to be the report of the committee, and thereupon some men prominently engaged in the grain business asked for a hearing upon the ground that they had been libeled in the report. The Senator from North Dakota strenuously objected to reopening the case, and the committee replied that they had not made any such report; that they had written a little, short, innocent report of about 20 lines.

So these men were denied a hearing, except upon one or two subjects which were alleged to be new matter. Then, after that had transpired, at this session of Congress the old, original report, which was repudiated two years ago, when the protesting gentlemen were here, was taken out of the pigeonhole, the dust blown off it, and it is filed here to-day.

I say that for six long years the men interested in this business have not been given an opportunity to appear before a committee of Congress and have a real hearing upon the bill. Since the hearings were had, six years ago, there have been important modifications and changes in business, and since that time the Federal Government has taken some most important steps to which I shall call attention a little later on.

It is a singular thing that a bill embracing the important matters which are gathered within the sweep of this measure should be brought before Congress on hearings six years old.

Mr. President, I make bold to say that the report upon which this bill is brought to the Senate is mistaken in every material fact that it alleges; that it is prejudiced; that it is partisan; that it is unjust; and I undertake to prove my assertions.

I am going to take a little time to go through the report; and if I can continue to get the attention of even the half dozen Senators who are paying attention now I shall hope, at least, to put a litle seed in ground that will bear fruit when we come to the vote.

I start with page 1 of the report:

> The producer, for the most part, is without any voice in determining the rules or regulations governing the handling or grading of his grain, the price of which is fixed by such grading, and helpless to reform or eliminate the many abuses which have entered into the system of handling and grading grain at these great terminals, and which operate as a fraud and injustice upon both the producer and consumer.

A little later on the report states:

> These evils, which have been established by both the positive evidence of witnesses and the record admissions of the boards of trade and State warehouse commissions, which for the most part govern the commerce in grain, may be epitomized as follows.

Then follows language to which I shall refer in a moment. I read now paragraph 2:

> (2) Practically all grain passes through one or more great terminal markets before reaching the consumer.

Not 20 per cent of it passes through the great terminal markets.

The report continues:

> Its value is fixed by the grade that is placed upon it at such terminals.

Now, listen:

> Under the present system, whether under State laws or board of trade rules, the parties in interest as purchasers at the great terminals dominate and control all rules governing the handling of grain, its inspection, and grading. That such rules should be in the interest of the terminal purchasers under such a system is not surprising.
>
> (3) The appointment of inspectors and the fixing of grades are under the control of the boards of trade.

Listen:

> The appointment of inspectors and the fixing of grades are under the control of the boards of trade. The relation between the inspection and grading power and the purchasing interest is most close and intimate.
>
> (4) Appeals from the decision of inspectors are almost invariably taken to a board of appeals composed of persons who are either directly or indirectly interested in the purchase of grain from the inspection of which the appeal is taken.
>
> (5) That the inspection and grading departments at these great terminals are subservient to and dominated by the great elevator interests is established beyond question.

In a word, this report baldly and nakedly charges that practically without exception the purchasers of grain at great terminals dominate the inspection, appoint the inspectors, fix the grades, and fix them in their own interest. I utterly deny this general statement.

Mr. President, there are two methods of inspection in this country. One is the board of trade inspection, where the inspectors are selected by boards of trade, and the members of boards of trade are grain dealers. In addition to inspection by boards of trade, there is State inspection in the following States: Missouri, Minnesota, Iowa, Illinois, Indiana, Kansas, and Ohio. The State grain inspector, by whatever title he may happen to be known in these respective Commonwealths, is a State officer, appointed by authority of all the people of the State, and not appointed by boards of trade. He names every assistant he has, not by virtue of the let or hindrance of a board of trade or of any grain dealer, but upon his own initiative and under his own oath of office. When, therefore, a report indulges in the extravagant and reckless statements contained in the paragraphs I have read, it ought at once to cease to have the regard of careful men.

In my State we have a State grain inspector who appoints his own deputies, establishes his own office, fixes his own grades, and is under oath that neither he nor any of his inspectors shall be directly or indirectly interested in the grain business. The same thing, in substance, is true of all the other States I have named. I repeat, that when the statement is made in this report to the effect that all of the people engaged in inspection are under the dominance and control of men engaged in the grain business, omitting all consideration of or reference to the fact that in the greatest grain-producing States in the world, embracing the greatest markets in the world, there is State grain inspection, is most astonishing.

Why, Mr. President, a State grain inspector who would do the things that are charged in this report would, first of all, be guilty of a crime, and secondly, he would be incontinently kicked from office. Why? Because whenever he passed as No. 1 a cargo of grain which was in fact No. 2 the man who had purchased No. 1 and received No. 2 would immediately appeal to the superior authorities of the State, demand an investigation, and bring to book the guilty inspector. To deny that is to deny the ordinary course of human events. The statement, therefore, is untrue—of course, unintentionally untrue; but, nevertheless, untrue. It has not a leg to stand upon, so far as State inspection is concerned.

Then follows the statement that in case of appeal, the appeal goes before interested parties. In case of appeal in these States that have State grain inspection it does not go to interested parties. It goes from the inspector to the chief grain inspector. It goes from the employees of the inspection department up to the head of the inspection department, a sworn officer of the law, elected in my State by the popular vote of the people.

Turning to board of trade inspections. I do not think board of trade inspections are anything near so desirable as inspections by the State. Nevertheless, a moment's consideration and reflection will lead any candid man to the conclusion that a statement such as I have made here—

> That the inspection and grading departments at these great terminals are subservient to and dominated by the great elevator interests is established beyond question—

can be true.

Let us look at the matter for a moment. We have heard much about the farmer and how the farmer is gouged by this inspection. Mr. President, the farmer has nothing to do with this case. He is like "the flowers that bloom in the spring." Not 5 per cent of the grain that reaches these great grain centers is, when it reaches there, the grain of the farmer. What farmer in your community, sir—unless he is one of these senatorial farmers who owns 9,000 acres of land and farms it from the floor of the United States Senate—what farmer is there, what ordinary farmer, who sends his grain in his own cars to Chicago or Kansas City or Minneapolis or Indianapolis?

There is the occasional farmer, possibly, who does so, but 90 per cent of all grain sold is sold at the railroad station to somebody who has an elevator. When the grain reaches the market it is the grain of the elevator man. Now, who is he? He is not a weak, helpless farmer, one of the oppressed and downtrodden of the earth, needing the protection of all legislative bodies. He is a shrewd, keen, sharp grain dealer, with plenty of capital. He handles thousands and hundreds of thousands and in some instances millions of bushels a year. Very frequently elevators

are owned by corporations, and often one corporation will own a large number of elevators, stretching along hundreds of miles of railway and located in different States. They buy the grain from the farmer, and they buy it upon sight and upon their own judgment as to its value, and upon the farmer's willingness to sell at that price.

When the grain comes to Chicago, or when it comes to Kansas City, or when it goes to one of these cities where there is board-of-trade inspection, let us see what happens. If the farmer should follow the grain there himself—which would be a very rare occurrence—he would insist on seeing it inspected, and if it was dishonestly inspected he would not deliver the grain. That, however, is not the way the business is ordinarily done.

The business is ordinarily done in this wise: The owner of an elevator has upon the board of trade a commission man or member, who acts as his agent or factor. He ships in grain to that agent or factor, and it is the business of that agent or factor to do for him the best he can possibly do. What is the result? The agent could not keep the business of the elevator man if he did not deal fairly by him and did not protect his interests any more than a dealer at the stockyards could keep the business of the ranchman if he did not deal fairly by him; any more than the lawyer could keep the business of his client if he did not represent him fairly. Accordingly, it is to the interest of this board of trade member to get as good a bargain as he possibly can for his customer who owns the elevator, or even for the individual farmer, who, in rare and spasmodic instances, may ship his own grain. Therefore the seller of grain has upon the market his advocate, his champion, his agent, his factor, his man.

Then what happens? Another man is a consumer. He wants a thousand bushels of wheat. He writes to some man upon the board of trade to buy it for him, and that man gets a commission for buying it for him. If he does not buy it for him on the right terms and protect him, he loses the custom of that consumer. Accordingly, that board of trade man is interested in opposition to the first man of whom I have been speaking. He is interested on the other side of the trade. It is to his interest to protect his customer and get the grain graded as low as possible. The man who represents the "shipper in" is impelled toward the idea of getting as high a grade as possible. The man who represents the "shipper out" is interested in getting as low a grade as possible. Thus, you have now two board of trade men arrayed upon either side of the same proposition, and between these two are inspectors appointed by the board of trade to inspect all grain that comes in.

How long would a board of trade last, how long would men continue to be members of it, if these inspectors, appointed to do justice and to fix a proper grade and standard, were to fix an improper and an unjust grade or standard?

Why, if the grade were fixed too low for the man who received the grain from the elevator, he, as a member of the board, would immediately object, and he would continue to object and fight for his rights, because his commercial life depends upon the success of his fight. On the other hand, the man who represents the consumer in that transaction, if the grain were graded higher than it ought to be, if his customer were to be thereby injured, would fight for a proper grade because of loyalty to his customer and because of loyalty to himself, desiring, as he would, to retain the trade and business of his client.

So when it is stated that these boards of trade inspectors represent one side of all deals it is manifest that the declaration is a mistake. The inspectors can not represent one side in a deal. They must stand in an impartial position.

I am not saying that there may not have been a dishonest trick turned here or there. I am not saying that there may not have been dishonest men upon the boards of trade and dishonest inspectors. But there was a dishonest man among the twelve disciples, and there will be dishonest men among Federal inspectors.

So, Mr. President, the fundamental fallacy of this report is the assumption that there is no such thing as honest State inspection or honest board-of-trade inspection.

The report is full of errors of fact. The very first thing in this report, the sweet morsel that has been rolled under the tongue of this committee, and that has dropped like honey dew from the lips of the distinguished Senator who so valiantly champions the bill, are some resolutions passed at Salina, Kans., seven years ago. It seems to have been the particular bit of evidence that exactly suited the committee, and therefore, like the poor, we have it always with us. I read:

These evils, which have been established by both the positive evidence of witnesses and the record admissions of the boards of trade and State warehouse commissions, which for the most part govern the commerce in grain, may be epitomized as follows:

(1) Lack of uniformity in the grading of grain at the various terminal markets. A resolution adopted at Salina, Kans., January 15, 1907—

Why did we not go back to 1807 for a resolution at Salina, Kans., or at Plymouth Rock—

by independent grain dealers succinctly presents the injustices resulting from this evil. The portion referred to reads as follows:

Quoting:

Too much can not be said and done in favor of a national inspection law. We have no uniform inspection of grain and cotton, the principal farm products, which are so largely dealt in and which are of such great importance to both the producer and consumer. A shipper of grain can not send a car of wheat from one point to another with any degree of security at the present time, take all the precaution he may. A shipper at some point in Kansas may have a car of grain inspected by the Missouri State grain-inspection department as No. 3; the same car of grain may be forwarded to Illinois, and there inspected as No. 4; and from Illinois it may be sent to New Orleans, and there inspected as "no grade"; discounted from place to place anywhere from 1 to 15 cents per bushel, until it falls into the hands of the trust exporter, when it is again inspected as No. 2 and sold for No. 2 at No. 2 price, the difference falling into the hands of the trust instead of the farmer and producer.

I undertake to say that there is not in this record the testimony of a single witness bearing out generalization of these unknown gentlemen who seven years ago met out at Salina, Kans., and who called themselves "the independent grain dealers." That leads me to remark that a little further on I will try and show who some of these distinguished witnesses are.

But I call the attention of the Senator who is the author of this bill to the fact that last January the grain dealers of Kansas distinctly condemned his proposed Federal inspection law. That circumstance probably accounts for the fact that the author of this report preferred a resolution 7 years old to one 4 months old. I have not seen the original resolution, but it is so reported in the press. The Senator from Oklahoma [Mr. GORE] suggests to me "that the resolution may improve with age." Mr. President, the doctrine of improvement with age does not apply in this case. We are dealing with a dry subject. [Laughter.]

I have here a letter written by the State grain inspector of the State of Missouri, Mr. James T. Bradshaw. He was elected by the people at large in the State. He has had some 10 years' experience in the grain-inspection department. He has had occasion to follow and keep track of these questions. Mr. Bradshaw states:

The very first statement in the committee's report is misleading, quoting a resolution adopted by grain dealers at Salina, Kans., January 15, 1907, in favor of national inspection of grain, and leaving the inference that the grain dealers generally of Kansas were in favor of Federal inspection of grain, and hence would favor the bill under consideration.

The fact is that the grain dealers generally of that State are opposed to Federal inspection, and the Kansas Grain Dealers' Association, composed of grain dealers of every part of that State, at a meeting in January of this year, adopted resolutions strongly opposing Federal inspection of grain. So much for that part of the Senate committee's report favoring the bill.

And yet the repudiated resolution of seven years ago was not only made a part of the report, but was dwelt upon in the very forceful speech of the Senator from North Dakota.

Upon that point I desire to submit the statement of Mr. F. G. Crowell, who is to-day the best grain expert there is in the Central West. He makes this statement:

The report of this committee is evidently based on conditions claimed to exist six or seven years ago, and shows a lamentable lack of knowledge as to conditions existing to-day. In providing for the fixing of standards and classification of grain it ignores the fact that the honorable Secretary of Agriculture has, through the bureaus of the department, already established uniform standards for corn grading, effective July 1, 1914, and the Department of Agriculture is now investigating the proper standards to establish for other cereals. When the work of this department is completed, a uniform standard for all grain will have been established, and the only question open for discussion or legislation is the question as to whether the necessity exists for the United States Government to pass any legislation to enforce these standards.

At page 5347 of the RECORD he quotes the St. Louis Merchants' Exchange as being in favor of his bill. This is the quotation:

That the Merchants' Exchange of St. Louis favors the enactment by the United States Congress of such laws as will place the inspection and weighing of grain under Federal control, under such conditions as will insure (1) uniformity of grading, so far as practicable; (2) the preservation of the individuality and the interests of the various markets which have been built up by their own efforts; (3) a square deal to all concerned.

That is quoted as favoring this Federal inspection bill now before Congress.

Mr. President, I do not know what the telegram was which the Senator received, but I am in receipt of a telegram which is in hæc verba the same as the Senator read into the RECORD and which I have just read, but it contains this addititonal

statement, beginning just where the Senator left off in his reading:

On February 25, 1914, on instructions of the board of directors, I wrote you and Senator STONE asking you to oppose the McCumber bill, as we were in favor of Federal supervision of grain, the later action of the board being in line with the recommendation of the Grain Dealers' National Association.

Mr. President, that puts a different face on the matter—"Federal supervision" as opposed to "Federal inspection." The Department of Agriculture has already undertaken, in a measure, Federal supervision; that is to say, the establishment of grades and the securing by the various boards of trade and State grain boards of the adoption of those grades. That is Federal supervision, but it is a very different thing from ousting those who now make the inspection and putting in a lot of Government employees to take their place.

So in so far as the indorsement of the Merchants' Exchange of St. Louis is concerned, instead of being an indorsement it was a condemnation of this bill. Instead of favoring the bill they opposed it; and I presume since the Senate put this witness upon the stand and brought in this resolution and urged it as a reason why we should pass his bill he must admit that the opinion of the Merchants' Exchange is of some virtue and force, and therefore he can scarcely be heard to deny that it is opposition to his bill which ought to be harkened to.

The Senator quoted another authority in his speech. He read from the testimony of one Mr. Beall. The quotation will be found in the RECORD at page 4910.

I want now to give a little of the testimony of Mr. Beall, of Kansas City, Kans. I asked the Senator from Kansas if he knew Mr. Beall, and the Senator spoke very highly of the gentleman and of his truthfulness; and, so far as I know, he is telling the truth here. I want the Senator from Illinois to listen to his statement:

Mr. BEALL—

Quoting:

"In connection with the statement that the last witness has just made in reference to the efforts of the farmers to establish their own commission house, I want to say that the farmers of the State of Kansas in 1905 organized a grain company to be located at Kansas City for the purpose of handling their grain."

I want the Senator to listen carefully, because this will answer his statement that the States are always able to bring about exact justice and see that the people of the country get justice at their hands.

Quoting again from the witness:

For the benefit of the Senator from Kansas, I will say that these gentlemen were composed of such men as W. T. Harris, of Solomon, president of the Citizens' State Bank there; S. H. McCullough, a large farmer; E. M. Black, down at Preston; and a number of other good men throughout the State. They organized this company and started doing business.

Senator LONG. What was the name of the company?

Mr. BEALL. The National Grain & Elevator Co. They started doing business in Kansas City, Mo. The Kansas City Board of Trade immediately passed a rule prohibiting its members from trading with this company in any manner whatever, the penalty for doing so being expulsion from their board and the loss of something like $3,000 or $4,000 as the price of a membership. So that the farmers in Kansas shipped altogether to this company in Kansas City, Mo., about half a million bushels of grain, which they were compelled to forward on a declining market to other points for sale, at a loss of something like $15,000. The National Grain & Elevator Co. are now suing the Kansas City (Mo.) Board of Trade under the antitrust law of that State for three times the loss they sustained, or about $45,000.

That testimony is seven years old. But who is this Mr. Beall, whose testimony is thought to be so important as to bring it in here to the Senate and on it ask us to pass a law that will affect the entire course of trade as to all the cereals of the United States produced upon our vast acreage by all our farmers? Who is he? Here is a telegram, dated March 18, in response to an inquiry as to who Mr. Beall is:

Suspended May, 1905—

Just about the time he gave this testimony, or shortly prior thereto—

for violating rules—

That is, suspended from the board of trade for violating the rules of the board of trade—

by refusing to comply with an arbitrary decision. His membership subsequently sold. Proceeds used toward settling debts. He sued board for damages. Never pushed trial. Was associated with Christee on Kansas side. Was at one time found guilty, and admitted plugging 18 cars wheat at Diamond elevator.

That comes from a responsible man.

Mr. President, of course the committee and, of course, the Senator from North Dakota, when they quoted this man's testimony and relied upon it, did so in the best of good faith; but the vice that springs always from taking the unsupported statement of one man, without ascertaining who he is or what the motives which impel him or the objects which inspire him, is herein well illustrated.

Here was a man who refused to comply with the board of trade rules; here was a man who started a rebellion, who after he was ousted from the Kansas City Board of Trade undertook to start an organization in Kansas of an irregular character; and that man is brought before a committee of Congress and his testimony listened to and accepted as a verity. Instead of ascertaining the general condition, instead of ascertaining not what one man might say but what many would say, instead of finding out the regular and general course of trade and business, we are confronted with the statement of one man, whose mind was poisoned by rancor, hatred, and malice, whose motive was revenge, and who had admitted the charge that he had plugged 18 cars of wheat.

Mr. President, I want now, having, I trust, stripped this structure of these incompetent and rotten props, to consider some other statements contained in the report. I am sorry to say that in many other respects the report appears to be mistaken as to its deductions, its conclusions, and its facts. I have just read the statement that grain would be started in Kansas as No. 2, and get to Missouri and be graded No. 3, and get to Chicago and be graded No. 4, and get to New Orleans and be graded nothing, and get into the hands of the trust shipper, whoever he may be. I take it he is a bit of legislative imagination; I know of no such individual; but when it gets into his hands, this report states, it goes back to No. 2. In the meanwhile everybody along the line has been swindled. This report says or it leaves the inference that the farmer is the man who has been swindled; but, ah, that will not bear analysis for a minute; and why? Did the farmer own this grain and have it graded as No. 2 in Kansas? Did he then haul it to Kansas City and have it graded as No. 3, still owning it? Did he then haul it on down to Chicago and have it graded as No. 4, still owning it? Did he then haul it down to New Orleans and have it graded as nothing, still owning it, and then did this poor, unfortunate farmer sell it to the trust dealer, whoever he may be, and that gentleman run it up to No. 2 grade? Did that happen? If such an instance as that ever happened that grain had passed out of the farmer's hands at the elevator, upon the sidetrack, of his own home country; or if he did not sell it there, he at least sold it when it got to Kansas City.

Now, when it got to Kansas City it got into the hands of a grain dealer. Would that dealer at Kansas City, abundantly able to take care of himself, submit to having his grain that was No. 2 grain marked down to No. 3 in Chicago? Do you not think the Kansas City man would have been in Chicago the next morning asking why he had been plundered? Why, sir, that Kansas City grain man would have emitted a western war whoop that would have made the vessels bob up and down on Lake Michigan. Again, do you suppose that your Chicago man, having purchased that grain as No. 3, and sending it on down to New Orleans, would submit to have his No. 3 wheat, which was in fact No. 2 wheat, graded "no grade," and that he would quietly sit down, supinely fold his hands, while he was being robbed? Everybody knows the man from the "Breezy City" would take the first train for New Orleans, armed with a meat ax, and accompanied by his lawyer.

You are not dealing, I say to Senators, with helpless farmers. This bill deals with men who are engaged in handling grain; it deals with men capable of taking care of themselves. This talk about the innocent farmer having his grain graded five or six times is moonshine. Salina, Kans., seven years ago put something silly of that kind, by way of illustration, into a resolution, which probably was not considered by anybody, but the resolution does not establish the fact. That repudiated resolution, dusty with age and rotten with untruthfulness, we are now asked to make the basis of legislation that will affect the entire country.

Here is what Mr. Frank G. Crowell, one of the most honorable men in my State, whose name is a synonym for integrity, who is a grain expert of the highest order, has to say:

We do not think there is a case on record where barring untoward conditions, such as damage to grain in transit in such manner that the grain may have been exposed to the elements, etc., a car of wheat justifying a grade of No. 2 in the State of Kansas, has shown a lower grade in the State of Missouri, a still lower grade in the State of Illinois, and in New Orleans has been graded as "No grade." The inference intended to be drawn is that a car of wheat grading No. 2 at point of origin, and without suffering any deterioration in transit, can be graded under the present system "No grade" at destination. With the establishment of the uniform grades in the various market centers that now exist, and the adoption of the standards as fixed by the Department of Agriculture, the statement made in paragraph 1 of the report of this committee is simply a figment of the imagination and can not be supported by the facts.

You do not need to read that statement to know that the Palma resolution can not be supported by the facts. You might as well say that a man selling woolen goods from a factory in the State of Massachusetts would, if the purchaser in the State of Missouri declared that the goods were bad, accept the statement of the purchaser and settle in accordance with his de-

mands. The Massachusetts man, being a man of common sense and business acumen, would insist upon his rights, and the owner of a cargo of grain is not going to submit to robbery in that way. It is true if an individual farmer shipped one wagon-load of grain he would have to submit, because there would not be enough involved to pay him to make a contest, but he would never ship again to that market, and no market dare maintain conditions of that kind.

But, I repeat, it is not the individual farmer with whom we are dealing. We are largely dealing with corporations that own big elevators and possess abundant capital. They are in the business for money; and you might just as well try to rob one of those gentlemen as to rob a Yankee in a trade of jackknives.

Mr. MARTINE of New Jersey. I should like to inquire, Mr. President, just where the line is drawn which differentiates the Yankee from the other classes of our countrymen?

Mr. REED. Well, I do not know, Mr. President. It is a general term. I once heard of an old Hebrew, a very good and kindly disposed old gentleman, who had made his fortune in trading out in Chicago. When his son got to be 21 years of age, in accordance with the good old Hebraic custom, he proposed to start his boy in business. He called him to him and said, "Now, my son, I am going to give you $50,000; but if you stay out here in Chicago among these sharp people they will beat you out of it. I want you to go down into the New England States—that is a pastoral, simple people down there—and engage in business. When you get some business experience, then come back here where the smart people are, and you can trade with them." In about three weeks the boy called the old gentleman up on the long-distance telephone and said, "Father, I want $50 to come home on." [Laughter.] The father said, "My heavens, boy; what has become of that $50,000 I gave you?" The boy replied, "Father, they got it all away from me." The father said, "What, that pastoral people got your money away from you?" The boy replied, "Pastoral people, the devil. This is the 10 lost tribes of Israel." [Laughter.]

Mr. President, I know that I ought not to encumber the RECORD with a story of that kind, but it illustrates the general estimate of the New England people. I am wandering from my subject, and beg pardon for having done so. I come back to this statement of Mr. Crowell's. He says:

Of course, under any system of inspection, whether Federal, State, or board of trade, there will always be a difference of opinion of the various inspectors in applying the fixed standards in grading the car "in" or "out" of a market, but an instance of the kind referred to in paragraph 1 of the report has never occurred and never will occur under the present system of inspection existing in the United States.

And, of course, it can not. While I have already discussed the proposition contained in paragraph 2, I want to put into the RECORD at this point the observations of Mr. Crowell. They are as follows:

The statement made that under State laws or board of trade rules, that parties interested as purchasers at the great terminal markets dominate and control all rules regarding the handling of grain, its inspection, and grading, is a reflection upon the honesty, integrity, and ability of every State inspection department and of every board of trade inspection department and is absolutely untrue and libelous. The price of grain is not dependent solely upon the grade it receives; color, weight, and condition are potent factors, and any daily market report or any market center will show, for instance, that No. 3 wheat of a certain kind and texture has sold at a substantial premium over No. 2. It is not true that the purchasers at the terminal markets dominate and control the rules governing the handling of grain, its inspection, etc. The sellers of grain at the various exchanges, through their representatives, the commission men on the floor, outnumber the purchasers 2 to 1. Their one interest is to see that the highest possible price is at all times obtained for the grain intrusted to them by their principal, and the rules and regulations governing the handling and inspection of the grain absolutely protect the interests of their shippers.

The author of the report charges that the purchasers and their representatives dominate all the terminal markets, as if the terminal markets consist solely of purchasers to the exclusion of all other interests; but this is not a fact, as even the slightest familiarity with the manner in which grain is sold on the grain exchanges would show. The States, through their representatives, see to it that impartiality exists in the grading of grain, both upon the grain shipped into the market and shipped out of the market. The sellers of grain have, therefore, a two-fold protection—their commission man or agent representing them in the selling of their grain, and impartial action of the State and boards of trade inspection departments.

That is in exact consonance with what I said, but is perhaps more tersely and better stated. Mr. President, it has to be so. You can not run dens of robbers in this country and continue to transact a great volume of business, constantly increasing and growing as the years go by.

Now, referring to paragraph 3 of the report, I will read what this gentleman states. Paragraph 3 is as follows:

(3) The appointment of inspectors and the fixing of grades are under the control of the boards of trade. The relation between the inspection and grading power and the purchasing interest is most close and intimate.

I have already commented upon that, but I shall put in at this point the comment of Mr. Crowell. He says:

3. The selling interests, or the representatives of sellers on all boards of trade, have just as close and intimate relation to the grading and handling of the grain as the purchasers. The States in many instances, as at Kansas City, Chicago, Minneapolis, St. Louis, etc., fix the standards and inspect the grain through their official representatives.

And yet here is a report solemnly telling us that one side to all board of trade deals, viz, the buyers, names inspectors, fixes the grades, and thus defrauds all others engaged in the trade, when the fact is that in all the principal markets—that is, in the greatest markets—there is State grain inspection, and in the other markets there is an inspection which from the very nature of things must, in general, be honestly conducted.

The fourth paragraph of this report I have already commented upon; but again I want to put in the statement of Mr. Crowell. The fourth paragraph reads:

(4) Appeals from the decision of inspectors are almost invariably taken to a board of appeals composed of persons who are either directly or indirectly interested in the purchase of grain, from the inspection of which the appeal is taken.

I have already commented upon that, and shown that it is not true; but here is what Mr. Crowell says. Of course, being an honorable member of a board of trade, never having been dismissed, never having "plugged" any cars, his views may not be worthy of consideration; but just putting his statement in here as that of an ordinarily honest man, under the severe handicap of having transacted business so that he has kept out of jail, and the further disadvantage of not having been tried and expelled by his own exchange, I submit his observations, which are as follows:

4. Appeals from the decision of inspectors are not taken to a board of appeals composed of persons who are directly or indirectly interested in the purchase of grain. Investigation will show that on all committees of appeals the representatives of the sellers are fully represented, and in a large number of cases constitute a majority of the appeals committee. It must be borne in mind that every buyer of grain ultimately becomes a seller of grain.

That fact entirely escaped the committee that for six years gave profound study to this bill. The committee also overlooked the fact that every member of a board of trade who buys a thousand bushels of grain is as certain to sell that thousand bushels of grain as he is to live; that, speaking broadly, he has to be on both sides of the market every day of his life; that his business consists of a stream of wheat and corn and rye and oats and barley coming in, which he buys for himself or as the factor of another; and that upon the same day or the next day the stream flows out, the board of trade man in this instance selling for himself or as the factor of the man for whom he bought the day before.

To assert that men so situated could engage in a conspiracy to create a board of appeals that would discriminate against the seller is to assert the absurd, because the conspirators would only be stealing money out of one pocket in order to put it into another pocket, and in the meantime would be engaged in a felony out of which he could not profit a penny. On the contrary, he would only succeed in destroying his own business, his market, and in utterly discrediting himself before the world.

Paragraph 5 of the report reads:

That the inspection and grading departments at these great terminals are subservient to and dominated by the great elevator interests is established beyond question.

It is hardly necessary to refer to that, and I pass on by simply submitting Mr. Crowell's remarks. He says:

(5) The inspection and grading departments of terminal markets are not subservient to and dominated by the great elevator interests. These departments work absolutely independently of any interests represented and their grading is as impartial and as uniform as it is possible to make it. The charge that the great elevator interests dominate the inspection of the State and board of trade departments can not be borne out by the facts, and there is no reason why a State inspector could not be and is not as fair and impartial as a Federal inspector.

Mr. President, I know the grain inspectors of my State. They came, for the most part, from the farms or small towns which are in close touch with the farming communities of the State. They were brought to Kansas City and St. Louis, the two terminal markets of the State, and were trained until they became experts in the grading of grain. They retain their old residences out in the State; they count themselves as still residing in the old home counties. They are in constant antagonism to the demands of the selfish interests, and they have no cause to serve except that of justice. If they should fail to faithfully observe the rules and regulations of the State department they would lose their positions and bring themselves into contempt and disrepute. I am sorry that a report should be filed here containing these aspersions upon thousands of men who honorably perform their appointed tasks.

I come to paragraph 6:

(6) As a result of this domination and control has grown what is known as a system of rigid and easy inspection; that is, rigid inspection into the elevator and easy inspection out.

Again, I say that a moment's consideration will show that that position can not be well taken. The man who buys the grain out of the elevator is as likely to be a board of trade man representing himself or representing some other man as is the man who puts the grain into the elevator. To assume that grain in great quantities can be graded into an elevator "rigidly," thus defrauding the seller, and then be graded out "easily," thus defrauding the purchaser, is to ignore the fact that the purchaser is right in the very market and has an office side by side with the seller and that he is a competent, skillful man. Further, the assumption impugns the integrity of every State grain inspector, to say nothing about unofficial inspectors.

Mr. Crowell, commenting upon paragraph 6 of the report, makes this statement:

Inspections out of any elevator are just as rigid as the inspections in, and many years have passed since a custom has prevailed such as outlined in the report, whereby an elevator could control an easy inspection "out" and a rigid inspection "in."

Mr. President, in that connection I call attention to what the committee claim is a demonstration of this statement. By a table, which is printed on page 3 of the report and which purports to set forth the number of bushels of wheat put into an elevator of certain grades and the number of bushels taken out, they claim to have demonstrated that the grain was graded in lower than it should have been and taken out higher than it should have been. This "demonstration" is dwelt on in the report; it is the Gibraltar of the committee. Here the champions of the bill range themselves. This is their bombproof fortress from which they assert no power can expel them.

What is the fact? The committee overlooked the simplest proposition in the grain business; which is, that grain may grade into an elevator as No. 4 and may actually come out as No. 3 or No. 2 or No. 1, and that the inspection in both instances may be absolutely correct. Why? What makes the grades of wheat? The fact that wheat grades low does not mean that no part of the wheat is good and sound, but it does mean that the good wheat is mixed with dirt, weed seeds, or blighted grains. It may be underweight or have other defects. If the percentage of defective or false materials is large, the grain grades low, although the berry may be as perfect as any that ever grew. All that is necessary to do in order to raise the grade is to remove the defective and false materials, and the residuary is good wheat and entitled to a high grade. Just take a gross illustration: Suppose you take a bushel of absolutely perfect No. 1 red wheat, and mix with that bushel of wheat a bushel of weed seeds. You would then, by measure, have 2 bushels; but would you expect anybody in the world to grade those 2 bushels as No. 1 wheat? Such a ruling would compel the purchasers to pay the price of No. 1 wheat for a bushel of weed seed.

Mr. SMITH of Georgia. Will the Senator allow me to interrupt him?

The PRESIDING OFFICER (Mr. MARTINE of New Jersey in the chair). Does the Senator from Missouri yield to the Senator from Georgia?

Mr. REED. Certainly.

Mr. SMITH of Georgia. Do they reduce the quantity as they raise the grade?

Mr. REED. Certainly.

Mr. SMITH of Georgia. They raise the grade and reduce the quantity by cleaning out the chaff. That is the Senator's argument?

Mr. REED. The chaff and other material.

Mr. SMITH of Georgia. And other objectionable material?

Mr. REED. Sometimes they do not even have to appreciably reduce the quantity; I shall come to that in a moment. Returning to my illustration, when that 2 bushels of wheat and weed seed is delivered at the elevator, it probably would be reported as "no grade." But when the elevator man puts it in his separating apparatus and takes every bit of the weed seed out of it, then what have you left? You have a bushel of No. 1 red wheat and you have a bushel of weed seed. The thing that determines the grade of wheat is the degree of foreign material that is found in the wheat, together, in some instances, with certain other deleterious conditions which I will hereafter advert to, among them being the amount of moisture, color, broken grains, etc.

Again, let me give the Senator another illustration. It is the commonest thing in the world to find this sort of condition: Here is a wheat field 160 rods long; a part of the swathe which you are going to cut is down in the valley, part of it is on the side of a hill, part of it is in a swale, and part of it may be where the soil is light. As you run your reaper you may cut wheat affected by black rust, wheat that is blighted, wheat partially developed, and wheat that is absolutely perfect. You have cut from every kind and quality of wheat in that one swath. It all goes through the thrashing machine and comes out together. You have now four or five grades of wheat, some of it absolutely worthless, some of it of slight value, some of it of a medium value, and some of it is perfect wheat. When this wheat goes into an elevator it is the business of the elevator to separate the good from the bad, to put the chaff in one place, the weed seed in another place, the black-rusted wheat in another place; so that, while the mixed material could not be graded as better, perhaps, than No. 4, a part of the separated material may properly be graded No. 1.

The separation and improvement of grain is the ordinary business of an elevator. That is what an elevator is for. Why, if the Senator from Georgia please, you find that in some instances they actually wash the wheat with water. There are some States where there are a great many wild onions which taint the wheat. If the wheat goes into the mill unprepared, the taint of the wild onions follows the flour and it is not fit to use. In cases of that kind, as well as in other instances, they wash the wheat with water and dry it quickly and produce a fine, perfect flour from it. Yet because the elevators have been doing that, because they actually have been improving the product of the farm, because they have been giving value to that which had no value or but little value, because they have been making fit for food and for the market that which theretofore was not fit for food or for the market, they are denounced here as a lot of scoundrels who when they grade wheat in at one number and grade it out at another are guilty of fraudulent practices.

If the Senator will examine the table that is found here on page 3 of the report, he will find from the figures that there was a diminution of the amount of grain. The Senator from Oklahoma [Mr. GORE] suggests, in his usual pointed way, that the rule the committee is applying here would bar a wool dealer from washing his wool, lest having improved it by scouring he would at once be liable to the charge of skullduggery, when all he was doing was removing the grease and dirt.

Take this very table that is exhibited in the report. It shows receipts of 890,245 bushels and shipments of 877,512 bushels, showing a net diminution in quantity of 12,733 bushels, which is stated here as "on hand, estimated"; but it can not be estimated as wheat on hand. It must be "estimated" as a certain amount of material.

Mr. President, I want to drive this point home. I want to leave no doubt about it. I hold in my hand the rules of the State board of Missouri, and I invite the attention of the Senators who are here to these rules. They show upon their face why grain going into an elevator at one grade may come out at another grade.

I will take the red winter wheat specifications:

No. 1 red winter wheat shall be pure, soft, red winter wheat, of both light and dark colors, dry, sound, sweet, plump, and well cleaned, and weighing not less than 60 pounds to the measured bushel.

Contrast that with No. 3:

No. 3 red winter wheat shall be sound, soft wheat, not clean or plump enough for No. 2, shall not contain more than 8 per cent of white winter wheat—

It allows a mixture of another wheat with it, because the wheat has been mixed in the field—

and weigh not less than 55 pounds to the measured bushel.

You see at once there is a difference of 5 pounds in weight, and that 5 pounds is accounted for very frequently by the foreign material, the chaff and the dirt, which is in the wheat. There is 5 pounds allowed there; and, of course, if you take out the imperfect wheat until the remainder weighs 60 pounds to the measured bushel you have a wheat that, so far as weight is concerned, grades No. 1.

Now, take No. 4:

No. 4 red winter wheat shall be soft red winter wheat; it shall contain not more than 8 per cent of white winter wheat; it may be damp, musty, or dirty, but must be cool, and weigh not less than 50 pounds to the measured bushel.

There is a loss of 10 pounds allowed for, and musty wheat is allowed for, and dirty wheat allowed for; but when you take out the dirt you have taken out one of the elements which reduced the grade. When you take out the light grains, as they can be taken out by the draft process, you may again raise the grade of the wheat; and if there is no must there that can not be gotten rid of, it is possible to transform that wheat into a No. 3 wheat or possibly even into a No. 2.

Mr. SMITH of Georgia. You raise the weight of part of the wheat and lower the weight of part of it.

Mr. REED. Why, certainly. You take a measured bushel of wheat; you take out of it all the shriveled grains of wheat, which make a light bushel. You take out the dirt, the chaff, the weed seed, and stuff of that sort, and you have left a less measured quantity, but what you have is the good which has been separated from the bad.

To take an illustration, suppose No. 1 apples were required to be free from specks, and suppose a farmer brought in a load of a thousand apples, and there were 100 specked apples in the load. The load would not grade as No. 1 apples, because the load is not free from specked apples. Suppose, however, the farmer should pick out every specked apple, and were then to return with nothing but 900 sound, good apples. Would he have perpetrated a fraud because he took out the bad from the good? Neither would the dealer who bought the load as No. 2 while it contained the specked apples be guilty of a fraud. And having bought as No. 2, he would not be guilty of fraud if, having thrown out the specked apples, he were then to sell the sound ones for No. 1.

That is all there is in this wonderful mare's-nest which it took six years to discover and which has led to the characterization of honest and decent men as rogues and scoundrels.

Mr. President, I do not want to conclude my remarks to-night, and if it is agreeable I should like to have this matter go over.

The PRESIDING OFFICER (Mr. MARTINE of New Jersey in the chair). Is there objection? If not, the bill will go over.

Mr. McCUMBER. Mr. President, I did not understand the request.

The PRESIDING OFFICER. The Senator from Missouri asked that the bill might go over for to-night.

Mr. McCUMBER. It does seem to me as if we ought to go on at least until 5 o'clock. We adjourned over Saturday waiting for the Senator to return, and we have tried to accommodate him in many ways. It does seem to me that now, when others are crowding their bills upon the Senate, we at least ought to run on until 5 o'clock.

Mr. LODGE. Mr. President——

The PRESIDING OFFICER. Does the Senator from Missouri yield to the Senator from Massachusetts?

Mr. REED. Certainly.

Mr. LODGE. I desire to speak very briefly on this bill, and if it will be agreeable to the Senator from Missouri I will speak now, and he can continue to-morrow.

Mr. REED. It will be quite agreeable to me.

Mr. SHIVELY. Mr. President, I wish to give notice that we expect to have a brief executive session to-night.

Mr. LODGE. The Senator will allow me to conclude what I wish to say?

Mr. SHIVELY. Certainly. I am just giving notice of the executive session.

Mr. LODGE. Mr. President, the case in opposition to this bill has been argued so thoroughly by the Senator from Illinois [Mr. SHERMAN], the Senator from Minnesota [Mr. NELSON], and to-day by the Senator from Missouri [Mr. REED] that it would be a work of supererogation for anyone to attempt to add anything to it. I should not detain the Senate at all were it not that there are some views in opposition to the bill which are held very strongly by persons interested in the question in my State which I feel it to be my duty to lay before the Senate.

Of course, in New England, and in my State particularly, we are consumers of grain, and we are also exporters of grain. There is a large export of grain from the port of Boston; and we have an inspection and supervision there under the chamber of commerce which, I believe, is the system in use in some other States where there is no State inspection.

I wish briefly to lay before the Senate some of the objections which we find to this bill. I do not know precisely what amendments are intended to be proposed, if any; and in what I am about to say I shall deal with the bill as it appears.

Mr. GORE. Mr. President——

The VICE PRESIDENT. Does the Senator from Massachusetts yield to the Senator from Oklahoma?

Mr. LODGE. Certainly.

Mr. GORE. I should like to call the Senator's attention to the fact that I have offered a substitute for the pending bill, which I will present to the Senate for a vote later on.

Mr. LODGE. Yes; I understood the Senator intended to offer a substitute; but I merely wish to say that my objections, such as they are, are submitted as against the bill reported by the committee and now before us.

Section 8, in lines 5 to 13, provides in effect that when a carrier receives grain to be shipped in interstate commerce, said carrier shall within 24 hours notify the chief grain inspector at the point of destination of the shipment of grain that such grain is in its hands for shipment. When such shipment is made from certain designated cities, as noted in section 2, there must be inspection at such originating point.

The same section, beginning with line 21 and running to the end of the section, states that the inspector at the point of destination of such shipment, upon receipt of the notice from the carrier mentioned in the clause to which I referred, must inspect the shipment of grain referred to in the notice. It is therefore seen that no choice is left to the chief inspector at the point of destination of the shipment, regardless of what may have been done to the grain en route. His only orders are to inspect grain upon receipt of the notice. It seems to me that that would, in many cases, lead to duplication in inspection.

I know the argument has been made that section 8, lines 14 to 20, obviates the need of inspecting grain the second time—for instance, at Boston, if it has already been inspected at Chicago; but I am not clear that that is the case. It merely states that it shall be unlawful to unload grain that has not been inspected. It does not state clearly that there need not be two inspections nor does it seem in any way to controvert the other provisions of the section. Therefore I think there is some ground for the criticism that there is an ambiguity in the provisions for the inspection of grain.

I now come to the second point—the impracticability of enforcing the proposed law. I take, of course, an illustration from my own part of the country, about the conditions of which I have been informed and with which I have some familiarity.

About 60,000 to 100,000 cars of grain annually enter New England. Of this number only three or four thousand are inspected. This shows how very little the usages of the trade require inspection at destination. To inspect this small proportion of the total number of cars coming into New England annually a force of from six to seven men is required. As inspection is always required at the end of the haul, a force of at least ten times the number now employed would be necessary properly to inspect the grain under this bill.

It is not easy to get a competent inspector; and to get a force of the size that is thought by those familiar with the grain trade in my State to be necessary would take time, if it would not be impossible to obtain it. The Government certainly would have to have inspectors of the highest ability, for it would not be willing to lower the existing standards of inspection. In view of the fact that it is a matter of common knowledge in the grain trade that first-class grain inspectors are hard to find, it is felt by those who are interested in dealing in grain at Boston—and, I think, in New England generally—that it would be very hard to get suitable inspection.

The difficulty of getting inspectors, which is more serious in the East than in the West, would lead probably to delay and possibly to deterioration of the grain, and consequent loss to the owner. It would give rise, as is set forth by the chamber of commerce in their statement, to demurrage charges, for the railroads could not be expected to allow their cars to be used as grain elevators without some reimbursement. They state, and I believe correctly, that under the present system a dealer can usually avoid such a demurrage charge, as he is a free agent; but under the system proposed in the bill it is perfectly conceivable that an inspector might require several days to reach a given point, and thus the owner of the grain, through no fault of his own, would be forced to pay to the railroad charges for storage.

Then there would be the diversion of cars in transit to points where an inspector was ready, in order that such contingencies as I have spoken of might be avoided. This would tend to handicap the prompt movement of cars, to congestion of terminals, to additional cost of operation to the railroads, and to a shortage of cars by tying up equipment, followed by a general holding up of the trade in the New England region. I am speaking of that region, where grain elevators are not so plentiful as they are in the West and where, as I say, we are a consuming and exporting community.

The effect that is most feared in New England and in Boston is the needless interruption of business, and practically the imposition of a tax which is not called for by the usages of the trade. I will give an illustration furnished me by the Boston Chamber of Commerce.

At the present time traders on the floor of the Boston Chamber of Commerce buy "Daugherty's oats," as they are called. They have been buying them for years, and they know just what sort of oats they will get. They are perfectly content to take the oats on the trade name. This is also true of many other brands and kinds of grain. Under this law it is compulsory that the grain shall be inspected—a procedure which the

trade cares nothing about, and which, in fact, it does not desire. So a tax is levied upon the trade for a totally unnecessary process, and the profits of the business are decreased.

In connection with this sort of trading, it must be remembered that grains of this sort are never subjected to inspection, because the usages of the trade have never found such inspection desirable. A man may buy a carload of corn at Palmer, a town in my State, to be shipped to his farm at Durham, N. H. He wants this corn for his own use, and does not care in the slightest about getting it inspected. In fact, he would prefer not to have it inspected, as it would involve a charge and a delay for something he does not desire. Being an article of interstate commerce, however, this carload of corn must be inspected before it can be unloaded at Durham.

I know it has been argued that under this bill a double inspection is not required; but it does seem to me, after such examination as I have been able to give to the bill, that it would be necessary, if you attempted to follow out the law strictly, in many cases. If, however, for the purposes of argument we assume that double inspection is not required, that brings us to another objection to the bill which is very important to us on the seaboard; and that is, first, the lack of inspection at the point of export.

When buying grain under ordinary conditions the foreign buyer—and it is the foreign buyer with whom we deal in the seaboard cities like Boston—does not care what the condition of the grain was when it left Chicago if weather conditions were such that when it left Boston it was not in good condition; yet this is the sort of thing that can prevail under the provisions of the bill, as grain frequently changes in condition between the initial point and the point of export. Let us say that the corn is in good condition, as shown by inspection, when it leaves Chicago. It goes to Galveston, whence it is to be exported to Liverpool. Section 13, however, states that—

> Where grain has been once inspected thereunder, and remains unmixed with other grain, the same need not be reinspected at the place from which it is exported.

Clearly stating that since the grain was inspected at Chicago, it need not be reinspected at Galveston. If, however, the corn heats, as is often the case, I am informed, on the trip to Liverpool, because of an undue amount of moisture, such an inspection as the one at Chicago is not of the slightest information to a foreign buyer unless he knows, in addition to his knowledge of the condition of the grain when it left Chicago, what its condition was when it left Galveston.

Then there is the question of the responsibility for inspectors' errors. That is a matter which is of very great moment to our people in Massachusetts. I will take an example given me by the chamber of commerce.

Grain is shipped to Boston from the west as No. 2. When it reaches Boston, the Federal inspector inspects it and says it is No. 3. The exporter has his contract to fulfill, calling for No. 2 grade, and as he can appeal only to the chief inspector, who might decide against him, and then to the Secretary of Agriculture, all of which would take up time, and as it is usually imperative that he have an immediate decision in his favor, as otherwise the boat will sail without his cargo, he is confronted with a choice of losses, as follows:

He may allow the boat to sail without loading a cargo, in which case he must pay for "dead freight" and suffer loss through suit for breach of contract; or he may ship the grain as a lower grade than stipulated in the contract, in which case he can be sued for nonfulfillment of the contract; or he may go into the open market and buy sufficient grain of stipulated grade, probably at a loss of thousands of dollars, with which to fill the contract.

Where we have a Government inspection in this way there is no redress. The exporter is exposed to all this loss, and has no redress in case the inspector has made an error. As it is at present, however, he does have redress against the inspectors of the chamber of commerce, if there is an error.

Mr. NELSON. Mr. President——

The VICE PRESIDENT. Does the Senator from Massachusetts yield to the Senator from Minnesota?

Mr. LODGE. Certainly.

Mr. NELSON. If the Senator will allow me for a moment, I desire to say that in connection with our State system of inspection in Minnesota the inspectors are required to give a bond to the State; and if any dealer is injured by the action of the inspectors, he can bring a suit on that bond, although it is a bond running to the State.

Mr. LODGE. Precisely.

Mr. NELSON. There is no such protection in this bill, however.

Mr. LODGE. Exactly. In the States where the State system of inspection exists the dealer is protected, the buyer or the seller or the exporter; and with us there is a responsibility which comes on the chamber of commerce and its inspection.

Mr. SHERMAN. Mr. President——

The VICE PRESIDENT. Does the Senator from Massachusetts yield to the Senator from Illinois?

Mr. LODGE. I do.

Mr. SHERMAN. I wish to state, in this connection, that under the statute of Illinois a like bond is required as in the State of Minnesota, furnishing complete indemnity.

Mr. LODGE. Mr. President, as to the effect of the grain inspection, there is a point made very strongly by those who deal in grain in Massachusetts.

Mr. REED. Mr. President——

The VICE PRESIDENT. Does the Senator from Massachusetts yield to the Senator from Missouri?

Mr. LODGE. Certainly.

Mr. REED. I am sorry to interrupt the Senator.

Mr. LODGE. I yield very gladly.

Mr. REED. In the State of Missouri the chief inspector and all his deputies are required to give bonds similar in character to those referred to by the Senator from Minnesota.

Mr. LODGE. That secures the redress of which I spoke for the dealer and the purchaser and exporter.

Under the provisions of this bill there is to be a chief inspector and such deputies as may be necessary at Portland, Me., Boston, New York, Philadelphia, Baltimore, Chicago, Minneapolis, Duluth, Superior, Kansas City, St. Louis, New Orleans, Seattle, Tacoma, and San Francisco, and additional points in the discretion of the Secretary of Agriculture. If we are to have this regulation, with the burdens which it imposes, it seems only fair that every shipper who takes part in interstate commerce should bear his part of the burden, just as he should have his share of the profits. Thus, to take an example, grain moving from Peoria, Ill., not a point designated as one to have an inspector, would avoid the cost of inspection. Therefore corn moving from Peoria would be favored over corn moving from Chicago, a point where an inspection must be made. Of course, additional points may be designated by the Secretary of Agriculture, but that opens an unlimited vista of points for chief inspectors.

The bill provides for inspection of grain at certain designated points, and excludes many other points where the grain interests are entitled to equal privileges, where their interests lie. Business will not be compelled to go by way of certain routes. To avoid the granting of special privileges, it will be necessary to supply many thousands of points with inspectors to provide for all of the routing of grain, and that will entail enormous expense, which, of course, the grain will ultimately pay.

As to the foreign export trade, which is of the utmost importance to my constituency, I have seen and I have heard no argument which leads me to believe that this will effect any improvement on present conditions. In fact, in my judgment, Federal inspection could not help having an unfavorable effect on the export business in grain, for the reason that raising the standards of inspection—and it is safe to assume that it is not the intention of the bill to lower the standards—would decrease rather than increase our export business.

The foreign business in grain is very largely a business of trading in documents or contracts, and these contracts oftentimes pass through many hands before reaching the buyer who receives the shipment. Inasmuch as the trade abroad is handled in this way, it can be readily seen that raising the standards of grading would not improve, but would lessen our chances on export business, inasmuch as the standards already in force in this country are higher than those in force in any competing country, and it is a well-known fact that our grades of grain stand higher abroad than those of other countries. If our standards are raised still higher above those of competitors—and the old standards are already perfectly satisfactory, as experience, on the whole, during the past few years has proved—raising the grades can only result in lower prices to our farmers or a decrease in our export business. The surplus grain that we have to sell from this country can not be improved by grading, but the price that it brings can be materially lessened by grading it lower than it is now graded.

The varying climatic conditions in this country make it impossible to grade grain fairly under the same rules at all points, as no doubt would be insisted upon under Federal inspection. Long experience and strict supervision of the various boards of trade and chambers of commerce of this country have brought about, on the whole, satisfactory conditions for the

grading of grain; that is, as far as I can discover. The certificates of the Boston Chamber of Commerce in exports are accepted abroad. They are established. Our business has been done on those certificates. It is for the interest, of course, of the Chamber of Commerce and the export business from Boston to maintain a good inspection. Their business rests upon it, and we have been in the habit of selling abroad on those certificates.

Mr. President, here we have a system of inspection by States and by boards of trade and chambers of commerce which is working well. I do not mean to say that there are no evils in the system of selling and disposing of grain that can not be remedied, but I do think that it would be a great mistake to establish this huge Federal machine. We can not tell how many inspectors it will ultimately have. They will have to multiply inspecting points in order to give equality to all who are dealing in grain. To construct this vast machine and wipe out all the present system on which grain is inspected and sold, dislocating a business which is an enormously important one, upsetting our export trade and all our relations with foreign buyers, and which is an immense subject of export, as Senators are aware, and to do it by a law of this kind is a very great mistake.

If improvements are needed, or if it is thought that we shall give greater justice to the producer and improve our export trade by Government supervision, I do not know that there is any objection to that, though I think it should be carefully guarded. But certainly, Mr. President, I do not see any good reason for putting all this additional burden upon this branch of a business in which the people of Boston and my State are interested both as buyers for their own use and as exporters for the foreign trade.

Mr. NORRIS. Mr. President, I am interested to know whether there will be an increase of expense. It is claimed on the other side that it will cost no more to inspect the grain after the bill is passed than it costs now.

Mr. LODGE. I am not an expert on the subject.

Mr. NORRIS. Neither am I. I am trying to get information.

Mr. LODGE. I can only take the testimony of those who are familiar with the subject.

Mr. NORRIS. I wish to ask the Senator if the grain that is exported from Boston is inspected at Boston before it is exported?

Mr. LODGE. I understand it is all inspected under the provisions that apply in the case of other States or other boards of trade.

Mr. NORRIS. As a matter of fact is that grain inspected before it comes to Boston at some other point or points?

Mr. LODGE. I do not know. I do not know whether they would take a certificate from an interior point or not.

Mr. NORRIS. I wish to know if, under the present system, there is not sometimes double inspection?

Mr. LODGE. They claim there is none, but I do not know how that is. At all events the expense does not fall upon them.

Mr. WEST. Mr. President——

Mr. LODGE. I yield to the Senator from Georgia.

Mr. WEST. I wish to ask just one question before the Senator from Massachusetts takes his seat. He stated that this enormous expense for grain inspection would have to be paid by the grain of the country. Why is $850,000 appropriated in the bill to pay the expense?

Mr. LODGE. That is, of course, for the Government machinery. I am speaking of the burden it places on the trade. They think it will lead, as I tried to show, to demurrage charges, and to serious losses by differences in the grading and to duplication of the grading, for which they will have to pay. They will have to pay for the inspection despite this large appropriation.

Mr. WEST. Does the Senator from Massachusetts think that the standardization could be kept up just as well by the States as by the National Government?

Mr. LODGE. I have no objection and I do not think anyone has any objection to the National Government fixing standards. I do not think there is any objection to that, but the objection comes to breaking down the whole inspection system and substituting a great machine of Federal inspection for it.

Mr. REED. The Senator from Nebraska [Mr. NORRIS] asked the Senator from Massachusetts as to the cost of Government inspection. The report on file estimates the cost at from 35 cents to 75 cents a car, and I think, if my recollection is not in error, strikes an average of 50 cents. I hold in my hand a letter, which I intend to introduce to-morrow, by Mr. John T. Duvel, crop technologist, in charge of grain standardization. It bears date of to-day. In it he states:

> On the basis of our investigations it is believed that the cost of inspecting grain outright by the Federal Government would be approximately $1 per car to do the work thoroughly, and that it would take a total appropriation of not less than one and one-half million dollars.

Mr. McCUMBER. Has the Senator from Massachusetts concluded?

Mr. LODGE. I have concluded.

Mr. McCUMBER. I wish right here to correct an error that is made with reference to the cost and then I will answer the proposition made by the Senator from Massachusetts, a proposition which he admits almost in the beginning is based upon what he understands the bill to be and without reference to any proposed amendments. If the bill should be as he understands it to be, many of his arguments, of course, would be applicable. They are not applicable as I understand the bill to be and as I intend it shall be beyond any possible question before it leaves the Senate.

Mr. LODGE. I wish to say that, of course, I could not discuss amendments not reported by the committee and that do not appear in the bill.

Mr. McCUMBER. I so stated; but the amendments are to make certain what I intended the bill to mean. I had from the Chamber of Commerce of Boston the same letter the Senator speaks of, and also from New Hampshire, and I think from Vermont, and other New England States. I sent a copy of the bill with the proposed amendments, and a letter explaining its purpose, and when and where and upon what conditions under the bill the inspections would be had. I received a number of letters from those who are dealers saying that with that explanation and with those proposed amendments they are entirely satisfied.

But the particular thing I rose to correct at this time was the statement of the cost and expenses brought out by an inquiry from the Senator from Georgia [Mr. WEST]. The bill appropriates $850,000. Before the Government can pay an employee who does the inspecting it has to have authority from Congress in the shape of an appropriation to pay that employee. The Government gets it back under the bill immediately or practically as rapidly as it pays it out. It gets it back in the fees that are charged, just as they are charged to-day, on each carload or bin of grain that is inspected.

I had an estimate made by the Agricultural Department, and the estimate was that 40 cents per carload would pay the entire expense. I had them make an estimate of the number of men who would be required. They gave me a statement showing the number of men now employed at all the great terminals to which we expect the bill to apply. They made their estimates upon that and upon the usual wages that are paid, and stated that $850,000 would be necessary to pay about 650 men, who are now inspecting under the present system and who, under this system, would be taken over into the Federal system.

Mr. WEST. And it would not in the end cost the Government anything?

Mr. McCUMBER. It would not in the end cost the Government one penny, no more than it now costs the States. I have before me an estimate made from the State of Minnesota, for instance, in which, in charging I think only 25 or 35 cents a carload, there was over $20,000 profit to the State of Minnesota. That went toward the payment of their expenses. I think 35 cents a carload will cover all the expenses, while under the present system the charges run from 35 cents up to 75 cents per carload.

Mr. WEST. Mr. President, I have been apprehensive that it would be somewhat like the Postal Savings Bank System—that it would not near pay the expense of running it.

Mr. McCUMBER. We have made an allowance for the extra cost which I admit exists in the conduct of business by the Government, and after making that allowance we arrive at $850,000 as the probable expense which would have to be paid out; and it would be repaid. The bill provides that the fees paid shall be the same as those usually paid now under the several systems.

Mr. SHERMAN. Mr. President——

The VICE PRESIDENT. Does the Senator from North Dakota yield to the Senator from Illinois?

Mr. McCUMBER. I yield.

Mr. SHERMAN. I want to inquire of the Senator from North Dakota if he knows of any department conducted by the Federal Government that is self-sustaining?

Mr. McCUMBER. I do not know many where the charges for the services are made upon the people served. In every instance, I presume, where that charge is made and where the law says it shall be self-sustaining, it probably will be self-

sustaining. This very bill provides that the amount of charge for inspecting per carload shall be sufficient to pay the expense of the conduct of the inspecting business.

Mr. SHERMAN. The Post Office Department is supposed to be self-sustaining, but it is not. It never has been, and it is not now.

Mr. McCUMBER. This service must be self-sustaining under the bill.

EXECUTIVE SESSION.

Mr. SHIVELY. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to, and the Senate proceeded to the consideration of executive business. After 8 minutes spent in executive session the doors were reopened, and (at 5 o'clock and 21 minutes p. m.) the Senate adjourned until to-morrow, Wednesday, April 29, 1914, at 12 o'clock meridian.

CONFIRMATIONS.

Executive nominations confirmed by the Senate April 28, 1914.

UNITED STATES DISTRICT JUDGE.

Oliver B. Dickinson to be United States district judge for the eastern district of Pennsylvania.

UNITED STATES ATTORNEY.

Charles A. Karch to be United States attorney, eastern district of Illinois.

UNITED STATES MARSHALS.

John J. Bradley to be United States marshal for the northern district of Illinois.

Joseph Howley to be United States marshal for the western district of Pennsylvania.

POSTMASTERS.

GEORGIA.

John H. Hodges, Perry.

MARYLAND.

William E. Burke, Taneytown.
Thomas J. Coonan, Westminster.
Victor F. Cullen, State Sanatorium.
Henry C. Lawder, Havre de Grace.
William D. Lovell, New Windsor.
Michael J. Tighe, Laurel.
Millard H. Weer, Sykesville.

MASSACHUSETTS.

John L. Markham, Ayer.

MISSISSIPPI.

William C. Hill, Ellisville.

NEW YORK.

Hugh W. McClellan, Chatham.

OHIO.

Charles R. Musson, Arcanum.

OKLAHOMA.

Charles E. Howe, Gotebo.

PENNSYLVANIA.

John J. Remaly, Bath.
Albert Smith, Shickshinny.

HOUSE OF REPRESENTATIVES.

TUESDAY, *April 28, 1914.*

The House met at 12 o'clock noon.

The Chaplain, Rev. Henry N. Couden, D. D., offered the following prayer:

We seek Thee, O God our heavenly Father, and pray with all the fervor of our souls for Thy sustaining grace, that we may be upheld and guided in the present crisis by Thy spirit, that whatsoever we are called upon to do may be done with vigor in the interest of humanity, that civilization may be advanced, and a world-wide peace be established on a firmer and more lasting foundation; "that nation shall not lift up sword against nation, neither shall they learn war any more," but each vie with each in the peaceful pursuits of life, in brotherly love and kindness; for Thine is the kingdom, and the power, and the glory forever. Amen.

The Journal of the proceedings of yesterday was read and approved.

VOCATIONAL EDUCATION COMMISSION.

Mr. HUGHES of Georgia. Mr. Speaker, I ask unanimous consent to call up Senate joint resolution 142, authorizing the vocational education commission to employ such stenographic and clerical assistants as may be necessary, and so forth. This resolution was referred to the Committee on Education, which has reported it favorably.

The SPEAKER. The gentleman from Georgia asks unanimous consent for the present consideration of a resolution which the Clerk will report.

The Clerk read the title of the resolution.

The SPEAKER. Is there objection?

Mr. FITZGERALD. Reserving the right to object, does this merely authorize the commission to employ stenographers to be paid for out of the appropriation heretofore made?

Mr. HUGHES of Georgia. That is the intent of the resolution.

Mr. FITZGERALD. Have they not that authority already?

Mr. HUGHES of Georgia. We thought we had that authority under the original resolution passed here January 20, but the Comptroller of the Treasury insists that this resolution be passed before he will agree to pay these expenses.

Mr. FITZGERALD. It does not increase the appropriation?

Mr. HUGHES of Georgia. It does not increase it. It simply gives them authority to pay for these stenographers and secretaries.

Mr. STAFFORD. In the original bill there is a limit on the amount of the appropriation?

Mr. HUGHES of Georgia. Yes.

Mr. MANN. Reserving the right to object, has this bill been reported by the committee?

Mr. HUGHES of Georgia. Yes; it is reported favorably.

Mr. MANN. This morning?

Mr. HUGHES of Georgia. This morning.

Mr. MANN. The gentleman can put it on the Unanimous Consent Calendar and reach it in the regular order next Monday, I think.

Mr. HUGHES of Georgia. I would like very much, indeed, if the House would act upon it to-day. It is something that ought to be done.

Mr. MANN. Every gentleman who has a bill would like to have it acted upon immediately.

Mr. HUGHES of Georgia. I will say to the distinguished gentleman that this is a case of emergency. These employees have been at work almost day and night, and we thought we had the right under the original resolution to pay them. They need their money.

Mr. MANN. The gentleman could have introduced a resolution some time ago and reported it, and had it considered by the House, but he did not.

Mr. HUGHES of Georgia. I would like to say to the gentleman that we thought this was covered in the original resolution, until the comptroller recently raised the question. This resolution was passed a day or two ago in the Senate, and referred to the House Committee on Education, and was acted upon by that committee this morning.

Mr. MANN. Personally I am in favor of the passage of the resolution; but I think it is a very bad practice, when the matter can be put on the Unanimous Consent Calendar and considered next Monday, to ask unanimous consent now, before the resolution has been printed as reported, to consider it in the House.

The SPEAKER. Is there objection?

Mr. HUGHES of Georgia. I wish the gentleman would permit this to be an exception.

Mr. MANN. I feel obliged to object to this method of procedure.

The SPEAKER. The gentleman from Illinois objects.

MESSAGE FROM THE SENATE.

A message from the Senate, by Mr. Tulley, one of its clerks, announced that the Senate had passed bills of the following titles, in which the concurrence of the House of Representatives was requested:

S. 3696. An act providing for the removal of snow and ice from the paved sidewalks of the District of Columbia;

S. 5289. An act to provide for warning signals for vessels working on wrecks or engaged in dredging or other submarine work;

S. 5031. An act quieting the title to lot 44, in square 172, in the city of Washington;

S. 4552. An act granting pensions and increase of pensions to certain widows and dependent relatives of such soldiers and sailors;

S. 4377. An act to provide for the construction of four revenue cutters; and

S. 3590. An act to make the appointment of pay clerks in the United States Navy permanent and to create the grade of chief pay clerk, and for other purposes.

SENATE BILLS REFERRED.

Under clause 2, Rule XXIV, Senate bills of the following titles were taken from the Speaker's table and referred to their appropriate committees, as indicated below:

S. 3590. An act to make the appointment of pay clerks in the United States Navy permanent, and to create the grade of chief pay clerk, and for other purposes; to the Committee on Naval Affairs.

S. 4552. An act granting pensions and increase of pensions to certain soldiers and sailors of the Civil War, and certain widows and dependent relatives of such soldiers and sailors; to the Committee on Invalid Pensions.

S. 5031. An act quieting the title to lot 44, in square 172, in the city of Washington; to the Committee on the Public Lands.

S. 5289. An act to provide for warning signals for vessels working on wrecks or engaged in dredging or other submarine work; to the Committee on the Merchant Marine and Fisheries.

S. 3696. An act providing for the removal of snow and ice from the paved sidewalks of the District of Columbia; to the Committee on the District of Columbia.

ENROLLED BILLS SIGNED.

Mr. ASHBROOK, from the Committee on Enrolled Bills, reported that they had examined and found truly enrolled bills and joint resolution of the following titles, when the Speaker signed the same:

H. R. 11269. An act granting pensions and increase of pensions to certain soldiers and sailors of the Civil War and certain widows and dependent children of soldiers and sailors of said war;

H. R. 5487. An act to authorize an additional appropriation for the erection of the United States appraisers' stores building at Milwaukee, Wis.;

H. R. 122. An act authorizing the State of California to select public lands in lieu of certain lands granted to it in Imperial County, Cal., and for other purposes; and

H. J. Res. 204. Joint resolution authorizing the Secretary of Agriculture to make exhibits at forest products expositions to be held in Chicago, Ill., and New York, N. Y.

THE LATE REPRESENTATIVE PEPPER.

Mr. KIRKPATRICK. Mr. Speaker, I ask immediate consideration of the following order, which I send to the Clerk's desk.

The SPEAKER. The Clerk will report the order.

The Clerk read as follows:

Ordered, That Sunday, the 3d day of May, at 12 o'clock, be set apart for addresses on the life, character, and public services of Hon. IRVIN S. PEPPER, late a Representative from the State of Iowa.

The order was agreed to.

OLD TRAILS.

Mr. BORLAND. Mr. Speaker, I ask unanimous consent for a change of reference of the bill H. R. 2864, which is now before the Committee on Agriculture. I ask that it be referred to the Committee on Roads.

The SPEAKER. The Clerk will report the bill by title.

The Clerk read the title of the bill (H. R. 2864) to be known as the Daughters of the American Revolution old trails act, to provide a national ocean-to-ocean highway over the pioneer trails of the Nation, thus making a continuous trunk-line macadam road from the site of Jamestown, Va., and from the city of New York, N. Y., to the city of Washington, D. C.; thence by way of St. Louis, Mo., to Gardner, Kans., and there to branch, one branch leading through Santa Fe, N. Mex., the other branch leading from Gardner, Kans., through Kearney, Nebr., to Olympia, Wash.; also to aid the States through which the highway herein described as the national old trails road shall run in extending, constructing, rebuilding, and repairing same.

The SPEAKER. The gentleman from Missouri [Mr. BORLAND] asks unanimous consent to discharge the Committee on Agriculture from the bill just reported, and to refer the same to the Committee on Roads. Is there objection?

Mr. MANN. Reserving the right to object, I should like to ask the gentleman whether the Committee on Roads would have jurisdiction to report such a bill?

Mr. BORLAND. I think so. The Committee on Roads seem to think so. The Committee on Agriculture, since the creation of the Committee on Roads, have disclaimed any jurisdiction over bills for the construction of roads or for the locating or improvement of roads or for Federal aid to roads in any form. This bill, being a bill for Federal aid to a particular road, is within the jurisdiction of the Committee on Roads.

Mr. MANN. I do not have the rule before me, but I am under the impression that the Committee on Roads under the rule can not report a bill for a particular road.

Mr. LEVER. I think the gentleman from Illinois is correct in his recollection. The Committee on Agriculture, however, has disclaimed jurisdiction of the bill, because since the creation of the Committee on Roads it has taken the position that it should not handle such propositions. As chairman of the Committee on Agriculture I have no objection to the bill going to the Committee on Roads.

Mr. MANN. If we could get a manual that was up to date, we would know what the jurisdiction of the committee was.

Mr. BORLAND. It seems that the Committee on Roads is the proper committee. There is no other committee claiming jurisdiction of this bill.

Mr. MANN. I know; but if the rule provides that the Committee on Roads can not report this bill, what jurisdiction has the committee got over it?

Mr. BORLAND. The gentleman is simply assuming that.

Mr. MANN. I am not assuming that——

Mr. BORLAND. My recollection is that the Committee on Roads have jurisdiction over Federal aid to roads, and that is the purpose of this bill.

Mr. MANN. My recollection is that the rule provides that that committee shall not report bills for a particular road.

Mr. BORLAND. I will say that the Committee on Roads presume that they have jurisdiction of this bill because they have conducted two hearings on the bill, but they have asked that the change of reference be made formally.

Mr. MANN. I have no objection to the bill being referred to the proper committee.

Mr. BORLAND. On what ground does the gentleman think that it does not fall within the jurisdiction of the Roads Committee?

Mr. MANN. My recollection is—I am not sure that it is in the rule—that that committee can not report aid for a particular road; that is must be a general legislation. I know the statement was made, and I think it was within the rule, although I am not sure about that.

Mr. LEVER. Mr. Speaker, my recollection of the rule and of the debates is in accordance with that of the gentleman from Illinois.

Mr. MANN. I have the rule now. It reads:

To matters relating to the construction or maintenance of roads, other than appropriations therefor, to the Committee on Roads: *Provided*, That it shall not be in order for any bill providing general legislation in relation to roads to contain any provision for any specific road, nor for any bill in relation to a specific road to embrace a provision in relation to any other specific road.

I take it that would give the committee jurisdiction.

The SPEAKER. Originally all the road bills went to the Committee on Agriculture, as far as I can ascertain. Both committees were claiming jurisdiction, and so the Chair took occasion to study the matter up and made up his mind to refer all roads bills to the Committee on Roads except those that came under that specific prohibition as to making appropriations. It really does not make much difference which committee it goes to, providing they all go to the same one. Without objection, the change of reference will be made.

There was no objection.

LEAVE OF ABSENCE.

Mr. LENROOT, by unanimous consent, was given indefinite leave of absence on account of sickness in family.

SARAH E. COATES.

Mr. LLOYD. Mr. Speaker, I present the following privileged resolution from the Committee on Accounts.

The Clerk read as follows:

House resolution 479 (H. Rept. 591).

Resolved, That the Clerk of the House be, and he is hereby, authorized and directed to pay, out of the contingent fund of the House, to Sarah E. Coates, widow of Robert Coates, late a special employee of the House, an amount equal to six months of his compensation as such employee and an additional amount, not exceeding $250, to defray the funeral expenses of said Robert Coates.

Mr. LLOYD. Mr. Speaker, this provides the usual allowance for the family of a deceased employee. Mr. Coates was a man who worked on the majority side in the cloakroom.

The resolution was agreed to.

JAMES J. COATES.

Mr. LLOYD. Mr. Speaker, I ask unanimous consent for the present consideration of the resolution which I send to the Clerk's desk.

The Clerk read as follows:

House resolution 480.

Resolved, That House resolution No. 145, Fifty-ninth Congress, first session, be amended by striking out the name of Robert Coates and inserting the name of James J. Coates.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

Mr. MANN. Reserving the right to object, I would like to ask the gentleman from Missouri how this House can amend a resolution of the Fifty-ninth Congress.

Mr. LLOYD. The appropriation act provided for this laborer in the cloakroom under the name of Robert Coates.

Mr. MANN. You may get authority under the law to put another man in his place, but this is to amend that resolution. We can not amend a House resolution of the Fifty-ninth Congress.

Mr. LLOYD. The amendment in this resolution is intended to provide for the son of Robert Coates, that he shall be named in place of his father and receive the same salary.

Mr. FITZGERALD. The way that that must be done is by a resolution designating the person.

Mr. MANN. I think the gentleman had better prepare another resolution.

Mr. LLOYD. This designates the person as James J. Coates, and that he shall occupy the same place that his father occupied. The resolution was prepared by the gentleman from Maryland [Mr. TALBOTT].

Mr. FITZGERALD. This House has no power to amend a resolution of a former Congress.

Mr. MANN. The resolution ought to provide that this James J. Coates, or whatever his name is, be appointed to fill the place under House resolution numbered so and so.

Mr. HOWARD. Why is there any necessity to indicate the name of the person to fill the place under the system now in vogue?

Mr. MANN. Because under the law it is necessary.

Mr. HOWARD. Does that perpetuate him in office?

Mr. MANN. Until the House removes him.

Mr. LLOYD. Mr. Speaker, according to the suggestion made on the floor, the resolution ought to provide that the place heretofore filled by Robert Coates shall be filled by James J. Coates.

Mr. FITZGERALD. I object.

The SPEAKER. The gentleman from New York objects.

NAVAL APPROPRIATION BILL.

Mr. PADGETT. Mr. Speaker, I move that the House resolve itself into Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 14034, the naval appropriation bill.

The motion was agreed to.

Accordingly the House resolved itself into Committee of the Whole House on the state of the Union, with Mr. JOHNSON of Kentucky in the chair.

The CHAIRMAN. The House is now in Committee of the Whole House on the state of the Union for the further consideration of the naval appropriation bill, the title of which the Clerk will report.

The Clerk read as follows:

A bill (H. R. 14034) making appropriations for the naval service for the fiscal year ending June 30, 1915, and for other purposes.

The CHAIRMAN. The Clerk will proceed with the reading of the bill.

The Clerk read as follows:

Recruiting: Expenses of recruiting for the naval service; rent of rendezvous and expenses of maintaining the same; advertising for and obtaining men and apprentice seamen; actual and necessary expenses in lieu of mileage to officers on duty with traveling recruiting parties, $130,000: *Provided*, That no part of this appropriation shall be expended in recruiting seamen, ordinary seamen, or apprentice seamen unless, in case of minors, a certificate of birth or a verified written statement by the parents, or either of them, or in case of their death a verified written statement by the legal guardian, be first furnished to the recruiting officer, showing applicant to be of age required by naval regulations, which shall be presented with the application for enlistment; except in cases where such certificate is unobtainable, enlistment may be made when the recruiting officer is convinced that oath of applicant as to age is credible; but when it is afterwards found, upon evidence satisfactory to the Navy Department, that recruit has sworn falsely as to age, and is under 18 years of age at the time of enlistment, he shall, upon request of either parent, or, in the case of their death, by the legal guardian, be released from service in the Navy, upon payment of full cost of first outfit, unless, in any given case, the Secretary, in his discretion, shall relieve said recruit of such payment: *Provided*, That authority is hereby granted to employ the services of an advertising agency in advertising for recruits under such terms and conditions as are most advantageous to the Government.

Mr. MANN. Mr. Chairman, I reserve a point of order on the paragraph. I want to ask the gentleman who has the information about the employment of advertising agents.

Mr. PADGETT. That has been carried for several years.

Mr. MANN. I am asking for the facts. What contract do we have now?

Mr. PADGETT. We have a contract with the advertising agency of Van Cleve & Clague, of New York and Chicago.

Mr. MANN. They place the advertisement in magazines, and so forth?

Mr. PADGETT. Yes; and get reductions in doing a general business which the Government gets the benefit of. They get the commission from the people with whom they do the advertising.

Mr. MANN. Mr. Chairman, I withdraw the point of order.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

Any alien of the age of 21 years and upward who may, under existing law, become a citizen of the United States, who has served or may hereafter serve for one enlistment of not less than four years in the United States Navy or Marine Corps, and who has received therefrom an honorable discharge or an ordinary discharge, with recommendation for reenlistment, or who has completed four years of honorable service in the naval auxiliary service, shall be admitted to become a citizen of the United States upon his petition without any previous declaration of his intention to become such, and without proof of residence on shore, and the court admitting such alien shall, in addition to proof of good moral character, be satisfied by competent proof from naval sources of such service: *Provided*, That an honorable discharge from the Navy, Marine Corps, or the naval auxiliary service, or an ordinary discharge with recommendation for reenlistment, shall be accepted as proof of good moral character: *Provided further*, That any court which now has or may hereafter be given jurisdiction to naturalize aliens as citizens of the United States may immediately naturalize any alien applying under and furnishing the proof prescribed by the foregoing provisions.

Mr. WITHERSPOON rose.

Mr. MOORE. Mr. Chairman, I reserve the point of order on the paragraph.

Mr. WITHERSPOON. Mr. Chairman, I move to strike out the last word. If the gentleman desires to make a point of order, I will yield.

Mr. MOORE. Mr. Chairman, is the gentleman from Mississippi recognized to make the point of order?

The CHAIRMAN. The Chair does not know for what purpose the gentleman rose. He rose and addressed the Chair, and the Chair recognized him.

Mr. WITHERSPOON. Mr. Chairman, I rose to move to strike out the last word.

The CHAIRMAN. The Chair would say this, that the gentleman from Pennsylvania [Mr. MOORE] was upon his feet addressing the Chair, and if he desires to make or reserve the point of order, he is in time.

Mr. MOORE. I merely desired to reserve the point of order.

The CHAIRMAN. The Chair holds that the gentleman is in time.

Mr. MOORE. Mr. Chairman, I am very glad to yield to the gentleman from Mississippi, so long as my rights are preserved. I am quite willing that the gentleman should be recognized.

The CHAIRMAN. The point of order is reserved. The gentleman from Mississippi is recognized.

Mr. WITHERSPOON. Mr. Chairman, I desire to present to the committee some facts developed in the hearings that I consider very material to an intelligent solution of the principal question to be decided in this bill. I have attempted to show that the American Navy is superior to that of Germany. Conscious of my liability to err, and supposing it to be possible that the facts which I presented to you, namely, that we have nine more armored vessels than Germany, that we have on those vessels 89 more guns, that our guns are much larger as to caliber, that our shells are more destructive—assuming that all of that does not prove that our Navy is superior to that of Germany, and assuming that it is not as powerful, I desire to now submit testimony drawn from the advocates of this increase in the Navy to show that even under that condition we do not need any more battleships. And to substantiate that position I desire to call attention to the testimony of Admiral Vreeland, given to your committee, as it appears on page 597 of the hearings. There you will find this to be his statement.

Mr. CALLAWAY. Mr. Chairman, before the gentleman begins, who is Admiral Vreeland?

Mr. WITHERSPOON. Mr. Chairman, he is one of the great admirals of the American Navy. He is now the ranking member on the General Board, and was brought before our committee at the request of one of the members who favors more battleships to give us the reasons why we should have them. It is the statement of Admiral Vreeland to which I now wish to direct your attention.

Mr. WITHERSPOON. Do you believe, Admiral, that foreign Governments in providing for the size of their navies are influenced by the question of whether their navies shall become more powerful than ours alone, or do they consider the question of how they stand with reference to all nations?

Admiral VREELAND. With reference to all nations generally. Often with special reference to one or two.

Mr. WITHERSPOON. Assuming that you are correct in your idea that the aggressor in a war is governed by his idea of whether he can win or not, would you not say that if Germany should ever contemplate going to war with us that she would seriously take into consideration what would be the probable effect of the result of that war, even if she could win, upon her relations to the other European nations that you say she has more apprehension of than us?

Admiral VREELAND. She would be guided somewhat by fear of other nations while at war with us.

Mr. WITHERSPOON. Not while at war, but if she thought that she could whip us on the seas and destroy our Navy, would she not still be restrained by the fear that she would lose so many of her ships in the engagement that it would make her unable to resist a conflict with other nations?

Admiral VREELAND. Yes, sir; she would be very largely governed by that.

Mr. WITHERSPOON. She would consider that very seriously before going into a war with us?

Admiral VREELAND. Yes, sir. I think that is one reason Germany is not trying to maintain equality with England. The thought you have in mind is doubtless the same as that expressed in the memorandum appended to the German naval bill, 1900:

The CHAIRMAN. The time of the gentleman from Mississippi has expired.

Mr. WITHERSPOON. Mr. Chairman, I ask unanimous consent to proceed for 10 minutes.

The CHAIRMAN. Is there objection? [After a pause.] The Chair hears none.

Mr. WITHERSPOON. Mr. Chairman, here is the quotation from the German law:

"Germany must have a battle fleet so strong that even for the adversary with the greatest sea power a war against it would involve such dangers as to imperil his position in the world."

And, again—

"But even if it should succeed in meeting us with considerable superiority of strength, the defeat of a strong German fleet would so substantially weaken the enemy that, in spite of the victory he might have obtained, his own position in the world would no longer be secured by an adequate fleet."

The CHAIRMAN. While Germany might be defeated, England would be crippled so that she could not rally?

Admiral VREELAND. Precisely.

So we learn from the opinion of Admiral Vreeland, and also from the view of Germany, as expressed in one of her laws, that as between Germany and England it is not necessary for Germany to have as strong a fleet as England in order to protect itself against England, for the reason that England knows that if she were to go to war with Germany, while she might win in the war, yet she would be so crippled as to imperil her position among the nations of the world, so that she would be no longer protected by an adequate navy.

At this point the gentleman from Illinois, my friend Mr. WILLIAMS, came to my relief and this occurred:

Mr. WILLIAMS. In determining the size or extent of our Navy you no doubt take into consideration our location with reference to the other powers, our isolation, and the extent of our shores, do you not?

Admiral VREELAND. Yes, sir.

Mr. WILLIAMS. In view of that condition do we require so great a Navy, a defensive Navy, as those powers of Europe who are in direct touch and contact with other powers?

Admiral VREELAND. No; for the reason that any power coming 3,000 miles or more to attack us would not be able to bring all of its forces to bear.

Mr. WILLIAMS. What per cent of the navy, for instance, of England could be spared under ordinary conditions and complications in Europe to be sent to America to attack us?

Admiral VREELAND. I do not think she would like to spare any.

Mr. WILLIAMS. Could she, under ordinary conditions and complications, spare 50 per cent of her navy to come here?

Admiral VREELAND. I should say not—not without an understanding with the other powers.

Mr. WILLIAMS. Is that true also of Germany?

Admiral VREELAND. I should say that it is true also of Germany at the present time.

Mr. WILLIAMS. Is that true of France?

Admiral VREELAND. I should say that is true of France also.

Here is the testimony, not from this little Navy crowd but from Navy statesmen, telling you that no nation on earth could afford to send one-half of its ships against us in case of war with the relations existing between the countries of the world; and the necessity that each country is under to protect itself against its neighbors is such that if they are in a war with us, 3,000 miles away, not one of them could afford to send one-half of her ships against us. If that be the truth, and it seems to be the general idea——

Mr. CALLAWAY. Mr. Chairman, have any of these big Naval Committee men disputed that?

Mr. WITHERSPOON. Nobody. The testimony stands there in the record uncontradicted. If that be the truth—and I say it seems to be generally thought around here that unless a man is steeped in extravagance and afflicted with battleship hysteria, he can not tell the truth—if that be the truth, then what need have we for more ships? If Germany believes, as she has said in the law, that her navy, which is just a little over one-half as great as that of England in the number of battleships, is sufficient to protect herself against England, then, my God, who is willing to so belittle the American Navy as to say that it is not amply adequate to protect us against Germany?

Mr. CALLAWAY. Mr. Chairman, will the gentleman yield?

Mr. WITHERSPOON. I yield to the gentleman.

Mr. CALLAWAY. Is it not a fact, if this is the truth, as the gentleman states, that the only necessity we have for increasing our Navy is to make it an offensive Navy instead of a defensive Navy?

Mr. WITHERSPOON. Mr. Chairman, I can hardly follow my friend to that conclusion, but I will say this, that there is no reason for an increase in the Navy except, as the gentleman suggests, to provide for conquest or to provide for larger profits for those who are engaged in the business—one or the other—and my friend from Texas can take his choice.

Mr. CALLAWAY. Will the gentleman yield further?

Mr. WITHERSPOON. I will yield to the gentleman.

Mr. CALLAWAY. Might not both of these influences have been working? Some desire to go out and bring everybody in the world up to their standard and ideals. That would be one force, and others are pecuniarily interested in our building our Navy bigger. That would be another influence.

Mr. WITHERSPOON. Certainly. Now, I want to call the attention of the committee to what was said by a great German admiral in a speech lately delivered at a number of different places in Germany, and this admiral spoke on behalf of the Germany Navy League, and the report of his speech was that everywhere he has delivered it it aroused great enthusiasm in Germany; and this speech goes on to describe the relation between Germany, France, and England and to show the efforts that those countries have made to involve Germany in war with them, and predicts war with England, and the part I want to read to you shows what he thinks will be the result of that war. Bear in mind, now, that Germany has just two or three battleships more than half as many as England has, and I want to call attention to what this German admiral says about it.

The CHAIRMAN. The time of the gentleman has again expired.

Mr. WITHERSPOON. Mr. Chairman, I would like to have five minutes more.

The CHAIRMAN. Is there objection to the request of the gentleman from Mississippi? [After a pause.] The Chair hears none.

Mr. WITHERSPOON. Here is what the admiral said:

After some time there will come the decisive action between the two fleets, in which as many as possible of the enemy's ships must be destroyed. After this battle we shall be able to rebuild our fleet more quickly than England, thanks to our larger number of skilled artisans and laborers in general. The decisive engagement will begin at 10,000 to 12,000 meters, which range it will be the German tactics to maintain as long as possible. At 7,000 meters the torpedo will come into action, and later on the fight will degenerate into a mêlée of the wildest description, ship fighting ship, and using every method of destruction. The German fleet will probably enter into this close action already possessing an advantage, due mainly to its excellent Krupp gun material, which England simply can not equal. Whoever wins in this struggle, it is certain that the defeated side will leave all its ships and men at the bottom of the sea, while the victors will return home a ruined fleet.

Now, that is the judgment of a great admiral as to the result of a battle between England and Germany where England has almost twice as many battleships as Germany has, and in that entire speech this admiral never refers to the number of battleships.

Mr. GOULDEN. Will the gentleman yield?

Mr. WITHERSPOON. I will yield to the gentleman.

Mr. GOULDEN. I think it would interest all of the Members—I know it would myself—to know the name of this admiral.

Mr. WITHERSPOON. I think his name is Admiral Breusing. Now, if the strength of a fleet, if the power of a nation was proportioned, as so many think, upon the number of battleships you can count on your fingers, do not you believe that this great admiral would have said something about it? But he pointed out what he said was the superiority in the German ships, and he said they would have an advantage on that account, but never said a word about the number.

Mr. BRITTEN. Will the gentleman yield for a question?

Mr. WITHERSPOON. Yes.

Mr. BRITTEN. Has the gentleman any opinion from a British admiral on this subject?

Mr. WITHERSPOON. No; I am discussing a German admiral now. But if that would be the result between England and Germany in naval engagement, then what would be the result between the American Navy and the German Navy? It might be uncertain, as this admiral said, between England and Germany as to which would win, but he said it is absolutely certain that between them that one side or the other would lose all of its ships and the other would return home a ruined fleet. If that would be the case there, what would be the result between us and Germany with more armored vessels and more powerful vessels than she has? It seems to me that if the conception of this admiral is correct that we need no more battleships.

Mr. GRAY, Mr. CALLAWAY, and Mr. HOBSON rose.

The CHAIRMAN. To whom does the gentleman yield?

Mr. HOBSON. I thought the gentleman had finished.

Mr. WITHERSPOON. I yield to the gentleman from Texas.

Mr. CALLAWAY. In reading from Admiral Vreeland a moment ago, I understood Germany would not want to send any of her battleships.

Mr. WITHERSPOON. Half of them.

Mr. CALLAWAY. I thought the gentleman said at first she would not want to send any of them.

Mr. WITHERSPOON. He said England would not like to send any of them and she could not send over half of them, and the same thing was true about Germany.

Mr. CALLAWAY. Did he express an opinion——

The CHAIRMAN. The time of the gentleman has expired.

Mr. CALLAWAY (continuing). That we would be likely to have any trouble whatever with Germany—any prospective trouble with Germany?

Mr. WITHERSPOON. No, sir.

Mr. GRAY. Mr. Chairman, I move to strike out the last two words.

Mr. HOBSON. Mr. Chairman, I move to strike out the last two words.

Mr. GRAY. Mr. Chairman, if it is proper to yield to the other side alternately, I will conform to the rules.

Mr. HOBSON. I will be very glad to yield to the gentleman.

Mr. GRAY. Mr. Chairman, great calamities are often taken advantage of by men to secure that which otherwise could not be obtained. War is one of such calamities.

The possibility of war with Mexico is thus sought to be taken advantage of, and I want to call your attention to a late editorial in the Washington Post, the first lines of which read:

> These are bad times for the people who think it is a sin to authorize more than one battleship.

In other words, it is meant that these are good times for men who believe in still further increasing the Navy. And I have observed even among our friends here, while wearing a very sober and sedate visage, they betray an unmistakable expression of exultation and triumph on their faces, because it appears to them that these are good times for the men who seek to still further increase our Navy.

Mr. Chairman, our position is that we have the greatest Navy in all our history. Not only this, but the completion of the Panama Canal is soon to double the power and efficiency of that Navy, according to the very experts that these gentlemen are pleased to quote here. We are agreeing that this Navy should be maintained at this time, the greatest Navy in all our history, and soon to be doubled in power and efficiency by whatever that requires, but we are opposing a still further increase. And we are maintaining the position that there is no ground for a further increase of our Navy at this time. We are at peace with all the great naval powers of the world, and we have entangling alliance with no naval power of the world and with no country, except it be Mexico. [Applause.]

Never before in all our history was there less liability for war with any naval power than there is to-day. Never before in all our history was there such a widespread and strong sentiment among the civilized nations of the world for peace and against war as there is to-day. Never before in all our history were there as many precautions and safeguards taken among the great powers of the world to prevent war as there is to-day. There is no more reason now for the increase of our Navy than there was before this war became a possibility, except as to Mexico. And, Mr. Chairman, we are claiming and asserting that we do not need to increase our Navy to deal with Mexico.

Mr. RAGSDALE. Will the gentleman permit a question?

Mr. GRAY. Yes; a question.

Mr. RAGSDALE. Whom does the gentleman charge with having brought about this war scare?

Mr. GRAY. That is a question I am not going into at this time. If you want your curiosity satisfied, I will look it up, and we will talk about that proposition. [Laughter.]

Mr. RAGSDALE. Will the gentleman permit a further question?

Mr. GRAY. Now, we are maintaining that the United States has the greatest and most powerful Navy in all its history. If we are not second as a naval power, we are third, and Mexico has practically no navy. We claim that it is not necessary for us to still further increase our Navy to deal with Mexico, and yet they say these are bad days for the men who advocate one warship; that is, these are good days for the men who advocate a still further increase of our Navy.

Mr. BRITTEN. Will the gentleman yield?

The CHAIRMAN. The time of the gentleman from Indiana has expired.

Mr. GRAY. Mr. Chairman, I ask for an extension of time of five minutes.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. BRITTEN. I would like to ask my colleague of the Committee on Naval Affairs if he voted for the war resolution, and ask him whether——

Mr. GRAY. Yes; I voted for the resolution and I will take that question up with the gentleman when that question arises. I will try and satisfy the gentleman at the proper time. [Laughter.]

Mr. BRITTEN. The question has already been voted on.

Mr. GRAY. Mr. Chairman, I refuse to yield. I want to proceed.

Mr. CALLAWAY. These big-navy men claim that a big navy is one of the things that keeps us out of war. How do they reconcile that with the war that we have gotten into with Mexico?

Mr. GRAY. Yes; they say it is the size of our Navy that insures peace, and yet we have a Navy only half as large as England, and we are at peace and have been at peace with England for a hundred years. We have a Navy more than 50 times as large as Mexico, and yet it is the only country with which our peace is jeopardized. Now, we claim that we have such a superior Navy over Mexico that we require no increase by reason of our strained relations, but observing the disposition manifested here to disparage our own Navy and to exalt other navies, I am constrained to go into some of the facts and show and prove to these doubting gentlemen the superiority of our Navy over the Mexican Navy. The United States has in all over 300 vessels and Mexico has only about 20. Our fighting ships number about 177, and those of Mexico not over 13, all of which are obsolete and many of which are only partially armed. We claim that on the number of ships there is no ground for an increase in our Navy. But now as to the tonnage. Our vessels have a tonnage of more than 754,000 tons, while those of Mexico have a tonnage of only about 10,000 tons. We claim that on tonnage there is no necessity shown for an increase in order to deal with Mexico.

Mr. BRITTEN. Will the gentleman yield for a question?

Mr. GRAY. Surely.

Mr. BRITTEN. My colleague on the committee is comparing our Navy with the Mexican Navy. Has he any doubt about our ability to take care of the Mexican Navy?

Mr. GRAY. No; I have not, but I fear you will not believe it unless I state all the facts and make a demonstration. [Applause.] You have been disparaging our own Navy and exalting the navies of other countries. I want to prove to you and convince you that we have a greater Navy than Mexico, and therefore I feel constrained to give you the figures. Please be seated, and I will proceed.

Now, we have over 2,000 guns on our ships, and they have only 62 guns, and we insist that this excess of guns gives us a sufficient advantage without still further increasing our Navy. We have ten 14-inch guns and thirty-two 13-inch guns; we have one hundred and sixty-two 12-inch guns and over 600 guns over 6-inch, and twenty-two 4-inch guns; and Mexico has twenty-two 6-pounders, and the rest of them are less than 4-inch, and we insist that in size of our guns we have a sufficient advantage without a further increase. But, Mr. Chairman, if we are wrong in our conclusions on the number of vessels, if we are wrong in our conclusions on the number of guns, if we are wrong in our conclusions on the size of the guns, we insist that in one respect it can be conclusively shown that we have the advantage. All our guns are breechloaders and part of their guns are muzzle-loaders, and we insist that this gives us sufficient advantage without further increase. When war comes and they come out to swab out the barrels, we can shoot them. That will give us an advantage. [Laughter.] In the heat and excitement of battle they may break their ramrods or twist their ramrods or spill out the powder, and then we can shoot while they are loading. We claim that by reason of the kind and character of guns we have the advantage. If the only reason for increasing our Navy to-day is to be found in our strained relation with Mexico, then there is no reason for still further increasing our Navy. This claim that our naval policy should be influenced by reason of threatened hostilities with Mexico is absurd, but it can not be allowed to go unchallenged. It must be met, explained, analyzed, and the facts constituting the superiority of our Navy made apparent and brought within the comprehension of those who are to shape the destinies of this Nation as a world power on the sea. [Applause.]

Mr. HOBSON. Mr. Chairman, the gentleman from Indiana [Mr. GRAY], who has just spoken, has come pretty near bringing up what I have been expecting constantly—an imputation

that these calamitous times upon which we have fallen have been brought about by the advocates of an adequate Navy just as the naval appropriation bill is due. Every year, when any international complication comes within months of the naval appropriation bill's coming up, we are met with the imputation that it was improvised for the purpose of getting more battleships.

Why do you suppose it is that, with the superiority we have over the Mexican Navy, this is a good time to have proper attention given to the national defense in the House of Representatives? It is simply because, Mr. Chairman, the attention of the people of this Nation is momentarily turned to the question of national defense. It is only when an emergency arises that the people give attention to national defense. That is the weakness of our country; it has been the weakness of Republics since the world began, that their people, absorbed in industrial and productive pursuits, naturally and necessarily neglect the national defense; and when the people neglect it their representatives neglect it, and so, as a rule, war overtakes Republics unprepared, and in some cases it is then too late to avert disaster. You need never fear that the impulse for national defense in America will be disproportionate as compared with other nations, even with all of the wars and rumors of wars that may come. Our whole war experience has been to the contrary. Wars have actually come because we were unprepared, and other wars have lasted much longer than they should have lasted, entailing heavy unnecessary losses of blood and treasure.

Now I would like to call attention to the remarks made about the Panama Canal and its effect upon our Navy. The Panama Canal is far distant from our shores, almost as far as from the nations of Europe. If we are in control of the sea, the Panama Canal is ours, and we can mobilize by transferring our fleets from one ocean to the other. But if the Panama Canal falls into the control of the enemy, which it would if the enemy came into control of the sea and had a mobile Army, then the Panama Canal would be closed to our ships and open to the enemy's ships. And so the Panama Canal makes both of our coasts exposed, when formerly only one coast would have been exposed when we lose control of the sea. The Panama Canal, instead of minimizing the importance of our Navy, has enlarged it.

Mr. KEATING. Mr. Chairman, will the gentleman yield?

The CHAIRMAN. Does the gentleman from Alabama yield to the gentleman from Colorado?

Mr. KEATING. Will the gentleman yield for a question?

Mr. HOBSON. Certainly.

Mr. KEATING. Does the gentleman from Alabama mean to tell the House that those who constructed the Panama Canal just doubled the danger of this country suffering from an attack by a foreign fleet?

Mr. HOBSON. I will say to the gentleman that they fully realized that they doubled the importance of our controlling the sea, so that we could thereby control the canal.

Mr. KEATING. The theory upon which the Panama Canal was constructed, I think the gentleman will agree with me, was that it was a great war measure and would enable us to mobilize our fleet. Now the gentleman tells the House that it really weakens us instead of strengthening us.

Mr. HOBSON. Speaking in general terms, it doubles our weakness if we are not in control of the sea, and it doubles our strength if we are in control of the sea.

Mr. KEATING. Under present conditions, is the gentleman prepared to say that the construction of the Panama Canal reduced the efficiency of our fleet and doubled our danger?

Mr. HOBSON. It has very materially increased our exposure in the present status of our Navy.

Mr. KEATING. And thereby increased our danger?

Mr. HOBSON. In the present status of our Navy it has very materially increased our exposure.

Mr. RAGSDALE. Mr. Chairman, will the gentleman yield?

The CHAIRMAN. Does the gentleman from Alabama yield to the gentleman from South Carolina?

Mr. HOBSON. Yes; I yield to the gentleman.

Mr. RAGSDALE. Under the position taken by Senator OWEN recently, that the war vessels of Japan have the same rights in the Panama Canal as our vessels, it certainly makes it necessary that our Navy should be maintained at least to the standard that it bore relative to other nations.

Mr. HOBSON. I do not believe that the war vessels of the enemy will ever have equal rights with our vessels in the Panama Canal as long as we control the canal.

Mr. RAGSDALE. Yet the gentleman knows that the Senator from Oklahoma [Mr. OWEN] recently took that position on the floor of the Senate.

Mr. HOBSON. I did not read his speech, but, of course, I assume that the gentleman is correct in his statement of it.

Mr. SABATH. Mr. Chairman, will the gentleman yield for a question?

Mr. HOBSON. Certainly.

Mr. SABATH. Was it not contended by experts before and during the construction of the canal that by the construction of the canal that instead of our being obliged to have two fleets one will suffice, and we will be able to transport our fleet from one ocean to the other, and therefore shall not need to have a double fleet or two fleets, one on each ocean, but that one will suffice?

Mr. HOBSON. Of course.

The CHAIRMAN. The time of the gentleman from Alabama has expired.

Mr. SABATH. Mr. Chairman, I ask unanimous consent that the gentleman's time be extended for five minutes.

The CHAIRMAN. Is there objection to the gentleman's request?

There was no objection.

Mr. HOBSON. I will say to the gentleman that he is correct, that the experts pointed out the advantage of added facilities for the mobilization and concentration of our fleet; but the gentleman knows, of course, that in pointing that out it was assumed, of course, that we actually did possess and control the canal and could reach it with our ships; otherwise we would not mobilize.

Mr. SABATH. Is not our Navy at least 50 per cent stronger than it was at the time the canal was being constructed?

Mr. HOBSON. Does the gentleman mean absolutely or relatively?

Mr. SABATH. Oh, absolutely.

Mr. HOBSON. Speaking of absolute strength, I should say it is ten times as strong as it was in 1904, and that it is stronger in proportion now to what it was in 1908, in proportion to our dreadnaught tonnage now as it compares with what it was then; but the strength of our Navy should be considered as relative and not absolute. In 1904 our Navy was probably 60 per cent stronger than the German Navy. There is no question about that.

Mr. SIMS. Mr. Chairman, will the gentleman yield for a question?

The CHAIRMAN. Does the gentleman from Alabama yield to the gentleman from Tennessee?

Mr. HOBSON. In a moment. And when Germany hoisted her flag in Venezuela, and Great Britain declined cooperating further with Germany, and we called upon Germany to retire from Venezuela, we had undisputed control of the sea. And although Germany had a great army, it could not reach Venezuela. We were in control of the situation, and Germany very promptly and courteously retired. Now, if that situation were repeated to-day—if Germany hoisted her flag in Venezuela to-day, with or without the cooperation of any other power, and if we called on Germany to retire—Germany would laugh in our face, for the simple reason that she has almost double the first-line strength of battleships that we have, and could therefore sweep the seas. In other words, Germany to-day has control of the sea, where America had it in 1904, and in her control of the sea Germany could not only stop our sending any of our forces to Mexico or Venezuela or anywhere else, but she would be absolutely free to send her forces—not only her naval forces, but her armies—and her forces then would be in absolute power, and she could without much difficulty take and occupy and control the Panama Canal.

Mr. SIMS. If we were in a war with England, I assume that we must have a Navy equal to that of England in order to protect our canal against England.

Mr. HOBSON. A war with England involves factors that are not involved in a war with any other power, for this reason——

Mr. SIMS. Upon the theory that we must have a Navy equal to that of any other nation that might be brought against us, and England having double ours, we would be in no condition to defend ourselves against England's Navy with reference to the Panama Canal.

Mr. HOBSON. Yes; that is correct, but with this difference: If we had a good military force of occupation in Panama, the English Navy could not dislodge it.

Mr. PADGETT. Will the gentleman refer to the position of Canada?

Mr. HOBSON. Yes; I will come to that in a moment. From the military point of view England is more like America. She has no mobile army behind her navy. Consequently, England could not go down and possess itself outright of the Panama Canal.

Mr. SIMS. But she could prevent us from using it.

Mr. HOBSON. She could control the sea, and so ultimately could control the Panama Canal, because she could ultimately bring over military forces sufficient to come up and take the defenses of the Panama Canal from the rear. But the question of England and the Panama Canal is neutralized because of the fact that we have just north of us a hostage that is far more valuable than the Panama Canal would be as a hostage, and I do not contemplate our ever having a war with England. But that does not mean that England might not be willing to let some other power or powers have a war with America without interference of any kind.

Mr. SIMS. But the logic of your position is that in order to defend the Panama Canal and use it ourselves we must have a naval strength equal to or exceeding that of any other nation or nations that might combine——

Mr. HOBSON. Any military nation that would undertake to seize the Panama Canal or make war upon us.

Mr. SIMS. I mean that.

Mr. HOBSON. That is correct.

Mr. SAUNDERS. Having in mind what Admiral Vreeland stated as to the proportion of the German Navy that could be utilized against America, and therefore in operations against our canal, do you undertake to say that the proportion of the German Navy that could be so used would be superior to the whole American Navy?

Mr. HOBSON. What I should like to say to the gentleman is that he is not manifesting his usual penetrating and shrewd logic when he imagines that Germany would only send half her navy in case of a war with America——

Mr. SAUNDERS. Well, I am stating——

Mr. HOBSON. Permit me to answer your question. In case of war with America, Germany, desiring to seize the Panama Canal—Germany, desiring to seize South American territory—the gentleman is not displaying his usual penetration and logic when he imagines that Germany would send only half of her fleet against the American fleet.

Mr. SAUNDERS. Then the gentleman disagrees with Admiral Vreeland?

Mr. HOBSON. No; I will show the gentleman in a minute.

The CHAIRMAN. The time of the gentleman has expired.

Mr. HENSLEY. I ask unanimous consent that the time of the gentleman from Alabama be extended five minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. HOBSON. I thank my colleague for procuring an extension of time for me. If the theory advanced by the gentleman is to be adopted, then Germany needs only half as big a navy as England, England needs only half as big a navy as Germany, Germany needs only half as big a navy as America, and no nation would need more than half as big a navy as any other nation.

Mr. SAUNDERS. I am not advancing any theory. I am merely predicating that Admiral Vreeland's statement was correct. Assuming then Admiral Vreeland is authority in this respect, is it the gentleman's conclusion that that proportion of the German Navy which they could utilize in offensive operations against the United States, would be superior to all of our present Navy? That is a fair question, I think.

Mr. HOBSON. Yes; and I will answer it by quoting Admiral Vreeland's words.

Mr. SAUNDERS. They were read here a moment ago.

Mr. HOBSON. I know they were read, and it was predicated on these words:

> Not without an understanding with the other powers.

But Germany would have that understanding with the other powers before she went to war.

Mr. SAUNDERS. Would the gentleman still further complicate this question by admitting that Germany before attacking us, would need to secure an understanding with the great powers of the world?

Mr. HOBSON. I will say that America, before attacking Mexico, has sought to have an understanding with the great powers of the world, and any nation with a reasonable amount of intelligence would do the same thing.

Mr. SAUNDERS. Does the gentleman assume that Germany, in spite of all her problems of a menacing character confronting her in Europe, and with respect to which she is professedly building up a navy, could secure the agreement of all her possible enemies, so to keep hands off for the future, in the event she desired to utilize all of her navy in a useless war with America? Does not the gentleman think that it is a rather remote possibility that Germany will attack us, if such an agreement must be secured as a necessary condition precedent?

Mr. HOBSON. If the gentleman would carry it to an extreme, of course it would be, using his words literally; but I will say to the gentleman, on the contrary, that for centuries Europe has always been under what is known as a balance of power, and no great nation has placed its trust for defense in such a condition.

Individual nations of Europe have been able to come to such an understanding, largely as occasion required, and have been able to conduct distant wars without any molestation on the part of others. This dependence on the balance of power between other nations with their own misunderstandings and own complications has been the main method of defense employed by Turkey and the chief method of defense employed by China, but any nation in the long run that depends on the balance of power between other nations and their quarrels for its defense has in the end suffered spoliation.

Mr. SAUNDERS. All of my friend's answer is foreign to my question. Having in mind the great population of the United States, the character of that population, our power, and our resources, it is idle to talk about Turkey and China, as being in the same class with this country.

Mr. HOBSON. How about Russia in the Japanese war? She was not molested by England or Germany.

Mr. SAUNDERS. My view that Germany is not likely to attack this country is predicated on the idea that Germany has certain domestic interests requiring her attention, and certain immediate dangers at home, that must be provided against. Now, the gentleman tells me that she could make an arrangement with her ancient enemies by which she would be able to utilize the whole strength of her navy in an effort to capture, and hold the Panama Canal.

Mr. HOBSON. I say to the gentleman that Germany's defense does not depend on its naval power. That is the reason that its navy is only half as big as that of England. Having a large mobile army, she could not be invaded by any neighbor, and England in control of the sea could not invade Germany. Her defense does not depend on her navy.

Mr. SAUNDERS. The view expressed by the gentleman from Alabama is in opposition to the view of the German admiral who was quoted in our presence this morning by the gentleman from Mississippi [Mr. WITHERSPOON].

Now, permit me to ask a further question and I am through, I am reasonably familiar with the debate that was in progress in this House at the time the construction of the Panama Canal was ordered. Does the gentleman from Alabama recall that ever at any time during that debate the argument was put forward that as a result of the construction of the canal we would, by virtue of that very fact, be compelled to immensely increase the fighting strength and number of the ships of our Navy?

Mr. HOBSON. I will say to the gentleman that that is self-evident.

Mr. SAUNDERS. It may be self-evident now, but at the time to which I refer it was distinctly urged that the construction of the canal would enable us to maintain our position in the world with a smaller Navy than would otherwise be necessary.

The CHAIRMAN. The time of the gentleman from Alabama has expired.

Mr. SAUNDERS. Mr. Chairman, I ask unanimous consent that the gentleman may have five additional minutes, as I have consumed a considerable portion of his time.

The CHAIRMAN. The gentleman from Virginia asks unanimous consent that the gentleman from Alabama have five minutes more. Is there objection?

There was no objection.

Mr. MANN. Mr. Chairman, I dislike to take up the gentleman's time, but I would like to ask him one question.

Mr. HOBSON. Certainly; I yield.

Mr. MANN. Does the gentleman from Alabama believe that we ought to have a Navy sufficiently large to protect the canal by being down near Panama?

Mr. HOBSON. No; I will say that if our Navy is in control of the sea no enemy's transport would ever shove off from a foreign shore. Our Navy would not have to go down there.

Mr. MANN. How would anybody know that our Navy was in control of the sea?

Mr. HOBSON. If we took what is called the first line for our Navy and for the other nation's navy, and if ours were clearly superior in power, we would have control of the sea.

Mr. MANN. By 1917 does the gentleman think that we would be afraid to send our Navy to sea?

Mr. HOBSON. I do not think we would be afraid to do anything if the Nation's safety demanded it, but of course ordinarily we would not send out our fleet unless there was a reasonable chance of its being advantageous.

Mr. MANN. By "afraid" I do not mean fear, but good sense.

Mr. HOBSON. I will say to the gentleman that if in 1917 there should be war between Germany and America, Germany

would have undisputed control of the sea; and Germany would proceed to occupy the Panama Canal the very first thing, and nothing could prevent her occupying it.

Mr. MANN. What would we be doing with our Navy while that was being done?

Mr. HOBSON. I think, although Germany's fleet would be more powerful than ours, that our fleet would probably be ordered forth to offer an engagement on the high seas, with very heavy odds against us.

Mr. MANN. Where? I do not suppose that they would arrange by cablegram where they were to meet.

Mr. HOBSON. I think this would be the course of events: Certainly our fleet would not go to Germany. I do not believe our fleet would go to Panama. I believe the German fleet would go back and forth from Germany to Panama and convey troops on a reduced scale, continuing operations there and in control in South America until public clamor in America compelled our fleet to go forth. We may rest assured that when the final engagement came the Germans would practically determine where it would be held, and it would be held so that our fleet would be as far from its base as Germany's was.

Mr. MANN. Suppose that we had a fleet larger than the German fleet, where would our fleet go in time of war?

Mr. HOBSON. It would not have to go anywhere.

Mr. MANN. It would have to be somewhere.

Mr. HOBSON. We would be ready to strike if the German navy put to sea. I will say this to the gentleman: Germany would not attempt to strike. Germany's strength is in her army, and until she has this control of the sea she would never send a transport from her shores; and the fact that America has no army at all would have no influence on the outcome of the war. We would be on a footing with the great military nations of the world.

Mr. MANN. That was not the case when we had the Spanish War. The Spaniards sent a fleet, and we had the more powerful navy.

Mr. HOBSON. But the Spaniards did not know it.

Mr. MANN. That is just what I say. Nobody knows it until it is over. We will not know it until it is over. Suppose we have a larger navy than Germany, we could not keep it at Panama, because the German navy might sail for New York. We could not keep it at New York, because they might sail for Panama. The gentleman talks about keeping track with the wireless, but I take it we could not get wireless messages telling us where they were.

Mr. HOBSON. If we had the proper scouting system we would have messages of our own. But I will say to the gentleman that he has pointed out a very interesting factor of our national defense. If we have not control of the sea, so that an enemy can take to sea and take his transports with him, he can strike anywhere from Portland, Me., to the Panama Canal; but if we have control of the sea, no foreign fleet would set out for our shores, and certainly no transports would go forth, without expecting and certainly having a fleet encounter with a superior force; and knowing that, such a foreign nation would be very slow to enter upon war with us, slower than under other conditions.

Mr. MANN. We had control of the sea, theoretically, at the time of the Spanish War, and Spain did not know it, and we did not know it. We did not know whether the Spanish fleet was on its way to Cuba or whether it was on its way to Porto Rica or to New York or to Portland or to Charleston or to New Orleans. I was here at that time in the House.

Mr. HOBSON. And I was with the fleet that was trying to find the Spanish fleet.

Mr. MANN. And the gentleman did not find it.

Mr. HOBSON. We finally found it.

Mr. MANN. Not until they got to their point of destination. Under the same circumstances, how can we have a fleet large enough—and I understood that is what the gentlemen were discussing—to protect the Panama Canal and at the same time protect all of the ports on the Atlantic, unless we maintain our fleet over in Germany to prevent their fleet starting out to sea?

The CHAIRMAN. The time of the gentleman from Alabama has expired.

Mr. BUCHANAN of Illinois. Mr. Chairman, I ask unanimous consent that the gentleman may continue for five minutes more.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. BUCHANAN of Illinois. Mr. Chairman, I will ask the gentleman if he thinks the Germans are going to obtain control of the Panama Canal before it is completed and in successful operation?

Mr. HOBSON. No. I will say now, in answer to the gentleman from Illinois [Mr. MANN], that his questions are very illuminating. At the time of the Spanish War the foreign experts—not only the Spanish experts, but the German and other experts—actually estimated the Spanish fleet as equal, if not superior, to ours. It was upon that presumption that Spain went to war, instead of granting reforms in Cuba, and it was upon that presumption that she sent forth her fleet, a homogeneous fleet it was, too, of 21 knots speed, while our battleship fleet had monitors in it, and the battleships were only of 16 knots speed. When we finally got control of the sea, the war was over; the Seventh Army Corps, held ready in Florida, never embarked to go over and storm Habana. The war was over. If Spain had known that it had not control of the sea, that we could reach Cuba and Spain could not at will, then Spain as an intelligent organism would have granted us reasonable reforms, and only when we made unjust and unreasonable, even insulting, demands, which we never would make, would she have brought on the war; and the *Maine*, I believe, would never have been blown up.

By the way, let me say in connection with the trip of the *Oregon*, that in order to give us superiority the *Oregon* went posthaste on around the Horn. We believed that the *Oregon* would give us the balance of power. The Spaniards, when the *Maine* was blown up, evidently believed they had the balance. Suppose we had that condition to repeat to-day. If we wanted to bring forces from the Pacific to the Atlantic, if we were in control of the sea, we would bring them through the Panama Canal. If we had had the Panama Canal at the time of the Spanish War, the *Oregon* would have come through the canal. Of course, if we had had the Panama Canal, the Spanish fleet might have been directed against Panama instead of into Santiago; but I do not believe so, because they would not have had a base at Panama.

Mr. HENSLEY. Mr. Chairman, will the gentleman yield for a question right there?

Mr. HOBSON. But if Spain were in control of the sea, we could not have sent the *Oregon* through or around either. I yield now to the gentleman from Missouri.

Mr. HENSLEY. I understood the gentleman to say a few moments ago that at the time we had the little difficulty over the Venezuelan situation our Navy was superior to Germany's navy, and that because of that fact Germany submitted to our demands, or yielded, by reason of that fact. I would ask the gentleman how he would compare the Navy of this Nation with the navy of Great Britain at that particular time, and whether Great Britain did not also yield to the position of the United States?

Mr. HOBSON. Great Britain did, and Great Britain yielded at the time President Cleveland issued his Venezuelan message, for the special reasons which I mentioned to the gentleman before, that Great Britain is not a military power, and even with full control of the sea she could not strike us, while we could strike Great Britain by ultimately taking Canada. That brings up the essential difference that should be borne in mind in comparing the German Navy with the British Navy. The Germans are content with a navy a little over half as large as the British, and why? As I said, because the British, though in undisputed control of the sea, can not invade Germany; but the British are not satisfied with a navy equal to that of Germany. The British demand a navy twice as great as that of Germany, and even then great uneasiness prevails, because if the German fleet should get control of the sea, the German armies would be thrown into England and it would be the end of the British Empire. If at Trafalgar, Admiral Villeneuve, the French admiral, with his Spanish allies, had destroyed the British fleet under Nelson, Napoleon instantly would have begun his embarkation to cross the English Channel and conquered England as had William the Conqueror, and the course of English civilization would have been different. That is the essential difference. We are like Great Britain. We have no great standing Army. We are open not only upon our mainland, where ultimately we could drive out any invader, and consequently an invader would not linger permanently, but simply do the damage and levy tribute on our cities and retire; but we have Hawaii, we have the Philippine Islands, we have the Panama Canal, we have the Monroe doctrine, covering the hemisphere, which makes it so that if we lose control of the sea to a nation that has a great army all of these interests are exposed. But suppose we have control of the sea, then no matter how powerful a foreign nation may be, if it has the greatest armies in the world and transportation ready to carry them over the sea, it would not dare venture across the sea, and our defense is complete.

Mr. SABATH. Will the gentleman permit me another question?

Mr. HOBSON. I yield to the gentleman.

Mr. SABATH. The gentleman has stated that due to the Panama Canal our danger is almost as great as it has been before the completion of the canal. Does the gentleman take into consideration the question of our fortifications at the Panama Canal?

Mr. HOBSON. Yes; I do. The gentleman will understand this. If you have a mobile army in conjunction with coast fortifications, your fortifications are secure, because no ship can stand up and fight in front and no army can land and take you in the rear, but if you have no mobile army and a nation with a powerful army has control of the sea she can land her army below and take your fortifications in the rear, because the fortifications are practically impotent from this attack unless you have a mobile army. Now as to the point on which I was proceeding. About 6 to 8 or 10 years ago our Navy was much superior to the German Navy. That is the comparison that gentlemen who have made this minority report have made. When they made a comparison of our Navy and the German Navy they incorporated the *Oregon* and other old ships with the ships of to-day. At the predreadnaught period, before dreadnaughts appeared at all, our Navy was fully 60 per cent stronger than the German Navy, but when I undertook to point out the other day you could not compare the *Oregon* and put it on the same line with the dreadnaughts of to-day it appeared actually so ridiculous that the gentleman from Virginia [Mr. SAUNDERS] began to try to make an explanation for any comparison with the *Oregon* having been made and said that I had put up a man of straw in order to knock him down to put the *Oregon* up against the *Pennsylvania*. I was not putting up any man of straw. Here is what the gentleman from Mississippi said:

So in point of weight of the metal in a broadside, in point of the muzzle energy, in point of protection by their armor, in point of the destructive forces of the gun, there is not a battleship in the German line that is near equal to the *Oregon*. The truth of the business is if the *Oregon* was in a battle with any six German battleships it would destroy every one of them before they would get close enough for their guns to penetrate its armor.

Then he goes on to say he did not compare the *Oregon* with dreadnaughts; but when he says there is not a battleship in the German line that is near equal to the *Oregon*, my impression was of course he meant dreadnaughts in the line, because the line means the dreadnaught line. But I was not trying to compare the *Oregon* with the dreadnaughts merely as a point of controversy, but also as an illustration. The point I wanted to make was, and which I did make, and which nobody can contradict, and which no one has tried to contradict, is that a vessel of the predreadnaught period has no right to be put in a logical, rational comparison in the same class with vessels of the dreadnaught period.

The CHAIRMAN. The time of the gentleman has again expired.

Mr. HOBSON. Mr. Chairman, I ask for five minutes more.

The CHAIRMAN. Is there objection to the request of the gentleman from Alabama? [After a pause.] The Chair hears none.

Mr. HOBSON. Mr. Chairman, I am sorry the gentleman from Virginia [Mr. SAUNDERS] has left, because I desired him to hear this: Here is the substance of what I tried to say. There is no comparison between the two. You might as well compare a street car pulled by horses along a street with electric cars of the New York subways as to compare ships of the predreadnaught period with the ships of the present day. They simply can not be compared. Taking the dreadnaught period, and here it is, I want Members to look at it on page 41 of the report of the committee, where it shows that Germany has 28 of the dreadnaught period, with a total of 678,000 tons, and assuming that we put into our list the *Michigan* and *South Carolina*, of only 16,000 tons, America would have only 14, with a tonnage of 329,000 tons, about half of that of Germany. That is the situation between the two navies to-day. Again, taking the naval appropriation bill's basis of comparison is not to take the totals of the bills and compare the lump sums any more than you would compare ships in a lump class. But compare the appropriations for new construction, what will you find? It costs about as much to build a dreadnaught in other countries as ours. Germany during that period from 1905 to 1913 has spent on dreadnaught construction about $457,000,000. America has spent during that period a total of $346,000,000. Japan in that period has spent $107,000,000 for new construction Now take the years from 1909 to 1914. In this period Germany has spent on new construction $359,000,000, while the United States has spent $185,000,000 and Japan has spent $88,000,000. This verifies the comparison above and shows that Germany is in the midst of a program about twice as great as ours, while Japan is running up around more than half of ours. America to-day is down far below the German navy. The truth is, as the table shows, it is actually below France and is not very far ahead of Japan.

My contention was, and it is now, and it is rational, that when any great nation in Europe or in Asia has a great army, we are entitled to have, and for our security ought to have, at least, a fleet the equivalent of theirs on the ocean in question. If we have, then we can insure a chance for mobilization through the Panama Canal and realize a reasonable margin of superiority.

Mr. GARNER. If I understood the gentleman from Illinois and the reply of the gentleman from Alabama, it was that the construction of the Panama Canal weakens our defense.

Mr. HOBSON. If the enemy has the control of the sea.

Mr. GARNER. In other words, that it was a mistake from a defensive standpoint to have constructed the Panama Canal?

Mr. HOBSON. I think not. You can put this down, whether we learn the lesson before punishment comes or not, that America some day is going to have the Navy I am advocating. It is written in the book of fate. With our influence now covering the Western Hemisphere and the far-distant shores of South America, with the open-door policy, even now advocated in far-off Asia, America is going to be compelled to have this reasonable equilibrium in the two oceans which will insure her control of the sea, as far as defense is concerned, and will make the Panama Canal of vast permanent advantage to the Nation.

Mr. SAUNDERS. May I ask my friend a question in that connection? I was out a moment ago.

Mr. HOBSON. Certainly.

Mr. SAUNDERS. I understand from you, then, that for the proper defense of the United States, in your view, we ought to have a fleet in the Atlantic Ocean equivalent to the German fleet. In addition we should maintain in the Pacific Ocean another fleet that would be the equivalent of the Japanese fleet. This statement, if you are correct, would establish a naval policy for this country. Of course, as soon as we agree upon what is necessary for our interest and security, the next step will be to provide a construction program that will carry out that policy. Now, if that is to be our policy—and our program should carry out the policy—what would be your naval construction program, designed to afford the United States adequate protection? We all want adequate protection.

Mr. HOBSON. I am very glad the gentleman asked the question. It brings me right down to a final statement of what I believe ought to be the program. Assuming that we are not going to make up for our delinquencies in the past, it will take from three to three and one-half to keep up with Germany and one to one and one-half to keep up with Japan. It would take between four and five dreadnaughts a year for us to maintain the required equilibrium.

Mr. GARNER. Then we can not get adequate protection under the present program?

The CHAIRMAN. The time of the gentleman has expired.

Mr. MOORE. Mr. Chairman, I reserved a point of order some time ago on the alien seamen paragraph, and now I wish to withdraw it and to offer an amendment.

Mr. HENSLEY. Will the gentleman allow me?

Mr. MOORE. Very well.

The CHAIRMAN. Without objection, the point of order is withdrawn.

Mr. STAFFORD. Mr. Chairman, I reserve the point of order.

Mr. MOORE. I offered an amendment in lieu thereof.

The CHAIRMAN. The point of order is reserved.

Mr. HENSLEY. Mr. Chairman, there has been a great deal said in this debate concerning the fighting qualities of three battleships mentioned—the *Oregon*, the *Massachusetts*, and the *Indiana*. I desire to briefly call your attention to some records which have been made. A few days ago the chairman of the committee in his speech—and I would like very much to have the attention of all here—quoted from Admiral Dewey with reference to the fighting value of these battleships. And I shall now quote what the gentleman from Tennessee [Mr. PADGETT], the chairman of this committee, said when he quoted from Admiral Dewey a few days ago. He said:

My opinion is that they have all three passed their limit of usefulness and are obsolete in guns, construction, and speed, and that they should be stricken from the list, as their military value does not compensate for the loss to the fleet that would be entailed by their manning and maintenance.

Now, that is the opinion of Admiral Dewey at this time. I call your attention to a portion of the speech made by the gentleman from Tennessee [Mr. PADGETT] on March 31, 1910, which also gives an opinion from Admiral Dewey. Now catch this, gentlemen:

Speaking about ships becoming obsolete, I want to call your attention to a fact that may, perhaps, be somewhat misapprehended. It is said the life of a battleship is 20 years.

Now, gentlemen, listen:

In one sense, he says, and to a limited degree, that is correct, but the hull of a ship is preserved indefinitely. Admiral Dewey said that it would be as good in a hundred years, perhaps, as when it was made. It is the machinery on the ship that becomes worn out and antiquated. It is the guns on the ship that become obsolete by improvement in other guns; but when that machinery is taken out and up-to-date machinery put in, and when the old guns are taken out and up-to-date guns replace them, that battleship is approximately as good and as effective as when first launched.

Now, Mr. Chairman, in connection with this let me call your attention to the fact that these battleships have been in dry dock for the very purpose of reconstruction and repair, for the purpose of making them efficient. Now listen: The report of Secretary Meyer for the fiscal year 1910, on page 34, said the *Oregon* was laid up for extensive repairs for five years and five months, from April 26, 1906, to October, 1911; the *Indiana* for two years, from December 29, 1904, to January 8, 1906; the *Massachusetts* for two years and four months, from January 9, 1906, to April 28, 1910. For the construction of these vessels the following sums were expended, to wit, that is, the repairs covering the period of time they were there in those docks for the purpose of repair: The *Oregon* cost $1,709,468.11; the *Massachusetts* cost us $1,925,354.53; the *Indiana* cost us $2,112,202.55.

Now I ask, Mr. Chairman, in all candor and seriousness, if Admiral Dewey's opinion, given by the gentleman from Tennessee [Mr. PADGETT] in 1910, was correct, and if these vessels were put in dock for the purpose of repairing and making them efficient, why have we expended that sum of $5,747,025.17 upon them and to-day their usefulness and efficiency are nil, as expressed by Admiral Dewey?

The CHAIRMAN (Mr. HAY). The time of the gentleman from Missouri has expired.

Mr. PADGETT. Mr. Chairman, I think it is but just to state, with reference to Admiral Vreeland, some of whose statements were quoted, that he based them upon the continuation of the existing conditions in Europe. He says, answering a question—

At present you can not tell what will be the case a year hence. No one can tell.

And then further on he said:

At the present time no one can predict what alliances and ententes may exist a year hence.

So that in stating what proportion of its ships England or Germany or any other country might send, it would be based upon the conditions and international relations existing at the time the emergency arose.

The gentleman who just took his seat [Mr. HENSLEY] said that in 1910 I quoted Admiral Dewey as saying that the hull of a ship was as good a hundred years after as it was at the time it was made. That is true. The letter I read the other day from Admiral Dewey showed that the design of the *Oregon* has been changed so that to-day its armor is 4½ inches beneath the water level when it is loaded, showing that it matters not what sort of guns you put on it at the present time it would not be a fighting ship, because its whole protection is below the water line.

Mr. HENSLEY. Mr. Chairman, will the gentleman yield right there?

The CHAIRMAN. Does the gentleman from Tennessee yield to the gentleman from Missouri?

Mr. PADGETT. Yes.

Mr. HENSLEY. Then will the gentleman answer me why we have expended $5,747,025.19 on the repair of those vessels if they are absolutely useless?

Mr. PADGETT. Those repairs, as stated in the letter I have from Admiral Watt, giving the amounts in detail, were repairs that had been made since the ships were launched 18 or 20 years ago, and they embrace the whole period of repairs. There was a large expenditure made in recent years, and events now show that in the progress and development of ships that have since been attained it was an expenditure that very well might have been dispensed with, and it shows that we have ships to-day on which it would have been very well to have left off those expenditures. But that is shown not by the light that we had at that time but by the developments of the present time and the immense progress and development that have been made in ships since then.

Mr. KELLEY of Michigan. Mr. Chairman, will the gentleman yield?

The CHAIRMAN. Does the gentleman yield?

Mr. PADGETT. Yes.

Mr. KELLEY of Michigan. Does the gentleman remember how long the *Oregon* was building? Was it five years?

Mr. PADGETT. I do not remember. You can find the date when its keel was laid and when it was put in commission.

Mr. KELLEY of Michigan. It was something like five years, was it not?

Mr. PADGETT. It was several years. I do not remember exactly how long.

Mr. KELLEY of Michigan. So that the plans and designs of the ships were prepared considerably more than five years before the ships were put in commission?

Mr. PADGETT. Yes.

Mr. HENSLEY. Mr. Chairman, do I understand the gentleman from Tennessee to charge that the report made by Secretary Meyer was incorrect as to the amount expended within the time I quoted?

Mr. PADGETT. I do not say the figures are incorrect for the time, but I have the figures of Admiral Watt, as specific years for whole period.

Mr. HENSLEY. If I can not safely proceed upon the theory that the figures that have been given by the department and the Secretary are true, I can not handle the matter properly.

Mr. PADGETT. The Secretary reported the gross sums of expenditure, without giving the years. The expenditures began in 1896 on the *Indiana* and continued up to the present time. They began in 1897 on the *Massachusetts*, and the sum given includes the present year 1914. The repairs on the *Oregon* began in 1897 and conclude with 1914. Each year is given here, making up the sums of which the gentleman gave the aggregate amount, as shown by the report.

The CHAIRMAN. The time of the gentleman from Tennessee has expired.

Mr. PADGETT. Mr. Chairman, I wanted to make one request. I think everybody will concede that I have been very liberal in regard to the time allotted to the discussion of the battleship proposition. We had 18 hours of general debate.

Mr. BUCHANAN of Illinois. Mr. Chairman, I want to ask the gentleman a question in regard to the expense of repairing these ships. I think it ought to be put in the RECORD when the money was expended. I think if we have been expending our money on obsolete ships there ought to be some investigation about it, to see why it is being done.

The CHAIRMAN. The gentleman is not entitled to the floor without unanimous consent.

Mr. PADGETT. I ask five minutes, Mr. Chairman.

The CHAIRMAN. The gentleman from Tennessee [Mr. PADGETT] asks unanimous consent to proceed for five minutes. Is there objection?

There was no objection.

Mr. BATHRICK. Mr. Chairman, I think the gentleman from Tennessee very explicitly stated that these repairs ran along for a number of years.

Mr. BUCHANAN of Illinois. Who has got the floor?

The CHAIRMAN. The gentleman from Tennessee has the floor.

Mr. BUCHANAN of Illinois. Wait a moment. I want to make clear what information I wanted. I want a statement of the amount expended and the years it was expended in. I want that put in the RECORD, if the gentleman does not want to take up the time to repeat it.

Mr. PADGETT. I will include it in my remarks, covering each vessel and each year. This is the statement:

Statement showing expenditures by fiscal years, Title D, for repairs, including changes and additions.

	Indiana, first commissioned Nov. 20, 1895.	Massachusetts, first commissioned June 10, 1896.	Oregon, first commissioned July 15, 1896.
1896	$347.37		
1897	25,789.42	$19,685.37	$8,354.59
1898	13,696.63	20,516.25	12,741.78
1899	198,614.60	138,661.04	28,321.04
1900	90,306.20	82,151.67	34,541.00
1901	40,162.97	33,612.57	12,697.38
1902	34,068.16	52,589.58	291,930.54
1903	75,889.85	69,260.45	86,551.78
1904	230,100.26	125,255.74	22,623.70
1905	477,737.11	62,057.66	19,215.54
1906	538,765.55	8,705.18	8,627.36
1907	37,122.97	429,743.31	122,992.15
1908	27,993.29	347,489.78	104,022.85
1909	58,701.12	465,981.82	201,138.32
1910	169,726.57	42,950.62	304,356.34
1911	52,631.12	12,412.25	412,448.79
1912	17,101.72	5,766.45	27,059.81
1913	18,878.14	6,544.44	10,907.14
1914	4,569.50	1,970.35	937.99
Total	2,112,202.55	1,925,354.53	1,709,468.11

The above figures for fiscal years 1896 to 1913, inclusive, are as shown in the Paymaster General's annual reports for said years, and the figures for 1914 (to Feb. 1, 1914) are per monthly reports of expenditures from navy yards.

Mr. BATHRICK rose.

The CHAIRMAN. Does the gentleman from Tennessee yield to the gentleman from Ohio?

Mr. PADGETT. Yes.

Mr. BATHRICK. I desire to state that these expenditures were made at the time, according to the information that was on hand at the time, and that there have been repeated changes and additions since then. The total expenditures cover these various periods down to the present time, and the money could not be stated to have been wasted.

Mr. COOPER. Mr. Chairman, will the gentleman yield there to an interruption?

Mr. PADGETT. Yes.

Mr. COOPER. May I ask the gentleman from Missouri [Mr. HENSLEY] from what report he read?

Mr. HENSLEY. I read from the report of Secretary Meyer, giving certain dates when these repairs were done on the vessels and the amounts expended.

Mr. COOPER. And the gentleman from Tennessee says that is incorrect?

Mr. PADGETT. No. I say that statement gives the totals up to that time, but it does not give the years in which the money was expended.

Mr. COOPER. The gentleman from Missouri says these repairs were all made during the three or four years he mentioned.

Mr. PADGETT. No; he said that Secretary Meyer stated that these ships had been laid up for general repairs between certain dates, and then he gave the total sums that had been expended on repairs of those vessels. The figures I am giving here commence with the commission of the vessel and cover the interval down to the present time.

Mr. COOPER. But the inference from what the gentleman from Missouri said was that those repairs were made between the dates that he named.

Mr. PADGETT. I do not know about that. I have just wanted to give the exact figures.

Now, the proposition I want to submit is this: At the opening of the general debate on this bill I asked for 18 hours of general debate, and all of it practically was consumed in the discussion of the battleship program. Now, we have had more than two hours of discussion on that same subject, all told, under the five-minute rule. I am going to request the House that we forego for the present any further discussion of battleship matters. We have had ample discussion. Nothing new is being brought out. There are many other things in this bill besides battleships, and I will ask that we proceed with the reading of the bill under the five-minute rule and not take up the time in debate.

The CHAIRMAN. Does the gentleman from Pennsylvania [Mr. MOORE] insist on his point of order?

Mr. MOORE. I withdrew the point of order and submitted an amendment, whereupon the gentleman from Wisconsin [Mr. STAFFORD] renewed the point of order.

The CHAIRMAN. Did the gentleman from Wisconsin reserve a point of order?

Mr. STAFFORD. I reserved a point of order during the occupancy of the chair by another Member.

The CHAIRMAN. The gentleman from Wisconsin reserves a point of order. Until the point of order is disposed of, an amendment is not in order.

Mr. MOORE. I desire to speak on the point of order, and ask to have the amendment read for information.

The CHAIRMAN. If there be no objection, the Clerk will report the amendment.

The Clerk read as follows:

Page 8, line 13, after the word "than," strike out "four" and insert "three"; and in line 16, on the same page, after the word "completed," strike out "four" and insert "three."

Mr. MOORE. Mr. Chairman, being a member of the Committee on Immigration and Naturalization, I intended to ask the chairman of the committee to explain why this item appears in the naval appropriation bill; but having conferred with the chairman of that committee and others on the committee, I do not desire to make a point of order against the paragraph, which I assume would be sustained if the question were raised. More particularly would I not want to raise that point of order at this time, when young men are being called upon to enlist in the Navy for purposes of national defense. Although technically this matter should have gone to the Committee on Immigration and Naturalization, there seems to be no good reason why we should discourage young aliens, who have taken up their residence in this country, from enlisting in the wars of the United States, if wars there be. And in submitting an amendment which I trust may have the attention of the gentleman from Wisconsin and of the Committee of the Whole, and may ultimately induce the gentleman from Wisconsin to withdraw his point of order, I have hoped to remedy an apparent defect in the law with regard to the naturalization of aliens who enlist in the Navy of the United States.

Last week two young men, both residents of the city of Philadelphia, laid down their lives at Vera Cruz. The question has arisen as to what is to be done with those dependent upon those two young men. They were both natives. I have made inquiry at the Navy Department and have learned that there is some sort of provision by which at least a half year's pay may be allowed to those dependent upon these two young sailors. In one particular case a year's pay would be none too large an allowance, because a mother has been left destitute with three minor children, and this is made worse by the withdrawal of the pittances which her patriotic boy sent home. There is only one other way to take care of their dependents after the enlistments—after wounds, and after death—and that is by pension. The pensions, if applied for, in the case of these two young men can not possibly exceed $12 per month to a dependent mother or father; and this $12 per month, or $144 a year, is a small amount for a great Government to pay to those who sacrifice the lives of loved ones in the service of the country. But in the case of civil employees, men who are killed in an accident on river and harbor work, for instance, the law provides that we shall vote to the dependent relatives at least one year's pay.

That is for civil service. Now, it seems to me, where a boy, native or foregin born, enlists and offers his services, aye, even his life to this country—and it is extremely creditable to him if he does it as an alien boy—there ought to be some better return to those who have given him up than this $12 per month, or this half year's salary.

Many boys of foreign birth are to-day going into the service of the United States. Some of them will be wounded and some of them will be killed. What are we going to do for their dependents?

Leaving that question aside for the moment, we have one or two anomolies in the law. We have provided in the case of a man who enlists in the Army that he may, after one year's honorable service, on the presentation of his certificate, be permitted to apply for naturalization and receive it in our Federal courts. Mark you, that alien who seeks after service in the Army to become a citizen of the United States has the advantage over other aliens; upon proof that he has served this country in the Army for one year he may then apply for naturalization and receive it. I do not know of any provision in this regard that takes care of the boy who enlists in the Navy. I presume the purpose of the Naval Affairs Committee in bringing in this four-years paragraph was to give some encouragement to the alien who enlists in the Navy, very much as we have already given encouragement to the soldier who enlists in the Army.

The CHAIRMAN. The time of the gentleman has expired.

Mr. MOORE. I ask unanimous consent for five minutes more.

The CHAIRMAN. The gentleman from Pennsylvania asks unanimous consent that his time be extended five minutes. Is there objection?

There was no objection.

Mr. MOORE. I suppose it was the hope and expectation of the Naval Affairs Committee that after four years of honorable service, and on the presentation of the certificate, that would be sufficient proof to the court that the alien seaman was entitled to citizenship and might receive his naturalization papers. There is, as I believe, no special provision for the sailor who enlists in the naval service to-day. Strange to say—and rather surprising, too, in view of this request of the committee—we passed a law some years ago, which is operative to-day, granting the right of application for citizenship to the sailor who does not engage in the service of the United States, who does not take up arms in defense of this country, but who serves three years as a seaman on board a merchant vessel. To that man we say: "If you engage in the merchant marine service of the United States—if you, an alien, will help to build up our coastwise trade, if you will come under the American flag and serve in a merchant vessel, not a war vessel, where your life is at stake—then, on the mere certificate of the captain of your vessel that you have been on board that vessel for three years and that you have been honorably discharged, the court shall consider your application for naturalization."

So that we are in this position to-day. With a possible war on hand to the south of us, with the demand for young men to go to the front, with many men offering for enlistment who can not be naturalized because of the crowded condition of the courts, we say to an alien who enlists for service in the Army of the United States that he may become a citizen if it

is shown that he has served in the Army for one year, or if it is shown that he has engaged with the merchant marine service of the United States—that is to say, if he engages with some private employer who sends forth a ship floating the American flag and has served in that service three years, he is qualified for naturalization, and the court is authorized to grant him papers. But if the alien goes down to one of our navy yards or to one of our navy recruiting stations and offers his services to the United States, puts the musket on his shoulder, and goes into service in Vera Cruz or Tampico or the interior of Mexico, fighting for this country, there is no way that he can obtain naturalization unless he comes back and lives out his five years' residence and takes his chances in the courts.

If we have given a preference to the alien who serves in the Army and we let him in after one year, or as to the merchant marine service, we let him apply after three years' honorable service, then tell me why we should not reduce the period of the residence of the alien who enlists upon the battleship and takes his life in his hands for this country? Why, after an honorable service of three years, should he not be put on equal terms with an alien who serves on the merchant vessel or in the Army?

I am submitting the matter because at this time it seems to be just and fair to those who are asked to serve this country when the country needs their services. I hope the gentleman from Wisconsin will withdraw his point of order and permit the matter to be discussed.

Mr. STAFFORD. Mr. Chairman, reserving a point of order, I have listened enraptured, as Members of the House always do, to the eloquent words of the distinguished gentleman from Pennsylvania, but this question has nothing to do with the present situation that confronts us in Mexico, or as an incentive to enlistment, and whether it stays in this bill or not, it would not add one iota to the inducement to enlistment in the Navy.

The gentleman from Pennsylvania is an authority on matters pertaining to naturalization because he is a distinguished member of the Committee on Immigration and Naturalization. I am surprised in this particular instance that he has not refreshed his memory so as to really know what the amendment purposes to do. There is at present a law on the statute book that gives the seamen in the Navy and the Marine Corps the privilege of taking out citizenship papers after they have served five years. This provision reduces that to four years, but it has been pointed out by the officials of the Navy Department that the seamen have difficulty in proving their good moral character by two witnesses as is prescribed under the general law admitting aliens to citizenship, and so this bill provides for striking out the words after "good moral character," "as now provided by law." I think everybody in this Chamber will recognize the remarkable character of the amendment offered by the gentleman from Pennsylavnia in reducing the period from four to three years. This provision is predicated on the idea that the seaman who has served for the full period of enlistment of four years is to receive citizenship based on that idea, and the gentleman from Pennsylvania wishes to adopt a conflicting amendment and substitute three years. This proposition has been very carefully considered by the officials of the Navy Department, and my purpose in reserving the point of order was to inquire not as to the matters discussed by the gentleman from Pennsylvania, because they are immaterial and irrelevant, but whether we should extend the law that now exists to those in the auxiliary service.

I can understand why it is wise to regard the service of men in the Navy removed from shore duty on the ship as equal to a residence on land. I can understand wherein there should be a qualification in relation to citizenship extended to those who enlist in the Navy where we require three years' service and one year's residence on land as to men enlisted in the Army.

But different conditions prevail entirely in the naval auxiliary service. I would like to inquire why you should extend the law to those in the naval auxiliary service?

Mr. PADGETT. Those in the naval auxiliary service that are in the Navy are and do have the benefit of it. But in the naval auxiliary service there are men who are employed there simply and are not under enlistment. This provision limits it to enlisted men. If an enlisted man is serving in the auxiliary service he is in the Navy just as much as if he was on a battleship. But in the auxiliary service there are men who simply are working for wages; they are employed as they would be in private life and are not enlisted men.

Mr. STAFFORD. Does this provision give everybody in the auxiliary navy—those employed on the Great Lakes and others—the privilege of citizenship after four years' service?

Mr. PADGETT. Yes; if they are enlisted men.

Mr. STAFFORD. What disqualifies these men from at any time qualifying for citizenship? They are on land, performing the duties the same as they would be in private life.

Mr. PADGETT. A great many of them are on colliers out on the sea.

Mr. ROBERTS of Massachusetts. I think the gentleman from Wisconsin is confusing the Naval Militia with the naval auxiliary.

Mr. STAFFORD. I was trying to understand whether this provision included the Naval Militia.

Mr. ROBERTS of Massachusetts. Oh, no, indeed. The naval auxiliary has a peculiar meaning in the service. It means colliers, supply ships, and classes of ships other than the battleships.

Mr. STAFFORD. Mr. Chairman, it was my main purpose——

The CHAIRMAN. The time of the gentleman from Wisconsin has expired.

Mr. STAFFORD. Mr. Chairman, I ask for two minutes more.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. STAFFORD. Mr. Chairman, it was my main purpose in reserving a point of order to obtain information as to whether this term "naval auxiliary" would extend to the Naval Militia?

Mr. PADGETT. No; that is not a part of the naval auxiliary at all.

Mr. STAFFORD. I can see there would be no applicability to that service.

Mr. PADGETT. Mr. Chairman, the Naval Militia are simply at sea at stated periods during the year for practice. They are not at sea all of the while. They go to their maneuvers and practice, just like the land militia or the National Guards go out and have their summer practices. This does not affect the Naval Militia.

Mr. STAFFORD. Mr. Chairman, I certainly would not wish to establish a bar to the gentleman from Pennsylvania [Mr. MOORE] offering his amendment to reduce the number of years from four to three years, and accordingly I withdraw the point of order. If the gentleman wishes to ask me any questions, I would be very glad to yield to him.

The CHAIRMAN. Without objection, the point of order will be withdrawn. [After a pause.] Is there objection?

Mr. MOORE. Mr. Chairman, in view of the magnanimous action of the gentleman from Wisconsin [Mr. STAFFORD], I shall withdraw any comments upon the adjectives he applied to me and to my argument.

The CHAIRMAN. The Chair did not understand whether the gentleman from Pennsylvania rises to make objection to the withdrawal of the point of order. Is there objection? [After a pause.] The Chair hears none, and the point of order is withdrawn.

Mr. MOORE. Mr. Chairman, I repeat that in view of the magnanimity—because I want to use a big word—displayed by the gentleman from Wisconsin [Mr. STAFFORD] in withdrawing the point of order against this meritorious provision, I shall not comment upon the adjectives he applied to me in my argument. I believe there is a spark of patriotism, in fact, several sparks of patriotism, in his manly breast, and I appreciate that fact, and make public acknowledgment of it now; but I would like to say to the gentleman that I am unable to see wherein it is "ridiculous" to suggest—I withdraw that word, if I have misquoted the gentleman—that if we give the privilege of citizenship to a man who has served on a merchant vessel, after three years of service, upon the certificate of his captain only—that being sufficient to satisfy the courts—we should also accord that same privilege after a three-year service, whether the enlistment period be for three years or four years or five years—and in this case it happens to be four years—when that man enlists in the service of this country, and not in the service of any private vessel, and offers his life in our defense. Mr. Chairman, I do not believe the gentleman from Wisconsin [Mr. STAFFORD] means to criticize that situation, and I do not impute any such motive to him, but I can not harmonize the suggestion that it is fair to require an alien enlisting in the Army to serve only one year, in order to obtain his naturalization and become a citizen of the country, and not unfair to hold up an alien who engages upon a battleship for a period of four years because that happens to be the term of enlistment. Mr. Chairman, is the amendment before the House now?

The CHAIRMAN. No.

Mr. MOORE. Then, in view of the withdrawal of the point of order, I shall reoffer the amendment changing the period

from four to three years, and I will ask to have the amendment read.

The Clerk read as follows:

Page 8, line 13, after the word "than," strike out the word "four" and insert the word "three," and on line 16 of the same page, after the word "completed," strike out the word "four" and insert the word "three."

Mr. PADGETT. Mr. Chairman, as a matter of equalizing, I shall not object, but I can call to the gentleman's attention at once a matter that has occurred to me. Since the enlistment in the Navy is for a period of four years, the enlisted man can not have a discharge until he has served the four-year term of enlistment, and by providing that he should receive naturalization at the end of three years, there is a conflict at once.

Mr. MOORE. Mr. Chairman, will the gentleman yield?

Mr. PADGETT. Yes.

Mr. MOORE. Suppose an alien enlists in the Navy to-day, goes to Vera Cruz, arrives there two weeks hence, is wounded so that he is of no further use to the Navy, and is honorably discharged, comes back to this country, and seeks citizenship in order that he may conduct some petty little business with which to earn a living, why hold him up for four years before he is qualified to go to a court to apply for naturalization?

Mr. PADGETT. This provision reads:

Any alien of the age of 21 years and upward who may, under existing law, become a citizen of the United States, who has served or may hereafter serve for one enlistment of not less than four years in the United States Navy or Marine Corps, and who has received therefrom an honorable discharge or an ordinary discharge—

And so forth.

The regular enlistment is four years. To now strike out "four" and insert "three" would make it read:

For one enlistment of not less than three years.

Whereas there is no enlistment of three years provided for by law. It causes confusion immediately.

Mr. MOORE. Mr. Chairman, will the gentleman permit me to call attention to section 2174 of the United States Statutes, which provides:

Every seaman, being a foreigner, who declares his intention of becoming a citizen of the United States in any competent court and shall have served three years on board of a merchant vessel of the United States subsequent to the date of such declaration, may, on his application to any competent court, and the production of his certificate of discharge and good conduct during that time, together with the certificate of his declaration of intention to become a citizen, be admitted a citizen of the United States.

Mr. PADGETT. That is very true. He has no enlistment. There is no enlistment period prescribed by law. That is a permission. He could retire from the merchant service at will. Here the man has enlisted and the term of enlistment is fixed at four years. To strike that out and give him that privilege at the end of three years, when there is no enlistment period of three years, would create confusion. He would not be discharged at the end of the three years.

Mr. MOORE. What of the alien who is discharged by reason of wounds or for other cause before the four-year term of enlistment expires?

Mr. PADGETT. That may be an exceptional case, but that would be a confusion.

Mr. ROBERTS of Massachusetts. Mr. Chairman, the purpose of this section that is under discussion is not to induce young aliens to come into the service. As a matter of fact, we are not enlisting aliens; we are only enlisting American citizens. The real reason for this change of law is to take care of certain cases now in the Navy of aliens who, up to a certain period, were being allowed increased pay that came to them from reenlistment. The naval authorities had treated their services in the Navy as having made them citizens, but the comptroller rendered a decision that men were not entitled to this increase of pay from reenlistment unless they were American citizens.

Now, the law stated these men who were not citizens and who had been in the Navy and had been reenlisted could not become citizens, because they could not get the year's residence ashore required in most jurisdictions, and because they could not furnish a certificate of good conduct, and so forth. Hence, we propose to change the law as suggested by the Navy Department, to take care of those men, who are to all intents and purposes citizens and who have been getting the advantage of the increased pay on reenlistment until the comptroller decided it was unlawful, and to make it so that these men will become citizens and give them the same advantage that the native-born citizen has on reenlisting the second or third and fourth time. It is not at all for the purpose of bringing young aliens into the service. We do not want them. I mean by that no disparagement to the alien, but we are getting almost all of the membership of the naval personnel from American citizens and we are only taking American citizens into the service now, hence the amendment of the gentleman would be useless.

Mr. SABATH. Will the gentleman yield?

Mr. ROBERTS of Massachusetts. I yield to the gentleman.

Mr. SABATH. Do I understand the gentleman to state that we do not accept aliens in the Navy now?

Mr. ROBERTS of Massachusetts. That is the practice to-day. We are not taking aliens in the Navy except on reenlistment. We reenlist a certain class of aliens who have been in the service and are very glad to do so. Now, if the period be changed to three years, as suggested by the gentleman from Pennsylvania, it does not touch the case at all of the men who have been enlisted and reenlisted for the four-year period and have not been able under the decision of the comptroller to get an increased pay by reenlistment, and I have great doubt if the three-year period would not defeat the very purpose of this bill, because they would not have served the three-year enlistment.

Mr. BRYAN. Mr. Chairman, the gentleman from Massachusetts [Mr. ROBERTS] has called attention to a situation that really has caused a great deal of embarrassment to enlisted men in the Navy and one that we ought to lose no opportunity of correcting. On May the 22d, 1913, I received a letter from George Penney, ship's cook, first class, United States Navy, written from the U. S. S. *Galveston*, which is as follows:

U. S. S. GALVESTON,
Navy Yard, Puget Sound, Wash., May 22, 1913.

Hon. JAMES W. BRYAN,
United States Representative from State of Washington,
Washington, D. C.

MY DEAR SIR: I am writing you to ask your help in the matter explained below.

It is a matter of the very greatest importance, and through no fault of my own. I am placed in very serious financial difficulties. Unless there should be some relief I shall lose my home and all my property, and if you can help me in this matter I shall consider myself under the greatest obligations to you.

I first enlisted in the Navy March 10, 1896. At the time I enlisted I was a citizen of Newfoundland, but my first papers had been taken out in Los Angeles, Cal., on June 20, 1892. My record has been excellent throughout my service. I served in the Spanish-American War on the U. S. S. *Charleston* and in the Philippine campaign following that war.

I have served continuously in the Navy since I first enlisted, never remaining out more than one day between enlistments.

I hold war medals for the Spanish-American War and for Philippine campaign and three good-conduct medals.

I have considered myself a citizen of the United States ever since I reenlisted in 1903, as the recruiting officer enlisting me told me that my continuous service in the Navy made me a citizen, and so entered it on my enlistment record. I have been receiving extra pay given to a citizen for reenlisting ever since the issuance of General Order No. 34 by President Roosevelt in 1907.

By a decision of the Auditor of the Navy Department, my account has already been checked a large sum, and undoubtedly the checkage will finally be carried back until about $428 is taken from me.

I have been married for 10 years and have two children. I have not yet paid for my home in Charleston, Wash.; and as there is a mortgage on this, I shall lose my home and find great difficulty in supporting my family unless something is done to relieve me.

The Navy Department is trying to get Congress to straighten out the tangle, as there are hundreds of men in my situation. I earnestly request that you visit the Bureau of Navigation and find out just how you can bring about speedy action in my case.

I met you in Charleston last fall and have always regarded you as a personal friend. I feel sure that if the matter is brought to the attention of those concerned in legislation that they will adopt some means of relieving myself and others in the same situation.

I have also written to Hon. WESLEY L. JONES, Hon. WILLIAM E. HUMPHREY, and Hon. RICHMOND P. HOBSON.

Respectfully, yours,

GEORGE PENNEY,
Ship's Cook, First Class, United States Navy.

Thereupon I communicated with the Secretary of the Navy, and I received the following letter:

DEPARTMENT OF THE NAVY,
Washington, June 10, 1913.

Hon. JAMES W. BRYAN, M. C.,
House of Representatives, Washington, D. C.

MY DEAR MR. BRYAN: I transmit herewith a letter addressed to you by George Penney, ship's cook, first class, on board of the *Galveston*, which he forwarded through official channels.

Through Executive orders additional pay has for several years been given to men for reenlistment, if they were citizens. In December last, in a decision of the comptroller, it was held that it was incumbent upon pay officers to satisfy themselves of the sufficiency of the evidence of citizenship, and as a result pay officers are requiring all men who have received these benefits to produce evidence of their citizenship.

Evidence of birth in the United States is in a great many cases impossible to secure, and while the difficulties are not so great in proving naturalization, there are hundreds of men in the same position as Penney, who have believed, by reason of their service and residence, that they were citizens. The department believes that under the act of Congress approved July 26, 1894, providing for the naturalization of aliens who have enlisted in the United States Navy and been honorably discharged after five years' service, Penney and others are really de facto citizens although they have never gone through the formality required by said act.

The hardships which the enlisted men of long service are made to suffer as the result of the above can not be too strongly dwelt upon. Checkages range from a few hundred to, in one case, over $2,000, and some of the men face the proposition of working for years without a cent of money for themselves or their families unless relief is afforded by Congress.

A bill has been introduced by the chairman of the Naval Committee having in view this relief, and the department hopes that you will lend your earnest cooperation to the prompt passage of this bill.

Sincerely, yours,

JOSEPHUS DANIELS.

Then came the decision of the comptroller, to which the gentleman from Massachusetts has referred, in which the comptroller held that paymasters in paying this additional pay to these enlisted men paid it at their own peril in case it was discovered that the enlisted men were not citizens, and so it became necessary for these enlisted men to submit proof of their citizenship and their naturalization, which bore very hard upon these men. This enlisted man, George Penney, was subject to a charge of $400 or $500, and he states in his letter that he is liable to lose his home in the navy yard town of Charleston, Wash. The same situation prevails in the case of Peter Mason. I referred his case to the Secretary of the Navy, and I have the following reply:

DEPARTMENT OF THE NAVY,
Washington, April 28, 1913.

Hon. J. W. BRYAN, M. C.,
House of Representatives, Washington, D. C.

MY DEAR MR. BRYAN: I have received your letter of April 25, 1913, inclosing a communication of Peter Mason, Bremerton, Wash., regarding pay checked on account of his inability to present evidence of citizenship.

An Executive order of November 27, 1906, allowed $5 additional pay per month to men who reenlisted after a discharge on account of expiration of enlistment and who were citizens of the United States, and this was later enacted into law.

Mason was discharged December 22, 1909, on account of expiration of enlistment, and reenlisted December 23, 1909, and as he made oath he was a naturalized citizen of the United States he was credited with the $5 additional pay per month from the date of reenlistment.

Recently the Comptroller of the Treasury decided that the risk of making payments to enlisted men of the Navy under the above order rested solely with the pay officers, and that it was incumbent upon the pay officers to satisfy themselves as to the sufficiency of the evidence of citizenship presented, and that it was their right to refuse to make such payments unless in their judgment the evidence was legally sufficient. As a result a large number of men when called upon for evidence of citizenship found themselves in the same unfortunate position as Mason, and have been checked for the entire amount of the additional pay received.

While greatly sympathizing with these men, some of whom, like Mason, will receive no money for an extended period, the department has no discretionary power in the matter, as citizenship is a requirement. The department has in preparation the drafting of a bill which is intended to relieve these men from the checkage, and it is hoped there will be no difficulty in getting it enacted this session. The department is powerless in this matter without the aid of Congress.

Sincerely, yours,

JOSEPHUS DANIELS.

So far as making the amendment for three years is concerned, I do not see any great question concerning that, and, if desired, the amendment can be amended and worded in such a way as not to interfere with this additional pay. I have no doubt about that. The main object is the relief of these men who actually served in the Navy, who have fought and performed their duty, and who have rendered obedient and sufficient service. I think that the purpose is right, and there should be no hesitation about it, and I am glad the point of order has been withdrawn, and I hope that the provision will pass. Many of these men have rendered distinguished service, as was the case of George Penney, with his medals and his record of good service.

Mr. PADGETT, the chairman of the Committee on Naval Affairs, introduced a bill on June 6, 1913, containing the following provision:

That hereafter the increased pay authorized by law for each rating of the Navy during the second and subsequent periods of service of enlisted men who are citizens of the United States shall be paid to such enlisted men as are otherwise entitled thereto, irrespective of the citizenship of such enlisted men: *Provided*, That any and all enlisted men who have, subsequent to the 27th day of March, 1906, been carried on the records of the Navy Department as citizens of the United States shall be entitled to any increased pay to which they would have been entitled if citizens of the United States: *And provided further*. That where any enlisted men of the Navy have received such increased pay and have subsequently been checked on account of their inability to prove that they were citizens of the United States during the time they were in receipt of such increased pay, the proper accounting officers of the Treasury are hereby authorized and directed to reopen the accounts of such enlisted men and to credit them respectively with the amounts so checked against them.

I think it is absurd to place men in the situation of Penney and Mason and many others on a different plane as to pay and privileges than others who may have more definite records as to citizenship. There is no question as to their service; there should be no further questions raised.

Mr. SABATH. Mr. Chairman, I am just as jealous of the rights and jurisdiction of my committee as the gentleman from Pennsylvania or any other member of that committee. However, when a committee refuses to act on an important matter and refuses to listen to appeals and refuses to report bills placed before them which are fair and just, then I can not criticize some other committee which has acted in the right direction when ours has failed. In fact, I congratulate the chairman of the Committee on Naval Affairs in reporting the bill which embodies this provision. I think it is legislation aimed in the right direction, and it should be adopted. I can not agree with the gentleman from Pennsylvania in his amendment. I really believe that it will not benefit the bill in any way. I think the provision as it now reads is much stronger than the provision that we have pertaining to those aliens who enlist in the Army and those who enlist in the merchant marine. In those cases they are obliged to file a declaration of intention, whereas this section reads that there is no need for such enlisted alien to file a declaration of intention. It provides that after he has served his four years, or after he is honorably discharged, he can apply for citizenship and it will be granted without his making an application beforehand and filing an intention or declaring his intention to become a citizen.

Mr. MOORE. How does the gentleman explain the difference between the three years allowed to the man in the merchant service and the four years required of the man in the naval service?

Mr. SABATH. Do you mean section 2174?

Mr. MOORE. Yes.

Mr. SABATH. That section provides for a seaman who is a foreigner, but who declares his intention to become a citizen of the United States. Now, in that case he must first declare, and the chances are 99 out of 100 that he will not declare his intention until he has spent two, three, four, or, perhaps, five years in the country. In fact, it matters not how long he has been a resident of the United States, he must wait three years more after he has filed his declaration of intention.

Mr. MOORE. But, on the face of it, does he not have one year's advantage over the man in the naval service if this provision is carried to-day?

Mr. SABATH. Well, as I have stated to the gentleman from Pennsylvania before, I do not think he has, because under this provision it is not necessary for him to file the declaration of intention of becoming a citizen.

Mr. MOORE. There is certainly one year's difference between three years and four years. I will ask the gentleman how he accounts for the difference between the one year of service required of a man who enlists in the Army and the four years that are required of the man who enlists in the Navy?

Mr. SABATH. To what section or provision does the gentleman from Pennsylvania refer as to the one year in the Army?

Mr. MOORE. It is in the Revised Statutes.

Mr. SABATH. I do not know of any section that would give anyone the right to become an American citizen in one year.

Mr. MOORE. The section I read said that the alien enlisting in the Army can after one year's service, or on proof that he served one year, have the court approve his papers for naturalization.

Mr. SABATH. Well, I am not acquainted with that provision.

Mr. MOORE. I showed it to the gentleman. The one-year provision is clear. The soldier submits to the court evidence that he served one year, and that is to be regarded as sufficient proof.

Mr. SABATH. The gentleman from Pennsylvania [Mr. MOORE] is under the wrong impression. He has reference to section 2166, which provides:

Any alien of the age of 21 years and upward who has enlisted, or may enlist, in the armies of the United States, either the regular or volunteer forces, and has been, or may be hereafter, honorably discharged shall be admitted to become a citizen of the United States upon his petition without any previous declaration of his intention to become such; and he shall not be required to prove more than one year's residence within the United States previous to his application to become such citizen; and the court admitting such alien shall, in addition to such proof of residence and good moral character, as now provided by law, be satisfied by competent proof of such person's having been honorably discharged from the service of the United States.

Therefore this means one additional year after his honorable discharge from the Army and not that he can be naturalized in one year because of the fact that he has been in the Army.

Mr. MOORE. I will say to the gentleman that there is a discrepancy there. I do not care whether the Naval Committee remedies this or it is done somewhere else.

Mr. SABATH. Had the Committee on Immigration and Naturalization done as you and I requested the last four or five years, all of these provisions would have been embodied in one and made much more liberal than they are now, and there could be no misunderstanding or misconstruction. For that reason I welcome this provision in the bill, and, of course, I would not object to the gentleman's amendment, realizing that he means well and that he at all times desires to aid and assist those deserving aliens who are willing to sacrifice their lives for their adopted country, were it not clear to me that it may

endanger the provision as well as the relief contemplated by the committee.

Mr. MOORE. If he fights for us, we want to give him a chance for citizenship.

Mr. SABATH. I agree with you, and I want to say that that is what I have been asking and advocating ever since I first became a Member of this House.

The CHAIRMAN. The question is on the adoption of the amendment offered by the gentleman from Pennsylvania [Mr. MOORE].

The question was taken, and the Chair announced that the noes seemed to have it.

Mr. MOORE. Division, Mr. Chairman.

The committee divided; and there were—yeas 14, nays 30.

So the amendment was rejected.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

Outfits on first enlistment: Outfits for all enlisted men and apprentice seamen of the Navy on first enlistment, at not to exceed $60 each, $800,000: *Provided*, That the Secretary of the Navy is authorized to issue a clothing outfit to all enlisted men serving in their second enlistment who failed to receive an outfit of the value authorized by law on their first enlistment, or who, having received such outfit, were required to refund its value on account of discharge prior to expiration of enlistment: *Provided further*, That the net cost to the Government of clothing outfits furnished any one enlisted man shall not exceed $60.

Mr. MADDEN. Mr. Chairman, I reserve a point of order for the purpose of asking the chairman of the committee what the purpose of these two provisos is.

Mr. PADGETT. Under the law, when a person enlists in the Navy he is entitled to an outfit of $60 for clothing. There was a case brought to the attention of the committee by the gentleman from California [Mr. STEPHENS] and also by the department—and it appears in the hearings—where a young man enlisted, and before he got his outfit he was discharged and got no outfit on that enlistment, and then he reenlisted, and when they went to give him an outfit the authorities held that he could not get any outfit at all; that he ought to have gotten it on his first enlistment; and not getting it on his first enlistment, he was not entitled to it. And when he enlisted a second time, that being a second enlistment, the law did not provide for any on second enlistment. And this sailor who enlisted did not get the clothing that he was entitled to get.

Mr. MADDEN. And this is just made to meet a special case, then, is it not?

Mr. PADGETT. No; it is to meet cases of that kind. There are other cases, but this one is illustrative.

Mr. ROBERTS of Massachusetts. I might, if the chairman will pardon me, say it quite frequently happens that during the first enlistment the man does not draw the full amount to which he is entitled, and on his second enlistment he is not allowed to draw the balance, and it is thought by the department only fair, especially as he comes back into the service, that he should then have the undrawn balance allowed to him.

Mr. MADDEN. And a new outfit as well?

Mr. ROBERTS of Massachusetts. No.

Mr. PADGETT. To finish out the outfit which he failed to get.

Mr. ROBERTS of Massachusetts. The outfit only comes to the men on first enlistment.

Mr. MADDEN. Mr. Chairman, I withdraw the point of order.

Mr. STEPHENS of California. Mr. Chairman, I would like to say one word about this very proposition. The case was brought to the attention of the committee because of a young man at Los Angeles, a most excellent young man, who enlisted in the Navy with the consent of his father. He was passed by the surgeon there, taken to San Francisco, and passed by the surgeon there, and then taken to the training school, where he was rejected. In all he was in the service six days. Within 30 days after that time the Secretary of the Navy permitted him to reenlist. He did so, and when about to draw his first month's pay was informed that there was nothing coming to him, because his clothing outfit was charged to him. Enlisted men are entitled to a clothing allowance of $60 on first enlistment. The boy was declared to be serving his second enlistment, and therefore not entitled to a clothing allowance, notwithstanding the fact that he never before had drawn one single penny of allowance for clothing. The case came to Washington, and it was decided here by the law department of the Navy that this was the young man's second enlistment and not his first, and therefore he was not entitled to clothing allowance. Thus a technicality had worked and would continue to work a rank injustice to honest and patriotic young men anxious to serve their country and their country's flag. This provision is put in here to cure cases of this kind, of which there have been quite a number. The Navy Department desires this change in the law for the good of the service.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

Naval training station, Great Lakes: Maintenance of naval training station: Labor and material, general care, repairs, and improvements of grounds, buildings, and piers; street car fare; purchase and maintenance of live stock, and attendance on same; motor-propelled vehicles, wagons, carts, implements, and tools, and repairs to same; fire apparatus and extinguishers; gymnastic implements; models and other articles needed in instruction of apprentice seamen; printing outfit and material, and maintenance of same; heating and lighting, and repairs to power-plant equipment, distributing mains, tunnel; and conduits; stationery, books, schoolbooks, and periodicals; washing, packing boxes and materials; lectures and suitable entertainments for apprentice seamen; and all other contingent expenses: *Provided*, That the sum to be paid out of this appropriation under the direction of the Secretary of the Navy for clerical, drafting, inspection, and messenger service for the fiscal year ending June 30, 1915, shall not exceed $1,500; in all, naval training station, Great Lakes, $98,457.

Mr. MADDEN. Mr. Chairman, I move to strike out the last word.

The CHAIRMAN. The gentleman from Illinois [Mr. MADDEN] moves to strike out the last word.

Mr. MADDEN. Mr. Chairman, I notice that the committee has reduced the amount for clerical hire to be paid out under the direction of the Secretary of the Navy from $44,553.36 to $1,500. I was wondering whether the reduction would cripple the service there.

Mr. PADGETT. They are not reducing it there. That old amount was the amount for clerical service, drafting, and so forth, that was in the bill while the station was under construction and building. It included pay of the building force. Last year their drafting expenses, and so forth, were a little less than $1,500, and we put it at $1,500. That is a little bit more than the actual expenses of last year.

Mr. MADDEN. This clause provides that "the sum to be paid out of this appropriation under the direction of the Secretary of the Navy for clerical, drafting, inspection, and messenger service for the fiscal year ending June 30, 1915, shall not exceed $1,500"; so that really it was not mere clerical service last year, but included a lot of other service?

Mr. PADGETT. Yes; that is right. Last year it did not amount to $1,500.

Mr. MADDEN. And there is no reduction now?

Mr. PADGETT. There is no reduction. The other figures were put in there at the time that that clerical and drafting force was used in the work of building the station.

Mr. MADDEN. One thousand five hundred dollars would about pay one man as a clerk, would it not?

Mr. PADGETT. Yes.

Mr. MADDEN. Is the clerical work done by the officers?

Mr. PADGETT. Yes, sir.

Mr. MADDEN. Or the enlisted men, or both?

Mr. PADGETT. It is done by apprentice boys and others there.

Mr. MADDEN. And they are not classed as "clerks" at all?

Mr. PADGETT. No.

The CHAIRMAN. Without objection, the pro forma amendment will be withdrawn. The Clerk will read.

The Clerk read as follows:

Naval Home, Philadelphia, Pa., pay of employees: One secretary, $1,600; 1 foreman mechanic, $1,500; 1 superintendent of grounds, at $720; 1 steward, at $720; 1 store laborer, at $480; 1 matron, at $420; 1 beneficiaries' attendant, at $300; 1 chief cook, at $480; 1 assistant cook, at $360; 1 assistant cook, at $300; 1 chief laundress, at $240; 5 laundresses, at $192 each; 4 scrubbers, at $192 each; 1 head waitress, at $300; 8 waitresses, at $192 each; 1 kitchen servant, at $360; 8 laborers, at $360 each; 1 stable keeper and driver, at $480; 1 master-at-arms, at $720; 2 house corporals, at $300 each; 1 barber, at $360; 1 carpenter, at $846; 1 painter, at $846; 1 painter, at $720; 1 engineer for elevator and machinery, $720; 5 laborers, at $540 each; 1 laborer, at $420; 1 laborer, at $360; total for employees, $22,696.

Mr. FOWLER. Mr. Chairman, I reserve the point of order on the paragraph.

The CHAIRMAN (Mr. JOHNSON of Kentucky). The gentleman from Illinois [Mr. FOWLER] reserves a point of order on the paragraph.

Mr. FOWLER. Mr. Chairman, I desire to call the attention of the chairman of the committee to a few increases of salaries.

Mr. PADGETT. Yes, sir.

Mr. FOWLER. On page 14, line 20, there is one beneficiaries' attendant at $300. That is an increase of salary from $240 to $300?

Mr. PADGETT. Yes, sir; but there are several other increases in the paragraph.

Mr. FOWLER. I am not complaining at the increases at all. I commend the committee for the increases. What I was wanting to do, however, was to ask the chairman of the committee why more of the low, and exceedingly low, salaries have not been increased?

Mr. PADGETT. We put in all that was recommended. The Naval Home there is maintained out of what is known as the "Navy pension fund." The men there that are in charge are in full sympathy with the increases, and we put in every one that they have recommended. The salaries are fixed in proportion to the time taken and the amount of work that is done by the different people.

Mr. FOWLER. Did you increase the salary of all of these low-salaried people who work full time?

Mr. PADGETT. Every one that was recommended was increased; yes, sir.

Mr. FOWLER. I mean all that put in full time?

Mr. PADGETT. I could not answer that, because I have no information on the subject as to which ones put in full time and which ones do not.

Mr. FOWLER. I see. That would be real information for me if it were given.

Mr. PADGETT. We know that the governor of the home is in f ll sympathy with them, and when he sent in his recommendations we took them just as he sent them.

Mr. FOWLER. You did not go into the question, then, as to whether the other low-salaried people were deserving of an increase?

Mr. PADGETT. We did not, because the governor of the home did not appear himself directly before us, but we took his recommendations.

Mr. FOWLER. I presume the gentleman believes that an increase ought to be made in all these salaries?

Mr. PADGETT. I think certainly no injustice was done to those who were not increased.

Mr. FOWLER. Certainly no injustice was done to those who were increased, for even a most economical man would recommend an increase in those cases. But I find that there are five laundresses, at $190 each, who were not increased. I would like to know if they put in full time?

Mr. PADGETT. I am not prepared to answer, because I do not know. I do not know whether they do other work for private customers or not. We did not go into that. We took up the question upon the submission of recommendations for increases. We thought they were proper recommendations, and we granted all of them. If the governor of the home were to submit recommendations for others and would show that their present salaries are not sufficient for the work they do and the time they are putting on it, I assure the gentleman those recommendations would have the sympathetic consideration of the committee.

Mr. FOWLER. Where does this money come from?

Mr. PADGETT. It is an institution of a Navy fund originating from prizes taken by the Navy in years past and turned into the Treasury, and it constitutes a trust fund. The Naval Home is supported out of that fund, and the remainder of the fund, the interest, is turned over to the Secretary of the Interior and disbursed by the Commissioner of Pensions in the payment of pensions.

Mr. FOWLER. Is the interest on this fund great enough to increase the salaries of these low-salaried people?

Mr. PADGETT. Oh, yes.

Mr. FOWLER. I would be very glad to see it done.

Mr. PADGETT. Well, sir, if those in charge submit a recommendation to that effect, the committee will give it very sympathetic consideration. I will say to the gentleman that in the time I have served on the Committee on Naval Affairs, for 10 years, I do not remember a single instance where the committee has failed to increase these low-priced salaries at that home upon a recommendation; but the gentleman can well appreciate that we can not on our own initiative undertake to do it, not knowing how much time these people may put in or the value of the work which they do.

Mr. FOWLER. I am well aware of the fact that it will take some time and investigation in order to determine the relative value of the service done by these various people, and of course the value of the service ought to determine the amount of salary. But I observe in this list perhaps the very lowest salaries paid to any public servants.

Mr. PADGETT. Yes; they are. But——

Mr. FOWLER. I am in sympathy with an increase to a point which will be respectable and decent.

Mr. PADGETT. The committee has the same feeling that the gentleman has, and we have so acted in all cases, and the governor of the home is in full sympathy with those who are employed, and we felt that wherever he made a recommendation we could follow it; and if he did not make a recommendation, it was because he was satisfied that the service performed was being fully compensated.

Mr. FOWLER. Mr. Chairman, I do not desire to make a point of order. I would rather offer an amendment to increase the salaries which have already been increased slightly than to interpose a point of order.

The CHAIRMAN. If there be no objection, the point of order will be withdrawn and the Clerk will read.

The Clerk read as follows:

Maintenance: Water rent, heating, and lighting; cemetery, burial expenses and headstones; general care and improvements of grounds, buildings, walls, and fences; repairs to power plant equipment, implements, tools, and furniture, and purchase of the same; music in chapel and entertainments for beneficiaries; stationery, books, and periodicals; transportation of indigent and destitute beneficiaries to the Naval Home, and of sick and insane beneficiaries, their attendants and necessary subsistence for both, to and from other Government hospitals; employment of such beneficiaries in and about the Naval Home as may be authorized by the Secretary of the Navy, on the recommendation of the governor; support of beneficiaries, and all other contingent expenses, $54,421; in all, for Naval Home, $77,117, which sum shall be paid out of the income from the naval pension fund: *Provided*, That all moneys derived from the sale of material at the Naval Home which was originally purchased from moneys appropriated from the income from the naval pension fund and all moneys derived from the rental of Naval Home property shall be turned into the naval pension fund: *And provided further*, That hereafter all moneys belonging to a deceased beneficiary of the Naval Home or derived from the sale of his personal effects, not claimed by his legal heirs or next of kin, shall be deposited with the pay officer of the Naval Home; and if any sum so deposited has been or shall hereafter be unclaimed for a period of two years from the death of such beneficiary it shall be deposited in the Treasury to the credit of the naval pension fund: *And provided further*, That the governor of the Naval Home is hereby authorized and directed, under such regulations as may be prescribed by the Secretary of the Navy, to make diligent inquiry in every instance after the death of an inmate to ascertain the whereabouts of his heirs or next of kin: *And provided further*, That claims may be presented hereunder at any time within five years after moneys have been so deposited in the Treasury, and, when supported by competent proof in any case after such deposit in the Treasury, shall be certified to Congress for consideration: *And provided further*, That the pensions of beneficiaries of the Naval Home shall be disposed of in the same manner as prescribed for inmates of the Soldiers' Home, as provided for in section 4 of the act approved March 3, 1883, under such regulations as the Secretary of the Navy may prescribe, except that in the case of death of any beneficiary leaving no heirs at law nor next of kin any pension due him shall, subject to the foregoing provisions, escheat to the naval pension fund.

Mr. MANN. Mr. Chairman, I reserve a point of order.

The CHAIRMAN. A point of order is reserved by the gentleman from Illinois.

Mr. MANN. I should like to ask the gentleman as to the first proviso at the top of page 16:

That hereafter all moneys belonging to a deceased beneficiary of the Naval Home or derived from the sale of his personal effects, not claimed by his legal heirs or next of kin, shall be deposited with the pay officer of the Naval Home, and if any sum so deposited has been or shall hereafter be unclaimed for a period of two years from the death of such beneficiary it shall be deposited in the Treasury to the credit of the naval pension fund.

Is there now any authority for anyone to sell his personal effects?

Mr. PADGETT. Under a law that was passed two or three years ago there is a provision that they shall be sold and the proceeds kept for a certain length of time, and if not claimed by the next of kin or those entitled under the law, the money shall be turned into the general fund of the Treasury. This provides that it shall go into the naval pension fund.

Mr. MANN. That is the only difference?

Mr. PADGETT. Yes.

Mr. MANN. The authority now exists for the person in charge of the Naval Home to sell?

Mr. PADGETT. Yes. They hold the proceeds for a certain length of time and ultimately turn the money into the general fund, and this provides that it shall go into the naval pension fund.

Mr. MANN. I see this provides that it shall go into the pension fund if it is not claimed within two years, and then there is a further provision that anybody can present a claim within five years, in which case it shall be certified to Congress.

Mr. PADGETT. Yes.

Mr. MANN. I take it with the expectation that it shall then be paid out of the general fund.

Mr. PADGETT. No; out of the pension fund. This would go into the naval pension fund, and then would be paid out of it.

Mr. MANN. We do not appropriate any money out of the naval pension fund, do we?

Mr. PADGETT. All of this is appropriated out of the naval pension fund.

Mr. MANN. All of which?

Mr. PADGETT. Beginning with the paragraph headed "Naval Home, Philadelphia," on page 14, all of that goes out of the naval pension fund.

Mr. MANN. Do they pay any money out of the naval pension fund except what is appropriated?

Mr. PADGETT. No; except there is a general provision of law that the interest upon what is remaining over shall be turned over to the Secretary of the Interior, who turns it over

to the Commissioner of Pensions, and it becomes a part of the pension fund and is distributed in the payment of pensions.

Mr. MANN. Of naval pensions?

Mr. PADGETT. Yes.

Mr. MANN. Is there legislation similar to this in reference to the soldiers' homes?

Mr. PADGETT. This puts the Naval Home in this particular upon the same basis as the soldiers' homes. Under the law with reference to soldiers' homes the beneficiary goes into the soldiers' home and his pension continues. It is there paid to the governor of the home and held for his benefit, or it goes to his wife and children under the provisions of the law.

Mr. MANN. In the soldiers' home?

Mr. PADGETT. Yes.

Mr. MANN. I think it goes to the pensioner.

Mr. PADGETT. It goes to the pensioner, but under certain conditions a part of it can be paid to his wife.

Mr. MANN. It can, if he consents to it.

Mr. BRYAN. It can without his consent.

Mr. PADGETT. In the discretion of the governor of the home——

Mr. MANN. I do not think it is in the discretion of the governor of the home.

Mr. PADGETT. When a naval pensioner goes to the Naval Home he loses his pension altogether; it stops. This continues his pension and provides for its disposition upon the same terms as beneficiaries in the soldiers' homes receive their pensions.

Mr. MANN. I do not understand how this continues a man's pension. The gentleman says inmates of the Naval Home receive no pensions.

Mr. PADGETT. They do not while in the Naval Home.

Mr. MANN. Then they have no pension due them if they die without heirs or next of kin?

Mr. PADGETT. No.

Mr. MANN. This provides for the disposition of the pension when they die without heirs or next of kin.

Mr. PADGETT. But a man may have some other little effects in the home, which he may have purchased.

Mr. MANN. Oh, but here is the language of the bill:

Except that in the case of the death of any beneficiary leaving no heirs at law nor next of kin—

It should be "or next of kin"—

any pension due to him shall, subject to the foregoing provision, escheat to the naval pension fund.

Mr. PADGETT. Yes.

Mr. MANN. You say he does not get a pension?

Mr. PADGETT. He does not under existing law; but this, as I understand it, provides for it. This was sent down by the department. I have not read it for some time. It provides that he shall continue to draw his pension if he is in the Naval Home, the same as they do in the soldiers' homes, and that is the purpose of this legislation.

Mr. MANN. I think the gentleman must be mistaken about the naval pensioners in the home not receiving pensions now.

Mr. VARE. At the present time while they are in the Naval Home they do not get any pensions.

Mr. MANN. A pensioner in the Naval Home does not receive a pension?

Mr. VARE. While they are in there it is turned over to the fund.

Mr. MANN. If that is the case, I will make a point of order on the last proviso at the bottom of page 16.

Mr. PADGETT. I will say to the gentleman that the purpose of that is to allow them to receive their pensions while in the Naval Home, and to let the pensions be distributed, as is done now for beneficiaries in the soldiers' homes. We have put the two upon an identical basis.

That is the object and purpose, and the Secretary and governor of the Naval Home have so recommended. I will call the attention of the gentleman to the statement of the governor of the home found on page 31 in the hearings. It is as follows:

It is not the intention to permit persons receiving large pensions or retired pay to enter and reside at the home, but to make the home available for such needy persons whose pensions are small and who, in many cases, have a wife, child, or dependent relative. The former class can easily be prevented from entering the home by investigating their cases and examining their pension certificates, and by giving preference to men of long service and small pensions and to those who have been disabled in the service in line of duty. The deprivation of their pensions has often caused the separation of a beneficiary's family; a pensioner becomes too old and feeble to earn sufficient to add to his pension and support himself and wife, and his pension being too small to aid in his support, not to speak of that of his wife, the only course open to him is to have his wife or child placed in some charitable institution, a charge on some State, while he is compelled to enter the home and surrender his pension. Were he allowed to retain his pension, or at least to have the benefits of it, as is the case with inmates of the Soldiers' Home and the National Home for Disabled Volunteer Soldiers, his pension would probably be sufficient to support, in part at least, his wife, and the latter could, if she so desired, take up her residence near the Naval Home, and the two thus be enabled to spend their last days together, instead of being separated and their homes broken up in their declining years.

Mr. MANN. How did this pension fund arise?

Mr. PADGETT. It came from the sale of prizes captured by the Navy. The prizes were sold and the proceeds turned into tht Treasury of the United States as a trust fund, and there is a certain amount of interest that accumulates upon it each year. The Naval Home is supported out of the interest of that trust fund, and the surplus of it is turned over to the Pension Department, as I explained a moment ago, and used to pay the Navy pensions.

Mr. MANN. How much is the surplus?

Mr. PADGETT. Several hundred thousand dollars. The principal is about $14,000,000. I think it is well to let the old men have these pensions.

Mr. MANN. The gentleman talks about old men; a lot of them are not old. This is for the regular service.

Mr. PADGETT. But many of them have reached old age.

Mr. MANN. Living in the soldiers' home they reach old age, and they are pretty well taken care of.

Mr. PADGETT. In the soldiers' home they get their pensions, but in the Naval Home they are deprived of the pensions.

Mr. MANN. The people who were in the Civil War do not go to the naval home at all.

Mr. PADGETT. Some of them do.

Mr. MANN. I think not, but I do not know.

Mr. PADGETT. I have not specially investigated it.

Mr. VARE. Will the gentleman yield?

Mr. PADGETT. Yes.

Mr. VARE. For the benefit of the committee, I will say that I recently visited the sailors' home on Grays Ferry Avenue, Philadelphia. My recollection is that at that time there were between 80 and 90 inmates, and that their ages ranged from 70 to 95 years. My understanding of the matter is that these men under the existing law turn over their pensions to this treasury with a view to securing a home there. If this proviso is allowed to stay in the bill, they would not only have a place to live, but also receive pensions as well.

Mr. PADGETT. That is true.

Mr. MANN. I suppose the men who are 95 years old want to take care of their wives, who live just outside. As I understand the gentleman from Pennsylvania, there is no one there under 70 years of age.

Mr. VARE. That is my understanding.

Mr. MANN. Mr. Chairman, I make a point of order on the proviso, beginning in line 21, page 17.

The CHAIRMAN. The point of order is sustained.

The Clerk read as follows:

BUREAU OF ORDNANCE.

Ordnance and ordnance stores: For procuring, producing, preserving, and handling ordnance material; for the armament of ships; for fuel, material, and labor to be used in the general work of the Ordnance Department; for furniture at naval magazines, torpedo stations, and proving ground; for maintenance of the proving ground and powder factory and for target practice, and for pay of chemists, clerical, drafting, inspection, and messenger service in navy yards, naval stations, and naval magazines: *Provided*, That the sum to be paid out of this appropriation under the direction of the Secretary of the Navy for chemists, clerical, drafting, inspection, watchmen, and messenger service in navy yards, naval stations, and naval magazines for the fiscal year ending June 30, 1915, shall not exceed $468,000. In all, $5,800,000: *Provided*, That hereafter no part of any appropriation shall be expended for the purchase of shells or projectiles for the Navy except for shells or projectiles purchased in accordance with the terms and conditions of proposals submitted by the Secretary of the Navy to all the manufacturers of shells and projectiles and upon bids received in accordance with the terms and requirements of such proposals: *Provided*, That this restriction shall not apply to purchases of shells or projectiles of an experimental nature or to be used for experimental purposes and paid for from the appropriation "Experiments, Bureau of Ordnance": *Provided*, That hereafter the Secretary of the Navy is hereby authorized to make emergency purchases of war material abroad: *And provided further*, That when such purchases are made abroad, this material shall be admitted free of duty.

Mr. HOBSON. Mr. Chairman, I wish to offer the following amendment.

The Clerk read as follows:

Amend, page 17, line 22, after the word "of" and before the word "shell," insert the words "armor-piercing," so as to read: "purchase of armor-piercing shells or projectiles."

Mr. MANN. Will the gentleman from Alabama yield for a question?

Mr. HOBSON. Certainly.

Mr. MANN. Does not the language of the bill and the law cover the gentleman's proposition? They could not purchase any shells or projectiles. This is only a prohibition.

Mr. HOBSON. Yes; and I want it to be so that they could purchase torpedo shells.

Mr. MANN. The gentleman wants to except torpedo shells?

Mr. HOBSON. Yes. It makes the provision apply only to armor-piercing shells. The torpedo shell is in a stage which

may be called experimental, but I hope before the fiscal year is over that it will have been accepted and be beyond the experimental stage, and that when the question of a purchase of torpedo shells comes up it may properly be considered by the Government. When that time comes this limitation might work a hardship and prevent torpedo shells being purchased by the service. This limitation was developed in the matter of armor-piercing shells.

Mr. FOWLER. Mr. Chairman, if I understand the amendment, it seeks to carry with this proviso the idea of armor-piercing shells.

Mr. HOBSON. No; it is to carry limitation only with reference to armor-piercing shells. The proviso is a limitation, and I want it limited to armor-piercing shells.

Mr. FOWLER. I would like to have the amendment read, so that I may understand it.

The CHAIRMAN. Without objection, the amendment will be again reported.

The Clerk again read the amendment.

Mr. HOBSON. Thus the gentleman will see that the proviso places a limitation on the purchase, and that it will apply only to armor-piercing shells which are commercially manufactured and sold, and it would remove the limitation of the proviso from the purchase of torpedo shells.

Mr. FOWLER. The word "projectiles" does not seem to be sufficiently limited. If the gentleman's amendment carries, it would prohibit the purchase of "armor-piercing shells or projectiles."

Mr. HOBSON. Then, Mr. Chairman, I will ask to insert, before the word "projectiles," the word "armor-piercing," so that it will read "armor-piercing shells or armor-piercing projectiles."

Mr. ROBERTS of Massachusetts. Will the gentleman from Alabama yield?

Mr. HOBSON. I will.

Mr. ROBERTS of Massachusetts. I want to ask the gentleman if he has in mind exempting from the limitation of purchase the so-called Isham shell?

Mr. HOBSON. No; but I have in mind experiments carried on in connection with the Isham shell. The art of manufacturing a torpedo shell has been developed in many other lands besides our own.

I am in hopes that there will be other torpedo shells put into the field along with the Isham shells, and that the development may be sufficiently advanced before the next fiscal year ends to warrant the purchase of them.

Mr. ROBERTS of Massachusetts. Mr. Chairman, if the gentleman's amendment is adopted, it will then leave it within the power of the department to purchase as many of the so-called Isham shells as they see fit, will it not?

Mr. HOBSON. I think it would; or any other torpedo shell or any other form of shell besides the armor-piercing shell, without these limitations; but the gentleman will see that it is not incumbent upon the department to purchase anything under that proposition.

Mr. ROBERTS of Massachusetts. I realize, Mr. Chairman, it is not incumbent upon them to purchase, but it is within their power to do so if the right pressure is brought to bear. I want to say in regard to the so-called Isham shell that the last report I had, from personal interviews with certain officials of the department, impressed me so unfavorably that I would like to have some way found to stop the purchase of any more Isham shells until those that have been submitted are in shape to conform to the requirements of the department and have been tested.

Mr. FOWLER. Mr. Chairman, I decline to yield any further.

The CHAIRMAN. The gentleman from Illinois declines to yield further.

Mr. HOBSON. Mr. Chairman, I will ask unanimous consent to proceed for five minutes.

The CHAIRMAN. But the gentleman from Alabama has not the floor. The gentleman from Illinois [Mr. FOWLER] has the floor.

Mr. FOWLER. Mr. Chairman, I am very much interested in this discussion, because I do not think there ought to be a limitation on the character of shells which the Government should manufacture. The progress which is being made now, and which has already been made, has demonstrated that there are other shells than the armor-piercing shells which are more highly destructive than even the armor-piercing shell itself, if I am correctly informed. I understand that it has been scientifically demonstrated that what is called the torpedo shell, or the high explosive shell, is able to destroy a war vessel much more readily than an armor-piercing shell. That was demonstrated in the experiment made on the *Puritan*, wherein one high-explosive shell put her out of business in two minutes, and yet at the same time the experiment was going on with the armor-piercing shell on the *Texas*, and for two days they pounded away on the *Texas* with the armor-piercing shell; and I understand that they never did sink her by virtue of that bombardment.

Mr. Chairman, I ask unanimous consent to proceed for four minutes longer, if my time is about up, and I apprehend that it is.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. FOWLER. Mr. Chairman, I understand also that there was another demonstration of the power of the armor-piercing shell which ought to appeal to the people of America in no uncertain terms. It is known that we furnished Russia a large portion of her armor, indeed, that we made some of her vessels in America. In the Battle of Tsushima the story was told in such a decisive way that there can be no mistake. The war vessels of Japan, as I am informed, were armed with high-explosive shells, and from the time the Japanese fleet sighted the Russian fleet, which was armed with armor-piercing shells, the Japanese fleet began to shell the Russian fleet and really destroyed it with the high-explosive shells before the Russian fleet could get close enough to use the armor-piercing shells effectively. Really, before Rojestvensky knew that real danger was at hand, one of the greatest Russian vessels had received what we call a solar-plexus blow and was knocked out, and the rest of the ships of that great navy of Russia went to the bottom of the sea before they ever got close enough to do any damage with the armor-piercing shell.

If this be true, then we ought to encourage the manufacture of the high-explosive shell, because if we come in contact with the Japanese Navy or the Germany Navy we will find that they are armed with the high-explosive shell. I understand that German war vessels are protected by triple-plate armor and Japan's by double-plate armor, while our war vessels have only single-plate armor; so that if we should be without the high-explosive shells and come in contact with either one of those great fleets, in my opinion they would be able to destroy us with those high-explosive shells before we could get in reach of them with our armor-piercing shells for effective work.

Mr. Chairman, I am very glad to know that the able gentleman from Alabama [Mr. HOBSON] takes the advanced stand for the high-explosive or torpedo shell, and I believe that he will find many Members, if not all of us on the floor of this House, splicing hands with him, so as to make the American Navy as strong as the ingenuity of man can contrive. We ought not to be behind any other nation in the world in the effectiveness of our armor or our armament. If we must expend millions for a Navy, let it be said that ours is the most effective.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. HOBSON. Mr. Chairman, I move to strike out the last word, for the purpose of referring to the remarks of the gentleman from Massachusetts [Mr. ROBERTS]. The gentleman from Massachusetts will recall the history of this proviso; it appeared only after the art of the manufacture of armor-piercing projectiles was well developed by a few large firms. Its effect has been to practically prevent smaller firms, who at the outset could not produce the high-class shell at the same rate as the larger firms, from ever getting a start in the manufacture of projectiles. The effect of this proviso or limitation has been to get a very high-class shell, but it also has been to limit the number of producers and manufacturers. I am not so very sure but that the whole proviso could be left out, but I am sure of this, that in the development stage of the new type of shell carrying a high explosive, known as the torpedo shell, this limitation should not apply. The gentleman from Massachusetts will notice, on page 18, that this limitation in the second proviso is removed from shells or projectiles of an experimental nature. We may get beyond the stage of experiment, and we may get to the point where there ought to be a purchase for issue to the service of this type of shell. And under those conditions I do not think that this limitation on that particular provision ought to apply to them, so that by the introduction of the simple words "armor-piercing shells" or "armor-piercing projectiles" it would leave that general-proviso limit on these particular shells and remove from its application any new type of shell.

Mr. PADGETT. Mr. Chairman, I do not favor the amendment offered by the gentleman. I think that the second proviso of the bill takes care of any matter that may be needed in the way of experimental purposes. It says:

Provided, That this restriction shall not apply to purchases of shells or projectiles of an experimental nature or to be used for experimental purposes—

And so forth.

Now, if the Government is to go into the purchase of shells of any character, either armor-piercing shells or high explosives for general purposes, they ought to be purchased, giving everybody an opportunity to bid and an opportunity for everybody to have a chance to furnish them. If they are for experimental purposes, and that is all there can be in this stage in which they are now, then the second proviso of the bill takes care of such purchases——

Mr. HOBSON. Will the gentleman yield?

Mr. PADGETT (continuing). And it is not necessary to give authority to the department to make fish of one and fowl of another.

Mr. HOBSON. Will the gentleman yield?

Mr. PADGETT. Yes, sir.

Mr. HOBSON. Why does this proviso appear in the purchase of shells and projectiles and in the purchase of nothing else carried in the bill?

Mr. PADGETT. It is in there for the purpose of requiring that in the purchase of shells and projectiles the terms shall be offered by persons who are capable of contracting with the Government for the other as well.

Mr. HOBSON. That is evident, but that is not my question. My question is, Why has not the committee of the gentleman put it in for other war material besides these projectiles?

Mr. PADGETT. This amendment was originally put in on the floor of the House several years ago.

Mr. HOBSON. And, if I remember correctly, the gentleman opposed it very vigorously.

Mr. PADGETT. I do not remember I did; I do not remember practically one way or the other about it. I do not recall now that I opposed it; but I think it is a good provision that the opportunity of making these purchases should be extended to everybody, and so far as projectiles for experimental purposes or shells for experimental purposes are concerned they are fully cared for and provided for in the second proviso.

Mr. HOBSON. Will the gentleman yield for another question?

Mr. PADGETT. Yes, sir.

Mr. HOBSON. The gentleman is assuming that any new type of shell shall only be in the experimental stage. Suppose that is not correct; suppose the assumption is not correct?

Mr. PADGETT. Well, if there are two or three who are capable of furnishing them, they can bid on them; and if there are half a dozen capable of providing them, they can bid on them. If there is only one that is prepared to furnish them, only one can bid——

Mr. HOBSON. But I have not finished my question as yet.

Mr. PADGETT. The gentleman stopped.

Mr. HOBSON. Not yet. Now, does not the gentleman realize that this proviso would prevent many firms capable of manufacturing projectiles from bidding?

Mr. PADGETT. I think not.

Mr. HOBSON. The Navy Department has repeatedly recommended that the whole proviso be stricken out, so that we can begin to develop competition instead of keeping it as it is, which practically cuts out all except particular manufacturers.

Mr. PADGETT. No; I think not.

Mr. HOBSON. That is what it does, whether the gentleman thinks so or not.

Mr. PADGETT. The Navy Department has heretofore recommended——

Mr. HOBSON. And kept on recommending until it got tired of it.

Mr. PADGETT (continuing). That this and other limitations be cut out. They have recommended the cutting out of a number of limitations that we have kept in the bill every year.

Mr. HOBSON. Mr. Chairman, I move to strike out the last word again.

The CHAIRMAN. The amendment is not in order. The gentleman will have to get permission of the House.

Mr. HOBSON. Mr. Chairman, I ask unanimous consent to proceed for three minutes.

The CHAIRMAN. Is there objection? [After a pause.] The Chair hears none.

Mr. HOBSON. Mr. Chairman, I simply desire to point out that if this amendment that I have offered is not voted I am going to move to strike out the whole proviso paragraph, because it is indefensible that in this stage of development there should be this kind of provision. The effect of it has been, as I said, to get us a good shell—to get us a good armor-piercing shell—although in the idea of the gentleman from Massachusetts the velocity of the shell, I believe, is very much higher than, possibly, the real conditions would warrant. We are getting a good shell, but we have to pay a good price, larger I believe, because of this proviso. I fought before and I am ready to fight now to have this restriction removed in this experimental stage of the development of the torpedo shell and other experimental shells.

Mr. MANN. Mr. Chairman, our distinguished friend from Alabama speaks with such absolute cocksureness on any proposition, that it is sometimes very difficult to understand whether he is really in earnest or not. Now, what have we here? The gentleman said there was a provision in the bill which compelled the Government to pay high prices and that did not give everybody a chance, and here is a provision in the bill that projectiles shall not be purchased except in accordance with the terms and conditions of proposals submitted by the Secretary to all manufacturers. The Secretary can name what he wants. He can provide any shell that he pleases and he names the terms and conditions and submits them to all known manufacturers of these shells. Yet the gentleman from Alabama would have us believe from what he says that the provision in the bill was aimed to make favoritism, and that he was opposed to it, when his provision is to permit the Secretary to buy shells of a particular kind without giving anybody else a chance to bid on them.

Mr. HOBSON. Will the gentleman yield?

Mr. MANN. Wait a minute. The gentleman has spoken three times on this question. He took the time of my colleague from Illinois [Mr. FOWLER] and also the time of the gentleman from Tennessee [Mr. PADGETT], and so I ask him to withhold until I take my own time.

This provision was inserted in the bill some years ago for the express purpose of preventing a chance for favoritism or any suspicion of favoritism. My recollection is it was inserted on the floor of the House. Some gentlemen believed that there was favoritism or might be favoritism where the Navy could purchase shells without submitting the proposals to all the manufacturers, and we put this provision in the bill.

Now, if the Secretary desires to purchase the kind of shells suggested by the gentleman from Alabama he has that license. There is nothing in here to prevent him from doing so, but he can not go and make a secret deal with the manufacturer of some special shell. I do not believe the House wants to give him the opportunity to do so, or that he wants the opportunity to do so. He has not asked for any change from the existing condition in the bill. I take it that this provision was carried in the estimates from the department. He wants to be on the square. But why should we subject him to the secret influences that come when somebody wants to get favoritism out of the Government? Let him, when he wishes a particular thing, prepare his estimates and conditions of proposal and submit them to the manufacturers of shells and projectiles upon the list in the Navy Department, and then everyone will be free from suspicion.

Mr. HOBSON. Mr. Chairman, I ask unanimous consent to proceed for three minutes, because I can see how there may be ambiguity in the reading of this language. But if any gentleman here will call upon the Navy Department, he will find that my statement of the facts is absolutely correct; that if this limiting provision had been left out in the previous bills there would have been probably two and possibly three more manufacturers of armor-piercing projectiles. The department again and again has wanted to give awards to these smaller firms that could make a good projectile, but could not quite compete with the old firms, and has again and again wanted to do it, but this provision has been put in here, so that the young firm would have to come right up on an equality with the full-fledged firm, and it removes all discretion from the Navy Department. The result has been that they have been manufactured by a few large firms.

Mr. GARNER. As I understand the gentleman from Alabama, his idea is not to get the best shell with less money, but he wants to build up expensive firms at the expense of the Government?

Mr. HOBSON. What I want to do is to leave it so that the Secretary of the Navy may have the same discretion in the purchase of shells as he has with anything else in connection with the bill. I do not want any provision in here that will tie the hands of the Secretary of the Navy, as they have been tied in connection with the armor-piercing shells. They have tied his hands for years, and the result has been that only a few large, fully developed firms are now able to manufacture armor-piercing shells for the Government. I do not want that repeated in the future.

Mr. ROBERTS of Massachusetts. Mr. Chairman——

The CHAIRMAN. The gentleman from Massachusetts is recognized.

Mr. PADGETT. Mr. Chairman, I ask unanimous consent that debate on this paragraph and all amendments thereto close in five minutes.

Mr. WITHERSPOON. I object, Mr. Chairman. Did you mean this amendment or all other amendments?

Mr. PADGETT. All other amendments is what I said.

Mr. WITHERSPOON. I want to offer an amendment, and I want to address the committee.

The CHAIRMAN. Objection is heard.

Mr. PADGETT. I will move, Mr. Chairman, that debate upon this paragraph and this amendment close in five minutes.

The CHAIRMAN. The gentleman moves that all debate upon this paragraph and amendments thereto close in five minutes.

Mr. WITHERSPOON. Mr. Chairman, I do not understand it that way.

Mr. PADGETT. I said, "this amendment." I will limit it to this amendment.

The CHAIRMAN. The gentleman moves that all debate on the paragraph and the amendment offered by the gentleman from Alabama [Mr. HOBSON] be limited to five minutes.

Mr. PADGETT. On the pending amendment. The gentleman from Mississippi [Mr. WITHERSPOON] said he wanted to offer some other amendment to the paragraph.

The CHAIRMAN. The Chair understood the gentleman's motion to be to close debate on the paragraph and this one amendment, and the Chair was putting it. Now how does the gentleman wish it?

Mr. PADGETT. Mr. Chairman, I move to close debate on this pending amendment in five minutes.

The CHAIRMAN. The gentleman moves that all debate on the pending amendment close in five minutes.

The motion was agreed to.

The CHAIRMAN. The gentleman from Massachusetts [Mr. ROBERTS] is recognized.

Mr. ROBERTS of Massachusetts. Mr. Chairman, my recollection of the proviso under discussion is confirmed by its language, that it was put into this bill for the purpose of broadening competition and reducing prices. This happened some years ago. I am not very clear as to the wording and all the incidents, but my recollection is that it was hinted or openly charged that prior to the adoption of this language the department had been favoring certain manufacturers and that others could get no opportunity to bid; and to put an end to such practices as that this language was inserted, which makes it obligatory upon the Secretary to communicate to all manufacturers of shells the specifications and conditions under which he solicits bids, and that all then have an equal opportunity to make their bids and to get the contract.

Now, the gentleman from Alabama [Mr. HOBSON] is very much exercised in his mind because he thinks the Secretary of the Navy is tied by the law. I want to say to the gentleman that had he been in the committee at a certain meeting this last winter, he would have heard the Secretary of the Navy tell the committee of the wonderful success he had been meeting with in getting shells at less price; so much so that with the amount of money available he was able to buy a great many more shells than he had anticipated, judging by the figures that had been submitted on the prior competition.

Mr. WITHERSPOON. Mr. Chairman——

Mr. ROBERTS of Massachusetts. Now, Mr. Chairman, if the gentleman will pardon me, I have only five minutes——

Mr. WITHERSPOON. I just wanted to ask you a question.

Mr. ROBERTS of Massachusetts. I will yield to my colleague for a question.

Mr. WITHERSPOON. I just wanted to ask you if the facts you have so correctly stated about the ability of the Secretary to buy shells so much cheaper, by which he saved $109 on each shell, is not a good sign as to why he should not have his hands tied?

Mr. ROBERTS of Massachusetts. I do not just catch the drift of the gentleman's argument; but if he means that under the law as it now exists the Secretary has been enabled to reduce the price $109 a shell, I certainly, for one, do not think we ought to change that law.

I was about to say, Mr. Chairman, that if the Secretary of the Navy felt that he was being handicapped in the slightest degree by existing law, the gentleman has a tongue and he has stenographers at his command, and I know his interest in the Navy is so great that he would not hesitate a moment in letting Congress and the appropriate committee know that he was being bound down and circumscribed by existing law and for that reason he could not give the best results in his department, and we should have heard from him very promptly along those lines. But we have not heard the first word of complaint coming from the Navy Department. In fact, I was somewhat surprised when the gentleman from Alabama [Mr. HOBSON] took the floor and offered the amendment which he did. It is the first complaint I have heard from any source as to the splendid operations of the existing law. For that reason, Mr. Chairman, I hope the committee will sustain the Committee on Naval Affairs and reject the amendment of the gentleman from Alabama.

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Alabama [Mr. HOBSON].

The question was taken, and the Chairman announced that the noes seemed to have it.

Mr. HOBSON. A division, Mr. Chairman.

The CHAIRMAN. A division is asked for.

The committee divided; and there were—ayes 16, noes 38.

So the amendment was rejected.

Mr. HOBSON. Mr. Chairman, I desire to offer the following amendment.

The CHAIRMAN. The gentleman from Alabama [Mr. HOBSON] offers an amendment, which the Clerk will report.

The Clerk read as follows:

On page 17, in line 20, beginning with the word *"Provided,"* strike out all words through the page; and on page 18, from the top of the page down to line 7, through the word "ordnance," striking out the first and second provisos.

Mr. HOBSON. Mr. Chairman, that amendment would leave the Secretary of the Navy, with regard to the purchase of projectiles, in practically the same position as he is in as regards the purchase of torpedoes, in regard to the purchase of small-arms ammunition, and with regard to the purchase of every other article in the bill.

Now, I want the gentleman from Massachusetts [Mr. ROBERTS], and the chairman of this committee [Mr. PADGETT] also, to explain to this House why, in the matter of the purchase of projectiles and shells, they feel that the Secretary of the Navy ought to have additional specifications by law. Why can not the whole question of all shells, all projectiles of all kinds, be left simply on the same even footing as all other articles purchased by the Government? The gentlemen can not answer that proposition.

Now, I want to repeat that the effect of this limitation has been to confine the supply of armor-piercing projectiles for our Navy to a few firms, and that again and again the Navy Department has recommended and requested that it be allowed the same latitude here as in the purchase of all other war materials, stating again and again that this provision left it no discretion whatsoever, and put a small firm at the beginning right in full competition with the full-grown firms that could very easily, for their own personal advantage, form a trust and underbid the little fellow and destroy him under the hard conditions that might be imposed.

Now, I say there can be no justification for it, and it is indefensible that in the purchase of projectiles there should be an additional limitation of law upon the Secretary of the Navy that does not exist for the purchase of any other war material by the Navy Department or the War Department or any other department of the Government; and now if the gentlemen want to have all business on exactly the same footing, they will vote for this amendment.

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Alabama [Mr. HOBSON].

The question was taken, and the Chair announced that the noes seemed to have it.

Mr. HOBSON. A division, Mr. Chairman.

The CHAIRMAN. A division is asked for.

The committee divided; and there were—ayes 15, noes 39.

So the amendment was rejected.

Mr. Chairman, I offer an amendment to the pending paragraph in the bill.

The CHAIRMAN. The gentleman from Mississippi [Mr. WITHERSPOON] offers an amendment which the Clerk will report.

The Clerk read as follows:

Page 17, line 20, after the word "all," strike out the figures "$5,800,000" and insert "$5,164,000."

The CHAIRMAN. The question is on the adoption of the amendment.

Mr. WITHERSPOON. Mr. Chairman, I want to explain to the committee the purpose and object of this amendment.

This is an amount appropriated for ordnance and ordnance stores. It says nothing about powder, but if you will turn to the hearings where the Bureau of Ordnance gives a table of all the items constituting this entire amount of $5,800,000 you will see there is included in the amount $636,000 for the purchase of powder. I deduct that $636,000 from the $5,800,000, and therefore substitute $5,164,000 for the amount carried in the bill.

Now, I want to call your attention to the facts about this powder. This item of $636,000, at the price fixed by law, 53 cents a pound, will purchase 1,200,000 pounds of powder. Now, you will reach an item in this bill presently entitled "Ammuni-

tion for ships," and included in that, as explained by the Chief of the Bureau of Ordnance, is $360,000, if I remember the figures correctly, for the purchase of powder. That will purchase 700,000 pounds of powder. Now, you will also soon reach an item—I think it is on the next page—where we appropriate $1,150,000 under this head, "For the purchase and manufacture of powder." Now, the Chief of the Bureau of Ordnance explained to us that there was included in that $1,150,000 provision for the purchase of 3,800,000 pounds of powder, and if you will add the three sums together, the 1,200,000 that this item will purchase, and the 700,000 that the second item I referred to will purchase, and the 3,800,000 pounds that are included in the third item, it amounts to nearly 7,000,000 pounds of powder that this bill appropriates money to purchase.

Now, in addition to that, the appropriation for the powder factory provides for the manufacture of two and one-half million pounds of powder. The Chief of the Bureau of Ordnance tells us that the capacity of the powder factory is now two and one-half million pounds per year, and he says we use for target practice and at the proving grounds 1,600,000 pounds a year.

In other words, we are now manufacturing 900,000 pounds of powder a year more than we use. Stated in another way, we are adding to the reserve from our powder factory 900,000 pounds of powder every year; and here are three items in this bill that provide for the purchase of 7,000,000 pounds of powder. What do we need with that powder? I say there is nothing in these hearings that shows the semblance of necessity for that powder. I say it is just a waste of the public funds to appropriate that money for powder. Now, let me present the facts to you about that. Every gun on every battleship we have is provided with 100 rounds.

The CHAIRMAN. The time of the gentleman has expired.

Mr. HENSLEY. I ask unanimous consent that the time of the gentleman from Mississippi be extended five minuts.

The CHAIRMAN. Is there objection to the request that the time of the gentleman be extended five minutes?

There was no objection.

Mr. WITHERSPOON. The experts have explained to us about these large guns, that they can only be used 175 times. When you fire them 175 times the rifling becomes worn, the shell begins to wobble, and they are worthless and have to be relined before they are any good again. Now, each one of these guns has a supply of 100 rounds on the ship. They fire each one of these big guns every year 12 full charges in target practice. They carry that on for six years, until they have fired them 75 times. Then they reline them. So that every gun in the Navy has a capacity to fire 100 times before it begins to deteriorate in accuracy. Each gun is supplied with that much ammunition on the ship.

We have a very large powder reserve. The amount of it is a secret, and I can not tell it to you. The Navy Department regards it as a secret, but we know what it is. And while I can not tell you what it is I will tell you this, that I have calculated the amount of powder that it will take to wear out every one of the 254 big guns in our Navy, firing each one of them 175 times, which is the maximum. It will take 13,000,000 pounds of powder to do it. Now while I will not tell you how much powder we have in reserve, I will tell you that the amount necessary to wear out every big gun in the Navy is not one-third as much as we have in reserve. That is the condition of the powder supply as shown by the testimony of the experts; and yet they have nearly $2,000,000 here in this bill for the purpose of purchasing 7,000,000 pounds of powder. We do not need a single pound of it. We have enough powder to wear out every gun in the Navy, and have 60 rounds left when we have worn out every one of them.

Mr. BRYAN. That covers it, does it?

Mr. WITHERSPOON. I am telling the truth. That is all I am telling.

Mr. BRYAN. Was it the truth when you said a while ago that the amount of powder was regarded as a naval secret?

Mr. WITHERSPOON. Yes. It is not only the truth, but the Chief of the Bureau of Ordnance, who gave us the facts about this, when he revised his remarks, as you sometimes do yourself, struck out nearly all of that. The fact is we do not need a pound of this powder.

There is just one other thing I want to tell you. We are purchasing this vast amount of 7,000,000 pounds of powder every year. The appropriation last year was just the same. We are purchasing it, not because we think we need it, not because of any earthly use for it, but we are purchasing it because the Powder Trust tells us we must do it. That is the testimony. That comes about in this way: You have passed a law providing that the Navy Department can not purchase any powder and pay more than 53 cents a pound for it, and you have that law repeated in this appropriation bill. They are powerless to purchase powder unless they can get it for 53 cents a pound.

Now, the Chief of the Bureau of Ordnance tells us that he can not buy that powder except from one concern, the Powder Trust; and the Powder Trust says, "We will let you have the powder at 53 cents a pound provided you will take 4,500,000 pounds; you can not get it on the terms that Congress says you must get it unless you are willing to take as much as four and one-half million pounds." And in order to comply with the conditions and terms of the Powder Trust the Navy Department has gotten the Army to take a part of the powder that it would purchase from the Powder Trust, and in one instance has induced some foreign Government to come in and take a part of it in order that it might be able to comply with the conditions imposed by the Powder Trust to purchase four and one-half million pounds.

The CHAIRMAN. The time of the gentleman has expired.

Mr. WITHERSPOON. I ask unanimous consent for three minutes more.

The CHAIRMAN. The gentleman from Mississippi asks unanimous consent that his time be extended three minutes. Is there objection?

There was no objection.

Mr. WITHERSPOON. I just want to put it up to you. If you will examine the hearings, you will see that I am right. The facts show that we do not need a pound of this powder; but if we did need it, I have not so much lost my independence as an American citizen as to be willing to buy it if the Powder Trust has got to decide how much I shall buy. [Applause.]

Mr. PADGETT. Mr. Chairman, I shall take only a few minutes. This bill carries the same appropriations for the purchase and the manufacture of powder and projectiles that were carried in the bill last year and the year before, and less than the amount carried for some years before that.

I might observe what has already occurred to every Member here present, that under the existing circumstances it does not seem to be a very propitious time just now to reduce our purchases of powder, especially to reduce those purchases below the amount we have been purchasing under normal conditions.

Some years ago Congress adopted the policy of establishing a reserve on shore, in addition to the amount of projectiles and powder aboard ship. No nation would consider it wise to have only the ammunition that it had on the ships and none ashore for a reserve. I want to say that at this time we are considerably short of that reserve. The gentleman made some statements about the matter. I shall not give the exact amount——

Mr. MADDEN. The gentleman from Mississippi stated that there are 39,000,000 pounds of powder on hand. That is what he stated.

Mr. WITHERSPOON. No; I did not state that.

Mr. MADDEN. He said that it took 13,000,000 pounds to do a certain thing, and that we had three times that amount.

Mr. WITHERSPOON. I said we had more than three times that amount.

Mr. MADDEN. A calculation based on the gentleman's statements would show that we have 39,000,000 pounds on hand.

Mr. PADGETT. The gentleman's statement was that we had more than 39,000,000 pounds on hand.

Mr. MADDEN. Then 40,000,000 pounds.

Mr. WITHERSPOON. It may be 100,000,000 pounds.

Mr. PADGETT. The gentleman used an illustration to convey his meaning as nearly as he could without using the precise language. I will simply state that to supply all the new ships in course of construction, and counting in 2,700,000 pounds of old powder that has to be reworked in order to be made available for the present-day guns, we are more than 12,000,000 pounds short of our reserve.

I want to state another thing that I have here. I asked Admiral Strauss, Chief of the Bureau of Ordnance, how long the present supply of powder would last if we were in a continuous battle, and he says that the question is difficult to answer; that it would depend upon whether the engagement was continuous at the highest rate of speed that they could fire; that it would probably last throughout a battle of two hours, and that this would provide for reducing the supply less than the maximum of target practice.

Now, there is the reserve powder in addition to that that is afloat.

Mr. STAFFORD. Will the gentleman inform the committee how many competing firms can furnish powder at a rate of 53 cents a pound?

Mr. PADGETT. Practically only one, the Du Pont Powder Co. That is the only one that manufactures smokeless powder for big guns except the Navy manufacture and the Army. That is the only private firm. They have three plants that they maintain in operation available and ready for the manufacture

of powder. I will state that it has been the policy of the Navy Department for a number of years to use its influence with these manufacturers to maintain three factories instead of making it all in one.

Mr. STAFFORD. Is it a fact that the supply concern exacts as a condition that the Government shall take a certain quantity as represented by the gentleman from Mississippi?

Mr. PADGETT. It is like this: They submit the bids in the alternative. If you take so much, we will furnish it at 60 cents. I am not giving the exact figures. If you take so much, it will be 58 cents, and so much at 53 cents.

Mr. STAFFORD. The minimum price is 53 cents?

Mr. PADGETT. The minimum price was 53 cents, and in order to get the benefit of the minimum price the Navy Department and the War Department joined together. At one time they submitted a proposal for 5,000,000 pounds, and the War Department took so much to make up the 5,000,000 pounds, and the Navy Department took so much, and then I believe it was Argentina that agreed to take 500,000 pounds in order to make out the difference.

Mr. GARNER. As a matter of fact, then, they do make a condition that you must take so much powder in order to come within the statute price of 53 cents?

Mr. PADGETT. Yes; that is what they have done so far.

Mr. BUCHANAN of Illinois. Mr. Chairman, on this question of powder it seems that no matter how much powder the Government manufactures at Indian Head we have to appropriate sufficient money to give the Powder Trust its usual profit. I offered an amendment in the last Congress, and in fact I have offered it in every appropriation bill until it finally became a law, providing that the Indian Head powder factory should be run at its full capacity before any powder was purchased. That is being done, and it seems that they are manufacturing a sufficient amount of powder for the Navy. Not only that, but there is information which shows that the powder mills of the Army are manufacturing more powder than we need. If the Government powder mills were properly utilized, there would be no need of purchasing powder from any manufacturers any more than for the purpose of continuing to give them extortionate prices that they may secure profit on watered stock and overcapitalization.

The chairman of the committee has made a statement that may mislead some Members as to how much powder we would use in two hours if the Navy was all in action. He knows that it is impossible for us to be engaged in a battle where all the Navy would be firing at full capacity for two hours at any time. It is impossible to become engaged in battle in any such way.

Mr. WITHERSPOON. Will the gentleman yield?

Mr. BUCHANAN of Illinois. Yes.

Mr. WITHERSPOON. Let me call attention to the fact that these big guns can be fired twice a minute, and they could not be fired for two hours, because they would fire 120 times the first hour, and long before the second hour was out they would be worn out.

Mr. BUCHANAN of Illinois. There has never been a war and never will be one where all the ships are engaged to their full capacity at the same time, or any majority of our battleships or any 10 of them will be engaged at one time.

Mr. BRYAN. It would destroy the Mexican fleet if they did.

Mr. BUCHANAN of Illinois. Yes; and it is given as a reason for a big navy that we will never get into war if we have a navy of a sufficient size, and yet the Mexican fleet, I suppose, is so large that they do not care to declare war. That certainly destroys the argument that a large fleet is going to secure peace.

Mr. BARTON. Will the gentleman yield?

Mr. BUCHANAN of Illinois. Yes.

Mr. BARTON. Does the gentleman mean to say that the powder factory at Indianhead and the other powder factory are not run at their full capacity?

Mr. BUCHANAN of Illinois. They are; and they manufacture 2,500,000 pounds of powder annually, making 900,000 pounds annually more than we are using as a surplus. We already have a large surplus. In my opinion, the amendment offered by the gentleman from Mississippi should be carried, as we are manufacturing all the powder that we have any use for.

The CHAIRMAN. The question is on the adoption of the amendment offered by the gentleman from Mississippi.

The question was taken; and on a division (demanded by Mr. WITHERSPOON) there were 27 ayes and 43 noes.

Mr. WITHERSPOON. I ask for tellers.

Tellers were ordered, and the Chair appointed Mr. WITHERSPOON and Mr. PADGETT.

The committee again divided; and the tellers reported that there were 30 ayes and 52 noes.

So the amendment was rejected.

Mr. TAVENNER. Mr. Chairman, I offer the following amendment, which I send to the desk and ask to have read.

The Clerk read as follows:

Amend by inserting as a separate paragraph, following the words "free of duty," line 11, page 18, the following:

"For beginning the erection of suitable buildings and the purchase of suitable machinery and materials necessary for the enlargement of the plant of the Bureau of Ordnance to permit the manufacture of armor plate and gun forgings for the use of the Navy of the United States, $1,000,000: *Provided*, That the Secretary of the Navy is hereby authorized to appoint a board, to consist of three officers of the Navy, who shall examine and report what, in their opinion, is the most suitable site for the erection of such extension of the plant of the Bureau of Ordnance as is herein provided for, and also as to what the capacity of such extension of plant should be; and no money shall be expended until the site so selected and the capacity so determined upon shall have been approved by the Secretary of the Navy: *Provided further*, That the board so appointed shall report to the Secretary of the Navy within three months after the passage of this act and that work on the extension of the plant of the Bureau of Ordnance herein provided for shall begin within six months after this act goes into effect, and be continued with all due expedition until completed: *And provided further*, That the board herein provided for to ascertain the most favorable site for said extension of plant shall give due consideration to the advantages possessed by any possible site now owned by the Government; but in the event that any such Government-owned site is not approved, the Secretary of the Navy is authorized to expend such portion of the appropriation herein provided for as may be necessary to acquire the site determined upon by the board and approved by the Secretary of the Navy."

Mr. BROWNING. Mr. Chairman, I make the point of order against the amendment.

Mr. PADGETT. Mr. Chairman, I will state to the gentleman that I wish he would let this go over now. We have a provision in the latter part of the bill with reference to this.

Mr. TAVENNER. But the provision in the bill provides only for an investigation of armor plate, and we reached that stage 18 years ago. This provides for the building of the plant.

Mr. BROWNING. Mr. Chairman, I make the point of order against the amendment.

Mr. PADGETT. Will the gentleman reserve it?

Mr. BROWNING. I reserve the point of order.

Mr. TAVENNER. Mr. Chairman, amendments have been offered to naval appropriation bills providing for armor-plate factories in the past, and they have been ruled out upon points of order. I have looked up most of these amendments, or all that I could find, and I found they specified simply the building of an armor-plate factory, referring to it in the amendments as an independent proposition. My amendment proposes to enlarge and extend the present plant of the Bureau of Ordnance. The Bureau of Ordnance in the Navy Department already has an extensive plant. It does a large amount of manufacturing. It manufactures guns and a great many other things. All I ask is to extend the present plant. For 20 years there has been a movement on foot to obtain a Government armor-plate factory. Time after time amendments have been offered, and time after time points of order have been made, and the amendments have been stricken out, and therefore, year after year, the armor-plate ring—and I use that term advisedly—has been permitted to go on drawing down hundreds and hundreds of thousands of dollars in extortionate profits. There are only three firms engaged in the manufacture of armor plate—the Bethlehem Steel Co., the Midvale Steel Co., and the Carnegie Steel Co. Those three concerns have drawn down more than $100,000,000 worth of fat Government contracts from the Army and Navy.

Mr. HENSLEY. Mr. Chairman, will the gentleman yield?

Mr. TAVENNER. Yes.

Mr. HENSLEY. Is it the gentleman's purpose in this effort to take the profit out of war?

Mr. TAVENNER. That is exactly what I wish to do. I am not so much concerned whether we have one battleship or two battleships or three battleships, so long as the Government does the manufacturing of the battleships, because then when we appropriate a dollar for a battleship we will get a dollar's worth of battleship, and now no one knows how much we get. We do know that Mr. Carnegie, who was one of the first to go into the armor-plate business, boasts of having made millionaires out of 25 men, and he is now going through life giving his millions away right and left, and death is going to overtake him with untold millions still on his hands. So there must be huge profits in the armor-plate business, and the Government ought to save some of these millions of profits to the taxpayers.

Mr. BARTON. Mr. Chairman, will the gentleman yield?

Mr. TAVENNER. Yes.

Mr. BARTON. Is it not also true that we have found that we pay enormous prices for armor plate that a committee of Con-

gress, and that the courts themselves, have found was faulty, worth about $30 a ton, and that we have paid $300 a ton for it?

Mr. TAVENNER. Yes; and I have affidavits, or the gentleman from Illinois [Mr. RAINEY] has affidavits, of the employees of the Bethlehem Steel Co., which are sworn to, who stated under oath that they were instructed to patch up defective armor plates in order to fool the Government inspectors.

Mr. Chairman, the chairman of the Naval Affairs Committee has paid a high tribute to the Secretary of the Navy, and I wish to join him in that tribute, because I think the present Secretary of the Navy is one of the greatest Secretaries we have ever had. But I wish to point out that while the chairman of the Naval Affairs Committee has paid Secretary Daniels a high tribute, he has not followed the recommendations of the Secretary. The Secretary of the Navy asked Congress to give him an appropriation for an armor-plate factory.

The committee has brought in a provision in the bill authorizing an investigation for a site for an armor-plate factory. Eighteen years ago we had a proposition of that kind enacted into law. We have passed that stage now, and I desire to read what the Secretary of the Navy asked for in his annual report and to show that the Naval Affairs Committee has dodged the proposition, and that instead of giving us an armor-plate factory they have simply provided for an investigation. The Navy Department already has all of the evidence that any fair-minded person would require to come to the conclusion that we have been outrageously overcharged by this armor-plate ring. The Secretary of the Navy, on page 8 of his annual report, says:

IMPORTANCE OF ARMOR-PLATE FACTORY.

I desire to recommend the passage at the earliest moment of a sufficient appropriation to begin the construction of a Government armor plant to relieve a situation which, in my estimation, is intolerable and at total variance with the principle of economy in spending Government money. It is evident that without an armor plant of its own the Government in time of war or impending war would be entirely at the mercy of these three manufacturers and obliged to pay practically whatever price they asked. History does not warrant an assumption that the patriotism of these companies would prove superior to their desire for profits, inasmuch as during the time that war with Spain was imminent these companies refused to accept the price fixed by Congress after investigation as a just rate and declined to manufacture any armor until they got their own price of $100 a ton more than that which Congress had determined on. In this connection it is well to note that the love of country possessed by these companies did not prevent them from furnishing armor to Russia, as reported to Congress, in 1894 at $249 a ton, while they were charging the United States $616.14 a ton.

* * * * * * *

I do not see how it is possible for Congress to justify to the people a refusal to erect a Government plant, nor how it can answer the charge that will invariably be brought up—that the same mysterious Providence which saved this profitable business to the steel companies three times in the past, even after money for a Government plant had actually been appropriated, is not still at work exercising its beneficent protection over these lusty specimens of infant industries, who are even now under Government investigation as violators of the antitrust law.

Mr. Chairman, those are the words of the present Secretary of the Navy, and I think that Congress ought to respect his recommendation and permit this amendment to be voted upon on its merits. [Applause.]

Mr. PADGETT. Mr. Chairman, the question of armor plate is a very important one, and if an investigation should show that it would be proper for the Government to enter upon the manufacture of armor plate no one would be more glad or willing to see it done than I. The committee has incorporated in the bill a provision for a very thorough and complete investigation, has authorized and directed—not merely authorized—this investigation as to location of site, cost of site, and cost of plant, and the probable cost of manufacture.

The CHAIRMAN. Will the gentleman permit the Chair at this stage to ask him if the provision in the bill is authorized by existing law?

Mr. PADGETT. It is not.

The CHAIRMAN. It bears on a proposition now offered by the gentleman from Indiana?

Mr. PADGETT. It is not authorized by law. It is subject to the same point of order that this is. When we reach it in the bill I shall ask the House to waive the point of order; but the present amendment is subject to a point of order, as is the provision that is incorporated in the bill.

Now, the language that was read by the gentleman from Illinois from the report of the Secretary of the Navy expresses his views and his ideas, but when the Secretary came to submit estimates to go into the appropriation bill he did not submit one dollar of estimates for the actual beginning of the work. Those matters must be determined upon business principles, and when we took the matter up in the hearings we found the estimated cost of a factory would run from $7,000,000 to $15,000,000, dependent upon the size and the character and capacity of the plant.

Mr. BARTON. Will the gentleman yield?

Mr. PADGETT. And I think we should go at the matter in a business way, and the committee has attempted in a business way to proceed to a consideration and a determination of this question, as a business man would with his private affairs.

Mr. BARTON. Will the gentleman yield?

Mr. PADGETT. I do.

Mr. BARTON. I would say in the outset that I have the fullest confidence in the committee in their honest intention in reporting this amendment, and the amendment, in my judgment, is a businesslike way to do this work, and yet it very easily goes out on a point of order, for in a body of this kind some one is always ready to make a point of order. Now I will ask the chairman of the committee, in case it does go out on a point of order, if he would be willing to report a bill that carries this investigation?

Mr. PADGETT. Yes.

Mr. BARTON. I want to say, further, I drafted a bill, and it is now pending before that committee, providing $8,000,000 to purchase an armor-plate factory.

Mr. PADGETT. That would only establish one of about 5,000 tons capacity.

Mr. BARTON. I want to say I drew this after talking directly with the Secretary of the Navy, the Hon. Josephus Daniels, who told me at that time that if I would make that amount the maximum amount he thought for less money he could buy a plant already in operation that would produce about 8,000 tons, if I remember correctly. What do we use?

Mr. PADGETT. We use 16,000 tons.

Mr. BARTON. A plant of the size mentioned would be large enough to establish competitive conditions and furnish a considerable amount of the armor we use.

Mr. PADGETT. But when we came to the matter with the Chief of the Bureau of Ordnance and he submitted the estimates, the estimated cost ran, as I read yesterday and put in the RECORD, from $7,000,000 to $15,000,000, owing to the character and size of the plant.

Mr. STAFFORD. May I ask the gentleman if I understand correctly that the Secretary of the Navy did not press his recommendation for the building of an armor-plate factory when he appeared before the committee?

Mr. PADGETT. No; he submitted his views upon it, but he had submitted no definite estimates coming down from the Treasury as all estimates come, and we are not including any estimate to go in the bill.

Mr. STAFFORD. But his later recommendation before the committee could be construed as an estimate if the committee so desired to construe it.

Mr. PADGETT. There was no estimate submitted. There was simply a hearing, in which he expressed himself in favor of the policy of the Government having an armor-plate plant.

Mr. STAFFORD. Did he recommend before the committee that the time was opportune for the Government to go right ahead with this project, as is stated in the newspapers?

Mr. PADGETT. I do not think so; but he is in favor of it——

Mr. STAFFORD. Of going ahead without any further investigation?

Mr. PADGETT. Well, I do not know about a further investigation.

Mr. STAFFORD. Did not the gentleman's committee come to a consideration of the question of the opportuneness of whether the Government should go right ahead without making some investigation?

The CHAIRMAN. The time of the gentleman has expired.

Mr. BROWNING. Mr. Chairman, I renew my point of order.

The CHAIRMAN. The Chair will ask the gentleman from Illinois [Mr. TAVENNER]—the gentleman spoke of the amendment not being subject to a point of order on account of its being a continuation of something—the Chair would like to ask the gentleman what is this a continuation of?

Mr. TAVENNER. Of the Bureau of Ordnance, which does manufacturing. There is a Bureau of Ordnance in the Navy Department, which manufactures guns and many other things.

Mr. PADGETT. Mr. Chairman, the Bureau of Ordnance, I will state, if the gentleman will permit me, is simply one of the divisions of the administration of the department located up here in the State, War, and Navy Building.

Mr. TAVENNER. I mean to enlarge the buildings and plants of the Bureau of Ordnance.

Mr. PADGETT. The Bureau of Ordnance has some plants where it does some work. Down at the navy yard it does some work, and at Indianhead, Md.; and it does work in every navy yard we have. Sometimes it is in the same building and sometimes in separate buildings.

The Bureau of Ordnance is simply one of the divisions of the administrative department of the Navy that is located in the State, War, and Navy Building here in the city. But the work that is done under the jurisdiction of that bureau is done in all navy yards; sometimes, as I said, in the same shop, sometimes in a different shop adjoining the other one, and sometimes the Bureau of Construction and Repair and the Bureau of Ordnance will be working in the same shop.

Mr. TAVENNER. What construction does the gentleman put on the words "plant of the Bureau of Ordnance"? Would he consider that term to mean the main office, where they keep books?

Mr. PADGETT. The Bureau of Ordnance has no main plant. There is no plant that belongs to the Bureau of Ordnance as a separate bureau. It belongs to the Government. A navy yard is established, and in that yard the Bureau of Construction will do work and the Bureau of Ordnance will do work, and various other bureaus will do work, and there is no separate plant belonging distinctively to the Bureau of Ordnance.

The CHAIRMAN. The Chair will be glad if the gentleman from Tennessee [Mr. PADGETT] will yield to the Chair for a minute.

Mr. PADGETT. Yes, sir.

The CHAIRMAN. The gentleman from Illinois [Mr. TAVENNER] said that his amendment is in continuation of a work, yet his amendment begins with these words, "for the beginning," and so forth.

Mr. TAVENNER. For the beginning of the work of the extension of the plant; for the beginning of the enlargement.

The CHAIRMAN. As much as the Chair would like to agree with the gentleman, he finds himself unable to do so. He is therefore compelled to sustain the point of order.

Mr. FOWLER. Mr. Chairman, I offer an amendment.

Mr. GREEN of Iowa. Mr. Chairman, I rise for the purpose of asking the chairman of the committee a question. I notice in the third proviso the Secretary of the Navy is authorized to make emergency purchases of war material abroad. Is there some general provision that he may make emergency purchases at home?

Mr. PADGETT. Oh, yes. This is simply permissive that he may do it abroad. The great bulk of things is here. This is simply to provide in case a ship is abroad and an emergency arises that they can purchase what they need and bring it home without any duty on it.

Mr. GREEN of Iowa. This is a provision which says that they shall submit to competitive bids. Unless there is some provision in the law that he may make emergency purchases at home, that word "abroad" ought to be stricken out there.

Mr. PADGETT. This section of the bill is for the purchase generally of the materials.

Mr. GREEN of Iowa. That is true, but it is not general.

Mr. PADGETT. Now, then, if an emergency arises, he can purchase them abroad.

Mr. GREEN of Iowa. Certainly; but can he purchase them at home if he wishes?

Mr. PADGETT. Yes, sir.

Mr. GREEN of Iowa. Where do you find the provision of law for it?

Mr. PADGETT. The authority allows him to do it.

Mr. GREEN of Iowa. Well, that does not answer the query, it seems to me.

Mr. PADGETT. We have been doing it for years under this language.

Mr. TAVENNER. Will the gentleman yield?

Mr. PADGETT. Yes.

Mr. TAVENNER. This matter has been passed upon so far as the point of order is concerned, but I would like to ask the gentleman a question relative to his statement that the Secretary of the Navy did not have any estimated cost of this plant.

Mr. PADGETT. I said he did not submit any estimate in the regular Book of Estimates.

Mr. TAVENNER. He submitted it to the Senate, and I have a copy of it here in which he states how much it will cost to a penny and how much he will save.

Mr. PADGETT. That is a matter of private advice to the chairman of the committee, but the law provides that estimates shall come down to the Secretary of the Treasury and appear in the Book of Estimates.

Mr. TAVENNER. Then, the only thing is that the estimates have not come through the right channel. A resolution was passed by the Senate asking for this information, and it was supplied to the Senate, telling what a plant of 10,000-ton capacity would cost and what a plant of 20,000-ton capacity would cost, and how much we would save on that plant. So I do not see why we need an investigation to get that information.

Mr. PADGETT. You will find some things at length in regard to it in the hearings we have here.

The CHAIRMAN. The time of the gentleman from Iowa [Mr. GREEN] has expired.

Mr. PADGETT. Mr. Chairman, I ask the Clerk to read.

Mr. FOWLER. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from Illinois [Mr. FOWLER] offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amend, page 17, line 20, after the figures "$5,800,000"——

Mr. STAFFORD. Mr. Chairman, I make the point of order that we have passed the paragraph.

The CHAIRMAN. The Clerk advises the Chair that we have not passed it. The Chair understood that the last amendment offered by the gentleman from Illinois [Mr. TAVENNER] was an independent paragraph.

Mr. PADGETT. I understood it was an independent paragraph.

Mr. STAFFORD. It being an independent paragraph, it is to be supposed that the last paragraph had been completed.

The CHAIRMAN. The Clerk did not read the next paragraph.

Mr. PADGETT. The gentleman offered the amendment as an independent paragraph, to come in between lines 11 and 12 of page 18 of the bill.

Mr. GARNER. Mr. Chairman, that would not cut off a Member from opportunity of offering an amendment at any line of the paragraph unless the next paragraph had been read and a Member got recognition of the Chair to offer an amendment to it.

The CHAIRMAN. The Chair rules that the amendment is in order. The Clerk will read.

The Clerk read as follows:

Amend, page 17, line 20, after the figures "$5,800,000," by adding the following: "*Provided*, That no part of this sum shall be used for the purchase of projectiles unless not less than $250,000 of this appropriation shall be used for the manufacture of high-explosive torpedo shells for 12 and 14 inch guns."

Mr. PADGETT rose.

Mr. STAFFORD. Mr. Chairman, I make a point of order on the amendment, if the chairman or any other member of the committee does not wish to make it.

Mr. FOWLER. Mr. Chairman, if the point of order is going to be insisted upon in good faith——

Mr. STAFFORD. It is certainly going to be insisted upon in good faith.

Mr. FOWLER. I shall insist that the gentleman point out the basis of his point of order.

Mr. STAFFORD. Mr. Chairman, I claim that it is a limitation on the discretion of the Secretary of the Navy in the purchase of materials as to which he is not at present so limited. It has been held many times that if any amendment in the form of a limitation limits the discretion that the Secretary or any other administrative officer now has, it is in the nature of legislation and not in order upon an appropriation bill.

Mr. FOWLER. Mr. Chairman, the gentleman from Wisconsin has had a good deal of experience, I understand, as a parliamentarian.

Mr. STAFFORD. No; I have not.

Mr. FOWLER. Ordinarily I would attach a great deal of importance to his judgment.

Mr. STAFFORD. I wish to disclaim that position as coming from the gentleman from Illinois.

Mr. FOWLER. Well, Mr. Chairman, I repeat that, I understand that the gentleman from Wisconsin has had a great deal of experience, and that his judgment ordinarily is superb. [Laughter.]

Mr. STAFFORD. I will make a complete disclaimer of that position.

Mr. FOWLER. But, Mr. Chairman, in this instance I am constrained to believe that the gentleman from Wisconsin has not read the decisions upon the question of limitations on appropriations. Whenever a bill carries a provision for an appropriation, it is proper to place a limitation upon the appropriation, and that is what this amendment does. Hinds' Precedents is full of instances where the Chair has held that a limitation upon an appropriation is in order and is not subject to a point of order.

This paragraph, Mr. Chairman, appropriates $5,800,000 for ordnance. Among other things, projectiles are provided for. This amendment seeks to limit the use of the appropriation, which is proper. During the consideration of the naval bill in 1910, Capt. HOBSON offered an amendment to that paragraph carrying an appropriation for experiments in the Bureau of Ordnance. The paragraph read as follows—and I read from

the Naval Yearbook of 1913, which carries a complete copy of that bill:

Experiments, Bureau of Ordnance: For experimental work in the development of armor-piercing and other projectiles, fuses, powders, and high explosives in connection with problems of the attack of armor with direct and inclined fire at various ranges, including the purchase of armor, powder, projectiles, and fuses for the above purposes, and of all necessary material and labor in connection therewith, and for other experimental work under the cognizance of the Bureau of Ordnance in connection with the development of ordnance material for the Navy, $100,000.

To that Capt. HOBSON offered the following amendment:

Provided, That no part of this appropriation shall be expended in experiments unless in the development of armor-piercing projectiles and high explosives an attack on heavy turret armor and heavy belt armor is made by armor-piercing projectiles at a battle range not less than 8,000 yards and by explosive gelatin in quantity not less than 200 pounds exploded against the heavy belt armor and heavy turret armor of an actual vessel.

A point of order was made to this amendment, and the Chair, in passing upon the amendment and the point of order thereto, held that it was a limitation upon the expenditure. That is just what this amendment which I have offered seeks to do.

It seeks to place a limitation upon the expenditure of the money, whereby its use can not be had unless a certain character of explosives are manufactured. It is well known, Mr. Chairman, that our armament is not provided with high explosive torpedo shells, and I offer this limitation so that we can get the benefit of this destructive projectile, which is, I think, the most destructive of all projectiles.

But as to the limitation, I desire to say that there are numerous limitations of this character cited in Hinds' Precedents, limitations which have been offered as amendments to the naval appropriation bill, and wherever the amendment seeks to limit the expediture it has been held in order. There is quite a difference between the limitation of an expenditure and a limitation on some other matters, such as the office itself.

This does not seek to limit anything except the expenditure, because it provides that no part shall be used for the manufacture of projectiles unless a certain portion is used for the manufacture of high-explosive torpedo shells.

Mr. Chairman, I do not desire to take up the time of the committee, because I think the amendment is not subject to a point of order at all. I have a series of limitations here that I have compiled from Hinds' Precedents, but I do not think it is necessary to read them. The Hobson amendment, which I have cited, is in harmony with all the rulings of the Chair upon this question that I have been able to find, and I have gone through all of Hinds' Precedents.

The CHAIRMAN. Was the point of order made against the Hobson amendment?

Mr. FOWLER. The point of order was made against the amendment offered by Capt. HOBSON, and it was overruled by the Chair.

Mr. HOBSON. The gentleman is correct.

Mr. FOWLER. Capt. HOBSON says so himself, and last night I read the proceedings as reported in the CONGRESSIONAL RECORD, so that I might not be mistaken in it at all.

The CHAIRMAN. Has the gentleman the citation to the page of the CONGRESSIONAL RECORD?

Mr. FOWLER. I do not know that I can lay my hand on it now, but I have it marked in my office and I will telephone over and get it.

The CHAIRMAN. The Chair will be glad if the gentleman will do that.

Mr. FOWLER. I will do it, Mr. Chairman, because I do not want my reputation for veracity to be questioned by anybody. [Applause.]

Mr. ROBERTS of Massachusetts. Mr. Chairman, it seems to me the amendment offered by the gentleman from Illinois is subject to a point of order, in that it is not germane to the paragraph. The appropriation in this paragraph is—

For procuring, producing, preserving, and handling ordnance material—

while the amendment of the gentleman from Illinois is for the manufacture by the Navy Department of certain ordnance material. There is nothing contemplated in the paragraph about the manufacturing by the Navy Department of any of the class of ordnance materials set out in the paragraph; and when you attempt by a limitation to bring in a new process, to wit, the manufacturing of material, it seems to me the amendment is clearly not germane and so is subject to a point of order.

Mr. STAFFORD. Mr. Chairman, if the Chair will indulge me further on the point of order, I wish to direct the attention of the Chair first to the language of the proviso. It is a mandatory direction in the form of a limitation. Permit me to read it:

Provided, That no part of this sum shall be used for the purchase of projectiles unless not less than $250,000 of this appropriation shall be used for the manufacture of high-explosive torpedo shells for 12 and 14 inch guns.

Nothing can be clearer from the language of that amendment than that it is a mandatory direction on the part of Congress to the Secretary of the Navy that he shall employ $250,000 of this fund for the manufacture of 12 and 14 inch explosive projectiles. Now, I direct the attention of the Chair to the manual, paragraph 825, in which we find this language, under the familiar clause 2 of Rule XXI:

The limitation may not be applied directly to the official functions of executive officers—

Citing Fourth Hinds' Precedents, sections 3957-3966—

but it may restrict executive discretion, so far as this may be done, by a simple negative on the use of the appropriation.

Citing Fourth Hinds' Precedents, sections 3968-3972—

Which does not give affirmative directions.

Citing Fourth Hinds' Precedents, sections 3854-3859, 3975.

Now, I have Hinds' Precedents before me, and the paragraphs there cited are strongly confirmatory of the position stated; and there is not only 1 precedent, but there are 25 precedents.

The CHAIRMAN. The Chair doubts if the precedents which the gentleman is citing bear upon the amendment that is before us.

Mr. STAFFORD. If the Chair please, here we have the proviso, which is mandatory in its provisions, directing that no part of the appropriations will be used unless the Secretary of the Navy uses $250,000 of the appropriation for the manufacture of a certain character of projectiles. What language could be more regarded as legislation than this character of limitation that he shall manufacture a certain character of projectile?

Mr. HOBSON. Does the gentleman's conception of it turn on the word "manufacture"? If the word "manufacture" was changed to "purchase," would it obviate his objection?

Mr. STAFFORD. I think it would be subject to a point of order, whether we used the word "manufacture" or "purchase." You are directing, in the form of a limitation, the discretion of the Secretary of the Navy, which you have not the authority to do, because under the authorities it is legislation.

Mr. HOBSON. As I understand it, the Secretary is not directed to spend any of this money. This much is appropriated, and if expended it must all be spent under the limitations of law.

Mr. STAFFORD. But this proviso says that no part of this shall be spent.

Mr. HOBSON. For a certain purpose.

Mr. STAFFORD. Unless $250,000 is expended, which is the same as if you said that there shall be expended $250,000 for the manufacture of 12-inch and 14-inch projectiles.

Mr. HOBSON. If he does expend for other purposes.

Mr. STAFFORD. The precedents are many, holding that that character of amendment or limitation is in effect legislation.

Mr. MANN. Mr. Chairman, I would like to ask the gentleman from Tennessee a question—whether the Secretary of the Navy has authority to manufacture these high-explosive shells under this provision in the bill?

Mr. PADGETT. There is no provision that I know of for the Secretary manufacturing high-explosive shells. They are experimenting with some under a contract with Mr. Isham, and I think Mr. Isham is having it done by some private concern. There is no Government plant set apart and devoted to the manufacture of such shells.

Mr. MANN. Mr. Chairman, the Chair will notice that this amendment provides that no portion of this sum shall be used for the purpose of the purchase of projectiles unless a certain thing happens. Now, it is quite within the power of Congress to put any limitation it pleases on the expenditure of money, but that limitation must be negative and not affirmative limitation. This provision is that no portion of this money shall be used for the purchase of projectiles unless the Secretary uses a portion of the fund for the manufacture of explosives. That is a direction to the Secretary giving him authority to use a portion of this $5,800,000 for the manufacture of explosives, which he can not do under the terms of the bill.

Mr. HOBSON. Will the gentleman yield?

Mr. MANN. Yes.

Mr. HOBSON. Is the gentleman sure that the Secretary of the Navy can not do it now? On the contrary, I think he can.

Mr. MANN. I did not say that. If the gentleman will mark what I did say, under this item in the bill appropriating $5,800,000, there is no authority to manufacture these shells.

Mr. HOBSON. And I take exception to that.

Mr. MANN. Point it out.

Mr. HOBSON. These shells are ordnance material.

Mr. MANN. I have read the paragraph, and I have asked the chairman of the committee, and he can find no such provision.

Mr. HOBSON. It says "to procure, produce, preserve, and handle ordnance material." This is ordnance material. That carries authority to produce this material, because torpedo shells are ordnance material. He has the authority already.

Mr. MANN. I think the term "manufacture" is quite well understood. If they intended to have these projectiles manufactured, they would have said "manufactured."

Mr. HOBSON. When it is manufactured, is it not produced?

Mr. MANN. Yes; it is produced if you purchase, and if you steal it, it is produced. Now, this provision which purports to be a negative provision is in fact, as it seems to me, a positive provision, and therefore it is subject to a point of order.

Mr. GARRETT of Texas. Will the gentleman yield?

Mr. MANN. Yes.

Mr. GARRETT of Texas. If my memory serves me right, the appropriation bill for the Army carried a provision that in the purchase of small arms and ammunition they placed a limit on it that they should be manufactured in the arsenals of the Government. Would not that be similar to this amendment?

Mr. MANN. Oh, we could very easily provide that no portion of the money should be expended for the purchase of material. We could very easily provide that no portion of it should be expended for the purchase of material, as it is done in this bill, unless the powder factory, for instance, shall be run full time. That is quite a different proposition, as it seems to me.

The CHAIRMAN. If the Chair understands the gentleman from Illinois correctly, he is basing his argument on the point of order on the claim that the section does not authorize the manufacture.

Mr. MANN. That is the argument that I was basing my proposition upon.

The CHAIRMAN. And the gentleman contends that the word "producing" in this section does not mean manufacture? The language of the section is for "procuring," which might mean purchasing, "producing, preserving, and handling ordnance material." The Chair is rather inclined to think that the word "producing" does mean manufacturing, and for that reason the Chair would be very glad to hear the gentleman further upon the point as to what he thinks about the matter, whether the word "producing," as used there, does mean manufacturing.

Mr. MANN. Really, Mr. Chairman, I have no precedents on the subject, and I would just as lief take the Chair's judgment as my own upon that point. I asked the chairman of the Committee on Naval Affairs whether there was any other authorization. I did not read it as being manufacturing. I do not know even what the custom is in the department.

Mr. HOBSON. Mr. Chairman, would the Chair permit an interruption?

The CHAIRMAN. Certainly.

Mr. HOBSON. The next clause, for the armament of ships, would authorize it. These shells are armament of ships.

Mr. WILLIAMS. Mr. Chairman, I would suggest that the producing of material is an entirely different proposition from the manufacturing of the shell. The shell is the manufactured product, and the material may be the component parts of that manufactured product, and authority to produce material is not authority to manufacture the product—the shell itself. I make a distinction between the material and the manufactured product.

The CHAIRMAN. The Chair was dwelling on the word "producing."

Mr. WILLIAMS. The Chair does not understand my distinction, evidently. What I mean to say is this: There is a difference between the material and the finished product. This bill authorizes the procuring and the producing of the material. The material may be that which goes to constitute the shell when manufactured, and I do not believe that the language employed would authorize the manufacturing of shells, but merely the production of material with which the shell is manufactured.

Mr. HOBSON. Mr. Chairman, in the gentleman's use of the word "material," of course he must take it in connection with the phrase "ordnance material." Ordnance material is not raw material, but is a finished product in this instance, and if the Chair will permit me just a moment, practically everything aboard a ship in the matter of ordnance is authorized for production in that first paragraph. You could rule out of order the whole body of ordnance material, if the gentleman's contention were correct, but if there were any question in the world about the word "producing," which, in my judgment, there can not be, then the next phrase would certainly authorize these torpedo shells, because they are for the armament of ships.

The CHAIRMAN. Does the gentleman from Alabama, while insisting that the ordnance material is a finished product, see any distinction between the words in the bill "procuring, producing, and preserving and handling ordnance material," if it is not the finished product, and material out of which the product may be made? Has the Secretary of the Navy the right to make the finished product out of the ordnance material?

Mr. HOBSON. Mr. Chairman, I see the point of the Chair; but I desire to call the Chair's attention to this fact, that we have not authorized here, and we never have authorized, anything for the procuring of any raw material. I would like to say to the Chair that he has never seen the words "ordnance material" used in the sense of raw material. Ordnance material covers all the material of ordnance, always has, and does here. It would be utterly childish to think that we would authorize the procuring of certain raw material alone. Why, you could not manufacture a thing provided in the whole paragraph if you simply authorize for the raw material, and those words "ordnance material" mean now, and always have meant, and were intended to mean the finished product.

The CHAIRMAN. The Chair would like to ask the gentleman from Illinois, Mr. MANN, getting back to the original proposition, if the Secretary of the Navy is authorized to manufacture, whether the limitation fixed by the amendment offered by the gentleman from Illinois, Mr. FOWLER, is negative or affirmative in its nature?

Mr. MANN. Mr. Chairman, answering the Chair frankly, as I always endeavor to do, when I examined this amendment I thought it was in order at first, until the question of manufacture came up, and I had concluded, without very careful examination, that this did not authorize the paragraph to manufacture material, and hence that that would be an affirmative provision.

If the Chair holds that the paragraph authorizes the manufacture of these high explosives, why I think it is only a negative limitation and would be in order under those circumstances.

Mr. WILLIAMS. Mr. Chairman, I did not yield the floor when the gentleman from Alabama rose, only for one or two questions. I want to know from the gentleman from Alabama, in my time, what is included under the general head of ordnance material.

Mr. HOBSON. I would be glad to say to the gentleman that the word "procure" there is used instead of the word "manufacturing" in order that it may include purchase as well.

Mr. WILLIAMS. Well, but my question now is, What is the general class of material here that is designated as ordnance material?

Mr. HOBSON. It is all the material used in ordnance in the Navy. For instance, ammunition for small arms, for magazine equipment, turret materials, the sights and ammunition appliances, and then the shells themselves and the powder. Powder is not a raw product.

Mr. WILLIAMS. I yield the floor.

Mr. GARNER. I would like to ask the gentleman from Alabama to tell the committee the meaning of the word "armament" of a ship.

Mr. HOBSON. It means everything that pertains to the offensive power short of the ram. It means torpedoes; it means guns and everything that relates to them. It is a comprehensive word for the offensive power short of the ram.

Mr. SAUNDERS. Mr. Chairman, it seems to me that the meaning of the word, "production" in this connection may be ascertained by having reference to the fact that the word "procure" precedes it in the same sentence. In endeavoring to get away from the meaning attributed to the word, "production," by the gentleman from Alabama, the gentlemen who are opposing that view, are giving to the word "production," a meaning that properly belongs to the word, "procuring." The use of the latter word in this connection very clearly shows that the word, "production," must carry some other meaning than the one imputed of assembling, or bringing material together. If this meaning is to be attached to the word "production," in this connection, there was no occasion at all to use it, since this meaning is sufficiently conveyed by the word, "procuring." Hence it seems to me, having in mind the words used that the proper meaning to be applied and attached to the word "production" in this connection, is not an assembling, or gathering together of material, but a process of working out a finished product, in other words, a process of manufacturing. Unless this meaning is imputed to the word "production," it is merely the equivalent, and substantial repetition of, the word "procuring."

The CHAIRMAN. The Chair prefers that a ruling on the point of order go over until to-morrow and that the reading of

the bill be proceeded with and that we return to the amendment to-morrow.

Mr. PADGETT. Mr. Chairman, I ask unanimous consent that the point of order be passed over and we may proceed with the reading of the bill.

The CHAIRMAN. Is there objection?

Mr. FOWLER. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. FOWLER. If this goes over, will opportunity be given for the purpose of offering an amendment to perfect the amendment if the point of order should be sustained?

The CHAIRMAN. If the point of order is sustained to the amendment, the amendment will go out. The gentleman, the Chair thinks, would then have the right to offer any further amendment.

Mr. FOWLER. All right, Mr. Chairman, with that understanding I have no objection.

The Clerk read as follows:

Purchase and manufacture of smokeless powder, $1,150,000: *Provided*, That no part of any money appropriated by this act shall be expended for the purchase of powder other than small-arms powder at a price in excess of 53 cents a pound: *Provided further*, That in expenditures of this appropriation, or any part thereof, for powder, no powder shall at any time be purchased unless the powder factory at Indianhead, Md., shall be operated on a basis of not less than its full maximum capacity.

Mr. WITHERSPOON. Mr. Chairman, I desire to offer an amendment to the paragraph.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Page 19——

The CHAIRMAN. The gentleman offers an amendment to a page which has not yet been read.

Mr. WITHERSPOON. No, sir; it is the paragraph on page 18, line 12.

The CHAIRMAN. The amendment says, page 19, line 10.

Mr. MURRAY of Massachusetts. Mr. Chairman, I ask unanimous consent that the gentleman may modify his amendment to read at the page and place he desires it to read.

Mr. WITHERSPOON. It is page 18, line 12.

The CHAIRMAN. The Chair will say to the gentleman again that if he writes his amendment to apply to page 18, line 12, that has not been reached yet.

Mr. MANN. Can we have the amendment again reported, so that the committee will know what it is?

The CHAIRMAN. The Clerk will report the amendment.

Mr. PADGETT. They have just read from line 12 to line 20.

Mr. WITHERSPOON. The paragraph has just been read, and I move to strike out the first two words in it, namely, "purchase and."

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Page 18, line 12, strike out the words "purchase and."

The CHAIRMAN. The Chair finds that the amendment is now in the correct place, and the Clerk has made the correction in the amendment offered by the gentleman.

Mr. WITHERSPOON. Mr. Chairman, the amendment is made under the facts that I have already had occasion to explain to the House. This appropriation of $1,150,000 is for the purchase and manufacture of powder. We have a powder factory that can manufacture 2,500,000 pounds of powder per annum. We use only 1,600,000 pounds. We can manufacture 900,000 pounds more than we use. We already have a greater reserve than the capacity of our guns could possibly use in any kind of war, and that portion of this $1,150,000, under the paragraph as it is written, would be used for the purchase of powder and, in my judgment, is a waste of public funds. I therefore move to strike out the two words and confine the use of this money to the manufacture of powder.

The CHAIRMAN. The question is on the adoption of the amendment.

Mr. PADGETT. Mr. Chairman——

The CHAIRMAN. The gentleman from Tennessee.

Mr. PADGETT. Mr. Chairman, this amount is the same amount and under the same provision that has been carried in the bill for years. The larger part of it is for the manufacture of powder at Indianhead, but there is a small part of it that is for purchase. As I stated before, I do not think this is any time to be cutting down the purchase of our powder.

Mr. GARNER. Will the gentleman yield?

Mr. PADGETT. Yes, sir.

Mr. GARNER. Was there not a provision carried in the Army bill cutting out the right to purchase powder?

Mr. PADGETT. No, sir. It was limited, just as we have it here, to 53 cents a pound.

Mr. GARNER. Did we not strike out of the Army bill the right to purchase powder and only make the appropriation available for manufacture?

Mr. PADGETT. I do not recall that we did.

Mr. FOWLER. Did they not do it in the Senate?

Mr. GARNER. I do not know. I saw the statement——

Mr. PADGETT. I do not think they did anything of that kind. I think the House will realize this is not the time to be cutting down our powder. I ask for a vote.

Mr. MANN. Will the gentleman yield for a question?

Mr. PADGETT. Yes, sir.

Mr. MANN. Suppose the appropriation was only for the manufacture of powder, and that we should have a war this summer, and after Congress adjourned the powder mill would blow up or burn up—I believe they frequently blow up——

Mr. PADGETT. Yes, sir.

Mr. MANN. Could anything be done with the money?

Mr. PADGETT. No, sir. They could not get it.

The CHAIRMAN. The question is on agreeing to the amendment.

The question was taken, and the amendment was rejected.

MESSAGE FROM THE SENATE.

The committee informally rose; and Mr. GARNER having taken the chair as Speaker pro tempore, a message from the Senate, by Mr. Tulley, one of its clerks, announced that the Senate had disagreed to the amendments of the House of Representatives to the bill (S. 657) to authorize the reservation of public lands for country parks and community centers within reclamation projects in the State of Montana, and for other purposes, asked a conference with the House on the disagreeing votes of the two Houses thereon, and had appointed Mr. PITTMAN, Mr. SMITH of Arizona, and Mr. SMOOT as the conferees on the part of the Senate.

NAVAL APPROPRIATION BILL.

The committee resumed its session.

The Clerk read as follows:

For modifying or renewing breech mechanisms of 3-inch, 4-inch, 5-inch, and 6-inch guns, to be available until expended, $75,000.

Mr. GARNER. Mr. Chairman, I reserve a point of order against that paragraph. The only objection that I have to it is that portion of it "to be available until expended." Discussing it with the gentleman from Tennessee [Mr. PADGETT], the chairman of the committee, I suggested it be changed to make it available until June 30, 1916.

Mr. PADGETT. I have no objection to that. That would meet the situation.

Mr. GARNER. I move to strike out the word "expended," in line 26, and insert in lieu thereof "June 30, 1916."

Mr. MANN. Not yet. The gentleman has a point of order reserved.

Mr. GARNER. If the gentleman from Illinois [Mr. MANN] and the other gentlemen desire to make a point of order——

Mr. MANN. The gentleman has still a point of order pending.

Mr. GARNER. Mr. Chairman, I withdraw the point of order.

Mr. MANN. Then I reserve the point of order. I have no objection to the proposition with the gentleman's amendment or without it, I think, but there are a number of these items in here of this sort.

Mr. PADGETT. Yes, sir.

Mr. MANN. And we might as well ask about them all. Why should the item for torpedoes be made available until expended?

Mr. PADGETT. Because it takes a longer time to manufacture them than the fiscal year.

Mr. MANN. And is the same true of liners for eroded guns, whatever that may be?

Mr. PADGETT. Yes, sir. For instance, they may not get an eroded gun brought in. They may get a provision for lining an eroded gun. At the time the ship may be away, but by the time she got in the appropriation would have expired.

Mr. MANN. There is this item that is under consideration and three other items—that makes four items in this bill—where this language is new and not in the current law. What are they doing with the present money that is appropriated?

Mr. PADGETT. They are having a great deal of difficulty in the matter.

Mr. MANN. Do they turn it back into the Treasury?

Mr. PADGETT. Yes. As I remember, Admiral Strauss stated that he had to go before the Committee on Appropriations to get deficiency appropriations.

Mr. ROBERTS of Massachusetts. Mr. Chairman, if the gentleman will yield for just a moment, I wish to say that the chief of the Bureau of Ordnance stated to the committee that under the first appropriation for the purpose of modifying or

renewing breech mechanism of guns, amounting to $200,000, they were obliged to turn back into the Treasury unexpended $175,000, because they could not get the guns off the ships and to the factory during the time wherein the money was available.

Mr. MANN. Mr. Chairman, will the gentleman yield for a question there?

Mr. ROBERTS of Massachusetts. Yes.

Mr. MANN. This money is appropriated every year, is it not—a regular appropriation?

Mr. ROBERTS of Massachusetts. On some types of guns; yes.

Mr. MANN. On all items of this bill of this sort not only the items are the same but the amounts are the same, with the exception of torpedoes, and that is increased. Now, why do they have to get the guns off the ship and repair them during the fiscal year?

Mr. PADGETT. Because this money is available only during the fiscal year named.

Mr. MANN. They can take the guns off with the money that is now available. They do not draw such a sharp line as that. After the 1st of July this money will be available, and they can repair the guns, and next year there will be another appropriation.

Mr. PADGETT. Let me call the attention of the gentleman to this fact: It is contemplated, for instance, that during the current fiscal year for which they received an appropriation in the last bill that they would line or repair or change certain guns, but they do not get those guns off in time to do the work during the fiscal year.

Mr. MANN. Then they will have them in in time to do the work during the next fiscal year, will they not?

Mr. PADGETT. Yes.

Mr. MANN. After you get started it works out itself, does it not?

Mr. PADGETT. No. If they do not spend the money, they have to turn it back into the Treasury.

Mr. MANN. You say they can not get the guns off the ship. They say before the end of the year the appropriation is exhausted. But another appropriation becomes available instantly. They can go right ahead with the repair of those guns.

Mr. PADGETT. They can do so out of the appropriation made for the succeeding year, but at the end of the year named they return to the Treasury that money that they did not use.

Mr. MANN. Well, after they get started they will not have to turn any money back into the Treasury.

Mr. PADGETT. Oh, yes; they will.

Mr. MANN. Then that is certainly not like anything else under the Government.

Mr. PADGETT. It may happen each year with regard to some of those ships.

Mr. ROBERTS of Massachusetts. If the gentleman from Illinois [Mr. MANN] will permit me, I will say that this item of $75,000 is to complete the work on these guns mentioned in the bill, and there would be no occasion for repairing them in the succeeding year.

Mr. MANN. Is there to be a similar item like this next year?

Mr. ROBERTS of Massachusetts. Not for these particular makes of guns—4, 5, and 6 inch guns.

Mr. MANN. Then, Mr. Chairman, I withdraw the point of order.

Mr. STAFFORD. I renew the point of order, Mr. Chairman, for the time being.

Mr. GARNER. Mr. Chairman, I want to suggest to the chairman of the committee and to the membership of the committee that the gentleman from Tennessee [Mr. GARRETT] has just called my attention to a provision of the Constitution which specifically prohibits an appropriation for the Army for a longer period than two years.

Mr. PADGETT. That may apply to the Army, but it does not apply to the Navy.

Mr. GARNER. Oh, it certainly applies to the Navy.

Mr. PADGETT. It applies to the Army but not to the Navy.

Mr. GARNER. It ought to apply to the Navy.

Mr. MANN. It does. But this is not for an expenditure of the Army.

Mr. STAFFORD. Mr. Chairman, will the gentleman from Tennessee permit a question? I would like to inquire if all this work is being performed by the Government in our own yards, or whether any of it is let out by contract?

Mr. PADGETT. I understand it is done in our own yards.

Mr. STAFFORD. If it were let out by contract the money would be available for two years.

Mr. PADGETT. They could obligate the money and hold it, if it was done by contract, but it is in the Government yard here at Washington, in the gun factory. I am perfectly willing to put the limitation in these matters until June 30, 1916. That is all we want to accomplish, so as not to have to turn this money back.

Mr. STAFFORD. That is satisfactory. I will withdraw the point of order.

The CHAIRMAN. Is there objection to the withdrawal of the point of order? The Chair hears none.

Mr. GARNER. Mr. Chairman, I offer an amendment, on page 18, line 6, to strike out the word "expended" and insert the words "June 30, 1916."

The CHAIRMAN. The gentleman from Texas [Mr. GARNER] offers an amendment which the Clerk will report.

The Clerk read as follows:

On page 18, line 6, strike out "expended" and insert "June 30, 1916."

Mr. MANN. Mr. Chairman, the gentleman from Tennessee stated a moment ago that the limitation in the Constitution did not apply to the Navy.

Mr. PADGETT. That is my recollection. I have not read it in a good many moons.

Mr. MANN. I will read it:

To raise and support armies; but no appropriation of money to that use shall be for a longer term than two years.
To provide and maintain a navy.

I think the gentleman is right in his contention; but I do not think it applies to this item, anyhow.

Mr. PADGETT. No; this is manufacture.

Mr. MANN. That is what I rose to say. This is not to raise and support either an army or a navy.

Mr. PADGETT. Certainly not. This is to manufacture certain material.

The CHAIRMAN. The question is on the adoption of the amendment offered by the gentleman from Texas.

The question was taken; and on a division (demanded by Mr. PADGETT) there were—ayes 40, noes 0.

Accordingly the amendment was agreed to.

The Clerk read as follows:

For replacing Mark VI 6-inch guns with Mark VIII guns and repairing and modernizing the Mark VI guns for issue, to be available until expended, $150,000.

Mr. PADGETT. I move to strike out the word "expended," in line 3, and insert "June 30, 1916."

The CHAIRMAN. The gentleman from Tennessee offers an amendment, which the Clerk will report.

The Clerk read as follows:

Line 3, page 19, strike out "expended" and insert "June 30, 1916."

The amendment was agreed to.

The Clerk read as follows:

For liners for eroded guns, to be available until expended, $100,000.

Mr. PADGETT. Mr. Chairman, I move to strike out the word "expended," in line 4, and insert "June 30, 1916."

The CHAIRMAN. The gentleman from Tennessee offers an amendment, which the Clerk will report.

The Clerk read as follows:

Page 19, line 4, strike out "expended" and insert "June 30, 1916."

The amendment was agreed to.

The Clerk read as follows:

Ammunition for ships of the Navy: For procuring, producing, preserving, and handling ammunition for issue to ships, $3,178,890, to be available until expended.

Mr. WITHERSPOON. Mr. Chairman, I offer an amendment to that paragraph.

The CHAIRMAN. The gentleman from Mississippi offers an amendment, which the Clerk will report.

The Clerk read as follows:

Page 19, line 10, after the word "ships," strike out the figures "$3,178,890" and insert the figures "$2,802,890."

Mr. WITHERSPOON. Mr. Chairman, the Chief of Ordnance explained to the committee that the sum carried in this paragraph includes $360,000 for the purchase of powder. I say we do not need it, that it is a waste of money, and I think that sum ought to be deducted from it. That is the purpose and effect of the amendment I propose.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Mississippi [Mr. WITHERSPOON].

The amendment was rejected.

Mr. STAFFORD. Does the chairman of the committee intend to offer an amendment to this paragraph similar to the amendments he has offered to the preceding paragraphs?

Mr. PADGETT. No; this is old language that has been carried from year to year, and the point which applied to the other paragraphs does not apply to this.

Mr. MOORE. Will the gentleman kindly inform us whether small-arms ammunition is provided for in this paragraph?

Mr. PADGETT. Yes; they can buy small-arms ammunition, but we buy all of our small-arms powder from the Army.

Mr. MOORE. That is what I want to get at.

Mr. PADGETT. The Navy buys all of its small-arms powder from the Army.

Mr. MOORE. Under the new Army bill the Army will manufacture in Government factories probably 90 per cent of its supply, will it not?

Mr. PADGETT. I presume so; I do not know whether it amounts to 90 per cent.

Mr. MOORE. Heretofore the requisition for small arms in use in the Navy has been made on the War Department?

Mr. PADGETT. Yes; the War Department has been furnishing them for years.

Mr. MOORE. Independent purchases have not been made?

Mr. PADGETT. No; I do not think there have been any.

Mr. CULLOP. Will the gentleman yield?

Mr. PADGETT. Yes.

Mr. CULLOP. Is this the amount that was carried in the bill last year?

Mr. PADGETT. Yes.

Mr. CULLOP. Was the whole amount expended last year?

Mr. PADGETT. Yes.

Mr. CULLOP. I see the amount is to be available until expended.

Mr. PADGETT. I beg the gentleman's pardon. It was $3,850,000 last year, and we have reduced it to $3,178,890.

Mr. CULLOP. Was the whole amount expended last year?

Mr. PADGETT. It was either expended or obligated.

Mr. WITHERSPOON. I think the chief of the bureau said that they had expended the whole of it.

Mr. PADGETT. He may not have expended the whole of it, but he may have made contracts, and it might not all have been delivered.

Mr. CULLOP. I wanted to know whether there was some that was not expended; and, inasmuch as there is a provision making it available until expended, there would be some of that available.

Mr. PADGETT. Instead of increasing it, we have reduced it about $600,000.

Mr. MANN. The gentleman from Tennessee, chairman of the committee, has several times observed that this was not a very appropriate time to cut down appropriations for the Navy. Does the gentleman think this an appropriate time to cut down the item for ammunition for the ships of the Navy? It was $3,850,000 for the current year, and you have reduced it to $3,178,890.

Mr. PADGETT. The chief of the bureau recommended that reduction in the hearings before the committee on account of the fact that he got projectiles, heretofore referred to in debate, at a much cheaper price; that there has been a saving of about $600,000; and so we reduced the amount. That enabled him to buy that much more.

Mr. MANN. That was before the present emergency arose that the gentleman has referred to on every other occasion. Now, in view of the present situation, quoting the gentleman's language, does the gentleman think that this is an appropriate time to reduce the appropriation from what it now is?

Mr. PADGETT. As the bill has been reported carrying the reduction on account of economies heretofore stated, and the department not asking for an additional amount, I think the amount in the bill is sufficient. They get the same results from a less appropriation.

Mr. MANN. We do not know what the result will be until we fire some of the ammunition.

Mr. PADGETT. That may be, but we get the same result in the amount of purchase.

The Clerk read as follows:

Torpedoes and appliances: For the purchase and manufacture of torpedoes and appliances, to be available until expended, $1,000,000.

Mr. PADGETT. Mr. Chairman, I move to strike out the word "expended," in line 13, and insert in place thereof the words "June 30, 1916."

Mr. STAFFORD. Mr. Chairman, I would like to ask the gentleman from Tennessee why this appropriation could not be utilized for the fiscal year?

Mr. PADGETT. Because it takes more than two years to manufacture the torpedoes that this item appropriates for. The matter that I was hesitating a moment ago about was to make it clear that June 30, 1916, would be a long enough time, and I think it will.

The CHAIRMAN. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. GREEN of Iowa. Mr. Chairman, I rise for the purpose of asking the chairman of the Naval Committee a question. We have now in stock only about one torpedo for each tube?

Mr. PADGETT. No. I have a statement here, which I will show to the gentleman or anyone else, that gives a detailed statement as to the condition of the torpedoes. I am glad to report that we are in splendid condition.

Mr. GREEN of Iowa. You have only about 1,000 on hand?

Mr. PADGETT. I can not give the exact number, but I will state that the number we have under the provisions that have been made for torpedoes is satisfactory.

Mr. GREEN of Iowa. This is public property already?

Mr. PADGETT. No; it is not. The things circulated in the press are not at all accurate. I am perfectly willing to give the gentleman the figures, and he will see at once that the status we are in is a very satisfactory one and one with which the department is entirely satisfied and well pleased.

Mr. GREEN of Iowa. The gentleman may be perfectly satisfied, but I am not.

Mr. PADGETT. Will the gentleman take these figures and look at them? He undoubtedly gets his dissatisfaction from the reports in the newspapers, that are not borne out by the facts.

Mr. GREEN of Iowa. No; I get it from reading scientific journals.

Mr. PADGETT. This is an official statement which I have here from the Chief of the Bureau of Ordnance, giving detailed statements, and I am perfectly willing to give it to the gentleman or any other Member of the House, but I do not think it would be proper to publish it.

Mr. GREEN of Iowa. I do not care for it for that purpose. It takes something over a year to manufacture a first-class torpedo, and about two years from the time they are ordered before we can get them into commission?

Mr. PADGETT. Yes; but we are in fine shape on the question of torpedoes, the newspaper statements to the contrary notwithstanding. I am willing to submit to the gentleman or any other Member this detailed statement.

Mr. GREEN of Iowa. As the gentleman does not care to go into the subject publicly I will not go into it further.

Mr. BARTON. Mr. Chairman, will the gentleman yield?

Mr. PADGETT. Yes.

Mr. BARTON. The statement of the heads of the department that we were totally unprepared for war is not well founded.

Mr. PADGETT. I do not know who made that statement; but I do not think it is well founded.

The Clerk read as follows:

Experiments, Bureau of Ordnance: For experimental work in the development of armor-piercing and other projectiles, fuses, powders, and high explosives, in connection with problems of the attack of armor with direct and inclined fire at various ranges, including the purchase of armor, powder, projectiles, and fuses for the above purposes and of all necessary material and labor in connection therewith; and for other experimental work under the cognizance of the Bureau of Ordnance in connection with the development of ordnance material for the Navy, $150,000.

Mr. HOBSON. Mr. Chairman, I offer the following amendment, which I send to the desk and ask to have read.

The Clerk read as follows:

Page 19, line 21, after the word "armor-piercing," insert the words "and torpedo shell," so as to read:

"In the development of armor-piercing and torpedo shell and other projectiles."

Mr. HOBSON. Mr. Chairman, this amendment is not necessary for giving authority to the department to carry on this experiment. It is merely a recognition of a stage in ordnance development that has now been reached. The torpedo shell is being used in the navies of the world. A recent experiment in the British Navy gave a very striking illustration, where the *Empress of India*, one of their battleships of about the middle nineties, was put at a distance of 16,000 yards and was destroyed, and the report was that there were breeches in her side as large as lock gates.

Mr. FOWLER. Mr. Chairman, the torpedo shell did not strike the *Empress*, but struck in the water near her. Is not that true?

Mr. HOBSON. I am not informed as to that detail.

Mr. FOWLER. I understand that it did not even strike the battleship.

Mr. PADGETT. Mr. Chairman, stating that this is a recognition and not to be construed as a direction to the department with reference to any particular make or form of shell, and I do not understand the gentleman to mean it to be a direction——

Mr. HOBSON. No.

Mr. PADGETT. About any particular shell?

Mr. HOBSON. No; and the words do not give it, either.

Mr. PADGETT. Understanding it so, I have no objection to the amendment.

The CHAIRMAN. The question is on the adoption of the amendment.

The amendment was agreed to.

The Clerk read as follows:

Arming and equipping Naval Militia: For arms, accouterments, ammunition, medical outfits, fuel, water for steaming purposes, and clothing, and the printing or purchase of necessary books of instruction, expenses in connection with the organizing and training of the Naval Militia of the various States, Territories, and the District of Columbia, under such regulations as the Secretary of the Navy may prescribe, $125,000.

Mr. MOORE. Mr. Chairman, I move to strike out the last word. How will the Naval Militia be accepted in the service?

Mr. PADGETT. We recently passed a general bill upon that subject, organizing and establishing upon an organized basis the Naval Militia, with specific provisions and instructions relative to that.

Mr. MOORE. What has become of that bill?

Mr. PADGETT. It has become a law.

Mr. MOORE. Has it been passed and signed?

Mr. PADGETT. Yes.

Mr. MOORE. Then the question naturally arises, how will the Naval Militia be accepted in the service if the President should issue a call for the Mexican emergency?

Mr. PADGETT. If there is occasion or necessity for that, they will be accepted gladly and given the recognition provided for them in this law, which is very liberal and was entirely satisfactory to the Naval Militia.

Mr. MOORE. I think the gentleman does not quite understand what I am driving at. I want to know just how the Navy Department would receive the Naval Militia. They are organized as the National Guard is. With reference to the National Guard, we are told that they would be accepted as volunteers in regiments, and that the officers would be accepted up to the rank of colonel, and that beyond that the officers would not be accepted, except at the discretion of the War Department or the President.

Mr. PADGETT. These are called in by the President as an emergency may arise under the law, and when they come in they are distributed into the different ships according to the provisions of the law. They may be assigned to some of the subordinate ships. It is all provided for in the law which recently was enacted.

Mr. MOORE. There may have been some later information as to what our various constituencies in the Naval Militia would have to do when called for the service of the Government.

Mr. PADGETT. That is provided in the law—how they come in, how the Secretary of the Navy may make regulations—and I am told they are coming in very rapidly. Since that law was passed the States are accepting it.

Mr. MOORE. There is an organization in Pennsylvania. Now, will that organization be accepted as a body, with its present officers? If called for and they would volunteer and be accepted, would they go in intact as a body, or would their officers be distributed and the men sent to various ships?

Mr. PADGETT. That would depend upon the Secretary of the Navy how they might be distributed. They might be distributed among different vessels, or they might go on one vessel. That would depend upon the Secretary of the Navy when they become a part of the naval organization. Whenever they are accepted they accept the terms of detail as any other naval force.

Mr. MOORE. Is the gentleman sufficiently informed to tell us whether if the Pennsylvania Naval Militia were to offer itself as a body, volunteering upon the call of the President, it would be assigned as a body, or would it be cut up and its officers distributed hither and yon?

Mr. PADGETT. I could not tell the gentleman how it would be. They might be assigned to one ship or they might be distributed to different vessels.

Mr. MOORE. Well, there would be an inclination of those trained together to enlist together and serve together.

Mr. PADGETT. That would be a matter that would address itself to the superior officers in the Navy in making their assignments.

Mr. MOORE. That would be subject to the discretion of the Secretary of the Navy?

Mr. PADGETT. Why, certainly.

The Clerk read as follows:

Contingent, Bureau of Ordnance: For miscellaneous items, namely: Cartage, expenses of light and water at magazines and stations, tolls, ferriage, technical books, and incidental expenses attending inspection of ordnance material, $9,500.

Mr. MANN. Mr. Chairman, I move to strike out the last word just for the purpose of suggesting to my genial friend——

Mr. PADGETT. Mr. Chairman, I am going to say to the gentleman I was just about to announce to the Chair that all present have been so patient and so kind to the chairman and others in consideration of the bill that I now move that the committee rise.

The question was taken, and the motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. JOHNSON of Kentucky, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill H. R. 14034. the naval appropriation bill, and had come to no resolution thereon.

ENROLLED BILLS AND JOINT RESOLUTIONS PRESENTED TO THE PRESIDENT FOR HIS APPROVAL.

Mr. ASHBROOK, from the Committee on Enrolled Bills, reported that this day they had presented to the President of the United States for his approval the following bills and joint resolution:

H. J. Res. 204. Joint resolution authorizing the Secretary of Agriculture to make exhibits at forest products' expositions to be held in Chicago, Ill., and New York, N. Y.;

H. R. 122. An act authorizing the State of California to select public lands in lieu of certain lands granted to it in Imperial County, Cal., and for other purposes;

H. R. 5487. An act to authorize an additional appropriation for the erection of the United States appraisers' stores building at Milwaukee, Wis.; and

H. R. 11269. An act granting pensions and increase of pensions to certain soldiers and sailors of the Civil War and certain widows and dependent children of soldiers and sailors of said war.

JAMES J. COATES.

Mr. LLOYD. Mr. Speaker, I ask unanimous consent for the present consideration of the resolution which I send to the Clerk's desk, with an amendment.

The SPEAKER. The Clerk will report the resolution.

The Clerk read as follows:

House resolution 480 (H. Rept. 593).

Resolved, That House resolution 145, Fifty-ninth Congress, first session, be amended by striking out the name of Robert Coates and inserting the name of James J. Coates.

With the following committee amendment:

Strike out all after the word "*Resolved*," line 1, and insert the following:

"That James J. Coates be, and he is hereby, appointed a laborer at $840 per annum, as successor to Robert Coates, named in House resolution adopted June 5, 19—, referred to in the current law making appropriations for the legislative, executive, and judicial expenses of the Government for the fiscal year ending June 30, 1914, and for other purposes, approved March 4, 1913. Said appointment to commence April 20, 1914."

The SPEAKER. Is there objection?

Mr. GARRETT of Tennessee. Mr. Speaker, reserving the right to object, may I ask the gentleman, Does this boy Robert out here get the same salary?

Mr. LLOYD. Yes, sir.

Mr. GARRETT of Tennessee. There is no difference in the salary?

Mr. LLOYD. No.

The SPEAKER. Is there objection? [After a pause.] The Chair hears none.

The question was taken, and the amendment was agreed to.

The resolution as amended was agreed to.

WITHDRAWAL OF PAPERS.

By unanimous consent, Mr. FOSTER was granted leave to withdraw from the files of the House, without leaving copies, the papers in the case of Jacob Hefler, Sixty-second Congress, no adverse report having been made thereon.

Mr. HAY was granted leave to withdraw from the files of the House, without leaving copies, the papers in the case of David Crowther, Sixty-second Congress, no adverse report having been made thereon.

ADJOURNMENT.

Mr. PADGETT. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock p. m.) the House adjourned to meet to-morrow, Wednesday, April 29, 1914, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS.

Under clause 2 of Rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1. A letter from the Secretary of War, transmitting with a letter from the Chief of Engineers reports on preliminary examination and survey of Boston Harbor, Mass., with a view to securing increased width and depth in the channel from President Roads to the sea; also with a view to providing deep-

water connection with such suitable terminals as may be established by the directors of the port of Boston (H. Doc. No. 931); to the Committee on Rivers and Harbors and ordered to be printed with illustration.

2. A letter from the Secretary of the Treasury, transmitting an estimate of appropriation in the sum of $25,000 for quarantine facilities at Providence, R. I., submitted by the Surgeon General of the Public Health Service (H. Doc. No. 930); to the Committee on Appropriations and ordered to be printed.

3. A letter from the Secretary of the Treasury, requesting that the sum of $100,000 be appropriated by joint resolution or otherwise, to be immediately available for use in the prevention of the introduction and spread of epidemic disease (H. Doc. No. 929); to the Committee on Appropriations and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII, bills and resolutions were severally reported from committees, delivered to the Clerk, and referred to the several calendars therein named, as follows:

Mr. HUGHES of Georgia, from the Committee on Education, to which was referred the resolution (S. J. Res. 142) authorizing the Vocational Education Commission to employ such stenographic and clerical assistants as may be necessary, etc., reported the same without amendment, accompanied by a report (No. 585), which said resolution and report were referred to the Committee of the Whole House on the state of the Union.

Mr. BURNETT, from the Committee on Public Buildings and Grounds, to which was referred the bill (H. R. 6279) to authorize the Secretary of the Treasury to purchase additional land for a public building site at Fairbanks, Alaska, reported the same with amendment, accompanied by a report (No. 588), which said bill and report were referred to the Committee of the Whole House on the state of the Union.

Mr. DUPRÉ, from the Committee on the Judiciary, to which was referred the bill (H. R. 11624) to repeal an act approved March 2, 1895, entitled "An act to amend section 3 of an act entitled 'An act to regulate the liens of judgments and decrees of the courts of the United States,' approved August 1, 1888," reported the same without amendment, accompanied by a report (No. 590), which said bill and report were referred to the House Calendar.

Mr. ADAMSON, from the Committee on Interstate and Foreign Commerce, to which was referred the bill (H. R. 16053) to amend an act entitled "An act to regulate the construction of dams across navigable waters," approved June 21, 1906, as amended by the act approved June 23, 1910, reported the same without amendment, accompanied by a report (No. 592), which said bill and report were referred to the House Calendar.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII, private bills and resolutions were severally reported from committees, delivered to the Clerk, and referred to the Committee of the Whole House, as follows:

Mr. EDMONDS, from the Committee on Claims, to which was referred the bill (H. R. 1182) for the relief of John Brodie, reported the same with amendment, accompanied by a report (No. 584), which said bill and report were referred to the Private Calendar.

Mr. McKELLAR, from the Committee on Military Affairs, to which was referred the bill (H. R. 9270) to correct the military record of John M. Gray, reported the same with amendment, accompanied by a report (No. 589), which said bill and report were referred to the Private Calendar.

ADVERSE REPORT.

Under clause 2 of Rule XIII,

Mr. ADAMSON, from the Committee on Interstate and Foreign Commerce, to which was referred the resolution (H. Res. 492) requesting the President of the United States to report to the House facts within the knowledge of the Interstate Commerce Commission relating to cases of failure to grant increases in freight rates in certain cases, reported the same adversely, accompanied by a report (No. 586), which said resolution and report were laid on the table.

PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills, resolutions, and memorials were introduced and severally referred as follows:

By Mr. WHITE: A bill (H. R. 16087) authorizing the Secretary of War to donate to the town of Zanesville, Ohio, one cannon or fieldpiece; to the Committee on Military Affairs.

Also, a bill (H. R. 16088) authorizing the Secretary of War to donate to the town of Frazeysburg, Ohio, one cannon or fieldpiece; to the Committee on Military Affairs.

Also, a bill (H. R. 16089) authorizing the Secretary of War to donate to the town of Black Run, Ohio, one cannon or fieldpiece; to the Committee on Military Affairs.

Also, a bill (H. R. 16090) authorizing the Secretary of War to donate to the town of McConnelsville, Ohio, one cannon or fieldpiece; to the Committee on Military Affairs.

By Mr. J. M. C. SMITH: A bill (H. R. 16091) to amend the homestead laws relative to settlers who served in the Army, Navy, or Marine Corps; to the Committee on the Public Lands.

By Mr. ADAMSON: A bill (H. R. 16092) to amend an act entitled "An act to prevent cruelty to animals while in transit by railroad or other means of transportation from one State or Territory or the District of Columbia into or through another State or Territory or the District of Columbia, and repealing sections 4386, 4387, 4388, 4389, and 4390 of the United States Revised Statutes," approved June 29, 1906; to the Committee on Interstate and Foreign Commerce.

By Mr. J. M. C. SMITH: A bill (H. R. 16093) to enlarge, extend, remodel, etc., post-office building at Kalamazoo, Mich.; to the Committee on Public Buildings and Grounds.

By Mr. SELLS: A bill (H. R. 16094) authorizing the Secretary of War to donate condemned cannon and cannon balls; to the Committee on Military Affairs.

By Mr. O'HAIR: A bill (H. R. 16095) to provide for the payment to all persons carried on the pension rolls of the Government the amount of pension due each of said persons at the end of each and every calendar month; to the Committee on Invalid Pensions.

By Mr. BRYAN: A bill (H. R. 16096) to authorize and direct the President of the United States, as Commander in Chief of the Army of the United States, to restore order in certain portions of Colorado and to acquire and operate certain properties, and for other purposes; to the Committee on Military Affairs.

By Mr. HAYDEN (by request): A bill (H. R. 16097) for the establishment of a national park near, adjacent to, and in connection with the Salt River project in the State of Arizona, fixing its boundaries, and prescribing restrictions upon its use and occupancy; to the Committee on the Public Lands.

By Mr. PALMER: A bill (H. R. 16098) revising and amending the statutes relative to trade-marks; to the Committee on Patents.

By Mr. RAKER: A bill (H. R. 16099) to amend the act of June 23, 1910, entitled "An act providing that entrymen for homesteads within the reclamation projects may assign their entries upon satisfactory proof of residence, improvement, and cultivation for five years, the same as though said entry had been made under the original homestead act"; to the Committee on Irrigation of Arid Lands.

By Mr. GODWIN of North Carolina: Resolution (H. Res. 494) providing for an investigation by the Secretary of the Interior to ascertain the status of the Indians of Robeson and adjoining counties of North Carolina; to the Committee on Indian Affairs.

By Mr. GOULDEN: Resolution (H. Res. 495) authorizing the printing of the Journal of the National Encampment of the Grand Army of the Republic; to the Committee on Printing.

By Mr. HULL: Joint resolution (H. J. Res. 256) to amend S. J. Res. 8, approved May 4, 1898, entitled "Joint resolution providing for the adjustment of certain claims of the United States against the State of Tennessee and certain claims against the United States"; to the Committee on War Claims.

PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BATHRICK: A bill (H. R. 16100) granting a pension to Martha Rodgers Bodine; to the Committee on Invalid Pensions.

Also, a bill (H. R. 16101) granting a pension to Alma Drummond Wharfield; to the Committee on Invalid Pensions.

Also, a bill (H. R. 16102) granting a pension to Marryetta J. Wilson; to the Committee on Invalid Pensions.

By Mr. BUCHANAN of Illinois: A bill (H. R. 16103) to indemnify Arthur A. Sheldon for injuries sustained in the employ of the Post Office Department of the United States Government; to the Committee on Claims.

By Mr. BURKE of Wisconsin: A bill (H. R. 16104) granting an increase of pension to Christina Demerath; to the Committee on Invalid Pensions.

By Mr. CLARK of Florida: A bill (H. R. 16105) granting a pension to Mrs. James H. Gillis; to the Committee on Invalid Pensions.

By Mr. CLINE: A bill (H. R. 16106) granting an increase of pension to Mary E. West; to the Committee on Invalid Pensions.

By Mr. DIXON: A bill (H. R. 16107) granting a pension to William P. Duffy; to the Committee on Pensions.

Also, a bill (H. R. 16108) granting an increase of pension to Matilda Dobbins; to the Committee on Invalid Pensions.

Also, a bill (H. R. 16109) granting an increase of pension to James Harris; to the Committee on Invalid Pensions.

Also, a bill (H. R. 16110) granting an increase of pension to Joseph Wayman; to the Committee on Invalid Pensions.

By Mr. DOUGHTON: A bill (H. R. 16111) granting a pension to Henry C. Miller; to the Committee on Pensions.

By Mr. GLASS: A bill (H. R. 16112) granting a pension to Hiram C. Howard; to the Committee on Pensions.

Also, a bill (H. R. 16113) granting a pension to Pyrrhus Williams; to the Committee on Pensions.

By Mr. GOLDFOGLE: A bill (H. R. 16114) for the relief of William W. Case; to the Committee on Claims.

Also, a bill (H. R. 16115) to authorize the restoration of Edward P. Bigelow to the retired list of the Army and his appointment as a captain thereon; to the Committee on Military Affairs.

By Mr. HAMILL: A bill (H. R. 16116) granting an increase of pension to Amelia Schoefer; to the Committee on Invalid Pensions.

By Mr. HAY: A bill (H. R. 16117) granting an increase of pension to Sophie M. Walker; to the Committee on Pensions.

By Mr. HAYDEN: A bill (H. R. 16118) granting an increase of pension to Robert W. Parker; to the Committee on Pensions.

By Mr. KEY of Ohio: A bill (H. R. 16119) granting an increase of pension to Charlotte Diller; to the Committee on Invalid Pensions.

By Mr. KINKAID of Nebraska: A bill (H. R. 16120) granting a pension to James C. Crow; to the Committee on Pensions.

By Mr. MORGAN of Louisiana: A bill (H. R. 16121) granting a pension to George Ulmer; to the Committee on Pensions.

By Mr. PALMER: A bill (H. R. 16122) granting a pension to Lottie Beeman; to the Committee on Invalid Pensions.

By Mr. RAKER: A bill (H. R. 16123) granting a pension to Mary Waller; to the Committee on Pensions.

By Mr. REILLY of Connecticut: A bill (H. R. 16124) granting a pension to Sarah T. Bradley; to the Committee on Invalid Pensions.

By Mr. ROGERS: A bill (H. R. 16125) granting an increase of pension to William Waterworth; to the Committee on Pensions.

By Mr. SHERLEY: A bill (H. R. 16126) for the relief of the heirs of Richard Butler, deceased; to the Committee on War Claims.

By Mr. STEPHENS of California: A bill (H. R. 16127) granting a pension to Jefferson L. Smith; to the Committee on Pensions.

By Mr. TOWNER: A bill (H. R. 16128) granting an increase of pension to Eli Frazier; to the Committee on Invalid Pensions.

By Mr. VOLLMER: A bill (H. R. 16129) granting an increase of pension to Oliver M. Evans; to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

By the SPEAKER (by request): Memorial of the Calvary Protestant Episcopal Church of Ashland, Ky.; the Men's Union of the Baptist Church of Imlay City, Mich.; the West Creighton Avenue Church of Christ, of Fort Wayne, Ind., protesting against polygamy in the United States; to the Committee on the Judiciary.

Also (by request), petition of sundry citizens of Wamego, Kans., and Akron, Ohio, against polygamy in the United States; to the Committee on the Judiciary.

Also (by request), petition of the Loggers' Association of Oregon and Washington, protesting against repeal of the canal tolls exemption; to the Committee on Interstate and Foreign Commerce.

By Mr. AINEY: Petition of 80 citizens of Factoryville, Pa., and B. F. and Julia Bennett, of Clifford, Pa., favoring national prohibition; to the Committee on the Judiciary.

Also, petition of 151 voters of Tunkhannock, Pa., favoring national constitutional prohibition; to the Committee on the Judiciary.

By Mr. ASHBROOK: Papers to accompany House bill 12480, for relief of J. C. Winterringer; to the Committee on Invalid Pensions.

By Mr. BAILEY (by request): Petitions of S. W. Salkeld, B. E. Cutchall, J. M. McIntyre, J. M. Thomas, E. F. Asper, Dr. J. F. Price, J. C. Nicholson, C. A. Chamberlain, Morris Prosser, B. H. Collins, Alex Prosser, J. A. Foster, C. C. Foster, Elmer Evans, Rhody Figard, W. M. Figard, John Smith, Frank Satterfield, Harry Musser, J. C. McGahey, Rufus Stevens, W. R. Figard, Thomas Jenkins, J. W. Skipper, Thomas Fleck, Thomas Donaldson, Charles V. Barton, John Fields, W. M. Buckley, T. J. McDonald, C. A. Blair, Mat Buckley, Jack Whitney, J. F. Lanagan, James Miller, Charles Black, all of Six Mile Run; H. R. Brady, of Everett; Stanley Cleeves, of Defiance; M. L. Butler, of Altoona, all of the State of Pennsylvania, favoring passage of House bill 4981, the Lindquist pure fabric and leather bill; to the Committee on Interstate and Foreign Commerce.

Also (by request), petitions of Rev. E. A. Sharp, Harry Mulhollen, Joseph McMonigal, E. G. Miles, Amos Plummer, W. H. Hern, David Smith, Walker Billings, William Towle, John Mason, Charles Wild, George Gregory, Caleb Plummer, Charles George, C. W. Cullen, G. D. Morgan, Charles E. Patten, Alvin McMonigal, Alvin Plummer, M. N. Witmer, J. D. Miles, W. J. Ritchey, George Ball, John Hough, M. D. Callihan, C. F. Helt, Ronald Lariffer, William W. McConel, G. W. Emeigh, A. H. Ritchey, J. L. Wilson, James Lowery, George Washburn, M. U. Paul, J. M. Haslett, W. H. Moore, R. M. Cocoder, Joel Shawley, all members of the United Brethren Church of Portage, Pa., favoring a national constitutional prohibition amendment; to the Committee on the Judiciary.

Also (by request), petitions of F. C. Dively, A. A. Burket, Albert Claar, Austin Claar, William J. Wyant, William Stiffler, and W. H. Lingenfelter, of Claysburg; A. I. Claar, McClellan Walters, Adam Walters, Jerry Wright, jr., Alexander Walter, D. A. Claar, M. H. Dively, Irvin Claar, A. F. Claar, M. W. Walter, F. A. Claar, Jesse H. Claar, J. A. Claar, Samuel Helsel, Fred L. Walter, and Lloyd Walter, all of Queen; A. M. Dixon, C. F. Lingenfelter, E. F. Claar, Silas Claar, Ralph Claar, Lorenzo Walter, F. M. Dively, Emanuel Walter, Isaac Feathers, and Harry Claar, of Klahr; and Michael Claar, of Altoona, all of the State of Pennsylvania, favoring national prohibition; to the Committee on the Judiciary.

Also (by request), memorial of the Patriotic Societies of Gallitzin, Pa., Grand Army of the Republic Post No. 314, and Sons of Veterans, protesting against any change in the American flag; to the Committee on the Judiciary.

By Mr. BAKER: Petition of sundry citizens of New Jersey, favoring national prohibition; to the Committee on the Judiciary.

By Mr. BELL of California: Memorial of the Riverside Chamber of Commerce, asking for appropriation for the development of irrigation work in Victor Valley, Cal.; to the Committee on Rivers and Harbors.

Also, memorial of the Riverside Chamber of Commerce, favoring the child-labor bill; to the Committee on Labor.

Also, petition of sundry citizens of Los Angeles, Cal., protesting against passage of the Sabbath-observance bill; to the Committee on the District of Columbia.

Also, petition of sundry voters of the ninth congressional district of California, protesting against national prohibition; to the Committee on the Judiciary.

By Mr. BORCHERS: Petitions of the Woman's Christian Temperance Union of Urbana; Epworth League Chapter No. 19623, and the Young People's Society of Christian Endeavor of the Presbyterian Church of Urbana; the Christian Endeavor Society of the First Congregational Church and the Woman's Christian Temperance Union of Champaign; and the First Methodist Episcopal Church of Decatur, all in the State of Illinois, favoring national prohibition; to the Committee on the Judiciary.

Also, petitions of the Young People's Society of Christian Endeavor of Ashmore; the Methodist Episcopal Sunday School of Monticello; sundry citizens of Decatur; the Baptist Young People's Union of the First Baptist Church of Urbana; the Christian Young People's Union of Champaign; sundry citizens of Atwood; the Woman's Christian Temperance Union of Coles County; various members of the Epworth League and the Bible Class of the Presbyterian Church at Monticello; and the Methodist Episcopal Church of Sullivan, all in the State of Illinois, favoring national prohibition; to the Committee on the Judiciary.

Also, petition of sundry citizens of Shelby County, Ill., protesting against passage of Sunday-observance bill; to the Committee on the District of Columbia.

By Mr. BRODBECK: Petitions of 92 citizens of Abbotstown and 50 citizens of York, Pa., favoring national prohibition; to the Committee on the Judiciary.

By Mr. BROWN of New York: Petition of the Huntington (N. Y.) Episcopal College, favoring national prohibition; to the Committee on the Judiciary.

By Mr. BUCHANAN of Illinois: Petition of sundry citizens of Chicago, Ill., favoring Bartlett-Bacon anti-injunction bill; to the Committee on the Judiciary.

By Mr. CALDER: Petition of sundry citizens of New York, favoring national prohibition; to the Committee on the Judiciary.

Also, petitions of sundry citizens of New York, against national prohibition; to the Committee on the Judiciary.

By Mr. CANTOR: Petition of 854 citizens of the twentieth congressional district of New York, against national prohibition; to the Committee on the Judiciary.

By Mr. CARY: Petition of sundry citizens of Wauwatosa, the Berean Presbyterian Church, and 755 citizens of Milwaukee, all in the State of Wisconsin, favoring national prohibition; to the Committee on the Judiciary.

Also, petition of William Wallace, Henry Vetter, and H. B. Bartelsen, all of Milwaukee, Wis., protesting against national prohibition; to the Committee on the Judiciary.

Also, petition of the Clark, Marathon, and Wood County Unions of the American Society of Equity, relative to legislation in restraint of trade; to the Committee on the Judiciary.

By Mr. CURRY: Petition of 13 citizens of Richmond, Cal., favoring House bill 12928, relative to Sunday hours for postal employees; to the Committee on the Post Office and Post Roads.

Also, petition of 22 citizens of Richmond, Cal., against Sabbath-observance bill; to the Committee on the District of Columbia.

By Mr. DERSHEM: Petitions of 200 citizens of Middleburg, sundry citizens of Roxbury, 3 citizens of Concord, 325 citizens of Selinsgrove, 955 citizens of Lewistown, 420 citizens of Mount Union, and 1,221 citizens of Huntingdon, all in the State of Pennsylvania, favoring national prohibition; to the Committee on the Judiciary.

By Mr. DICKINSON: Petition of a committee representing the miners of Henry County, Mo., asking that the Government and Congress intercede and stop further hostilities and murders resulting from the strike and hostilities now going on in Colorado; to the Committee on Rules.

By Mr. DIXON: Petitions of 15 citizens and the Baptist Church of Greenwood, 25 citizens of Rykers Ridge, 121 citizens of Moores Hill, 30 citizens of Vernon, 250 citizens of Vallonia, 20 citizens of West Madison, 37 citizens of Wrights Corners, Rev. C. P. Baron, of Yorkville; 78 citizens of Greensburg, 336 citizens of Brownstown, 41 citizens of Hope, and 53 citizens of Switzerland, all in the State of Indiana, favoring national prohibition; to the Committee on the Judiciary.

By Mr. DOOLITTLE: Petition of sundry citizens of Kansas, favoring establishment of a bureau of farm loans in the Treasury Department; to the Committee on Appropriations.

By Mr. DOREMUS: Petition of George Moore and 5,857 voters of Wayne County, Mich., protesting against the Hobson-Sheppard and Works resolutions, known as House joint resolution 168 and Senate joint resolutions 50 and 88, relative to national prohibition; to the Committee on the Judiciary.

By Mr. DUNN: Petition of sundry citizens of Webster, N. Y., favoring national prohibition; to the Committee on the Judiciary.

Also, petition of 229 citizens of Monroe County, N. Y., protesting against national prohibition; to the Committee on the Judiciary.

Also, petition of more than 2,860 voters of Monroe County, N. Y., protesting against national prohibition; to the Committee on the Judiciary.

By Mr. FITZGERALD: Petitions of 93 citizens of the seventh congressional district of New York, protesting against national prohibition; to the Committee on the Judiciary.

By Mr. FRANCIS: Petition of 90 citizens of Tuscarawas and Carroll Counties, 45 citizens of Leesville, 300 citizens of Toronto, 973 citizens of Barnesville, 80 citizens of Tippecanoe, 82 citizens of Scio, and sundry citizens of Somerton, Bellaire, and Freeport, all in the State of Ohio, favoring national prohibition; to the Committee on the Judiciary.

Also, petition of Rev. J. H. Lawther, Bellaire; members of the Hamlin Church, Steubenville; and Emerson Grange, No. 1426, all in the State of Ohio, favoring national prohibition; to the Committee on the Judiciary.

By Mr. FREAR: Petition of 924 citizens of the tenth congressional district of Wisconsin, against national prohibition; to the Committee on the Judiciary.

By Mr. GRIEST: Petition of E. H. Henry and the Christian Endeavor Societies of the City Union, of Lancaster, Pa.; also George D. Nibel, of Strasburg, Pa., favoring national prohibition; to the Committee on the Judiciary.

By Mr. JOHNSON of Washington: Memorial of the Seattle Chamber of Commerce, protesting against extension of the parcel post; to the Committee on the Post Office and Post Roads.

Also, memorial of the Central Labor Council of Seattle, Wash., urging Federal intervention in the Colorado strike situation; to the Committee on the Judiciary.

Also, resolutions favoring free tolls for American coast-to-coast vessels through the Panama Canal, passed by the Loggers' Association of Oregon and Washington; to the Committee on Interstate and Foreign Commerce.

By Mr. KENNEDY of Connecticut: Petition of Gleinvick Flack, John G. Hammel, and others, of Seymour, Conn., protesting against national prohibition; to the Committee on the Judiciary.

By Mr. KENNEDY of Rhode Island: Petition of 12 Woonsocket (R. I.) Sunday Schools and Universalist Sunday School of Woonsocket, R. I., favoring national prohibition; to the Committee on the Judiciary.

By Mr. KONOP: Petition of the United Societies for Local Self-Government, of Chicago, Ill., against national prohibition; to the Committee on the Judiciary.

By Mr. LA FOLLETTE: Resolutions of Local Union No. 2510, United Mine Workers of America, of Roslyn, Wash., protesting against strike conditions in Colorado; to the Committee on Rules.

Also, petition of sundry citizens of Kennewick, Wash., favoring national prohibition; to the Committee on the Judiciary.

Also, petitions of sundry citizens of the third congressional district of Washington, protesting against national prohibition; to the Committee on the Judiciary.

Also, petitions of 31 citizens of Nespelem, 100 citizens of Leavenworth, 200 citizens of Cashmere, 500 citizens of Wenatchee, and 200 citizens of Davenport, all in the State of Washington, favoring national prohibition; to the Committee on the Judiciary.

Also, petitions of sundry citizens of Stevens County, Wash., favoring passage of House bill 12923, relative to Federal loans; to the Committee on Banking and Currency.

Also, resolutions of the Spokane (Wash.) Chamber of Commerce, protesting against House bill 11093, to withdraw from mineral entry all lands upon the Colville Indian Reservation; to the Committee on Indian Affairs.

Also, petition of sundry citizens of Twining, Mich., protesting against national prohibition; to the Committee on the Judiciary.

By Mr. LEVY: Petition of 1,320 citizens of the fourteenth New York congressional district, against national prohibition; to the Committee on the Judiciary.

By Mr. LEWIS of Maryland: Petition of 39 citizens of Carroll, 58 citizens of New Windsor, 81 citizens of New Market, 24 citizens of Walkersville, and 40 citizens of Union Bridge, all in the State of Maryland, favoring national prohibition; to the Committee on the Judiciary.

By Mr. LEWIS of Pennsylvania: Petitions of 1,345 citizens of Allentown, 1,400 citizens of Ellwood City, and 100 citizens of Lyons, all in the State of Pennsylvania, favoring national prohibition; to the Committee on the Judiciary.

By Mr. LINDQUIST: Petitions of 190 citizens of East Jordan, 615 citizens of Boyne City, 40 citizens of St. Louis, 216 citizens of Charlevoix, 70 citizens of Coral, 300 citizens of Breckinridge, 80 citizens of Lakeview, and 189 citizens of Marion, all in the State of Michigan, favoring national prohibition; to the Committee on the Judiciary.

Also, petitions of sundry citizens of Lake George, Alma, and Sumner, and vicinity, all in the State of Michigan, against Sabbath-observance bill; to the Committee on the District of Columbia.

Also, petition of sundry citizens of Sumner, Alma, and Clare County, all in the State of Michigan, favoring House bill 12928, relative to Sunday hours for postal employees; to the Committee on the Post Office and Post Roads.

By Mr. McGILLICUDDY: Petitions of the Free Baptist Church of Topsham, and citizens of Waldoboro and Jefferson, all in the State of Maine, favoring national prohibition; to the Committee on the Judiciary.

By Mr. MERRITT: Petition of 320 voters of the thirty-first New York congressional district, protesting against national prohibition; to the Committee on the Judiciary.

Also, petition of 200 citizens of the thirty-first New York congressional district, against national prohibition; to the Committee on the Judiciary.

By Mr. NELSON: Petitions of sundry citizens of Lafayette County, Wis., and the First Methodist Episcopal Church of Sun Prairie, Wis., favoring national prohibition; to the Committee on the Judiciary.

By Mr. PALMER: Petition of 104 citizens of South Bethlehem, 193 citizens of Easton, 130 citizens of Milford, and 85 citizens of North Water Gap, all in the State of Pennsylvania, favoring national prohibition; to the Committee on the Judiciary.

Also, petition of sundry citizens of Scranton, Pa., against House bill 13723; to the Committee on Ways and Means.

Also, petition of the Greenfield Board of Trade, of Pittsburgh, Pa., favoring House bill 5139, the civil-service retirement bill; to the Committee on Reform in the Civil Service.

By Mr. PATTEN of New York: Petitions of 885 citizens of the eighteenth New York congressional district, protesting against national prohibition; to the Committee on the Judiciary.

By Mr. PAYNE: Petition of sundry citizens of Shortsville, Port Byron, and Reeds Corners, all in the State of New York, favoring national prohibition; to the Committee on the Judiciary.

Also, petition of sundry citizens of the thirty-sixth New York congressional district, against national prohibition; to the Committee on the Judiciary.

Also, petition of sundry citizens of Lyons and Ontario County, N. Y., favoring national prohibition; to the Committee on the Judiciary.

By Mr. PLATT: Petition of 3,080 citizens of the twenty-sixth New York congressional district, against national prohibition; to the Committee on the Judiciary.

Also, petitions of sundry citizens of Port Jervis, N. Y., protesting against national prohibition; to the Committee on the Judiciary.

Also, petitions of 243 citizens of Fishkill, 23 citizens of Millbrook, 57 citizens of Circleville, 60 citizens of Moores Mills, 100 citizens of Pleasant Plains, and 200 citizens of Hopewell Junction, all in the State of New York, favoring national prohibition; to the Committee on the Judiciary.

By Mr. REILLY of Connecticut: Petition of Pascol Dowed, of Meriden, Conn., protesting against national prohibition; to the Committee on the Judiciary.

By Mr. RIORDAN: Petition of 928 citizens of the eleventh congressional district of New York, protesting against national prohibition; to the Committee on the Judiciary.

By Mr. SINNOTT: Petitions of sundry citizens of Oregon, favoring national prohibition; to the Committee on the Judiciary.

By Mr. STAFFORD: Petition of the Merchants and Manufacturers' Association of Milwaukee, protesting against Wisconsin and upper Michigan being attached to the Minneapolis reserve bank district; to the Committee on Banking and Currency.

By Mr. STEPHENS of California: Petition of W. E. McLaughlen and R. A. Forsyth, of Los Angeles, Cal., indorsing resolutions of the Chamber of Commerce of Victor Valley, Cal., favoring appropriation for the Mohave River; to the Committee on Rivers and Harbors.

Also, petition of the Woman's Christian Temperance Union of Los Angeles, Cal., numbering 1,136 members, against increasing the Navy; to the Committee on Naval Affairs.

By Mr. STEVENS of New Hampshire: Petitions of the congregation of the Baptist Church of Hopkinton; the congregation of the First Universalist Church of Manchester; the First Baptist Church of Cornish; the Congregational Church of Cornish; the Rockingham Grange, of Epping; the First Baptist Church of Derry; the Methodist Episcopal Church of Epping; the Woman's Christian Temperance Union of Epping; the First Baptist Bible School, of Fitzwilliam; the Young People's Society of Christian Endeavor of Peterboro; the Baptist Young People's Society of Christian Endeavor of Peterboro; the Woman's Christian Temperance Union of Peterboro; the Sunday School of Congregational Church of Hopkinton; the Baptist Church of Campton; the Congregational Churches of Sullivan; the congregation of the Christian Endeavor Society of the Union Evangelical Congregation, of East Sullivan; the Christian Endeavor Society of the West Congregational Church, of Concord; the West Congregational Church, of Concord; the Merrimack County Christian Endeavor Union, of Concord; the Sunday School of the West Congregational Church, of Concord; the Methodist Church of West Rindge; the Methodist Episcopal Church of Warren; the Baptist Church of South Acworth; the Society of Christian Endeavor of Greenville; the Christian Endeavor Society of Sullivan; the Sunday School of the First Congregational Church of Sullivan; the First Baptist Church of Nashua; the Congregational Church of Hopkinton; the Sunday School of the Union Evangelical Congregational Church, of East Sullivan; the First Methodist Episcopal Church of Concord; the First Baptist Church of Meriden; the South Congregational Church, of Newport; the Newport Methodist Episcopal Congregation and Epworth League and Northville Union Congregation; the First Baptist Church of Newport; the Woman's Christian Temperance Union of Milan; the Christian and Congregational Churches of Hill; the Methodist Episcopal Church of Richmond; the Epworth League of Fitzwilliam Depot; the First Baptist Church of Berlin; the Sunday School of the Congregational Church of Hill; the Congregational Church of Campton; the Sunday School of the Congregational Church of Campton; the Methodist Episcopal Church of Fitzwilliam Depot; the Congregational Church of Greenville; the Epworth League of Peterboro; the Orthodox Congregational Church of Gilsum; the Congregational Church of Jaffrey; the Ashland Free Baptist Church; the First Baptist Sunday School, of Concord; the First Baptist Church of East Jaffrey; the Woman's Christian Temperance Union of North Charlestown; the Woman's Christian Temperance Union of West Unity; the Young People's Society of Christian Endeavor of West Unity; the Methodist Episcopal Church of West Unity; the West Unity Sunday School; the Methodist Episcopal Church of East Colebrook; the Ladies' Aid Society of Groveton; the Methodist Episcopal Church of North Charlestown; the Young People's Society of Christian Endeavor of East Concord; the Woman's Christian Temperance Union of Rindge; the Methodist Episcopal Church and Sunday School of East Haverhill; the Hillsboro County Woman's Christian Temperance Union; the Sunday School of the First Baptist Church; the Advent Christian Church of Concord; the First Universalist Church of Woodsville; the First Methodist Episcopal Church of Claremont; the First Baptist Church of Troy; the Crown Hill Baptist Church, of Nashua; the Lovell Bible Class for Men of the Crown Hill Baptist Church, of Nashua; the Methodist Episcopal Church of Sunapee; the Free Baptist Church of Franklin; the Wesley Bible Class of the First Methodist Episcopal Church, of Claremont; the Methodist Episcopal Church of Stratford; the First Baptist Church of Warner; the Epworth League of the First Methodist Episcopal Church, of Claremont; the First Baptist Church of Lebanon; the Young People's Society of Christian Endeavor of the First Baptist Church of Lebanon; the Sunday School of the First Baptist Church of Lebanon; the congregation, the Sunday School, and the Young People's Society of Christian Endeavor of the Congregational Church, of Nashua; the congregations of the First Baptist and First Congregational Churches of Bradford; the Sabbath School of the First Congregational Church of Nashua; the First Congregational Church of Francestown; and also of sundry other citizens, all in the State of New Hampshire, in favor of national prohibition; to the Committee on the Judiciary.

Also, petitions of the pulp sulphite and paper mill workers of Berlin; the Bakery and Confectionery Workers' Union of Concord; Bartenders' Union, Local 647, of Concord; Bartenders' Union, Local 633, of Nashua; and also of sundry other citizens, all in the State of New Hampshire, protesting against national prohibition; to the Committee on the Judiciary.

By Mr. SUTHERLAND: Papers to accompany House bill 15106, for relief of W. H. Mallow; to the Committee on Invalid Pensions.

By Mr. TALCOTT of New York: Petition of the Middleville (N. Y.) Woman's Christian Temperance Union, favoring national prohibition; to the Committee on the Judiciary.

Also, petitions of various members of the congregation of the Tabernacle Baptist Church of Utica, N. Y., and sundry citizens of Frankfort, N. Y., favoring national prohibition; to the Committee on the Judiciary.

By Mr. TAYLOR of Arkansas: Petitions of 303 citizens of Monticello, Ark., favoring national prohibition; to the Committee on the Judiciary.

By Mr. TEN EYCK (by request): Petition of George Spolt, Richard Geith, W. R. Hill, Hyman Straus, William J. Dooley, Domenico Cona, B. Stumpf, Lewis Vedder, Frank Driscoll, and other voters of the twenty-eighth congressional district of New York, protesting against the passage of the Hobson-Sheppard-Works bill; to the Committee on the Judiciary.

By Mr. VOLLMER: Petition of E. A. Wulf, Ed Carstens, and 55 others, against national prohibition; to the Committee on the Judiciary.

By Mr. WALLIN: Petition of 150 voters in the thirtieth New York district, against national prohibition; to the Committee on the Judiciary.

Also, petition of sundry citizens of New York, against national prohibition; to the Committee on the Judiciary.

Also, petition of sundry citizens of Amsterdam and Schenectady, N. Y., favoring national prohibition; to the Committee on the Judiciary.

By Mr. WHITE: Petition of Earl Barrows, of Marietta, Ohio, and 30 others, protesting against national prohibition; to the Committee on the Judiciary.

Also petition of J. E. Rardon, of Marietta, Ohio, Rural Free Delivery No. 4, and 50 others, protesting against the adoption of national prohibition; to the Committee on the Judiciary.

By Mr. WOODRUFF: Petition of sundry citizens of Prescott and Maple Ridge, Mich., favoring rural-credit legislation; to the Committee on Banking and Currency.

Also, petition of sundry citizens of Michigan, protesting against national prohibition; to the Committee on the Judiciary.

By Mr. YOUNG of North Dakota: Petition of various Choctaw and Chickasaw Indians, favoring a per capita payment; to the Committee on Indian Affairs.

SENATE.

WEDNESDAY, *April 29, 1914.*

The Chaplain, Rev. Forrest J. Prettyman, D. D., offered the following prayer:

Almighty God, our continual cry to Thee is for light, light more abundant. Thou hast committed to us the great power of self-determination and with it Thou hast given to us our likeness to God. We pray that all that is within us may respond to the Divine ministry, so that the outward expression of the thoughts of our hearts may be godlike. We pray that Thou wilt guide us this day in every thought. Let us remember that it is not in the great crises of life, amidst the stir and storm and stress of the world, that our real personal revelation must come, but in the unguarded moments, the hours of conflict of opinion and personal contact, we may express that which is godlike within us. So do Thou help us to live this day. For Christ's sake. Amen.

The Journal of yesterday's proceedings was read and approved.

REVENUES OF RAIL CARRIERS.

The VICE PRESIDENT laid before the Senate a communication from the Interstate Commerce Commission, transmitting, in response to a resolution of the 28th instant, certain anonymous letters and communications and written letters and printed letters and communications with signatures thereto, circulars, clippings, newspaper or magazine articles marked or otherwise that are immediately available, and stating that all additional papers of the nature referred to in the resolution and received by the commission will be presented at the earliest practicable moment, which was ordered to lie on the table.

PERSONAL EXPLANATION—LABOR TROUBLES IN COLORADO.

Mr. THOMAS. Mr. President, I seldom pay much public attention to statements in the public press concerning myself, since to do so neither corrects the evil nor subserves any satisfactory purpose. I am impelled, however, to make this occasion an exception to the rule because of conditions now prevailing in my State.

The World of this morning contains an article relating to the action of the President yesterday in mobilizing Federal troops in obedience to the requisition of the governor of Colorado in which I find this statement, referring to a conference between the President and myself:

> At this conference the President was told by Senator THOMAS that in the beginning the sympathy was with the strikers, but that lately it had turned against the miners because of their repeated breaking of truces. He informed the President that the merciless killing of men, women, and children by mine guards and State militia a few days ago was largely the fault of the miners; that the guards and militia were attacked during a truce period and were compelled to fire in self-defense. It was this return fire which slaughtered so many innocents and induced Gov. Ammons to appeal to the Federal Government for aid, Senator THOMAS informed the President.

The writer of this statement is entirely mistaken. I have refrained from expressing any opinion or of passing final judgment upon the immediate causes of the present disasters in my State. I have, however, felt it my duty to lay before the President all the information reaching me from reputable sources, including, of course, statements from both sides of the controversy, as well as from noncombatants and officials of the State. In doing this I have expressed no opinion as to the real fault and as to the sources or the responsibility for the resumption of violence and disorder on the 20th of the month and continuing to yesterday. Both will, I hope, be fully disclosed in time.

AFFAIRS IN MEXICO.

Mr. FALL. Mr. President, I have several telegrams in the nature of petitions, which I ask to have read.

The VICE PRESIDENT. Is there objection? The Chair hears none, and the Secretary will read them.

The Secretary read as follows:

[Telegram.]

GALVESTON, TEX., *April 28, 1914.*

Senator A. B. FALL,
Washington, D. C.:

Know your past interest in behalf of ill-treated Americans in Mexico. Wish to inform you that an attempt was made to maltreat and lynch Vice Consul Bevens on streets of Tampico after most refugees had sought safety on foreign ships; Bevens was saved with difficulty by British consul. Wholesale slaughter of Americans in Southern Hotel surrounded by mob, among whom were Mexican officers, was only averted by the coolness of Ed Williams, formerly United States consul at Durango, and others, who persuaded the few armed men inside building protecting 150 men, women, and children to withhold fire until last moment; this rule was strictly enforced in spite of frequent and persistent efforts of mob to batter down hotel doors. Since then this building has been recklessly searched and probably looted; coaches were stopped in Tampico and American occupants forced to get out and shout "Long live Huerta—Death to the Americans." All mobs were incited by incendiary speeches made by leading Mexican lawyers, doctors, and customhouse officials, who are well known to many of us. One of my boats, filled with fleeing American men and women and some Chinamen, was held up by the Mexican gunboat *Vera Cruz* in the Panuco River, although they had a pass from Gen. Zaragosa, in command of Federals at Tampico. This boat was forced at the point of guns to return up the river and there remain for many hours. Wish call your attention further to fact that none of us know what has occurred since the city of Tampico and all of the valuable properties owned by Americans in that vicinity have been absolutely abandoned by the owners and caretakers. I represent an oil company having over 3,000 small shareholders, composed of men of small means. We have a property of immense value that we have been forced to leave entirely unprotected from the acts of careless people and of employees who hate us, because we are Americans, and for no other reason. Call your attention further to fact that the outrages committed upon Americans are occasioned by no acts performed by these Americans, but simply because they are Americans, and many of us fear that unless we are avenged life will not be worth living for us in Tampico vicinity. We call your attention further to the fact that at all times during the past 8 or 10 months the port of Tampico has been under the guns of American gunboats lying directly in the harbor in front of the city and but a few hundred yards distant. But when the hatred of the Mexican population at Tampico has been brought to blood heat by the landing of American troops at Vera Cruz and by the trouble raised over the arresting of marines in Tampico, our Government peremptorily ordered Admiral Mayo to remove all gunboats from the river without any notice to American inhabitants or any invitation to take refugees on board same. It is commonly understood that Admiral Mayo informed Washington fully of the situation existing and warned Washington of danger to American citizens if such course was adopted. Call your attention further to the fact that all the Americans who secured safe refuge did so through courtesy of foreign nations, to wit, German and English, whereas within 9 miles from the port was a fleet of our own Nation equipped with men, anxious to rescue their own countrymen, and who feel ashamed over the fact that what was their duty was turned over to the forces of other nations.

JOHN N. NEWELL.

[Telegram.]

GALVESTON, TEX., *April 28, 1914.*

Hon. A. B. FALL,
United States Senate, Washington, D. C.:

In reply to yours to Wood. Outrages and insults to Americans in Tampico can not be exaggerated, not to speak of the destruction of millions of property. Can state with positive assurance that present arrangement will result in untold property losses to all Americans, and will also make it impossible for them to continue in business of any kind in Mexico in the future.

S. R. R. POLLOCK,
Refugee, U. S. S. Connecticut.

The Secretary proceeded to read a telegram from J. B. Wood, and was interrupted by,

Mr. GORE. Mr. President, is this communication being read by unanimous consent?

The VICE PRESIDENT. It is.

Mr. GORE. I should like to interpose an objection, if it is not too late, because it is a reflection upon the Secretary of State.

Mr. FALL. I will read it myself, Mr. President, if there is any objection.

The VICE PRESIDENT. It is too late. Unanimous consent was given.

Mr. GORE. I call for the regular order.

The VICE PRESIDENT. This is the regular order. The Secretary will proceed with the reading.

Mr. REED. Mr. President, a parliamentary inquiry. When a request is made in a formal way for unanimous consent to read a document, are we to understand that it is the rule that unanimous consent can not be withdrawn, and that an objection can not be interposed during the reading, if it transpires that there is matter in the document which is objectionable?

The VICE PRESIDENT. The Chair is of the opinion that unanimous consent having been given to the reading of the document it is entitled to be read.

Mr. REED. Unless the right exists for a Senator to object at any time during the course of the reading of a document, the only safe thing to do would be to object to all documents until they have been inspected. Not caviling with the decision of the Chair or the opinion expressed by him, it seems to me a

better rule would be that if matter is contained in an instrument which is objectionable to a Senator when it appears, his right to object ought then to obtain. Here is a document very seriously reflecting upon the Secretary of State and insulting in its language, and I do not think it ought to be put in the RECORD of the Senate.

Mr. BRANDEGEE. If the Chair will bear with me in relation to the parliamentary inquiry——

The VICE PRESIDENT. Certainly.

Mr. BRANDEGEE. I wish to state simply that the other day the Senator from Washington [Mr. POINDEXTER] obtained unanimous consent for the reading of a certain letter here in which expressions attacking a Senator of this body appeared. It was not known what was in the letter when unanimous consent was given. As soon as the reading of the letter had proceeded a short time I rose and objected and was advised by the President pro tempore that unanimous consent had been given, whereupon the entire letter, in spite of the offensive expressions, had to be read from the desk. It seems to me that is a perfectly parallel case with this on the Senator's own statement.

Mr. REED. I think the Senator is correct that it is a parallel case. I was not, however, aware of the fact, because I did not happen to be in the Chamber, that an objection was sought to be interposed under the circumstances the Senator refers to. But whether it is a parallel case or not, the question still remains whether it is the rule of the Senate that unanimous consent having been once obtained to read a document no objection can thereafter be interposed. I am not undertaking to dispute the correctness of the Vice President's ruling, although I had the opinion that a different rule obtains, and I made the inquiry in order to elicit the view of the Vice President.

Mr. CLARKE of Arkansas. Mr. President, in view of the statement of the Senator from Connecticut [Mr. BRANDEGEE] I think I should make an observation. The attitude in which the question was presented on the occasion referred to by him is entirely different from the one presented here to-day. The Senator from Connecticut was absent when the Senator from Washington asked for unanimous consent that a document, without disclosing its character, should be read at the desk. When he came into the Chamber the Secretary was proceeding with the reading of the document. At that time no objectionable part of it had been reached, and he sought at that stage to interpose an objection. When his attention was called to the fact that unanimous consent had previously been obtained, and nothing objectionable about the paper having been disclosed at that time, he was entirely satisfied with the ruling and sat down.

He did not at that time seek to exercise his right to object on the ground that the document contained matter which did not entitle it to be incorporated in our RECORD. I am not prepared to say what the ruling would have been had that aspect of the question been presented, but it serves my purpose sufficiently on this occasion to say it was not presented then.

Mr. BRANDEGEE. The RECORD will show that I did object and stated that I objected, and the Chair said the objection could not be entertained because the Senate had already given unanimous consent. I thought the Chair was right in its ruling, and I still think so. I think that if the Senate wants to give unanimous consent for the reading of a document without knowing what is in the document it is estopped from interposing an objection the minute something happens that the Senate might have objected to if it had taken the pains to look at the document before it consented to the reading. Otherwise I see no sense whatever in the Senate unanimously consenting that a document may be read if it can immediately object to it after it has consented. Of course this is not a proceeding under Rule VIII at all, where an objection can be interposed at any stage of the proceedings.

Mr. CLARKE of Arkansas. Mr. President, just one word further. I am not going to dispute with my friend from Connecticut as to which would be the better rule. I only make reference to the decision which was made on that occasion. The objection interposed by the Senator from Connecticut was a broad objection that the matter should not be read at all. The objection, I understand, interposed by both the Senator from Oklahoma [Mr. GORE] and the Senator from Missouri [Mr. REED] is to the effect that there is objectionable matter in this particular document.

Mr. BRANDEGEE. But the reason for an objection need not be stated. The question is, Can an objection be made with effect after the Senate has, by unanimous consent, agreed to the reading?

Mr. FALL. I should like to say one word, Mr. President.

The VICE PRESIDENT. The Senator from New Mexico.

Mr. FALL. I think Senators are entirely too sensitive. There is not a word in any of these documents which is offensive, in so far as I know. I certainly would not undertake to slip into the RECORD any insulting expressions.

Mr. GORE. Mr. President——

Mr. FALL. I do not yield at the present time, Mr. President. I do not put into the RECORD any documents the responsibility for which I am not willing to assume. There is nothing contained in the telegram insulting to the Secretary of the Navy. The Senator is too sensitive. There is a criticism of the action of the Secretary of the Navy in ordering the withdrawal of the American battleships, and that is all. There is simply a statement to that effect. If the Senator will get the telegram and read it, I think he will find there is no objection to it at all.

Mr. REED. Mr. President, surely I misheard the reading of the telegram or the Senator from New Mexico must be mistaken. I think there is a statement in the telegram to the effect that the Secretary of State would have desired that the Americans should not have escaped from Mexico.

Mr. FALL. That is proof, Mr. President, of what I have just said. Neither the name of the Secretary of State nor his title is referred to at all in any of the telegrams.

Mr. GORE. Mr. President——

Mr. SUTHERLAND. I call for the regular order, Mr. President.

Mr. BRANDEGEE. Regular order!

Mr. LODGE. Mr. President——

The VICE PRESIDENT. The Senator from Massachusetts.

Mr. LODGE. It is, of course, a perfectly simple thing to have those telegrams read. I make a motion that they be referred to the Committee on Foreign Relations. That is a debatable motion, and I ask to read the telegrams myself.

Mr. FALL. Of course, they will be read under that motion, Mr. President.

Mr. LODGE. It is useless to try to stop their being read.

The VICE PRESIDENT. It is true the Chair has once ruled——

Mr. LODGE. The Chair's ruling, I think, was entirely correct.

Mr. SMOOT. It was perfectly correct.

The VICE PRESIDENT. The Chair was about to make an additional observation in this case, unless the Senator from Massachusetts insists on his motion.

Mr. LODGE. I withdraw the motion, Mr. President.

The VICE PRESIDENT. It is the view of the present occupant of the chair that when unanimous consent is given for the reading of a document it can be read and must be read by the Secretary, unless in the course of the reading of the document there appears some statement which is in violation of the rules of the Senate with reference to documents that may be presented to the Senate, in which event the Chair would be inclined to hold that an objection would stay the reading, and that then the question of the reading would be put to the Senate. If by a majority vote the Senate consented, the reading would proceed.

There is no rule of the Senate which prevents any Senator from saying anything that he pleases about the President of the United States or about any member of the Cabinet. It is a matter of propriety with a Senator whether on the floor of the Senate he either reads into the RECORD himself or makes upon his personal responsibility a statement with reference to any administrative officer of the Government. There is no rule against that; it is a question of propriety, of which the Senator himself is to be the sole and exclusive judge, subject always, the Chair takes it, to the right upon the part of the Senate to expunge from the RECORD anything which it deems ought not to remain a part of the permanent RECORD of the Senate of the United States.

There is this further right, the Chair believes, under the head of morning business, of petitions and memorials, that instead of sending petitions and memorials to the desk to be read a Senator may rise in his seat and read such petitions and memorials. Upon this particular question the Senator from New Mexico [Mr. FALL], according to the view of the Chair, has the clear right, if he chooses to do so, to rise in his seat and read his petitions and memorials to the Senate of the United States. So, in the rough-and-ready way that the Chair tries to reach a conclusion, it is immaterial for all practical purposes whether the Senator from New Mexico reads the document or whether it be read from the desk. That was the basis of the ruling of the Chair, that unanimous consent had been given, and it was the duty of the Secretary to read the paper until it proceeded to some point when there was a violation of the rules of the Senate. That point, in the judgment of the Chair, has not yet been reached.

Mr. BRANDEGEE. I rise to a point of order, Mr. President.

The VICE PRESIDENT. The Senator from Connecticut will state the point of order.

Mr. BRANDEGEE. The Senator from Utah [Mr. SUTHERLAND] demanded the regular order, and I myself had asked for the regular order.

The VICE PRESIDENT. The regular order would be to proceed with the reading of this telegram until it was completed unless there should appear to be something in it in violation of the rules of the Senate. The Secretary will proceed with the reading.

The Secretary resumed and concluded the reading of the telegram, and then read the following telegram:

[Telegram.]

GALVESTON, TEX., *April 28, 1914.*

Hon. A. B. FALL,
United States Senate, Washington, D. C.:

The refugees aboard battleship *Connecticut* have mailed signed statement of conditions in Tampico district to chairman Senate Foreign Relations Committee.

ED. WILLIAMS, *Chairman.*

Mr. BRANDEGEE. Mr. President, with relation to a statement which, as I remember, was contained in one of the telegrams, I want to ask the Senator from New Mexico [Mr. FALL], who has had the telegrams read, a question. Does the Senator understand that the time our citizens were taking refuge upon German and British men-of-war at Tampico was when our own vessels of war were within 9 miles?

Mr. FALL. Certainly, Mr. President. For six months past, or something like that, we have had gunboats in the Panuco River, alongside the wharves at Tampico; and more recently we have had men-of-war in the harbor, anchored off Tampico, and gunboats at the mouth of the Panuco River. My understanding is that our gunboats were withdrawn from the river, and our ships slipped anchor, sailed out 9 miles away, remained there, and are there yet, and that in the meantime our citizens were protected, as they say, by the German and British vessels. That is my understanding of it.

Mr. STONE. Mr. President——

The VICE PRESIDENT. Does the Senator from New Mexico yield to the Senator from Missouri?

Mr. FALL. I do.

Mr. STONE. I desire to say that as chairman of the Committee on Foreign Relations I have not received any such paper.

Mr. FALL. I can not hear the Senator.

Mr. STONE. I say that the chairman of the Committee on Foreign Relations has not received any such paper as that alluded to in the telegram.

Mr. FALL. Of course he has not, Mr. President. The statement has not had time to reach here. This telegram is dated last night.

Mr. STONE. I make a parliamentary inquiry as to whether debate is now in order, or whether there is any matter pending that is the subject of debate.

The VICE PRESIDENT. There is no matter pending. Any Senator can call for the regular order.

Mr. STONE. I call for the regular order.

Mr. FALL. I want the RECORD to show that the Senator from Missouri asked the Senator from New Mexico a question, to which he is replying. I have not sought to interject debate.

Mr. STONE. I was not accusing the Senator of doing it. I am simply calling for the regular order.

The VICE PRESIDENT. The presentation of petitions and memorials is in order.

Mr. CRAWFORD and Mr. SHEPPARD addressed the Chair.

The VICE PRESIDENT. The Senator from South Dakota.

Mr. SHEPPARD. Mr. President, I ask permission of the Senate to make a brief statement in reference to the Tampico incident. It has been satisfactorily explained by Admiral Mayo himself, and I have a brief reference here to the matter in the New York Times of this morning. It is only four or five lines long, and for the information of the Senate I should like to read it.

Mr. CRAWFORD. Mr. President——

The VICE PRESIDENT. Is there any objection to the request of the Senator from Texas?

Mr. CRAWFORD. I was recognized, I believe.

The VICE PRESIDENT. The Senator was.

Mr. CRAWFORD. If the Senator from Texas will withhold that for just a moment——

Mr. SHEPPARD. I will.

Mr. CRAWFORD. I have a telegram similar to those presented by the Senator from New Mexico. It comes from a citizen of my State, and I should like to have it go into the RECORD in connection with the telegrams offered by the Senator from New Mexico, so that it may be referred to the Committee on Foreign Relations. It is a serious statement, but I do not think it can be regarded as an offensive statement.

Mr. LODGE (to Mr. CRAWFORD). Read it.

Mr. CRAWFORD. I was going to hand it up to the desk and ask to have it read there, but I will read the telegram myself. It is dated Galveston, Tex., April 27, 1914.

Mr. SMITH of Georgia. Mr. President——

The VICE PRESIDENT. Does the Senator from South Dakota yield to the Senator from Georgia?

Mr. SMITH of Georgia. I rise to a point of order—not that I object so much to the Senator from South Dakota reading the telegram, but I wish to make the point of order that the Senator can not read the telegram except by unanimous consent.

Mr. LODGE. Mr. President, I make the motion to refer these telegrams to the Committee on Foreign Relations. That motion is debatable.

Mr. SMITH of Georgia. One moment. I wish to call——

Mr. CRAWFORD. Mr. President——

Mr. SMITH of Georgia. I wish to call the Chair's attention——

Mr. LODGE. The Senator from South Dakota has the right to debate the motion of reference; there is no question about that at all.

Mr. SMITH of Georgia. I have the floor to complete my point of order, and the Senator from Massachusetts was out of order when he made the motion.

Mr. LODGE. The motion will be made; you can not prevent the reading of these telegrams.

Mr. SMITH of Georgia. Very well; the Senator can make the motion at the proper time; but he was out of order when he did make it. The Senator will agree with me that he can not take me off the floor to make a motion when I am making a point of order.

Mr. LODGE. I made the motion some time ago, and withdrew it because the Chair desired to make a statement, and under the Chair's ruling the telegram had the right to be read. At the proper time I will renew the motion, and we will debate it.

Mr. SMITH of Georgia. Mr. President, I only desire to complete bringing to the attention of the Chair the rule I have in view on this subject. It is on page 10, paragraph 5, of Rule VII:

Every petition or memorial shall be signed by the petitioner or memorialist and have indorsed thereon a brief statement of its contents, and shall be presented and referred without debate.

The motion to refer also is to be decided without debate under the rule. I make the point of order that there is no provision which allows the Senator to read the paper from his seat. He can send the petition to the Secretary, when a memorandum is made upon it, and it is referred without debate, unless unanimous consent is given that it be read. I think this is the correct construction of the rule, and the motion to refer is to be decided without debate.

Mr. LODGE. Very well, Mr. President, the motion to refer can be made on any bill or any report that is made here, and then it is open to debate. It is impossible to prevent the reading of documents which Senators desire to read, and all of this debate is a waste of time.

Mr. SMITH of Georgia. Mr. President, I do not question that that may be true later on. I was only calling attention to what seemed to me the rule as to the present time.

Mr. CRAWFORD. Mr. President——

The VICE PRESIDENT. On the point of order made by the Senator from Georgia the difficulty is this, that the Senate has never been willing so far to agree with the opinion of the Chair as to where these documents should be referred. The Chair has exercised that right once or twice, and the Chair has been promptly overruled by the Senate, claiming that the Chair referred it to the improper committee and not to the proper committee. The Chair is clearly of the opinion that a petition or memorial may be read to the Senate of the United States, and that upon motion to refer it to a committee discussion may take place as to whether it is being referred to the proper or improper committee.

Mr. CRAWFORD. Mr. President, I desire to present to the Senate the communication to which I have referred, which I will read and ask to have sent to the Committee on Foreign Relations. It reads as follows:

[Telegram.]

GALVESTON, TEX., *April 27, 1914.*

Senator COE I. CRAWFORD,
Washington, D. C.:

Twenty-five hundred men, women, and children have been forced to fly from Tampico to save their lives, leaving property behind them worth $250,000,000, least calculation, entirely unprotected. Washington Government gave Admiral Mayo peremptory orders to take all gunboats from Panuco River in front of Tampico at critical moment, causing Mexicans to believe us left to our fate and precipitating riots and threats that forced us all to leave at moment's notice. Four hundred Americans in the interior near Tampico are abandoned now unless the German and English people take care of them. Many of these from

your State hope you will see it your duty to stand by your countrymen and see that we get justice.

JOHN I. NEWELL.

Mr. Newell is an old citizen of my State, but during the last few years has been interested in property in the vicinity of Tampico. I received this telegram on yesterday. I ask that it be referred to the Committee on Foreign Relations.

The VICE PRESIDENT. Without objection, it will go to the Committee on Foreign Relations.

Mr. SHEPPARD. Mr. President, in reference to the Tampico incident, I desire to read to the Senate an extract from the leading editorial of the New York Times of this morning:

The puzzling incident of the withdrawal of our warships from Tampico, which the country felt to be a mistake, is fortunately explained now in the statement issued from the Navy Department. It was the information and the belief of Admiral Mayo that "it was necessary for the safety of all foreigners that the United States naval vessels should not be near the town." He therefore withdrew upon receiving the assurances of Admiral Craddock, of the British cruiser *Hermione*, that he would make provision for refugees. That service has been performed by the British admiral in a way to win the gratitude of the American Government and people.

It seems that the action in question was taken on the responsibility, or at the suggestion, of Admiral Mayo, who was on the ground.

Mr. CLARK of Wyoming. Has the Senator the statement of Admiral Mayo?

Mr. SHEPPARD. It is quoted here in this paper; I have not the original statement.

Mr. CLARK of Wyoming. Is it quoted directly?

Mr. SHEPPARD. It is quoted directly, and the quotation marks are used in the editorial.

Mr. LODGE. Mr. President, there is no doubt that our ships were withdrawn from Tampico. I asked the Navy Department why they were withdrawn, and I was informed that they were withdrawn because it was thought that the sight of our ships with the American flag would inflame the mob. That is the information I was given. There is no doubt that the American refugees were rescued first by the commander of the German boat *Dresden;* 1,300 were taken on board the British vessel *Hermione* and 800 on board the German boat. They were subsequently, I believe, transferred to our battleships, which were lying outside, 9 miles away. That is what happened, as a matter of fact.

Mr. McCUMBER. Mr. President, I have read the excuses that were made, and it seemed to me that there was substance in them. We are practically at war with Mexico. There were some 3,000 refugees there at that port not properly protected at that time. There was danger of a mob being incensed by the approach of a hostile fleet, and danger of a massacre of our citizens. Acting under those conditions, it seems to me it is not reprehensible that nothing was done upon our part to put a flame to that feeling and to put our citizens in danger of being massacred by Mexicans. It was perhaps better for us, although it might touch our pride a little bit, to have 2,500 live Americans taken out through this process rather than to have 2,500 corpses of Americans taken out. I am perfectly willing to give to Admiral Mayo the opportunity to determine which he thought was the best method of relieving the conditions there and securing the opportunity of our citizens to leave without danger of massacre.

Mr. CLARK of Wyoming. Mr. President, the Senator's statement leaves a doubt in my mind. I had understood that our ships were already at Tampico and that they then withdrew. The Senator speaks of the danger that might possibly have occurred through the approach of our fleet. It seems to me there is a difference.

Mr. LODGE. They were there, in the river and in the harbor.

Mr. CLARK of Wyoming. I so understood from the statement of the Senator from Massachusetts.

Mr. LODGE. There is no question at all about it.

Mr. CLARK of Wyoming. It seems to me that presents the matter in a somewhat different aspect.

Mr. McCUMBER. I understood they were there, but not at the harbor and for the purpose of taking on citizens. I did understand, of course, that they were in the immediate vicinity.

Mr. LODGE. There were gunboats in the river Panuco and our battleships were in the harbor, and they were withdrawn. Of course if we had landed men and taken possession of Tampico for the protection of lives and property, they would have all been protected and saved. I have a sort of feeling, and I can not get over it, that it is a good thing for us to protect our own people and not leave the task to foreign nations.

Mr. FALL. Mr. President, I should like to ask the Senator a question, as a member of the Foreign Relations Committee, namely, whether that committee, or he as a member of it, has any information with reference to this quotation from Admiral Mayo, which the Senator from Texas did not read:

Admiral Mayo reported that Admiral Craddock, of the British cruiser *Hermione*, had dispatched Maj. Clark and a detachment of British Royal Marines 400 miles inland from Tampico to rescue 8 Americans at Orange Hill, and was expected back to-night. The *Hermione* sent 13 refugees aboard the *Des Moines* to-day.

My question is whether there is any information from an authentic source as to this dispatch from Admiral Mayo, which was also printed in the papers yesterday.

Mr. LODGE. So far as I am aware, if the question is addressed to me, no information in regard to these incidents has been furnished to the Foreign Relations Committee. The only information I had was in response to a personal inquiry I made of the Navy Department as to the withdrawal of the gunboats and the ships. I was told that they had been withdrawn for the reason I have already stated—that it was feared that their presence would excite the mob.

Mr. SMITH of Georgia. Mr. President, a few moments ago a ruling was made by the Chair, from which no appeal was taken, and I can not, of course, make an appeal at this time; but I wish to read and call attention again to paragraph 5 of Rule VII:

Every petition or memorial shall be signed by the petitioner or memorialist and have indorsed thereon a brief statement of its contents, and shall be presented and referred without debate. But no petition or memorial or other paper signed by citizens or subjects of a foreign power shall be received—

And so forth.

I read the rule again simply to ask that the question, so far as it may appear to be an acceptance of the ruling by the Senate as a final ruling on the subject, may be reserved, and to ask the President of the Senate to consider the matter, although it is not a question immediately before the Senate.

As I understand the rule, during the presentation of petitions and memorials a Senator has no right to the floor except to present and send to the desk the petition. He can not speak upon it except by unanimous consent. The petition itself will be referred without debate, with a memorandum upon it, unless unanimous consent is given. Otherwise any Senator could occupy the floor during the morning hour as long as he pleased upon any subject that he might at any time bring before the Senate; and the consequences to the morning hour would be destructive.

Mr. BRANDEGEE. Mr. President, I desire to ask the Senator a question. Does the Senator, then, think that when a Senator introduces a petition, if he wants to read it he has to get unanimous consent?

Mr. SMITH of Georgia. I do.

Mr. BRANDEGEE. I agree with the Senator.

Mr. SMITH of Georgia. I certainly do; or, if he wishes to talk upon it, he must have unanimous consent.

Mr. BRANDEGEE. Yes.

Mr. SMITH of Georgia. Under the rules, the presentation of petitions and memorials is limited to their mere presentation and to sending them to the Secretary's desk, when memoranda——

Mr. FALL. Mr. President, will the Senator yield to me?

Mr. SMITH of Georgia. No; I do not yield yet. When memoranda would be placed upon them and they would be referred to the appropriate committee, unless a different direction were given to them by unanimous consent. If a motion is made to refer them to a particular committee, that motion is acted upon, under the rule, without debate. The rule specifically declares that it shall be acted upon without debate. So there is nothing in the rules in connection with the presentation of petitions and memorials that gives an opportunity for the occupancy of the floor by a Senator to talk; and such talk is out of order, just as mine now is out of order.

Mr. BRANDEGEE. Does not the Senator think the fact that the rule provides that a brief summary of the substance of the petition shall be indorsed upon it confirms his construction of the rule?

Mr. SMITH of Georgia. Yes; I read that, and I think that is clearly the case. The memorandum of what the petition contains is to be put upon it to indicate what it is, because it can not be read.

The VICE PRESIDENT. The RECORD will show that the ruling of the Chair is not to be considered as a precedent. The Chair wishes to say, however, that he does not believe it to be within the power of the Senate to prevent a Senator from getting into the RECORD in some way anything he wants to get in.

Mr. LODGE. Mr. President, referring to the point of order, there is no question that the Senator from Georgia [Mr. SMITH] is entirely right as to the strict interpretation of the rule as it

stands. It is, however, a rule which has been utterly disregarded for many years. Under the head of "Petitions and memorials," letters of all kinds and telegrams of all sorts have been freely read from the desk, attacking everybody, everywhere, and with various observations attached to them. The Senate has fallen into the way of permitting that.

It seems to me it is rather sudden to apply a strict interpretation of the rule to the telegrams presented by the Senator from New Mexico; but, if it is to be done, it must be applied to everything. We can not have exceptional applications.

Mr. SMITH of Georgia. Mr. President, if the Senator will yield, I did not press the point of order, because I really did not wish to enforce it at this time; but we have all understood that the occupancy of the floor for the presentation of these petitions was by unanimous consent, and that any Senator could have cut it off at any time, although the practice is to let it go on. What I was seeking to avoid was a committal of the Senate to the proposition that under the rules this was being done as a matter of right, and not by consent.

Mr. STONE. Mr. President, whether the Chair or the Senator from Georgia [Mr. SMITH] is right in the construction which they respectively place upon the rule, it would, in any event, be a difficult thing to prevent a Senator reading telegrams such as these which have been read this morning in the hearing of the Senate. Mr. President, there is an expression—more than one, for that matter, but one particularly—in one of the telegrams submitted by the Senator from New Mexico—the one signed, or at least apparently sent, by J. B. Wood——

Mr. FALL. Mr. President, will the Senator yield for a moment? I did not understand just what the Senator said about its being "signed or apparently sent under the authority of" some one. I did not catch his expression.

Mr. STONE. That is substantially what I said.

Mr. FALL. "Sent under the authority of, or signed apparently"; is that what the Senator said?

Mr. STONE. What I man is that it is not signed by J. B. Wood, but is apparently sent by him.

Mr. FALL. Did the Senator ever receive a telegram with the signature of the sender attached to it?

Mr. STONE. Oh, Mr. President, I am not impeaching the fact that Wood sent this telegram.

Mr. FALL. Very well, Mr. President. I did not understand the Senator's position in that regard, and I wanted to understand it.

Mr. STONE. There is an expression in this telegram so offensive that I do not wonder that the Senator who offered it should be sensitive about the telegram itself.

The telegram says:

> There would have been but few refugees in Galveston Harbor to-day, except for the intervention and aid furnished by English gunboats, which, there is no doubt, is disappointing to our State Department.

The Senator from New Mexico reads here into the RECORD this dispatch, containing a charge so absurd, so wicked, so contemptible as to destroy the effect of its own influence, if any it could have. Here it is stated that the Secretary of State is disappointed because these Americans who have been brought to Galveston Harbor were not killed in Tampico or drowned in the waters of the Gulf. I am astonished that the Senator from New Mexico, or that any Senator, should ask to have read into the RECORD of Congress such a monstrous indictment as that here made against even the humanity of great public officials representing the United States. I can not conceive of anything that could be done here in the Senate that could be more objectionable or offensive.

It is difficult for me to understand just what is the matter with some Senators on the other side. There is to-day an effort being made, initiated and now being carried on by the representatives of friendly Governments, to bring about peace in Mexico, and they are proceeding with the hope that the war which has almost wrecked that country may be brought to an end, and that a stable government, constitutional in form, may be established, and that peace and order may be restored. Is it possible that there are Senators here who do not wish that result brought about, and who would like to put something in the way of accomplishing it?

Some Senators are now very sensitive—in fact, supersensitive—about protecting the lives of American citizens in Mexico. This seems to be a new-born zeal with some of them. I can well recall the time, not far distant in the past, when I myself stood on this floor and pleaded that some positive action should be taken by this Government to prevent the very kind of things about which these complaints are now being made; I then urged that some action should be taken more drastic than had been taken; and I was told then by some of these same Senators that the effort I was making, if agreed to by the Senate, would be a long step backward in the march of civilization. There has been some change since then in political conditions, however, and I can not reconcile the present attitude of Senators who were quiet 18 months, 2 years ago, 3 years ago, or who, if they did not seal their lips and if they were outspoken at all, spoke against any attempt to protect American citizens on the border or in the interior.

Mr. FALL. Will the Senator yield to me for a moment?

The VICE PRESIDENT. Does the Senator from Missouri yield to the Senator from New Mexico?

Mr. STONE. I do.

Mr. FALL. I want to say to the Senator from Missouri, for whom I have a great deal of respect, and I will say a little more later on a question of privilege, that this reference in the dispatch to the Secretary of State and what he might want I overlooked entirely. I will say to the Senator I did not know, as I said to the Senator from Missouri, that the Secretary of State was mentioned in the telegram.

Mr. STONE. The State Department was mentioned.

Mr. FALL. Or the department. So far as I am concerned, I would ask that that portion of the telegram be stricken out, or that the entire telegram be stricken from the files and expunged. I have no desire in the world to reflect in this way upon the Secretary of State. I will make a further statement presently, but I wanted to make that statement at this time.

Mr. STONE. Very well. Mr. President, I think the entire telegram ought to be withdrawn. It ought not to be printed in the RECORD.

Mr. FALL. I am perfectly willing to withdraw from the RECORD the portion of the telegram which was read by the Senator.

Mr. STONE. Mr. President, without making the motion——

Mr. FALL. I will make the motion if the Senator will allow me.

Mr. STONE. I was going to remark, without making a formal motion, I will ask the consent of the Senate that the entire telegram be withheld from the RECORD.

Mr. FALL. I agree to that, for I said to the Senator I would make the motion.

The VICE PRESIDENT. Is there objection? The Chair hears none, and the telegram is withdrawn from the RECORD.

Mr. STONE. Mr. President, that being done I do not care to longer occupy the attention of the Senate.

Mr. FALL. I rise to a question of privilege, if the Senator yields the floor. Has the Senator yielded the floor?

Mr. STONE. I do not wish to interfere with the Senator's question of privilege.

Mr. FALL. I understood the Senator to say that he would not longer hold the floor.

Mr. STONE. I do not. I yield to the Senator.

Mr. FALL. Mr. President, I have done in this case exactly what I would do in any other case. If I can not myself be responsible for the contents of a telegram or feel that I can assume the responsibility, I do not care to offer it. I do not make my attacks in that way, nor do I take a position outside the Senate that I will not take in it upon public questions. I believe that American citizens should be protected by the American flag and American forces. To me it is not singular that Senators should now be somewhat influenced by repeated outrages of several years duration and should finally voice their sentiments to some extent. Of course the Senator does not apply his remarks to me, because he knows that in season and out I have been expressing my opinion upon Mexico, and expressing it openly in the Senate, as it would do more good if expressed here than privately, or possibly might reach the public more easily. I have not been at all backward in expressing it, and the same sentiments which I express privately are expressed here.

I do not, however, think it strange that some Senators have finally become awakened to the proposition that Americans should be protected in Mexico; that the flag means something to them; that they should be protected by their own forces; that they should not be compelled to rely upon the Germans or the British for protection.

It does not seem to me very singular that the Senator should now express his opinion in view of his own statement that he has long, long entertained that opinion. I do not think I have heard him express it here since this administration came into power until the present, but I know that he entertained it.

Mr. President, as I said, I not only agreed that this telegram should be expunged from the RECORD, but would have made the motion. While I know of Mr. Wood very well through a Representative from Texas and other parties he undoubtedly,

in the heat of his anger at what he considered to be the manner in which he has been treated, wrote things that he himself would not want to appear in the RECORD. I was glad to have my attention called to it and to withdraw it, because I take the responsibility for what I intentionally have printed in the RECORD and, as I said before, I have never hesitated to express of either administration, in season or out, in public my true sentiments concerning their actions about Mexico.

PETITIONS AND MEMORIALS.

The VICE PRESIDENT presented a petition of the school committee of the town of Stamford, Conn., praying for the enactment of legislation to retire on annuities superannuated Federal employees, which was referred to the Committee on Civil Service and Retrenchment.

He also presented petitions of sundry citizens of Imlay City, Mich.; Ashland, Ky.; Wamego, Kans.; Clinton, Iowa; Westfield, N. Y.; and Fort Wayne, Ind., praying for the adoption of an amendment to the Constitution to prohibit polygamy, which were referred to the Committee on the Judiciary.

Mr. BURTON presented memorials of sundry citizens of the State of Ohio, remonstrating against the adoption of an amendment to the Constitution to prohibit the manufacture, sale, and importation of intoxicating beverages, which were referred to the Committee on the Judiciary.

He also presented petitions of sundry citizens of the State of Ohio, praying for the adoption of an amendment to the Constitution to prohibit the manufacture, sale, and importation of intoxicating beverages, which were referred to the Committee on the Judiciary.

He also presented a memorial of the board of directors of the Cincinnati Chamber of Commerce, remonstrating against the extension of the present Parcel Post System without specific authority of Congress and under the supervision of the Interstate Commerce Commission, which was referred to the Committee on Post Offices and Post Roads.

He also presented a petition of sundry citizens of Chicago, Ill., and of Local Union No. 283, International Molders' Union, of Hamilton, Ohio, praying for a peaceful settlement by mediation of the Mexican situation, which were referred to the Committee on Foreign Relations.

Mr. SHIVELY presented memorials of sundry citizens of Lawrenceburg and Terre Haute, in the State of Indiana, remonstrating against national prohibition, which were referred to the Committee on the Judiciary.

He also presented petitions of sundry citizens of Fulton and Pulaski Counties, in the State of Indiana, praying for national prohibition, which were referred to the Committee on the Judiciary.

Mr. LODGE presented memorials of sundry citizens of Boston and Lowell, in the State of Massachusetts, remonstrating against national prohibition, which were referred to the Committee on the Judiciary.

He also presented memorials of sundry citizens of Fitchburg, South Lancaster, Somerville, Sheffield, Gloucester, Melrose, and Petersham, all in the State of Massachusetts, remonstrating against the enactment of legislation compelling the observance of Sunday as a day of rest in the District of Columbia, which were referred to the Committee on the District of Columbia.

He also presented a memorial of the Massachusetts Real Estate Exchange, remonstrating against the repeal of the exemption clause of the Panama Canal act, which was referred to the Committee on Interoceanic Canals.

He also presented a petition of the City Council of Cambridge, Mass., praying for the enactment of legislation to provide pensions for civil-service employees, which was referred to the Committee on Civil Service and Retrenchment.

He also presented a petition of the directors of the port of Boston, Mass., praying for the refunding of tolls collected from American coastwise vessels passing through the Panama Canal in the event of the repeal of the exemption clause of the Panama Canal act, which was referred to the Committee on Interoceanic Canals.

Mr. ROOT presented sundry memorials of citizens of the State of New York, remonstrating against national prohibition, which were referred to the Committee on the Judiciary.

He also presented petitions of sundry citizens of the State of New York, praying for the adoption of an amendment to the Constitution to prohibit the manufacture, sale, and importation of intoxicating beverages, which were referred to the Committee on the Judiciary.

Mr. DILLINGHAM presented a petition of the Woman's Christian Temperance Union of Orleans, Vt., praying for the adoption of an amendment to the Constitution to prohibit the manufacture, sale, and importation of intoxicating beverages, which was referred to the Committee on the Judiciary.

Mr. PAGE presented a petition of the congregation of the First Methodist Church of Rutland, Vt., praying for the adoption of an amendment to the Constitution to prohibit the manufacture, sale, and importation of intoxicating beverages, which was referred to the Committee on the Judiciary.

Mr. TOWNSEND presented memorials of sundry citizens of the State of Michigan, remonstrating against the adoption of an amendment to the Constitution to prohibit the manufacture, sale, and importation of intoxicating beverages, which were referred to the Committee on the Judiciary.

Mr. POINDEXTER presented a memorial of the Central Labor Council of Seattle, Wash., remonstrating against war with other nations, which was referred to the Committee on Foreign Relations.

REPORTS OF COMMITTEES.

Mr. CLARK of Wyoming, from the Committee on Public Lands, to which was referred the bill (S. 3457) authorizing the issuance of a patent to James Deegan for lots 15 and 16, in block 10, in the town site of Frazer, Mont., reported it without amendment and submitted a report (No. 458) thereon.

Mr. BRYAN, from the Committee on Claims, to which were referred the following bills, reported them each without amendment and submitted reports thereon:

A bill (H. R. 14684) for the relief of the Commissioner of Internal Revenue (Rept. No. 459); and

A bill (H. R. 1138) for the relief of Helen Wakefield (Rept. No. 460).

Mr. CRAWFORD, from the Committee on Claims, to which were referred the following bills, reported them severally without amendment and submitted reports thereon:

A bill (S. 771) for the relief of George R. Campbell, Milton B. Germond, and Walter D. Long (Rept. No. 463);

A bill (H. R. 2536) for the relief of John Streckfus (Rept. No. 462); and

A bill (H. R. 7484) for the relief of Stanley J. Morrow (Rept. No. 464).

Mr. CRAWFORD, from the Committee on Claims, to which was referred the bill (S. 4930) for the relief of V. E. Schermerhorn, E. C. Caley, G. W. Campbell, and Philip Hudspeth, reported it with amendments and submitted a report (No. 461) thereon.

DIPLOMATIC HISTORY OF THE PANAMA CANAL (S. DOC. NO. 474).

Mr. HITCHCOCK. From the Committee on Foreign Relations I submit a report (No. 465), accompanied by a resolution, and ask unanimous consent for its present consideration.

The VICE PRESIDENT. The Secretary will read the report.

The Secretary read as follows:

Mr. HITCHCOCK, from the Committee on Foreign Relations, submitted the following report:

The Committee on Foreign Relations, to which was referred the message from the President of the United States transmitting a report of the Secretary of State in relation to the negotiation and application of certain treaties on the subject of an interoceanic canal, in response to a resolution of the Senate submitted by Mr. BRANDEGEE on April 15, 1914 (S. Res. 339), having considered the same, report the said message, with accompanying correspondence and papers, to the Senate with the recommendation that the message, correspondence, and papers be printed; and that, in addition thereto, the message of the President of the United States dated November 16, 1903, with accompanying papers, included in House Document No. 8, parts 1 and 2, Fifty-eighth Congress, first session; the message of the President of the United States dated December 18, 1903, with accompanying papers, included in Senate Document No. 51, Fifty-eighth Congress, second session; the message of the President of the United States dated January 18, 1904, with accompanying papers, included in Senate Document No. 95, Fifty-eighth Congress, second session; and certain letters from Jose Vincente Concha, the Colombian minister, and other papers included in House Document No. 611, Fifty-seventh Congress, first session, be printed with the message aforesaid.

In accordance with the foregoing, the committee recommends the adoption of the following resolution (S. Res. 345):

"*Resolved*, That there be printed as a Senate document the message from the President of the United States, dated April 24, 1914, transmitting a report of the Secretary of State in relation to the negotiation and application of certain treaties on the subject of an interoceanic canal; the message of the President of the United States, dated November 18, 1903, with accompanying papers, included in House Document No. 8, parts 1 and 2, Fifty-eighth Congress, first session; the message of the President of the United States, dated December 18, 1903, with accompanying papers, included in Senate Document No. 51, Fifty-eighth Congress, second session; and certain letters from Jose Vicente Concha, the Colombian minister, and other papers included in House Document No. 611, Fifty-seventh Congress, first session, together with correspondence relating to said protocol, and that 1,000 additional copies be printed for the use of the Senate."

The VICE PRESIDENT. Is there objection to the present consideration of the resolution?

Mr. CLARK of Wyoming. Mr. President, I wish to ask a question of the Senator from Nebraska. Does this vary in any degree the documents or the instruments or the information

asked for in the original resolution? I should like to know how the conclusions of the committee differ from the resolution introduced by the Senator from Connecticut [Mr. BRANDEGEE], who is not now in his seat.

Mr. HITCHCOCK. I will say that the committee in considering the resolution and the correspondence which was received in response to the resolution decided that the correspondence should be printed, and also that certain other documents not sent by the State Department at that time, but already in print, should be attached to the report, so as to make a complete diplomatic history of the Panama Canal.

Mr. CLARK of Wyoming Then there is nothing that was called for in the original resolution that was introduced that is not, in fact, covered by the report of the committee?

Mr. HITCHCOCK. There is not.

The VICE PRESIDENT. Is there objection to the present consideration of the resolution?

The resolution was considered by unanimous consent and agreed to.

Mr. HITCHCOCK. I ask for the present consideration of a supplemental resolution from the Committee on Foreign Relations.

The VICE PRESIDENT. The Secretary will read the resolution.

The resolution (S. Res. 346) was read, considered by unanimous consent, and agreed to, as follows:

Resolved, That the President is hereby requested, if not incompatible with the public interest, to cause to be transmitted to the Senate all papers, correspondence, messages, and dispatches in the Department of State, not heretofore communicated to Congress, having relation to certain tripartite agreements or conventions, concluded between the United States and the Republic of Panama, the United States and the Republic of Colombia, and the Republic of Colombia and the Republic of Panama, all dated the 9th day of January, 1909, together with all correspondence relating to the Hay-Concha protocol not included in House document 611, Fifty-seventh Congress, first session.

VOLUNTEER FORCES OF THE UNITED STATES.

Mr. POMERENE. There has been quite a demand for copies of the act passed recently for the raising of volunteer forces of the United States. Under the law only 1,000 extra copies can be printed, and there is demand for a great many more copies. I send to the desk an order and ask unanimous consent for its present consideration.

The order was read, considered by unanimous consent, and agreed to, as follows:

Ordered, That there be printed 10,000 copies of the slip law of H. R. 7138, entitled "An act to provide for raising the volunteer forces of the United States in time of actual or threatened war."

CAPT. P. H. UBERROTH AND GUNNER CARL JOHANNSON.

Mr. SMITH of Arizona. I am directed by the Committee on Foreign Relations, to which was referred the bill (S. 1304) authorizing the Department of State to deliver to Capt. P. H. Uberroth, United States Revenue-Cutter Service, and Gunner Carl Johannson, United States Revenue-Cutter Service, watches tendered to them by the Canadian Government, to report it favorably without amendment, and I submit a report (No. 457) thereon. I ask for the present consideration of the bill.

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill, which was read, as follows:

Be it enacted, etc., That Capt. P. H. Uberroth, United States Revenue-Cutter Service, and Gunner Carl Johannson, United States Revenue-Cutter Service, be, and they are hereby, authorized to accept watches tendered to them by the Canadian Government, through the Department of State of the United States, in recognition of their services in saving the lives of the crew of the wrecked British schooner *S. A. Fownes* on December 16, 1910.

The bill was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

BILLS INTRODUCED.

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. HUGHES:

A bill (S. 5424) amending paragraph 81 of the act creating a public utilities commission; to the Committee on the District of Columbia.

By Mr. CATRON:

A bill (S. 5425) to pay the claim of the late Harrison S. Weeks; to the Committee on Claims.

By Mr. CRAWFORD:

A bill (S. 5426) for the relief of the heirs of Dolphise Fortin; to the Committee on Claims.

A bill (S. 5427) granting an increase of pension to Levi W. Eiseley (with accompanying papers); to the Committee on Pensions.

By Mr. WORKS:

A bill (S. 5428) granting an increase of pension to Ida M. Davis (with accompanying papers); to the Committee on Pensions.

By Mr. SWANSON:

A bill (S. 5429) for the purchase of two bronze copies of the original marble portrait statue of George Washington; to the Committee on the Library.

A bill (S. 5430) granting a pension to Thomas Allen; to the Committee on Pensions.

By Mr. GORE:

A bill (S. 5431) for the relief of E. M. Hundley; to the Committee on Claims.

A bill (S. 5432) granting an increase of pension to John T. Taylor (with accompanying papers); to the Committee on Pensions.

By Mr. WALSH:

A bill (S. 5433) to amend an act entitled "An act to establish the Glacier National Park in the Rocky Mountains south of the international boundary line, in the State of Montana, and for other purposes," approved May 11, 1910 (with accompanying papers); and

A bill (S. 5434) to provide for the leasing of oil and gas lands withdrawn from entry; to the Committee on Public Lands.

By Mr. WALSH (for Mr. MYERS):

A bill (S. 5435) for the relief of Henry J. Davis; to the Committee on Military Affairs.

AMENDMENTS TO APPROPRIATION BILLS.

Mr. JOHNSON submitted an amendment proposing to increase the appropriation for enforcement of the plant-quarantine act from $50,000 to $150,000, intended to be proposed by him to the Agricultural appropriation bill, which was ordered to lie on the table and be printed.

Mr. SAULSBURY submitted an amendment intended to be proposed by him to the river and harbor appropriation bill, which was referred to the Committee on Commerce and ordered to be printed.

Mr. LODGE submitted two amendments intended to be proposed by him to the river and harbor appropriation bill, which were referred to the Committee on Commerce and ordered to be printed.

Mr. POMERENE submitted an amendment intended to be proposed by him to the river and harbor appropriation bill, which was referred to the Committee on Commerce and ordered to be printed.

REGULATION OF INTERSTATE COMMERCE (S. DOC. NO. 475).

On motion of Mr. NEWLANDS, it was

Ordered, That 2,000 copies of the act to regulate commerce, as amended, also district court jurisdiction act, compulsory testimony act, immunity of witnesses act, Elkins Act, expediting act, Government-aided railroad and telegraph act, Lake Erie and Ohio River ship canal act, parcel-post act as revised to January 1, 1914, be printed for the use of the Senate document room.

CAPT. TEMPLIN M. POTTS.

Mr. TILLMAN. I ask unanimous consent for the publication in the RECORD of a communication received from the Navy Department in relation to Capt. Templin Morris Potts.

There being no objection, the communication was ordered to be printed in the RECORD, as follows:

NAVY DEPARTMENT,
BUREAU OF NAVIGATION,
Washington, D. C., April 28, 1914.

Hon. B. R. TILLMAN,
Chairman Committee on Naval Affairs,
Senate Chamber, Washington, D. C.

MY DEAR SENATOR: The CONGRESSIONAL RECORD of April 7, 1914, publishes in the second column on page 6321 a supplementary statement of Capt. Potts, commenting on certain statements made by me before the Naval Committee and published in the same issue of the RECORD. This statement of Capt. Potts was not seen by me until it appeared in the RECORD.

It will be noted that the text of my statement does not indicate the quotation of any particular Revised Statute, but that sections 1492–1510, Revised Statutes, provide that "all officers of the Navy, to be eligible for promotion, shall pass such professional, moral, mental, and physical examination as the Secretary of the Navy shall from time to time prescribe."

The quotation is a Navy regulation covered by the statutes mentioned, and has appeared in the various editions of the Bluebook for 21 years.

It was a surprise to me to learn that anyone presumably acquainted with the Navy regulations and with the laws governing the Navy would contend that this regulation, which has stood unquestioned for so many years, is illegal.

Inasmuch, however, as Capt. Potts has taken issue with the interpretation of the law as given in my statement, I deemed it advisable for your committee to have the official opinion of the Judge Advocate General on the subject, which, as will be noted, substantiates all I have said in the matter.

It is requested that this opinion, hereto attached, together with this letter, be published in the RECORD.

Very sincerely, yours,

VICTOR BLUE.

(Inclosure.)

MEMORANDUM FOR ADMIRAL BLUE.

DEPARTMENT OF THE NAVY,
OFFICE OF THE JUDGE ADVOCATE GENERAL,
Washington, April 22, 1914.

Referring to the opinion submitted yesterday in regard to the Potts affair, in order to cover the entire case a rather lengthy opinion seemed necessary. The question is, however, a very simple one. Leaving aside the fact that section 1547, Revised Statutes, clearly legalizes article R–3331, Navy Regulations, independent of the statute which you referred to in your statement, and considering merely the statement made by you, namely, that "sections 1493 to 1510, Revised Statutes, provide that candidates for promotion shall pass such examination as the Secretary of the Navy may, from time to time, prescribe," the question in a nutshell reduces itself to this: Do these sections, or any of them, provide or authorize the Secretary of the Navy to prescribe qualifications for examination?

There is no question that full authority for the statement that they do so provide may be based on section 1502, Revised Statutes, which requires as a condition to promotion that a board of examiners recommend and the President approve of that recommendation.

This same section authorizes the President to disapprove the board's recommendation, and as long as he does disapprove the candidate can not be promoted: and this disapproval is entirely in the discretion of the President. He may disapprove for any reason which to him appears adequate. He can disapprove because, from a personal examination of the record, he is not convinced that the officer is qualified, or he could have his private secretary review the record and disapprove on the recommendation of said secretary, or he could require the Secretary of the Navy to review the record and, if he so desires, base his disapproval upon the recommendation of the Secretary of the Navy.

This being the case, it is competent for him to state that under certain conditions he will not approve the recommendation of the board. This he has done in article R–3331, Navy Regulations, which states, in effect, that unless the candidate passes such examination as the Secretary may from time to time prescribe he, the President, will not approve whatever recommendation the board may submit.

The same line of reasoning may be applied to the Secretary in regard to his letter, namely, that the conditions under which he will recommend to the President a favorable action on the recommendation of the board is that the officer to be promoted has sufficient sea service to insure beyond a doubt that he will perform his duties efficiently. Please note that this may be regarded merely as a condition to his favorable recommendation, and the regulation, as above noted, may be regarded merely as a condition to the President's favorable action on the recommendation of the board.

The above line of reasoning is based entirely on the President's absolute power of disapproval for any reason which he sees fit. It is unnecessary to consider the question which Capt. Potts endeavors to bring forward as to whether or not the Secretary of the Navy has a right to dictate to the board what their recommendation shall be or on what qualifications their recommendation shall be based. Their action is purely a recommendation. Granting, for sake of argument, that the Secretary has not the authority to dictate to them the conditions under which they will make a favorable recommendation, no one would contend that he has not a perfect right to inform the board of the conditions under which he personally will make a favorable recommendation to the President; and in view of the provisions of section 1502, Revised Statutes, no one could for a moment contend that the President could not legally state to the board that he would not approve of their recommendation unless it met the approval of the Secretary of the Navy.

This is simply another view of the same general idea that was covered in the longer opinion which I handed you yesterday.

RIDLEY MCLEAN,
Judge Advocate General.

—

NAVY DEPARTMENT, BUREAU OF NAVIGATION,
Washington, D. C., April 17, 1914.

To: The Judge Advocate General.
Subject: Re Capt. Templin M. Potts, retired.
Reference: CONGRESSIONAL RECORD of April 7, 1914, page 6321, second column. Statement of Capt. Templin M. Potts with reference to statement of Rear Admiral Victor Blue, Chief of the Bureau of Navigation, before the Senate Naval Committee, Wednesday, March 11, 1914.

1. It is noted in the above reference that Capt. Templin M. Potts states as follows:

"I beg leave to call the attention of the committee to the fact that no such statute as quoted above exists, and, further, that under the Revised Statutes no authority whatever is vested in the Secretary of the Navy to change or make requirements for the qualification of officers for promotion."

Also: "This statute is perfectly clear that the establishment of the professional fitness of officers is vested in a board of naval experts appointed by the President. The letter of the Secretary of the Navy to the president of my examining board fixing requirements as to sufficient sea service is, in my opinion, not sanctioned by law, but contravenes it."

2. The opinion of the Judge Advocate General is requested as to the interpretation of the statutes governing the matter at issue in connection with the statements of Capt. Potts as quoted above.

VICTOR BLUE.

—

DEPARTMENT OF THE NAVY,
OFFICE OF THE JUDGE ADVOCATE GENERAL,
Washington, April 21, 1914.

To: The Bureau of Navigation.
Subject: The Bureau of Navigation requests the opinion of the Judge Advocate General as to the interpretation of the statutes governing the manner of the promotion of naval officers in connection with certain statements made by Capt. Templin M. Potts, United States Navy, retired, before the Senate Naval Committee.
Reference: CONGRESSIONAL RECORD of April 7, 1914, page 6319, second column.

1. The CONGRESSIONAL RECORD of April 7, 1914, page 6319, column 2, under "Statement of Rear Admiral Blue," contains the statement referred to by Capt. Potts, as follows:

"Sections 1492–1510, Revised Statutes, provide that: 'All officers of the Navy, to be eligible for promotion, shall pass such professional, moral, mental, and physical examination as the Secretary of the Navy shall from time to time prescribe.'

"Under these statutes the Secretary acted, and if by so doing he changed the requirements for qualification of officers which had existed for 40 years—as claimed by Capt. Potts—there is hardly anyone who would seriously contend that it was not for the best interests of the Navy, or that the Secretary was not fulfilling a plain duty placed upon him by Congress."

2. To this statement Capt. Potts, before the Senate Naval Committee, replied (CONGRESSIONAL RECORD, page 6321, column 2):

"I beg leave to call the attention of the committee to the fact that no such statute as quoted above exists, and, further, that under the Revised Statutes no authority whatever is vested in the Secretary of the Navy to change or make requirements for the qualification of officers for promotion."

Capt. Potts then quotes section 1496, Revised Statutes, as follows:

"No line officer below the grade of commodore, and no officer not of the line shall be promoted to a higher grade on the active list of the Navy until his mental, moral, and professional fitness to perform all his duties at sea have been established to the satisfaction of a board of examining officers appointed by the President."

And states:

"This statute is perfectly clear, that the establishment of the professional fitness of officers is vested in the board of naval experts appointed by the President. The letter of the Secretary to the president of my examining board fixing requirements as to sufficient sea service is, in my opinion, not sanctioned by law, but contravenes it."

3. My opinion is requested "as to the interpretation of the statutes governing the matter at issue," in connection with the statement of Capt. Potts, as quoted above.

4. From a somewhat restricted point of view, the "matter at issue" in Capt. Potts's statements may be divided into these questions:

1. Whether or not Rear Admiral Blue correctly quoted the Revised Statutes.

2. Whether or not under the Revised Statutes any authority whatever is vested in the Secretary of the Navy to change or make requirements for the qualification of officers for promotion, or whether this is left by statute entirely in the discretion of the board of examiners.

3. Whether or not the letter of the Secretary of the Navy to the president of the examining board, dated March 24, 1913, "fixing requirements as to sea service," did contravene law or was even sanctioned by law. Broadly stated, however, the "matter at issue in connection with the statements of Capt. Potts" is:

4. The legality of the action of the President of the United States in withholding his approval of the recommendation of the naval examining board in Capt. Potts's case on account of the fact that, in the President's opinion, Capt. Potts's 10 months' sea service in his grade was regarded as insufficient to establish his professional qualifications to perform efficiently all of the duties of the grade of rear admiral at sea.

1. Did Rear Admiral Blue correctly quote the Revised Statutes?

(a) Sections 1493–1510, Revised Statutes (17 sections in all), embrace the principal sections of the Revised Statutes which relate to promotion or advancement of officers of the Navy. Rear Admiral Blue's statement was:

"Sections 1493–1510, Revised Statutes, provide that: 'All officers of the Navy to be eligible for promotion shall pass such professional, moral, mental, and physical examination as the Secretary of the Navy shall from time to time prescribe.'"

(b) Although the statement as to the provisions of the Revised Statutes does appear in the RECORD in quotation marks, the fact that Rear Admiral Blue includes in the very sentence a reference to 17 sections of the Revised Statutes renders it manifest that no attempt was made to quote them. It was merely a statement that under the provisions of these statutes the Secretary was authorized from time to time to prescribe the qualifications of officers coming up for promotion. The statement appearing in quotation in the CONGRESSIONAL RECORD is, in fact, an approximate quotation of article R–3331 of the Navy Regulations, 1913, which in parentheses refers to Revised Statutes 1493–1510 as the fundamental basis of the regulation which requires an examination preliminary to promotion. Said regulation is as follows:

"All officers of the Navy to be eligible for promotion shall pass such professional, moral, mental, and physical examination as the Secretary of the Navy may from time to time prescribe." (Secs. 1493–1510, R. S.)

(c) The statement of Rear Admiral Blue does not quote Revised Statutes 1492–1510, nor any one of them, nor on its face does it purport to do so. Therefore the question resolves itself into a consideration as to whether or not the sections referred to, which cover the subject of promotions in the Navy, authorize or permit the Secretary of the Navy from time to time to prescribe the standards of qualifications for officers who are candidates for promotion. This brings us directly to a consideration of the second point at issue enumerated above, viz:

2. Is any authority whatever vested by the Revised Statutes in the Secretary of the Navy to change or to make requirements for the qualification of officers for promotion, or is this left by the Revised Statutes entirely at the discretion of the board of examiners?

(a) Sections 1493, 1496, and 1502 prescribe the method of determining the qualifications of officers for promotion; section 1493 provides for the physical examination; section 1496 prescribes the method of determining whether or not an officer possesses the necessary mental, moral, and professional qualifications, but is silent as to who shall determine the standard or the subjects in which he shall be examined; and section 1502 provides for the submission to the President of all the documentary evidence before the board, together with the record of its proceedings, and empowers the President to approve or disapprove the recommendation of the board at his discretion.

(b) To be complete the board must recommend and the President either approve or disapprove. In the case of approval by the President, the officer is promoted; in case of disapproval he is in the same status as if he had never been examined. Until the board has recommended an officer for promotion and the President approved its recommendation no officer can legally be promoted. The exercise of the duty imposed upon the President by section 1502, Revised Statutes, to either approve or disapprove the recommendation of the board of examiners carries with it not only the authority, but imposes on him the duty of assuring himself that the candidate possesses the qualifications which he, the President, considers essential. If, therefore, the statutes authorize the President at his discretion to disapprove the recommendations of the board, and if, in face of such disapproval, the officer can not be promoted it follows as the only reasonable construction of the statute that the President is clothed with complete authority to indicate to the board the qualifications which he, the President, considers essential. Being empowered to disapprove, and thus at his discretion indefinitely to suspend an officer's promotion for reasons which to him appear valid, it seems frivolous to contend that he has not the power to notify the board that if an officer possesses certain qualifications he will exercise his authority of approval, but if he does not possess such

qualifications he will exercise his authority to disapprove or suspend action at his discretion. This is exactly what is provided for in Article R–3331, Navy Regulations, which states, in effect, that in accordance with authority vested by sections 1493–1510, Revised Statutes, candidates for promotion will pass such examinations as the Secretary of the Navy may from time to time prescribe. The actions of the Secretary of the Navy in his own department, pursuant to that regulation, are, in legal effect, the actions of the President. In other words, the regulations issued by approval of the President and pursuant to statute merely state the conditions under which the President will approve the recommendation of the board.

(c) The extent to which the power of the President, referred to above, may be exercised is shown by the opinion of the Attorney General, dated June 23, 1913, in the case of Maj. Ray, of the Army. By reason of seniority, that officer had become eligible for promotion to fill a vacancy in the next higher grade, and had been examined for promotion thereto, and recommended for promotion by the board. The President, however, was of opinion that his record was such as not to justify his promotion, and, as stated by the Attorney General in his opinion, he could not be eliminated either through the agency of a retiring board or a general court-martial. In that case it was held, quoting from the syllabus:

"The act of October 1, 1890 (26 Stat., 562), regulating the promotion of certain officers of the Army, does not make it obligatory upon the President to promote to a vacancy existing in the grade of lieutenant colonel the senior officer in the next lower grade, if, in his opinion, the record of the officer has been such as to indicate that he is disqualified for promotion."

(d) Pursuant to this Attorney General's opinion an officer below him on the list of majors was nominated for promotion to fill the vacancy to which Maj. Ray was eligible by reason of seniority.

(e) But in addition to the above, and wholly aside from the authority necessarily vested in the President by reason of the provisions of section 1502, Revised Statutes, to prescribe the qualifications for promotion, the question of the legality of that action may be determined by the Navy Regulations, which are authorized by the very Revised Statutes which cover the question of promotion. In the Navy Regulations of 1841 the qualifications for promotion were specified in detail, among them certain sea-service requirements. These regulations were legalized by the act of Congress of 1862, said act also legalizing any alterations to be made in same, with the approval of the President.

(f) The Navy Regulations of 1870, printed under the authority of the act of 1862, prescribed that examining boards should "proceed to examine him on all required qualifications," and then prescribed in detail what those qualifications should be. It will be noted that in this edition of the regulations it was not provided that officers should pass such examinations as might "from time to time be prescribed by the Secretary of the Navy," but used the expression "on all required qualifications," and that among the required qualifications there were sea-service requirements.

(g) In 1874, when the Revised Statutes were approved, the regulations of 1870 were again legalized, together with changes by section 1547 of the Revised Statutes.

(h) Pursuant to section 1547 of the Revised Statutes, the Regulations of 1876 were printed. In that edition the qualifications for promotion were not prescribed in detail, as had previously been the practice, but, instead, there was substituted the general regulation containing the expression, "to be eligible for promotion all officers shall pass such physical, mental, moral, and professional examinations as may, from time to time, be prescribed by the Secretary of the Navy."

(i) Since the edition of the Regulations of 1876 to date all subsequent editions have contained that expression, the wording of article R–3331 of the current edition of the regulations having stood without change since October 16, 1893.

(j) It will thus be seen that, in addition to the authority necessarily vested in the President, or in the Secretary of the Navy acting for him, by reason of the provisions of sections 1496 and 1502 of the Revised Statutes, to prescribe the standard of qualifications of officers for promotion, the practice of the Secretary of the Navy, acting for the President, in prescribing those qualifications has been on two occasions confirmed by legislative authority.

3. Was the letter of the Secretary of the Navy to the president of the examining board "fixing requirements as to sea service" in contravention of law, or even sanctioned by law?

It will be noted that the letter of the Secretary of the Navy to the president of the examining board did not fix any sea-service requirement, but simply stated for the information of the examining board that the Secretary required that officers coming up for promotion shall have "sufficient sea service." Conceding for purposes of argument, however, that the Secretary really did fix a sea-service requirement, it would appear from the above that such action on his part was legal. It has been pointed out under question No. 2 above that the President, independent of article R–3331, Navy Regulations, 1913, has the power to prescribe what qualifications shall be possessed by officers before he will approve the recommendation of an examining board that they be promoted; that it is perfectly legal for him to inform examining boards that he will not approve recommendations to promote an officer unless such officer passes the requirements prescribed by the Secretary of the Navy; and that the action of the Secretary of the Navy in conformity with the authority vested in him by the President and the regulations, is, in legal effect, the action of the President himself. Furthermore, we have seen that from the earliest date sea-service qualifications have been part of the requirements for promotion, and that these requirements were sanctioned by legislative authority on two occasions. Later this, along with the other multitudinous detailed qualifications, was, by authority of section 1547 of the Revised Statutes, merged into the phrase "such examinations as the Secretary of the Navy may from time to time prescribe." The sea-service requirement is therefore as much a provision of law now as it was in 1862, with the exception that to-day, instead of a specific number of years' sea service being necessary, the amount thereof is a matter within the discretion of the Secretary of the Navy, acting for the President.

4. Finally, was the action of the President of the United States in withholding his approval of the recommendation of the naval examining board in Capt. Potts's case legal?

We have seen under question No. 2 above that the President, in conformity with the power vested in him by section 1502, Revised Statutes, was authorized to approve or disapprove the finding and recommendation of the board, and that the exercise of the power under that section is a matter within his discretion. In accordance with the opinion of the Attorney General in the case of Maj. Ray, the President was empowered to fill the vacancy existing in the grade of rear admiral, to which Capt. Potts was eligible, by promoting thereto another officer, if, in the President's opinion, Capt. Potts was not qualified for promotion thereto. This action could have been taken by the President as often as a vacancy in the grade of rear admiral occurred and Capt. Potts's disqualification continued to exist. It will thus be seen that such action would have the effect of indefinitely postponing the promotion of Capt. Potts, and if that power is vested in the President, it certainly can not be contended that the lesser power of simply withholding action (neither approving nor disapproving) until the disqualification be removed is not also vested in him. Furthermore, as stated above, the power vested in the President by section 1502, Revised Statutes, is one which is purely within his discretion, and, being the exercise of a discretionary power, I know of no authority which could coerce the President in exercising the same. It is apparent, therefore, that the President's action in withholding his approval or disapproval of the recommendation of the board in Capt. Potts's case for such time as he deemed proper was entirely legal.

SUMMARY.

Summarizing the above, the following would appear to be the result:

1. Rear Admiral Blue made no attempt to quote the Revised Statutes.

2. The Revised Statutes, sections 1493, 1496, 1502, et al., prescribe the method of determining whether an officer, eligible for promotion, possesses the necessary qualifications.

Section 1493 provides for the physical examination which must be approved by the President before there can be a promotion.

Section 1496 provides for the examining board to determine the mental, moral, and professional qualifications, but is silent as to who shall fix the standards thereof.

By reason of the provisions of section 1502, the opinion of this board is nothing more nor less than an advisory one for the information of the President, and no promotion can take place until the recommendation of the board has received his approval.

3. By virtue of section 1502 the President is authorized to disapprove the recommendation of the board at his discretion. Under this statute he possesses not only the authority, but it is his duty to disapprove the recommendation if the officer fails to possess any qualification which the President deems necessary. It clearly follows that the President is clothed by the statute with full authority to stipulate the conditions or the qualifications which are by him considered necessary to his approval. It follows that candidates for promotion may, without any question whatever, be legally required to pass such examination as the President may, from time to time, prescribe, for the very simple reason that if they do not come up to such qualifications as the President deems necessary he is clothed with statutory authority not to promote them.

4. The President has, by regulation, delegated to the Secretary of the Navy a part of his power of prescribing what qualifications shall be possessed before he will approve a board's recommendation to promote, and the Secretary's acts, pursuant thereto, are, in legal effect, the acts of the President himself. Therefore the Secretary of the Navy has full statutory authority from time to time to prescribe qualifications for promotion.

5. These regulations of the President have, in one form or another, existed since 1841. The principle that the President or the Secretary of the Navy has the power to prescribe qualifications for promotion, contained in said regulations, has been twice approved by statute. The substantial wording of the present regulation (Art. R–3331) has been in effect since 1876, and all prior editions of the regulations stipulated in detail what requirements were essential for promotion, among them sea-service requirements.

6. The President, under the authority of the Ray decision, could have promoted an officer below Capt. Potts to the vacancy in the grade of rear admiral, to which he was eligible by reason of his seniority, if, in the President's opinion, Capt. Potts was not qualified, and could have repeated that action as often as a vacancy occurred in the grade of rear admiral and Capt. Potts's disqualification continued to exist.

7. The broad question is not whether the Secretary of the Navy has the power, under the law, to prescribe what qualifications shall be possessed by officers before they shall be eligible for promotion. The real question is the power of the President to prescribe a regulation or rule that he will not approve an examining board's recommendation to promote a candidate unless he measures up to certain standards prescribed by the Secretary of the Navy.

8. There is, under section 1502, no question as to the absolute power of the President to disapprove the recommendation of the board for any reason which he sees fit. There is therefore no question that he had statutory authority to disapprove of the promotion of Capt. Potts until that officer had sea service of the nature and amount considered necessary by the President. There is no question of his authority to form his opinion based on the recommendation of the Secretary of the Navy or on any other evidence available. It follows, therefore, as entirely legal for the President to prescribe, as he has done in the regulations, that he will not approve of the promotion of any candidate unless he possesses the qualifications prescribed from time to time by the Secretary of the Navy. Such regulation, therefore, has full authority of statute, and is supported independently by sections 1493 to 1510, Revised Statutes.

RIDLEY MCLEAN,
Judge Advocate General.

THE INTERSTATE COMMERCE COMMISSION.

Mr. LA FOLLETTE. Mr. President, I wish to change a notice which I had entered upon the calendar on yesterday to address the Senate on Thursday, April 30, upon Senate bill 5127, which is now upon the table. I find it impossible within the time specified to classify and tabulate the vast amount of material that I have and which I wish to present to the Senate, and therefore I give notice that on Tuesday, May 5, following the routine morning business, I shall address the Senate upon this bill.

AGRICULTURAL EXTENSION WORK.

Mr. JONES. Mr. President, I note that day before yesterday the conference report on the agricultural extension work bill was presented and was adopted without discussion. I have been very much interested in that report and hoped to be able to be here when it was considered. I was necessarily absent from the city day before yesterday and yesterday, and regret very much that the report was adopted. I desired to be present, as I

said, when the report was considered, that I might present some reasons why I thought it should not be adopted if the Senate should recede from its amendment with reference to the distribution of the fund. I find from the report printed in the House proceedings that the Senate conferees did recede from that provision and accepted the provision as it came from the House.

I am not in a position to move to reconsider the vote by which the report was agreed to, because I was not here, and I did not have an opportunity to vote on it; but I am going to ask the unanimous consent of the Senate for a reconsideration of the report. I do this not for the purpose of delaying it unnecessarily, because I will take but very little time; but I should like to have an opportunity to present the reason why I think the report should not be adopted. I should like very much if the vote could be reconsidered, and I make that request.

Mr. BRANDEGEE. What was the report? I did not hear the Senator.

Mr. JONES. It is the report of the committee of conference on House bill 7951, the agricultural extension work.

The VICE PRESIDENT. There is a request for unanimous consent to reconsider the vote by which the conference report on the agricultural extension bill was adopted.

Mr. SMITH of Georgia. I object.

The VICE PRESIDENT. There is objection.

Mr. TOWNSEND. Mr. President, I myself was absent on committee work when the conference report was agreed to without a roll call. I had no notice that it was coming up at that time. I should like very much to have that matter before the Senate, so that the views of those who believe that that amendment ought not to have been rejected may be presented.

Mr. SMITH of Georgia. I will state to Senators that I wish the Senator from Idaho [Mr. BRADY] were here. We were in conference over this matter for a long time before we finally reached an agreement. The other House has receded on more matters than the Senate has receded on. The bill is now in the other House, and it is very important that the matter should be disposed of. The bill, if it becomes a law, goes into effect on the 1st of July. There are only 60 days left for the States to take steps to utilize this fund. I do not believe there is a possibility of passing a bill except in the shape in which the conference report brings it in. The conferees have been in conference for six weeks.

Mr. TOWNSEND. Mr. President, if the Senator from Georgia will permit me, I will say I know there is no disposition to delay the passage of the bill. I am positive that what I suggest would take but a little while, and yet I feel as though Senators who were not present, and perhaps ought not to be criticized for not being present, because they were at work on the business of the Senate, should at least have an opportunity to present their views on the matter, hoping that they might effect a change.

Mr. WARREN. May I ask the Senator from Georgia whether the bill has gone to the other House?

Mr. SMITH of Georgia. The bill is in the other House; it has been reported by the conferees on the part of the House and is ready to be acted on this morning. Possibly it has already been acted on.

Mr. WARREN. It would require a motion for the recall of the bill from the other House before we would have it in our power to act on it.

Mr. SMITH of Georgia. I want to let the Senate understand why, while I would consent ordinarily, I must decline to do so in this case. The Senator from Idaho [Mr. BRADY], I am sorry to say, is not here. We have wrestled with the bill in conference, we have been considering it for over six weeks, and two or three times we thought we would not be able to agree at all. A conference report was finally obtained. I think it will be useless to send this bill to conference again. If we are going to recede from this conference report, I think it means the death of the bill. That is the reason why I feel such hesitation about giving unanimous consent to bring the bill back from the House.

Mr. JONES. Mr. President, I know this bill has been in conference for some time, but I think the Senator from Georgia will remember that I spoke to him some little while ago as to what was being done, and the subject had not then, as a matter of fact, been taken up in conference. So I have been waiting. As I have said, I was necessarily away on Monday and Tuesday, not expecting the report would come up. I will say to the Senator from Georgia that I shall not delay the bill.

Mr. SMITH of Georgia. I mentioned to the Senator from Nebraska, and likewise to the Senator from Colorado, the change from the view they had presented, and mentioned to them that we had yielded.

Mr. JONES. Yes. I was very much interested in that proposition, and, as stated by the Senator from Michigan [Mr. TOWNSEND]——

Mr. SMITH of Georgia. That was not the proposition the Senator from Washington had charge of at all.

Mr. JONES. But it was the result of that proposition and was the controversy on the floor. It was a compromise made by the Senate on the proposition that I had presented, and I much prefer what the Senate did to what the House has done. I therefore had very much hope that we would at least get that much, and I did want an opportunty to present the reasons why I thought the Senate provision should be accepted.

Mr. SMOOT. Mr. President, I ask the Senator from Georgia if he will not give unanimous consent to the request. There are a number of Senators who desire to be heard, not that they want to speak upon the subject at any length, who assure me that they will take but a short time, who desired me to make a motion to recall the bill and ask for its reconsideration. I do not want to do that, and so I am going to ask the Senator from Georgia if he will not give unanimous consent, rather than that I shall make a motion, have it voted on here, and take the time necessary for that.

Mr. SMITH of Georgia. I merely feel that I ought not to give the unanimous consent.

Mr. SMOOT. If it were going to make a particle of difference, Mr. President, I should not ask the Senator from Georgia to do it; but he knows I was very deeply interested in the bill, and I had been with him through nearly the whole consideration of it.

Mr. SMITH of Georgia. I say to Senators frankly, that I think if this conference report is not agreed to, the bill is dead. I do not see any chance to get the conferees nearer together than they were brought together in making this report.

Mr. SMOOT. I will say to the Senator that I have not the least doubt in my mind that when the question is brought before the Senate, the Senate will agree to the conference report; but it does seem to me that what little Senators are asking in regard to the subject we ought to grant, and whatever they have to say, the Senators have stated that they will say in a very few moments. I therefore hope the Senator from Georgia will see his way clear to grant the unanimous consent.

Mr. SMITH of Georgia. Could we not bring it up merely on a motion and let it be done in that way? I do not want, of course, to exclude any Senator from voting, I do not wish to take such a responsibility, and I can not consent to the proposed arrangement.

Mr. SMOOT. Then, Mr. President, in order to bring the question to an issue, I move——

Mr. JONES. I want to suggest to the Senator from Utah that the bill having passed here and gone to the other House, it would require a motion to recall it, and that motion is not debatable.

Mr. SMOOT. I am perfectly aware of that rule.

Mr. JONES. There could be no discussion on that motion.

Mr. SMOOT. I am perfectly aware of that, and that is the only motion that I can make. Mr. President, I now make the motion that the bill (H. R. 7951) to provide for cooperative agricultural extension work between the agricultural colleges in the several States receiving the benefits of an act of Congress approved July 2, 1862, and of acts supplementary thereto, and the United States Department of Agriculture, be recalled from the other House for further consideration.

The VICE PRESIDENT. The question is on the motion of the Senator from Utah [Mr. SMOOT] to recall the bill named by him from the other House.

Mr. JONES. I ask for the yeas and nays, Mr. President.

The yeas and nays were ordered, and the Secretary proceeded to call the roll.

Mr. SHEPPARD (when Mr. CULBERSON's name was called). I wish to announce for the day the unavoidable absence of my colleague [Mr. CULBERSON] and his pair with the Senator from Delaware [Mr. DU PONT].

Mr. SAULSBURY (when his name was called). I have a general pair with the junior Senator from Rhode Island [Mr. COLT], which I transfer to the junior Senator from South Carolina [Mr. SMITH] and vote "nay."

Mr. STONE (when his name was called). I inquire whether the Senator from Wyoming [Mr. CLARK] has voted?

The VICE PRESIDENT. The Chair is informed that he has not.

Mr. STONE. I have a general pair with that Senator and therefore withhold my vote.

Mr. THOMAS (when his name was called). I have a general pair with the senior Senator from New York [Mr. ROOT]. I do

not see him in his seat, and I therefore withhold my vote. If I were at liberty to vote, I should vote "nay."

Mr. WALSH (when his name was called). I inquire if the Senator from Rhode Island [Mr. LIPPITT] has voted?

The VICE PRESIDENT. The Chair is informed he has not.

Mr. WALSH. I have a pair with the Senator named. I transfer that pair to the junior Senator from Tennessee [Mr. SHIELDS] and vote "nay."

Mr. WARREN (when his name was called). I am paired with the senior Senator from Florida [Mr. FLETCHER] and therefore withhold my vote.

Mr. WEEKS (when his name was called). I have a general pair with the junior Senator from Kentucky [Mr. JAMES]. I transfer that pair to the Senator from Minnesota [Mr. NELSON] and vote. I vote "yea."

The roll call was concluded.

Mr. CLARKE of Arkansas. I have a pair with the junior Senator from Utah [Mr. SUTHERLAND]. I find that he is not in his seat, and I therefore withhold my vote.

Mr. CHAMBERLAIN. I have a pair with the junior Senator from Pennsylvania [Mr. OLIVER], and in his absence I transfer that pair to the Senator from Oklahoma [Mr. OWEN] and vote "nay."

Mr. O'GORMAN. I have a general pair with the senior Senator from New Hampshire [Mr. GALLINGER]. I transfer that pair to the senior Senator from Illinois [Mr. LEWIS] and vote "nay."

Mr. THOMAS. I transfer my pair with the senior Senator from New York [Mr. ROOT] to the junior Senator from Louisiana [Mr. RANSDELL] and vote "nay."

Mr. WARREN. I transfer my pair with the Senator from Florida [Mr. FLETCHER] to the Senator from North Dakota [Mr. MCCUMBER] and vote "yea."

The result was announced—yeas 32, nays 30, as follows:

YEAS—32.

Borah	Crawford	La Follette	Sherman
Brady	Cummins	Lane	Smith, Mich.
Brandegee	Dillingham	Lodge	Smoot
Bristow	Fall	Norris	Sterling
Burleigh	Hitchcock	Page	Townsend
Burton	Hollis	Perkins	Warren
Catron	Jones	Poindexter	Weeks
Clapp	Kenyon	Shafroth	Works

NAYS—30.

Ashurst	Lea, Tenn.	Reed	Swanson
Bankhead	Lee, Md.	Robinson	Thomas
Bryan	Martin, Va.	Saulsbury	Thompson
Chamberlain	Martine, N. J.	Sheppard	Vardaman
Chilton	O'Gorman	Shively	Walsh
Gore	Overman	Simmons	West
Hughes	Pittman	Smith, Ariz.	
Johnson	Pomerene	Smith, Ga.	

NOT VOTING—33.

Bradley	Gronna	Newlands	Stephenson
Clark, Wyo.	James	Oliver	Stone
Clarke, Ark.	Kern	Owen	Sutherland
Colt	Lewis	Penrose	Thornton
Culberson	Lippitt	Ransdell	Tillman
du Pont	McCumber	Root	Williams
Fletcher	McLean	Shields	
Gallinger	Myers	Smith, Md.	
Goff	Nelson	Smith, S. C.	

So the motion to recall the bill from the House of Representatives was agreed to.

PANAMA CANAL TOLLS.

Mr. TOWNSEND. I desire to give notice that on Monday morning next, at the conclusion of the routine morning business, I shall submit some remarks on the Panama Canal tolls question.

ALLEN EDWARD O'TOOLE AND OTHERS.

Mr. GORE. I inquire if morning business is closed?

The VICE PRESIDENT. Not yet.

Mr. GORE. I desire to make a motion as soon as that announcement is made by the Chair.

The VICE PRESIDENT. Is there further morning business? [A pause.] Morning business is closed.

Mr. GORE. I move that the Senate proceed to the consideration of House bill 13679, being the Agricultural appropriation bill.

The VICE PRESIDENT. The question is on the motion of the Senator from Oklahoma.

Mr. WARREN. Mr. President, will the Senator from Oklahoma yield to me for a moment to call up a five-line bill for the relief of some suffering orphans? It is a House bill, and will only take a moment.

Mr. GORE. I think the Senator asks for all the time I have, but I yield.

Mr. BURTON. I should like to ask what is the bill which the Senator from Oklahoma has moved to take up?

The VICE PRESIDENT. The Agricultural appropriation bill.

Mr. WARREN. Mr. President——

Mr. GORE. I yield to the Senator from Wyoming.

Mr. WARREN. I ask unanimous consent for the present consideration of the bill (H. R. 2314) for the relief of Allen Edward O'Toole and others, who sustained damage by reason of accident at Rock Island Arsenal.

The Secretary read the bill; and there being no objection, the Senate, as in Committee of the Whole, proceeded to its consideration. It proposes to pay for the relief of Allen Edward O'Toole, Bessie O'Toole, and Clifford O'Toole, whose father, Edward O'Toole, was fatally injured by an accident at the Rock Island Arsenal, February 24, 1905, the following sums, namely: To Allen Edward O'Toole, $333.33; to Bessie O'Toole, $333.33; to Clifford O'Toole, $333.34; and in case any of the beneficiaries are minors, the amount appropriated shall be paid to his or her duly appointed guardian.

The bill was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

AGRICULTURAL APPROPRIATIONS.

Mr. GORE. I renew my motion that the Senate proceed to the consideration of the bill (H. R. 13679) making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1915.

The motion was agreed to, and the Senate, as in Committee of the Whole, proceeded to consider the bill, which had been reported from the Committee on Agriculture and Forestry with amendments.

Mr. GORE. I ask that the formal reading of the bill be dispensed with and that it be read for amendment, the amendments of the committee to be first considered.

The VICE PRESIDENT. Is there objection? The Chair hears none, and that order is made.

The Secretary proceeded to read the bill.

The first amendment reported by the Committee on Agriculture and Forestry was, under the head of "Department of Agriculture," on page 1, line 11, after the words "Assistant Secretary of Agriculture," to strike out $5,000 and insert "$6,000: *Provided*, That if the position is held by any other than the present incumbent the salary shall be reduced to $5,000."

Mr. SMOOT. Mr. President, I ask the Senator from Oklahoma to allow that amendment to go over for the present, to be taken up later.

Mr. GORE. I will state to the Senator from Utah that it is my intention to ask that all objected amendments may go over until the unobjected amendments are considered and disposed of. I ask, therefore, that this amendment may be passed over for the present.

The VICE PRESIDENT. That will be done.

The reading of the bill was resumed.

The next amendment of the Committee on Agriculture and Forestry was, on page 2, line 6, after "$2,250," to insert "one executive assistant, $2,250"; in line 8, after "$2,750," to insert "one law clerk, $3,250"; in line 9, before the word "law," to strike out "two" and insert "three"; in the same line, before the word "law," where it occurs the second time, to strike out "seven" and insert "nine"; in line 10, before the word "law," where it occurs the second time, to strike out "eight" and insert "six"; in line 11, before the word "law," to strike out "four" and insert "three"; in line 14, before the word "clerks," to strike out "eight" and insert "ten"; in line 15, before the word "clerks," to strike out "eleven" and insert "twelve"; in the same line, after the words "class 1," to insert "one auditor, $2,000," so as to read:

Solicitor, $5,000; chief clerk, $3,000, and $500 additional as custodian of buildings; private secretary to the Secretary of Agriculture, $2,500; stenographer and executive clerk to the Secretary of Agriculture, $2,250; 1 executive assistant, $2,250; 1 appointment clerk, $2,000; 1 chief, supply division, $2,000; 1 inspector, $2,750; 1 law clerk, $3,250; 1 law clerk, $3,000; 3 law clerks, at $2,500 each; 9 law clerks, at $2,250 each; 1 law clerk, $2,200; 6 law clerks, at $2,000 each; 3 law clerks, at $1,800 each; 3 law clerks, at $1,600 each; 1 expert on exhibits, $3,000; 1 telegraph and telephone operator, $1,600; 4 clerks, class 4; 10 clerks, class 3; 12 clerks, class 2; 21 clerks, class 1; one auditor, $2,000.

The amendment was agreed to.

The next amendment was, on page 3, line 15, after the word "Secretary," to strike out "$328,830" and insert "$343,130," so as to make the clause read:

Total for office of the Secretary, $343,130.

The amendment was agreed to.

The next amendment was, under the head of "Weather Bureau," on page 3, line 17, after the words "One chief of bureau," to strike out "$6,000" and insert "$5,000," so as to read:

Salaries, Weather Bureau: One chief of bureau, $5,000.

Mr. SMOOT. Mr. President, I will ask the Senator whether the present Chief of the Weather Bureau is drawing $6,000 or $5,000?

Mr. GORE. The present chief is drawing $6,000, and he is the only chief of any bureau who draws more than $5,000. The purpose of the committee was to make it uniform.

The VICE PRESIDENT. The question is on agreeing to the amendment.

The amendment was agreed to.

The reading of the bill was resumed.

The next amendment of the Committee on Agriculture and Forestry was, in the item of appropriation for "Salaries, Weather Bureau," on page 4, line 20, after the words "in all," to strike out $328,270" and insert "$327,270," so as to read:

Twenty-seven messenger boys, at $360 each; 1 charwoman, $360; 3 charwomen, at $240 each; in all, $327,270.

The amendment was agreed to.

The next amendment was, on page 6, line 15, after the word "climatology," to insert "seismology," so as to make the clause read:

For necessary expenses in the city of Washington incident to collecting and disseminating meteorological, climatological, and marine information, and for investigations in meteorology, climatology, seismology, evaporation, and aerology, $122,000.

The amendment was agreed to.

The next amendment was, on page 6, line 20, after the word "climatology," to insert "seismology," so as to make the clause read:

For necessary expenses outside of the city of Washington incident to collecting and disseminating meteorological, climatological, and marine information, and for investigations in meteorology, climatology, seismology, evaporation, and aerology, $1,189,000, including not to exceed $591,000 for salaries, $120,000 for special observations and reports, $275,000 for telegraphing and telephoning, and $30,000 for traveling expenses.

The amendment was agreed to.

The next amendment was, on page 7, line 5, after the word "that," to insert "in the judgment of the Secretary of Agriculture," so as to make the clause read:

For the maintenance of a printing office in the city of Washington for the printing of weather maps, bulletins, circulars, forms, and other publications, including the pay of additional employees, when necessary, $26,000: *Provided*, That no printing shall be done by the Weather Bureau that, in the judgment of the Secretary of Agriculture, can be done at the Government Printing Office without impairing the service of said bureau.

Mr. SMOOT. Mr. President, I should like to ask the Senator from Oklahoma to explain the provision here for the maintenance of a printing office in the city of Washington for the printing of weather maps, and so forth, which is found on page 7, and particularly the amendment offered by the committee.

Mr. GORE. Mr. President, at present only maps, bulletins, and cards relating to the Weather Bureau are printed by this printing establishment. It is the purpose to continue that practice and to limit it strictly to the requirements of the office. There is, however, a considerable force of men employed in this printing office, and they have a considerable plant and equipment.

The urgent work of the bureau has to be run off early in the morning, such as bulletins that have to be distributed over the country, and therefore the chief press of the work is early in the morning. It has been thought by the department that they could employ the machinery and the men during the remainder of the day in printing cards and bulletins and other publications required in the service; otherwise the men and the machinery will be idle during a large portion of the day.

Nothing is intended to be printed except what relates exclusively to this office, and the Secretary is invested with discretion so as to keep the work limited to those particular publications. It is simply a matter of economy, to keep the machinery and the men from being idle during the day.

Mr. SMOOT. It has been the practice during the last 10 years, at least, to consolidate all of the Government printing at the Government Printing Office. Originally, nearly every department of the Government had printing done under its own direction.

Mr. GORE. I may say to the Senator that I understand this is all lithographing.

Mr. SMOOT. I hardly think it is all lithographing. Certainly bulletins, circulars, and telegrams would not be lithographed.

Mr. GORE. Circulars would not be, of course.

Mr. SMOOT. I am quite familiar with the printing that is being done at the Weather Bureau. I am fully aware why that has been allowed in the past. As I was saying before the Senator interrupted me, a number of the departments have ceased to have printing of any kind done under the direct care and charge of the department. It has proven so far to be a saving to the Government, and the appropriations that have been made for the printing of the departments have not been so large since the consolidation of our printing in the Government Printing Office as they were before, when appropriations for printing were granted to each of the departments.

I think the amendment that is offered by the committee here, to insert "in the judgment of the Secretary of Agriculture," will broaden the authority of the department to do almost any sort of printing in the Weather Bureau. I can not tell whether or not advantage will be taken of this authority to print all sorts of documents and charts and maps and bulletins which in the past have been and at the present time are being printed at the Government Printing Office.

I sincerely hope the Senate will not take this backward step and authorize the Secretary of Agriculture by this amendment to run a printing office, when we now have the Government Printing Office, and all the overhead expenses are paid there, and it will cost no more if all of the printing of the Government is done there than it would if the printing were divided up among the different departments. I sincerely trust the amendment will not be agreed to, and I hope the Senator will not insist upon it.

I wish to say to the Senator just one more thing. This is not a new question. It has been before the Senate before. Other Secretaries of Agriculture have asked for this authority, and in the past it has been denied, and I believe wisely denied. I think the printing of the department, outside of the very peculiar weather maps incident to the Weather Bureau alone, should be done at the Government Printing Office, rather than to begin the maintenance of another printing establishment in the Weather Bureau of the Department of Agriculture.

Mr. BRADY. Mr. President, referring to the amendment which the Senator from Utah is discussing, I will say that the committee considered that matter very carefully, and it was the thought of the members of the committee that there was certain printing necessary to be done by the department that could not be done economically at the Public Printing Office, such as the printing of weather maps and bulletins and things of that character. The Assistant Secretary of Agriculture appeared before the committee and convinced me, as well as the other members of the committee, that it would be a saving to the Government to have it done in this manner. That is the reason why I favored the amendment—not with the thought of giving the Secretary of Agriculture more authority than he has now, but with the idea of leaving it to his judgment as to what could be done in the printing office in the department and what should be sent to the Public Printing Office.

Mr. SMOOT. Let me tell the Senator what the practical effect of this amendment will be. Take the Weather Bureau bulletins, circulars, and forms that at present are printed at the Government Printing Office: Having them printed by the department will not displace a single employee in the Government Printing Office. The Government Printing Office will cost just as much for the Government to run as it will if all of these things are printed there. On the other hand, if they are printed at the Weather Bureau, there will be extra employees required for their printing. The only cost there will be to the Government of the United States if these things are printed in the Government Printing Office will be for the paper and the ink.

I admit, and everyone who knows anything about the question admits, that the weather maps should be printed at the bureau itself. That is why we are maintaining there a small printing plant. I believe that ought to be done, because they must be printed at a certain time. They must be gotten out in a certain way. They must be overseen by certain men and no mistake in them can be permitted. Therefore that class of printing is being done at the Weather Bureau, and rightfully. If, however, it is extended, I wish to say now that it will cost the Government more than it does to-day, for it will not make a difference of one man in the force employed at the Government Printing Office; and all that it actually costs the Government of the United States to do the work to-day is the cost of the paper and the ink required for printing these bulletins and circulars.

Mr. BRADY. The Department of Agriculture at the present time prints the weather maps and charts and things of that character?

Mr. SMOOT. Oh, certainly.

Mr. BRADY. My understanding of the matter is that the printing of whatever bulletins it is necessary to send out immediately can be done to better advantage at the department than at the Public Printing Office. It requires so many men to

do a certain amount of work, and it seems to me that it would require no more men under the Weather Bureau than it would in the Public Printing Office. I do not think a single member of the committee desires to increase the cost of this printing, but I do wish to say that we acted with the thought of enabling the department to render more efficient service.

Mr. GORE. Mr. President, I entirely agree with the Senator from Utah that the printing of the Government ought to be concentrated in the Government Printing Office; but, as suggested by the Senator himself, there are certain weather maps and other publications that must be printed at a certain hour of the day, a good deal like a daily newspaper, and unless run off at that hour they are worthless. They now have a plant and equipment and force for doing that work. It is intended to utilize the same force and the same machinery for printing certain cards and other publications that are essential to this service. The only point involved is as to whether the men and the machinery shall be used during the remainder of the day or whether they shall stay idle during the remainder of the day.

It seems to me it will contribute both to economy and to efficiency to have this work done. It is not intended to enlarge the scope of the work. The printing will be limited to the character of printing and publications heretofore done.

Mr. SMOOT. Mr. President, I wish to say to the Senator that I have heard that argument a good many times. When the different departments here ran their branch printing offices they made the same argument—that they could do the printing when the men were not needed in the mornings. I wish to say to the Senator, however, that wherever there is a branch office there are overseers, from the foreman down; and in some of them, in the past, there have been more overseers than there have been men who did the actual work. I feel as confident as that I live that if this amendment is adopted by the Senate it will mean building up again in the Weather Bureau a complete printing plant.

Mr. THOMAS. Mr. President——

The VICE PRESIDENT. Does the Senator from Oklahoma yield to the Senator from Colorado?

Mr. GORE. I yield.

Mr. THOMAS. The Senator from Utah says it will mean building up this printing plant again. Do I infer from that that there was such a printing plant, which has been discontinued?

Mr. SMOOT. Mr. President, we used to have a branch printing plant in the Department of Agriculture years ago. We used to have one in the Treasury Department. We used to have them in almost all of the other departments of the Government; but we had hearing after hearing on this question, and in most instances the branch offices have been discontinued and we have consolidated all the printing of the Government in the Government Printing Office, where it belongs.

Mr. THOMAS. May I inquire of the Senator when the printing plant in the Agricultural Department was suspended?

Mr. SMOOT. I forget just the time, Mr. President; but it was a number of years ago. I wish to say that the plant for printing weather maps and charts was allowed to remain in the Weather Bureau. There is no question but that that was the proper thing to do, for the simple reason, as I stated before, that it is particular work and has to be done by a certain time of the day and has to be overseen by the men who prepare the charts and the maps. There is no objection whatever to that. This amendment, however, goes further and seeks to leave it to the judgment of the Secretary of Agriculture as to what shall be printed there.

Mr. THOMAS. And that judgment is coextensive with the entire printing of the department if it is exercised within this limit?

Mr. SMOOT. If it is exercised within the limits of this amendment.

Mr. GORE. Mr. President, the language is "without impairing the service of said bureau"; and somebody will have to pass on the question whether it will impair the service or suspend the continued execution of any regular kind of printing. That discretion has to be vested in somebody.

A question was raised as to whether they could print certain cards that they use. That was the particular point over which this question arose. It was supposed that probably the bureau could have the cards printed somewhere else; but they are needed in the conduct of the business of the bureau, and the machinery will otherwise lie idle when it might be printing those cards. I think that particular item was what suggested the amendment, so that this machinery might be used in printing these cards without being allowed to lie idle the rest of the day.

The VICE PRESIDENT. The hour of 2 o'clock having arrived, the Chair lays before the Senate the unfinished business, which will be stated.

The SECRETARY. A bill (S. 120) to provide for the inspection and grading of grain entering into interstate commerce, and to secure uniformity in standards and classification of grain, and for other purposes.

The VICE PRESIDENT. The Senator from Missouri [Mr. REED] is entitled to the floor.

Mr. GORE. Mr. President——

The VICE PRESIDENT. Does the Senator from Missouri yield to the Senator from Oklahoma?

Mr. REED. I do.

Mr. GORE. If the Senator from Missouri does not care to address himself to the unfinished business at this time, and if it is proper under the rule, I desire to proceed with the consideration of the Agricultural appropriation bill.

Mr. SMOOT. That can only be done by a vote, which would displace the unfinished business, or by unanimous consent.

Mr. GORE. I would not care to displace the unfinished business. I ask unanimous consent to proceed with the consideration of the Agricultural appropriation bill without displacing the unfinished business.

Mr. STERLING. I object.

The VICE PRESIDENT. There is objection.

Mr. GORE. I ask that the appropriation bill be proceeded with. I wish to say that I shall not persist in the consideration of the appropriation bill after the Senator from North Dakota comes into the Chamber if, when he comes in, he thinks it desirable to proceed with the unfinished business.

The VICE PRESIDENT. Is there objection?

Mr. STERLING. I object.

Mr. GORE. I move that the Senate proceed to the consideration of the Agricultural appropriation bill.

Mr. SMOOT. I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Bankhead	Gore	Norris	Simmons
Borah	Hollis	O'Gorman	Smith, Ga.
Brady	Hughes	Oliver	Smith, Md.
Brandegee	Jones	Overman	Smoot
Bristow	Kenyon	Owen	Sterling
Bryan	La Follette	Page	Stone
Burton	Lane	Perkins	Sutherland
Catron	Lea, Tenn.	Pittman	Thomas
Chamberlain	Lee, Md.	Poindexter	Thompson
Chilton	Lippitt	Ransdell	Thornton
Clapp	Lodge	Reed	Vardaman
Clark, Wyo.	McCumber	Root	Walsh
Clarke, Ark.	Martin, Va.	Saulsbury	Warren
Cummins	Martine, N. J.	Shafroth	West
Dillingham	Nelson	Sheppard	Works
Fall	Newlands	Sherman	

The PRESIDING OFFICER (Mr. SAULSBURY in the chair). Sixty-three Senators have answered to their names. There is a quorum present. The question is on the motion of the Senator from Oklahoma that the Senate proceed to the consideration of the Agricultural appropriation bill.

Mr. McCUMBER. I understand the Senator expected to take up only the appropriation bill during my absence, as I was not present at 2 o'clock. I will ask him, under the statement that I now make, that we are ready to go on and will probably complete the grain-grading bill to-day, that he withdraw his motion and that we proceed with the unfinished business.

Mr. GORE. In view of the statement of the Senator from North Dakota, I withdraw the motion to proceed to the consideration of the Agricultural appropriation bill.

INSPECTION AND GRADING OF GRAIN.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (S. 120) to provide for the inspection and grading of grain entering into interstate commerce, and to secure uniformity in standards and classification of grain, and for other purposes.

Mr. REED. Mr. President, I took up yesterday the matter of the protection which is afforded by the bonds of State officers against false inspection in contrast with that under the provisions of the present bill. There is no provision in the pending bill providing that in case of false inspection by the Federal authority the person injured shall have any recourse whatever either against the inspector or against the Federal Government; and in the absence of an express provision we all understand there could be no claim made against the Federal Government.

I call attention to the further fact that the pending bill does not provide that any man appointed to inspect grain shall possess any other qualification than that he shall have passed a

civil-service examination. There is no provision whatever for a bond, and no penalties are affixed for neglect of duty.

In contrast I call attention to the laws of the State of Minnesota and those of my own State.

The Senator from Minnesota [Mr. NELSON] has had the kindness to send me a copy of the grain-inspection laws of his State. Section 2065 of the laws of Minnesota requires that the inspectors, after appointment—

Shall give bond to the State in the sum of $10,000, with sureties, to be approved by the commission, conditioned for the faithful and impartial discharge of the duties of his office according to law and the rules and regulations prescribed by the commission, and the payment of all damages sustained by any person caused by his failure to perform such duties.

Deputy inspectors are required to give bond in the sum of $5,000.

It is further provided in section 2076 of the laws of Minnesota that suit may be brought upon these bonds by any person injured by the misconduct of the principal.

Moreover, the system of State inspection in Minnesota which has been so ably described by the senior Senator from that State [Mr. NELSON] possesses certain other advantages which are not at all contemplated by the pending bill. The pending bill contemplates inspection at some 15 points in the United States, with a possible extension of that service; but the author of the bill does not pretend that it is within the contemplation of the bill that there shall be inspection at numerous points in the various States. Indeed, he is driven from that ground by the attempt to show that Federal grain inspection will be inexpensive. But, Mr. President, how is it in the State of Minnesota? Section 2066 provides——

Mr. HOLLIS. Will the Senator from Missouri yield to me for a moment?

Mr. REED. I yield.

AGRICULTURAL EXTENSION WORK.

Mr. HOLLIS. I move to reconsider the vote to recall from the House the bill (H. R. 7951) to provide for cooperative agricultural extension work between the agricultural colleges in the several States receiving the benefits of an act of Congress approved July 2, 1862, and of acts supplementary thereto, and the United States Department of Agriculture. I wish to state that I voted under a misapprehension. I ask for the immediate consideration of the motion.

The PRESIDING OFFICER. The Senator from New Hampshire moves to reconsider the vote——

Mr. FALL. Mr. President, I make the point of no quorum.

The PRESIDING OFFICER. The Senator from New Mexico suggests the absence of a quorum. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Ashurst	La Follette	Perkins	Smith, Ga.
Bryan	Lane	Pittman	Smith, Md.
Burton	Lea, Tenn.	Pomerene	Smith, Mich.
Chamberlain	Lee, Md.	Ransdell	Smoot
Clapp	Lewis	Reed	Sutherland
Clark, Wyo.	Lippitt	Robinson	Swanson
Clarke, Ark.	McCumber	Root	Thomas
Cummins	Martin, Va.	Saulsbury	Thompson
Dillingham	Martine, N. J.	Shafroth	Townsend
Fall	Nelson	Sheppard	Vardaman
Gore	Norris	Sherman	Warren
Hollis	O'Gorman	Shively	West
Hughes	Overman	Simmons	
Johnson	Page	Smith, Ariz.	

The PRESIDING OFFICER. Fifty-four Senators have answered to their names. A quorum is present. The question is on the motion of the Senator from New Hampshire [Mr. HOLLIS] to reconsider the vote to recall House bill 7951 from the House of Representatives.

Mr. McCUMBER. Mr. President, I raise the point of order that while the unfinished business is pending and while a Senator is speaking on the subject no motion of that kind is in order.

The PRESIDING OFFICER. It is the understanding of the Chair that the Senator from Missouri yielded the floor to the Senator from New Hampshire.

Mr. McCUMBER. I did not so understand. But, Mr. President, it was decided by a vote of the Senate that merely yielding the floor when a Senator asks if he may interrupt and consent is given by the Senator speaking upon a bill, does not give a right to the person interrupting to move to displace the business in that way.

Mr. SMITH of Georgia. Mr. President, replying to the point of order of the Senator from North Dakota, I wish to suggest that a motion to reconsider a vote where the original motion has to be acted upon instantly is a privileged question. The original motion was a motion to recall a bill from the House that the Senate acted upon. The Senator from New Hampshire moved to reconsider that action, stating that he voted under a misapprehension. It is a privileged question, because the original action of the Senate goes into immediate effect unless the reconsideration takes place.

I desire, furthermore, to submit to the Senate that the motion to reconsider is not debatable. The motion to recall was not debatable, and the motion to reconsider the action of the Senate on the motion to recall is not debatable. So if we vote upon this question it can not displace the business which the Senator from North Dakota has in charge except for a few moments.

Mr. McCUMBER. A point of order is always a matter that one may debate, at least sufficiently to present the point of order to the Senate.

Mr. CLARK of Wyoming. No; if the Chair desires the information, he can ask for it, and then it becomes debatable.

Mr. CUMMINS. Mr. President, upon what rule does the Senator from Georgia rely when he states that because the motion to recall is not debatable therefore the motion to reconsider is not debatable?

Mr. SMITH of Georgia. I think it follows as a general rule of parliamentary practice that motions to reconsider nondebatable propositions are not themselves subjects of debate. I think that is a general rule applicable to procedure in deliberative bodies.

Mr. CUMMINS. The Senator from Georgia does not rely upon any rule of the Senate?

Mr. SMITH of Georgia. There is no specific rule of the Senate upon that subject.

Mr. CUMMINS. I question the general parliamentary law as it is applied to this particular subject. There ought to be an opportunity for Senators, I think, to debate a matter as important as this. However, if the Senator has any rule of that kind in his mind to which he can refer I would be glad to have him put it before the Senate.

The PRESIDING OFFICER. The Chair is compelled to overrule the point of order made by the Senator from North Dakota, understanding that the Senator from Missouri [Mr. REED] yielded to the Senator from New Hampshire [Mr. HOLLIS] to make his motion to reconsider. He yielded the floor for that purpose, and the question is on agreeing to the motion to reconsider.

Mr. CUMMINS. Mr. President, a parliamentary inquiry. Is that motion debatable?

The PRESIDING OFFICER. The present occupant of the chair will make a ruling upon the question after inquiry at the desk.

Mr. SHIVELY. It seems to me that is a hypothetical question. Is there anyone offering to debate it or who wants to debate it?

The PRESIDING OFFICER. The Chair sustains the point of the Senator from Indiana. So far as the Chair can observe, no Member of the Senate is offering to debate it.

Mr. CUMMINS. Mr. President, I desire to make some observations to the Senate upon that motion. It will be remembered that when the bill was before the Senate there was proposed to it an amendment brought forward by the Senator from Washington [Mr. JONES] relating to the distribution of this fund in the States having two or more agricultural colleges. I was addressing the Senate upon that amendment. While I was on my feet, doing my best to make it clear that the provisions of the bill were not fair, but were discriminatory, the Senator from Colorado [Mr. SHAFROTH] arose and suggested that, in his opinion, the provisions of the bill were not fair, and further suggested an amendment. While I had been in favor of the amendment offered by the Senator from Washington, I instantly reached the conclusion—possibly without sufficient reflection, but I have seen no reason to modify it as yet—that the amendment suggested by the Senator from Colorado was better and would result in a fairer distribution of this fund than would the amendment proposed by the Senator from Washington. I said that, in so far as I was concerned, I would rather have the amendment of the Senator from Colorado than the other. Thereupon, and before the amendment proposed by the Senator from Washington was voted upon, the Senator from Colorado proposed the amendment which was accepted by the Senator in charge of the bill, and it was unanimously adopted, as I remember. Then we came to a vote upon the amendment proposed by the Senator from Washington, and I voted against the amendment proposed by the Senator from Washington simply because I believed that the solution that had been proposed from the other side of the Chamber by the Senator from Colorado was a fairer and a better solution

than the one brought forward by the Senator from Washington. It was concurred in, as I remember, by every Senator upon the other side of the Chamber and by some Senators upon this side of the Chamber.

The bill is thus modified and goes into conference. As I am informed, the conference committee rejected the amendment that had been thus accepted by the proposers of the bill, those who were standing for it in this Chamber. The conference report comes into the Senate and is agreed to. I am not suggesting any unfair practice, mark you, at all; but, as we all know how these things are done, it was agreed to without practically anyone in the Senate knowing what was before the Senate and what was being done.

Under those circumstances, Mr. President, it seems to me that there ought not to be the slightest hesitation on the part of the Senator who is in charge of the bill, or on the part of other Senators, in bringing the conference report again before the Senate, so that we may deal with it consciously and according to our view of what the law should be, and determine whether the Senate should recede from the amendment.

To me, while there is no question of personal bad faith in the situation—and I would be the last man to suggest it—I believe that it will be bad faith with the country; I believe that it will create a vast volume of indignation when the country knows that an amendment which had created so much interest in the Senate, and a phase of the subject that was solved in the way that I have pointed out, is abandoned by the Senate without a word having been said with regard to it, and without very many Senators, at least, knowing that the subject was before the Senate.

I hope, and I hope earnestly, that the motion to reconsider the motion to recall will not prevail, and that we will be given an opportunity again to consider this action of the conference committee in receding from an amendment attached under the circumstances I have pointed out.

Mr. SMITH of Georgia. Mr. President, it is my firm conviction that unless the Senate recedes from the amendment we shall have no legislation. In conference we discussed that subject at length. The amendment changed the determination by the legislature of the State of the agricultural college to which the fund was to go, or which was to administer the fund, for the college does not get the fund. Not one dollar of the fund under this legislation is to be spent inside the walls of the college. The amendment changed the provision of the House bill to the effect that the legislature of the State should pass upon the college to which the fund was to be administered over the State on which the college was located to a provision which permitted the governor of the State, with the Secretary of Agriculture, to determine the question. That was the change made in the section.

The bill provided, as it came from the House, that the legislature in a State where there were two or more land-grant colleges should determine which college should administer the fund. It was not a question as to what college it should go to, for the money did not go to a college, but as to which college was throughout the State to do the demonstration work, the work itself being work that did not help the college at all and did not add a dollar to the resources of the college, but which was to be used on the farms in the counties of the State.

We found each of the three members of the conference committee on the part of the House positively opposed to allowing the governor to have a voice in selecting the college, and absolutely insisting that the legislature, representing all the people of the State, should pass on this question. In my own State I would be just as willing the governor should act as the legislature, because I should feel sure that there would be no whimsical change as the result of changed administration; but this feeling did not exist on the part of others. We remained in conference on this subject for two or three weeks, having adjourned the conference, and adjourned several times, until finally we were just told by the other side, "We can not yield; we do not want the governor to have the privilege; we insist that the legislature should control the subject."

My own view is that, unless we accept the provision in this shape, we shall have no legislation. I had no objection to the provision as it was offered by the Senator from Colorado. I very much objected to the provision offered by the Senator from Washington, but not to the provision offered by the Senator from Colorado. I did not fear that a Secretary of Agriculture would interfere to divert the fund from the State college of agriculture——

Mr. CUMMINS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Georgia yield to the Senator from Iowa?

Mr. SMITH of Georgia. I do.

Mr. CUMMINS. The Senator from Georgia, as I understand, was one of the conferees?

Mr. SMITH of Georgia. Yes.

Mr. CUMMINS. May I ask whether the Senator suggested to his brother conferees that, if they were unwilling to allow cooperation between the governors of the States and the Secretary of Agriculture, they substitute cooperation between the legislatures of the States and the Secretary of Agriculture, so that the Secretary of Agriculture would have some voice in the distribution of these funds?

Mr. SMITH of Georgia. I will call the Senator's attention to their reply to that subject, in which they referred to paragraph 2, which reads:

> And this work shall be carried on in such manner as may be mutually agreed upon by the Secretary of Agriculture and the State agricultural college or colleges receiving the benefits of this act.

The conferees on the part of the House insisted that was a broad power on the part of the Secretary of Agriculture to participate in the direction of the operations of the fund.

Mr. CUMMINS. But the Senator from Georgia knows that that does not touch the question at all, as to what colleges shall have the benefits of the fund. I urged before, as the Senator from Georgia knows, that the Secretary of Agriculture should have the same control with respect to the selection of the colleges in the States, if there were more than one, that he has in other provisions of the bill respecting the manner of the expenditure of the money. That seemed to meet the views of the Senator from Georgia at that time.

Mr. SMITH of Georgia. I did not object to it, because I had no doubt the Secretary of Agriculture would take the same view that I did—that there was but one college in my State that could administer the funds. I am perfectly frank to say that if I had considered it a possibility that any but the one college would administer the fund I should have voted against the whole bill, because I know my State would not give a dollar to it.

Mr. CUMMINS. I know; but upon that point we decided the matter in the Senate after a great deal of discussion.

Mr. McCUMBER. I wish to make a parliamentary inquiry, Mr. President.

The PRESIDING OFFICER (Mr. LEA of Tennessee in the chair). The Senator will state it.

Mr. McCUMBER. I wish to know the present status of the bill which Senators are now discussing; I want to know where the bill is.

Mr. SMITH of Georgia. I can not give the information.

The PRESIDING OFFICER. The Chair will state that the bill is in the House of Representatives, and has been ordered recalled by a motion of this body.

Mr. SMITH of Georgia. And it has not been recalled. Though this body has passed a resolution recalling it, there is a motion to reconsider that motion.

Mr. CUMMINS. What was done in the interim between the motion to recall the bill and the motion to reconsider? An hour or more has elapsed, and I was wondering whether the bill had actually been recalled.

Mr. SMITH of Georgia. I went into the Secretary's office to ascertain, and found the papers to recall the bill had not been delivered to the House——

Mr. McCUMBER. What I want to know is whether the bill is in the actual possession of the Senate?

The PRESIDING OFFICER. The bill is not in the actual possession of the Senate.

Mr. McCUMBER. I make the point of order that the motion is not subject to debate.

Mr. SMITH of Georgia. That has been my view all the time.

Mr. HOLLIS. I understand this order did not reach the House of Representatives and is here in the Senate at the present time. The Chair may ascertain that fact by asking those who know.

Mr. McCUMBER. But the bill, the subject matter upon which we are to vote, is not in the Senate; and that being the case, when it is out of the Senate, under clause 2 of Rule XIII, it is not subject to debate.

The PRESIDING OFFICER. The Chair holds that a motion to recall is not debatable, and, therefore, that a motion to reconsider a motion to recall a bill from the House is not debatable. As the Chair understands, the Senator from North Dakota makes that point of order?

Mr. McCUMBER. I make that point of order.

The PRESIDING OFFICER. The Chair sustains the point of order made by the Senator from North Dakota.

Mr. CUMMINS. I asked that question of the Senator who occupied the chair immediately before the Senator who now sits in it took his place, as I did not know——

The PRESIDING OFFICER. If the Senator from Iowa will indulge the Chair, the present occupant of the chair was informed by the Senator occupying the chair just prior to him that he had made no ruling upon this point, but had indulged the Senator from Iowa.

Mr. CUMMINS. The Senator from Georgia had made the point of order.

Mr. SMITH of Georgia. But I did not press it. Though I made the point of order, I did not invoke a decision; I did not press it, because the Senator from Iowa wanted to speak, and I therefore did not want to make the point of order.

The PRESIDING OFFICER. The point of order has been made and has been sustained. The question, therefore, is not debatable.

Mr. CUMMINS. Very well. I suggest the absence of a quorum.

The PRESIDING OFFICER. The Senator from Iowa suggests the absence of a quorum. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Ashurst	Johnson	Page	Simmons
Burton	Jones	Pittman	Smith, Ariz.
Catron	Kenyon	Poindexter	Smith, Ga.
Chamberlain	La Follette	Pomerene	Sterling
Clark, Wyo.	Lea, Tenn.	Ransdell	Sutherland
Clarke, Ark.	Lee, Md.	Reed	Thompson
Cummins	Lewis	Robinson	Townsend
Dillingham	McCumber	Saulsbury	Vardaman
Fall	Martine, N. J.	Shafroth	West
Gore	Nelson	Sheppard	
Hollis	Norris	Sherman	
Hughes	Oliver	Shively	

Mr. McCUMBER. I desire to ask if a quorum has yet responded to the call.

The PRESIDING OFFICER. Forty-five Senators have answered to the roll call. A quorum is not present.

Mr. McCUMBER. I move——

The PRESIDING OFFICER. The names of the absentees will be called.

The Secretary called the names of the absent Senators, and Mr. LIPPITT, Mr. MCLEAN, Mr. ROOT, Mr. SMITH of Michigan, Mr. SMOOT, Mr. SWANSON, and Mr. WARREN answered to their names when called.

Mr. BRYAN, Mr. BANKHEAD, Mr. LANE, and Mr. TILLMAN entered the Chamber and answered to their names.

Mr. VARDAMAN. I desire to announce that the Senator from South Carolina [Mr. SMITH] is absent on important business.

The PRESIDING OFFICER. Fifty-six Senators have answered to their names. A quorum is present. The question is on the motion of the Senator from New Hampshire [Mr. HOLLIS] to reconsider the vote by which the Senate agreed to direct the Secretary of the Senate to request the House of Representatives to return to the Senate House bill 7951 and the conference report thereon.

Mr. JONES. Mr. President, I move to refer that motion to the Committee on Agriculture and Forestry.

The PRESIDING OFFICER. The Senator from Washington moves to refer the motion to the Committee on Agriculture and Forestry.

Mr. JONES. I understand that that motion is debatable.

The PRESIDING OFFICER. That motion is debatable.

Mr. JONES. Mr. President, the provision in the House bill——

Mr. McCUMBER. I rise to a point of order. My point is that the motion to refer the motion to reconsider is not in order, and I call attention——

The PRESIDING OFFICER. The Chair will be glad to hear the Senator on the point of order.

Mr. McCUMBER. I call attention to Rule XIII, paragraph 2, which provides—

> 2. When a bill, resolution, report, amendment, order, or message, upon which a vote has been taken, shall have gone out of the possession of the Senate and been communicated to the House of Representatives, the motion to reconsider shall be accompanied by a motion to request the House to return the same; which last motion shall be acted upon immediately and without debate, and if determined in the negative shall be a final disposition of the motion to reconsider.

Under this rule this motion must be acted upon immediately—not some other motion, but this particular motion.

Mr. JONES. That motion was acted upon.

The PRESIDING OFFICER. Has the Senator from North Dakota finished?

Mr. McCUMBER. I have finished, Mr. President.

Mr. JONES. Mr. President——

Mr. SMITH of Georgia. Mr. President, the point is that——

The PRESIDING OFFICER. The Senator from Washington first addressed the Chair, and is recognized.

Mr. JONES. Mr. President, I simply wanted to suggest that the motion the Senator from North Dakota referred to was acted upon, that it was acted upon without debate, and was carried. Then a motion was made to reconsider it. This is an entirely different motion from any of those—to refer it to the Committee on Agriculture and Forestry. It does not come within the rule mentioned by the Senator from North Dakota.

The PRESIDING OFFICER. The Chair is in doubt, but the Chair is inclined to think the point of order is not well taken. It submits the point of order to the Senate, however, for its decision.

Mr. JONES. I suggest the absence of a quorum.

The PRESIDING OFFICER. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Ashurst	Hughes	Nelson	Smith, Ariz.
Bankhead	Johnson	Norris	Smith, Ga.
Bryan	Jones	Oliver	Smith, Md.
Burton	Kenyon	Page	Smoot
Catron	La Follette	Pittman	Sterling
Chamberlain	Lane	Poindexter	Sutherland
Clapp	Lea, Tenn.	Ransdell	Thomas
Clark, Wyo.	Lee, Md.	Robinson	Thompson
Clarke, Ark.	Lewis	Saulsbury	Vardaman
Cummins	Lippitt	Shafroth	West
Dillingham	McCumber	Sheppard	
Gore	McLean	Sherman	
Hollis	Martine, N. J.	Shively	

Mr. SHIVELY. My colleague [Mr. KERN] is necessarily absent from the city on important business. He is paired with the senior Senator from Kentucky [Mr. BRADLEY]. I desire to have this statement apply to all roll calls that have heretofore taken place to-day and to all that may take place for the balance of the day.

Mr. CLARK of Wyoming. My colleague [Mr. WARREN] is detained from the Chamber on business of the Senate.

The PRESIDING OFFICER. Forty-nine Senators have answered to their names. A quorum of the Senate is present.

Mr. CLARK of Wyoming. I ask to have the list of Senators answering to their names recapitulated.

The PRESIDING OFFICER. The Secretary will recapitulate the list of names.

The Secretary recapitulated the list of Senators answering to the roll call.

Mr. CLARK of Wyoming. Mr. President, I do not desire to challenge this roll call at the present time; but the names of Senators appear there as making up a quorum who were not in the Senate when their names were called, and who are not in the Senate now.

Mr. SMITH of Michigan. Mr. President, I should like to have my name recorded.

The PRESIDING OFFICER. The Senator from Michigan asks that his name be recorded.

Mr. CLARK of Wyoming. I protest against recording any name unless answer shall be made. Attendance by proxy ought not to be tolerated in the Senate.

Mr. CLARKE of Arkansas. Mr. President, that is a very serious charge to make against the integrity of our proceedings, and I think the Senator owes it to himself and owes it to the Senate to make disclosure of the names to which he refers. If it is a fact, I do not think we can afford to ignore it.

Mr. CLARK of Wyoming. I have made the statement, and——

Mr. CLARKE of Arkansas. I think, in view of its seriousness, the Senator from Wyoming should give us an opportunity to refute that sort of a procedure if it is being done.

Mr. CLARK of Wyoming. I say I have made the statement; I have made it on my responsibility; and I do not think I am required at this time to go further.

Mr. CLARKE of Arkansas. Let me ask the Senator from Wyoming to give us the names of the Senators who are recorded without their having been present and having answered.

Mr. CLARK of Wyoming. I do not care to make that statement at the present time. The names may have been recorded at the request of the Senators themselves, and therefore I do not care to make the statement.

Mr. CLARKE of Arkansas. I do not know that I can pursue the subject further; but it is a reflection upon the integrity of the clerical force of the Senate——

Mr. CLARK of Wyoming. Mr. President, I do not consider it a reflection upon the integrity of the clerical force. I do consider it a reflection upon the methods of the Senate in transacting its business.

Mr. CLARKE of Arkansas. The Senate can not transact its business except through its authorized officers. The statement that a false report has been returned to the Senate with a view of establishing the presence of a quorum is a very serious charge. I think the Senator owes it to himself and owes it to the Senate to put it in some sort of form so that we can take notice of it.

The PRESIDING OFFICER. If the Chair may be indulged for a moment, the Chair desires to state that it is not in anywise a party to any such proceeding, if it exists; and it thinks the Senator from Wyoming also owes it to the Chair to state if there are any Members recorded who were not actually in the Chamber and did not authorize the entering of their names.

Mr. CLARK of Wyoming. I will not be sure as to all the names; but I think the Senator from Vermont, for one, did not answer to his name, and was not in the Chamber at the end of the roll call, but was still recorded as present.

Mr. CLARKE of Arkansas. What Senator from Vermont?

Mr. CLARK of Wyoming. The junior Senator from Vermont [Mr. PAGE].

The PRESIDING OFFICER. The Chair is advised by the Secretary that the junior Senator from Vermont [Mr. PAGE] was in the Chamber and came and asked that his name be recorded.

Mr. CLARK of Wyoming. That is just one of the things I complain about. The name should be recorded by answer to the roll call at the time the name is called.

Mr. SMITH of Georgia. Mr. President, I think this subject has been up once before in the Senate, and it was distinctly understood then that no one's name should be entered unless he was actually here and answered to the roll call.

Mr. CLARK of Wyoming. That is my understanding.

Mr. SMITH of Georgia. I am sure that matter was before the Senate.

The PRESIDING OFFICER. The Chair is informed that the Senator from Vermont was in the Chamber.

Mr. MARTINE of New Jersey. Mr. President, to my positive knowledge the junior Senator from Vermont [Mr. PAGE] was here, and entered his vote.

Mr. CLARK of Wyoming. To my positive knowledge the junior Senator from Vermont did not respond when his name was called, and he was not in the Chamber at the close of the roll call when his name appeared. I will say, further, that the same remark applies to the junior Senator from Minnesota [Mr. CLAPP].

Mr. MARTINE of New Jersey. I have perfect confidence in my eyes, and also in my eardrums; and he was right here in front of the desk of the junior Senator from Montana [Mr. WALSH].

Mr. CLARK of Wyoming. Who was?

Mr. MARTINE of New Jersey. The junior Senator from Vermont.

Mr. CLARK of Wyoming. Mr. President, I saw a Senator—not the junior Senator from Vermont, but another Senator—after his name was called, enter the door and request that his appearance be recorded by the Secretary, and immediately leave the room.

Mr. MARTINE of New Jersey. Mr. President, I am not speaking——

The PRESIDING OFFICER. Does the Senator from Wyoming yield to the Senator from New Jersey?

Mr. CLARK of Wyoming. I want to make one thing plain and then I shall have finished.

The PRESIDING OFFICER. The Senator from Wyoming declines to yield at this time.

Mr. CLARK of Wyoming. I here and now protest, Mr. President, against any names being recorded unless response shall be made to those names in the due course of the roll call.

Mr. MARTINE of New Jersey. I think any Senator will agree with that proposition.

Mr. McCUMBER. I rise to a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. McCUMBER. What is the question now before the Senate?

The PRESIDING OFFICER. The question before the Senate is the point of order made by the Senator from North Dakota.

Mr. McCUMBER. I raise the point of order that that is the only matter which can be submitted to the Senate, and that it must be done without debate.

The PRESIDING OFFICER. The Chair has submitted the question to the Senate. The question is, Will the Senate sustain the point of order made by the Senator from North Dakota?

Mr. JONES. Mr. President, I understand that when a point of order is submitted to the Senate it is then debatable.

The PRESIDING OFFICER. It is debatable.

Mr. JONES. Mr. President, it does seem to me that on a proposition of this kind it would be well for those having charge of this proposition to submit to the Senate——

Mr. McCUMBER. I raise a point of order.

The PRESIDING OFFICER. The Senator from North Dakota will state it.

Mr. McCUMBER. I raise the point of order, under subdivision 2 of Rule XIII, that this matter is not debatable, and I want again to submit that section to the Chair. It provides that—

> When a bill, resolution, report, amendment, order, or message, upon which a vote has been taken, shall have gone out of the possession of the Senate and been communicated to the House of Representatives the motion to reconsider shall be accompanied by a motion to request the House to return the same, which last motion shall be acted upon immediately and without debate.

Whether the Chair decides it himself or whether the Chair submits it to the Senate to decide the point does not make it a debatable question.

The PRESIDING OFFICER. The present occupant of the chair does not think the point of order is well taken. The question before the Senate is the point of order which has been submitted to the Senate. Under Rule XX—

> A question of order may be raised at any stage of the proceedings, except when the Senate is dividing, and unless submitted to the Senate shall be decided by the presiding officer without debate, subject to an appeal to the Senate.

This question, having been submitted to the Senate, is subject to debate.

Mr. JONES. Mr. President, as I was proceeding to say, it seems to me it would be much better if Senators having charge of this matter would consent to the conference report being brought back to the Senate and given the consideration that it ought to receive and then allow it to be voted upon. I am satisfied there would be but very little delay, and I know there is no disposition on the part of anyone to whom I have talked in regard to the matter to delay it.

The only reason this motion was made to bring the report back to the Senate was because it was agreed to the other day, as has already been said, like most of our conference reports, with no discussion and without any consideration whatever.

Of course, everyone knows that when this measure was before the Senate a great deal of interest was manifested with reference to the distribution of the fund between the colleges, and especially as between the colleges in States where there is more than one college. On the amendment that was offered by me when the bill was under consideration there were three or four days' debate, I think. In fact, that was apparently the main proposition in connection with the bill. As was stated by the Senator from Iowa [Mr. CUMMINS], an amendment was proposed to the text of the bill by the junior Senator from Colorado [Mr. SHAFROTH], under which the division of the fund was left to the action of the governor of the State and the Secretary of Agriculture, acting jointly, thus keeping the National Government connected with the distribution of this fund.

The provision in the House bill reads as follows:

> That in any State in which two or more such colleges have been or hereafter may be established, the appropriations hereinafter made to such State shall be admitted by such college or colleges—

That word, I think, should be "administered" instead of "admitted"—

> as the legislature of such State may direct.

Leaving entirely to the legislature of the State the distribution of the fund and the determination of the colleges to which it shall go and by which it shall be administered. In other words, the National Government has absolutely no control over the distribution of the fund as to where it shall go, as to what colleges it shall go to, or by what colleges it shall be administered.

The paragraph of the bill read by the Senator from Georgia a moment ago, in answer to the suggestion of the Senator from Iowa, does not go to this point at all. Under the House bill the Secretary of Agriculture had absolutely nothing to say as to what college or colleges should have any part of this fund.

I am satisfied that the sentiment of the Senate was very strongly in favor of the proposition that, as the National Government appropriates this money, it ought to have some say as to what colleges shall have the money, and that the proposition of the House could not have been sustained by a vote of the Senate. In view of that sentiment, the Senator from Colorado [Mr. SHAFROTH] suggested the amendment that the governor of the State and the Secretary of Agriculture should determine the colleges to which this money should go. That amendment was adopted, according to my recollection and according to the recollection of the Senator from Iowa, without a dissenting vote. Then the vote came upon the amendment I had proposed. That was voted down, and the bill stood as amended by the amendment of the Senator from Colorado, which was far preferable to the amendment of the House and incorporated the substantial principle of my amendment, which was to give the Federal Government some control over the money

that it was appropriating for the encouragement of agriculture in the different States of the Union.

The committee of conference has brought in a report abandoning entirely the provision adopted by the Senate. It has accepted without change or modification the provision of the House bill. Under that provision in States where there are two colleges the legislature of the State can determine absolutely where this money shall go. The United States Government, which furnishes the money for the purpose of encouraging agriculture, has absolutely nothing to say about it.

There is not any question where this money will go. As a matter of fact, it was frankly admitted upon the floor of the Senate by the Senator from Georgia [Mr. SMITH] and by the other Senators favoring the provision of the House bill that no part of this fund would go to be administered by the colleges for the colored students in the various States. They were frank about that. There was no attempt at all to conceal it. Therefore that will be the result under the provision that is now passed and that it is attempted to reconsider.

Mr. SMITH of Georgia. Mr. President, I will state further to the Senator that the result would be the same if the Secretary of Agriculture had anything to do with it, because in my State—and I think the same is true of all the other States—we would not touch the fund if it were not administered in that way. We would abandon it entirely.

Mr. JONES. Then, if that is the case, there could be no reason for not sustaining the provision of the bill as it passed the Senate.

Mr. SMITH of Georgia. Except that it would exclude those States from any participation in the fund.

Mr. JONES. Oh, no; the law would not exclude them. They might exclude themselves.

Mr. SMITH of Georgia. They would exclude themselves, because it would be a vicious law.

Mr. JONES. If they should see fit to exclude themselves, that is no reason why the National Government should give up all of its control over the money that it appropriates.

The Senator from Georgia says this fund does not go to the college. That was all discussed when the bill was under consideration. Of course the money does not go directly to the college in the sense that so much money is turned over to the head of the institution to use as he sees fit; but the money is apportioned to a college or to colleges, and under this legislation it would be apportioned to a certain college, and out of that fund they would employ demonstrators and men to go out into the field to demonstrate the different methods of agriculture. In other words, it is used for the purpose of employing what may be termed "teachers"; not teachers to go into the schoolroom and teach from day to day and from month to month, but they are teachers just the same, and the money is used in just exactly the same way that money is used for the employment of teachers who perform their services within the four walls of the schoolroom. It would be used by the agricultural college which is designated to employ agents and representatives of the college to go out into the different sections of the State for the purpose of demonstrating the different methods of farm work and agricultural work.

I take it that that is an appropriation that results in benefit to the college, practically to the same extent as if it were actually given to the college. The purpose of this fund is to assist in the development of agriculture; to teach, if you please, in a practical, demonstrative way the best methods of agricultural work. It is done by using this money to send out people to different sections, different neighborhoods. I can not see why the National Government should not hold some control over the fund that it appropriates and have the right to say, if it deems it wise to do so, that a part of this money shall go to an agricultural college in the State that is devoted to the instruction of colored children.

It may be said that the demonstrators who go out from the college for white students will demonstrate for the white people and the colored people also. That is true; but I do not believe it will be done to the extent that it would be if you apportioned some of this money to an agricultural college for colored students. There are many sections in the different States where there are very few white people—where the colored population very, very largely predominates. It does seem to me that in those sections, where the demonstrators will be teaching, if you please, or demonstrating almost entirely before colored people, we ought to get colored people for the demonstration work, if we can get them; and I think it appeared very clearly in the debates on this measure that even now there are colored people who have shown their competency for this kind of demonstration work.

In the State of Virginia the reports of the Bureau of Education show that quite a number of colored people have gone out as farm demonstrators, and that their work has been very successful. In other States, too, colored people have been sent out for farm demonstration work.

It seems to me we ought to encourage that kind of work. We ought to encourage the colored people to develop along those lines. There is no better way of encouraging them to develop in that way than by holding out to them the hope that if they will fit themselves for that sort of work they can be sent out by their colleges to do it. I would rather have the influence for good and for growth and development that will come from that encouragement, and from sending out colored persons to communities where colored people very largely predominate to instruct those people, than to have a far more cultured and possibly more competent white person sent to those localities, because the development and the encouragement that come from letting these people know that if they do fit themselves for this kind of work they will have an opportunity to do it, will be of far greater value than the mere individual education and development that will come.

Under the report as it has been adopted by the Senate, which we are seeking to reconsider, all this money will go to the white colleges. There is not any question about that. That in itself will be a discouragement to the other institutions. It will be a discouragement to the children who attend those institutions. They will say: "Of what use is it for us to make any special effort to fit ourselves for this kind of work if the National Government is not going to give us any help or any encouragement—if the National Government is going to allow all the money that comes down into this section to be turned over to the white colleges for white demonstrators and white agents to be sent out, not only to the white localities and communities, but also to the colored localities and communities?"

We ought not to encourage any such feeling as that in any class of our people.

Mr. President, I do not feel like going into a discussion of the merits of this question upon the point of order. We ought to have an opportunity to discuss the matter as it ought to be discussed, with the question directly before the Senate for decision. It ought not to be discussed upon its merits upon a point of order as to the debatability of this motion to refer to the Committee on Agriculture and Forestry.

As I said, if the report is brought before the Senate for reconsideration, I shall take very little time in discussing it. I am satisfied that the time we have spent on these various motions, points of order, and so forth, is far more than would have been taken on a discussion of the question if brought before the Senate, and then a vote would have been reached upon the conference report. I hope it will be permitted to come up for consideration on its merits, so that the Senate will have an opportunity to say whether the report adopted by the conferees shall be the action of the Senate.

The Senator from Georgia [Mr. SMITH] says that if we do not accept this report there will be no legislation upon the subject. I do not think that that is a proposition which ought to appeal to the Senate upon a question upon which it believed, as shown by a very large majority on the vote, that the provision adopted by the Senate ought to be the law. In my short service here I have known many a conference report that has come here and has been rejected and sent back to the committee of conference. I have very frequently known cases where the House conferees have strongly insisted upon a provision that they have put in a bill, and the conference report has been brought in and rejected, and has gone back, and finally the House has receded, or else has suggested some provision by way of compromise.

Mr. CUMMINS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Washington yield to the Senator from Iowa?

Mr. JONES. Yes.

Mr. CUMMINS. I desire to make a parliamentary inquiry. We have adopted a motion for the recall of the conference report from the House. A motion to reconsider the vote by which it was so ordered has been entered. Does the motion to reconsider arrest the execution of the motion which we have adopted to recall the conference report?

The PRESIDING OFFICER. The present occupant of the chair is under the impression that the entering of the motion to reconsider does not arrest the motion to recall.

Mr. SMITH of Georgia. I certainly think the Secretary of the Senate would not send out an action of the Senate when a motion to reconsider that action was pending before the Senate. I think it would be highly improper for the Secretary to send

the action of the Senate to the other House under such circumstances.

Mr. CUMMINS. I made the inquiry because I think it would be highly improper for the Secretary to refrain from executing the order of the Senate and doing his plain duty.

The PRESIDING OFFICER. The Senator from Washington will proceed.

Mr. JONES. Mr. President, as I was saying, very frequently conference reports are brought in here showing an agreement between the two Houses and the conference reports are rejected, the matter is sent back to conference, and then recessions are made by the Senate or by the House or by both, respectively.

I do not see any force in the argument of the Senator from Georgia that if we reject this conference report there will be no legislation. Is it possible that the members of the conference on the part of the House consider this provision to be so important that they would allow it to overturn the entire legislative proposal? If they take that position, it seems to me that we ought to let the responsibility rest upon them. If they consider that the provision placing it entirely with the power of the legislature of a State to say where the money appropriated by the National Government shall go is of greater importance than the fundamental features of this legislation, then, it seems to me, we can very safely let the responsibility rest upon them.

I do not believe, however, that that would be the result. This legislation will not go into effect until the 1st of July, and there is plenty of time to work out the differences in conference. The suggestion of the Senator from Iowa, it seems to me, would be a very good compromise proposition, to allow the legislature and the Secretary of Agriculture to have some say with reference to this matter. If the House of Representatives is not willing to accept something of that sort, then it seems to me that the Senate should not simply give away everything that it believes in in order to secure an agreement. If the legislature of the State, in cooperation with the Secretary of Agriculture, can distribute this money, what objection could there be to it? It does seem to me that a question of that character is of such importance that at least the conferees should be willing to try again and see whether they can not reach an agreement. If the Senate by a very large majority should send the bill back to conference, my observation and experience have been that concessions would very likely be made on the other side on a matter that is not really vital from the standpoint of the various States.

I hope that the proposition can come before the Senate again upon its merits. As I said before, I was with the Senator from Georgia, and, as far as I am concerned, very little time will be taken by me in discussing it.

Mr. CUMMINS. Mr. President, before I address myself directly to the question before the Senate, may I say a word with regard to a point of order previously decided by the Chair? I know that the Chair desires to be right in the matter and would be very unwilling that any precedent should be established here contrary to the rules of the Senate.

I therefore call the attention of the Chair to the fact, which I did not know at the time I was on my feet before, that prior to 1886 the rule relating to motions to reconsider expressly declared that a motion of that character should be decided without debate. That is to say, there were in the first clause of Rule XIII, which covers the procedure with reference to motions to reconsider, the words "without debate." In June, 1886, Mr. Frye, Senator from Maine, reported from the Committee on Rules the following resolution, which was considered by unanimous consent and agreed to:

Resolved, That the last paragraph of clause 1, Rule XIII, is hereby amended by striking out the words "without debate."

This proceeding of the Senate will be found in the CONGRESSIONAL RECORD of that year, page 5944. The note accompanying that reference is as follows:

The above relates to the motion to reconsider, and before its adoption the motion was nondebatable under the rule adopted January 11, 1884, and which went into effect January 21 of the same year.

I believed it to be my duty to call this to the attention of the Chair and the Senate, because it is plainly evident that it was intended at that time to make the motion to reconsider debatable, whereas before that time it was not debatable, and it is not one of the motions which under our rules is declared to be nondebatable.

Mr. McCUMBER. Mr. President——

The PRESIDING OFFICER. Does the Senator from Iowa yield to the Senator from North Dakota?

Mr. CUMMINS. I yield.

Mr. McCUMBER. Will the Senator allow me to call his attention to the fact that I made my parliamentary inquiry and point upon the second subdivision of Rule XIII, and I first substantiated it upon the statement of the Chair that the matter under discussion was not in the possession of the Senate? The rule that the Senator quotes as being amended is that which relates to an original motion only, while the matter before the Senate——

Mr. CUMMINS. No, Mr. President; the Senator from North Dakota is entirely in error. The second clause of Rule XIII governs the procedure upon a motion to recall and not upon a motion to reconsider. The motion to reconsider is, under our rules, debatable; but the motion to recall, which must be accompanied or preceded by a motion to reconsider, is not debatable. In order to make that perfectly clear, because we will often have occasion to rely upon the construction of the rule, I will read the first clause of Rule XIII:

1. When a question has been decided by the Senate, any Senator voting with the prevailing side may, on the same day or on either of the next two days of actual session thereafter, move a reconsideration; and if the Senate shall refuse to reconsider, or upon reconsideration shall affirm its first decision, no further motion to reconsider shall be in order unless by unanimous consent. Every motion to reconsider shall be decided—

Now, prior to 1886, at the point to which I have now come there were the words "without debate"—

Every motion to reconsider shall be decided by a majority vote, and may be laid on the table without affecting the question in reference to which the same is made, which shall be a final disposition of the motion.

That is the only rule we have relating to a motion to reconsider—I mean as to the procedure in disposing of it.

The second clause of the same rule is as follows:

2. When a bill, resolution, report, amendment, order, or message, upon which a vote has been taken, shall have gone out of the possession of the Senate and been communicated to the House of Representatives, the motion to reconsider shall be accompanied by a motion to request the House to return the same—

I hope the Senator will note the connection. The motion to reconsider must be "accompanied by a motion to request the House to return the same"—

which last motion—

That is, the motion to request the House to return the same—

which last motion shall be acted upon immediately, and without debate, and if determined in the negative shall be a final disposition of the motion to reconsider.

It does not cover our action upon a motion to reconsider. The motion to reconsider the vote by which the conference report was adopted is still pending. The only question upon which we were precluded from discussion was upon the motion to recall the report from the House.

I am therefore very clear since these things have been pointed out to me that any motion to reconsider is open to debate. Any other construction would make the attempt to change the rule in 1886 futile and meaningless.

I submit this view of the matter to the Chair, not that it is material to the point we are now discussing but because we want to keep the rules of the Senate, I think, true to their meaning.

The PRESIDING OFFICER. With the Senator's indulgence, the Chair will state that the ruling of the Chair was on section 2 of Rule XIII, and was that a motion to recall from the House a paper not in the possession of this body but in the possession of the other House, not being debatable, a motion to reconsider that nondebatable motion is not debatable.

Mr. CUMMINS. I shall not further challenge the opinion of the Chair, but I believe that it directly overrules the rules of the Senate which make any motion to reconsider debatable without regard to the character of the proceeding.

Mr. McCUMBER. Will the Senator from Iowa allow me?

Mr. CUMMINS. The Chair has already announced that it adheres to its opinion.

Mr. McCUMBER. I desire to call the Senator's attention to the fact, as I assume, that in this case a motion to reconsider has been accompanied by the motion to recall. If it has not been accompanied by the motion to recall, then the whole matter is out of order, because it must be so accompanied; and there is no provision here for putting the motions separately, but it becomes one motion, according to subdivision 2.

Mr. CUMMINS. I do not think so. The Senator from North Dakota, as it seems to me, puts a very strained and unnatural interpretation upon the language of the rule in order to reach that conclusion. It says "last motion." There are two motions, in order to reach a conclusion, a motion to reconsider and a motion to recall; and the last motion is submitted without debate. However, we have passed that point—I mean as to the question whether a motion to reconsider is debatable—and we are now considering whether the motion to reconsider shall be referred to the Committee on Agriculture and Forestry.

Mr. JONES. Mr. President, I should like to make a parliamentary inquiry. I should like to know what would be the effect upon the action of the Senate directing the recall of this bill from the House if before that request reached the House the House should adopt the conference report?

The PRESIDING OFFICER. The present occupant of the chair is of the opinion that that would be the end of it—that the House having acted upon it, it could not be recalled.

Mr. JONES. In other words, if the officers of the Senate should fail to carry the order of the Senate to the House before the conference report is acted on there, their action would defeat the action of the Senate?

The PRESIDING OFFICER. Of course, that is merely the opinion of the present occupant of the chair, and the Chair will only rule upon that question when it is presented.

Mr. SMITH of Georgia. I should like to say that the motion to reconsider was made by a Senator who said he voted under a misapprehension; and if the Senator will allow us to vote, and if the vote should be the same that it was before, it will show that the Senate is not in favor of recalling the bill.

Mr. CUMMINS. If it be true that a mere motion to reconsider does not in and of itself arrest or prevent the execution of an order which the Senate had made—if that be true as a matter of law and procedure in the Senate, then if any officer of the Senate has, at the suggestion of any Senator, withheld the communication from the House he has violated not only his duty but he has committed an indignity upon the Senate that would deserve the most severe censure. I do not say that any officer of the Senate has done so.

Mr. SMITH of Georgia. I will say that I would advise the Secretary that, in my opinion, he ought not to send it. I do not think he ought to send it. I think it would be a great violation of the rights of the Senate if he should send it pending this motion to reconsider, especially in view of the fact that one of the Senators who voted for it stated that he voted under a misapprehension, and the change of his vote would have defeated the action of the Senate.

Mr. CUMMINS. Mr. President, I will deal with that question hereafter. I asked the present occupant of the chair if the making of a motion of that sort was an injunction against the execution of the order of the Senate, and the Senator from Georgia will remember his answer. If any Senator has taken the liberty to prevent the enforcement of the order of the Senate, and if he is wrong with regard to that, then he is subject to censure also.

Mr. SMITH of Georgia. Mr. President——

The PRESIDING OFFICER. Does the Senator from Iowa yield to the Senator from Georgia?

Mr. CUMMINS. I yield.

Mr. SMITH of Georgia. I am perfectly willing to take the responsibility for anything I have done and to meet any effort of censure for what I have done. My own view is that the Secretary ought not to send it, and I express that view freely. On reflection I am not sure that I told him; but I would be glad to tell him, and if I had a chance to do so I would tell him, and I tell him so from the floor now.

Mr. CUMMINS. Mr. President, the officers of the Senate are not subject to the orders of a particular Senator. They are appointed to carry out the order of the Senate as a whole, and we, of course, will deal with that question in the future. If what we have directed is prevented because any officer of the Senate has confidence enough in the Senator from Georgia—I mean confidence enough in his opinion as to the law—to withhold this communication from the House, and in the meanwhile the House puts it beyond our power to recall it, there will be presented a very serious and a very important question, and we will deal with it, of course, when it arises. I for one would not dare as an individual Senator to approach an officer of the Senate whose duty it was to execute the orders of the Senate and advise him to suspend the execution of his duty and await some further action of the Senate.

It may be that the Senator from Georgia is right as to the law of the case. I have not reflected upon it carefully, nor have I studied it at all. I was prompted to ask the occupant of the chair with regard to it, and was both gratified and confirmed in my first impression when he declared that the motion to reconsider did not prevent the immediate execution of the motion to recall. However, we will cross that bridge when we reach it. It will be a most interesting episode in the history of the Senate. I can predict that with a great deal of certainty. We will be called upon to define not only the power of an individual Senator over the officers of the Senate, but we will be called upon to prescribe the duties of the officers of the Senate as well.

I approach, however, the question which is now before the Senate. I am very sorry that there have been any of these preliminary matters brought forward. Here is a great bill, a bill which is intended to advance the interests of the people of this country, especially the agricultural interests, a bill which met my approval, so far as its chief objects were concerned, in a measure that hardly another bill that ever came before the Senate has met my approval and aroused my interest.

One feature of it is a subject of great debate and of wide differences of opinion. That feature was settled by common consent. The Senator from Georgia knew how deeply I was interested in that particular phase of it. He knew how deeply interested was the Senator from Washington [Mr. JONES] and many other Senators. The majority of the Senate, I mean the majority side represented upon that occasion by the Senator from Georgia, had proposed an amendment which turned aside the discussion I was then pursuing, which I was willing to accept and some of us upon this side, an amendment which was brought forward and sustained by every Democrat in the Senate. There was no dissenting voice; and yet when it goes to conference that amendment is defeated and the conference report comes in here and is adopted without anyone upon this side knowing that it had been before the Senate.

It may be that we were negligent about that; it may be that we ought to have more diligently inquired with regard to the contents or the scope of the conference report; but I ask the Senator from Georgia, I ask all his associates, if they do not think it was due to us that we should have some intimation of the action of the conference committee; that we should have some opportunity to sustain the view for which we had struggled for three or four days in the passage of the bill. I again say that it is impossible for me to conceive that there was the least bad faith in the matter; I do not think so; but when the Senator from Georgia and his associates see what has been done, I can not understand why they are not willing to allow the matter to again come before the Senate to be debated and to be determined, and let us ascertain whether the Senate desires to stand by the amendment which was unanimously adopted. If that were done, it is all that I ask.

Mr. SMITH of Georgia. Does not the Senator have the opportunity now to debate it?

Mr. CUMMINS. I beg pardon.

Mr. SMITH of Georgia. Is the Senator not debating it now? Does not this give him an opportunity to test the question?

Mr. CUMMINS. No; I am not debating the merits at all.

Mr. SMITH of Georgia. The whole matter will be passed upon.

Mr. CUMMINS. I am not debating the merits of the proposition. The Senator from Washington alluded in a brief way to the merits, but I have not touched the merits. I do not think the merits are before the Senate at this time. I am asking the Senator from Georgia and those who control this Chamber to give us an opportunity to consider it and to determine whether we are willing to recede from that amendment. It is the fairest thing that could possibly be suggested, and to deny it is simply to take judgment against us by default, and to take it under such circumstances that can not afford much pleasure to the Senators upon the other side in remembering the way in which that judgment was entered.

I believe, Mr. President, that upon a little consideration the Senator from Georgia, who is noted for his broadmindedness, who is noted for his courtesy, who is distinguished for his grasp of such matters as this, will reach the conclusion that it would be far better if we could have the conference report again before us; and if then the Senate decides that it will sustain the conferees and recede from the amendment there can be no protest from this side.

Mr. SMITH of Georgia. Mr. President, put upon the ground that the Senator from Iowa puts it, I do not feel really like insisting that the bill should not be recalled. I dislike very much to have it recalled. I am deeply interested in the proposed legislation, and I do not believe we can pass any other legislation except as we have it framed, but I would not be willing to prevent it from being recalled, in view of the expressions of the Senator from Iowa.

I would not want it done, unless the Senate was really in favor of it; and under the circumstances, if the Senator is willing, I will ask the Senator from New Hampshire [Mr. HOLLIS] to withdraw his motion to reconsider. I think by unanimous consent it could be withdrawn. We would have defeated the motion; the Senator from New Hampshire would have voted with us, as he stated to the Senate; but since the statements made upon the floor by the Senator from Iowa [Mr. CUMMINS] I would not myself feel entirely happy if he did not have the opportunity to let this bill be brought back here and

be discussed on a motion to reconsider. It seems to me that on that motion we can fully discuss the subject, test out the sentiment of the Senate, and, I hope, decline a reconsideration of the bill, and send it right back to the other House and pass it.

Mr. CUMMINS. I shall appreciate it very much if the course suggested by the Senator from Georgia is carried out; and, so far as I am concerned, I am quite willing to debate the bill upon the motion to reconsider. I simply want a fair chance for the Senate to vote on that question.

Mr. HOLLIS. Mr. President, the arguments of the Senator from Iowa [Mr. CUMMINS] appeal very strongly to me, and I am very glad to cooperate with the Senator from Georgia [Mr. SMITH]. I therefore ask unanimous consent that the motion to reconsider made by me be withdrawn.

The PRESIDING OFFICER. The Senator from New Hampshire asks unanimous consent to withdraw his motion to reconsider the vote by which the Senate agreed to direct the Secretary of the Senate to request the House of Representatives to return to the Senate House bill 7951 and the conference report thereon. Is there objection? The Chair hears none, and it will be so ordered. All points of order made thereon are withdrawn, with the consent of the Senate.

INSPECTION AND GRADING OF GRAIN.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (S. 120) to provide for the inspection and grading of grain entering into interstate commerce, and to secure uniformity in standards and classification of grain, and for other purposes.

The PRESIDING OFFICER. The Senator from Missouri [Mr. REED] is entitled to the floor.

Mr. REED. Mr. President——

Mr. HOLLIS. Will the Senator from Missouri yield to me for a moment?

Mr. REED. I yield to the Senator.

PUBLIC SCHOOL BUILDINGS AND GROUNDS IN THE DISTRICT.

Mr. HOLLIS. There is upon the calendar a bill (S. 4316) to regulate the use of public school buildings and grounds in the District of Columbia. It relates to what is called the civic center movement. The bill has been considered by the Committee on the District of Columbia, and a favorable report was made on it March 30. On behalf of the committee, I then asked unanimous consent that the bill be considered. Objection was made purely on the ground that it was a matter of some importance and not a private bill, and that it ought therefore to go over. I think there is no objection to the bill. It merely gives the Commissioners of the District of Columbia a right to permit schoolhouses to be used for places of meeting, and is in accordance with the well-known civic-center movement which is now in vogue in many of the States. With the permission of the Senator from Missouri, I ask unanimous consent that the bill be now considered. If it leads to any debate, I shall withdraw the request.

The PRESIDING OFFICER. The Senator from New Hampshire asks unanimous consent for the consideration at this time of the bill referred to by him, and that the unfinished business be temporarily laid aside for that purpose. Is there objection?

Mr. BRANDEGEE. Before consenting to the request, I wish to ask the Senator from New Hampshire if the bill has in its favor the unanimous report of the committee?

Mr. HOLLIS. It has.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill, which was read, as follows:

Be it enacted, etc., That the control of the public schools in the District of Columbia by the board of education shall extend to, include, and comprise the use of the public-school buildings and grounds by pupils of the public schools, other children, and adults for supplementary educational purposes, civic meetings for the free discussion of public questions, social centers, centers of recreation, playgrounds, and for free public library branches, as well during the school year as during vacation. The privilege of using said buildings and grounds for any of said purposes may be granted by the board upon such terms and conditions and under such rules and regulations as the board may prescribe.

SEC. 2. That the board of education is authorized to accept, upon written recommendation of the superintendent of schools, free and voluntary services of the teachers of the public schools, other educators, lecturers, and social workers and public officers of the United States and the District of Columbia, and voluntary gifts of money in aid of supplementary education, civic meetings, social centers, or centers of recreation and playgrounds: *Provided*, That teachers of the public schools shall not be required or compelled to perform any such services or solicited to make any contribution for such purposes: *Provided further*, That the public-school buildings and grounds of the District of Columbia shall be used for no purpose whatsoever other than those directly connected with the public-school system and as further provided for in this act.

SEC. 3. That all laws or parts of laws in conflict with this act be, and the same are hereby, repealed.

The bill was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

INSPECTION AND GRADING OF GRAIN.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (S. 120) to provide for the inspection and grading of grain entering into interstate commerce, and to secure uniformity in standards and classification of grain, and for other purposes.

Mr. REED. The laws of the State of Minnesota afford no better protection than the laws of the State of Missouri. Missouri's laws are a complete answer to the charge made in the report that the inspection is under the control of interested parties. The Missouri laws have recently been changed so that the warehouse commissioner is now appointed by the governor, by and with the advice and consent of the senate.

Section 38 of this act provides:

That the commissioner shall appoint such suitable person as he may deem qualified for deputy chief inspector * * * and assistant inspectors. * * *

Now, let us see whether they are disinterested or interested.

The chief inspector shall * * * be required to take an oath that he will faithfully and strictly discharge the duties of his said office of inspector according to law and the rules and regulations prescribed by the commissioner. He shall execute a bond to the people of the State of Missouri in the penal sum of $20,000, with sureties to be approved by the commissioner, conditioned that he will pay all damages to any person or persons who may be injured by reason of his neglect, refusal, or failure to comply with the law and the rules and regulations adopted by the commissioner.

Section 40 provides:

The deputy chief inspector and each assistant inspector shall take the same oath as the chief inspector and execute a bond in the penal sum of $10,000, with like conditions, and to be approved in like manner as provided for the bond of the chief inspector. * * * Suit may be brought upon bonds of either the chief inspector, deputy chief inspector, or assistant inspectors for the use of any person injured by any act of said chief inspector, the deputy chief inspector, or assistant inspectors.

You can find nothing of that kind in the bill now before the Senate.

Now, let us see whether these men can be partisans and represent boards of trade or dealers. I read from section 7:

It shall be the duty of the commissioner to appoint a suitable person, who shall not be a member of the board of trade, who shall not be interested, either directly or indirectly, in any warehouse, elevator, or in grain merchandising in this State, who shall be a grain expert, and who shall be known as the chief inspector of grain for the State of Missouri, * * *.

Before entering upon the duties of his office the commissioner shall make, subscribe to, and file with the secretary of state the following oath: "I do solemnly swear * * * that I will faithfully discharge the duties of warehouse commissioner according to the best of my ability, * * *.

In addition to that, this provision follows:

The inspection or grading of grain in this State, * * * must be performed by such persons as may be duly appointed by the commissioner, sworn, and have given bond under this article; * * *

Thus, Mr. President, at least in these two great States containing great grain markets, where there is much more grain handled every year than is raised in North Dakota, we find that the statement contained in this report that there is no disinterested inspection; that those who inspect grain are interested parties, is not borne out by the facts. I believe the Senator from Illinois [Mr. SHERMAN] has demonstrated the same fact with reference to the great markets in his State. So that the report is entirely out of harmony with the real facts.

The Senator from North Dakota would have us believe that these State officials violate their oaths of office and lay themselves liable to suits on their bonds in order to engage in roguish practices. I denounce the statement as absolutely in the teeth of the facts.

Mr. President, I propose now to discuss the bill a little more in detail, and as I go through it I shall continue to show, as I have already shown, that there is scarcely a statement in this report bottomed upon the verities; and, Mr. President, I raise the question of a quorum.

The PRESIDING OFFICER. The Senator from Missouri suggests the absence of a quorum. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Ashurst	Hollis	Pittman	Smith, Mich.
Bryan	Hughes	Pomerene	Smoot
Burton	Lane	Ransdell	Sterling
Catron	Lea, Tenn.	Reed	Thomas
Chamberlain	Lodge	Sheppard	Townsend
Chilton	McCumber	Shields	Vardaman
Clarke, Ark.	Martine, N. J.	Shively	Warren
Crawford	Nelson	Smith, Ariz.	Works
Cummins	Oliver	Smith, Ga.	
Dillingham	Overman	Smith, Md.	

Mr. LANE. I wish to announce that the Senator from Wisconsin [Mr. LA FOLLETTE] is absent, engaged on committee work, and that the Senator from Minnesota [Mr. CLAPP] is also similarly engaged.

The PRESIDING OFFICER. Thirty-eight Senators have answered to their names. There is not a quorum present.

Mr. WARREN. I ask that the names of the absentees be called.

The PRESIDING OFFICER. The Secretary will call the names of the absent Senators.

The Secretary called the names of the absentees; and Mr. DU PONT, Mr. LEWIS, Mr. NORRIS, Mr. ROBINSON, Mr. SHERMAN, and Mr. WEST answered to their names when called.

Mr. BRISTOW, Mr. SUTHERLAND, Mr. SIMMONS, Mr. BRANDEGEE, and Mr. LIPPITT entered the Chamber and answered to their names.

Mr. SMITH of Maryland. I desire to announce that the junior Senator from Delaware [Mr. SAULSBURY] is absent on official business. He is paired with the junor Senator from Rhode Island [Mr. COLT].

The PRESIDING OFFICER. Forty-nine Senators have answered to their names. There is a quorum present. The Senator from Missouri will proceed.

EXECUTIVE SESSION.

Mr. CLARKE of Arkansas. Mr. President, I will ask the Senator from Missouri if he thinks there is any likelihood of getting through with the pending bill this afternoon?

Mr. REED. I think there is none.

Mr. CLARKE of Arkansas. Then, if it is agreeable to the Senator, I move that the Senate proceed to the consideration of executive business.

The motion was agreed to, and the Senate proceeded to the consideration of executive business. After 10 minutes spent in executive session the doors were reopened, and (at 4 o'clock and 45 minutes p. m.) the Senate adjourned until to-morrow, Thursday, April 30, 1914, at 12 o'clock meridian.

NOMINATIONS.

Executive nominations received by the Senate April 29, 1914.

PROMOTIONS IN THE ARMY.

INFANTRY ARM.

Lieut. Col. William F. Blauvelt, Tenth Infantry, to be colonel from April 28, 1914.

Lieut. Col. Wilds P. Richardson, Infantry, unassigned, to be colonel from April 28, 1914, vice Col. Samuel W. Dunning, Thirteenth Infantry, retired from active service April 27, 1914.

Maj. Beaumont B. Buck, Thirteenth Infantry, to be lieutenant colonel from April 28, 1914, vice Lieut. Col. Almon L. Parmerter, unassigned, detached from his proper command.

Capt. Ferdinand W. Kobbé, Twenty-second Infantry, to be major from April 28, 1914, vice Maj. Beaumont B. Buck, Thirteenth Infantry, promoted.

CAVALRY ARM.

Lieut. Col. William C. Brown, Cavalry, unassigned, to be colonel from April 26, 1914.

Lieut. Col. George H. Morgan, Eleventh Cavalry, to be colonel from April 26, 1914, vice Col. Charles M. O'Connor, Sixth Cavalry, detailed as inspector general on that date.

Maj. George H. Cameron, Fourteenth Cavalry, to be lieutenant colonel from April 26, 1914, vice Lieut. Col. George H. Morgan, Eleventh Cavalry, promoted.

Capt. Edward D. Anderson, Sixth Cavalry, to be major from April 26, 1914, vice Maj. George H. Cameron, Fourteenth Cavalry, promoted.

CONFIRMATIONS.

Executive nominations confirmed by the Senate April 29, 1914.

UNITED STATES MARSHAL.

J. R. Thompson to be United States marshal, eastern district of Tennessee.

PROMOTIONS AND APPOINTMENTS IN THE NAVY.

Ensign Boyce K. Muir to be a lieutenant (junior grade).

Samuel L. Howard to be a second lieutenant in the Marine Corps.

To be assistant surgeons.

Carroll R. Baker.
Cliff C. Wilson.
George W. Calver.
Daniel Hunt.
Claude W. Carr.
Howard Priest.
Arthur E. Beddoe.
Robert L. Crawford.
Thomas A. Ratliff.
Louis Lehrfeld.
John F. Riordan.
Ovid C. Foote.
Martin B. Hiden.
Arthur E. Younie.
Louis H. Roddis.
Frank H. Haigler.
Frederick Ceres.
Horace V. Cornett.
James D. Bobbitt.
William H. Massey.
Harvey R. McAllister.
Walter C. Espach.
Howard A. Tribou.
Thomas A. Fortesque.
William B. Hetfield.
Jesse B. Helm.
Walter L. Haworth.

POSTMASTERS.

ARIZONA.

Patrick G. Madigan, Benson.

ARKANSAS.

Alonzo T. Barlow, Booneville.
Claude D. Brown, Huntington.
George C. Cooper, Devall Bluff.
Arthur R. Hill, Ashdown.
T. W. Sparks, Harrisburg.
Lowell B. White, Benton.

MICHIGAN.

Lewis Hart, Fowlerville.
Edson Porter, Blissfield.
Nathaniel Schmid, Manchester.

UTAH.

Parley P. Willey, Bountiful.

VIRGINIA.

John T. Cooke, Waynesboro.
James R. Rawlings, Fredericksburg.

HOUSE OF REPRESENTATIVES.

WEDNESDAY, *April 29, 1914.*

The House met at 12 o'clock noon.

Rev. William Couden, of Indianapolis, Ind., offered the following prayer:

O God, Thou hast made it known that every faintest prayer from the heart of any of Thy children is hailed with joy in heaven, and that Thou wilt respond to our needs and aspirations with wisdom and love. Apply to us as a Nation, O Lord, the same mercy and faithfulness Thou dost vouchsafe to us as individuals. Instruct our leaders, guide our policies, protect our interests, and defend us from all dangers, seen and unknown; and lift our national life ever nearer and nearer a likeness to the ideals we find in the principles of Jesus Christ. And, dear Lord, we pray that what we ask for ourselves may become a world-wide blessing, uniting under Thee all men, all nations, in universal brotherhood. For Jesus' sake. Amen.

The Journal of the proceedings of yesterday was read and approved.

LEAVE OF ABSENCE.

Mr. FERGUSSON, by unanimous consent, was granted leave of absence for one week on account of illness.

LAWS RELATING TO THE JUDICIARY.

Mr. WATKINS. Mr. Speaker, before moving that the House go into the Committee of the Whole House on the state of the Union, I would like to have some understanding with reference to the time to be consumed. Will the gentleman from Illinois——

Mr. PORLAND. A parliamentary inquiry, Mr. Speaker.

The SPEAKER. The gentleman will state it.

Mr. BORLAND. Has the reading of the bill been concluded?

Mr. WATKINS. Yes, sir.

Mr. MANN. The first reading was dispensed with.

Mr. WATKINS. Can we have some agreement as to time for general debate?

Mr. MANN. I think it might be advisable to let it run along for a while.

Mr. WATKINS. Unless we agree now, we will have to rise and go back to the House in order to reach an agreement later on.

Mr. MURDOCK. Why do you not go ahead with the bill? There seems to be no general demand for general debate.

Mr. WATKINS. Will the gentleman from Illinois [Mr. MANN] and the gentleman from Kansas agree to two hours for general debate?

Mr. MANN. I think we had better start it. I think the chances are it will not take very long.

Mr. WATKINS. Then, Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 15578) to codify, revise, and amend the laws relating to the judiciary.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 15578, with Mr. RUSSELL in the chair.

The CHAIRMAN. The House is in the Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 15578.

Mr. WATKINS. Mr. Chairman, from the size of the volume in which this bill is contained there has prevailed for the last two Wednesdays an idea that it will take a considerable length of time, and on that account a good many Members have opposed the present consideration of the bill. I infer that has much to do with the fact that on last Wednesday the Committee of the Whole House on the state of the Union decided to postpone or to defer the further consideration of the bill at that time. I wish to say to those who have this idea that if we can proceed in regular order it will not take more than two or perhaps three Wednesdays to dispose of the bill. But if, on the other hand, obstacles are thrown in the way and the progress of the bill be retarded by what some are inclined to denominate as a filibuster, then it may be that a considerable part of the remainder of this session of Congress will be consumed in its consideration. This bill is nonpartisan in its character. There are no politics in it whatever. It is simply and purely a question of revising and codifying the laws and bringing them up to date in such simple manner as to enable all lawyers and all persons interested in the law—and we are all interested in it—to obtain what they may wish to know and to refer to any of the laws in an easy way.

I call attention to the fact that there are two reports accompanying this bill. Report No. 1 explains each section of it, and at the end of that report—and I call attention of the Members particularly to this, so that they may more readily examine the various sections of the bill—the sections of the Revised Statutes under which we start in this codification of the laws relating to the judiciary are numbered seriatum, and opposite the numbers of the sections of the Revised Statutes the sections of this bill are numbered, and in that way you can readily turn to any section in this bill and find in what part of the Revised Statutes it originates. I call particular attention to the larger report, Part 2, because very few Members of the House who have conferred with me in reference to the matter know anything about it or have had their attention called to it. Part 2 of this report gives on the one side of the page—on the left-hand side—the law in its present form as recommended to be passed by this House and as incorporated in the bill which is before the House. On the opposite page—the right-hand side—are the original laws to which this bill refers, and the verbiage in the text of the bill is printed, and by referring to the opposite side of the page any Member, whether he be a lawyer or not, can readily understand not only what is contained in the text of the bill but its origin and what statute gave rise to the law which is incorporated in the bill. It is so simple and clear that anyone, whether a lawyer or not, can readily understand it by making this examination. I make this explanation because of the fact that numbers of Members of the House have asked me to explain the features of the bill and the intent and purpose of it and the ultimate object of it; that is, the effect it may have upon the laws of the country.

In 1868 this committee that reports this bill for the revision of the laws was created. In 1897 the work had progressed to that point which made it necessary to have a commission appointed to codify and revise the laws. Three commissioners were appointed, and those gentlemen proceeded with the discharge of their duties until 1906. They were supposed to have concluded their labors in 1906. At that time, having, as they supposed, finished the work and placed it in such satisfactory form that it would be approved by the House of Representatives, they submitted their work, but although it had been performed by those three commissioners, lawyers of ability though they were, it did not meet with the entire approval of the House of Representatives, and their codification was never adopted by the House.

For continuing the work and getting it in the form in which the Congress of the United States thought it should be put, a joint committee of the House and Senate was appointed, and that joint committee continued its work until three years ago, when the Democrats came into control of the House, and they decided that under the wave of economy and reform they would dispense with the expense which was incurred by that joint committee of the House and Senate. Since that time the work has been continued solely and entirely by the Committee on the Revision of the Laws in the House. The clerk of the committee, not having heretofore been required to do this class of work, entered upon the discharge of his duties to the best of his ability and has presented this bill as the result of his work in cooperation with and under the direction of the Committee on the Revision of the Laws.

In the former codification under the judicial title the bill reported, which became a law on March 3, 1911, had for its object the remodeling of the courts and provided for their jurisdiction as well as their salaries, and fixed the districts; and at the same time in that codification it was thought proper by the Joint Committee on the Revision of the Laws to eliminate the circuit courts. The circuit courts having been eliminated, you will therefore find numerous references in this bill to work which was heretofore done by the circuit courts, which is now referred, respectively, to the district courts and to the circuit court of appeals.

This bill, being the remainder of the judiciary title under the codification, has for its object the specifying of the duties of United States marshals, the United States district attorneys, and the clerks, and the salaries of these various officers, together with the code of procedure, both civil and criminal; and it also incorporates the feature or chapter with reference to habeas corpus, and also a chapter on extradition.

From my standpoint, viewing it as a lawyer, I look upon this particular codification which is submitted as being more important than any other work which has been submitted heretofore, either by the joint committee or by the Committee on the Revision of the Laws of the House. The work heretofore submitted has been the Alaskan Code and the Criminal Code and the first part of the judicial title. This bill, referring as it does to procedure in the courts, is of immense value to every lawyer and should be carefully considered by the lawyers in the House as we proceed with the discharge of our duties in the consideration of this bill.

I mention this fact because there seems to be a disposition when bills of this kind are presented to offer various and sundry amendments, some embodying the pet theories which the Members may have had for a long time; and I desire to call particular attention to the fact that if indiscriminate amendments are tacked on to the bill or embedded in it or made a part of it, various other sections in the same bill will in all probability have to be rearranged, readjusted, and reenacted. In addition, we stand in danger of coming into conflict with the decisions of the Supreme Court interpreting these various sections, because there is hardly a section in this bill which has not been at one time or another passed upon by the Supreme Court; at least by the inferior courts, and many of them by the Supreme Court of the United States.

Do not understand that I wish to intimate or request that there shall be no amendments offered to the bill. Indeed, it is necessary that there shall be many amendments offered for this reason: It has been construed by the Speaker of the House that the province or object or jurisdiction of the Committee on the Revision of the Laws is to revise and codify simply, and not to submit or to suggest new laws; and in compliance with that idea and interpretation by the Speaker we have endeavored in submitting this revision, first, to incorporate those laws which were recommended by the commission which was appointed for that purpose; and, second, to incorporate in the bill all those enactments of Congress which have been passed and which amend any feature of the law either before this commission made its recommendation or afterwards, but particularly those enactments either amending laws, or making laws since this work of the commission was submitted in 1906.

Therefore you will find in the bill which is now presented something like 700 places in italics which we ordinarily understand as amendments to the original bill which was filed in the House. In this case, however, it does not mean that. These italics in this bill simply mean that those passages are new features recommended by the commission, and are not new features recommended by the committee; the committee not feel-

ing authorized to recommend the passage of new laws but simply to submit amendments and make suggestion by way of amendment, and not to incorporate new laws by means of this bill.

Mr. STAFFORD. Mr. Chairman, will the gentleman yield?

The CHAIRMAN. Does the gentleman from Louisiana yield to the gentleman from Wisconsin?

Mr. WATKINS. Yes.

Mr. STAFFORD. Do I understand that the Committee on the Revision of the Laws incorporated all the recommendations of the commission appointed in 1898 to revise the laws?

Mr. WATKINS. Practically and substantially; yes, sir.

Mr. STAFFORD. When we had the last judicial title under consideration, as I understood from the gentleman then having it in charge, Judge Moon of Pennsylvania, I gained the impression that in many instances they departed from the recommendations of the former commission and did not consider those recommendations as absolutely binding.

Mr. WATKINS. Well, the present Committee on the Revision of the Laws did not consider the report or the work of the commission as absolutely binding. We thought it better to leave it in the province of the House to make those amendments to the bill which we considered as advisable and in some instances necessary to be made. In a general way we followed the recommendations of the commission. However, there have been many amendments to the law and many interpretations by the Supreme Court since the work of the commission ended, and wherever that occurs we have embodied those differences in the bill, so as to bring it up to the present time and incorporate either those laws which have been interpreted in a different way from the commission by the Supreme Court, or which have been enacted by way of amendment or repeal by Congress. The general features, though—the general outline—has been substantially followed as recommended by the commission, of course bringing up to date every law under this title which has been incorporated in this bill.

Mr. STAFFORD. If the gentleman will permit me further, in this part of the bill where we find print in italics, that only contains recommendations made by the commission, or are recommendations of the committee also included in italics?

Mr. WATKINS. They are not recommendations of the committee, but they are changes in the law recommended by the commission.

Mr. STAFFORD. In this instance, where the committee supplemented the recommendations of the commission, how are we to determine what those amendments are?

Mr. WATKINS. There are no new features of law incorporated in this bill except enactments of Congress, and we have simply inserted them in the bill, what is commonly known as blending them in the bill.

Mr. STAFFORD. Have you indicated those amendments by italics or have you attempted to distinguish them in any way?

Mr. WATKINS. They are not amendments to the bill, because the original bill that was introduced incorporated all of them, and we could not put them in italics for the reason that if we did it would bring about a confusion. This is the way we have managed that: Instead of printing in roman or in italics, or instead of indicating in any other way, we have put the law itself on the opposite page.

Mr. STAFFORD. If I understand, the print contained on the left-hand pages of part 2 of the report is the bill as reported by the committee?

Mr. WATKINS. Yes. That on the left-hand side is reported by the committee. That on the right-hand side is the law upon which it is based.

Mr. FOSTER. I notice that through the bill there are certain sections that have italics. Are those amendments to the original law?

Mr. WATKINS. Those are recommendations by the commission appointed for the purpose of codifying the law.

Mr. FOSTER. For instance, here on page 95, section 169, there are certain paragraphs printed in italics. Now, why are they so printed there? Are the italics additions to the present law, and are the amendments shown in that way throughout the bill?

Mr. WATKINS. Yes.

Mr. FOSTER. And all the amendments are printed like that?

Mr. WATKINS. Yes; and if you will turn to part No. 1 of the report, you will find each section explained. The explanation of section 169 is this——

Mr. FOSTER. If the gentleman will excuse me, my question was whether the italics indicate changes from the original law?

Mr. WATKINS. Yes.

Mr. FOSTER. And all the changes?

Mr. WATKINS. No, sir. The commission appointed to codify the laws ended its work in 1906, and since then many new laws have been passed, which have been incorporated into this bill.

Mr. FOSTER. Are the parts printed in italics recommendations of the commission of 1906?

Mr. WATKINS. Yes.

Mr. FOSTER. That is what the italics mean?

Mr. WATKINS. Yes; and a very pertinent illustration is this section 169. If you will turn to part 1 of the report, you will find a full explanation of the history of that and what it means, and every section of the bill is explained in the same way.

Mr. MANN. Mr. Chairman, will the gentleman yield for a question?

Mr. WATKINS. Certainly.

Mr. MANN. The large volume which I hold in my hand, which the gentleman will recognize——

Mr. WATKINS. Is that part 2 of the report?

Mr. MANN. Part 2 of the report, entitled "Report of the commission." Just what is this?

Mr. WATKINS. That includes everything that was incorporated in the bill which was originally introduced and which becomes now H. R. 15578.

Mr. MANN. I am trying to get at the meaning of the words "Report of the commission."

Mr. WATKINS. It includes the report of the commission and a great deal more besides. It includes the report of the commission, together with all the laws which have been passed since that time upon this subject matter, and eliminates from the report of the commission all those laws which since 1906 have been repealed or amended. When they have been amended the amendments are blended into the bill.

Mr. MANN. Then this heading "Report of the commission" is a trifle misleading, without an explanation, I take it.

Mr. WATKINS. It is substantially the report of the commission——

Mr. MANN. I am not criticizing anything. I just want to know. This is not the way the commission reported it.

Mr. WATKINS. Not entirely, no; because the new features which have been enacted since that time have been added to it.

Mr. MANN. Is the bill now pending exactly and identically the same as is printed on the left-hand page of this part 2?

Mr. WATKINS. Unless there is some typographical error, it is identical.

Mr. MANN. What commission was this?

Mr. WATKINS. That was the commission appointed in 1896, and which performed its duties until 1906, for 10 years, getting up a codification, for the purpose of making out of it the revised statutes, the same kind of a publication as the former revised statutes, which had been in existence up to that time.

Mr. MANN. Was there not a subsequent commission?

Mr. WATKINS. No; there was not. There was subsequent to that time a joint committee of the House and Senate on the revision of the laws, and that joint committee brought out the criminal code and the first part of this judicial code.

Mr. MANN. How much did they do on this report of the commission?

Mr. WATKINS. I am not prepared to say how much, for this reason: I regret to have to inform the gentleman that the Committee on Revision of the Laws have not had access to their work. If the gentleman will remember, Mr. Heyburn was one of the compilers. He was left here after the joint committee was dissolved, and he left the document representing the proceedings and work of this joint committee in charge of the Secretary of the Senate, and it was deposited in the library of the Senate, and I, as chairman of the Committee on Revision of the Laws, have made a demand on him for the purpose of getting whatever they had, and he has declined to give it, because he says it belongs to a joint commitee and not to the Committee on Revision of the Laws, and substantially all of that work is new work. However, there is a part of which I was successful in getting, through a third party, which did not embody anything like all the law suggested, but did embody a considerable part of it. That happened to be a document on the outside, which was not accessible even to the committee.

Mr. MANN. What I want to get at is, how much of this work has been gone over, first, by the Commission on the Revision of the Laws, and, second, by the Joint Committee on the Revision of the Laws? Now, the committee had access, of course, to the report of the commission on this title.

Mr. WATKINS. Yes.

Mr. MANN. But did not have access to the work of the joint committee.

Mr. WATKINS. That is right.

Mr. MANN. Does the gentleman know how far the Joint Committee on Revision of the Laws took up this title?

Mr. WATKINS. I have been informed that they had about covered the remainder of the judiciary title, although I have not had access to the work.

Mr. MANN. We had a very strong Committee on the Revision of the Laws on the part of the House. The gentleman from Kentucky [Mr. SHERLEY] was a member of that commission.

Mr. WATKINS. It was quite an able body, and they were doing satisfactory work, but the House considered that the work was too expensive and dispensed with it.

Mr. MANN. Whatever the reason was does not make any difference—I do not know whether that was the reason or not.

Mr. WATKINS. I introduced a bill asking that the joint committee be reappointed, but it has never been reported out of the committee.

Mr. MANN. I think that arose out of some controversy as to whether there should be a joint committee on the revision of the laws, with the House Members consisting of three or possibly five, or whether the work should be done in the House by the Committee on the Revision of the Laws by a much larger membership. I think that was the controversy that arose in the House. But that does not make any difference. All I want to know is whether the gentleman's committee has had the benefit of the careful work done by the Joint Committee on the Revision of the Laws in the preparation of this bill.

Mr. WATKINS. We did not, except in the way that I have indicated. There were some parts of the work which a gentleman on the outside had happened to get hold of which he submitted to the committee, and we availed ourselves of the opportunity to use it.

Mr. MANN. My understanding was that when the Joint Committee on Revision of the Laws was at work they had the assistance of somebody in the Attorney General's office.

Mr. WATKINS. They did, at $5,000 a year, and Mr. Hayburn had $5,000 a year, and the clerk had a good salary, and in all it amounted to $18,000 or $20,000.

Mr. MANN. The gentleman does not mean that Senator Heyburn got any salary?

Mr. WATKINS. Oh, no; but Mr. Hayburn, one of the compilers. Senator Heyburn was a very able member of that committee.

Mr. MANN. Does not the Attorney General have a copy of the work that they performed?

Mr. WATKINS. If the Attorney General's office has any copy of it, I have never heard of it. It did not come that way. This man was detailed from the Department of Justice to do this work, and we have been in conference with him constantly, and I never heard him say that they had a copy of the work.

Mr. MANN. The gentleman's committee has had the same man?

Mr. WATKINS. No; we have had nobody except the clerk of the committee and my private secretary, although it was not his duty to perform any part of this work, and I have remunerated the man from whom I got a part of that report myself.

Mr. MANN. If the gentleman will pardon me, the secretary of the committee, or whoever has done it, has done some very good work.

Mr. WATKINS. The clerk of the committee is entitled to the credit, except that it was under the direction of the members of the committee.

Mr. MANN. It would seem to me very valuable if we could obtain the benefit of the work done by the very strong joint committee. We passed the criminal code and the judiciary title bill largely on the strength of their work.

Mr. WATKINS. I should be very glad, indeed, to have the assistance of the gentleman from Illinois in putting me in possession of that work.

Mr. MANN. I have no doubt that if the House should ask for it, it would get it without any trouble.

Mr. STAFFORD. Will the gentleman yield?

Mr. WATKINS. Yes.

Mr. STAFFORD. As I remember, the young man assigned by the Department of Justice to assist the Joint Committee on Revision of the Laws was Mr. Hurd?

Mr. WATKINS. No; Mr. Lott.

Mr. STAFFORD. He favored me when the matter was under consideration with a draft copy of the revision of the titles, so far as he had passed upon them. They were a very valuable set of documents. I assume that other Members of Congress obtained the same. Can the gentleman inform the committee whether he has had, or his committee has had, the aid of these piecemeal revisions that the joint committee had prepared?

Mr. WATKINS. I am sorry to inform the gentleman that we have not. We have had every possible obstacle thrown in the way to embarrass the work, whether it was premeditated or accidental or on account of the operation of the law, I am not prepared to say. It is a fact that these thing are locked up in the library of the Senate in sacks, of no use to anyone, although they cost thousands and thousands of dollars, and we have not been able to avail ourselves of them.

Mr. STAFFORD. Is Mr. Lott still in the Attorney General's office?

Mr. WATKINS. Yes; but not in this capacity; he is in Ohio, I think; trying cases—trust-busting cases.

Mr. STAFFORD. If my memory serves me right, the former joint committee on revision of the laws in many instances, in fact, in most instances, refused to follow the recommendations of the original commission on revision of the laws, and yet the gentleman has presented here substantially the commission's recommendation for the adoption of the House.

Mr. WATKINS. The gentleman is mistaken. I was on the Committee on Revision of the Laws and was in close touch with the work, and while they did not adopt in all instances the recommendations of the commission, in most instances they did. In one instance, which was the abolition of the circuit court, that was a departure from the general law, and there is no such necessity in this case as there was there. The joint committee of the House and Senate thought it was advisable to abolish the circuit courts, and they recommended that feature, but we do not find a necessity to make any such departure from the recommendation of the commission in this instance.

Besides that, we have found that even when this committee has introduced bills in the House, and those bills, like the first part of the judicial title, had been passed by the House and signed by the President, and afterwards amendments are proposed to these laws, those bills making amendments are usually referred to the Committee on the Judiciary and do not come back to the Committee on Revision of the Laws, and we have construed that as indicating the judgment of the Speaker that it is not the province of this committee to originate laws, and for that reason we have been very discreet, at least extremely cautious, about making any recommendations for the passage of new laws.

Mr. STAFFORD. The gentleman will remember, having been a member at that time of the Committee on Revision of the Laws, that the joint committee in many instances departed from the recommendations of the original commission and incorporated new matter.

Mr. WATKINS. Yes.

Mr. STAFFORD. And in fact, as I remember from the discussion at that time, the joint committee did not consider the recommendations of the original commission as ex cathedra that should be followed, but brushed them aside, merely using them as suggestions as a basis for further investigation.

Mr. WATKINS. Mr. Chairman, those commissioners were very able lawyers—high-priced men, experts in the law.

Mr. STAFFORD. As I recall, there was one gentleman who was quite advanced in years, and whom I regarded as merely occupying a sinecure. In fact, the commission had not done anything of consequence for five years, and Congress terminated it because Congress regarded the whole thing as a sinecure.

Mr. TOWNER. Mr. Chairman, will the gentleman yield?

Mr. WATKINS. Certainly.

Mr. TOWNER. When reference is made to the report of the commission in the report of the committee, as I understand the gentleman, that means a joint committee of the House and Senate?

Mr. WATKINS. No; we make no reference to the work of the joint committee of the House and Senate. There were three commissioners who were appointed for the purpose of codifying and revising the laws, and they operated, and they were continued over a period of 10 years, from 1896 to 1906, and it is their codification of the laws to which reference is made.

Mr. TOWNER. In the statement made by the committee of which the gentleman is the chairman it is stated that in the performance of its duties the committee has adhered to and followed the recommendations of the Commission to Revise and Codify the Laws.

Mr. WATKINS. That is not the joint committee of the House and Senate, but that commission of lawyers which was appointed for the purpose of codifying these laws.

Mr. TOWNER. What I was going to ask the gentleman is, Does he mean by that that his committee has followed the report of the commission in form or in substance?

Mr. WATKINS. Generally in form. Sometimes we have changed the phraseology in slight degree so as to make it more intelligible, more homogeneous. Sometimes the expressions do

not exactly fit in together from one section to another, and in those instances we have made such changes as we thought were advisable for that purpose, but we have not undertaken to enact any new law on those sections.

Mr. TOWNER. Do I understand that the gentleman or his committee has not had available for their purpose any of the work of the joint committee?

Mr. WATKINS. Substantially none. I have already explained that I was fortunate enough to get hold of part of one of the volumes or pamphlets that they had worked on, and procured the services of the gentleman who had it in charge, and his services we had for about 10 days, possibly 2 weeks, on that work, so that we would have the benefit of it, but that was a very small part of the work.

Mr. TOWNER. So far as these reports are concerned, then, we have not before us at all the benefit of the work of the joint committee?

Mr. WATKINS. No. The committee has not been able to avail itself of that work.

Mr. SMITH of Idaho. Mr. Chairman, will the gentleman yield?

Mr. WATKINS. Yes.

Mr. SMITH of Idaho. At the beginning of the present session of Congress the gentleman will remember that I called upon him and advised him of the fact that all of the data compiled by the joint committee with reference to the chapters subsequent to 14, I think, of the judicial title was available in the library of the Senate.

Mr. WATKINS. Yes.

Mr. SMITH of Idaho. At the close of the last Congress the papers belonging to the joint committee were all turned over to the librarian of the Senate, in order that they might be preserved for reference and use when the work was again taken up, and I do not understand what the gentleman has reference to when he says these compilations are not available.

Mr. WATKINS. Mr. Chairman, I was very much obliged to the gentleman from Idaho for the information which he gave me with reference to the matter, and I endeavored to avail myself of it by sending over, as suggested by the gentleman, to the Secretary of the Senate, and asking for those documents to which my attention was called by the gentleman from Idaho. The Secretary of the Senate very promptly declined to let me have them, because of the fact that they were documents which had been in the possession of, and as he thought belonged to, the joint committee, and not to the separate committee on the revision of the laws. He declined to let me have possession of them. I have not, therefore, availed myself of the suggestions of the gentleman far enough to procure the documents and have not procured them.

Mr. SMITH of Idaho. Mr. Chairman, it is very remarkable that valuable data which has been compiled at great expense by one branch of Congress is not available to any committee that may properly consider matters of that kind. I was assured by the librarian of the Senate that those documents would be turned over to the chairman of the Committee on Revision of the Laws of the House, upon formal application, and that all that he would require would be the receipt of the chairman of the committee.

Mr. WATKINS. I am very much obliged to the gentleman for his interest and the information which he gave to me, and I availed myself of it to the extent of writing to the person designated, who was the man to give authority to the librarian to take the documents out, but he declined to do so.

Mr. MANN. Mr. Chairman, will the gentleman yield?

Mr. WATKINS. Certainly.

Mr. MANN. I do not see how a committee of the Senate, having possession of documents, could turn them over to the gentleman's committee, except for use; but did they decline to permit the gentleman's committee to use the documents, to receive the documents?

Mr. WATKINS. My request was to turn them over to the committee which was doing the work, and that was what the Secretary declined to do. He knew I wanted them for the use of the committee.

Mr. MANN. I suppose if a Senate committee should ask the House file clerk to turn over House files belonging to a House committee he would not do it, but if the committee wanted to examine and use them, that would present a different proposition.

Mr. WATKINS. I do not see how it could refer to anything else except we wanted to use it in connection with the work done by the committee.

Mr. TOWNER. If the gentleman will pardon me, it seems what was asked for and what was understood was a transfer of these papers from the Senate committee to the House committee instead of merely asking for them to be placed at the disposal or for the use of the House committee. Is not that correct?

Mr. WATKINS. I do not remember the verbiage of the order which I signed, but the purport was we wanted to use these documents in connection with the work we were doing on this compilation.

Mr. TOWNER. I do not see how the Senate librarian could possibly refuse the use of these documents to the committee of the gentleman.

Mr. WATKINS. The gentleman's surprise can not be greater than mine when I received the reply.

Mr. TOWNER. It is a very strange thing that a public document prepared at great labor and expense should not be available for the very purpose for which the work was done.

Mr. WATKINS. I will state to the gentleman, however, that this work has been done regardless, and the Committee on Revision of the Laws had had a determination to proceed with the work in spite of the obstacle which was thrown in the way, and they have covered the work which was expected to have been done in part by the joint committee, and which was never finished by that committee because the joint committee was dispensed with or abolished.

Mr. Chairman, I have already taken up much more time in a discussion of this matter than I deemed necessary, because of the fact it is largely work of a clerical character and there is no complication in it to explain.

Mr. STEPHENS of Texas. Will the gentleman yield?

Mr. WATKINS. Certainly.

Mr. STEPHENS of Texas. I believe substantially the first revision of our laws was in 1878?

Mr. WATKINS. The Committee on Revision of the Laws was appointed in 1868. That was the committee of which B. F. Butler was chairman, and that committee has been in force since that time.

Mr. STEPHENS of Texas. The committee of the gentleman has been acting in this partial revision under the same instructions as the Butler committee?

Mr. WATKINS. Oh, no; it was very limited in its power. Although they were limited much more than the committee now is—because there have been several amendments to the law giving fuller authority, still they originated and had passed many bills which had been referred to the committee and back to the House and passed without their jurisdiction being questioned at all. Still, the law has been amended several times since then.

Mr. STEPHENS of Texas. As I understand the effect of this provision, it is that whenever this revision comes in conflict with prior existing laws of Congress that the revision was the law on which the Congress passed.

Mr. WATKINS. Whenever it shall have been passed by the Congress, but never until that time. But the committee has never had authority to originate an act—to enact it into law. It has always been required to report the bills to the House and let the House pass upon them.

Mr. STEPHENS of Texas. If this bill which the gentleman has reported now becomes the law, and should it be found in conflict with existing law, it would be the law that would govern the Congress?

Mr. WATKINS. The provisions of this bill, if this bill is passed in its present form, will supersede the other law on the same subject matter.

Mr. STEPHENS of Texas. It will act as a repeal of existing laws?

Mr. WATKINS. Yes, sir. Mr. Chairman, I now yield to gentlemen on the other side. First, I would ask how much time have I remaining?

The CHAIRMAN. The gentleman has consumed 45 minutes.

Mr. WATKINS. Then I will reserve the balance of my time.

Mr. BUCHANAN of Illinois. Mr. Chairman, I rise to apprise this House of the urgent necessity of immediate consideration and passage of a resolution introduced by my colleague from Illinois [Mr. O'HAIR]. The resolution I refer to provides for an investigation by the Military Affairs Committee or a subcommittee thereof of the conditions and affairs of the National Homes for Disabled Volunteer Soldiers and Sailors, and so forth, with a view of determining whether or not it is for the advantage and best interests of said homes and the management and conduct thereof that they should be by an act of Congress placed under the management and control of the Department of War.

I have been petitioned for some time past to take up this matter in behalf of the inmates of some of these institutions, and particularly the Battle Mountain Sanitarium, at Hot Springs, S. Dak., but have been too busy about other matters

to do anything about it before this. The matter was brought to a head, however, a few days ago, when three of the inmates of this institution were dropped from the rolls.

I would like to have the attention of Members present to this statement of conditions as reported to me. I am not absolutely sure my opinion is correct, but the information I have states a condition there which seems to me is something that ought to be worthy of the attention and consideration of the Members of this Congress.

I received a letter from one of the gentlemen, part of which is as follows:

The expected happened this morning. Patients Lacy, Yount, and myself have been expelled from the sanitarium without a moment's notice and without cause. We are sick, without means, and are forced to either beg, steal, or starve away out here, where nobody knows us.

Mr. Speaker, the information I have leads me to believe that the reason these men were expelled from this institution was because they had the audacity to complain of the conditions existing there and were seeking redress. I have often been told that this is the usual custom of the officials of these homes in treating with those who make complaints. These men informed me that they employed every possible means of approaching the authorities with their grievances, but that their appeals fell upon deaf ears; and when it was discovered that they were seeking aid from Members of Congress they were misused, oppressed, and finally dropped from the rolls altogether. At the instance of one of the men just expelled I had the board of managers order an investigation of the conditions of this home last summer. The report made by the investigators was a sort of whitewashed affair, as was expected, but it did result in the discharge of a number of the superintendents complained against and also a momentary improvement in some other respects, showing that there was some ground for the complaints.

Mr. IGOE. Will the gentleman yield?

Mr. BUCHANAN of Illinois. Yes.

Mr. IGOE. What home is the gentleman talking about?

Mr. BUCHANAN of Illinois. The Battle Mountain Sanitarium, South Dakota.

Mr. IGOE. Were these men employees?

Mr. BUCHANAN of Illinois. No; they were inmates there under treatment for tuberculosis.

Mr. GORMAN. Will the gentleman explain how they got in there?

Mr. BUCHANAN of Illinois. These homes are created for the soldiers and sailors. These are soldiers and sailors that have been accepted at these homes, and who were dropped from the rolls.

Mr. GORMAN. These men of which the gentleman speaks at one time were in the naval or military service of the United States; is that the fact?

Mr. BUCHANAN of Illinois. They are Spanish War veterans, I believe. I speak of this matter as whitewash, because when this report was made after this investigation they practically exonerated them, but at the same time admitted that one of the attendants at this place had beat up one of the old soldiers or one of the inmates—one of the soldiers whether old or not, but who was afterwards discharged—saying there was no ground for complaint of these inmates, but admitting that this soldier had been beaten up by one of the attendants.

I have evidence on file in my office, Mr. Speaker, regarding conditions and treatment of patients in this institution that would bring the blush of shame to the face of any patriotic, public-spirited citizen. One of the instances cited to me was that a certain patient complained to the governor regarding some poor food a certain orderly had served him. Instead of investigating the matter properly himself, the governor notifies the orderly that a complaint had been made and at the same time tells him who made the complaint. The result was that the orderly, in connection with one or more of his companions, attacked the patient while he was in bed and severely beat him up. The patient endeavored to secure redress through the governor, but was denied. He filed suit against the orderly on the charge of assault and battery. But when the patient requested the governor to permit several other members of the home who had witnessed the assault to leave the home to testify in the trial the governor flatly refused. I was further informed that the governor brought his influence to bear upon the prosecuting attorney, with the result that the attorney, who previously was very willing to take up the matter, absolutely refused to go on with the case. However, the patient refused to give up the matter, and finally succeeded in getting the case before the judge. The testimony on both sides was presented, and a verdict of guilty was rendered and the defendant fined $15.55.

This clearly shows that the governor in control of this home out there had tried to shield some one who had violated the law and was fined for violating the law by beating up some inmate of this home.

Mr. GOULDEN. Will my friend from Illinois yield?

Mr. BUCHANAN of Illinois. Yes.

Mr. GOULDEN. Has the gentleman the name of that official, the governor in charge of that home?

Mr. BUCHANAN of Illinois. I have the whole thing. I did not bring all the information I have here.

Mr. GOULDEN. If my friend will pardon me, I think that name should go in the RECORD, because any man who does what that man is charged with doing, if true, is unfit to be at the head of any institution in which human beings are cared for, not even one for dogs and cats. I trust that Congress will order an investigation.

Mr. BUCHANAN of Illinois. I will say to my friend that while there is another side to this case, of course, this information that continually comes to me is evidence to me and convinces me that there are so many abuses in this home at Battle Mountain, S. Dak., to interest the Members of this House sufficiently to pass this resolution I speak of at once, and have a real investigation of the matter. I do not know that the investigation will bear out all that I have been informed about. Probably there are exaggerations. No doubt there are. If I would put all before this House that I have received, I expect you would think it was exaggeration.

I have information, Mr. Speaker, that the authorities disregard regulations, that the medical staff is incompetent, and numerous other conditions exist which ought not to be.

The home is for the care of tubercular and other diseased patients, and particular care should be exercised in the treatment of the inmates. However, I am informed that oftentimes foodstuff, such as eggs, apple butter, port wine, and other necessaries, are allowed to run out and some time elapses before they are again supplied. A short time ago I had some tobacco forwarded to me which is furnished to the inmates of this institution. I have a sample of this stuff with me, and it is about the rankest, rottenest stuff I ever saw—not even fit for a goat to chew; yet this is what is furnished tubercular patients at the Battle Mountain Sanitarium.

I want to say that this is the second sample of the tobacco that I have received. The other was worse than this, and if any of the Members wish, they can look at this and see whether it is fit stuff to furnish to anyone.

I have a letter here, too, that is signed by nine of the inmates of this institution, which tells about the tobacco. I would like to have the Clerk read this letter in my time.

The CHAIRMAN. Without objection, the Clerk will read the letter.

Mr. BUCHANAN of Illinois. I might state, before the Clerk reads the letter, that I also had some rotten apples sent to me from out there, as well as other things that are not fit for use by well persons, let alone sick ones. Of course the apples might not have kept well from there here, but I have sufficient information to feel called upon to make this statement to this Congress.

The CHAIRMAN. The Clerk will read the letter.

The Clerk read as follows:

BATTLE MOUNTAIN SANITARIUM,
NATIONAL HOME FOR DISABLED VOLUNTEER SOLDIERS,
Hot Springs, S. Dak., January 3, 1914.

Hon. FRANK BUCHANAN, M. C.,
House of Representatives, Washington, D. C.

MY DEAR MR. BUCHANAN: Thanking you for your kind favor of the 10th ultimo, I have the honor to send you for your inspection, under separate cover by parcel post, some chewing tobacco, which was issued to nonpensioners at this sanitarium pursuant to section 262 of the laws and regulations governing the nation..l homes for disabled volunteer soldiers, which provides as follows: "Tobacco will be issued free to such members of the home as receive no income from labor or pension, and who require it for their personal use. The allowance will be 5½ ounces of chewing tobacco or 5 ounces of smoking tobacco for each 10 days, issue to be made trimonthly. Free issue will be denied to any member detected in disposing of his allowance to others."

The tobacco, you will observe, is green with mildew and is a fair sample of the tobacco that has been issued at this sanitarium three times a month since about August, 1913. Now, Mr. BUCHANAN, proper complaint has been made to the governor of this institution, but he has only seen fit to waive the complaint aside by asking the utterly foolish question, namely "Does it taste bad?" Complaint has also been made by different members to the treasurer, who, by the way, is also the quartermaster, acting, as you see, in a dual capacity, having been appointed to the position of quartermaster by the board of managers, vice Capt. Jones, of unsavory reputation, who either resigned or was fired—I am not sure which—because I believe the members of the sanitarium kept up a steady cannonade in his direction ever since you were instrumental in having a board of managers' inspector come out here last summer. I respectfully ask you to exercise your imagination as to what might or can happen when one man, be he ever so honest, be allowed to hold two positions of trust as sanctioned in this case by the infamous board of managers. In the first place, this man, Maj. Stanley, as he is known, being the treasurer of the home, makes all contracts, pays all bills, and then as quartermaster receives all supplies and O. K.'s the bills and issues all the supplies for the use of the home. I tell you, Mr. BUCHANAN, that must be very fine business—that is, for Maj. Stanley. But how does the home and the members fare?

If you will kindly bear with me you shall see. Now, the only satisfaction we the undersigned members could get to our complaints was the statement of the quartermaster that he was powerless to buy new tobacco to replace the moldy, rotten stuff dealt out to us, because he would first have to go to the great trouble of making out papers and getting the sanction of the supreme board of managers away off in New York City, and, further, that when the present stock of moldy tobacco, known as the "Fawn" brand—which, by the way, is not a standard and is entirely unknown to users of tobacco—would run out no more of that brand would be purchased by him. Your honorable sir may draw your own conclusion as to what kind of tobacco it is by considering the following: When the powers that be first issued this particular brand of tobacco I in common with other members tried to exchange it, as we sometimes used to do, with other brands that had been issued to us from time to time and as we were at that time privileged to do, when we would get tired of chewing tobacco and wanted to smoke a cigar; but we were turned down by the storekeeper of the post store, who informed us that henceforth he would not take our chewing tobacco in exchange, he being ordered so to do by the treasurer of the home, because, he explained, it was not a standard brand of tobacco and consequently could not be sold in the post store. In other words, this now rotten and moldy "Fawn" brand was good enough to give to the nonpensioners, but not nearly good enough to be placed on sale at the post store. So, plainly speaking, Mr. BUCHANAN, the charge I wish to make in common with the other comrades, whose signatures are attached to this communication, is that it was and is criminal indifference on the part of the officers of this sanitarium, especially since they were duly notified, to issue such tobacco, the use of which would not only make a well man sick but would certainly kill a sick man, especially when suffering from tuberculosis.

To give you a better idea as to what extremes these incompetent officers will go to, they, even after being informed as to the condition of this tobacco—which even no self-respecting goat would have anything to do with—deliberately added insult to injury by attempting to palm off on us that kind of tobacco by first putting it through some renovating process, which resulted in changing its appearance, and removed the tags and labels therefrom.

I submit to you, Mr. BUCHANAN, should we be forced to continue to suffer the infliction of such rough stuff as that above mentioned, and a lot of other outrages, as for example, was inflicted on myself on December 31, 1913, by one of the incompetent nurses, who in treating one of my sore eyes carelessly dropped some poisonous solution on the outside lid of my left eye, which is still sore and inflamed, and which would, I have no doubt, blinded me for life if luck did not favor me by it having dropped on the outside of the eyelid instead of on the inside, along with the undefiled bunk which is continually being handed us in the guise of a cure for our troubles by the present management of this sanitarium, backed up by as noble a band of love-labor patriots as ever scuttled a ship, known as the board of managers, who are past masters in the art of whitewashing.

So we, the undersigned, beg of you in God's name and that of suffering humanity in these homes to get busy and earnestly seek the cooperation of the other honorable men in Congress to put an end to the insufferable conditions as obtain in these soldiers' homes, not by putting these matters up to the board of managers, who only vent their spleen on us poor devils by giving us the gate, but by abolishing the board altogether, and then promulgate some plan whereby the men who have made this Nation possible will be enabled to secure justice.

Thanking you again and again for past favors and awaiting your further efforts in our behalf, I, sir, beg to remain,

Most cordially, yours,

ANTHONY H. WALICH.

P. S.—We would especially respectfully request that you take up this matter of the tobacco with the Committee on Military Affairs in the House, and when you examine the tobacco just simply break it, instead of using a knife to cut it, which will enable you to see the true condition of the same.

A. H. W.
JOHN COOPER.
ADOLPH ABELS.
C. B. KLINGMAN.
JOHN F. LINAHAN.
JOHN H. YOUNT.
GEORGE COSSEBOOM.
JAMES H. LACY.
HENRY L. HENRYSEN.

Mr. BUCHANAN of Illinois. Now, Mr. Chairman, since receiving that letter I have received a number of others, and have been informed that those who have been making the complaints have been dropped from the rolls, and those three who wrote me about being expelled from the home it seems have secured some vacant building there that is very poorly furnished, and they are being kept by the town authorities until such time as these matters can be investigated. It is only temporary, anyway. At least, they are subject to charity, have got nothing, are sick, and have been put out of this home. As I stated before, I do not know what the facts are in regard to the matter, except from the source of this information, which seems to me is sufficient for this Congress to be willing to have the Committee on Military Affairs make this investigation. I hope in the very near future that this resolution, introduced by my colleague, Mr. O'HAIR, will be taken up and acted upon.

I now yield 25 minutes to the gentleman from North Carolina [Mr. POU] and reserve the balance of my time.

The CHAIRMAN. The gentleman from North Carolina [Mr. POU] is recognized for 25 minutes.

Mr. POU. Mr. Chairman, at this moment this Republic is praying for peace. This is the twentieth century and the people of this Nation abhor war. The man who thinks the American people will tolerate war, save as a last resort, is woefully mistaken.

The other day at Vera Cruz we were suddenly reminded of the real meaning of war. Oh, how thankful all good men are that to-day the sky is a little brighter, that the hope for peace is a little stronger.

Perhaps it is better that those dead soldiers of the Republic yielded up their lives in line of duty away from home and friends. The tragedy of it all is not so heartrending. Had they died at home there would have been the hush of the death chamber broken only by the low wail of anguish of dear ones. The flowers would have been there; the funeral procession would have moved on keeping time to slow toll of the church bell. Friends would have gathered around a new-made grave. The sobs and cries of mother, brother, and sister would have died away while the choir sang "Nearer, My God, to Thee," or "Lead Kindly Light"; the minister of God would have been there leading in performing the last sad rites; and, Oh, there would have been that last sad, piercing wail from the boy's mother as the first clod fell upon the lowered coffin.

Mr. Chairman, I repeat it is not so distressing that these brave boys died away from home. Let us hope that this first skirmish at Vera Cruz will so arouse the people of this Nation and of Mexico to a true realization of what real war between the two nations means that both shall strive even harder not for war but for honorable peace. [Applause.]

Mr. Chairman, just here I can not help reminding you how unfair, how unjust, yes, how cruel have been some of the attacks made upon the President upon this floor. With infinite patience the President has been using every ounce of influence wielded by his great office not for war but for peace. And because he did not rush headlong into a bloody war they said his policy was weak, vacillating, and un-American. When the breaking point came and he could stand the insults and affronts to our national honor by a usurper no longer, it was actually charged on this floor that President Wilson was about to engage in war with Mexico because he does not like Gen. Huerta. Mr. Chairman, no more serious charge could have been brought against any President. If that charge were true, he should be impeached. If the gentleman who brought the charges believes it is true, he should take the initial step in instituting proceedings of impeachment. If the charge is not true, I appeal to the judgment of my colleagues here to decide what course should be pursued by those responsible for this attack on the President.

The entire course followed by the President from the very beginning shows how baseless the charge is.

Mr. McKinley was driven to war with Spain under somewhat similar circumstances. You will search the record in vain for such a charge against him. For my part I do not believe this Nation has ever had a President who would have been guilty of such a charge. But, Mr. Chairman, I do not believe the President will suffer any injury to the lofty reputation he has maintained and is maintaining by reason of any of these baseless charges. I believe this man is appreciated by the American people; at least one man has written an appreciation which is well worthy of repetition here. I clipped this, Mr. Chairman, yesterday from the News and Observer of Raleigh, N. C.:

OUR PRESIDENT.

[Editorial by William Allen White in Emporia (Kans.) Gazette.]

How well he seems to have managed it—this sordid business of going to war; how fair he has been; how patient, how dignified, how infinitely gentle and kind. No bluster, no threats, no snicker of anticipation; no licking of the Nation's chops—just a simple-souled, brave, soft-hearted, hard-headed man. It is sad enough to go into war of any kind at any time, but it is less sad to go knowing that every honorable means has been taken to keep away from war. And this consolation President Wilson has given us by his wise, forbearing, Christian attitude before the provocation of a foe, mad and desperate and foolish.

The good God, who knows all and watches over all, and sees all, and directs all, was in our hearts deeper than we knew when as a Nation we chose this great, serene soul to lead us.

There is, I think, even a better description of the President in the lines which, if I remember them correctly, run this way:

An hour like this demands strong minds,
Great hearts, true faith, and ready hands,
Men whom the lust of office does not kill;
Men whom the spoils of office can not buy;
Who possess opinions and a will,
Who have honor and who will not lie,
Men who can stand before the demagogue
And scorn his treacherous flattery
(And unfair abuse parenthesis mine) without winking,
Tall men, sun crowned, who live above the fog,
In public duty and in private thinking.

[Applause.]

Mr. Chairman, the President will continue his efforts for honorable peace. If we must have war, it will come when every honorable effort known to civilized diplomacy has failed.

The sunflower, with face upturned, greets the rising sun, follows the god of day across the vaulted skies, and, with head bowed low, bids him adieu as he sinks below the western sky line.

The President of this great Nation, with uplifted face, reverently follows the Son of Righteousness. He is leading in the prayer of a Christian people for peace. Let us all hope—oh,

we all do hope—that the prayer of this great civilized Christian Nation, this prayer for peace, led by the President himself, like sweet incense will ascend up to the great white throne of God. [Loud applause.]

MESSAGE FROM THE SENATE.

The committee informally rose; and Mr. GORMAN having taken the chair as Speaker pro tempore, a message from the Senate, by Mr. Tulley, one of its clerks, announced that the Senate had passed without amendment bill of the following title:

H. R. 2314. An act for the relief of Allen Edward O'Toole and others, who sustained damage by reason of accident at Rock Island Arsenal.

The message also announced that the Senate had passed the following resolution:

Resolved, That the Secretary be directed to request the House of Representatives to return to the Senate the bill (H. R. 7951) to provide for cooperative agricultural extension work between the agricultural colleges in the several States receiving the benefits of an act of Congress approved July 2, 1862, and of acts supplementary thereto, and the United States Department of Agriculture," and the message of the Senate agreeing to the conference report thereon.

REVISION OF THE LAWS RELATING TO THE JUDICIARY.

The committee resumed its session.

Mr. BUCHANAN of Illinois. Mr. Chairman, how much time have I left?

The CHAIRMAN. Twenty-five minutes.

Mr. BUCHANAN of Illinois. I yield 20 minutes to the gentleman from Washington [Mr. BRYAN].

The CHAIRMAN. The gentleman from Washington [Mr. BRYAN] is recognized for 20 minutes.

Mr. BRYAN. Mr. Chairman, I desire to make a few remarks, but I did not expect it to come on for a few minutes yet; but I suppose I had better take the time now.

The proposition that I have in mind is the coal-strike war in Colorado and some events that have developed in connection with that proposition.

Surely the situation in Colorado should startle the American people into consideration of the problems involved. We have had a tremendous agitation all over this country. Some of the structural steel sympathizers conducted a campaign by dynamite and blew up a reactionary newspaper man's plant. That was an awful crime. To-day both sides are engaged in civil war in Colorado. John D. Rockefeller, in his robes of piety, is causing defenseless women and children and hard-working men to be shot to death, and miners are dealing death and destruction to State guards called by the tarred hands of a corrupt political organization to make the men do the bidding of the Standard Oil magnate.

This master of Standard Oil raises his voice for the open shop, yet he stands a criminal violator of the Sherman antitrust law of the very first magnitude. He has done more against the principle of open competition among manufacturers, railroads, and big producers than any man in the world, with the tentacles of his octopus, the Standard Oil Co., extending throughout all the nations of the world. They cured the dynamite situation by convicting a lot of men and condemning them to terms of imprisonment. Who will say that the Rockefellers are not as great criminals in thus slaughtering innocents in order to avoid recognizing the union organized by these workingmen?

This is not a new problem; it is only an aggravated phase of the same problem the people have had before them, lo, these many years.

The country has for a long time been confronted with propositions involving the coal supply of the country, the alleged agreements between railroads and other great interests as to the controlling of the coal supply and the price of fuel by increasing railroad rates, and by monopolizing the coal supply of the country.

Very recently Senator TILLMAN introduced in the Senate a resolution calling for the investigation of certain conditions that were alleged to exist along the Atlantic seaboard, and especially in the Southern States, and in that resolution he sought to investigate allegations which charged the Southern Railway and the coal interests with making combinations that prevented the railroads from obtaining a reasonable revenue on the transportation end of their business, but increased greatly the revenues of the so-called Coal Trust, the owners of the coal, who no doubt are also the owners of the railroad. Here are some of the things the resolution demanded:

Why the Southern Railway has built no wharves or made no provision for handling tidewater coal at any of the South Atlantic ports, and whether the riparian rights and water frontage of South Atlantic harbors is not now being bought up by the parties in the interest of the Coal Trust, while the Southern Railway is taking no active steps to build for itself an independent outlet.

Whether trustees for the stockholders and members of the board of directors of the Southern Railway are financially interested in coal-mining industries on the Pennsylvania Railroad system, the Baltimore & Ohio, the Norfolk & Western, or the Chesapeake & Ohio, and to what extent; and whether they, or any of them, are financially interested in any coal-mining industries tributary to any of said railways. And if found to be interested, ascertain whether such mines have been allowed preference or advantages not allowed to all other shippers (shown by cases already decided by the Interstate Commerce Commission or State commissions). And in all coal-mining operations tributary to the Southern Railway in which any director of the Southern Railway or director of any railroad controlled by it, or allied with the Southern Railway, is financially interested, ascertain the division of through rates with other railroads, and in all cases where a coal operation tributary to the Southern Railway controls a local railroad, or when such local railroad is controlled in common with a coal operation, for assembling and distributing its own coal, ascertain just what proportion of rates it receives, if any, from the carriers, or what compensation other than a division of the rates it may receive.

Whether the rate making for the Southern Railway, or other southern carriers of coal, is dominated by the Pennsylvania Railroad or Norfolk & Western; or whether the freight rates of the Southern Railway and any of the other southern coal carriers are made and fixed and maintained by the traffic men of the Southern Railway and other southern carriers; or whether the Pennsylvania Railroad, the Norfolk & Western Railway, the Baltimore & Ohio, and Chesapeake & Ohio exercise any influence, either through a rate-making or traffic association or otherwise, in the matter of making the rates for the Southern Railway and other southern carriers.

Whether or not there is any discrimination now existing in favor of any one port on the Atlantic seaboard as against another port, and, if so, in what does such discrimination consist; and whether or not any coal trust or combination of railroads and coal companies control the coal tonnage to any port or ports, and, if so, how; and whether or not the coal supply of West Virginia, Virginia, Pennsylvania, Tennessee, and Kentucky flows naturally and without unnecessary obstruction to their respective natural ports upon the Atlantic seaboard; and whether or not there is any discrimination in rates against any coal operators.

The coal rates to 30 or more representative cities on the Southern Railway in Virginia, North Carolina, South Carolina, Georgia, and Florida, and compare these rates with the rates enjoyed by the cities of relative importance and location, with regard to mines, in Pennsylvania, Ohio, Indiana, and Michigan on the Pennsylvania Railroad system, including the cities whose rates are compared in the letter read into the CONGRESSIONAL RECORD by Senator TILLMAN on April 8.

What actual ownership each director of the Southern Railway Co. has in that company, and what ownership, if any, is held in it by the individuals composing the trustees for the stockholders.

That resolution being offered, Senator TILLMAN introduced a letter from Mr. B. L. Dulaney, whom he represented to the Senate as being an authoritative person on these matters. In that letter he published a list of rates, showing the grossest kind of discrimination in certain territories and certain areas, and he raised the question of wharfage and wharfage facilities for the marketing of coal in that particular section and demonstrated, so far as the authority of the letter went, the fact that these agreements intend to exact exorbitant toll from the people for coal, one of the necessities of life, monopolized by a few men in this section.

I here cite a portion of Mr. Dulaney's letter:

MARCH 25, 1914.

Senator B. R. TILLMAN,
Washington, D. C.

DEAR SIR: The most important question to the industrial world is transportation. By the control of the transportation of this country one can build up or break down any section regardless of its natural advantages. It is well known that the transportation of this country is controlled by a small group of financiers, mainly in New York. But while they control the transportation of the whole country, their ownership of industrial enterprises is limited to certain parts of the country, as, for example, the coal industry of Pennsylvania and some other sections; and hence the flagrant abuses in the practices of rate making to favor their own coal and to destroy the independent coal mines.

In the matter of coal freight rates, I think the most abused States in the Union are North Carolina, South Carolina, Georgia, Florida, and a portion of Virginia. The industrial progress of these States has been in spite of the high cost of fuel transportation, and it ought to be clear to everyone of intelligence that general manufacturing can not prosper until transportation conditions have been corrected. By an examination of the rate sheets, open to all, it will be seen that the average manufacturer located on the Pennsylvania system, for example, pays from 30 to 60 per cent less freight on fuel than is paid by the average manufacturer on the Southern Railway—that is, for haulage for equal distance. For example:

Compare rates to Columbus, Ohio, with rates to Columbia, S. C.:

	Miles.	Rate.
To Columbus from Pocahontas	334	$1.15
To Columbia from Appalachia	318	2.25

Compare rates to Toledo, Ohio, with rates to Savannah, Ga.:

	Miles.	Rate.
To Toledo from Pocahontas	456	$1.45
To Savannah from Appalachia	471	2.10

Compare rates to Cincinnati, Ohio, with rates to Lynchburg, Va.:

	Miles.	Rate.
To Cincinnati from Pocahontas	340	$1.10
To Lynchburg from Pocahontas	169	1.50

Compare rates to Cleveland, Ohio, with rates to Charleston, S. C.:

	Miles.	Rate.
To Cleveland from Pocahontas	472	$1.35
To Charleston, S. C., from Appalachia	447	2.05

Compare rates to Dayton, Ohio, with rates to Winston-Salem, N. C.:

	Miles.	Rate.
To Dayton from Pocahontas	364	$1.35
To Winston-Salem from Pocahontas	239	2.10

Compare rates to Indianapolis, Ind., with rates to Augusta, Ga.:

	Miles.	Rate.
To Indianapolis from Pocahontas	449	$1.65
To Augusta from Appalachia	401	2.20

Compare rates to Detroit, Mich., with rates to Charlotte, N. C.:

	Miles.	Rate.
To Detroit from Pocahontas	505	$1.60
To Charlotte from Appalachia	305	2.25

Where there are two or more routes the short mileage is used.

The evident purpose of these high rates, especially to the coast towns and cities, is not to raise revenue for the Southern Railway, but to prohibit the movement of coal by it from the mines on its own rails to tidewater, for if the independent coal shippers had access to tidewater with proper coal-loading facilities there would be competition with the Coal Trust from Florida to Maine as well as in the export business.

* * * * * * *

I believe that a thorough investigation will show that the abnormally high local rates throughout the Southern territory are due in a large measure to the need of revenues to meet such purchases and to the inflation of capital and bond issues caused thereby.

I believe that an investigation will show the existence of a secret rate-making association, and that all important freight rates in the territory in question are dominated by the Pennsylvania Railroad greatly to the detriment of all the other railroad involved and unfair to the country they traverse.

I believe that an investigation properly conducted will show that the men who control the Southern Railway have practically no investment either in the Southern Railway itself or in the territory served by it, except in a small portion of Virginia and Alabama.

* * * * * * *

Very truly, yours,

B. L. DULANEY.

Here we have one feature of the organized conspiracy to get the tribute from the people by this company of philanthropists who are prating about open shop. They do not stand for open shop in their line. Not a bit of it.

THE WEST VIRGINIA PAINT AND CABIN CREEK SITUATION.

We have recently had under consideration the West Virginia situation, where the Constitution was suspended, where the statutes of the State were suspended, and where, by edicts and judgments of martial law, men were committed to prison for terms of from one to seven years at hard labor for violations of the rules of the governing board, the court-martial board, without preliminary hearing, without jury trial, or judicial decree of any kind, and such proceedings were indorsed by the governor and sustained by the Supreme Court of West Virginia. There was power enough in the West Virginia coal interests to influence the supreme court of that State to render a decision that will plague these judges in the time to come. I do not think the judges were corrupted in the ordinary sense, but the slimy hands of the coal interests so impressed and hypnotized the weak men who composed that court that the majority decided that the law was suspended, the State and Federal Constitutions were temporarily abrogated, and that human liberty and the Bill of Rights did not have to be regarded or respected for the time. The writ of habeas corpus was "ordered" out of existence. The majority opinion said the right to undo and wipe out all constitutions and laws was "inherent" in the officers, an inherited—come from above—Divine right under cases of emergency and necessity, such as were presented by the coal barons of West Virginia in their effort to force these men back to work without recognizing the unions. If you doubt what I say, get a copy of Senate Document 43, Sixty-third Congress, and read the decision for yourself. The dissenting opinion of Justice Robinson arraigned the misguided and oath-forsaking majority of the court more strongly than I can here arraign them. He said:

The majority opinion boldly asserts that the sacred guarantees of our State constitution may be set aside and wholly disregarded on the plea of necessity. It had long been supposed that such a doctrine was forever condemned and foreclosed in this State. It was believed that the ringing denouncement against that doctrine in the opening sentences of our constitution was sufficient to bar it from recognition by any citizen, official, or judge.

* * * * * * *

A decision based on that which our people have so clearly condemned and inhibited from recognition in our State government, and which the highest tribunal in the land has so plainly declared to be pernicious and to have no place in our form of government, meets my emphatic dissent.

* * * * * * *

The principle of martial law can not be inherently connected with any constitutional government in which the constitution itself directly declares against the principle, as our Constitution does.

The Coal Trust was bigger than the Constitution. We thought we had our constitutional rights safeguarded by requiring the judge to take a solemn oath to obey and support the Constitution. But here was the exercise of the plainest kind of mental reservation, so far as the coal barons were concerned.

Not only were these private coal interests big enough and powerful enough to make these judges put their oaths and the Constitution behind them, but they were big enough to corrupt and suborn the entire machinery of government, and amid unrestrained lawlessness and murder to bully men and women into compromises and surrenders that were beneath self-respect.

So much for the Paint and Cabin Creek proceedings, so fresh in the minds of us all; but the present system of mining and marketing coal was said to demand such things. Is there not something rotten wrong about such a system? We must have coal, or we will shiver with cold and die from starvation; so if the present system can not be improved on and it becomes a case of preserve our Constitution or die, the decision will likely most generally be on the side of life.

But let us see some more about the present system.

Again to-day we were startled and saddened with the report in the newspapers of an awful disaster in the coal mines at Eccles, W. Va., whereby some 203 people lost their lives. The report says to-day:

Two hundred and three men perish in blazing mines. All hope abandoned for West Virginia miners.

The report sets forth that for some reason or other in the operation of that mine these 203 people are blown or burned into eternity.

Two carloads of coffins ordered last night from Cincinnati are expected during the day.

If each miner represents 5 dependents, you have over 1,000 widows and orphans. Will they be properly paid for the loss of him on whom they depended? No. The widows will mourn and the children will go about the streets or will go to work in the mine, and the Rockefellers will teach their Sunday-school classes and try to explain what Christ meant when He said:

It is easier for a camel to go through the eye of a needle than for a rich man to enter the kingdom of heaven.

But the same old system will continue until the people of this country devise a new one; the Rockefellers will not help find a better way; oh, no; they will glibly talk away about their own consciences and will give a small percentage of their ill-gotten lootings to universities and to charities, and will continue to fraudulently carry elections, when necessary, to influence officers and control courts and browbeat and bully men until they have lost their self-respect.

If word were to come to-night of the massacre of a dozen Americans by mobs in Mexico City, public sentiment in this country would demand the life of the Mexican dictator; but for this appalling toll in West Virginia we only catch our breath and take it as a matter of course.

Why are our mines operated with such slight regard for human pain and suffering and for human life? Because Rockefeller and the coal interests value dollars more than the lives of men. Dollars will buy more men, so they save the dollars and leave the men to their fate. It has been pointed out repeatedly, until it has become a notorious fact, that American coal mining is about three times as dangerous as coal mining in European countries. I have not the figures and do not claim ability to make accurate statement as to this feature, but it is all wrong that such loss of life should exist.

In 1911 there were 728,348 persons employed in the mining of coal in the United States. Of this number 2,719 were killed in mining accidents in that one year, besides many who died from occupational diseases. Certain mines owned by the big interests were the most fatal of all. The figures quoted show an average death rate in the coal mines of the United States from accidents in 1911 of 3.73 per 1,000 employees. In Colorado, where child labor is reduced to the minimum and where the death rate under humane methods should be the lowest, the figures show there were 6.33 per thousand employees to lose their lives from accidents in 1911, nearly twice the general average.

THE COLORADO WAR SITUATION.

Look again at the situation in Colorado. We must have coal, I will admit, but we do not have to perpetuate the present system of mining and distributing it. If there had been as many killings of Americans under Huerta in Mexico as under Rockefeller in Colorado, American soldiers would raise the cry of "On to Mexico," and Huerta would pay the penalty with his own head if he could be connected with the slaughter even half as remotely as Rockefeller can be connected with the slaughter of the last few days in Colorado.

It is recognized that no matter what position we take as to the merits of the parties to the controversy, the fact remains that there is an intolerable condition in the State of Colorado. The fact remains that it is the duty of this Congress, the duty of the lawmaking power of this country, to do something to permanently change those conditions and make their repetition impossible. It does not take a seer or a prophet to proclaim the fact that things of that kind can not continue to prevail, that that kind of method in the mining of coal and in the

handling of the fuel of the country can not exist permamently, and that some remedy must be applied.

Mr. SMITH of Minnesota. Mr. Chairman, will the gentleman yield?

The CHAIRMAN. Does the gentleman from Washington yield to the gentleman from Minnesota?

Mr. BRYAN. Yes; I yield to the gentleman.

Mr. SMITH of Minnesota. What do you suggest, Mr. BRYAN, as the proper remedy?

Mr. BRYAN. I will come to that later.

The condition is such in Colorado that the governor admits that the State can not handle the situation; that, having heard from the county officers, the county officers can not enforce the law or preserve order. And so the conditions and the rules surrounding the mining of coal in Colorado, the modus operandi, is such that the county authorities and the State authorities can not prevent men and women from being shot down, and the Federal Government, with its Army and the President as Commander in Chief of the Army, is necessarily called into that zone to put an end to murder, to civil war, and the commission of all kinds of lawlessness.

Mr. COOPER. Mr. Chairman, will the gentleman permit an interruption?

The CHAIRMAN. Does the gentleman from Washington yield to the gentleman from Wisconsin?

Mr. BRYAN. Certainly; I yield to the gentleman.

Mr. COOPER. Has the gentleman commented on the fact that was narrated to the House here the other day by the gentleman from Illinois, Dr. FOSTER, that the strikers, many of them, went there originally as strike breakers, and they allege that the conditions are so intolerable that they, the original strike breakers, can not endure them longer?

Mr. BRYAN. I have not commented upon that, but I am glad to have that brought to the attention of the Members present. When you cut under the surface you will find all men have hearts and that brotherhood is more than fiction.

In connection with this it is worthy of note, although a diversion, that the State of Colorado has, through its governor, just recently made another appeal to the United States Congress and to the people of the country. Gov. Ammons has suggested that the rights of the State of Colorado are about to be violated by the Federal Government exercising its right in the management of water-power sites and in the management of the resources of all the people in the forest and water-power rights which the country still owns within the domain of the State of Colorado.

If the people of Colorado had pursued a different kind of policy when the resources in fuel and coal and forest which the United States Government, the people of the United States, owned within that territory were being taken away by certain interests and certain people, if they had then looked at the matter from a different viewpoint, and had attempted to save those resources for all the people instead of cinching them for a few, I believe that the conditions would be different; and I believe that the movement in the State of Colorado now to hamper and oppose the idea of conservation, and the idea of preserving those resources and preventing a few from taking possession of them, is really one of the causes, one of the very origins, of this very condition that exists at this time. Such a disposition to disregard the public rights for the favored few must necessarily engender a weak form of public trust and promote lawless ideas and methods in the representatives of big business and others who may have the ability to get in on the grabbing.

Mr. SELDOMRIDGE. Is the gentleman familiar with the fact that the corporation known as the Colorado Fuel & Iron Co., which is one of the factors in this controversy, largely controls its holdings in southern Colorado through the purchase of Mexican land grants, the titles to which were confirmed by the Government when it took over the territory under the treaty of Guadaloupe Hidalgo, and that the coal lands which it operates are largely located upon land that the Government of the United States never owned, and therefore never transferred; so that the remarks of the gentleman along the line of conservation have no relation whatever to the present difficulty, which is not the outgrowth of any surrender over this land on the part of the State, the land having been acquired by purchase and not from the General Government?

Mr. BRYAN. The reference I made was an incidental reference, and I said it was a diversion; but in the State of Colorado within the last few years they have sent to the United States Senate, for instance, Mr. Guggenheim to represent the people of that State. So I say that the liberal spirit of the people of Colorado toward these interests, and the liberal way in which the legislature and the judges and the courts have acted toward special interests, as has been detailed by Judge Lindsay and others, are the real and prolific sources of the present condition of lawlessness, and that liberal spirit has exerted itself and exhibited itself in opposition to conservation to a more marked extent than in any other particular line.

But the other day there appeared before the Committee on Mines and Mining, investigating this question, young Mr. Rockefeller, and in explaining the situation and his responsibilty he made this statement:

> Mr. Chairman, in these days, where interests are so diversified and numerous, of course it would be impossible for any man to be personally responsible for all of the management of the various concerns in which he might be a larger or smaller stockholder. It would be simply impossible to do that, and all that any man can do is to find the ablest men that he can find and put the responsibility squarely on them.

So under that theory and that idea the Rockefeller interests and John D. Rockefeller personally have gained possession of these vast resources. I do not know what the chain of title is, nor do I care; but he has gotten possession of those tremendous properties and he farms them out. He sends some man out there to run the vast enterprise, gives him a salary, and tells him to make returns, show results in dollars; and under that kind of a system, under that kind of a method of operation, we come upon all of these difficulties. I believe that the time has come for the United States Government to exercise more authority over institutions and over corporations and over individuals that control the great resources of life. Men who have in their hands and under their control the coal supply of this country ought to be made to realize and know the law of the land and the spirit of justice that prevails in the land. They ought to be required to bow before some regulating authority, some power within the Government that can tell when they are wrong and when they are right. A controversy out there between the miners, the operatives in these mines and the employees, becomes a matter of national concern, a matter that affects all the people, involving as it does one of these great resources of life.

Mr. JOHNSON of Washington. I desire to ask my colleague if he remembers that Shakespeare in King Henry VI made Jack Cade say:

> There shall be in England seven halfpenny loaves sold for a penny, the three-hooped pot shall have ten hoops, and I will make it a felony to drink small beer; all the world shall be in common, and in Cheapside shall my palfrey go to grass.

That was some three hundred-odd years ago, and it sounds like an up-to-date speech of to-day. Seriously, however, I want to ask the gentleman also if he has read the written statement signed by Mr. Rockefeller, published this morning, explaining the exact number of shares of his company, his proportionate holdings in that Colorado property?

Mr. BRYAN. If this was a legal proceeding, I should demur to the gentleman's question on the ground of misjoinder. I hardly see how the gentleman's two questions have any relation to each other—the quotation from Shakespeare and the suggestion about Mr. Rockefeller. But I will say to my colleague that I have seen Mr. Rockefeller's statement.

I have introduced a bill that provides my remedy for this, and now I will answer the question of the gentleman from Minnesota [Mr. SMITH]. A few years ago, during the Roosevelt administration, there was a great coal strike in Pennsylvania, and Theodore Roosevelt laid down a plan of operation in that district. It happened that the whole controversy was settled before the well-laid plans of the President were put into effect, but those plans involved the taking possession of the mines by the Government, and the operation of the mines by putting to work everybody connected with their operation who was needed and continuing the business by the Government exactly as a receiver of a private corporation would continue it, until law and order and regular procedure were instituted.

Of President Roosevelt's activity in this great emergency, Woodrow Wilson, historian, in Epochs of American History, page 355, says:

> By the President's mediation in the great anthracite coal strike in October, 1902, the country was instructed to recognize that dangerous insolence of aggregated capital, that heedlessness of public rights, which is signified by the term "plutocracy."

How did he teach the country "to recognize that dangerous insolence of aggregated capital"? Let us see, and let us hope that President Wilson learned the lesson and that he will gather himself together and apply the lesson in the present emergency—an opportunity it seems he is about to let slip. The plan of President Roosevelt, with all its details, are so applicable to the present situation that I give them in full from his own pen in "Chapters of a possible autobiography":

> The great anthracite strike of 1902 left an indelible impress upon the people of the United States. It showed clearly to all wise and far-seeing men that the labor problem in this country had entered upon a new phase. Industry had grown. Great financial corporations, doing a

Nation-wide and even a world-wide business, had taken the place of the smaller concerns of an earlier time. The old, familiar intimate relations between employer and employee were passing. A few generations before the boss had known every man in his shop; he called his men "Bill," "Tom," "Dick," "John"; he inquired after their wives and babies; he swapped jokes and stories and, perhaps, a bit of tobacco with them. In the small establishment there had been a friendly human relationship between employer and employee.

There was no such relation between the great railway magnates, who controlled the anthracite industry, and the 150,000 men who worked their mines, or the 500,000 women and children who were dependent upon these miners for their daily bread. Very few of these mine workers had ever seen, for instance, the president of the Reading Railroad. Had they seen him many of them could not have spoken to him, for tens of thousands of the mine workers were recent immigrants who did not understand the language which he spoke and who spoke a language which he could not understand.

Again, a few generations ago, an American workman could have saved money, gone West, and taken up a homestead. Now the free lands were gone. In earlier days a man who began with pick and shovel might have come to own a mine. That outlet, too, was now closed, as regards the immense majority, and few, if any, of the 150,000 mine workers could ever aspire to enter the small circle of men who held in their grasp the great anthracite industry. The majority of the men who earned wages in the coal industry, if they wished to progress at all, were compelled to progress not by ceasing to be wage earners, but by improving the conditions under which all the wage earners in all the industries of the country lived and worked, as well, of course, as improving their own individual efficiency.

INEQUALITY IN BARGAINING FOR LABOR.

Another change which had come about as a result of the foregoing was a crass inequality in the bargaining relation between the employer and the individual employee standing alone. The great coal-mining and coal-carrying companies, which employed their tens of thousands, could easily dispense with the services of any particular miner. The miner, on the other hand, however expert, could not dispense with the companies. He needed a job; his wife and children would starve if he did not get one. What the miner had to sell—his labor—was a perishable commodity; the labor of to-day, if not sold to-day, was lost forever. Moreover, his labor was not like most commodities, a mere thing, it was part of a living, breathing human being. The workman saw, and all citizens who gave earnest thought to the matter saw, that the labor problem was not only an economic but also a moral, a human problem. Individually the miners were impotent when they sought to enter a wage contract with the great companies; they could make fair terms only by uniting into trade unions to bargain collectively. The men were forced to cooperate to secure not only their economic but their simple human rights. They, like other workmen, were compelled by the very conditions under which they lived to unite in unions of their industry or trade, and these unions were bound to grow in size, in strength, and in power for good and evil as the industries in which the men were employed grew larger and larger.

A democracy can be such in fact only if there is some rough approximation to similarity in stature among the men composing it. One of us can deal in our private lives with the grocer or the butcher or the carpenter or the chicken raiser, or, if we are the grocer or carpenter or butcher or farmer, we can deal with our customers, because we are all of about the same size. Therefore a simple and poor society can exist as a democracy on a basis of sheer individualism; but a rich and complex industrial society can not so exist, for some individuals, and especially those artificial individuals called corporations, become so very big that the ordinary individual is utterly dwarfed beside them and can not deal with them on terms of equality. It therefore becomes necessary for these ordinary individuals to combine in their turn, first in order to act in their collective capacity through that biggest of all combinations called the Government, and, second, to act, also in their own self-defense, through private combinations, such as farmers' associations and trade-unions.

PROPERTY RIGHTS AND HUMAN RIGHTS.

This the great coal operators did not see. They did not see that their property rights, which they so stoutly defended, were of the same texture as were the human rights which they so blindly and hotly denied. They did not see that the power which they exercised of representing their stockholders was of the same texture as the power which the union leaders demanded of representing the workmen who had democratically elected them. They did not see that the right to use one's property as one will can be maintained only so long as it is consistent with the maintenance of certain fundamental human rights, of the rights to life, liberty, and the pursuit of happiness, or, as we may restate them in these later days, of the rights of the worker to a living wage, to reasonable hours of labor, to decent working and living conditions, to freedom of thought and speech and industrial representation; in short, to a measure of industrial democracy and, in return for his arduous toil, to a worthy and decent life according to American standards. Still another thing these great business leaders did not see. They did not see that both their interests and the interests of the workers must be accommodated and, if need be, subordinated to the fundamental permanent interests of the whole community. No man and no group of men may so exercise their rights as to deprive the nation of the things which are necessary and vital to common life. A strike which ties up the coal supplies of a whole section is a strike invested with a public interest.

THE INTERVENTION THAT NEVER HAPPENED.

So great was that public interest in the coal strike of 1902, so deeply and strongly did I feel the wave of indignation which swept over the whole country, that had I not succeeded in my efforts to induce the operators to listen to reason, I should reluctantly but none the less decisively have taken a step which would have brought down upon my head the execrations of many of the "captains of industry," as well as of sundry "respectable" newspapers who dutifully take their cue from them. As a man should be judged by his intentions as well as by his actions, I will give here the story of the intervention that never happened.

While the coal operators were exulting over the fact that they had "turned down" the miners and the President, there arose in all parts of the country an outburst of wrath so universal that even so naturally conservative a man as Grover Cleveland wrote to me expressing his sympathy with the course I was following, his indignation at the conduct of the operators, and his hopes that I would devise some method of effective action. In my own mind I was already planning effective action; but it was of a very drastic character, and I did not wish to take it until the failure of all other expedients had rendered it necessary. Above all, I did not wish to talk about it until and unless I actually acted. I had definitely determined that somehow or other act I would, that somehow or other the coal famine should be broken. To accomplish this end it was necessary that the mines should be run, and, if I could get no voluntary agreement between the contending sides, that an arbitration commission should be appointed which would command such public confidence as to enable me, without too much difficulty, to enforce its terms under both parties. Ex-President Cleveland's letter not merely gratified me, but gave me the chance to secure him as head of the arbitration commission. I at once wrote him stating that I would very probably have to appoint an arbitration commission or investigating commission to look into the matter and decide on the rights of the case, whether or not the operators asked for or agreed to abide by the decisions of such a commission; and that I would ask him to accept the chief place on the commission. He answered that he would do so. I picked out several first-class men for other positions on the commission.

ORDER UNDER A MILITARY RECEIVERSHIP IF NECESSARY.

Meanwhile the governor of Pennsylvania had all the Pennsylvania Militia in the anthracite region, although without any effect upon the resumption of mining. The method of action upon which I had determined in the last resort was to get the governor of Pennsylvania to ask me to keep order. Then I would put in the Army under the command of some first-rate general. I would instruct this general to keep absolute order, taking any steps whatever that were necessary to prevent interference by the strikers or their sympathizers with men who wanted to work. I would also instruct him to dispossess the operators and run the mines as a receiver until such time as the commission might make its report, and until I, as President, might issue further orders in view of this report.

I had to find a man who possessed the necessary good sense, judgment, and nerve to act in such event. He was ready to hand in the person of Maj. Gen. Schofield. I sent for him, telling him that if I had to make use of him it would be because the crisis was only less serious than that of the Civil War, that the action taken would be practically a war measure, and that if I sent him he must act in purely military capacity under me as commander in chief, paying no heed to any authority, judicial or otherwise, except mine. He was a fine fellow—a most respectable looking old boy, with side whiskers and a black skull cap, without any of the outward aspect of the conventional military dictator; but in both nerve and judgment he was all right, and he answered quietly that if I gave the order he would take possession of the mines, and would guarantee to open them and to run them without permitting any interference, either by the owners or the strikers or anybody else, so long as I told him to stay.

I then saw Senator Quay, who, like every other responsible man in high position, was greatly wrought up over the condition of things. I told him that he need be under no alarm as to the problem not being solved, that I was going to make another effort to get the operators and miners to come together, but that I would solve the problem in any event and get coal; that, however, I did not wish to tell him anything of the details of my intention, but merely to have him arrange that whenever I gave the word the governor of Pennsylvania should request me to intervene; that when this was done I would be responsible for all that followed, and would guarantee that the coal famine would end forthwith. The Senator made no inquiry or comment, and merely told me that he in his turn would guarantee that the governor would request my intervention the minute I asked that the request be made.

AGREEMENT AT LAST.

These negotiations were conducted with the utmost secrecy, Gen. Schofield being the only man who knew exactly what my plan was, and Senator Quay, two members of my Cabinet, and ex-President Cleveland, and the other men whom I proposed to put on the commission, the only other men who knew that I had a plan. As I have above outlined, my efforts to bring about an agreement between the operators and miners were finally successful. I was glad not to have to take possession of the mines on my own initiative by means of Gen. Schofield and the Regulars. I was all ready to act, and would have done so without the slightest hesitation or a moment's delay if the negotiations had fallen through. And my action would have been entirely effective.

But it is never well to take drastic action if the result can be achieved with equal efficiency in less drastic fashion; and, although this was a minor consideration, I was personally saved a good deal of future trouble by being able to avoid this drastic action.

At the time I should have been almost unanimously supported. With the famine upon them, the people would not have tolerated any conduct that would have thwarted what I was doing. Probably no man in Congress and no man in the Pennsylvania State Legislature would have raised his voice against me. Although there would have been plenty of muttering, nothing would have been done to interfere with the solution of the problem which I had devised until the solution was accomplished and the problem ceased to be a problem. Once this was done, and when people were no longer afraid of a coal famine and began to forget that they ever had been afraid of it, and to be indifferent as regards the consequences to those who put an end to it, then my enemies would have plucked up heart and begun a campaign against me. I doubt if they could have accomplished much anyway, for the only effective remedy against me would have been impeachment, and that they would not have ventured to try.

WHAT WILL PRESIDENT WILSON DO?

The troops are now in Colorado. Will the President compel the men to go back to work? Will he feed them? Will he help the Rockefeller combine? What will he do? The lesson—has he learned it? President Roosevelt was going to deliver back the mines to the corporations that owned them after everything was moving smoothly.

The bill I have introduced provides that the President of the United States shall take possession of the mines and operate them in the manner suggested; but it provides further that after taking possession of them he shall continue in possession under the authority of the United States Government, and shall own and operate those mines and market the coal and make of that particular enterprise a model enterprise, under model labor conditions and the proper restrictions as to an eight-hour day, and other provisions that will give due consideration and regard to

the purposes involved. We hesitate to "haul down the flag" once it is planted on foreign soil. Why not apply the same rule to this domestic proposition?

Mr. McKENZIE. Under your plan, what would be the function of the State in case of a strike at the mine? Would the United States Government immediately step in and take charge of it?

Mr. BRYAN. The function of the State in case of a strike in the mine would be exactly the function of the State now in case of a strike in the Post Office Department. If the gentleman can conceive what would happen if there should be a strike in the Post Office Department, then he can conceive what would happen in a strike in a mine owned and operated by the Government.

Mr. McKENZIE. But the thing I should like to get clear in my mind is just at what point would you have the United States Government intervene, and when should the functions of the State cease?

Mr. BRYAN. Does the gentleman mean as between the State of Colorado and the United States Government?

Mr. McKENZIE. Yes; any State.

Mr. BRYAN. At this time the governor of the State of Colorado has admitted the inability of the State to handle this situation, and has appealed to the President to send the Army there and take charge, so that there is no question of State rights involved.

Mr. MANN. Mr. Chairman, will the gentleman yield for a question?

Mr. BRYAN. Certainly.

Mr. MANN. In reference to taxation, supposing the Government took the mines and owned them, how would it be about taxes? For instance, we passed a law providing for national forests down here in the Appalachian Range and in the White Mountains. In the law we provided that 5 per cent of the proceeds should be paid to the States in lieu of taxes. Now, we are just going to increase it to 25 per cent. In the national forests we started in, I believe, with 5 or 10 per cent, raised it to 25 per cent, and then to 35 per cent of the gross receipts.

But they want now one-half of the gross receipts out in the gentleman's State out of the national-forest receipts turned over to the State in lieu of taxes. We are paying 35 per cent, and in the Appalachian purchase it will soon be 25 per cent, because the Senate has added an amendment to the agriculture bill to that effect, and if it is not agreed to this year it will be next—what will we do about taxes; can we afford to pay 25 or 35 per cent of the gross receipts to the State for taxes?

Mr. BRYAN. Without reference to the forestry proposition to which the gentleman alludes, in operating the mines we would charge enough for the coal to cover the necessary expenses that ought to be laid up against the general public for the operation of the mine. They would not be operated at a loss either. We would apply business methods from the start. The very nature of the enterprise would require it. This is very different to a forest reserve or a national park.

As far as the expense administration is concerned, the people pay the taxes in the price of the product, and we would have no trouble about that. There is every reason to recognize the truth of the fact as to who really pays the taxes. If Mr. Rockefeller pays the taxes in Colorado on the coal mine, he charges it up in the price of the coal. We would be able to equalize that situation.

Mr. MADDEN. Will the gentleman yield?

Mr. BRYAN. Yes.

Mr. MADDEN. Is not the trouble out in Colorado largely due to the fact that the State treasury is bankrupt, and to the fact that the administration of State affairs there is rotten?

Mr. BRYAN. I think there is a good deal more to the latter suggestion than the bankruptcy proposition. Now, the United States is operating a coal mine in North Dakota, getting out coal at $1.78 a ton. The men are all satisfied, and things go along in fine shape. The Government of the United States can do that better than any Rockefeller kid, who says in his testimony that he bears the weight of representing his father's interests in the properties, but he has not attended a board meeting or been on the premises for over 10 years.

Mr. SELDOMRIDGE. Will the gentleman yield?

Mr. BRYAN. Yes.

Mr. SELDOMRIDGE. Of course, Mr. Chairman, I could not remain in my seat and hear the charge that has just been made against my State.

Mr. BRYAN. Oh, well, I will withdraw that and will not put it in the RECORD. The gentleman from Illinois used the word "rotten." I did not.

Mr. SELDOMRIDGE. The Federal Government has come into our State and put its hand on a large part of the taxable area and taken the money which we ought to have had for State purposes.

Mr. BRYAN. Is it not true, as was stated the other day, that the money interests of Colorado have control there, and that they would not accept the warrants of the State, and by holding up the State's credit prevented the governor of the State from calling the State militia, and does not that indicate something contrary and inconsistent with twentieth century morality?

Mr. SELDOMRIDGE. I do not withdraw the statement I made the other day. That is a fact, and I will let it stand in the RECORD. At the same time, the gentleman is urging a policy of Federal supervision over everything within the State, and I think it is largely the operation of just that policy that has contributed in some measure to the conditions that now exist.

Mr. BRYAN. Mr. Chairman, I believe the trouble with Colorado is rather "too much Guggenheim" and "too much Rockefeller" and too much of the kind of political corruption which Judge Lindsey exposed in The Beast. It is not suffering from "too much Uncle Sam." I wish Uncle Sam owned all of Colorado that is now held for speculation by the Wall Street billionaires.

Pass the bill I have introduced and we will have decent conditions and fair consideration for all in the coal mining district of Colorado. We have just passed the Alaska railroad bill, providing for a Government railroad in Alaska, to prevent these same people from throttling forever the resources of Alaska. President Roosevelt saved the coal of Alaska by driving away the same gang of looters. Let us break the stranglehold that Rockefeller has on Colorado, and we will cause the people of Colorado, and especially these miners, to feel a new cause for patriotism and love of the flag. The bill I have introduced is as follows:

A bill (H. R. 16096) to authorize and direct the President of the United States, as Commander in Chief of the Army of the United States, to restore order in certain portions of Colorado and to acquire and operate certain properties, and for other purposes.

Be it enacted, etc., That a state of anarchy and insurrection against the Constitution and laws of the United States, in violation of the fundamental human rights of life, liberty, and the pursuit of happiness, and hostile to the general welfare of the people of the United States, exists in the State of Colorado in the mining regions owned or controlled by John D. Rockefeller and John D. Rockefeller, jr., and other persons, corporations, and interests associated and incorporated under the names of the Colorado Fuel & Iron Co., the Colorado Industrial Co., the Rocky Mountain Coal & Iron Co., the Grand River Coal & Coke Co., the Pueblo Realty Trust Co., and under such other names and designations as may be employed by the said persons and the said interests.

SEC. 2. That law and order must be reestablished, constitutional rights must be respected, and the general welfare of the people of the State of Colorado and of the United States must be observed. To that end the President of the United States is hereby authorized and directed to use the Army of the United States to restore order and respect for law in the said regions. The President is further authorized and directed, as Commander in Chief of the Army of the United States, to dispossess the said John D. Rockefeller and John D. Rockefeller, jr., and all persons claiming to own or control the mines or property used for mining purposes and under control of the said interests referred to in section 1 of this act, and, as Commander in Chief as aforesaid, to begin at once, after the nature and capacity of a receiver of the said property and the said interests, to operate the said mines and properties in all respects as could or should be done by the said interests under normal conditions, marketing the output of said mines and giving employment to all who are needed in the operation of said mines, plants, and enterprises of said individual corporations and interests referred to herein.

SEC. 3. That as Commander in Chief as aforesaid the President of the United States is hereby authorized to use, have, and enjoy all the rights incident to his said office and all the rights and authority of a board of directors or managers of the said properties and the said corporations, and all the present directors, officers, managers, agents, and servants of the said corporations and interests shall give to the President every aid and shall cooperate fully with him upon his request, and shall surrender to him all the books, papers, and details of operations of the said mines, plants, or enterprises as may be necessary or appropriate and may facilitate the profitable and orderly operation thereof, and the President is hereby authorized to use all the authority incident to his position as Commander in Chief of the Army of the United States to carry out the purposes and intent of this act.

SEC. 4. That the Attorney General of the United States is hereby authorized, empowered, and instructed to begin at once and conclude, as early as possible, in the name of the United States of America, the condemnation for the United States, by proceeding in eminent domain in the courts having jurisdiction, of all the stock of the said John D. Rockefeller and John D. Rockefeller, jr., in said corporations, mines, and enterprises, or such portion thereof, and so much more of said stock of said corporations held by other persons as may be necessary, if any more be necessary, to completely control the said corporations by virtue of the ownership of a majority of the voting stock thereof, and the said Attorney General is further authorized and directed to condemn and take over by legal process for the United States all or such portion of the bonds of the said corporations at the actual value of same as may be judicially determined, as it may appear to be advisable or profitable to thus acquire from the standpoint of future ownership and operation of the said corporations, mines, and enterprises by the Government of the United States.

SEC. 5. That the President of the United States and the Attorney General are hereby instructed to acquire and obtain full possession and ownership of said stock and the said property for the United States to the extent and in the manner heretofore set forth in this act at as early a date as possible, and immediately upon acquiring said stock the President of the United States is hereby authorized to vote the said stock and exercise all the rights, authority, and power of the Government, as the owner thereof, and he is hereby instructed and empowered

to institute at once an economical system of management and operation of the properties of the said corporations to the end not of profit to the Government, but merely to pay all costs and expenses of operation, including interest and dividend on the actual cash value of stock not owned by the United States at the rate of 3 per cent per annum and no more (but no such dividend shall be guaranteed in any case), and to institute humane and desirable conditions for the workmen employed in said mines and enterprises, and to put into effect all the provisions of this act after the manner hereinafter set forth; and such changes or amendments in the organic acts or constitutions, rules, or by-laws of each and every of said corporations as may be necessary to make them comply with this act shall be made by the President of the United States, acting through such officers and agents as the situation may require, and under authority of this act and by virtue of the right to vote the majority of the said stock as aforesaid.

SEC. 6. That the said corporations shall be in charge of a chief appointed by, removable by, and acting under the direction of the President, and such chief shall have no power or duty other than the operation of said corporations; and the duties of inspection, fixing of wages and prices, and making of general rules and regulations provided for herein shall be in charge of the President, or such agents as he may designate.

SEC. 7. That the President shall fix minimum wages and salaries and maximum prices, and readjust the same every three years, or oftener if, in his judgment, emergency requires, a deficit directly traceable to ill adjustment of wages or prices, or both, to be regarded as such an emergency. The principles governing the fixation and readjustment of wages and prices shall, unless emergency requires otherwise, be as follows:

The minimum hourly wage paid any class of labor shall be the average wage paid that class of labor by other employers under conditions equivalent to those prevailing in such service; the maximum price charged for coal and other products shall be such as will pay a reasonable net profit on operation and a reasonable interest on the physical valuation of the coal mining and distributing plant, the same to be determined by the President, transportation, distribution, and interest on investment to be included in cost of operation. The reasonable net profit and the reasonable interest herein provided for shall be determined by means of separate estimates of the current price of money for standard investments and of the particular hazards involved in the enterprises contemplated in this act. The President may confer the power of fixing minimum wages and maximum prices upon an agent or agents appointed by him as provided in section 6 of this act, but the agents so appointed shall not be operatives in the mining service, and the power so delegated shall not be redelegated, and nothing in this act shall be construed as allowing any other person or body to fix said minimum wages or maximum prices.

SEC. 8. That the total debit account for any fiscal year shall comprise all expenditures for operation and maintenance during said year, including payments for injuries to employees, charges for land, and other expenses, plus 5 per cent of the capital investment of said service, together with the depreciation charges for said year and payment for deficit accounts, if any, as specified in section 9; and the total credit account for any fiscal year shall comprise all money received or chargeable for service or products during said year.

The capital investment for any fiscal year shall comprise all money chargeable to original plant and extensions thereof up to the close of said year.

The capital investment for any fiscal year shall comprise all money chargeable to original plant and extensions thereof up to the close of said year.

If in any fiscal year the total credit account shall exceed the total debit account, the difference shall be charged to a dividend fund to be divided equally between the operatives in and the purchasers from the said corporations. The share of the dividend fund assigned to the operatives for any fiscal year shall be distributed among them in such manner that each operative shall receive an amount proportional to the wages or salary previously receivable by him during said year, and the share assigned to the purchasers aforesaid for any fiscal year shall be distributed among them in proportion to the sums paid by each of them for coal or other products during said year.

The operatives in either service for any fiscal year shall comprise all persons who have been employed in said service during any portion of said year, including the chief thereof.

SEC. 9. That if in any fiscal year the total debit account shall exceed the total credit account, the difference shall be charged to a deficit account, 10 per cent of which shall be included in the total annual debit account of the appropriate service each year for 10 years thereafter.

The books, equipment, and mode of operation of all properties and the said corporations shall be open to the inspection of any person authorized by the President to inspect the same.

All operations under this act shall be governed by further provisions as set forth in this section:

The hours of labor of all persons employed shall not exceed 48 per week, save in emergencies wherein life or property is in imminent danger.

No wage shall be paid upon a scale of hourly wages lower than the minimum wage scale fixed by the President, as provided in this act.

The wages or salaries of all persons employed under this act shall be paid at intervals not greater than 16 days.

No person under the age of 16 years shall be employed for any purpose.

SEC. 10. That the President shall make general rules and regulations—

To insure the safety of operatives employed in the enterprises provided for in this act.

To provide for detailed reports upon all accidents or occupational diseases.

To provide for just and reasonable compensation in the case of all operatives in any enterprise who may be injured or killed or who may contract any occupational disease in the course of their work, without regard to negligence of such operative, in any case where compensation shall inure to the benefits of dependents.

To provide for a system of insurance of operatives employed under this act in cases of sickness, injury, or death.

To provide for an adequate system of sanitation, housing, and general living conditions for the operatives engaged under this act.

To prevent any adulteration or unnecessary waste of coal or other product sold under this act.

To carry out and enforce the provisions and ultimate purpose of this act, said purpose being to provide coal and other products of said properties at the lowest price consistent with the maintenance of the welfare of all operatives at a high level, the stimulation of efficient service, and the maximum and at the same time most economical utilization of the resources of said properties.

SEC. 11. That the sum of $10,000,000 is hereby appropriated out of any moneys in the Treasury not otherwise appropriated, which shall be available until expended as the President may direct for the purposes of this act.

Three per centum of the capital investment of the mining service, forming part of the debit account, as provided in section 6, shall be set aside and made available as a fund to be known as the improvement fund to be expended for the purpose of improving, extending, and developing the properties of the said corporations: *Provided*, That 3 per cent of the said capital investment shall be covered into the Treasury of the United States to the credit of miscellaneous receipts.

SEC. 12. That the President is hereby authorized by private purchase to acquire stock not condemned and taken over, at the actual value of said stock, having regard to the proportion that such stock bears to actual physical value of the properties owned by the corporation which issued the same, and to the total aggregate of issued stock.

SEC. 13. That all acts or parts of acts inconsistent with the provisions of this act are hereby repealed.

Mr. BUCHANAN of Illinois. Mr. Chairman, the conditions in the State of Colorado are a symptom of a most vicious system that controls the Government in this country in different localities and the Nation. What has happened in Colorado is in conflict with the fundamental and constitutional rights of our citizens, and strikes at the fundamental principles of a democratic republican form of government. The right to life, liberty, and the pursuit of happiness has been destroyed.

The violence in Colorado is but a symptom of an old issue—the issue of human rights versus property rights, and the struggle will continue until the rising power of democracy shall settle it once for all and turn the tide in favor of humanity. But a clearer insight into the cause of the present conditions in Colorado was given the public a few days ago when John D. Rockefeller, jr., spoke as the representative of one side of this bloody struggle before the congressional investigating committee, discussing his relation to the long-continued strife and civil warfare. Little was known of Mr. Rockefeller, jr., until the other day when he revealed himself to the world by his utterances before the House committee.

Mr. Rockefeller is the principal director of the Colorado Fuel & Iron Co. On account of unbearable working conditions, the men employed by this company went on strike. As is customary with the big business interests when a strike is declared, armed guards and gunmen were rushed to protect the company's property. Machine guns and all the latest and most deadly armament and munitions were put into service, and, worse still, the governor of the State was prevailed upon to send the State militia to the scene, evidently not to maintain order, as they should have done, but to assist the company in its warfare against the strikers. The struggle has lasted some six months. Property has been destroyed, men ruthlessly shot down, and thousands of families made homeless and desperate. Mr. Rockefeller admitted all the dreadful facts, admitted his controlling connection therewith, but also admitted that he had never considered it necessary that he investigate these conditions personally, and use his influence to prevent the bloody outrage, but was satisfied with the reports of his agents, and approved of their every act.

Upon the horrible conditions of anarchy Mr. Rockefeller had the following to say:

> I have done what I regard as best in the interest of the employees and the large investment which I represent. We have put the best men obtainable in charge, and rely upon their judgment. My conscience entirely acquits me. We would rather that the unfortunate conditions should continue and that we should lose all the millions invested than that American workmen should be deprived of their right under the Constitution to work for whom they please. That is the great principle at stake. It is a national issue.

These words, coming from Mr. Rockefeller, jr., are extremely important. He will some day administer the largest single fortune in the world, and therefore what he says concerns the whole Nation. The name of the corporation that piled up the fortune which he will some day control goes hand in hand with greed, avarice, and relentless warfare upon competitors, and all low-down, dishonorable methods yet conceived by big business financiers. The Standard Oil Co. has sent many a man to an early grave; it has robbed decent, honest men of a business opportunity; and has robbed men of faith in business honesty and business morality. It has put a stain of dishonor on everything connected with it, and yet the Standard Oil represents the business policy to be applied to the situation in Colorado.

The remarks of Mr. Rockefeller would be humorous were it not for the gravity of the condition to which it refers. He probably thought that he was stating accurately the purpose of the corporation; but that the expression is false is equally true. No reasonable man could be made to believe that any corporation would rather lose its whole investment than that "workmen should be deprived of their right to work for whom they please"; no capitalist ever spent millions to "protect the

freedom of the workers." He attempts to shield himself by the argument that has disguised many an enemy of the workers—freedom of contract. Back of it all lies the real inspiration—the supreme sanctity of property and a determination to maintain that principle at all hazards. By the "right" of the worker "to work for whom he pleases," Mr. Rockefeller evidently means the "right" of capital to dictate the terms and conditions of work and of the employee to accept those terms or starve.

Consider the marvelous advantages for "freedom" afforded the workers of the Colorado Fuel & Iron Co., controlled by the Rockefeller Standard Oil Co. Only such men as have not been blacklisted are at "liberty" to linger on the private property of the company. He is at "liberty" to patronize the company stores in order to keep his job. Likewise he is at "liberty" to rent company houses, employ company physicians, and use company bathhouses, for which he is at "liberty" to pay a company fee. He is at "liberty" to accept what wages he is offered, to accept what weights the company sees fit to give him for his output, and to work just as many hours as the company sees fit to suggest. A virtual civil war has existed in Colorado for the last six months to force upon the miners this conception of "freedom" and "liberty."

The original conflict between the miners and the Rockefeller interests was wages, hours, and other details of employment, but in order to combine its forces in order to cope with the combination of capital the issue evolved into one of unionism. To Mr. Rockefeller this is evidently a new conflict, yet in principle it is similar to that which has raged in one form or another for many generations. Some 60 years ago Abraham Lincoln touched upon the situation in the following words:

> It is the eternal struggle between these two principles—right and wrong—throughout the world. The one is the common right of humanity and the other the divine right of kings. It is the same principle in whatever form it shapes itself. * * * We are for both the man and the dollar, but in case of conflict we are for the man before the dollar. * * * Capital is only the fruit of labor and could never have existed if labor had not first existed. Labor is the superior of capital and deserves much the higher consideration.

This was, of course, a restatement of the principles laid down by Thomas Jefferson. Plutocracy got a hold on the reins of the party he founded and had come to represent the supremacy of property rights. The enormous loss of property and life in the Civil War demonstrates the cost of the conflict as it appeared in the days of Lincoln.

The issue to-day is fundamentally the same as it ever has been. Every person who has any knowledge of the conditions in the industrial world to-day realizes that should the Standard Oil Co.'s conception of "freedom" prevail, real industrial freedom would vanish, and employers would be firmly established as masters of industrial despotism. Of what consequence are the grievances of an individual miner to the agents of the Colorado Fuel & Iron Co.? What sort of a chance has an individual "free" worker to get redress from the absent owners of this corporation? On the contrary, the only hope of relief lies in the association of the workers to secure justice. All the world knows that the unions of workers stand for fair wages, better working conditions, and the welfare of the workers. These are their natural, God-given rights, and when they are deprived of them they will fight for them, and that is why they are opposed by the employers, whose only concern is profits, and profits at the expense of everything else.

Whatever benefits have ever come to the workers have been the results of their united efforts to help themselves. The workers of the land demand that right, and to deny it to them would force upon them a most brutal injustice. The plea made by Mr. Rockefeller, namely, "a workman's right to freedom of contract," has been worn threadbare by the opposition to labor. According to the philosophy of big business, "freedom of contract" means freedom to work as many hours as the boss may demand, freedom to accept starvation wages, freedom to work under sweatshop conditions, freedom to contract disease, to be poisoned that profits may be increased, to be blown into atoms that the operators may save the expense of safety apparatus, freedom to lose one's sanity, manhood, faith, and everything in life worth living for. To them the ideal is big business, not big individuality. The statement by young Mr. Rockefeller that his corporation has a right to perpetuate anarchy and civil war represents the true views of his kind. They believe that big business produces civilization, that it is paramount to the interests of humanity, and that even the Government is exceeding its powers when it presumes to inquire into a conflict which has disrupted a whole State.

However, the Government has now taken a hand into this matter and troops have been sent to the fields to restore order. The question is now up to the Nation. Shall the ideals of industrial despotism prevail or shall the demands of the workers for justice be heeded? I trust the Nation will not be blind to the necessity of the workers nor heedless to their plea and demand for justice.

Mr. HUMPHREY of Washington. Mr. Chairman, the House will undoubtedly recall that some weeks ago the Secretary of Commerce made a report to the House as to the conditions of the shingle industry in my State. He said in his letter to the distinguished leader on the Democratic side, Mr. UNDERWOOD, that he hoped that it would be given wide publicity, so I am going to help the yearning gentleman and give some more publicity to that report.

I was not at all surprised that the report contained what it did. I anticipated that; in fact, I knew that any report that would be made would contain what the Secretary wanted it to contain before he made the investigation.

I was surprised to find—and I am not reflecting on the men that went out there, for I do not know them—I was somewhat surprised to ascertain that the Secretary of Commerce sent in a report to this House, asking that it be inserted in the RECORD and given wide publicity, when that report was based on anonymous evidence. I was surprised that these gentlemen who went out there to investigate, and who spent some weeks in my State, were not able to find a single solitary witness whose name they would give. All the evidence they quoted was "a distinguished manufacturer said this," or "a man high in the councils of the lumber and shingle industry says that." The name was never given. I was unable to identify any one of the men to whom he referred. It appears now that the reason is plain. They did not want to give any names, because they suspected that I might wire out there and find out what the witness really said. Not only did they refuse to give any names, but since I have had some time to hear from the people out there—and all of this information has come to me unsought and unasked—I find they did not attempt to ascertain the truth. They did not interview the lumber and shingle manufacturers. They talked with the politicians, and the dearth of evidence they produced is perhaps due to the fact that a Democratic politician is a very scarce article in my State, and when you do find one he knows very little about the timber or any other industry. The men in my State who are running the industries do not vote the Democratic ticket. They know too much about the effect of Democratic tariffs.

But it now appears that whenever they did by accident come across a lumber or shingle manufacturer they suppressed his evidence. I want to call attention to a most flagrant case of this kind, and I do it largely because of the fact that the distinguished Secretary himself a few days ago, as I called to the attention of the House on yesterday, was pleading for more honesty in talking about the condition of business and the industries throughout the country. I hold here a copy of that wonderful report, and here is what is said on page 84 about the conditions of the lumber industry:

> The effect of the removal of the duty on lumber is almost universally conceded to be negligible; at least it is so considered among the lumbermen on the Pacific coast.

Keep that statement in mind, and then let me call your attention to an article that appeared in the West Coast Lumberman a few days ago, March 1. I desire to read from it the following in regard to the action of the West Coast Lumber Manufacturers' Association, and the West Coast Lumber Manufacturers' Association is the big lumber manufacturers' association of the Pacific northwest. That association appointed a committee to confer with those distinguished experts sent out by the Secretary of Commerce. Those experts met with that committee. They propounded questions to the committee and that committee answered those questions. Those were representatives of the most representative lumber association in the Pacific northwest. That association appointed able men upon that committee. The committee made a report in writing to those experts, and those experts deliberately suppressed that report. Not a word of it appears in this report to the Secretary of Commerce. Yet this, by far the most important testimony that those experts received during that entire investigation, was deliberately kept out of the report.

I have here the report which that committee made back to their association. I will read the most important parts of that report:

> Notwithstanding the effort of the administration to disclaim any responsibility for the present condition of lumber and shingle markets in the Pacific Northwest, the special committee appointed by President Mackay at the last meeting of the association, held in Tacoma, to confer with the Government's investigating representatives, submitted a report. This committee consisted of W. A. Whitman, of the Tacoma Mill Co., and W. C. Miles, manager of the association. In part it was as follows:
>
> "In accordance with the action of the association at its meeting in Tacoma January 30, 1914, your committee met with T. M. Robertson,

special agent for the Government, with reference to furnishing such information as Mr. Robertson in the meeting expressed a desire for, namely: 'What factors do you think are the cause of the present depressed condition of the forest-product business?' 'Has the removal of the customs duty from lumber and shingles affected the prices, and to what extent?' 'For instance, in December, 1911, lumber prices were as low or lower than in December, 1912. What were the causes for the prices prevailing during the two periods mentioned?'

"The committee's answer to the questions, in the order above written, were as follows:

"The primary factor causing the present demoralized and unprofitable conditions in the lumber industry is the direct result of the effects of the recently enacted customs tariff bill. The present conditions are the culmination of a situation which started in a pronounced way during May, 1913. Owing to the discussion by Congress of the proposed new tariff bill and the general notice to the country that its operation would result in material reductions in the selling prices of all commodities affected by it, was notice to the public to restrict normal purchasing of all commodities so that full benefit would be received of such low prices which would prevail at as early a date as could be made possible by the enactment of tariff legislation. The natural result was that restricted buying on the part of the consumer made a lesser demand on the supply of the wholesale interest, but in turn reduced the demand on the manufacturer for his product, which caused, in turn, an unwilling reduction in output of the factories. This meant the making idle of a great many employees; first, in the localities where the industries were most largely affected by the proposed new tariff law; next, in the localities which supplied the first-named localities with a large portion of its requirements in various articles. Purchases on the part of persons out of employment were confined to actual necessities, and the same situation beyond a doubt prevailed with those that were still employed by reason of a fear that probably their employment would be limited. This condition gradually extended until every industry throughout the United States was affected, which clearly made plain the sensitive business relation existing between all industries and the people connected therewith.

"No matter how widely scattered throughout the country, until such time as the tariff law has affected fully every interest related thereto, the present conditions will not materially change, as the new basis upon which business will hereafter be conducted will require many readjustments with reference to all elements entering into the costs of the various products.

"As mentioned in the first part of this report, the committee is of the firm belief that the new tariff law is responsible for the present low prices. Any factor which tends to lessen the demand for lumber will most naturally cause a reduction in prices exactly as an increasing demand causes them to rise.

"It is impossible for the committee to conclude that the country at large can possibly be benefited by any law which has a tendency to increase its imports when it has the raw material and the necessary labor to produce such articles in satisfactory volume and quality. The entrance of such products has no other effect than to lessen the requirement of so much labor as may be represented by the articles imported.

"Another element apparently will enter into the problem made by the tariff bill, namely, that of the proposed elimination of free tolls for American vessels engaged in the coastwise business when using the Panama Canal. This means that the manufacturers of lumber located in British Columbia may use any vessel afloat, no matter what flag is carried, for the shipping of forest products to all Pacific and Atlantic American ports, whereas our manufacturers of lumber will be compelled to make use of only such vessels as fly the American flag. With the experience of vessel freight rates prevailing in 1906 and 1907, the committee believes that American manufacturers will be placed at a disadvantage as regards freight rates on lumber to especially Atlantic coast ports, and feels that the American shipping will suffer unless given a differential toll rate through the Panama Canal. The people of the United States bonded themselves for the construction of the said canal, and it is not unreasonable to contend that they should receive a benefit in excess of that received by any other nation. When the shipping interest of the United States is benefited there is no question but that the whole Nation is benefited.

"It is remarkable with what fortitude and patience the people conduct themselves when suffering the hardships which are taking place while the new tariff bill is being made effective. It is to be hoped that the end is near at hand, although indications at the present time are not favorable for an early active period of production. The conditions prevailing we feel are entirely unnecessary and would have been largely avoided had the new law been constructed on a nearer basis of mutuality of interests as related to the production of the various nations of the world which it was proposed to be influenced by a reconstruction of the tariff schedules."

That was the answer which that committee made, and yet these experts, sent out by the Government to ascertain the truth, in their report, having the report of this committee before them, deliberately suppressed it and say:

The effect of the removal of the duty on lumber is almost universally conceded to be negligible; at least it was so considered among the lumbermen on the Pacific coast.

Think of experts, in the face of a report of that kind, deliberately making the statement I have read. As one gentleman sitting near me says, such a statement "is a lie"; but I will not use that expression, because it would be unparliamentary. However, I want it understood that I condemn it just as strongly as parliamentary language will permit. I want to emphasize that portion which I have read, to show how earnestly the distinguished Secretary of Commerce was seeking the truth. I wonder how long it will be before he publicly reprimands these agents who went out there and deliberately suppressed and distorted and misconstrued the evidence that was given to them and came back and made this now notoriously false report.

Mr. Chairman, I want now to read a letter that I have received from Mr. J. J. Donovan, one of the leading shingle and lumber manufacturers of my State, under date of April 3, 1914. The letter is as follows:

BLOEDEL DONOVAN LUMBER MILLS,
Bellingham, Wash., April 3, 1914.

Hon. W. E. HUMPHREY,
House of Representatives, Washington, D. C.

MY DEAR MR. HUMPHREY: On behalf of the people of this section let me thank you for your strenuous effort to compel the Democratic Party to keep its platform pledge and not sacrifice the interests of our whole people, and particularly those of the Northwest, to England's unreasonable demand. The fact that you failed along with all the other leaders does not make the effort less commendable. The President's determination, not to say hypnotic influence, has held most of his party in line and, unfortunately, attracted some of the Republicans, but, unless I am greatly mistaken, there will be a day of reckoning next November which will show what the people think about this and a number of other policies that sound well in theory and make men go hungry in practice.

We still have some hope that the Senate may have more regard for the Nation's rights and real honor than the House, and our chamber of commerce and citizens are sending their latest expressions to that body.

Now, a word in regard to the lumber situation and the effect of the tariff thereon, which has been a subject of much debate in Congress, especially since Mr. Redfield's agents returned to Washington and reported everything lovely out here. We had hoped that the investigation would be an honest one and that these men would report the facts, and we really thought these were so clear that the Democratic Party would be honorable enough to admit its mistake and give us a moderate tariff on shingles and lumber through a special bill. Instead of that, these agents sought the politicians and not the manufacturers, excepting in a few instances, and then went back with the kind of report they were sent to get.

Permit me to inclose two pages which, curiously enough, are published opposite each other in the West Coast Lumberman, March 13. Page 38 is headed "Secretary of Commerce publishes special report on coast mills," which, among other things, says they canvassed 87 of the mills which were mentioned by Mr. HUMPHREY, but found none of the mill owners who attributed the close to the tariffs, etc. Also, "that the shingle manufacturers do not claim the removal of the duty injured them; that there is no such general complaint against such removal; that there are not more idle men in Washington State now, due to the closing of the shingle mills, than was the case under the old tariff; that there has been no reduction of wages in shingle mills and but few in the lumber mills," and the report runs on with a mixture of statements, some true and some false, that would take a Philadelphia lawyer to untangle. Perhaps the best answer that can be given is the opposite page of the paper, which I inclose, headed "West coast manufacturers' report blames new tariff for business lull," and there you will find that the special committee consisted of W. A. Whitman, of the Tacoma Mill Co., and W. C. Miles, appointed to confer with the governmental investigating representatives, so that "the primary factor causing the present demoralized and unprofitable conditions in the lumber industry is a direct result of the effect of the recently enacted customs of the tariff bill," and they go on in detail, as you will read.

This city, as you know, is one of the most important lumber and shingle manufacturing points in the State. There are a number of small mills, but there are five large ones whose owners or managers were certainly entitled to say something to any investigator. The man who came here made no effort to see any of the people connected with the Earles-Cleary, the E. K. Wood, the Whatcom Falls, the Morrison, or the Bloedel-Donovan lumber mill companies. He did, while dodging from one politician's office to another, run against Mr. George Cooper, president of the Hazel Mill Co., which is shut down, and Mr. Cooper insisted upon having an interview with him and giving him some information. The interview was so remarkable that I have requested Mr. Cooper to write you fully about it, and he has promised to do so this week. Now, as to a few things which I know personally, as we have been in business here for 16 years. One year ago we had three sawmills and three shingle mills running and were employing directly 1,000 men. In the shingle mills, counting the night shift, we were running 20 machines. To-day we have 1 mill shut down completely, and it has been since last summer; 10 shingle machines running, 500 men on our pay rolls, 2 logging sides running where we had 4, a reduction in wages which will average 10 per cent, and the necessity before us, unless matters very soon improve, of another wage reduction of 10 per cent or else a complete shutdown, as in several departments we are running at a loss, if we figure the value of our stumpage at two-thirds of what the Forest Service claim.

I do not know of a single manufacturer who does not blame the new tariff for these conditions—and I have talked with dozens of them, all the way from here to Los Angeles. During the first week in March I stood at the rear of a train between Portland and Bellingham and took snapshots of some of the idle mills along the line of the Great Northern. There were 22 of them between Seattle and Bellingham on the Great Northern line closed down. I had a list of 35 on the Northern Pacific, in the same district. I saw many idle mills south of Seattle, some of them very large ones. I inclose some of these snapshots. I could get you a large number of more imposing pictures of large plants which were running a year ago but are idle now, including some of our own; but I know of nothing more pathetic than of these little mills, each of which employ from 25 to 50 men, who are now idle. Also inclose a newspaper clipping showing how our British Columbia friends are prospering. I am reputably informed that there is not an idle shingle mill in British Columbia; and Americans are going over there, buying timber and opening mills as a result of the changed situation. I had a recent request to join with another American shingle-mill man in one of these ventures. I declined and told him that British Columbia would have but three years in which to take our markets and hold us out of theirs, and I didn't care to go in. Meanwhile our industry languishes as it hasn't since the memorable years between 1893 and 1898.

Twenty-five lumber and shingle mills have failed in this State during the past six months, and many more will fail before this year closes, yet Mr. Redfield has the nerve in Seattle speeches to see only rainbows, and denounces Washington representatives who told the truth in Congress about existing conditions. If an honest effort had been made to get at the facts and a truthful report made of the facts obtained, I would not write in this way, but a more foolish and indefensible tariff law was never written by any Government than the forest-product schedule in our present tariff bill.

The British Columbia Government, quick to see the point, have added to the royalty which their millmen have to pay to such an extent that

next year will increase their revenue all of $1,000,000, taken from the American consumer, but even then their millmen have the advantage over us in their raw material in the cedar business of from $1 to $2 per thousand. If it were not for their export duty on their logs—such duty as you know forbidden by our National Constitution—we might still do some business by buying their cheap logs and taking them here, but even that is denied us; and Mr. Redfield unctuously asked us in his speech at the Rainier Club if we are not as capable manufacturers as our neighbors in British Columbia. We think we are, but their Government looks out for their interests, lets them have logs at a low cost and very little taxes, allows them to fill their mills with competent Chinese and Japanese, who work for one-half of what our men do, prevents the export of the logs so that they must be manufactured at home, and then keeps on a high tariff on everything that goes through a planer, and finally smiles at the idiocy of the statesmen of this great Republic who throw our markets open, asking nothing in return, but saying, in effect, as Ambassador Page did about the canal, that "we are pleased to have British Columbia prosper more under the new tariff than our own State of Washington."

I have known you many years and at various times have written you on subjects of interest. I think I have never sent you a pessimistic letter before. It is not my nature, but the prospect ahead for anybody engaged in the lumber business in the State of Washington for the next few years is not pleasant, particularly if the tolls-exemption clause is repealed as the President wishes; then British Columbia can charter the ships of any nation and put her lumber in New York $3 per thousand cheaper than we with American vessels. There is no margin of $3 or even $1 in the business at the present time, which means that British Columbia will get the business to the capacity of her mills and we will watch her ships go by.

It seems incredible that such a fatuous policy should prevail, but apparently our people are determined to try all the theories offered them in spite of past experiences and that of other nations, and not until many a wheel stops turning will they wake up to actual results.

Thanking you for your efforts in behalf of your old district, I remain,

Very sincerely, yours,

J. J. DONOVAN.

Mr. HELVERING. Mr. Chairman, will the gentleman yield?

Mr. HUMPHREY of Washington. Yes.

Mr. HELVERING. I notice in the letter from which the gentleman has read that Mr. Donovan states that this mill has been closed down since last summer.

Mr. HUMPHREY of Washington. Yes.

Mr. HELVERING. I want to ask the gentleman from Washington if he knows the date or about the time that the mill was closed down?

Mr. HUMPHREY of Washington. My recollection is that Mr. Donovan closed one of his mills about the 1st of last June.

Mr. HELVERING. I would like further to ask the gentleman if this mill was closed down in anticipation of the tariff law which was passed in October?

Mr. HUMPHREY of Washington. I prefer to quote Mr. Donovan on that. He wrote me a letter, and I think I have inserted that letter in the RECORD, stating that that was the reason, that after the tariff bill had been considered in the House, and the Democratic Party had gone on record to the effect that it proposed to place lumber and shingles on the free list; in anticipation of that fact the people throughout the country stopped buying, and that was the cause of his closing down of his mill.

Mr. HELVERING. I am asking for information.

Mr. HUMPHREY of Washington. I am telling the gentleman what Mr. Donovan himself told me.

Mr. HELVERING. Let me ask this further question. What is the condition in the country just across the line that causes this difference between the two countries that Mr. Donovan speaks of in his letter? He says that not a shingle mill, as I understood the letter, was closed on the Canadian side.

Mr. HUMPHREY of Washington. Yes.

Mr. HELVERING. While there are 35, or some such number, closed on the American side. I want information. Why does this difference exist?

Mr. HUMPHREY of Washington. The difference is due to the fact, first, that they secure their timber at a little less price in British Columbia, but the principal reason is that they employ oriental labor in British Columbia.

About 70 per cent of all labor employed in the shingle mills of British Columbia are orientals. Chinamen are used almost exclusively for the packing of shingles. One of the mills, referred to in a letter which I have here before me, employs largely Hindus in certain work about the yard. The vital difference is labor. I do not have to stand here and argue about it, because the very fact is admitted in this report here which these so-called experts submitted, that about 80 per cent of the labor employed in the lumber or shingle mills industry of British Columbia is oriental labor—that the British Columbia mills would not employ this oriental labor if it were not to their advantage.

Mr. HELVERING. Will the gentleman yield for just one more question?

Mr. HUMPHREY of Washington. Certainly.

Mr. HELVERING. Does the gentleman think that the great manufacture of metal roofing and things like that makes any difference in this shingle business?

Mr. HUMPHREY of Washington. I have answered that question once before on the floor of the House.

Mr. HELVERING. Such as tiling, concrete, and so forth?

Mr. HUMPHREY of Washington. Not only in that, but there are other materials used for roofing which have been advertised extensively. This has made some difference, no doubt, in regard to the market for shingles. There is no question about that. As I mentioned before, to show the inconsistency of the Democratic Party upon this proposition, so far as the tariff is concerned, while you put shingles upon the free list you protected other roofing materials that come in competition with shingles and, notwithstanding the fact that they had this competition with this other material used in roofing, the Democratic Party then thought that they also ought to bring the shingle manufacturers of my State into competition with British Columbia shingles manufactured with this cheap oriental labor.

Mr. HELVERING. Will the gentleman permit a suggestion?

Mr. HUMPHREY of Washington. Yes.

Mr. HELVERING. Right in that connection, I would say in my district we have many mines producing gypsum, which is used in the manufacture of cement shingles. They are protesting against the reduction that was made on the tariff on gypsum that is used in these concrete shingles, so it does not refer alone to the wood shingles, but to the metal shingles and concrete shingles as well.

Mr. JOHNSON of Washington. Will the gentleman yield?

Mr. HUMPHREY of Washington. One moment; before I yield for another question I want to follow up the statement. I want to call the gentleman's attention to this fact and call the attention of the House to the fact, that according to this expert testimony that I have here—that is, according to the Redfield report—immediately after the present tariff bill went into effect 80 per cent of the shingle mills of the State of Washington closed, and immediately before it went into effect the mills that had been closed in British Columbia opened and commenced running to full capacity and are running at full capacity yet.

Mr. HELVERING. I will say to the gentleman I do not care what the Redfield report gives, if it does not state the truth.

Mr. HUMPHREY of Washington. Whenever it does state the truth, I want to give it credit; it is very seldom, I admit.

Mr. ALLEN. Will the gentleman yield?

Mr. HUMPHREY of Washington. Does the gentleman think it does not state the truth; does the gentleman want to contradict this report?

Mr. HELVERING. I have not gone into the report.

Mr. ALLEN. Will the gentleman yield?

Mr. HUMPHREY of Washington. Yes.

Mr. ALLEN. I notice the statement in the letter that a large number of Americans were going across the line into Canada to engage in the shingle business.

Mr. HUMPHREY of Washington. Yes.

Mr. ALLEN. Does that mean they are going to take up farms or establish factories? What does the gentleman gather from that statement?

Mr. HUMPHREY of Washington. I would think, if the gentleman had heard it, it was very clear. It says that he had a "recent request to join another American shingle-mill man to go into one of these ventures."

Mr. ALLEN. I refer to the statement previous, that a large number of Americans were going across. What were they going across for—going across for employment?

Mr. HUMPHREY of Washington. He says that "the idle shingle men were going over to buy timber and open mills and take advantage of the situation." I think that is perfectly clear.

Mr. ALLEN. What is the average life of a sawmill or a shingle mill?

Mr. HUMPHREY of Washington. I do not know.

Mr. ALLEN. Is it not about 10 years?

Mr. HUMPHREY of Washington. I do not know the life of an average shingle mill.

Mr. FALCONER. Will the gentleman yield?

Mr. HUMPHREY of Washington. Yes.

Mr. FALCONER. Touching the question of the gentleman from Ohio [Mr. ALLEN], just previous to the last, I will say that the best cedar timber of British Columbia is owned by American lumbermen. Now, it makes no difference to the American lumberman whether he makes shingles in the United States or in British Columbia providing he can make the money. If he owned a thousand acres of timber in the State of Washington and a thousand in British Columbia and could make more money in British Columbia than he could in the State of Washington, he would prefer to operate in British Columbia. It makes very little difference to the operator above referred to,

but it does make an immense difference to the locality where the mill closes on the American side and to the men who are in business in that neighborhood, and to the workmen who have all their property on the American side. What was the gentleman's [Mr. GARRETT] last question?

Mr. ALLEN. That is in regard to the average life of a sawmill.

Mr. FALCONER. The life of a sawmill, I take it, is not 10 years. We do not figure on the life of a mill on the principle of the number of years. When you are building a shingle mill or a sawmill to-day it does not run 10 years and then become worn out. It is continually kept up in order to have a good mill. It has to be kept up scientifically as the years go on to a high standard of efficiency, and generally is by a scientific and able American lumberman.

You generally discount, however, 10 per cent per annum on a mill unless it is kept up.

Mr. ALLEN. That is what I understood. I was talking with a lumber man from the West the other night, and he told me that the average life of a mill was 10 years; that the chief trouble was the freight rates.

Mr. KREIDER. It was the object of the tariff bill to reduce the price of lumber and shingles to the consumer. Has the gentleman from Washington [Mr. HUMPHREY] any knowledge as to whether the consumer is buying shingles any cheaper to-day because of the enactment of the bill?

Mr. HUMPHREY of Washington. My information is that he is not. He is buying, however, in British Columbia now instead of buying those which are manufactured in the United States.

Mr. Donovan speaks of photographs he took of closed shingle mills. I have some here.

Now, if any of my distinguished Democratic friends wish to see how a closed shingle mill looks I have photographs of a dozen taken between Bellingham and Seattle by Mr. Donovan as he rode through on the train. These mills are closed now, the men who worked in them are out of employment, and if any Democrat wants to look upon the handiwork of the tariff, so far as the shingle business is concerned, I would like him to come over and meditate upon these pictures. I can furnish him a hundred more if he wants them.

Mr. ALLEN. Will the gentleman yield?

Mr. HUMPHREY of Washington. Certainly.

Mr. ALLEN. About five years ago, would not the gentleman have found quite a number of shingle mills not in operation in Michigan by reason of the fact that they were through there?

Mr. HUMPHREY of Washington. I do not know whether they were through in Michigan or not, but I know they are not through in Washington except while the Democratic Party is in power. They will commence running again just as soon as you get out.

Mr. DIES. Will the gentleman yield for a question?

The CHAIRMAN. Does the gentleman from Washington yield to the gentleman from Texas?

Mr. HUMPHREY of Washington. Certainly.

Mr. DIES. Where was the market for the products of these mills?

Mr. HUMPHREY of Washington. To which do you refer?

Mr. DIES. The shingle mills that are closed, and of which the gentleman speaks.

Mr. HUMPHREY of Washington. The shingle mills sell their shingles throughout the whole of the United States, some of them coming as far east as New England, even.

Mr. DIES. How does the gentleman figure that the patrons of the industry of the United States go to Canada and buy shingles since they can not buy them any cheaper than they can in the United States?

Mr. HUMPHREY of Washington. I do not know how many times I will have to answer that in order to satisfy Democratic minds. I have been answering that for 25 years, but my Democratic friends get up and ask it all over again. I do not expect to answer it satisfactorily to any man who is wedded to the free-trade theory. But I think I can take the shingle business and illustrate it, it seems to me, clearly to any unprejudiced mind. As soon as they knew that this law was going on the statute books, our people knew that they could not compete with the shingle manufacturers who employed cheap oriental labor. So they closed their mills. The fact remains that the British Columbia manufacturers sold their shingles in this country. These are the facts: Perhaps my friend is not familiar with this fact, that over in British Columbia—and I am speaking of the shingle industry particularly—they have an association for the purpose of fixing prices. They limit the output. They fix the price—it is permitted under their laws—by combination. They control the price absolutely. They come into our markets, and if our shingle mills begin to sell lower, they immediately reduce their price. But we can not go back into their markets and retaliate, because the very moment we attempt to cross the line they have a law that provides for confiscation of any product that is sold in that market for less than it is sold here. They know that they can get control of our market and can hold it, and they are doing it to-day.

Mr. DIES. So far from being a free trader, I will say to the gentleman from Washington that I voted against free lumber.

Mr. HUMPHREY of Washington. I am glad you did so.

Mr. DIES. I say this in order to disabuse his mind on that score. Even though I am opposed to free lumber, I am still troubled with this other seemingly economic paradox, that free lumber has not reduced the price of lumber but has put the manufacturers out of business. I confess to a sufficient degree of nebulosity, but I can not get that thing through my cranium.

Mr. HUMPHREY of Washington. I will not argue with you that you are not in that condition.

Mr. JOHNSON of Washington. Will the gentleman yield?

Mr. HUMPHREY of Washington. I will.

Mr. JOHNSON of Washington. Is it not a fact that agents of Canada recently have been all through western Washington to see if the manufacturers there were shipping such products as sash and doors into Canada cheaper than they were selling them in the United States; that they have been making that investigation for the purpose of retaliating, but have found that at least one big sash and door factory was running, regardless of price received for its products, in order to sustain life in the town in which it is established?

Mr. HUMPHREY of Washington. I had reported to me recently a specific instance of some sash and door manufacturer in your district where the agents of British Columbia were sent to investigate and find out whether or not he was selling lower in British Columbia than in Washington. And I remember a few years ago a friend of mine had a great deal of trouble to keep one of his logging engines from being confiscated, the Province of British Columbia claiming that he had sold it for less than the market price. Our friends over in British Columbia do not agree with the economic policy of the Democratic Party. They prohibit their country from being made the dumping ground for the cheap goods of other countries. They take the position that it is to their interest to manufacture their own products and give wages and work to their own labor and keep their own mills running, even if they do have to pay a little more for the finished product.

Now, I will give you a little evidence from British Columbia, if there is any doubt in the mind of any gentleman here in regard to the conditions, so far as the shingle industry is concerned, in British Columbia and in the State of Washington. I read first from a letter that I have received from the president of the Rockport Mill Co., at Rockport, Wash.; just one sentence. He says:

Inclosed please find circular which is mailed to all British Columbia mills by the Shingle Agency of British Columbia.

Then he adds this:

This Democratic administration has not and is not aiding the great Northwest. We might as well go out of business until there is a change in the administration.

Then here is the circular that is sent out, headed "The Shingle Agency of British Columbia":

THE SHINGLE AGENCY OF BRITISH COLUMBIA,
441 Seymour Street,
Vancouver, B. C., March 30, 1914.

TO MEMBERS: We had information from Seattle this morning that the following are about the prices now being paid the Washington mills for shingles:

Stars	$1.45
Extra clears	1.80
Eurekas	2.15
Perfections	2.40

The above are the prices paid the mills by wholesalers, and are net, less the usual 2 per cent for cash.

The market for "extra clears" has strengthened since our last report, the price having advanced about 5 cents. It was stated this morning that the Old Oregon Lumber Co. and two or three other wholesalers were out with circulars to the mills offering $1.85, but it was further stated that these same people already had a large quantity of shingles in transit, and that it was believed this was a scheme to boost the price until they could unload their transit line. The next few days will determine this. Our information is that "stars" are rather weak at $1.45 and that "perfections" are just about steady at $2.40.

It is reported that some cedar logs are being bought for $11, the price ranging from that to $13. A number of mills are closed, but the eastern buying is so much below normal that the close down has not had any appreciable effect on the market. We are advised that two or three good-sized shingle mills south of Seattle have recently gone into receiver's hands and that two or three others are expected to crash any day.

This for your information.

Yours, very truly, J. M. ALLEN, *Secretary.*

A few days ago, as some of you who were present at the time will remember, I called attention to the fact that 95 per cent of the entire output of the shingle mills of British Columbia is to-day being sold in the United States. These are some of the facts. I think it is incumbent upon the gentlemen who voted for this tariff bill to explain why. Now I read a letter written to me by Mr. Cooper, who is president of the Hazel Mill Co., Bellingham, Wash. He says:

BELLINGHAM, WASH., *April 21, 1914.*

Hon. WILLIAM E. HUMPHREY,
House of Representatives, Washington, D. C.

DEAR MR. HUMPHREY: Since reading the press report of your persistent effort to force the attention of the Democratic administration to the effect which tariff reduction has had in this State I have been several times on the eve of writing you a letter detailing some of the actual conditions which exist at the present time as a direct result of the removal of the tariff which protected the forest products of the State of Washington from competition across the line in British Columbia.

I read with very much interest and with not a little indignation the report of Secretary Redfield, which was undoubtedly garbled to some extent, but which purported to be a summary of the reports which his department had received from their agents sent into this State sometime since. I am fully persuaded that the agents sent here by Mr. Redfield either willfully misrepresented the facts or that their statements were only published in part and that the reports were twisted in such a manner as to be wholly unreliable. One of the representatives—I think his name was Cleveland—came to this city and spent about eight hours in looking up the entire lumber industry of Whatcom County. Of the time this representative spent in Whatcom County, four hours of the eight were spent in my office. I furnished him with evidence which would be conclusive to any person searching for facts that so far as the shingle industry was concerned the main portion of that industry was being transferred to British Columbia, and that under existing conditions it was only a matter of a very short time until shingle manufacturing in the State of Washington would be a thing of the past, so far as the small manufacturer was concerned. I showed this gentleman correspondence which I had from some of the larger distributors in the New England States, from Buffalo east, showing that they were negotiating for connections in Vancouver. A number of them made trips from Buffalo, Rochester, New York, and Boston to Vancouver, where they entered into contracts with Canadian manufacturers for their future requirements of shingles.

The laws in Canada permit the manufacturers to organize selling agencies or any other means which they desire for the purpose of maintaining a uniform price for their product. In Vancouver, which is the headquarters of the shingle industry, 95 per cent of the shingles produced in that territory belong to a manufacturers' organization, which establishes a price on that portion of their product which is to be sold in Canadian territory. This has been the condition for the last three or four years. The secretary of this organization is an acquaintance and a personal friend of the writer, and for that reason I am familiar with the working out of their plan. On their XXX shingles, which correspond to our grade known as 6/2 Extra *A*'s, their price to the retail trade is based on $2 per 1,000 shingles, f. o. b. cars at the mill. They allow a reduction of 10 cents per 1,000 on this price to the wholesale dealer. This grade of shingle represents probably 85 per cent of all the shingles used in the Canadian territory Being permitted to establish this price and maintain it, they have the benefit of their own market at these prices, and therefore to whatever extent there is a demand for shingles in Canadian territory they are able to supply that demand at a profit. Their organization has been so close and so closely allied with the retail yards that it is practically impossible to sell an American-made shingle in their market. Having practically the exclusive control of their own market, they are able to ship their surplus into the American market at a lower price if they desire.

You are undoubtedly familiar with forestry conditions in British Columbia and also with the methods of manufacturing forest products, particularly cedar, in that territory. In the first place, the forests of British Columbia are apparently more favorably situated for cedar than are the forests of the State of Washington or Oregon. Along the coast and in fact over a large portion of British Columbia cedar timber predominates. I presume that fully 50 per cent of their stumpage is cedar. In the past loggers have, to a certain extent, been compelled to leave a very considerable portion of the cedar in the forest when logging fir, because there was no market for cedar logs which would justify the cost of taking them out of the woods, especially where the logging was somewhat difficult. Many of these old cuttings have been taken up by shingle manufacturers and are being reworked for the bolt timber, either private owners or the Canadian Government selling the cedar remaining on this land at a price of 25 cents per cord stumpage. The mill owner, after acquiring a tract of this cut-over land, lets a contract out to some Japanese contractor for the delivery of the timber in the form of shingle bolts either at the mill or at some convenient point on stream or tidewater. From the very nature of the business and the labor connected therewith, the Japanese can underbid white labor. Under existing conditions, therefore, the woodsman on the American side—the common laborer—is put in direct competition with the Japanese and other cheap labor of British Columbia. Coming to the mill itself, the Canadian manufacturers have available all the oriental labor they require for almost every position in the mill, and these laborers are efficient in every manner. As shingle sawyers and shingle packers the Chinaman, at from $1.50 to $2 per day, is the equal in efficiency with the American laborers at from $3 to $5 per day.

Mr. Redfield in one of his speeches very contemptuously asked his hearers if it were not possible for Americans to be as efficient as Canadians. There is no question but what Americans are as efficient as any other people, but an American can not compete with a Chinaman on a Chinese standard. Seventy-five per cent of the mill laborers in British Columbia are orientals, either Chinese, Japanese, or Hindus. Mr. Redfield's representatives knew this fact, because at least one of them was taken to British Columbia by one of the shingle manufacturers in Washington and made a thorough investigation. Whether or not he reported the result of his investigation I am unable to say. It is true nevertheless that in the shingle mills, for instance, the larger percentage of the laborers are orientals; in fact, practically all of them excepting the foreman, the saw filer, and the engineer. A few white men may be mixed in with the crew, but the oriental crew rules.

Again, it is necessary for the logger when supplying the fir mills with logs to take out of the woods the cedar which grows with the fir, or at least such portion of it as he can market. It is possible in British Columbia to prevent the exportation of any timber excepting timber which was crown grant prior, I think, to the year 1887. The result of this is that cedar logs suitable for the manufacture of cedar lumber and shingles have been selling in the open market in Vancouver during the past six or eight months, and even longer, for from $7 to $10 per thousand feet board measure, which represents a cost to the mill per thousand shingles for the raw material of from 75 cents to $1. On the American side of the line the price of the lowest grade of shingle logs for the past eight months, and, in fact, most of the time prior to that, has been $11 per thousand, and during the past six months the prevailing price for this grade of shingle logs has been as high as $12 and $13, with $14 and $15 per thousand for the camp run or better grade of cedar logs. This represents a cost per thousand shingles of from $1.10 to $1.40 on the American side of the line, as against 75 cents to $1 on the Canadian side of the line. You will readily understand how impossible it is for the manufacturer to compete successfully against that handicap. Another very material advantage which the Canadian manufacturer has is due to the fact that our laws permit them to come across to this side of the line whenever log prices are equal, or nearly so, and create a shortage on this side by buying up our logs and allowing their logs to accumulate. One year ago they did this very thing. The Fraser River Mills & Timber Co., which is largely the Canadian Northern Railroad, sent their representative to the Sound and purchased practically the entire surplus of fir logs and took them up the Fraser River. This created a shortage of fir logs on this side of the line and raised the price about $2 per thousand. The price of fir logs at that time was advanced on the American side to $14 per thousand for No. 1, while on the Canadian side they were sold at $6 per thousand for No. 2 and $10 per thousand for No. 1, our logs being $7, $10, and $14 per thousand for the three grades, making an average price of a little over $11 per thousand. You will note by these facts, first, that the British Columbia timber commissioners protect their mills by preventing the exportation of logs to the American side, that the American Government allows the Canadian manufacturers to come into American territory and create a shortage of logs, and therefore put up the price on his competitor, the American manufacturer; that Canadian laws allow the manufacturer of lumber to organize and maintain a uniform price, and, in fact, that they encourage them to do so, and are basing their price of stumpage on the price of the manufactured product of the forest. This you can readily ascertain by reading the act passed recently which increases the price of stumpage some time in the future and provides for increases every five-year period.

The present price of stumpage in British Columbia is 50 cents per thousand; the price of American stumpage in the United States in the remote regions where the Government still has forest reserves being a minimum of $2 per thousand. Again, the conditions in British Columbia allow the mills to employ oriental labor; the conditions in this country prevent the employment of oriental labor. The Fraser River Mills, for instance, have something like 450 Hindus in their plant in all branches of the industry, not only in the common labor but in the skilled labor. They have Japanese and Chinese in their cedar departments, and practically all of the mills, as I have stated above, employ this cheap labor. The price paid the Hindu is about $1.05 to $1.25 per day. The Japanese receive from $1.05 to $1.50, and I am unable to say what the Chinese labor receives. In piecework, however, in the manufacture of shingles—that is, in sawing—the Chinaman receives 12 cents per thousand, while his competitor on the American side receives from 16 cents to 18 cents per thousand. As a shingle packer he receives 6 cents per thousand and nails his own bands, while the American packer receives 9 cents per thousand and has his bands nailed for him.

It seems to the writer that a man in the position of Secretary Redfield who will ignore these facts and will come before the people of this State as he did in Seattle and insult the intelligence of our citizens by questioning the ability of the American to compete with the Canadian, knowing that it is not a competition between Americans and Canadians, has not the honesty of purpose which should actuate the motives of the people's representative. If in changing the conditions in this State from one of ordinary prosperity to a condition where both labor and capital are in distress; I say, if changing these conditions had resulted in bringing something to benefit the ultimate consumer then there might might have been a reasonable show of justice or a reasonable excuse for making such a change, but the fact that the ultimate consumer does not benefit, particularly in this instance, as the writer discussed at length with Mr. Redfield's representative, and that gentleman admitted that he had been one of the agents who conducted the investigation in relation to the alleged lumber trusts among the lumber dealers; that they found in the investigation that the ultimate consumer received no benefit whatever from the changes which took place in the producing territory at the various times; that owing to the fact that the retail dealers' association and their business was intrastate and not interstate business the Government had failed in its attempt to better the conditions or change the market price to the consumer.

The situation in the lumber business in this State is certainly deplorable. It is perhaps somewhat due to the general condition of the country, but so far as the cedar business is concerned the depression is largely due to the fact that shingles are being imported into this country in large quantities from British Columbia. The fact that Washington mills have at various times been compelled to close down in order to save their capital from ruinous competition among themselves certainly emphasizes the fact that there was no necessity for still further burdening this community by allowing an alien people to absorb our territory. The condition can only be represented by an illustration that if you have a 10-gallon measure already filled with water it would not help the condition by attempting to pour another 5 gallons of water into that measure. The State of Washington supplied the demand of the entire United States for shingles, and there has been no time during a great many years that I have been in the business but what the State of Washington was not capable of filling and has filled the entire demand for the cedar shingle. There never has been a time since Coxey's army invaded Pennsylvania Avenue that there has been so many idle men in the State of Washington as there are to-day, and there would be more idle men in the State were it not for the fact that a very large number of the manufacturers are keeping their plants in operation and footing their losses out of their capital. This condition can not be continued for any great length of time.

The small manufacturer and the small competitor will be eliminated, and the lumber and shingle business will be transferred to the hands of the few large timber owners, either here or in British Columbia. Instead of breaking up trusts, the inevitable result will be that the timber of the State of Washington and the manufacturing of that tim-

ber will be transferred from the large number of small manufacturers to the few large manufacturers. Under the present law this is as inevitable as that night should follow day. Competition will be eliminated in this manner, and after competition has been eliminated and all of the timber, or at least the larger portion of the timber, is held in the hands of syndicates like the Weyerhaeuser, Puget Mill Co., and various other large companies which you know of, then, undoubtedly, the Democratic Party will have accomplished the results they are seeking, because they certainly can not decline these facts.

I inclose herewith a small note taken out of the American Lumberman. You will note that in framing the tariff bill some of our eastern friends very kindly put in a joker which provided that flooring, manufactured in every way as we manufacture it on the Pacific coast, could be shipped from Canada into the American market free of duty, but when it is bored for nails, as some of our Minnesota, Wisconsin, Michigan, and eastern manufacturers are compelled to do in the manufacture of maple and oak, then this flooring carried a duty of 15 per cent. This is a very nice little joker and protects the manufacturers of hardwood against competition; but these same manufacturers, many of whom reside in Minneapolis and neighboring cities, are owners of large tracts of Canadian timber and are therefore interested in bringing that Canadian timber into the American market without paying to the American Government anything for its support. So far as the writer knows, the duty just mentioned above is the only one imposed on manufactured lumber coming into the States. On the other hand, the Canadian Government imposes an ad valorem duty of 25 per cent on any lumber shipped from the United States into Canada which has been manufactured above the mere process of sawing. In other words, the administration has given over everything which was worth while in the American market without receiving one item in exchange. Just as soon as this Democratic policy with regard to forest products is fully established the manufacture of cedar will be transferred from Washington to British Columbia. The movement in that direction has already started. Some of the more cautious people, however, are waiting to satisfy themselves whether or not the fall elections will change the situation by returning Republicans instead of Democratic Representatives in Congress.

It is not necessary for me to assure you that we all appreciate your efforts. You have no doubt received expressions from a great number of people here in the State. I can only assure you that if they have not written to you personally in regard to the matter they are very plain in their expressions here at home.

Wishing you every success, I beg to remain,

Yours, very truly,

GEO. A. COOPER,
President the Hazel Mill Co.

Mr. DIES. Mr. Chairman, will the gentleman yield there for a question?

Mr. HUMPHREY of Washington. No; I do not want to yield just now.

Think of an investigation of the lumber and shingle business of a great county like Whatcom County, where they have dozens of mills, including five or six of the largest mills in the United States, in eight hours. Four hours of this eight were spent with Mr. Cooper, but these experts in their report do not even mention that they talked with him.

Yet he was the only real representative of the lumber and shingle industry that they saw in the entire northwest part of the State that has hundreds of mills and millions of dollars invested in the lumber industries. They failed to mention Mr. Cooper or his statements. They kept this out of the record, just as they kept out of the record the report made to them by the West Coast Lumber Manufacturers' Association.

Now, I want to read just two paragraphs from a letter which was handed to me to-day by my colleague [Mr. JOHNSON]. It is a personal letter, and I will only say that it comes from the secretary-manager of one of the large logging institutions in our State. Here is what he has to say about it:

The new tariff law has already produced hard times. Lumber and saw logs are at the lowest prices in just 20 years. We are now getting for logs the same price that was paid in 1894, during Cleveland's administration. Many of the mills and logging camps have been compelled to close down, and we have thousands of idle men in the Northwest.

Belgium structural steel and Swedish high-grade and tool steel has practically captured our market. I am using Swedish steel in the blacksmith shop, feeding our men Australian beef, New Zealand butter, and Chinese eggs. They are all of the good quality, equally up to our domestic products, and considerably cheaper. You can not borrow money now unless you have gold bullion to put up for security. In other words, we have just about the same d—d Democratic times as 20 years ago. I have not seen a business man smile in three months, and we are all wearing out our old clothes.

Mr. CARTER. They are lucky to have them. [Laughter.]

Mr. HUMPHREY of Washington. Certainly we are. It is well, under a Democratic administration, that we saved some of our old clothes, left over from the days of prosperity under Republican rule [applause on the Republican side], otherwise we would have been in a most deplorable shape. In fact, we would not dare to appear in public at all. [Laughter.]

Now, Mr. Chairman, I want to call attention to another fact. Of course, after the Democratic Party had placed shingles upon the free list, they were not satisfied with doing that. We still thought there might be some hope of getting into the markets of the east coast of this country after the Panama Canal should be opened. But now the Democratic Party, in the face of their platform pledges, in the face of the promises they made to the people when they were asking for their suffrages, in the face of the promise that was made by their candidate for President when he was on the stump, in the face of these promises, upon which the people of the United States relied and upon which we of the West had expended millions of dollars and contracted to spend millions of dollars more, believing that after that party in Congress had gone upon record by roll call, after the proposition had passed the Senate without a single Democratic vote against it, that we could rely upon it, we still hoped that we might be able to do something after the Panama Canal was opened. But the Democratic Party now takes away that last hope.

I hold here in my hand a letter that was given to me by the distinguished leader of the minority [Mr. MANN]. I received one similar to it not long ago. This is a letter that was written from Vancouver, British Columbia. I want to read it. It says:

VANCOUVER, BRITISH COLUMBIA, *April 6, 1914.*

FRANK B. STONE,
701 Railway Exchange, Chicago, Ill.

DEAR SIR: Owing to the fact that the Parliament of British Columbia has just passed a law fixing until 1955 the royalties on timber, and limiting the license fees which are paid in lieu of taxes on timber limits during that entire period, together with the removal of the tariff on lumber products into the United States, I desire to call your attention to the timber possibilities of this Province. For many years the writer was a manufacturer of lumber and shingles at Manistee, Mich., and therefore realizes fully this opportunity of securing high-grade timber at a low price.

We act as timber brokers and would be glad to submit timber properties for your consideration, and as such would assure you the benefit of many years' residence in Vancouver, and submit only such properties as have stood our own inspection, and which will favorably stand any investigation of the representations we may make.

If the act providing for the exemption from Panama Canal tolls of American coastwise vessels is repealed, it will be possible to deliver British Columbia timber to the Atlantic seaboard several dollars per thousand cheaper than United States Pacific coast lumber products, due to the lower rate at which foreign ships can carry lumber as compared to American ships, which under present laws are required to carry freight from any American port to any other American port.

We recommend timber located tributary to tidewater on the east coast of Vancouver Island and the west coast of the mainland, and can submit properties for your consideration which have been cruised by our own men.

We shall be glad to give you any information you may desire relating to the timber resources and conditions here and would appreciate hearing from you.

Yours, very truly,

HOME SECURITIES CORPORATION (LTD.),
ROBT. S. BABCOCK, *Managing Director.*

I want to call the attention of the House to the fact that that statement comes from British Columbia, from Vancouver.

Now, I hold in my hand a clipping taken from the Vancouver (British Columbia) Province under date of April 17 or 18. It is recopied in the Seattle Post-Intelligencer under date of April 20. I read:

[From the Post-Intelligencer, Seattle, Monday, April 20, 1914.]

BRITISH COLUMBIA GLOATS OVER TOLLS.

British Columbia lumbermen, hoping to invade the New York market and that of Buenos Aires, are looking forward to the great pageant parade to be held here on June 12 as a means of bringing their lumber wares to the attention of the Atlantic coast and South American buyers. Mr. Harry G. Hayes, who has been appointed by the lumbermen to take charge of their parade at the time of the pageant, pointed out this morning that following the opening of the Panama Canal there was no reason why British Columbia should not capture a large share of the lumber trade of the east coast.

At the present time Washington mills competing against the southern yellow-pine interests manage to dispose of a large quantity of Douglas fir every year on the Atlantic coast, selling both in New York and Buenos Aires by cargo as well as shipping overland by car to points in the Eastern States. Although at the present time the British Columbia mills do practically no cargo shipping at all to the east coast and sell comparatively few carloads to the eastern American towns, Mr. Hayes believes that as soon as the canal is opened for commercial business the mill owners of this Province will be placed in a splendid strategical position from a trade point of view.

BRITISH SHIPS CHEAPER.

British bottoms are cheaper on charter than American boats, he points out, and Seattle and Tacoma can not, under American maritime regulations, use British bottoms for carrying shipments to New York. This will mean that Vancouver can ship cargoes to New York cheaper than Washington cities will be able to do through the canal.

This relative cost advantage applies even at the present time around the Horn. He claims, further, that although the cost of lumber production is somewhat higher in British Columbia than in Washington, the difference is not by any means so great as has been supposed, and, in fact, some of the British Columbia mills are producing just as cheaply as any of those across the line. The Panama Canal will have the effect, he believes, of cutting the cost of transportation to the Atlantic coast by about 60 per cent, thus helping out all the Douglas fir shippers in their fight for the market against the yellow-pine shippers of the Southern States.

The net result will be, he points out, that both British Columbia and Washington shippers will be aided by cheaper transportation, and through their ability to use British bottoms the lumbermen of this Province will have an extra advantage over their fellow shippers of Douglas fir in Washington State.

OPPORTUNITY IS HERE.

"The opportunity for British Columbia lumbermen to seize the Atlantic coast markets, both in North and South America, is here," declared Mr. Hayes with enthusiasm this morning. "Realizing the advantages which they can obtain in a publicity way, many millmen of the city propose to bring the lumber resources of the Province to the attention of the buying public just as prominently as possible. It is planned to make the lumber parade for the pageant the most preten-

tious affair that ever took place in the city. It will probably be from 3 to 4 miles long. Moving-picture companies are now preparing to take views of the parade, and by means of these, through newspaper reports of the affair and also through the reports which the ad men will send home from their convention here at the same time, our lumbermen look forward to a great deal of beneficial publicity in the East, which, as I have pointed out, will no doubt lead to the building up of a large future cargo business on the east coast.

CAME FROM PUBLICITY.

"I may say here that much of the success achieved by the Washington mills came by reason of the advertising they obtained through the monster parades held in Tacoma and Seattle a few years ago. The Seattle parade at the time of the Alaska-Yukon-Pacific Fair there was 7 miles long. Moving pictures of it were shown all over the United States."

Mr. Hayes announced this morning that efforts were being made to have every mill in or near the city well represented in the lumbermen's pageant parade. There will be many special floats typical of the various phases of the industry.

The Hoo Hoo Order, which is a lumbermen's organization, is to hold its concatenation here at the time of the pageant, and proposes to cooperate with the mill owners in making the lumber parade a success. The Hoo Hoos are to hold an organization meeting in the Press Club rooms in the Leigh Spencer Building to-morrow evening, when arrangements for the concatenation and for assisting in the parade will be perfected.

May I stop here long enough to express the hope that the distinguished Secretary of Commerce will send a representative out there to head that parade of British Columbia manufacturers celebrating the opening of the Panama Canal; to celebrate the capturing of the markets on the east coast of the United States, that belong to the manufacturers of Washington, Oregon, and California—markets that we could hold to some extent if they would leave the law on the statute books that we now have? I hope the distinguished Secretary will have a representative there, who may give the optimistic and plausible Secretary a description of that celebration, in order that he may use it as a text for one of his glowing and entirely accurate speeches upon the prosperity that the present tariff law has brought to the country.

You will notice that moving pictures are to be taken of the parade to be used for advertising purposes. I hope one of these pictures may be permanently installed in the office of the Secretary of Commerce, to show the glory of free trade and efficiency. I sincerely hope that these moving pictures will show a banner at the head of that parade containing the declaration of the Democratic platform in regard to Panama Canal tolls.

Mr. HELVERING. Will the gentleman yield?

Mr. HUMPHREY of Washington. Yes.

Mr. HELVERING. Has the gentleman, or anybody interested in that phase of the question, made any arrangement for such a display?

Mr. HUMPHREY of Washington. I should think the Democratic Party would be so proud of it that they would arrange it. The Democratic Party seems to be proud to turn the markets of this country over to the foreigner. It seems to be proud of surrendering American interests to foreign interests. It seems to be proud of the fact that it has violated its platform promises and secured the suffrage of the people under false pretenses.

Mr. GARRETT of Tennessee. Will the gentleman yield?

Mr. HUMPHREY of Washington. Yes.

Mr. GARRETT of Tennessee. I understand that the article which the gentleman has just read is predicated upon the repeal of Panama Canal free tolls.

Mr. HUMPHREY of Washington. Yes.

Mr. GARRETT of Tennessee. What advantage will the British Columbia lumbermen have over the Washington and Oregon lumbermen, just by reason of the repeal of the free tolls? They will all have to pay the tolls.

Mr. HUMPHREY of Washington. I will read an editorial which I hold in my hand that will probably make that clear. This is from the Post-Intelligencer, of Seattle, Wash., Monday, April 20, 1914:

BRITISH COLUMBIA EXPECTANT.

In another column of this paper is reprinted a news story from the Vancouver, British Columbia, Province which should set aside all doubts as to the effect of the repeal of the canal tolls on the Washington lumber industry. The joyful expectations of the British Columbia lumbermen are made known by a Canadian newspaper in a manner sufficiently clear to carry conviction.

"The opportunity for British Columbia to seize the Atlantic coast markets is here," is one enthusiastic declaration.

"British bottoms are cheaper on charter than American boats and Seattle and Tacoma can not, under American maritime regulations, use British bottoms for cargo shipments to New York. This will mean that Vancouver can ship cargoes to New York cheaper than Washington cities will be able to do through the canal."

These are the declarations of a Canadian newspaper rejoicing over the advantage that is to come to British Columbia if President Wilson's canal policy goes through. And this advantage is a dead loss to the people of this State. It is not a loss to be suffered exclusively by those who have capital invested in the lumber business, but by every resident of the State however remotely connected with the timber industry.

British Columbia is clapping her hands in anticipatory glee, seeing the day when the canal and all the eastern trade marts will be ready for Canada, while we are being entertained with talks on subsidies, phantom shipping trusts, and dissertations on the meaning of party platforms. It is a strange state of affairs, indeed, that there are people in Seattle who will not see the obvious, who will not even believe it when their competitors across the line exultantly proclaim their victory.

There is no getting away from the facts, as far as this State is concerned. The British bottoms sailing from British Columbia can and will take the business away from us if the canal is opened to them on an equal basis. If that means anything to the people of this State it is time to get busy.

Now, my distinguished friend from Tennessee is very well informed, as I happen to know, in regard to the shipping laws of our country, and has studied that question; and when I call his attention to the fact that the British Columbia manufacturer can use foreign bottoms for conveying his products through the canal to the east coast of this country, and that the manufacturers and other producers in the State of Washington and the other Pacific coast States can not use foreign bottoms, he will see at once the disadvantage under which we labor, because the gentleman has investigated that question, and he knows that you can charter a foreign vessel for very much less than you can charter an American vessel.

Mr. McKENZIE. Will the gentleman yield for a question for information?

Mr. HUMPHREY of Washington. Certainly.

Mr. McKENZIE. So far as the South American trade is concerned, the Washington lumbermen could ship their products in foreign vessels, could they not?

Mr. HUMPHREY of Washington. Yes.

Mr. McKENZIE. And in that way they would have an equal opportunity so far as the South American countries are concerned?

Mr. HUMPHREY of Washington. Yes.

Mr. McKENZIE. But that would not be true of shipments to our own country.

Mr. HUMPHREY of Washington. That would not be true of the east coast. And, as I have before called attention, I think there is a wide misunderstanding of one fact with reference to South America.

The Panama Canal is not going to benefit the west coast to any great extent in its trade with South America, because, if you will take the map and look at it, you will find that the canal is not going to shorten the distance to but very few of the markets between the west coast of this country and South America. In fact, if you will take the globe and look at it, you will find that it is nearer from Seattle around Cape Horn to Buenos Aires than it would be to go through the canal. So that, as I have taken occasion to point out several times before, the great benefit of the canal to the west coast from a commercial standpoint would be to enable us to sell in the markets on the east coast of this country and enable us to buy in the markets on the east coast of this country.

As having a general bearing upon the questions I have been discussing, I will insert a recent editorial from the Philadelphia Enquirer and a clipping from the Press, of Blaine, Wash.

[From the Philadelphia Enquirer.]

QUIBBLERS IN HIGH PLACES.

One of the most irritating features of the present administration at Washington has been the difficulty in pinning down certain members of the Cabinet to plain statements of facts. There has been a disposition to be oracular, to talk mysteriously, and to promise things that are rarely performed. During the discussion on the Underwood bill manufacturers who had the temerity to protest against the provisions of that measure were treated as if they were malefactors who had no rights in their own business and no interest in the prosperity of the country. Veiled threats were mare against them, and Mr. Redfield, the Secretary of the Department of Commerce, caused word to go out that if any manufacturer reduced wages or shut down his plant and gave the operations of the new tariff bill as the reason for such an action, such a person would be subjected to the scrutiny of the Department of Commerce and, if found guilty, would be punished.

Just how the facts were to be ascertained and what rights Mr. Redfield had in the premises, and under what law the supposed culprits were to be punished, were not made clear at the time and never have been since. At all events, the threat, when not hotly denounced, was laughed at as a bit of political froth. The tariff bill was passed, and as a result of its operations mills have been closed and many others are working on half time. But there have been no investigations by the Department of Commerce or by anybody else, and it is safe to say that there will not be. The results would be too unpalatable for Democratic consumption. They would prove that the opponents of the Underwood bill knew what they were talking about and that the threat to punish them for not being prosperous under unwise laws was the height of absurdity.

Secretary Redfield, in a speech before the Chamber of Commerce of Columbus, now asserts that he never threatened to investigate manufacturers, and he speaks vaguely of "half truths" and of "mental gymnastics" on the part of his critics. If he did not say what he has been quoted as saying, what did he say? And if he did not mean what he said, what did he mean? The trouble is not with Secretary Redfield's critics, but with Secretary Rerfield. He and his associates appeared to think it was treason for the manufacturers to oppose their radical legislation, and now that it has proved a failure they are trying to throw the blame on the critics of the new laws instead of the new laws themselves.

No, Mr. Secretary, it is not "silly yarns" and falsehoods that have created the present economic conditions, but the half-baked laws and

acts of inexperienced men who have been suddenly intrusted with the affairs of state and who are helplessly struggling in the bogs and fogs of their own words, which they are constantly explaining and which the average citizen is totally unable to understand.

[From the Blaine Press.]

RELIEF IS DEMANDED.

Under the terms of the present tariff law the President has power to restore the duty in whole or in part if it is found any industry is being injured by the new law. It is hoped that a more thorough investigation will be made than the farcical, so-called investigation directed by Secretary Redfield. Earnest and honest research will show that lumber and shingle industries of this country have been seriously injured by the new schedule and that beneficiaries are manufacturers of Canada. To replace the duties on these products will be but a simple act of justice.

There is another remedy, however, which may be applied—to secure from British Columbia a removal of the prohibition on exports of timber from the Province. It is asserted that with this prohibition removed our manufacturers could successfully compete with Canadian manufacturers without the aid of a protective tariff.

Either one or the other of these remedies is demanded to put an end to the injustice and injury to American manufacturers caused by the Democratic tariff tinkering.

—

The effect of the repeal of the free-tolls provision for American ships can be seen from the comments of the Canadian press. The Vancouver Province says:

"The opportunity for British Columbia to seize the Atlantic coast markets is here.

"British bottoms are cheaper on charter than American boats, and Seattle and Tacoma can not, under American maritime regulations, use British bottoms for cargo shipments to New York. This will mean that Vancouver can ship cargoes to New York cheaper than Washington cities will be able to do through the canal."

Now, Mr. Chairman, I will yield five minutes to my colleague [Mr. FALCONER].

Mr. FALCONER. Mr. Chairman, the gentleman from Tennessee [Mr. GARRETT] has just asked a question. The gentleman voted for the repeal of free tolls, and I should like to ask the gentleman a question for information. What is the position of the United States on the proposition that no Canadian Pacific Railway ships can go through the Panama Canal? Can ships owned by the Canadian Pacific Railway go through the Panama Canal or not, under the laws of our Government touching on canal service?

Mr. GARRETT of Tennessee. Does the gentleman ask me that question?

Mr. FALCONER. Yes. The gentleman's question led to that.

Mr. GARRETT of Tennessee. As I remember, the canal act that was passed in 1912 laid a prohibition upon railroad-owned ships going through the canal, but I think that referred to domestic ships.

Mr. FALCONER. Domestic ships?

Mr. GARRETT of Tennessee. Yes.

Mr. MANN. If the gentleman will permit, that has been a disputed proposition ever since before the bill was passed in 1912.

Mr. HUMPHREY of Washington. But under the President's proposition that we ought to give up everything, are we not called on to give in to the Canadian Pacific Railway?

Mr. MANN. There is no doubt that if the present House had it to do, they would give it away.

Mr. GARRETT of Tennessee. Mr. Chairman, I always try to answer questions candidly. I do not now recall the exact wording of the provision which was in the act of 1912.

Mr. FALCONER. The provision is that any ships which are owned by any railroad under the jurisdiction of the Interstate Commerce Commission shall not use the canal. I understand Sir Edwin Gray holds that there is a question as to whether or not that applies to Canadian Pacific Railroad ships and urges that it can not apply, while our people hold that it does, on account of a little stretch of Canadian Pacific Railroad running down to New York. The proposition is intended to cover and prevent railroads controlling water and land routes of transportation and rates to the exclusion of competition. But later when this question comes up it might be suggested that if you are going to give any railroad the right to employ ships give it to an American railroad rather than to a foreign railroad. The point is brought out by the gentleman from Washington [Mr. HUMPHREY], my colleague, that British ships can take cargoes of lumber from British Columbia through the canal and land them in any seaport city on the south or east coast of the United States, and that that is a big advantage, because of the fact that our maritime laws demand a higher standard for the American sailor. We pay higher wages and we can not compete, and there is a difference of at least $3 a thousand, which is enough to exclude our lumber from the market.

I want to say here, Mr. Chairman, that the great difficulty with this discussion of the duty on lumber and shingles is that it has become a partisan discussion. Now, I submit the proposition that if you had taken the lumber schedule separately and alone and treated the subject from a scientific standpoint you might have consented to have left the tariff on shingles, while you might have taken the tariff off of lumber.

Mr. GARRETT of Tennessee. May I ask the gentleman there, has the price of shingles been reduced out there?

Mr. FALCONER. I will say to the gentleman from Tennessee that there has been no set price on shingles for any great length of time in the history of the shingle industry of the country as far as I know. The price may range low part of a season and then go up. Now, I do not attribute every change to politics. The price of shingles are lower, a little, to the manufacturer than they have been for some time past. He is selling them for less money, and quite a good deal less.

Mr. GARRETT of Tennessee. Does the gentleman know how much less?

Mr. FALCONER. About 15 to 25 cents a thousand. Six to two 10-inch clear butts, $1.65 a thousand f. o. b. at the mill to the broker or yard; five to two, all clear, sell for $1.85 up to possibly $2.10 at times.

Mr. GARRETT of Tennessee. But he is getting the logs at a less price.

Mr. FALCONER. A little less price; yes. The logs are lower in our State than they have been for some time. They are probably not as low as they were in 1894 as suggested.

Now, one point I want to make is that shingles are a by-product of the lumber industry. The question was asked on the floor of the Senate some days ago why shingles should be protected and clapboards and other long board lumber not protected. The answer is that you can not make clapboards or long lumber out of broken down, burned, refuse timber, but you can make shingles out of this broken stuff, or anything that is 16 inches long.

The CHAIRMAN. The time of the gentleman from Washington has expired.

Mr. MANN. I yield the gentleman five minutes more.

Mr. FALCONER. Now, Mr. Chairman, this one thing obtains in the shingle business. The big lumbermen log off thousands of acres of land, and they sell the big tracts of land in small tracts to men who want to make little farms. They divide them up into 20-acre tracts. Mr. A, Mr. B, and Mr. C all buy a 20-acre tract, and, instead of going to work at some place in the city for day's pay, they cut off cedar stumps close to the ground, and old cedar windfalls, some of which have been lying on the ground for a century and still sound, into 4-foot lengths, for convenience, and cord them. They spend their time cutting this refuse cedar and incidentally clear up the land at the same time.

Now, the first mill to shut down on account of the low price is the independent shingle mill—not the combination lumber and shingle mill—employing 25 to 50 employees; and the shutdown of the little mills necessitates these farmers going into the city to work in order to get a competency for themselves and families on which to live. The first mill to feel the effects is the little mill. The combination mill does not have to shut down. You take the large lumber mills, and their shingle mill produces a by-product. The refuse stuff, the slabs and centers and butts, are taken off of the logs, making the raw material cost very little; they pass it over to the shingle mill, which cuts it up into blocks and shingles, and they can make a little profit, because the timber does not cost them anything; but the man who has to buy his shingle bolts is at a disadvantage, because they cost money.

Mr. WINGO. Will the gentleman yield?

Mr. FALCONER. Yes; I yield.

Mr. WINGO. How much per thousand do they get for the shingle bolts?

Mr. FALCONER. You do not sell shingle bolts by the thousand, but by the cord. A cord will cut about 5,000 shingles, and they get $3.75 to $4.50 a cord at the mill. You will understand that the stumpage, the raw material, is worth about $1 a cord and the rest is labor and expense of hauling it to mill. Now, from the standpoint of conservation, what is going to happen if you do not have a little shingle mill in the vicinity of logged-off land? The farmer is going to roll the material into piles and burn it. There are hundreds of thousands of cords in the State of Washington that have been burnt in that way when there was no mill to which to sell cedar refuse found on the land in the process of clearing. You can see the economic side of that question.

We should consider this question without any reference to politics; the people of the State of Washington are not very politic. Party talk does not amount to so much to the live, thinking people of the State of Washington. They have no fight to make on any party except as the party causes conditions that makes them discontented. I wish the Democratic Party could look into this question from a scientific standpoint, without prejudice. The party is to be commended for living up to the party platform and taking the duty off, but there would

be no inconsistency in putting it back on shingles if you thought it proper. That would show ability and fairness and justice on the part of the party in power that would commend itself to the people who are familiar with this matter.

Mr. Redfield has sent out his report. I think he is honest; I do not think there is any question about it. My observation is that he wants to get at the facts, but questions asked here by Members demonstrate that gentlemen do not understand this question. I do not believe that Secretary Redfield understands this feature of the lumber industry and the effect of free trade on shingles to the people of the State of Washington. It has a bearing—an economic bearing.

There should be a reasonable duty on shingles.

In 1912 the British Columbia shingle mills manufactured only 50 per cent of their capacity. This year they are reported running full time; their big mills putting our little mills out of the manufacturing business.

Mr. HUMPHREY of Washington. Mr. Chairman, how much time have I remaining?

The CHAIRMAN. The gentleman has two minutes.

Mr. WINGO. Will the gentleman yield?

Mr. HUMPHREY of Washington. Yes.

Mr. WINGO. What is the labor cost per thousand of shingles for turning the bolt into shingles?

Mr. HUMPHREY of Washington. I do not know. I have put that matter in the RECORD several times, but I do not remember.

Mr. Chairman, I want to make this observation in regard to a statement made by my colleague [Mr. FALCONER] as to the attitude of the Secretary of Commerce. I am not going to criticize him; but I again call attention to the fact that the Secretary sent in his report based upon anonymous testimony, a method of securing evidence, so far as I know, that has never been followed by any reputable person in any reputable undertaking. If he really wants to know the truth about the shingle industry and was really sincere in sending in the report, why is it that for weeks he has kept still, made no explanation as to why he based his report on such evidence, and why has he not rebuked these agents that went out there, spent days in pretended investigations, and suppressed legitimate evidence, and did not attempt to give the country the truth? I am not going to criticize him, but I simply repeat the facts.

Mr. KEATING. Mr. Chairman, as a consequence of the distressing conditions now prevailing in Colorado, John D. Rockefeller, the world's richest man, finds himself arraigned at the bar of public opinion and required to give an account of his stewardship.

That Mr. Rockefeller understands this is evidenced by an article which appeared in the morning paper, and which contained a statement prepared by Mr. Rockefeller's son, John D. Rockefeller, jr.

I will insert this statement in the RECORD, but before doing so it might be well for me to briefly refer to the circumstances which provoked it.

As Members of the House know, my State has been since last September the scene of a bitterly contested coal strike. This strike directly affected every coal mine in the State and seriously interfered with almost every other line of business activity.

The contest has been marked by a great deal of violence. I will not attempt to go into that phase of the subject just now. Suffice it to say that the situation finally passed beyond the control of the governor of the State, and he called on the President of the United States to send Federal troops to the disturbed district with a view to restoring order. President Wilson was familiar with all the issues involved in the Colorado controversy. As early as last October his attention was called to the gravity of the situation, and since then he has followed the principal developments with sympathetic interest.

He knew that this House had sent a committee to Colorado, headed by the distinguished gentleman from Illinois, Dr. FOSTER, and he was familiar with the testimony submitted to that committee.

It will therefore be seen that the President was well equipped to give Gov. Ammon's request for Federal troops the consideration which its importance demanded.

The newspapers tell us that the President, undoubtedly influenced by his intimate knowledge of the situation in Colorado, decided to make a final effort to peacefully adjust the differences between the miners and the mine owners of Colorado.

We are told that the distinguished gentleman from Illinois, Dr. FOSTER, journeyed to New York, with the approval of the President, for the purpose of enlisting the support of John D. Rockefeller in this effort to bring peace to my distracted State.

Dr. FOSTER had an interview with Mr. Rockefeller and, according to newspaper report, urged that gentleman, in the name of the President of the United States, to consent to an arbitration of all the issues involved in the strike. Mr. Rockefeller declined to act on the President's suggestion as conveyed by Dr. FOSTER.

He practically reaffirmed the position which he took before the Committee on Mines and Mining of this House, when he declared that he and his associates "had nothing to arbitrate," and would, if necessary, sacrifice their holdings in Colorado rather than deal with their employees as an organized force brought together for the purpose of collective bargaining.

After his conference with Dr. FOSTER young Mr. Rockefeller issued a statement to the press. We are told that he and his personal attorney worked over it all afternoon, and therefore it may be considered as the deliberate, carefully prepared presentation of the Rockefeller position.

In this statement Mr. Rockefeller says:

> After a long and full discussion of the question in all its aspects, Dr. FOSTER was unable to make any suggestion which did not involve the unionizing of the mines or the submission of that question to arbitration.

A little further on Mr. Rockefeller says:

> On this question of the open shop, namely, the right of every American citizen to work on terms satisfactory to himself without securing the consent of the union, I reiterated to Dr. FOSTER what I said in my examination before the Committee on Mines and Mining a few weeks ago—that we regarded this as a matter of principle which could not be arbitrated.

Then Mr. Rockefeller undertakes to still further define his position, as follows:

> We do not question the right of any workmen to freely associate themselves in unions for the furtherance of their common and legitimate interests, but we do assert the equal right of an individual to work independently of the union if he so elects.

Mr. Chairman, the American people will not take issue with Mr. Rockefeller on many of the propositions laid down in his statement. We are not quarreling with the Rockefeller theories, but we are denouncing the Rockefeller practices.

In this statement Mr. Rockefeller seeks to convince the American people that he does not deny his men the right to organize, but that he is so jealous of the interests of the humblest of workingmen that he would sacrifice millions in order to maintain that workingman's right to labor without going into a union.

For 34 years I have lived in the State of Colorado. I am familiar with conditions in the mining camps controlled by Mr. Rockefeller, and I want to say to the Members of this House that it has been the uniform practice of Mr. Rockefeller and his representatives to deny to their employees the right to belong to a labor union. It is a matter of common knowledge in southern Colorado that the man who belonged to a union could not secure employment in a mine owned or controlled by Mr. Rockefeller and those associated with him. It is true that hundreds of union men did secure employment in those mines, but it is also true that the moment their union affiliations were discovered their employment ceased.

I do not know that Mr. Rockefeller is familiar with this fact. He testified before your committee that he had not visited his Colorado estate for 10 years, and that he based his statements upon information supplied him by his representatives.

If those representatives furnished Mr. Rockefeller with the information on which he bases the assertion, "We do not question the right of workingmen to freely associate themselves in unions," then they have grossly deceived their employer.

Mr. Rockefeller also attempts to convey the impression that the recognition of the union was made a condition precedent to the settlement of the strike. This assertion is also not in accord with the facts.

Secretary of Labor Wilson spent 10 days or 2 weeks in Colorado last fall laboring to bring about a settlement of the strike. He finally submitted a proposition which provided that the strikers should return to work on the terms suggested by the operators—that the question of an increase of wages should be referred to arbitration, and that a commission should be created for the purpose of devising a substitute for recognition of the union. What the Secretary had in mind was the formation of a tribunal in which the men had confidence and to which they could appeal for redress of grievances.

This proposition was submitted to Mr. Rockefeller's representatives and was rejected by them.

Apparently the Rockefeller idea was that gigantic corporations, employing thousands and tens of thousands of men, were justified in insisting that they must be permitted to deal with those men as individuals and not as combinations of individuals. Such a view is repugnant to the best thought of the country.

Mr. Rockefeller, in the statement which he made, makes another point. He repeats the old, old story that many of the demands now made by the men on strike in Colorado have been

granted by the company before the strike was declared. He says, referring to Dr. FOSTER:

I showed the Doctor that all of the points which are claimed to be at issue, with the exception of unionizing the camps, the Colorado Fuel & Iron Co. had voluntarily granted to its employees long before the strike was called or talked of.

Then the newspaper adds that the five points which Mr. Rockefeller says were settled before the strike began are the eight-hour day, semimonthly pay, check weighmen, regulation of company stores, and increased wages.

As I said a moment ago, I have lived in Colorado for 34 years; for 20 years of that time I have taken a rather active part in public affairs. I am familiar with the records of Mr. Rockefeller's company. I am familiar with the efforts made in the legislature to secure the enactment of these laws, and I want to say to this House that every one of the laws here referred to was placed upon the statute books in the face of the bitter and continued opposition of Mr. Rockefeller's company, and that after we succeeded in getting those laws on the statute books Mr. Rockefeller's company has refused to obey the laws, that they have gone into the counties where they have operated, secured control of the governmental machinery in those counties, and in that way succeeded in suspending the enforcement of the law, so far as the coal-mining companies were concerned. That assertion may sound rather harsh to some ears, but fortunately it is not dependent upon my word alone. I have here a summary of a report submitted by a Federal grand jury in Colorado. This grand jury was brought together last September. It was not a grand jury made up of the friends of the union. In fact, the leaders of the union were disposed to charge that the grand jury had been packed against them, and one of the acts of the grand jury was to return indictments against the leaders of the miners' union on the ground that they had violated the Sherman antitrust law, and yet that grand jury, which to my mind was as impartial as a grand jury very well can be, brought in a report of the conditions in the southern Colorado coal camps. Among other things this is what the grand jury found:

That State laws have not been enforced so as to give all persons concerned benefits which are derivable therefrom.

That coal companies have nominated, elected, and controlled county officers; that county officers elected by the coal companies have shown undue activity in controlling elections, having in one instance changed the precinct boundaries, presumably to eliminate unfavorable votes of the miners, and have thus aroused not only political but social dissatisfaction.

That many camp marshals, whose appointments and salaries are controlled by coal companies, have exercised a system of espionage and have resorted to arbitrary powers of police control, acting as judge and jury and passing sentence.

That camp marshals have brutally assaulted miners.

That miners can not complain of real grievances without being discharged.

That the scrip system is still in effect.

That miners feel under an unjust obligation to trade at the company stores, because of the attitude of mine superintendents.

That check weighmen have been denied the miners.

Mr. Chairman, that is a report submitted by a Federal grand jury, which deals specifically with those things mentioned in Mr. Rockefeller's statement this morning, those things which he says his company freely and gladly gave the men before the strike was thought of. As a matter of fact, his company never gave the men those things. The Legislature of Colorado, in response to a popular demand, enacted laws giving the men those things, and Mr. Rockefeller and his associates, because they were able to control the local officers in one section of Colorado, the section where their properties are located, succeeded in suspending these beneficent laws which had been enacted by the legislature of all the people.

Mr. BRYAN. Mr. Chairman, will the gentleman yield?

Mr. KEATING. Certainly.

Mr. BRYAN. In view of the following testimony of Mr. Rockefeller here at the recent hearings, does the gentleman not think his suggestion as to what he has given to the employees is entirely immaterial and ought not to be presented? Here is the testimony:

I do not know when the last one was held—

Referring to the last meeting of the board of directors—

I have never attended any except that one in Denver, which I should think was at least 10 years ago.

Mr. KEATING. Yes; Mr. Rockefeller testified, as I said a moment ago, that he represented his father on the board of directors of the Colorado Fuel & Iron Co.; that his father controlled 40 per cent of the stock, and that so far as active participation in the affairs of the company was concerned he made no pretense of doing that; that he depended entirely upon the representatives sent to Colorado to look after his father's interests; that those representatives reported to him frequently; that he had the utmost faith in them, and he felt that when he selected such God-fearing men to represent him he did not owe anything else to anyone.

Mr. GORMAN. Mr. Chairman, will the gentleman yield?

Mr. KEATING. Yes.

Mr. GORMAN. From the gentleman's reading, does he mean to convey to the House the statement that the laws passed by the Legislature of Colorado are enforced throughout Colorado except in the mining territory controlled by Mr. Rockefeller's mines?

Mr. KEATING. Mr. Chairman, in answer to the gentleman from Illinois I will say that I presume that in every State he will find some laws enacted by the legislature which have not been enforced. I remember very well that Florence Kelly, testifying before the House committee, said that in the gentleman's State she had been unable to secure the enforcement of a statute dealing with child labor so long as she conducted her prosecutions at the scene of the crime; that it was necessary for her to take the defendant to another part of the State in order to punish him.

What I mean to say is this: Colorado is a progressive State, Colorado is a law-abiding State. So far as law enforcement is concerned, in my judgment, the law is enforced as impartially and as consistently in every county in Colorado—with the exception of the two counties I have noted—as it is in any county in any State of the Union. In the counties of Huerfano and Las Animas, the two counties where Mr. Rockefeller and his associates dominate the situation, they have owned every public official for the last 10 years as absolutely as the Members of this House own their coats, and it has been impossible in those counties to secure an enforcement of the law. As a result of that fact I will say that while in those two counties we killed twenty-six times as many men in our coal mines in proportion to the number employed as were killed in Austria in 1910, not a single coroner's jury during 10 years brought in a verdict holding a coal-mine company responsible.

In 10 years in Huerfano County, despite the great number of deaths and great number of men injured, not a single damage suit has been filed against a coal-mining company, and in Las Animas County a judge has not permitted a single damage suit to go to a jury in 10 years. According to the evidence now on file with the secretary of state in Denver, last year we killed 106 men in our coal mines and we seriously injured 356. Under our law coal-mining companies are compelled to make a sworn statement of their operations, and, among other things, they have to show how much they pay in damages to the men injured in their mines. Now, we killed 106 and we seriously injured 356, and according to the sworn statement filed by the coal companies the killing and maiming of these men cost them in damages only $36,000.

Now, I submit to this House, if there were no other evidence, if we did not have this report of the grand jury, if we did not have the testimony of your own committee sent out for the purpose of investigation, if we had nothing to indicate to us the situation in this State, nothing with which to answer Mr. Rockefeller's statement of this morning except those naked figures, they would be sufficient to convince any reasonable man that conditions in southern Colorado were not what they should be.

Mr. Chairman, I am glad that the President responded to the appeal of the governor of our State. The situation had gotten beyond his control. How it got beyond his control, what elements were at work, it is not for me to discuss at this time. It is sufficient to know that in order that human life might be preserved and that property might not be destroyed it was necessary for the governor to call on the President of the United States for troops and that the President exercised his constitutional authority and granted the desired relief.

Mr. MADDEN. Will the gentleman yield?

Mr. KEATING. I yield to the gentleman.

Mr. MADDEN. Does not the gentleman think that it is a condition of weakness of State administration when the governor of a State is compelled to call upon the President of the United States to maintain order within the boundaries of the State over which he presides?

Mr. KEATING. Well, I think that question answers itself. If he had been able to deal with the situation, he would not have called on the President.

Mr. MADDEN. There must be something wrong with the administration.

Mr. KEATING. There is something dreadfully wrong with the administration——

Mr. MADDEN. What is it?

Mr. KEATING. I do not approve of the manner in which the governor of my State has handled the militia. He has made the mistake of permitting the militia of our State to be turned over to the coal-mining companies of our State. He has made the mistake of compelling those militiamen to practically take the place once occupied by the gunmen from West Virginia; and, according to the testimony presented to your committee, some of the mine guards were permitted to enlist in the militia, and one of the militiamen testified he received $3 a day from the coal company and drew his pay also from the State.

Mr. MADDEN. Does not the gentleman think the governor of Colorado ought to be impeached?

Mr. KEATING. I am prepared to leave that to the people of our State. I want to assure the gentleman our people may be depended on to do the wise thing under all the circumstances.

Mr. MADDEN. Did the people of the gentleman's State know him as well as they do now?

Mr. KEATING. They thought they understood the governor fairly well.

Mr. BYRNES of South Carolina. Will the gentleman yield?

Mr. KEATING. Yes.

Mr. BYRNES of South Carolina. The guard to whom the gentleman refers as receiving $3 a day and who enlisted was Messengale?

Mr. KEATING. I refer to the man mentioned to me the other day by Dr. FOSTER. I do not know his name.

Mr. BYRNES of South Carolina. There is one man, Messengale, and I want to know whether the gentleman knew he had been a gunman or a native of the gentleman's State, born and raised in the county in which he lived, and from which he afterwards enlisted?

Mr. KEATING. The statement made to me by Dr. FOSTER is this—and I think I am repeating it with a fair degree of accuracy: A man who had been employed as a guard at a mine had testified that while acting as militiaman of our State he was drawing $3 a day from the mine owners and his salary from the State of Colorado. The great mistake which our governor made, in my judgment, was in permitting one side of the controversy to lose faith in the representatives of the State government, but I am sure that when the Federal troops go into Colorado they will so conduct themselves that both sides to this unfortunate controversy will understand they must obey the law.

Mr. MADDEN. That is right; it should be that way.

Mr. KEATING. The Federal troops are not sent there to champion one side or the other. They are to impartially enforce the law.

Mr. GORMAN. Will the gentleman yield?

Mr. KEATING. Yes.

Mr. GORMAN. Does the gentleman know whether or not the report in the public press is true that the mine operators of West Virginia have volunteered the use of their machine guns to the mine operators in Colorado?

Mr. KEATING. I do not know as to that. I do know that I was in Colorado when we heard of the purchase of the first machine gun, and at that time I told the governor what I do not mind telling this House, that I felt that when a coal-mine operator brought a machine gun onto the soil of my State he was offering my State an affront which the governor should resent.

Mr. STAFFORD. Mr. Chairman——

The CHAIRMAN. Will the gentleman from Colorado yield to the gentleman from Wisconsin?

Mr. KEATING. I yield.

Mr. STAFFORD. From the narration of facts by the gentleman and by other gentlemen about this unfortunate condition in Colorado the condition there must be very chaotic, but the gentleman relies upon the protecting arm of the Federal troops to restore order there. The President, according to this morning's newspaper dispatches, states that he is merely sending them there as a temporary force until the legislature can be called in extraordinary session to enable the State to cope with the difficulty. If that is the fact, how do you propose to meet that serious difficulty if your governor is incompetent and your militia seemingly inefficient?

Mr. KEATING. Of course, we all hope that when the legislature meets on the 4th of May it will devise plans which will assist very materially in restoring order in Colorado. I have a great deal of faith, I will say to the gentleman, in the members of our legislature, and I think our governor blundered when he did not call them in extra session before the situation became as acute as it is now. But the thing drifted out of his control. He waited too long. That was the trouble. Now he has called the legislature in extra session. I think the governor himself is aroused to the seriousness of the situation, and I think as soon as the legislature can have the time to seriously consider relief measures, you will find that the great masses of the people of Colorado, who, as I tell you, are as progressive, as intelligent, and as law-abiding as the people of any other State in this Union, will insist on the enactment of such measures as will restore order in Colorado and render it unnecessary for the governor of that State to appeal to the Federal power in the future.

Mr. MADDEN. Will the gentleman yield for a question?

Mr. KEATING. Yes.

Mr. MADDEN. It has been stated on the floor of the House by gentlemen, I think from Colorado, that the difficulty the State administration had to encounter was the fact that there was no money in the State treasury, and they had to go around the State hawking the certificates issued by the governor, to be cashed in places where they could find the cash. Is that true?

Mr. KEATING. I presume the Colorado treasury is in the same condition as the treasury of almost every other State.

Mr. MADDEN. I beg the gentleman's pardon. Most every other State of the Union has plenty of money.

Mr. KEATING. My experience with legislatures—and it has been very limited—has been that the legislature appropriates practically all the revenue available. That is especially true in a new State, a State like Colorado, which is only a little over 30 years old, which has a tremendous area to govern and which has a comparatively scanty revenue. Such a State as Colorado, even with the most rigid economy, is always right up to the line, with no money to spare. So when this unusual expenditure was rendered necessary the governor was called upon to sell the warrants of the State, and it is true that the bankers got together and undertook to take up those warrants.

Mr. MADDEN. I presume that was due to the fact that the State had no credit because they had not been conducting the affairs of the State along decent, economical lines. Is not that true?

Mr. KEATING. No; it is not true. The fact is, as I stated—and he will find the same condition in every Western State practically—that the current revenues, with the most rigid economy, are barely sufficient to meet the needs of the State, and even then we can not do the things we should be doing.

Mr. MADDEN. I was inclined to believe, from what I heard in connection with the administration of the laws of Colorado, the officers of the State were not only extravagant but rotten in the control of the finances of the State.

Mr. KEATING. I will say to the gentleman that there was once a Republican legislature that was called the "Robber Seventh."

Mr. MADDEN. Oh, I was not talking politics. I was talking decency.

Mr. KEATING. I will say to the gentleman that I think there is absolutely no foundation for that charge.

Mr. MADDEN. It was some gentleman from Colorado on the floor of the House who made the statement.

Mr. KEATING. Possibly the gentleman from Illinois misunderstood him——

Mr. SELDOMRIDGE. Will the gentleman yield?

Mr. KEATING. I will.

Mr. SELDOMRIDGE. I did not hear the statement made by the gentleman from Illinois [Mr. MADDEN] who has just taken his seat.

Mr. KEATING. It was suggested by the gentleman from Illinois that Colorado's financial difficulties, the inability of the State to meet the extraordinary expenditures rendered necessary by the calling out of the militia, were due to the fact that the State administration had been extravagantly conducted. I told him that it was my judgment that our affairs had been conducted with at least reasonable economy.

Mr. SELDOMRIDGE. I think the statement made by my colleague is correct, and that there never has been any disclosure of fraud or abuse of public office there that has resulted in any disastrous condition to the treasury, but it is a condition that is the outgrowth of the development of the State.

Mr. MADDEN. I understood the gentleman who is now addressing the House to say a few days ago that the officials of the State found it impossible to raise money because there seemed to be, in effect, a conspiracy—I am not using his words—among many people of the State to prevent the administration of the State from getting the money needed to accomplish the work before it.

Mr. SELDOMRIDGE. The condition arises when a state of insurrection exists; when the governor, under the constitution, is obliged to call on the military arm of the State to preserve order, and is obliged to secure immediate funds to pay the militia and to provide for their sustenance.

Mr. MADDEN. Then the conclusion that I reached, based on the statement now reiterated by the gentleman from Colorado [Mr. SELDOMRIDGE], was and still is that if the affairs of the State of Colorado had been conducted as any ordinary business man would have conducted his affairs, with a view to a proper and economical administration of the finances, the authorities of the State of Colorado would not now find themselves in a condition where they are obliged to go to the banks in a time of war to get money on their tax warrants.

Mr. SELDOMRIDGE. I will state to the gentleman that the State of Colorado has always taken care of her normal debt, that her bonds always sell in the market at the right prices, that there is no depression in the securities of the State; but that these present conditions are of sudden happening, and an extraordinary condition has arisen, and the governor faces its existence from the facts which I narrated the other day, being obliged to go to the clearing house and the moneyed interests of the State to pay for the militia.

I thank my colleague for yielding to me.

Mr. KEATING. I promised to yield to the gentleman from Pennsylvania [Mr. BAILEY].

Mr. BAILEY. Mr. Chairman, I merely wanted to ask the gentleman whether the humiliation of the State of Colorado, in being obliged to call upon the Federal Government in this time of trouble, is greater than that of the State of Pennsylvania and that of the State of New York in 1877, when they made frantic calls on the Government of the United States for help?

Mr. KEATING. Not at all. If we succeed in solving some of the perplexing and distressing problems that confront our State at the present time, we shall forget all about any humiliation to which we may have been subjected.

Mr. STEENERSON. Mr. Chairman, I understood the gentleman to state that these coal mines in Colorado are owned by corporations. Will the gentleman state whether they are Colorado corporations, or foreign corporations organized in other States?

Mr. KEATING. I am not informed as to that, but it is my impression that they are Colorado corporations.

Mr. STEENERSON. It seems to me that the violations of law enumerated by the gentleman in his speech on the part of these corporations would be sufficient ground, if the corporations are local in Colorado, for the forfeiture of their charter, and if they are foreign corporations, organized outside of the State of Colorado, they would be sufficient grounds for ousting them from the State; and it seems to me strange, considering the fact that this trouble has existed for some considerable length of time, that the State authorities have not sought to forfeit the charters of these corporations or else ousted them from the State if they persisted in violating the law.

Mr. KEATING. I will say to the gentleman that these violations of the law have continued for some years. Sometimes the necessity for action has been urgent and the violations of the law have been flagrant, and on such occasions there would be an outburst of public sentiment. But sometimes when these outbursts occurred the weapons to deal with them would not be at hand or the officers of the State would not be disposed to do their full duty. Before we could secure effective action public sentiment would cool and the offending incident would be forgotten.

Mr. STEENERSON. Both of these proceedings would be under the attorney general of the State. The gentleman stated that the rest of the counties of Colorado were not dominated by these conditions, but only two counties. Now, it seems to me, if the governor wanted to put a stop to the conditions that exist that would be the way to do it—either bring about proceedings for the forfeiture of the charters of the corporations or else to oust the corporations from the State.

Mr. KEATING. I agree with the gentleman that if the officers and people of Colorado will take hold of this problem vigorously they can solve it; and in saying that I do not mean to say that they should devote their entire attention to crushing the corporations involved. I contend that if anyone else has violated the law, if anyone else is at fault, we should deal with equal vigor with that man or that organization.

Mr. TREADWAY. Mr. Chairman, will the gentleman yield?

The CHAIRMAN. Does the gentleman from Colorado yield to the gentleman from Massachusetts?

Mr. KEATING. Yes.

Mr. TREADWAY. Do I understand the gentleman to infer from that that if the officers of the State of Colorado, from the governor down, carried out their duty and performed their functions as he sees them to be, there would be no need whatever for the President to send any Federal troops out there to quell the present condition of things?

Mr. KEATING. If the laws of the State of Colorado for the last 10 years had been impartially enforced——

Mr. TREADWAY. And that condition is being continued to-day?

Mr. KEATING. That condition were being continued to-day, we would not be confronted with this situation. To my mind this condition could not exist if the laws had been enforced in Huerfano and Las Animas Counties. Of course the State administration could have taken part in enforcing those laws; but if the laws had been vigorously enforced in those two counties, this situation, in my judgment, would not have come about.

Mr. TREADWAY. Mr. Chairman, will the gentleman yield for another question?

The CHAIRMAN. Does the gentleman from Colorado yield to the gentleman from Massachusetts?

Mr. KEATING. Yes.

Mr. TREADWAY. Then we are to understand by the fact that the President has been called upon to send Federal troops there that the authorities of Colorado acknowledge their inability to cope with the situation in those two counties? Does the gentleman concur in that inference?

Mr. KEATING. Perhaps a simple way to state the proposition would be that they are unable to deal with existing conditions. The situation got away from them and they could not deal with it right now. Therefore I contend that the governor, having permitted the matter to slip out of his hands, acted wisely when he called upon the President of the United States for assistance; and I think further that the President of the United States acted with equal wisdom when, putting aside technical objections which might have been raised—quibbles, perhaps, but still objections—sent troops into Colorado for the purpose of restoring order and protecting human life. And I want to say that, without regard to party, without regard to faction, the people of Colorado approve the action of the governor in calling for Federal troops, and they approve the action of the President in sending Federal troops. I have yet to hear of a single protest from my State. Mine owners and miners, the governor and his friends, the governor's opponents, Democrats and Republicans, united in the appeal to the President, and I think it is the first time that such an appeal has come to the President as the result of a labor difficulty. It was in response to that practically unanimous appeal that the President sent the troops to Colorado.

Mr. TREADWAY. May I ask the gentleman one more question?

Mr. KEATING. Certainly.

Mr. TREADWAY. I understood the gentleman to say a few minutes ago that the county officials of the two counties where the troubles exist are entirely under the control of the so-called corporation interests there. Am I correct in that?

Mr. KEATING. In justice to the present district judge and district attorney, who while they are not county officers have jurisdiction within the county, I want to except them from my statement. With the exception of the district judge and district attorney every county official in those two counties for the last 10 years has been owned by the coal companies as absolutely as the gentleman from Massachusetts owns his coat. Necessarily that statement is made on my authority, and I must be responsible for it.

Mr. TREADWAY. Right there; I am unfamiliar with the methods of securing office in Colorado. Are these officials elected by the voters of the county, or are they appointed by the governor, or how do they secure their offices?

Mr. KEATING. They are elected by the voters.

Mr. TREADWAY. Of the respective counties?

Mr. KEATING. Yes.

Mr. TREADWAY. So that the local suffrage——

Mr. PLATT. And woman suffrage at that——

Mr. TREADWAY. Is the method by which they secure their positions?

Mr. KEATING. Yes.

Mr. TREADWAY. Consequently they are not amenable to the governor.

Mr. KEATING. They are not amenable to the governor; no.

Mr. FALCONER. From the information we have had from both gentlemen from Colorado, and from the press dispatches, it would appear, as has been stated, that the State militia is under the control, or influence at least, of the money interests of the State, and in those controversies they have been partisan as between the two opposing factors in the contest. Is that correct?

Mr. KEATING. I will say to the gentleman that whatever my personal opinion of that matter may be, one party to the controversy was convinced that such was the case, and therefore lost confidence in the militia, and came to regard the militia not as impartial officers enforcing the law, but as partisans, as representatives of the coal-mining companies.

Mr. FALCONER. That being the case, would it not appear to the gentleman, and does it not appear to the Members of the House, that State militia ought to be eliminated from industrial controversies in every State?

Mr. KEATING. I quite agree with the gentleman, and I think we will never get an efficient militia in this country until we protect those boys against the necessity for doing police duty in such controversies as exist in Colorado. [Applause.] It is not fair to them.

Mr. PLATT. Will the gentleman yield for a question?

Mr. KEATING. Yes.

Mr. PLATT. If as a result of ordering Federal troops into Colorado the strike should collapse, will not the President of the United States be accused of having sent those troops to Colorado to aid John D. Rockefeller—unjustly accused, of course?

Mr. KEATING. I can not imagine anyone in this country accusing Woodrow Wilson of aiding John D. Rockefeller. I do not believe anyone will; not even the gentleman——

Mr. PLATT. Not even the Western Federation of Miners?

Mr. KEATING. Not the Western Federation of Miners. They are entirely too intelligent to make any such charge as that.

Mr. TREADWAY. Can the gentleman tell us for how long these county officers are elected?

Mr. KEATING. Two years. They are elected every two years.

Mr. TREADWAY. Is the recall of officials in effect in Colorado?

Mr. KEATING. Yes; it has been since the last election.

Mr. TREADWAY. Has it been tried in connection with these particular men?

Mr. KEATING. Mr. Chairman, I have trespassed too long upon the patience of my friend the gentleman from Louisiana [Mr. WATKINS], chairman of the committee. I promised him that I would occupy only a few minutes. My purpose in rising was not to enter into this general discussion, but I wished to reply to the statement made by Mr. Rockefeller in this morning's papers, because I felt that that statement to a great extent was not founded upon the facts as they exist in Colorado, and I felt that I should call public attention to the facts as I know them. I thank the House for bearing with me. [Applause.]

Mr. Rockefeller's statement is as follows:

In view of the inaccurate accounts which have appeared in the press regarding my interview with Congressman FOSTER, chairman of the Committee on Mines and Mining, I think it proper to make the following statement:

"In that interview, at which Starr J. Murphy, one of the directors of the Colorado Fuel & Iron Co., was present, we pointed out to Dr. FOSTER that of the many coal companies in southern Colorado we were interested solely and as minority stockholders in the Colorado Fuel & Iron Co., which controls only about one-third of the output of that State.

"After a long and full discussion of the question in all its aspects, Dr. FOSTER was unable to make any suggestion which did not involve the unionizing of the mines or the submission of that question to arbitration. We stated to him that if the employees of the Colorado Fuel & Iron Co. had any grievance we felt sure that the officers of the company would be willing now, as they have always been in the past, to make every effort to adjust them satisfactorily. We showed the doctor that all of the points which are claimed to be at issue, with the exception of unionizing the camps, the Colorado Fuel & Iron Co. had voluntarily granted to its employees long before the strike was called or talked of. These points are:

VOLUNTARY CONCESSIONS.

"1. The eight-hour day. This was established by the fuel company for all of its coal miners some time ago.

"2. Semimonthly pay. When this question was raised by one or two miners in one of the camps of the company the officers at once studied the question and without delay decided to pay not only the miners in that particular camp twice a month, but all of the miners employed by the company.

"3. Checkweighmen. For several years the fuel company has raised no objection to the employment by the miners of their own checkweighmen, as is done in eastern mines where union labor is employed. In order that new men might understand their right in this matter, some time since the officers of the company gave instructions that circulars should be posted in all the mines, stating that the company had always encouraged its miners to employ their own checkweighmen.

"4. Company stores. It has been charged that the employees of the fuel company are obliged to buy at the company's stores. The storekeepers are under strict instructions to say to all that they are at liberty to trade where they please; that the company is glad of their patronage, but that their standing will not be affected one way or the other by their action in the matter. As a result of a study made in one of the mining camps of the company it was found that only 22 per cent of the wages of the men was spent in the company's stores.

"5. Wages. In spite of the fact that no dividends have been paid on the common stock of the company since our connection with it—a matter of at least 10 or 12 years—and only $780,000 has been paid on the preferred stock, of which the greater portion represented payment on account of an accrued dividend which had accumulated during many years, the company voluntarily increased the wages of its miners last year by a total amounting to $300,000 a year and of its steel employees by a total of $250,000 a year. The wage scale compares favorably with that of any similar mines, whether union or nonunion, in any part of the country.

UNIONIZING OF CAMPS.

"In addition to the above, the only matter which has been raised by the union is the unionizing of the company's camps. On this question of the open shop, namely, the right of every American citizen to work on terms satisfactory to himself without securing the consent of the union, I reiterated to Dr. FOSTER what I said in my examination before the Committee on Mines and Mining in Washington a few weeks ago, that we regarded this as a matter of principle, which could not be arbitrated.

"In reply to his request for some suggestion as to how the strike could be terminated, we said to Dr. FOSTER that if the President would make a public statement that the Federal troops were being sent to Colorado for the purpose of enforcing obedience to the law and securing to every citizen the right guaranteed to him by the Constitution to be protected in his life and liberty, whether he chooses to work as a member of a union or not, it would go far to terminate the deplorable conditions which now exist.

"The impression has been created that if we could agree to submit to the unionizing of the camps of the Colorado Fuel & Iron Co. this entire trouble would be ended. The public generally does not seem to consider whether or not this is a right or fair demand and in the interest of the employees of the company as a whole. What would become of the great majority of its workers were such surrender to be made? All of its loyal nonunion employees, numbering several thousands, more than 90 per cent of the total number employed in the mines, who have been faithful and true to its interests, would be thrown out of employment unless willing to submit as individuals to union dictation. Is it the spirit of American fair play which is asking such ruthless disregard of the interests of honest men, or is it the spirit of partisanship and self-seeking?

"Are the labor unions, representing a small minority of the workers of the country, to be sustained in their disregard of the inalienable right of every American citizen to work without interference whether he be a union or a nonunion man? Surely the vast majority of American citizens will, without fear or favor, stand for even-handed justice under the Constitution and equal right for every citizen.

"But there is a final aspect of this grave matter which deserves more than all else the attention of the American public in this crisis; whether the Colorado Fuel & Iron Co. and the other operators have been wholly free from blame or not in the present controversy, the issue now to be decided is whether the State, or failing the State, the Nation shall make good the constitutional guaranty of law and order.

"At the present moment in Colorado funds are being openly raised and citizens are being armed with the avowed purpose of resisting the authorities of the State. Since that issue of resistance to constituted authority is raised, it is unthinkable that the Colorado Fuel & Iron Co. or any of the companies operating in the State should be asked to yield its position on a preliminary and now extraneous matter of dispute, as the price of securing the withdrawal of forces armed to combat their own Government."

—

JOHN D., JR., EXPLAINS STAND AGAINST UNION.

NEW YORK, *April 28.*

John D. Rockefeller, jr., to-night issued a statement defining the position he, as a director of the Colorado Fuel & Iron Co., had taken in regard to the mine strike now in progress in that State, which has cost the lives of many men, women, and children and caused large property losses.

The statement, which was given out after Mr. Rockefeller and his personal attorney, Starr J. Murphy, had worked over it all afternoon, is in part as follows:

"In view of the inaccurate accounts which have appeared in the press regarding my interview with Representative FOSTER, chairman of the Committee on Mines and Mining, I think it proper to make the following statement:

WILLING TO MEET GRIEVANCES.

"After a long and full discussion of the question in all its aspects Dr. FOSTER was unable to make any suggestion which did not involve the unionizing of the mines or the submission of that question to arbitration. We stated to him that if the employees of the Colorado Fuel & Iron Co. had any grievances, we felt sure that the officers of the company would be willing now, as they have always been in the past, to make every effort to adjust them satisfactorily. We showed the doctor that all of the points which are claimed to be at issue, with the exception of unionizing the camps, the Colorado Fuel & Iron Co. had voluntarily granted to its employees long before the strike was called or talked of."

The five points which Mr. Rockefeller says were settled before the strike began are the eight-hour day, semimonthly pay, checkweighmen, regulation of company stores, and increased wages. The statement continues:

"OPEN SHOP" A PRINCIPLE.

"In addition to the above, the only matter which has been raised by the union is the unionizing of the company's mines. On this question of the open shop, namely, the right of every American citizen to work on terms satisfactory to himself without securing the consent of the union, I reiterated to Dr. FOSTER what I said in my examination before the Committee on Mines and Mining a few weeks ago, that we regarded this as a matter of principle, which could not be arbitrated.

"In reply to his request for some suggestion as to how the strike could be terminated, we said to Dr. FOSTER that if the President would make a public statement that the Federal troops were being sent to Colorado for the purpose of enforcing obedience to the law and securing to every citizen the right guaranteed to him by the Constitution to be protected in his life and liberty, whether he chooses to work as a member of a union or not, it would go far to terminate the deplorable conditions which now exist.

DENIES OPPOSING UNIONS.

"It was a source of profound regret to us that our conference with Dr. FOSTER did not result in any suggestion looking toward a solution of the difficulty.

"In order to correct an impression which seems to have gained currency, I desire to restate what was fully stated in the congressional ex-

aminations, namely, our position with reference to organized labor. We do not question the right of any workmen to freely associate themselves in unions for the furtherance of their common and legitimate interests; but we do assert the equal right of an individual to work independently of a union if he so elects."

—

[From the Denver Express.]

LAWLESSNESS OF COAL BARONS IS DENOUNCED; DEBAUCH OWN EMPLOYEES.

All the important charges of open and repeated law violations, election corruption, and general denial of justice to individuals opposing their looting southern Colorado's rich coal deposits made against the Rockefeller-controlled coal operators by the striking miners were found to be true and were denounced by the Federal grand jury at Pueblo in its report returned late Monday.

Special emphasis was laid on the coal operators' practice of conducting the saloons in which they have and still are debauching the men they employ in their mines, and indirectly subjecting the families of the miners to untold misery.

These startling corroborations of conditions that the coal barons have created and maintained for years in southern Colorado were in the form of a rebuke and were not the basis of indictments.

It is explained that no evidence of price agreements or division of territory for the marketing of coal was presented, and therefore the operators, although proven lawless in the extreme, could not be punished by the Federal Government.

The grand jury spent 27 days and examined 127 witnesses to reach the conclusions.

The jury reports that evidence proved—

That State laws have not been enforced as to give all persons concerned benefits which are derivable therefrom.

That coal companies have nominated, elected, and controlled many county officers.

That county officers elected by coal companies have shown undue activity in controlling elections, having in one instance changed precinct boundaries, presumably to eliminate unfavorable votes of the miners, and have thus aroused not only political but social dissatisfaction.

That many camp marshals, whose appointments and salaries are controlled by coal companies, have exercised a system of espionage and have resorted to arbitrary powers of police control, acting as judge and jury and passing sentence.

That camp marshals have brutally assaulted miners.

That miners can't complain of real grievances without being discharged.

That the scrip system is still in effect.

That miners feel under an unjust obligation to trade at company stores, because of the attitude of mine superintendents.

That checkweighman have been denied the miners.

That many coal companies maintain camp saloons and collect from the keepers of such saloons a per capita sum of 25 to 40 cents per month for each person whose name appears on the company pay roll as a charge against the saloon keeper for the privilege of enjoying the exclusive saloon business of the camp.

The report says:

"Saloons in the mining camps produce a deplorable situation among the miners, habituating them to the improper use of strong drink and thereby impairing their efficiency by lessening the production and increasing the hazard in operating the mine. One operator testified as follows:

"'The saloon is the curse of the camps, the sink hole for miners' earnings. Nine men in the month of July with $50 each for the two weeks' pay roll after deductions had been made had not a cent left on the morning after pay day. Their money went to the saloon for liquor and gambling. These men were unfitted to work for three days.'"

"The action of the Federal grand jury is no surprise to us, and it will have no effect on the present strike. They may indict us, but they can not indict the principles for which we stand; they will prevail until human slavery ceases to exist," said Frank J. Hayes, vice president of the United Mine Workers of America.

"We are accused of violating the Sherman antitrust law and of organizing a conspiracy in restraint of trade. If they mean by the term 'restraint of trade' that we have restrained John D. Rockefeller and a few other eastern millionaires from plundering the coal miners of Colorado, then we plead guilty to the indictment and are proud of the achievement.

"It is rather strange that no grand jury ever indicted the officials of the coal companies, who have been violating the laws of Colorado for a number of years. It is a well-known fact that five of the demands of the Colorado miners are based upon the laws of this State.

"The operators now offer, as a basis of settlement of the present strike, five laws, and insist that the miners take a referendum vote as to whether or not they will accept these laws, frankly admitting by this proposition that the miners have not heretofore enjoyed the benefits of the laws and that now, in a moment of generosity, they are going to concede that they will give the miners the benefit of the law; and yet these distinguished gentlemen have never been indicted by any grand jury.

"It is evident that these coal companies are greater than the State government, and that they can do as they please so far as the law is concerned.

"The Pueblo grand jury, after a laborious and lengthy investigation, has seen fit to indict us for an alleged violation of the Sherman antitrust law. In view of this fact, and having great respect for the impartiality of grand juries, it might not be asking too much if we would ask some grand jury to institute a probe to cover the admissions made by the coal operators in the proposition they offer the miners.

"Their generosity overwhelms us and, no doubt, it ought to appeal to some grand jury, because when any corporation will voluntarily agree to live up to the laws of the State, implying that they never did so before, and then asking the miners to return to work on that basis, it is evident that a grand jury would be able to make a very nice report, and one that would especially appeal to John D. Rockefeller and other eastern trust magnates at whom the Sherman antitrust law was aimed."

Mr. WATKINS. Mr. Chairman, I renew my request that general debate be closed. We are not discussing the bill before the House. I hope there will be no objection to closing the debate now.

Mr. KINDEL. Mr. Chairman, is it in order to move to strike out the last word?

Mr. MANN. The gentleman can not move to strike out the last word; and if he could, he could not speak on the Colorado situation under such a motion.

Mr. MADDEN. How much time does the gentleman want?

Mr. KINDEL. Perhaps five minutes.

Mr. MANN. I hope the gentleman will have the time he wants.

Mr. WATKINS. I yield to the gentleman five minutes.

Mr. KINDEL. Mr. Chairman, I did not expect to be called on to make any answer to some of the allegations made here by my colleague. I would not interrupt my colleague, Mr. KEATING, because the other day he very abruptly turned me down when I sought the privilege of asking him a question. But I, too, am a citizen of Colorado, not of 35, but of 38 years' residence. I went there as a mechanic, and when the boss did not treat me right I established my own concern, and have been manufacturing bedding ever since; so that I can speak on both sides of the question.

My colleague [Mr. KEATING] would have you believe that this trouble is all due to Mr. Rockefeller. I am not here to defend Mr. Rockefeller. In times past I have condemned him as much and as vigorously as any man has, believing that he was the originator of rebates and other things of that character. We have had these troubles in Colorado ever since the Western Federation of Miners established themselves there. We have had this trouble of murder and burning of property at Leadville; we have had it at Cripple Creek; we have had it in Clear Creek County, in San Juan County, in Boulder County, and in Denver County. The present trouble, only to a greater degree, is a repetition of our past experiences. I want to say here now that I commend Mr. Rockefeller, jr., for the statement he makes that he is for the open shop. I, too, have been assailed to make my shop a closed shop. The people of Denver could not even drive teams through the streets, lest some striker should come up and cut the harness from their horses. They did not cut mine, because I warned the agitators what would happen to them if I was attacked while I was forced to drive my own team, owing to my teamsters being intimidated.

Mr. FALCONER. Is Mr. Rockefeller for the open shop in his field of operation?

Mr. KINDEL. Of course he is. That is what he says.

Mr. FALCONER. He has made more combinations than any other man in the country, and has been the biggest wolf in that line of any man in America.

Mr. KINDEL. I am not defending him, as I say, but here is the statement he makes:

It was a source of profound regret to us that our conference with Dr. FOSTER did not result in any suggestion looking toward a solution of the difficulty.

In order to correct an impression which seems to have gained currency, I desire to restate what was fully stated in the congressional examinations, namely, our position with reference to organized labor. We do not question the right of any workmen to freely associate themselves in unions for the furtherance of their common and legitimate interests, but we do assert the equal right of an individual to work independently of a union, if he so elects.

Now, I am in sympathy with the workmen. I believe they should unionize, but I do not believe that any union has a right to say, "You can't work unless you pay my union $10 initiation fee and $1 a month dues." There is no question about wage in the Colorado coal fields. They are paying better wages than were ever paid before—better than any State in the Union excepting Wyoming.

Now, I want to say here that the strikers do not like me, because I am free to say what I think. The bosses do not like me, because I am free to tell them what I think of them. I did not come here with any politics, and I do not care what they think of me so long as my conscience is clear. I can and will tell the truth, and the people of Colorado will soon awaken and will express their judgment in this matter when the next election comes around.

Mr. FALCONER. Will the gentleman yield?

Mr. KINDEL. Yes.

Mr. FALCONER. In the Standard Oil Co. Mr. Rockefeller has used his idea of the open shop—driving the independents out of business. But he suggests that men can not come together for their own personal benefit.

Mr. KINDEL. I do not know what Mr. Rockefeller is doing in that direction. I was one of the men that testified in the steel investigation and came here from Denver for that purpose. I helped start the investigation of the steel corporation.

Mr. PLATT. Will the gentleman yield?

Mr. KINDEL. Yes.

Mr. PLATT. Was it not President Roosevelt who stood up for the open shop in the Government Printing Office?

Mr. FALCONER. Oh, President Roosevelt seems to be on the brain of all these reactionary standpatters who have stopped and can not start to save their lives. [Laughter.]

Mr. KINDEL. There was a resolution introduced in the House yesterday by the gentleman from Washington [Mr. BRYAN], that the Government should own and operate the coal mines. Why did not the gentleman include the metalliferous mines? Why does not the Western Federation of Miners say to the Government, "You must employ no postmaster or clerk without having him unionize and pay us $10 initiation fee and $1 a month in support of a lot of agitators"?

The CHAIRMAN. The time of the gentleman from Colorado has expired.

Mr. KINDEL. Mr. Chairman, I ask to be recognized in my own right.

The CHAIRMAN. The gentleman from Colorado.

Mr. KINDEL. Mr. Chairman, these matters complained of by my colleague [Mr. KEATING] have been remedied—the scrip system, the store system—the miners being obliged to buy at particular stores, the overtime, and so forth, are all gone by. I do not know whether or not Mr. Rockefeller was in control of the mines when the above-mentioned conditions existed. As I understand it, he only owns or controls about 16 per cent of the coal mines operated in Colorado.

Again I will say that I am not here to defend Mr. Rockefeller, but I do defend the proposition of the open shop. I opposed the congressional investigation of the coal-mine troubles, because I believed that, having the Department of Labor, an Industrial Commission, a newly created congressional Labor Committee, the investigation ought to be made by either of these commissions and not take up the time of Congress.

Mr. ALLEN. Will the gentleman yield?

Mr. KINDEL. Yes.

Mr. ALLEN. Has the gentleman found that what Mr. Rockefeller states squares with his action in Colorado?

Mr. KINDEL. I was out there in November, and they told me that it was true that Mr. Rockefeller and all the other operators had anticipated the new law on the statute book that went into effect about that time and had instituted all these reforms I mention before the law became effective. I asked the miners what grievance they had, or what they wanted, and the reply was that they wanted the mines unionized. That is all, and it is not a question of wage.

Now, one of the saddest spectacles to me is one that I saw the other day when so-called Mother Jones came here to testify. I do not know who invited her. The committee, headed by the gentleman from Illinois [Mr. FOSTER] and others, asked her, "Won't you please telegraph out to Colorado and stop the shooting?" She said that she did not know whether she would or not. She finally promised to do so after much pleading on the part of the committee. I had to rise and call attention to the both ludicrous and lamentable act of transferring the Government functions to this notorious and troublesome woman. She it was who suggested to hang me in Denver because I expressed my opinion of her and her kind on several occasions.

Mr. BARTON. Will the gentleman yield?

Mr. KINDEL. Yes.

Mr. BARTON. The gentleman heard the indictment by his colleague [Mr. KEATING] on the floor of the House which practically indicted the officers of two counties when he said that for 10 years the county officers of these two counties had been owned by Mr. Rockefeller as much as the gentleman owns his own coat.

Mr. KINDEL. I do not know about that. It is to be regretted that my colleague [Mr. KEATING] has so low an estimate of his constituents' intelligence and patriotism. I have heard it said that they voted sheep out in that country. [Laughter.] This is not the first time that wholesale murders have been committed by Western Federation of Miners in our State. It is time that this thing be stopped. If you eliminate the agitator of the Mother Jones type, we will soon get on, but until you do we will not get on. The foundation of this trouble is politics, and rotten politics.

No one deplores the loss of life more than I do, but what can you expect when we have such a weakling for governor. He is a Democrat. He came to Washington last week to testify in a land deal and dismissed the militia from the coal fields, and in the meantime these murders were being committed. We have a Democratic governor, and all the State officers are Democratic, and we have the initiative and referendum and the recall. I would like to have been governor on an occasion like the present one and let them tell me I could not enforce the law. I would either do or die. Other than this, I would have no ambition in that direction.

Mr. BALTZ. Will the gentleman yield?

Mr. KINDEL. Yes.

Mr. BALTZ. Who does the gentleman from Colorado hold responsible for these troubles?

Mr. KINDEL. The agitators and the people who stand for it. If I had not lived through some of these same experiences myself, I would not feel the interest that I do. We had in our own city of Denver one of the finest plants, the so-called Grant Smelter Co., which cost several million dollars. A strike occurred, the strikers would not let others work, they killed people, shot them down, and the result of it all was that the owners got discouraged and removed and dismantled the plant. The only thing we have left is the big $50,000 smokestack to indicate that there was once a smelter there.

It recalls to me the lines of Kingsley:

> So fleet the works of man, back to earth again;
> Ancient and holy things fade like a dream.

That is what is happening to the coal interests. Between discriminative freight rates and the murderous agitators we can not progress. That is why we are bankrupt. We are not allowed an equal chance with other States. All that the people of Colorado want, all that they ask for, is a square deal, regardless of who or what insures it to them. [Applause.]

Mr. WATKINS. Mr. Chairman, I yield to the gentleman from Pennsylvania [Mr. BAILEY].

Mr. BAILEY. Mr. Chairman, I ask unanimous consent to extend my remarks in the RECORD by having inserted a telegram, which I will ask the Clerk to read, as a part of my remarks.

The CHAIRMAN. The gentleman from Pennsylvania asks unanimous consent to extend his remarks in the RECORD. Is there objection?

There was no objection.

The CHAIRMAN. Without objection, the Clerk will read the telegram.

There was no objection.

The Clerk read as follows:

PATTON, PA., *April 28, 1914.*

Hon. WARREN WORTH BAILEY,
Washington, D. C.:

Resolved by Patton Local Union, United Mine Workers of America, That the President of the United States and both Houses of Congress take measures to stop the massacre of the innocents in the State of Colorado, and use such force as is necessary to protect their personal liberties.

RICHARD ROWLAND, *Secretary.*

Mr. WATKINS. Mr. Chairman, I ask unanimous consent that general debate be now closed.

The CHAIRMAN. If no one desires to be heard, that request is not necessary. The Clerk will read.

Mr. WATKINS. Mr. Chairman, I do not desire to consume the balance of the time that I reserved, and therefore ask unanimous consent to extend my remarks in the RECORD.

The CHAIRMAN. The gentleman from Louisiana asks unanimous consent to extend his remarks in the RECORD. Is there objection?

There was no objection.

The Clerk read as follows:

SEC. 3. Whenever, in the opinion of the district judge of any district, or of the district judge senior in commission in districts having more than one judge, the chief justice of the Supreme Court of the District of Columbia, or the chief justice of any Territory and the district attorney, evidenced by writing, the public interest requires it, one or more assistant district attorneys may be appointed by the Attorney General; but such opinion shall state to the Attorney General the facts as distinguished from conclusions, showing the necessity therefor.

Mr. STAFFORD. Mr. Chairman, I move to strike out the last word. This is the first paragraph where we have changed the existing law. Comparing the existing law with that recommended by the committee, I find that as it exists now no recommendation for an assistant district attorney could be made without the cooperation of the district attorney for that district, but in the changed phraseology, as recommended by the committee, an assistant district attorney may be appointed upon the ipse dixit of the district judge or the senior district judge. Is it the intendment of the committee that these recommendations should be made by the district judges without the indorsement of the district attorney?

Mr. WATKINS. No. The gentleman has misread the language.

Mr. STAFFORD. Perhaps I place an erroneous construction upon it. I may lay too much emphasis upon the comma, but as I read it it does place that authority in the district judge or the senior district judge. It reads as follows:

SEC. 3. Whenever, in the opinion of the district judge of any district, or of the district judge senior in commission in districts having more

than one judge, the chief justice of the Supreme Court of the District of Columbia, or the chief justice of any Territory and the district attorney, evidenced by writing, the public interest requires it, one or more assistant district attorneys may be appointed by the Attorney General—

Now, that joinder—

or of the district judge senior in commission in districts having more than one judge—

and other following clauses is separated from prior clauses by a comma, and is so separated from the clause referring to the district attorney.

Mr. WATKINS. The law as it already stands provides that the district attorney makes the recommendation and refers it to the Attorney General for his approval.

Mr. STAFFORD. I understand the existing law; but I am directing the attention of the gentleman to the amendment proposed by the commission and ask whether, under the phraseology as it stands, these judges would not have the right to make the recommendation for assistant district attorneys without the initiative or indorsement of the district attorney?

Mr. WATKINS. I do no think it is intended to be that way.

Mr. STAFFORD. I do not think it is so intended either, but I ask whether this phraseology would not be so construed?

Mr. WATKINS. We do not construe it in that way, nor do I, after a careful reading of it. The intention is that instead of the district attorney himself alone making the recommendation, the recommendation shall be made also by the district judge or by the senior district judge of the district, if there is more than one judge.

Mr. STAFFORD. Does not the gentleman think it is not very clear? Here is the phrase:

The chief justice of the Supreme Court of the District of Columbia or the chief justice of any Territory and the district attorney.

That clause stands by itself, and the other preceding clauses are separated by commas with which the district attorney is not connected at all.

Mr. WATKINS. I can not see it in the way the gentleman does. I think the punctuation and all makes it perfectly clear that the intention is that the district judge or the presiding district judge, if there is more than one, shall concur in the recommendation of the district attorney in recommending to the Attorney General who the appointee shall be.

Mr. BARTLETT. Mr. Chairman, certainly the gentleman does not mean to say that the judge is to recommend who the appointee shall be?

Mr. WATKINS. I should have said if there shall be an assistant district attorney appointed.

Mr. BARTLETT. That is a different thing. I would not vote for it if the Attorney General were to be governed in his choice by what the district judge said.

Mr. STAFFORD. Mr. Chairman, I think we can judge from the phraseology what the intendment is, but I do not think the phraseology is very clear in that regard. I withdraw the pro forma amendment.

Mr. MANN. Mr. Chairman, I move to strike out the last two words. My attention was distracted at the time the Clerk read section 2 of the bill. I notice that it is proposed to change the law in reference to the district attorney taking the oath of office. The present law provides that every district attorney before entering upon his office shall take an oath. The committee provides that before entering upon the duties of his office the district attorney shall take an oath. I suppose that is to conform with some other provision of law, and yet I notice that when the committee gets over to the point where it is proposed to create a new office, that of stenographer, it provides that before entering upon said office the stenographer shall take and subscribe an oath, and not before entering upon the duties of said office. What is the special reason for amending the law so as to say that the oath shall be taken before a man enters upon the duties of his office instead of before he enters upon the office?

Mr. WATKINS. It is simply to make it a little more explicit.

Mr. MANN. But it does not make it any more explicit. It is more explicit to say that he shall take the oath before he enters upon the office than it is to say he shall take the oath before he enters upon the duties of his office, because in the one case if he takes the oath before he enters upon the office he can not draw any pay until he has taken the oath, and in the other case he may take the oath and go upon a vacation, and that is very often what they do.

Mr. WATKINS. In this particular instance which has already been passed over, although I will not raise that point—section 2—it requires him to enter upon the discharge of his duties, and if the gentleman desires later on, when it comes to stenographers, to insert that same language, I do not know that there will be any objection to it.

Mr. MANN. I am asking upon what theory the committee proposes to amend the law by inserting that language here and by not inserting it when they draw an entirely new section in an exactly similar case?

Mr. WATKINS. I do not believe those particular words happened to occur to the minds of the committee when going over that section; that is all.

Mr. MANN. I wondered why it occurred to them here.

Mr. WATKINS. Because there may have been some instance where a man sworn in went off on his vacation or on a fishing excursion, or something of that kind, before entering upon the discharge of the duties of the office. Attention may have been called to it for that particular reason.

The Clerk read as follows:

SEC. 6. In any action which may be brought again any person for or on account of anything done by him while an officer of either House of Congress in the discharge of his official duty, in executing any order of such House, the district attorney for the district within which the action is brought, on being thereto requested by the officer sued, shall enter an appearance in behalf of such officer; and the defense of such action shall thenceforth be conducted under the supervision and direction of the Attorney General.

Mr. WATKINS. The word "again," in line 11, should be "against." It is simply a typographical error.

The CHAIRMAN. Without objection, the correction will be made.

There was no objection.

The Clerk read as follows:

SEC. 8. The district attorneys of the United States, upon the application of the Attorney General, shall furnish any assistance or information in their power in relation to the titles of the public property lying within their respective districts; and all legal services connected with the procurement of titles to sites for public buildings, other than for life-saving stations and pierhead lights, shall be rendered by the United States attorneys.

Mr. STAFFORD. Mr. Chairman, I move to strike out the last word, and I do so for the purpose of obtaining information that may be of value to the committee, to determine just exactly what the committee has done in the compilation of this bill. Here we have an instance where a substantial part of the existing law, as found on the opposite page, has been omitted and there is only embodied a portion of the existing statute. For instance, the following has been omitted, so far as this section is concerned. Section 355 of the present statute provides:

No public money shall be expended upon any site or land purchased by the United States for the purposes of erecting thereon any armory, arsenal, fort, fortification, navy yard, customhouse, lighthouse, or other public building of any kind whatever, until the written opinion of the Attorney General shall be had in favor of the validity of the title, nor until the consent of the legislature of the State in which the land or site may be to such purchase has been given.

That part of the present section has been omitted entirely, so far as it is possible to discover. Now, I would like to have the opinion of the chairman of the committee as to why he omitted that in his revision, because it is a matter of importance to have the title passed upon first by the district attorney, and for it not to be accepted until the opinion has been submitted and passed upon by the Attorney General.

Mr. WATKINS. The bill which we now have under consideration is a revision of the law under the judiciary title, and the particular feature we are considering is the duty of the district attorneys of the United States. The first part of this section which the gentleman has read does not refer to that particular subject, but there are two subjects contained in the same section. One part is made applicable to the district attorneys, but not the first part of the section, which says that—

no money shall be expended upon any site or land purchased by the United States.

That is another feature of the law kept separate, and it is no part of the title we are now considering.

Mr. STAFFORD. As I understand the gentleman's position, if the present bill should be adopted and this clause be carried, it would not repeal the provision of section 355 to which I have referred?

Mr. WATKINS. No; that will be incorporated in another revision.

Mr. STAFFORD. Another question. Why did the committee believe it would not be advisable to follow existing law and except from the examination of title by the district attorneys, or rather limit them to merely public buildings other than life-saving stations and pierhead lights? Why should not the district attorney pass upon the title of all buildings of every character?

Mr. WATKINS. Public buildings generally are under the jurisdiction of the Treasury Department. The Supervising Architect of the Treasury Department usually attends to that, and this is on account of the fact heretofore it has been the custom to have this title ordinarily under the public-buildings

bill, which carries with it appropriations for public buildings, Government buildings, and so forth.

Mr. STAFFORD. I may not have grasped the explanation of the gentleman, but as I understand it the life-saving stations and pier headlights are just as much under the jurisdiction of the Treasury Department as other public buildings.

Mr. WATKINS. It has been the custom, and we did not see any necessity of changing the law, and under the law this class of public buildings are to be inspected and attended to through the Judiciary Department—that is, through the Department of Justice—and not by the Treasury Department. That is the reason we have not changed it, because we did not see any necessity for changing it.

Mr. STAFFORD. Can the gentleman differentiate as to why there should be a different rule applied to the life-saving stations than to other public buildings?

Mr. WATKINS. I know of no particular reason why it should not be, but we did not see any reason for doing it, and we desired to make as few changes as possible.

Mr. STAFFORD. I should think in this instance, where the committee could not see any reason for differentiating between those two characters of buildings, that they should not put them on the same plane. I should have thought the committee would have recommended a uniform rule.

Mr. WATKINS. I will state to the gentleman that this was taken from the compilation of the recent commission, and the commissioners who had the work in charge are supposed to have made this investigation, and it was not necessary to originate an investigation on a proposition of that kind.

Mr. STAFFORD. As to that reply, I may have misunderstood the gentleman when I interrogated him this morning; but I understood that the commission's recommendations in this measure were contained in italics.

The CHAIRMAN. The time of the gentleman has expired.

Mr. STAFFORD. Mr. Chairman, I ask unanimous consent to proceed for five minutes.

The CHAIRMAN. The gentleman from Wisconsin asks unanimous consent to proceed for five minutes longer. Is there objection? [After a pause.] The Chair hears none.

Mr. WATKINS. I regret the gentleman did not understand my answer. My answer to that was, wherever the commissioners recommended new law that those recommendations as to new law were written in italics, but where the commissioners' recommendations incorporated the law already existing, that was not put in italics but carried in the ordinary type.

Mr. STAFFORD. So where the commssion's recommendation contained existing law, leaving out some phraseology by condensation, you would not incorporate that in italics, but it would be embodied in the type as found here?

Mr. WATKINS. It is only where they have changed the verbiage of the law, where they changed the law or the verbiage of the law: either one.

Mr. STAFFORD. Here they have changed the verbiage of this law, because the clause is not the same as in existing law. So what can we go by? Are we to understand from the chairman that only that is in italics where there is a substantive change in existing law as recommended by the commission, and that minor changes are not carried in italics?

Mr. WATKINS. Except that wherever a statute has been amended, or wherever a law has been enacted, it is incorporated in there as law in existence and is not put in italics. You will find incorporated on the opposite page in that instance the amended law, the new law, or repealed law.

Mr. STAFFORD. Here we have an instance where the phraseology is changed, and not the scope of the law, the chairman says, by the original Commission on Revision of the Laws; and yet on this left-hand page, which is supposed to contain the recommendation of the commission so far as this section is concerned, there is no italicized print.

Mr. WATKINS. You are speaking about section 355, I suppose?

Mr. STAFFORD. Yes; and section 8, as recommended by your committee. I am trying to obtain, once and for all, just what is included in the italicized print, whether we are to understand that everything the original Commission on the Revision of the Laws recommended is included in italicized print on the left page of part 2 of your report?

Mr. WATKINS. All the changes in the existing law which they recommend are placed in italics.

Mr. STAFFORD. Here is an instance where changes have been made—minor changes, it is true—and changing existing law, where there is no italicized print at all.

Mr. WATKINS. I do not think the gentleman is correct about that.

Mr. STAFFORD. This is section 8. You do not find that exact phraseology in existing law as found in section 355 of the Revised Statutes.

Mr. WATKINS. The first part of section 355 is eliminated in this revision on account of the fact that it is not germane to the question.

Mr. STAFFORD. I understand that thoroughly. And that which the committee now recommends is repeated in section 8, which in this print contains no italicized matter at all and is different from existing law as found on the page opposite—the right-hand page. Some person has made a condensation and note. There are no italics to indicate that there has been a condensation. I am trying to ascertain some rule whereby the Committee of the Whole may know exactly what was done by your committee. I hope the gentleman will see that the phraseology as carried in section 8 is not the same phraseology of any part of section 355. I will grant it is a condensation of the latter part of that section, but it, the phraseology, is changed. Now, there is nothing in the existing print to show that any change has been made. I thought we were able to proceed upon the idea in the consideration of this bill that the only changes in it would be represented in italicized print, but I find we can not follow that rule.

Mr. WATKINS. It seems that sometimes in making a slight change in phraseology we alter a word, but we do not change the substance.

Mr. STAFFORD. There is not only a change of phraseology, but there is a change of text here.

The CHAIRMAN. The time of the gentleman from Wisconsin has expired. The Clerk will read.

The Clerk read as follows:

SEC. 13. In all States and Territories where there are reservations or allotted Indians the United States district attorney shall represent them in all suits at law and in equity.

Mr. MANN. Mr. Chairman, I move to strike out the last word. Does not the gentleman think this is an obsolete provision practically, now, requiring the United States district attorneys to represent the Indians on all reservations or where allotments have been made in all suits at law and in equity?

Mr. WATKINS. That question would infer that there were other rights of that kind which the district attorney would assert in behalf of the Indians, and there still may be some such rights. I have not gone into minute detailed investigation to ascertain whether there are any such rights still extant or not. But that law is copied from the Revised Statutes of the United States.

Mr. MANN. I understand. At that time the Indians were on the reservation and were properly represented by United States attorneys. A few Indians may have had lands allotted to them when that provision went into the law, but very few. Nearly all of these lands have now been allotted to Indians, and here is a provision which we know is a dead letter, which we would not keep in the law if it were operative, which says that the district attorney shall represent allotted Indians in all suits at law and in equity. It is a perfectly ridiculous provision. It might properly be dropped, because it is not done any more and ought not to be done.

Mr. STAFFORD. Will the gentleman yield?

Mr. MANN. I will.

Mr. STAFFORD. I assume the gentleman does not raise his objection to the district attorney's continuing to represent the Indians on reservations where they do not have their lands allotted?

Mr. MANN. Well, I did not raise any objection to that, although I do not think that is done any more.

Mr. STAFFORD. Of course, the district attorney represents the Indians in cases, and there is need that they should.

Mr. MANN. I do not know what cases he would represent them in. We have matters of that sort coming before Congress all the time, and I never heard of a district attorney in connection with one of them. They are always private attorneys.

Mr. STAFFORD. In those cases a private attorney is really more active to secure a fee and tries to supplant the district attorney.

Mr. MANN. What would happen if one of these allotted Indians would say to the district attorney, "I am sued, and I want you to represent me"?

Mr. WATKINS. Under that law he will be authorized and required to do it.

Mr. MANN. He would be required to do it under this law, but he does not do it and would not do it. If he would try to do it, we would not permit him.

Mr. GREEN of Iowa. Will the gentleman yield?

Mr. MANN. Certainly.

Mr. GREEN of Iowa. I think the gentleman from Illinois is quite correct, and that this provision is here by oversight on the part of the committee, in which, however, I may be mistaken. But I suggest, as a way out of the difficulty, that the chairman ask that this provision be passed for the present.

Mr. MANN. I really think that it ought to be looked into.

Mr. GREEN of Iowa. I think the gentleman from Illinois is entirely correct about it.

Mr. MANN. If we are going to codify these laws, those things that are absolutely obsolete we ought to leave out.

Mr. WATKINS. I have no objection to passing it over if the gentleman wants to pass it over, and ascertain whether it has any effect now, but I do not feel authorized indiscriminately to strike out sections of the Revised Statutes without critical inquiry.

Mr. GREEN of Iowa. I think if the gentleman from Louisiana inquires into it he will find that the gentleman from Illinois [Mr. MANN] is entirely correct, and that the provision is obsolete.

Mr. MANN. Will the gentleman have it passed over?

Mr. WATKINS. Yes. I ask unanimous consent, Mr. Chairman, that it be passed over temporarily.

The CHAIRMAN. The gentleman from Louisiana [Mr. WATKINS] asks unanimous consent that this provision be passed over temporarily. Is there objection?

There was no objection.

The Clerk read as follows:

SEC. 20. Whenever in the opinion of the Attorney General the public interest requires it he may, on the recommendation of the marshal, which recommendation shall state the facts as distinguished from conclusions, showing necessity for the same, allow the marshals to employ necessary office deputies and clerical assistance, upon salaries to be fixed by the Attorney General, from time to time, and paid as hereinafter provided. Such deputies shall be removable from office by the judge of the district court *whenever, in his judgment, the public interests so require.*

Mr. GORMAN. Mr. Chairman, I move to strike out the last word.

The CHAIRMAN. The gentleman from Illinois [Mr. GORMAN] moves to strike out the last word.

Mr. GORMAN. I would like to ask the chairman of the committee why it is provided here that the judge of the district court shall have the power to dismiss these men whenever in his judgment the public interests so require? Why is it not left to the Attorney General to determine the employment of these men whom he is authorized to employ? Why give somebody else the power to dismiss them?

Mr. WATKINS. The employment is determined, as the gentleman well knows, under the language on lines 4, 5, and 6, by the person who is authorized to dismiss them.

Mr. GREEN of Iowa. Mr. Chairman, will the gentleman from Louisiana [Mr. WATKINS] yield for a moment?

Mr. WATKINS. Yes.

Mr. GREEN of Iowa. There is no difference between the provision as it stands and the existing law with regard to the right of the judge to remove them from office. It only restricts the right a little further by requiring the stating of the grounds on which the removal is made.

Mr. GORMAN. I wanted to understand why the Attorney General was authorized to name them, and then why the judge is permitted to dismiss them.

Mr. WATKINS. I do not know why the law was originally enacted in that way, but it is in the Revised Statutes, and it has been the law almost since the foundation of the Government. We did not feel authorized to change those features when we came to them. That provision, no doubt, has been passed upon by the courts. We did not think it was incumbent on us to change the laws, as we found them embedded in the Revised Statutes. That feature is in the original law.

Mr. STAFFORD. Will the gentleman give me a citation of existing law where the judges have the authority to remove deputy marshals? It is not printed in the report here. Oh, yes; I find it here. It is section 780. I beg the gentleman's pardon. It gives that authority to the district judge to remove either the marshal himself or the deputy marshal.

Mr. WATKINS. Well, if the gentleman has found it, that is all right.

Mr. STAFFORD. It is given in section 780, which provides that—

Every marshal may appoint one or more deputies, who shall be removable from office by the judge of the district court or by the circuit court for the district, at the pleasure of either.

So that is the authority for that provision.

Mr. GREEN of Iowa. Mr. Chairman, it seems to me that the provision as it is in the present law is the proper one under the circumstances. The judge of the court would be better advised if there was any necessity for removing these deputies than would be the Attorney General, and I think the committee was right in retaining it for that reason.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

SEC. 22. Every marshal and deputy marshal shall, before he enters upon the duties of his appointment, take, before any officer of the United States, or of any State authorized by law to administer oaths, an oath or affirmation in the following form: "I, A B, do solemnly swear (or affirm) that I will faithfully execute all lawful precepts directed to the marshal of the district of ———, under the authority of the United States, and true returns make, and in all things well and truly, and without malice or partiality, perform the duties of the office of marshal (or marshal's deputy, as the case may be) of the district of ——— during my continuance in said office, and take only my lawful fees. So help me God." The words "So help me God" shall be omitted in all cases where an affirmation is admitted instead of an oath.

Mr. WATKINS. Mr. Chairman, I have a committee amendment which I desire to offer.

Mr. MANN. Is it an amendment to that section?

The CHAIRMAN. The gentleman from Louisiana [Mr. WATKINS] offers the following amendment, which the Clerk will report.

Mr. WATKINS. Wait one moment, Mr. Chairman. It should be offered to the next section. I will withdraw my amendment for the time being.

The CHAIRMAN. Without objection, the amendment will be withdrawn.

There was no objection.

Mr. MANN. Mr. Chairman, I move to strike out the last word.

The CHAIRMAN. The gentleman from Illinois [Mr. MANN] moves to strike out the last word.

Mr. MANN. I understand and appreciate, Mr. Chairman, the difficulties which confront anyone who endeavors to codify the laws. I also understand the need of codification, because I often weary myself trying to find what the law is, what the statute is. Yet I suppose, when one endeavors to codify the laws, he tries to cut out the unnecessary matter and make it as brief as possible and as uniform as practicable.

Now, here is a section providing for the oath of marshals. Of course the bill carries a provision for the oath of the clerk, and one for the oath of the district attorney, and one for the stenographer. When it comes to the oath of the district attorney, the bill says that the district attorney, before entering upon the duties of his office, "shall be sworn to a faithful execution thereof," and stops there. I should presume that that was adequate, although I do not undertake to say. But when it gets over to the marshal, the bill says he must take an oath or affirmation in the following form:

I, A B, do solemnly swear (or affirm) that I will faithfully execute all lawful precepts directed to the marshal of the district of ———, under the authority of the United States, and true returns make, and in all things well and truly, and without malice or partiality, perform the duties of the office of marshal (or marshal's deputy, as the case may be) of the district of ——— during my continuance in said office, and take only my lawful fees. So help me God.

The words "So help me God" shall be omitted in all cases where an affirmation is admitted instead of an oath.

When they get over to the clerk they make a similar provision concerning the oath; but when they get over to the stenographer they simply provide that before entering upon said office he shall take and subscribe an oath well and truly to perform the duties of the same, and shall file said oath with the clerk of the court.

Now, just what is the distinction between the marshal taking the oath and the clerk taking the oath, or the district attorney taking the oath and the stenographer taking the oath? I suppose it is possible for the district attorney to make affirmation as well as to take an oath. I suppose it does not undertake to require that no Quaker, for instance, shall be appointed a stenographer, by requiring an oath to be taken instead of an affirmation. I may be mistaken, but I think there is a general statute that where an oath is required, an affirmation may be sufficient. Yet the commission codifying the law puts in a long section in two places, stating the form of the oath, and explaining that you may have an affirmation instead of an oath, and that if you have an affirmation you leave out the language "So help me God." In the same title, under the same chapter, they provide for two other officials taking an oath. Either there ought to be something inserted as to the form of the oath to be taken by the district attorney and the stenographer, or else this rigmarole about the oath taken by the other two officials ought to be cut out as unnecessary and surplusage, having no place whatever in a codification of the statutes.

The CHAIRMAN. If there be no objection, the pro forma amendment will be considered as withdrawn. The Clerk will read.

The Clerk read as follows:

SEC. 23. Every marshal before entering on the duties of his office shall give bond before the district judge of the district, or the judge senior in commission in districts having more than one judge, jointly and severally with two good and sufficient sureties, inhabitants and freeholders of such district, to be approved by said judge, in the sum of $20,000, for the faithful performance of said duties by himself and his deputies. Said bond shall be filed and recorded in the office of the clerk of the district court sitting within the district, and copies thereof, certified by the clerk under the seal of the said court, shall be competent evidence in any court of justice. Whenever the business of the courts in any judicial district shall make it necessary, in the opinion of the Attorney General, for the marshal to furnish greater security than the official bond herein required, a bond in a sum not to exceed $40,000 shall be given when required by the Attorney General, who shall fix the amount thereof.

Mr. WATKINS. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from Louisiana offers an amendment which the Clerk will report.

The Clerk read as follows:

Page 10, line 13, after the word "marshal" insert "including the marshals for Alaska, Hawaii, and Porto Rico."

Mr. WATKINS. Mr. Chairman, I move the adoption of that amendment.

Mr. MANN. Mr. Chairman, what is the object of that?

Mr. WATKINS. At the time the statute was passed, containing this verbiage which is contained in this bill, we had no marshals for those places. After that the organic laws of these various Territories provided for marshals, but it was thought by the Department of Justice that it would be better to insert an amendment, so that they would understand definitely that the law applies to these marshals, as well as the marshals in the United States proper.

Mr. MANN. It says "every marshal."

Mr. WATKINS. It does, and we thought it was sufficiently explicit, but they asked us to make it a little more explicit, and we saw no objection to it.

Mr. MANN. Does it make it more specific or less explicit? Where you include everyone, and then proceed to say that that includes certain specific cases, it might exclude some other cases. It comes within the description—

A marshal shall be appointed in each district, except in the western district of South Carolina.

Of course the marshals in those Territories are not marshals of United States courts under the Constitution; but you do not make any provision for the appointment of marshals in those territories in this codification, unless they are included in the language "a marshal shall be appointed in each district." If they are included in that language, you do not need to put in this language. It looks to me as though you were getting it very much confused.

Mr. WATKINS. If the gentleman intends his remarks to be in the form of a question, I will state that the appointment was not intended to be provided for in the former language, because they are already appointed under the organic acts of the Territories. The offices are created and the appointment of the marshals is provided for in that way. They are not appointed under this law, but under the organic acts of the Territories.

Mr. MANN. But what I am calling attention to is this: Here is a codification. Now, you propose to have one provision in this act affecting the marshals of the Territory, and they are not included in the other provision. That is not a codification of laws; that is a mixture which will not work. If the marshals for these Territories are provided for in this codification, they ought to be included under this provision, but if you do not provide for marshals under this codification, you ought not to provide for the bond, because this is not the place to look for Territorial marshals unless they are codified here.

Mr. WATKINS. I will state that they are not codified in this law for the reason given; they are provided for in the organic law creating the Territories. But after the bill was submitted to the Department of Justice, they asked that this insertion be made for their own guidance and protection, and the committee thought it proper to accede to the request.

Mr. COX. Does this section cut out a marshal for South Carolina?

Mr. WATKINS. No; there is only one judge and one attorney for the two districts.

Mr. COX. Has there ever been two marshals?

Mr. WATKINS. Neither two marshals nor two judges.

Mr. COX. The language would indicate that heretofore there had been two marshals.

Mr. WATKINS. No.

Mr. MANN. I can not criticize the committee for acceding to the request of the Department of Justice, but I think that their request casts serious reflection on their knowledge and understanding of the bill.

Mr. MONDELL. Mr. Chairman, I move to strike out the last word. It is no doubt important that at the proper time and in the proper way there should be a revision of the laws under the judiciary title; in other words, that the pending bill should pass. I am rather inclined to the opinion that at the present time there are many more important matters before Congress that ought to be disposed of and which ought not to be delayed by this bill.

There are certainly many important matters before the country, vastly more important than this particular codification. The newspapers of to-day bring us the awful story of the death of nearly 200 miners by explosions in the coal mines in the State of West Virginia. Dispatches of the last few days have given us the harrowing details of the frightful conditions existing in the coal regions of Colorado, with the awful loss of life of men, women, and children. These dispatches indicate first the dangerous character of the work in which coal miners are engaged, and, second, the frequent and violent labor troubles which arise in connection with that industry.

I wish there were some way, clearly understood, which could be readily carried out for the cure of these evils. I do not think that they can be cured offhand by the introduction of a bill, as suggested by the gentleman from Washington [Mr. BRYAN] this morning or even by the taking over of the mines by the Government as he further suggests.

I have had some experience in coal mines and with coal miners. I know the difficulties under which they labor; the dangers to which they are constantly subjected; how arduous their labors are; how honest and well-meaning and law-abiding, as a class, they are; how valuable their services are to the country and to civilization. We have been endeavoring, through the Bureau of Mines and in other ways, to eliminate the dangers of mining operations. I think to a certain extent we have been successful, and yet this awful experience in West Virginia shows how little we know of the causes of mine explosions, and how liable they are to occur, even when earnest efforts are being made to remove the causes.

The situation in Colorado emphasizes the necessity of there being a better mutual understanding between the men who work in the mines and those who operate them. It is unfortunate that operators should become so insistent upon having their own way in regard to every detail of their operations as to create a spirit of hostility that long continues and finally leads to such awful occurrences as have been witnessed in Colorado.

I hope and trust that the steps taken by the administration in the sending of troops may bring peace in Colorado. I hope that our efforts through the Bureau of Mines and the efforts of mine owners may reduce the frequency of these awful disasters. More than that, I hope that in Colorado and elsewhere mine operators, and miners as well, may learn that there must be a spirit of give and take at the beginning of these difficulties in order to avoid the awful outcome which we have seen in that State.

No right-minded person will deny that men engaged in so toilsome and dangerous an occupation as coal mining are entitled to have proper consideration given to all the questions relating to the conditions of their employment. They are entitled to a wage which will enable them to properly support themselves and their families and enable them to lay up something for a rainy day, and they are entitled to have conditions established and maintained which will minimize as far as possible the dangers of their employment. It has been said here to-day that the only important question in the controversy in the Colorado fields was that of unionizing the mines and of the recognition of the unions by the operators. If that statement be essentially true, then, indeed, there is little excuse for the awful loss of life and destruction of property which has occurred. Surely there is nothing in the history of union coal mine operations to justify anyone in stubbornly refusing to recognize unions and to invite bitter and long-continued industrial warfare, leading to actual bloodshed, for the purpose of preventing unionizing of mines.

I know that it is contended that men ought to be allowed to run their business in their own way and to control it as they see fit. To a certain extent and within reasonable limitations I agree with that proposition; but when a man engaged in an industrial enterprise seeks the aid and assistance of others to make his enterprise profitable by employing them, a condition is created under which the right of the employer to conduct his business as he sees fit is modified by the right of the men he employs and upon whom he is dependent for the success of his business to labor under conditions reasonably satisfactory to them. The time has long since passed when employers may assume that while depending upon their employees largely for the success of their enterprise they can ignore the safety of the

employee or his right, within reason, to have a voice in the terms and conditions of his employment and as to the organizations he may see fit to maintain to represent him in his dealings with his employer.

I hesitate to discuss the situation in Colorado, because the awful loss of life there so appeals to one's sympathies that one may, in haste and without information, lay the blame at the wrong door; but surely if the only real questions recently at issue are the questions of labor unions and their recognition, as the gentleman from Colorado [Mr. KINDEL] said a few moments ago, then it would seem that primarily the fault is with those who, in their stubborn refusal to deal with men through organizations, have created the conditions which have made these awful happenings possible. No doubt there are bad men in labor unions—there are such in all kinds of organizations—no doubt unions sometimes demand more than is reasonable, even as employers frequently refuse demands and requests that are reasonable. Men must, however, be very shortsighted, indeed, who do not realize that miners have a right to organize if they see fit, and to learn by experience that organizations have their proper and essential and useful functions to perform for the benefit not only of the miners but of the community generally.

One stands appalled at these awful happenings in mine explosions and in industrial wars. They bring us to a realization of how far we have failed to establish safe or satisfactory, much less uniformly favorable, conditions in this great and growing industry. It behooves all who are interested in their fellow men and in their country to assist in every effort that is made to seek a sane and rational solution for these problems, so important, so vital to our people.

Mr. IGOE. Mr. Chairman, will the gentleman from Louisiana yield?

Mr. WATKINS. Yes.

Mr. IGOE. Under section 23 is a marshal required to give bond, with personal sureties, or is there any provision for a surety company?

Mr. WATKINS. The surety company is not authorized to go on a bond of Government officials under that section.

Mr. IGOE. In the provisions for clerks it says "sufficient sureties approved by the court."

Mr. WATKINS. Surety companies are not recognized by the Government in this section under discussion.

Mr. COX. I think the gentleman from Louisiana is not quite correct there.

Mr. WATKINS. I mean with reference to the provisions of this section of the bill.

Mr. COX. Surety companies are taken on bonds of postmasters and employees of the Post Office Department.

Mr. IGOE. What is the purpose of requiring the marshal to get freeholders to go on his bond?

Mr. WATKINS. The gentleman does not mean that he finds that provision here?

Mr. IGOE. It requires in this section that the sureties shall be inhabitants and freeholders.

Mr. MANN. I suggest to the gentleman from Missouri that he move to strike it out.

Mr. WATKINS. We have not yet reached that point. There is an amendment pending which has not yet been disposed of.

Mr. MANN. I thought it had been disposed of.

Mr. WATKINS. Mr. Chairman, amendment No. 1, in line 13, section 23, has not been voted on.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Louisiana.

The amendment was agreed to.

Mr. IGOE. Mr. Chairman, I desire to offer an amendment.

Mr. WATKINS. Mr. Chairman, before that is done, there is another committee amendment to this same section, which I desire to offer at this point.

The CHAIRMAN. The gentleman from Louisiana offers an amendment, which the Clerk will report.

The Clerk read as follows:

Page 11, line 3, after the word "exceed," strike out "forty" and insert "one hundred."

Mr. WATKINS. Mr. Chairman, the object of that is to increase the maximum amount of the bond, and this amendment is also offered at the request of the Department of Justice.

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Louisiana.

The amendment was agreed to.

Mr. IGOE. Mr. Chairman, I offer the following amendment: Page 10, lines 16 to 18, strike out the words "jointly and severally with two good and sufficient sureties, inhabitants and freeholders of such district," and insert in lieu thereof the words "with sufficient sureties."

Mr. WATKINS. Mr. Chairman, what is the use of doing that when that language is already in there?

Mr. IGOE. But I propose to strike out the language in my amendment, beginning with the word "jointly," in line 16, down to and including the word "district," in line 18, and amendment proposes to insert in lieu thereof the words "with sufficient sureties," so that it will read, "with sufficient sureties to be approved by said judge, and the sum of $20,000," and so forth.

Mr. WATKINS. Mr. Chairman, unless the words "two sureties," or the words "jointly and severally" are retained, I would be constrained to object to the amendment, because we want the very best security we can get. Sometimes both securities are not good at the time the obligation matures, while one of them may remain good; and if bond has been made jointly and severally, the security to the Government still holds.

Mr. IGOE. Mr. Chairman, I will say I have taken the same language which occurs in section 36 relating to the clerk of the court. I suppose that the bond required in his case ought to be just as good as the bond required in the case of a marshal.

Mr. WATKINS. Perhaps it may be better to change it in that section, but I should certainly object to the amendment unless it relates to the character of the security.

Mr. IGOE. I will say to the gentleman that my purpose in offering this amendment is to get down to date, so that he may give a surety company bond, instead of running around his district and getting his friends to go on his bond.

Mr. MANN. Mr. Chairman, when this provision was first written into the law many years ago there was no other way of giving bond except by personal surety, and I think the committee in reporting the bill very naturally and properly, in codifying the law, reported it without any change in that respect; but no one now gives personal sureties on bonds if it can be avoided. The surety companies take the place of bondsmen, and thus is avoided the obligation that goes from the official to his bondholder. There is no obligation where the official pays for his bond to a surety company. Where the sheriff or the marshal must have a personal bond, then that sheriff or marshal is bossed by his bondsman, sometimes very much to the detriment of the public good. As to the clerk of the court, if the gentleman in charge of the bill will notice, in section 36, it is not required that there shall be individual personal bondsmen. While the law uses the plural form "sureties," yet under the statute the plural means the singular and the singular means the plural, so that signifies nothing particularly. It is provided that the clerk before entering upon the duties of his office shall give bond to the United States in a certain sum, to be determined by the Attorney General, with sufficient sureties, to be approved by the court for which he is appointed. I take it that the provision for the clerk was written probably 20 or 30 or 40 or 50 or 75 or a hundred years after the first provision was written in respect to the marshal, and when the provision in respect to the marshal was written, something over 120 years ago, or in that neighborhood, there was no other way of giving the bond except by personal sureties, and they put in the words "inhabitants and freeholders of such district."

You can not find that expression anywhere else. There is no reason for saying "freeholder." Everybody is a freeholder if he holds anything, and I think that the gentleman in charge of the bill ought to be willing to accept that amendment.

Mr. WATKINS. If the gentleman will notice, it says "sureties," which is in the plural, and it does not contemplate that there shall be only one surety.

Mr. MANN. But the statute provides expressly that where the word is "sureties" it means "surety" and where "surety" it means "sureties." In other words, the statute provides that the singular and the plural will be transferred one for the other, without regard to the use of either the singular or the plural, so that it means a sufficient bond. That is, a bond of sufficient surety, to be approved by the court; and if he wants to require personal bondsmen, he has the right to do so.

Mr. WATKINS. It is not the disposition of the committee to contend for the personal bond of which the gentleman speaks; that is, for individuals going on the bond, and so far as the word "freeholders" is concerned we do not contend for that, but we do think that the interest of the Government ought to be guarded in the best possible way and that the words "jointly and severally" ought to go in.

Mr. STAFFORD. Will the gentleman yield right there?

Mr. WATKINS. Yes, sir.

Mr. STAFFORD. The gentleman is acquainted with the character of bonds furnished by surety companies to municipal officials, State officials, and so forth. When the States have passed laws accepting an indemnity of a surety company in lieu of in-

dividual sureties they have not required more than one surety company to go on the bond. Now, if the gentleman's position is to be adhered to, you will require, if the marshal is to give a surety bond rather than personal security—more than one surety company—and what is the sense of that? These surety companies are held to be acceptable institutions for indemnifying the Government, and if one of them goes surety on a bond that should be sufficient, and if the marshal wishes to furnish individual bonds it still rests with the judge to pass judgment upon whether it is adequate or not. If there is one man worth hundreds of thousands of dollars and the judge thinks he is responsible he could accept him, but if he thought he was not worth sufficient he might require more than one under the language suggested by the gentleman from Missouri.

Mr. COX. That is true of the Treasury Department, and I think they have a regular prescribed list of surety companies that they have practically O. K.'d for their employees.

Mr. STAFFORD. Oh, the departments to-day recognize the surety companies as one of the modern means of indemnifying the Government. That is thoroughly recognized.

Mr. BORLAND. I will say, in answer to the gentleman, that there is a list of approximately 21 companies.

Mr. COX. I thought there were about 47.

Mr. BORLAND. My recollection is there are approximately 21—it may be larger than that—whose bonds are accepted and approved by the Treasury Department.

Mr. COX. I thought it was somewhere between 21 and 47.

Mr. STAFFORD. For instance, the Pennsylvania Railroad Co., in indemnifying for defalcations of their employees, have one bond—one blanket bond—covering all the employees of their company, lodged with one surety company.

Mr. COX. So has the Post Office Department.

Mr. STAFFORD. These surety companies are recognized to-day in the existing business affairs of our country, and they are accepted in lieu of the old private personal surety.

Mr. GREEN of Iowa. Mr. Chairman, it is my disposition as far as I may in my limited ability in an humble way to assist the committee in this matter, but I think this amendment ought to be agreed to. It is certainly conceded now everywhere that this method of taking surety companies' bonds is a better method, because the officeholder is not under any personal obligation. No one has any obligation upon him when merely a surety company bond is given, but beyond all that is the fact that the surety company bonds are better, safer, less chance of liability, and then, further, when we are revising and codifying the laws, we do not want in one part of this codification a provision in reference to a clerk that he may give a surety company bond and in another place with reference to a marshal that he must give a personal security bond. We want to bring it down to date, and we want to make it all harmonious and to correspond it seems to me. I think there is every reason why this amendment should carry.

The CHAIRMAN. The question is on the amendment.

Mr. GARRETT of Tennessee. Mr. Chairman, may we have the amendment reported again?

The CHAIRMAN. The Clerk will report the amendment.

The amendment was again reported.

The CHAIRMAN. The question is on agreeing to the amendment.

The amendment was agreed to.

The Clerk read as follows:

SEC. 26. No suit on a marshal's bond shall be maintained unless it is commenced within six years after the right of action accrues, saving, nevertheless, the rights of infants, married women, and insane persons, so that they sue within three years after their disabilities are removed: *Provided*, That if, upon the statement of the account of any United States marshal by the accounting officers of the Treasury, it shall thereby appear that he is indebted to the United States, and a suit therefor shall not be instituted within five years after such statement of said account, the sureties on his bond shall not be liable for such indebtedness.

Mr. COOPER. Mr. Chairman, why not say the suit shall be "begun" instead of "instituted"? "Begun" is a much simpler word. "Begin" has but one meaning. "Institute" has more than one. I speak of this because I have heard foreigners say that the English language often is confusing to them owing to the fact that it contains words each of which has more than one meaning. I should think it better to use simple language and say "begin a suit," instead of "institute a suit."

The CHAIRMAN. Does the gentleman offer that as an amendment?

Mr. COOPER. I do. Where the word "instituted" occurs insert the word "begun."

The CHAIRMAN. In what line is that?

Mr. MANN. On page 12, line 4.

Mr. COOPER. I just heard it read. I do not know.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Page 12, line 4, strike out the word "instituted" and insert in lieu thereof the word "begun."

The CHAIRMAN. The question is on agreeing to the amendment.

Mr. WATKINS. Mr. Chairman, in these immaterial matters it is a dangerous practice to indiscriminately make changes in the bill, especially in these matters where there has been an interpretation by the court. In this particular language I see no great objection, but that will have to be followed all through the bill, and amendments made all through the bill, and it will cause considerable time, trouble, and expense to make the changes as we go along. I can see no benefit at all. One word is just as proper as the other. One word is already in the statute; one word is already in this bill; and there is really no difference in the meaning of the words at all, not even the difference between tweedledum and tweedledee. There is no reason at all why the language in this bill should be butchered in order to carry out the idea that somebody may have that it will simplify the language.

Mr. GARRETT of Tennessee. This is the present law?

Mr. WATKINS. It is the present law, and it is very important it should remain intact.

Mr. GARRETT of Tennessee. And it has received construction—if not positively, tacitly?

The CHAIRMAN. The question is on agreeing to the amendment.

The question was taken, and the amendment was rejected.

Mr. MANN. Mr. Chairman, I move to strike out the last word. It says:

No suit on a marshal's bond shall be maintained unless it is commenced within six years after the right of action accrues, saving, nevertheless, the rights of infants, married women, and insane persons, so that they sue within three years after their disabilities are removed.

I suppose it is hardly necessary to say that that statute was enacted something more than 100 years ago. I would like to ask my distinguished friend from Louisiana [Mr. WATKINS] whether there is any State in the Union now, and if so, which one, where married women are under disability?

Mr. WATKINS. Why, in the State in which I live—Louisiana. They have to be especially authorized.

Mr. MANN. I just wanted to bring that out. I do not suppose the gentleman is proud of it. Is there any other State where married women are classed with infants and insane persons?

Mr. WATKINS. They are not intended to be classed with insane persons, except in this way——

Mr. MANN. I did not say they were classed "as" insane persons; I said classed "with" infants and insane persons—using careful language.

Mr. WATKINS. They are placed in the class "with," and not "as," insane persons in the State of Louisiana, and the reason is there, under marital relations, the judgment of the husband controls in business affairs, and for that reason they have not their judgment to act upon in business affairs, and it is only after disabilities are removed, and they have become widows, or no longer married women, that they can do so.

Mr. MANN. As soon as she gets rid of the husband, the disability is removed? There is something in that. Here is the only State, as the gentleman has said, where the laws of more than 100 years ago prevail, and where the laws in reference to married women still prevail, and where married women are classed with infants and insane persons, as to disability. The gentleman says they are classed "as" insane persons. I have great regard for both the men and women of Louisiana, but I would say, in view of the fact that they have not removed the disability on women, the men should be——

Mr. TOWNSEND. The gentleman does not say that Louisiana is the only State in the Union in which a husband may be a disability?

Mr. MANN. No; I do not contend that. I think New Jersey enjoys the same distinction. The gentleman is able to speak by the card. Personal experiences are received——

Mr. TOWNSEND. At all times.

Mr. MANN. At all times. I think it is a discredit to the United States Congress to codify a law and put this provision in it.

Mr. GARRETT of Tennessee. Will the gentleman yield?

Mr. MANN. Yes.

Mr. GARRETT of Tennessee. For information.

Mr. MANN. I will not agree to give the information, but I will yield.

Mr. GARRETT of Tennessee. I want to ask, are the rights of married women on contractual relations the same in Illinois as the rights of men?

Mr. MANN. Yes.

Mr. CANTOR. In New York, too. Absolutely the same.

Mr. MANN. Absolutely the same. A man may make a contract with his wife. In our State a man can deed his wife property or a wife can deed him property. But, then, we have gotten a little further along than that in Illinois. Our women vote for a good many offices; not for Congress yet. I do not know how soon they will.

Mr. GARRETT of Tennessee. That may explain the gentleman's remarks. [Laughter.]

Mr. MANN. But they do not vote for Members of Congress.

Mr. COOPER. Mr. Chairman, I notice that in line 21, page 11, the word "commenced" is used—

No suit on a marshal's bond shall be maintained unless it is commenced within—

And so forth, while on the next page the same section speaks about a suit being "instituted." Now, I ask the gentleman from Louisiana [Mr. WATKINS], who says that he does not want the bill to be "butchered up," and who a moment ago was so impressed with the importance of retaining "instituted," because, as his friend the gentleman from Tennessee [Mr. GARRETT] suggested, all this language has been construed by the courts—I ask the gentleman if he does not think it is dangerous to leave that word "commenced" in there? Does he not think that "commenced" ought to be stricken out and "instituted" inserted in order that there may be the same language twice in the same section? [Laughter.] You never ought to "commence" a suit; you ought to institute it. [Laughter.]

Mr. WATKINS. Mr. Chairman, in answer to the gentleman's question I will say this, that these various sections in the laws and the various laws that have been enacted come from different minds at different times. Sometimes one word is used to express an idea, and sometimes another word is used to express the same idea, or a similar idea, and it is unnecessary in preparing a codification and revising it to strike out every word that is not exactly the same as some other word in another place conveying the same idea. We do not care to go through that labor. It would be a laborious and troublesome work that I do not feel called upon to undertake.

Mr. COOPER. Mr. Chairman, if the gentleman will permit me, I desire to say that it was far from my purpose to attempt to force upon the gentleman from Louisiana against his will any "laborious and troublesome work," and especially anything so laborious as the substituting of one word for another in this section.

Mr. WATKINS. If that were the only instance, it would not make so much difference. But that is a thing that runs through the entire bill.

Mr. COOPER. I know there are a great many things of that kind which ought to be corrected, but rather than ask the committee to undertake anything so "laborious and troublesome" we should overlook all these now. [Laughter.]

Mr. MANN. Mr. Chairman, will the gentleman yield?

The CHAIRMAN. Does the gentleman from Wisconsin yield to the gentleman from Illinois?

Mr. COOPER. Yes.

Mr. MANN. Does not the gentleman know that he will get another chance at this at the next Congress? Everybody knows that this bill will not become a law at this session. Everybody knows that it is only designed for one purpose, and that is to prevent any other question from coming up. [Laughter.]

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

SEC. 34. In case of a vacancy in the office of the district attorney or marshal, the district court of the United States for the district where said vacancy exists, *or the judge senior in commission in districts having more than one judge*, the supreme court of the Territory, and the Supreme Court of the District of Columbia may appoint persons to exercise the duties of such offices within their respective jurisdictions until such vacancy shall be filled. Any marshal so appointed shall give bond, as if appointed by the President, and the bond shall be approved by the judge *of the court making such appointment*. It shall then be filed in the clerk's office of said court, and a copy shall be entered on the journal of the court. A certified copy of such entry shall be prima facie proof of the execution of such bond and of the contents thereof.

Mr. GREEN of Iowa rose.

Mr. MANN. Mr. Chairman, I move to strike out the last word.

Mr. GREEN of Iowa. I yield to the gentleman from Illinois.

The CHAIRMAN. The gentleman from Illinois [Mr. MANN] moves to strike out the last word.

Mr. GREEN of Iowa. I think probably the gentleman from Illinois wants to speak of the same matter that I had in mind.

Mr. MANN. Under this provision, Mr. Chairman, when a temporary marshal or attorney is appointed by the senior judge there is no provision for approving the bond. Now, that comes about because the language "or the judge senior in commission in districts having more than one judge" is new now, under the recent act, while the language below, which is inserted anew, "of the court making such appointment," was in the commission bill. Now you provide that the district court may make a temporary appointment or the judge senior in commission in a district where there is more than one judge may make the appointment.

Then you provide that the bond shall be approved by the judge of the court making the appointment. In my district, Chicago, there are several district judges. The temporary appointee there would be named by the senior judge, not by the district court; and, as everyone knows, when it comes to suing on a bond it is a very technical proposition. I really think the gentleman ought to pass that over and put in the proper language, letting it go over to fix it up, and then move that the committee rise. We have had a hard day, anyhow.

Mr. WATKINS. Mr. Chairman, I recognize that it is very uncomfortable here. We have not the ventilation that we ought to have. There is not a quorum here, anyhow.

Mr. MANN. I knew that.

Mr. WATKINS. I have no objection to letting it go over.

Mr. MANN. It can be fixed up between now and next week, if we rise now.

Mr. WATKINS. Mr. Chairman, I move that the committee do now rise.

The motion was agreed to.

The committee accordingly rose; and the Speaker having resumed the chair, Mr. RUSSELL, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill (H. R. 15578) to codify, revise, and amend the laws relating to the judiciary, and had come to no resolution thereon.

ADJOURNMENT.

Mr. WATKINS. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 24 minutes p. m.) the House adjourned until Thursday, April 30, 1914, at 12 o'clock noon.

EXECUTIVE COMMUNICATION.

Under clause 2 of Rule XXIV, a letter from the Secretary of the Treasury, transmitting communication from the Acting Secretary of Agriculture submitting estimate of appropriation in the sum of $500 payment to Mrs. Terezija Bucar, surviving dependent relative of Anton Bucar, was taken from the Speaker's table, referred to the Committee on Appropriations, and ordered to be printed. (H. Doc. No. 932.)

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII, bills and resolutions were severally reported from committees, delivered to the Clerk, and referred to the several calendars therein named, as follows:

By Mr. HAY, from the Committee on Military Affairs, to which was referred the bill (H. R. 12826) to reinstate Francis Graves Bonham as a cadet at the United States Military Academy, reported the same without amendment, accompanied by a report (No. 595), which said bill and report were referred to the Private Calendar.

By Mr. HAYDEN, from the Committee on the Public Lands, to which was referred the bill (S. 2548) to create an additional land district in the State of Arizona, reported the same without amendment, accompanied by a report (No. 594), which said bill and report were referred to the Committee of the Whole House on the state of the Union.

CHANGE OF REFERENCE.

Under clause 2 of Rule XXII, committees were discharged from the consideration of the following bills, which were referred as follows:

The bill (H. R. 15938) granting a pension to Phoebe A. Ludwick; Committee on Invalid Pensions discharged, and referred to the Committee on Pensions.

The bill (H. R. 15928) granting a pension to Wilmot Stevens; Committee on Invalid Pensions discharged, and referred to the Committee on Pensions.

The bill (H. R. 15967) granting a pension to James Hanna; Committee on Invalid Pensions discharged, and referred to the Committee on Pensions.

The bill (H. R. 15944) granting an increase of pension to Otto Burkart; Committee on Invalid Pensions discharged, and referred to the Committee on Pensions.

The bill (H. R. 14770) granting an increase of pension to Daniel E. Alexander; Committee on Invalid Pensions discharged, and referred to the Committee on Pensions.

PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills, resolutions, and memorials were introduced and severally referred as follows:

By Mr. MURDOCK: A bill (H. R. 16130) to establish in the Department of Labor a bureau to be known as the bureau of employment, and for other purposes; to the Committee on Labor.

By Mr. VAUGHAN: A bill (H. R. 16131) authorizing the Commissioners of the District of Columbia to set aside for street purposes certain land at and near the intersection of Jackson and Twentieth Streets NE., and for other purposes; to the Committee on District of Columbia.

By Mr. WICKERSHAM: A bill (H. R. 16132) to authorize the rebuilding of the military road bridges over Snake River and Dry Creek, at Nome, Alaska, out of the Alaska fund in the United States Treasury; to the Committee on Military Affairs.

By Mr. RAYBURN: A bill (H. R. 16133) to amend section 20 of an act to regulate commerce; to the Committee on Interstate and Foreign Commerce.

By Mr. FLOOD of Virginia: A bill (H. R. 16134) fixing the times and places for holding regular terms of the United States circuit and district courts in the western district of Virginia, and for other purposes; to the Committee on the Judiciary.

By Mr. BRYAN: A bill (H. R. 16135) to amend section 4 of the act of April 21, 1910, entitled "An act to protect the seal fisheries of Alaska, and for other purposes"; to the Committee on Ways and Means.

By Mr. FERRIS: A bill (H. R. 16136) to authorize exploration for and disposition of coal, phosphate, oil, gas, potassium, or sodium; to the Committee on the Public Lands.

By Mr. DEITRICK: A bill (H. R. 16137) to provide for a pension for certain physically defective persons; to the Committee on Pensions.

By Mr. OLDFIELD: Joint resolution (H. J. Res. 257) authorizing the Commissioner of Patents to exchange printed copies of United States patents with the Dominion of Canada; to the Committee on Patents.

PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ANSBERRY: A bill (H. R. 16138) granting an increase of pension to John S. Williams; to the Committee on Invalid Pensions.

By Mr. BRODBECK: A bill (H. R. 16139) granting an increase of pension to Lewis Low; to the Committee on Invalid Pensions.

Also, a bill (H. R. 16140) granting a pension to John C. Potter; to the Committee on Invalid Pensions.

Also, a bill (H. R. 16141) granting an increase of pension to David H. Funk; to the Committee on Invalid Pensions.

Also, a bill (H. R. 16142) granting an increase of pension to John Stark; to the Committee on Invalid Pensions.

Also, a bill (H. R. 16143) to correct the military record of T. Abram Hetrick; to the Committee on Invalid Pensions.

By Mr. BROWN of West Virginia: A bill (H. R. 16144) granting an increase of pension to John M. Jones; to the Committee on Invalid Pensions.

Also, a bill (H. R. 16145) granting an increase of pension to George W. Miller; to the Committee on Invalid Pensions.

Also, a bill (H. R. 16146) granting an increase of pension to Charles L. Van Newkirk; to the Committee on Invalid Pensions.

By Mr. BULKLEY: A bill (H. R. 16147) for the relief of William B. Nesbitt; to the Committee on Military Affairs.

By Mr. BURGESS: A bill (H. R. 16148) for the relief of the legal representatives of Rebecca J. Smith; to the Committee on War Claims.

Also, a bill (H. R. 16149) to pay Lavaca County National Bank $95; to the Committee on Claims.

By Mr. CAMPBELL: A bill (H. R. 16150) granting a pension to Arabelle McCurry; to the Committee on Invalid Pensions.

By Mr. CANTRILL: A bill (H. R. 16151) granting a pension to Joseph Gambell; to the Committee on Pensions.

By Mr. CONNELLY of Kansas: A bill (H. R. 16152) granting an increase of pension to Anna Phillips-Shepherd; to the Committee on Pensions.

By Mr. DIFENDERFER: A bill (H. R. 16153) for the relief of the J. Ellwood Lee Co.; to the Committee on Ways and Means.

By Mr. DONOHOE: A bill (H. R. 16154) granting a pension to Clarissa F. Dye; to the Committee on Invalid Pensions.

By Mr. DYER: A bill (H. R. 16155) granting a pension to Emma Potts; to the Committee on Invalid Pensions.

Also, a bill (H. R. 16156) granting an increase of pension to Robert S. Copeland; to the Committee on Invalid Pensions.

By Mr. GREENE of Vermont: A bill (H. R. 16157) granting a pension to Jennie C. Potter; to the Committee on Invalid Pensions.

By Mr. GUDGER: A bill (H. R. 16158) granting a pension to Amanda Dimsdale; to the Committee on Pensions.

By Mr. KELLEY of Michigan: A bill (H. R. 16159) granting a pension to Emma Rose; to the Committee on Invalid Pensions.

By Mr. MORRISON: A bill (H. R. 16160) granting a pension to Sarah J. Glover; to the Committee on Invalid Pensions.

By Mr. MOSS of West Virginia: A bill (H. R. 16161) granting an increase of pension to William A. Cale; to the Committee on Invalid Pensions.

By Mr. TAGGART: A bill (H. R. 16162) granting a pension to Catherine J. Stephenson; to the Committee on Invalid Pensions.

By Mr. TAVENNER: A bill (H. R. 16163) for the relief of Theodore Bagge; to the Committee on Claims.

By Mr. VOLLMER: A bill (H. R. 16164) granting a pension to George W. Bagley; to the Committee on Invalid Pensions.

Also, a bill (H. R. 16165) granting an increase of pension to C. F. Regnier; to the Committee on Invalid Pensions.

Also, a bill (H. R. 16166) for the relief of James F. Gorman; to the Committee on Claims.

PETITIONS, ETC.

Under clause 1 of Rule XXII, the following petitions and papers were laid on the Clerk's desk and referred as follows:

By the SPEAKER (by request): Petition of School Committee of Stamford, Conn., favoring Hamill civil-service retirement bill; to the Committee on Reform in the Civil Service.

Also, petition of citizens of Dearborn, Mich., and Westfield, N. Y., against practice of polygamy in the United States; to the Committee on the Judiciary.

Also, petition of J. A. Rawlins Post, No. 1, Grand Army of the Republic, Washington, D. C., affirming their allegiance to the United States Constitution and protesting against any changes therein; to the Committee on the Judiciary.

By Mr. AINEY: Petition of 12 voters of Factoryville, Pa., favoring national constitutional prohibition amendment; to the Committee on the Judiciary.

Also, petition of 38 voters of Tunkhannock, Pa., favoring national constitutional prohibition amendment; to the Committee on the Judiciary.

By Mr. ALLEN: Memorial of Ohio Retail Jewelers' Association, of Columbus, Ohio, favoring passage of the Owen-Goeke bill; to the Committee on Interstate and Foreign Commerce.

Also, petition of 216 citizens of Cincinnati, Ohio, protesting against national prohibition; to the Committee on the Judiciary.

By Mr. BAILEY (by request): Petitions of J. F. Bird, B. Johnson, J. T. Mattern, W. J. Powell, C. H. Griffy, C. G. Griffey, J. A. Martz, Homer Rodkey, J. Shubert, A. E. Wait, A. H. Rose, C. B. Rumberger, J. D. Stacey, C. W. Campbell, H. J. Barnett, J. L. Cummins, P. M. Sellers, H. B. Sellers, W. O. Wallace, J. C. Barr, H. A. Treese, J. T. Collins, J. S. Mumdorf, Daniel Metzker, H. B. Mauk, G. L. Nokes, W. J. Sellers, Rev. Charles T. Dunning, John G. Sellers, W. N. Jamison, W. F. Sims, W. A. Frye, M. E. Lykens, J. R. Hermes, G. Rowan, J. E. Bassler, H. E. Blake, H. A. Karle, S. Robel, and Albert Fawks, all of Hollidaysburg, Pa., favoring national prohibition; to the Committee on the Judiciary.

Also (by request), petition of Cambria County (Pa.) Retail Druggists' Association, favoring Stevens bill (H. R. 13305); to the Committee on Ways and Means.

Also (by request), petitions of Rev. E. L. Eslinger, Thomas Bookhamer, L. F. Garber, Isaac S. Mock, A. L. Garver, C. E. Van Deran, Blaine Thomas, C. D. Greene, R. E. Garber, L. L. Biddle, S. H. Cree, W. M. Thomas, J. S. Williams, C. E. Herr, C. M. Fluke, C. W. Zook, H. G. McAuliffe, A. Harnley, J. D. Kensinger, F. K. Lorenz, L. P. Swope, H. C. Lorenz, L. O. Burket, S. C. Kagarise, R. A. Greene, and Grant Hite, all of Roaring Springs, Pa., favoring national prohibition; to the Committee on the Judiciary.

By Mr. BARTHOLDT: Petition of J. W. Kearney, of St. Louis, Mo., in favor of House joint resolution 173, providing for the adjudication of the Chinese indemnity claims; to the Committee on Claims.

Also, petitions of American Frame Manufacturing Co.; Mermod, Jaccard & King Jewelry Co.; Missouri District Telegraph

Co.; West Disinfecting Co.; and Blackwell-Wielandy Book & Stationery Co., all of St. Louis, Mo., against national prohibition; to the Committee on the Judiciary.

Also, petitions of W. H. Markham & Co. Insurance Co., Louis Lange Publishing Co., Dinks Parrish's Laundry Co., Alt Box Manufacturing Co., F. R. Rice Mercantile Cigar Co., Mountain Valley Water Co., Lungstras Dyeing & Cleaning Co., St. Louis Screw Co., Edwin P. Ambler, George H. Salzgeber, and C. H. Verbarg, all of St. Louis, Mo., against national prohibition; to the Committee on the Judiciary.

By Mr. BATHRICK: Papers to accompany House bill 16101, for relief of Alma Wharfield; to the Committee on Invalid Pensions.

By Mr. BEAKES: Petitions of 17 citizens of Jackson, Mich., in opposition to House bill 9836, being the Columbus Day bill; to the Committee on the Judiciary.

Also, petitions of 1,210 voters of Washtenaw County, Mich., in opposition to national prohibition; to the Committee on the Judiciary.

By Mr. BRITTEN: Memorial of Chicago Federation of Labor, protesting against the United States becoming involved in a war with Mexico; to the Committee on Foreign Affairs.

By Mr. BROWN of West Virginia: Petitions of citizens of Job, Grafton, and Elkins, all in the State of West Virginia, favoring national prohibition; to the Committee on the Judiciary.

By Mr. BRYAN: Petition of citizens of the State of Washington, favoring decision by the States of the prohibition question; to the Committee on the Judiciary.

Also, petition of Association of Alaska Salmon Packers, favoring new survey vessels on the coast of Alaska; to the Committee on the Merchant Marine and Fisheries.

Also, petition of Charleston (Wash.) Baptist Church, favoring national prohibition; to the Committee on the Judiciary.

Also, memorial of Seattle Central Labor Council, relative to situation in Colorado mining district and favoring intervention by Government; to the Committee on the Judiciary.

Also, memorial of Seattle Central Labor Council, protesting against the war with Mexico; to the Committee on Foreign Affairs.

By Mr. CALDER: Petition of New York Board of Trade and Transportation, favoring passage of House bill 7617, relative to uniform system of signals; to the Committee on Interstate and Foreign Commerce.

By Mr. CANDLER of Mississippi: Petitions of 200 citizens of Amory, 300 citizens of Eupora, 125 citizens of West Point, 101 citizens of Booneville, 121 citizens of Rienzi, and Woman's Christian Temperance Union of Iuka, all in the State of Mississippi, favoring national prohibition; to the Committee on the Judiciary.

Also, petition of citizens of Amory, Miss., favoring Sabbath observance bill; to the Committee on the District of Columbia.

By Mr. CARY: Petitions of H. M. Krogmann and Jacob C. Felle, of Milwaukee, Wis., protesting against House bill 11321; to the Committee on Interstate and Foreign Commerce.

By Mr. COOPER: Petition of citizens of Union Grove, Wis., favoring national prohibition; to the Committee on the Judiciary.

Also, petition of J. E. Patterson and others of Milton Junction, Wis., favoring the passage of House bill 12928, to amend the postal law; to the Committee on the Post Office and Post Roads.

Also, petition of C. H. Mikelsen and other citizens of Milton Junction, Wis., protesting against passage of the Sunday observance bill; to the Committee on the District of Columbia.

By Mr. COVINGTON: Petitions of 59 citizens of Ridgely, 50 citizens of Easton, 96 citizens of Snow Hill, 17 citizens of Fruitland, 26 citizens of Sharptown, 106 citizens of Salisbury, and 69 citizens of Hurlock, all in the State of Maryland, favoring national prohibition; to the Committee on the Judiciary.

By Mr. COX: Petition of members and friends of Woman's Christian Temperance Union of Huntingburg, citizens of Hardinsburg, and 80 citizens of Corydon, all in the State of Indiana, favoring national prohibition; to the Committee on the Judiciary.

By Mr. CRAMTON: Petition of Matthew Parker and 21 other citizens of Tuscola, Mich., protesting against the Sunday observance bill; to the Committee on District of Columbia.

By Mr. DANFORTH: Petitions of A. E. Tulley and 134 others, residents of Monroe, Livingston, Allegany, and Cattaraugus Counties, all in the State of New York, against national prohibition; to the Committee on the Judiciary.

Also, petitions of Charles Roberts and 35 others, of Caledonia; John F. White and 75 others, of Mount Morris, all in the State of New York, favoring national prohibition; to the Committee on the Judiciary.

Also, petitions of A. E. Smith and 45 others, of Clarkson; Rev. Robert S. Bell and 9 others, of Lockport; V. N. Witter and 14 others, of Barnard; H. J. Lewis, of Charlotte; Samuel S. Hickok and 13 others, of Rochester; William True, of Adams Basin; William De Ridder and 17 others, of Spencerport; Whitney P. Howe, of Carlton Station; H. R. Anderson and 12 others, of Albion; and John D. Rainey and 129 others, of Oneonta, all in the State of New York, favoring national prohibition; to the Committee on the Judiciary.

Also, petition of Walter Fell and 21 others, of Monroe County, N. Y., favoring the passage of House bill 10080, the Lindquist pure-fabric and leather bill; to the Committee on Interstate and Foreign Commerce.

Also, petition of citizens of the State of New York, favoring national prohibition; to the Committee on the Judiciary.

Also, petitions of citizens of Albion and Niagara County, of Rochester Woman's Christian Temperance Union, and of citizens of Spencerport and Clarkson, all in the State of New York, favoring national prohibition; to the Committee on the Judiciary.

By Mr. DEITRICK: Memorial of city council of Cambridge, Mass., favoring Hamill civil-service retirement bill; to the Committee on Reform in the Civil Service.

Also, petition of Massachusetts Real Estate Exchange, against repeal of Panama Canal law; to the Committee on Interstate and Foreign Commerce.

By Mr. DONOVAN: Petition of Connecticut Peace Society, favoring mediation with Mexico; to the Committee on Foreign Affairs.

Also, petition of citizens of Connecticut, against national prohibition; to the Committee on the Judiciary.

By Mr. DOOLITTLE: Petitions of sundry citizens of the State of Kansas, favoring establishment of bureau of farm loans (H. R. 11755); to the Committee on Banking and Currency.

By Mr. DRUKKER: Petition of Madison Avenue Presbyterian Church, of Paterson, N. J., favoring national prohibition; to the Committee on the Judiciary.

By Mr. DYER: Petitions of George O. Carpenter, L. A. Ryan, A. H. Handlan, jr., and 10 other citizens; J. W. Jarboe, Paul J. Wielandy, C. F. Mathey, and E. J. Adams, all of St. Louis, Mo., against national prohibition; to the Committee on the Judiciary.

Also, petition of International Association of Machinists, of Washington, D. C., relative to construction of one battleship in a Government navy yard; to the Committee on Naval Affairs.

Also, petitions of J. D. Cleveland and Rev. C. C. Long, of St. Louis, Mo., against national prohibition; to the Committee on the Judiciary.

By Mr. FERGUSSON: Petitions of the Woman's Christian Temperance Union of Moriarty, N. Mex., signed by its president, Mrs. F. H. Flowers, and its secretary, Miss Ida Coleman, and other officials, and 72 citizens of Moriarty and Venus, N. Mex., favoring national prohibition; to the Committee on the Judiciary.

Also, petitions of Rev. O. A. Smith, J. M. McGill, and 21 other citizens of Amistad; H. L. Ewing, E. L. Brubaker, and 36 other citizens of Miami; George S. Hood and R. G. Smith and 17 other citizens of Farmington; the Christian Endeavor Society, representing 30 members, by its presiding officer, H. M. Coppock, and its secretary, Miss Carrie Lapp, of Miami; the First Methodist Episcopal Church, representing 252 members, by its presiding officer, E. C. Anderson, and its secretary, C. V. Hedgcock, of East Las Vegas, all in the State of New Mexico, favoring national prohibition; to the Committee on the Judiciary.

By Mr. GARDNER: Petition of the Young People's Religious Union of the First Unitarian Church of Ann Arbor, Mich., against section 47 of the Raker immigration bill; to the Committee on Immigration and Naturalization.

Also, petition of Massachusetts Real Estate Exchange, against repeal of Panama Canal act; to the Committee on Interstate and Foreign Commerce.

Also, petitions of citizens of Ipswich, Gloucester, and Haverhill, all in the State of Massachusetts, against national prohibition; to the Committee on the Judiciary.

By Mr. GRAHAM of Pennsylvania: Petition of the Woman's Missionary Society of Trinity Presbyterian Church, of Philadelphia, Pa., protesting against admission of any immigrants addicted to the use of alcoholic liquors; to the Committee on Immigration and Naturalization.

Also, petition of Pennsylvania Patriotic Association, of Philadelphia, Pa., favoring the literacy test in the immigration bill; to the Committee on Immigration and Naturalization.

By Mr. GREENE of Vermont: Petition of Miss Eloise Case and other residents of the first congressional district of Vermont, favoring the passage of House bill 12928, relative to Sunday hours for postal employees; to the Committee on the Post Office and Post Roads.

Also, petition of Miss Eloise Case and other residents of the first congressional district of Vermont, opposing the passage of House bill 7826, being the Sabbath-observance bill; to the Committee on the District of Columbia.

By Mr. GRIEST: Protest from Mr. William P. Hess and other citizens of Lancaster, Pa., against the enactment of House bill 7826, to provide for the closing of barber shops in the District of Columbia on Sunday; to the Committee on the District of Columbia.

Also, memorials of Rev. J. H. Higby, pastor of the Olivet Baptist Church, of Lancaster, Pa., and Mr. Roy R. Lefever, of Strasburg, Pa., urging the adoption of a national constitutional prohibition amendment; to the Committee on the Judiciary.

Also, petition of citizens of Lancaster, Pa., favoring House bill 12928, to amend the postal laws; to the Committee on the Post Office and Post Roads.

By Mr. GUERNSEY: Petitions of citizens of Maine, favoring national prohibition; to the Committee on the Judiciary.

By Mr. HAYES: Petition of Chamber of Commerce and Mutual Water & Power District Association of Victor Valley, Cal., favoring Victor Valley reclamation project; to the Committee on Rivers and Harbors.

Also, petition of Sailors' Union of the Pacific Coast, San Francisco, Cal., against House bill 11740, providing a poll tax on fishermen temporarily employed in Alaskan waters; to the Committee on the Territories.

Also, petition of Sacramento County Pomona Grange, Sacramento, Cal., supporting House bill 11897, establishing farm credits; to the Committee on Banking and Currency.

By Mr. HELVERING: Petitions of Rev. Silas Bond and 64 citizens of Miltonvale, of Mrs. Effie Cozine and 32 citizens of Washington County, and of Rev. W. C. Littell and 38 citizens of Miltonvale, all in the State of Kansas, favoring nation-wide prohibition; to the Committee on the Judiciary.

By Mr. IGOE: Petition of G. M. Hubbard, of St. Louis, Mo., favoring passage of House bill 14328, relative to false statements in the mail; to the Committee on the Post Office and Post Roads.

Also, petition of L. H. Hempelmann and Columbia Box Co., of St. Louis, Mo., protesting against national prohibition; to the Committee on the Judiciary.

By Mr. JOHNSON of Washington: Petition of International Association of Machinists of Tacoma, Wash., favoring the machinists' wage bill (H. R. 12740); to the Committee on Labor.

By Mr. KELLEY of Michigan: Petition of 54 citizens of Huron County, Mich., favoring a national constitutional prohibition amendment; to the Committee on the Judiciary.

Also, petition of D. W. Chisholm and 46 other citizens of Huron County, Mich., favoring a national constitutional prohibition amendment; to the Committee on the Judiciary.

Also, petition of Mrs. Ella Webster and 15 other citizens of Huron County, Mich., favoring a national constitutional prohibition amendment; to the Committee on the Judiciary.

Also, petition of 800 citizens of Calumet, 30 citizens of Leonard, 32 citizens of Charlevoix, and 90 citizens of Gaylord, all in the State of Michigan, favoring national prohibition; to the Committee on the Judiciary.

By Mr. KENNEDY of Rhode Island: Petition of 15 citizens of Woonsocket, R. I., favoring national prohibition; to the Committee on the Judiciary.

Also, memorial of Lime Rock (R. I.) Grange, favoring passage of Bathrick farm-credit bill; to the Committee on Banking and Currency.

By Mr. KINDEL: Petitions of 1,295 citizens of Denver, 450 citizens of Boulder, 700 citizens of Fort Collins, and 443 citizens of Loveland, all in the State of Colorado, favoring national prohibition; to the Committee on the Judiciary.

Also, petition of citizens of Longmont, Colo., against Sabbath-observance bill; to the Committee on the District of Columbia.

Also, petition of citizens of Longmont, Colo., favoring House bill 12928, to amend postal laws; to the Committee on the Post Office and Post Roads.

By Mr. KONOP: Petition of citizens of Appleton, Wis., favoring national prohibition; to the Committee on the Judiciary.

By Mr. LANGHAM: Petition of citizens of Marian Center, Pa., favoring national prohibition; to the Committee on the Judiciary.

By Mr. LIEB: Petition of the Evansville Typographical Union, No. 35, of Evansville, Ind., protesting against the proposed increase of postage on newspapers, magazines, trade papers, etc.; to the Committee on the Post Office and Post Roads.

Also, petition of the Evansville Typographical Union, No. 35, of Evansville, Ind., indorsing House bill 1873 and Senate bill 927, being the Bartlett-Bacon anti-injunction bill; to the Committee on the Judiciary.

By Mr. LONERGAN: Petition of Young People's Socialist League of Hartford, Conn., relative to labor troubles in Colorado; to the Committee on the Judiciary.

By Mr. McANDREWS: Petition of citizens of Illinois, favoring machinists' wage bill; to the Committee on Labor.

By Mr. McGILLICUDDY: Petitions of citizens of Temple, Me., and Temple Grange, No. 51, favoring national prohibition; to the Committee on the Judiciary.

By Mr. McKENZIE: Petition of 60 citizens of Winslow, Ill., favoring national prohibition; to the Committee on the Judiciary.

By Mr. MANAHAN: Petition of the Men's Club of Wesley Methodist Episcopal Church, of Minneapolis, Minn., in favor of national prohibition; to the Committee on the Judiciary.

Also, petition of 38 voters of St. Paul, Minn., urging the enactment of House bill 12740, being the machinists' wage bill; to the Committee on Labor.

Also, petition of 127 members of Grace Methodist Episcopal Church, of Duluth, Minn., in favor of national prohibition; to the Committee on the Judiciary.

Also, petition of 87 members of the Epworth League of Wesley Methodist Episcopal Church, of Minneapolis, Minn., in favor of national prohibition; to the Committee on the Judiciary.

Also, petition of Young People's Society of Swedish Lutheran Church, of Holmes City, Minn., in favor of national prohibition; to the Committee on the Judiciary.

Also, memorial of the Hotel and Restaurant Keepers' Association of St. Paul, Minn., against national prohibition; to the Committee on the Judiciary.

Also, petition of members of Sunday school board of Wesley Methodist Episcopal Church, of Minneapolis, Minn., in favor of national prohibition; to the Committee on the Judiciary.

By Mr. MOORE: Petition of 3,456 citizens of Philadelphia, Pa., protesting against national prohibition; to the Committee on the Judiciary.

By Mr. MOTT: Petitions of the Methodist Episcopal and Baptist Churches of Pulaski, and citizens of Cazenovia, all in the State of New York, favoring national prohibition; to the Committee on the Judiciary.

Also, petition of voters of the thirty-second congressional district of New York, protesting against national prohibition; to the Committee on the Judiciary.

By Mr. O'HAIR: Petition of voters of the eighteenth congressional district of Illinois, protesting against national prohibition; to the Committee on the Judiciary.

Also, petitions of citizens and churches of the eighteenth congressional district of Illinois, favoring national prohibiton; to the Committee on the Judiciary.

By Mr. O'SHAUNESSY: Petition of members of Lime Rock Grange, No. 22, Patrons of Husbandry, favoring passage of the farm-credit bill (H. R. 11897); to the Committee on Banking and Currency.

Also, petition of citizens of second congressional district of Rhode Island, against national prohibition; to the Committee on the Judiciary.

Also, petition of Epworth League Union and Herbert Thompson, of Providence, R. I., favoring national prohibition; to the Committee on the Judiciary.

By Mr. PATTEN of New York: Petition of United Societies for Local Self-Government, of Chicago, Ill., against national prohibition; to the Committee on the Judiciary.

By Mr. PATTON of Pennsylvania: Petitions of over 200 citizens of Bellefonte; citizens of Howard Borough, Westover, Emporium, and Philipsburg; and 21 citizens of Du Bois, all in the State of Pennsylvania, favoring national prohibition; to the Committee on the Judiciary.

Also, petitions of 110 citizens of Houtzdale and 115 citizens of Clearfield, all in the State of Pennsylvania, favoring national prohibition; to the Committee on the Judiciary.

Also, petition of 18 voters of the twenty-third congressional district of Pennsylvania, protesting against national prohibition; to the Committee on the Judiciary.

By Mr. PLUMLEY: Petition of the Woman's Christian Temperance Union of Orleans, Vt., favoring national prohibition; to the Committee on the Judiciary.

Also, petition of 1,354 residents of the second district of Vermont, favoring national prohibition constitutional amendment; to the Committee on the Judiciary.

By Mr. REED: Petitions of A. W. Glines, Harmon Dow, H. A. Moody, Ernest F. Hollman, James Barry, J. H. Shaw, Thomas Tobin, and Alexander Ferson, of Manchester, N. H., opposing national prohibition of liquor traffic; to the Committee on the Judiciary.

Also, petitions of G. H. Loveren, W. Sheehan, Harry L. Knapp, E. E. Rockwell, Rudolph Hamel, and George D. Rainville, of Manchester, N. H., opposing national prohibition of liquor traffic; to the Committee on the Judiciary.

Also, petitions of A. W. Muzzey, W. H. Hurd, Joseph Moffie, A. F. Mitchell, Ivar Alderwell, and W. S. Levy, of Manchester, N. H., opposing national prohibition of liquor traffic; to the Committee on the Judiciary.

Also, petitions of Z. Hondrotoz, Louis A. Dupont, William E. Smith, Joseph Quirin, Cleophas Gagnon, and Edward J. Flanagan, of Manchester, N. H., opposing national prohibition of liquor traffic; to the Committee on the Judiciary.

Also, petitions of Fred Lebel, Albert B. Greay, G. F. Saulnier, Edward M. Cote, Ernest Jean, and John Burke, of Manchester, N. H., opposing national prohibition of liquor traffic; to the Committee on the Judiciary.

Also, petitions of Edward L. Lovering, Frank P. Langford, Stephen Spane, Walter A. Kane, John J. Hartnett, and George D. Burns, of Manchester, N. H., opposing national prohibition of liquor traffic; to the Committee on the Judiciary.

By Mr. REILLY of Connecticut: Petition of citizens of Hartford, Conn., commending President for his acceptance of offer of mediation with Mexico; to the Committee on Foreign Affairs.

Also, petition of citizens of Wallingford, Conn., relative to mine outrages in Colorado; to the Committee on Rules.

By Mr. ROGERS: Petitions of citizens of the fifth congressional district of Massachusetts, against national prohibition; to the Committee on the Judiciary.

By Mr. SABATH: Petition of Chicago Federation of Labor, relative to troubles with Mexico; to the Committee on Foreign Affairs.

Also, petition of the Church Peace Union, favoring universal peace; to the Committee on Foreign Affairs.

By Mr. SELDOMRIDGE: Petition of citizens of Eaton and Lucerne, Colo., favoring House bill 12928, to amend the postal laws; to the Committee on the Post Office and Post Roads.

By Mr. SLOAN: Petitions of Mr. M. L. Keefer, Mr. Ray W. Jones, Mr. H. L. Caldwell, Rev. Stanard, Mr. F. Welch, Mr. J. M. Landenberger, Mr. J. D. Mikkelson, Mr. J. P. Corwin, Mr. C. A. Watson, and Rev. J. G. Stanard, of Utica; and Mr. J. W. Morris, of Beaver Crossing, all in the State of Nebraska, favoring national prohibition; to the Committee on the Judiciary.

By Mr. SUTHERLAND: Papers to accompany House bill 2273, for relief of A. H. Dolly; to the Committee on Invalid Pensions.

By Mr. TALBOTT of Maryland: Petitions of citizens of Maryland, favoring national prohibition; to the Committee on the Judiciary.

By Mr. TALCOTT of New York: Petition of 394 citizens of the thirty-third New York congressional district, against national prohibition; to the Committee on the Judiciary.

By Mr. TAVENNER: Petition of H. H. Harris, Macomb, Ill., favoring increase in pension for minor children of Spanish War veterans; to the Committee on Pensions.

By Mr. TREADWAY: Petition of 11 citizens of Holyoke, Mass., favoring national prohibition; to the Committee on the Judiciary.

By Mr. UNDERHILL: Petitions of citizens of Ithaca, Painted Post, and Montour Falls; Woman's Christian Temperance Union and the Methodist Episcopal and Baptist Churches of Trumansburg; citizens of Steuben, Newfield, Erin, Van Etten, Hickie, and Freeville; Dryden Presbyterian and Methodist Episcopal Churches; Baptist, Methodist Episcopal, and Presbyterian Churches of Owego, all in the State of New York, favoring national prohibition; to the Committee on the Judiciary.

By Mr. VOLLMER: Petition of St. John's Episcopal Church, of Clinton, Iowa, protesting against polygamy in the United States; to the Committee on the Judiciary.

By Mr. WALLIN: Petition of citizens of the thirtieth New York congressional district and the Schenectady (N. Y.) Ministerial Association, favoring national prohibition; to the Committee on the Judiciary.

By Mr. WEAVER: Petition of citizens of Oklahoma, protesting against national prohibition; to the Committee on the Judiciary.

Also (by request), petition of citizens of Logan County, Okla., favoring Federal loan act; to the Committee on Banking and Currency.

SENATE.

THURSDAY, *April 30, 1914.*

The Chaplain, Rev. Forrest J. Prettyman, D. D., offered the following prayer:

Almighty God, we pray for such a sense of the divine wisdom and power and glory as that we may always approach Thee with reverence and adoration and praise. We thank Thee that the facts of Thy kingdom are not in conflict with the facts of common life and that the forces of the Kingdom of Heaven are not in conflict with those forces that make for the best in human government. We pray that we may be enabled to interpret God's dealing with men and to fashion all our public life after the will and commandment of the great God of Nations, who ruleth over all. So do Thou help us to come into conformity with Thy will, that we may achieve our highest distinction and power and glory through obedience to the divine commandment. For Christ's sake. Amen.

The Journal of yesterday's proceedings was read and approved.

REVENUES OF RAIL CARRIERS.

The VICE PRESIDENT laid before the Senate a communication from the Interstate Commerce Commission, transmitting, in further response to a resolution of the 28th instant, all additional anonymous letters and communications and all written or printed letters and communications with signatures thereto, and all circulars, clippings, newspaper and magazine articles, marked or otherwise, which have been received by the commission or any member thereof, which was ordered to lie on the table.

MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by J. C. South, its Chief Clerk, returned to the Senate, in compliance with its request, the bill (H. R. 7951) to provide for cooperative agricultural extension work between the agricultural colleges in the several States receiving benefits of an act of Congress approved July 2, 1862, and all acts supplementary thereto, and the United States Department of Agriculture, and also the message of the Senate agreeing to the conference report thereon.

LABOR TROUBLES IN COLORADO.

Mr. KENYON. Mr. President, there has been some discussion as to the introduction of telegrams. I want to present a telegram from a mass meeting of citizens in my State. There are some things in it which might have been objectionable that I have blue-penciled. It is in the nature of a petition, and while I shall not ask to have read the part I have crossed out, I ask that it be read.

The VICE PRESIDENT. Is there objection? The Chair hears none, and the Secretary will read as requested.

The Secretary read as follows:

[Telegram.]

HITEMAN, IOWA, *April 21, 1914.*

Senator KENYON, *Washington, D. C.:*

We the citizens of Hiteman in mass meeting assembled, realizing that two wars are now on—one a war to crush out the rebellious spirit of the wage earners of the Colorado mines owned and operated by the Rockefeller interests; and

Whereas the newspapers are giving columns upon columns about the "American conquest of Mexico," every known means of appealing to the gullibility of the American workers is being used. The flag incident and other excuses are being put forward to justify the sending of the American militia and naval forces to our neighboring country. At the same time distorted reports of the bloodiest slaughter of workingmen in modern times are appearing in the capitalist press. The recent "battle of Ludlow," Colo., is the most outrageous assault upon the rights and liberties and lives of the working class in American history, where uniformed "gunmen" drive innocent women and children into blazing tents with bullets to be burned to death, where 50 of our people are known to be murdered in a day, over two-thirds of whom were women and children: Therefore be it

Resolved, That we in mass meeting assembled do protest against such outrageous treatment of our fellow workers by the hired assassins of the moneyed interests; and be it further

Resolved, That we demand of the President of the United States and both Houses of Congress to send the Federal troops to Colorado to relieve these miners, their wives and children, who are being slaughtered wholesale by the murderous guards.

THOMAS OAKLEY, *Chairman.*
RICHARD SAMUEL, *Secretary.*

Mr. MARTINE of New Jersey. Mr. President, I feel intensely the condition that exists in Colorado. The employment of armed bodies of thugs—and no other word will satisfy—the employment of armed bodies of thugs under the name of mine guards, I insist, is the evil of our day.

While I had the honor to serve as a member of a committee or commission, or whatever it might be termed, in West Virginia wherein these armed thugs played an important part, I felt so incensed and so rightly justified that upon my return I drew a bill which was introduced in the Senate and referred to the Committee on Education and Labor, wherein it was provided that every individual, corporation, or body of men employ-

ing armed guards for private purposes should be liable to a fine of at least $5,000 and imprisonment for one year. In the ordinary parliamentary way the bill was referred to the Committee on Education and Labor, and there it seems to sleep the sleep of the righteous and the just.

I say, had this bill been reported and been made a law of this country the unfortunate condition which prevails in Colorado would not have existed. Those of you who have not been in close contact and seen and felt the very atmosphere that seems surcharged with the evil of the employment of these armed brutes can hardly appreciate the situation. It deprived for a time the people of the Commonwealth of West Virginia of the right of constitutional government, and to-day in Colorado it is the same.

I say for the well-being of all our country, for the hope of the posterity that will come after us, it is high time the Senate of the United States should take some steps to stay this brutal evil. In Colorado, even worse than it was in West Virginia, men and women have been shot down like dogs in a kennel, until conditions in Colorado are even worse than they are to-day in Mexico.

I trust that this telegram may find a deep and an abiding place in the hearts and minds and consciences of the Members of the Senate, and that speedy action may be taken toward allaying this horrid abuse. I plead with the Committee on Education and Labor, to whom the bill that I introduced some months ago was referred, that they give it serious consideration and report to the Senate that a voice may be had in the Senate against the monstrous proposition of hiring men, armed with Springfield rifles, and shooting men as though they were cats and dogs.

Mr. WARREN. Will the Senator allow me?

Mr. MARTINE of New Jersey. I ask it earnestly. I ask it seriously. It is not a simple theory, but it is a fact, which exists to the disgrace and humiliation of our glorious country. I yield to the Senator from Wyoming.

Mr. WARREN. If the Senator will yield a moment, referring to the telegram and the request for United States troops sent to the desk by the Senator from Iowa [Mr. KENYON], I understand that the administration has already responded to similar requests heretofore made, and that United States troops are there now in the afflicted district; that the governor of the State of Colorado having withdrawn his militia from the district formerly occupied by that force, the United States now has charge in the interest of peace which we so devoutly wish for.

Mr. MARTINE of New Jersey. I thank the Senator. I understand that that condition does prevail now, but it has been tardy, tardy to the extent of sluggishness. I hope that results will follow. I know through the enactment of the bill I introduced we would have spared much of the evil which has prevailed in the Commonwealth of Colorado or in any other Commonwealth subject to this horrid brutality.

Mr. CHILTON. Mr. President, I do not want by my silence to seem to assent to the statement made by the Senator from New Jersey that West Virginia is or has been in a state of lawlessness. We had a strike in West Virginia a short time ago, which was investigated by a committee of the Senate. A report has been made, and it is now subject to the inspection of every Senator and the public.

The main strike was confined to one district of one county in that State. It was not much different from any other strike in any other place in the country. We had the usual incidents. We had a clash between the operators and the miners, neither one willing to concede the necessary thing; but finally the strike was settled and everything became peaceful and everything is now quiet. If one should pass up that valley now he would never know that a strike had occurred. I think the Senator from New Jersey is a little extreme in his statement, from which it might be inferred that there has been a general acquiescence in the rule of thugs in West Virginia. We did not have anything in the State of West Virginia so serious as the difficulties the Senator's State has had in the city of Paterson. We did not have anything in that State like what has been in some of the other Eastern States.

Our coal development has been exceedingly rapid. This development is necessarily in the mountains. We find the coal in the high mountains of that State. The coal operators go up a valley, build a little branch line of railroad up the valley, and open up coal mines in the hills. Before the coal companies went there there were probably in a boundary of 6 or 8 miles originally only a few score of inhabitants—the unterrified, law-abiding mountain farmers. After the coal companies went there and opened up their works, of course practically everything in the immediate locality came under the control of the companies. They built houses, refrigerating plants, power plants, and necessary buildings to house, feed, clothe, and accommodate hundreds of miners and employees, without whom the coal could not be mined. If the company had not gone there and opened the coal works, there would have been no improvement there, no mining town, no industry. Of course, when these labor difficulties came the coal companies were found to be in charge of the land, in charge of the industries, and, naturally, there would grow up a distrust upon the part of the miners. When the strike began then every grievance and cause of complaint became acute. The coal companies would naturally want to have their own way and the miners would want to have theirs. It is not the desire of either the operators or the United Mine Workers of America to rehash the origin of these difficulties and serious troubles. We had some shooting, we had some terrible scenes there; but nothing so terrible as what has occurred in the State of New Jersey, not so appalling as what has occurred in Massachusetts; nothing approximating the recent scenes in Colorado.

Mr. MARTINE of New Jersey. I will inquire——

Mr. CHILTON. Just one moment. Let me make my statement. There is nothing different there from what has occurred in the great incorporated city of Paterson, nothing different from what might occur in any place where there has been a clash between labor and capital, over actual or supposed grievances of long standing. The cool heads did not appreciate that there was a storm coming in time to avert what we concede was a most unfortunate spectacle.

I deny now that the State of West Virginia has ever been in a State of lawlessness. I deny that our people favor anything in the shape of lawlessness. I am here to assert that 99 per cent of the people of West Virginia want law and order and peace, and 99.99 per cent deprecate the decision of the supreme court of that State, which, in my opinion, set aside the just and the constitutional rights of the people. It is a very small faction outside the four members of the court and the lawyers on that side of the case who would maintain that doctrine. There is little sympathy with it in the State of West Virginia, and in her own good time she will, as I believe, get rid of the effects of that decision. She will, I am pursuaded, set it aside in due course, and the State of West Virginia will at all times maintain law and order. Both the miners of that State and the operators of that State are, in the main, law-abiding people. They are now working together to solve the problems that confront them. It does no good at this time to bring up the memories of the recent unhappy conflict. West Virginia can solve her own problems, and she objects that anyone should make her either the target or the horrible example.

Mr. MARTINE of New Jersey. Mr. President, it is a very natural pride——

Mr. SUTHERLAND. Mr. President, I rise to a question of order.

The VICE PRESIDENT. The Senator from Utah will state the point of order.

Mr. SUTHERLAND. The Senator from New Jersey made a statement which called for a response upon the part of the Senator from West Virginia. I did not desire to interrupt the Senator from West Virginia, but I make the point of order that this entire discussion is out of order. There is nothing before the Senate to which it could apply. We are wasting the morning hour every day in discussions of this sort.

Mr. MARTINE of New Jersey. Of course I am subject to the ruling of the Chair.

The VICE PRESIDENT. If the regular order is called for, the Senator from New Jersey who has frequently presided in this place knows that it is not in order for him to proceed.

Mr. MARTINE of New Jersey. I of course submit, but I beg to say——

Mr. SUTHERLAND. I call for the regular order.

Mr. MARTINE of New Jersey. That at some future time I should like to know what the Senator from West Virginia would define as constitutional law that prevails anywhere more than in New Jersey.

PETITIONS AND MEMORIALS.

Mr. SMITH of Michigan presented a petition of sundry citizens of Fremont, Mich., praying for national prohibition, which was referred to the Committee on the Judiciary.

He also presented a memorial of sundry citizens of Suttons Bay, Mich., remonstrating against national prohibition, which was referred to the Committee on the Judiciary.

He also presented a petition of sundry citizens of Coleman, Mich., and a petition of the congregation of the Le Grave Avenue Christian Reformed Church, of Grand Rapids, Mich., praying for the enactment of legislation to grant a compensatory time privilege to post-office employees, which were referred to the Committee on Post Offices and Post Roads.

He also presented a petition of Local Division No. 286, Brotherhood of Locomotive Engineers, of Grand Rapids, Mich., and a petition of Local Division No. 565, Order of Railway Conductors, of Port Huron, Mich., praying for the enactment of legislation to further restrict immigration, which were ordered to lie on the table.

He also presented a petition of Calhoun County Pomona Grange, Patrons of Husbandry, of Battle Creek, Mich., praying for the establishment of a system of rural credits, which was referred to the Committee on Banking and Currency.

He also presented a memorial of sundry citizens of Coleman, Mich., remonstrating against the enactment of legislation compelling the observance of Sunday as a day of rest in the District of Columbia, which was referred to the Committee on the District of Columbia.

Mr. WORKS presented a memorial of Rosecrans Post, No. 182, Department of California, Grand Army of the Republic, and of the Women's Relief Corps of Whittier, Cal., remonstrating against any change being made in the American flag, which was referred to the Committee on the Judiciary.

He also presented a telegram in the nature of a petition from sundry citizens of Denair, Cal., praying for the adoption of an amendment to the Constitution to prohibit the manufacture, sale, and importation of intoxicating beverages, which was referred to the Committee on the Judiciary.

Mr. COLT presented a petition of the congregation of the Calvary Baptist Church of Providence, and a petition of sundry citizens of Woonsocket and Providence, R. I., praying for the adoption of an amendment to the Constitution to prohibit the manufacture, sale, and importation of intoxicating beverages, which were referred to the Committee on the Judiciary.

Mr. HITCHCOCK presented a petition of the Ministerial Union of Omaha, Nebr., praying for national prohibition, which was referred to the Committee on the Judiciary.

Mr. SHEPPARD. I present resolutions adopted by a large number of prominent business and professional men of Hillsboro, Tex., heartily indorsing President Woodrow Wilson's attitude with reference to the Panama Canal tolls matter. I move that the resolution be referred to the Committee on Interoceanic Canals.

The motion was agreed to.

Mr. BRADLEY presented a memorial of sundry citizens of Lexington, Ky., remonstrating against the enactment of legislation to compel the observance of Sunday as a day of rest in the District of Columbia, which was referred to the Committee on the District of Columbia.

He also presented a petition of Local Division No. 365, Brotherhood of Locomotive Engineers, of Louisville, Ky., praying for the enactment of legislation to provide an educational test for immigrants to this country, which was ordered to lie on the table.

He also presented a petition of the United Daughters of the Confederacy, of Lawrenceburg, Ky., praying for the enactment of legislation to provide for the refunding of the cotton tax collected from the year 1862 to the year 1868, which was referred to the Committee on Finance.

He also presented petitions of sundry citizens and organizations in the State of Kentucky, praying for the adoption of an amendment to the Constitution to prohibit the manufacture, sale, and importation of intoxicating beverages, which were referred to the Committee on the Judiciary.

Mr. WEEKS. Mr. President, I present resolutions adopted by the Massachusetts Real Estate Exchange, a large commercial body in Boston, Mass., remonstrating against the repeal of the clause in the Panama Canal act exempting coastwise shipping from the payment of tolls. I move that the resolutions be received and referred to the Committee on Interoceanic Canals.

The motion was agreed to.

Mr. WEEKS. I present resolutions adopted at a citizens' mass meeting held at Faneuil Hall, Boston, Mass., April 27, 1914, relating to our relations with Mexico. In that connection, while I do not ask to have the resolutions read, I wish to call attention to the last one, because I think it is most pertinent. It is as follows:

That we earnestly urge an immediate and express declaration by Congress reaffirming the pledge given by President Wilson in his Mobile speech that the United States will not seek one foot of territory by conquest.

I hope the writers of that resolution will note the action of the Senate last Tuesday night, when an amendment to that effect was voted down by the unanimous vote of the majority.

The VICE PRESIDENT. The resolutions will be referred to the Committee on Foreign Relations.

Mr. WEEKS presented memorials of sundry citizens of Massachusetts, remonstrating against national prohibition, which were referred to the Committee on the Judiciary.

He also presented petitions of sundry citizens of Massachusetts, praying for national prohibition, which were referred to the Committee on the Judiciary.

Mr. BRANDEGEE. I send to the desk a very brief telegram which I have received from constituents of mine in Hartford, Conn., and ask that it may be read.

The VICE PRESIDENT. Is there objection?

Mr. SMITH of Michigan. Do I understand the Senator from Connecticut desires to have the telegram read?

Mr. BRANDEGEE. I should like to have the telegram read. It contains only a few lines.

Mr. SMITH of Michigan. I shall be very glad to have it read.

Mr. BRANDEGEE. I will read it myself if there is any objection.

The VICE PRESIDENT. Is there objection? The Chair hears none, and the Secretary will read as requested.

The Secretary read as follows:

[Telegram.]

HARTFORD, CONN., *April 29, 1914.*

Hon. FRANK B. BRANDEGEE,
Senator from Connecticut, Washington, D. C.:

We, mothers, wives, and sisters of American boys, commend the action of the President in accepting offers of mediation, and urge that you use every effort for suppression of hysterical war spirit and consummation of speedy peace. Offenses committed are more than atoned for by Mexican and American homes already bereaved. Public and international sentiment demand generous action by United States.
(Signed by N. C. Palmer and about 150 others.)

Mr. BRANDEGEE. I will simply state that the signers of the telegram are among the first ladies of the city of Hartford, Conn. I do not ask that all their names be published, but that it be referred to the Committee on Foreign Relations.

The VICE PRESIDENT. The telegram will be referred to the Committee on Foreign Relations.

Mr. BRANDEGEE presented memorials of sundry citizens of New Haven and Bridgeport and of the German-American Alliance, of New Haven, all in the State of Connecticut, remonstrating against national prohibition, which were referred to the Committee on the Judiciary.

He also presented a petition of Liberty Council, No. 8, Daughters of America, of Noank, Conn., praying for the enactment of legislation to further restrict immigration, which was ordered to lie on the table.

Mr. SHIVELY presented petitions of the congregations of the Methodist Church of Oxford and the Bethel Evangelical Church, of Elkhart, and of sundry citizens of Kendallville and Monticello, all in the State of Indiana, praying for national prohibition, which were referred to the Committee on the Judiciary.

He also presented a petition of sundry citizens of Fairland, Ind., praying for the enactment of legislation to grant a compensatory time privilege to post-office employees, which was referred to the Committee on Post Offices and Post Roads.

He also presented a memorial of the Medical Society of Green County, Ind., remonstrating against the enactment of legislation to prohibit the distribution and dispensing of narcotic drugs by physicians, dentists, and veterinarians, which was ordered to lie on the table.

He also presented a petition of the Ministerial Association, of Fort Wayne, Ind., praying for the enactment of legislation to provide pensions for civil-service employees, which was referred to the Committee on Civil Service and Retrenchment.

Mr. OWEN presented petitions of sundry citizens of Oklahoma, praying for national prohibition, which were referred to the Committee on the Judiciary.

Mr. LODGE presented a petition of the Board of Selectmen, of Winthrop, Mass., praying for the enactment of legislation to grant pensions to civil-service employees, which was referred to the Committee on Civil Service and Retrenchment.

Mr. POINDEXTER presented a memorial of the Mining Men's Club, of Spokane, Wash., remonstrating against the leasing of Government lands and resources which are contrary to the principles of our Government and urging that they be disposed of under the laws which have been in force until recently, which was referred to the Committee on Public Lands.

Mr. CLARK of Wyoming presented petitions of sundry citizens of Wyoming, praying for national prohibition, which were referred to the Committee on the Judiciary.

Mr. LA FOLLETTE presented memorials of 5,236 electors residing in the first congressional district, of 4,906 electors residing in the second congressional district, of 3,168 electors residing

in the third congressional district, of 23,638 electors residing in the fourth congressional district, of 22,726 electors residing in the fifth congressional district, of 6,930 electors residing in the sixth congressional district, of 4,554 electors residing in the seventh congressional district, of 2,354 electors residing in the eighth congressional district, of 6,754 electors residing in the ninth congressional district, of 924 electors residing in the tenth congressional district, and of 3,388 electors residing in the eleventh congressional district, all in the State of Wisconsin, remonstrating against the passage of House joint resolution No. 168 and Senate resolutions Nos. 50 and 88, seeking to amend the Constitution for national prohibition, which were referred to the Committee on the Judiciary.

Mr. JOHNSON presented petitions of sundry citizens of Maine, praying for the adoption of an amendment to the Constitution to prohibit the manufacture, sale, and importation of intoxicating beverages, which were referred to the Committee on the Judiciary.

He also presented a memorial of the State Board of Trade of Maine, remonstrating against the enactment of legislation to create an interstate trade commission, which was referred to the Committee on Interstate Commerce.

Mr. McLEAN presented a petition of sundry citizens of New Britain, Conn., praying for the repeal of the exemption clause in the Panama Canal act, which was referred to the Committee on Interoceanic Canals.

He also presented memorials of sundry citizens and organizations in New Haven, Conn., remonstrating against the adoption of an amendment to the Constitution to prohibit the manufacture, sale, and importation of intoxicating beverages, which were referred to the Committee on the Judiciary.

Mr. BURLEIGH presented petitions of sundry citizens of Mattawamkeag, Charleston, Waldo, and Jefferson, and of the congregation of the Methodist Church of Mattawamkeag, all in the State of Maine, praying for national prohibition, which were referred to the Committee on the Judiciary.

REPORTS OF COMMITTEES.

Mr. OWEN, from the Committee on Indian Affairs, to which was referred the bill (S. 5392) to provide for carrying into effect of the agreement between the United States and the Muskogee (Creek) Nation of Indians, ratified by act of Congress approved March 1, 1901, and supplemental agreement of June 30, 1902, and other laws and treaties with said tribe of Indians, reported it with amendments and submitted a report (No. 467) thereon.

He also, from the Committee on Woman Suffrage, to which was referred the joint resolution (S. J. Res. 128) proposing an amendment to the Constitution of the United States, reported it without amendment and submitted a report (No. 468) thereon.

Mr. ROOT, from the Committee on the Library, to which was referred the bill (S. 3662) to promote the erection of a memorial in conjunction with the celebration of the centenary of the Battle of Plattsburg during the year 1914, in commemoration of the one hundredth anniversary of Macdonough's victory in the naval battle fought in the War of 1812, the last naval engagement between English-speaking peoples, reported it with an amendment and submitted a report (No. 471) thereon.

REPORT OF PUBLIC BUILDINGS COMMISSION.

Mr. SWANSON. Section 36 of the public-buildings act, approved March 4, 1913, provides for a Public Buildings Commission and requires the commission to submit a report to Congress. I present the report of the Public Buildings Commission, and ask that it be received and referred to the Committee on Public Buildings and Grounds.

Mr. SWANSON subsequently said: A short while ago I submitted a report from the joint committee of the Public Buildings Commission. I did not ask that the report be printed, as I thought it would be printed under the rule governing the printing of such documents. As it is not the report of a committee, but the report of a commission, I think I will be compelled to ask that 1,000 additional copies of the report be printed for the use of the Senate document room.

The VICE PRESIDENT. Is there objection? The Chair hears none.

LIEUT. COL. CONSTANTINE MARRAST PERKINS.

Mr. TILLMAN. From the Committee on Naval Affairs I report the bill (S. 5148) for the reinstatement of Lieut. Col. Constantine Marrast Perkins to the active list of the Marine Corps without amendment, and submit a report (No. 466) thereon. I ask for the immediate consideration of the bill.

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill, which was read, as follows:

Be it enacted, etc., That the President of the United States be, and is hereby, authorized to restore Constantine Marrast Perkins, now a lieutenant colonel on the retired list, to the active list of the Marine Corps, in the grade of colonel, to take rank in said grade next after Col. Franklin J. Moses, who was the officer immediately above the said Constantine Marrast Perkins in the list of lieutenant colonels at the date said Constantine Marrast Perkins was retired from active service with the rank of lieutenant colonel: *Provided*, That the said Constantine Marrast Perkins shall establish to the satisfaction of the Secretary of the Navy, by examination pursuant to law, his physical, mental, moral, and professional fitness to perform the duties of colonel: *Provided further*, That the said Constantine Marrast Perkins shall be carried, while on the active list, as additional to the number in the grade to which he may be advanced pursuant to this act until such time as a vacancy occurs in said grade: *And provided further*, That the said Constantine Marrast Perkins shall not, by the passage of this act, be entitled to any back pay or allowances.

Mr. HITCHCOCK. I should like to learn from the Senator from South Carolina the reason for the retirement of this officer.

Mr. TILLMAN. That is all stated in the report which accompanies the bill. If the Senator from Nebraska desires the report read, that may be done.

Mr. HITCHCOCK. I do not like to have a bill of that sort go through without any explanation.

Mr. TILLMAN. I call for the reading of the report, Mr. President.

Mr. LODGE. Of course I have no objection to the reading of the report, but I think that I can make a brief statement which I believe will satisfy the Senator from Nebraska.

Mr. HITCHCOCK. I have no desire to have the report read, but I should like to have some statement concerning the matter.

Mr. LODGE. This officer was refused promotion on the finding of two medical officers of the service, and their finding was afterwards shown to be absolutely wrong and unfounded.

Mr. CLARK of Wyoming. By whom were the subsequent findings made?

Mr. LODGE. It was decided by Col. Gorgas and all the best authorities we have that the first board had made a mistake in diagnosis.

Mr. CLARKE of Arkansas. Let me ask the Senator from Massachusetts a question. I ask whether this officer was put out of the service by the activities of what is known as the "plucking board"?

Mr. LODGE. He resigned from the service.

Mr. CLARKE of Arkansas. What is the occasion of his being restored at this time and marked especially for advancement?

Mr. LODGE. He resigned from the service because he was unwilling to be retired by law, with the statement that he was mentally unsound. It has been shown, beyond any reasonable doubt, that he was not mentally unsound, and that showing has been accepted by the department, which, I assure the Senator, is a very unusual thing for them to do.

Mr. CLARKE of Arkansas. He voluntarily resigned?

Mr. LODGE. The Secretary of the Navy recommends the bill.

Mr. CLARKE of Arkansas. He voluntarily resigned when confronted by the finding of a board to the effect that he was mentally unsound.

Mr. LODGE. It was the finding of a board on the report of two physicians.

Mr. CLARKE of Arkansas. But he resigned, and now it is proposed that he be put back without any showing, except the fact that he retired at that time.

Mr. LODGE. He must be examined and found qualified in order to get back.

Mr. TILLMAN. The Secretary of the Navy explains the whole thing, as Senators will see if they will allow the report to be read.

Mr. LODGE. The whole matter is explained in the report, but I thought I could save time by making a brief statement of the case.

Mr. SMITH of Georgia. It is also true that there was a thorough investigation by the House committee and a unanimous report to the effect that the finding of the two surgeons that the officer was mentally unsound was entirely unfounded; and his mental soundness is certified to not only by Col. Gorgas, but by several other of the most distinguished surgeons in the service.

Mr. LODGE. By three of the most distinguished surgeons in the service.

Mr. SMITH of Georgia. He was really forced out under that charge. He was in a nervous condition at the time. That is my understanding.

Mr. CLARKE of Arkansas. Mr. President, it would seem that that condition would call for investigation into the methods by which naval officers are treated by those who have authority to investigate their mental and physical status. When a naval officer, who is supposed not only to be courageous in defending the rights of others, but certainly to stand up in defense of his own rights, finds himself improperly charged with the very serious defect of being crazy, instead of confronting that situation and meeting it, as he ought to do, runs away from it, and then comes here and asks for a special act relieving him, he does not disclose that degree of courage and manhood that ought to characterize the officers of the military branch of this country.

Mr. LODGE. Does the Senator defend that injustice?

Mr. CLARKE of Arkansas. If the facts be true, he was charged with being crazy, and instead of meeting that charge, ran away from it.

Mr. LODGE. Well, he met it just as quickly as he could.

Mr. CLARKE of Arkansas. By resigning.

Mr. LODGE. He resigned because he had no escape, except to go out under the stigma of insanity.

Mr. CLARKE of Arkansas. He went out under the stigma of insanity when he should have defended himself against an unfounded accusation of that kind instead of coming here.

Mr. LODGE. His resignation was not submitted on that ground.

Mr. CLARKE of Arkansas. He made it on that ground, however.

Mr. LODGE. It was not based on that ground.

Mr. CLARKE of Arkansas. Upon what ground did he resign?

Mr. CLARK of Wyoming. Mr. President, I rise to a question of order.

The VICE PRESIDENT. The Senator from Wyoming will state it.

Mr. CLARK of Wyoming. The point of order is that Senators should address the Chair instead of indulging in a conversation of this kind.

Mr. CLARKE of Arkansas. What I am objecting to is that a naval officer should find himself in that situation and run away from it in that manner.

The VICE PRESIDENT. There is a request for the reading of the report. Is there any objection? The Chair hears none, and the Secretary will read the report.

The Secretary proceeded to read the report this day submitted by Mr. TILLMAN.

Mr. BRANDEGEE. I should like to ask if unanimous consent has been given for the consideration of this bill?

The VICE PRESIDENT. It has.

The Secretary resumed the reading of the report.

Mr. SMITH of Georgia. Mr. President, I suggest that the letter from the Secretary of the Navy be read rather than the entire report. Possibly that will be all that will be required.

Mr. VARDAMAN. If the Senator would permit the report to be read, time would be saved in the discussion of the question. The report sets out the facts quite fully, and it would be really an economy of time to permit it to be read.

The VICE PRESIDENT. The Secretary will proceed with the reading.

The Secretary resumed the reading of the report, which, entire, is as follows:

[Senate Report No. 466, Sixty-third Congress, second session.]

LIEUT. COL. CONSTANTINE MARRAST PERKINS.

Mr. TILLMAN, from the Committee on Naval Affairs, submitted the following report, to accompany S. 5148:

The Committee on Naval Affairs, to whom was referred Senate bills 196, 1674, and 5148, for the reinstatement of Lieut. Col. Constantine Marrast Perkins to the active list of the Marine Corps, having duly considered the same, report back favorably, without amendment, the last named of the three bills, introduced by Mr. TILLMAN, conforming to the draft of a proposed measure approved by the Navy Department and submitted by the Secretary of the Navy in a letter, dated April 2, 1914, and addressed to the chairman, embodying the department's views upon the two preceding bills (S. 196 and S. 1674), looking to the relief of this officer, and for which the accompanying bill (S. 5148) has been substituted.

The first named of the above-mentioned bills, introduced on the first day of the extra (first) session of this Congress, was referred to the Navy Department for report April 8, 1913.

The bill now reported provides for the reinstatement of Lieut. Col. Constantine Marrast Perkins to the active list of the Marine Corps as an additional number in the grade of colonel, to which grade and rank he would rightfully belong had he not been retired—

"*Provided*, That the said Constantine Marrast Perkins shall establish to the satisfaction of the Navy, by examination pursuant to law, his physical, mental, moral, and professional fitness to perform the duties of colonel: *Provided further*, That the said Constantine Marrast Perkins shall be carried, while on the active list, as additional to the numbers in the grade to which he may be advanced pursuant to this act, until such time as a vacancy occurs in said grade: *And provided further*, That the said Constantine Marrast Perkins shall not, by the passage of this act, be entitled to any back pay or allowances."

The House Committee on Naval Affairs, Sixty-second Congress, second session, to which was refererd a bill introduced in that body similar to Senate bills 196 and 1674, after exhaustive hearings held upon the same, during which was heard not only the beneficiary of the bill but the Major General Commandant of the Marine Corps, the members of the retiring board, and other witnesses, and after a thorough examination of all official papers, records, etc., furnished by the Navy Department relating to the retirement of Lieut. Col. Constantine Marrast Perkins and his record as an officer, reported without amendment to the House under date of May 16, 1912, unanimously recommending the passage of the bill restoring that officer to the active list as colonel in the rank, grade, and with the number he would have held had he never been retired.

The first and concluding paragraphs of the House committee's report (No. 727) are as follows:

"The subcommittee to which this matter was referred accumulated a great mass of testimony and came to the conclusion that the claim of Col. Perkins is true. On a report of these facts to the full committee it took the same view, and the conclusions of both the subcommittee and the full committee was unanimous.

"The history of Col. Perkins as an officer is highly creditable both to himself and to the service. For many years nothing but commendation from his superiors crowned the discharge of his duties.

"A brief review of the facts concerning his retirement is now submitted to the House. * * * The retirement of Col. Perkins was therefore not voluntary, but was procured by duress and fraud. The development of the fact is a complete vindication, but as a matter of justice the bill authorizing his reinstatement should be passed.

"The record of the American Navy is the pride of the American people. It glows with unsullied honor. And every consideration of pride in the Navy as well as justice to Col. Perkins requires that this first dark stain should be blotted out in his reinstatement to the active list. The committee therefore unanimously recommends that the bill do pass."

In view of the very full and convincing report of the House Committee on Naval Affairs in this case and the earnest recommendation by the present Secretary of the Navy that the bill "that will give delayed justice to an honorable officer who was made to suffer without justification," be enacted into a law as speedily as possible, your committee has not deemed it necessary to have any further hearings on the facts of this case, which are fully set forth in the report of the committee of the House (No. 727) and which report your committee feels justified in hereby adopting, and in the Secretary's letter to the chairman, in which the evidence taken before the retiring board is quoted.

The Secretary's letter follows:

DEPARTMENT OF THE NAVY,
OFFICE OF THE SECRETARY,
Washington, April 2, 1914.

DEAR MR. CHAIRMAN: I have given long and careful consideration to the request of your committee for a recommendation by the department of Senate bills 196 and 1674, for the reinstatement of Lieut. Col. Constantine Marrast Perkins to the active list of the Marine Corps, and I have the honor to make reply as follows:

It has been my rule, except in cases where great injustice is shown, not to look favorably upon bills to reverse previous actions of the department. Former officials have acted conscientiously and their findings are regarded as binding upon me unless the reason for reopening is clear and imperative. When your request for recommendation on the pending bill came before me, my first impulse was to adhere to the general course I had marked out as wise, and to recommend that the status remain as fixed after the action of the department. But when my attention was called to the fact that the House Committee on Naval Affairs at the second session of the Sixty-second Congress had made a thorough investigation of the case and had unanimously reached the conclusion that a bill similar to Senate bills 196 and 1674 ought to be enacted, it seemed incumbent upon me to enter upon a thorough study of the case and to give careful examination of the evidence before the retiring board, before the House committee, and to examine with care all other material available for throwing light upon it. The language in the report of the House committee seemed to demand of me the fullest investigation and consideration, for concluding a long review of the evidence before the committee, that report made this summing up:

"The retirement of Col. Perkins was therefore not voluntary, but was procured by duress and fraud. The development of the fact is a complete vindication, but as a matter of justice the bill authorizing his reinstatement should be passed.

"The record of the American Navy is the pride of the American people. It glows with unsullied honor, and every consideration of pride in the Navy as well as justice to Col. Perkins requires that this first dark stain should be blotted out in his reinstatement to the active list. The committee therefore unanimously recommends that the bill do pass."

I have devoted many hours to reading the evidence and the voluminous papers. I have spent much time talking with those who had the best opportunity of knowing whether the department's action, or the condemnation of such action by the House committee, was justified by the facts as they were produced on the trial and by subsequent developments. I not only talked with officers who were associated with Col. Perkins before he was ordered before the retiring board, but also conferred with members of that board, the Major General Commandant of the Marine Corps at the time of Col. Perkins's retirement, and others who had knowledge of the case. I had also a long interview with Col. Perkins himself, so as to satisfy myself as to the quality and capacity of the man. Some of those with whom I talked believed that the action of the department was fully justified, and, moreover, that the action taken was necessary for the good of the service. They believe that Col. Perkins was, as the board found, permanently unsuited to the duties devolving upon him, by reason of "mental instability."

In reaching an opposite conclusion and in deciding to recommend the passage of an amended measure to restore Col. Perkins, I have been largely influenced thereto by the evidence of four eminent surgeons who gave testimony before the board, to wit, Col. William C. Gorgas, now Surgeon General of the Army; Dr. George A. Lung, one of the ablest surgeons in the Medical Corps of the Navy; Maj. Charles E. Woodruff, now a retired surgeon of the United States Army; and Surg. H. C. Curl, also an able surgeon of the Navy, then superintendent of the Colon Hospital under the Panama Canal Commission. The testimony of these surgeons is convincing to my mind that Col. Perkins, while suffering from nervousness, was not mentally unbalanced. Each of them knew Col. Perkins long and intimately enough to form an estimate of his mental condition, and these four able surgeons were direct and positive in their statements that his mental condition was stable and he was fitted to discharge the duties inhering in his position.

Surg. Curl, while superintendent of the Colon Hospital, knew Col. Perkins intimately; Surg. Lung and the colonel were shipmates on the *Philadelphia* for two years; Col. Gorgas knew him well at Panama, his last detail before he was ordered before the retiring board; and Maj. Woodruff has known him since 1879 and knew of his illness in Manila. The substance of the testimony of these four eminent surgeons is found in the following extracts from their testimony at the time of the trial:

In Dr. Lung's testimony appears the following opinion:

"Q. Now, Doctor, will you state whether or not, in your professional opinion, Lieut. Col. Perkins is at the present time mentally and physically qualified to perform the duties of his rank?—A. It is my professional opinion that he is mentally and physically qualified to perform the duties of his rank. I make that statement, basing it on my knowledge of Lieut. Col. Perkins and careful examination of his medical record, and a cursory examination of the record of the court as it stands."

Dr. Woodruff testified as follows:

"Q. Will you state whether or not, in your professional opinion, Col. Perkins is at present qualified, mentally and physically, to perform the duties of his rank?—A. I think he is.

"Q. You, I suppose, as an Army surgeon, have knowledge of the duties of a commanding officer?—A. Yes, sir.

"Q. In your examination of him physically, did you find anything that would arrest your attention as to his lack of physical form or physical condition?—A. No; he is of rather slender build, not very muscular, but there is nothing in that to indicate that he would be prevented from active duty for a good many years, or a long life."

Col. Gorgas gave his opinion in the following testimony:

"Q. Doctor, what is your professional opinion, based on all the sources of knowledge which you have detailed, as to the present qualifications of Col. Perkins, from a mental and physical point of view, to exercise the duties of his rank as lieutenant colonel?—A. Of course, in expressing an opinion I do not profess any expert knowledge in such matters, for the opinion I would express would be just such as if I were on a retiring board in the Army of his general condition. I would consider, from what I have seen and known of Col. Perkins in command down there—the command that he held at Panama—and from the matter I have seen in reading over his record, I would consider him competent to perform those duties. I could go a little further than that in answering the question if you wish me to.

"Q. I would like to have your opinion.—A. He appeared to me, in all the intercourse I have had with him, as being a perfectly normal man mentally. I never saw anything to the contrary, and never thought anything to the contrary in my meeting him down there.

"Q. Nothing in your examination has developed a contrary opinion?—A. No, sir."

The following extracts were taken from the testimony of Surg. H. C. Curl, United States Navy:

"Q. Did you see Col. Perkins frequently enough (while at Colon) to form an estimate as to what his mental condition was?—A. I think so; yes, sir.

"Q. Would you say that Col. Perkins's mental condition during the time that you had knowledge of it was stable or unstable?—A. As far as I could observe, it was stable.

"Q. Did you notice anything in his conduct, either in the way of eccentricities or peculiarities in conduct or expression, which would lead you to think otherwise?—A. No, sir.

"Q. Did you hear anything while on the Isthmus from people who saw Col. Perkins, or associated with him, to the effect that he was suffering from any mental trouble?—A. I did not."

The military members on the retiring board naturally felt bound by the statements of the two doctors who made the official report of "mental instability" and based their finding upon the official diagnosis by the medical members of the board. I am persuaded from the clear evidence of Dr. Gorgas, Dr. Lung, Dr. Woodruff, and Dr. Curl that Col. Perkins was mentally sound. I am confirmed in this view by the evidence of his mental alertness since the trial and his clear mind at this time.

The official report of the doctors, upon whose statements the board relied, are not convincing or conclusive as read in the light of the later career of Col. Perkins and the testimony of Dr. Gorgas, Dr. Lung, Dr. Woodruff, and Dr. Curl. Indeed, a reading of their report, addressed to the president of the board, indicates that they gave undue weight to the comparatively unimportant ailments, including nervous disorders, for which Col. Perkins was treated in the hospitals from his first entry into the service until he was ordered before the retiring board. They did not make as thorough an examination as conditions required.

They did not summon experts upon diseases of the mind. They were convinced by his frequent commitments to naval hospitals and his nervous condition, that he was mentally incapacitated for his duties and felt that their experience called for no expert testimony to fortify their belief. In a matter of such transcendent importance, where able men held widely different views, they should have called in, as they were requested to do, eminent alienists. This duty should have been apparent to them after Dr. Gorgas, Dr. Lung, Dr. Woodruff, and Dr. Curl expressed such perfect confidence in Col. Perkins's mental stability. In feeling constrained to disagree with the conclusion of the two naval surgeons on the retiring board I do not see any call to impute their honesty or their ability. The fact that in July, 1906, less than a year before he was ordered before the retiring board, when examined for promotion, Col. Perkins was pronounced physically fit for advancement to a higher grade and was promoted, strengthens my belief that the doctors on the retiring board erred in their diagnosis. The examining board, on July 17, 1906, composed of three colonels, a medical inspector, and a surgeon, received a report from the medical members that Col. Perkins was physically qualified for promotion, and thereupon the board unanimously made the following finding:

"We hereby certify that Maj. Constantine M. Perkins, United States Marine Corps, has the physical, mental, and moral qualifications to perform efficiently all the duties of the grade to which he will next be eligible and recommend him to promotion thereto."

In view of this report, I can not believe that the retiring board was justified in permitting medical records prior to that examination to have controlling weight against Col. Perkins, as they evidently did. It is too awful and serious a thing to officially declare an officer to be incapacitated for service by "mental instability," which is interpreted by the world as a considerate way of saying one is crazy, for such finding to rest upon any testimony that is open to question. The preponderance of medical testimony was that he was mentally stable and capable of continued service as an officer of high rank in the Marine Corps.

In reaching the conclusion from my own investigation that Col. Perkins ought not to have been retired and after conferences with many who are familiar with the case, I find that I am in accord with the Judge Advocate General of the Navy Department. He reviewed the case, and after doing so made the following recommendation:

NAVY DEPARTMENT,
OFFICE OF THE JUDGE ADVOCATE GENERAL,
December 21, 1907.

Respectfully submitted with the recommendation that the finding of the board in this case be not approved, as, in my opinion, the finding is not supported by the evidence submitted to the board.

E. H. CAMPBELL,
Judge Advocate General.

The recommendation of the Judge Advocate General was not made, as will be observed, until December, though the board's action upon the retirement of Col. Perkins was taken in June. The probable reason for the lapse of time is due to the fact that, inasmuch as the President had approved the application of Col. Perkins for retirement on June 24, and he retired from the service at that time, the Judge Advocate General did not feel called upon to review the action of the retiring board until toward the end of the six months' leave granted. About the close of his six months' leave, Col. Perkins made a request to be permitted to withdraw his application for retirement, upon the ground that he had made it practically under duress when no alternative was left him but to be declared mentally incompetent or to retire. He had chosen, as he stated, the latter course at the earnest entreaty of those dear to him to prevent the stigma of being retired from the service because of mental trouble.

When Col. Perkins requested permission to withdraw his resignation the Judge Advocate General reviewed the case and declared that "the finding is not supported by the evidence submitted." In this conclusion reached by the Judge Advocate General a careful reading of the record forces me to concur. Indeed, I can not understand how the finding of "mental instability" could have been reached from the evidence at the hearing. The Judge Advocate General rendered a righteous judgment when he said officially that "the finding is not supported by the evidence submitted to the board." This righteous judgment received the unanimous approval of the House Naval Affairs Committee, after the fullest investigation. I feel that for the Navy Department to live up to the principle of "for justice, all season's summer, and every place a temple," it is my duty to recommend the passage of a bill to restore Col. Perkins to the service and thereby right the wrong which was done him.

However, while approving a bill that will give delayed justice to an honorable officer who was made to suffer without justification, I can not approve the method proposed in Senate bills 196 and 1674. The provision in lines 9, 10, 11, and 12 of both bills is objectionable in that it seeks to make permanent increase in the whole number of officers in the Marine Corps in the grade to which Lieut. Col. Perkins may be appointed under either of these acts. The department does not deem it desirable that any such permanent increase be made except by means of general legislation—and none is now needed—and does not believe that any officer should be made an extra number except in cases where the officer's own specially meritorious services would warrant such action in bestowing a reward.

If the Congress determines upon legislation along the lines of the bills (S. 196 and S. 1674) now under consideration, the department recommends the enactment of a law like the measure of which a draft is herewith submitted. It will be seen that it is therein provided that this officer, when restored, shall be as additional to the number of the grade to which he is restored until such time as a regular vacancy occurs in that grade. If Lieut. Col. Perkins's retirement was an injustice to him, which gave to his juniors a benefit to which they were not entitled, then his restoration to the active list as an additional number in the grade to which he is restored pending a regular vacancy in that grade will not work a hardship on the officers junior to him in the Marine Corps.

Further, the department, in the draft submitted, has added a second proviso which, in effect, requires Lieut. Col. Perkins to undergo the examination prescribed by law for all officers who are commissioned a colonel in the Marine Corps. The necessity for this provision becomes apparent when it is considered that, if enacted into law, either of the present bills would confer upon Lieut. Col. Perkins the rank of colonel on the active list without his having ever taken the examination required of all officers commissioned in that grade, he having been retired as a lieutenant colonel.

Faithfully, yours,

JOSEPHUS DANIELS.

The CHAIRMAN COMMITTEE ON NAVAL AFFAIRS,
United States Senate.

It will be seen by the Secretary's letter that the Judge Advocate General of the Navy, Capt. E. H. Campbell, United States Navy, who reviewed the record of the retiring board, as he was required to do by law, disapproved the findings of the board and recommended that the same be set aside as not supported by the evidence.

It seems pertinent here to observe that neither the finding of the board nor the Judge Advocate General's recommendation was approved by the department, Col. Perkins having submitted to retirement under a mistake of facts growing out of the manner in which he was brought up for retirement and in ignorance of the Judge Advocate General's judgment in his favor. He remained in such ignorance until the fact was disclosed by the record itself when exhibited to the House Committee on Naval Affairs during the hearing.

In respect to this the House committee refers as follows:

"But however this may be, the finding of the retiring board was set aside by the Judge Advocate General of the Navy, who reviewed it, and in this conclusion he has been sustained by two other Judges Advocate. In this condition of the record your committee found it necessary to disapprove the finding of the retiring board or of the Judge Advocate General who had reversed that finding, and in view of the evidence it has no hesitation in saying that the verdict of the retiring board was properly reversed by the Judge Advocate General."

And the Secretary of the Navy, in commenting thereon, said:

"The Judge Advocate General rendered a righteous judgment when he said officially that 'the finding is not supported by the evidence submitted to the board.' This righteous judgment received the unanimous approval of the House Naval Affairs Committee after the fullest investigation. I feel that for the Navy Department to live up to the principle of 'for justice all season's summer and every place a temple' it is my duty to recommend the passage of a bill to restore Col. Perkins to the service and thereby right the wrong which was done him."

In heartily indorsing and seconding the desire thus expressed by the Secretary of the Navy, who personally gave this case his earnest atten-

tion and careful study for a full year, and who strongly favors the passage of this measure, the purpose of which is to make tardy amends to an honorable officer who has been grievously wronged, by giving back to him the place on the active list which is rightfully his, your committee feels called upon to voice its profound regret that it is not within its province at this time to do more than carry out the department's desire and recommend for passage the bill (S. 5148) which was drafted by the Secretary of the Navy himself, and which authorizes the President to restore Lieut. Col. Constantine Marrast Perkins, now retired, to the active list of the Marine Corps, in the grade of colonel, as an additional number, to take rank next after Col. Franklin J. Moses, who was the officer immediately above the said Constantine Marrast Perkins in the list of lieutenant colonels at the date that officer was retired from active service with the rank of lieutenant colonel.

And your committee so recommends to the Senate in the passage of the pending measure.

[House Report No. 727, Sixty-second Congress, second session.]

The Committee on Naval Affairs, to whom was referred a bill (H. R. 9290) for the reinstatement of Lieut. Col. Constantine Marrast Perkins to the active list of the Marine Corps, having had the same under consideration, report the same favorably with the recommendation that the bill do pass.

This bill provides for the reinstatement of Lieut. Col. Constantine Marrast Perkins to the active list of the United States Marine Corps. Col. Perkins entered the service in 1875 as a cadet midshipman, graduated, was commissioned in the Navy, voluntarily transferred to Marine Corps in 1884, and was retired, after a service of 32 years, as a lieutenant colonel on June 18, 1907. He now claims that he ought to be reinstated to the active list, because his retirement, which pretended on its face to be voluntary, was really obtained by duress, coercion, and fraud. In other words, Col. Perkins claims that he was placed in a situation where he was compelled to elect between being dismissed from the service as a lunatic or a voluntary retirement, and that his consent to retire from the service was given solely to escape the disgrace of the charge of insanity.

The subcommittee to which this matter was referred accumulated a great mass of testimony and came to the conclusion that the claim of Col. Perkins is true. On a report of these facts to the full committee, it took the same view, and the conclusion of both the subcommittee and the full committee was unanimous. A brief review of the facts is now submitted to the House.

The history of Col. Perkins as an officer is highly creditable both to himself and to the service. For many years nothing but commendation from his superiors crowned the discharge of his duties. Finally, his protracted services in the Tropics undermined his health and, in 1904, he was stricken with a tropical fever in the Philippines, and for quite a while his nervous system was left in a shattered condition. In the month of October, 1905, he had recovered his health, and his physicians certified that he was again fit for duty. On this certificate Gen. George F. Elliott, commandant United States Marine Corps, assigned him to the duty of recruiting officer in California, and later transferred him to Pennsylvania, and in this work he continued until the month of June, 1906, when the trouble which culminated in his retirement began.

The Navy regulations required a report to be made on the fitness of officers every six months and a copy of the report to be given to the officer in case the same should be unfavorable. A report on the fitness of Col. Perkins was due to be made on the 30th of December, 1905, but receiving no notice of it he assumed that it, like all of his other reports covering his service of 32 years, was favorable. But in June, 1906, six months after he should have received a notice, he was informed by the commandant, Gen. Elliott, that the report was unfavorable. To this report Col. Perkins replied that his health had been restored and requested a more favorable consideration, in view of the fact that he was due to appear before the board for promotion from the rank of major to that of lieutenant colonel in July. Gen. Elliott replied that he could not modify the unfavorable report, inasmuch as it expressed his honest opinion. Inasmuch as Gen. Elliott had not seen Col. Perkins for 17 years, and as no examination had been made of his fitness except the one in October, 1905, on the strength of which Gen. Elliott had assigned him to duty in California, the committee is unable to appreciate the honesty of this opinion. In July, 1906, Col. Perkins appeared before the board for promotion in Boston, and was then confronted with another unfavorable report from Gen. Elliott, and when asked by the board why he had not replied to this report, he replied that he had received no notice of this report. He was then informed that this report would be disregarded by the board, and, without any report to act on, the board subjected him to a rigid examination, which lasted two days, with the result that Col. Perkins was completely vindicated and promoted with the hearty congratulations of the entire board.

When Gen. Elliott notified Col. Perkins, in June, 1906, that he had made the unfavorable report, he also warned him that in case of his promotion he would probably be sent to Panama, a mission which was regarded as dangerous, especially to one like Col. Perkins, who had already been the victim of tropical diseases, and at the same time came a proposition from Capt. Borden to pay Col. Perkins $1,000 for his number, proposing that sum of money if Col. Perkins would retire and make place for the promotion of Capt. Borden. The facts—that an unfavorable report was made on the 31st of December, 1905, by Gen. Elliott, who had neither personal knowledge nor a medical survey to base it on, and in conflict with the medical examination of October 25, 1905, on which he was assigned to duty; that notice of this unfavorable report was delayed, in violation of regulations, from January to June, 1906; that about the same time Col. Perkins was advised that his retirement was desired to make place for another to the extent of an offer of $1,000; that he was warned that his promotion would be followed by the penalty of further service in the Tropics; that a second unfavorable report on his condition was made without personal knowledge or a medical survey on which to base it; that the existence of this report was concealed from him, in violation of regulations, until he appeared before the board, and his complete vindication by the examining board, which promoted him, together with the fact that the second unfavorable report has been mysteriously abstracted from his record and a favorable report substituted for it under date of July, 1907, a year after it should have been filed—constrain the committee to conclude that Gen. Elliott had determined to run Col. Perkins out of the service, in violation of law and in defiance of justice.

Soon after the promotion of Col. Perkins he was assigned to duty at Panama, and assumed command of the Marine Corps at that point, where he remained until May, 1907. While here every order he made was disapproved, and he was usually reprimanded in severe terms. A number of these orders for which he was reprimanded were in the identical language employed by his predecessors and by his successors, and although these orders were approved when issued by others, yet they were disapproved with reprimand when issued by Col. Perkins.

One of these orders was a requirement that the men should take quinine to preserve their health, which was recommended by the camp surgeon and approved by Col. Gorgas, the chief health officer of the Canal Zone. Another was an order assigning the horses of the command to certain officers in the discharge of their duties. Another was a request asking the quartermaster to aid in the collection of books for the use of the men to read in this isolated camp. These are samples of the orders issued by Col. Perkins, which Gen. Elliott disapproved and on account of which he reprimanded Col. Perkins.

But the order which culminated in the retirement of Col. Perkins was issued under these circumstances: When he went to Panama he called upon the American minister, Hon. Herbert G. Squires, who informed him that Secretary Taft, now the President, would soon visit Panama and that a public reception was contemplated in his honor. The minister expressed a desire that the officers under Col. Perkins's command should attend, but declared that he could not invite them unless they paid their official call upon him. In order to insure the attendance of his officers at this public function, Col. Perkins requested his officers to make this call upon the American minister, and issued what is known as the "calling order." For this act of courtesy he was stingingly reprimanded by Gen. Elliott, and his order disapproved. Col. Perkins respectfully appealed to the Secretary of the Navy, and the American minister brought the discourteous treatment accorded him by the officers under Col. Perkins to the attention of the Secretary of State. The appeal was never presented to the Secretary of the Navy, but was pigeonholed by Gen. Elliott, thus preventing its consideration by his superior officer, and Gen. Elliott, immediately upon receipt of this appeal, issued an order detaching Col. Perkins from his command and ordering him to report at once to headquarters, Washington, D. C. Upon the arrival of Col. Perkins here he reported to Gen. Elliott, who then informed him for the first time that he was to appear before a retiring board at 10 o'clock, it then being 3 minutes after the time, upon the ground that Col. Perkins was insane.

After some trouble, Col. Perkins secured a delay of a few days in which to obtain counsel and prepare his defense. After two or three days Col. Perkins secured the services of Mr. Gibbs L. Baker, of the Washington City bar, as his attorney, and the trial began. His military and medical record were read to the board, and then the two medical members of the board, Messrs. Urie and McClurg, gave him a physical examination, which lasted only a few minutes and consisted of feeling his pulse and listening to the beat of his heart. Upon this examination they reported to the board that he was afflicted with "mental instability" and incapacitated for the discharge of his duties. After this report was made the board heard the testimony of Col. Gorgas, Maj. and Surg. Woodruff, United States Army, and Surg. George A. Lung, and other witnesses, all of whom had known Col. Perkins intimately for years, and who not only made a thorough examination of Col. Perkins's physical and mental condition, but who knew his professional acquirements as well. This testimony, which it is unnecessary to discuss in detail, showed conclusively that Col. Perkins was physically and mentally sound and well qualified and eminently capacitated to discharge the duties of his rank. However, the board ratified the verdict which the medical members had rendered before they had heard the evidence, and found that Col. Perkins was afflicted with "mental instability" and incapacitated to discharge his duties.

It may be here mentioned that evidence was offered before the subcommittee, and the committee was satisfied after due investigation of its truth, that the president of the retiring board had, during the trial and prior to the introduction of evidence for the defense, expressed hostility toward Col. Perkins, thereby showing that he was prejudiced and had prejudged the case before him.

Your committee took the testimony of the members of the retiring board, who were given full opportunity to explain the grounds on which they reached this conclusion. They assigned only two reasons worthy of notice. One of these reasons is that, while in Panama, the records kept by Col. Perkins were unusually voluminous. The details of every occurrence were put into the record, and this, being unusual, was regarded as an evidence of mental unsoundness. The explanation of this is that Col. Perkins went to Panama with the belief, engendered by the occurrences already related, that Gen. Elliott had determined to drive him out of the service, and that this belief was confirmed by the fact that every order issued by him was disapproved with a reprimand, and therefore in order to protect himself, he took the precaution to make a complete and unusually detailed record of all that occurred. What the retiring board regarded as evidence of insanity has therefore impressed your committee as a manifestation of good judgment and wise precaution.

The other reason assigned for the alleged mental instability was a delusion of persecution. When pressed to explain what was intended by this new mental disease, called "mental instability" in the findings of the board, the committee was told that paranoia was the kind of insanity intended; and when asked what symptoms of paranoia the board discovered, the reply was that Col. Perkins seemed to be suffering with a delusion that he was the subject of persecution. In other words, on the 31st day of December, 1905, and on the 30th day of June, 1906, the commandant, Gen. Elliott, made two unfavorable reports on the fitness of Col. Perkins without any personal knowledge or medical survey as a foundation for said reports. Notices of these reports were, in violation of the regulations, withheld from him.

One of these reports was abstracted from his record and a new one substituted therefor a year afterwards; an effort was made to purchase his retirement; he was warned that he would be sent back to the Tropics, where he had lost his health; all of the orders he issued in Panama were disapproved with reprimand; and he was ordered before a retiring board on a charge of insanity without previous notice of what charge he was to face, not only without evidence to support it, but in the face of the certificates of his doctors and of the findings of the examining board at Boston; and because he interpreted all this as persecution the retiring board concluded that he was insane; but since the committe drew from these facts the same conclusion as Col. Perkins did, it is impossible to adopt the view that such conclusion showed insanity. In short, if there had been no affirmative evidence of the mental soundness of Col. Perkins, the testimony relied on by the board was wholly insufficient to sustain its findings of "mental instability."

But however this may be, the finding of the retiring board was set aside by the Judge Advocate General of the Navy, who reviewed it, and in this conclusion he has been sustained by two other judges advocate. In this condition of the record, your committee found it necessary to disapprove the finding of the retiring board or of the Judge Advocate General who had reversed that finding, and in view of the evidence it

has no hesitation in saying that the verdict of the retiring board was properly reversed by the Judge Advocate General.

But within an hour after the retiring board had found this unjust verdict, a messenger from the commandant, Gen. Elliott, came to the office of Attorney Gibbs L. Baker to inform Col. Perkins that the board had found against him, and, pretending friendship for Col. Perkins, urged him to submit to voluntary retirement, which the commandant claimed was the only way to prevent the publication of the stigma of insanity, as he declared that the President would approve the finding of the retiring board at 2 o'clock on that day unless some arrangement should be made at once. He reminded Col. Perkins that his son at the Naval Academy would be injured by the disgrace, and appealed to his love for his boy to induce him to submit. Soon after this the commandant himself called Col. Perkins over the phone and told him he must either voluntarily retire or be disgraced as a lunatic. Col. Perkins refused to acquiesce, and through his Congressman appealed to the Secretary of the Navy, who agreed to consider the case. On the next day the Congressman, Col. L. F. Livingston, called to ascertain the conclusion of the Secretary and was confronted with telegrams from Col. Perkins's wife and from personal friends in California urging the Secretary for the sake of the family to let Col. Perkins retire and send him home. The Secretary asked Col. Livingston how he could explain these telegrams, and on his admission that there was no explanation, he said that Col. Perkins must be crazy. Thus baffled and overcome, Col. Livingston and Attorney Baker informed Col. Perkins that he must submit to voluntary retirement, and then it was that Col. Perkins signed a paper making the best terms he could get and retired from the service.

But it was clearly proven before your committee some marine officer, whose name could not be ascertained, had written a letter to a close friend of Col. Perkins's wife in California in which it was stated that if Col. Perkins did not retire from the service voluntarily he would be dismissed from the service and his family left penniless. This letter was shown to the wife of Col. Perkins under her sacred pledge never to disclose the name of the author, and by this letter Mrs. Perkins and the personal friends of Col. Perkins were induced to send the telegrams to the Secretary of the Navy. The retirement of Col. Perkins was therefore not voluntary, but was procured by duress and fraud. The development of the fact is a complete vindication, but as a matter of justice the bill authorizing his reinstatement should be passed.

The record of the American Navy is the pride of the American people. It glows with unsullied honor. And every consideration of pride in the Navy, as well as justice to Col. Perkins, requires that this first dark stain should be blotted out in his reinstatement to the active list. The committee therefore unanimously recommends that the bill do pass.

Mr. OLIVER. Mr. President, I ask unanimous consent that the further reading of the report be dispensed with.

Mr. VARDAMAN. I do not care to hear anything further. I insisted on the reading of the report in order that the Senate might be informed about the case.

Mr. LODGE. What follows relates only to the form of the bill.

Mr. VARDAMAN. Yes.

Mr. CLARK of Wyoming. Mr. President, this report and the bill seem to present a very singular state of affairs. I confess that I really do not understand it. I desire to ask the senior Senator from South Carolina, the chairman of the committee, whether any steps have been taken in relation to this whole affair other than the introduction of the present bill?

Mr. TILLMAN. A bill has been introduced in the House dealing with the matter.

Mr. CLARK of Wyoming. Yes; but the bill and report present one of two things, Mr. President. If the bill and the report represent the true state of affairs, then there is existing in the medical department a condition that calls for action or investigation, because both committees report—and the Secretary of the Navy indorses the report—that this man's retirement was caused by fraud.

Mr. TILLMAN. Fraud and duress.

Mr. CLARK of Wyoming. The report which brought about his retirement is said to have been the result of fraud. If that is true, it shows a disgraceful intrigue in some branch of the service to get rid of a worthy officer.

Mr. TILLMAN. I think that is so.

Mr. CLARK of Wyoming. It seems to me that in connection with this report, if we are to decide here that this man was a worthy officer, and that his retirement was brought about by fraud and by intrigue or jealousies in the service, it is the duty of the Naval Affairs Committee to make some investigation and some report on the matter. I do not remember, in my experience, ever having had laid before the Senate reports of committees of the two Houses, backed up by the head of the department in which the occurrences took place, that said in definite language that there had been fraud, collusion, and intrigue in the administration of any branch of that department.

Mr. President, I know nothing about the circumstances of this case. I am compelled to rely upon the report and the investigation of these committees and of the Secretary of the Navy; but I do not like the looks of this whole circumstance.

Mr. TILLMAN. I agree with the Senator.

Mr. CLARK of Wyoming. If the report is true, I do not believe the matter ought to stop here. I think something ought to be done, particularly at this time, to remove from the Navy men who would take part in such miserable intrigues.

Mr. TILLMAN. I agree entirely with the Senator; and I promise him that, so far as I can bring it about, the Naval Affairs Committee will look further into this matter and let the country know what the real facts are and what, if anything, the department has done or proposes to do.

Mr. CLARK of Wyoming. It occurs to me, by way of passing, that the Navy Department itself, having knowledge of this matter nearly a year ago, so far as we know, has taken no steps in regard to it. I do not know whether it has or not. I do not want to do the department an injustice.

Mr. WEEKS. Mr. President, the officer referred to in this bill was a classmate of mine at the United States Naval Academy. Therefore I have been familiar with him and his service for more than 35 years.

The impression has been given here that he retired from the service. He did go on the retired list in 1907, but did not resign from the naval service. There is no question about the fact that when Col. Perkins was ordered before the retiring board and was examined by a board of medical officers he had been in a highly nervous condition; but I do not think he was ever insane or that those who passed on his case at the time would so contend. Being in a nervous condition as he was, and wishing to avoid trouble which he doubtless exaggerated, he did apply for retirement and was placed on the retired list; but as soon as he had recovered his health he commenced to make a campaign to be restored to the active list of the Marine Corps, and that campaign has been maintained from that time until the present time by him and by his friends.

In my judgment there is no reason why Col. Perkins should not be restored to the active list. Since his retirement he has taken a law course at one of the law schools in Washington—the National Law School, I think—where he graduated at the head of his class and took the highest honors, which would seem to be a pretty clear indication that his mind is sound, and he must pass a physical examination in order to be restored to the service. I think it is a matter of justice to Col. Perkins and justice to the service that this bill should be passed, and passed at once.

Mr. SMITH of Michigan. I will ask the Senator how old he is?

Mr. WEEKS. About 52.

The bill was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

PANAMA CANAL TOLLS.

Mr. O'GORMAN. From the Committee on Interoceanic Canals I report back with an amendment the bill (H. R. 14385) to amend section 5 of "An act to provide for the opening, maintenance, protection, and operation of the Panama Canal and the sanitation of the Canal Zone," approved August 24, 1912, and I submit a report (No. 469) thereon. I give notice that at an early day I shall ask that a day be set for the consideration of the bill.

The VICE PRESIDENT. The bill will be placed on the calendar.

Mr. BRANDEGEE. What is the report? The Senator does not state with what recommendation he reports it.

Mr. SMITH of Michigan. It is reported without recommendation.

Mr. BRANDEGEE. I should like to have it stated for the RECORD. There is a report accompanying the bill?

The VICE PRESIDENT. There is a report.

Mr. BRANDEGEE. I ask that it be read.

The VICE PRESIDENT. The Senator from Connecticut asks that the report be read. Is there objection? The Chair hears none.

The Secretary read the report as follows:

Mr. O'GORMAN, from the Committee on Interoceanic Canals, submitted the following report:

The Committee on Interoceanic Canals, to which was referred the bill (H. R. 14385) entitled "An act to amend section 5 of 'An act to provide for the opening, maintenance, protection, and operation of the Panama Canal and the sanitation of the Canal Zone,' approved August 24, 1912," having considered same, report it back to the Senate without recommendation, with the following amendment:

On page 2, line 6, after the word "three," insert as follows:

"*Provided*, That neither the passage of this act nor anything therein contained shall be construed or held as waiving, impairing, or affecting any treaty or other right possessed by the United States."

RESERVES IN STATE BANKS.

Mr. OWEN. I report back from the Committee on Banking and Currency favorably, without amendment, the bill (S. 4966) proposing an amendment as to section 19 of the Federal reserve act, relating to reserves, and for other purposes. The amendment proposes to authorize State banks or trust companies to keep their reserves with other State banks or trust companies for the three years provided, where the law permits it to be done under the State statute. The bill is recommended by the Secretary of the Treasury, and I think it ought to be passed. I ask for its present consideration.

The VICE PRESIDENT. Is there objection?

Mr. LODGE. I should like to hear the bill, reserving the right to object.

The VICE PRESIDENT. The Secretary will read the bill.

The Secretary proceeded to read the bill, and read as follows:

Be it enacted, etc., That section 19, subsections (b) and (c), of the act approved December 23, 1913, known as the Federal reserve act, be amended and reenacted so as to read as follows:

"(b) A bank in a reserve city as now or hereafter defined, shall hold and maintain reserves equal to 15 per cent of the aggregate amount of its demand deposits and 5 per cent of its time deposits, as fo'lows:

"In its vaults for a period of 36 months after said date, six-fifteenths thereof, and permanently thereafter five-fifteenths.

"In the Federal reserve bank of its district for a period of 12 months after the date aforesaid, at least three-fifteenths, and for each succeeding 6 months an additional one-fifteenth, until six-fifteenths have been so deposited, which shall be the amount permanently required.

"For a period of 36 months after said date the balance of the reserves may be held in its own vaults, or in the Federal reserve bank, or in national banks in central reserve cities, as now defined by law.

"After said 36 months' period all of said reserves, except those hereinbefore required to be held permanently in the vaults of the member bank and in the Federal reserve bank, shall be held in its vaults or in the Federal reserve bank, or in both, at the option of the member bank.

"(c) A bank in a central reserve city, as now or hereafter defined, shall hold and maintain a reserve equal to 18 per cent of the aggregate amount of its demand deposits and 5 per cent of its time deposits, as follows:

"In its vaults, six-eighteenths thereof.

"In the Federal reserve bank, seven-eighteenths.

"The balance of said reserves shall be held in its own vaults or in the Federal reserve bank, at its option.

"Any Federal reserve bank may receive from the member banks as reserves not exceeding one-half of each installment eligible paper as described in section 13 properly indorsed and acceptable to the said reserve bank.

Mr. OWEN. I wish to call the attention of the Senate to the fact that the law as just read is merely a repetition of the Federal reserve act, and that the part which is now to be read, providing for State banks, is the amendment which is inserted in that provision.

The Secretary read as follows:

If a State bank or trust company is required or permitted by the law of its State to keep its reserves either in its own vaults or with another State bank or trust company or with a national bank, such reserve deposits so kept in such State bank, trust company, or national bank shall be construed within the meaning of this section as if they were reserve deposits in a national bank in a reserve or central reserve city for a period of three years after the Secretary of the Treasury shall have officially announced the establishment of a Federal reserve bank in the district in which such State bank or trust company is situate.

Mr. OWEN. That is the amended part of the section.

Mr. SMITH of Michigan. Mr. President——

Mr. OWEN. The reading of the bill has not been concluded.

Mr. SMITH of Michigan. The bill can only be considered by unanimous consent, and I object to its consideration to-day.

The VICE PRESIDENT. The bill will go to the calendar.

LANDS IN SALT CREEK DRAINAGE DISTRICT, OKLA.

Mr. OWEN. From the Committee on Indian Affairs I report back favorably, without amendment, the bill (H. R. 13133) for the approving and payment of the drainage assessments on Indian lands in Salt Creek drainage district numbered 2, in Pottawatomie County, Okla., and I submit a report (No. 470) thereon. The bill has passed the House of Representatives; it is a local matter, and I would be glad to have it given present consideration. It is only a short measure.

Mr. CLARK of Wyoming. Let it be read for information.

The Secretary read the bill.

The VICE PRESIDENT. Is there objection to the present consideration of the bill?

Mr. OWEN. I ask that it go to the calendar.

The VICE PRESIDENT. The bill will be placed on the calendar.

BILLS INTRODUCED.

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. ROOT:

A bill (S. 5436) authorizing the purchase of two pieces of sculpture by St. Gaudens; to the Committee on the Library.

By Mr. LIPPITT:

A bill (S. 5437) authorizing the Secretary of War to donate to the town of West Warwick, R. I., condemned cannon and balls; to the Committee on Military Affairs.

By Mr. JOHNSON:

A bill (S. 5438) granting a pension to Myra F. Brown;

A bill (S. 5439) granting an increase of pension to Allen C. Goodwin; and

A bill (S. 5440) granting a pension to Emily Morang; to the Committee on Pensions.

By Mr. JONES:

A bill (S. 5441) for the relief of Adam Culp; to the Committee on Military Affairs.

A bill (S. 5442) granting a pension to Matilda Weger; to the Committee on Pensions.

By Mr. COLT:

A bill (S. 5443) granting an increase of pension to Marguerite D. Pollard (with accompanying papers); to the Committee on Pensions.

By Mr. JONES:

A bill (S. 5444) granting an increase of pension to Susan J. Cantrell; to the Committee on Pensions.

By Mr. O'GORMAN:

A bill (S. 5445) for the relief of Gordon W. Nelson (with accompanying papers); to the Committee on Naval Affairs.

FREDERICK A. COOK.

Mr. POINDEXTER introduced a joint resolution extending thanks to Frederick A. Cook for his discovery of the North Pole April 21, 1908, which was read the first time by its title.

Mr. POINDEXTER. I ask that the joint resolution be read and appropriately referred.

The joint resolution (S. J. Res. 144) extending thanks to Frederick A. Cook for his discovery of the North Pole on April 21, 1908, was read the second time at length, as follows:

Resolved, etc., That the thanks of Congress are hereby extended to Frederick A. Cook for his discovery of the North Pole on April 21, 1908. The Secretary of the Navy is hereby authorized and directed to procure and present to the said Frederick A. Cook a gold medal of suitable design, in recognition of his services to science in making said discovery. The sum of $300 is hereby appropriated out of any money in the Treasury not otherwise appropriated for said medal and the design therefor.

Mr. POINDEXTER. Mr. President, I desire to make a brief statement in explanation of the joint resolution.

The discovery of the North Pole and of the conditions surrounding the immediate polar region has added most valuable data to science. The explorer who had the courage and fortitude to travel into these hitherto unknown regions should be the recipient of recognition and honor from his country. I have observed very closely the so-called "polar controversy," and am firmly convinced that a grievous wrong has been done to Dr. Frederick A. Cook by the failure of his country to reward or officially recognize his great services in this connection. It is admitted by all that Dr. Cook sailed from Gloucester, Mass., for northwest Greenland on July 3, 1907, with a complete polar equipment; that he spent the winter of 1907–8 at Annoatok; that he left Annoatok with a well-equipped party of Esquimos February 19, 1908, for the north; that he went to Cape Svartevoeg and 60 miles beyond; that he spent the winter of 1908–9 at Cape Sparbo with two Esquimos; that he returned with them to Annoatok the middle of April, 1909; that he went from there south, by sledge, to Upernavik, arriving there on May 20, 1909. This admitted journey, including detours, covers a distance of approximately 3,000 miles, the longest and most difficult sledge journey on pack ice ever undertaken. If he was able to make this journey, it is reasonable to suppose he was able to travel the 520 miles from Svartevoeg to the pole when his outfit and party were in prime condition. Being so equipped and desirous of reaching the pole, it is unreasonable to suppose he would have spent the summer in idleness about Cape Svartevoeg. If, as has been claimed, he planned to make a false report of the discovery of the pole, it is reasonable to suppose he would have returned to Annoatok and to civilization in the summer of 1908, and unreasonable to suppose that he would have endured the horrors of a winter in a hut at Cape Sparbo.

The first description of conditions in the immediate region of the pole ever published was cabled by Dr. Cook from Lerwick, Shetland Islands, to the New York Herald September 1, 1909. This account was printed in full in the New York Herald September 2, 1909. In this account Dr. Cook reported the immediate polar surface as a sea of moving ice, composed of old ice, of large, level ice fields, apparently purple-blue in color, drifting southeast; ice moving freely; smooth surface, easy traveling; pressure lines less marked, easily crossed; leads and water sky east and south; temperature —15 to —46; horizon seemingly extended; a deep sea; no land. The only other account ever published of physical conditions at the pole was sent out by Robert E. Peary from Indian Harbor, Labrador, to the New York Times on September 11 and 12, 1909, nine days after Cook's account was published in the Herald. In this account Peary stated he was at the pole on April 6, 1909, and corroborated in every material detail the previously published description of Dr. Cook as to sea, ice, temperature, drift, colors, absence of land at the pole. If Cook did not reach the pole with his Esquimos in 1908, how did he know the physical conditions surrounding it? There was no human being who knew or ever claimed to know previous to that time, and his account of the

facts, corroborated by Peary, is at variance with previous theories.

Previous to the so-called polar controversy every one who had ever been associated with Cook in exploring expeditions spoke well of his character and ability. When the polar controversy arose and grew bitter an attempt was made to discredit Cook by attacking his account of the ascent of Mount McKinley. In this matter, as in the polar trip, Dr. Cook published an account of his explorations. In Harper's Monthly Magazine for May, 1907, he described the physical conditions and appearances of the ascent and the summit of McKinley. This was published in book form in 1908. Previous to these publications no one had ever described the summit of McKinley. No one claimed to know its conditions or appearances. He described minutely the "northeast ridge," its sharp summit, and the route by it to the extreme summit of the mountain; the great upstanding granite rocks at the point of approach to the Median Glacier, or Grand Basin, lying between the north and south peaks of the extreme summit; the two summit peaks themselves; and that the south peak is the higher of the two. No one had ever stated these facts before Dr. Cook's publication of them. No one ever claimed to know them before Cook's ascent of the mountain. They could only be ascertained by an ascent of the mountain.

In Scribner's Magazine for November, 1913, Archdeacon Hudson Stuck publishes an account of his own subsequent ascent of the mountain. In it he corroborates in every material feature Cook's previously published account of the sharp backbone of the northeast ridge; the difficulties of its ascent; the great granite rocks at the entrance to the Grand Basin; the Median Glacier; the north and south peaks; and that the south peak is the higher.

It is difficult to explain Dr. Cook's previously published accurate description of these things, the first ever given, except by admitting his actual ascent of the mountain's summit.

Congress has investigated the proofs of Robert E. Peary. It is but right it should also investigate those of Frederick A. Cook—and if injustice has been done and merited honor has been withheld, we should now bestow it.

The VICE PRESIDENT. The joint resolution will be referred to the Committee on the Library.

THE REPUBLIC COAL CO.

Mr. CLARK of Wyoming. I ask that the joint resolution (S. J. Res. 41) authorizing the Secretary of the Interior to sell or lease certain public lands to the Republic Coal Co., a corporation, be reprinted, showing the committee amendment in italics and the amendments made as in Committee of the Whole in small capitals. The joint resolution was rejected by a yea-and-nay vote of the Senate, a motion was made to reconsider the vote, and it is now on the calendar for further action.

The VICE PRESIDENT. Without objection, it is so ordered.

AMENDMENTS TO APPROPRIATION BILLS.

Mr. STERLING submitted an amendment authorizing the Secretary of the Interior to make a $40 per capita payment to each member of the Sioux Tribe of Indians belonging on the Cheyenne River Reservation, S. Dak. ,etc., intended to be proposed by him to the Indian appropriation bill, which was referred to the Committee on Indian Affairs and ordered to be printed.

Mr. JONES submitted an amendment intended to be proposed by him to the river and harbor appropriation bill, which was referred to the Committee on Commerce and ordered to be printed.

Mr. NORRIS submitted an amendment intended to be proposed by him to the river and harbor appropriation bill, which was referred to the Committee on Commerce and ordered to be printed.

OMNIBUS CLAIMS BILL.

Mr. BRADLEY submitted three amendments intended to be proposed by him to the omnibus claims bill, which were ordered to lie on the table and be printed.

WITHDRAWAL OF PAPERS—WILLIAM H. DENNISON.

On motion of Mr. JOHNSON, it was

Ordered, That the papers accompanying the bills S. 2090 and S. 2785, Sixty-second Congress, granting a pension to William H. Dennison, be withdrawn from the files of the Senate, no adverse report having been made thereon.

AGRICULTURAL APPROPRIATIONS.

Mr. GORE. I move that the Senate proceed to the consideration of the Agricultural appropriation bill.

The motion was agreed to; and the Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 13679) making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1915.

Mr. SMOOT. I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

Mr. GORE. Mr. President, I hope the Senator from Utah will not make that motion. It will simply take time to call the roll. I will ask that the amendments which he intends to challenge be passed over for the present.

Mr. SMOOT. That will be perfectly satisfactory to me. I wish to say to the Senator from Oklahoma the only reason I suggested the absence of a quorum was that a certain Senator wished to speak upon the amendment which will next come before the Senate. He is not present, and I made the suggestion in order to secure time to enable me to send word to him that the bill has been taken up.

Mr. GORE. It is my purpose to ask that all objected amendments be passed over for the present.

Mr. SMOOT. I withdraw the motion I made.

The VICE PRESIDENT. The pending amendment reported by the Committee on Agriculture and Forestry will be stated.

The SECRETARY. The pending amendment is, on page 7, line 5, after the word "that," to insert "in the judgment of the Secretary of Agriculture," so as to make the clause read:

For the maintenance of a printing office in the city of Washington for the printing of weather maps, bulletins, circulars, forms, and other publications, including the pay of additional employees, when necessary, $26,000: *Provided*, That no printing shall be done by the Weather Bureau that, in the judgment of the Secretary of Agriculture, can be done at the Government Printing Office without impairing the service of said bureau.

The VICE PRESIDENT. At the request of the Senator from Oklahoma [Mr. GORE], the amendment will be passed over for the present.

The next amendment reported by the Committee on Agriculture and Forestry was, on page 7, after line 14, to insert:

The Secretary of Agriculture is hereby directed to report to Congress at its next session the present condition and value of the tract of land, consisting of 84.81 acres of land, more or less, known as Mount Weather, and located in the counties of Loudoun and Clarke, in the State of Virginia, the original cost of said land, together with the cost of the improvements thereon and the present value of such improvements, the amount which in his opinion can be realized from the sale of said real property, including buildings and other improvements, at private sale, and whether in his opinion it would be most advantageous to sell the same at public or at private sale, and to advise Congress as to whether it would be better for the Government to sell said property or to lease it. And the Secretary of Agriculture is authorized, in his discretion, to discontinue the use of Mount Weather as a weather station and, if necessary, place a charge thereof for its protection and care, the expenses thereof to be paid out of this appropriation.

The amendment was agreed to.

The next amendment was, on page 8, line 8, after the words "Weather Bureau," to strike out "$1,668,270" and insert "$1,667,270," so as to make the clause read:

Total for the Weather Bureau, $1,667,270.

The amendment was agreed to.

Mr. SMOOT. Mr. President, in agreeing to the totals, if any changes are subsequently made in the amendments which are passed over, of course it is understood that the amounts fixed in the totals shall be reconsidered, or will it be understood that the totals shall be corrected whenever the bill passes?

The VICE PRESIDENT. The Chair is informed that the Secretary always corrects the totals in an appropriation bill after the bill has passed.

The reading of the bill was resumed.

The next amendment of the Committee on Agriculture and Forestry was, under the head of "Bureau of Animal Industry," on page 13, line 15, after the words "ostrich industry," to insert "*And provided further*, That of the sum thus appropriated $10,000 may be used for the importation of Corriedale and other promising breeds of sheep for breeding purposes," so as to make the clause read:

For all necessary expenses for investigations and experiments in animal husbandry; for experiments in animal feeding and breeding, including cooperation with the State agricultural experiment stations, including repairs and additions to and erection of buildings absolutely necessary to carry on the experiments, including the employment of labor in the city of Washington and elsewhere, rent outside of the District of Columbia, and all other necessary expenses, $182,840: *Provided*, That of the sum thus appropriated $30,000 may be used for experiments in the breeding and maintenance of horses for military purposes: *Provided further*, That of the sum thus appropriated $24,500 may be used for experiments in poultry feeding and breeding, including the feeding and breeding of ostriches and investigations and experiments in the study of the ostrich industry: *And provided further*, That of the sum thus appropriated $10,000 may be used for the importation of Corriedale and other promising breeds of sheep for breeding purposes.

The amendment was agreed to.

The next amendment was, on page 14, line 18, after the word "reindeer," to strike out "*Provided*, That of the sums appropriated for the Bureau of Animal Industry, not more than $5,000 shall be expended for the importation of animals for breeding purposes," so as to make the clause read:

Meat inspection, Bureau of Animal Industry: For additional expenses in carrying out the provisions of the meat-inspection act of June

30, 1906 (34 Stat. L., 674), there is hereby appropriated for the fiscal year ending June 30, 1915, the sum of $300,000: *Provided*, That the provisions of the meat-inspection law may be extended to the inspection of reindeer.

Mr. SMOOT. Mr. President, I should like to ask the Senator having the bill in charge why this amendment has been placed in the bill. The House limited the amount of the appropriation which might be expended for the importation of animals for breeding purposes.

Mr. GORE. Mr. President, a provision has been inserted in another place carrying an appropriation of $10,000, and this is merely a correction, making the bill conform to the insertion of the provision at another place.

Mr. SMOOT. Do I understand that it comes under another head?

Mr. SHEPPARD. On page 13, lines 16, 17, and 18, the $5,000 referred to in this clause is included in the $10,000.

Mr. SMOOT. Mr. President, that only applies to sheep.

Mr. GORE. Mr. President, I will state to the Senator that the appropriation of $5,000 was intended to be used in the purchase of this particular kind of sheep. The amendment making express provisions for the purchase of sheep failed in the House on a point of order. After the failure of this provision, it was inserted in this form with the understanding that it could be used for that purpose. The Senate committee thought it better to put in express terms the object of the appropriation, and after having done so struck out the other provision. That was the intention of this particular amendment.

Mr. SMOOT. Then the desire of the bureau is an appropriation of $10,000 "for the importation of Corriedale and other promising breeds of sheep for breeding purposes"?

Mr. GORE. Yes, sir.

Mr. SMOOT. That does not apply to any other animals?

Mr. GORE. That is all.

The VICE PRESIDENT. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. OVERMAN. I want to ask a question for information. I notice on the same page this provision:

In all, for general expenses, $1,597,996.

Then a succeeding paragraph says:

Total for Bureau of Animal Industry, $2,245,026.

Is that $1,597,996 included in the $2,245,026?

Mr. GORE. It is included. As I understand, the difference relates to the employees in the statutory classes.

Mr. OVERMAN. So that the lesser amount is included in the greater?

Mr. GORE. Yes, sir.

The reading of the bill was resumed.

The next amendment of the Committee on Agriculture and Forestry was, under the head of "Bureau of Plant Industry," on page 14, line 25, after the words "chief clerk," to strike out "$2,750" and insert "$3,000"; and, on page 15, line 8, before the word "clerks," to strike out "twenty" and insert "twenty-one," so as to read:

Salaries, Bureau of Plant Industry: One physiologist and pathologist, who shall be chief of bureau, $5,000; 1 chief clerk, $3,000; 1 executive assistant in seed distribution, $2,500; 1 officer in charge of publications, $2,250; 1 landscape gardener, $1,800; 1 officer in charge of records, $2,250; 1 superintendent of seed weighing and mailing, $2,000; 1 executive clerk, $2,250; 3 executive clerks, at $1,980 each; 1 assistant superintendent of seed warehouse, $1,400; 1 seed inspector, $1,000; 9 clerks, class 4; 14 clerks, class 3; 2 clerks, at $1,500 each; 21 clerks, class 2.

The amendment was agreed to.

Mr. SHEPPARD. On behalf of the committee I offer the amendment which I send to the desk.

The VICE PRESIDENT. The amendment will be stated.

The SECRETARY. On page 15, line 1, after the word "distribution," it is proposed to strike out "$2,500," and to insert in lieu thereof "$2,750," so as to read:

One executive assistant in seed distribution, $2,750.

The VICE PRESIDENT. The question is on agreeing to the amendment.

The amendment was agreed to.

The reading of the bill was resumed.

The next amendment of the Committee on Agriculture and Forestry was, in the item of appropriation for "Salaries, Bureau of Plant Industry," on page 15, line 21, before the word "each," where it occurs the second time, to strike out "$840" and insert "$900"; in line 22, before the word "each," to strike out "$720" and insert "$840"; in line 23, before the word "each," to strike out "$600" and insert "$720"; in the same line, after the word "apprentice," to strike out "$720" and insert "$840," so as to read:

Five laboratory aids, at $900 each; 8 laboratory aids, at $840 each; 6 laboratory aids, at $720 each; 1 laboratory apprentice, $840; 2 map tracers, at $720 each; 2 map tracers, at $600 each; 2 gardeners, at $1,440 each; 4 gardeners, at $1,200 each.

The amendment was agreed to.

The next amendment was, on page 16, line 13, after the words "in all," to strike out "$476,520" and insert "$480,270," so as to read:

Two laborers or charwomen, at $360 each; 2 laborers, at $420 each; 15 charwomen, at $240 each; 11 messenger boys, at $360 each; 6 messenger boys, at $300 each; in all, $480,270.

The amendment was agreed to.

Mr. SMOOT. I ask that all the amendments in the paragraph beginning in line 9, on page 18, and going down to line 3, on page 19, be passed over for the present.

Mr. GORE. Mr. President, I am willing that the amendments referred to be passed over.

Mr. SMOOT. All the amendments in that paragraph relate to one another.

The VICE PRESIDENT. The amendments referred to will be passed over.

The reading of the bill was resumed.

The next amendment of the Committee on Agriculture and Forestry was, on page 19, line 25, after the word "handling," to strike out "$25,000" and insert "$28,000," so as to make the clause read:

For the investigation and improvement of tobacco and the methods of tobacco production and handling, $28,000.

The amendment was agreed to.

The reading of the bill was resumed, and the Secretary read to line 17, on page 20.

Mr. KENYON. Mr. President, I have offered an amendment bearing on the lines the Secretary is now about to read. I should like to have lines 17 to 22, inclusive, go over.

The VICE PRESIDENT. This is the House text. After the committee amendments are agreed to, the Senator from Iowa has a perfect right to offer his amendment.

Mr. KENYON. Very well.

The reading of the bill was resumed.

The next amendment of the Committee on Agriculture and Forestry was, on page 20, line 25, after the words "cotton boll weevil," to strike out "$378,240" and insert "$628,240: *Provided*, That the entire expense of such service shall be defrayed from this appropriation and no contribution or endowment for said purpose shall be received or accepted from any individual, firm, company, or corporation," so as to make the clause read:

For farmers' cooperative demonstrations and for the study and demonstration of the best methods of meeting the ravages of the cotton boll weevil, $628,240: *Provided*, That the entire expense of such service shall be defrayed from this appropriation and no contribution or endowment for said purpose shall be received or accepted from any individual, firm, company, or corporation.

Mr. JONES. I ask that that amendment may be passed over, including the proviso.

The VICE PRESIDENT. It will be passed over.

The reading of the bill was resumed.

The next amendment of the Committee on Agriculture and Forestry was, on page 21, line 5, after the word "under," to insert "subhumid"; and on line 6, after the word "conditions," to strike out "$145,000" and insert "$160,000," so as to make the clause read:

For the investigation and improvement of methods of crop production under subhumid, semiarid, or dry-land conditions, $160,000: *Provided*, That the limitation in this act as to the cost of farm buildings shall not apply to this paragraph.

Mr. SMOOT. Mr. President, I should like to ask the Senator what effect adding the word "subhumid" will have upon the appropriation itself. Will it not decrease the amount of money that could be used for semiarid or dry-land conditions?

Mr. GORE. Mr. President, the amendment would not have that effect. Fifteen thousand dollars is added to the appropriation to cover the subhumid investigation. This is to cover a strip of territory lying just east of the one hundredth meridian, where some seasons it is too dry and some seasons too wet. Investigations are being made in the arid and semiarid parts of the country, but no special investigations have been made with respect to this peculiar country, exhibiting the characteristics of being too wet certain seasons and too dry other seasons; and the subhumid provision was inserted to authorize that particular kind of investigation.

Mr. SMOOT. It is distinctly understood, then, that the $15,000 increase, and that only, is to be used on subhumid investigations?

Mr. GORE. That only; yes. My understanding is that a station costing $15,000 will be instituted for that purpose.

Mr. LANE. Mr. President, I should like to ask the Senator where it would be located.

Mr. GORE. I should say it would be located between about the ninety-eighth and the one hundredth meridian.

Mr. LANE. In what stretch of country, what States, or what portion of what particular States?

Mr. GORE. It would be in the region extending from Canada to the Gulf—Texas, Oklahoma, and Kansas.

Mr. LANE. Is it the intention to put in stations all down the line, or in some particular portion of the region?

Mr. GORE. It is left discretionary with the Secretary. The precise locality is not designated.

The VICE PRESIDENT. The question is on agreeing to the amendment.

The amendment was agreed to.

The reading of the bill was resumed.

The next amendment of the Committee on Agriculture and Forestry was, on page 21, line 13, after the word "States," to strike out "companies, or," so as to make the clause read:

For studying methods of clearing off "logged off" lands with a view to their utilization for agricultural and dairying purposes; for their irrigation; for testing powders in clearing them; and for the utilization of by-products arising in the process of clearing, in cooperation with the States, individuals, or otherwise, $5,000.

The amendment was agreed to.

Mr. VARDAMAN. Mr. President, what disposition was made of the amendment in line 25, page 20?

The VICE PRESIDENT. It was passed over.

The reading of the bill was resumed.

The next amendment of the Committee on Agriculture and Forestry was, on page 23, line 3, after the words "general expenses," to strike out "$2,320,455" and insert "$2,688,455," so as to make the clause read:

In all, for general expenses, $2,688,455.

The amendment was agreed to.

The next amendment was, on page 23, after line 3, to strike out:

Purchase and distribution of valuable seeds: For purchase, propagation, testing, and congressional distribution of valuable seeds, bulbs, trees, shrubs, vines, cuttings, and plants; all necessary office fixtures and supplies, fuel, transportation, paper, twine, gum, postal cards, gas, electric current, rent outside of the District of Columbia, official traveling expenses, and all necessary material and repairs for putting up and distributing the same; for repairs and the employment of local and special agents, clerks, assistants, and other labor required, in the city of Washington and elsewhere, $257,000. And the Secretary of Agriculture is hereby directed to expend the said sum, as nearly as practicable, in the purchase, testing, and distribution of such valuable seeds, bulbs, shrubs, vines, cuttings, and plants, the best he can obtain at public or private sale, and such as shall be suitable for the respective localities to which the same are to be apportioned, and in which same are to be distributed as hereinafter stated, and such seeds so purchased shall include a variety of vegetable and flower seeds suitable for planting and culture in the various sections of the United States: *Provided*, That the Secretary of Agriculture, after due advertisement and on competitive bids, is authorized to award the contract for the supplying of printed packets and envelopes and the packeting, assembling, and mailing of the seeds, bulbs, shrubs, vines, cuttings, and plants, or any part thereof, for a period of not more than five years nor less than one year, if by such action he can best protect the interests of the United States. An equal proportion of five-sixths of all seeds, bulbs, shrubs, vines, cuttings, and plants shall, upon their request, after due notification by the Secretary of Agriculture that the allotment to their respective districts is ready for distribution, be supplied to Senators, Representatives, and Delegates in Congress for distribution among their constituents, or mailed by the department upon the receipt of their addressed franks, in packages of such weight as the Secretary of Agriculture and the Postmaster General may jointly determine: *Provided, however*, That upon each envelope or wrapper containing packages of seeds the contents thereof shall be plainly indicated, and the Secretary shall not distribute to any Senator, Representative, or Delegate seeds entirely unfit for the climate and locality he represents, but shall distribute the same so that each Member may have seeds of equal value, as near as may be, and the best adapted to the locality he represents: *Provided, also*, That the seeds allotted to Senators and Representatives for distribution in the districts embraced within the twenty-fifth and thirty-fourth parallels of latitude shall be ready for delivery not later than the 10th day of January: *Provided, also*, That any portion of the allotments to Senators, Representatives, and Delegates in Congress remaining uncalled for on the 1st day of April shall be distributed by the Secretary of Agriculture, giving preference to those persons whose names and addresses have been furnished by Senators and Representatives in Congress, and who have not before during the same season been supplied by the department: *And provided also*, That the Secretary shall report, as provided in this act, the place, quantity, and price of seeds purchased, and the date of purchase; but nothing in this paragraph shall be construed to prevent the Secretary of Agriculture from sending seeds to those who apply for the same. And the amount herein appropriated shall not be diverted or used for any other purpose but for the purchase, testing, propagation, and distribution of valuable seeds, bulbs, mulberry and other rare and valuable trees, shrubs, vines, cuttings, and plants.

Mr. SMOOT. Mr. President, let that amendment go over.

The VICE PRESIDENT. The amendment will be passed over.

The reading of the bill was resumed.

The next amendment of the Committee on Agriculture and Forestry was, on page 25, line 16, after the words "Bureau of Plant Industry," to strike out "$3,053,975" and insert "$3,168,725," so as to make the clause read:

Total for Bureau of Plant Industry, $3,168,725.

The amendment was agreed to.

The next amendment was, under the head of "Forest Service," on page 33, line 21, after "$8,000," to insert "and to extend the work of reforestation to the Niobrara division of the Nebraska National Forest, including the establishment of a nursery in said division, $15,000," so as to make the clause read:

Nebraska National Forest, Nebraska, $8,000; and to extend the work of reforestation to the Niobrara division of the Nebraska National Forest, including the establishment of a nursery in said division, $15,000: *Provided*, That from the nurseries on said forest the Secretary of Agriculture, under such rules and regulations as he may prescribe, may furnish young trees free, so far as they may be spared, to residents of the territory covered by "An act increasing the area of homesteads in a portion of Nebraska," approved April 28, 1904.

The amendment was agreed to.

The next amendment was, on page 40, line 6, after the words "general expenses," to strike out "$3,238,096" and insert "$3,253,096," so as to make the clause read:

In all, for general expenses, $3,253,096.

The amendment was agreed to.

The next amendment was, on page 40, after line 12, to insert:

That hereafter all moneys received as contributions toward cooperative work in forest investigations, or the protection and improvement of the national forests, shall be covered into the Treasury and shall constitute a special fund, which is hereby appropriated and made available until expended, as the Secretary of Agriculture may direct, for the payment of the expenses of said investigations, protection, or improvements by the Forest Service, and for refunds to the contributors of amounts heretofore or hereafter paid in by them in excess of their share of the cost of said investigations, protection, or improvements.

Mr. THOMAS. Mr. President, I should like to have from the chairman of the committee some explanation as to just what object is intended to be served by the proposed amendment.

Mr. GORE. The amendment is proposed principally for the sake of bookkeeping. Certain moneys now contributed are covered into the Treasury.

Mr. THOMAS. But contributed from what source?

Mr. GORE. I do not know.

Mr. THOMAS. From private sources?

Mr. GORE. Yes; persons interested in the study of the improvement and protection of parks.

Mr. THOMAS. That is what I wanted to know. I was not aware that any such contributions were being made.

Mr. GORE. Yes, sir; they have been made heretofore.

Mr. SMOOT. I will say to the Senator that they have been made for years past. I have always understood, however, that in the past the money has been handled by the head of the bureau, and not turned into the Treasury.

Mr. GORE. Certain of these moneys have been lost under the present management. One bank failed, I think, involving the loss of a considerable amount of this money. This provision is inserted in order to protect the Government against the recurrence of such things.

Mr. THOMAS. I have no doubt the amendment is intended for a proper purpose, but I did not fully understand it.

While I am on my feet I wish to inquire whether amendments outside of those offered by the committee may be presented during the discussion of the bill, or after the committee amendments have been disposed of?

The VICE PRESIDENT. The rule is to consider the committee amendments first and subsequently other amendments, unless some Senator desires to amend an amendment proposed by the committee.

Mr. JONES. Mr. President, is the amendment just being discussed the one on page 40?

The VICE PRESIDENT. It is on page 40; yes.

Mr. JONES. I should like to know from what sources the contributions have been made heretofore.

Mr. GORE. I will say that the Assistant Secretary of Agriculture stated before the committee that they are from persons interested in the improvement and protection of the forests of the country. I have no enumeration of the names. If the Senator cares for such an enumeration I will make an effort to secure it; but I suggest that the amendment be passed over for the present, as it seems likely that it will delay the consideration of the bill.

Mr. THOMAS. I am not objecting to the adoption of the amendment.

Mr. JONES. I should like to have it passed over.

The VICE PRESIDENT. The amendment will be passed over.

The reading of the bill was resumed.

The next amendment of the Committee on Agriculture and Forestry was, on page 40, line 24, after the words "Forest Service," to strike out "$5,543,256" and insert "$5,558,256," so as to make the clause read:

Total for Forest Service, $5,558,256.

The amendment was agreed to.

The next amendment was, under the head of "Bureau of Chemistry," on page 41, line 5, before the word "clerks," where

it occurs the first time, to strike out "ten" and insert "eleven," so as to read:

Eleven clerks, class 3.

The amendment was agreed to.

The next amendment was, on page 41, line 9, before the word "food," to strike out "chief," so as to read:

One food and drug inspector.

Mr. SMOOT. Mr. President, I should like to ask the Senator why the word "chief" has been stricken out. In all past appropriation bills the present wording has been used.

Mr. GORE. I will ask that the amendment be passed over for the present. I have not in hand the data that will enable me to answer it.

Mr. SMOOT. Then I suggest that that amendment be passed over, and also the item for "one food and drug inspector," on lines 9 and 10, so that when we reach it we can take up the question as a whole.

The VICE PRESIDENT. The amendment will be passed over.

The reading of the bill was resumed.

The next amendment of the Committee on Agriculture and Forestry was, in the item of appropriation for salaries in the Bureau of Chemistry, on page 42, line 5, after the words "in all," to strike out "$281,500" and insert "$282,600," so as to read:

Eight messenger boys or laborers, at $480 each; 3 messenger boys or laborers, at $420 each; 1 messenger boy or laborer, $360; 8 charwomen, at $240 each; in all, $282,600.

The amendment was agreed to.

The next amendment was, on page 42, line 19, after the word "agriculture," to strike out "$52,400" and insert "$67,400: *Provided*, That of this sum $15,000 may be used by the Secretary of Agriculture in making field experimental demonstrations for the purpose of utilizing by-products of the several species of trees grown in the Western States and of the stumps and roots on 'logged off' lands, and ascertaining and investigating methods of processing and treating the several species of woods and such stumps and roots and determining the merchantable value thereof," so as to make the clause read:

For conducting the investigations contemplated by the act of May 15, 1862, relating to the application of chemistry to agriculture, $67,400: *Provided*, That of this sum $15,000 may be used by the Secretary of Agriculture in making field experimental demonstrations for the purpose of utilizing by-products of the several species of trees grown in the Western States and of the stumps and roots on "logged off" lands, and ascertaining and investigating methods of processing and treating the several species of woods and such stumps and roots and determining the merchantable value thereof.

The amendment was agreed to.

The next amendment was, on page 43, line 19, after the words "United States," to strike out "$50,000" and insert "$60,000," so as to make the clause read:

For investigating the preparation for market, the handling, grading, packing, freezing, drying, storing, and transportation of poultry and eggs, and for experimental shipments of poultry and eggs within the United States, $60,000.

The amendment was agreed to.

The next amendment was, on page 44, line 6, after the words "general expenses," to strike out "$150,680" and insert "$175,680," so as to make the clause read:

In all, for general expenses, $175,680.

The amendment was agreed to.

The next amendment was, on page 44, line 20, after the words "District of Columbia," to strike out "$644,304" and insert "$634,301," so as to make the clause read:

Enforcement of the food and drugs act: For enabling the Secretary of Agriculture to carry into effect the provisions of the act of June 30, 1906, entitled "An act for preventing the manufacture, sale, or transportation of adulterated, or misbranded, or poisonous, or deleterious foods, drugs, medicines, and liquors, and for regulating traffic therein, and for other purposes," in the city of Washington and elsewhere, including chemical apparatus, chemicals and supplies, repairs to apparatus, gas, electric current, official traveling expenses, telegraph and telephone service, express and freight charges, and all other expenses, employing such assistants, clerks, and other persons as may be considered necessary for the purposes named, and rent outside of the District of Columbia, $634,301.

The amendment was agreed to.

The next amendment was, on page 44, line 21, after the words "Bureau of Chemistry," to strike out "$1,076,481" and insert "$1,092,581," so as to make the clause read:

Total for Bureau of Chemistry, $1,092,581.

The amendment was agreed to.

The next amendment was, under the head of "Bureau of Soils," on page 45, line 1, before the word "clerks," to strike out "four" and insert "five," and in line 9, after the words "in all," to strike out "$59,420" and insert "$60,820," so as to make the clause read:

Salaries, Bureau of Soils: One soil physicist, who shall be chief of bureau, $4,000; 1 chief clerk, $2,000; 1 executive assistant, $2,000; 4 clerks, class 4; 2 clerks, class 3; 5 clerks, class 2; 1 clerk, $1,260; 8 clerks, class 1; 5 clerks, at $1,000 each; 3 clerks, at $900 each; 1 soil cartographer, $1,800; 1 soil bibliographer or draftsman, $1,400; 1 photographer, $1,200; 5 draftsmen, at $1,200 each; 1 clerk-draftsman, $1,200; 1 draftsman, $1,000; 1 messenger, $840; 3 messengers, messenger boys, or laborers, at $480 each; 2 laborers, at $600 each; 1 laborer, $300; 1 charwoman or laborer, $480; in all, $60,820.

The amendment was agreed to.

The next amendment was, on page 46, line 13, after "$36,500," to insert "*Provided*, That of the amount hereby appropriated, the sum of not exceeding $5,000 may be used for the erection of a small laboratory building on the experimental farm of the Department of Agriculture at Arlington, Va., for the purpose of studying fixation of atmospheric nitrogen by electrical methods, plans and specifications for the building to be approved by the Secretary of Agriculture and all work done under his supervision," so as to make the clause read:

For exploration and investigation within the United States to determine possible sources of supply of potash, nitrates, and other natural fertilizers, $36,500: *Provided*, That of the amount hereby appropriated, the sum of not exceeding $5,000 may be used for the erection of a small laboratory building on the experimental farm of the Department of Agriculture at Arlington, Va., for the purpose of studying fixation of atmospheric nitrogen by electrical methods, plans and specifications for the building to be approved by the Secretary of Agriculture and all work done under his supervision.

Mr. JONES. Mr. President, I desire to ask the chairman of the committee whether or not there is any estimate showing that this $5,000 will be sufficient for the purpose specified, or whether it will simply start the building, and then the department will come back here and ask for more money?

Mr. GORE. This is the estimate of the department.

Mr. JONES. Does the Senator know whether the department has gone into the matter carefully to see whether or not this will furnish a sufficient building?

Mr. GORE. I think so, Mr. President. It will not require an elaborate establishment. It is to carry on experiments with reference to obtaining nitrogen from the air, a very important undertaking; and they estimate that this will be sufficient to construct the building and to proceed with the work.

The VICE PRESIDENT. The question is on agreeing to the amendment.

Mr. SMOOT. Let the amendment go over.

The VICE PRESIDENT. The amendment will go over. The hour of 2 o'clock having arrived, the Chair lays before the Senate the unfinished business, which will be stated.

The SECRETARY. A bill (S. 120) to provide for the inspection and grading of grain entering into interstate commerce, and to secure uniformity in standards and classification of grain, and for other purposes.

Mr. GORE. I should like to say to the Senate, and particularly to the Senator from North Dakota [Mr. MCCUMBER], that I think we can finish the consideration of the unobjected amendments in a few minutes, probably in 20 minutes, and that would not jeopardize the unfinished business. I would appreciate it if the Senator would permit us to proceed with the appropriation bill.

Mr. MCCUMBER. Mr. President, I certainly dislike very much to do so. I wish the Senator would not make the request. But if the Senator will fix the number of minutes and state the time for which the unfinished business may be temporarily laid aside I will be willing, if the Senate agrees to it.

Mr. GORE. I appreciate the disposition on the part of the Senator to accommodate me, and I will ask that the unfinished business may go over for 30 minutes, or as much of that time as may be required.

Mr. MCCUMBER. Very well. Then I will ask unanimous consent that the unfinished business may be temporarily laid aside for the further consideration of the Agricultural appropriation bill, such consideration not to extend beyond half past 2 o'clock.

The VICE PRESIDENT. Is there objection?

Mr. SMOOT. Of course I have not any objection, only I think it is a dangerous precedent to provide that we shall consider a bill for a specified time and take up another measure at a particular time. But I shall not object, simply stating that I do not believe it is a good policy to follow.

The VICE PRESIDENT. New things are occurring every day. If there is no objection, the reading of the appropriation bill will proceed.

The Secretary resumed the reading of the bill.

The next amendment of the Committee on Agriculture and Forestry was, under the head of "Bureau of Entomology," on page 47, line 12, after the words "chief of bureau," to strike out "$4,500" and insert "$5,000"; in line 15, before the word

"clerks," where it occurs the second time, to strike out "eight" and insert "nine," and in line 24, after the words "in all," to strike out "$67,650" and insert "$69,550," so as to make the clause read:

Salaries, Bureau of Entomology: One entomologist, who shall be chief of bureau, $5,000; 1 chief clerk and executive assistant, $2,250; 1 financial clerk, $1,800; 3 clerks, class 4; 3 clerks, class 3; 9 clerks, class 2; 7 clerks, class 1; seven clerks, at $1,000 each; 2 clerks, at $900 each; 2 entomological draftsmen, at $1,400 each; 1 entomological draftsman, $1,080; 4 foremen, at $1,080 each; 2 entomological preparators, at $840 each; 1 entomological preparator, $720; 6 entomological preparators, at $600 each; 1 messenger, $840; 2 messengers or laborers, at $720 each; 4 messenger boys, at $360 each; 1 mechanic, $840; 1 laborer, $540; 2 charwomen, at $480 each; 1 charwoman, $240; in all, $69,550.

The amendment was agreed to.

The next amendment was, on page 48, line 20, after the words "and the," to insert "cigarette beetle and"; in the same line, after the word "ant," to strike out "$59,000" and insert "$84,000, of which sum $25,000 shall be immediately available," so as to make the clause read:

For investigations of insects affecting southern field crops, including insects affecting cotton, tobacco, rice, sugar cane, etc., and the cigarette beetle and Argentine ant, $84,000, of which sum $25,000 shall be immediately available.

Mr. JONES. I wish to ask what this cigarette beetle is.

Mr. GORE. It seems to be a new sort of a pest to tobacco producers and manufacturers. It has caused a good deal of trouble in Florida.

Mr. JONES. Does it destroy cigarettes?

Mr. GORE. I do not know whether it attacks tobacco in the cigarette form or not.

Mr. JONES. If it destroys cigarettes, we do not want to destroy it.

Mr. GORE. If we would reach that, it would probably be necessary to limit the production.

Mr. JONES. How long has this beetle been known?

Mr. GORE. I am not advised as to the history of the beetle. This amendment was presented by the Senator from Florida [Mr. FLETCHER], and it is the first time it has ever been brought to the attention of the Committee on Agriculture and Forestry. I think it is a rather new invasion.

Mr. JONES. What is the showing as to the necessity of the additional appropriation of $25,000, which, I take it, is on account of this beetle?

Mr. GORE. I will state to the Senator that it is not an additional appropriation. It simply directs that a portion of the appropriation may be applied to this use.

Mr. JONES. No; the House provided for $59,000, and the committee has increased that appropriation to $84,000, and then says that the $25,000 increase shall be immediately available. The Senate committee has increased the House appropriation by $25,000.

Mr. GORE. The Senator will observe that there are a number of other uses to which this appropriation is to be devoted.

Mr. JONES. I wondered if this increase was to be devoted to the cigarette beetle.

Mr. GORE. No, sir; it is not. It is my recollection that the appropriation was not increased at all on account of the cigarette beetle, but that this specific purpose was enumerated, as it was a new purpose.

Mr. JONES. Does the department estimate $84,000 as being necessary for the purposes enumerated in this paragraph?

Mr. GORE. I think they submitted an additional estimate requesting this amount; but I will ask that the amendment be passed over.

The PRESIDING OFFICER (Mr. SHEPPARD in the chair). Without objection, the amendment will be passed over for the present. Does the Senator from Oklahoma desire to have the entire paragraph go over?

Mr. GORE. Only the part of it which covered the question raised by the Senator from Washington.

Mr. TOWNSEND. That necessarily carries the whole paragraph.

Mr. GORE. If it runs through the entire paragraph, let it go over.

The PRESIDING OFFICER. It will go over.

Mr. BRADY. From line 18 to line 22 on page 48.

The PRESIDING OFFICER. The paragraph from line 18 to line 22 on page 48 will go over.

The Secretary resumed the reading of the bill.

The next amendment was, on page 50, line 5, after the words "Bureau of Entomology," to strike out "$815,560" and insert "$842,460," so as to make the clause read:

Total for Bureau of Entomology, $842,460.

The amendment was agreed to.

The next amendment was, under the head of "Bureau of Biological Survey," on page 50, line 11, before the word "clerks," where it occurs the second time, to strike out "four" and insert "five"; and in line 16, after the words "in all," to strike out "$31,590" and insert "$32,790," so as to make the clause read:

Salaries, Bureau of Biological Survey: One biologist, who shall be chief of bureau, $3,500; one chief clerk and executive assistant, $1,800; one assistant in game preservation, $2,250; one financial clerk, $1,600; 2 clerks, class 3; 3 clerks, class 2; 5 clerks, class 1; 3 clerks, at $1,000 each; 2 clerks, at $900 each; 1 messenger, $720; 1 photographer, $1,300; 1 game warden, $1,200; 1 draftsman, $900; 1 messenger, messenger boy, or laborer, $480; 1 laborer, $600; 1 charwoman, $240; in all, $32,790.

The amendment was agreed to.

The next amendment was, on page 51, line 23, after the word "destroying," to strike out "noxious animals" and insert "wolves, prairie dogs, ground squirrels, and other animals injurious to agriculture," so as to read:

For investigating the food habits of North American birds and mammals in relation to agriculture, horticulture, and forestry, including experiments and demonstrations in destroying wolves, prairie dogs, ground squirrels, and other animals injurious to agriculture, etc.

Mr. JONES. I wish to ask the chairman of the committee what special reason there was for changing the language of this paragraph. I understand the words "noxious animals" have been heretofore carried in the appropriation bill. Why did the committee strike out those words and change it to a specific enumeration?

Mr. GORE. Considerable interest was manifested on the part of certain Senators that wolves and prairie dogs should be specially mentioned for eradication, and in consideration of their wish the change was made. I do not apprehend that it would make any appreciable change in the administration.

Mr. JONES. What necessity is there for special experiments with reference to the way to kill wolves?

Mr. GORE. I will ask that the amendment be passed over.

Mr. BRADY. It was on the request of western Senators that it was changed so as to make it more definite that the money should be used for experiments in destroying wolves, prairie dogs, ground squirrels, and other animals injurious to agriculture. I think the provision is very essential, and I do not believe it is necessary that the amendment should go over. I do not think the Senator from Washington desires it to go over. It simply makes the language more specific.

Mr. GORE. I much prefer to have the amendment passed over for the present.

The PRESIDING OFFICER. The amendment will go over.

The next amendment was, on page 52, line 1, after the word "marten," to strike out "$75,000" and insert "$125,000," and in line 2, after the word "*Provided*," to strike out "That of this sum $15,000 shall be used for the destruction of ground squirrels on the national forests: *And provided further*," so as to make the clause read:

And for investigations and experiments in connection with rearing of fur-bearing animals, including mink and marten, $125,000: *Provided*, That of this sum not more than $5,000 may be used in investigating the disease of wild ducks in the Salt Lake Valley region of Utah.

Mr. SMOOT. That is provided for in another part of the bill.

Mr. GORE. It is provided for in the item just passed over. Probably this ought to be passed over until final action on the other, as it is a part of it.

Mr. SMOOT. Yes; let the whole paragraph go over.

The PRESIDING OFFICER. The entire paragraph will go over.

The next amendment was, on page 52, line 10, after the word "zones," to strike out "$21,500" and insert "$26,500," so as to make the clause read:

For biological investigations, including the relations, habits, geographic distribution, and migrations of animals and plants, and the preparation of maps of the life and crop zones, $26,500.

The amendment was agreed to.

The next amendment was, on page 52, after line 10, to insert:

For the improvement of the Mesa Verde National Park, $10,000.

Mr. SMOOT. I ask that this and the following park items may go over.

The PRESIDING OFFICER. The amendments will go over.

Mr. JONES. I simply wanted to ask the chairman of the committee why the committee provided for the improvement of national parks in this bill. My recollection is that those are generally covered in the sundry civil appropriation bill.

Mr. SMOOT. I was going to say to the Senator that they have always been provided for in the sundry civil bill, with the exception of some that have even gone into the legislative bill. Nearly every agricultural appropriation bill we pass carries some.

Mr. GORE. I suggest that we pass over the amendment.

The PRESIDING OFFICER. The amendment will be passed over, and the amendments relative to Sullys Hill National Park and Platt National Park will also be passed over on the request of the Senator from Utah [Mr. SMOOT].

The next amendment was, on page 53, line 22, after the words "insectivorous birds," to strike out "$50,000" and insert "$10,000," so as to make the clause read:

For all necessary expenses for enforcing the provisions of the act approved March 4, 1913 (37 Stat. L., pp. 847, 848), relating to the protection of migratory game and insectivorous birds, $10,000.

Mr. McLEAN. I ask that that amendment may go over.

The PRESIDING OFFICER. The amendment will go over.

Mr. VARDAMAN. What is the paragraph that went over?

The PRESIDING OFFICER. Page 53, lines 17 to 22.

The next amendment was, on page 53, line 23, after the words "general expenses," to strike out "$198,500" and insert "$238,500," so as to make the clause read:

In all, for general expenses, $238,500.

The amendment was agreed to.

The next amendment was, on page 53, line 24, after the words "Biological Survey," to strike out "$230,000" and insert "$271,290," so as to make the clause read:

Total for Bureau of Biological Survey, $271,290.

The amendment was agreed to.

The next amendment was, under the head of "Division of Accounts and Disbursements," on page 54, line 3, after the words "disbursing clerk," to strike out "who shall be administrative officer of the fiscal affairs of the department."

Mr. SMOOT. I should like to ask the Senator why those words were stricken out. It seems to me in striking out those words the final result will be that we shall have to have another person to fill that office.

Mr. GORE. There is a process of reorganization going on in the department and they are arranging to dispense with the Division of Accounts at least in large part. The clerks and other employees in that division are being distributed. It is thought that it will contribute to efficiency. It is in pursuance of that policy that this language is stricken out. It is recommended by the department.

Mr. SMOOT. Does the Senator understand that in the reorganization there will not be required an administrative officer of the fiscal affairs of the department?

Mr. GORE. I think in the capacity heretofore occupied by that officer it will not be necessary. I will ask, however, that the amendment be passed over if the Senator wishes further time to consider it.

Mr. VARDAMAN. Mr. President, this is done in obedience to a suggestion made by the department.

Mr. GORE. Yes, sir; it is recommended by the department, in pursuance of the plan of reorganization. The Senator will observe that the number of clerks and employees in the Division of Accounts has been largely reduced—I think some twenty-odd—and the appropriation has been correspondingly reduced.

The PRESIDING OFFICER. Is there objection to the amendment? Without objection, it is agreed to.

The next amendment was, on page 54, in line 5, to strike out "one auditor, $2,000"; in line 8, before the word "clerks," where it occurs the second time, to strike out "seven" and insert "four"; in line 9, before the word "clerks," where it occurs the first time, to strike out "eleven" and insert "six"; and in the same line, before the word "clerks," where it occurs the second time, to strike out "six" and insert "five," so as to make the clause read:

Salaries, Division of Accounts and Disbursements: One chief of division and disbursing clerk, $4,000; 1 supervising auditor, $2,250; 1 cashier and chief clerk, $2,250; 1 deputy disbursing clerk, $2,000; 1 accountant and bookkeeper, $2,000; 2 clerks, class 4; 4 clerks, class 3; 6 clerks, class 2; 5 clerks, class 1; 4 clerks, at $1,000 each; 3 clerks, at $900 each; 1 custodian of records and files, $1,400; 1 messenger, $720; 1 messenger or messenger boy, $600.

The amendment was agreed to.

The next amendment was, on page 54, line 13, after the words "Accounts and Disbursements," to strike out "$61,320" and insert "$46,320," so as to make the clause read:

Total for Division of Accounts and Disbursements, $46,320.

The amendment was agreed to.

The next amendment was, under the head of "Division of Publications," in the item of appropriation of salaries for the Division of Publications, on page 55, line 9, before the word "laborers," where it occurs the first time, to strike out "nine" and insert "eight"; in line 11, before the word "skilled," to strike out "one" and insert "two"; in the same line, after the word "skilled," to strike out "laborer" and insert "laborers, at $1,100 each"; and in line 19, after the words "in all," to strike out "$170,490" and insert "$170,750," so as to read:

Two skilled laborers, at $900 each; 8 skilled laborers, at $840 each; 4 skilled laborers, at $780 each; 16 skilled laborers, at $720 each; 1 chief folder, $1,000; 2 folders, at $900 each; 2 skilled laborers, at $1,100 each; 1 skilled laborer, $1,000; 2 messengers, at $840 each; 2 messengers, at $720 each; 3 messengers or messenger boys, at $600 each; 2 messengers or messenger boys, at $480 each; 2 messengers or messenger boys, at $420 each; 2 messengers or messenger boys, at $360 each; 1 laborer, $840; 2 laborers, at $600 each; 4 charwomen, at $480 each; 3 charwomen, at $240 each; in all, $170,750.

The amendment was agreed to.

The next amendment was, on page 56, after line 13, after the words "Division of Publications," to strike out "$189,240" and insert "$189,500," so as to make the clause read:

Total for Division of Publications, $189,500.

The amendment was agreed to.

The next amendment was, under the head of "Bureau of Crop Estimates," on page 56, line 18, before the word "clerks," to strike out "thirteen" and insert "fourteen," and in line 25, after the words "in all," to strike out "$114,180" and insert "$115,580," so as to make the clause read:

Salaries, Bureau of Crop Estimates: One statistician, who shall be chief of bureau, $4,000; 1 chief clerk, $1,800; 6 clerks, class 4; 9 clerks class 3; 14 clerks, class 2; 1 clerk, $1,300; 18 clerks, class 1; 17 clerks, at $1,000 each; 21 clerks, at $900 each; 2 messengers, at $840 each; 2 messengers or laborers, at $720 each; 2 messengers, messenger boys, or laborers, at $660 each; 1 messenger, messenger boy, or laborer, $480; 1 charwoman, messenger, or laborer, $540; 2 charwomen, messenger boys, or laborers, at $360 each; in all, $115,580.

The amendment was agreed to.

The next amendment was, on page 57, after line 13, to insert:

That hereafter the powers conferred and the duties imposed by law on the Bureau of Statistics of the Department of Agriculture shall be exercised and performed by the Bureau of Crop Estimates.

Mr. JONES. I ask the chairman of the committee where the employees of the Bureau of Statistics as heretofore existing will go under the provisions of the bill?

Mr. GORE. This is simply a change in the title of the office.

Mr. JONES. No; it provides that the powers conferred and the duties imposed by law on the Bureau of Statistics shall be exercised and performed by the Bureau of Crop Estimates.

Mr. GORE. It simply changes the name of the bureau.

Mr. JONES. The same employees will go to the Bureau of Crop Estimates?

Mr. GORE. The personnel is not changed at all. It is to avoid the confusion which the Senator no doubt has experienced in having bureaus of statistics in several departments.

Mr. SMOOT. For salaries, travel, and other necessary expenses of employees out of Washington of the Bureau of Crop Estimates a lump appropriation of $135,300 is made. I wish to ask the Senator why a lump-sum appropriation is applied to the Bureau of Crop Estimates instead of naming, as is done in the case of almost every other bureau, the officers and the amount paid them?

Mr. GORE. I presume it was because they require larger portions of the appropriation at certain seasons of the year than at others. As the Senator knows, this bill has always carried considerable lump-sum appropriations not only for this but for other bureaus. I question the wisdom of such a policy, and the committee is gradually working out a system of converting lump-sum appropriations into statutory provisions.

Mr. SMOOT. I wish to say to the Senator that I think it ought to be worked out in every appropriation bill. Evils and a waste of public money come from lump-sum appropriations, with no restrictions whatever placed upon them.

Mr. GORE. There is a good deal of force in that observation, but it has been observed by the Secretary of Agriculture with reference to their scientific officers and employees that they require some latitude in connection with their duties. I think there is some force in that suggestion as well.

Mr. BRADY. I desire to say to the Senator from Utah that it is the purpose of the committee to make appropriations along the line he suggests and to get away from lump-sum appropriations as fast as possible.

Mr. JONES. I should like to ask the Senator——

Mr. GORE. I will ask that the amendment be passed over.

The PRESIDING OFFICER. The amendment will be passed over.

Mr. JONES. I simply wanted to ask a question about this provision in the text of the bill as it came from the House, and possibly it has been in the Agricultural appropriation bill as heretofore passed. It provides for salaries, travel, and other expenses, and so forth, $135,300. Who determines the salaries to be paid? Is it the Secretary of Agriculture? Does he fix the salaries?

Mr. BRADY. On what page is that?

Mr. JONES. On page 57.

Mr. WEST. Line 11.

Mr. JONES. It is in lines 11, 12, and 13, and the same is also true of lines 7, 8, and 9. Does the Secretary of Agriculture fix the salaries of the people employed under those paragraphs?

Mr. BRADY. I understand that where the salaries are not fixed he has authority to fix them.

Mr. JONES. That is what I asked. He fixes the salary?

Mr. BRADY. That is my understanding.

Mr. JONES. There is no provision in the bill anywhere which limits the amount that can be paid per diem or per month to employees working under these lump-sum appropriations, but the Secretary of Agriculture has entire control over that matter and can fix a salary at whatever sum he sees fit.

Mr. BRADY. In a degree that is true.

Mr. JONES. Is it not absolutely true?

Mr. BRADY. It is the desire of the committee to get away from that system as fast as we can, and, furthermore, that is the desire of the Secretary of Agriculture.

Mr. JONES. What steps have been taken in this bill to get away from it? Have any steps been taken?

Mr. BRADY. That is the intention; but we could not get away from it in every case, because we did not have time to go through all the matters. However, it is the desire of the committee and of the Secretary of Agriculture to get away from the lump-sum appropriations and have the salaries specified and paid out of regular appropriations.

Mr. JONES. I think that is a very laudable purpose.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the committee.

The amendment was agreed to.

The next amendment was, under the head of "Library, Department of Agriculture," on page 57, line 22, after the word "one," where it occurs the second time, to strike out "assistant librarian, $1,600" and insert "clerk, class 3," so as to make the clause read:

Salaries, library, Department of Agriculture: One librarian, $2,000; 1 clerk, class 3; 1 clerk, class 2; 4 clerks, class 1; 3 clerks, at $1,080 each; 6 clerks, at $1,000 each; 5 clerks, at $900 each; 1 clerk, $840; 1 junior library assistant, or messenger, $720; 3 junior library assistants, or messenger boys, at $600 each; 1 messenger, messenger boy, or laborer, $480; 1 charwoman, $480; in all, $27,860.

The amendment was agreed to.

The next amendment was, on page 58, line 9, after the word "material," to strike out "$17,500" and insert "$22,500," so as to make the clause read:

General expenses, library: For books of reference, technical and scientific books, papers and periodicals, and for expenses incurred in completing imperfect series; for the employment of additional assistants in the city of Washington and elsewhere; for official traveling expenses, and for library fixtures, library cards, supplies, and other material, $22,500.

The amendment was agreed to.

The next amendment was, on page 58, line 11, after the word "library," to strike out "$45,360" and insert "$50,360," so as to make the clause read:

Total for library, $50,360.

The amendment was agreed to.

The next amendment was, under the head of "Miscellaneous expenses," on page 59, line 3, after the word "department," to strike out "$106,000" and insert "$121,000, of which amount $10,000 shall be immediately available," so as to make the clause read:

Miscellaneous expenses, Department of Agriculture: For stationery, blank books, twine, paper, gum, dry goods, soap, brushes, brooms, mats, oils, paints, glass, lumber, hardware, ice, fuel, water and gas pipes, heating apparatus, furniture, carpets, and matting; for lights, freight, express charges, advertising, telegraphing, telephoning, postage, washing towels, and necessary repairs and improvements to buildings, grounds, and heating apparatus; for the purchase, subsistence, and care of horses and the purchase and repair of harness and vehicles, for official purposes only; for the payment of duties on imported articles, and the Department of Agriculture's proportionate share of the expense of the dispatch agent in New York; for official traveling expenses; and for other miscellaneous supplies and expenses not otherwise provided for, and necessary for the practical and efficient work of the department, $121,000, of which amount $10,000 shall be immediately available.

The amendment was agreed to.

Mr. JONES. I wish to recur to page 57 and ask a question for information. In lines 22 and 23, on that page, it reads as amended, "One clerk of class 3." What is the salary of that clerk?

Mr. GORE. It is the salary of all clerks of the third class, $1,600.

Mr. JONES. Where is the provision which fixes that salary?

Mr. GORE. It is a permanent statute.

Mr. SMOOT. I will say to the Senator it is a permanent statute. Clerks of class 4 receive $1,800, clerks of class 3 receive $1,600, clerks of class 2 receive $1,400, and clerks of class 1 receive $1,200.

The next amendment was, under the head of "Office of Experiment Stations," on page 61, line 5, after the word "acts," to insert "and the act approved ———, 1914, entitled 'An act to provide for cooperative agricultural extension work between the agricultural colleges in the several States receiving the benefits of an act of Congress approved July 2, 1862, and of acts supplementary thereto, and the United States Department of Agriculture'"; and in line 17, after the words "District of Columbia," to strike out "$40,500" and insert "$50,500"; so as to make the clause read:

To enable the Secretary of Agriculture to enforce the provisions of the above acts and the act approved ———, 1914, entitled "An act to provide for cooperative agricultural extension work between the agricultural colleges in the several States receiving the benefits of an act of Congress approved July 2, 1868, and of acts supplementary thereto, and the United States Department of Agriculture," relative to their administration, including the employment of clerks, assistants, and other persons in the city of Washington and elsewhere, freight and express charges, official traveling expenses, office fixtures, supplies, apparatus, telegraph and telephone service, gas, electric current, and rent outside of the District of Columbia, $50,500; and the Secretary of Agriculture shall prescribe the form of the annual financial statement required under the above acts, ascertain whether the expenditures are in accordance with their provisions, and make report thereon to Congress.

The amendment was agreed to.

The next amendment was, on page 62, line 3, after the word "expenses," to strike out "$110,000" and insert "$130,000"; in the same line, after the word "Alaska," to strike out "$35,000" and insert "$45,000"; in line 4, after the word "Hawaii," to strike out "$30,000" and insert "$40,000"; and in line 9, after the word "used," to insert "*Provided*, That of the sum herein appropriated for the experiment station in Hawaii $10,000 may be used in agricultural extension work in Hawaii"; so as to make the clause read:

To enable the Secretary of Agriculture to establish and maintain agricultural experiment stations in Alaska, Hawaii, Porto Rico, and the island of Guam, including the erection of buildings, the preparation, illustration, and distribution of reports and bulletins, and all other necessary expenses, $130,000, as follows: Alaska, $45,000; Hawaii, $40,000; Porto Rico, $30,000; and Guam, $15,000; and the Secretary of Agriculture is authorized to sell such products as are obtained on the land belonging to the agricultural experiment stations in Alaska, Hawaii, Porto Rico, and the island of Guam, and this fund shall be available until used: *Provided*, That of the sum herein appropriated for the experiment station in Hawaii $10,000 may be used in agricultural extension work in Hawaii.

The next amendment was, on page 63, line 2, after the words "investigate the," to strike out "nutritive value of agricultural products used for human food, with special suggestions of plans and methods for the more effective utilization of such products for this purpose," and insert "relative utility and economy of agricultural products for food, clothing, and other uses in the home, with special suggestions of plans and methods for the more effective utilization of such products for these purposes"; and in line 12, after the words "necessary expenses," to strike out "$16,000" and insert "$25,760"; so as to make the clause read:

Nutrition investigations: To enable the Secretary of Agriculture to investigate the relative utility and economy of agricultural products for food, clothing, and other uses in the home, with special suggestions of plans and methods for the more effective utilization of such products for these purposes, with the cooperation of other bureaus of the department, and to disseminate useful information on this subject, including the employment of labor in the city of Washington and elsewhere, supplies, and all other necessary expenses, $25,760.

The amendment was agreed to.

The next amendment was, at the top of page 64, to insert:

To enable the Secretary of Agriculture to investigate the existence of artesian water suitable for irrigation in the semiarid regions by boring wells, $100,000.

Mr. JONES. I wish to ask the chairman of the committee if he thinks the language there is sufficiently broad to allow the sinking of wells to determine the existence of artesian water?

Mr. GORE. The junior Senator from Nebraska [Mr. NORRIS] is particularly familiar with this provision. I believe I will ask that it go over. It might require some little time for explanation.

Mr. JONES. I did not care to ask that it go over. I wanted to be sure that it was broad enough.

Mr. GORE. I ask that it may go over.

The PRESIDING OFFICER. The amendment will be passed over.

The next amendment was, under the head of "Office of Public Roads," on page 64, line 18, after the words "technical work," to strike out "$4,000" and insert "$5,000," and on page 65, line 6, after the words "in all," to strike out "$52,000" and insert "$53,000," so as to make the clause read:

Salaries, Office of Public Roads: One director, who shall be a scientist and have charge of all scientific and technical work, $5,000; one chief clerk, $1,900; one clerk, class 4; three clerks, class 3; one clerk, $1,500; one clerk, $1,440; one clerk or instrument maker, $1,440; one clerk or tabulator, $1,440; one clerk, $1,380; two clerks, at $1,320 each; four clerks, at $1,260 each; three clerks, class 1; one clerk or photographer, $1,200; one clerk or photographer, $1,000; two clerks,

at $1,140 each; two clerks, at $1,080 each; one clerk, $1,020; four clerks, at $1,000 each; one clerk, $900; one clerk or instrument maker, $1,200; one messenger or laboratory helper, $840; two messengers, laborers, or laboratory helpers, at $720 each; one messenger or laborer, $660; four messengers, laborers, or messenger boys, at $600 each; one laborer or messenger boy, $480; two messenger boys, at $480 each; two charwomen, at $240 each; in all, $53,000.

The amendment was agreed to.

The next amendment was, on page 66, line 14, after the words "Office of Public Roads," to strike out "$352,060" and insert "$353,060," so as to make the clause read:

Total for Office of Public Roads, $353,060.

The amendment was agreed to.

The next amendment was, on page 66, line 25, after the words "ordinary work," to strike out "$18,358,232" and insert "$18,734,302," so as to make the clause read:

Total, Department of Agriculture, for routine and ordinary work, $18,734,302.

The amendment was agreed to.

The next amendment was, under the head of "Miscellaneous," on page 68, line 19, after the word "demonstrations," to strike out "and"; in the same line, after the word "advice," to insert "and in other ways"; in line 20, after the word "projects," to insert "and elsewhere"; and in line 22, after the word "elsewhere," to strike out "$25,000" and insert "$50,000, of which sum $10,000 shall be immediately available," so as to make the clause read:

Demonstrations on reclamation projects: To enable the Secretary of Agriculture to encourage and aid in the agricultural development of the Government reclamation projects; to assist, through demonstrations, advice, and in other ways, settlers on the projects and elsewhere; and for the employment of persons and means necessary, in the city of Washington and elsewhere, $50,000, of which sum $10,000 shall be immediately available.

Mr. SMOOT. Let that paragraph go over.

The PRESIDING OFFICER. The paragraph will go over.

The next amendment was, on page 69, line 1, before the word "Congress," to strike out "Land" and insert "Farming," and in line 6, after the word "elsewhere" to strike out "$10,000" and insert "$20,000," so as to make the clause read:

To enable the Secretary of Agriculture to cooperate with and make an exhibit at the next annual meeting of the International Dry Farming Congress, to be held at Wichita, Kans., during the fiscal year ending June 30, 1915, illustrative of the investigations, products, and processes relating to farming in the subhumid region of the United States, including labor and all expenses in the city of Washington and elsewhere, $20,000, to be immediately available.

Mr. SMOOT. Let that paragraph go over.

The PRESIDING OFFICER. The paragraph will go over.

The next amendment was, on page 69, after line 18, to insert:

That section 13 of the act entitled "An act to enable any State to cooperate with any other State or States, or with the United States, for the protection of the watersheds of navigable streams, and to appoint a commission for the acquisition of lands for the purpose of conserving the navigability of navigable rivers," approved March 1, 1911 (36 Stat. L., 963), is hereby amended by striking out the word "five," in the first line of said section, and inserting in lieu thereof the word "twenty-five," the purpose of this amendment being to increase the percentage payable to each State from moneys received, as provided in said section, from 5 to 25 per cent.

The amendment was agreed to.

The next amendment was, on page 70, line 14, after the words "United States," to strike out "$50,000: *Provided*, That no part of this appropriation shall be used in the purchase of animals for breeding purposes" and insert "including the erection of such temporary farm buildings as may be found necessary, and for the employment of persons and means necessary in the city of Washington and elsewhere, $100,000; and the Secretary of Agriculture is authorized to sell in the open market or to exchange for other live stock or farm products to the best advantage, without the usual condemnation proceedings and public auction, such live stock or farm products as cease to be needed: *Provided*, That all moneys received from the sale of such live stock or farm products, or as a bonus in the exchange of the same, shall be deposited in the Treasury as miscellaneous receipts: *Provided further*, That in any State in which this work is undertaken sufficient suitable land for the necessary experiments is made available to the Secretary of Agriculture for the required period of time without cost to the Department of Agriculture, and that the State live-stock sanitary laws are enforced by the State in such manner as to justify the Secretary of Agriculture in the expenditure of money for the purpose of encouraging live-stock production," so as to make the clause read:

Experiments and demonstrations in live-stock production in the cane-sugar and cotton districts of the United States: To enable the Secretary of Agriculture, in cooperation with the authorities of the States concerned, or with individuals, to make such investigations and demonstrations as may be necessary in connection with the development of live-stock production in the cane-sugar and cotton districts of the United States, including the erection of such temporary farm buildings as may be found necessary, and for the employment of persons and means necessary in the city of Washington and elsewhere, $100,000; and the Secretary of Agriculture is authorized, etc.

Mr. SMOOT. I ask that that amendment go over.

The PRESIDING OFFICER. The entire paragraph will go over.

The next amendment was, on page 71, after line 14, to insert:

The Secretary of Agriculture is hereby authorized and directed to prepare a plan for reorganizing, redirecting, and systematizing the work of the Department of Agriculture as the interests of economical and efficient administration may require; such plan shall be submitted to Congress in the Book of Estimates for the fiscal year 1916; and the estimates of expenses of the Department of Agriculture for the fiscal year 1916 shall be prepared and submitted in accordance therewith.

Mr. KENYON. Let that go over.

The PRESIDING OFFICER. The paragraph will go over.

Mr. KENYON. And all the remaining amendments of the bill.

The PRESIDING OFFICER. The remainder of the bill will go over. The reading of the bill for action on unobjected amendments has been concluded. The first committee amendment passed over is on page 7, line 5.

Mr. McCUMBER. I understood that the unanimous-consent agreement was to lay the unfinished business temporarily aside simply to allow the Senate to go through with the bill for action on unobjected amendments, and that its consideration was not to continue longer than half past 2. It is now half past 2, and I ask that the unfinished business may be proceeded with.

Mr. SMOOT. Just one minute before that is done. Did I understand that the last amendment passed over was agreed to?

The PRESIDING OFFICER. No, sir.

Mr. SMOOT. If the Chair so understood, I wanted to correct him.

The PRESIDING OFFICER. Not at all. The Chair lays before the Senate the unfinished business, which is Senate bill 120.

INSPECTION AND GRADING OF GRAIN.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (S. 120) to provide for the inspection and grading of grain entering into interstate commerce and to secure uniformity in standards and classification of grain, and for other purposes.

Mr. REED. Mr. President, I intend to bring my remarks to a rather speedy close. I have been trying to get the attention of the Senate to this bill; the Senator from North Dakota [Mr. McCUMBER] tried to get the attention of the Senate to it; the Senator from Minnesota [Mr. NELSON] tried to get the attention of the Senate to it; and the Senator from Illinois [Mr. SHERMAN] tried to get the attention of the Senate to it. They all having ingloriously failed, I have not the slightest hope that I shall be able to interest this distinguished body. I suspect that we shall vote upon the bill without the majority of the Members having read it or having heard much about it. It is only a trifling bill, after all. It simply affects the shipment of all of the cereals of the United States. If it concerned a patch of ground like Hetch Hetchy, we would be confronted here by a perfect fervor of enthusiasm and an unlimited and undivided attention.

Mr. President, I have repeatedly made the assertion that nearly every statement contained in the committee's report is based upon a misapprehension of the facts. I had proceeded in that discussion as far as paragraph 9 of the report, and I now desire to call attention to that paragraph, which reads:

(9) This is clearly established by testimony from foreign importers, where, it is said, on account of the frauds perpetrated in certifying grain for export at a higher grade than it is entitled to receive, American grain of a certain grade sells for several cents per bushel less than Canadian or Argentine grain of the same grade.

I now call attention to the statement of Mr. Crowell, whom I have heretofore introduced to the Senate in my remarks. Commenting upon this paragraph Mr. Crowell says:

It is true that from time to time foreign importers of American grain have complained bitterly in regard to the quality tendered under certificates of No. 2 wheat, but these complaints, except possibly at a few isolated ports where the control is inadequate, have practically ceased.

Now, mark you, this report is six years old; it is a copy of a 6-year old report. Mr. Crowell continues:

We venture the assertion that amongst the large and principal exporters of wheat in this country that they have not received a single complaint in regard to the quality of wheat tendered under the American certificates during the past two or three years. Quite the contrary, the wheat that has been exported from this country recently has given universal satisfaction, except possibly in one or two instances, where inferior grain has been allowed to go through small ports where the inspection department has been lax, and in case the inspection remains lax at these small ports the ports are eventually barred by the European exchanges and buyers.

Mr. Crowell states further:

The statement that American grain of a certain grade sells for several cents a bushel less than Canadian or Argentine grain of the same grade is a misstatement of facts, as far as this market is concerned.

The market to which he refers is the market of Kansas City, which is one of the largest exporting markets of the United States. Continuing, Mr. Crowell states:

One can not compare the values of hard winter wheat and spring wheat from one season to another, as sometimes the one is in better demand and commands a premium, owing to certain qualities than the other. On January 15 and January 29, 1914, it will be shown that in Antwerp—a large importing European port—No. 2 hard winter wheat, New Orleans, was worth 19.50 to 19⅝ francs, as against a value of No. 1 Northern Manitoba of 19.75 to 20 francs. The Antwerp market also shows where No. 2 hard winter wheat, Chicago, on January 29, sold at 20 francs as against sales at the same time of Argentine wheat at 19.75 francs and No. 1 northern Duluth at 19.75 francs. These figures speak for themselves, and numberless instances could be produced to bear out our statement that the values abroad for several years past show that the standard of No. 2 hard winter wheat shipped from this country has been satisfactory, and that the prices compared well and favorably with other grades from other markets. We have no doubt that we could get from all our correspondents in Europe statements to the effect that the shipments of hard winter wheat for the past several years, with the exception of one or two isolated shipments from our ports, have given universal satisfaction, and indeed that our shipments have been of such good quality that they have been used for blending purposes in Europe with shipments of inferior quality from Russia and the Argentine.

Mr. President, that is not the statement of a discredited man driven from a board of trade for misconduct; it is not the statement of ambitious gentlemen organizing a rival exchange and suffering by competition; it is a statement of a man of unblemished character of many years experience and of unchallenged character.

In connection with that statement I call attention to the fact that this witness does not stand alone. Mr. J. C. Vincent, of Baltimore, Md., who is an exporter and forwarder of grain, makes the following statement:

In past hearings stress has been laid by Senator MCCUMBER on complaints received through Government sources from Europe, viz, United States consuls and special agents who had been sent abroad to investigate.

Some data have been used by those interested to substantiate the claim that the present system of inspection of grain was faulty. Many of these reports were unreasonable and unjust, as some damage was evidently brought about by causes over which we had no control.

This is corroborated during the past week by receipt of information from England of a lawsuit by the receivers of the cargo per S. S. *Westonby* against owners of said steamer, and was decided in the British courts in favor of the importer, the judge holding "that the vessel was not properly sheathed for the carriage of maize—that is, corn—that she should have been sheathed on the engine-room bulkhead and all along the tunnel."

Had Baltimore been allowed full hearings before the previous committee of the Senate, we could have shown—as we did before the House committee in the presence of Mr. GRONNA—the necessity for terminal elevators being equipped with modern cleaning machinery, for some had saved western shippers from heavy losses on wheat shipped from the Dakotas, and this was done for their benefit by men who are charged with fraud and injustice in the report that is put before you.

Further, Mr. Vincent states:

British millers do not seek to impose any conditions as to the type or character of wheat offered them; all sorts and conditions of well-harvested wheat have a value and are sold. The miller turns out flour for bread making, also qualities suitable for pastry, puddings, and biscuits, and chooses his wheat for his requirements, so does not necessarily want grades or certificated wheat.

How sensible that is! It has been already explained by the Senator from Minnesota that when you undertake to embrace the many different varieties of wheat under only two or three grades, the result will be that varieties of wheat possessing vastly different qualities must receive the same grade. It follows that wheat can not be bought and sold upon grades alone. Further on this Mr. Vincent states:

Lately at a meeting in London between the members of the London Corn Trade Association, to meet Dr. Robert McGill, chief commissioner of the board of grain commissioners of Fort William, Canada, it was shown that even Government inspection in Canada, which has been used as a reason for criticism, one of the speakers is reported as saying, "We all know we have received wheat, oats, and other goods which were not in accordance with the certificates."

That is said with reference to Government inspection of grain in Canada. It appears that there are mistakes, errors, and complaints when the holy stamp of a Federal Government is placed upon the product, and of course everyone with a modicum of common sense knows that that will be true under any system of inspection. The fact that you can find an isolated instance of complaint is not a sufficient cause to condemn and strike down a system, for you will find that complaints will arise under Federal inspection, just as complaints have arisen under the inspection of the Canadian Government.

Mr. President, in addition to these statements from men of experience, I call attention to the supplemental hearings, which unfortunately are not referred to in this report at all. They could not be referred to in the report because it is an exact reproduction of a report that was filed five years before the supplemental hearings were had.

The supplemental hearings were, as I have already remarked, crowded to the smallest possible compass. Full and free hearings were denied, although men were here begging for a hearing. Yet one of these gentlemen, Mr. Reynolds, of Indiana, forcing himself upon the attention of the committee, made this statement:

Let me say one thing, that the records will show for 10 years that the grain we have exported has brought a higher average price, quality considered, than any other grain in the world. Let me say further, because I want to justify the statement, that that is due largely to the fact that they buy from us when they have to do so, and we have sold them as much as we ought to; they had to pay the price we ask. Is not that a fortunate position for our people to be in? We do not sell them until they are ready to pay our price.

In view of the challenge that this man—a responsible man in the grain business—made, and in view of the fact that he came here backed by a delegation representing the grain business of the country—I say, in view of all that, is it not a little singular that the committee did not inquire a little further and try to ascertain whether the charge made in the 6-year-old report was true? Is it not a peculiar thing that the committee pulled out of the pigeonhole a 6-year-old report, utterly disregarding this important evidence, and filed that old report here without the slightest reference to the testimony produced? Mr. President, without saying anything harsh, it looks to me as though the committee had started out to reach a certain conclusion. For six years they have been trying to have that particular conclusion sustained, and accordingly every scrap of evidence which tends to sustain it is carefully gathered together and is referred to here, but all of the great mass of evidence against it is utterly cast aside and not referred to.

The next paragraph of this report, paragraph 10, reads as follows:

Many of the mills of the country must purchase at the terminal elevators. They have long since ascertained that no reliance can be placed upon those grades. But in many instances they must not only pay for the mixtures concocted in those elevators, but must pay for the grade at which it is improperly certified. It is said that no purchasers for use will to-day buy their grain on the Chicago certificates.

What an astounding statement that is to make with reference to the grain business of this day at least. Whatever the committee's conclusion might have been as to the conditions seven years ago, when this report was written, can any committee look the Senate of the United States in the face and make the statement to-day without qualification that "no purchasers for use will to-day buy their grain on Chicago certificates"? Why, sir, there are hundreds and hundreds of thousands of bushels of grain sold every day upon Chicago certificates. What does such a monstrous statement as that in a report mean? Does it mean that the committee was in a judicial frame of mind when it brought in this report, in the face of the well-known fact that Chicago is the greatest grain market there is on this round world, and that upon the certificates either of the State board or upon the certificates of the board of trade all of that vast volume of business is done? Mr. Crowell states as to that:

It is customary now, and has been for sometime past, for the mills in this country to purchase wheat at terminal elevators, they well knowing that they will receive grain of the quality and of the standard that they have purchased.

Mr. President, if the statement I have just read from the report were true, the Chicago grain market not only would be closed at the present time, but it would have been closed years ago, because the statement practically denies its ability to do any business whatever.

I come now to paragraphs 11 and 12. Those two paragraphs I have heretofore discussed to some extent. In a word, they make the bold charge that grain is graded in the elevators much lower than it should be and is then taken out at a higher grade, and that this device is for the purpose of defrauding the farmer, who sells the grain, upon the one hand, and the consumer, who buys from the wicked elevator man, upon the other. I have already adverted to the fact that the farmer does not ship his grain to the great central markets; that when the grain arrives there it is the grain of some middleman, or of some elevator man; and that to all intents and purposes it may be said that the farmer ships none of it, the percentage is so small. I have already adverted to the fact that these great elevator men—I mean great in the sense of their power and ability to protect themselves—would not submit to being robbed by inspectors. I have already shown that the men upon the board of trade represent both sides of the deal, one of them being the factor for a shipper in and the other the agent or factor for a shipper out, and therefore they are there like watchdogs looking after the interest of their clients. I have also referred to the fact that the table presented here showing that in a certain elevator a certain number of bushels of wheat graded as No. 4 went into the elevator and that no No. 4 wheat was taken out is explained by the very simple, fundamental fact that when grain is taken into elevators it is cleaned, the dirt and weed seed and mustard seed and the blighted and broken grains are removed from it, and thus the grade is improved. Mr. President, the Senator

from North Dakota smiles, but that is the absolute fact as it exists in every elevator in the United States, and there can not be brought here to the Senate a respectable witness who can deny the truth of that statement.

Mr. McCUMBER. Mr. President——

The PRESIDING OFFICER (Mr. SHEPPARD in the chair). Does the Senator from Missouri yield to the Senator from North Dakota?

Mr. REED. Yes; certainly.

Mr. McCUMBER. Yes, Mr. President; anyone would smile at a statement of that kind who knew anything about the method of grading in the State of Minnesota, where the grain referred to was graded. As a matter of fact, in the grading there they have the dockage system, and the dockage is always made to include all of the shriveled wheat, the poor wheat, that which contains chaff, wild oats, or whatever foreign material may be in it, and the actual number of bushels that are received into the elevator are the bushels which it is estimated there will be after the grain has been cleaned and all of the foreign material taken out of it. Therefore the number of bushels of No. 1, No. 2, No. 3, and No. 4 wheat taken into the elevator represents the number of bushels after the dockage has been taken out; and if there were a dockage of 2 pounds to a bushel under the Minnesota system, there would be 58 pounds of actual wheat which would be graded into that elevator, and not 60 pounds. So, in the grading out, the amount of wheat that is taken in and shipped out should always be exactly the same. The dockage is sold entirely independently of the receipts in and the shipments out.

In the State of Illinois, where they have a different system, the amount of chaff, weed seed, and other foul stuff would affect the grade, and therefore there would necessarily be, if it were followed accurately, a less amount of a certain grade shipped out than there was taken in; but not so with the elevator that is discussed in the report. The Senator from Minnesota [Mr. NELSON] has never taken any different view, but agrees with me entirely upon that, because we are both well acquainted with that particular market, and no question has ever been raised as to its accuracy, but the claim now is that that custom has been to a great extent changed in Minneapolis.

Mr. REED. Mr. President, the familiar expression upon the lips of the Senator from North Dakota is that "anybody at all acquainted with the grain trade knows this and that." The Senator does not mean at all to arrogate to himself all knowledge with reference to the grain business, but he constantly does it unconsciously.

The fact of the matter is that this report is a wholesale condemnation of the business of the whole country. It is not limited to Minnesota and North Dakota, but it embraces all of the business of the terminal markets. I am going to answer it in two ways, although one answer ought to be sufficient; I will give the least important first.

There is no dockage system in Kansas City. It has been utterly abolished. I understand the Senator now to say there is none in Chicago. He speaks alone of the dockage system in Minnesota. So, if the Senator were correct in all he says, and if the docking system existed in only one market, he never ought to have filed a report here charging against all other markets an iniquitous condition which he now admits could be made applicable only to one market. If we have only one bad market in the United States, and that bad market is in Minnesota, I undertake to say that instead of trying to legislate nationally to remedy an evil that is limited to one State the Senator would better go to the Minnesota Legislature and obtain his remedy.

But, sir, the answer of the Senator—and I come now to the second reason—is no answer at all. Let us assume that there is a docking system. Let us assume that 10 cars of grain are brought in, and that each car is docked 2 bushels to account for chaff or dirt or other foreign material. There would then be 200 bushels of dockage upon 100 cars of grain, and it is true that there would be that much weight allowed for in the grain. What effect, however, does that have upon the grades of the grain, and how does that affect the question before us? What is the question?

It is charged in this report that because some grain has gone into an elevator as No. 4, and some more grain as No. 3, and some as No. 2, and some as No. 1, and when the grain is taken out there is no No. 4 grain taken out, that indicates that there has been a fraudulent change of grade. That is the question we are determining.

The fact that a dockage has been allowed has nothing whatever to do with the grade of the grain. If grain upon which a dockage was allowed was nevertheless mixed with mustard seed, weed seed, light wheat, and chaff, it would, under the rules of all boards of trade, have to be graded as about No. 3 or No. 4; and therefore when it went into the elevator, although there was a dockage allowed, it would go into the elevator as No. 3 or No. 4 wheat. After it reached the elevator——

Mr. McCUMBER. Mr. President——

The PRESIDING OFFICER. Does the Senator from Missouri yield to the Senator from North Dakota?

Mr. REED. When I finish my sentence. After it reached the elevator and the proprietor of the elevator took his machinery and gathered out of that wheat the weed seed, the mustard seed, and the shriveled wheat, and left only the sound, true berry, when he went to take out that sound, true berry it would go out properly as No. 1 or No. 2 wheat, because the thing that reduced it from No. 1 or No. 2 wheat to No. 3 or No. 4 had been removed from the wheat.

The PRESIDING OFFICER. Does the Senator from Missouri now yield to the Senator from North Dakota?

Mr. REED. In a moment. I go back to the illustration I used the other day, which is simpler.

If, for instance, No. 1 apples had to be free from apples that were specked or rotten, and if a man were to bring to the market a thousand apples in which were 100 rotten or specked apples, the apples would grade—and I am using a purely arbitrary illustration—not No. 1, but No 2, because there were 100 specked or rotten apples in the thousand. Although the apples come in as No. 2, yet if the purchaser takes out all the specked apples and has left 900 apples without a speck, a flaw, or a blemish, when he sells the 900 apples as No. 1 he works no fraud. He has simply thrown out the element which reduced the grade.

So, when an elevator takes in wheat that is mixed with dirt, whether it is docked or is not docked; when it takes in wheat that is mixed with weed seed or mustard seed, or light grains of wheat, whether it docks or does not dock, the wheat must go in according to the grades generally established in the markets of the world as a low grade of wheat; but when the elevator separates from the whole the bad wheat, the light wheat, the mustard seed, the weed seed, and the chaff, and has left a sound, rich berry, that grain goes out, as it properly should go out, of a higher grade, and docking has nothing whatever to do with it.

The PRESIDING OFFICER. Does the Senator from Missouri now yield to the Senator from North Dakota?

Mr. REED. I do.

Mr. McCUMBER. Mr. President, I do not suppose there is any use in calling the Senator's attention to his errors in that respect, when he says that dockage has nothing to do with it, if he will still insist that it has. As a matter of fact, however, if I should sell a carload of grain in a market where the dockage system was in vogue, and it was a good No. 1 berry, but one-quarter of it was weeds and weed seed, I would still get No. 1 with one-quarter of the weight off. Therefore I would sell my grain, not for anything less because of the foul stuff that was in it, if the berry was No. 1, but for the actual grade that the berry would indicate that it should have, and I would deduct from the weight the estimate given by the inspector and weigher of the amount of foul stuff and seed; and while I paid freight upon that foul stuff and seed, it would be simply given away, or the elevator would use it for the expense of taking it out.

Mr. REED. Mr. President, now let me interrupt the Senator.

Mr. McCUMBER. I simply wish to correct the Senator's assertion that it is the same as the barrel of apples he has mentioned, which is not the case.

Mr. REED. And I still insist upon it.

I want to ask the Senator a question. Does the Senator undertake to tell us that if a man were to bring to an elevator 100 bushels of material, 50 per cent of it being good wheat and 50 per cent of it being inferior and bad wheat or weed seed or other foreign material, the mere fact that the purchaser docked that wheat one-half of its weight would then compel the elevator man, in putting that inferior stuff into his mill, to mark it with a grade such as the wheat separated from the false material ought to have? That is the point at issue.

The Senator undertakes to demonstrate that there is a fraud by showing by the books of one elevator company that a certain amount of No. 4 wheat went in and no No. 4 wheat came out. Of course, although it was docked, it would still go in as No. 4, because that is what it is, and when it was cleaned it would come out as No. 3, if it was No. 3 after it had been cleaned.

Mr. McCUMBER. I tried to tell the Senator that it would not go in as No. 4. If it had No. 2 wheat in it, and it was good No. 2 wheat, it would not go in as No. 4, even though one-third

of it was broken weeds and seeds that could be taken out. It would have its No. 2 grade, less so much in weight taken out, a sufficient amount to cover the foul stuff.

I want to correct the Senator in another respect. When the grain goes into the terminal elevator, it goes in with the certificate that is given to it, with the amount that is taken out for foul stuff. As the Senator from Minnesota [Mr. NELSON] stated the other day, in a great many instances they sow oats and wheat together, half and half, and some farmers would think they would thereby get a better grade. If they had No. 1 wheat, and half of the grain was oats, they would give the full price for the No. 1 wheat and make the deduction for the oats; that would be all. In that respect I think the Minnesota system is the best system in the United States; and I have never condemned the dockage method in any way, shape, or manner.

Mr. REED. Mr. President, a moment's consideration will convince the Senator that he is wrong, always provided that my good friend can be convinced when he has once made up his mind.

Let us assume this ordinary condition of affairs to exist: That a farmer having a wheat field has bad spots and good spots in the field. Upon part of that soil the berry will grow to perfection and will be a No. 1 berry. Upon a poorer portion of the land the berry will be imperfect, and probably will be a No. 2 or a No. 3 berry. Upon still another portion, either because of soil conditions or water or lack of water, the berry may be blighted.

Now, you have three varieties of wheat mixed together. No dockage system can equalize that. You do not throw away these inferior grains. What you do in the elevator is to lift out all of the light grains by a suction process, and they go into a class by themselves. By another process you take out the dirt, and by still a third process you may separate the sounder and larger and better berries from the less developed berries.

How can you allow for that in dockage? What they do in dockage is to make a guess at the amount of false material and sort of lump the thing off; but when the wheat goes in it can not go in as No. 1, for it is not all No. 1. It can not go in except it be graded down according to the false material in it. When you come to take the wheat from the elevator it has been cleaned and separated. Part of it is No. 1, part of it is No. 2, part of it is No. 3, and part of it is No. 4, possibly, or no grade at all. So the "demonstration" that is set forth in this report is simply a false deduction drawn from a condition of facts that is entirely innocent.

On this point, while I do not confess to the wisdom regarding this bill possessed by the Senator from North Dakota, speaking out of the depths of my humiliation, and groping as I am in the clouds of ignorance, I venture to offer the statement of a man who does know—Mr. Crowell. Referring to paragraphs 11 and 12, he says:

> The statement that there are shipped out of the great terminal elevators from two to four times as many of the high grades as were received into the elevator at such places, while nearly all of the lower grades disappear entirely, may or may not be true. It is possible that some isolated records such as this may be discovered, but the practice is not general. It is a fact, however, that many of the elevators buy such offgrades as they think they can improve by handling, drying, cleaning, etc. It is by no means fair to assume that all of the grain that goes into an elevator and misgrades is not fit, after proper and intelligent treatment, to be loaded out as No. 2 wheat; but in raising the grade of the grain the author of the report loses entirely sight of the fact that the owners are subjected to a variety of charges incident thereto. The handling, the shrinkage, and a number of other factors enter into the cost of the improvement, and a glance at the relative values of No. 2, No. 3, and No. 4 wheat in this market should prove conclusively to any unbiased investigator that the difference in values is not sufficiently great after deducting all the expenses of handling to allow an inordinate profit to the buyers.

Mr. LEWIS. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Ashurst	Hitchcock	Nelson	Simmons
Brandegee	Hughes	Norris	Smith, Ariz.
Bristow	James	Oliver	Smith, Md.
Catron	Johnson	Perkins	Smith, Mich.
Chamberlain	Jones	Ransdell	Sutherland
Chilton	Kenyon	Reed	Swanson
Clark, Wyo.	Lane	Robinson	Thomas
Clarke, Ark.	Lea, Tenn.	Saulsbury	Thompson
Crawford	Lewis	Shafroth	Vardaman
Cummins	Lodge	Sheppard	West
du Pont	McCumber	Sherman	Works
Fall	McLean	Shields	
Gore	Martine, N. J.	Shively	

Mr. RANSDELL. I wish to announce that the senior Senator from Louisiana [Mr. THORNTON] is absent on departmental business.

Mr. THOMPSON. I wish to announce that the senior Senator from Wisconsin [Mr. LA FOLLETTE] and the junior Senator from Minnesota [Mr. CLAPP] are absent from the Senate on business of the Senate.

Mr. SHIVELY. My colleague [Mr. KERN] is temporarily absent from the Chamber on important business. He is paired with the senior Senator from Kentucky [Mr. BRADLEY].

Mr. JOHNSON. I wish to announce that the junior Senator from Florida [Mr. BRYAN] is necessarily absent from the Senate on important business.

Mr. SMITH of Michigan. I desire to announce the unavoidable absence of my colleague [Mr. TOWNSEND] on official business.

The VICE PRESIDENT. Fifty Senators have answered to the roll call. There is a quorum present.

Mr. REED. Mr. President, the next illustration I wish to afford the Senate of the highly disinterested character of this report is found in paragraph 13. It reads as follows:

> One single example of the inefficiency in inspecting and grading will be sufficient. The testimony shows that a short time ago one inspector in the city of Chicago inspected in about half a day 250 cars of grain. This required the inspector to walk about 5 miles in going down one side and returning on the other side of the cars. The inspection certainly could not have been very thorough unless he inspected both sides, and with proper implements could determine not only what was at the top but in the bottom and in the middle of each car.

Mr. President, I ask Senators what they think of a committee report that picks out one single instance, one scrap of testimony with reference to one man's work on one day, utterly disregarding the real question, which is "what is the usual and ordinary method of inspecting grain," and "how many cars are inspected on the general average"? Here is one instance picked out, one man selected.

Mr. President, I have been so often overshadowed by the superior wisdom exhibited by the author of this bill that I hesitate to make any statement regarding anything that is grown upon this earth or the method of inspecting it. Of course, I have no advice that rises to senatorial importance and knowledge; I only have the statements of men who have spent 10 or 12 years of their lives in inspecting grain. Venturing, however, to speak by that lowly authority, I remark that where grain is inspected the inspector does not "walk past one side of the car and then walk back on the other side." The statement in the report is a bagatelle, but it serves to point out the fact that there may be a difference of opinion between practical experts and "senatorial experts."

The way grain is inspected, as I am informed and believe and aver the fact to be upon information and belief, and admitting always that I may be mistaken, is this: The inspector goes out in the yards with two or three or four helpers. One of them generally goes ahead and opens the doors of the cars, breaking the seals. A ladder is placed at the door, and two of the helpers go each with his instrument. These instruments are so devised as to reach down to the very bottom of the car and bring up a sample of the grain. The samples are taken by the helpers from different parts of the car and put into a receptacle. By the samples thus obtained the inspector establishes the grade of the grain in the car. He does not trot up one side and down the other of the car.

I only speak of this because it is some slight indication that while infallibility must be ascribed in most respects to this committee, in this one instance they are at least at variance with the testimony of men who know something about the business. But the real point—the point that ought to engage the serious thought of the Senate—is that the committee pick out one single instance, one man's act, probably the most extreme they can find, and proceed solemnly to embalm it in the report. Manifestly the intent was to leave the inference that ordinarily inspection is done so hurriedly as to be farcical.

Coming to paragraph 14 of the report:

> Under the present conditions an enormous system of mixing or adulteration of grain has been built up, and this adulterated grain is forced on all the home markets and also into the foreign market, destroying all confidence in our grades and working to the detriment of the grain trade. That the manipulators and mixers reap enormous benefit through this system is beyond question, but always at the still greater detriment of the producers.

In fact, Mr. President, everything in this report is "beyond question" or "indubitably true" or "can not be disputed." It is the most positive and certain report I ever had the privilege of investigating. It fixes every fact for all time, for all countries, for all climes, and all ages. It proceeds by invariable rules by the "right line" of verity. It is always correct. There is not the "least variation or shadow of turning."

Mr. President, I speak again with that becoming modesty which always ought to accompany mediocrity; hence I do not

claim to know, but I have been informed by men engaged in the milling business and by men engaged in the grain business that the mixing of grains is frequently highly beneficial, and that for the purpose of improving the quality of a flour or for the purpose of making a flour for a special or a particular use it is frequently found not only highly desirable but absolutely necessary to mix grains. But the statement in the report proceeds upon the theory that every time any man has ever mixed two different kinds of grain, even though they were of the same general class of grain, he is a scoundrel engaged in the perpetration of an iniquitous fraud upon his customer. Of course that view leaves out of question these facts, that the customer having been swindled would speedily find another man to buy from; that the great millers of this country are not absolutely helpless; that somehow or other we still are able to produce in this country from wheat thus villainously handled a flour that is devoured by the voracious American citizen.

Mr. Crowell states, as to this paragraph 14:

This is a general statement which can not be borne out and which it is impossible to prove. That the manipulators and mixers of grain reap an enormous profit is entirely imaginary, and the present system, instead of working to the detriment of the producers, is largely in their favor. If the same system were adopted in this country that is adopted in Canada, preventing the handling and improving of lower grades of grain, the result would be that the discount of all grain misgrading would probably be two or three times what it is under existing conditions.

Let us see. If because grain is mixed or has dirt or weed seed in it it is to be denied a market, the farmer will have it left upon his hands to feed to his cattle or his hogs; but if the farmer can take that grain to an elevator and have the good taken from the bad, he thereby obtains a market for his good grain. Only the inferior stuff is left to be fed to cattle and hogs. Of course, the elevator man makes something out of the transaction, but the man who is the greatest gainer is the producer.

There is not in this country, Mr. President, to-day 15 per cent of virgin wheat fit for the mill. It is because our wheat may be carried to a "wheat hospital" and there treated that we realize its full value.

Mr. President, the next statement in this report to which I call attention is paragraph 15, which reads:

Due to the improper certification and the almost impossibility of securing a high grade of American grain abroad, our grain is being discredited in all foreign countries to such an extent as to rapidly decrease our export trade in many sections, while that of Argentine Republic, Canada, and Australia is increasing in the same proportion that our trade is decreasing.

I have already discussed that proposition, because the same statement appears earlier in the bill. I pass it now by simply reading the observation of Mr. Crowell. He states:

It is not a fact that our grain is discredited in all foreign countries, nor is it true that for this reason our exports have decreased rapidly whilst that of Argentina, Canada, and Australia have increased in the same proportion. The fact of the matter is that instead of being an export country we have turned around and become in some instances an importing country. If we have a surplus of either wheat or corn in this country in excess of the requirements, this surplus goes abroad, regardless of the quality. Improper certification has had nothing whatever to do with the volume of business to Europe. There are markets on the other side for our higher grades of wheat, and there are markets also for the lower grades of wheat, and especially is this latter statement true of such countries where the bulk of the population are accustomed to eat rye bread. It may be news to our friend, but nevertheless it is a fact that for several years we have found that such countries as Belgium, Holland, and Germany would buy freely of our lower grades of wheat, whereas they would not begin to pay a price that would justify shipment of a higher grade. The demand for high or low grades of wheat depends entirely on world-wide conditions. If the crops in the Argentine and Russia are of good quality and high grade, a demand sets in for an inferior and cheap grade of wheat from this country in order to cheapen the mixture. On the other hand, where Russia and the Argentine happen to raise a lower grade of wheat, which is often the case, they come to us for our higher grades for the purpose of blending and improving the quality from the other countries.

Mr. President, how sensible that statement is. The judgment of every man must accord with the view that as we meet in the markets of the world the competition of the grains of other countries the demand which comes to us is for the class of grain which happens at that time to be short in the market.

How sensible the statement is; how it must appeal to our candid judgment that "the real reason we are not shipping grain abroad to the same extent as formerly is because there are more mouths to consume it at home." And yet because our foreign trade has fallen off somewhat that circumstance is seized upon by the authors of this bill as conclusive evidence that we have a bad system of inspection. These gentlemen ignore the insignificant fact that within a few years our population has mounted from 45,000,000 to 90,000,000 and that our exports of grain have decreased simply because we have 45,000,000 more mouths at home to eat what we produce.

The next paragraph of the report is 16. It reads:

Under the present system purchasers are compelled to accept the certification at the great terminals and have no recourse when the product received fails to measure up to the standard of certification.

Of course, everyone must know that if grain were habitually certified from the Kansas City market purchasers of grain all over the world would shun the Kansas City market just as the ordinary man would shun a place infected with smallpox. They would go to some honest market where there was honest inspection, and Kansas City would be left with her grain upon her hands. What is true of Kansas City would be equally true of the great market of Chicago, of the great markets of Minnesota. The men who buy wheat and place it in elevators and ship it to these terminal markets and the great millers, who use hundreds of thousands of bushels in a month's time, are neither fools nor dupes. If the grain that they obtained from any market was habitually falsely certified, we all know they would cease buying in that market. Yet here is a broad indictment charging that inspections, whether conducted by sworn officers of a State or by commissioners created by boards of trade, in any and all cases are nothing but a device to promote a general conspiracy to plunder and rob.

Yet, as I pointed out earlier in this debate, the State grain inspectors are required in my State to give as high as a $20,000 bond and every deputy a $10,000 bond, and in the State of Minnesota similar bonds are given, although I think not quite so high, and upon those bonds every man injured has his right of action. In addition to that, a false certification is punished by fine or imprisonment. Not a single one of the safeguards now graven upon the statute books of the States that have official grain inspection is even hinted at in this bill. Our solace must be found in the assumption that a Government appointment immediately changes the nature of man, remodels his whole mental and spiritual apparatus, transforming him into a saint incapable of mistake and absolutely without capacity for wrongdoing.

Mr. President, if the indictment the Senator brings against all the State boards of this country is a true one, then human nature has sunk to a point so low that neither appointment by the Federal Government nor supervision by the Secretary of Agriculture will bring a remedy. Nothing but the dawn of a new day, the oncoming of the millennium, and the saving grace of religion, completely regenerating our fallen race, will ever enable us to get an honest man to act as a Government inspector, even if we pass this bill.

Paragraphs 17 and 18 of the indictment charges that—

(18) The price of our grain is finally fixed by the foreign or general demand.

The Senator from North Dakota will have to back away from that statement. I might make it, a Democrat might make it, but the last man of all this round earth who ever ought to make it is the distinguished author of this most interesting legislative proposition. I have heard him upon the floor of the Senate, in words so hot they burned like flame and in accents so pathetic as to melt the very mountains' granite ribs, declare that the price of the grain in this country is not fixed by the price of the surplus in Europe, but is in some mysterious way fixed by the tariff laws passed here in Washington.

I think I will read what Mr. Crowell has to say on this paragraph:

18. The price of our grain is not by any means in all cases finally fixed by the foreign demand. For several years recently the values in this country have been above an export basis, and our values have had no relation whatever to values in other countries. Our producers, therefore, have been able to obtain a far higher price for their grain in such years than the general foreign conditions justify.

I transfer that bit of solace over to my good friend the Senator from Michigan [Mr. SMITH], who is paying me the compliment of his attention, because he at least has remained logical, while our friend from North Dakota has abandoned the traditions of his party, and notwithstanding the declarations of all its high priests and ministers, has suddenly come to the declaration that the price of the surplus product fixes the price of the home product.

Paragraph 19 is as follows:

So universal and so intense have these complaints grown that an association has been organized in Europe with the object of securing some relief against false certification, and thereby facilitating foreign trade in American grain. Appeals have been made to the Secretary of Agriculture and the President of the United States for legislation on the part of this Government which will secure reliable certification.

As to that, Mr. Crowell, who knows about international trade, has this to say:

19. We do not know of any association that has been organized in Europe with the object of obtaining relief against false certificates. There may be such an organization, but we have not heard of it, and we believe that it will be found that any complaint that they have to register will be confined to one or two small ports, where, possibly, proper supervision does not exist.

Mr. President, I call particular attention at this moment to the statement in this report that appeals have been made to the Secretary of Agriculture and the President of the United States

for legislation on the part of the Government which will secure reliable certification. By this the committee appeals in the name of the Agricultural Department; yet the singular fact is that the Department of Agriculture has indorsed a bill providing for supervision of the grain business and the fixing of grades and has filed what amounts to a protest against this bill. Is it not strange that the committee, instead of pushing the bill of the department, seeks to head it off by this bill? Why does the Senator from North Dakota fail to make mention of the fact that the Department of Agriculture stands sponsor for a very different bill than this? The Department of Agriculture is a good thing to conjure with when you need it, but its opinions are absolutely without validity or value when they happen to interfere with the development of the little ewe lamb that the Senator has so long warmed in his bosom.

Paragraph 20 of the report is as follows:

This rigid and easy inspection system opens up another avenue of fraud—

All this committee could see was "fraud." They were looking through the jaundiced spectacles of prejudice, and everybody they saw seemed to them to be engaged in fraud. I have not any doubt that if the committee had assembled on the banks of the Mississippi River, it would have unanimously declared that the mighty torrent sweeping onward to the sea was covered with a green scum an inch thick. Everybody was engaged in fraud.

Paragraph 20 reads:

This rigid and easy inspection system opens up another avenue of fraud. The rules can be changed by the boards at any time, and grain which when it started on its journey toward a terminal would measure up to a certain grade will fall short on its arrival, and grain already in the elevator will be raised a grade by this elastic process.

Mr. President, if those practices have been going on, then our grain merchants are knaves who all ought to be in the penitentiary, our elevator men are fools who ought to be in the lunatic asylum, and our millers are imbeciles who ought to find a home within the walls of institutions devoted to the cure of idiots.

It is not stated that fraud is occasionally perpetrated; that an abuse sometimes creeps in. The indictment is sweeping. It covers everybody, apparently, who ever had a handful of wheat in his possession or a speck of flour upon his garments, save and except the farmer.

Here is what Mr. Crowell says, and what Mr. Crowell says is in consonance with the plain common sense of the matter:

20. The inspection rules can not be changed by the boards at any time, and we would very much like the author of the report to show us when and where any board of trade has autocratically raised or lowered the standards of grain at their discretion. In the first place, the States would not permit it, and the boards of trade, as large commercial organizations, would be foolish to attempt it.

But I pass on without further comment.

Thus saith the committee:

(21) The evidence taken before the committee established beyond question the fact of a systematic determination on the part of exporters not to export our highest quality of grain without mixture, because we would thereby establish such a high standard of quality that we might not be able to meet the demand, and because of this our high-grade grain must suffer a depreciated value to the extent to which it is adulterated.

Mr. Crowell has this to say of that statement—I read his comment, and make it mine, assuming the full responsibility for the language:

This is too childish to attempt to contravene, and we would like very much for the author of the report to get into the export business himself for a short time and learn a few facts. There is no systematic determination on the part of the exporters not to export our highest qualities of grain without admixture. The fact of the matter is that the European buyer will not pay for the highest qualities. We are referring now to such grades as we are conversant with, namely, hard winter wheat. It is well known that there are very many varieties of No. 2 hard winter wheat, some commanding a premium of 5 or 6 cents a bushel over others. These expensive classes the foreigner will not take hold of, and an investigation would disclose the impossibility of inducing foreigners to buy what we consider the high grades of milling wheat that are used by our own millers in this country.

I suppose if you had Federal inspection, you would change the whole course of trade in Europe, and you would suddenly cause the European miller, who does not now want these high, fine grades and can not use them, to develop an appetite among his people for that particular kind of wheat. The trouble with this report and with this bill is that they absolutely ignore all present conditions. I read now from the report of the committee:

(22) The testimony taken by the Interstate Commerce Commission in its investigations of the relation between railway lines and elevator interest shows a very extensive system of plugging cars from the loaded elevators for domestic use. It is customary to deduct arbitrarily a certain number of bushels from every car of grain and also a certain number of bushels in addition, called dockage. As the grain is elevated in the elevator it passes through a suction draft which removes from it the lighter kernels, all weed or grass seed, and foreign matter. That which is removed is again cleaned; the worst portions are then sold for about $8 per ton, and the balance, called screenings, is surreptitiously loaded from the elevator into the middle of the cars of high-grade grain.

The statement is not that plugging occasionally occurs. Ah, no; we are told plugging is the general custom and practice. The grain-elevator men seem to be a sort of agricultural blackhand society, earnestly engaged in taking the chaff out of all the grain in the car in order that when they reload they may put all of the chaff back in the middle of the car. And we are told the custom is general, and that the poor fellow who buys is simply helpless. He can not say anything; there he is, in the grasp of the octopus, without courts of justice to appeal to, without other markets to go to. He sits supine and scarce with pallid lips dare pray the Lord to save him from the monster who at one moment is engaged in taking chaff out of the grain as it is taken from the car into the elevator, and the next moment is putting the chaff back in the grain as it is reloaded from the elevator. Well, Mr. Crowell says of that:

The statement that the testimony taken by the Interstate Commerce Commission in its investigation discloses a very extensive system of plugging cars from the loaded elevators for domestic use is absolutely not true. A willful plugging of cars by any member of a reputable exchange would immediately cause his expulsion. We are speaking of the conditions existing at terminal markets to-day, and the statements made in part in section 22 appear to the writer to be absolutely malicious and unworthy of consideration.

Of course, there is an occasional plugging. Of course, there is an occasional rascal. One of those gentlemen was caught in Kansas City, was tried, and was expelled from the board of trade. His evidence is singled out and quoted by the committee. If this distinguished witness had not been caught and had not been tried, he would not have been here crying "reform." It seems to me, Mr. President, that an entire business ought not to be indicted, tried, and condemned upon the testimony of any animal that appears upon the stand with his mouth full of wool.

Paragraph 23 of the report states:

It is estimated that less than 4,000 men, comprising the various boards of trade, control the trade of the country in grain and arbitrarily fix the grades and price to be paid the producer. These boards of trade are banded together for the purpose of controlling the business, while the farmers or producers and small shippers are unorganized and unable to secure adequate justice.

Ah, what a sweet song that would be to sing out on the prairies of North Dakota! How it would be welcomed by all gentlemen who know nothing about the grain trade! But I imagine the old, horny-handed farmer of North Dakota is not in that class; he knows that when he sells his wheat he does not sell it to the board of trade of Minneapolis; that he does not sell it to a board of trade man in Kansas City; but that he sells it to some elevator man, and that elevator man would no more submit to robbery by the boards of trade than would the farmer submit to robbery by the merchant of his town; on the contrary, if the boards of trade of this country were banded together and the elevator man had a million bushels of wheat stored, or a hundred thousand bushels of wheat stored, and he found that a board of trade trust actually existed and the price offered was inadequate, he would send his grain at once to Europe; and, unless the trust was world-wide and embraced every place of consumption within the confines of this old earth, he would find a place where he could market his grain.

Of course if the farmer had to haul the grain around in his wagon, he could not do that; but the farmer sells to the elevator man, and the elevator men are in competition in most parts of the country. If they are not in competition but are in combination, then that is a question to be reached by our trust statutes.

I again read from the report of the committee:

(24) In those sections where the great terminal elevators have their line of smaller elevators throughout the country they are enabled not only to fix the price, but in many instances give instructions as to what grade shall be given at any elevator, irrespective of what the grain would properly grade.

That is a most astounding statement. If it is true, the doors of the penitentiary ought to be opened; the machinery of the Federal Government ought to be employed as to all such combinations, the prosecuting attorneys of the various States ought to get busy under the State statutes, and we ought to have a procession of board-of-trade men marching to the penitentiary. If it is not true, then it ought not to appear in this report. Does anybody here seriously think now that it is really the fact? Do they not rather conclude that, while this committee did not intend to do anything wrong, in some way or other their minds were so inflamed that imagination became more active than was their intellect. As to that paragraph Mr. Crowell says:

It is not true that where the great terminal elevators have a line of smaller elevators throughout the country that they are enabled to fix the price or control the grain. Competition alone and solely governs

the price, and the buyers at the elevators are obliged to use their own discretion as to the grade of grain, and in many cases pay for a higher grade than is warranted by the eventual judgment of the markets to which the grain is shipped.

Mr. President, I might follow up the other four or five paragraphs of this report, but I have pursued this subject ad nauseam. Let me pause here long enough to make one point clear, if I am able to do so.

State grain inspection or board-of-trade inspection or Federal inspection at the great terminal markets does not, will not, and can not directly protect the farmer, because the farmer has sold his grain before it arrives at that point. If you propose to protect the farmer as to grades of grain, there is just one way you can do it, and that is to place an official inspector at every sidetrack where the farmer unloads his grain when he is selling it to the country grain buyer. If you inspected it at that point, you might then be able to protect the farmer against the artifices of the grain buyer, who tries to convince him No. 1 grain is No. 2. If you would protect the farmer, you must do so at or before the time he sells his grain. Neither State inspection nor board-of-trade inspection nor the inspection contemplated by the bill under discussion proposes to stand by the farmer's wagon, inspect his grain, and tell him what the proper grade is. While it is true that under this bill there are 15 inspection places named in the United States, and that authority is given to the Department of Agriculture to establish other inspection places, the Senator in charge of the bill will not pretend to say that it is proposed to have grain inspectors at the sidetracks along the railroads in the country villages where the farmer delivers his grain. The moment the Senator would make that statement his bill would go out of the Senate, because that would require an army of Government agents, who, like the lice of Egypt, would spread themselves over the land and devour our substance.

My attention is called to the fact that the denatured-alcohol proposition went to pieces because the Government could not furnish that kind of inspection.

So let us get the farmer out of our mind. The farmer is not in this bill. Who is in the bill? The big elevator companies, the board-of-trade men, and the big mills. Those are substantially the only men who will be protected.

But, sir, the bill as drawn, as I have already argued, will compel the inspection, notwithstanding what I have just said, of vast quantities of grain that now never reach the terminal markets, but which is consumed substantially in the country where it is raised. It will involve a change in our system of doing business that will be injurious to the producer, injurious to the consumer, and throw our interstate business in grain into chaos. I insist that I have demonstrated from the language of the bill—if, indeed, it needed demonstration, for the language itself is scarcely susceptible of two constructions—that under this bill a farmer can not buy a load of grain upon one side of a State line and haul it across to the other side to feed to his own cattle and hogs without laying himself liable to a fine of $5,000. The only grain that can cross a State line under the terms of this bill is grain that has been inspected, and the only places nominated for inspection are the 15 cities of the United States named in the bill, 5 of them down here on the eastern coast, 3 of them out in the great interior—Chicago, St. Louis, and Kansas City—2 at the extreme north, and the rest of them west of the Sierra Nevada Mountains; so that—and I repeat what I have already said, hoping that some Senator may have come into the Chamber since I made the remark—if a feeder in the State of Ohio wanted to buy a carload of corn from a producer or from an elevator man in the State of Indiana, that corn would have to be shipped to Chicago, there graded, and then hauled clear back to Ohio; so that a farmer in Pennsylvania who wanted to buy a load of corn that was raised in Ohio would be forced to have the corn sent to Philadelphia to be graded, instead of being shipped directly to his home.

Although this bill has been prayed over, thought over, sweated over, and toiled over for six years, yet it is admitted that it will, unless amended, produce the results I have just indicated. It is true an amendment has been offered for the purpose of obviating the objection that I am discussing. I deny that the amendment will avoid the difficulty.

Mr. President, why this bill? The chairman of the committee which considered the bill was out of the city, and while he was out of the city this bill was reported. In the meantime, during the six years that this proposition has been pending in Congress, the Federal Government has not been idle. Six years ago a clause was inserted in an appropriation bill providing an appropriation to enable the Department of Agriculture to examine into the question of grades and to fix grades and standards so that there would be one grade and one standard set up by the Government, which it was expected would be adopted by all boards of trade and by all State warehouse commissions or State grain-inspection departments. Proceeding under that authorization, the Government undertook the examination of the question of grades of corn. There has been a total of $389,880 appropriated and six years of time used up in order to ascertain what are the proper grades of corn, and corn alone, and the pending Agriculture bill contains a further appropriation of approximately $75,000.

At the end of this investigation, exhaustive and careful as it was, the Government has just recently promulgated its decision as to corn; and, sir, all of its wisdom and all of its effort is set forth in this one sheet of paper which I hold in my hand and which is entitled "Grades for commercial corn," signed by B. T. Galloway, Acting Secretary of Agriculture. That is the result of six years of labor. I ask to have it incorporated as an addendum to my remarks.

The VICE PRESIDENT. Without objection, that may be done.

Mr. REED. And even now, after all that labor, experts claim that a serious mistake has been made in the specifications relating to the moisture test; but I do not care to discuss that. The department will prosecute the work further under the pending appropriation bill, which the Senator from Oklahoma [Mr. GORE] is here urging, and which carries an additional appropriation of, I think, about $78,000 for "continuing the work of investigation, classification, and fixing of grades as to the other cereals."

If Federal inspection is so much better than State inspection, if Federal authority is so much higher than the authority of any State board, why not pay some heed to the recommendations made by the Federal authorities in opposition to the very bill we are considering? If Federal employees will do the work of inspection better than any State board or any board of trade, if when we get official inspectors everything is to be absolutely perfect, it must be because of the superior wisdom possessed by Federal officials. If that is to be true in the future, it must be true at the present time.

Why, then, do we not accept the advice of the Agricultural Department? Coming then to the point, after the expenditure of $389,880 and after the employment of six years of time, what is the recommendation of the Department of Agriculture? Is it, sirs, that we shall adopt the bill advocated by the Senator from North Dakota? It is nothing of the kind. It is a distinctly different recommendation.

Bear in mind that Federal authority is always sufficiently ready to extend the scope of its power. It is not because the board is wicked or selfish, but because power creates the appetite for power. Yet, with that rule working, the Department of Agriculture does not recommend the bill introduced by the Senator; the department recommends an entirely different proposition.

Singularly enough, while the Senator from North Dakota quoted from the department, he did not dwell at length upon what the department says with reference to his bill. Mark you, there is a difference between Government inspection and Government supervision. Government inspection is provided for by the McCumber bill. That bill proposes that the employees shall be appointed by the Government to inspect the grain, to fix the grades, and to do all of the work; but Government supervision requires only that the Government shall fix standards and that there shall be here and there a man stationed to see that these standards are enforced.

What says the department in regard to this? The man who has up to this time had charge of investigations heretofore prosecuted by the Agricultural Department is J. W. T. Duvel, crop technologist. I put in the RECORD his letter of April 28, together with the statement thereto attached:

UNITED STATES DEPARTMENT OF AGRICULTURE,
BUREAU OF PLANT INDUSTRY,
Washington, D. C., April 28, 1914.

Hon. JAMES A. REED,
United States Senate.

DEAR SIR: In keeping with your verbal request of yesterday, I am sending you herewith brief statement of our grain standardization investigations showing the need of the standardization of grain grades, of legislation to compel the uniform application of these standards in all markets, the amount so far expended on these investigations, and some of the reasons why the department favors *Federal supervision* as provided for in House bill 14493 and Senate bill 4894 rather than *Federal inspection* as provided for in Senate bill 120.

Very truly, yours,

J. W. T. DUVEL,
Crop Technologist in Charge.

I shall not take the time of the Senate to read all of the statement inclosed to me, although I desire to have it published in

the RECORD as addenda to my remarks. I call attention to this language:

As a result of the detailed investigations of the department during the more recent period of its grain-standardization investigations, *it is fully convinced that a system of rigid Federal supervision*, such as is provided for in House bill 14493 and Senate bill 4894, will be equally as *effective in establishing and maintaining a uniform system of grading as would be possible under Federal inspection.* Moreover, under Federal supervision there does not seem to be any possibility of a clash between Federal and State authorities in those States which now have laws governing the inspection and grading of grain in the States of Kansas, Illinois, Minnesota, Missouri, Montana, Oklahoma, Washington, and Wisconsin (partial). *Further, even under a system of Federal inspection, it would be necessary for the department to maintain a system of Federal supervision very similar to that now provided for in House bill 14493 and Senate bill 4894, for without such supervision even under Federal inspection it would be impossible to keep the grading on a uniform basis owing to the difference in quality of the grain received at the different markets. Such a supervision would have to be maintained to keep the inspectors lined up.*

So, Mr. President, the Department of Agriculture, this great and infallible Department of Agriculture, to which the Senator from North Dakota shall take all of the inspection of grain away from the States because, as he alleges, it can do it better than the States, condemns the Senator's own bill and recommends that an entirely different measure be passed.

I do not mean to claim that the opinion of the Department of Agriculture ought to control the judgment of the Senate, but I do say that it ought to be a very potential argument to address to those who assert the doctrine of Federal infallibility.

Mr. President, how much will it cost to carry on Federal inspection? Nobody can tell. I invite the attention of the Senate again to the fact that in reading the bill I pointed out clearly that the Secretary of Agriculture is given the right to employ an unlimited number of men, at unlimited salaries, at an unlimited number of places, and to make all the rules and regulations which seem to him wise and proper. There is no limitation upon his authority. You make him the autocrat of the grain trade of the United States, the absolute dictator.

When I was asked the other day how much this would cost I was unable to reply, because only the infinite God, who can look down the coming years and tell us who will be the Secretary of Agriculture, and what the condition and frame of his mind may be, can answer how many places of inspection will be created, how many persons will be employed, or what salaries will be paid. But, sir, we have a little in the way of an estimate as to the cost if the system is inaugurated under the present Secretary of Agriculture, and if the places of inspection are limited to the 15 points named in the bill. Instead of the cost being $875,000, as the Senator stated, undoubtedly in the best of faith, it will, in the opinion of this crop technologist, amount to $1,500,000. Moreover, instead of the cost being 50 cents a car, as the Senator estimates, it will, according to the estimate of Dr. Duvel, be $1. If we add intrastate inspection, as contemplated by the bill, then who shall say where the bounds and limits of the number of employees or of the expense are to be fixed?

Dr. Duvel declares:

On the basis of our investigations, it is believed that the cost of inspecting grain outright by the Federal Government would be approximately $1 per car to do the work thoroughly, and that it would take a total appropriation of not less than one and one-half million dollars.

The committee's report has been filed only 90 days. Within that short period the estimate of the committee has grown from $350,000 to $600,000, as stated in the report, to $850,000, as stated in the bill, and now comes the Agricultural Department with an estimate of $1,500,000. An estimate which within 90 days of time increases from $350,000 to $1,500,000 is certainly in a healthy, growing condition. All this has, of course, transpired before the bill has become a law. The experience of the past indicates that after a law has been enacted the appropriations grow faster than Jonah's gourd. If the estimate has within 90 days increased fourfold, what will be the limit of its burden upon our people?

Oh, but—

Says the Senator from North Dakota—

this is not to come out of the coffers of the Government. Every dollar of it will be paid back.

Mr. President, I know of no way of expending $1,500,000 unless somebody, at some time and some place, has to pay it. In the end it represents that much of sweat and labor; that much of the agony of toil. If we are to collect back this money which we are to pay out, we must get it from somebody. Now, who will have to pay it?

Why, sir, I affirm that the farmers of the United States will pay every dollar of it. Every dollar of expense that is incurred, from the time the wheat leaves the farm until it reaches the ultimate consumer, must be deducted from the value of the wheat.

If the farmer of North Dakota could transport his wheat without cost to a market in Europe, he would get a greater price than he gets now. He obtains to-day a price which is lessened by the elevator charges, by the railroad charges, by the steamship charges, and by the inspection charges. This burden of $1,500,000 will fall upon the farmers of the country just as an increased charge of transportation ultimately comes out of the man who produces at a distance from the market and who must pay the charge to get his product to the market.

Sir, the fact that the burden of paying the $1,500,000 to be expended under this bill is to be ultimately collected from the farmers does not commend it to me. It is no great improvement over taking the money from the coffers of the United States.

Mr. President, I have violated a rule I have not broken in many years—of not talking more than an hour and a half on any proposition. I have taken this time because I thought it was necessary to read the report item by item, paragraph by paragraph, and reply to these paragraphs seriatim. I have also consumed much time in reading into the RECORD original documents. I apologize to the Senate for having so long wearied it. I hope when the bill comes to be voted upon the Members of this body will understand that it is revolutionary to the last degree, and that it is probably the most thoroughly undigested bit of legislation that has been proposed in the Senate for many years.

APPENDIX.

UNITED STATES DEPARTMENT OF AGRICULTURE,
OFFICE OF THE SECRETARY,
Washington, D. C.

GRADES FOR COMMERCIAL CORN.

By virtue of the authority vested in the Secretary of Agriculture by the acts of Congress of June 30, 1906 (34 Stat., 669), and of March 4, 1913 (37 Stat., 828), to fix definite grades of grain, the following grades for corn are hereby fixed and promulgated, to take effect on July 1, 1914:

Grade classification (white yellow, and mixed corn).	Maximum percentages of—			
	Moisture.	Damaged corn.	Foreign material, including dirt, cob, other grains, finely broken corn, etc.	"Cracked" corn, not including finely broken corn. (See General Rule No. 9.)
No. 1	14.0	2 Exclusive of heat-damaged or mahogany kernels	1	2
No. 2	15.5	4 Exclusive of heat-damaged or mahogany kernels	1	3
No. 3	17.5	6 Exclusive of heat-damaged or mahogany kernels	2	4
No. 4	19.5	8 May include heat-damaged or mahogany kernels not to exceed— ½ per cent	2	4
No. 5	21.5	10 May include heat-damaged or mahogany kernels not to exceed— 1 per cent	3	5
No. 6	23.0	15 May include heat-damaged or mahogany kernels not to exceed— 3 per cent	5	7
"Sample"	See General Rule No. 6 for sample grade.			

GENERAL RULES.

(1) The corn in grades No. 1 to No. 5, inclusive, must be sweet.
(2) White corn, all grades, shall be at least 98 per cent white.
(3) Yellow corn, all grades, shall be at least 95 per cent yellow.
(4) Mixed corn, all grades, shall include corn of various colors not coming within the limits for color as provided for under white or yellow corn.
(5) In addition to the various limits indicated, No. 6 corn may be musty, sour, and may also include corn of inferior quality, such as immature and badly blistered.
(6) All corn that does not meet the requirements of either of the six numerical grades by reason of an excessive percentage of moisture, damaged kernels, foreign matter, or "cracked" corn, or corn that is hot, heat damaged, fire burnt, infested with live weevils, or otherwise of distinctly low quality shall be classed as sample grade.
(7) In No. 6 and sample grade, reasons for so grading shall be stated on the inspector's certificate.
(8) Finely broken corn shall include all broken particles of corn that will pass through a perforated metal sieve with round holes nine sixty-fourths of an inch in diameter.
(9) "Cracked" corn shall include all coarsely broken pieces of kernels that will pass through a perforated metal sieve with round holes one-quarter of an inch in diameter, except that the finely broken corn, as provided for under rule No. 8, shall not be considered as "cracked" corn.
(10) It is understood that the damaged corn, the foreign material, including pieces of cob, dirt, finely broken corn, other grains, etc., and the coarsely broken or "cracked" corn, as provided for under the various grades, shall be such as occur naturally in corn when handled under good commercial conditions.
(11) Moisture percentages, as provided for in these grade specifications, shall conform to results obtained by the standard method and tester, as described in Circular No. 72, Bureau of Plant Industry, United States Department of Agriculture.

In testimony whereof I have hereunto set my hand and the official seal of the Department of Agriculture this 3d day of January, 1914.

[SEAL.]

B. T. GALLOWAY,
Acting Secretary of Agriculture.

STATEMENT OF GRAIN STANDARDIZATION.

Our grain-standardization investigations have been carried on with a view of securing definite and reliable data to serve as a basis for the

fixing of definite standards for the grading of commercial grain entering into interstate and foreign commerce, such standards when fixed to be uniform throughout the United States.

NEED OF STANDARDIZATION OF GRAIN GRADES.

This work was first definitely organized in 1906 as a result of the numerous complaints being received by the department as to the lack of uniformity in the grading of grain in the various markets. The investigations of the department have shown that the complaints were well founded, and, in addition to showing that there is no uniformity in the grading of grain in the different markets, it has been found that there is also a wide variation in the grading in the same markets during different years, or even during different seasons of the same year, even though the wording of the grade specifications and rules may remain the same.

LEGISLATION TO COMPEL UNIFORM APPLICATION IN ALL MARKETS.

The members of the grain trade have earnestly attempted to improve these conditions, and through the efforts of the Grain Dealers' National Association the uniform rules for grades as promulgated by that association were adopted in whole or in part by many of the markets. The national association, however, in the absence of any authority to enforce the rules, was not able to maintain uniformity, which condition is now fully conceded by the association. Moreover, the grain trade is now practically unanimous in the belief that there should be a standardization of grain grades by the Federal Government, such grade specifications to be based on sound scientific principles. Such standards have already been fixed for corn after thorough investigations and hearing given by the Secretary of Agriculture to the grain interests at large. With but few exceptions, the grain interests of the country are likewise strongly in favor of some Federal control of the grading of grain entering into interstate and foreign commerce, in that it has been fully demonstrated that such control is necessary in order to maintain a uniform application of the rules and standards which may be fixed from time to time. While there is most urgent need for some specific legislation to bring about uniformity and reliability in grading, there is, however, some differences of opinion as to the form in which this authority should be applied. Some of the grain trade believe that the Federal Government should assume the entire burden and responsibility of inspecting and grading grain; a greater number, however, favor Federal supervision rather than Federal inspection.

REASONS WHY DEPARTMENT FAVORS FEDERAL SUPERVISION.

As a result of the detailed investigations of the department during the more recent period of its grain-standardization investigations, it is fully convinced that a system of rigid Federal supervision, such as is provided for in House bill 14493 and Senate bill 4894, will be equally as effective in establishing and maintaining a uniform system of grading as would be possible under Federal inspection. Moreover, under Federal supervision there does not seem to be any possibility of a clash between Federal and State authorities in those States which now have laws governing the inspection and grading of grain in the States of Kansas, Illinois, Minnesota, Missouri, Montana, Oklahoma, Washington, and Wisconsin (partial). Further, even under a system of Federal inspection, it would be necessary for the department to maintain a system of Federal supervision very similar to that now provided for in House bill 14493 and Senate bill 4894, for without such supervision even under Federal inspection it would be impossible to keep the grading on a uniform basis owing to the difference in quality of the grain received at the different markets. Such a supervision would have to be maintained to keep the inspectors lined up.

On the basis of our investigations, it is believed that the cost of inspecting grain outright by the Federal Government would be approximately $1 per car to do the work thoroughly, and that it would take a total appropriation of not less than one and one-half million dollars. This, I presume, however, is not at item of importance, as the service would be made practically self-sustaining.

AMOUNT EXPENDED ON GRAIN-STANDARDIZATION INVESTIGATIONS.

The total expenditures on the grain-standardization investigations to date have been approximately $375,000, as shown on the accompanying sheet, the total lump-fund appropriations available for the eight years being $389,880.

Mr. McCUMBER. Mr. President, I do not know, of course, with what purpose the Senator set out in trying to arrive at a conclusion as to what this bill really is. I can simply say that if his purpose had been to misrepresent and to misinterpret it, he could not have been more successful in his effort than he has been.

I do not desire to take up the matter for discussion at this late hour. I desire more than anything else to have an opportunity to get a vote upon the bill, and to get a vote upon it to-morrow, if possible. While we should take a day or more to reply to the long addresses that have been made against it by the Senator from Illinois [Mr. SHERMAN], the Senator from Minnesota [Mr. NELSON], and the Senator from Missouri [Mr. REED], I am especially desirous of closing in the shortest possible time and yet have an opportunity to reply briefly to their arguments.

I shall ask, then, unanimous consent for a time to vote; and, preliminary to that, as there must be a call of the roll, I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Ashurst	Fall	Nelson	Smith, Ga.
Brady	Gore	Norris	Smith, Mich.
Brandegee	Hitchcock	Overman	Smoot
Bryan	Hughes	Perkins	Sterling
Burton	James	Ransdell	Thomas
Catron	Johnson	Reed	Thompson
Chamberlain	Jones	Robinson	Vardaman
Chilton	Lane	Shafroth	Walsh
Clark, Wyo.	Lea, Tenn.	Sheppard	Warren
Clarke, Ark.	McCumber	Sherman	West
Cummins	McLean	Simmons	
Dillingham	Martine, N. J.	Smith, Ariz.	

Mr. LANE. I wish to announce that the junior Senator from Minnesota [Mr. CLAPP], the senior Senator from Wisconsin [Mr. LA FOLLETTE], and one other Senator, whose name I have forgotten, are in attendance on the Indian Affairs Committee.

Mr. SMITH of Michigan. I desire to announce the unavoidable absence of my colleague [Mr. TOWNSEND] on business of the Senate.

The VICE PRESIDENT. Forty-six Senators have answered to the roll call. There is not a quorum present. The Secretary will call the names of the absentees.

The Secretary called the names of the absentees, and Mr. BRISTOW and Mr. KENYON answered to their names when called.

Mr. VARDAMAN. I desire to announce the unavoidable absence of the junior Senator from South Carolina [Mr. SMITH]. He is absent on important business.

Mr. SHIVELY entered the Chamber and answered to his name.

Mr. WALSH. I desire to announce the absence of my colleague [Mr. MYERS]. He is still detained from the Senate by illness.

The VICE PRESIDENT. Forty-nine Senators have answered to the roll call. There is a quorum present.

Mr. McCUMBER. Mr. President, while the discussion against this bill has continued during several weeks, and while I really ought to have more time than I shall certainly attempt to allow myself to reply, I am desirous of bringing this matter to a speedy conclusion. As there will be, I think, but three or four more speeches at most, the Senator from Oklahoma [Mr. GORE] desiring to explain his amendment, and the Senator from South Dakota [Mr. STERLING] desiring to speak briefly, and I desiring very briefly to answer, I ask unanimous consent that to-morrow at 1 o'clock the unfinished business may be laid before the Senate, and that not later than 4 o'clock to-morrow afternoon the Senate shall proceed to vote upon the bill and all amendments thereto, and that not more than five minutes' time shall be consumed by any Senator in explaining any amendment offered to the bill, and that no Senator shall speak more than once upon the same amendment after 4 o'clock.

Mr. REED. Mr. President, I wish to ask the Senator a question for information. The time limit upon speeches the Senator fixes as beginning at 4 o'clock?

Mr. McCUMBER. Yes; and the time limit upon amendments.

Mr. REED. Yes. I suggest to the Senator that he add to his proposition that prior to 4 o'clock no one shall be permitted to speak longer than 30 minutes.

Mr. McCUMBER. Mr. President, I hardly think that would be fair.

Mr. REED. With the exception of the Senator himself, who shall be accorded an hour's time. That would leave a little time for other Senators. Would not that be satisfactory?

Mr. McCUMBER. It would be satisfactory to me, but not to others, and I may take less time than that.

Mr. REED. I want some limit, if we are going to fix an hour to-morrow when we shall begin voting upon amendments and the speeches then shall be limited to five minutes. I am in accord with that idea; but I think the time intervening between 1 o'clock and 4 o'clock ought also to be embraced within the time-limit regulation—not the five-minute regulation, but some reasonable limit—so that one Senator can not take the floor and hold it to the exclusion of everybody else. I do not mean that the Senator from North Dakota would do that. I should be just as likely to do it as he.

Mr. McCUMBER. I want to speak, but I do not think I will take over an hour. I expect to get through in less than an hour; but I should not want to take it upon myself to limit some other Senator to exactly 30 minutes.

Mr. NORRIS. Mr. President, I should like to suggest to the Senator that while I am as anxious, I think, as he to reach a conclusion on this bill, I have given notice that I shall address the Senate to-morrow after the conclusion of the routine morning business; and if his request is not objected to, it will necessarily cut me out. I do not care to speak on the grain-inspection bill; but even assuming that the routine morning business will not consume much time to-morrow morning, I shall not be able to finish by 1 o'clock. I shall require, I think, between an hour and an hour and a half.

Mr. McCUMBER. Would not the Senator, to accommodate us, make his speech on Saturday, so that we may get through with this bill to-morrow? It has been on the calendar so long and it has been discussed so long that we are all getting very anxious to vote on it.

Mr. NORRIS. I understand that, but it seems to me the bill ought not to be used to cut out everything else. It has been given very generous consideration. As the Senator knows, I

am in favor of the bill, and I would not want to do anything to jeopardize it; but it occurred to me that the Senator might commence at the regular hour, at 2 o'clock to-morrow, or if there was an understanding that immediately after the morning business I might make my remarks, if I am not interrupted and the morning business does not consume much time to-morrow morning, I will be through before 2 o'clock. Of course I would want to finish, however, if I commenced. If the Senator's request could be modified so that we would commence with the bill at the conclusion of my remarks. I do not believe it would delay the Senator. If the morning business should be short, as it often is, it would not delay the Senator beyond half past 1.

Mr. McCUMBER. I will say to the Senator that I would be willing to modify it so that we will have the matter before the Senate at half past 1 and vote at half past 4. I think the Senator could get others to agree as to the morning business and allow him to go on immediately after the routine business. I do not think he would find any objection if he would ask to proceed immediately after the introduction of bills.

Mr. NELSON. Would it not be better to take up the bill at the regular hour, 2 o'clock, and then surely the Senator from Nebraska would have time to finish?

Mr. McCUMBER. I certainly think we ought to have three hours, with three or four Senators who wish to speak.

Mr. NORRIS. I will make this suggestion to the Senator: I, of course, do not want to interfere with the arrangement he has proposed. I suggest that he submit a request that the bill be taken up immediately after the conclusion of my remarks, and if anything does happen to-morrow in the course of the morning business so as to have the routine business extend for more than half an hour, I will not undertake to make my remarks to-morrow.

Mr. McCUMBER. Will the Senator agree to say at the conclusion of his remarks and not later than 2 o'clock?

Mr. NORRIS. I think that would be perfectly satisfactory.

Mr. McCUMBER. I would have a right anyway to bring up the bill at 2 o'clock.

Mr. NORRIS. The Senator would have a right to do that, and, of course, I would have a right also, if I could get recognition, to proceed after 2 o'clock, which, of course, I do not want to do. I would dislike to begin my remarks and be nearly through and then have to quit. Unless I can finish them to-morrow I do not want to commence to-morrow.

Mr. McCUMBER. How long a time does the Senator wish to take?

Mr. NORRIS. I do not know exactly how long, but, in my judgment, I will take less than an hour and a half. Of course, if I were interrupted, it would extend the time.

Mr. McCUMBER. Would it be satisfactory to the Senator if I would modify my request for unanimous consent, so that at 2 o'clock we shall begin the discussion and that we shall vote at 5 o'clock, giving three hours? I will state that the only amendments I purpose to offer are short amendments to make clear what I intend and what I say the bill means now. Those are the only amendments that I shall offer. That being the case, if there is no objection to that, Mr. President, I would modify my request as I have stated.

Mr. NELSON. I suggest that we agree to take the vote at half past 4.

Mr. McCUMBER. Other Senators want to make the hour 5. I will change my request for unanimous consent and ask that the unfinished business be laid before the Senate at 2 o'clock, that a vote upon the bill and all amendments shall be taken not later than 5 o'clock, and that we complete the consideration and have a vote upon the bill and all amendments during the legislative day.

Mr. NELSON. The calendar day.

Mr. McCUMBER. During the calendar day. I am perfectly willing to have it that way. I have already asked that the limit be five minutes upon any remarks, and that no Senator shall speak more than once upon the bill or an amendment.

Mr. REED. And that no Senator shall speak prior to 4 o'clock more than one hour.

Mr. McCUMBER. Very well; I will consent to that.

Mr. SMITH of Georgia. Let the request be stated.

The VICE PRESIDENT. The Secretary will state it.

The SECRETARY. The Senator from North Dakota asks unanimous consent that on May 1, 1914, at 2 o'clock p. m., the Senate will proceed to the consideration of the bill (S. 120) to provide for the inspection and grading of grain entering into interstate commerce, and to secure uniformity in standards and classification of grain, and for other purposes, and that not later than 5 o'clock p. m. on that day the Senate will proceed to vote upon any amendment that may be pending and any amendments that may be offered, and upon the bill, through the regular parliamentary stages to its final disposition, provided that after the hour of 5 o'clock p. m. no Senator shall speak more than once or for a longer period than five minutes upon the bill or any amendments that may be pending or offered, and that prior to the hour of 5 o'clock no Senator shall speak for a longer period of time than one hour.

Mr. CLARKE of Arkansas. I did not hear the statement read that the measure should be disposed of on the calendar day to-morrow.

Mr. McCUMBER. That is understood.

Mr. CLARKE of Arkansas. I did not hear it read. It is not contained in the agreement.

Mr. HITCHCOCK. I suggest that the limit on a speech should be half an hour instead of one hour.

Mr. McCUMBER. I wish to say to the Senator, and I think he will justify me in this, that, having the bill in charge, while I may not take a full hour I have to answer the arguments that have been continuous for three weeks on the bill. I think I can cover them within half an hour, but I do wish to take an hour if it is necessary.

Mr. HITCHCOCK. I suggest that the Senator has spoken several times already, and that if he occupies an hour between 2 and 5 o'clock——

Mr. McCUMBER. That gives two more hours.

Mr. HITCHCOCK. It gives only two hours for speeches by other Senators.

Mr. McCUMBER. I have heard of only two other Senators who wish to speak. The Senator from Oklahoma [Mr. GORE] said he would probably wish to speak about 30 minutes and the Senator from South Dakota [Mr. STERLING] wishes to speak. So I think there will be no difficulty in arranging it.

Mr. HITCHCOCK. I think there ought to be a longer limit of time or a greater restriction upon any one Senator; I do not care which. If the time of a Senator is limited to half an hour, that will give an opportunity for everyone wishing to speak.

Mr. McCUMBER. I will say to the Senator that I really think I should be given at least an hour to reply to all the arguments which have been made. I hope the Senator will not object. If I can make my speech in less than that time, I certainly will do so.

Mr. WEST. I suggest that the time be limited to half an hour, except for the Senator from North Dakota, who has the bill in charge.

Mr. HITCHCOCK. Unless the time be extended or the period for any Senator be limited to half an hour, I shall object.

Mr. STERLING. Mr. President, I think, in view of the fact that the Senator from North Dakota has had the bill in charge from the beginning and has rather borne the burden of the support of the bill, it is nothing more than fair and just that he should be accorded one hour in which to sum up and answer the arguments adduced on the other side. I trust the Senate will give that time to the Senator from North Dakota.

Mr. McCUMBER. Will not the Senator from Nebraska consent to that?

Mr. HITCHCOCK. I can not vary my consent unless the time is extended. I think it is unfair for few Senators to occupy so much time and then cut everyone else out.

Mr. McCUMBER. My attention was called by another Senator. So I did not hear the last remark of the Senator from Nebraska.

Mr. NORRIS. I should like to suggest to the Senator from North Dakota that he might meet my colleague's suggestion by making it a part of the request that the vote shall be taken on the legislative day to-morrow, and let the debate run over until the next day. If the limitation is fixed, there can not certainly be very much debate on Saturday, and we would reach a vote on the bill very early in the day.

Mr. McCUMBER. That would be satisfactory to me, but it is not satisfactory to the Senator from Minnesota [Mr. NELSON].

Mr. NELSON. I shall object to fixing it on the legislative day. I want to dispose of it on the calendar day.

Mr. NORRIS. Would the Senator from Minnesota object to the bill going over until the calendar day of Saturday, providing that the limitation proposed is made, if we did not get through with it at some reasonable hour to-morrow evening when the Senate is ready to adjourn?

Mr. NELSON. I feel that the matter might well be disposed of to-morrow. I will suggest to the Senator from North Dakota that outside of his own speech the other speeches be limited to 15 minutes. Then there will be an opportunity for a number of speeches.

Mr. STERLING. I would object to limiting the speeches of other Senators to 15 minutes. I thought at first that 30 minutes was all too short a time, and yet I concluded that what

I had to say could be said in 30 minutes. I am satisfied with an arrangement of that kind.

Mr. SMITH of Michigan. Mr. President, I object to the request of the Senator from North Dakota.

Mr. McCUMBER. If I can not secure unanimous consent, I of course will have to go on to-morrow.

Mr. NORRIS. Rather than see the matter fail, I will say to the Senator from North Dakota that I will waive any preference that might be given on account of the notice, and give notice that I will address the Senate on Saturday instead of Friday, so he can submit the request to commence earlier in the day if we can not reach an agreement in any other way.

Mr. McCUMBER. Would that be satisfactory to the Senator from Michigan? Of course I appreciate very much the Senator's kind suggestion and thank him for making it, but I do not know that that would meet the objection of the Senator from Michigan.

Mr. SMITH of Michigan. No; it does not meet the objection. I object to the request.

Mr. BRYAN. May I ask the Senator from North Dakota to yield to me that I may present a conference report?

Mr. McCUMBER. If we can not reach a unanimous-consent agreement, and I understand we can not, I certainly yield the floor for the day, and we will go on with the bill to-morrow.

FORTIFICATIONS APPROPRIATIONS—CONFERENCE REPORT.

Mr. BRYAN. I ask the Chair to lay before the Senate the conference report on the fortifications appropriation bill.

The Secretary read the report, as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 12235) making appropriations for fortifications and other works of defense, for the armament thereof, for the procurement of heavy ordnance for trial and service, and for other purposes, having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 1, 3, and 5.

That the House recede from its disagreement to the amendments of the Senate numbered 6, 7, 8, 9, 10, 11, 12, and 13; and agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 2, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$1,200,000"; and the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 4, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$1,000"; and the Senate agree to the same.

N. P. BRYAN,
GEORGE C. PERKINS,
Managers on the part of the Senate.

SWAGAR SHERLEY,
GEORGE WHITE,
WILLIAM M. CALDER,
Managers on the part of the House.

Mr. BRYAN. I ask that the conference report be agreed to.

The VICE PRESIDENT. The question is on agreeing to the conference report.

The report was agreed to.

AGRICULTURAL EXTENSION WORK.

The VICE PRESIDENT. The Chair lays before the Senate a message from the House of Representatives.

The Secretary read as follows:

IN THE HOUSE OF REPRESENTATIVES,
April 30, 1914.

Resolved, That the Clerk of the House be directed to return to the Senate, in compliance with its request, the bill (H. R. 7951) to provide for cooperative agricultural extension work between the agricultural colleges in the several States receiving the benefits of an act of Congress approved July 2, 1862, and of acts supplementary thereto, and the United States Department of Agriculture, and the message of the Senate agreeing to the conference report thereon.

The VICE PRESIDENT. The Chair understands that the Senator from Utah [Mr. SMOOT] has moved to reconsider the vote by which the conference report was agreed to.

Mr. SMITH of Georgia. Mr. President, I desire to call attention to the RECORD. The Senator from Utah has not moved to reconsider the vote. There is no such motion shown by the RECORD.

Mr. SMOOT. I will read the RECORD as the motion was made:

Mr. President, I now make the motion that the bill (H. R. 7951) to provide for cooperative agricultural extension work between the agricultural colleges in the several States receiving the benefits of an act of Congress approved July 2, 1862, and of acts supplementary thereto, and the United States Department of Agriculture, be recalled from the other House for further consideration.

Rule 13, paragraph 2, is as follows:

When a bill, resolution, report, amendment, order, or message, upon which a vote has been taken, shall have gone out of the possession of the Senate and been communicated to the House of Representatives, the motion to reconsider shall be accompanied by a motion to request the House to return the same; which last motion shall be acted upon immediately, and without debate, and if determined in the negative shall be a final disposition of the motion to reconsider.

In the motion that I made I asked, of course, that the report be recalled for further consideration.

Mr. SMITH of Georgia. Mr. President, the Vice President thereupon said:

The question is on the motion of the Senator from Utah [Mr. SMOOT] to recall the bill named by him from the other House.

In the earlier part of the discussion the Senator from Washington [Mr. JONES] stated that he desired to move to reconsider, but that he did not have the right to make that motion, as he was not in a parliamentary position to make it. The Senator from Utah did not make a motion to reconsider. That is not a motion to reconsider. It does not suggest what was to be done by it. The recall would leave it in the control of the Senate, and a motion to reconsider could have been entered.

The VICE PRESIDENT. That, unfortunately for the contention of the Senator from Georgia, is what the Journal shows was done, and it was approved this morning:

Mr. SMOOT entered a motion to reconsider the vote of the Senate agreeing to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 7951) to provide for cooperative agricultural extension work between the agricultural colleges in the several States receiving the benefits of an act of Congress approved July 2, 1862, and of acts supplementary thereof, and the United States Department of Agriculture; and

On motion by Mr. SMOOT, that the Secretary be directed to request the House of Representatives to return the said conference report and the bill to the Senate, it was determined in the affirmative—yeas 32, nays 30.

That is the entry in the Journal, not the CONGRESSIONAL RECORD. The Journal of the Senate was read this morning and approved. The action must be in accordance with the Journal; and the question is now, Shall the vote whereby the conference report was agreed to be reconsidered?

Mr. SMITH of Georgia. I suppose that the approval of the Journal this morning would control, unless there was a motion to correct it. The statement of the Secretary in the Journal is not sustained by the RECORD. The RECORD shows nothing of the kind having been done. I have read the entire RECORD in vain to find it.

The VICE PRESIDENT. The Senator from Georgia will realize that the Chair can not keep in mind the entire proceedings of the Senate, and that the very purpose of reading the Journal each morning is that the Senate may know whether or not the proceedings are correctly recorded by the Journal clerk. The Journal was read and approved this morning. The question before the Senate, therefore, is, Will the Senate reconsider a vote whereby the conference report was agreed to? That motion, the Chair thinks, is not debatable.

Mr. JONES. Mr. President——

The VICE PRESIDENT. All in favor of reconsidering the vote whereby the conference report was agreed to will say "aye."

Mr. SMITH of Georgia. Mr. President——

The VICE PRESIDENT. Those opposed will say "no." The noes seem to have it.

Mr. CUMMINS. I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. JONES. The yeas and nays have been ordered, I understand?

The VICE PRESIDENT. They have been ordered.

Mr. JONES. I suggest the absence of a quorum before the roll call.

The VICE PRESIDENT. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Ashurst	Gore	Martine, N. J.	Simmons
Brady	Hitchcock	Nelson	Smith, Ariz.
Bristow	Hollis	Norris	Smith, Ga.
Bryan	Hughes	Overman	Smith, Mich.
Burton	James	Perkins	Smoot
Catron	Johnson	Pomerene	Sterling
Chamberlain	Jones	Ransdell	Stone
Chilton	Kenyon	Reed	Thomas
Clark, Wyo.	Lea, Tenn.	Robinson	Thompson
Clarke, Ark.	Lee, Md.	Saulsbury	Townsend
Cummins	Lewis	Shafroth	Walsh
Dillingham	McCumber	Sheppard	West
Fall	McLean	Sherman	

The VICE PRESIDENT. Fifty-one Senators have answered to the roll call. There is a quorum present.

Mr. SMITH of Georgia. I move to lay the motion to reconsider on the table.

The VICE PRESIDENT. The motion of the Senator from Georgia is to lay the motion to reconsider on the table.

Mr. JONES. I want to make a parliamentary inquiry, Mr. President. If that motion is carried, then would it have the effect of adopting the conference report under which certain State legislatures would put all this money in the control of certain colleges?

Mr. SMITH of Georgia. The Senator from Washington has not the right to debate this subject.

Mr. JONES. I am not debating it. I am merely making a parliamentary inquiry.

Mr. SMITH of Georgia. The Senator is debating it. He is enumerating the facts, and he has not any right to do so.

Mr. SMITH of Arizona. Regular order!

Mr. CLARK of Wyoming. I rise to a parliamentary inquiry, Mr. President.

The VICE PRESIDENT. The Senator from Wyoming will state his parliamentary inquiry.

Mr. CLARK of Wyoming. The yeas and nays having been ordered on the preceding motion, my inquiry is whether or not there is any necessity of taking any parliamentary action to dispense with that order?

The VICE PRESIDENT. The Chair is of the opinion that a motion to lay on the table is a privileged motion, and that it is in order. Of course, the adoption of the motion to lay on the table would end the motion to reconsider.

Mr. CUMMINS. Upon that motion I ask for the yeas and nays.

The yeas and nays were ordered, and the Secretary proceeded to call the roll.

Mr. CHAMBERLAIN (when his name was called). I have a general pair with the junior Senator from Pennsylvania [Mr. OLIVER]. In his absence I withhold my vote.

Mr. CLARKE of Arkansas (when his name was called). I have a pair with the junior Senator from Utah [Mr. SUTHERLAND]. I observe that he is not present, but I transfer my pair with him to the junior Senator from South Carolina [Mr. SMITH] and vote. I vote "yea."

Mr. DILLINGHAM (when his name was called). I am paired on this question with the senior Senator from Maryland [Mr. SMITH], but I transfer that pair to my colleague [Mr. PAGE] and vote "nay."

Mr. JAMES (when his name was called). I transfer the pair which I have with the Senator from Massachusetts [Mr. WEEKS] to the junior Senator from Nevada [Mr. PITTMAN] and vote. I vote "yea."

Mr. JOHNSON (when his name was called). I have a pair with the junior Senator from North Dakota [Mr. GRONNA]. I transfer that pair to the junior Senator from Virginia [Mr. SWANSON] and vote "yea."

Mr. WALSH (when the name of Mr. MYERS was called). My colleague [Mr. MYERS] is absent on account of sickness. He is paired with the Senator from Connecticut [Mr. MCLEAN].

Mr. O'GORMAN (when his name was called). I am paired with the senior Senator from New Hampshire [Mr. GALLINGER]. In his absence I withhold my vote.

Mr. SAULSBURY (when his name was called). I am paired with the junior Senator from Rhode Island [Mr. COLT]. I transfer that pair to the senior Senator from Louisiana [Mr. THORNTON] and vote "yea."

Mr. VARDAMAN (when the name of Mr. SMITH of South Carolina was called). I wish to announce the unavoidable absence of the Senator from South Carolina [Mr. SMITH] on important business.

Mr. THOMAS (when his name was called). I have a general pair with the senior Senator from New York [Mr. ROOT] and therefore withhold my vote.

Mr. RANSDELL (when Mr. THORNTON's name was called). I wish to announce the unavoidable absence of my colleague, the senior Senator from Louisiana [Mr. THORNTON], on account of official business.

Mr. TILLMAN (when his name was called). I have a general pair with the Senator from Wisconsin [Mr. STEPHENSON], and in his absence I withhold my vote unless my vote be necessary to make a quorum.

Mr. WALSH (when his name was called). I have a general pair with the Senator from Rhode Island [Mr. LIPPITT]. In his absence I refrain from voting.

The roll call was concluded.

Mr. SWANSON (after having voted in the affirmative). I am paired with the Senator from North Dakota [Mr. GRONNA] and therefore withdraw my vote.

Mr. SHIVELY. I wish to announce the temporary absence of my colleague [Mr. KERN] from the Senate Chamber on important business. He is paired with the senior Senator from Kentucky [Mr. BRADLEY].

Mr. BANKHEAD. I have a pair with the junior Senator from West Virginia [Mr. GOFF]. In his absence I withhold my vote.

Mr. SWANSON. I desire to announce that my colleague [Mr. MARTIN] is paired with the Senator from Idaho [Mr. BRADY]. If my colleague were present, he would vote "yea."

Mr. SHEPPARD. I wish to announce the necessary absence of my colleague [Mr. CULBERSON] and his pair with the Senator from Delaware [Mr. DU PONT].

Mr. CLARK of Wyoming. My colleague, the junior Senator from Wyoming [Mr. WARREN], is detained from the Chamber. He is paired with the Senator from Florida [Mr. FLETCHER].

Mr. SMOOT. I desire to announce the unavoidable absence of the senior Senator from Kentucky [Mr. BRADLEY], who has a general pair with the junior Senator from Indiana [Mr. KERN].

I also desire to announce the absence of the junior Senator from Wisconsin [Mr. STEPHENSON], who has a general pair with the Senator from South Carolina [Mr. TILLMAN].

The result was announced—yeas 32, nays 25, as follows:

YEAS—32.

Ashurst	James	Owen	Shively
Bryan	Johnson	Pomerene	Simmons
Chilton	Lea, Tenn.	Ransdell	Smith, Ariz.
Clarke, Ark.	Lee, Md.	Reed	Smith, Ga.
Fall	Lewis	Robinson	Stone
Gore	Martine, N. J.	Saulsbury	Thompson
Hollis	Newlands	Sheppard	Vardaman
Hughes	Overman	Shields	West

NAYS—25.

Borah	Crawford	Lane	Sherman
Brandegee	Cummins	McCumber	Smoot
Bristow	Dillingham	Nelson	Sterling
Burton	Hitchcock	Norris	Townsend
Catron	Jones	Perkins	
Clapp	Kenyon	Poindexter	
Clark, Wyo.	La Follette	Shafroth	

NOT VOTING—38.

Bankhead	Goff	Page	Thomas
Bradley	Gronna	Penrose	Thornton
Brady	Kern	Pittman	Tillman
Burleigh	Lippitt	Root	Walsh
Chamberlain	Lodge	Smith, Md.	Warren
Colt	McLean	Smith, Mich.	Weeks
Culberson	Martin, Va.	Smith, S. C.	Williams
du Pont	Myers	Stephenson	Works
Fletcher	O'Gorman	Sutherland	
Gallinger	Oliver	Swanson	

So the motion of Mr. SMITH of Georgia to lay on the table the motion of Mr. SMOOT to reconsider was agreed to.

Mr. CLARKE of Arkansas. I am advised that there is nothing on the Executive Calendar that calls for action this afternoon, and I therefore move that the Senate adjourn.

The motion was agreed to; and (at 5 o'clock and 35 minutes p. m.) the Senate adjourned until to-morrow, Friday, May 1, 1914, at 12 o'clock meridian.

HOUSE OF REPRESENTATIVES.

THURSDAY, *April 30, 1914.*

The House met at 12 o'clock noon.

The Chaplain, Rev. Henry N. Couden, D. D., offered the following prayer:

We bless Thee, Almighty God our heavenly Father, that in spite of the untoward circumstances of life, in spite of the barriers in the way, the trend of life is ever and on toward the ideals exemplified in the life and teachings of the Lord Christ; that out of the darkness is coming a fuller light, out of error a greater truth, out of chaos a diviner order. Help us, therefore, we beseech Thee, with faith in Thee, faith in humanity, to press forward with patience, perseverance, and persistent energy toward the mark for the prize of the high calling of God in Christ Jesus our Lord, and everlasting praise be Thine. Amen.

The Journal of the proceedings of yesterday was read and approved.

SELAH G. BLAKEMAN ET AL.

Mr. SCOTT. Mr. Speaker, the bill S. 1689 having been returned from the Senate in response to House resolution 472, with the Vice President's signature canceled, I ask unanimous consent that the Speaker's signature be canceled.

Mr. MANN. Mr. Speaker, let me ask if this is a private bill that we passed for an item that had been carried in the deficiency bill of last summer?

Mr. SCOTT. It is.

The SPEAKER. The gentleman from Iowa asks unanimous consent that inasmuch as the Senate has recalled the bill S.

1689 and canceled the signature of the Vice President, that the Speaker's signature be canceled also? Is there objection?

There was no objection.

Mr. MANN. I would suggest to the gentleman that he ask to reconsider the vote by which the bill was passed and that the bill lie on the table.

Mr. SCOTT. Mr. Speaker, I ask unanimous consent that the vote whereby the bill was passed be reconsidered and that the bill lie on the table.

The SPEAKER. The gentleman from Iowa asks unanimous consent to reconsider the vote by which the Senate bill 1689 passed the House and that the bill lie on the table. Is there objection?

There was no objection.

PUBLIC BUILDING COMMISSION (H. DOC. NO. 936).

Mr. CLARK of Florida. Mr. Speaker, on behalf of the Public Building Commission, created by the act of March 4, 1913, I desire to submit the final report of that commission. I ask unanimous consent that 6,000 copies of the report may be printed as a House document. I will state for the information of the House that the cost of printing will be $212.05.

Mr. MANN. Does the gentleman desire to have the report printed as a House document and then have 6,000 additional copies printed?

Mr. CLARK of Florida. I want 6,000 copies printed as a House document for the use of the House and the Senate.

Mr. MANN. If it is ordered printed as a House document, the usual number of thirteen hundred and over will be printed.

Mr. CLARK of Florida. I am asking for an additional number of 6,000 copies to be printed for the use of the House.

The SPEAKER. The gentleman from Florida asks unanimous consent that this report be printed as a House document, and in addition to the usual number printed there shall be 6,000 copies printed for the use of the House. Is there objection? [After a pause.] The Chair hears none.

AGRICULTURAL EXTENSION WORK.

The SPEAKER laid before the House the following resolution of the Senate.

The Clerk read as follows:

Resolved, That the Secretary be directed to request the House of Representatives to return to the Senate the bill (H. R. 7951) to provide for cooperative agricultural extension work between the agricultural colleges in the several States receiving the benefits of an act of Congress approved July 2, 1862, and of acts supplementary thereto, and the United States Department of Agriculture, and the message of the Senate agreeing to the conference report thereon.

The resolution was agreed to.

MESSAGE FROM THE SENATE.

A message from the Senate, by Mr. Tulley, one of its clerks, announced that the Senate had passed bills of the following titles, in which the concurrence of the House of Representatives was requested:

S. 1304. An act authorizing the Department of State to deliver to Capt. P. H. Uberroth, United States Revenue-Cutter Service, and Gunner Carl Johannson, United States Revenue-Cutter Service, watches tendered to them by the Canadian Government; and

S. 4316. An act to regulate the use of public-school buildings and grounds in the District of Columbia.

SENATE BILLS REFERRED.

Under clause 2 of Rule XXIV, Senate bills of the following titles were taken from the Speaker's table and referred to their appropriate committees, as indicated below:

S. 4316. An act to regulate the use of public-school buildings and grounds in the District of Columbia; to the Committee on the District of Columbia.

S. 1304. An act authorizing the Department of State to deliver to Capt. P. H. Uberroth, United States Revenue-Cutter Service, and Gunner Carl Johannson, United States Revenue-Cutter Service, watches tendered to them by the Canadian Government; to the Committee on Foreign Affairs.

HEIRS OF THE LATE SAMUEL H. DONALDSON.

Mr. POU. Mr. Speaker, I move to take from the Speaker's table the bill (H. R. 3468) for the relief of the heirs of the late Samuel H. Donaldson and concur in the Senate amendment.

The SPEAKER. The Clerk will report the bill.

The Clerk read as follows:

H. R. 3468, for the relief of heirs of the late Samuel H. Donaldson, with a Senate amendment, to strike out, in line 8, the figures "1,500" and insert "840."

The SPEAKER. The gentleman from North Carolina asks to take the bill from the Speaker's table and concur in the Senate amendment. Is there objection?

There was no objection.

The Senate amendment was agreed to.

NAVAL APPROPRIATION BILL.

Mr. PADGETT. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the Naval appropriation bill.

The motion was agreed to.

The House accordingly resolved itself into Committee of the Whole House on the state of the Union, with Mr. JOHNSON of Kentucky in the chair.

The CHAIRMAN. The House is now in Committee of the Whole House on the state of the Union for the consideration of the bill of which the Clerk will report the title.

The Clerk read as follows:

A bill (H. R. 14034) making appropriations for the naval service for the fiscal year ending June 30, 1915, and for other purposes.

The CHAIRMAN. The Clerk will read the amendment which is pending.

The Clerk read as follows:

Amend, page 17, line 20, after the figures "$5,800,000," by adding the following: "*Provided*, That no part of this sum shall be used for the purchase of projectiles unless not less than $250,000 of this appropriation shall be used for the manufacture of high-explosive torpedo shells for 12 and 14 inch guns."

The CHAIRMAN. Two points are to be decided on this question: First, the point raised by the gentleman from Illinois [Mr. MANN] that under existing law the Secretary of the Navy has no authority to manufacture projectiles, and that therefore this amendment would be not a limitation but new legislation directing the Secretary to do something not authorized by law; second, the point raised by the gentleman from Wisconsin [Mr. STAFFORD] that this amendment is in no sense a negative limitation on the use of the money, but an affirmative direction. The Chair has given both matters careful consideration and is prepared to rule. The Chair was at first inclined to lean very strongly to the view of the gentleman from Illinois [Mr. MANN], that the word "produce" does not give authority to manufacture. But on reflection the Chair believes that the use of the word "produce," taken in connection with the fact that the word "procure" is also used, does contemplate such authority. Each of these words is commonly used with different shades of meaning. But the Chair is convinced that when the law uses both words in such a way it must contemplate that under his authority to "procure" the Secretary has authority to obtain by purchase, while under his power to "produce" he has authority to manufacture ordnance material. Now, the Chair is informed by the gentleman from Alabama [Mr. HOBSON] and other gentlemen familiar with the technical terms of the Navy that the term "ordnance material" means not only the raw material but the finished product as well. Therefore the Chair is constrained to believe that the Secretary of the Navy has authority to manufacture.

Now, as to the point raised by the gentleman from Wisconsin, the Chair believes that this provision is clearly a negative limitation and not affirmative legislation. Of course the general rule is well settled, as the gentleman stated, that to be in order the proposition must be a negative prohibition on the use of the money, not an affirmative direction to an executive officer. The only difference is as to whether this is a negative prohibition or an affirmative direction. The Chair has carefully considered the precedents cited by the gentleman from Wisconsin and does not believe that any of them sustain his contention in this particular case. They were all cases where an executive officer was directed to do something that he did not otherwise have authority to do. The precedent cited in section 3975 of Hinds is an excellent illustration of this distinction. In that case, as in this, the naval appropriation bill was before the House. Mr. WEBB, of North Carolina, offered an amendment to the paragraph providing that before the construction of these new ships should be begun certain tests should be made, said tests not being otherwise authorized by law. The Chairman, Mr. Olmsted, of Pennsylvania, ruled that this was not a limitation, but new legislation, and sustained the point of order. Later Mr. WEBB offered an amendment providing that before the money should be extended certain investigations should be made and the results reported to Congress. The Chairman again sustained the point of order as legislation creating new law.

Then Mr. WEBB offered an amendment providing that no part of the money should be used for purchase of armor plate which had not been subjected to the test provided in his previous amendments, and the Chair held that it was a proper limitation for the House to say that the money should not be used except in a certain way, provided that that way was authorized by law.

The Chair is of the opinion that the present amendment contains a negative prohibition, and therefore overrules the point of order.

Mr. PADGETT. Mr. Chairman, I ask unanimous consent to return to page 17 for the consideration of the paragraph and such amendment as may be offered.

The CHAIRMAN. The gentleman from Tennessee asks unanimous consent to return to page 17 for consideration of the paragraph and such amendments as may be offered. Is there objection?

There was no objection.

Mr. FOWLER. Mr. Chairman, I ask unanimous consent that the amendment may be modified so as to eliminate the word "manufacturing" and insert in lieu thereof the word "procuring." The word "procuring" is a broader term than the word "manufacture," and it will give a greater latitude in the manner of supplying our Navy with high-explosive torpedo shells.

Mr. MANN. Let us see how it would be. What was the word in the bill?

The CHAIRMAN. The Clerk will report the amendment just as it was first presented.

The Clerk read as follows:

Amend, page 17, line 20, after the figures "$5,800,000," by adding the following:

"*Provided*, That no part of this sum shall be used for the purchase of projectiles, unless not less than $250,000 of this appropriation shall be used for the manufacture of high-explosive torpedo shells for 12 and 14 inch guns."

Mr. MANN. My colleague will see that he could not use the word "procure" in place of the word "manufacture."

Mr. FOWLER. I suggested the word "procuring." I see no reason why that can not be used.

Mr. MANN. I have no objection to the change that the gentleman desires to make.

The CHAIRMAN. If there is no objection, the Clerk will make the change in accordance with the suggestion of the gentleman from Illinois.

There was no objection.

The CHAIRMAN. The question now is on the adoption of the amendment.

Mr. FOWLER. Mr. Chairman, I understand there are several gentlemen who would like to be heard upon this amendment, and I would like to see if we can agree upon the time for debate.

Mr. PADGETT. Mr. Chairman, I think the debate might run along under the five-minute rule. We can have a reasonable time to discuss it.

Mr. MADDEN. Mr. Chairman, will my colleague yield?

Mr. FOWLER. Yes.

Mr. MADDEN. Mr. Chairman, I would like to ask my colleague what is hoped to be accomplished by the amendment beyond what the Secretary of the Navy already has the power to do?

Mr. FOWLER. Mr. Chairman, the object of the amendment is that we may supply our Navy with some high-explosive torpedo shells. Congress has the power to do that, and that is the object of my amendment. I understand that the other powers—and by that I mean the great world powers—are now supplying their naval vessels with high-explosive torpedo shells, and that they have been used at long range more effectively than any other shell. We have never supplied our vessels with high-explosive torpedo shells, as I am informed. I think the question of supplying ourselves with such shells, so that our Navy can use them in time of danger, is supported by the test of past experience and past naval investigation.

Mr. GREEN of Iowa. Mr. Chairman, will the gentleman yield?

Mr. FOWLER. Yes; but I have a line of argument that I desire to submit in a systematic way.

Mr. GREEN of Iowa. The gentleman uses the term "torpedo shells."

Mr. FOWLER. High-explosive torpedo shells.

Mr. GREEN of Iowa. The gentleman is not referring to shells used in torpedoes?

Mr. FOWLER. No; but what is known as the high-explosive torpedo shell. There are several which have been patented in America, among which is the Gathmann shell and the Isham shell. A high-explosive torpedo shell was used in the *Puritan* test in 1911, when a shell made in a wooden box placed along by the side of the *Puritan* put her out of business within two minutes. At the same time there was a test going on with the *Texas*, with the armor-piercing shell, such shells as are now used by the American Navy, and they pounded on the *Texas* for two days without sinking her with the armor-piercing shell, as reported by the press at the time the experiment was going on.

Mr. BRITTEN. Mr. Chairman, will the gentleman yield for a question?

Mr. FOWLER. Yes.

Mr. BRITTEN. Mr. Chairman, does the gentleman not think that the Secretary of the Navy has now the power to buy these torpedo shells?

Mr. FOWLER. I do not know that I care to discuss that question at this time. I would rather put before the House the question of our duty than any other question that can be raised at this time.

Mr. BRITTEN. Along that line, if the gentleman will permit, the Navy Department contracted for 100 of these high-explosive shells a year ago, and 35 of them have been delivered at Indianhead. We are about to make experiments with the entire 100 of those shells, at an expense of about $350 each.

Mr. FOWLER. Yes; but I desire to state to the gentleman that the experiments with the high-explosive shell, such as the Gathmann and the Isham and other shells, have been going on in America for the last 10 or 15 years, and in every instance where the high-explosive torpedo shell has been used it has produced such deadly results that no other shell can compare with it.

Mr. BRITTEN. Right in that point, in one instance I recall the Isham shell exploded the gun itself.

Mr. FOWLER. I do not know. I am not wedded to the Isham shell or the Gathmann shell or any other shell.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. FOWLER. Mr. Chairman, I ask unanimous consent to proceed for 10 minutes.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. ROBERTS of Massachusetts. Mr. Chairman, will the gentleman yield for a question?

Mr. FOWLER. Yes; but I desire to state that I would like to present my thoughts without interruption.

Mr. ROBERTS of Massachusetts. I want to understand the gentleman's argument as he goes along.

Mr. FOWLER. I yield to the gentleman.

Mr. ROBERTS of Massachusetts. Do I understand the gentleman to say that the Navy in its experiments fired at the *San Marcos* for two days with armor-piercing shells and failed to sink the ship?

Mr. FOWLER. I did not say that.

Mr. ROBERTS of Massachusetts. To what ship did the gentleman refer?

Mr. FOWLER. I did refer to the test with the *Texas*.

Mr. ROBERTS of Massachusetts. But does not the gentleman know that the *Texas* was renamed the *San Marcos* and is one and the same ship?

Mr. FOWLER. I want the gentleman to know that I used the word "*Texas*." That was her name at the time the test was made.

Mr. ROBERTS of Massachusetts. But the ship has been renamed the *San Marcos*.

Mr. FOWLER. I do not want to waste time quibbling over terms.

Mr. ROBERTS of Massachusetts. I am not quibbling over terms; but do I understand the gentleman to mean that the firing lasted two days before the *Texas* sank?

Mr. FOWLER. Yes.

Mr. ROBERTS of Massachusetts. Did the gentleman make that statement?

Mr. FOWLER. I did.

Mr. ROBERTS of Massachusetts. And do I understand the gentleman to say that when the 200-pound Gathmann was fired against the side of the *Puritan* she sank in two minutes?

Mr. FOWLER. My statement goes in the RECORD as I make it. I yielded to the gentleman for a question; but if the gentleman has no question, I do not desire to yield further.

Now, Mr. Chairman, I desire to state that, in my opinion, the torpedo shell is the most effective shell that has ever been tried in the world. I am now going to read from Ordnance and Gunnery, written by Lissak, page 583, a book which is used as a textbook by the United States Military Academy at West Point, and in speaking of the high-explosive shells made of such material as trinitrotoluol he describes the effective force as follows:

In recent experiments with a submerged target, built in exact representation of the bottom of a battleship, the explosion of a 12-inch mortar shell containing 63 pounds of high explosive, at a distance of 20 feet from the target and at a depth of 15 feet, produced serious injury to the target; 64 pounds at a distance of 15 feet nearly disrupted the target and caused bad leakage, producing dangerous injury; while 130 pounds at a distance of 15 feet disrupted the double bottom and caused the target to sink. The results showed the utility of this method of attack on vessels and the desirability of using as large an explosive as possible in the projectiles for the seacoast mortars.

Now, if the high-explosive torpedo projectile is desirable for seacoast defense because of its deadly effects, it is just as desirable in the Navy, in my judgment, and I can see no reason why it is not just as desirable to arm the American Navy—and I use the word "arm" in the same sense as supply—with the most deadly weapon and projectile that can be invented and manufactured by the ingenuity and skill of man. Mr. Chairman, I read from the Naval Manual, edited by Viscount Hythe, who is regarded as authority upon naval questions and upon the armor and the effectiveness of projectiles. I can not read very much of it on account of time, but I read from page 124, which is as follows:

From the results of that war—

Referring to the Russo-Japanese War—

it has been estimated that 100 hits from the 12-inch and other guns then in use are required to put a ship of the line out of action.

That is to say, with armor-piercing shells of that character it requires 100 hits to put out of action a vessel which was used in the Russo-Japanese War. The same authority, on page 136, in discussing the question of effectiveness of armor-piercing shells, gives a table, and in that table it is said that the 12-inch gun, loaded with armor-piercing shells, will be effective at a distance of 1,100 yards on the 2-inch, 7-inch, 8-inch, and 9-inch armor, but that on the 10-inch armor the distance is reduced to 9,400 yards and on the 11-inch armor it is reduced to 8,000 yards, which shows conclusively, Mr. Chairman, that as the distance between the fighting vessels increases the effectiveness of the armor-piercing shell decreases, and then it is well known to all men who have experience in target practice that these armor-piercing shells must strike point blank to get the greatest effective force. That can not be had in a naval engagement, because the bows of the vessels will be fronting each other, and no broadside is ever likely to be presented, so that there is not likely to be a point-blank hit from a shot with an armor-piercing shell. I have some specimens here to which I desire to call the attention of the committee——

The CHAIRMAN. The time of the gentleman has expired.

Mr. FOWLER. Mr. Chairman, I ask unanimous consent for an extension of my time for 10 minutes.

The CHAIRMAN. Is there objection? [After a pause.] The Chair hears none.

Mr. FOWLER. Mr. Chairman, I have some specimen photographs of armor which were tested by armor-piercing shell, and I have one plate that received six shots on a very small area, and the armor-piercing shell had no effect on it in the way of piercing or destroying it. That was a good piece of armor. I have another with three shots of attack, and it was not affected by the armor-piercing shell; but I happen to have one with some poor armor, and that was destroyed almost completely, because it was rotten.

Mr. Chairman, I was dwelling upon the question of the distances of an engagement between naval vessels in time of war, and I believe that no one will dispute the question that as the distance increases between the two antagonistic vessels, after reaching the maximum distance of effective force, the effective power of the armor-piercing shell decreases. There is a good reason for that. Mr. Chairman, the armor-piercing shell, in order to get velocity sufficient to carry it a great distance, say, 7,000, 8,000, or 9,000 yards, must be elevated. It will then take a curved course in the air, and before it reaches its destination it will not be in a position to strike point-blank against the armor of the other vessel, while, on the contrary, the high-explosive torpedo shell does not depend upon point-blank shots for its greatest force. All that is necessary is to get it to the enemy's ship with impact sufficient to explode, whatever the distance. One shot is often sufficient to sink a ship, while it requires 100 shots with armor-piercing shells to put her out, according to the authority I have just read. Now, I understand that in the Battle of Tshu Shima, between the Russian and Japanese fleets, the Japanese fleet of four vessels carried high-explosive torpedo shells, and that the Russian fleet of eight vessels, twice as large as the Japanese, carried armor-piercing shells. It has been demonstrated, or rather reported, by Capt. Seminoff in his report on that battle in a book which he has written that the high-explosive shells carried by the Japanese Navy were not perfect shells, that the guns were worn and were practically without rifling, and when the high-explosive torpedo shell was discharged it tumbled over and over in the air like boys turning handsprings; but notwithstanding the imperfection of cannon and shell, they put the Russian fleet out of action before its officers really knew of imminent danger. At a long distance of many miles, I understand, the Japanese fleet began to bombard the Russian fleet and threw high-explosive shells before Rogestvensky realized the great danger that confronted him. This fleet was put out of commission before it was close enough for effective action by armor-piercing shells. This was no target practice at a fixed range, but it was a deadly conflict of the survival of the fittest. Like David, the little inferior fleet of Japan hurled well-directed missiles at her enemy, the Russian fleet, and won the battle before her Goliath enemy was close enough to unsheath his mighty sword.

Now, Mr. Chairman, if this be true, it illustrates this fact: America had furnished Russia most all of the armor for her fleet; in fact, we had built one of her vessels. We had supplied her with cannon and armor-piercing shells. We believed that her navy was far superior to that of Japan not only in number of ships but in armor, shot, and shell; but how badly we were fooled! Now, if our warships are a duplicate of the Russian fleet in armor and armament, then our Navy would be in the same condition as that of Russia when it met the Japanese fleet and would be likely to meet the same fate. Congress can prevent such national humiliation and destruction of life and property. The responsibility rests upon us, and if we fail to discharge our duty now it may result disastrously to our brave seamen and to our flag. Let us not wait until the horse is stolen before closing the barn door. In my opinion, from my limited investigation, one good battleship armed with high-explosive torpedo shells, with a speed sufficient to keep away from the enemy, can choose her distance of attack and sink a whole fleet armed with armor-piercing shells. This was demonstrated, Mr. Chairman, in the late naval contest between Russia and Japan. I have a clipping from a foreign publication which shows what other great world powers think of our Navy, and I insert it for what it is worth.

"UNCLE SAM MUST FIGHT JAPAN," SAYS FIENNES—BRITISH NAVAL EXPERT SEES "HUNDRED INDICATIONS" THAT CLASH IS APPROACHING—"AMERICANS LIVE IN A FOOL'S PARADISE IN THE MATTER," HE DECLARES.

LONDON, *June 20.*

Gerard Fiennes, the English naval expert, is trying his best to make Americans understand that it will probably not be long before they will have war with Japan.

There are a hundred indications, he says in an article just published in the London Graphic, which show that a collision between Japan and the United States is approaching. The Americans live in a fool's paradise in this matter.

The Japanese are full of contempt for American brag and bounce, for the lack of national spirit, or even of true nationality. They have a profound disbelief in the war worthiness of the American Navy and an acute realization of the fact that the strategical situation is overwhelmingly in their favor.

It is objected that the Japanese are too poor to fight. When will people realize the fact which all history teaches—that it is poor nations which fight? Japan is rich enough to afford war, because, directly or indirectly, she will make war pay for itself. Japan will fight very much for the same reason that prompted Bismarck to fight France.

The war will be for the consolidation of the yellow people. The Chinese despise force, but readily yield to the fear of it. Japan has beaten the most aggressive of the white powers already; victorious over another she will appear to her huge neighbor invincible. The United States offers at once the most practicable and the surest prey.

Europe is not going to lift a finger, I imagine, when war breaks out between Japan and the United States, to save the latter the islands of which they deprived Spain. Europe has a "Monroe doctrine" of its own, and it includes the determination to let the United States stew in her own juice.

Mr. McKENZIE. Will the gentleman yield?

The CHAIRMAN. Will the gentleman from Illinois yield to his colleague?

Mr. FOWLER. Yes; I yield to the gentleman; but I have another authority that I wish to read.

Mr. McKENZIE. Is there anything in the law now that prevents our Navy commanders from using these high-explosive shells?

Mr. FOWLER. Well, another gentleman asked that question a while ago, and I do not desire to discuss it, because I have not been in close touch with the Navy Department, not being a member of the Committee on Naval Affairs, and only being a student in a limited way of these great defensive and offensive weapons.

Mr. McKENZIE. The purpose of my colleague is to compel the Navy to use these shells; is that it?

Mr. FOWLER. No. That is not the object of this amendment. The object of the amendment is to supply our Navy with some high-explosive shells. The amount which is set forth in this amendment will purchase less than 1,000 shells, and that is a negligible number as compared with what we really need. Now, Mr. Chairman, I desire to call the attention of the House to what I understand is true. Admiral Strauss was asked a short time ago by a Member of this House as to whether foreign vessels were using high-explosive torpedo shells. While I have not seen the reply, yet I understand that it was—and if I am mistaken I hope the Members will correct me—that they are using such shells, but only for short range. Now, I do not know myself, because I have not talked with Admiral Strauss, but there is a late report of the result of a target practice which deals with the question of the distance at which these

missiles are used. The United States Naval Institute proceedings——

The CHAIRMAN. The time of the gentleman has again expired.

Mr. ROBERTS of Massachusetts. Mr. Chairman——

Mr. FOWLER. Mr. Chairman, I desire to ask unanimous consent for five minutes more, and I think that will be the end.

Mr. PADGETT. Mr. Chairman, the gentleman has already spoken for 25 minutes, and there are some others who wish to speak.

Mr. FOWLER. I think that will be all. I want to make this point, and then I will have finished.

Mr. PADGETT. I will not object now, but I must object hereafter.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois [Mr. FOWLER]? [After a pause.] The Chair hears none, and the gentleman is recognized to proceed for five minutes.

Mr. FOWLER. Mr. Chairman, I read from the United States Naval Institute Proceedings of January–February, 1914, No. 149, page 255. This reports a target practice with high-explosive torpedo shells by Great Britain. It reads as follows:

> The target-practice experiments against the old battleship *Empress of India* took place on November 4, 1913, some 30 miles from Portland, in the vicinity of West Bay, out of sight of land. The First Lord of the Admiralty and his colleagues witnessed the firing. * * * The small ships with their light-caliber guns were to open the firing, followed by the battleships and battle cruisers firing at ranges between 8 and 9 sea miles.

And, now, what was the result?

> How much was attained as the result of the carrying out of the experiment can not be learned. The first onslaughts were made by individual ships, which severely peppered the target with their smaller weapons. The 12-inch guns were used, and finally the 13.5-inch guns were fired at a range of over 8 miles. When the squadron firing by the second battle squadron took place the *Empress of India* showed signs of doom. Flames burst out, and a pause was made in the bombardment while tugs pumped water onto the burning ship.

And here is what the results were:

> Holes like lock gates were made in the side of the ship, and as each shell struck her she heeled over to a considerable angle.

That was at a distance of something like 16,000 yards, 7,000 yards beyond the effective range of an armor-piercing shell. If this report be true, and if a high-explosive shell can put out of business a vessel 16,000 yards away, then the armor-piercing shell would have no chance in such a conflict. It would be like arming a man with a bow and arrow and his antagonist with a Winchester rifle at a distance of 100 yards apart.

Mr. Chairman, the distinguished Alabamian [Mr. HOBSON], whom I regard as an authority upon naval questions in many respects—and I have learned to follow him because of his experience in the Spanish-American War, and because of his experience as a student in connection with the Navy Department—last Saturday made a statement of the case I have read here as to the target practice and the destruction of the *Empress of India* at a distance of 16,000 yards.

Gentlemen, if we are to arm our Navy and make it equal to any other navy in the world, we ought to give it just as effective projectiles as the best navy in the world. We can not do this without supplying it with high-explosive torpedo shells. There is no provision in this bill for the manufacture or purchase of such shells. The adoption of my amendment will not impair this bill in the least and it may be the means of saving our Navy and the lives of our seamen. [Applause.]

Mr. ROBERTS of Massachusetts. Mr. Chairman——

The CHAIRMAN. The gentleman from Massachusetts is recognized.

Mr. ROBERTS of Massachusetts. Mr. Chairman, the gentleman from Illinois who has just taken his seat, in his anxiety to bolster up his argument, began it by two distinct misstatements, and I would like to have his attention. He tells us that the explosive gelatin placed against the armor of the *Puritan* when detonated sunk that vessel in two minutes. I want to say to the gentleman that that ship did not sink for 24 hours after that explosion against her side, and she would not have sunk then if it had not been for a defective bulkhead, and even with the defective bulkhead it is a question if she would have sunk at all if the naval authorities had promptly salvaged her.

Mr. FOWLER. Will the gentleman yield?

Mr. ROBERTS of Massachusetts. I will yield.

Mr. FOWLER. I will ask if it was not a high explosive made out of guncotton?

Mr. ROBERTS of Massachusetts. No. It was gelatine. It was the explosive that was desired to be exploded by Mr. Ishem in carrying out the line of experiments that he has requested of the Navy Department.

Then the gentleman told us about taking two days to sink the *Texas* with armor-piercing shells.

Mr. Chairman, I was present and saw the first day's firing against the *Texas*, afterwards renamed the *San Marcos*. I mention the change of name so that there will be no misapprehension and no quibbling. I want to say to the gentleman that the *San Marcos* was sunk on the second salvo from the *New Hampshire's* guns. It did not take two days' pounding with armor-piercing shells to sink that battleship, but only the second broadside.

Mr. COX. What do you mean by the "second salvo"?

Mr. ROBERTS of Massachusetts. The second broadside. They were firing 8 and 12-inch projectiles at her, and it is not definitey known whether it was an 8 or a 12-inch projectile that sunk the ship.

Mr. HOBSON. Mr. Chairman, will the gentleman yield?

The CHAIRMAN. Does the gentleman from Massachusetts yield to the gentleman from Alabama?

Mr. ROBERTS of Massachusetts. I do.

Mr. HOBSON. I will simply ask the gentleman to state the range at which the salvo was fired?

Mr. ROBERTS of Massachusetts. My recollection is that it was either 10,000 or 12,000 yards.

Mr. HOBSON. The gentleman is mistaken, unless my memory is at fault.

Mr. ROBERTS of Massachusetts. Now, Mr. Chairman, the gentleman has much to say about these so-called high-explosive torpedo shells. I want to call the attention of this committee to the fact that there is not a line in this bill or in this paragraph under discussion which prohibits or in any way prevents the Navy Department from spending all of that $5,800,000 for these so-called torpedo shells. No limit whatever is fixed.

Mr. PADGETT. Will the gentleman yield right there a moment?

Mr. ROBERTS of Massachusetts. I will.

Mr. PADGETT. I want to call the attention of the gentleman to the fact that this appropriation is not the appropriation out of which shells are purchased. That is further on, and we have already passed it. If you will look at the hearings on page 430, you will find how the appropriation of last year was expended and what is expected to be used this year. It does not include the purchase of the shells.

Mr. ROBERTS of Massachusetts. No. The purpose of the amendment here is to specify——

Mr. PADGETT. To tie up everything else unless they purchase $250,000 worth of shells of a different kind out of this appropriation. It ties up the whole appropriation.

Mr. ROBERTS of Massachusetts. Exactly; and further along there is an appropriation out of which these so-called torpedo shells can be purchased.

Why has not the Navy Department gone ahead and purchased these armor-piercing shells? This explosive is nothing new. Nitrogelatin was invented in 1875, and some time afterwards, in 1880 and 1881, our Government took up the matter of using this high explosive in its shells. Experiments were made, but difficulties were encountered because of the shells exploding near the muzzle of the gun, so that in about 1886 the experiments were discontinued.

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

Mr. ROBERTS of Massachusetts. Mr. Chairman, I ask unanimous consent for an additional 10 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. ROBERTS of Massachusetts. In 1891 mention was first made of using a shell subdivided by longitudinal diaphragms, by transverse diaphragms, and by a combination of longitudinal and transverse diaphragms with considerable success. However, in 1892 a 7-inch rifle was destroyed at Sandy Hook by the use of a projectile so divided and containing nitrogelatin. In 1898 two 3-inch guns were destroyed in a similar manner in the so-called Nixon experiments. The matter was abandoned until July, 1898, when Mr. Isham first submitted his claims to the Ordnance Department of the United States Army. Projectiles of the Isham type were tested by the Army, with the result that on January 22, 1903, a 12-inch rifled gun was destroyed at Sandy Hook by the premature explosion of an Isham shell. It is only fair to say that the gelatin used in that explosion was frozen, making it much more sensitive. Further tests were made to ascertain the destructive force of the Isham shell. One in August, 1899, fired at an angle of 45° from the normal; one in November, 1899, in which the projectile was simply suspended against the plate; and a third one in August, 1905, in which the projectile was fired from a gun at a velocity of 1,400 foot-seconds.

Now, mild, the whole claim for these explosive shells is that when they strike they explode and do terrific damage. No one of these three just mentioned injured the plates to any appreciable extent. The great objection that has been made heretofore to the use of nitrogelatin for explosive charges in shells is its lack of stability and to the fact that it is dangerous to handle at all times and under all conditions.

I was advised yesterday by the Chief of the Bureau of Ordnance that the persons now manufacturing nitrogelatin to be used in the Isham shell, with which the department is now experimenting, refuse to guarantee the stability of that explosive charge. Why use that when we have two substances in the Navy, one of which is equal and the other superior in its power to this highly dangerous nitrogelatin?

Mr. FOWLER. Mr. Chairman, will the gentleman yield?

The CHAIRMAN. Does the gentleman from Massachusetts yield to the gentleman from Illinois?

Mr. ROBERTS of Massachusetts. I yield.

Mr. FOWLER. Why not leave any particular shell out of the question for the present? Let Isham take care of his shell and let Gathmann take care of his shell and every other fellow take care of his shell. I have one idea only in view, and that is to give the United States Navy as strong a projectile as is possessed by any other navy.

Mr. ROBERTS of Massachusetts. I yielded to the gentleman for a question and not for an argument. My answer is this—and I think I can make the statement without fear of successful contradiction—that this amendment is prompted and suggested by Mr. Isham.

Mr. FOWLER. Mr. Chairman, will the gentleman yield?

Mr. ROBERTS of Massachusetts. I will.

Mr. FOWLER. It is only justice to me, Mr. Chairman, to say that I never saw Mr. Isham in my life until after I had introduced this amendment, and no living soul on earth suggested to me the idea of this amendment before it was prepared right here on the floor of the House and submitted to Capt. HOBSON and other members of the committee before I introduced it.

Mr. ROBERTS of Massachusetts. Then I will withdraw what I said in regard to the gentleman's action being prompted by Mr. Isham. But I will say this, that Mr. Isham has been very active about the corridors and offices of Members in the House Office Building all this session in advocacy of his particular type of shell and explosive.

Mr. FOWLER. He did not deign to come to my room.

Mr. ROBERTS of Massachusetts. That is neither here nor there.

Mr. HOBSON. Mr. Chairman, will the gentleman yield right there?

The CHAIRMAN. Does the gentleman from Massachusetts yield to the gentleman from Alabama?

Mr. ROBERTS of Massachusetts. I do.

Mr. HOBSON. Will the gentleman kindly tell me what explosive he refers to as being equal or superior to that of nitrogelatin?

Mr. ROBERTS of Massachusetts. Explosive D is equal, and trinitrotoluol is superior.

Mr. HOBSON. I think the gentleman is mistaken in that.

Mr. ROBERTS of Massachusetts. If the gentleman has any doubt about it, I have the results here of the tests made with regard to those types of shells, and there is no question about it.

Mr. HOBSON. I hope the gentleman will please put that in the RECORD. In my opinion, it is not correct. It is only in certain ways that they thought them equal and superior, by reason of certain conditions in the experiments.

Mr. ROBERTS of Massachusetts. Well, the Chief of the Bureau of Ordnance, who has spent years on the subject of high explosives, is not on the same plane as my distinguished contemporary, the gentleman from Alabama, but I am satisfied, and I think the House will be satisfied, to take the judgment of the Chief of the Bureau of Ordnance on this subject.

Mr. HOBSON. The gentleman does not wish to have the Chief of the Bureau of Ordnance making statements that are contrary to all the scientific facts.

Mr. ROBERTS of Massachusetts. To go a little further, Mr. Chairman, with regard to the danger of using this high explosive in guns in the United States Army prior to the use of the Isham shell, six guns were burst as a result of explosive gelatin and dynamite as shell fillers, and after the introduction of the Isham shell a 12-inch gun was burst in January, 1903; and while the Navy Department have been carrying on experiments to demonstrate the utility or lack of utility of the high-explosive shell and the high explosive as carried in the particular make of shell designed by Mr. Isham, we have exploded four guns. One 6-pounder was destroyed in 1912 while firing 6-pound projectiles against a plate, the projectile being charged with 2 per cent camphorated explosive gelatin, frozen at 25° F. We have exploded three 1-pounders in trying to fire this highly dangerous explosive out of guns, and, in addition to that, two 6-inch projectiles, made after the Isham design, exploded after leaving the gun and before reaching the target.

Now, why should we go on compelling the Navy Department to purchase these high-priced patented shells? It was stated a moment ago that the department has a contract with Mr. Isham for 100 of his type of shell, the price being $350 each. I am advised and understand and believe that these 100 shells will not cost Mr. Isham over $10,000 at the outside, and that there is a clean profit in that little contract of at least $25,000. These shells, furnished by Mr. Isham at $350 apiece, are cast-steel, thin-walled shells. Fifty dollars apiece would be a very high price for them, I am advised. We are securing to-day under contract 12-inch tool-steel shells at $165 each—less than half what is being paid Mr. Isham for his shells; and if it is desirable to use a torpedo shell carrying a high explosive, in the American Navy, we can procure those shells without number at a cost of less than one-third of the price paid to Mr. Isham. We hear a great deal about trusts—armor trusts, powder trusts, shell trusts. It looks to me as though we had one of the cleverest little shell trusts in the country in this very Isham game that is being put up to us now under the guise of going on with further experiments on high-power explosives for shells.

The CHAIRMAN. The time of the gentleman has expired.

Mr. ROBERTS of Massachusetts. I should like five minutes more.

The CHAIRMAN. The gentleman from Massachusetts asks unanimous consent that his time be extended five minutes. Is there objection?

There was no objection.

Mr. ROBERTS of Massachusetts. Much has been said about the so-called Shimose powder that was used by the Japanese with such deadly effect against the Russians. Mr. Chairman, it has been learned that Shimose powder is nothing more nor less than melted picric acid, being substantially the same thing as lyddite, the English shell filler. So much for this wonderful unknown explosive.

Mr. FOWLER. Will the gentleman yield?

Mr. ROBERTS of Massachusetts. I do.

Mr. FOWLER. Is it not a fact that Capt. Seminoff, in his book, says that the Japanese used high-explosive torpedo shells?

Mr. ROBERTS of Massachusetts. I understand one man made that statement; but I also understand and know that since that war we have been able to secure samples of so-called Shimose powder and analyze it, and find it to be what I have stated.

Mr. FOWLER. Capt. Seminoff was on the Russian fleet at the time the Japanese fire was poured into their ships.

Mr. ROBERTS of Massachusetts. I understand he was, and so were a lot of other people. You get his view only.

Something has been said about what other first-class powers are doing. I want to say here, Mr. Chairman, that the first-class naval powers—and we have positive information on this point—are using armor-piercing projectiles very much the same as our own. Many of them have in addition thinner wall shells, loaded with some explosive; none, so far as we are able to learn, using nitrogelatin as the filler of those last-named shells. Our armor-piercing shell, loaded with explosive D, has very great destructive effect and, when not overmatched by the armor, will pierce it and destroy material protected by that armor. If, however, it were considered advisable to supply a certain number of so-called torpedo shell, they can very readily be manufactured for less than one-third of the price we have been paying for the first 100 Isham shells; and while their contents would be equally destructive, the operation of handling and firing them would be attended with absolute safety.

Mr. FOWLER. Mr. Chairman, will the gentleman yield?

Mr. ROBERTS of Massachusetts. I do.

Mr. FOWLER. Is it not a fact that the Gathmann shell is absolutely safe, and has been so decided by high naval authority?

Mr. ROBERTS of Massachusetts. We only know that the Gathmann shell uses a high explosive, and that it has exploded in the guns and out of the guns before reaching the target.

Mr. FOWLER. Is that all that is known about it?

Mr. ROBERTS of Massachusetts. Oh, I have not made a study of the Gathmann shell or of the Gathmann explosive, but it must be on a par with all the other high explosives of nitrogelatin.

Mr. FOWLER. It is guncotton.

Mr. ROBERTS of Massachusetts. I have only a moment, and I do not wish to detain the committee much longer. I have here official photographs of the *Puritan*, showing the nature and extent of the damage done by the explosion of 200 pounds of nitrogelatin, one charge against the armored side of the ship and the other against the turret; and I want to call attention to the fact that the explosion against the side armor did not break or shatter the armor, but bent it in slightly.

The explosion against the turret, which was of 8-inch harveyized armor, cracked the plate and buckled it a little, but did no damage inside of the turret. And I want to emphasize again the fact that the explosion against the side of the *Puritan*, instead of sinking that ship in two minutes, as stated by the gentleman from Illinois [Mr. FOWLER], did not cause that ship to sink until after 24 hours had expired, and she would not have sunk then had there been anybody on board to have taken proper care of her, and she would not have been injured enough to have caused her to sink in any event but for a defective bulkhead on the inside of the ship. I want to call further attention to the fact that the *Puritan* was built more than 40 years ago, of the old iron construction, and was in no way comparable to a modern steel battleship. So that what evidence has been presented to the Naval Committee points to one thing, that we get no greater results with this high explosive detonated against the outside, provided we can safely fire it from the guns and land it on the target, than we get from the armor-piercing projectiles loaded with explosive D or trinitrotoluol.

Mr. HOBSON. Mr. Chairman, I ask unanimous consent to discuss this amendment for 15 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. HOBSON. Mr. Chairman, I desire to call attention to the fact that the Naval Committee has been carrying out experiments on this question for the last two years, and I have been the chairman of the special subcommittee conducting these ordnance experiments.

These experiments have covered the comparative strength and effectiveness of two types of shell, designed for two types of attack. The subject is still under investigation. I will point out, in a few moments, just how far we have progressed in the investigation. The investigation of the armor-piercing projectile has been substantially completed. We have not made public, and do not wish to have made public, the detailed results of that investigation. But I think, in view of the statement of the gentleman from Massachusetts [Mr. ROBERTS] the last time we were discussing this bill, and the general impression produced by him to-day as to the power of armor-piercing projectiles, I think it is only proper to state, in order that there may be no question as to the effectiveness of the armor-piercing shell, that the experiments were conducted under battle conditions at 10,000 and 12,000 yards distance. That the plates used were modern plates 8 inches and 10 inches in thickness. These plates were substantially thinner than the plates on modern dreadnaughts, and the guns used were the 40-caliber guns on the *Tallahassee*, which are not quite as powerful as the 50-caliber guns mounted on two of our dreadnaughts, but the relation of target to gun was such that it made the test absolutely fair and the results must be considered conclusive.

I may say that in the attack on this target with armor-piercing shells not a single shell penetrated in a way to explode behind the armor; not a single shell penetrated the armor intact without breaking up, and this was true with respect to either the 8 or 10 inch armor at even the shortest range. This test established the fact that it would have been impossible for these shells to send a fragment through the protective deck or into the vitals of any first-class ship at that range. I do not hesitate to state that if a dreadnaught had been there in the place of the target it would not have been put out of action. I will go further than that, it would not have been, as far as its vitals are concerned, even seriously injured.

We fired some eighty-odd shots and made 26 hits. I believe we could have continued to fire until we made 100 hits without sinking an actual ship anchored there in place of the target and placed like the target, at right angles to the line of fire and under the most favorable conditions for the shell. I wish to state, without going into details, which we do not wish to be made public, that it showed that the contention of the department as to the power of the armor-piercing shell to destroy an up-to-date ship at battle range was exploded by this test.

Mr. COLLIER. Will the gentleman state at what range those shots were fired?

Mr. HOBSON. At 10,000, 12,000, and 14,000 yards.

Mr. PADGETT. Ten and twelve thousand yards only.

Mr. HOBSON. Ten and twelve thousand yards. Our plan was to go up to 14,000, but there was no use when we found that we could not penetrate the belt armor and the protective deck behind it at even 10,000 yards. It was no use to go to longer ranges.

We first tried at 12,000 yards, expecting the shells to conquer the plates, but the shells failed. Then we came down to 10,000 yards, and there it failed. The conclusion was that the armor-piercing shell at battle range was impotent, as it broke up upon the face of the armor or in going through and therefore had no chance of penetrating or breaking in the deck armor behind the belt armor of a modern up-to-date ship.

Certain changes in the armor-piercing shell have been made as a result of the experiments. It is not my purpose to say what those changes are. I believe the armor-piercing shell to-day, as a result of the experiments, is substantially stronger and more powerful than it was before and that these experiments have been of incalculable value from the standpoint of bringing an improvement in the armor-piercing shell. I do not hesitate to say, however, that I was astounded by the results of this test, and I hope Members here will bear it in mind that the Navy Department's complete reliance on the armor-piercing shell must have been very seriously shaken by the results of this test and that our country should not have its success in battle against any modern power to rest solely upon any attack we could make with the armor-piercing shell.

Now, I am convinced that if the range could come down to 8,000 yards or less the armor-piercing shell—particularly if the caliber is a little larger, and the tendency is to larger caliber—will be very efficient. The fact that all navies are adopting a larger caliber is a practical admission that the 12-inch gun can not destroy a battleship at battle range, as the increase in caliber reduces the number of shells that can be carried because of the great increase in their weight, and this great sacrifice would not be made if it could be avoided. I believe, however, that if the fleets close in at the finish of a battle to less than 8,000 yards, then the great, powerful, armor-piercing shell can give the coup de grâce and can get into the vitals and destroy the ship.

So I believe we should continue to have the armor-piercing shell, running to high calibers, which are both stronger and more powerful shell. But, Mr. Chairman, we ought not to fail to see and profit by the other fact established by these experiments. You can hit with certainty at these long ranges. Think of it! Firing ten and twelve thousand yards at this comparatively small target and making 26 hits out of eighty-odd shots.

It simply shows that you can expect to get hits at long ranges—an appreciable percentage, at least—where the armor-piercing shell will be impotent to conquer the armor or destroy the ship. At those long ranges torpedo shell, carrying large charges of high explosive, will not only blow in the side of a battleship, if exploding against it, but they will sink such ships by their mine effect when striking and exploding at a distance from the ship. A torpedo shell which we are developing will also destroy a ship if it strikes on the armor with a glancing blow or after it has struck the water and ricocheted. The armor-piercing shell will have no effect under such conditions, as our tests showed. The great advantage, however, we are attempting to secure is the mine effect. To obtain this we must have a shell that will take the water.

To meet this requirement a torpedo shell is now being developed by us of such a nature as to take the water when it hits at long range and go off underneath the water, and when this high-explosive shell detonates underneath the water near a ship, water being an incompressible fluid, the hydraulic effect is terrific, and a ship would be sunk at even 30 or 40 feet away. It would crush in the weak bottom of a ship below the armor like an eggshell and put it out of action. The armor-piercing shell can never give under-water results, and it has never given them. Its nose has to be made long in order to give the velocity necessary to secure penetration against armor, and that shell will always ricochet when it strikes the water or explode upon contact with the water, as our tests conclusively showed, whereas torpedo shell not being dependent for their effect upon velocity are so constructed at the point as to take the water and to travel underneath it. They are also provided with a fuse to explode them when they have lost their motion; if then they are near a ship it will be destroyed. As to the experiments that have been conducted in the development of the shell to determine the strength of different explosives, let me point out that explosive D, shimosa, melinite, and other explosives, to which the gentleman from Massachusetts [Mr. ROBERTS] has been referring, are only about 40 to 60 per cent as powerful as gelatin. That is the reason why the effort is being made to de-

velop the gelatin-charged shell, which will make even 12-inch shell destructive. In the experiments to which the gentleman from Massachusetts refers, as showing the powerful effects of these other explosives, as compared to gelatin, he ought to have pointed out that in that test the density of the gelatin loaded in the shell was, as I recall, only about 0.7, where it ought to have been 1.6. This is not open to discussion, but shows that the comparison is not fair, but is very misleading.

Take all of these explosives to which the gentleman refers; the explosives with which they charge the armor-piercing shells are scarcely more than half as powerful as gelatin. That is why the effort has been made and is now being made to utilize this extremely powerful high explosive. Experiments thus far made by the Navy Department show that where explosions in guns have taken place they were fired in ordinary shells without compartments; that is, the ordinary service shell was charged with the gelatin and explosion was expected to result. The object being to determine how long a column could be used, they used a 1-pounder shell with a single compartment, firing this gelatin, and they fired it again and again and scores and scores of times, and the severity of the test of the gelatin within those 1-pounder shells, some of them with a column of 2 inches, was nearly twice as severe a condition as that which will be present in the compartment shell which is now being tested; and yet the firing under these conditions shows that the gelatin was practically safe and could be relied upon not to explode. There has not been frankness in this matter, and I deeply regret it.

The CHAIRMAN. The time of the gentleman from Alabama has expired.

Mr. HOBSON. Mr. Chairman, I ask unanimous consent to proceed for five minutes more.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. HOBSON. Mr. Chairman, this is in the nature of a brief report upon these experiments. We have reached the point where I believe we are justified in actually using the explosive itself in the big projectiles, and probably within a few days, or weeks at most, they are going to fire a 12-inch shell with the nose compartments charged with explosive gelatin, and, unless all calculations and indications fail, they will be fired successfully. Following upon the firing of these shells with the nose compartment filled with gelatin similar shells will be fired with all of the compartments filled with gelatin.

The shells are ready and the gelatin is ready, and these experiments will be made within a very short time. Here is the position in which we stand to-day: These experiments have been going on for two years. They are now very nearly coming to their end in so far as one type of shell is concerned. When they are completed we shall know the uses and limitations of this shell. The armor-piercing shell is a valuable shell. We ought to have them, but we can not rely upon them to do the work at all ranges, and there ought to be a torpedo shell aboard our ships or they will be outranged. There is no doubt in the world that other navies have a torpedo shell already developed. Just whether they use gelatin or not we do not know, but the experiment on the *Empress of India*, where that armored ship was sunk at 16,000 yards, at a distance where the armor-piercing shell could not penetrate—and the report said that great gaps were blown in her side as big as lock gates—indicate that the British Navy was not using the armor-piercing shell, but that they were using a real torpedo shell charged with high explosive.

The fact that they have been building these fast armored cruisers or dreadnaught battle cruisers in all the navies of the world except the United States indicates clearly that they expect those vessels to contend with dreadnaughts, that they expect to put them on the firing line with the dreadnaughts. After you get beyond a certain range the dreadnaught guns can not conquer the battle cruisers' armor any more than the battle cruisers' armor-piercing shell can conquer the dreadnaught armor. They are on an equality as far as armor-piercing shells are concerned; neither type can be sunk by such a shell at long range, and since both ships are equally exposed to torpedo shell firing, these faster ships can choose their range, weather gauge, and so forth, and be in control of the situation. They can accept battle or decline it. They can run ahead of the line and drop a mine, and cause the dreadnaught to turn to an unfavorable position or be exposed to the danger of being blown up by the mine.

The torpedo shell gives the ship great power, and all the nations of the world now realize this. There is now no need for further discussion as to the reality of the torpedo shell. It has come, and has come to stay. It is now an accomplished fact. And I will say this, that this kind of fire, where the shell can bite and take the water and stay in the water and explode, even in smaller calibers down to the 6-inch and smaller, will make a new defense against torpedo boats, destroyers, and submarines, and that may possibly be one indication of why opposition is so strong against the development of this kind of a shell.

The CHAIRMAN. The time of the gentleman from Alabama has expired.

Mr. HOBSON. Five minutes more, Mr. Chairman, and then I will not——

Mr. PADGETT. Mr. Chairman, I must object; I can not consent to further prolongation of time.

The CHAIRMAN. The question is on the amendment——

Mr. HOBSON. Mr. Chairman, I move to strike out the last word.

Mr. PADGETT. That is not in order, Mr. Chairman.

Mr. HOBSON. Mr. Chairman, I move to strike out the last word.

The CHAIRMAN. The gentleman has been proceeding under that motion.

Mr. HOBSON. Then I move to strike out the last two words.

Mr. PADGETT. That is not in order.

The CHAIRMAN. The gentleman from Tennessee has been recognized.

Mr. HOBSON. I am making a report at this time, I will state to the Chairman, and I am nearly through.

Mr. PADGETT. The gentleman has been given 20 minutes. However, Mr. Chairman, I withdraw the objection to the five minutes additional, with the statement that I am going to object hereafter to any extension of remarks above 15 minutes.

The CHAIRMAN. Is there objection to the gentleman from Alabama having his time extended five minutes? [After a pause.] The Chair hears none.

Mr. HOBSON. Now, the defense and usefulness of the submarine result from its ability to conceal itself below the water; but when with magnetic apparatus, which it is claimed is available, you can locate the position of a submarine and then can fire these high explosive shells and make them explode below the water the submarine will loose its terrors and the gun will return to its supremacy. It is of great importance for this reason that this development should go on in our Navy, a cordial development by the Navy Department of the torpedo shell. Mr. Chairman, the Navy Department has been conducting experiments as our subcommittee requested them to be made. They have done that loyally, but I must say that the policy of the Bureau of Ordnance of the Navy Department has been so long committed to the fetish of the armor-piercing shell that it is very, very difficult to get them out of that rut. They ought to take this matter up and develop it themselves, and if, as the gentleman says, they can develop a torpedo shell of their own, why we want them to do it. If they can take an explosive such as trinitrotoluol or any other high explosive and develop a perfectly safe torpedo shell that will be as efficient as any other, they ought to do it and test in competition with the one now being tested. But they are not doing it. They simply do what the subcommittee calls upon them to do, and then frequently we have long delays in getting them to do that. Now, I will not be in this House very long——

Mr. HENSLEY. Will the gentleman yield for a question right there?

Mr. HOBSON. In a moment; I desire to conclude, because I will not have any more time. I will not be in this House very much longer, but I have tried to contribute my little during the period I have been here to have an intelligent development of our national defense, particularly in the direction in which we have been conducting these experiments, and I have been chairman of the subcommittee to carry them on, and I say to the Members of this House that our Navy Department ought to take up, on its own initiative, this development of the torpedo shell of one type or another, and I believe the insertion of this provision that $250,000 shall be used—and I will offer an amendment to it—for the manufacture or purchase of torpedo shells, specifying no type, ought to go in. This amendment ought to be sustained. I submit this as a technical proposition, and I have reached this conclusion after long and careful scientific investigation. Gentlemen of the House can give heed to it. In the same spirit I have tried to develop a true policy for national defense, and gentlemen can give that due consideration. I now yield to the gentleman from Missouri.

Mr. HENSLEY. Is not the gentleman from Alabama afraid lest his language be regarded by some as a criticism upon the Navy Department?

Mr. HOBSON. Now, the gentleman knows——

Mr. HENSLEY. I call the gentleman's attention to it.

Mr. HOBSON (continuing). I am loyal to the Navy. I believe in the Navy and believe in the naval officers; but it is a

fact that they feel in there that there is very little knowledge outside in technical matters and it is always hard to get initiative. That is one reason why we have had the development of an experimental fund. We had none when I first joined the Naval Committee. They made no initiative, no experiments, and now they are making some which will be of permanent good, and there ought to be some expression, I believe, on the part of Congress to indicate that Congress desires the initiative to be taken in the Navy Department with the idea of following this line of development of the torpedo shell.

Mr. WITHERSPOON. Mr. Chairman, I hope that this amendment will be voted down I regard this question of projectiles as one of the most important questions in the Navy. I think, as I have argued here before, that the whole thing depends upon the destructive power of the shell—not, as some people believe, on the numbers of ships, but upon the destructive force of the shell; and that is what naval experts say when they face us in the Naval Affairs Committee and we present that question to them. They admit that. I am in favor of securing the most destructive shells that can be made; but, Mr. Chairman, there are two questions to be determined here before any intelligent action can be taken One is the question of getting an explosive that can be safely used. A great many guns have been destroyed by these explosives bursting before they got out of the gun; sometimes they are not far out of the gun when they explode. But experiments have been made to determine how you can get an explosive that can be safely used. A great many experiments have been made, and the experts in the Navy have demonstrated that some of these high explosives can not, especially at certain temperatures, be used at all with any safety. Now, the other question is to get a high explosive that you can safely use that will not explode until it reaches the enemy's ship and at the same time have a destructive force enough to destroy.

Now, Mr. Chairman, I submit to the committee that both of those questions must either be determined by the experts of the Navy Department or must be determined, as this amendment proposes, by this House. Here is a provision directing that $250,000 of this money shall be invested in these torpedo shells. Now, we have either got to determine it or we have got to let the experts of the Navy Department determine it. I say we have not the information to determine it on. The Naval Affairs Committee has never devoted enough time to investigate it sufficiently for us to have an intelligent opinion about it. If the House wants to determine this question, the way to do it is to instruct the Committee on Naval Affairs to investigate it and collate all the facts in reference to it, and report to you so that you can act upon it intelligently. [Applause.] But for us, with the meager information we have, to undertake here in this House to determine this most vital question, and one that depends upon scientific knowledge, is, in my judgment, unreasonable. I think if the House wants to prosecute this matter—and I am very much in favor of it—the best way would be to amend this bill and instruct the Naval Affairs Committee that hereafter, instead of wasting all their time on the question of building battleships, they devote a part of it to the investigation of questions that affect the efficiency and power of the Navy. Then we could ascertain the facts and the House could act upon them.

The CHAIRMAN. The time of the gentleman from Mississippi has expired.

Mr. PADGETT. Mr. Chairman, I ask unanimous consent that I may have 15 minutes, and then I will not ask for an extension.

The CHAIRMAN. Is there objection? [After a pause.] The Chair hears none.

Mr. PADGETT. Now, Mr. Chairman, I ask unanimous consent that at the expiration of the 15 minutes the debate on this paragraph and all amendments thereto may conclude.

The CHAIRMAN. Is there objection?

Mr. FOWLER. Mr. Chairman, reserving the right to object, I feel that under the circumstances, in view of what was said by the gentleman on the other side, I ought to ask for 5 minutes.

Mr. PADGETT. I must object, Mr. Chairman. I was very liberal. I gave the gentleman 35 minutes, I believe.

Mr. FOWLER. No; it was only 30 minutes.

Mr. PADGETT. Well, 30. And that has been very liberal, and this debate has been proceeding here——

Mr. MANN. Let him have 5 minutes more now.

Mr. PADGETT. Well, take the 5 minutes now. Mr. Chairman, I ask unanimous consent that the debate close in 20 minutes.

The CHAIRMAN. The gentleman from Tennessee asks unanimous consent that the debate be closed in 20 minutes, 15 minutes to be used by himself and 5 minutes by the gentleman from Illinois [Mr. FOWLER]. Is there objection? [After a pause.] The Chair hears none.

Mr. FOWLER. Mr. Chairman, in view of what the gentleman from Massachusetts said with reference to a certain shell that had been produced or had been patented by Mr. Isham, I think it is due that I should state to the House that no man since I have become a Member of Congress has influenced me to father any proposition of his. I never met Mr. Isham in my life until after I had prepared this amendment. I submitted the amendment to some members of the committee before I offered it. I want to say further, Mr. Chairman, that I have never accepted an invitation from anybody to be wined and dined as a means of securing my support. I have persistently refused all of them. I was assisting a widow woman in her efforts to secure a pension because I believed she had a meritorious cause. She said to me one day, "If you succeed in getting my pension, I will remember your daughter." I regarded that as a statement to induce my activity in her behalf, and although she is a woman, I refused to go any further with her claim. I have refused to accept automobile rides to visit private interests when invited by the owner or his agent. And I now say that no man can question my honor upon any question on the floor of this House without it being resented by me. There are some things in this life that men prize above others, and while all like to live as long as possible, the greatest legacy that any man ever left to his posterity was death in the defense of his own honor or of the honor of his family. [Applause.]

Mr. Chairman, it is said that this explosive is a dangerous one. I desire to read from some very noted naval authorities. First, Capt. Charles D. Sigsbee, United States Navy, said on February 6, 1901:

> I know nothing of the Gathmann system excepting what I have read and have heard from the inventors, but the Gathmann fuse seems to have reached a high state of development, so far as I can judge from the drawings. I believe that it is a great mistake to suppose that the armor of a ship must be pierced in order to defeat her.

Further, I quote from a letter from Commander R. B. Dashiell, United States Navy, of February 28, 1899, as follows:

> As to the effect of projectiles of each type on an enemy's battleship, experience has shown that a ship can receive a number of 12-inch steel shells and yet survive; in fact, there are a large number of battleships that can stand a long continuous series of hits from such shells and not have their vitals injured or their flotation destroyed. But experiments with submarine mines detonated at varying distances from the hull, and the recent detonation at Sandy Hook of a 12-inch shell at high velocity against a heavy armor plate all shows conclusively that the detonation of a shell containing 500 pounds of guncotton, either against a ship's side or even in the water and a few feet from the hull, is sufficient to place her hors de combat. Such a result is not to be measured by or compared with any outlay of money by which it may be accomplished.
>
> Very respectfully,
>
> R. B. DASHIELL,
> *Assistant Naval Constructor, United States Navy.*

The CHAIRMAN (Mr. ALEXANDER). The time of the gentleman has expired.

Mr. FOWLER. Mr. Chairman——

Mr. HUMPHREY of Washington. Mr. Chairman, I ask unanimous consent to extend my remarks in the RECORD.

The CHAIRMAN. The gentleman from Washington [Mr. HUMPHREY] asks unanimous consent to extend his remarks in the RECORD. Is there objection? [After a pause.] The Chair hears none.

Mr. FOWLER. Mr. Chairman, I ask the same privilege.

The CHAIRMAN. The gentleman from Illinois [Mr. FOWLER] makes the same request. Is there objection? [After a pause.] The Chair hears none.

Mr. PADGETT. Mr. Chairman, in the 15 minutes allotted to me I must proceed hurriedly, and I must not submit to interruptions, because I have a number of things to answer.

My good friend and colleague upon the committee, Capt. HOBSON, made the statement that it was very hard to get the Navy officers to take the initiative. I think that is a criticism that is uncalled for and unjustified by the facts. I simply have to call your attention to the fact that the Navy Department has up to this time spent more than $295,500 experimenting on the Isham shell and high-explosive shells, and we have simply gotten a goose egg up to this time. We have accomplished nothing, but have spent $295,500 on such shells; and yet they come here and say that the Navy Department will not take the initiative in experimenting with matters.

Another thing. He says that the department has reached the conclusion that these 12-inch torpedo shells are safe and that shortly they are going to fire some of them. Why, in a conversation only this morning with Admiral Strauss, the chief of the bureau, who is conducting experiments, he said to me: "We are going to try to fire them. We are going to fire them with a small quantity, and test to see what we can do, but it is only in an experimental stage." They have had numbers of experiments, and I have the reports here. They had experiments with 1-pounders and 6-pounders, and what has been the

result? We have burst three 1-pound guns and one 6-pound gun and one 12-inch gun that were experimented with in the Army, and the English have burst a 12-inch gun in experimenting with this explosive gelatin. And then there are other cases where it even exploded as it went out of the muzzle. And yet they would come here and tie up $5,400,000, or else compel the department to spend $250,000 more upon this matter.

Now, Capt. HOBSON is so constituted that he uses all of his adjectives in the superlative degree. He can not avoid it; he is so intensive and feels so deeply. Now, he made the statement that our high explosives were only 40 to 60 per cent of the power of explosive gelatin. I got this memorandum this morning from Admiral Strauss, and I read:

Guncotton is to T. N. T. as 11.63 to 13.05; T. N. T. is to gelatin as 11 to 10.

Not 40 or 60 per cent of the explosive power of explosive gelatin, but as 11 to 10. I read further:

Experiments with pressure gauges at Indianhead indicate that wet guncotton, properly detonated, has a relative force as compared with nitrogelatin of 19.97 to 20.

Guncotton is 19.97 and nitrogelatin is 20.

Now, let me call your attention to some matters here about these explosives, because I am not going to take up the time in arguing. I want to get down to facts. I read:

The foregoing results confirm those previously secured from similar tests. No law as to the action of explosive gelatine can be derived from them, but they confirm previous opinion as to the unreliability, nonuniformity, and irregularity of this explosive.

And yet in the face of that we must tie up five and a half million dollars of appropriations for the Navy for other things unless the department will consent to spend $250,000 in this manner.

Mr. FOWLER. Mr. Chairman, will the gentleman yield?

Mr. PADGETT. No; I said I could not. I read again:

In numerous experiments made heretofore, reference has been made to explosive gelatine and nitrogelatine as being subjects of tests. It is a fact, however, that there are two kinds of freezing for nitroglycerine, and presumably for explosive gelatine, a higher freezing point being at about 55° F., and the other 39° or 40°.

Think of it—dealing with a substance that will freeze at 55° F., and then at 39° or 40°. Yet we must spend this sum of money or else tie up this whole amount.

I call your attention, if you please, to other matters:

It has been stated in previous reports, and will be stated in subsequent portions of this report, that the action of gelatine, both in the firing and in the pressure-gauge tests, has been extremely irregular, and that no law can be marked by which action under particular conditions could be predicted.

I called your attention awhile ago to the fact that we had had these guns exploding. I read:

Three of these projectiles were then fired, rounds 1 and 2 being fired without accident, but on the third round the gun was burst in a manner similar to that in which the previous gun had been burst. With the bursting of the gun last referred to, the series of tests of this character was closed, it having been shown to be unsafe to fire projectiles with smooth interiors with the 3-inch length of cavity, the projectiles having normal protecting bands, and the others were fired with rough, so that either with rough interiors or smooth interiors they had the same results—the bursting of the guns.

Here it goes on to discuss the case of gun No. 1272, a rough-interior projectile with 2½-inch collar. The gun burst. In the case of gun No. 910, it was burst by a smooth-interior projectile with a 3-inch collar. Then this is added:

From the experience thus far gained in experimenting with explosive gelatin, the hypothesis has been formed that the cause of explosion when firing from the guns is not primarily or solely static pressure or pressure of any nature, but it is heat, due to the pressure of air in cavities in the gelatin, its operation producing heat in the gelatin sufficient to cause it to burn like smokeless powder.

Yet gentlemen, after we come here with all these facts from candid tests and experiments, would tie up $5,800,000 for other purposes unless we shall spend $250,000 additional to that already expended, namely, $295,500, upon this one.

Mr. FOWLER. Mr. Chairman, will the gentleman yield?

Mr. PADGETT. No; I can not.

The CHAIRMAN. The gentleman declines to yield.

Mr. PADGETT. Now, Capt. HOBSON said that the results of tests and experiments with armor-piercing shells was that they were impotent. Now, I am reading a statement of Admiral Twining, the former chief of the bureau that conducted the test and one of the finest men that this country ever produced, in the Navy or out of the Navy; and I make that statement after an intimate acquaintance with him of several years and after testing him on that line. He says:

The result has been to prove to the satisfaction of the department that the theoretical penetration of armor, as based on proving-ground data, can be realized at long ranges; also, it has demonstrated to the satisfaction of the department that an armor-piercing shell, even when it does not pass through a protective deck behind armor, can do a great deal of damage by detonation and explosion behind the armor. It has also demonstrated that an armor-piercing shell striking the armored deck of the vessel can seriously damage the ship, even though it may not penetrate; it can do a great deal of damage by blowing large holes in the deck and throwing large fragments of shell and the deck into the machinery and boilers of the ship. Those are the three principal things we have concluded so far.

Now, then, they speak also about the Gathmann shell. I have here a Senate document as to the result of those tests. In those tests three firings were made against armor at the same distance. There were 507 pounds of guncotton put in the torpedo or explosive shell. There was 23 pounds of maximite, which is far inferior to the high explosive that we have at the present time. That was put in the armor-piercing shells and they were exploded against 11½-inch armors.

We have here the photographs showing the result of each test and each firing. You will find that the effect of the explosion of the 507 pounds of guncotton was practically nil. If you turn here, you will see the effect of the armor-piercing shell, showing that it pierced the armor, tore great holes through it, and on the back side tore up the building representing the ship, and there is no comparison between the two. Here are the photographs for the inspection of the Members, and they show for themselves how the armor-piercing shells tore things all to pieces and the 507 pounds of guncotton had no effect. Yet it is proposed to put something like 100 pounds of guncotton into these 12-inch shells, as against the tests that were made by the Gathmann gun, of 507 pounds of guncotton.

Gentlemen, let me say to you that we have gone into this matter, and we are developing these things as fast as we can. We are spending money every year. They are testing, they are studying, they are working to get everything they can out of these matters, and I do appeal to you not to tie up $5,500,000 of appropriations for other matters and prohibit their expenditure unless the Navy Department shall spend $250,000 of that money in purchasing—they do not say in testing, but they have got to go and purchase them whether they are worth a copper or not—when we are spending all the money that is needed and that we ought to spend to test and develop these matters.

I call for a vote.

The CHAIRMAN. The question is on the passage of the amendment offered by the gentleman from Illinois [Mr. FOWLER].

The question was taken, and the Chairman announced that the noes appeared to have it.

Mr. FOWLER. Division, Mr. Chairman.

The committee divided; and there were—ayes 13, noes 40.

Accordingly the amendment was rejected.

The Clerk read as follows:

That the unobligated balance under the appropriation, Marine Barracks, Boston, Mass., for the fiscal year ending June 30, 1914, not exceeding $148,000, is hereby made available for building slip and equipment.

Mr. JONES. Mr. Chairman, I make a point of order against this paragraph. The expenditure here proposed is not authorized by existing law, and is not in continuation of any appropriation for a public work now in progress. Neither does it retrench expenditures.

Mr. ROBERTS of Massachusetts. Mr. Chairman, I desire to be heard on the point of order. The gentleman states that the work is not authorized. I desire to call the attention of the Chair to the naval appropriation act of last year, approved March 4, 1913. Page 24 in the copy which I hold in my hand, which contains the following item:

Increase of the Navy: That for the purpose of further increasing the Naval Establishment of the United States, the President is hereby authorized to have constructed—

Then follows a list of different vessels, containing the following:

One supply ship, to cost, exclusive of armor and armament, not to exceed $1,425,000.

The naval appropriation bill of last year authorized the construction of a supply ship. The chairman of the Committee on Naval Affairs has in his possession a letter from the Secretary of the Navy, in which he states that the supply ship authorized by the last bill has been placed in the Boston Navy Yard to be constructed; and he states further that it is necessary in the construction of that ship to have the building slips, for which he has recommended the reappropriation of $148,000 herein mentioned. So much for that point, as to whether or not these slips are authorized.

It is absurd to say that the authorization of the construction of a ship is law, and yet that the means and appliances by which you are to construct it are not authorized by that same law. It seems to me there is no question but that the authorization of the construction of this ship carries with it full authorization, as being a work in progress, for appropriating the money for any purpose necessary and incident to the construction of the ship.

But I do not want to rest the matter on that argument alone, because there is an absolute precedent for the appropriation for building slips in navy yards. I want to call attention here to Hinds' Precedents, volume 4, page 563, section 3837. In May, 1902, the naval appropriation bill was under consideration in the Committee of the Whole House on the state of the Union, and the following paragraph had been read——

The CHAIRMAN (Mr. ALEXANDER). The Chairman of the committee [Mr. JOHNSON of Kentucky] has returned, and will resume the chair. The temporary occupant of the chair suggests that the gentleman from Massachusetts repeat his argument against the point of order.

Mr. JOHNSON of Kentucky took the chair.

Mr. ROBERTS of Massachusetts. In view of the fact that my argument is interrupted by the return of the chairman, it will necessitate my repeating what I have said. The matter under consideration is a point of order raised by the gentleman from Virginia [Mr. JONES] against the language found in lines 1 to 5, inclusive, at the top of page 22. That language is as follows:

That the unobligated balance under the appropriation, Marine Barracks, Boston, Mass., for the fiscal year ending June 30, 1914, not exceeding $148,000, is hereby made available for building slip and equipment.

And the point of order is made by the gentleman from Virginia [Mr. JONES] that it is not authorized by law and not a work in progress. Am I correct in stating the substance of the point of order?

Mr. JONES. That the work is not authorized by law and that this appropriation is not to continue any work that is now in progress, and that it does not come within the exception that it retrenches expenditures.

Mr. ROBERTS of Massachusetts. Does the gentleman raise any point that money appropriated for one purpose can not be reappropriated without violating existing law?

Mr. JONES. I have not made that point.

Mr. ROBERTS of Massachusetts. If there is any question in the mind of the Chair as to the propriety of reappropriating money already appropriated, to use for another purpose, I should like to be heard on that feature of it. It seems to me that point is thoroughly established by a number of precedents.

I commenced my argument by calling the attention of the Chair to the naval appropriation bill of last year, approved March 4, 1913. On page 24 of the printed law as obtained from the document room is the following language:

Increase of the Navy: That for the purpose of further increasing the Naval Establishment of the United States, the President is hereby authorized to have constructed—

Then follows a list of different vessels, containing the following:

One supply ship, to cost, exclusive of armor and armament, not to exceed $1,425,000.

The law last year authorized the President to have constructed one supply ship, to cost, exclusive of armor and armament, not to exceed $1,425,000. No question can be raised that the construction of that ship was authorized by law. The chairman of the Committee on Naval Affairs [Mr. PADGETT] has in his possession a letter from the Secretary of the Navy, advising him that the supply ship has been placed in the Boston yard to be constructed.

Mr. PADGETT. Will the gentleman yield for a moment?

Mr. ROBERTS of Massachusetts. I will, if the chairman will read that letter.

Mr. PADGETT. I will hand the letter to the gentleman and let him read it.

Mr. ROBERTS of Massachusetts. If the Chair pleases, I now have the letter and will read it.

NAVY DEPARTMENT,
Washington, March 10, 1914.

Hon. LEMUEL P. PADGETT, M. C.,
Chairman Committee on Naval Affairs,
House of Representatives, Washington, D. C.

MY DEAR MR. PADGETT: In reply to your letter of the 7th instant requesting certain information in reference to provisions in the naval appropriation bill for the construction of building slips in the navy yards at Boston and Philadelphia, I beg to state as follows:

The naval appropriation act of March 4, 1913, has the following under "Increase of the Navy":

"That for the purpose of further increasing the Naval Establishment of the United States the President is hereby authorized to have constructed * * *:

"One transport, to cost, exclusive of armor and armament, not to exceed $1,850,000.

"One supply ship, to cost, exclusive of armor and armament, not to exceed $1,425,000."

Bids were invited in the usual manner from private shipbuilders, and, in addition, estimates were obtained from the principal navy yards. After careful examination of the various bids and estimates, including the revision by the Boston and Philadelphia Navy Yards of the estimates at first submitted by them, I decided on February 19 to place the building of these two vessels in Government yards—the supply ship to be built at Boston, and the transport to be built at Philadelphia. The estimates from these yards, even after being revised upward, were well within the limit of expenditure named in the appropriation bill and were materially below the lowest bids received from private shipyards.

In my annual report for the fiscal year ended June 30, 1913, I invited attention to the desirability of inaugurating a system of shipbuilding in a number of our more important navy yards. The placing of the above-mentioned building work at the Boston and Philadelphia yards is in furtherance of this policy, which is designed to render the Government largely independent of private shipbuilding concerns—keeping the cost of naval vessels within the department's control—and to improve navy-yard conditions by maintaining a more uniform force of employees.

The estimates received from these two navy yards are based on the assumption that they are to be equipped with building slips and suitable handling facilities. The building slips are absolutely essential for the construction of the vessels, and the handling facilities are equally essential if the ships are to be built rapidly and economically.

The department deems the provision of building slips at Boston and Philadelphia absolutely necessary at the present time for the specific purpose of constructing the vessels awarded as stated, and authorized by the Congress.

Sincerely, yours,

JOSEPHUS DANIELS,
Secretary of the Navy.

Now, Mr. Chairman, we have these points: The supply ship was authorized by law last year "to be constructed." Acting under the power conferred upon the President and the Secretary of the Navy, the construction of that supply ship has been placed in the Boston Navy Yard. The Secretary of the Navy advises us that it is absolutely essential in order to construct the ship that there must be a building slip. It would be absurd to hold for a moment that the construction of the ship is authorized by law, and yet it is contrary to law to make provision for the necessary things for the construction of that ship.

The CHAIRMAN. Does the gentleman from Massachusetts contend that an appropriation to build a ship carries with it an appropriation to build a dock wherein it can be built?

Mr. ROBERTS of Massachusetts. This is not a dock.

The CHAIRMAN. The Chair is not familiar with the naval terms, but he means a suitable place in which to construct it.

Mr. ROBERTS of Massachusetts. It is something on which the ship rests; it is a launchway.

The CHAIRMAN. Does the gentleman contend that the appropriation to build a ship carries with it an appropriation to build the launchway?

Mr. ROBERTS of Massachusetts. Not the appropriation, but the authorization and the construction of the ship carries with it necessarily the power of Congress at a future time to appropriate whatever money is necessary for the construction of that ship.

Mr. JONES. Will the gentleman yield?

Mr. ROBERTS of Massachusetts. Certainly.

Mr. JONES. Battleships have to have armor, do they not?

Mr. ROBERTS of Massachusetts. They do.

Mr. JONES. Would the authorization of a battleship authorize the appropriation of $10,000,000 in a naval bill to build an armor plant?

Mr. ROBERTS of Massachusetts. This is not a battleship.

Mr. JONES. I ask the question; it is an analogous proposition.

Mr. ROBERTS of Massachusetts. We authorize the construction of battleships, exclusive of armor and armament.

Mr. JONES. I understand.

Mr. ROBERTS of Massachusetts. In another part of the bill we make provision for armor and armament for ships already authorized. I never have yet known of a point of order being raised against an appropriation for armor and armament.

Mr. JONES. We will show the gentleman before we get through this debate that it has been raised many times and that the point of order has been uniformly sustained by the Chair.

Mr. MADDEN. Will the gentleman yield?

Mr. ROBERTS of Massachusetts. Certainly.

Mr. MADDEN. Is there a slip at this yard now?

Mr. ROBERTS of Massachusetts. There is a partial slip; that is, a part of the foundations which were put in there years ago, when we were constructing wooden ships, and the foundations for the slip have remained and will be utilized in the construction of the slip mentioned here.

Mr. MADDEN. This slip would have to be enlarged and extended.

Mr. ROBERTS of Massachusetts. It is practically an enlargement and extension of an existing slip. It is simply to put the launchway on a foundation and a possible extension of the foundation somewhat, in order to get the requisite length.

Mr. Chairman, there is a precedent directly in point to which I wish to call the attention of the Chair. On page 563, volume 4 of Hinds' Precedents, section 3837, there is this precedent:

On May 19, 1902, the naval appropriation bill was under consideration in Committee of the Whole House on the state of the Union, and the following paragraph had been read:

"That for further increasing the Naval Establishment of the United States the President is hereby authorized to have constructed by contract, except as herein otherwise provided, two first-class battleships"—

And so forth.

Then follows the authorization for the increase of the Navy in the usual form, which I will not read. To that I offered the following amendment, and I invite the particular attention of the Chair to this amendment:

Provided, That the Secretary of the Navy shall build at least one of the battleships, one of the armored cruisers, and one of the gunboats herein authorized in such Government navy yard or navy yards as he may designate; and for the purpose of preparing and equipping such navy yard or navy yards as may be so designated for the construction of such ships the sum of $175,000, or so much thereof as may be necessary, is hereby appropriated for each of the navy yards in which the Secretary of the Navy may direct any such ship or ships to be built.

The point of order was made; and, after much argument, the Chair, the Hon. James S. Sherman, then presiding, said:

The Chair thinks that the section of the Revised Statutes to which the gentleman from Pennsylvania [Mr. Adams] refers does not control in this case. In the opinion of the Chair, that section does not cover such a provision as is included in this section of the bill.

I will not read the decision. The result of the thought of the chairman on the point of order was that the point of order was good, and he therefore sustained it, ruling out of order the provision for $175,000 for equipping the yards designated for the construction of the ships.

Mr. ROBERTS having appealed, the question was put, Shall the decision of the Chair stand as the judgment of the committee? and on the vote by tellers there were 86 ayes and 109 noes. So the decision of the Chair was overruled.

There is one of the highest parliamentary authorities that we can have—the decision of the Committee of the Whole. It is on the question as to whether or not the provision for building a slip or equipping a yard for the construction of a ship or a battleship is in order. I assume, Mr. Chairman, with due regard for precedents and having in mind that here is a decision of the committee, not of any one chairman or series of chairmen, but a holding by the Committee of the Whole that this is in order, that the chairman can do nothing else than hold it in order.

The CHAIRMAN. From what money is this $148,000 to be taken? The Chair would like to understand that clearly.

Mr. ROBERTS of Massachusetts. Mr. Chairman, the naval appropriation bill of last year provided for the construction of barracks and officers' quarters at the Boston yard, at a cost of not to exceed $148,000, and this is a reappropriation of that money.

The CHAIRMAN. Has the gentleman that law before him?

Mr. MURRAY of Massachusetts. It is the act of 1913.

Mr. ROBERTS of Massachusetts. Mr. Chairman, I have the act here. The appropriation last year was as follows:

Marine Barracks, Boston, Mass.: Barracks, $100,000; officers' quarters, $48,000; in all, $148,000.

The CHAIRMAN. And that money has not been expended?

Mr. ROBERTS of Massachusetts. That money has not been expended or obligated, and the Secretary of the Navy informed the committee, when appearing before it, that the money would not be expended.

The CHAIRMAN. The idea the Chair had in mind was whether there had been a flat appropriation or whether there had been an appropriation limited by a maximum amount, a smaller amount of which had been used?

Mr. ROBERTS of Massachusetts. No part of the amount authorized for barracks has been used.

The CHAIRMAN. As the Chair understands, it is a flat appropriation and therefore can be reappropriated?

Mr. ROBERTS of Massachusetts. That is my opinion, and if there is any question on that, I would like to cite the authorities holding the reappropriation of money in order.

Mr. LOGUE. Mr. Chairman, in connection with the argument of the gentleman from Massachusetts, I desire to call attention to the rule sought to be invoked, which provides:

No appropriation shall be reported in any general appropriation bill, or be in order as an amendment thereto, for any expenditure not previously authorized by law, unless in continuation of appropriations for such public works and objects as are already in progress or for the contingencies for carrying on the several departments of the Government.

As the attention of the Chair has been called by the gentleman from Massachusetts, we have here, first, the authorization for the construction of a particular ship, and, second, the direction to the Secretary of the Navy, in his judgment, to place the construction of that ship in a Government yard. While we may be compelled to stick to the record and be bound merely by the bill, still I presume that the letter of the Secretary of the Navy and the report of the committee are advisory to the Chair as to the exact condition that exists in connection with this appropriation. We have, therefore, Mr. Chairman, the fact that the constructive work has been authorized to be done in this particular yard. We have it also, therefore, that it has now become administrative work of the Department of the Navy for the purpose of constructing that ship. The report, which becomes a part of the record, to my mind, places the Chairman in possession of the fact that the very appropriation is to be used in connection with the construction of an authorized piece of work, and therefore the continuance of the construction of an authorized piece of work. I take it that the authority in law that the appropriation of money, that the authorization for a thing to be done at a particular place, is the commencement of the particular public work. It does not mean that they are in construction of a building and that the soil should be turned and that part of the foundation should be laid. I consider that the appropriation and, further, the awarding of a contract, constitutes it a public work, and, therefore, as we have it in the nature of a recommendation from the committee, accompanied with their report, this is in continuation; it is administrative, and it is outside of the restriction that is sought to be imposed by the work.

The CHAIRMAN. Is the gentleman contending that the report of the committee makes it in order?

Mr. LOGUE. No; I am not contending that. I am contending that while if it was a legal proposition I might be discussing on the pleadings before the court, still at the same time, if there was a report accompanying that which would be illuminating with regard to presenting facts, those facts would be entitled to consideration for the purpose of ascertaining exactly that which was purposed to be done. I do not consider that the report of the committee could of itself authorize an appropriation; but if the report of the committee is a statement of existing facts, that is the only way in which the Chair could get in possession of the facts, and I presume the Chairman would desire to know the facts in connection with this particular expenditure.

There are many precedents which, while not directly upon this point, show that appropriations made in continuance of a public work are in order.

The CHAIRMAN. Just at this point in the argument of the gentleman from Pennsylvania, may the Chair be indulged to ask the gentleman from Massachusetts [Mr. ROBERTS] a question? Does the Chair understand the gentleman from Massachusetts to say that no part of the $148,000 has been used for the original purpose for which it was appropriated?

Mr. ROBERTS of Massachusetts. None of it has been used and none of it has been obligated.

The CHAIRMAN. Then does the gentleman call it an "unexpended balance"? The precedents that the Chair has before him speak of an "unexpended balance."

Mr. MURRAY of Massachusetts. The language is "unobligated balance."

Mr. ROBERTS of Massachusetts. It is an unobligated balance. It is the whole appropriation, none of which has been used.

The CHAIRMAN. If the Chair may be indulged, this is a total appropriation, unused, and the time within which it may be used has not yet expired?

Mr. ROBERTS of Massachusetts. That is a fact.

The CHAIRMAN. So that the appropriation, while made for one purpose, is now sought to be diverted in toto to another?

Mr. ROBERTS of Massachusetts. That is the fact; and if there is any doubt in the mind of the Chair with respect to that, I would like to submit some authorities.

The CHAIRMAN. The Chair has some doubt upon that, and will be glad to hear the gentleman.

Mr. PADGETT. Mr. Chairman, in order to get it clear before the Chair, in the bill last year the appropriation of $148,000 was made for the purpose of constructing marine barracks in the yard at Boston. Since then the Secretary of the Navy and the Navy Department have changed their desires and purposes, and they do not longer desire to construct the barracks. They abandoned that purpose.

The CHAIRMAN. Who made the abandonment?

Mr. PADGETT. The Secretary of the Navy.

The CHAIRMAN. In what way?

Mr. PADGETT. He stated that he does not think they are needed.

The CHAIRMAN. But suppose to-morrow we were to have another Secretary of the Navy, and he should desire to go ahead with it, would not this, then, be a repeal of that act?

Mr. PADGETT. It would, if this is made available for this purpose.

The CHAIRMAN. Would that not be legislation?

Mr. PADGETT. Oh, I do not know; it is legislation to the extent it is making it available for one purpose instead of another, but I think it is legislation that is in order upon this bill for this reason——

The CHAIRMAN. That is one of the questions.

Mr. PADGETT. Now, for instance, coming back to the question of legislation. Appropriating money directly out of the Treasury for this purpose would be legislation in the same sense that this is legislation and that that would be in order.

The CHAIRMAN. This goes further than that, and the Chair thinks it repeals the former and in lieu enacts this.

Mr. PADGETT. But it is not the extent of legislation. If this is legislation at all and is subject to the objection, it would be subject if it is legislation to any extent. Now, I say it is in order for the reasons that have not been suggested, which are these: The naval bill of last year in authorizing the ships, one of which has been assigned to Philadelphia—and the same question will be presented later, which the Chair will bear in mind—the Secretary has assigned one to be built in the yard at Boston, the matter which the Chair has before him now. The bill of last year authorized the President, and through him the Secretary of the Navy representing the President, to construct these ships either in navy yards or by private contract. Now, the President has authority to build them in yards. He has directed that they be built in yards. Now, in the exercise of lawful authority it becomes necessary to have these slips to construct these ships, and providing the money for the building of these ways is simply providing money ancillary through and in aid and completion of a construction of the ship that has heretofore been authorized to be built in the manner in which the President has directed it to be built.

Mr. MADDEN. Will the gentleman yield for a question there?

The CHAIRMAN. Does the Chair understand the gentleman to say this was in the bill of last year?

Mr. PADGETT. Yes.

The CHAIRMAN. Can the gentleman refer the Chair to the authority authorizing the building?

Mr. PADGETT. Yes.

Mr. MADDEN. I would like to ask the gentleman a question.

Mr. PADGETT. Yes, sir.

Mr. MADDEN. I would like to suggest to the gentleman from Tennessee that if the President had authorized the construction of this ship at a yard with the facilities needed that he would not then have gone beyond his authority; but in authorizing the construction of a ship at a yard where there are no facilities is adding to the construction of a ship in the amount that may be required.

Mr. MURRAY of Massachusetts. Oh, but there are some facilities.

Mr. PADGETT. That may be a question of the propriety of his order, but that is not a question as to his authority, because his authority gives him the right to build them where he shall designate.

The CHAIRMAN. The gentleman from Illinois has made a suggestion that there are "no facilities," while other gentlemen are insisting that there "are facilities." That is a question to be ascertained.

Mr. ROBERTS of Massachusetts. Mr. Chairman, the gentleman from Illinois does not know the conditions in that yard.

The CHAIRMAN. And so the question is: Which is correct?

Mr. MURRAY of Massachusetts. Mr. Chairman, we stand ready on that point to prove to the Chair that there are "existing facilities," and we will prove that by a long history of ships that have been built there.

The CHAIRMAN. The Chair will hear the gentleman from Pennsylvania [Mr. LOGUE].

Mr. ROBERTS of Massachusetts. Mr. Chairman——

Mr. PADGETT. Will the gentleman permit me to continue for just a moment? At Boston we have a navy yard with a number of machine shops, several hundred hands employed constructing smaller ships than this, and it is a regular shipyard, and this is simply an additional facility that is rendered necessary by reason of the assignment by the President to this yard the duty of building this ship.

The CHAIRMAN. Yes; but the gentleman takes the position that this is a proposition to enlarge the facilities for building a ship which is not to be built. Is that right or not?

Mr. PADGETT. I did not understand the Chair.

The CHAIRMAN. Is this ship to be built there?

Mr. PADGETT. Yes, sir.

The CHAIRMAN. Very well.

Mr. PADGETT. It is to be built in the Boston yard, because it has already been assigned to be built there, and the work of building it is under way, and it now becomes necessary to have these ways.

Mr. JONES. Mr. Chairman, may I ask the gentleman a question?

Mr. PADGETT. Yes.

Mr. JONES. What work is under progress at the Boston yard? Is the work of building this ship under progress?

Mr. ROBERTS of Massachusetts. Yes; the plans and the assembling of material are going forward.

Mr. PADGETT. They are preparing the plans, they are gathering the material, they are assembling it and getting it together.

Mr. JONES. I understand the gentleman is entirely mistaken about that.

Mr. PADGETT. No, sir.

Mr. JONES. That is not my understanding about it.

Mr. PADGETT. They are getting materials ready and this has already been designated at this yard.

Mr. JONES. No material has been assembled at all, I understand.

Mr. PADGETT. The concluding sentence of the Secretary's letter is:

> The department deems the provision for building ships at Boston and Philadelphia absolutely necessary at the present time for the specific purpose of constructing the vessels awarded as stated and authorized by the Congress.

Now, that is an official letter of the Secretary. Now, I called attention to the provisions of the bill of last year, which is as follows:

> The Secretary of the Navy shall build the battleship authorized by this act in such navy yard as he may designate and shall build any of the other vessels herein authorized in such navy yards as he may designate.

Now, there is the authority. He may build any of those two vessels, and he has designated one to be built at Boston and one at Philadelphia.

The CHAIRMAN. The Chair will ask the gentleman if he thinks a direct appropriation for the work to be done by this $148,000 would have been in order?

Mr. PADGETT. I think so, because we have got it in order on the very same page lower down in regard to the navy yard at Philadelphia—building slips and equipment, $200,000. We have it on the same page for building slips in the navy yard at Philadelphia, which is a direct appropriation out of the Treasury.

Mr. JONES. And a point will be made against that.

Mr. PADGETT. I understand it will. And I understand he had both questions before him. The Secretary having authority to build these ships in navy yards, and these being yards with machines for ironworking and woodworking and every form of work that is necessary, these slips are simply the foundations or ways on which to rest the structure of the ship.

Mr. BROWNING. Mr. Chairman, will the chairman finish reading the balance of the paragraph that he started to read?

Mr. PADGETT. Yes.

Mr. BROWNING. "Should it reasonably appear."

Mr. PADGETT. I will read:

> And shall build any of the other vessels herein authorized in such navy yards as he may designate, should it reasonably appear that the persons, firms, or corporations, or the agents thereof, bidding for the construction of any of said vessels, have entered into any combination, agreement, or understanding, the effect, object, or purpose of which is to deprive the Government of fair, open, and unrestricted competition in letting contracts for the construction of any of said vessels.

Mr. BROWNING. That was all. I wanted the gentleman to read "should it reasonably appear."

Mr. PADGETT. That does not interfere with the authority of the Secretary. He states here in his letter that he designates these ships to be built at Boston or at Philadelphia for the reason that the estimates of cost coming from those two yards for the construction of the two ships were very much below the bids submitted by private contractors.

Mr. JONES. May I ask the gentleman a question before he sits down?

The CHAIRMAN. The Chair will hear further from the argument from the gentleman from Pennsylvania [Mr. LOGUE] before he yields.

Mr. LOGUE. I yield now for the purpose of a question.

Mr. JONES. There seems to be some confusion in the minds of gentlemen as to just what these slips are. They are generally spoken of, are they not, as building ways?

Mr. PADGETT. They may be a building way or a launch way. It is a structure upon which the ship is built and holds it up off the ground, and when they get the ship ready to launch it slides off of them into the water.

Mr. JONES. It is known as a building way?

Mr. PADGETT. Yes.

Mr. JONES. And is it not true that the Boston yard can not build a ship unless it is equipped with this building way? Is it not true that this yard, the business of this yard, chiefly is confined to repair work, and that the object of this proposed appropriation is to make it a shipbuilding yard and not a ship-repair yard, as it is?

Mr. PADGETT. They could not build a ship of this size without having the ways already contemplated or needed for this ship. But they are completing at this time smaller vessels, and they have the structure upon which they rest.

Mr. JONES. But they have no building ways suitable for building a great ship?

Mr. PADGETT. Of this size they have not, and this is needed by virtue of the fact that the Secretary of the Navy under this authority has assigned these ships to be built, and this is an appropriation in aid of the work that has been lawfully designated and is in course of progress.

Mr. JONES. To a yard that is not prepared for it.

Mr. PADGETT. That might be.

Mr. LOGUE. Mr. Chairman, the chairman of the committee has very clearly stated, and more clearly than I could, many of the reasons why this point of order should be overruled. The reading of the additional portion of the act of 1913 as regards the circumstances under which the Secretary of the Navy may award contracts to Government navy yards does not change in the slightest degree his action. The awarding of the contract is an administrative action, and it is presumed the Secretary acted in accordance with the law. I do not want to get away from the main question. I do not want to bring in outside facts. Therefore, I have restricted myself merely to those things which appear to me to be a part of the record, if I may so style it, in this case, meaning the reports and the Secretary's letter. We have the fact that ships are built, barges are built, boats are built, at both of the navy yards referred to. It is maintained by an unbroken line of authority that appropriations which seek to extend existing work do not come within the spirit of the rule. The decisions——

Mr. SAUNDERS. May I ask the gentleman a question in that connection?

Mr. LOGUE. Yes.

Mr. SAUNDERS. May I ask you to cite some of those precedents that hold that the extension of existing lines are a continuation of work in progress?

Mr. LOGUE. I will do that. I have a number of them here. They are not this character of work, but they are applicable.

Mr. SAUNDERS. I wanted you to cite them in order to show that they are not applicable.

Mr. LOGUE. Oh, they are. We will take the question of the armor plant, on which a point of order was sustained, and it was sustained on the sole ground that the Government was not up to that time engaged in any such work, and therefore it was a new enterprise and a new undertaking that had not been authorized by any existing or previously enacted law. But there are multitudes of cases, such as the purchase of a site, which is an extension of and an addition to work already authorized by existing law and is held not to be new legislation, but as coming within the spirit of this rule. For the erection of a fireproof building in the grounds of the Naval Academy. Why? Because it would be in line that the Naval Academy should be properly protected. The Chairman, Mr. Kilgore, of Texas, in that case decided that a building proposed to be erected, a fireproof building, on the site of the public grounds at West Point was within the purview of the law. We also have it in connection with an appropriation for the building of a bridge upon a road already authorized; at West Point, for an additional building; and at Annapolis for an additional building, because they were a continuance of existing work which had been authorized and was an extension. I do not want to burden the Chairman with the citation of 40 or 50 cases and the precedents and endeavor to apply them, but I wish to say that "land on the other side of the road" has been held to be the extension of an existing public work, and therefore an appropriation authorized therefor.

The CHAIRMAN. Right there the Chair will say to the gentleman that the construction of officers' quarters in the navy yard was not held to be an extension.

Mr. MURRAY of Massachusetts. That was at a navy yard where the marines were not held to be an essential part of the navy yard, and that is easily distinguishable, as the Chair will see.

The CHAIRMAN. The Chair does not think this part of the gentleman's argument bears directly upon the point.

Mr. LOGUE. I may have been misunderstood in reference to the particular case the Chairman referred to.

I believed that the reason it was was because it was not part of the navy yard. We are now dealing with a navy yard which we know is an existing thing by plenty of appropriations that have been made for it. We know that it is a navy yard actually in force. We know not only by this appropriation bill, but by other appropriation bills, that it has shops. It has force. It has means of equipment, and there comes along here a case where work has been authorized at that particular yard of a constructive character for which an appropriation has been made, and it is now asked, as auxiliary, as an aid to the fulfillment or carrying out or completion of public work duly authorized, that a certain appropriation might be made.

It might be well at this time, and still I fear to do it because it may be foreign, to call the attention of the Chair to the fact that the very figures at which these contracts are awarded to the respective yards are within the sums of the appropriations. If I could in that way anticipate an answer to any thought of this throwing an additional burden on the Government, I would hold closely to the line without endeavoring to bring in anything collateral, except that we take notice of the fact of the existence of this yard as a shipyard, as a yard that has been authorized in the judgment, in the discretion, in the administrative power of the Secretary of the Navy to be a place where ships should be built, and where ships can be built with the money already appropriated for that work. I consider, therefore, with an appropriation made, with a contract awarded to a Government navy yard, that this is not in any way at all new legislation, but it is clearly in the line of aiding, assisting, furthering, and making possible the successful accomplishment of work which has been appropriated for, which has been authorized, and which the Secretary of the Navy in his judgment has directed to be done at a particular place, at a particular sum within the appropriation, which particular place is a Government yard, engaged in Government work, which the Government itself has undertaken to perform.

Mr. SAUNDERS. Mr. Chairman, this point of order can be very easily sustained by reference to the established precedents of this body. The whole difficulty in this connection arises out of certain exceptions that have heretofore been engrafted upon the plain rule; and the reason I asked the gentleman from Pennsylvania [Mr. LOGUE] to cite some of his cases was because I felt perfectly sure that when he cited those cases he would cite cases falling within the excepted class. These exceptions like all precedents that strain, a plain law, to furnish authority, to meet some particular case, serve no purpose save to muddy the current of the precedents of the House.

The first exception was one in which a point of order was made against an unauthorized appropriation for an additional battleship. The point of order was overruled. There was no foundation authority upon which that decision could rest. I suppose that it was rendered because at that time there was an ardent desire to appropriate for an additional battleship. Hence the appropriation was sustained. The appropriation for this ship, was not for a work in progress, and in no sense did the decision come within the plain meaning of the rule, and the terms of the precedents.

The gentleman cited one or two cases from West Point, and Annapolis. They also come within the exceptions that have followed from the battleship precedent. The Chair will find, when he comes to examine these decisions to which I shall refer him, that they stand upon a separate footing of their own.

It is perfectly obvious, should the Chair sustain the contention made here to-day by the chairman of the Committee on Naval Affairs [Mr. PADGETT,] and by the gentleman from Pennsylvania [Mr. LOGUE] that the Chair would hold that when the Government has a particular policy in view, and the committee appropriates to carry out that policy, such action on its part would be authorized. It is the policy of the Government to maintain a Navy, but it has never been held that in order to effectuate that policy the Naval Committee could provide for unauthorized, though necessary improvements in navy yards.

Mr. MURRAY of Massachusetts. Mr. Chairman, will the gentleman yield?

The CHAIRMAN. Does the gentleman from Virginia yield to the gentleman from Massachusetts?

Mr. SAUNDERS. Yes.

Mr. MURRAY of Massachusetts. Does the gentleman contend that there was any limit of cost fixed in the enabling act that established the navy yard at Charlestown, Mass.?

Mr. SAUNDERS. No; I did not say so.

Mr. MURRAY of Massachusetts. Can the gentleman undertake to point out where any limit has been set in the law or any limit fixed against equipment?

Mr. SAUNDERS. No. I say that if the Chair sustains the contention of you gentlemen, then the Committee on Naval Affairs will have authority to provide for additional equipment for any navy yard to whatever extent they may deem the same necessary to bring that yard up to the highest state of modern efficiency. This House would hardly support such a contention, and it is hardly necessary to say that it would be an unwise and dangerous policy, to extend such authority to the Naval Committee, or to any other committee. We should retain

on the part of the House, a greater control over appropriations than would be possible should such a power be given to a committee.

I wish to call the attention of the Chair to a citation that plainly makes the distinction that I have sought to draw. From Hinds' Precedents, volume 4, page 4493, I read as follows from the ruling of the Chairman:

The logical inference from the precedents is that the Navy proper, consisting of the war fleet, officers, and seamen—

This refers to the ships and the military plants that turn out officers for the two forces, namely, the Naval Academy at Annapolis, and the Military Academy at West Point—

with necessary equipment and supplies, is a public work or object already in progress within the meaning of the rule, and appropriations therefor are in order in appropriation bills without previous authority of law.

This ruling covers the additional buildings that have been allowed at West Point, and the additional buildings that have been allowed at Annapolis; and later as I said, but from time to time buildings have been allowed to be appropriated for at these institutions without any specific authority.

These rulings however have never been admitted to be more than exceptions, and the tendency of the presiding officers of this body has been to curtail, rather than extend the application of these exceptions.

The opinion goes further.

The administrative branches and the construction and repair establishments of the Navy Department, including, among other things, naval stations, navy yards, hospitals, magazines, and stationary dry docks, do not ipso facto constitute a public work, or object in progress, and appropriations therefor must be previously authorized by law.

If this constitutes a sound statement of the principle, and this ruling has been followed, it is perfectly apparent that the contention of these gentlemen is without authority of precedent, or of law.

Such is the basic decision. Subsequent to this decision, many efforts have been made to have dry docks, hospitals, magazines, and officers' quarters at navy yards appropriated for, without authority. In every instance these efforts have been overruled by the presiding officers, and the points of order made to them, have been sustained.

Let me call the attention of the Chair in this connection to some of these rulings.

In 1896—and that takes us back exactly 18 years—Albert J. Hopkins, Chairman of the Committee of the Whole (see Hinds' Precedents, sec. 3731) declared that a provision for a dry dock at League Island Navy Yard was out of order. There was a navy yard at that place, and I do not know that any limit of cost was ever prescribed for the same. Precisely the same argument was advanced in that connection that is now advanced, namely that the dry dock was a necessary addition to this navy yard to enable it to do the effective work for which it was devised. Nevertheless the point of order in that connection was sustained.

In 1897 Mr. James S. Sherman of New York, Chairman of the Committee of the Whole House on the state of the Union, declared that a provision for a concrete dry dock at the Boston Navy Yard was out of order.

The CHAIRMAN. What is the citation?

Mr. SAUNDERS. Hinds' Precedents, Volume IV, section 3732.

In 1907 Mr. James S. Sherman (Hinds' Precedents, Vol. IV, sec. 3734) declared that a stone dry dock at Pensacola Navy Yard was out of order.

In February 1913, at the third session of the Sixty-second Congress, RECORD page 3948, a provision for a dry dock at League Island was held to be out of order.

The CHAIRMAN. Was there a navy yard at that place?

Mr. SAUNDERS. Yes. I wish to call attention in this connection to the fact that the very same argument was then made as is now made, namely that it was in continuation of a public work, and that it was necessary in order that that plant, which the Government already owned, might do more effective work.

The CHAIRMAN. May the Chair invite the attention of the gentleman to the authority given to the President to have this particular ship constructed?

Mr. SAUNDERS. I expect to take that up a little later. The proponents of the above amendments insisted that they were in order because they provided needed additions to the several navy yards.

In 1902 James S. Sherman, Chairman of the Committee of the Whole House on the state of the Union, declared that barracks for enlisted men at the New York Navy Yard were out of order (Hinds' Precedents, vol. 4, sec. 3755).

In 1907 a naval prison at Pensacola Navy Yard was held to be out of order (Hinds' Precedents, vol. 4, sec. 3756).

In the same year the same chairman, Mr. Sherman of New York, held that officers' quarters at the New Orleans Navy Yard were out of order (Hinds, 3758). By the same chairman in the same year a new foundry at the Washington Navy Yard was held to be out of order (Hinds, 3761).

And so on, Mr. Chairman. I might multiply these precedents, but as I will give a memorandum of them to the Chairman, I will not cite them further in this connection.

Mr. MURRAY of Massachusetts. May I interrupt the gentleman to say that I feel sure we can differentiate all the precedents that he has mentioned, and he had better cite the rest of them.

Mr. SAUNDERS. Would the gentleman mind differentiating them right now?

Mr. MURRAY of Massachusetts. I shall be glad to do it.

The CHAIRMAN. Does the gentleman from Virginia yield?

Mr. MURRAY of Massachusetts. He has asked me to do so.

Mr. SAUNDERS. Yes, I should like to hear the process of differentiation.

Mr. MURRAY of Massachusetts. May I respectfully ask the Chair to read along with me at page 493 of volume 4, Hinds' Precedents, which the gentleman from Virginia makes the keystone of his argument? The gentleman tells us about dry docks, about floating cranes, about officers' quarters, and about marine barracks. Let me emphasize to the Chair——

The CHAIRMAN. Where is the gentleman reading?

Mr. MURRAY of Massachusetts. Page 493, volume 4, Hinds' Precedents. But before I read, let me emphasize to the Chair that the pending paragraph relates, not to dry docks, not to floating cranes, not to marine barracks or officers' quarters, but it relates to the necessary equipment for a supply ship. I emphasize that point because the Chair will see in reading with me:

The logical inference from the precedents is that the Navy proper, consisting of the war fleet, officers and seamen, with necessary equipment and supplies, is a public work or object already in progress within the meaning of the rule, and appropriations therefor are in order in appropriation bills without previous authority of law, while the administrative branches and the construction and repair establishments of the Navy Department, including, among other things, naval stations, navy yards, hospitals, magazines, and stationary dry docks, do not ipso facto constitute a public work or object in progress, and appropriations therefor must be previously authorized by law.

Mr. SAUNDERS. I do not want to interrupt my friend, but that is exactly what I read in support of the contention I am making.

Mr. MURRAY of Massachusetts. Of course, the gentleman read it, and he emphasized the things regarding which this rule clearly is against us; but he glossed over the words—

with necessary equipment and supplies, is a public work or object already in progress within the meaning of the rule.

Mr. SAUNDERS. I think I read that in the same connection as the other matter.

Mr. MURRAY of Massachusetts. Not at all.

Mr. SAUNDERS. As I rely on it, I would not have glossed it over.

Mr. MURRAY of Massachusetts. You do not rely on it.

Mr. SAUNDERS. I do rely on it.

Mr. MURRAY of Massachusetts. Let me read further:

The question for decision is whether a floating dry dock is an essential part of the equipment of the Navy proper or whether it belongs to the administrative service of the Navy Department.

Of course, it says no.

Colliers have been held to be an essential part of the equipment of the Navy, obviously because they sail with naval squadrons and attend them in action as supply boats.

Now, Mr. Chairman, that is the point of the entire contention that we who support the committee's report make. This item relates to a supply ship; not to a dry dock, not to naval grounds, not to officers' quarters, not to marine barracks, but to a supply ship, which is defined as the very existence of the gentleman's contention as an essential part of the naval squadron. The Chair can see that language for himself.

Now, Mr. Chairman, the gentleman from Virginia and myself are agreed on one point. He emphasizes the danger of extravagance, in the absence of some rule which will put a limit on committees and on Members in the authorizations that we may make. Surely, then, we are agreed that the purpose of this rule is to safeguard the Treasury and is in the interest of economy. May I use that fact—and it is a fact—to state to the Chair the fundamental point of this paragraph, which is the saving of $148,000 appropriated by the last Congress in the naval appropriation bill for a purpose that Congress thought to be wise and just, for a purpose which the Secretary of the Navy, with his own ideas of mobilizing marines, believes to be unwise? The Chair put some question to the gentleman from Massachusetts, my colleague [Mr. ROBERTS], in regard to the possible repeal of

the legislation of last year. May I state to the Chair that the saving is a real economy? May I get away from that argument and treat it as the language must be treated when the item in regard to the Philadelphia Navy Yard, which comes later on, in line 13, same page, is made? May I suggest to the Chair that if the Chair shall hold this paragraph out of order because of the contention that it repeals existing law of last year, I shall offer an amendment appropriating the sum of $148,000 in order that this thing may not go off on a tangent, and have a square ruling, as the Philadelphia advocates will have in respect to their item?

Mr. Chairman, those who oppose this thing seem to miss the fundamental purpose and idea of navy yards. I have been amazed to learn of the early activities of shipyards and the construction of navy yards of the country. I have here the American State Papers which recite in detail the construction of ships at navy yards and point out the continuous development by the Government of its naval stations for the construction and repair of ships.

The CHAIRMAN. May I ask the gentleman from Massachusetts if he does not think the adoption of this amendment would repeal the purpose for which it was originally made for marine barracks?

Mr. MURRAY of Massachusetts. I do, and in the opinion of the Secretary of the Navy that is the commendable thing to do.

The CHAIRMAN. No matter whether it is commendable or not; can it be done in this way?

Mr. MURRAY of Massachusetts. Yes.

The CHAIRMAN. Is it not legislation? You are seeking to repeal a thing which is authorized.

Mr. MURRAY of Massachusetts. Yes; but we are doing it for a definite purpose.

Mr. ROBERTS of Massachusetts. There are authorities on that point, Mr. Chairman, and when the Chair is ready to hear us I will be glad to furnish them.

Mr. MURRAY of Massachusetts. That point seems to me to be beside the major point, and if the Chair rules on that proposition, I am anxious to submit an amendment on all fours with the item on page 22, line 13.

The CHAIRMAN. If the chairman of the Committee on Appropriations will permit the item to be passed without prejudice until the subsequent item is reached, so that the same ruling can be made, that may be done. The Chair has not seen the other item, but takes the statement of the gentleman from Massachusetts that they are similar propositions.

Mr. MURRAY of Massachusetts. It has been said that there is a condition of affairs in the Charlestown Navy Yard affected by this item. I come from the district——

Mr. SAUNDERS. Mr. Chairman, I prefer to proceed with my legal argument, and not have conditions at the navy yard at Boston injected into it.

Mr. MURRAY of Massachusetts. The gentleman invited me.

Mr. SAUNDERS. Yes; but I can withdraw it.

Certainly, I yielded to the gentleman from Massachusetts who said he wanted to differentiate the authorities cited by me, from this case. I have given him full opportunity to do so. But I have found that he has merely reiterated the authorities that I have cited, and admitted as exceptions. Almost the last word that my friend said was that we misapprehended the purpose of navy yards, that they were a part of the continuous development of our Government. That is absolutely true. But it is also true that with respect to policies, the precedents all hold that they do not furnish authority for appropriations to make the same effectual. There must be some specific authority of law.

Certain it is that if these gentlemen are striving to secure an appropriation for these ships on the ground that it is the policy of our Government to establish and maintain navy yards, they can find no authority in the precedents to sustain them. The whole body of our decisions is absolutely against such a contention.

The gentleman read the same section to which I called the attention of the Chair, to show the distinction that has been made between navy yards and West Point and Annapolis, and declared that I misapprehended a portion of it. I did not misapprehend any portion of what I read. I will read it again in order to show my friend that he and not I, is at fault.

"The logical inference from the precedents is that the Navy proper"—in this connection I will say that a navy yard is not the Navy proper. No one can contend for that proposition——

Mr. MURRAY of Massachusetts. But a supply ship belongs to the Navy proper.

Mr. SAUNDERS. We are dealing with the permanent equipment of a navy yard, and not a supply ship.

Mr. MURRAY of Massachusetts. We are dealing with a proposition for a Navy supply ship authorized one year ago. This is an incidental effect of that authorization, and the gentleman knows it.

Mr. SAUNDERS. Suppose the gentleman reads the item referred to. What does that provide for?

Mr. MURRAY of Massachusetts. That provides in order to pay $148,000——

Mr. SAUNDERS. Oh, I am not talking about the purposes. I say what does the bill say?

Mr. MURRAY of Massachusetts. The gentleman knows what it says just as well as I do.

Mr. SAUNDERS. If the gentleman does not desire to read it, I shall. The only reason I asked the gentleman to read it was because I thought he had the bill before him.

Mr. MURRAY of Massachusetts. I have. The bill provides:

That the unobligated balance under the appropriation, Marine Barracks, Boston, Mass., for the fiscal year ending June 30, 1914, not exceeding $148,000, is hereby made available for building slip and equipment.

Mr. SAUNDERS. Mr. Chairman, just as I have said, there is no reference in that to a supply ship, or anything of the sort. It refers to putting a yard in permanent condition to build ships. That is an entirely different proposition from a work in progress, such as a ship in process of construction.

Mr. MOORE. Mr. Chairman, will the gentleman yield?

Mr. SAUNDERS. Certainly.

Mr. MOORE. How does the gentleman interpret that provision of the act of March 4, 1913, which says that the Secretary of the Navy shall build the battleship authorized, and so forth?

Mr. SAUNDERS. Mr. Chairman, I will come to that in a minute.

Mr. MOORE. Is not that in the nature of a direction to the Secretary of the Navy to carry out this project?

Mr. SAUNDERS. That is not authority for the Naval Committee to provide for permanent additions of all sorts to a navy yard. I will deal with that in a few minutes.

Mr. Chairman, as I have said, the language in the act itself provides for a permanent addition to a navy yard. What do the authorities say in that connection? As I was saying, when this distinction was made heretofore with respect to the Navy proper, the war fleet, the officers and seamen, the chairman referred to equipment and supplies. This language referred to such things as are in the nature of supplies for the officers, for the seamen, namely, clothes, subsistence, and so forth. If it referred to the things that my friend has in mind, then the distinction that has been made could never have been established, and the rulings that were subsequently rendered in relation to buildings and plant at navy yards, would have had no foundation in reason.

Mr. MURRAY of Massachusetts. Mr. Chairman, will the gentleman let me direct his attention to the sentence—

Colliers have been held to be an essential part of the equipment of the Navy, obviously, because they sail with naval squadrons and attend them as supply boats.

The gentleman does not read the part I want him to read.

Mr. SAUNDERS. I did not read that because it has nothing to do with the present situation. If the first proposition was true, then all of the provisions heretofore ruled out relating to dry docks, cranes and buildings at navy yards, would have been in order. All of those things are as essential for the Navy, as a collier, or a slip.

Mr. ROBERTS of Massachusetts. Mr. Chairman, would it make any difference in the gentleman's opinion if the Secretary of the Navy were to notify Congress that the construction of a foundry was essential to the construction of a ship?

Mr. SAUNDERS. None whatever. The judgment of the Secretary of the Navy in a matter of that sort should not override positive law, or the decisions of this House. The Members of this House, are as well able as the Secretary of the Navy, to determine whether the construction of a foundry is essential to the construction of a ship.

The CHAIRMAN. If the Secretary of the Navy should not use this money, there is provision of law as to what shall be done with it.

Mr. SAUNDERS. Mr. Chairman, I asked the gentleman from Massachusetts [Mr. MURRAY] to read the section of law referred to, because I wished to emphasize in that connection the fact that a shipway is a yard structure, and is not a part of the equipment of a vessel.

Mr. MURRAY of Massachusetts. Nobody said that it was.

Mr. SAUNDERS. I know the gentleman did not, but he is arguing that this structure is authorized because it is a necessary addition to the equipment of this navy yard to build this ship.

Mr. MURRAY of Massachusetts. I did not argue any such thing. The gentleman, perhaps, is muddying some water himself.

Mr. SAUNDERS. Possibly, but I think not. The gentleman was certainly emphasizing the question of supplies, while we are dealing with a permanent addition to a navy yard.

Mr. ROBERTS of Massachusetts. Mr. Chairman, will the gentleman yield on that point?

Mr. SAUNDERS. Yes.

Mr. ROBERTS of Massachusetts. Does it make the slightest difference whether in carrying out a purpose already authorized by law we make a permanent or a temporary addition to a navy yard?

Mr. SAUNDERS. Navy yards are already authorized by law.

Mr. ROBERTS of Massachusetts. The gentleman is going wide of the discussion. The discussion here is the building of a supply ship. That is the question.

Mr. SAUNDERS. I understand that perfectly well. Navy yards are already authorized by law. The building of ships is already authorized by law, and if the contention of these gentlemen is sound, whatever may be regarded as incidental to, and necessary as a part of a navy yard, to forward the construction of these ships, may be appropriated for without any further authority of law. I utterly challenge and assail any such contention.

Mr. ROBERTS of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. SAUNDERS. Yes.

Mr. ROBERTS of Massachusetts. Has the gentleman followed the language of the naval appropriation bills for several years past?

Mr. SAUNDERS. In a general way, yes.

Mr. ROBERTS of Massachusetts. That is the gentleman's trouble.

Mr. SAUNDERS. No, it is not my trouble at all. The trouble with my friend is that he has got some particular project——

Mr. ROBERTS of Massachusetts. Just one moment——

Mr. SAUNDERS. Oh, I can not let the gentleman take up my time.

Mr. ROBERTS of Massachusetts. I want to give the gentleman a little information. The language of authorization of the naval appropriation bill is hardly the same language any two years, and the language of any particular authorization is the language that must control.

Mr. SAUNDERS. If the gentleman has any particular language that cuts any figure in this connection he ought to insert it. I am perfectly willing to yield to the gentleman if he can put in any language that is relevant in this connection.

Mr. ROBERTS of Massachusetts. Will the gentleman permit me to ask this question, Can a ship of the size and character of the ship authorized last year be constructed unless there are building slips constructed?

Mr. SAUNDERS. Why, no.

Mr. ROBERTS of Massachusetts. Then the gentleman gives away his whole case, because the law of last year authorized the construction of a ship, and that carries with it everything necessary to construct it.

Mr. SAUNDERS. The law never contemplated any such thing. The law never contemplated that the Secretary of the Navy should undertake to place a ship at a yard not equipped to build it, when there were yards amply able to take care of such construction.

Mr. ROBERTS of Massachusetts. That is the gentleman's statement; there is nothing in the law that warrants that.

Mr. SAUNDERS. Maybe not, and there may be as much in it, as in the suggestion of the gentleman from Massachusetts.

The CHAIRMAN. Does the gentleman from Virginia admit the statement made by the gentleman from Massachusetts?

Mr. SAUNDERS. Why, no, I do not admit it at all.

The CHAIRMAN (continuing). That the President is authorized by law to have that ship built at this particular navy yard?

Mr. SAUNDERS. No, sir, I do not admit it at all. The gentlemen who make those statements, should furnish the authority—make them good.

The CHAIRMAN. The Chair will say to the gentleman from Virginia that the Chair has looked up that very question.

Mr. MURRAY of Massachusetts. Will the gentleman from Virginia yield?

Mr. SAUNDERS. I yield.

Mr. MURRAY of Massachusetts. Until I read the act at page 762 of the Naval Yearbook, which is as follows:

> And shall build any of the other vessels herein authorized in such navy yards as he may designate.

That is the authorization.

The CHAIRMAN. Has he authorized a ship to be built there?

Mr. MURRAY of Massachusetts. He has, indeed.

Mr. SAUNDERS. In what way did he do it?

Mr. MURRAY of Massachusetts. By Executive order under the terms of this act passed last year.

Mr. ROBERTS of Massachusetts. The communication of the Secretary of the Navy sets forth this fact. It has been read and is in the RECORD, Mr. Chairman.

Mr. BRYAN. If the gentleman will permit, I have a little information as to that. The Secretary of the Navy submitted the matter of bids and he found that the bid of the Boston yard was $250,000 under——

The CHAIRMAN. The Secretary of the Navy submitted what?

Mr. BRYAN. The question of building this ship; this million-dollar ship.

The CHAIRMAN. He submitted the building of a ship to competitive bidding?

Mr. BRYAN. Yes; and the Boston yard bid was $250,000 under any other bid. The Secretary of the Navy knew there were no building ways at the Boston yard, but knowing also about this $148,000, which was to be used for barracks and officers' quarters at the Boston yard, which he concluded were not needed, he suggested that the money be used for these permanent structures, for these building ways or slips. The Secretary is to be commended for this effort at economy.

Mr. MURRAY of Massachusetts. And at the same time saving $148,000.

Mr. SAUNDERS. Let me say something about the suggestion——

Mr. BROWNING. Will the gentleman permit me to make a statement?

Mr. SAUNDERS. Yes.

Mr. BROWNING. I understand the Boston yard never submitted a bid, never made a bid, but they made an estimate of what they thought it would cost.

Mr. SAUNDERS. Yes.

Mr. BROWNING. The gentleman spoke about a bid being made at the Boston Navy Yard. It was an estimate.

Mr. SAUNDERS. Mr. Chairman, these gentlemen are endeavoring to show that an opportunity for economy is presented. They speak of the submission of bids. These yards did not bid at all. They furnished estimates, and if hereafter it is found that the estimate is a mistake, all that Congress can do is to foot the bill, and pay just as much more as may be necessary, as a result of the error into which we have fallen.

Mr. ROBERTS of Massachusetts. Will the gentleman yield?

Mr. SAUNDERS. Yes.

Mr. ROBERTS of Massachusetts. Is not that true of everything, with all navy yards in competitive bidding?

Mr. SAUNDERS. There is no competition here. Here is one yard that will be held to its bid, and on the other hand estimates submitted from a yard that is in nowise bound. Should we go into the history of this matter, it will be very clearly developed that in the opinion of the naval experts these ships can not be built within the estimates. If the estimates prove to be a mistake, no one can be held responsible. Yet our friends talk about saving money. Now, Mr. Chairman——

Mr. REED. Will the gentleman yield for a question?

Mr. SAUNDERS. Yes.

Mr. REED. I would like to ask if any other yards made estimates besides the Boston yard?

Mr. ROBERTS of Massachusetts. Oh, a half a dozen yards.

Mr. SAUNDERS. Yes.

Mr. REED. Can the gentleman inform the House what other yards there were that made estimates and how those estimates compared with the estimates made at the Boston yard?

Mr. SAUNDERS. I am informed that Mare Island made estimates.

Mr. JONES. Permit me to answer the gentleman.

Mr. SAUNDERS. Certainly.

Mr. JONES. I will give the gentleman the facts—Portsmouth, Charlestown, Norfolk, New York, and Mare Island——

Mr. PADGETT. And Puget Sound.

Mr. JONES. And Puget Sound.

Now, the New York yard and the Mare Island yard are yards that have had large experience in building vessels and are thoroughly equipped. Neither of these yards has ever had any experience, and the estimate of the New York yard that has just turned out the great superdreadnaught *New York* and built other great vessels and is thoroughly equipped was $530,000 higher than the estimate of this little yard in Boston that never has been building at all. And the Mare Island bid was two or three hundred thousand dollars higher.

Mr. REED. If that is the case, there is no apology offered that the Boston yard got the contract when they are two or three hundred thousand dollars lower than the other yards.

Mr. JONES. I will answer the gentleman and tell him that when these estimates came in the expert advisers of the Secretary of the Navy informed him that it was impossible for either the Philadelphia or the Boston yard to do the work for the amount estimated by those yards, respectively. The Secretary then asked for revised estimates, and when they came back they were something over $100,000 higher than they originally were, but still in the one case $266,000 and in the other $436,000 higher than those of the New York yard.

Mr. REED. Is it not a fact that the New York yard does not want this contract, but that they have all the business they can care for?

Mr. JONES. I think not. I think the gentleman will find before we get through with this bill that the friends of that yard are going to make an effort to get one of the big ships provided for.

Mr. ROBERTS of Massachusetts. The gentleman says that the difference between the Boston yard and the New York yard is about half a million dollars. I wish to say that the difference between the New York highest and the Boston lowest was, before the reduction of the figures, $381,000.

Mr. JONES. I was speaking of the Philadelphia yard. I have the exact figures here. The difference between the New York yard and the Boston yard, on the first estimate, was $383,000. After they had raised their figures there was a difference of $266,000. As to the Philadelphia yard, the difference was $545,161 before that yard raised its figures. After they were revised the difference was $436,000.

Mr. LOGUE. As between what, sir?

Mr. JONES. As between the Philadelphia yard and the New York yard.

Mr. LOGUE. That is on the transport?

Mr. JONES. That is on the transport.

Mr. LOGUE. Is the gentleman taking into consideration the availability of Philadelphia as a base of supplies?

Mr. JONES. I was just answering a question. When the merits of this proposition are discussed I shall be very glad to give the gentleman my views as to the relative cost of building ships in the New York and the Philadelphia Navy Yards.

Mr. VARE. You explained the difference between the New York and Boston yards, and will you kindly explain what the difference is as between the Norfolk Navy Yard and the Newport News yard, both in your vicinity?

Mr. JONES. The Norfolk yard and the Charleston yard——

Mr. VARE. Between the Norfolk yard and the Newport News yard.

Mr. JONES. I have not the figures before me. There is a blue print here that contains them all. If anyone wishes them, I will give those figures. I have compared these two inexperienced yards with two experienced yards that have built ships. I have shown that the two yards without experience claim to be able to build ships for much less than those that have had experience can build them.

Mr. REED. We do not consider that our yards east of Philadelphia are inexperienced.

Mr. JONES. Neither the Philadelphia nor the Boston yard has ever built a large ship, and therefore certainly has had no experience in building such ships.

Mr. MITCHELL. Were not the estimates in the Boston yard made by naval experts?

Mr. JONES. Yes; but they were repudiated by the naval experts, the highest naval authority, who are the constituted advisers of the Secretary of the Navy.

Mr. MITCHELL. But they were made by naval experts, were they not?

Mr. JONES. Yes; by men in the navy yard seeking to secure the work.

Mr. SAUNDERS. Mr. Chairman, I believe I have the floor.

Mr. MOORE. Mr. Chairman, will the gentleman from Virginia yield for a question?

Mr. SAUNDERS. Certainly.

Mr. MOORE. I asked him a while ago about the last naval act which gave the Secretary of the Navy direction to build these vessels in Government yards.

Mr. SAUNDERS. Yes.

Mr. MOORE. He seems to have had that direction by Congress.

Mr. SAUNDERS. Yes.

Mr. MOORE. Now, why should Congress give him direction to build a ship in a navy yard, leaving him discretion which he has exercised as to that selection and then deny him the tools with which to do the work?

Mr. SAUNDERS. It was presumed that when he made an investigation, and found that you were not equipped to build this ship, he would not provide for the construction at your yard.

Mr. MOORE. The gentleman knows there is not more than one yard along the Atlantic coast that is equipped to build a ship. I would like the gentleman to explain why it is that Congress should give the Secretary of the Navy the power to build a ship, with direction to build it in a navy yard, and then say to him that Congress has not the power to give him the facilities with which to build the vessel. Does the gentleman answer?

Mr. SAUNDERS. I will undertake to answer all of that in my time.

Mr. CURRY. There are two navy yards in the United States equipped to construct a dreadnaught, the one at New York and the other at Mare Island?

Mr. JONES. There is not any question about that.

Mr. SAUNDERS. Now, if there are no further questions, I wish to say that I arose, Mr. Chairman, to endeavor to make a legal argument on this point of order, and have gotten into a controversy about shipbuilding. I think it is very clear from what has been developed, that the suggested economic side of this proposition has no merit. It is proposed, so it is said, to save money by building at this particular yard. The amount that is expected to be saved is stated, but before building can even begin at this yard, we are called upon to provide an equipment, the cost of which must certainly be deducted from the proposed saving.

Then we go a step further——

Mr. MADDEN. And then you want to take into consideration the fact that the estimate of saving is simply hypothetical and does not amount to anything.

Mr. SAUNDERS. I was on the point of developing that thought. When it comes to the question of saving, there is no guaranty here, and there has been none given that any amount will be saved. The judgment of the naval experts is entirely against the contention that these yards can construct these ships within the estimates submitted.

Mr. VARE. The gentleman has stated that no bond has been given. I want to say that I have so much confidence in those who made the estimates for the League Island Navy Yard at Philadelphia that were it a matter of private business I would be willing to go on the bond to guarantee the faithful performance of the contract. The estimate of the League Island yard is $220,000 less than that of the Newport News Shipbuilding Co., and I say that were it a matter of private business I have such confidence in the correctness of the estimates that I would be willing to go on a bond.

Mr. SAUNDERS. No one has ever heard of a Government yard giving a bond to build a vessel within the limits of a particular estimate.

Mr. MURRAY of Massachusetts. Mr. Chairman, will the gentleman yield?

The CHAIRMAN. Does the gentleman from Virginia yield to the gentleman from Massachusetts?

Mr. SAUNDERS. Yes; I yield.

Mr. MURRAY of Massachusetts. Has the gentleman heard of the proposition to put upon the record of a naval constructor that work estimated by him actually cost more than his estimates? And is it not a sufficient guaranty that these naval constructors are going to be careful in the estimates which they will submit?

Mr. SAUNDERS. Well, I might refer my friend to the fact that heretofore these estimates of officers have been exceeded, and as a result we have had to make many large appropriations on account of errors in estimates.

Mr. CALDER. Mr. Chairman, will the gentleman yield right there?

The CHAIRMAN. Does the gentleman from Virginia yield to the gentleman from New York?

Mr. SAUNDERS. Yes.

Mr. CALDER. I will say to the gentleman that the battleship *New York*, just gone into commission, cost $600,000 less than the original estimates.

Mr. MURRAY of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. SAUNDERS. Yes.

Mr. MURRAY of Massachusetts. That is a navy yard that is building ships, and that estimate was made by an officer who is now assigned to Boston—Naval Constructor Baxter.

Mr. SAUNDERS. How does the gentleman propose to guarantee this saving? This vessel is to be built at a navy yard, and when errors are subsequently found, the United States simply steps in, and makes them good. These gentlemen have

no grounds upon which they can make good their claims that in the result any economy will be effected.

Mr. PADGETT. Mr. Chairman, the gentleman is mistaken. He must have misunderstood the statement that was made. This vessel, the *New York*, was built for $600,000 less than the original estimate of the Navy Department.

Mr. SAUNDERS. Now, Mr. Chairman, I have taken up the time unnecessarily of the House and of the Chair by yielding to a variety of questions which have been showered upon me. [Laughter.] I wish in this connection to sum up what I have said and point out that when on one side a proposition is made that a bond will be given and a guaranty afforded, and on the other side estimates on the part of the United States, with no one in a position to afford a guaranty that the building will be done within those estimates, there can be no question of comparison. No comparison can be made.

Mr. ROGERS. Mr. Chairman, will the gentleman yield there?

The CHAIRMAN. Does the gentleman from Virginia yield to the gentleman from Massachusetts?

Mr. SAUNDERS. Yes; I will yield, although I said I would not yield.

Mr. ROGERS. Does not the gentleman think there is some assurance of accuracy when, at the request of the Secretary of the Navy, these estimates are sent back to some of the most expert officers in the United States Navy, and they are all gone over, and to make assurance doubly sure they are increased $117,000?

Mr. SAUNDERS. Does the gentleman know what the Secretary of the Navy said about coming within the limit of the estimates herein made?

Mr. MURRAY of Massachusetts. Yes; and I know what has been said by the gentleman himself with reference to the experts in the course of this debate.

Mr. SAUNDERS. I am merely referring you to the experts, as you are relying on them. You can not quote your experts against me.

Mr. KELLEY of Michigan. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. KELLEY of Michigan. I make the point of order, Mr. Chairman, that a discussion of the manner of making these estimates, or the manner in which the Secretary of the Navy has assigned these ships to the various navy yards, is not pertinent to the question now pending before the committee.

The CHAIRMAN. The Chair does not agree with the gentleman on that proposition. The law in the case says that the Secretary of the Navy shall build a battleship. It does not authorize the President of the United States to build it, as the gentleman from Massachusetts [Mr. MURRAY] has just recently stated. Is there any other law which provides otherwise?

Mr. MURRAY of Massachusetts. No; there is no law; but I think the language I used was in reference to an Executive order, and I supplemented that by using afterwards the word "President."

The CHAIRMAN. It has been repeatedly stated here that the President is authorized to build battleships. I have wondered if there was any other law on the subject.

Mr. SAUNDERS. That is the reason, Mr. Chairman, why I stated a moment ago that I did not agree to these statements. I am not informed as to them, and call for the proof.

Mr. JONES. Mr. Chairman, will the gentleman yield?

The CHAIRMAN. Does the gentleman from Virginia yield to his colleague?

Mr. SAUNDERS. Yes.

Mr. JONES. The gentleman from New York [Mr. CALDER] said a moment ago that the *New York*, which was just commissioned, was built for $600,000 less than the estimate.

Mr. CALDER. Yes; I said that.

The CHAIRMAN. The Chair will say to the gentleman that——

Mr. JONES. I just wanted to make a reply to that. I have a letter here from the Secretary of the Navy, dated April 18, in which he says that the cost of the *New York* was $6,956,442.55 up to the present time, and she is not completed now, and has never had a test, and that is several hundred thousand dollars more than the limit of cost, which, I believe, was $6,500,000.

Mr. CALDER. If the gentleman will pardon me, he must have misread the Secretary's statement. I have the same figures before me.

Mr. JONES. The gentleman can read them if he wants to.

Mr. CALDER. The statement here sets forth the fact that, including all indirect charges and clerk hire and salaries of classified employees, and everything, including armament, to complete the ship, $6,956,442.55 is the amount, and that is $600,000 less than the department's estimate.

Mr. JONES. I have a letter from the Secretary containing that statement, and I have given you the purport of the Secretary's letter. I wrote to him for the information.

Mr. PADGETT. Mr. Chairman, will the gentleman yield?

The CHAIRMAN. Does the gentleman from Virginia yield to the gentleman from Tennessee?

Mr. SAUNDERS. Yes; I yield to the gentleman.

Mr. PADGETT. The Chairman of the Committee of the Whole House on the state of the Union asked a question a while ago, and I want to call attention to certain language in that connection.

The CHAIRMAN. The Chair has that language before him now.

Mr. PADGETT. The Chair will see that under the "Increase of the Navy" the language is, "For further increase of the Naval Establishment of the United States the President is hereby authorized to have constructed," and so forth, and proceeding down with various things——

The CHAIRMAN. From what act is the gentleman reading?

Mr. PADGETT. From the act of March 4, 1913, which the Chair has before him, under the heading "Increase of the Navy." You will see that the President is authorized to have the ships constructed, and then, further on, below, it is said the Secretary of the Navy shall do certain things, acting under the orders of the President.

Mr. SAUNDERS. Now, Mr. Chairman, I will continue my argument on the legal proposition. If the contention that was made in connection with the authorization, is well taken, it would irresistibly follow therefrom that the Secretary of the Navy, or the President of the United States, or whoever might be designated, could select any navy yard, however inadequate, and then the committee could thereupon proceed to establish there a vast plant without any further authority. Incidentally it could establish at the yard an armor factory for the purpose of armoring the vessels. Such action would be just as logical and just as much in contemplation of the law, as the view that these gentlemen have undertaken to present.

Mr. MURRAY of Massachusetts. Mr. Chairman, will the gentleman yield there for a correction?

Mr. SAUNDERS. Yes.

Mr. MURRAY of Massachusetts. Does not the authorization of the building of a supply ship expressly say "exclusive of armor and armament"?

Mr. SAUNDERS. There is nothing about a supply ship here.

Mr. MURRAY of Massachusetts. But there is in the act of March 4, 1913, about which we are talking.

Mr. SAUNDERS. We are talking about a permanent addition to the navy yard, to the plant at that yard.

Mr. MURRAY of Massachusetts. You are talking about armor plate. Is it not a fact that the act of March 4 says "exclusive of armor"? I say, does it not say that in express terms?

Mr. SAUNDERS. I do not know. If the gentleman has it there, I am perfectly willing to agree that it does.

Mr. MURRAY of Massachusetts. It does say so.

Mr. SAUNDERS. Very well, I will agree that it does. That does not alter the situation one particle; because, as I am seeking to point out, these gentlemen are contending that whenever it is provided that a ship may be built at a yard, authority is thereby lodged in the Naval Committee to establish in that yard any sort of incidental equipment that will forward the construction of that vessel. That is the contention that is made here. That is the fundamental contention of the gentlemen who maintain that this item is in order. The fact that no provision is made for armor on this particular ship, has nothing to do with the principle upon which they rely to support an appropriation for this slip.

The contention is that the authority to build carries with it the right to appropriate for such additions to the plant as they conceive may be necessary to enable that yard to build the ship in question.

Let us see how that will work out. Suppose that there was some little navy yard in the United States that had nothing in the way of a proper equipment, or proper plant, while there were two other navy yards that were adequately equipped. Suppose further that the President, or the Secretary, is given the right to have a ship built at some navy yard. Would anyone conceive that as a part of that authorization Congress contemplated that the Secretary should pass by the navy yards which required no additional plant, which were adequately equipped, which had everything necessary to enable him to carry out the authorization of Congress, and in the result select some inadequately equipped navy yard, with a consequent right on the part of the Naval Committee to appropriate for cranes, and slips, and foundries, and dry docks, or whatever else

it might be suggested was needed at that yard in connection with the construction of that vessel?

This is the great fundamental proposition here. I contend that giving the very fullest meaning reasonably to be given to that authorization, it did not mean that the Secretary, or the President could select some inadequately equipped yard, and as a result of that selection empower the Naval Committee to make appropriations for practically unlimited additions in the way of equipment at that yard, without original authority from Congress for such additions.

Mr. MURRAY of Massachusetts. Mr. Chairman, is it not a fact that there is only one such yard, and that is the yard in New York?

Mr. SAUNDERS. No; there are two such yards, as I understand, the Mare Island yard and the New York yard.

Mr. MURRAY of Massachusetts. Does not the language of the act of March 4 show that the construction of Congress was the one that the gentleman objects to?

Mr. SAUNDERS. I do not know.

Mr. MURRAY of Massachusetts. Does it not say "in such navy yards as he may designate"?

Mr. SAUNDERS. Yes; but I have tried to point out that it would be a most unwise, a most unnecessary and a most illogical view, having in mind the precedents of this House, to take the language used there as authorizing the Secretary of the Navy to pass by two efficiently equipped yards, calling for no additional plant, and select a yard without the necessary equipment, and then allow appropriations to be made for equipment, and allow thereby the possible establishment of the most extensive yard on the American continent, without any further authority of law. That result logically follows, if this authority is to be broadened to that extent.

Such a view is in conflict with our precedents, is opposed to the rights of the House, and to our just authority over appropriations. This view rests upon rulings that are exceptions, as I have endeavored to point out. There is no occasion to add to these exceptions, and thereby furnish a precedent that will give trouble hereafter.

Mr. O'SHAUNESSY. Will the gentleman yield for a question?

Mr. SAUNDERS. Yes.

Mr. O'SHAUNESSY. I want to ask the gentleman if his objection does not come too late? Should not his argument have been made last year?

Mr. SAUNDERS. Why?

Mr. O'SHAUNESSY. It says—

At such yard as the Secretary may designate.

That was the time for objection, when that language was under consideration.

Mr. SAUNDERS. It does not follow that because the Secretary has selected some particular yard, that the conclusion that the gentleman seeks to draw, should be drawn. I am arguing against the contention that when the authority to build at some yard was given it followed therefrom that the committee acquired the right to add to the plant at that yard without further authority from Congress. Having made his selection, the Secretary of the Navy should come to us and say, "I have selected the yard in which I wish to build this ship, and finding that it needs some additional equipment, I wish you to afford it." Why not? This would put the matter up to us, to provide the necessary equipment.

Mr. O'SHAUNESSY. Will the gentleman yield?

Mr. SAUNDERS. Yes.

Mr. O'SHAUNESSY. Was it not the understood and well-defined policy of the Secretary of the Navy to utilize the yards throughout the country?

Mr. SAUNDERS. I have undertaken to point out——

Mr. O'SHAUNESSY. I do not know whether he stated it through the medium of a report or through the press, but I understood that it was his policy to utilize the navy yards of the country and to have ships built there.

Mr. SAUNDERS. Granted that that is the policy of the Secretary of the Navy, the rulings emphatically hold that a policy of that sort can never be taken as furnishing authority to make appropriations for construction. The rulings are positive on that point.

Mr. O'SHAUNESSY. I want to ask the gentleman, Did he object last year to the language of the bill?

Mr. SAUNDERS. There was no occasion to object to it. Unless until this unreasonable interpretation was sought to be placed upon the language, why should I object? I am trying to put upon this language a reasonable interpretation which would not afford the Naval Committee an authority which is at variance with our precedents.

Mr. O'SHAUNESSY. Is it not a fact that many works of construction have been done at navy yards where it was not an economy to do it?

Mr. SAUNDERS. I do not know about that.

Mr. O'SHAUNESSY. That is the history of our policy——

Mr. SAUNDERS. I will grant it. I say I do not know anything about that.

Mr. O'SHAUNESSY. It is the history of our policy to do things in navy yards where they should not have been done. In fact, there are navy yards that ought not to exist.

Mr. SAUNDERS. What has that to do with parliamentary precedents, and the interpretation of parliamentary law? I do not know about this waste at these navy yards. In fact, it is a sort of treason now to suggest that there has been any waste, or extravagance in naval construction. I am afraid to suggest the thought that my friend is advancing that works of construction have not been economically done at some navy yards.

Mr. O'SHAUNESSY. Oh, no; do not be afraid to advance that thought. I am never afraid to criticize anybody. If you can point out any extravagance to me at any time, I will join you in criticizing it.

Mr. ROBERTS of Massachusetts rose.

The CHAIRMAN. Does the gentleman from Virginia yield to the gentleman from Massachusetts, or does he yield the floor?

Mr. SAUNDERS. Yes.

Mr. ROBERTS of Massachusetts. Does the gentleman yield the floor?

Mr. SAUNDERS. I yield to the gentleman from Massachusetts.

Mr. ROBERTS of Massachusetts. I do not want the gentleman to yield; I want to read some precedents.

Mr. SAUNDERS. Well, the gentleman can not read them in my time.

Mr. ROBERTS of Massachusetts. I understood the gentleman had yielded the floor.

The CHAIRMAN. The Chair asked the gentleman from Virginia if he would yield to the gentleman from Massachusetts, or if he yielded the floor, and the gentleman from Virginia said yes.

Mr. SAUNDERS. I understood that the gentleman from Massachusetts wanted me to yield for a question.

Mr. ROBERTS of Massachusetts. I do not want the gentleman from Virginia to yield for a question; I want to take the floor in my own right.

Mr. SAUNDERS. Mr. Chairman, I wish to call the attention of the Chair to some further precedents in support of the contentions that I have advanced. I wish to call the attention of the Chair to a ruling made in February, 1911, in the Sixty-first Congress, holding that a provision for a floating crane for the Boston Navy Yard, was out of order.

On May 25, 1912, second session Sixty-second Congress, page 7177 of the RECORD, quarters for officers and a naval prison at Portsmouth Navy Yard was held to be out of order. In that very connection it was urged that the navy yard being a public work, the buildings were not subject to a point of order.

On the same day, and for the same reason it was held that the Key West Naval Station could not be provided with officers' quarters.

I wish to call attention to the fact that although buildings had been provided at Annapolis and West Point, when the same sort of buildings were sought to be provided at navy yards, they were not held to be within the benefit of the decisions, as to West Point, and Annapolis.

February 25, 1913, about a year ago a provision for a structural steel storage plant for tools and materials at the navy yard, Puget Sound, was held to be out of order.

Now Mr. Chairman, these authorities are directly in point in connection with the contention that provision for equipment for a plant does not come within the exceptions as to Annapolis and West Point. The absolutely uniform current of decisions is to the effect that provisions for additional equipment and buildings at a navy yard are out of order. That is all there is to be said in this connection unless some authority for the addition to a navy yard is sought to be found in the provision for the construction of a ship at some navy yard.

On that point I have had something to say, and I will elaborate it a trifle more. We must eliminate from consideration all reference to ships, because this ship is not in process of construction. The plans for it are not completed. There is nothing before the House in relation to that ship. As presiding officer the Chair must deal with what is before this body, and when these statements are made with reference to a progress that is said to have taken place with respect to assembling materials, there is absolutely nothing in an official way before the House, of which the Chair can take cognizance. So far as that

goes, the gentlemen who have undertaken to keep themselves informed on that point deny that any such steps have been taken.

The burden is on the gentlemen who allege that this work is in progress, to show what has been done in the way of progress. I deny that this is a work of progress. I assert that even if the ship itself was in process of construction, such construction would not authorize additions to the navy yard to be considered as a part of the work in progress on the ship.

The gentleman from Rhode Island [Mr. O'SHAUNESSY] and some other gentlemen have talked about the policy of the Secretary of the Navy. The policy and decisions of this House are far more important, and more in point than the policy of the Secretary of the Navy. One has the force of law, and the other has no binding effect on this body whatever. Whatever may be the policy of the Secretary of the Navy, in selecting a navy yard not equipped to do the work in contemplation, it can not be held that such selection is binding on this House, or afford authority for appropriations that our precedents forbid. I have pointed out that the very moment that assent is given to the contention that because certain things may be needed in connection with such a policy, authority is thereby afforded to make appropriations to that end, we have cut loose from all the safeguards with which this House has heretofore undertaken to surround the action of the appropriating committees. There is nothing, therefore, in this contention of policy. It is a part of the permanent policy in this country to maintain a standing army. As a part of that policy we do not allow the recommendations of the Secretary of War, or of anyone else to afford authority for appropriations not otherwise authorized, to carry out some scheme, or policy in connection with the Army. The same principle applies to the Navy. Unless this item can be brought within the rulings that make the exceptions, it is out of order. The decisions cited clearly show that navy yards have been put on an entirely different footing from West Point, or Annapolis.

Mr. MOORE. Does the gentleman decline to consider the direction of Congress made to the Secretary in the act of 1913? The gentleman from Virginia uses the word "policy" all through.

Mr. SAUNDERS. I have undertaken to reply directly to that. I maintain that the authority to build a ship at a particular yard, does not carry with it the idea that you can make unlimited appropriations for additions to the permanent plant in that yard. If a yard is selected which is inadequate, which is not prepared to go forward with the work, Congress must be asked for authority to provide the necessary equipment.

Mr. MURRAY of Massachusetts. May I ask the gentleman whether or not in his opinion, independent of any ship, a point of order would lie against an appropriation of $148,000 in this bill for a building to be used in connection with the proper naval repair work at the navy yard in Boston?

Mr. SAUNDERS. Unquestionably, and it shows that I have read my authorities to but little purpose, when the gentleman from Massachusetts asks me that question. Instead of repeating my statement I will read the gentleman from the authorities. Here is a case where a point of order was made against a provision for a floating crane for the Boston Navy Yard.

Mr. MURRAY of Massachusetts. But that is not a building.

Mr. SAUNDERS. It seems to me the principle is the same. But here is a provision for officers' quarters at the naval station at Key West.

Mr. MURRAY of Massachusetts. Those are for marine officers, are they not?

Mr. SAUNDERS. Yes.

Mr. MURRAY of Massachusetts. What about naval officers' quarters at Key West? Was that in order? We had that fought out two years ago, and it was held in order.

Mr. SAUNDERS. Let me give the gentleman another authority. On February 13, a bill providing for a structural steel storage plant for tools and materials at Puget Sound was held out of order.

Here is another case in point. In 1907 a paragraph for officers' quarters at the New Orleans Navy Yard was held to be out of order. (Hinds, 3758.) A provision for a new foundry at the Washington Navy Yard was held to be out of order. (Hinds, 3761.)

Mr. MURRAY of Massachusetts. What is the citation of that?

Mr. SAUNDERS. RECORD 3956. Certainly there is an authority that is precisely in point.

Mr. GARRETT of Tennessee. Mr. Chairman, will the gentleman yield?

Mr. SAUNDERS. Yes.

Mr. GARRETT of Tennessee. I do not know to what extent it might be regarded in point by the gentlemen who are arguing this question, but I call the attention of the gentleman from Virginia to the fact that last year, if I am not mistaken, certainly in a very recent year, the Chairman of the Committee of the Whole House held out of order a proposition providing for the construction of a collier as a part of the Navy, the argument being made that of course a collier was essential to the maintenance of the Navy; and the Chairman, the gentleman from Missouri, Mr. ALEXANDER, sustained the point of order which was made to that.

Mr. SAUNDERS. Mr. Chairman, I will call the attention of the Chair, in connection with the precedent cited, to the fact that that is precisely in line with the distinction made in favor of battleship construction. In other words, the rulings have never extended that distinction, but on the contrary have kept it within its original narrow limits. The decision of Judge ALEXANDER is in exact conformity with the original ruling. Of course a collier, upon the theory that has been advanced this evening in respect to the building of these slips, is an inherent and necessary part of the Navy. Yet the presiding officers have never extended the rulings to provide for its construction.

With respect to the buildings, the gentleman from Massachusetts [Mr. MURRAY] seems to draw a distinction between a building for naval officers at naval stations, and other buildings. That does not help him. Officers and seamen, and battleships constitute a class apart. The buildings mentioned in the precedent cited were for the people who are the output of Annapolis, in other words for naval officers.

Mr. MURRAY of Massachusetts. Let us go a step further. The gentleman is familiar with the decisions, and he knows the decision of January 24, 1901, when it was proposed to appropriate for a certain building at the Naval Observatory.

Mr. SAUNDERS. Oh, I am familiar with that. I have that cited here.

Mr. MURRAY of Massachusetts. It was certainly held in order to appropriate for that.

Mr. SAUNDERS. The gentleman does not seem to realize that there are provisions for certain buildings which have been sustained, and which constitute an excepted class, but that it has been always held that these rulings do not apply to navy yards.

Mr. MURRAY of Massachusetts. Oh, that is not so.

Mr. SAUNDERS. It is so, because I have a number of precedents here which I have cited to the Chair.

Mr. MURRAY of Massachusetts. Most of them relating to dry docks and floating cranes.

Mr. SAUNDERS. Not at all. They do not all relate to dry docks and cranes. They relate to buildings, and foundries, to barracks, and prisons, and quarters, and storage houses. The administrative branches, the construction and repair establishments of the Navy Department, including the naval stations, the navy yards, the hospitals, magazines, and stationary dry docks, do not, ipso facto, constitute a public work or object in progress. Appropriations therefor must be previously authorized by law. If any more emphatic authority can be found, I would like to have it cited. From the time of that decision forward the later decisions have been distinctly accordant with the principles announced.

The CHAIRMAN. The Chair is ready to rule.

Mr. ROBERTS of Massachusetts. Mr. Chairman, I would like to ask the Chair if he desires to have the precedents cited with regard to the reappropriation of money. The Chair expressed the desire for that earlier in the discussion.

The CHAIRMAN. The Chair is ready to rule upon all points.

The language of the bill to which the point of order has been made reads as follows:

That the unobligated balance under the appropriation, Marine Barracks, Boston, Mass., for the fiscal year ending June 30, 1914, not exceeding $148,000, is hereby made available for building slip and equipment.

The point of order is directed to the whole paragraph, and the Chair can not but think that this language is a repeal by implication of an authority to expend $148,000 for marine barracks before the time has expired within which the $148,000 could be spent. To take away the money with which the barracks could be constructed would make it impossible for the barracks to be constructed, and the Chair holds that it is a repeal by implication; and the point of order is therefore sustained.

Mr. ROBERTS of Massachusetts. Mr. Chairman, I desire to offer an amendment to insert, at the beginning of page 22, in place of the language which is stricken out of the bill, the following:

That the unexpended balance under the appropriation "Marine Barracks, Boston, Mass.," for the fiscal year ending June 30, 1914, not exceeding $148,000, is hereby made available for building slip and equipments.

Mr. JONES. Mr. Chairman, I make the point of order against that.

The CHAIRMAN. The Chair does not see any material difference between that and the proposition he has just ruled out of order.

Mr. ROBERTS of Massachusetts. If the Chair will bear with me a moment, I would like very much, before the Chair rules, to point out certain decisions that seem to me to fully cover this question of an unexpended balance being appropriated.

The CHAIRMAN. The Chair is treating this as not being an unexpended balance.

Mr. JONES. Mr. Chairman, it has been admitted that not a dollar of it has been expended, and that this provision works a repeal.

The CHAIRMAN. And it is yet available. It is available until it is repealed, spent, or the time limit has expired.

Mr. SAUNDERS. It is another and different application of money set apart for another application and a change of law.

Mr. ROBERTS of Massachusetts. Now I would like to be heard on the merits of this proposition. I am not speaking to the point of order——

The CHAIRMAN. The Chair will hear the gentleman, although the Chair has decided——

Mr. ROBERTS of Massachusetts. I will call the attention of the Chair to the fact that nobody has raised the point of order against the motion.

Mr. JONES. Mr. Chairman, I made the point of order.

Mr. ROBERTS of Massachusetts. Mr. Chairman, it is too late.

Mr. JONES. But I made my point of order the second the gentleman finished.

Mr. ROBERTS of Massachusetts. Nobody on this side heard it.

Mr. STAFFORD. Mr. Chairman, I call attention to the fact that the amendment has not been reported.

Mr. SAUNDERS. The amendment has not been reported.

The CHAIRMAN. The Chair did not understand the point of order was finally disposed of.

Mr. MADDEN. Mr. Chairman, I make the point that the amendment has not been reported.

Mr. ROBERTS of Massachusetts. The amendment has not been reported.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

At the top of page 22, insert the following:

"That the unexpended balance of the appropriation, Marine Barracks, Boston, Mass., for the fiscal year ending June 30, 1914, not exceeding $148,000 is hereby made available for building slip and equipment."

Mr. JONES. Mr. Chairman, I again make the point of order against the amendment.

Mr. ROBERTS of Massachusetts. Now, Mr. Chairman, I would like to be heard, begging the indulgence of the Chair, for a few moments.

The CHAIRMAN. The Chair will say to the gentleman in advance of his argument that the Chair thinks the original draft is very much stronger from his side than the one which he now offers.

Mr. ROBERTS of Massachusetts. I realize that; but the amendment is made to conform to the language of precedents which I would like the Chair at least to hear before ruling.

The CHAIRMAN. The Chair will hear the gentleman.

Mr. ROBERTS of Massachusetts. Volume 4, Hinds' Precedents, page 394, section 3591:

On February 12, 1897, the Post Office appropriation bill was under consideration in the Committee of the Whole House on the state of the Union, when this paragraph was read:

"The Postmaster General is authorized to apply to the payment of salaries of letter carriers for the fiscal year 1897 the sum of $23,000, being an unexpended balance of $13,500 of the appropriation for the current fiscal year for street letter boxes, posts, and pedestals, and unexpended balance of $9,500 of the appropriation for the current fiscal year for packing boxes."

Now, there was an instance where the unexpended balance for the current fiscal year, which had not been ascertained and nobody knew whether there would be an unexpended balance or not, was reappropriated to pay salaries.

The CHAIRMAN. What was the original appropriation for?

Mr. ROBERTS of Massachusetts. The original appropriation was part of it for street letter boxes, posts, and pedestals, and the other part for packing boxes, and the unexpended balance of those two items was combined and made available during that fiscal year for the payment of salaries of letter carriers, an entirely different proposition. Mr. Miller, of Kansas, having made the point of order, the Chairman ruled:

The Chair is of opinion that this is simply in the nature of an additional appropriation for letter carriers. There can be no question as to the authority of the Committee on the Post Office and Post Roads to report an appropriation giving an additional amount to letter carriers. The provision in the bill has simply the effect of a new appropriation—

And that is what I want to emphasize—

Has simply the effect of a new appropriation.

The CHAIRMAN. Does the gentleman insist that this $148,000 is an additional appropriation for the slip provided for in the same bill?

Mr. ROBERTS of Massachusetts. It will be a new appropriation for the slip.

The CHAIRMAN. And consequently not an additional appropriation?

Mr. ROBERTS of Massachusetts. It is not an additional appropriation; it is a new appropriation of money appropriated for another purpose. That is what was done in the case I am citing. The money was appropriated to buy street letter boxes, posts, and pedestals, and another part of it appropriated for packing boxes—two entirely different propositions—and the unexpended balance of that fiscal year in the bill was diverted to be used as additional compensation to letter carriers, in addition to the compensation they were already getting.

This appropriation is applied to an object already provided for by law—the payment of letter carriers.

Nobody questions but what the payment of letter carriers was carried by law, and therefore you could reappropriate this unexpended balance for any purpose authorized by law. The Chair said:

The Chair overrules the point of order on the ground the provision is simply an application of a previous unexpended appropriation to a purpose contemplated by law.

Now, that is the point of this whole thing. It is to divert—a repeal, if you will it, of a prior law diverting that money to another lawful purpose; and providing the purpose for which it is diverted is lawful, it is within the power of the Committee of the Whole House to make those changes. Now, again, on January 29, 1898, the District of Columbia appropriation bill was under consideration, and this paragraph was reached——

The CHAIRMAN. Before the gentleman gets on that subject, the question arises whether or not the building of a slip and equipment here is authorized by law.

Mr. ROBERTS of Massachusetts. Well, that is a separate question.

The CHAIRMAN. The gentleman raised it.

Mr. ROBERTS of Massachusetts. I do not understand.

The CHAIRMAN. The gentleman raised the question here.

Mr. ROBERTS of Massachusetts. Oh, certainly; and if there is any question about it, I will be glad to argue that. The whole argument has been going on whether or not that slip was a work in progress and authorized by law.

The CHAIRMAN. The Chair wishes the gentleman was confined to that.

Mr. ROBERTS of Massachusetts. That was the main part. Of course, it went into the merits of shipbuilding, and so on.

And, further:

On January 29, 1898, the District of Columbia appropriation bill being under consideration, this paragraph was read:

"Bathing beach: For the care and repair of the public bathing beach on the Potomac River, in the District of Columbia, $1,000. That any balance remaining of the appropriation 'toward adapting the inner basin on the Potomac Flat for a public bathing pool,' contained in 'An act making appropriations to provide for the expense of the government of the District of Columbia for the fiscal year ending June 30, 1887, and for other purposes,' approved June 11, 1896, which remains unexpended, may be applied by the Commissioners of said District for the examination, improvement, repair, and care of the public bathing beach on the Tidal Reservoir."

There is where money was appropriated for one purpose, namely, for repair and care of the pool, and diverted to the bathing beach.

Mr. James D. Richardson, of Tennessee, reserved a point of order.

After debate, during which it was developed that the bathing beach had already been appropriated for, and therefore was a public work or object in progress, the Chairman ruled:

"The Chair finds this precedent established on the 12th of February last: In the Post Office bill was a paragraph devoting an unexpended balance for street letter boxes, etc., to the payment of salaries of letter carriers. A point of order being made, the Chairman ruled that inasmuch as the carriers were authorized by law, the appropriation might be made. Regarding that as a precedent, it would be decisive of this case. So the point of order will be overruled."

That is, you could reappropriate the unexpended balance of another fund.

On February 14, 1907, the naval appropriation bill was under consideration in the Committee of the Whole House on the state of the Union, when the Clerk read as follows:

"*And provided further*, That the unexpended balance under appropriations 'Provisions, Navy, for the fiscal years ending June 30, 1900 and 1906,' are hereby reappropriated for 'Provisions, Navy, for fiscal year ending June 30, 1908.'"

Mr. JOHN J. FITZGERALD, of New York, made a point of order.

After debate, the Chairman held:

"It seems to the Chair that these two decisions precisely cover the questions presented. Money has been appropriated for an object authorized by law and is now reappropriated for a similar object."

That seems to be the criterion, whether the money first authorized to be appropriated was authorized by law, and, second, whether the purpose to which you are diverting it here is authorized by law. If both are authorized by law, it is within the province of the committee to reappropriate this unexpended balance. I will quote further:

That is a decision made by predecessors in the chair, and it has been held not to be a change of law and a thing that could properly be done upon an appropriation bill, and the Chair therefore overrules the point of order.

Now, here is what seems to me even a still stronger case:

The reappropriation of a sum required by law to be covered into the Treasury was held not to be a change of law. On January 12, 1899, the consular and diplomatic appropriation bill was under consideration in the Committee of the Whole House on the state of the Union. The following paragraph was read:

"Commercial Bureau of American Republics, $36,000: *Provided*, That any moneys received from the other American Republics for the support of the bureau, or from the sale of the bureau publications, from rents, or other sources, shall be paid into the Treasury as a credit in addition to the appropriation, and may be withdrawn therefrom upon requisitions of the Secretary of State for the purpose of meeting the expenses of the bureau."

Mr. Alexander M. Dockery, of Missouri, made the point of order that the proviso would involve a change of existing law, since the law of the first session of the Fifty-second Congress provided as follows:

"Commercial Bureau of the American Republics, for the prompt collection and distribution of commercial information, as recommended by the International American Conference, $30,000. The sums contributed by the other American Republics for this purpose when collected shall be covered into the Treasury."

You will note the difference. The law as it stood simply required the amount to be covered into the Treasury, while the amendment, the paragraph under consideration, to which the point of order was raised, provided that when covered into the Treasury they should become a credit fund, diverting the intention entirely for which they went into the Treasury.

And again, in section 3594:

A provision returning an unexpended balance to the Treasury shall be held in order on an appropriation bill. On February 17, 1905, the naval appropriation bill was under consideration in Committee of the Whole House on the state of the Union, when Mr. John F. Rixey, of Virginia, offered this amendment:

After line 20, page 33, insert:

"Naval station, Guantanamo, Cuba: The unexpended balance on July 1, 1905, of the $200,000 heretofore appropriated for a dry dock is hereby directed to be covered into the Treasury."

A point of order was made. The Chairman ruled:

It does not seem to the Chair that the provision in the last appropriation bill upon this subject is existing law in the sense that the amendment would come within the provision of Rule XXI. The Chair can see no reason why an unexpended balance can not be reappropriated, as, in point of fact, is proposed in this case. Instead of appropriating the money to the dock at Guantanamo it is proposed to cover it into the Treasury of the United States. If it is competent to divert an appropriation already made for one purpose to another purpose, it is equally competent to divert an appropriation made for a certain purpose back into the United States Treasury. The Chair therefore overrules the point of order. The question is on agreeing to the amendment offered by the gentleman from Virginia.

Now, Mr. Chairman, there is a line of decisions that are uniform and all to the point—that an unexpended balance may be reappropriated if the purpose to which it is to be applied by reappropriation is itself lawful. If the Chair follows me in that and agrees with me, it would bring us down to this question: Is the purpose to which we are appropriating this money a lawful purpose? And if the Chair agrees, I would like to argue that point. If the Chair is prepared to rule without going further into the question as to whether or not the purpose for which these moneys should be appropriated is lawful, then it would be idle to argue further.

The CHAIRMAN. The Chair is ready to rule, and feels that practically every phase of the question has been discussed.

Mr. SAUNDERS. I would like to call the attention of the Chair to one authority in response to those quoted by the gentleman.

The CHAIRMAN. The Chair is ready to rule. I will say to the gentleman from Massachusetts that a few moments ago we saw the gentleman from Massachusetts [Mr. MURRAY] and the gentleman from Virginia [Mr. SAUNDERS], two very able gentlemen, each in opposition to the other, relying upon the same precedent in support of his position.

The Chair and the gentleman from Massachusetts [Mr. ROBERTS] are now practically in that position; and, after the citation of the authorities by the gentleman from Massachusetts, the Chair sustains the point of order.

Mr. MURRAY of Massachusetts. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will report the amendment offered by the gentleman from Massachusetts [Mr. MURRAY].

The Clerk read as follows:

Page 22, insert a new paragraph, as follows——

Mr. MURRAY of Massachusetts. Page 22, line 1, it is intended to be.

The CHAIRMAN. Line 1 is stricken out.

Mr. MURRAY of Massachusetts. This is a substitute for what has been stricken out. It is at the top of the page.

The Clerk read as follows:

Page 22, in lieu of the matter stricken out on the point of order, insert the following as a new paragraph:

"Navy yard, Boston, Mass.: That to carry out the purpose of so much of the act of March 4, 1913, as authorizes the President to have constructed one supply ship, to cost, exclusive of armor and armament, not to exceed $1,425,000, there is hereby made available for improvement of building facilities and equipment, $148,000."

Mr. JONES. Mr. Chairman, I make a point of order against that amendment.

The CHAIRMAN. The gentleman from Virginia [Mr. JONES] makes a point of order to the amendment.

Mr. MURRAY of Massachusetts. Mr. Chairman, may I modify my amendment? I ask unanimous consent to modify it, so as to make it read "is hereby appropriated" instead of "made available."

The CHAIRMAN. Without objection, the modification will be made.

Mr. JONES. Mr. Chairman, I make a point of order to the amended amendment.

The CHAIRMAN. The gentleman from Virginia [Mr. JONES] makes a point of order to the amendment as modified.

Mr. JONES. If the Chair is in doubt about the matter, I would like to be heard.

The CHAIRMAN. The Chair is ready to rule. The Chair is of the opinion that this amendment is subject to a point of order, for the reason that the latter part of it reads as follows: "For improvement of building facilities and equipment." That is so very broad that it authorizes almost anything, and the point of order is sustained.

Mr. MURRAY of Massachusetts. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will report the amendment offered by the gentleman from Massachusetts [Mr. MURRAY].

The Clerk read as follows:

In lieu of the matter stricken out on the point of order, at the top of page 22, insert the following as a new paragraph:

"Navy yard, Boston, Mass.: That to carry out the purpose of so much of the act of March 4, 1913, as authorizes the President to have constructed one supply ship, to cost, exclusive of armor and armament, not to exceed $1,425,000, there is hereby appropriated for building slip and equipment $148,000."

Mr. JONES. Mr. Chairman, I make the point of order as to that, and if the Chair has any doubt about it I would like to be heard for a moment.

The CHAIRMAN. The Chair is ready to rule. The Chair is of the opinion that the amendment is still subject to a point of order, for the reason that it is for the building of a slip, and, maybe, not in continuation of work already commenced.

Mr. JONES. That is the point.

Mr. PADGETT. Mr. Chairman, I want to offer the following amendment.

The CHAIRMAN. The Clerk will report the amendment offered by the gentleman from Tennessee [Mr. PADGETT].

The Clerk read as follows:

Insert, at the top of page 22, before the words "Navy yard, New York," as a new paragraph, the following:

"Navy yard, Boston, Mass.: Building slips and equipment to enable the Secretary of the Navy to have constructed the supply ship designated to be constructed at navy yard, Boston, Mass., $148,000."

Mr. JONES. Now, Mr. Chairman, I make a point of order against that. Exactly the point stated by the Chair is what I desire to present. It is not authorized by law, and it is not to continue any work in progress.

The CHAIRMAN. The Chair would like to ask the gentleman from Massachusetts [Mr. MURRAY] a question. In getting back to the amendment to which the point of order was just sustained, just what is meant by the two words "building slip"? Is "building slip" a compound word?

Mr. MURRAY of Massachusetts. Yes; it is a hyphenated word, but I followed the language of the bill. "Building slip" does not mean building a slip.

The CHAIRMAN. The Chair was under the impression that it did. The language of the pending bill does not use a hyphen.

Mr. MURRAY of Massachusetts. I know; but it should, and I would have put it in, except that I wanted to follow the language of the committee's report.

The CHAIRMAN. The Chair is not familiar with these technical terms. A building-slip is one thing, and the building of a slip is another thing.

Mr. MADDEN. This is to build ways.

Mr. PADGETT. The amendment I have offered obviates all that and makes it clear.

The CHAIRMAN. The amendment offered by the gentleman from Tennessee [Mr. PADGETT] reads to the Chair as meaning the building of a slip, and therefore not in continuation of an existing work.

Mr. PADGETT. I ask unanimous consent to insert a hyphen between the word "building" and the word "slip." That is what it is—a building-slip.

Mr. MOORE. May I call attention to the language used in line 15, page 22—

Building slips and equipment.

That is the language of the Secretary of the Navy, as I understand it. I think you will find the term technically stated there.

The CHAIRMAN. We have not yet reached line 15, page 22.

Mr. MOORE. I know; but that is the technical language of the Secretary of the Navy.

Mr. BRYAN. The word "building" is not a verb at all.

The CHAIRMAN. The Chair has been construing it as a verb. He is not familiar with these technical terms.

Mr. BRYAN. It is an adjective, like sounding board, talking man, or jumping horse. It is not a verb authorizing the building of anything. It refers to a noun. It is a structure on which a ship is to be built.

The CHAIRMAN. The Chair thinks it can be called either, because of the lack of one or two explanatory words that might have been used.

Mr. BRYAN. It means building-ways.

Mr. MOORE. It might have been called building-ways, but the technical term is—

Building slips and equipment.

Mr. MAPES. Mr. Chairman, the Standard Dictionary defines a building-slip as—

A raised and inclined way for a ship while being built.

The CHAIRMAN. The Chair will ask the gentleman if in the dictionary it is a hyphenated word?

Mr. MAPES. It is.

The CHAIRMAN. In the bill it is not.

Mr. MAPES. The word "building" is used as an adjective, and there is enumerated among the different compounds building-block, building-slip, and so forth.

The CHAIRMAN. The trouble with the gentleman's amendment is that he uses it in the plural——

Building slips.

Mr. PADGETT. I will ask unanimous consent to change it to read—

A building slip.

Mr. MADDEN. If it is left to read that way, it will simply mean one set of timbers.

Mr. PADGETT. That will be the slip on which it rests.

Mr. MADDEN. You have got to have more than one slip if you are going to build a ship. You can not launch it if you do not have more than one.

Mr. PADGETT. A building-slip is simply——

Mr. JONES. A building-way.

Mr. PADGETT. A building-way.

Mr. SAUNDERS. If the gentleman from Tennessee has finished——

The CHAIRMAN. The Chair is of the opinion that the trouble grows out of too much economy of words. If a few more descriptive words had been used in the bill, all this trouble might have been obviated. In other words, the Chair feels compelled, under existing circumstances, to indicate just the direction in which his mind is running. It is this: If an amendment is offered to improve a "building-slip" that exists in the Boston Navy Yard, the Chair will hold it in order, but until that is done the Chair will rule against it.

Mr. SAUNDERS. Just in that connection, I wanted to point out that it did not make any difference whether the word is hyphenated or not, because what they have in mind is to build a "building-slip."

Mr. MURRAY of Massachusetts. That is not true. We built a ship there as late as 1904. I do not want this to go off on a hyphen. We built the *Cumberland* there as recently as 1904. We have some facilities there for shipbuilding.

The CHAIRMAN. The Chair has indicated pretty clearly what he will hold.

Mr. MURRAY of Massachusetts. I ask unanimous consent to offer a substitute for the pending amendment.

The CHAIRMAN. The Chair sustains the point of order as to the amendment offered by the gentleman from Tennessee.

Mr. MURRAY of Massachusetts. I offer an amendment.

The CHAIRMAN. The gentleman from Massachusetts offers an amendment, which the Clerk will report.

The Clerk read as follows:

In lieu of the matter stricken out on the point of order at the top of page 22 insert a new paragraph, as follows:

"Navy yard, Boston, Mass.: That to carry out the purpose of so much of the act of March 4, 1913, as authorizes the President to have constructed one supply ship to cost, exclusive of armor and armament, not to exceed $1,425,000, there is hereby appropriated for the improvement of building slips and equipment $148,000."

Mr. JONES. Mr. Chairman, I make a point of order against this amendment, and I wish to be heard upon it. I do not profess to be a parliamentarian, and I have therefore thus far left the discussion of these parliamentary questions to others. When I raised the point of order against the paragraph as it originally stood I did not specifically make the point on which the Chairman ruled that paragraph out of order. I believed then, and I believe now, that this appropriation is not authorized by law. I think this much will be admitted. Nobody has undertaken to point out any law which authorizes it. It is not, in my judgment, a continuation of a public work now in progress.

The gentleman from Massachusetts by his amendment ingeniously seeks to connect the building of the supply ship authorized a year ago with the equipment of the navy yard at Boston simply because it is to be built there. They are two separate and distinct subjects, and in ruling upon this amendment, in my judgment, the Chair can not take into consideration the language of the statute passed more than a year ago authorizing the building of a number of ships, including the supply ship which gentlemen now wish to have built at Boston.

The Secretary of the Navy could as well have authorized the building of half a dozen ships at the Boston Navy Yard under the authority given him in that statute as to have authorized the building of one. If he had authorized the building of half a dozen, then this amendment would, I imagine, have been for six times this amount.

The CHAIRMAN. One ship provided for in the act must be built at a Government yard. The other ships may be built in a Government yard if the Secretary believes that there is some trust or combination.

Mr. JONES. If the Chair puts that construction on the language of the statute, then the Secretary can not build either of these ships at Boston, because the Secretary has never believed for a moment that there was any combination between the private shipbuilding yards.

The CHAIRMAN. The Chair does not think that that is a material point here.

Mr. JONES. No; but the point I make is this: That the Secretary might as well under that authority have directed that both the supply ship and the transport be built either at Boston or at Philadelphia as to have directed that one be built at Boston and the other at Philadelphia. The law gave him authority to have both built at either one of the yards.

The gentleman from Massachusetts [Mr. MURRAY] takes rather a different view of the subject to-day from what he did in his speech a few days ago when general debate was in progress. Then he did not confine himself to stating that this slip was necessary in order to carry out the provisions of the statute which directed the Secretary—or, rather, permitted the Secretary—to have the supply ship built at the Boston yard. On the contrary, he took the broad ground that it was the purpose and object of the Secretary, independent of the building of the supply ship, to equip that yard for the purpose of building such ships as may hereafter be authorized.

Mr. MURRAY of Massachusetts. Does not the gentleman think that there is a wide difference between the broad and general latitude in general debate and the attempt to meet objections on points of order?

Mr. JONES. The gentleman can reply to me when I get through.

Mr. MURRAY of Massachusetts. I am asking the gentleman a question.

Mr. JONES. I will answer it. Mr. Chairman, when general debate was in progress upon this bill I undertook to demonstrate that the Secretary acted unadvisedly and unwisely in ordering the supply ship to be built at the Boston yard and the transport to be built at Philadelphia. I undertook to show that it would cost the Government perhaps a million dollars more to build these ships at these two yards than it would at a private yard. The gentleman from Massachusetts [Mr. MURRAY] replied to my speech, mentioned me more than once by name, and in the course of his remarks used the words which I will read:

Mr. Chairman, let me briefly say we had Moody, of Massachusetts, in the Navy Department, we had Meyer, of Massachusetts, in the Navy Department, and neither one of them would recommend the equipment of the Charlestown, Mass., yard for shipbuilding purposes. But when

we had a southern gentleman, Josephus Daniels, in that department, the recommendation was made and is now reported to this Committee of the Whole House on the state of the Union by the Naval Affairs Committee, and I hope it will soon be enacted into law.

These words, although uttered in general debate, were used in connection with this paragraph and were in reply to my criticisms. The statement of the gentleman was that although they had had in the Navy Department Moody, who was a citizen of Massachusetts, and Meyer, who was also a citizen of Massachusetts, both of those gentlemen had refused to recommend the equipment of this yard for shipbuilding purposes. Now, when Moody and Meyer were Secretaries of the Navy this supply ship had never been thought of, for it was only authorized a year ago.

The CHAIRMAN. That does not relieve the Chair in deciding this matter.

Mr. MURRAY of Massachusetts. Mr. Chairman, lest the RECORD may read incorrectly, does not the gentleman from Virginia know that I was at that time directing my remarks to the report of the committee and the language as it was before it went out on a point of order? Does not the gentleman mean to be fair?

Mr. JONES. Of course I do, and this amendment in effect is exactly what that provision was, except, Mr. Chairman, this is an effort to take out of the Treasury $148,000, leaving to be expended for other purposes at Boston the $148,000 which the Secretary of the Navy says ought never to have been appropriated at all. It just doubles the amount appropriated for the Boston yard, and will cause to be expended there not only the money asked for by the Secretary of the Navy to equip the Boston yard for shipbuilding purposes but an equal amount, namely, $148,000, which the Secretary tells us ought not to be expended.

This is the only real difference between the paragraph ruled out and this amendment. The point I am trying to make is this, that the object of this amendment, as was that of the paragraph, is not so much to carry out the purpose of the Secretary of the Navy to build this supply ship at the navy yard in Boston as it is to equip that navy yard for shipbuilding purposes generally. I desire to make it clear that the work in progress which this appropriation is to continue is not the building of a ship. I wish to distinguish between the ship and the navy yard. It was said by the gentleman from Pennsylvania [Mr. MOORE] that a collier was essential to a navy, but a collier is not essential to a navy yard, is it?

The CHAIRMAN. But is not a navy yard essential to the building of any ship?

Mr. JONES. A navy yard is essential to the building of a ship, and therefore I take the ground that the navy yard should be authorized by law before it is provided that a ship be built in it; that the cart should not be put before the horse. There are two navy yards in the United States which are fully equipped to build these ships, or even larger ones. The Mare Island Navy Yard has just completed two great ships—the *Prometheus* and the *Jupiter*—of precisely the same type as this ship, and it is now building two other ships; and the Brooklyn Navy Yard, as everybody knows, has built great dreadnaughts. The gentleman, in his speech before this House, congratulated Secretary Daniels and complimented him to the skies because he, "a southern gentleman"—and he used in this connection the phrase "the South being in the saddle"—had ordered the supply ship to be constructed at Boston, thus, in an indirect way, transforming that yard from one where repairs are made to one equipped for shipbuilding.

Mr. MURRAY of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. JONES. Not now. Mr. Chairman, the work in progress, to which the rule refers, is the building slip. If there was a building slip in course of construction at the Boston Navy Yard, it would be perfectly proper, upon this bill, to appropriate money to continue the work upon that slip; but a building slip and a ship are two very different things. It is not the ship that is the work in progress referred to in the rule; it is the yard. But even if it were the ship to which the rule is to be made applicable, there is no work in progress upon it, and there never has been any. The drawings for the ship have never even been made.

Therefore, this is a bald effort to secure an appropriation to equip the navy yard at Boston for the building of ships, and it is put upon the ground that this is a continuation of some existing work, some work in progress. It is not. It is true that prior to the Civil War some small wooden ships were constructed there. It is true that 10 years ago the *Cumberland*, a wooden training ship of 1,800 tons, was constructed there.

Mr. MURRAY of Massachusetts. Did they not have to have slips?

Mr. JONES. But this is a great ship of 8,500 tons, a steel ship; and in order to build it at Boston a building way must first be provided. It is true that there is an old building way at Boston, but a practically new one must be built to accommodate this great supply ship. The object of this amendment is not to repair this old and wholly inadequate building slip, but, on the contrary, to provide for a new and modern building way sufficiently large to accommodate large ships of war.

It seems to me that this is the question which is presented for the determination of the Chair: Is this appropriation asked to complete a building way now in process of construction—to continue some work now in progress—or is it to build what will be and what is intended to be practically a large and expensive new building way?

It is true that new buildings at West Point and Annapolis have been held in order. They were held in order upon the theory that their construction was an incident to the maintenance of the academy itself, the main object contemplated being already in progress. The Boston yard was not designed to build large ships, and no building ways for such ships were ever constructed. It is now for the first time proposed to equip this yard to build large ships, and therefore the building of this proposed building way was never so much as contemplated, much less in progress.

My colleague, Judge SAUNDERS, has cited a great many rulings to show that dry docks for navy yards have uniformly been held out of order, and I need not again refer to them. It seems to me, therefore, that this amendment must, under the rules of this House, be out of order.

Mr. SAUNDERS. Mr. Chairman, I do not desire to repeat the arguments I have made heretofore in this connection, but I do wish to call the attention of the Chair to the language of this amendment, having in mind that a point of order has been made to it. This puts upon the party who offers the amendment the burden of showing that he comes within the benefit of some existing authority. The mere use of language for the improvement of a slip, a building slip, or whatever it may be called, does not thereby make that language in order as against the point of order. When the amendment is challenged by the point of order, the burden is put upon the gentleman offering the same to show that there is an existing work in progress which will be continued by virtue of this appropriation.

Mr. MURRAY of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. SAUNDERS. Yes.

Mr. MURRAY of Massachusetts. Does the gentleman differ from his colleague in the statement that the *Cumberland* was recently constructed there, a matter of 10 years ago, and that in the construction of the *Cumberland* it was necessary to have slips and building ways?

Mr. SAUNDERS. Why, no. I am using that very statement against the gentleman. The slip for the *Cumberland* is a completed project.

Mr. MURRAY of Massachusetts. Of course we had to have some facilities in order to build the *Cumberland*. Now we are asking to improve those facilities.

Mr. SAUNDERS. I desire to call the attention of the Chair to the statement of the gentleman from Massachusetts. He says that there is no work there which is in progress. It never has been held that because there is some existing work which has served a completed purpose at a navy yard, you can therefore appropriate to erect another building for a larger, or different purpose. It appears that some years ago a small ship was built at this yard which required for its specific construction a slip, or way. This slip was built, and the ship was completed. The slip has served its purpose. It is functus officio, so to say. Hence there is no slip building in progress at that yard. The decisions expressly say that the words "work in progress" do not apply to a completed thing. If they were building slips at this yard, under appropriations for slip-building purposes, I freely admit that an appropriation for an extension of slips authorized as a general proposition, would be entirely in order. But all the gentleman from Massachusetts can say is that in connection with the building of another ship, a slip that was sufficient for that ship, was constructed. The end of that construction having been attained, there is no work in progress in that navy yard in the way of slip building. This provides for an entirely different improvement in that navy yard, for the construction of another and distinct ship, and the gentleman can not by the use of the words "for the improvement of," make this amendment in order. He is required to show that there is in progress at that navy yard a process of slip con-

struction, and that this appropriation will carry forward that construction in the way of enlargement, not that it will be used to build another and entirely different slip.

The CHAIRMAN. Does the gentleman contend, since he has just mentioned a house, that the point of order would lie to an item in an appropriation bill making an addition to a house?

Mr. SAUNDERS. If it were a completed house authorized for a specific purpose, and the limit of cost had been put on it, a new and distinct house could not be built upon the theory that a work is in progress. I understand as a matter of fact that the slip used for the *Cumberland* can not be used for the new ship. The utility of the old slip was terminated, when the *Cumberland* was finished. Some one suggests that this slip may be partially rotted, or in part removed. There is no evidence to show that the new slip will be an extension and enlargement of the old one.

Mr. ROBERTS of Massachusetts. Mr. Chairman——

The CHAIRMAN. Does the gentleman from Virginia yield to the gentleman from Massachusetts?

Mr. ROBERTS of Massachusetts. I thought the gentleman had finished.

Mr. SAUNDERS. No, but I have nearly finished. It is suggested to me that no part of the slip for the *Cumberland* could be used for the slip for the new ship. If that is a fact——

Mr. JONES. That is absolutely true.

Mr. SAUNDERS. Then the construction of a new way or slip could not possibly be regarded as an extension of the old way that was built for the construction of the ship *Cumberland*.

Mr. ROBERTS of Massachusetts. Mr. Chairman, if the gentleman has finished, I ask unanimous consent that the amendment be again reported.

The CHAIRMAN. The Clerk will again report the amendment.

The amendment was again reported.

Mr. ROBERTS of Massachusetts. Mr. Chairman, I would like to state from personal knowledge that there is at present a building slip in the Boston Navy Yard, and since I have been a Member of this body I have seen a ship built and launched in that building slip. The gentleman from Virginia suggests that it may have rotted down or it may have disappeared.

Mr. JONES. May I ask the gentleman if that ship was not an 1,800-ton ship?

Mr. ROBERTS of Massachusetts. It was a steel ship, a training ship built for the Naval Academy, a steel built ship.

Mr. JONES. A training ship?

Mr. ROBERTS of Massachusetts. It does not make any difference whether it was a training ship, but it was a ship built in that slip at the Boston Navy Yard. That is the point at issue.

Mr. JONES. They might have built a canoe there, too.

Mr. ROBERTS of Massachusetts. My colleague offers an amendment here for the improvement of that existing slip. I submit, Mr. Chairman, that if there is anything clear in parliamentary law, under all the precedents cited by all the gentlemen from Virginia in opposition to this proposition, it is clearly in order that you may extend an existing work.

Mr. JONES. May I ask the gentleman a question?

Mr. ROBERTS of Massachusetts. Certainly; although the gentleman would not yield to me when he had the floor.

Mr. JONES. If it were admitted there was a slip there large enough——

Mr. ROBERTS of Massachusetts. Does the gentleman deny there is a slip there?

Mr. JONES. No.

Mr. ROBERTS of Massachusetts. Then that is sufficient for that part of it.

Mr. JONES. If I admit there is a slip there large enough to build a yawl boat, would the gentleman contend that would be sufficient to authorize this appropriation to make it large enough to build a great battleship?

Mr. ROBERTS of Massachusetts. Most decidedly; yes. If there is a building that is in use, or may be put to use, it is within the province of this Congress to enlarge that building to any extent. There is no getting away from that proposition.

Mr. GARRETT of Tennessee. On an appropriation bill?

Mr. ROBERTS of Massachusetts. On an appropriation bill. The building being there, you can go to any length in the extension of it. The principle of the thing is what we are arguing, and not the merits of the question. Now, the slip in the Boston yard that the gentleman speaks of so slightingly, I will say for his benefit, was stone paved with great granite blocks. They are there for all time, and it takes only a comparatively small amount of money to make the slip available for building a ship of the largest size, as shown by the small amount of money that is asked in this bill for the purpose.

I want to call attention to the fact that when the Brooklyn yard was equipped with a slip and ways we appropriated $175,000. Why? Because they had nothing there whatever. They had no slips which they could improve, which they could extend, or which they could build on.

Mr. JONES. How was that appropriation made?

Mr. ROBERTS of Massachusetts. That was made by an amendment to the appropriation bill, which I offered. A point of order was raised, the point of order was sustained, and an appeal was taken from the decision of the Chair, and we got the highest parliamentary authority, the decision of the full committee, that it was in order.

Mr. JONES. The gentleman had friends enough to overrule the decision of the Chair.

Mr. ROBERTS of Massachusetts. Does the gentleman question the intelligence of the full committee? He was a member of it at that time.

Mr. JONES. I very much question it.

Mr. ROBERTS of Massachusetts. I have nothing further to say than the fact that there is an existing building slip, and that the motion of my colleague from Massachusetts is to improve something already in existence in that yard, and is clearly in order by all the precedents cited by the gentleman from Virginia in his brief of 40 cases.

The CHAIRMAN. When this discussion first commenced the Chair—and I have no doubt a great number of the Members—treated the expression "building slip" or treated the word "building" as a verb, and thought it meant the building of a slip. Later along in the discussion it has developed that a "building slip" is a technical term used in navy yards.

The current act appropriating money for the Navy provides—

> The Secretary of the Navy shall build the battleship authorized in this act in such a navy yard as he may designate——

Mr. JONES. Would the Chair permit me to ask just a question right there? The Chair does not mean to say that the Secretary of the Navy under that law was obliged to build the ship in a Government navy yard?

The CHAIRMAN. This act says "the battleship therein authorized shall be built in a Government navy yard"——

Mr. JONES. A battleship?

The CHAIRMAN. Yes.

Mr. JONES. I was speaking of the supply ship. That is not a battleship.

The CHAIRMAN. Even if it be not——

Mr. JONES. And the supply ship under the law would be built in a private yard or a Government yard.

The CHAIRMAN. The Chair was interrupted by the gentleman from Virginia, and will continue to read from the act, as follows:

> The Secretary of the Navy shall build the battleship authorized in this act in such navy yard as he may designate, and shall build any of the other vessels herein authorized in such navy yards as he may designate should it reasonably appear that the persons, firms, or corporations, or the agents thereof, bidding for the construction of any of said vessels, have entered into any combination, agreement, or understanding, the effect, object, or purpose of which is to deprive the Government of fair, open, and unrestricted competition in letting contracts for the construction of any of said vessels.

Under that paragraph in the current law discretion is given to the Secretary of the Navy to determine where the ships shall be built. The Chair has been furnished with a letter dated March 10, 1914, addressed to the Hon. LEMUEL P. PADGETT, chairman of the Committee on Naval Affairs, by Josephus Daniels, Secretary of the Navy, in which he says:

> After careful examination of the various bids and estimates, including the revision of the Boston and Philadelphia Navy Yards of the estimates at first submitted by them, I decided on February 19 to place the building of these two vessels in Government yards—the supply ship to be built at Boston and the transport to be built at Philadelphia—

Therefore we find that the Secretary of the Navy, acting within his legal discretion, has authorized this ship to be built in the Boston Navy Yard. In order to build it it is necessary to have a "slip," about which the Chair had never heard until this question came up. Some time has been used in discussing whether "building slip" was a hyphenated word or two words, but the time has not been thrown away entirely, for only a few days ago we found the Comptroller of the Treasury deciding a very important question upon the placing of a comma, and at the same time wrestling with the grammar used in the bill which he was construing.

It is true there is not a very great deal of difference in effect between the amendment which is now presented to the Chair for determining the point of order and those which preceded it, and to each of which a point of order has been sustained. It very much resembles the distinction made in the common law between an attorney undertaking the prosecution of a case for

one-third of all he may recover and the undertaking of it for an amount equal to one-third of all he may recover. The first would be champertous and the latter legal. There is just about that much difference between this amendment and the ones previously offered. The language of the several others, to each of which the Chair has sustained a point of order, is like this one in effect, but is different in wording. The Chair is of opinion that the change of wording makes it different from the others, and therefore overrules the point of order. [Applause.]

Mr. PADGETT. Mr. Chairman, I ask for a vote.

The CHAIRMAN. In addition to the reasons just given, I desire to refer to section 3837 of Hinds' Precedents, volume 4, in reference to the point of order which was raised in that case, where the Chair was overruled. The Chair thinks the present ruling is in accord and keeping with that.

Mr. PADGETT. Mr. Chairman, I ask for a vote on the amendment.

Mr. JONES. Mr. Chairman, I desire to address the Chair on the subject of this amendment.

The CHAIRMAN. The gentleman from Virginia [Mr. JONES] is recognized.

Mr. JONES. Mr. Chairman, the act of March 4, 1913, of which a good deal has been said in discussing the points of order, provided for the building of a supply ship, to cost not exceeding $1,425,000, and a transport, to cost not exceeding $1,850,000, discretion being given to the Secretary of the Navy to build these ships either at Government yards or at private shipyards.

The Secretary of the Navy advertised for bids, and some five or more of the great private shipbuilding concerns of this country submitted bids for the building of these ships. The Secretary of the Navy also requested the several navy yards to submit estimates for the building of these ships, and all of them submitted estimates. All of the estimates of the navy yards, with the exception of those of the Philadelphia yard and the Boston yard, were higher than the lowest private bidder. The Boston yard estimate was about $300,000 less than the bid of the Newport News Shipbuilding & Dry Dock Co.

Mr. STAFFORD. Mr. Chairman, will the gentleman yield?

The CHAIRMAN. Does the gentleman from Virginia yield to the gentleman from Wisconsin?

Mr. JONES. Yes.

Mr. STAFFORD. Can the gentleman inform the House whether there was much competition among the private shipbuilders for the building of those vessels?

Mr. JONES. Yes. All of the five great private concerns submitted bids.

The Newport News Shipbuilding & Dry Dock Co. submitted the lowest bid on both these ships. Now there was, according to the specifications, considerable duplication of machinery in these two ships, so that a yard equipped to build both ships could bid on the two lower proportionately than it could bid on one of them. The Newport News Shipbuilding Co. bid on both of these ships, and its bids were lower than the mere estimates of any of the navy yards except the Philadelphia yard and the Boston yard. As I have said, the estimate of the Boston yard was more than $300,000—I can give the exact figures if necessary—lower than the estimates of the New York Navy Yard, and the estimates of the Philadelphia yard on the transport were some $545,000 less than the estimate of the New York Navy Yard. One of the remarkable and thus far unexplained things about this business is that the Navy Department only asked the Philadelphia yard for an estimate on one ship, and only asked the Boston yard to estimate on one ship, but it asked all of the other navy yards to estimate on both of the ships. But as I have said, Mr. Chairman, the estimates of the Philadelphia and Boston yards were a great deal lower than any of the others, and lower than the lowest of the private bids.

The CHAIRMAN. The time of the gentleman has expired.

Mr. JONES. Mr. Chairman, as I have not occupied much of the time of the committee up to this time, and as I have some information to which I think the committee is entitled, I ask unanimous consent that I may be permitted to speak for 20 minutes on this amendment.

The CHAIRMAN. Is there objection?

Mr. MURRAY of Massachusetts. Mr. Chairman, reserving the right to object, the gentleman addressed himself to this at great length in the course of the general debate, and personally I would like to get a vote on this to-night. I wonder if the gentleman can not conclude his remarks in less time.

Mr. JONES. I shall be glad to conclude my remarks in less time if I can, but I do not know that I can. I do not speak as rapidly as the gentleman does. He can say twice as much in five minutes as I can say in the same length of time.

Mr. MURRAY of Massachusetts. If the gentleman talks 20 minutes, he will make points that some of the rest of us will want to reply to.

Mr. ROGERS. I want to talk on this for at least 10 minutes.

Mr. JONES. I do not think it is likely that we can come to a vote to-night. There are other gentlemen who will wish to speak.

Mr. MURRAY of Massachusetts. Then, let us stick to the five-minute rule and see if we can get a vote on it to-night.

The CHAIRMAN. Is there objection to the request of the gentleman from Virginia that he have 20 minutes?

Mr. ROBERTS of Massachusetts. Reserving the right to object, I should like to ask the gentleman from Virginia if he did not include in his speech under the general debate substantially all that he is now desiring to bring before the committee?

Mr. JONES. I may say in reply to the gentleman that I only had some 20 minutes on the general debate, and that most of my speech was published under leave to extend my remarks, so that very few of the Members of the House are informed as to the facts contained in that speech.

Mr. ROBERTS of Massachusetts. There are only a few more than 1 per cent of the membership present here now.

Mr. PADGETT. I will ask the gentleman from Virginia if he can not conclude what he has to say in 15 minutes?

Mr. JONES. I will try to conclude in 15 minutes.

Mr. MURRAY of Massachusetts. I object. One item of this bill has taken the whole day, and it does not seem reasonable to spend the whole day on this item. Let us see if we can finish this to-night.

The CHAIRMAN. Objection is made.

Mr. FOSTER. I ask unanimous consent that the gentleman from Virginia have 10 minutes.

Mr. JONES. If the gentleman objects to reasonable debate on this amendment, he will find that it will take a good deal more time to reach a vote than he may expect.

Mr. MURRAY of Massachusetts. But this is only one item, and we are not halfway through the bill yet.

Mr. FOSTER. I ask unanimous consent that the gentleman from Virginia have 10 minutes.

Mr. MURRAY of Massachusetts. Mr. Chairman, I object.

Mr. STAFFORD. I ask unanimous consent that the gentleman from Virginia have 5 minutes.

Mr. MURRAY of Massachusetts. I object.

The CHAIRMAN. Objection is made.

Mr. FOSTER. Has debate on this amendment been exhausted?

Mr. JONES. I move to strike out the last word.

Mr. MURRAY of Massachusetts. The gentleman has addressed himself to the amendment for 5 minutes, and has consumed his time under the rule.

The CHAIRMAN. The Chair is compelled to hold that the gentleman has used his 5 minutes.

Mr. ROGERS. I hope the gentleman from Massachusetts will allow the gentleman from Virginia to proceed.

Mr. MURRAY of Massachusetts. All I want to do is to get this to a vote to-night, if I can. If we can arrive at any understanding to that effect, I am willing to consent to it.

Mr. STAFFORD. This is a very important proposition. Is not the gentleman willing——

Mr. FOSTER. I ask unanimous consent that the gentleman from Virginia be allowed to proceed for 10 minutes.

Mr. MURRAY of Massachusetts. The gentleman from Illinois does not realize that we have spent the whole day on this thing.

Mr. FOSTER. I realize that the gentleman from Virginia does not occupy much of the time of the House.

The CHAIRMAN. The gentleman from Illinois asks unanimous consent that the gentleman from Virginia have 10 minutes. Is there objection?

Mr. MURRAY of Massachusetts. Reserving the right to object, may I ask the gentleman from Virginia whether or not it is possible to arrive at some decision for a vote on this amendment to-night?

Mr. JONES. I am not in a position to make any agreement.

Mr. FOSTER. The gentleman from Virginia is not in charge of the bill.

Mr. MURRAY of Massachusetts. But he is holding up this amendment.

The CHAIRMAN. Is there objection to the request that the gentleman from Virginia have 10 minutes more? [After a pause.] The Chair hears none, and the gentleman from Virginia is recognized for 10 minutes.

Mr. JONES. Now, Mr. Chairman, what I wish to say is that when the original estimates came in the Secretary of the Navy referred them to a board of experts, consisting of the Chief of the Bureau of Construction and Repairs, Admiral Watt;

the Chief of the Bureau of Steam Engineering, Admiral Griffin; and to the Aid to Material; and these gentlemen, after having examined the figures carefully, reported to the Secretary of the Navy that it was impossible for either of these navy yards to build the ship upon which it had estimated for anything like the sum for which it was claimed it could be built. The board therefore unanimously recommended that the contract for the building of these ships should be awarded to the lowest contract bidder.

The Secretary of the Navy, under these circumstances, referred the estimates back to these yards and requested them to revise their figures. They did revise their estimates, but when they did so they had before them then the estimates of all the other navy yards and the bids of all the private yards. They revised them by raising them something over $100,000 each, so that after they had been revised the Boston yard was still $266,000 below the New York yard, and the Philadelphia yard some $436,000 lower than the New York yard.

The estimates were again referred to the board of experts, and that board went over them most carefully. After the most painstaking examination, as I am informed, the board reported unanimously to the Secretary of the Navy that neither of these yards could build the ship which it had estimated on for the sum named. Notwithstanding that fact, and in the face of the definite recommendation of his own advisers, the Secretary of the Navy gave these ships to these yards to build, yards that it is now admitted are not equipped to build either of them.

Now, I do not know what influences were brought to bear on the Secretary of the Navy to induce him to disregard the advice of his own expert advisers. I have read very carefully what the Boston newspapers had to say upon this subject, and I learned from those papers that the Massachusetts delegation, headed by the gentleman who sits on my left [Mr. MURRAY of Massachusetts], were continually urging the Secretary to give the supply ship to Boston, notwithstanding the advice of his expert advisers. I learned from these papers that it was claimed that the Secretary of the Navy had made a speech in Boston some time last year in which he had promised that if the Boston yard put in an estimate on the supply ship lower than any private bid, that that ship should be built at the Boston yard.

The Boston newspapers and certain Boston statesmen and politicians, it seems, all insisted that the Secretary of the Navy should live up to this alleged promise, notwithstanding that the board of naval experts informed him that the Boston yard could not do the work for the amount named in the revised estimates.

I will say in this connection that the gentleman who was once a Member of this House and who is now the mayor of the great city of Boston publicly stated, if the Boston papers can be relied upon, that if the Secretary of the Navy did not give this ship to Boston his word could not be relied upon for anything.

Mr. MURRAY of Massachusetts. Mr. Chairman, will the gentleman yield long enough for me to say that I never saw any such statements and do not know of anybody but the gentleman from Virginia that did see them?

Mr. JONES. I know of many people that saw them. I have some of them in my hand, and I will now read one and ask the gentleman from Massachusetts if he did not see this statement?

Mr. MURRAY of Massachusetts. I saw it in the RECORD; I saw it when I read the gentleman's speech.

Mr. JONES. I do not find it readily, Mr. Chairman, but I can state its contents substantially. It stated that on one occasion the news reached the Capitol that the Secretary of the Navy had determined to award the supply ship to the Newport News Shipbuilding Co., and that Mr. MURRAY immediately summoned the whole Massachusetts delegation and that, with one exception, they descended upon the Secretary of the Navy; that when they got to the Navy Department the Secretary confirmed the report which had come to Mr. MURRAY to the effect that he had about decided to award the contract to the Newport News Shipbuilding Co. Then, so the Boston paper stated, Mr. MURRAY informed him that if he did so the matter would be taken up on the floor of the Senate and the House, and that he would hear from the men from Massachusetts.

Another paper stated that it did not know to whose influence was due the fact that the Boston yard had gotten this ship to build, whether it was Mr. MURRAY, the governor of the State, or the mayor of the city of Boston, to whom the credit was due, or "whether some silent influence turned the trick." But, it added, "it is enough to know that Boston wins."

Now, Mr. Chairman, I do not know what influences were brought to bear, but I do not believe the Secretary of the Navy knows any more about building ships than I do. I am told that his expert advisers, who are certainly among the most capable men in the Navy, every single man of them, with absolute unanimity, advised him that neither of these yards could build these ships for the sum that it had estimated that it could do it for. I do know, Mr. Chairman, that if they do not build them within the estimates there is no penalty attached to their failure. If they shall cost double the amounts of the estimates, then Congress will be asked to furnish the money to complete them. I am told by competent naval authorities, and I believe them, that it will probably cost $1,000,000 more to build these ships in these navy yards than it will take to build them in a private yard. A private yard is required to give a heavy bond. If contract-built ships do not come up to every requirement of the contracts, the Government may refuse to accept them; but if these two ships shall, if built at these navy yards, prove utterly worthless, the Government must bear the loss.

Mr. ROBERTS of Massachusetts. Mr. Chairman, will the gentleman yield for a question?

Mr. JONES. For a question.

Mr. ROBERTS of Massachusetts. Would the gentleman object to building either one of these ships in the Norfolk yard had that yard put in the lowest bid?

Mr. JONES. Most decidedly I would, although the Norfolk yard built the *Texas*, and the gentleman's navy yard never even built so much as a yawl boat, so far as I know.

Mr. MURRAY of Massachusetts. Oh, it built the *Cumberland*.

Mr. JONES. Yes; I should have said the Philadelphia yard. I beg the gentleman's pardon. I was thinking that he was speaking for Philadelphia.

Mr. PADGETT. The Norfolk yard did not build the *Texas*.

Mr. JONES. I beg the gentleman's pardon; it did. There have been two boats of that name. I did not say that the sister ship to the *New York*, the new *Texas*, was built at the Norfolk Navy Yard, but I do say that the old *Texas* was built there.

Mr. ROBERTS of Massachusetts. The one that was no good.

Mr. JONES. She may have been no good, but she was built at the Norfolk Navy Yard. There never has been a ship built by the Newport News Shipbuilding Co. that has been thrown back on the company, nor one that has not been first class in every respect. Up to a short time ago 40 per cent of all of the ships in the American Navy were built at Newport News. The dreadnaught *Texas*, just launched, and the *Pennsylvania*, which is being built there now, will be amongst the largest and best in our Navy. It is the best equipped yard in the United States, if not in the world, and it can build a better ship, in my judgment, than can be built at any navy yard in the world.

Mr. ROBERTS of Massachusetts. Mr. Chairman, I would like to ask the gentleman if he cares to know why the old *Texas* was no good?

Mr. JONES. I do not. She was an ill-fated ship, but she was built at a United States navy yard. Perhaps some advocate of building ships in navy yards in preference to building them in private yards may have some curiosity to know.

Mr. ROBERTS of Massachusetts. She was built on the English plan. It was not the yard construction that was defective. It was the plan that was defective—the English plan under which she was constructed.

Mr. JONES. I do not know why she was defective. Some gentlemen on that side seemed to be very much amused when they learned that she was built at Norfolk, evidently under the impression that she was built in a private yard. Now that they are better informed they appear to have lost all interest in the subject.

Mr. ROBERTS of Massachusetts. The gentleman has just said the new *Texas* was built at the Newport News yard?

Mr. JONES. Yes.

Mr. ROBERTS of Massachusetts. Does he know where she is now?

Mr. JONES. I do not.

Mr. ROBERTS of Massachusetts. Then I will tell him that she is in the New York yard undergoing repairs that will take four months, while her sister ship the *New York*, built in the New York yard, is at Vera Cruz. [Applause.]

Mr. JONES. Mr. Chairman, the gentleman probably does not mean what he says.

Mr. ROBERTS of Massachusetts. I mean exactly what I say.

Mr. JONES. Because the *Texas* is not there undergoing necessary repairs at all. She is being fittted with certain extras that were not provided for in the specifications and for which the Newport News Co. was never paid.

Mr. ROBERTS of Massachusetts. I asked the gentleman a while ago if he knew where she was, and he said that he did not.

Mr. JONES. The *New York* never has had her engines even tried.

Mr. ROBERTS of Massachusetts. She does not need it. She is in the service now.

Mr. JONES. She is not completed now, and she will not be completed for two months to come.

Mr. ROBERTS of Massachusetts. I want to say that a navy-yard ship does not require all of these tests that we require from a private shipbuilder.

Mr. JONES. And, Mr. Chairman, the *New York* has cost a million dollars more than did the *Texas*, which was built in a private shipyard. She is in every respect as good and as powerful a ship as the *New York*.

The CHAIRMAN. The time of the gentleman from Virginia has expired.

Mr. ROGERS. Mr. Chairman, I ask unanimous consent to proceed for 10 minutes.

Mr. MURRAY of Massachusetts. Mr. Chairman, can not the gentleman get along with five minutes, so that we can get a vote on this matter to-night?

Mr. ROGERS. There are two or three things that I desire to discuss.

Mr. MURRAY of Massachusetts. I suggest that the gentleman try to get along with five minutes.

Mr. ROGERS. Mr. Chairman, I will not ask for the second five minutes at this time.

The CHAIRMAN. The gentleman from Massachusetts is recognized for five minutes.

Mr. ROGERS. Mr. Chairman, on the 21st day of this month the gentleman from Virginia who has just taken his seat made a vigorous attack upon the award of the Secretary of the Navy whereby a supply ship is to be built at the Boston Navy Yard. I say in all deference to the gentleman from Virginia [Mr. JONES] that, to my mind, his own statement of the case in that carefully prepared utterance is the strongest possible argument that can be found for the construction of this vessel in Massachusetts, though, of course, his intention was to argue that the vessel should be built by the Newport News private concern, which is in his district and in which he is naturally and perhaps properly interested.

At the outset of the gentleman's remarks he analyzed the bids which were submitted both by the Government yards and by the private shipbuilding companies. He shows that the Boston Navy Yard bid was just a trifle over a million dollars and that the other six Government yard bids ranged from $1,286,000 to $1,429,000. Hence there was a clear saving of from a quarter to nearly a half million dollars if the vessel were built at Boston as compared with any of the other Government yards. And he goes on to show that there is a similar saving in favor of Boston of over a quarter million of dollars as compared with the lowest figure of any private concern which submitted a bid. I am advised by the Navy Department that the Boston figures were evolved after great care and consideration by one of the ablest of the younger naval constructors in the Navy, and that they would probably have stood the test if the construction had actually been undertaken in accordance therewith; but the Secretary of the Navy, for one reason or another which I will not attempt to develop now, concluded that it was the safer course to refer that bid for further consideration—some question about it having been raised—to one of the oldest and most experienced naval constructors on the Atlantic coast. Thereupon that veteran constructor reexamined the figures, and to make assurance doubly sure, he increased the bid $117,000 to a total of $1,163,000. It will be observed that there was still a very substantial margin of saving as compared with any other public or private bid. Now, Mr. Chairman, if the position of the gentleman from Virginia is to be sustained, we are in this embarrassing predicament whenever we call for bids upon Government work: If a bid is too high, it will, of course, be rejected forthwith without argument. If, on the other hand, as in this case, it is low, then it is at once subject, in the eyes of the gentleman from Virginia, to almost equal criticism. The logical result of such an argument will be, of course, that a bid must be precisely what the gentleman from Virginia, or whoever may be interested in the particular contract, may think it ought to be. Otherwise the finger of scorn will be pointed at it and out it will go. Is there any incentive to the highly desirable spirit of emulation and competition in any such doctrine?

The gentleman from Virginia goes on to say:

> It may be urged that "these appropriations for the Boston yard are essential in order that these yards when placed in readiness for work will give employment to those seeking work.

That is exactly the position of the men who are interested in the Massachusetts project, and it needs no defense. It is well known that if a yard is obliged to go on half time or quarter time or to shut down altogether, when work comes again in full flood the yard must reassemble its equipment, must get together its entire force of trained workmen who have vanished all over the country, and that an enormous percentage of efficiency is lost as well as time, labor, and expense. Of course, the Boston yard wants to keep its equipment and force in operation so that when emergency comes it may be ready. This consideration is of prime importance not only to the Boston yard but to the entire United States Navy. Lack of work in a navy yard inevitably means loss of power and efficiency, and loss of power and efficiency means a poorer Navy.

Then the gentleman goes on to say, speaking of the climate of Boston——

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

Mr. ROGERS. Mr. Chairman, now I ask unanimous consent for five minutes more.

The CHAIRMAN. Is there objection? [After a pause.] The Chair hears none.

Mr. ROGERS. He says "the climate of Boston is such that work such as is required in building the hull of a ship can not be economically done during at least five months in the year." Mr. Chairman, we of New England thought we lived in the Temperate Zone, but now we are told that only for seven months in the year is our part of the world tolerable even for the ordinary mechanical pursuits, such as are involved in the building of a supply ship. For nearly half the year, in the opinion of the gentleman from Virginia [Mr. JONES]. the climate of Massachusetts and of New England is unfit for such labor as the construction of a supply ship entails. I submit to any man in this House that the statement carries with it its own refutation. Those who have been in Washington during the summer season and in Norfolk and Newport News in the month of August will be inclined to——

Mr. JONES. I refer to the winter months. How about the winter months?

Mr. ROGERS. You have not been in the habit of complaining about the severity of the cold here. Yet I think most of us Massachusetts men will say that although the mean temperature may be higher in Washington, nevertheless we have suffered as much from the cold the past winter as we would have suffered in Massachusetts.

Mr. JONES. Will the gentleman state that in the winter months men can work outdoors on the hull of a steel ship in Boston?

Mr. ROGERS. I have never seen it denied, Mr. Chairman, and certainly the gentleman offered no evidence to that effect in the course of his remarks beyond his bald assertion.

Mr. JONES. I ask the gentleman——

Mr. ROGERS. I have no reason to think they can not work during the winter. I know building goes on in Massachusetts, even concrete construction work, throughout the winter months, and in the quite intensely cold weather which, of course, we sometimes get there. But even assuming that winter work may be somewhat more comfortably done in Newport News than in Massachusetts, the additional hardship of summer work in the intense heat of the former would easily more than wipe out the handicap.

Now, Mr. Chairman, the gentleman in his concluding paragraph gets at the real gist of the whole question from his point of view. He says:

> When a thousand men lose employment in large cities such as Boston it is hardly felt.

I commend that humane and enlightened doctrine to the consideration of the voters of the district of the gentleman from Massachusetts [Mr. MURRAY]. A man who is unemployed does not care very much whether he is living in a city of 300,000 inhabitants or in a city of 30,000 inhabitants. It is just as important to him to get bread and butter and clothing for his wife and children whether he lives in a hamlet or in a metropolis.

And then the gentleman from Virginia concludes in this way:

> I can not but feel, in view of all the circumstances surrounding the award of these ships, that the Newport News Shipbuilding & Dry Dock Co. has not received a square deal.

Now, Mr. Chairman, this Newport News company is a private one. We want the private concerns of this country who are doing business properly to succeed, but we do not want them to supersede the Government yards, which we have built up at such time and labor and expense, and utterly put the Government yards out of business. Of course, the gentleman is defending his constituent, the Newport News company, but I do not think that is a reason why this Congress should take a step which, while it will enrich a great private plant in Virginia, will at the same time cost the Government an unnecessary $150,000, will deprive of employment 1,000 men at Massachusetts, and turn over our Boston Navy Yard to the spiders

and the mice. If that be the kind of a "square deal" which the gentleman from Virginia says he craves, I hope that his yearning may ever go unrequited. [Applause.]

In the course of a speech upon this subject on April 24 my colleague Mr. MURRAY said:

I have never known a greater Secretary of the Navy than the present Secretary, Josephus Daniels.

I do not care at this time to debate that general proposition with my eloquent friend. The fact is, however, as the entire context shows, that the gentleman was jubilant over the award of the contract to the Boston yard, and was prepared to bestow his blessing upon anyone who had contributed to the result.

But whatever the merits of the present Secretary, as a man or as a sailor, is he, in fact, deserving—so far, at least, as this particular instance goes—of the somewhat extravagant eulogy of the gentleman from Massachusetts? Would not that eulogy have been curtailed, if not altogether omitted, if the award had been made by the Secretary to some yard other than the Boston yard? And is it to the undying credit of the Secretary that he finally, after two months of vacillation, awarded the contract to a Government yard, whose bid was $150,000 lower than that of any competitor, public or private?

But perhaps it was the eagerness and solicitude for Boston shown by the Secretary that brought him this pæan of praise. Let us see.

The bids for the supply ship were opened December 20 last. Boston was the lowest of 12 competitors—7 Government yards and 5 private concerns—by about $250,000. It was supposed that the award to it would follow as of course, but it did not. The Secretary turned over the Boston bid for refiguring to Naval Constructor Baxter, one of the ablest and strongest men in his department in the United States.

While things were in this situation a dispatch, dated January 15, 1914, appeared in the Boston Advertiser of January 16, as follows:

Congressman ROBERTS arranged to-day for a visit to the Navy Department of all the Senators and Representatives from Massachusetts to-morrow to lay before Secretary Daniels the desirability of ordering that the new naval supply ship be built at Charlestown, which has made the lowest bid. Much contrary pressure is being brought upon the Secretary to favor Virginia shipyards and navy yards.

The conference referred to took place, and was attended by both Massachusetts Senators and by most of the Representatives, myself among the number. The meeting was of perhaps 40 minutes' duration, and the Massachusetts case thoroughly presented. The Secretary was friendly but noncommittal.

The next news of consequence appears in the Boston Advertiser of February 7:

The revised estimates of the Boston Navy Yard on the bid for the supply ship to be built by the Navy, and which Boston desires built at the yard there, were received from Naval Constructor Baxter to-day. Congressman ROBERTS inspected them and said that they seemed to be 10 per cent above the original bid submitted by the Boston yard. This increase is, however, still substantially lower than the next lowest bid. It is the belief of Congressman ROBERTS, as well as Congressman MURRAY and Senator LODGE, that as a result the Boston yard will be authorized by the Navy Department to build the ship, unless, indeed, Secretary Daniels reverses himself on his promise, which is hardly expected. His decision is expected next Tuesday (Feb. 10).

February 10 I addressed the House, pointing out various instances in recent legislation which manifestly tended to favor the Southern States at the expense of the remainder of the country.

The Boston Advertiser of February 12 has a Washington dispatch dated February 11 to the following effect:

There was still another postponement to-day by Secretary Daniels of a decision whether or not the new Navy supply ship is to be built at the Boston Navy Yard. To-day it was said that to-morrow an announcement may be expected. An announcement was to have been made to-day. The Massachusetts delegation, inclusive of the Democrats, are becoming suspicious of these frequent postponements and are beginning to believe that they are symptomatic of a disappointment, the Secretary effecting some other arrangement.

A Washington dispatch in the Boston Advertiser of February 14 says, under date of February 13:

SAY NORFOLK WILL GET SUPPLY SHIP—MASSACHUSETTS MEN IN DESPAIRING APPEAL.

Announcement as to whether or not the new Navy supply ship is to be built at the Boston Navy Yard was again postponed to-day, Monday (the 16th) being the date now fixed. The contract to build the ship has been all but awarded elsewhere—to Norfolk, it is learned. That this was the decision of Secretary Daniels became known to Congressman MURRAY to-day. He became exceedingly active at once and, accompanied by Congressmen PETERS, DEITRICK, PHELAN, THACHER, and MITCHELL, he called upon the Secretary to confer with him once more over awarding the contract to the Boston Navy Yard.

Mr. MURRAY then narrated to him the bad political effect the awarding of the contract elsewhere than to Boston would have. There was Boston apparently with the lowest bid and yet it was to be disappointed. He pointed to the speeches Congressman ROGERS of Massachusetts was making and to the effect that now that the South was in the saddle the South was being given the major share of everything. No other interpretation could be put on awarding the contract to Norfolk, said Mr. MURRAY.

The prospect does not look the best, but the delegation is doing its best.

The Boston Advertiser of February 16 contains a statement issued by Mayor Curley, of Boston, who, as a Member of this House, had participated actively in the conference with Secretary Daniels above referred to. In part the statement is:

At a conference held at the office of the Hon. Josephus Daniels, Secretary of the Navy, some three weeks ago, the Secretary agreed with the Congressmen representing the State of Massachusetts, irrespective of party, that in the event of the revised bid to be submitted in behalf of the Boston Navy Yard being within the Naval Construction Board's estimate of cost of construction, the building of the ship would be awarded to the Charlestown yard.

Upon Wednesday of last week information was received through Washington channels that the revised bid was less than the Naval Construction Board's estimate, and reliance was placed in the statement of the Secretary of the Navy that, if such proved the case, the building of the ship would be awarded to the Charlestown yard.

To award the building of the supply ship to any other yard is equivalent to saying to the entire country that the word of the Secretary of the Navy is valueless and that political pressure is more potent than a sound business policy.

The Boston Advertiser, February 17, contains a dispatch, dated February 16:

The Navy Department announced to-day one more postponement as to whether or not the new Navy supply ship shall be awarded to the Boston Navy Yard. "To-morrow," it was said to-day. A decision was expected to-day. The frequent postponements make the prospects for Boston grow dimmer.

And then, finally, the following day came the welcome announcement that Boston had succeeded after all in securing what so clearly was rightly hers. The Washington dispatch says:

It is believed that it came hard for the Secretary to make the decision he did. * * * The Massachusetts men in Congress are jubilant, especially Congressman MURRAY, in whose district the navy yard is, and but for whose timely discovery that it was planned to award the contract elsewhere than to Boston the announcement to-day would have been different. He aroused the delegation and the governor, and the wires became too hot for the Secretary to handle in a manner to suit himself.

Here endeth the chronicle of how the Secretary of the Navy became great in the eyes of the energetic Member from Massachusetts. Politics were undoubtedly played to get the contract for Boston, as the gentleman from Virginia [Mr. JONES] has alleged. But it was necessary to play politics, as the recital shows, to force the Secretary to reach the only just and business-like result. Perhaps the necessity was unfortunate; but at least the weapon was wielded in a righteous cause. But how, from the record of the case, is my colleague [Mr. MURRAY] consistently able to extol the Democratic administration or the Secretary of the Navy for the result so laboriously achieved? If there is any laurel to be accorded, should it not most appropriately rest upon the brow of the gentleman himself?

Mr. KELLEY of Michigan. Mr. Chairman, just a word. Coming from out in the Middle West, of course I have not any interests whatever that would influence me one way or another as to whether these ships should be built by private capital or by the navy yards of the Government. I want to say, however, that in my judgment, wherever it is possible to do so, the Government navy yards ought to be kept up to the highest possible point of efficiency, and that can not be done if the work in those yards is slack a greater portion of the time. The thing that struck me as I visited these various navy yards—and I have visited all of them, from Portsmouth, Va., to Portsmouth, N. H., up the Atlantic coast—was apparently the small amount of work that was going on in the yards and the enormous capital invested by the Government there. Now, that being the case, it seems to me whenever the Government can keep its organization together and make these yards efficient by bringing in the Government work to those yards, it should do so.

And so, Mr. Chairman, I believe this ship and other ships like it should be built in the Government yards, everything else being anything like equal. [Applause.]

The CHAIRMAN. The question is on agreeing to the amendment.

The question was taken, and the Chairman announced that the ayes seemed to have it.

Mr. JONES. A division, Mr. Chairman.

The CHAIRMAN. A division is demanded.

The committee divided; and there were—ayes 65, noes 14.

Mr. JONES. No quorum, Mr. Chairman.

The CHAIRMAN. The point of no quorum is made. The Clerk will call the roll.

Mr. MURRAY of Massachusetts. It is evident, Mr. Chairman, that there is not a quorum present.

The CHAIRMAN. The Chair will count. [After counting.] Eighty-three gentlemen are present—not a quorum.

Mr. PADGETT. Mr. Chairman, I move that the committee do now rise.

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. JOHNSON of Kentucky, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill H. R. 14034, the naval appropriation bill, and had come to no resolution thereon.

LOUIS FRANK BOSWELL.

Mr. HILL. Mr. Speaker, I desire to have two or three minutes in which to speak with reference to the death of one of the soldiers from my district, who died in Vera Cruz.

The SPEAKER. The gentleman from Illinois [Mr. HILL] asks unanimous consent for three minutes in which to memorialize a soldier from his district. Is there objection?

There was no objection.

Mr. HILL. Mr. Chairman, I arise to say a few words in honor of Louis Frank Boswell, of Coulterville, Ill., first gunner's mate, who was killed on last Friday at Vera Cruz. The deceased was the first, and so far the only, soldier from Illinois to give up his life in defense of the honor and dignity of his country and his country's flag.

The home of this patriot was in my district. His parents are my constituents. No words that I can say will add luster, glory, or renown to the bravery of this soldier.

Only a few days ago he was a living, hopeful, and brave soldier; to-day his proud and patriotic spirit rests for all eternity in the bosom of his Creator.

He came of that sturdy stock of manhood endowed with love of country that is willing to fight for the honor of its flag; yea, willing and ready to give up life rather than allow the flag of the country to be disrespected and dishonored.

Whether we are finally engulfed into general warfare with the Republic of Mexico, or whether there is a peaceful settlement through mediation, the bravery, valor, and fortitude of this soldier's life and his ending sacrifice for his country's honor and his country's cause will forever remain the same.

I am for peace, this Congress is for peace, the Nation is for peace, the President is for peace, if peace can be had by upright and worthy means, but if peace is to be attained at the expense of our national honor, I am for war and I am ready to put on the uniform and fight for my Nation's dignity, and if need be I am willing that my epitaph shall be written in my blood, just as Louis Frank Boswell has written his epitaph in his blood.

Mr. Chairman, the only consolation that I can now offer his aged father, family, and friends is that I hope and pray that the God of us all, who directed the footsteps of this brave and patriotic young soldier, may give courage and hope to them with an unfailing memory that his son and their associate died a brave hero, fighting for our national honor. [Applause.]

EXTENSION OF REMARKS.

Mr. BROCKSON. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the subject of Panama Canal tolls.

The SPEAKER. The gentleman from Delaware [Mr. BROCKSON] asks unanimous consent to extend his remarks in the RECORD on the subject of Panama Canal tolls. Is there objection?

There was no objection.

ENROLLED BILL SIGNED.

Mr. ASHBROOK, from the Committee on Enrolled Bills, reported that they had examined and found truly enrolled bill of the following title, when the Speaker signed the same:

H. R. 2314. An act for the relief of Allen Edward O'Toole and others who sustained damage by reason of accident at Rock Island Arsenal.

LEAVE OF ABSENCE.

By unanimous consent, leave of absence was granted as follows:

To Mr. ASHBROOK, for two weeks, on account of important business.

To Mr. KEY of Ohio, for one week, on account of important business.

ADJOURNMENT.

Mr. PADGETT. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock p. m.) the House adjourned until to-morrow, Friday, May 1, 1914, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS.

Under clause 2 of Rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1. A letter from the Secretary of War, transmitting, with a letter from the Chief of Engineers, reports on preliminary examination and survey of Skagit River, Wash. (H. Doc. No. 935); to the Committee on Rivers and Harbors and ordered to be printed, with illustrations.

2. A letter from the Secretary of the Treasury resubmitting a communication relative to the necessity for making provision in the old building of Engraving and Printing for the accommodation of the stamps division of the Internal Revenue Bureau, with a view to the utilization of the space in the Treasury Building now occupied by the stamps division for the accommodation of the income-tax division (H. Doc. No. 934); to the Committee on Appropriations and ordered to be printed.

3. A letter from the chairman of the Public Buildings Commission submitting the report and recommendations of said commission, constituted under section 36 of the public-buildings act approved March 4, 1913 (H. Doc. No. 936); ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII, bills and resolutions were severally reported from committees, delivered to the Clerk, and referred to the several calendars therein named, as follows:

Mr. SINNOTT, from the Committee on the Public Lands, to which was referred the bill (H. R. 13717) to provide for leave of absence for homestead entrymen in one or two periods, reported the same without amendment, accompanied by a report (No. 596), which said bill and report were referred to the House Calendar.

Mr. CRAMTON, from the Committee on Invalid Pensions, to which was referred the bill (H. R. 15987) to amend section 3646 of the Revised Statutes of the United States as reenacted and amended by act of February 23, 1909, reported the same without amendment, accompanied by a report (No. 597), which said bill and report were referred to the House Calendar.

Mr. BURKE of Wisconsin, from the Committee on the Merchant Marine and Fisheries, to which was referred the bill (S. 5289) to provide for warning signals for vessels working on wrecks or engaged in dredging or other submarine work, reported the same with amendment, accompanied by a report (No. 599), which said bill and report were referred to the House Calendar.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII,

Mr. GARRETT of Texas, from the Committee on Military Affairs, to which was referred the bill (H. R. 7205) to correct the military record of H. S. Hathaway, reported the same without amendment, accompanied by a report (No. 598), which said bill and report were referred to the Private Calendar.

PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills, resolutions, and memorials were introduced and severally referred as follows:

By Mr. ESTOPINAL: A bill (H. R. 16167) making appropriations for the construction of a roadway and walk leading to and around the Chalmette Monument, Chalmette, La.; to the Committee on Military Affairs.

By Mr. SELDOMRIDGE: A bill (H. R. 16168) to amend the third section of the act of Congress approved May 14, 1880, entitled "An act for the relief of settlers on the public lands"; to the Committee on the Public Lands.

By Mr. WATKINS: A bill (H. R. 16170) to provide for a site and public building at Mansfield, La.; to the Committee on Public Buildings and Grounds.

Also, a bill (H. R. 16171) regulating the method of keeping the mortality statistics by the Census Bureau and providing for tabulating and rating separately white and colored people, and that the mortality rates of cities be based upon deaths of those residing in the city, and nonresident deaths, or deaths of transients, be tabulated separately; to the Committee on the Census.

By Mr. DUPRÉ: A bill (H. R. 16172) to give the consent of the Congress to the construction of a bridge across the Mississippi River at or near New Orleans, La.; to the Committee on Interstate and Foreign Commerce.

By Mr. SMITH of Maryland: Joint resolution (H. J. Res. 258) providing for the repeal of the Hay-Pauncefote treaty as

one of the conditions of the proposed transfer of southeastern Alaska to Canada; to the Committee on Foreign Affairs.

By Mr. HAY: Joint resolution (H. J. Res. 259) making immediately available appropriations carried in the act approved April 27, 1914, making appropriations for the support of the Army for the fiscal year ending June 30, 1915; to the Committee on Military Affairs.

PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ALLEN: A bill (H. R. 16173) waiving the age limit for admission to the Pay Corps of the United States Navy in the case of Samuel B. Deal, jr.; to the Committee on Interstate and Foreign Commerce.

By Mr. BRITTEN: A bill (H. R. 16174) to correct the military record of George W. Eckerson; to the Committee on Military Affairs.

By Mr. BRUMBAUGH: A bill (H. R. 16175) granting a pension to Mary A. McCann; to the Committee on Invalid Pensions.

Also, a bill (H. R. 16176) to remove the charge of desertion against John M. Giberson; to the Committee on Military Affairs.

By Mr. CANTRILL: A bill (H. R. 16177) granting an increase of pension to Ottoway Bryant; to the Committee on Invalid Pensions.

By Mr. CARLIN (by request): A bill (H. R. 16178) granting a pension to William Caton; to the Committee on Invalid Pensions.

By Mr. CARR: A bill (H. R. 16179) granting an increase of pension to Amanda E. Coughanour; to the Committee on Invalid Pensions.

Also, a bill (H. R. 16180) granting an increase of pension to Richard Varndell; to the Committee on Invalid Pensions.

By Mr. ESTOPINAL: A bill (H. R. 16181) granting a pension to Richard D. Powers; to the Committee on Pensions.

Also, a bill (H. R. 16182) granting an honorable discharge to John Proctor, alias John Neal; to the Committee on Military Affairs.

By Mr. FITZHENRY: A bill (H. R. 16183) granting a pension to Stephen Johnson; to the Committee on Invalid Pensions.

Also, a bill (H. R. 16184) granting a pension to William W. Reser; to the Committee on Invalid Pensions.

By Mr. FRANCIS: A bill (H. R. 16185) granting an increase of pension to George T. Biggs; to the Committee on Invalid Pensions.

By Mr. HAMLIN: A bill (H. R. 16186) granting an increase of pension to Nancy C. McCurdy; to the Committee on Invalid Pensions.

By Mr. KENNEDY of Rhode Island: A bill (H. R. 16187) to remove the charge of desertion from the military record of Frank Oldis; to the Committee on Military Affairs.

By Mr. LANGHAM: A bill (H. R. 16188) granting an increase of pension to John Saint Clair; to the Committee on Invalid Pensions.

By Mr. MAPES: A bill (H. R. 16189) granting a pension to Mary Sanford; to the Committee on Invalid Pensions.

By Mr. McKENZIE: A bill (H. R. 16190) granting a pension to Katherine L. S. Brown; to the Committee on Invalid Pensions.

By Mr. PLUMLEY: A bill (H. R. 16191) granting an increase of pension to Zolva W. Chase; to the Committee on Invalid Pensions.

By Mr. SELDOMRIDGE: A bill (H. R. 16192) to authorize the issuance of patent to Rachel E. Dangerfield Boast for the southeast quarter of section 21 and the northeast quarter of section 28, township 1 south, range 57 west of the sixth principal meridian; to the Committee on Public Lands.

By Mr. TAVENNER: A bill (H. R. 16193) granting an increase of pension to Dr. Ralph B. McCleary; to the Committee on Invalid Pensions.

By Mr. TOWNER: A bill (H. R. 16194) granting an increase of pension to Mary Willison; to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

By the SPEAKER (by request): Petitions of sundry citizens of Manistee, Mich., Astoria City, N. Y., and Pittsburgh, Pa., protesting against the practice of polygamy in the United States; to the Committee on the Judiciary.

Also (by request), memorial of the Florida Everglade Homebuilders' Association, favoring passage of the Clark drainage bill; to the Committee on Rivers and Harbors.

Also (by request), memorial of the Jewish Community (Kehillah) of New York City, pledging the active support of their members to the United States Government in any situation that may arise out of the Mexican situation; to the Committee on Foreign Affairs.

By Mr. ALLEN: Petition of John Koenig and 105 other citizens of Cincinnati, Ohio, protesting against national prohibition; to the Committee on the Judiciary.

By Mr. ASHBROOK: Resolutions of Union Veteran Legion, No. 31, of Newark, Ohio, opposing monthly payments of pensions; to the Committee on Invalid Pensions.

Also, petition of 23 citizens of Canal Dover, Ohio, protesting against nation-wide prohibition; to the Committee on the Judiciary.

By Mr. BARTON: Petition of sundry citizens of Ragan, Nebr., protesting against the Sunday-observance bill; to the Committee on the District of Columbia.

Also, petition of sundry citizens of Ragan, Nebr., favoring an amendment to postal and civil-service laws (H. R. 12928); to the Committee on the Post Office and Post Roads.

By Mr. BATHRICK: Petition of sundry citizens of Summit County, Ohio, against national prohibition; to the Committee on the Judiciary.

By Mr. BEAKES: Petitions of 127 voters of Lenawee County, Mich., and 70 voters of Clinton County, Mich., in opposition to national prohibition; to the Committee on the Judiciary.

Also, petitions of the Jackson Retail Grocers' Association, of Jackson, Mich., and the Detroit Retail Druggists' Association, favoring House bill 13305, the price-maintenance bill; to the Committee on Interstate and Foreign Commerce.

Also, memorials of various boards of trade and organizations of the State of Michigan, in opposition to Senate bill 136, known as the La Follette seamen's bill; to the Committee on the Merchant Marine and Fisheries.

By Mr. BRITTEN: Petition of the Chicago Federation of Labor, relative to Palmer bill reducing hours of night work for post-office employees; to the Committee on the Post Office and Post Roads.

Also, petition of the Chicago Federation of Labor, protesting against excessive overtime in the Chicago post office; to the Committee on the Post Office and Post Roads.

By Mr. BROWNING: Memorial of the Clementon (N. J.) Branch, Socialist Party, relative to the strike situation in Colorado; to the Committee on the Judiciary.

Also, petition of sundry citizens of Camden, N. J., favoring national prohibition; to the Committee on the Judiciary.

By Mr. BRUCKNER: Petitions of Josef Voge, R. L. Noit, Aug. Baier, and Paul F. Miller, all of New York City, favoring passage of the Bartlett-Bacon bill (H. R. 1873); to the Committee on the Judiciary.

Also, petition of the Federal Council of the Churches of Christ in America, relative to war with Mexico; to the Committee on Foreign Affairs.

Also, petition of the International Association of Machinists, of Washington, D. C., favoring building of one battleship in a Government navy yard; to the Committee on Naval Affairs.

Also, petition of the New York State Millers' Association, relative to Lever grain bill; to the Committee on Agriculture.

Also, petition of Camp No. 171, United Confederate Veterans, disclaiming that they had given authority to one of their number to ask subscriptions to defray expenses of Confederate veterans to Jacksonville, Fla.; to the Committee on Military Affairs.

Also, petition of Branch No. 2, of Local Bronx Socialist Party, of New York, and national executive board of the Workmen's Sick and Death Benefit Fund, relative to mine conditions in Colorado; to the Committee on Rules.

Also, petition of William Rupp, of New York, favoring the Bartlett-Bacon anti-injunction bill; to the Committee on the Judiciary.

Also, petition of Charles N. Prouty, of Spencer, Mass., favoring national prohibition; to the Committee on the Judiciary.

Also, petition of H. C. Maine, of Rochester, N. Y., and sundry citizens of New York City, against national prohibition; to the Committee on the Judiciary.

Also, petition of the affiliated trades of the New York Navy Yard, favoring building battleships in Government navy yards; to the Committee on Naval Affairs.

Also, petition of Arthur F. Dieckman, of New York City, favoring intervention by the Government in mining trouble of Colorado; to the Committee on the Judiciary.

By Mr. BRYAN: Memorial of the school committee of Stamford, Conn., favoring the passage of the Hamill bill for the retirement of Federal employees; to the Committee on Reform in the Civil Service.

Also, memorial of the Chamber of Commerce of Seattle, Wash., protesting against change in parcel-post rates; to the Committee on the Post Office and Post Roads.

By Mr. BURKE of Pennsylvania: Petition of sundry citizens of the thirty-first congressional district of Pennsylvania, against national prohibition; to the Committee on the Judiciary.

Also, petition of North Star Lodge, No. 2, International Order of Good Templars, favoring erection of a memorial to John Ericsson; to the Committee on the Library.

By Mr. CARR: Petition of 31 citizens of Brave, Pa., favoring joint resolution of Mr. HOBSON, prohibiting manufacture, sale, etc., of intoxicating liquors; to the Committee on the Judiciary.

Also, resolution of various members of the Methodist Episcopal Church of Mount Morris, Pa., favoring joint resolution of Mr. HOBSON, prohibiting manufacture, sale, etc., of intoxicating liquors; to the Committee on the Judiciary.

By Mr. CARY: Petition of John Heincke, of Milwaukee, Wis., against House bill 11321; to the Committee on Patents.

By Mr. CRAMTON: Petitions of James Willis and 170 other voters of St. Clair County, A. E. Schenk and 71 other residents of Tuscola County, E. H. Chrysler and 74 other voters of Lapeer County, Theodore Goebel and 305 other voters of Huron County, E. L. McCafferty and 155 other voters of Macomb County, all in the State of Michigan, protesting against the proposed resolution providing for national prohibition; to the Committee on the Judiciary.

Also, petition of Detroit Post, No. 384, Grand Army of the Republic, for establishment of a national park on the Franklin battle field, Tenn.; to the Committee on Military Affairs.

By Mr. CURRY: Petition of three citizens of Sacramento, Oakley, and Vallejo, all in the State of California, against national prohibition; to the Committee on the Judiciary.

By Mr. DALE: Petition of the affiliated trades of the New York Navy Yard, relative to building battleships in the Government navy yard; to the Committee on Naval Affairs.

By Mr. DANFORTH: Petitions of Mr. George Robinson and 51 others, of Kendall; A. J. Knight and 37 others, of Arcade; G. E. Hanford and 13 others, of Etna; John Garvey and 15 others, of Avon; Raymond Downing and 7 others, of Avon; D. C. Herrell and 29 others, of Holley; Charles J. Piper and 15 others, of Buffalo; Forrest Dassance and 71 others, of Perry; W. V. Te Winkel and 17 others, of Perry; Martin C. Soule and 31 others, of Perry; J. H. Harmon and 7 others, of Brockport; A. C. Starkweather and 27 others, of Eagle Harbor; Charles W. Vincent and 42 others, of Batavia; Fred Warren and 14 others, of Batavia; Charles A. Thompson and 21 others, of Avon; J. A. Wakeman and 14 others, of Basom and Alabama; L. E. Ford and 54 others, of Brockport; Charles W. Buchholtz and 62 others, of Batavia; and Daniel A. Wallace and 67 others, of Batavia, all in the State of New York, favoring national prohibition; to the Committee on the Judiciary.

By Mr. DIETRICK: Petition of members of the Middlesex Central Christian Endeavor Union at Medford, Mass., favoring national prohibition; to the Committee on the Judiciary.

By Mr. DOOLITTLE: Petition of sundry citizens of Kansas, favoring establishment of bureau of farm loans in the Treasury Department; to the Committee on Appropriations.

By Mr. EAGAN: Sundry petitions signed by numerous citizens of Jersey City, Hoboken, Weehawken, West Hoboken, town of Union, Guttenberg, and West New York, Hudson County, all in the State of New Jersey, protesting against nation-wide prohibition; to the Committee on the Judiciary.

By Mr. EDMONDS: Petition of R. W. Hunsburger and other citizens of Philadelphia, protesting against the passage of Hobson, Sheppard, and Works resolutions, known, respectively, as House joint resolution 168 and Senate joint resolutions 88 and 50, relative to national prohibition; to the Committee on the Judiciary.

By Mr. ESCH: Memorial of the Wisconsin Peace Society, relative to preventing war with Mexico; to the Committee on Foreign Affairs.

By Mr. FITZHENRY: Petition of sundry citizens of the seventeenth congressional district of Illinois, favoring national prohibition; to the Committee on the Judiciary.

Also, petition of sundry citizens of the seventeenth congressional district of Illinois, against national prohibition; to the Committee on the Judiciary.

By Mr. FRENCH: Petition of sundry citizens of Moscow, Idaho, favoring bill to amend the postal and civil-service laws; to the Committee on the Post Office and Post Roads.

By Mr. GARRETT of Tennessee: Petitions of 400 citizens of Kenton, 100 citizens of Rutherford, sundry citizens of Fowlkes, 359 citizens of Rives, 141 citizens of Milan, and 215 citizens of Sharon, all in the State of Tennessee, favoring national prohibition; to the Committee on the Judiciary.

By Mr. GRAHAM of Pennsylvania: Petition of sundry citizens of Brave, Pa., favoring national prohibition; to the Committee on the Judiciary.

By Mr. HAWLEY: Petitions of the Oregon State Hotel Association and sundry citizens of the State of Oregon, protesting against national prohibition; to the Committee on the Judiciary.

Also, petition of various members of the Methodist Episcopal Church of Elgin, Oreg., and sundry citizens of Scholls, Oreg., favoring national prohibition; to the Committee on the Judiciary.

By Mr. IGOE: Petition of Joseph H. Popp, of St. Louis, Mo., against national prohibition; to the Committee on the Judiciary.

By Mr. KENNEDY of Rhode Island: Petition of sundry citizens of Pawtucket, R. I., favoring national prohibition; to the Committee on the Judiciary.

By Mr. KETTNER: Petition of sundry citizens of Miramar, Cal., favoring national prohibition; to the Committee on the Judiciary.

Also, petition of sundry citizens of Imperial Valley, Cal., favoring House bill 9291, to afford relief to purchasers of lands of the Oregon & California Railroad Co.; to the Committee on the Public Lands.

Also, petition of the San Diego (Cal.) Chapter of the Daughters of the American Revolution, favoring the Old Trails bill, by Mr. BORLAND; to the Committee on Roads.

Also, petition of the San Bernardino (Cal.) Chamber of Commerce, favoring appropriation for the Mojave River; to the Committee on Rivers and Harbors.

By Mr. KIESS of Pennsylvania: Petition of sundry citizens of Williamsport, Hughesville, and Montoursville, all in the State of Pennsylvania, favoring national prohibition; to the Committee on the Judiciary.

By Mr. LEWIS of Maryland: Petition of the Chamber of Commerce of Cumberland, Md., in favor of an increase of freight rates on railroads; to the Committee on Interstate and Foreign Commerce.

Also, petitions of 25 citizens of New Market, 17 citizens of Emmittsburg, 55 citizens of Woodsboro, 133 citizens of Ashton, 87 citizens of Buckeystown, 364 citizens of Doubs, 80 citizens of Frederick, 201 citizens of Sandy Spring, 100 citizens of Cumberland, and 1,375 citizens of Hagerstown, all in the State of Maryland, favoring national prohibition; to the Committee on the Judiciary.

Also, petition of the citizens of Frederick, Md., for the passage of House joint resolution 168, to prohibit the sale of intoxicating liquors; to the Committee on the Judiciary.

Also, petition of various members of Clear Spring Sunday School Association, for the passage of House joint resolution 168, to prohibit the sale of intoxicating liquors; to the Committee on the Judiciary.

Also, petition of the Woman's Christian Temperance Union of Frederick, Md., for the passage of House joint resolution 168, to prohibit the sale of intoxicating liquors; to the Committee on the Judiciary.

Also, petition of various members of the Loyal Temperance Union of Frederick, Md., for the passage of House joint resolution 168, to prohibit the sale of intoxicating liquors; to the Committee on the Judiciary.

Also, petition of various members of the Baptist Church of Frederick, Md., praying the passage of House joint resolution 168, to prohibit the sale of intoxicating liquors; to the Committee on the Judiciary.

Also, petition of various members of the Young People's Temperance Union of Frederick, Md., for the passage of House joint resolution 168, to prohibit the sale of intoxicating liquors; to the Committee on the Judiciary.

Also, petition of Thomas H. Baumgardner and 23 other citizens of Maryland, praying that the House do not pass measures to prohibit the sale of intoxicating liquors; to the Committee on the Judiciary.

By Mr. LONERGAN: Petition of Caroline C. Page and other citizens of Hartford, Conn., favoring mediation in the Mexican situation; to the Committee on Foreign Affairs.

Also, petition of the Connecticut Peace Society, relative to the Mexican situation; to the Committee on Foreign Affairs.

By Mr. MAGUIRE of Nebraska: Memorial of the Swedish Methodist Episcopal Church, of Lincoln, Nebr., favoring national prohibition; to the Committee on the Judiciary.

By Mr. NEELY of West Virginia: Petition of C. W. O'Dell and 41 other citizens of Rivesville, W. Va., favoring national prohibition; to the Committee on the Judiciary.

By Mr. O'LEARY: Petition of sundry citizens of the second congressional district of New York, against national prohibition; to the Committee on the Judiciary.

Also, petition of sundry citizens of New York, against national prohibition; to the Committee on the Judiciary.

Also, petition of the American Society of Landscape Architects, relative to half-and-half plan for city of Washington; to the Committee on the District of Columbia.

Also, petition of sundry citizens of Corona, Maspeth, and Elmhurst, all in the State of New York, favoring national prohibition; to the Committee on the Judiciary.

By Mr. O'SHAUNESSY: Petition of the Woman's Christian Temperance Union and A. P. Farwell, of Providence, R. I., favoring national prohibition; to the Committee on the Judiciary.

Also, petition of the Rhode Island Society of Optometry, favoring House bill 13305, the Stevens price standardization bill; to the Committee on Interstate and Foreign Commerce.

Also, petition of the Swedish churches in Providence, R. I., favoring erection of a statue to John Ericsson; to the Committee on the Library.

By Mr. PAYNE: Petitions of sundry citizens of Ontario County and Alton, the Clyde Civic Club, the Woman's Christian Temperance Union, and sundry voters of Sodus, all in the State of New York, favoring national prohibition; to the Committee on the Judiciary.

Also, petition of sundry citizens of the State of New York, protesting against national prohibition; to the Committee on the Judiciary.

By Mr. ROUSE: Petition of 396 citizens of Kentucky, against national prohibition; to the Committee on the Judiciary.

By Mr. SCOTT: Petitions of sundry citizens of Storm Lake, Iowa, favoring national prohibition; to the Committee on the Judiciary.

By Mr. SCULLY: Petition of sundry citizens of New Jersey, against national prohibition; to the Committee on the Judiciary.

Also, petition of the International Reform Bureau, favoring Federal censorship of motion pictures; to the Committee on Education.

Also, petition of 25 citizens of Oceanic, N. J., and sundry citizens of Farmingdale, N. J., favoring national prohibition; to the Committee on the Judiciary.

By Mr. SMITH of Maryland: Petition of 320 citizens of Baltimore, and sundry citizens of Savage and Guilford, all in the State of Maryland, favoring national prohibition; to the Committee on the Judiciary.

Also, petition of sundry citizens of Anne Arundel County, Md., against national prohibition; to the Committee on the Judiciary.

By Mr. STEPHENS of California: Petition of sundry citizens of San Pedro, Cal., protesting against the passage of the Sunday-observance bill; to the Committee on the District of Columbia.

Also, petition of Rosecrans Post, No. 132, of the Grand Army of the Republic, and the Woman's Relief Corps, both of Whittier, Cal., protesting against any change in the flag; to the Committee on the Judiciary.

Also, petition of sundry citizens of San Pedro, Cal., favoring passage of House bill 12028, retaining section 6; to the Committee on the Post Office and Post Roads.

By Mr. TEMPLE: Several petitions of various citizens of New Castle, Pa., in support of House joint resolution 168, for national prohibition; to the Committee on the Judiciary

Also, petition of a citizen of New Castle, Pa., against national prohibition; to the Committee on the Judiciary.

Also, resolutions of certain citizens of Rochester, Pa., with regard to the Colorado strike situation; to the Committee on Mines and Mining.

Also, petitions of various members of the Methodist Episcopal Churches of Ellwood City and Wurtemburg, Pa., in support of House joint resolution 168, relative to national prohibition; to the Committee on the Judiciary.

Also, petition of the Wesley Methodist Episcopal Church, of Newcastle, Pa., in support of House joint resolution 168, for national prohibition; to the Committee on the Judiciary.

Also, petition of Washington Grange No. 1489, of Washington, Pa., in support of House joint resolution 168, for national prohibition; to the Committee on the Judiciary.

By Mr. THOMPSON of Oklahoma: Petition of Local No. 2111, United Mine Workers of America, and the Chickasha (Okla.) Trades Council, relative to strike conditions in Oklahoma; to the Committee on Rules.

Also (by request), petition of Eula Sunderland, of Afton, Okla., favoring freedom of religion; to the Committee on the Judiciary.

Also, petition of sundry citizens of Oklahoma, favoring national prohibition; to the Committee on the Judiciary.

By Mr. TUTTLE: Memorial of the Manufacturers and Merchants' Association of Newark; the American Association, Ancient Order of United Workmen, of New Jersey; Foresters of America, No. 51; Columbia Encampment, No. 38, Independent Order of Odd Fellows; Junior Order United American Mechanics, No. 275; Court Columbus, No. 920, of the Independent Order of Foresters; the Independent Order of Foresters; the German Lutheran Congregation Church; the board of trustees of the First Methodist Protestant Church, all of Elizabeth, N. J., favoring increase in pay and pensions for letter carriers; to the Committee on the Post Office and Post Roads.

Also, petition of the First National Bank of Roselle, N. J., favoring change in income-tax law; to the Committee on Ways and Means.

Also, petition of sundry citizens of the State of New Jersey, protesting against national prohibition; to the Committee on the Judiciary.

Also, petition of sundry citizens and voters of Washington County, N. J., favoring national prohibition; to the Committee on the Judiciary.

By Mr. VARE: Petition of sundry citizens of the first congressional district of Pennsylvania, protesting against national prohibition; to the Committee on the Judiciary.

By Mr. YOUNG of North Dakota: Petition of 35 citizens of Bismarck, 60 citizens of Rugby, and 200 citizens of Courtenay, all in the State of North Dakota, favoring national prohibition; to the Committee on the Judiciary.

Also, petition of sundry citizens of North Dakota, against Sabbath-observance bill; to the Committee on the District of Columbia.

SENATE.

FRIDAY, *May 1, 1914.*

The Chaplain, Rev. Forrest J. Prettyman, D. D., offered the following prayer:

Almighty God, from everlasting to everlasting Thou art God. Thy years have no end. A thousand years in Thy sight are but as yesterday when it is past and as a watch in the night. How swiftly our years roll on in the mighty tide of the divine order. How uncertain is our stay. Every step in the pathway is a step into the unknown future. And yet every act of life holds an essential relation to all the divine order, working out the plans of God for us in life. Help us to hold in remembrance this day our relation to Thee as stewards of God in the eternal order. May every act and thought be acceptable in Thy sight and be well accounted for when we stand before the judgment seat of God to render an account of the deeds done in the body. To this end bless us and keep us by Thy grace. For Christ's sake. Amen.

The Secretary proceeded to read the Journal of yesterday's proceedings, when, on request of Mr. MCCUMBER and by unanimous consent, the further reading was dispensed with and the Journal was approved.

LABOR TROUBLES IN COLORADO.

Mr. THOMAS. Mr. President, a telegram was introduced and read yesterday morning referring to the conditions in Colorado, which was followed by some remarks upon the subject by the Senator from New Jersey [Mr. MARTINE]. I intended in consequence of that episode to have said something about the matter at the time, but was prevented from doing so by the requirement that the regular order should be observed.

Mr. President, I have no present intention of commenting on or criticising the statements of others concerning the strike within the borders of my State, which I hope has subsided, but I am impressed with the fact that these conditions are still active, and that it behooves Senators, as well as the public in general, to suspend their judgment and to extend to the people of Colorado that patience and charity which are always helpful to the subsidence of an inflamed local sentiment.

The situation in Colorado to-day is so well outlined in a communication to the New York Herald that I shall read two short extracts from it. It was sent from the city of Denver.

The Federal troops are here solely to restore and preserve order. The district in which they are encamped is not to be declared under martial law. In other words, the military will not assume the functions of government, but will render what is essentially a police service, the restoration of law and order.

All over the State sighs of relief have been breathed. The coming of the Government troops has been like a benediction to this war-haunted

Commonwealth. Just now the great thing, it is recognized, is to calm the fighting camps, restore a more normal mental attitude on all sides, and reduce the supplies of powder and bullets and rifles among employees and strikers. After this the subject of the controversy itself can be approached.

Meanwhile, although peace has come, there is no indication of a spirit of compromise or conciliation on either side.

NO ORDINARY STRIKE.

The observer of events who comes to Colorado to get a comprehensive survey of the situation is appalled at the outset by its complexities.

It is no ordinary strike, with all the details on the surface, but it is an industrial war, the culmination of deep-seated troubles, and it ramifies in many directions.

Politics has a bearing on it as well as industrial conditions, and to get a real perspective it appears that one must go far back into history.

* * * * * * *

SEARCH FOR FACTS IS ARDUOUS.

In trying to get a broad view of the cause of the Colorado trouble, the various steps in the progress of the strike and their meaning, the search for the actual facts is necessarily arduous.

Each side has a different version. About the only thing that both agree upon is that the strike in the southern zone started September 23, 1913. For the rest there is an amazing conflict of stories, not that there is any apparent effort on either side to suppress the facts or to distort them. Leaders on both sides give their version and then cheerfully counsel the inquirer to check up on every statement they have made.

It seems to be the natural outcome of a fight that has proceeded with such passion on both sides that mental processes have become abnormal. The intensity of the hatred that the struggle has engendered is almost unbelievable. This morning I talked with men who almost wept with fury when speaking of the other side. One man broke off in the middle of a conversation and excused himself from continuing it, saying that his feelings might lead him into an intemperance of statement that would make his observations valueless.

Others were not so restrained, and the net result of a long day's work is a mass of contradictory information.

It is a question of unraveling the facts slowly, and that is what these articles will attempt to do without bias, varnish, or prejudice.

To begin with, What is the real issue of this great industrial controversy? What is the trouble all about?

I am sure, Mr. President, that this is not an overdrawn sketch of the mental attitude of people in my State or of the bitterness and passion which have been engendered by this terrible and unfortunate conflict. As a consequence there rests a duty upon the people of the country and upon public men to abstain from impulsive expressions of opinion and from drawing conclusions which if given publicity may only serve to continue this unhappy strife and possibly make the work of the Federal troops and the Federal Government more difficult than would otherwise be the case.

The people of the State of Colorado are American citizens just like those in other States—Americans born or Americans naturalized. They have the same stake in constitutional government; and, disguise it as we may, the supremacy of the State government has there been imperiled and almost overthrown. It must be reasserted, because in its final analysis the stability of the government is an essential condition to the security of all men and to the accomplishment of all needed changes and reforms. Therefore the first duty of the people of Colorado, assisted now by the Government, is to restore the imperiled authority which finds expression in the normal exercise of the functions of properly constituted officials.

If this were a purely local issue, Mr. President, I might not feel so seriously about it, but the causes of the trouble are not confined to the State of Colorado. They extend almost universally through the country, and it is by no means improbable that a prolongation of the passion and the bitterness there now so rife may involve other Commonwealths in their deadly circuit and other States be face to face with the same terrible conditions.

I have, Mr. President, since the 20th day of April been in receipt of more telegrams and letters than I perhaps could safely enumerate, coming from all sorts and conditions of people, expressing many divergences of sentiment, but to some extent a unit in the fact that whoever commenced the conflict of the 20th day of April at Ludlow camp incurred the awful and terrible responsibility of all that has since ensued, and that it is the duty of the people there, fortified as they will be by the discriminative judgment of public opinion, to ascertain who is so responsible, that the world may know and place the blame upon the shoulders which should carry it.

I trust, therefore, Mr. President, that Senators will extend to the Commonwealth of Colorado, one of the great States of the Union, patience and forbearance of public expression of sentiment, of criticism, or of imputation until all the facts appear. This will aid in quelling the awful condition, accounts of which have filled the public prints and which perhaps may continue, as I have stated, if fanned into further flames by unseemly indulgence in crimination and recrimination.

I should add, Mr. President, before taking my seat, because I want to give credit where credit is due, that the American Smelting & Refining Co. are the owners and operators of a coal camp almost in the center of this disturbed district. My information is that this camp has not been disturbed for a single moment from the commencement of the unfortunate strike on the 23d day of September down to the present hour. I am told that their men seem to be contented; that they have continued their operations and, on the other hand, have not been interfered with.

I am told that the company operates under a system of pensions, which became operative with men after they have served for a certain length of time, and it may be that this little ray of sunshine which has constantly gleamed forth from the lurid fires of warfare and conflagration may light the pathway to some method of procedure and cooperation by which the brotherhood of man can be reestablished and capital and labor continue their work of development side by side.

The VICE PRESIDENT. The Chair, at this moment of calm in the discussion, will state that he fears Senators have forgotten paragraph 3 of Rule XIX, which provides that—

No Senator in debate shall refer offensively to any State of the Union.

The Chair calls attention to that rule now, when there is no excitement about any pending matter in the Senate, upon the theory and in the belief that Senators will not violate the rule and impose upon the Chair the imperative necessity of enforcing it in the future. It is always unpleasant for the Chair to make a suggestion to a Senator that he is out of order, and that is his reason for calling attention to the rule now.

PETITIONS AND MEMORIALS.

The VICE PRESIDENT presented petitions of sundry citizens of New York City and Astoria, N. Y.; of Manistee, Mich.; of Lansdowne and Pittsburgh, Pa.; of Vincennes, Ind.; and of Poplar Bluff, Mo., praying for the adoption of an amendment to the Constitution to prohibit polygamy, which were referred to the Committee on the Judiciary.

He also presented petitions of sundry citizens of New York City, N. Y., praying for an appropriation of $164,620 for the maintenance of the Children's Bureau in the Department of Labor, which was referred to the Committee on Appropriations.

Mr. SHEPPARD presented a petition of sundry citizens of Brenham, Tex., praying for the enactment of legislation to provide compensatory time for Sunday services performed by employees of the Post Office Department, which was referred to the Committee on Post Offices and Post Roads.

He also presented a memorial of sundry citizens of Brenham, Tex., remonstrating against the enactment of legislation to compel the observance of Sunday as a day of rest in the District of Columbia, which was referred to the Committee on the District of Columbia.

He also presented a memorial of sundry citizens of Houston, Tex., remonstrating against the adoption of an amendment to the Constitution to prohibit the manufacture, sale, and importation of intoxicating beverages, which was referred to the Committee on the Judiciary.

He also presented a petition of sundry citizens of Rosebud, Tex., praying for the enactment of legislation providing for Federal censorship of motion pictures, which was referred to the Committee on Education and Labor.

He also presented the petition of Mrs. Frances M. Dunningham, of Bay City, Tex., praying for the adoption of an amendment to the Constitution granting the right of suffrage to women, which was referred ot the Committee on the Judiciary.

Mr. SMITH of Maryland presented resolutions adopted by the city council of Baltimore, Md., favoring the adoption of a 1-cent letter postage, which were referred to the Committee on Post Offices and Post Roads.

He also presented petitions of sundry citizens of the State of Maryland, praying for the adoption of an amendment to the Constitution to prohibit the manufacture, sale, and importation of intoxicating beverages, which were referred to the Committee on the Judiciary.

He also presented a memorial of Bartenders' Local Union No. 428, of Washington, D. C., remonstrating against the adoption of an amendment to the Constitution to prohibit the manufacture, sale, and importation of intoxicating beverages, which was referred to the Committee on the District of Columbia.

Mr. TOWNSEND presented petitions of the congregations of the First Congregational Church of Pittsford and of the People's Church, of Lansing, and of members of the faculty of the Michigan State Normal College, of Ypsilanti, all in the State of Michigan, praying for national prohibition, which were referred to the Committee on the Judiciary.

He also presented a petition of the Calhoun County Pomona Grange, Patrons of Husbandry, of Battle Creek, Mich., praying for the enactment of legislation to establish a system of rural credits, which was referred to the Committee on Banking and Currency.

He also presented a petition of the congregation of the La-Grave Avenue Christian Reformed Church, of Grand Rapids, Mich., praying for the enactment of legislation to grant a compensatory time privilege to post-office employees, which was referred to the Committee on Post Offices and Post Roads.

Mr. SHIVELY presented a petition of the congregation of the Riverside Christian Church, of Elkhart, Ind., praying for the enactment of legislation to provide Federal censorship of motion pictures, which was referred to the Committee on Education and Labor.

He also presented a petition of Atlantic Division, No. 120, Order of Railway Conductors, of Huntington, Ind., praying for the enactment of legislation to further restrict immigration, which was ordered to lie on the table.

He also presented a petition of the Woman's Christian Temperance Union of Dearborn, Ind., praying for the adoption of an amendment to the Constitution to prohibit the manufacture, sale, and importation of intoxicating beverages, which was referred to the Committee on the Judiciary.

Mr. BRADLEY presented a petition of Local Union, Brotherhood of Railway Trainmen, of Paducah, Ky., praying for the enactment of legislation to further restrict immigration, which was ordered to lie on the table.

He also presented a petition of Local Branch National Association of Vicksburg Veterans, of Chicago, Ill., praying for an appropriation for the celebration of the semicentennial of the ending of the Civil War, which was referred to the Committee on Military Affairs.

Mr. COLT presented petitions of sundry citizens of Pawtucket and Warwick, in the State of Rhode Island, praying for national prohibition, which were referred to the Committee on the Judiciary.

Mr. PERKINS presented a memorial of Waiters' Local Union No. 30, of San Francisco, Cal., remonstrating against the existing conditions in the mining district of Colorado, which was referred to the Committee on Education and Labor.

He also presented a petition of Victor Valley Chamber of Commerce, of San Bernardino, Cal., praying for an appropriation for the development of the water power of the Mojave River, in the Victor Valley, which was referred to the Committee on Irrigation and Reclamation of Arid Lands.

Mr. OLIVER presented petitions of sundry citizens of Pennsylvania, praying for the adoption of an amendment to the Constitution to prohibit the manufacture, sale, and importation of intoxicating beverages, which were referred to the Committee on the Judiciary.

He also presented memorials of sundry citizens of Pennsylvania, remonstrating against the adoption of an amendment to the Constitution to prohibit the manufacture, sale, and importation of intoxicating beverages, which were referred to the Committee on the Judiciary.

He also presented petitions of sundry unions of the United Mine Workers of Pennsylvania, praying for an investigation into the conditions existing in the mining districts of Colorado, which were referred to the Committee on Education and Labor.

He also presented a petition of Washington Camp, No. 576, Patriotic Order Sons of America, of Halifax, Pa., praying for the enactment of legislation to further restrict immigration, which was ordered to lie on the table.

He also presented a petition of North Lodge, No. 2, International Order of Good Templars, of Braddock, Pa., praying for an appropriation for the erection in the city of Washington of a monument to the memory of Capt. John Ericsson, which was referred to the Committee on the Library.

Mr. McLEAN presented memorials of sundry citizens of Hartford, Conn., commending the action of the President in accepting the offer of mediation looking to a peaceful solution of the Mexican difficulties, which were referred to the Committee on Foreign Relations.

He also presented the memorial of H. C. Blinn, of Southington, Conn., remonstrating against the adoption of an amendment to the Constitution to prohibit the manufacture, sale, and importation of intoxicating beverages, which was referred to the Committee on the Judiciary.

Mr. PAGE presented a petition of sundry citizens of the State of Vermont, praying for the adoption of certain amendments to the postal and civil-service laws, which was referred to the Committee on Civil Service and Retrenchment.

Mr. BURLEIGH presented petitions of sundry citizens of Pemaquid Harbor; of John P. Hill Grange, Patrons of Husbandry, of Eliot; of Salus Lodge, Independent Order of Good Templars, of Kennebunk, all in the State of Maine, praying for national prohibition, which were referred to the Committee on the Judiciary.

Mr. MARTIN of Virginia. I present a joint resolution adopted by the Legislature of the State of Virginia, which I ask may be printed in the RECORD and referred to the Committee on Military Affairs.

There being no objection, the joint resolution was referred to the Committee on Military Affairs and ordered to be printed in the RECORD, as follows:

Joint resolution in reference to the establishment and maintenance of a national park on the battle fields of Fredericksburg, Spotsylvania Court House, Chancellorsville, and the Wilderness.

Whereas the senior Senator from Virginia has been for years laboring to secure an appropriation by the National Government to establish and maintain a national park in Spotsylvania County on the historic and hallowed ground where were fought the great battles of Fredericksburg, Spotsylvania Court House, Chancellorsville, and the Wilderness; and

Whereas in this worthy and patriotic endeavor he now has the enthusiastic and able support of our junior Senator and the Congressman from the first Virginia district, who are together laboring to have the National Government preserve these great battle fields and connect them by improved highways, thus rendering them accessible to visitors and suitable for Army maneuvers and students of military science in the shortest possible time; and

Whereas these historic battle fields have the sad distinction of having more men killed on them than any other similar area on the face of the globe, and by reason of the heroism and devotion to duty of those from every part of the Union who fought and bled and died there they are sacred to the memory of not only all Virginia people and those of the Southland, but to all Americans everywhere, and are the common heritage of our great united and inseparable Nation; and

Whereas it is highly proper that our National Government should maintain them as a shrine for all time to venerate and all generations to study and adore: Therefore be it

Resolved by the House of Delegates of Virginia (the Senate concurring), That our representatives in the National Congress above named are most enthusiastically 'ndorsed and encouraged in their efforts in this great and patriotic cause, and the several Members of the National Congress representing this Commonwealth are respectfully requested to do what they think proper to aid in securing this action by our National Government, and that a copy of this resolution be forwarded to each Member of Congress.

Agreed to by house of delegates March 13, 1914.

JOHN W. WILLIAMS,
Clerk of the House of Delegates.

Agreed to by senate March 14, 1914.

O. V. HANGER,
Clerk of the Senate.

Mr. MARTIN of Virginia presented a memorial of the Retail Clerks' International Association, of Newport News, Va., remonstrating against an appropriation of $400,000 for the Philadelphia and Boston Navy Yards, which was referred to the Committee on Naval Affairs.

REPORTS OF COMMITTEES.

Mr. SHIVELY, from the Committee on Pensions, submitted a report (No. 472), accompanied by a bill (S. 5446) granting pensions and increase of pensions to certain soldiers and sailors of the Civil War and certain widows and dependent relatives of such soldiers and sailors, which was read twice by its title, the bill being a substitute for the following pension bills heretofore referred to that committee:

S. 170. Hiram Strayer.
S. 250. Cornelia F. Lintleman.
S. 252. Mary B. Edwards.
S. 300. Melly L. Ford.
S. 324. Delia Wight.
S. 330. Elizabeth J. Braman.
S. 358. Bridget D. Farrell.
S. 379. Emma E. Edgerton.
S. 436. Anna M. Fowler.
S. 442. Mary J. Irons.
S. 451. Anna Nicholson.
S. 515. Nathaniel Little.
S. 629. Margaret J. Roberts.
S. 715. Cornelia Cayton.
S. 933. Carrie H. Chace.
S. 971. Emmett Langston.
S. 981. Milton Cobler.
S. 1116. Delight A. Allen.
S. 1333. Margaret J. Woodworth.
S. 1581. Rebecca J. Manning.
S. 1660. Mary L. Parker, formerly Landers.
S. 1825. Mary Britton.
S. 1980. Martina M. de Sanchez.
S. 2008. Verona H. Coon.
S. 2026. Charles A. Voorheis.
S. 2418. Sophia M. Pollock.
S. 2526. Henrietta Doolittle.
S. 2805. Jennie A. Norton.
S. 2881. Francis G. Newton.
S. 2914. Catherine E. Stamp.
S. 3167. Mary H. Kennedy.
S. 3327. Anna Denison.
S. 3329. Mary L. Gaffney.

S. 3333. Mary L. Latham.
S. 3441. William H. Stewart.
S. 3566. Jeremiah Robbins.
S. 3567. Mary J. Schenck.
S. 3702. Catharine Ewing.
S. 3709. Charles Kretchmar.
S. 3840. Lilla A. Holliday.
S. 3842. William H. Marsden.
S. 3862. Anna O. Stanton.
S. 3929. Harriet S. Crooks.
S. 4062. Henry Pratt.
S. 4072. Fitz W. Patterson.
S. 4078. Ellis P. Woodward.
S. 4123. Fannie E. Douglass.
S. 4383. Edward Canavan.
S. 4410. Alvin H. Ellis.
S. 4547. Jacob Stoves.
S. 4660. Henry Schmidt.
S. 4863. John N. Hutton.
S. 4878. Moses A. Sisco.
S. 4892. Julia Taylor.
S. 4913. John McKinney, sr.
S. 4914. Andrew C. Rogers.
S. 4918. James B. Day.
S. 4919. Henry F. Sembower.
S. 4948. Lucy A. Hopkins.
S. 4958. George Smith.
S. 5004. Jonathan Fisher.
S. 5083. Fergus H. Merriman.
S. 5107. Isaac Mason.
S. 5108. Knowles Bangs.
S. 5130. Jemima L. Morford.
S. 5131. Patrick L. Kennedy.
S. 5135. Harlon S. Willis.
S. 5140. Rebecca P. Fuller.
S. 5149. Charlotte A. Hewitt.
S. 5150. Isabella D. Rockwell.
S. 5151. Robert J. Espy.
S. 5154. George M. Withers.
S. 5164. Henry McDevitt.
S. 5169. Thomas H. Muchmore.
S. 5171. Ola Jorgenson.
S. 5173. Josephine E. McSwyney.
S. 5177. John H. Weaver.
S. 5184. Eli Creekpaum.
S. 5186. Samuel Gibbs.
S. 5187. Salem Gillispie.
S. 5188. William H. Dickinson.
S. 5189. William Hurt.
S. 5201. Henry J. Sweet.
S. 5215. Ida Copple.
S. 5217. Benjamin Stevens.
S. 5222. Emma F. Webster.
S. 5225. Georgia Miller.
S. 5226. Anna P. Ragan.
S. 5227. Rebecca J. Higgins.
S. 5231. Arabella Shanley.
S. 5260. Nelson Petry.
S. 5261. David E. Rolfe.
S. 5267. James G. Warner.
S. 5272. Eunice C. Gordon.
S. 5279. James E. Reed.
S. 5282. Wesley A. Loucks.
S. 5302. William H. Scott.
S. 5311. Benjamin E. Hull.
S. 5312. Merritt Perham.
S. 5317. Robert S. Parker.
S. 5320. William H. H. Beadle.
S. 5321. James D. Bennett.
S. 5338. Alexander Curd.

Mr. WARREN, from the Committee on Military Affairs, to which was referred the bill (S. 5065) to correct the military record of Mirick R. Burgess, reported it with an amendment and submitted a report (No. 473) thereon.

Mr. LEA of Tennessee, from the Committee on Military Affairs, to which was referred the bill (S. 146) for the relief of Aaron Kibler, reported it with an amendment and submitted a report (No. 474) thereon.

Mr. HITCHCOCK, from the Committee on Military Affairs, to which was referred the bill (H. R. 1291) for the relief of George Gardells, reported it without amendment and submitted a report (No. 476) thereon.

He also, from the same committee, to which was referred the bill (S. 1751) providing for the presentation of medals to all surviving soldiers of the Battle of Gettysburg, reported adversely thereon and the bill was postponed indefinitely.

THE AMERICAN NATIONAL RED CROSS.

Mr. CHAMBERLAIN. From the Committee on Military Affairs I report back favorably without amendment the joint resolution (H. J. Res. 242) authorizing the Secretary of War and the Secretary of the Navy to loan equipment, for the purpose of instruction and training, to sanitary organizations of the American National Red Cross. I ask for the immediate consideration of the joint resolution.

Mr. McCUMBER. Mr. President, the Senator from Nebraska [Mr. NORRIS] has given notice of his intention to speak this morning, and he desires to close his remarks by 2 o'clock, when the unfinished business will come up. While there is to be no debate and it is a very short measure, I will not raise an objection at this time; I give notice now that I shall exercise that right in the case of other matters which may come up.

Mr. CHAMBERLAIN. I will state that this is a measure in the interest of the Red Cross and its work. The joint resolution has already passed the House and the American National Red Cross are very anxious to have it acted upon by the Senate.

The VICE PRESIDENT. The joint resolution will be read.

The Secretary read the joint resolution; and there being no objection, the Senate, as in Committee of the Whole, proceeded to its consideration.

The joint resolution was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

LANDS IN CADDO COUNTY, OKLA.

Mr. PITTMAN. From the Committee on Public Lands I report back favorably, without amendment, the bill (H. R. 9829) authorizing the Secretary of the Interior to sell certain unused, remnant lands to the board of county commissioners of Caddo County, Okla., for fair ground and park purposes, and I submit a report (No. 475) thereon.

As it is purely a local matter, affecting a town in Oklahoma, as there will be no contest on it, as there was none in the Public Lands Committee, as the bill has passed the other House, and has been favorably reported by the committees of both Houses, and has the approval of the Department of the Interior, I ask for its present consideration.

The VICE PRESIDENT. Is there objection to the present consideration of the bill?

Mr. McCUMBER. I think the bill can go over until tomorrow, and I object.

The VICE PRESIDENT. Objection is made, and the bill goes to the calendar.

BILLS INTRODUCED.

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. SMITH of Arizona:

A bill (S. 5447) authorizing the Secretary of the Treasury to confer upon Marcus A. Jordan the life-saving medal of the first class (with accompanying papers); to the Committee on the Library.

By Mr. KENYON:

A bill (S. 5448) to repeal the act to incorporate the General Education Board; to the Committee on Education and Labor.

By Mr. McCUMBER:

A bill (S. 5449) to make Pembina, N. Dak., a port through which merchandise may be imported for transportation without appraisement; to the Committee on Commerce.

By Mr. SHERMAN:

A bill (S. 5450) granting an increase of pension to Nancy Matsel;

A bill (S. 5451) granting a pension to Monroe Cole;

A bill (S. 5452) granting a pension to Eliza A. Gordon; and

A bill (S. 5453) granting an increase of pension to Marcus E. Ferguson; to the Committee on Pensions.

A bill (S. 5454) to appropriate $300,000 for additions to and enlarging the Federal building at Springfield, Ill.; to the Committee on Public Buildings and Grounds.

By Mr. PITTMAN:

A bill (S. 5455) granting an increase of pension to Thomas Kiernan; to the Committee on Pensions.

By Mr. HITCHCOCK:

A bill (S. 5456) to correct the hospital record of Robert McFarland; to the Committee on Naval Affairs.

A bill (S. 5457) granting a pension to Vesta V. Holden; to the Committee on Pensions.

By Mr. OLIVER:

A bill (S. 5458) granting an increase of pension to John Winebark (with accompanying papers); to the Committee on Pensions.

By Mr. McLEAN:

A bill (S. 5459) granting an increase of pension to William R. Latimer (with accompanying papers); to the Committee on Pensions.

By Mr. BURLEIGH:

A bill (S. 5460) granting a pension to John F. Haines; to the Committee on Pensions.

By Mr. JONES:

A bill (S. 5461) for the relief of the heirs of Ari Cantrell (with accompanying paper); to the Committee on Indian Depredations.

AMENDMENTS TO APPROPRIATION BILLS.

Mr. MARTINE of New Jersey submitted an amendment proposing to increase the salary of 16 privates on the police force for the Senate Office Building from $1,050 each to $1,200 each, etc., intended to be proposed by him to the legislative, etc., appropriation bill, which was referred to the Committee on Appropriations and ordered to be printed.

Mr. JONES submitted an amendment proposing to appropriate $6,500 each for three commissioners, Civil Service Commission, etc., intended to be proposed by him to the legislative, etc., appropriation bill, which was referred to the Committee on Appropriations and ordered to be printed.

Mr. GORE submitted an amendment proposing to increase the salary of the Commissioner of the General Land Office from $5,000 to $7,500 per annum, intended to be proposed by him to the legislative, etc., appropriation bill, which was referred to the Committee on Appropriations.

He also submitted an amendment proposing to increase the salary of the captain of the Capitol police from $1,800 to $2,000 per annum, intended to be proposed by him to the legislative, etc., appropriation bill, which was referred to the Committee on Appropriations.

He also submitted an amendment authorizing the Secretary of the Interior to make a per capita payment of $15 to the members of the Cherokee Tribes of Indians in Oklahoma out of the tribal funds now on hand, intended to be proposed by him to the Indian appropriation bill, which was referred to the Committee on Indian Affairs and ordered to be printed.

OMNIBUS CLAIMS BILL.

Mr. SHEPPARD submitted four amendments intended to be proposed by him to the omnibus claims bill, which were ordered to lie on the table and be printed.

Mr. LODGE submitted an amendment intended to be proposed by him to the omnibus claims bill, which was ordered to lie on the table and be printed.

THE AMERICAN MERCHANT MARINE (S. DOC. NO. 476).

Mr. McCUMBER. I have here an analysis and explanation, prepared by Andrew Furuseth, president of the American Seamen's Union, dealing with the American merchant marine and the London convention on safety of life at sea. It is so arranged that the treaty will appear in one column and the objections of that organization and the explanations in a corresponding column. It is very short, and I ask that it may be printed as a document for the use of the Senate.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it will be so ordered.

PANAMA CANAL TOLLS.

Mr. O'GORMAN. Mr. President, I wish to give notice that on to-morrow I shall move that House bill 14385, relating to Panama Canal tolls, be taken up for consideration.

Mr. BRISTOW. Mr. President, I desire to give notice that on Wednesday, May 6, following the remarks of the Senator from Kentucky [Mr. BRADLEY], and if I can find an opportunity, I shall address the Senate on the Panama Canal tolls bill.

Mr. O'GORMAN. Mr. President, I desire to give notice that on Thursday next, the 7th instant, after the routine morning business, I shall address the Senate on the subject of the Panama Canal tolls.

AGRICULTURAL EXTENSION WORK.

Mr. SMITH of Georgia. Mr. President, yesterday, on the motion to lay on the table a motion to reconsider the action of the Senate approving the report of the committee of conference with reference to the agricultural extension bill, I voted. I did not then observe that the Senator from Massachusetts [Mr. LODGE], with whom I have a general pair, was out of the Chamber and had not voted. My vote, however, did not affect the result.

The VICE PRESIDENT. The motion to reconsider the vote by which the conference report on the agricultural extension bill was adopted having been laid on the table, the Chair orders the bill returned to the House of Representatives.

Mr. TOWNSEND. Mr. President, I desire to call attention briefly to a matter which was before the Senate on yesterday and the day before, with the idea that the Senate may understand whether absolute good faith was maintained in the Senate toward those Senators who had asked for a reconsideration of the vote on the agricultural extension work conference report.

It appears that the report of the committee of conference was made on Monday last, late in the afternoon, when very few Senators were in the Chamber. There was no discussion of it; no Senator, save the members of the conference committee, knew what was in it. The report was adopted. When the RECORD on the following day disclosed that action, the attention of the Senate was called to the fact that certain Senators who had been interested in a provision which had been unanimously adopted by the Senate when the bill was before the Senate but rejected by the conference committee, would like to have an opportunity to be heard upon it, the Senator from Georgia [Mr. SMITH] said that he would not agree to a unanimous consent to have the report recalled, but that it could be done upon motion. The motion was made.

After some discussion and various attempts to get the matter before the Senate so that it could be discussed, a vote was taken, and the motion was carried for the recall of the conference report. Shortly after that the Senator from New Hampshire [Mr. HOLLIS] moved to reconsider the vote by which the conference report was ordered recalled. After some discussion the Senator from Georgia used this language:

I would not want it done—

I am reading now from page 7427 of the CONGRESSIONAL RECORD of April 29, where the Senator from Georgia stated that he would not wish to cut off debate; that he would not wish to take an advantage of any of the Senators; and he said:

I would not want it done, unless the Senate was really in favor of it; and under the circumstances, if the Senator is willing, I will ask the Senator from New Hampshire [Mr. HOLLIS] to withdraw his motion to reconsider. I think by unanimous consent it could be withdrawn. We would have defeated the motion; the Senator from New Hampshire would have voted with us, as he stated to the Senate; but since the statements made upon the floor by the Senator from Iowa [Mr. CUMMINS] I would not myself feel entirely happy if he did not have the opportunity to let this bill be brought back here and be discussed on a motion to reconsider. It seems to me that on that motion we can fully discuss the subject, test out the sentiment of the Senate, and, I hope, decline a reconsideration of the bill, and send it right back to the other House and pass it.

The conference report was brought back here from the House, a motion to reconsider was entered, and the Senator from Georgia moved to table that motion, thus effectively cutting off all debate.

Mr. SMITH of Georgia. Mr. President, let me interrupt the Senator just for a moment. I did not move to table the motion to reconsider until the Senate had ordered the yeas and nays on the motion itself and until it seemed to be apparent that no Senator was seeking to speak. I preferred to make the motion to lay on the table before the motion on the main question was submitted, because it gave me two opportunities to be sure that Senators were here. I did not offer that motion at once. I did not offer it until there had been a call of the Senate and a vote by the yeas and nays had been ordered on the motion to reconsider.

Mr. TOWNSEND. Mr. President——

Mr. SMITH of Georgia. Just a moment. Then, as it seemed that a vote was about to be taken, anyhow, without discussion, I substituted the motion to lay on the table.

Mr. TOWNSEND. Mr. President, the situation is clearly before the Senate, and I think all Senators who were present understood exactly what the object of the Senator from Georgia was. The motion to reconsider had been made. The Chair had decided that that motion was not debatable. That came about just as I entered the Chamber. There was absolute good faith on the part of Senators who wanted to discuss this measure; there was no disposition to delay action, but there seemed to be a desire to pass this bill or to dispose of the motion to reconsider in such a way that there could be no discussion of the subject.

I do not believe it was treating Senators fairly not to reconsider when debate would have been in order. I do not believe that the Senate would have approved the action which was taken if it had understood exactly what the situation was. It was not fair treatment of Senators who wished to

present the great principle involved in this bill before the Senate and before the country. It was simply a common courtesy which we were asking; yet it was denied us under the parliamentary tactics which I have described and which are set out in the RECORD. I simply want to call attention to this matter in order that the Senate may know exactly what was done in connection with that conference report.

Mr. SMITH of Georgia. Mr. President, I do not exactly understand what the Senator from Michigan means by his remarks, but I wish to say that, so far as the motion which I made to lay the motion to reconsider on the table is concerned, it was only made, as I have stated, after the Chair had ruled that there could be no debate; with this ruling I had no connection, I did not invoke it, and I did not know it would be made until it was made. There was no appeal by any Senator from the decision of the Chair. The rules make the motion to reconsider debatable. If Senators wished to speak, they should have called attention to the rules. If the Senator means that I cut Senators off from debate or that I did not treat them fairly, I resent the suggestion, because it is uncalled for and it is an unjust suggestion.

PANAMA CANAL TOLLS.

THE PANAMA CANAL TOLLS DISPUTE, ITS ECONOMIC ASPECT, AND ITS ARBITRATION.

THE QUESTION INVOLVED.

Mr. NORRIS. Mr. President, whether there should be any discrimination in the way of partial or total exemption from tolls in favor of American vessels when passing through the Panama Canal presents for our consideration two questions—one of national scope, dealing with the economic problem as to whether or not it is a good national policy to exempt our vessels from tolls and pay the expense of putting such ships through the canal out of the National Treasury. The other question is international in its scope, and deals with the construction to be placed upon the treaty with Great Britain of November 18, 1901, commonly known as the Hay-Pauncefote treaty. I shall take these questions up separately.

THE ECONOMIC QUESTION.

In the discussion of the first question—the economic question—as to whether the exemption of American vessels from the payment of tolls is economically fair and right, let us forget entirely the international question involved. Let us assume, for the purpose of discussing this point, that there is no international question, and that no other nation except our own Nation has any concern or has any right to be concerned in the settlement of the tolls question.

THE EXISTING LAW.

The act of August 24, 1912, making provision for the government of the Canal Zone, provided, among other things, that "no tolls shall be levied upon vessels engaged in the coastwise trade of the United States." In the same section authority is given to the President to fix the rate of tolls that shall be charged other vessels going through the canal. The President, of course, has no authority to levy any tolls on coastwise vessels. The law, as above quoted, specifically exempts such vessels from the payment of tolls, but the President is not required by the law to fix the same toll upon all other vessels passing through the canal. His authority in this respect, under the law, as to ships of commerce is found in the following language contained in the same section of the law:

> When based upon net registered tonnage for ships of commerce the tolls shall not exceed $1.25 per net registered ton, nor be less (other than for vessels of the United States and its citizens) than the estimated proportionate cost of the actual maintenance and operation of the canal.

It will be seen, therefore, that the President, under the law, is directed to fix the tolls at not more than $1.25 per ton and at not less per ton than the estimated proportionate cost of the maintenance and operation of the canal. This minimum does not, however, apply to vessels of the United States and its citizens; but the President has the authority under this law to fix tolls for American vessels at a nominal figure, and it will be noted that this has no reference to coastwise vessels, but means American vessels engaged in the foreign trade. It can not mean coastwise vessels, because they are specifically provided for wherein it is stated that no tolls whatever shall be charged them. He could, for instance, under this law, fix the tolls on American vessels engaged in the foreign trade at a nominal figure. He would have a right to say that American vessels engaged in foreign trade passing through the canal should pay tolls at the rate of 1 cent per net registered ton. The President has not exercised this discretion, it is true, and in the order now in force, made by the President in pursuance of this law, he has fixed tolls upon American vessels engaged in foreign trade the same as upon foreign vessels, and under the authority thus given him he has fixed the toll at $1.20 per net registered ton. But there can be no doubt whatever that under the law he has the right, if he sees fit, to discriminate in favor of American vessels engaged in the foreign trade and, for all practical purposes, to put them upon the same basis with vessels engaged in the coastwise trade by making the toll so low that it would be for practical purposes absolutely free. I call particular attention to this point because the discussion, so far as it relates to the economic question, both here and in the country at large, has related almost entirely and exclusively to the exemption of coastwise vessels. The principle involved is just the same as though the law specifically provided that no tolls should be levied upon any American vessels, whether in the coastwise trade or in the foreign trade, because, while the coastwise vessels must be free, the President has the authority to levy a toll so low upon American vessels engaged in foreign trade that, for practical purposes, they will be free also.

THE EFFECT OF THE PENDING BILL.

The bill now before the Senate, and which has passed the House, contains two sections. Section 1 amends the existing law by striking out of the law the words "no tolls shall be levied upon vessels engaged in the coastwise trade of the United States."

If this section alone were passed, then the President would be required under the law to fix a toll upon coastwise vessels the same as on all other American vessels; and in fixing the tolls he could, as I have shown, discriminate in favor of American vessels to such an extent as to make them all practically free. But section 2 of the bill now before us amends the provision of the law referring to American ships engaged in the foreign trade, and in the place of the language which I have quoted applying to such ships it would insert the following language:

> When based upon net registered tonnage for ships of commerce the tolls shall not exceed $1.25 per net registered ton nor be less than 75 cents per net registered ton.

In order that the effect of the passage of the bill now before the Senate upon existing law may be clearly pointed out and understood I will insert in parallel columns the exact changes that are made in existing law by the passage of the pending bill.

EXISTING LAW.	SECTION 1 OF THE PENDING BILL.
No tolls shall be levied upon vessels engaged in the coastwise trade of the United States.	This section repeals this clause now exempting coastwise shipping.
Existing law relating to all tonnage excepting coastwise shipping:	Section 2 of the pending bill strikes out this clause in existing law and inserts in lieu thereof the following:
"When based upon net registered tonnage for ships of commerce the tolls shall not exceed $1.25 per net registered ton nor be less (other than for vessels of the United States and its citizens) than the estimated proportionate cost of the actual maintenance and operation of the canal, subject, however, to the provisions of article 19 of the convention between the United States and the Republic of Panama, entered into November 18, 1903."	"When based upon net registered tonnage for ships of commerce the tolls shall not exceed $1.25 per net registered ton nor be less than 75 cents per net registered ton, subject, however, to the provisions of article 19 of the convention between the United States and the Republic of Panama, entered into November 18, 1903."

COASTWISE SHIPPING A MONOPOLY.

If we are to exempt any American ships, I would much prefer to exempt American ships engaged in foreign trade than to exempt American ships engaged in the coastwise trade. We have provided by law that no foreign ships can engage in our coastwise trade. That means that no foreign ship has the right of carrying freight or passengers from one American port to another American port. The law provides that only American vessels can engage in this business, and there can be no competition from foreign vessels. American ships engaged in foreign trade must compete with ships of the entire world.

However, at the present time no man can tell with any degree of accuracy what the tonnage passing through the Panama Canal is going to be. From the very nature of things, such estimates, even by the so-called experts, can be little more than guesses. No man is able to say just what the expense of the maintenance and the operation of the canal is going to be. It has been estimated all the way from five to ten millions of dollars. After the canal has been in operation a few years it will be then definitely known just what the expense of maintenance and operation is and what the annual tonnage passing through the canal is, and it will be possible to estimate with great accuracy what the tonnage of the future will be. It seems to me that before we undertake to exempt any shipping from tolls or to discriminate in favor of any vessels we ought at least to operate the canal without discrimination and without exemption long enough to know what the expense is going to be and what the tonnage passing through the canal is going to be.

I am opposed to the exemption of American coastwise shipping because I believe it to be fundamentally and economically unjust and unfair. We have built the canal at an enormous ex-

pense. In round numbers, it has cost the taxpayers of the United States nearly $400,000,000. Its operation, protection, and sanitation will cost the taxpayers annually millions of dollars in addition to the original outlay. Why should the people of the country be required to expend through taxation these enormous amounts without requiring any contribution from the men and the corporations that will receive a direct benefit therefrom? We have already said to the coastwise shipper, "We will give you a monopoly in your business and protect you from competition with the outside word," and it is now demanded that in addition to this the taxpayers of the country, who have constructed this waterway, shall be required to give to these people not only its free use but to actually pay the expense of putting their ships through the canal.

The actual expense of putting a ship through the Panama Canal will amount to considerable. No man can tell now just what that expense will be, but under the law when a ship desires to pass through the canal it will be taken in charge by Government officials, who will have charge of the vessel until it emerges on the other side. When a ship passes through the locks the power of propulsion will be furnished by four electric engines operated on railways located on the banks of the locks. The electricity for the power will be supplied from water power developed at the adjacent dam. It will require a small army of experts to maintain the buoys, the lights, and to look after the various other necessary instrumentalities of operation. It will require a large number of high-salaried men to look after the sanitation of the zone. If but few ships pass through the canal, the actual expense proportioned to each vessel will be proportionately much larger than though there were a larger number of ships. The minimum amount of cost to put a vessel through the canal will be attained only when there is a maximum use of the canal. This army of men and all the other utilities must be maintained whether there is one ship or a hundred ships to pass through the canal. The annual expense for the Government will be practically the same whether there are but few vessels or many vessels that pass through.

WHAT IS A NET REGISTERED TON?

Before I proceed further with the discussion of this question it is important that I should show the difference between an actual ton in weight and the meaning of the phrase in the law, a "net registered ton." The term "net registered ton" is, in many respects, misleading. It has no reference whatever to the weight of anything. It has no connection with the weight of the freight that the ship is carrying or the weight of freight that it can carry. It means the capacity in cubic feet of the freight and passenger carrying possibilities of the vessel. One net registered ton means 100 cubic feet of freight or passenger space. When freight is shipped, it is shipped according to the real weight, and the computation is made on large quantities by the ton and on smaller quantities by the pound; but when a ship passing through the canal pays toll it pays on the net registered tonnage—that is, it pays $1.20 for a hundred cubic feet of freight capacity. Upon most freight that is carried there is a great deal more than 1 ton in weight contained in 1 net registered ton. A net registered ton of coal will be between 2¼ and 2½ actual tons. A net registered ton of raw sugar will contain 2½ tons of actual weight of sugar. A net registered ton of wheat will contain about 2¼ actual tons in weight.

It will be found upon investigation that nearly every commodity that will likely be shipped from one coast to the other through the Panama Canal and which is sold on the market by weight will consist of heavy articles, wherein there will be from 2 to 4 tons actual weight contained in every net registered ton. Coal, iron ore, steel, machinery, wheat, dry goods, clothing, canned goods, and similar articles will constitute a large proportion of the shipping, and in practically every instance it will be found that it will take from 2 to 4 tons of actual weight to make a net registered ton. Prof. Johnson, of the University of Pennsylvania, formerly one of the canal commissioners, and regarded, I think, the world over as perhaps the best authority on this question, he having been appointed by the President to make a study of the subject with a view of fixing a basis for tolls, has said that after an exhaustive examination of the world's trade he reached the conclusion that, on an average, the world over, it took 1¾ tons actual weight to constitute 1 net registered ton. Prof. Johnson thinks that, from the nature of the traffic that will likely pass through the canal, it will take on an average 2 tons of actual weight to constitute 1 net registered ton. In all figures that are given in this discussion it will be important and necessary to bear this distinction in mind. For all practical purposes, with some exceptions, of course, it will be safe to say that when we speak of paying $1.20 toll per net registered ton we will in fact mean 60 cents per ton for the actual weight of the cargo.

Mr. CUMMINS. Mr. President, will the Senator from Nebraska yield for a question?

Mr. NORRIS. Yes; I yield to the Senator.

Mr. CUMMINS. I simply wish to ask whether those figures of Prof. Johnson are not given upon the assumption that the vessel is loaded to its capacity?

Mr. NORRIS. Yes, sir. I have, as I state further on in the estimates, and also in this estimate, allowed for a vessel occasionally, perhaps frequently, passing through that is not loaded to its full capacity. I presume there will be vessels passing through that are loaded beyond their registered capacity, too; so that, of course, it is only an estimate, but in my judgment it is a very liberal one. In my judgment, 60 cents per ton of actual weight will be more than will be paid on the average when they are paying $1.20 per registered ton.

Mr. BRISTOW. Mr. President——

Mr. NORRIS. I yield to the Senator from Kansas.

Mr. BRISTOW. I think if the Senator will investigate the amount of tonnage that is carried by merchant vessels he will find that he is mistaken. He will find in the hearings that in the case of the ships that ply between the port of Boston and Europe, if this rule of $1.20 per net ton had been applied, the tolls would have been all the way from 95 cents to $2.60 per ton on the merchandise or tonnage carried.

Mr. NORRIS. I presume that is true under the conditions that exist now and that have existed in the past. When the canal is finished there will be handled more and a different class of freight. Of course I give it only as an estimate. In my judgment it is a liberal one. When the canal has been in operation a few years we will know just what the facts are in regard to it. Even though we said the actual payment would be a dollar or $1.20, however, the difference would be only one of degree; and, as I think, as I shall be able to show, it would have an effect only in degree, and would result only in additional profit to the men engaged in the business.

Mr. BRISTOW. Of course I shall not attempt to argue the question with the Senator. I utterly disagree with him, as he knows.

Mr. NORRIS. Yes; I understand that.

Mr. BRISTOW. I did not think, however, that the Senator wanted to make a statement which the experience of merchant vessels in actual operation would contradict, as shown by the data that have been submitted to the committee.

Mr. NORRIS. The experience, as I understand, taking the entire world into consideration, and all the shipping of the world, is that it takes on an average about 1¾ tons of actual weight to make a net registered ton. I think it is safe to estimate that the difference will be greater in the case of the freight that will pass through the Panama Canal, for the reason that in the world average is included the weight of the actual freight in a net registered ton shipped between points where there can not be any competition from the railroads. The world average includes all freight shipped between points where all freight must go by water. Shipment through the canal will include only commodities suitable for water carriage. Light articles will mostly be shipped by rail.

In other words, all freight shipped from Boston to Europe must go by water. Freight shipped across our country, instead of going through the canal by water, can go by railroad. It will often occur, perhaps, in the experience of the future that the railroads will get shipments for the reason, among others, that there is not enough freight to load a ship or that the ship's time is such, since ships will not sail every day, that it would be more economical even to pay a higher rate of freight to ship the article at once across the country by railroad than to wait perhaps for a week until a ship would be ready to start on the voyage.

Mr. O'GORMAN. Mr. President——

The VICE PRESIDENT. Does the Senator from Nebraska yield to the Senator from New York?

Mr. NORRIS. Yes; I yield to the Senator.

Mr. O'GORMAN. Does not the Senator think that where the boats belong to a regular line, running on schedule dates, a boat very frequently will not have a cargo even to her capacity?

Mr. NORRIS. Yes; I think that is true. I agree with the Senator on that point. I think, also, that the ship sometimes would be overloaded—loaded to more than her registered capacity.

Mr. O'GORMAN. In the opinion of the Senator, would that happen frequently?

Mr. NORRIS. Perhaps not so frequently as the other. I think it would depend a great deal on the schedule. If there was a ship going once a day, it would be vastly different from the condition if there were a ship going once a month only.

Mr. O'GORMAN. As the Senator may be aware, if he has read the testimony taken before the Committee on Interoceanic Canals, sometimes ships with 5,000 tons capacity have an actual cargo of only 2,000 or 2,500 tons, and in a case such as that, where there is any substantial difference between the capacity and the actual cargo, the figure fixed in the President's proclamation—$1.20 per ton—will not begin to represent the actual cost imposed upon each ton of actual cargo in the ship.

Mr. NORRIS. I think that will occur sometimes, but not often.

Mr. O'GORMAN. Because, as the Senator perhaps may have stated—I am not aware whether he has or not; I did not have the pleasure of hearing him from the beginning of his address—however small the cargo, if there be but 500 pounds of cargo, or if there be but a single pound of actual cargo, under the proclamation of President Taft, fixing rates through the canal, tolls must be paid upon the carrying capacity, whether it be 5,000 or even 10,000 tons.

Mr. NORRIS. Yes; there is not any dispute about that.

Mr. O'GORMAN. That would have a very important bearing upon the estimate that the Senator made a moment ago.

Mr. NORRIS. Yes. I have taken that into consideration as well as I can. As I said, even though we take the figures given by the Senator from Kansas [Mr. BRISTOW], for instance, and assume that the figure will be as high as 90 or 95 cents—I have forgotten which he said—in the view that I take of the matter it will only make a difference of a small degree. If every ton of freight had to pay the full $1.20 per net registered ton—and everybody admits that it will not be that bad—but even if that had to be done, as I look at the question, there would still be no reason, and I think I can demonstrate it, why the taxpayers of the country should not require the shipper to pay the tolls.

So that if we pass this law and therefore do not exempt our coastwise shipping, it will simply mean that all the freight in our coastwise business that goes from one ocean to the other through the canal under the present regulations fixed by the President will pay on an average, after making due allowance for vessels not fully loaded, 60 cents per actual ton of weight.

EXEMPTION FROM TOLLS IS A SUBSIDY.

Men may honestly disagree as to whether we ought to try to make a profit out of the canal. There may be also an honest disagreement as to whether we should try to get a reasonable amount of interest on our investment in addition to the actual expense of sanitation and operation. But it seems to me there can be no disagreement that as to the actual expense of operation all those who get the direct benefit from such operation ought to contribute their share, and that to exempt our coastwise shipping from this fair, equitable, and reasonable item is unjust to the people of the country who must pay this burden through taxation.

Mr. CHAMBERLAIN. Mr. President——

Mr. NORRIS. I yield to the Senator from Oregon.

Mr. CHAMBERLAIN. Does not the Senator's argument lead to the conclusion that the same rule ought to be applied as to freight that is shipped through any canalized river or other——

Mr. NORRIS. I should like to suggest that that is a question which I shall take up further on. I would rather not be interrupted on that point now. I am going to discuss it later, and would be glad to have the Senator interrupt me then.

Mr. CHAMBERLAIN. Very well. I did not know the Senator was going to touch upon it.

Mr. SUTHERLAND. I should like to ask the Senator a question for my information right at this point in his discussion. Am I correct in understanding that a net registered ton is determined by cubic measurement and not by actual weight?

Mr. NORRIS. Yes; that is correct.

Mr. SUTHERLAND. Do I understand the Senator to say that the ordinary cargo will weigh less than the registered tonnage?

Mr. NORRIS. No; my argument is that it will weigh more.

Mr. SUTHERLAND. It will weigh more?

Mr. NORRIS. I think it is conceded by everyone that it will weigh more on the average. In some cases it might weigh less.

Mr. SUTHERLAND. The average commodity which would be carried will weigh more in actual weight than would be indicated by cubic measurement?

Mr. NORRIS. Yes.

Mr. SUTHERLAND. Can the Senator give us an illustration of some particular commodity?

Mr. NORRIS. Yes; I have already done that.

Mr. SUTHERLAND. I beg the Senator's pardon. I was not here; I came into the Chamber afterwards.

Mr. SIMMONS. Mr. President——

Mr. NORRIS. I yield to the Senator from North Carolina.

Mr. SIMMONS. I should like to suggest to the Senator, in this connection, that the witnesses before the committee in the hearings discussed pretty elaborately the character of traffic that was likely to find a market through the canal, and I do not recall that they mentioned a single subject of commerce through the canal which would not weigh more than 2,000 pounds to a hundred cubic feet vessel space.

Mr. NORRIS. There are such commodities, but there will not be many of them shipped through the canal.

Mr. SIMMONS. I say I do not recall a witness who mentioned a single commodity in the enumeration of freight that would be likely to pass through the canal that would weigh more than 2,000 pounds to a hundred cubic feet of vessel space.

Mr. NORRIS. No; I myself do not know of any that will probably go through the canal. As I was saying, Mr. President, this course is giving to this class of vessels a subsidy just as direct and just as clear as though we paid it to them by direct appropriation. What is the difference whether we make a direct appropriation out of the Treasury to pay the expense of putting a ship through the canal or whether we let the shipowner pay this in the shape of tolls, and then make a direct appropriation for the payment of money to the shipowner? In either case it is a direct subsidy and is paid by the taxpayer. Everybody wants to cheapen freight rates. I have no doubt whatever but what the opening of the canal will have the effect of lowering freight upon transcontinental traffic. There is an item of transportation which enters into the cost of practically everything that we use. We are all interested and all desirous that this item be reduced as much as possible, but it is a legitimate item of cost. It can not be entirely eliminated, and there is no economy in making an attempt to reduce freight rates below cost. The cost must be paid by somebody and in some way, and it is beyond the ingenuity of man to devise a plan that can make freight rates less than actual cost. If they are not paid in the shape of freights, they must be paid in some other way. It costs something to put a ship through the Panama Canal. This item of cost is legitimate, and if it is not paid in the shape of tolls then it will be paid by the taxpayers. It can not be eliminated. If the shipowner does not pay it, the taxpayers must. The proper proportionate cost of the operation and maintenance of the canal and the sanitation of the Canal Zone is a part of the actual transportation cost of every ton of freight that goes through the canal, and when a toll is exacted proportionate to this expense such an item is just as much a part of the necessary transportation cost of every ton of freight passing through the canal as is the salary of the engineer and the fireman who are working in the hold of the ship. It is just as much a part of the transportation cost as is the cost of the coal that is consumed in the engine while the ship is traversing the waters of the ocean.

The Government is now, and has been ever since it acquired the Panama Canal Zone, engaged in the operation of a railroad across the Isthmus. The present charge made by the Panama Railroad Co. for carrying freight across the Isthmus on this railroad, including the expense of unloading from the vessel on the one side and reloading on the other vessel on the other side, varies somewhat according to the kind of freight that is being handled, but on the average, taking all kinds of freight into consideration, it amounts to $3 per actual weight ton. I have never heard of anyone demanding that the Government should perform this work for nothing. It is conceded on all sides, I believe, that this is a fair and legitimate charge for the service performed. Why would it not be just as reasonable to say to the American coastwise ships, "If you will ship your freight from New York to Colon, we will carry the freight across the Isthmus on the railroad free of charge and deliver it to you at the Pacific side of the Isthmus, where you can put it in another coastwise vessel and carry it to San Francisco?"

Mr. WEST. Mr. President——

The VICE PRESIDENT. Does the Senator from Nebraska yield to the Senator from Georgia?

Mr. NORRIS. I yield to the Senator for a question.

Mr. WEST. Yes, sir. Was not that the idea advanced by the Senator from California [Mr. WORKS] some days ago when he made a speech here on the floor?

Mr. NORRIS. I am not sure as to that. There are those, of course, who believe that the canal should be free to everybody and to all people. The only difference that I see in the illustration I have given and what is demanded in behalf of the shipowners is that the Government owns the freight cars in which the freight would be carried across the Isthmus, whereas in taking a ship through the canal the shipper owns the ship. So that to make the illustration absolutely fair, we ought to say to the coastwise shipper: "If you will build freight cars to be used in the operation of the Panama Railroad, we will

operate such cars; we will supply the railroad upon which they are to be operated; we will maintain the railroad and keep it in repair and carry your freight from one side of the Isthmus to the other, shipped in your cars, free of charge."

The Government by the building of this canal is going to reduce this charge so that the cost to the shipowner, even though he is compelled to pay tolls, instead of being $3 a ton, will on an average amount, as I have heretofore shown, to about 60 cents per actual weight ton, thus making a direct saving to the shipowners of $2.40 per actual weight ton. This saving, however great, is not all that is brought about. It is not only the saving of this $2.40 in cash that will accrue to the benefit of the coastwise shipper, but there will be a great deal of other expense and a large amount of time that will be saved, as I shall hereafter show.

All these losses will be obviated when the canal is completed, so that not only will the coastwise shipowner be relieved of the payment in actual cash of $2.40 a ton for the freight which he carries through the canal, but he will be saved the enormous amount of these various items that enter into the necessary operation at the present time, and which amount in the aggregate to a large sum.

Notwithstanding this immense saving that will inure to the direct benefit of the coastwise shipper, it is now demanded that the Government go one step further and relieve the shipowners of the payment of anything connected with this cost and take upon itself the entire burden of doing all this work free of charge. It would be just as reasonable and just as fair to ask the Government to supply these coastwise ships with coal for the entire trip. There is no more reason why the Government should pay the cost of transportation over this 50 miles of canal than that it should pay the cost of transportation from San Francisco to Panama or from Colon to New York. We have given the coastwise ships a monopoly of the American trade. By law, we prohibit foreigners from entering into competition with them in this business. We have built the canal at an enormous expense and propose to give the coastwise shipper the benefit of the enormous reduction that this will mean to him in the cost of transportation, and yet, not satisfied with all these favors, he is holding out his itching palm and demanding more.

Mr. BORAH. Mr. President——

Mr. NORRIS. I yield to the Senator from Idaho.

Mr. BORAH. Does the Senator believe that this toll will be paid by the shipper or by the consumer?

Mr. NORRIS. I believe it will be paid by the shipper, and I will go into that a little later on in my remarks.

Mr. BORAH. The Senator believes——

Mr. NORRIS. I would rather not discuss that point now, if the Senator will permit me. I do not want to take it up twice.

Mr. BORAH. Very well.

Mr. NORRIS. Mr. President, if we should subsidize shipping, why should we not subsidize the railroads for the same reason? Why should we not, at public expense, construct a railroad from New York to San Francisco, employ the necessary men to maintain it and keep it in repair, build station houses, build the engines, and then say to some corporation, "If you will go to the expense of building cars, we will not only permit you to use this railroad free of charge, but we will pay the actual expense of its maintenance and operation"?

This would undoubtedly reduce freight rates across the country, but it would be no saving. No one could defend such a system. The taxpayers would have to pay the freight, and everybody knows that the ultimate consumer would not get all the benefit of the reduction. The greatest profit would be made by the company engaged in the transportation business. But while the consumer might get some reduction in the way of freight, he would have to foot the entire bill when he pays his taxes. It is a theory that is fundamentally and economically wrong. We can not perform the impossible. We can not lift ourselves over the fence by pulling on our boot straps.

BECAUSE SOME OTHER CANALS ARE FREE IS NO REASON WHY COASTWISE VESSELS SHOULD BE EXEMPTED FROM TOLLS AT PANAMA.

In defense of this policy of exempting coastwise shipping from tolls it is said by those advocates that we ought to do this because the Government has built and maintains locks and canals between the Great Lakes and others on some of our navigable rivers, and that it permits these locks and canals to be used free of charge. To begin with, this alleged illustration of American policy assumes that it is not only right, but that it is the duty of the United States Government to maintain these canals and these locks and keep them in repair and to permit their use by ships free of charge. The wisdom of this policy may well be questioned. The Government is not bound to perform this service on any principle of justice, and there is no reason why, if the expense connected with such a policy becomes burdensome on the taxpayers, the Government should not charge a toll for this service sufficient, at least, to pay the expense of maintenance and operation.

It can well be questioned whether the Government should continue indefinitely this expense, contributed by the entire people for the benefit of a few. Certainly, if such a policy is to be extended to an unlimited degree and to cover expenditures of such vast magnitude as the Panama Canal, the taxpayers will eventually demand that they be relieved at least to the extent of the operation and maintenance cost from the payment of this charge. In the next place, this illustration is unfair, because in all such canals and locks so maintained by the Government the same are free not only to coastwise shipping but to the shipping of the entire world, including all foreign ships. And if that is an argument in favor of exemption from tolls, then to logically apply it to the Panama Canal we should say that the canal should be free to the ships of the entire world, that the Government should operate and maintain the canal and permit its free use not only by American ships, but by foreign ships as well. And the man who relies on this illustration, if he is logical, must stand in favor of making the canal free to the entire world.

It seems to me, however, that the very magnitude of the Panama Canal undertaking puts it in a class by itself. There is no other canal in the world that can be compared to it which is free. Because the Government operates some short canal or some lock in some river and permits its free use by all ships that want to use it is no reason why it should go to an unlimited degree in the same direction and pay for the benefit of the world's shipping out of the Treasury of the United States the enormous amounts that would be necessary.

If a friend from some distant State happened into my town and came to my office and desired to write a few letters to his friends or to his home, I would give him the use of my stationery, my typewriter, my desk, my office, and would supply him with stamps to meet his demands. He would not think of paying; I would not think of asking pay for the accommodation or for the postage. But if, because I did this one day, he came back the next day and using that precedent as a right should demand that I give possession of my office and sufficient postage for him to send out 10,000 letters, I would probably draw the line. Because the Government maintains for the free use of the world's shipping a number of locks and canals in different parts of the country is no reason why we should spend $400,000,000 in building the canal and then from five to ten millions of dollars annually for its maintenance in order to give a shipping monopoly an advantage not possessed by the balance of our citizens. Because a man contributes a reasonable donation to some enterprise is no logical reason why he should be compelled to contribute a million times greater to some other enterprise. And even conceding that the Government is desirous of contributing something, should this contribution be made to some favored interest that has already been given special favors? Because we have already given the coastwise commerce of the United States to the American coastwise vessels, is that any reason why we should now grant to them a direct subsidy? We have already given them a monopoly, and now they demand pay for operating that monopoly. It seems to me it comes with poor grace for an industry already protected from foreign competition and already given free use of the locks in our rivers and the canals connecting our lakes to cite these favors as argument why it should be given additional favors.

FREE TOLLS WILL NOT REDUCE FREIGHT RATES.

It is claimed by those who are demanding free tolls for our coastwise vessels that such a course will result in a reduction of the freight rates charged by coastwise vessels between the ports on the Atlantic and Pacific coasts. It is claimed by these advocates that unless coastwise shipping is exempted from tolls we will get no reduction in transcontinental freight rates. This argument would have considerable weight if it were true, but, as I shall show, there is no truth in it. I believe when the canal is in operation one of its beneficial results will be the reduction of transcontinental freight rates on railroads, but these freight rates will not be reduced one penny more by the exemption of coastwise shipping from tolls. Men engaged in the coastwise carrying trade will charge all that the traffic will bear. In securing business they will bid just enough under the railroads to get the business. The cost of carrying freight by water, as everybody knows, is very much less than carrying it on the railroads. The shipowners will be able to underbid the railroads on that class of freight that can be reasonably carried by water, and will be able to do this, as I shall show, without regard to the question of tolls at the Panama Canal. The consumer will get no benefit from the exemption of tolls, but such exemption will inure entirely to the shipowners. Under the

regulation fixed by the President, the toll on all vessels which pay tolls is $1.20 per net registered ton. If the coastwise vessels were compelled to pay tolls on the freight which they carried, their profits would be just that much less than though they were not required to pay tolls. If the difference in the cost of carrying freight over the railroad from San Francisco to New York and between the same cities by way of the water route through the canal was only $1.20 per net registered ton, which, as I have shown, means about 60 cents per actual weight ton, then there would be some reason for the argument, but since the cost in favor of the water route will be only about one-half of the cost on the railroad, it requires no great wisdom to see that the shipowner, having this big leverage in his favor, would charge just exactly the same amount to carry a ton of freight from San Francisco to New York if he had free tolls as though he were compelled to pay toll in going through the canal. In other words, he can pay the toll and still make a large profit on a rate so low that the railroads can not meet it without suffering a large loss. If to the real cost of water transportation you add a liberal profit and also the toll charges at Panama, you will have an amount much less than the actual cost of transportation on the railroad. Under these circumstances it is folly to expect that an exemption from tolls will reduce the freight charge.

Mr. O'GORMAN. Mr. President——

The VICE PRESIDENT. Does the Senator from Nebraska yield to the Senator from New York?

Mr. NORRIS. I yield to the Senator; but I should like to suggest to him that I hope he will make his interruption short, because I have been notified by the Senator from North Dakota [Mr. MCCUMBER] that he wants to go on with the grain-inspection bill at 2 o'clock, and I am anxious to get through by that time.

Mr. O'GORMAN. I have no particular desire to interrupt the Senator unless he is willing that I shall do so.

Mr. NORRIS. I have no objection to the Senator doing so, except the one which I have stated. I have been yielding to a good many interruptions, and have already consumed considerable time.

Mr. O'GORMAN. I simply want to ask the Senator whether he believes that there will be competition between the ships using the Panama Canal?

Mr. NORRIS. Yes; I think so.

Mr. O'GORMAN. Does the Senator realize that on an ordinary ship of 5,000 tons a toll charge of $1.20 a ton will average about $13,000 for a trip both ways, from coast to coast?

Mr. NORRIS. Well, whatever the cost is, it would be a matter of computation entirely.

Mr. O'GORMAN. That brings me to the direct question I desire to submit to the Senator, and that is whether he thinks that $13,000 charge for taking a ship to the Pacific coast and back is so small and negligible that it will not eventually fall either upon the producer or upon the consumer of the commodity carried?

Mr. NORRIS. I will answer the Senator's question. If you take the amount named and compare it with the capacity of the ship, the amount of freight that it carries, then the amount is relatively small. I have been comparing—and I believe that is fair—the ability of these ships to compete with the railroads, and I do not believe anybody will deny that the actual cost of water transportation is very much less than the actual cost of shipping the same freight over the railroads between the two oceans. If the shipowner gets the business, he will get it because he underbids the railroads; and, as I have just shown, I think he will be able to pay the tolls and still underbid the railroads. If he did not have to pay tolls, he would only bid slightly under the railroads, practically making the same bid to get the business. Whatever he pays in the shape of tolls is just as large for the taxpayer as for the shipowner.

Mr. SMITH of Michigan. Mr. President——

The VICE PRESIDENT. Does the Senator from Nebraska yield to the Senator from Michigan?

Mr. NORRIS. I yield to the Senator.

Mr. SMITH of Michigan. I think the Senator from Nebraska will admit, even with the favor now extended to our coastwise shipping, we do but 8 per cent of American commerce in American bottoms. I am unable to see how we shall do a very much larger proportion of our shipping with unrestricted competition.

Mr. NORRIS. Does the Senator mean that the coastwise shipping is only 8 per cent of the traffic of the country?

Mr. SMITH of Michigan. I mean that of the seaboard commerce of the United States we carry now under our flag but 8 per cent.

Mr. NORRIS. Well, as to the coastwise shipping, the United States does all of the coastwise shipping of America—the Senator from Michigan can not dispute that—whether it be 8 per cent or 90 per cent.

Mr. SMITH of Michigan. Yes; but suppose that our coastwise shipping were not exclusively our own, the proportion of shipping that would be done under the American flag would be absolutely inconsequential. The Senator from Nebraska, who is fair and who I know has given this matter a great deal of thought, must admit that we can not equalize the situation at all by putting a tax upon coastwise shipping through the Panama Canal, because our coastwise shippers would pay that tax, whereas the Governments of the respective countries in competition with us would themselves pay the tax.

Mr. NORRIS. That is an entirely different proposition, Mr. President.

Mr. SMITH of Michigan. But that is the situation we shall meet.

Mr. NORRIS. No; we are not led there. I do not care to go over it again, but I think I have shown that the cost of freight through the Panama Canal is a legitimate and honest item of transportation, because somebody must pay it; it can not be done for nothing. We may legislate from now until doomsday, and we can not take the burden off some one of the liability to pay that item of cost, which is a necessary transportation item.

Mr. SMITH of Michigan. Very well, now——

Mr. NORRIS. I hope the Senator will yield to me just a moment.

Mr. SMITH of Michigan. Certainly. I do not want to interrupt the Senator, if he objects.

Mr. NORRIS. We might just as well, Mr. President, as I view it, say we will build a new railroad across the country, and we will let the people ship freight on that for nothing. We would reduce the price of transportation; the man who ships freight would not have to pay anything; but we never could get away from the fact that somebody had to pay the expense of operating that railroad. If it were operated by a private corporation or an individual, he would be entitled, in addition to the actual cost, to get a fair return on the money he invested; but those of us who are opposed to ship subsidies are not asking that the Government get any return on the money it has invested. We are willing, if the men who ought to pay the toll charge through the canal would pay the actual cost of transportation; and that is an item which, if they do not pay, we must pay. Regardless of whether it reduces the cost to the consumer, regardless of everything, it can not be obviated.

Mr. SMITH of Michigan. The Senator from Nebraska is right when he says some one must pay this cost. The only difference between the Senator and myself is that I want the foreigner to pay the cost and he seems to be quite willing that our domestic shipowners shall pay it.

Mr. NORRIS. The Senator from Michigan will not be able to get the foreigner to pay it. The foreigner will not pay it. He is under no obligations to pay it.

Mr. SMITH of Michigan. Mr. President, suppose we have—if I am not intruding——

Mr. NORRIS. All right.

Mr. SMITH of Michigan. Suppose we have $400,000,000 invested in this canal, and that the upkeep of it will amount to $5,000,000 a year; suppose the traffic of all the world through the canal at fair rates should take care of the upkeep and raise a sinking fund by which the bonds, which represent the money invested in the canal, may be retired. If we can do that and at the same time allow our coastwise shipping to enjoy the same privileges at Panama which they enjoy in all the other rivers and harbors of our country, it seems to me we shall have accomplished a very desirable purpose.

For what did England pay $19,000,000 for over a third of the stock of the Suez Canal?

Mr. WEST. Mr. President, England owned over a third, and she obtained 31 per cent on the investment.

Mr. NORRIS. Now, Mr. President, I shall have to insist on proceeding. I do not want to be discourteous to the Senator——

Mr. SMITH of Michigan. The Senator can not be discourteous, because it would not be natural for him to be discourteous.

Mr. NORRIS. As I have stated, I have been notified by the Senator from North Dakota that at 2 o'clock he is going to insist on going on with his bill, and he has the right of way. I will ask Senators not to interrupt me unless for a question. I can not yield for the purpose of getting into these side discussions, much as I should like to do so.

Mr. SMITH of Michigan. I do not desire that the Senator shall do so.

Mr. NORRIS. I shall have to decline to yield.

Mr. KENYON. Mr. President——

Mr. NORRIS. If the Senator from Iowa desires to ask me a question, I will yield.

Mr. KENYON. I was going to ask the Senator from Nebraska a question, but I do not want to inconvenience him.

Mr. NORRIS. I will yield for a question. I dislike to refuse to yield, and I have never heretofore refused to yield; but I am going to be in a condition at 2 o'clock that I shall be just half through, in the middle of my address.

Mr. KENYON. I take it that the Senator will go on at 2 o'clock just the same.

Mr. NORRIS. I hope I shall be able to do so, but I am entirely at the mercy of the Senator from North Dakota.

Mr. KENYON. I simply desire to ask the Senator from Nebraska a question, and I shall be very sorry if it prolongs the discussion. I want to get my mind clear on the suggestion made by the Senator from Michigan [Mr. SMITH]. It is true, is it not, that the President in fixing the tolls for the passage of vessels through the Panama Canal took into consideration the vessels engaged in the coastwise trade?

Mr. NORRIS. I so understand.

Mr. KENYON. So that England has not been discriminated against, but somebody must pay these tolls. Who pays them? The Government of the United States; and it seems to me it is a subsidy.

Mr. NORRIS. I dislike to take the time to reply at length to the remarks made by the Senator from Michigan [Mr. SMITH], but I think I ought to say this. I have been arguing this proposition on the basis of the present regulation made by the President. The President can change that regulation to-morrow; he can vary it under the law as he wants to. The Senator's argument, however, is based on an entirely different condition of affairs. If he wants to get interest on our investment and add enough to it to pay in a few years for the cost of the canal and get it all out of the foreign shipping, then we will have to change the law and give the President power to impose a higher rate, so high that we would probably drive the traffic away from the canal.

Mr. SMITH of Michigan. Or increase the volume.

Mr. NORRIS. We can not increase the volume by increasing the tolls. Just as soon as you increase the tolls, you decrease the volume of the traffic. Under all estimates which have been made there will not be enough under the present rule and regulation of $1.20 a net registered ton to pay the cost of the canal. It will do well under the present estimate if it pays the cost of operation and maintenance.

WATER RATES AND RAILROAD RATES COMPARED.

Those who believe in subsidizing our coastwise shipping interests are occupying the illogical position of giving a bonus to a ship-carrying trade that is already naturally possessed of advantages that enables it to underbid its railroad competitors. If we desire to reduce freight transportation by a subsidy, paid from the Treasury of the United States, then to have our action effective in the way of a reduction of rates such a subsidy must be given to that system of transportation that is not able to compete on account of natural barriers with its competitors. If the subsidy is given to the system that already possesses natural advantages, it simply means increased profits to those engaged in that advantageous part of the business.

For quite a number of years our coastwise shippers have been engaged in freight traffic between Atlantic and Pacific ports by way of the Panama Railroad across the Isthmus. The water rates that have been in force for some time by this route have been about 33⅓ per cent less than the transcontinental railroad rates. When the canal is completed, even though the coastwise vessels pay tolls, the actual cost of transportation will be greatly reduced. As I have shown, after the payment of tolls at Panama the coastwise shipper will save on an average $2.40 per actual ton, but this amount is not all of the saving that will inure to his benefit. When the ship passes through the canal it will save several days' time, not only for the ship, but for all the employees on the ship, and, as I will show, it will not only save the time of one ship, but, as a rule, it will save the time of two ships, because in the most expeditious method under present conditions it is necessary to have a ship waiting on each side of the Isthmus—one unloading and the other loading. This means a delay of several days of two ships and the expense of paying all the employees of two ships. The saving of time will bring about another great advantage on account of expedition. For the very reason that a great deal of time is saved the coastwise shipper will be able, after the completion of the canal, to carry by ship a great many commodities that he can not now handle simply because of the time involved. I shall later on show more fully just what this saving of time will be. For the moment I am interested in the actual saving of freight charge. The average freight rate, based on one year's business per actual ton shipped from New York to San Francisco by water across the Panama Railroad under present conditions, is $10.48. Of this amount 22 per cent represents the freight from New York to Colon, 18 per cent represents the freight from Colon to Balboa over the Panama Railroad, and 60 per cent represents the freight from the Pacific terminus of the railroad to San Francisco.

I might pause here, Mr. President, to say that everybody who has given any consideration to this question knows that the shipowner on the Pacific side—and the shipowner in this case is the Southern Pacific Railway, having a monopoly from San Francisco down to Panama of the business—is charging now, and is getting now, under the rates that I have given, at least twice what is a reasonable charge under the circumstances.

When the canal is completed this average charge can be reduced from $3 to $4 per ton, even though the shipowner is required to pay the toll. The average freight rate per ton from New York to San Francisco over the railroad on the same commodities is impossible of definite ascertainment, because it involves the carrying in connection with such commodities of a great many other commodities that are not carried by water, but from estimates carefully made as well as from every man's general knowledge of the subject it is known that the average transcontinental freight rates over the railroads are at least 33⅓ per cent greater than the figures above given for the freight charge by the water route. I have here a table comparing freight charges from New York to San Francisco by the water route over the Panama Railroad with the freight charges on the same commodities between the same two points over the all-rail route. In comparing these rates it is well to remember that the charges on water transportation are, with very few exceptions, just the same between all Atlantic ports and all Pacific ports. It is necessary also to remember in making a comparison that the water rates given are those in existence now. They will be, as I have shown, very materially reduced after the Panama Canal is completed. It will be noticed, also, that upon two of the important items in the table, anthracite coal and pig iron, the railroad rate of 55 cents per hundred is not from the Atlantic seaboard, but from Pennsylvania points. A ton of anthracite coal or pig iron can be shipped by water from the Atlantic seaboard by way of the Panama Railroad to Pacific points for $2 a ton less than the same coal or pig iron could be shipped by rail from Pittsburgh to the Pacific coast. From this table it will be found, for instance, that the freight upon structural steel and building material by water over the Panama Railroad is $9 per ton; the freight on the same commodity by railroad from New York to San Francisco is $16 per ton; the freight upon canned goods is $11 per ton by water and $17 per ton by railroad. Mr. President, I ask unanimous consent to insert this table without reading.

The VICE PRESIDENT. Without objection, that may be done.

The table referred to is as follows:

Comparison of railroad and water freight rates from New York City to San Francisco.

[Railroad rates in cents per 100 pounds, in carload lots, minimum of 30,000 pounds, unless otherwise shown. Water rates in cents per 100 pounds, in carload lots.]

	Water.	Railroad.
Structural iron (railroad minimum 40,000 pounds)	$0.45	$0.80
Coal (anthracite), (railroad rate from Pennsylvania points)	.45	.55
Pig iron (railroad rate from Pennsylvania points)	.45	.55
Lumber (railroad minimum 40,000 pounds)	.60	.80
Wire, plain or barbed (railroad minimum 40,000 pounds)	.45	.85
Dry goods	1.80	3.00
Bags, burlap, gunny or jute	.60	.85
Canned goods (railroad minimum 40,000 pounds)	.55	.95
Cereals, flaked goods, oatmeal, etc	.60	.90
Wheat flour (railroad minimum 40,000 pounds)	.65	.80
Dried or smoked fish	.84	1.20
Seed, alfalfa, clover, etc	.88	1.35
Books, boxed	.85	1.40
Coffee, green	.50	.80
Drugs	1.60	1.50
Dry hides	1.05	1.85
Machinery, mining	1.00	1.50
Woodenware	.95	1.50
Automobiles	2.00	3.30
Liquors	.70	1.25
Fruit juices	.70	1.50
Grape juice	.70	1.10
Matches	.96	1.10
Condensed milk (railroad minimum, 40,000 pounds)	.60	.85
Mineral water	.52	.75
Petroleum oil	.60	.90
Pickles	.70	1.00
Sirups	.52	.85
Tallow	.70	1.20
Tobacco, manufactured (railroad minimum, 40,000 pounds)	.95	1.75
Building paper, roofing, etc. (railroad minimum, 40,000 pounds)	.52	.78
Rubber, belting, packing, etc	.84	1.20
Soap (railroad minimum, 40,000 pounds)	.53	.80
Spices (railroad minimum, 24,000 pounds)	.88	1.25
Cotton, piece goods	.70	1.10
Farm machinery, agricultural implements	.88	1.25-1.85
Household furniture (railroad minimum, 20,000 pounds)	.90	1.52
Hardware	.90	1.75

Mr. NORRIS. Mr. President, the freight on farm machinery and agricultural implements from the Atlantic seaboard by water and over the Panama Railroad to Pacific points is $17.60 per ton, while the transcontinental freight on the same commodity across the country ranges from $25 to $37 per ton. The freight by the water route on cereals is $12 per ton, while the transcontinental rate is $18 per ton. The freight on cotton piece goods by water and over the Panama Railroad from New York to San Francisco is $14 per ton and by the railroad between the same two points it is $22 per ton.

A most important element to be taken into consideration in connection with this table is that the water rates higher than the minimum as given in the table are subject to a maximum absorption of 20 cents per hundred pounds freight charges from interior points to the Panama Railroad pier in New York City. This means that the water rates given in the table often include a railroad charge for frieght from interior points in the eastern part of the United States to the pier in New York City. To illustrate: Suppose we take a shipment of canned goods from some interior city in the State of New York by rail to New York City, to be shipped from there by water to San Francisco. In the table the water rate on this commodity from New York to San Francisco is 55 cents a hundred. The lowest or minimum rate on any commodity from New York by water to San Francisco is 45 cents a hundred. This rate would therefore permit an absorption of 10 cents per hundredweight on the canned goods, to be applied on the railroad rate from the interior point from which the shipment was started. In other words, the real freight charge from New York to San Francisco would be, in fact, only 45 cents per hundred pounds.

Let us take another illustration where the amount of the rate that can be absorbed reaches the maximum allowed for absorption. Let us take grape juice, one of the commodities that has not only increased in use but in popularity, and it is to be hoped and expected that both its use and popularity will be further increased.

Mr. MARTINE of New Jersey. What article is that?

Mr. NORRIS. Grape juice.

Mr. MARTINE of New Jersey. Oh, that harmless commodity!

Mr. NORRIS. The Senator is not interested in that. [Laughter.]

The water rate on grape juice from New York to San Francisco, as shown in the table, is 70 cents per hundredweight. If a shipment of grape juice is to be made from some interior point in the eastern part of the United States by water and over the Panama Railroad to San Francisco 20 cents per hundred pounds could be allowed out of the rate to pay railroad charges from the shipping point to the pier in New York City. This, in reality, would make the net rate from New York to San Francisco by water 50 cents instead of 70 cents, as given in the table. This same process of absorption can be applied to any other commodity where the rate given in the table exceeds the minimum, 45 cents per hundredweight, whenever the shipment originates at an interior point.

These figures, it seems to me, demonstrate that the coastwise shipping does not need a subsidy, is not entitled to it under any process of reasoning, and that to exempt such ships from tolls at the canal is simply to saddle upon the taxpayer a burden the benefit of which will go to increase unjustly and out of proportion profits of an industry that is already in possession, under the law, of a monopoly. Under present conditions no one is even seriously contemplating giving to this industry a bonus in the shape of a subsidy. What reasonable argument can exist, therefore, in favor of giving it a subsidy after the completion of the canal, when its advantages and its profits will be still greater than they are under present conditions?

THE SAVING OF TIME WHEN THE CANAL IS COMPLETED.

One of the important elements that must be taken into consideration in comparing conditions when the canal is completed with present conditions, is the saving of time of all transcontinental shipments by way of the canal. It will take from 10 to 12 hours for a ship to pass through the canal. If it is necessary for the ship to take on coal, this will require on an average an additional time of 10 hours. So that, including the time taken for coaling, the average time of the ship passing through the canal will be less than one day. The most favorable condition that can exist, as far as time is concerned under present conditions, is to have one ship unloading on one side of the Isthmus while there is another ship waiting to be loaded on the other side. Of course, the length of time that is consumed in this operation of unloading and reloading varies somewhat according to the class of freight that is being transferred and also somewhat according to the conditions existing at the time in the railroad traffic across the Isthmus. The most favorable condition that could possibly exist would be at a time when the railroad instrumentalities could be devoted entirely to the operation of carrying the freight across the Isthmus. If there were other freight to be carried, other ships to be loaded or unloaded, it would necessarily delay operations and extend the time of transfer. Under the most favorable conditions, it is safe to say that the average time required to transfer the cargo of a vessel over the Panama Railroad from one side of the Isthmus to the other will vary from 7 to 15 days, depending upon the size of the cargo, the kind of freight of which it is composed, and traffic conditions of the railroad. I am informed by the officials of the Panama Railroad Co. that during the past year the average time consumed in transferring from one side of the Isthmus to the other, cargoes of from 4,000 to 5,000 tons, has been 12 days. This means that on an average, with vessels of reasonable speed, almost one-half of the time required for a shipment of a 10,000-ton cargo from Atlantic to Pacific ports of the United States is consumed in transferring the cargo across the Isthmus by rail.

In addition to the loss of time by the two vessels waiting for this operation to take place, the pay roll of the employees on the vessels would amount to a considerable sum. The number of employees on a vessel of 10,000 net registered tons will exceed 100, and to get the aggregate amount of loss on account of the salaries of employees we would, of course, have to double this amount, because the employees of two ships must be paid their regular salaries while the freight is being transferred. In addition to all this, we should consider the loss and damage by breakage, and so forth, necessarily connected with the loading and unloading operations.

This saving of time upon the completion of the canal will enable the ships engaged in the coastwise service to carry a class of freight which they do not and can not now, under present conditions, carry, for the very reason that it takes too long to make the shipment. I have a table showing the time that it will take for vessels of different speeds to go from New York to San Francisco through the canal. There is no doubt but what a vessel that is able to make fast time will carry, to a great extent, a different class of freight from a vessel that requires more time, and undoubtedly the freight charges on such a vessel will be comparatively higher. This table shows the time required from a slow vessel making only 9 knots to a vessel making 22 knots. We have at the present time, owned by the Government, suitable freight-carrying vessels under the control of the Navy Department making time in excess of any of these vessels noted in the table. We have recently had a recommendation from the Secretary of the Navy that these vessels be put into service, and showing what the expense would be to remodel them so that they would be fit for the service. I understand that three of these vessels have a speed of 26 knots an hour and that one of them has a speed of 23 knots an hour. Another one has a speed of 16 knots, with a capacity of 20,000 tons. A vessel traveling at the rate of 26 knots an hour, allowing one day to go through the canal, would be able to go from New York to San Francisco in about nine days. The slowest vessel in the table, one traveling at 9 knots an hour, would require 24 days and 16 hours to make the trip from New York to San Francisco. A vessel of 16 knots an hour would make the trip in 14 days and 2 hours; one traveling 20 knots an hour would go in 11 days and 9 hours; while a 22-knot vessel would consume 10 days and 8 hours.

Table showing time required by vessels of various speeds to go from New York to San Francisco by way of the Panama Canal.

9 knots	24 days, 16 hours.
10 knots	22 days, 6 hours.
12 knots	18 days, 15 hours.
14 knots	16 days, 1 hour.
16 knots	14 days, 2 hours.
18 knots	12 days, 14 hours.
20 knots	11 days, 9 hours.
22 knots	10 days, 8 hours.

It must be observed that the saving of time at the canal would be just as great for a slow vessel as for a fast one. If we compare this time with the average time that it takes to ship freight in carload lots from New York to San Francisco, we will find that vessels of reasonable speed in coastwise service between Atlantic and Pacific points, passing through the canal, will be able to make time that will compare favorably with the best possible time that can be made by the railroads across the country. From a careful calculation made by officials connected with the Interstate Commerce Commission, it is estimated that the average time taken by the railroads to carry freight in carload lots from New York to San Francisco is between 16 and 18 days. When freight is shipped across the continent in trainloads and given special privileges as to right of way, this time would, of course, be lessened to a considerable degree, and no doubt such freight will be carried in the future as it is now, where time is one of the principal elements involved. But in

the average shipment of freight in lots as large as a carload it will be found that when the canal is completed vessels of ordinary speed engaging in coastwise trade between our two oceans will be able to make as good time and successfully compete with the railroads so far as transcontinental shipments are concerned. The shipment of freight by water will depend to some extent upon the condition of the weather and the sea. The shipment of freight in carload lots by railroad varies greatly on account of existing conditions in the traffic, but, taking all things into consideration, there is no doubt but what, when the canal is completed, our coastwise shipping will receive an impetus that will in a short time more than treble its present business.

But it is not only carload lots that these ships will be enabled to compete in and secure business that they can not get now, but in my judgment their competition will be still greater in ordinary package freight. It will take, on an average, twice as long to ship package freight in less than carload lots from the Atlantic to the Pacific by rail as it will to send freight by the carload. After the completion of the canal, there is no doubt but what ships will be put in service that will have regular schedules and will be able to handle package freight and carry it from one ocean to the other in less time than under ordinary conditions such freight could be transferred from ocean to ocean by rail.

GENERAL DEDUCTIONS.

When all these things are taken into consideration it seems to me to be the height of folly to pay out of the Treasury of the United States a subsidy to our coastwise shipping. The opening of the canal will give to them a new world for operation. Protected from competition by foreign vessels, they will be able to take on a business and enter a field from which they have heretofore been excluded. While their business will be increased, they will be able to save a large amount in cash, and will have the advantage of a still greater saving in time. Their profits under present conditions will be vastly increased because of the expenditure by the taxpayers of the country of $400,000,000 that will inure directly to their financial gain. All this has been brought about without the expenditure on their part of one penny. The taxpayers of the country have built the canal. The interests of the taxpayers ought to be taken into consideration in its operation, and while no one is asking for a profit; no one is demanding that the coastwise shipping should pay a bonus, yet common ordinary business sense ought to and does demand that the particular business that gets the greatest benefit from all this outlay should contribute its fair proportionate share toward the operation and maintenance of the canal.

THE INTERNATIONAL QUESTION.

I come now to the discussion of the international question involved in our treaty relations with the Government of Great Britain. I do not intend to discuss this question in detail or to make an argument either for or against the position assumed by our Government in its controversy with Great Britain. I desire only to show that it is a question that can be properly, and should be honorably, submitted for settlement to an international arbitration tribunal. If I am right in my conclusions reached in the discussion of the economic question involved, then this bill should be passed regardless of what we may think of our treaty rights with Great Britain and the rest of the world. If free tolls is a policy that at the present time is economically wrong for our Government to adopt, we should repeal the present law allowing discrimination to American vessels, even though we believe under the treaty with Great Britain that we have a right to make such discrimination.

On the other hand, even though we believe at the present time that an American policy which in effect gives a subsidy to American shipping is economically wrong, we may still realize that in the future it may be desirable for some discrimination to be made, and therefore our right to discriminate if it exists should be properly preserved. The right to discriminate and the economic policy of actually discriminating at the present time are two entirely different things. After the canal has been in operation a sufficient length of time to give us definite ideas of the tonnage that passes through it and the expense of operation and maintenance has been definitely ascertained, it may be desirable to inaugurate a policy that shall give preference to American ships using the canal. I want to take no step now that shall foreclose us in the exercise of this right if, after the submission of the controversy to an unbiased arbitration tribunal, it shall be demonstrated that such right exists.

Personally, I doubt whether the time will ever come when it would be good economic policy for us to subsidize our coastwise shipping. The monopoly which such shipping is given under the law as against foreign shipping is, it seems to me, a sufficient protection. It may be, however, that in the years to come conditions may so change that it will be desirable, even if not necessary, for a preference in the way of tolls to be given to such shipping. To my mind, if any American ships are to receive a preference, it should be those engaged in foreign trade, and particularly those engaged in trade between our Nation and the nations of Central and South America. We are so situated geographically that we ought to control the trade with South America. Our ships that engage in that trade come in competition with the ships of the entire world, and if later it should be found that American ships engaged in this trade can not compete with the balance of the world without some preferential advantages in the way of toll at the Panama Canal, it may be a wise national policy that such preference should be given in order to develop this trade. It does not necessarily follow that this policy should be permanent, because, it seems to me, everything else being equal, American shipping ought to retain this business after it is once acquired. I doubt whether it would be wise to give to these ships an entire exemption from tolls, but some preference might be given that would enable our ships to develop this trade that now is controlled almost entirely by Europe.

It seems to me, under all the circumstances, that we should take no steps now that could be construed by the world as an admission on the part of our Government that we do not have this right of discrimination incident to our ownership of the canal. It is true that the passage of this bill unamended would not necessarily imply that we had given such a construction to the treaty, because it could be said that the bill was passed because Congress believed that it was wrong for the Government of the United States to inaugurate an economic policy which would result in giving subsidy to any branch of shipping. But most of the discussion that has taken place in the country and, indeed, in the world has been on the international question; and if we pass this bill without amendment there is no doubt but what the world will place upon our action a meaning that implies that we have passed the bill because we believed that under the treaty with Great Britain we had no right to give any preference to American shipping. It will be construed as a construction by Congress in favor of Great Britain's present contention.

I take it that no patriotic American citizen desires that our Government should take any course that would in any way violate or transgress any agreement that we have made. Even though we believe that in the past we have made a bad bargain, we can not think for a moment of doing anything except to stand behind it and carry it out in good faith. It is often said that we have built the canal with our own money; that it is the result of American ingenuity and American engineering, constructed upon land upon which we are to a degree, at least, sovereign; and that, therefore, it is not the concern of any other nation what rule we may adopt as to its regulation, and that we have the right, being the owner of the canal, to subsidize, by exemption from tolls, our own ships if we see fit, and that no nation has any right to complain. In other words, that it is our own individual property, and that we can do with it as we see fit. Those who argue thus do not take into consideration how we acquired this right and what agreements and stipulations it was necessary for us to enter into in order to get it. If we have acquired property through any means that has left upon our title any limitation as to its operation and its use, we must comply with the limitations and conditions and exercise our ownership and control in accordance therewith. Those who make this claim do not, in my judgment, give proper consideration to the historic events that transpired during a long course of years prior to the time when we entered upon the construction of the canal. I am satisfied that a proper consideration of the history of events that have transpired during the course of many years will lead any unbiased mind to the conclusion that we have not made a bad bargain, and that we have not surrendered our rights to any other Government, or that we have done anything as a nation that has compromised us in any way during the years that have passed.

HISTORICAL DEVELOPMENT OF OUR INTEREST.

Ever since the discovery of the Pacific Ocean, which occurred a few years after the discovery of America by Columbus, a canal across the Isthmus connecting the two oceans has been the dream of statesmen. Millions of dollars have been spent—thousands of lives have been lost in surveying and investigating different routes between the two great waters. It must be remembered that early in our history we had no territory bordering on the Pacific Ocean. It was not until, I believe, in 1846 that we acquired the Territory of Oregon, which at that time contained also the territory now included in the State of Washington. At that time the importance of this country was unknown and unrealized. Canada, a British Province, extended

from the Atlantic to the Pacific. England had other vast interests in the Pacific Ocean and the Suez Canal was not then constructed. England was therefore more interested in a canal than we were. Later on, we had the War with Mexico, and in the treaty of peace with that nation there was ceded to us a vast territory, including Arizona, Utah, Nevada, California, and parts of Colorado and New Mexico. This gave us a Pacific shore line equal to that of our Atlantic coast, and it increased by manyfold our interest in any contemplated interoceanic canal. In 1849, on account of the discovery of gold in California, the importance of our possessions and our Pacific shore line was greatly increased. We, however, were not financially able to undertake the construction of such a waterway ourselves. We were anxious that no other nation should construct such a canal that by any possibility might interfere with its use on equal terms by us. We were particularly anxious that this waterway should not be constructed and controlled by Great Britain. She was our principal rival, as far as the coast lines of the Atlantic and Pacific were concerned. We did then, it seems to me, the perfectly natural thing. Not being able to construct the canal ourselves, and being anxious that Great Britain should not construct it, we began negotiations with that Government with a view of reaching an agreement as to the control of any canal that might be constructed connecting the two oceans. These negotiations ended in 1850 in the consummation of what is known as the Clayton-Bulwer treaty. In the preamble of this treaty it was stipulated:

The United States of America and Her Britannic Majesty, being desirous of consolidating the relations of amity which so happily subsist between them by setting forth and fixing in a convention their views and intentions with reference to any means of communication by ship canal which may be constructed between the Atlantic and Pacific Oceans—

And so forth.

In article 1 of the treaty the agreement carrying out the objects mentioned in the preamble was stipulated in the following words:

The Governments of the United States and Great Britain hereby declare that neither the one nor the other will ever obtain or maintain for itself any exclusive control over the said ship canal—

And so forth.

It was further stipulated in this treaty that neither Government should take any advantage or make use of any alliance or use any influence with any State or Government through whose territory the canal should pass for the purpose of acquiring any rights or advantages in regard to commerce or navigation through the canal which should not be the same to the citizens of both Great Britain and the United States. There were a great many other stipulations of similar import in the treaty, all going to the one object that seemed to have been in contemplation at that time by the two Governments, to the effect that neither Government should consent to any arrangements in any way for the construction of such a canal by any Government or by any corporation or individual unless the use of the canal to be constructed should be open on equal terms to the Governments and citizens of both of the contracting parties.

No one has ever doubted but what this treaty made it impossible for either one of these Governments to construct the canal without the consent of the other. I believe it can be fairly said that the negotiation of this treaty was regarded by the leading American statesmen as a diplomatic victory for the United States. At least, it was regarded as a settlement of the canal question on a basis entirely satisfactory to the United States. We were anxious then to bring about a condition that this canal should not be built by Great Britain without our consent; that when it was built no conditions as to its control should be negotiated that should discriminate against us or against our shipping. This treaty accomplished this end. It placed us in a position so that no matter how or by whom the canal should be built, we were in a position to demand equal treatment in its use with the balance of the world. But as time went on and the great West developed and out of that vast territory there were built up the great States of California, Oregon, and Washington, with their immense commerce and valuable harbors and industries, and the wealth and the influence of the entire country increased and developed until we had become one of the world powers of the globe, not only did the necessity and the desire for a canal across the Isthmus increase in importance, but the sentiment of the country gradually crystallized into a desire that this, the greatest engineering undertaking of the world, should be owned and controlled by our own Government. A time had come when the canal meant more to the United States than it did to any other nation of the world, and after we had fought the Spanish War the importance of such a canal, not only for our commerce, but for our Navy, had been so fully demonstrated that the sentiment of the country became unanimous in the conviction that the canal should be constructed under the supervision, if not under the absolute ownership, of the United States Government.

CLAYTON-BULWER TREATY A BARRIER TO OUR PROGRESS.

And now for the first time in years it dawned upon us that the treaty which in 1850 we had made for our protection stood in the way of the achievement of our ambitions. That which had been a protection when we were poor and weak had become a barrier to our advancement now since we were strong and able. We pursued the only honorable course that was open to us. We asked Great Britain to abrogate the Clayton-Bulwer treaty and give us permission either to build the canal ourselves or to have it built and operated under our supervision. The result of these negotiations was the so-called Hay-Pauncefote treaty. I will not go into a minute discussion of the details of these proceedings. It is sufficient to say that they extended over quite a long period of time. The first Hay-Pauncefote treaty negotiated was rejected by the Senate, or, to be more explicit, it was amended by the Senate, and England refused to agree to the amendments. Negotiations were then begun, and the second Hay-Pauncefote treaty, the one now in force, was the result.

THE HAY-PAUNCEFOTE TREATY.

It is the terms of this treaty that are now in dispute between the two Governments. In construing it it is well to remember that at the time of its negotiation it was not known by our own Government whether we would construct the canal as a Government-owned concern or whether it should be constructed under Government supervision along the lines of the construction of the Suez Canal, by a corporation, the stock of which might be owned by American citizens, and also in part by the Government itself. I think that many of us are apt to be led astray in the construction to be given to this treaty on account of the fact that we construe it in the light of subsequent events, when the Government itself undertook in its own name the construction of the canal, and thus fail to realize that many of the stipulations contained in the treaty were put in to cover a condition that would exist if the canal were constructed along the same lines and in the same way as the Suez Canal, which was by means of organizing a corporation for its construction and likewise for its operation after construction. And it might be well to say here that had the canal been constructed in this way there would now be no ambiguity or misunderstanding as to the meaning of the language used in the treaty. The particular clause of this treaty which is the subject of practically all of the contention reads as follows:

The canal shall be free and open to the vessels of commerce and of war of all nations observing these rules, on terms of entire equality, so that there shall be no discrimination against any such nation, or its citizens or subjects, in respect of the conditions or charges of traffic or otherwise. Such conditions and charges of traffic shall be just and equitable.

The chief contention centers about the words "all nations observing these rules." The question is, Does this term include American vessels or does it exclude them? If it includes American vessels, then the United States has no right to give any preference in the way of partial or total exemption to any American ships. If, however, American vessels are not included in this term, then we have a right to discriminate in any way we see fit in favor of American vessels, whether they are engaged in coastwise trade or engaged in trade with foreign nations. I confess that when the subject was first brought to my attention in the discussion of the present Panama Canal act I reached the conclusion from a hasty examination of the subject that we were included in the term "all nations," and that we had no right to pass the law now upon the statute books and which the present bill seeks to amend, and I am satisfied that if we consider the language of the treaty alone no other reasonable conclusion can be reached. But upon a further and a more exhaustive examination of the subject, giving proper consideration to the conditions that existed at the time the treaty was made, and giving due weight to the fact that the rules laid down in the treaty were very likely intended to apply to an ownership similar to the Suez Canal, I am in serious doubt as to whether my first conclusion was right. But, as I said before, I do not intend to make an argument in favor of either side of the controversy. I desire only to demonstrate that it is an honest and genuine controversy, with much logic in favor of both contentions. There can be no doubt whatever in the mind of any student who has given fair consideration to the subject that there is, at least, room for serious doubt. This language has been discussed all over the civilized world. The greatest statesmen and ablest jurists of our own country disagree as to what is the proper construction to be placed upon it. There is no doubt but what in the balance of the world the prevailing judgment is that our

ships are included in the term "all nations," although I am satisfied that the most of this sentiment comes from an immature and surface examination of the subject. The construction by Europeans who do not go into a full investigation of the question is apt to be along the lines that agree with the wishes of the investigators; and I think it can with equal truth be said that the opposite construction placed upon it by perhaps a large majority of American citizens is influenced to a great extent by the American desire to have supreme control and complete management of a canal which we have ourselves built.

DISPUTE SHOULD BE ARBITRATED.

Notwithstanding this, there can be no denying the fact that the greatest students of the world who have given the subject full and complete investigation and thought are divided as to whether this treaty permits us to discriminate in favor of American shipping. There can be no doubt and, as far as I know, no one disputes the fact that these disagreements are honest and sincere. The question in dispute is the construction of what under ordinary circumstances would be simple language. It is the meaning to be placed upon an international statute. There is no dispute as to the facts. It is only a question of law. To my mind it is absolutely demonstrated that this disagreement, this misunderstanding, this dispute, is a proper subject for settlement by international arbitration. To me it seems not only presumptuous but absolutely unreasonable and unfair that our Government, being one of the parties to this contract, should say to the other party and to the balance of the civilized world, "We will construe this disputed point ourselves and will refuse to permit the other party to the contract to have anything to say as to what the contract in fact means." If there ever was in the history of the world a question that could properly be submitted to arbitration, it seems to me that this is certainly one. If this question—one purely of law, purely of a construction of a contract between two parties—is not a proper subject for arbitration, then I can not conceive how it is possible for such a question ever to arise. And if we refuse to submit this question to arbitration, we are arrogating to ourselves the decision of a purely legal question, when it must be admitted by all fair-minded men there is an honest ground for dispute as to what the contract really means. We would be dealing for many years a deathblow to arbitration. We would be reversing the pretenses that we have been making in the family of nations for many years. On the other hand, if we express our willingness to permit this question to be arbitrated, we will be taking the greatest step in favor of the settlement of international disputes by arbitration that has ever been taken in the civilized world. For many years our Government has occupied a leading place in the settlement by peaceful methods of disputes among the nations of the world. We have been acknowledged leaders in the wonderful progress humanity and civilization have been making toward the abolition of war between nations and the settlement of controverted national questions by the more humane, reasonable, and just method of arbitration. The history of the world in recent years will give to us an advanced position in the family of nations, in human progress, and in the development of peaceful methods in the settlement of international disputes. Wherever our flag has floated it has been an emblem of justice, of honesty, and of peace. Our counsel has been sought, our advice has been followed, until we had reached a position second to none. It must be confessed, however, that at the present time we are not occupying this high estate. The nations of the world in this great international question may not have condemned us, but they have at least questioned our motives in enacting a law that to many of them honestly appears to be a violation of our plighted word.

SHOULD MAINTAIN OUR RIGHTS.

I do not agree with those who frankly say they believe we have a right to discriminate in favor of American vessels, but who advocate the surrender of that right because a majority of the civilized nations do not agree with our position. I do not believe that the civilized nations of the world demand that we should surrender any right that we honorably possess. There can be no justice in such a demand. If we have an honorable and a legal right under our treaty obligations to discriminate in favor of American shipping, then no fair-minded man—no honorable nation—has any right to demand that we should surrender this right. We are not called upon by the civilization of this enlightened age to do anything more than justice. In fact, I believe we will be entitled to, and will receive a greater respect in the years that are to come, if in an honorable and legal way, we shall demand the right to exercise all the rights that honestly and rightfully belong to us. If we believe that we have the right to discriminate in favor of American shipping or if there is a reasonable and just ground to sustain such a position, then we should in a dignified and respectful way maintain such right. The world will respect us in this contention. Whether we are right or wrong, history will demonstrate, if we pursue an honorable course, that we have only done what an honest person or an honest nation has an honorable right to do. And when we say to the world that while we believe we have a right under the treaty to discriminate in favor of American shipping, or if we should say to the world that as long as there is an honest dispute as to whether we have such right, we will make honest claim to it, but that we are willing to submit the question to arbitration and abide by the result, we have done all that the most advanced civilization can demand; all that an honest nation or an intelligent people could ask, and we have once more placed ourselves before the world in a position of honor and fidelity, and have not only regained whatever prestige we may have recently lost, but we have by such conduct done more to abolish wars between nations in the future than any other one step that has been taken by any nation since the beginning of organized government. If in the face of a world's opposition, we shall have the courage to submit this dispute to the judgment of a world's court, we have achieved a greater victory in behalf of civilization and humanity than ever before has fallen to the lot of any people. By such a course there will be established a precedent in favor of arbitration that no civilized nation in the future can withstand the favorable sentiment that it will create. We have an opportunity now to take a step that will bring the nations of the world nearer together than they have ever been before. If we refuse to take this step, we can not in the future demand of other nations that they should settle their troubles by arbitration. We will have lost our prestige, and will have subjected ourselves to the just criticism that we are not willing to have the same rule applied to us in our difficulties that we have asked and have been asking should be applied to others.

NO DIFFICULTY IN SECURING A FAIR TRIBUNAL.

But it is said by those who oppose arbitration that we would not be able to get a fair and unbiased tribunal—that practically all of the other nations of the earth are against our contention in this dispute, and that therefore any arbitration tribunal would necessarily be biased and prejudiced against our position. It might be well for those who argue thus to pause and consider for a moment the effect of the claim which they make. When we say that all the civilized world is against us, do we not thereby admit the weakness of our position? Are we going to claim before the world that we are contending for something that nobody except ourselves believes is right? Are we in effect going to say that we are not going to arbitrate this question, because, to begin with, the preponderance of the evidence is against us? Or, if we are conscientious in our belief in the righteousness of our position, are we going to charge the balance of civilization with being dishonest and unjust? Are we going to say that we will only arbitrate such questions in which the sentiment of the civilized world is in our favor to begin with? Do we want to take the position that we will only arbitrate when we know in advance that the decision must be favorable to us? Arbitration always implies that each side must respect the position taken by the other side. It always implies that each of the nations interested must surrender its arbitrary right to decide for itself the question in dispute. Arbitration is based upon the same principle of justice that underlies every court in civilization. It is no greater or different principle than one involved in the settlement of questions before a justice of the peace or questions that come up for settlement before the highest court of the land. It assumes that no nation should have the right to take the law into its own hands. The refusal to arbitrate means the settlement of international difficulties by war, with all its horrors, all its miseries, and all its sufferings. I do not mean that a refusal to arbitrate this question would necessarily result in war. I do not believe it would, and have no idea that it would, but the principle involved is just the same, and this precedent will in the future years, if we refuse to arbitrate, not only come home to plague us, but it will rise up in the road of progress before every civilized nation of the world. If we eliminate arbitration, there is no way to settle international disputes except by war, and everybody knows that the settlement of any dispute by war is not based on any principle of justice, right, or equity. Might has never made right since the dawn of history—it never will. It must give way to reason and justice or else the world must cease to advance and civilization must retrograde into barbarism.

But there is nothing in the claim that a just tribunal can not be obtained. The selection of an arbitration tribunal, as far as this dispute is concerned, could be made without difficulty and without any danger whatever of having a tribunal that would

be moved by any other motive except the purest and the highest. As I have said, the question involved is purely one of law. It involves the construction of a few words contained in a treaty. Suppose it should be agreed between the United States and Great Britain that the settlement of this question should be left to a tribunal composed, let us say, of three members of our Supreme Court and three members from the highest judicial tribunal of England. Is there any man who doubts but what this great tribunal would render a decision that would be based entirely upon justice and right? No man here would question for a moment but what this question could be submitted to our own Supreme Court without a suspicion that the court would not render a fair and just judgment, uninfluenced by bias or prejudice. What reason have we to say that the judges of Great Britain would not be equally fair, equally just, and equally competent? I would expect such a court to render a unanimous opinion. The judges of such a court, clothed with a mantle of authority as great as any that ever fell from the shoulders of any tribunal in the past, sitting in judgment upon a question in which all the nations of the world are interested, realizing that the scrutinizing eye of civilization was resting upon them, would be as free from prejudice and bias as it is possible for the human mind to conceive. The probabilities are that under this grave responsibility and in the presence of a civilized world and realizing, as they would, that they were not simply deciding the question before them, but that they were establishing a precedent that would be followed in the years and the ages that are yet to come, the judges of this court would forget that they were Americans and Englishmen and remember only that they were representatives of a world's civilization, a world's humanity.

But if it is thought that an arbitration tribunal should be composed of an uneven number and that there is danger of such judges as I have suggested following whatever prejudices might exist in their respective countries, then let me suggest that, in addition to the judges mentioned, the seventh member of that tribunal should be the President of the Republic of Switzerland, or that the President of the Republic of Switzerland should name a citizen of Switzerland as the seventh member. These are only suggestions. Numberless other suggestions of equal merit will appeal to those who honestly try to select a tribunal that would be fair and just.

AMENDMENT PROVIDING FOR ARBITRATION.

I have offered an amendment to the bill under consideration that would bring about the protection of all the rights that the American Government can possibly have under the treaty by the submission of the disputed question to arbitration. The amendment provides for an additional section to the bill and reads as follows:

That the passage of this act shall not be construed as a surrender of the right claimed by the United States Government to regulate the traffic passing through the Panama Canal by giving to vessels engaged in the coastwise trade of the United States and other vessels of the United States and its citizens either partial or total exemption from the payment of tolls when passing through said canal. The protest heretofore filed with the Government of the United States by the Government of Great Britain against such a construction of the treaty of November 18, 1901, between said Governments, commonly known as the Hay-Pauncefote treaty, is hereby recognized as presenting an international question suitable and proper for settlement by arbitration, and the President of the United States is hereby authorized to begin negotiations with the Government of Great Britain for the determination of said question by arbitration.

If this bill is passed with this amendment added, we will have protected every American right so far as such right can be honorably protected and so far as any patriotic citizen has any right to ask that it should be protected. But while this would settle the present difficulty in a fair, honest, and statesmanlike manner, yet, to my mind, the general good to posterity, to civilization, and to humanity that would be accomplished would far outweigh the importance of the present dispute. It would satisfy the world of the honesty of our contention and convince all civilization that we are ready to abide by the fair and honest judgment of honest men. It would establish a precedent that would bring forth much fruit long after all of us have passed away. It would bring the nations of the world to a realization of the great demand of humanity everywhere, that every honest nation ought to be willing to submit every honest dispute to a trial in reason's court. It would be one of the greatest steps toward bringing the nations of the world together upon the highest pedestal of civilization that history has ever seen, and if we adopt this amendment—and that time shall eventually come, as I believe it must, when all the civilized nations of the world shall enter the great international temple of reason and of justice—the flag that by common consent of the assembled nations shall float above all others will be that unstained banner—that emlem of freedom and of justice—our own Stars and Stripes.

During the delivery of Mr. NORRIS's speech,

The VICE PRESIDENT. The hour of 2 o'clock having arrived, the Chair lays before the Senate the unfinished business, which will be stated.

The SECRETARY. A bill (S. 120) to provide for the inspection and grading of grain entering into interstate commerce, and to secure uniformity in standards and classification of grain, and for other purposes.

Mr. MCCUMBER. Without formally laying it aside, I presume the Senator from Nebraska can go right on and finish his address if he desires.

The VICE PRESIDENT. The Senator from Nebraska will proceed.

After the conclusion of Mr. NORRIS's speech,

INSPECTION AND GRADING OF GRAIN.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (S. 120) to provide for the inspection and grading of grain entering into interstate commerce, and to secure uniformity in standards and classification of grain, and for other purposes.

Mr. STERLING. Mr. President, my chief excuse for occupying the time of the Senate briefly now is that I may bring into the RECORD at this time and present to the Senate some documents of recent date bearing upon the question of Federal grain inspection. But, first, before coming to that, I must confess some surprise at the turn this discussion has from time to time taken. One might infer, from some of the denunciations of the bill now under consideration, that the Senator from North Dakota [Mr. MCCUMBER], the author of the bill, had committed an affront against the intelligence of the Senate in bringing forward such a bill for its consideration; this, too, Mr. President, notwithstanding the fact that one of the most distinguished Senators who ever occupied a seat in this body was, as I recall, the author of the first bill for Federal grain inspection introduced in the Senate; notwithstanding the fact, too, that two Secretaries of Agriculture have advocated Federal grain inspection; and notwithstanding the fact that it was earnestly advocated by the President of the United States, in a message to the Sixtieth Congress.

We might infer from some of the arguments adduced against the bill, or rather from some of the statements made against the bill, that its effect would be to destroy the grain market; that the buying and selling of grain as a legitimate and independent business would be interfered with; and that the ordinary incentive which men have for dealing in a great marketable commodity would be crushed. One might think, too, according to the view of some of the Senators in opposition, that the operation of the law of supply and demand would cease if this bill should become a law.

Mr. President, we know that none of these things would happen to the hurt of any legitimate grain business. On the face of it, there is no reason why they should happen. In the long and exhaustive arguments against the bill no reason has been advanced showing why anything should happen injurious to the grain trade or any legitimate grain business, intrastate or interstate. With slight exceptions, the whole argument in opposition is based on the efficiency of the State inspection laws of a few States in the Union.

The Senator from Massachusetts [Mr. LODGE] has spoken for the chamber of commerce inspection and its relation particularly to the export trade, while the Senator from Minnesota [Mr. NELSON], the Senator from Illinois [Mr. SHERMAN], and the Senator from Missouri [Mr. REED] have appeared as the champions of State inspection.

Mr. President, what magic can there be about a system of State inspection that makes it par excellence over and above and better than anything else that can be devised, the supplanting of which would bring havoc or disturbance to the grain trade? What else is inspection, when justly and honestly administered and kept within its legitimate sphere, but the expert examination of different kinds and qualities of grain, in the course of shipment or delivery, with a view to determining the true quality or grade according to certain rules and tests to be applied, and from those determining the market price which the seller, whether he be the producer or whether he be some middleman, should receive for the grain?

I think, Mr. President, that it must be agreed that this is of the essence of proper inspection under any State system, and it must be the essence of any system of Federal inspection. If State inspection proper does not injure business or make chaos in the grain market, why should Federal inspection disturb the interstate grain business?

Mr. President, either system of inspection—State or Federal—will primarily involve just three processes, and no more:

First, the law or the rule fixing standards; second, examinations, tests, and comparisons of grain with the standards; and third, the judgment or decision as to what grade the particular grain belongs. So, taking it on our common understanding now as to what inspection really is, the inspection contemplated by this bill, if you please, we must conclude that no business upheaval will result from the adoption of a Federal system of grain inspection.

The opponents of the bill claim to see advantages of State inspection; nay, more, they see the very necessity of some system of inspection. It is essential, they will admit, to the safe conduct of the wheat trade, flax trade, or oats trade, essential to prevent imposition and fraud, essential to the protection of both producer and consumer, and Senators from States with State systems of inspection have realized the frailties of board-of-trade systems and have made inspection a Government function, or a function under Government control in the States.

Is the inspection of grain in the course of interstate commerce a proper State function? It may be. I am not disputing the proposition that within limits it is, and especially when there is no other system of inspection provided; but I contend that it is more properly a subject of Federal control and Federal inspection than it is of State inspection.

In this connection, Mr. President, I call attention to the views of the court as expressed in the case of Globe Elevator Co. against Andrew, the opinion rendered by Justice Sanborn, of the circuit court of appeals, and found in 144 Federal Reporter at page 872. In the course of the opinion, after having decided that the Wisconsin law was in violation of the provision of the Constitution relating to interstate commerce, the court says:

> It is also clear to me that so important a matter as fixing the grades by which grain in interstate transportation can be sold, and without which it can not be sold on any large scale, admits of one uniform system or plan of regulation, and only one, and therefore falls within the exclusive power of Congress.

Certainly it can not readily be bought and sold according to two systems of inspection. The point is that where we have State inspection we are liable to have, and will have, more than the one system of inspection, and the likelihood is that no two States, whatever their situation with reference to each other, whether they are adjoining or not, whatever their situation with reference to the production of grain or particular kinds of grain, will agree in their systems of inspection. In any event there is no force or power that will compel them to agree.

The court says:

> It can not be bought by one and sold by another. Conflicting State systems would only obstruct. Like the regulation of tolls on an interstate bridge, the fixing of a standard of sale for grain moving in interstate commerce admits of only one uniform system. Because also the control of this great grain trade has become a matter of rivalry and commercial conflict between two States and agencies acting under their respective laws leads me to think that the subject is one of National and not State regulation. The power vested in Congress to regulate commerce among the States was designed to prevent commercial conflicts among them. The purpose of committing to Congress the regulation of commerce was to insure equality of commercial facilities by preventing one State from building up her own trade at the expense of sister States.

And, Mr. President, this case itself grew out of the effort on the part of one State by its inspection law to build up its grain trade as against that of another State.

> It was to prevent unjust and invidious distinctions which local jealousies or local and partial interests might be disposed to introduce and maintain. These were the views pressed upon the public attention by the advocates for the adoption of the Constitution and the expositions of that instrument by the Supreme Court have been in accordance therewith. It is undoubtedly true that among the reasons, if not the strongest reasons, for placing the power in Congress to regulate interstate commerce was to insure uniformity of regulations against conflicting and discriminating State legislation. Does not a commercial conflict exist between the agencies of the two States, each struggling to maintain necessarily antagonistic systems of inspection?—

Referring to the States of Minnesota and Wisconsin—

> Is not Minnesota building up her own trade in grain at the expense of Wisconsin, and is not Wisconsin fairly entitled to her share, and is not Wisconsin attempting to get not only her share but complete domination of the inspection, weighing, and sale of grain? Both systems, as I think, should be held to amount to regulations of interstate commerce not within the concurrent powers of State and Nation, but exclusively subject to congressional control.

Mr. President, under a State system of inspection, granting that conditions may be different now as between Wisconsin and the State of Minnesota, there is the condition described, which may occur at any time as between two rival States in the matter of the shipment and control of grain.

Mr. President, reference has been made in the course of the discussion—and it is for that more particularly that I arose—to the fact that the hearings from which arguments have been deduced in favor of this bill were away back in 1906, 1907, and 1908; that that is now ancient history; and that we can not rely on those hearings to show present need or demands. The documents to which I shall now call attention are not ancient history. I wish to read an extract from a letter received from a gentleman in Illinois by the name of Thomas Lamb—an old acquaintance of mine. I have known him for a little more than 35 years. He is one of the most prominent and one of the most reliable citizens of that State. He was raised a farmer, on a farm near the little town of Bement, Ill. He was a prosperous farmer; he has been in the grain business for many years, and is now at the head of a grain elevator company at his home town. I think he was either the president or the secretary of the State Cooperative Grain Association; I am not sure which office he held, but he had some high official position there. His letter is of date April 13, 1914. Mr. Lamb says:

> We want Federal inspection under civil-service rules. A grain inspector should not hold his job as a political appointment. He should know his business and not be beholden for his job to those commercial interests which control the politics which for the time being dictates the choice of the inspector for the benefit of the commercial interests which practically own the man and the job. The argument for Federal inspection is summed up thus:
>
> The Chicago grain market is dominated by certain allied big corporations. They control the public warehouse system and, through it, monopolize the handling of grain coming to Chicago. The law against warehousemen storing their own grain has been broken down, and warehouses have been converted into hospitals for taking in of low grades and taking out of higher grades for the profit and advantage of the grain combine. The inspection is of vital importance in the working of this game. Hence the Chicago grain trade is in Illinois politics, and no man could be appointed State grain inspector who was persona non grata to the grain crowd. Hence the need for a system of Federal inspection to divorce this function from local or State politics as the only guaranty of a square deal to both producer and consumer.

Mr. BORAH. Mr. President——

The PRESIDING OFFICER (Mr. MARTINE of New Jersey in the chair). Does the Senator from South Dakota yield to the Senator from Idaho?

Mr. STERLING. I yield, with pleasure.

Mr. BORAH. I want to ask the Senator if he proposes before he sits down to discuss the difference between this bill and the general principles of the bill which, I understand, is going to be offered as a substitute?

Mr. STERLING. Mr. President, I have hardly thought of doing that. There has been a general feeling that the time would be limited, and I had not thought to go into that discussion. I think perhaps the Senator from North Dakota [Mr. MCCUMBER] may consider that somewhat.

Mr. President, the writer of the letter just read corroborates exactly what appears in the report of the committee filed February, 1914. Reference is made in the letter to the grain hospitals, where the grain is doctored. Mr. President, when 100,000 bushels of No. 1 northern, 141,000 bushels of No. 2 northern, 272,000 bushels of No. 3 northern, 201,000 bushels of No. 4, and 116,000 bushels of no-grade grain, and 60,000 bushels of what is called "rejected" go into an elevator within three months as the entire receipts of that elevator, and that same wheat goes out of the elevator in the form of 196,000 bushels of No. 1 instead of 100,000 bushels, 468,000 bushels of No. 2 instead of 141,000 bushels of No. 2, 213,000 bushels of No. 3, with nothing going out as No. 4 at all, nothing going out as "no grade," nothing going out as "rejected," it shows that there has been some "doctoring" at the place you are pleased to call "a grain hospital." Eighty-three thousand seven hundred and twenty dollars and sixty-nine cents was the snug profit realized in these three months over and above legitimate elevator charges. It was a hospital, Mr. President, but not a charity institution.

Mr. REED. Mr. President——

The PRESIDING OFFICER. Does the Senator from South Dakota yield to the Senator from Missouri?

Mr. STERLING. I yield to the Senator.

Mr. REED. The Senator, I understand, is quoting from the figures of the report?

Mr. STERLING. Yes, sir.

Mr. REED. I call his attention to the fact that the report itself shows the item "on hand (estimated), 12,733.10 bushels"; that is to say, the receipts exceeded the shipments by 12,733 bushels. Does the Senator want us to understand that the taking of that much false material out of wheat might not improve the grade?

Mr. STERLING. Mr. President, in answer to that I will say that I have not yet quoted the whole report. I ask leave, Mr. President, to incorporate here as a part of my remarks the one paragraph, paragraph No. 12 of the report, including the table from which I made the summary a moment ago.

The PRESIDING OFFICER. Without objection, that may be done.

The matter referred to is as follows:

(12) A report from a committee appointed by the Bankers' Association of North Dakota, which takes its figures from the records of the grain-inspection department of Minnesota, shows the following table of receipts and shipments of a single terminal elevator for only three months:

	Receipts.	Shipments.
	Bushels.	*Bushels.*
No. 1 northern	99,711.40	196,288.30
No. 2 northern	141,455.10	467,764.00
No. 3 northern	272,047.20	213,459.30
No. 4	201,267.20	None.
No grade	116,021.10	None.
Rejected	59,742.30	None.
	890,245.10	877,512.00
On hand (estimated)		12,733.10
		890,245.10

The profit in mixing at this elevator for three months, as shown by their report, over and above the regular elevator charges, was $83,720.69. There should be added to this the amount realized from the screenings at about $8 per ton.

A glance at this table will show that there were shipped out of this elevator about twice as many bushels of No. 1 northern as were received in; that there were shipped out about three and one-half times as many bushels of No. 2 northern as were received in. It will also show that 201,000 bushels of No. 4 were received in and none shipped out; that 116,000 bushels of "no grade" were received in and none shipped out, and about 60,000 bushels of "rejected" were received in and none shipped out. In other words, about one-half of the entire grain received in passed from No. 4, "no grade" and "rejected," to No. 1 and No. 2. Anyone acquainted with the grain trade will know at a glance that this great difference arising from changing a grade from a low grade to two or three grades higher, whereby all of the lower grades are entirely lost, could not be produced by any system of mixing if both the inspection in and the inspection out were made by the same standard.

Mr. STERLING. That table will show that 12,733.10 bushels was the estimated amount on hand after the various shipments; and so, by taking into account all that was shipped out, with the estimated amount on hand, every bushel of wheat received into the elevator is accounted for.

Mr. REED. Of course, the Senator knows—and we ought to discuss this question, I think, with a view to getting at the facts—that if wheat is carried into an elevator and run through the separating machinery of the elevator there is bound to be a loss in weight, because there is false material taken out. The Senator does not want us to understand, I think, that he is asserting that the books of this elevator company showed exactly the same amount of wheat on hand or shipped out that had come in. Does he not think that what this statement means is that there was added to the wheat which had been shipped out a sufficient amount to balance the two accounts?

Mr. STERLING. Mr. President, in answer to that, I will say that I have no reason for so thinking. I take the table with the statement it contains, and the statement is to the effect that there were 12,733.10 bushels on hand after all the shipments which are described in the table.

Mr. REED. But the Senator omits a very important word that is the key to the whole situation—the word "estimated."

Mr. STERLING. No; I will say to the Senator he has misunderstood me. I have again and again stated that that was the estimated amount.

Mr. REED. Now——

Mr. STERLING. Let me say——

Mr. REED. Certainly.

Mr. STERLING. I think the Senator is aware of that fact. This investigation was first made by the Bankers' Association of North Dakota, and the committee embodies the bankers' report in this report, and this report must be accurate.

Mr. REED. I do not want to trench upon the Senator's time or his patience, but he made the statement that there was the same amount of grain shipped out as had come in, or else that that amount was on hand. I called his attention then to the item of twelve thousand and odd bushels, and asked him if he did not understand that that was a mere estimate, and that it probably represented the refuse matter that had been taken out. The Senator, in reply to that, referring to the table, spoke of the amount on hand as though it were wheat and as though it had been measured or weighed and found to be wheat, and omitted the very important words "on hand" and then the word "estimated." In other words, does not the Senator draw the deduction that this committee, having found the amount that was shipped in and having found the amount that was shipped out, estimated that there must be something on hand?

Mr. STERLING. Mr. President, I think there was no estimation here by the committee of dirt or chaff, but it was an estimate, as the report says, of wheat on hand.

Mr. REED. Would the Senator, then, want us to understand that there went through the elevator these hundreds of thousands of bushels of wheat, that there was not even a pound of dirt taken out of it, and that exactly the same amount was shipped out that was shipped in, or else was on hand in the shape of wheat?

Mr. McCUMBER. Mr. President, will the Senator from South Dakota allow me to make that as clear as it is possible, at least for me, to make it?

The PRESIDING OFFICER. Does the Senator from South Dakota yield to the Senator from North Dakota?

Mr. STERLING. I yield to the Senator.

Mr. McCUMBER. Let me give an illustration. Suppose I ship a car of 1,500 bushels of wheat to the terminal at Minneapolis. That wheat is graded and classified as No. 2 northern, with 2 pounds per bushel off. That means that there is taken off for dirt and chaff two times 1,500, or 3,000 pounds, which amounts on that shipment to 50 bushels. When the elevator takes that wheat in, according to its books and accounting it takes into its elevator not 1,500 bushels, but 1,450 bushels of wheat. The chaff, the stuff that is allowed for cleanings, and so forth, which is supposed to be accurately estimated and measured, is not put on the debit side of the elevator ledger at all, but 50 bushels less, if the dockage is 2 pounds to the bushel, as it was in the instance which I have stated, and in that case the chaff, dirt, and such stuff is simply sold independent of the grain. It is not sold for wheat, nor is it estimated for even in inspecting the grain into the elevator or in inspecting it out of the elevator.

Mr. REED. Mr. President, I did not address my interrogatory to the Senator from North Dakota, but since he has come into the arena, it would be very interesting to know upon what testimony he bases that statement, and to have it brought down to date and to present the conditions. I have not seen any such testimony.

Mr. STERLING. Mr. President, I thank the Senator from North Dakota for his very clear illustration of the point. These figures show that somebody has been wronged; they show the rigid inspection into the elevator, whereby wheat is graded lower than it should be graded, and the liberal or loose inspection out of the elevator. The result of the practice has been that the producer of wheat has not been given a square deal; not having received the grade to which he is entitled, he has been denied the fair market price the proper grading would have brought him.

Now, Mr. President, to refute the statement so frequently made that the complaints against present systems of inspection do not exist at the present time, I call attention to a further communication. These are the resolutions adopted in February last by the board of directors of the Farmers' Cooperative Association of South Dakota:

Whereas conditions surrounding the inspection of grain entering into interstate commerce are open to severe criticism because of the local influence that manifests itself, and the charges of a rigid inspection in and an easy inspection out that in the absence of standardized grades inspection is permitted at any and all grain centers, thereby subjecting shipments to the judgment of different inspectors while in transit from the shipper and producer to the seller or consumer; that cars grading No. 1 at one point may grade No. 2 and even 3 before reaching their destination; this has a demoralizing effect on the grain trade, and is confusing to the shipper, until the shipper is unable to establish a grade on his shipment with any degree of accuracy; and

Whereas a uniform grade established for the entire country and inspected by a board appointed by the Federal Government under the civil-service rules would tend to reestablish confidence in the entire grain trade and form a basis upon which to adjust differences between shipper and seller or buyer: Therefore be it

Resolved, That a law be enacted by the United States Congress providing for Federal inspection, standardization of grades, and weighing of grain entering into interstate commerce.

These resolutions are not ancient history. As I stated, they were adopted February 2 last, and similar resolutions were adopted by the same association at its annual meeting in 1913.

Mr. President, the evidence in this respect is cumulative. We can not escape from the fact that the grain dealers' associations throughout the country and the farmers' cooperative associations dealing in grain are in favor of the proposed Federal legislation.

I read now an extract from a letter which I presented and had printed in the RECORD on April 1. My object is that these expressions may be brought together here at this time in the discussion of this question. The letter is from W. J. Ray, secretary of the National Council of Farmers' Cooperative Associations and secretary of the Farmers' Grain Dealers' Association, of Iowa. I do not know Mr. Ray personally, but I have made some inquiry in regard to Mr. Ray's standing and responsibility, and I am assured that he is a man who is held in high esteem for his honor, his integrity, and his business ability.

The letter is addressed to myself, and among other things the writer says:

I, as secretary of the National Council of Farmers' Cooperative Associations and secretary of the Farmers' Grain Dealers' Association of Iowa, appeal to you to use due wisdom in this matter of grain inspection. Of seven States I represent as secretary of the National Council—Iowa, Kansas, Nebraska, South Dakota, North Dakota, Minnesota, and Illinois—there are approximately 1,800 farmers' elevators or grain companies. This represents approximately 245,000 stockholders, generally producers of grain. Three hundred and sixty companies of Iowa, 48,000 members, are shippers and producers of grain.

Through correspondence and filing of information documents by these local companies to these separate secretaries and the centralization of them all, I find that they almost unanimously request, desire, and appeal for Federal inspection of grains under civil service. We think this will be the most perfect, proper, and just method of handling the grain-inspection department of all terminal markets, making them governmental departments of inspection, appointed or elected by the Government or Department of Agriculture.

Mr. President, what better evidence do we need than the reading of these documents affords in regard to the sentiment of the grain-producing interests throughout this country, and especially throughout the Middle West, the West, and the Northwest?

I am sometimes inclined to ask, Mr. President, who are represented by the opposition to this bill. Whatever else that opposition represents we know that it represents the business of buying and selling grain in the great cities. It is from this interest and not from the people of the country that the opposition comes.

The Senators on the other side of the proposition may in good faith believe that by representing these interests they are representing the interests of the whole country. I am not questioning that they do so believe in good faith; but here is the evidence to the contrary. All of these associations, all of these elevator companies scattered throughout the country, at the places at which the farmer sells his grain, are in favor of Federal inspection.

I can not help the conclusion that in view of the fact that this is so appropriately and so properly a question for Federal regulation, one affecting so materially our interstate commerce, we can do no more appropriate or beneficial thing than to enact this legislation, for which there has long been such general demand.

Mr. CRAWFORD obtained the floor.

Mr. McCUMBER. Mr. President, if the Senator from South Dakota will yield to me for a moment, I wish to say that it has been urged that there is only one State, namely, North Dakota, that is asking for this legislation. The Senator who has just spoken and the Senator who is about to speak represent another one of the greatest grain-raising States in the United States. I feel that they ought to be able to speak to more than four Senators, and I therefore suggest the absence of a quorum.

The PRESIDING OFFICER. The absence of a quorum being suggested, the Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Brady	Hitchcock	Page	Smoot
Brandegee	Hughes	Perkins	Sterling
Bristow	Johnson	Reed	Swanson
Bryan	Jones	Robinson	Thomas
Burton	Kern	Shafroth	Thompson
Catron	Lea, Tenn.	Sheppard	Thornton
Chamberlain	Lewis	Sherman	Vardaman
Clark, Wyo.	McCumber	Shively	Warren
Clarke, Ark.	Martine, N. J.	Simmons	West
Crawford	Nelson	Smith, Ga.	Works
Cummins	Norris	Smith, Md.	
Dillingham	O'Gorman	Smith, Mich.	
Fall	Oliver	Smith, S. C.	

Mr. PAGE. I was requested to announce that the senior Senator from Wisconsin [Mr. LA FOLLETTE], the senior Senator from Arizona [Mr. ASHURST], the junior Senator from Minnesota [Mr. CLAPP], and the junior Senator from Oregon [Mr. LANE] are absent on official duty.

Mr. SMOOT. I desire to announce the unavoidable absence of the senior Senator from Kentucky [Mr. BRADLEY] and the junior Senator from Wisconsin [Mr. STEPHENSON].

Mr. SMITH of Maryland. I desire to announce that the junior Senator from Delaware [Mr. SAULSBURY] is unavoidably absent. He is paired with the junior Senator from Rhode Island [Mr. COLT].

The PRESIDING OFFICER. Forty-nine Senators have answered to their names. A quorum of the Senate is present.

Mr. CRAWFORD. Mr. President, so far as any intention of mine to address the Senate is concerned, it was wholly unnecessary to raise the question of the presence of a quorum, because I rose to say only a single word in regard to this bill.

It has been discussed at great length. A great mass of testimony from those directly interested has been placed in the RECORD. Coming, as I do, however, from one of the great States of the Northwest, in which the principal avocation of the people is the raising and marketing of cereals, I have felt that it was hardly fair for those of us representing other States to leave the distinguished senior Senator from North Dakota [Mr. McCUMBER] to carry the entire burden of supporting this measure so far as presenting it to the Senate and manifesting interest in it is concerned.

I was a member of the committee which several years ago gave hearings and took considerable testimony in relation to the merits of this bill. The testimony that had been taken before that time, in a large volume, when the late Senator from Iowa [Mr. Dolliver] was chairman of the Committee on Agriculture and Forestry, went into the matter exhaustively. That testimony is here in the record. The fact that the hearings have not been repeated every year since signifies nothing more than that the testimony taken at the first hearings has practically gone unchallenged from that time until now. I know, from being in touch with the men engaged in the local elevator business in my State, that since those hearings, at the annual gatherings of their conventions, declarations have been made in favor of this legislation.

These people believe, and I think they have good reason for believing, that the method of inspection which now prevails is one in which the men who make the inspection are largely under the influence of the terminal elevators; that the men upon boards of trade and chambers of commerce, who are engaged in many ways in speculating upon margins and selling futures, have a larger influence over the inspectors and the results of their work than is fair to the producers, who unload the grain from the wagons at the elevators throughout the country; and that, as indicated by the testimony, the grain which the farmer markets and sells upon a certain standard in his locality goes into the elevator upon that grade and comes out for sale at a higher and a different grade, which gives an undue advantage to the middleman who is handling it in these large centers.

It seems to me very reasonable to conclude that a system in which the selection of inspectors is influenced by the boards of trade and chambers of commerce, or where it is influenced by a local political situation, where the men naturally are under obligations of that kind, can not equal in efficiency and impartiality a civil-service system of Federal inspection which will be independent of influences of that character, and that it will promote uniformity and coordination to make the system country-wide and put it under the jurisdiction of the Federal Government.

To have inspectors across the river in Kansas City, Kans., acting under the influence of a board there and under a law of the State of Kansas, make one inspection, and then to have another set of inspectors in Kansas City, Mo., acting under the influence of a chamber of commerce there and under a law of the State of Missouri, make another inspection, in the very nature of things creates confusion, strife based upon selfish interests, and danger of abuse that would not be incident to a system under the supervision of the Federal Government.

My purpose in adding a word here was simply to give testimony to the fact that the interest in this legislation is not confined to the farmers of the State of North Dakota, but is universal throughout the great cereal-producing section of the United States.

Mr. McCUMBER. Mr. President, in all of my 15 years of service here I do not think I have been accused of being overradical. If there has been any complaint whatever against my course, I think it has been that I have been rather too conservative. I do not think that complaint is entirely justified, because I believe all true progress must necessarily be a conservative progress; but I may use that fact to justify myself in the belief that I have not been radical in formulating this bill and pressing it for adoption before the Senate of the United States.

It has been claimed that the effect of passing this bill will be to disarrange the business of the country. Mr. President, if I believed that was true, even in the slightest degree, I not only would not be supporting this measure to-day but I would vote against its enactment. As a matter of fact, you would not hear the grating of a single cog in the machinery of the grain trade of the country if this bill should go into effect to-morrow. On the contrary, instead of disarranging matters it would bring into harmony all of the great grain centers of the country. If this bill should become a law to-morrow, I could ship two carloads of grain from North Dakota, sending one to Chicago and one to Minneapolis, and I would receive the same kind of a grade and would sell them both upon that grade to the consumers of the country; whereas under the present system if I send one carload to Minneapolis and another carload to Superior or Buffalo, each one of them will have a grading that will have to conform to the rules of the particular locality where it

is graded, thus compelling me to sell each one on a different basis, and, in all probability, upon a different grade, even though they were exactly the same kinds of grain.

Mr. President—and I now desire to direct my remarks especially to Senators on the other side of the Chamber, and more especially to those from the Southern States, where cotton is raised—I voted for your cotton bill the other day. I heard your arguments as to the disastrous effect of the system of grading by the New York exchange upon the farmer who raised cotton. I voted for that bill because I knew and because you knew that if you could prevent that manipulation in grades in the city of New York or elsewhere, which worked detrimentally to your cotton growers, you would get a better price at home.

You had a condition there with which you had to deal. You formulated your bill to meet that condition. You knew more about the condition than I knew about it; but I concurred with you that your remedy probably would be a good one, and conformed my vote to your views.

Now, I do know about the grain-grading business. I have lived all my life in States that were peculiarly agricultural in their industries. I have dealt in and have been connected with grain grading and grain inspection and grain selling all my life. I certainly have the ordinary knowledge of a western farmer upon the subject, and possibly, with the study I have given it, I have more knowledge upon it than the average person in my State.

I can not reach the conditions by such a bill as you brought in to protect your cotton interest, because, while all the evils that flow from the cotton exchanges of the country were in reference to the many kinds of grades and the unjust grades, the evils that affect the grain trade are from the inspection in the first instance. That inspection is not in two or three cities of the United States, but at all the great grain centers, and the only way by which we can secure the relief that we demand is by securing an accurate, a certain, and an honest grade right at the point of first inspection; that is, at each individual car inspected.

Mr. SMITH of Georgia. Mr. President——

The PRESIDING OFFICER (Mr. SHEPPARD in the chair). Does the Senator from North Dakota yield to the Senator from Georgia?

Mr. SMITH of Georgia. May I interrupt the Senator?

Mr. McCUMBER. I yield.

Mr. SMITH of Georgia. So far the Government has never standardized wheat?

Mr. McCUMBER. It has not.

Mr. SMITH of Georgia. The present Agricultural appropriation bill carries, I believe, something like $75,000 for that purpose.

Mr. McCUMBER. Yes.

Mr. SMITH of Georgia. That you regard simply as a step in the right direction?

Mr. McCUMBER. Yes.

Mr. SMITH of Georgia. And then after that the Senator thinks it is necessary to have these Government officials to see that they follow those standards?

Mr. McCUMBER. I do; because I claim that we can not have adequate Government supervision unless we have as many supervisors as there are inspectors, so long as there is that close relation between the wheat buyer and the wheat inspector.

Mr. REED. Mr. President——

The PRESIDING OFFICER. Does the Senator from North Dakota yield to the Senator from Missouri?

Mr. McCUMBER. For a question.

Mr. REED. I did not quite understand the Senator's yielding. Of course, if he means to limit me absolutely to asking a question after I yielded to him yesterday and permitted him to interject four speeches in the middle of my speech, I do not desire to interrupt him at all. I wanted to ask a question in the ordinary manner. I ask the Senator if he charges now that the grain-inspection department of the State of Missouri is under the control of the grain buyers or the grain sellers, and if he answers "yes," I want him to tell me upon what evidence he bases it.

Mr. McCUMBER. Mr. President, in my opinion, from the evidence and from my knowledge, there is not a single inspection system in any one of the great cities, whether the appointments are made directly and controlled by the boards themselves, or whether they are controlled by the State, that is not more or less influenced and dominated by the grain trade. Now, that is as clear as I can make it.

Mr. REED. That is very clear as to the Senator's opinion. It impugns the integrity and the honesty of some of the best citizens of my State. I ask the Senator to call the name of the witness who will make the statement, or who has ever made the statement under oath, that the State grain inspection of Missouri is a dishonest inspection.

Mr. McCUMBER. Mr. President, I am not going over a subject, on which the Senator spent several days, in an attempt to collect the evidence which I did collect in my opening address. In this volume, which contains considerable of the grain hearings, which we have all had before us, the Senator will find all the evidence he desires on that particular point. I will have occasion before I get through to refer to it, and for that reason I would prefer not to yield for any discussion, in order that I may get through in a very short time. I will have occasion to quote from at least one of the boards in one of the great cities of the Senator's own State.

I regret exceedingly, Mr. President, that every Senator here who did not and would not listen to the discussion on either side should not at least have read the testimony that has been taken upon this case. If that testimony had been thoroughly read by Senators here, I doubt if there are many who would have found any excuse to vote against the provisions of the bill.

In these hearings the particular evil practiced under each system has been gone into fully. The testimony came from all over the United States. The testimony took up one of the great centers after another and went fully into the question of the methods of dealing in that particular locality, and every one of the witnesses came back to only one conclusion: That all the evils emanated from the improper inspection, and that the improper inspection was due, to a great extent, to the close relation between the buying interest and the inspection department; and every one of them gives as the only complete remedy the absolute divorce of the buying interest from the weighing or the inspection department.

I think that where we have had State inspection it is a great improvement over board inspection. I want to say, further, that I believe the system in the State of Minnesota, if it is properly executed, is one of the best in the United States. I am perfectly willing to give that system that credit. But until we can have Federal inspection, not merely supervision, we shall be unable to prevent the abuses that are possible under that system.

Mr. President, all who gave their testimony before the committee are gentlemen who have had years of experience in the grain trade, and I certainly believe that they are all honest men. I know some of them; I know of their special acquaintance with the business; and if you will read their testimony you can judge for yourself both as to its accuracy and as to its reasonableness. The conclusion I say is this: Divorce your inspection from your buying interest and you will have reached a complete remedy, or a remedy as complete as it is possible to be made in the systems. Where it is governed by the board of trade, as every one knows, the board of trade or the chambers of commerce employ all the inspectors, and they are not only under their domination, but they are their actual agents. Thus you have in the buyer, the weigher, and the inspector practically one man.

I may have entire confidence in the Senator from Colorado [Mr. SHAFROTH], and I would be willing to sell him a load of hay or a load of wheat and allow him to weigh it and inspect it, although he was buying it, and I would take his word for it, but I might not be willing to trust anyone else or everyone else I might deal with in exactly the same way. There is the temptation always to make your rules conform to your particular interest. The people who are engaged in the wheat-buying business are intent to make as much out of it as they reasonably can, and they, like all other human beings, will conform their rules toward that particular end.

In order that the producer of the grain may have an equal opportunity and as fair a degree of justice, all we are asking in this instance is that we may substitute a disinterested party who can not be in any way either influenced or controlled. I know the Senator from Minnesota [Mr. NELSON], the Senator from Missouri [Mr. REED], and the Senator from Illinois [Mr. SHERMAN] say that we have accomplished this when we have adopted State inspection, which takes it entirely without the control of the local board or anything of that kind. To some extent they have done so.

Mr. NELSON. Will the Senator yield to me for a minute?

Mr. McCUMBER. I yield.

Mr. NELSON. I want to say to the Senator from North Dakota that the State inspection system of Minnesota has nothing at all to do with buying the grain. Our system is as much divorced from that as the Senator from North Dakota is. That system never has had anything to do with the buying of the grain. The buyers of the grain are the men who operate the elevators, and they have no control or management over the

State inspection service. It is as much divorced from it as it is possible to divorce one service from another.

Mr. McCUMBER. I just stated, Mr. President, that that was the claim of the Senator. So far as the law reads that might be said to be true, and so far as the rules are concerned that might be said to be true.

Mr. NELSON. Is it not true as a matter of fact?

Mr. McCUMBER. No; Mr. President. I insist that it is not true as a matter of fact. It may be true to-day; it may be true that for a few years it has been the fact; but under the same law, according to the evidence which has been introduced in this case, and I will give but a single instance of it, I will show that it does not always work justly. Here is an undisputed case. I know it is a single case, and it is a single case, possibly, of dishonesty, but I can not square it with any honest purpose.

It is the instance I cited here in which there was a corner in the market, either in Duluth or Chicago, I think in Chicago, one of the Leiter corners. Two hundred thousand bushels of grain had been given a No. 2 grade. It had been given that grade in the elevator. It was necessary to use that grain to get it into the Chicago market and break the corner. An attempt was made for a reinspection, and in the reinspection the inspection department of Minnesota refused to change its grade. An appeal was taken, and the refusal to change its grade was again sustained. They held it was No. 2 and could not be used on the contract grade. Once again an attempt was made, not as an appeal, but an order went forth to grant it as No. 1, and it was graded as No. 1 and was thrown in to break that market.

Mr. REED. May I ask the Senator——

Mr. McCUMBER. Mr. President, I do not know; I simply say it is quite evident that there was some wrong influence at work, and it was worked upon somebody or something that was capable of being influenced. It is not that the law is not a good law, not that the system may not be all right, but I want to get the temptation far removed, and I have more confidence after all in the Government in being uninfluenced than I have in any State board or any single individual.

The PRESIDING OFFICER. Does the Senator from North Dakota yield to the Senator from Missouri?

Mr. McCUMBER. For a question.

Mr. REED. Just for light. The Senator referred to the wheat deal known as the Leiter deal, and stated that that grain had gone into an elevator inspected as No. 2; that there was another inspection demanded and it still stood as No. 2, and a third and it still stood at No. 2, and then the order went forth to change it to No. 1. Now, who issued that order? Where is the evidence that there was such an order issued?

Mr. McCUMBER. Right in this book; but I am not going to stop and turn to it now.

Mr. REED. I wish the Senator would find it. I am seeking light.

Mr. McCUMBER. I can not go back into all the evidence that was given. It is a part of the testimony here. Each time the Senator asks where one can get that evidence I can not stop and read it. The evidence was taken. I am not going to quote anything that is not in the evidence.

Mr. REED. I thought the Senator might tell me whether that order was issued by Mr. Leiter, or whether it was issued by the governor of the State of Minnesota.

Mr. McCUMBER. It could not have been issued by anybody but the head of the grading department, if issued at all.

Mr. REED. Could the Senator cite me to the page of the record so that I may read that remarkable testimony?

Mr. McCUMBER. I could not do it. I can not take the time to look it up now.

Mr. REED. Very well.

Mr. McCUMBER. Mr. President, I wish to make plain the system of handling grain in our State. I can not make it plain to the Senator from Missouri, because he will deny that I make accurate statements and will insist that I must bring some evidence from this record.

Mr. REED. No, Mr. President.

Mr. McCUMBER. Right in the beginning I want to compliment the Minnesota system of dockage as being preferable to the other system, where a lower grade is given instead of docking when the grain is not clean.

The PRESIDING OFFICER. Does the Senator from North Dakota yield to the Senator from Missouri?

Mr. McCUMBER. I yield, Mr. President.

Mr. REED. The Senator ought not to have made the remark that I would challenge his statement of fact. I have not impugned the integrity of the Senator, and I do not intend to do so; but when a Senator states a thing as his deduction or conclusion, it is entirely proper for another Senator to ask him for a citation of the evidence.

That means no more than that the other Senator might possibly like to examine the evidence and reserve the right to arrive at another conclusion. That is the only reason why I interrupted him. I want the Senator to understand that I have not impugned his integrity, and he ought not to put into the RECORD a statement which indicates that I have so demeaned myself as to challenge his word. I have not done that. I differ from the Senator very radically on this bill, but I can differ from a man and still regard him as a gentleman and demean myself as a gentleman.

Mr. McCUMBER. I gave a short time ago, Mr. President, an illustration of how the business was done in the elevator that was referred to by the Senator from South Dakota, and the Senator from Missouri desired me to show any evidence of any such a method of dealing. Mr. President, we who deal with that market every day know how the business is done, and I am going to repeat the statement. If I have 1,500 bushels of wheat and ship it to Minneapolis, it may be graded No. 2, with 2 pounds off. The 2 pounds on 1,500 bushels would mean 3,000 pounds, or 50 bushels; in other words, 50 bushels of the actual weight of all I have in that car are taken out for weeds and foul seed or whatever they may find in it. Then when that is taken into the elevator the elevator reports to the Minnesota board that it has taken in not 1,500 bushels but 1,450 bushels, which is correct. That is what it has taken in in wheat. The other is foul stuff. There will be sent to me a certificate, and that certificate will recite that there are 1,500 bushels of wheat, less 2 pounds per bushel dockage, net 1,450 bushels, and I am credited with 1,450 bushels, and when I receive my pay for it I am paid for 1,450 bushels and not for 1,500 bushels. So when the elevator takes that in it has taken in 1,450 bushels of wheat and not 1,500 bushels, because there is no account made of the chaff and foul stuff.

Now, how is this foul matter taken out? While the elevator actually takes in the 1,500 bushels, there are only 1,450 bushels of real good wheat. That is immediately elevated. As it is elevated it passes through a suction draft, where it whirls around pretty lively and all this lighter stuff is taken out. So by the time it gets up to the bin where it is finally to be placed practically all the foul stuff is taken out and only the good wheat is binned.

Ordinarily if the inspector has made a fair inspection the foreign matter that is taken out will just about equal the dockage. That foreign matter is taken and, as a rule, some of it is cleaned over again and sold perhaps for a lower grade of grain. The rest of it is ground into what they call cattle feed and sold, as shown here, for about $8 a ton. In other words, the estimate is that all the foul seed, and so forth, that is taken out is generally sold for $8 a ton. That pays the elevator owner fairly well for the mere matter of elevating and getting out the foul stuff.

But we are not complaining about that, because if the farmer wants to sell clean wheat, as was stated by the Senator from Minnesota, all he has to do is to put it through a fanning mill, and then possibly there will be no deduction whatever for weeds, and so forth. He does not do it in my State for a good reason, because the cost of handling that grain from the thrashing machine, bringing it to the granary, unloading it, putting it in the bin, running it through a fanning mill, and hauling back again would more than make the difference in the dockage. Therefore, as a rule, it is more profitable to send it right from the machine and have the docking done at the terminal, even though he has to pay the freight, and that explains why he does not use the fanning mill and answers the inquiry which was made by the Senator from Minnesota.

Mr. President, I want to call attention again to this table for another reason. No one questions the integrity of this table. It was not made by political farmers such as have been denounced here, but the bankers' association of my State, knowing from their own dealings in grain that the system was not working accurately and justly, appointed their own committee and made an investigation, and they made this report. They took but a single elevator. I want to call attention to that again. There were inspected in the particular elevator 99,000 bushels of No. 1. There were inspected out of it 196,000 bushels, or nearly twice as many bushels. There were inspected into it 141,000 bushels of No. 2. There were inspected out of it 467,000 bushels, or over three times as many bushels. There were taken into it 201,000 bushels of No. 4. There was not a bushel of No. 4 that went out. There were taken into it 116,000 bushels of no grade, which is worse than No. 4, and not a bushel of that was shipped out. There were taken into it about 60,000

bushels of rejected, which is worse than no grade, and not a bushel of that was shipped out.

So you will see that all these lower grades were metamorphosed into higher grades. That could be done to some extent, and be honestly and fairly done, and I will show you how it could be done. If I have 200,000 bushels of very good grade of No. 1 and buy 100,000 bushels of a fair grade of No. 2, I might mix the No. 2 with the 200,000 bushels of No. 1 and make it all a No. 1 grade. That can be done and that is legitimate and proper mixing.

All I want to say of this particular table is that it is evident that so far as the dealing with that elevator is concerned it was possible, under this good law of the State of Minnesota, that somebody was imposed upon. There can not, by any system of mixing upon the face of the earth, be brought about a result of that kind. No one has denied that table or denied that it is accurate in any respect whatever.

I want to agree with the Senator from Minnesota that any such rank violation of the good of the law of the State of Minnesota may not be practiced to-day, but what I insist upon is that under that law and under that system it has been done for years and can be continued to be done.

These were not all the tables that have been introduced along that line. On the contrary, I introduced in the evidence the tables covering a number of years of the shippings in and the shippings out of the elevators in the State of Minnesota, and in every word that I am uttering I am not impugning the honesty or integrity, but rather showing the inefficiency of the system. It is inefficient in that it has been and can be imposed upon, and I can still give another reason.

I want to call attention to another table here. It is on page 207 of the testimony. There are covered three years, and while it does not show such rank conditions between the shipping in of a grade into an elevator and the shipping out, it does show such an enormous difference that it would be impossible to secure that difference with any legitimate method of doing business. I will not stop to quote it, but I simply call attention to it.

Now, Mr. President, I want to call attention to another matter, because it relates to the same thing. The Senator from Minnesota says that his system is as perfect as it can be made. The Senator from Minnesota takes a just pride in the Minnesota system, because he was really the father of it, and it has been close to his heart all the time since. A good system, a much better system, was inaugurated in Minnesota at the time the Senator was governor of that State, and it has been made better year after year as he has stated, and yet under that system, as shown by the resolution of his own State, it has been abused. I want to put the system where that abuse will have to cease.

I want to call attention to the fact that a few years ago, on the first day of the meeting of the Minnesota Legislature in 1899—this Minnesota law is much older than that—a resolution was introduced which reads as follows:

> Whereas it has been freely charged that the department of grain inspection has become corrupt; that the inspection has been in the interest of the buyer as against the shipper and producers; that grain has been inspected in as No. 2 or 3 and inspected out as No. 1; that the dockage has been unreasonable, unjust, and excessive; that the department has employed incompetent and corrupt men as inspectors; that the only qualification necessary to secure a place on the force was a political pull; that a large number of men have been employed that have performed no other services for the State save and except they have regularly drawn their salary; that the freight charges on farm produce have been extortionate, unequal, and unjust; that the distribution of cars for the shipment of grain has been unequally distributed and often withheld from independent shippers; that the public elevators, licensed by the State, have formed unjust and corrupt combinations to buy grain at from one to two grades below what it actually was, and to take excessive dockage: Now, therefore, be it
>
> *Resolved*, That a joint committee be appointed to thoroughly investigate all these charges and report by bill or otherwise at their earliest possible convenience.

This came from the same State, and it is not a condemnation of the system at all, but merely a condemnation of the abuses that have been made possible under the system. I should like the Senator's attention to that. This is what that committee of the Minnesota Legislature reported back:

> We find from the evidence produced:
>
> 1. That the grading of wheat has not been uniform; that prior to the month of October the new crop of wheat had not been graded solely on its merits, it being the policy of the inspection department to give lower grades than later.
>
> 2. That the system of appeals from the inspector's decision is impracticable and of little benefit.
>
> 3. That it appears that some of the inspectors have been incompetent or careless.
>
> 4. That the weighing of grain at the terminals is carried on in a loose manner.
>
> 5. That the farmers suffer a great loss by shipping uncleaned wheat and by loading wheat into dirty and unswept cars.
>
> From the investigation had before this committee, it clearly appears to this committee that wheat inspections have not been uniform throughout the year. That the grading of wheat has been rigid during the first three or four weeks of each season and less rigid during the balance of the year, and we can not in too strong language condemn this practice, as it must necessarily result in great loss to the producer, from the fact that a large proportion of the crop has been marketed before the change takes place, and on all the wheat sold prior to that time the loss must necessarily fall on the producer.

That explains to some extent the great discrepancy in the ingrading and the outgrading. Why? Because during the time that the farmer was selling his wheat a rigid inspection had been adopted, and it had been adopted for years. Then, when the farmer had practically disposed of all his grain, this loose inspection, this less rigid inspection, took place, which operated to give a higher grading to the same grain. That has been possible under these State systems and it has been possible, Mr. President, under the best system, in my opinion—and I will agree with the Senator from Minnesota [Mr. NELSON] that it is the best system—in the State of Minnesota. If such a thing is possible under the best system, it is quite probable under the other systems.

I will not go over the Chicago, the Baltimore, and the other methods of inspection and grading, but only say that the testimony here shows a peculiar kind of evil in the trade of each of these centers, all dependent upon the ability to manipulate grades. If you take away that ability to manipulate the grades, you have taken an enormous forward step for the benefit of the grain trade in the United States.

This evidence all shows that the farmer can not depend upon any of these inspections. I can cite you resolutions and pages in this testimony to the effect that our wheat is graded lower and bought lower upon the same grade because of the distrust of the grade and because the purchaser must always take under his contract the particular grade that is certified, and he has no remedy.

Practically all of the millers in the country are for Federal inspection of grain. Why? Because they are consumers; because they are purchasers. They want certainty. They are compelled to buy from a hundred thousand to five hundred thousand bushels, it may be, one month or six months in advance, and they want to know that the grade they are going to get is the grade for which they contract. They say in all of their resolutions which have been introduced here that they can not get that grade at the terminals.

Again all the independent elevators of the country have appealed for Federal inspection of grain; all of the farmers' elevators have been appealing for this inspection of grain. You have just heard read a resolution of February, 1914, representing seven of the greatest grain-growing States in the United States and over eighteen hundred farmers' elevators, including those in the State of Minnesota, the State of Illinois, and other Western States; every one of them demanding not Federal supervision, but Federal inspection, so that they may know what kind of grades they will secure. I have here resolutions and letters from all of the consuming States in the South, every one of them portraying the fact that when they buy corn of a certain grade or when they buy oats of a certain grade they seldom get the grade for which they contract. Now they are asking for relief.

Mr. President, I want to call attention for a moment to the two bills and to make a comparison of them. My bill provides for a Federal standardization of grades. Five years ago every one of these exchanges was fighting it. To-day there is not one of them that is doing so openly, but, on the contrary, they come out now and say that they are for the Lever bill; they want Federal standards.

My bill also calls for uniformity of grade. Every one of these exchanges, who 5 or 10 years ago were fighting with a ferocity that seemed to me to almost verge on insanity, have now come around, and every one of them declares they are in favor of uniformity of grade. They say so, but they do not mean it.

It is possibly best here to explain what uniformity of grade means. The Senator from Missouri [Mr. REED] made a long argument showing the impossibility of securing a grade that would be uniform. Uniformity of grade does not mean that I am to take any blue-stem and velvet chaff and macaroni and half a hundred other kinds and get a single standard that will apply to all; it means that if I take Scotch fife, for instance, that I shall have one, two, three, or four grades of Scotch fife, one or two or three or four grades of blue-stem, and a grade where they are mixed or where one predominates. So with your oats and corn.

As has been stated by the Senator from Minnesota, there are about 12 important species of grain raised in the United States, but there are, in fact, only about 8 important ones, and the others are unimportant. Each one of those is raised in a particular section of the country. You have turkey red; you have winter red; you have winter white; you have the kind of grain

that is raised on the Pacific coast and up in southwestern Canada, the same as we raise in the two Dakotas and Minnesota. All of a particular kind of grain raised in the same section can be graded exactly under the same system. To-day, if I send one carload, as I have said, to one of the States, I get one kind of a grade, and if I send another carload of exactly the same kind to another State, I get another grade; yet they are both sold by their grade and their value represents from 3 to 5 cents difference, according to the grade that is placed upon that grain. It is therefore most essential to me as a seller, and most necessary to you as a buyer, that we shall buy and sell the same grade, whether it is bought in the Chicago market, in the Duluth market, or in the Buffalo market.

We come now to the next comparison. My bill calls for inspection by the Federal Government. The Lever bill, which is to be proposed as a substitute, calls for supervision. It is only just and fair to say that my bill is drawn to conform to the wishes of the consumers and the producers, while the Lever bill is drawn to conform to the wishes of the dealers. It is drawn by them, it is of their nature, it is for them, and it is most natural that it should conform to their views and should facilitate the accomplishment of the end which they desire to accomplish—that is, to make the most out of their business they can under the full and fair terms of the law. My bill conforms to what the millers want; it conforms to what the farmers all over the country want where they have given any expression whatever to their views.

If—

Says the Acting Secretary of Agriculture—

I have Government supervision, I think I can do just as well as though I had the actual inspection.

That is what is said by Mr. Galloway. I wrote to Mr. Galloway asking if he had changed his mind. He replied that he had not changed his mind; that he still could go ahead and do the inspecting. When he was before the committee he declared and Secretary Wilson said:

Yes; we can do this and put the system into operation without any trouble whatever.

I think I know why the present Acting Secretary of Agriculture takes rather a different view from what he did before the committee. He really does not take a different view, for he could not do that; but he supports the other bill simply because he has seen the necessity of it; that with the little farmer organizations and with mighty active boards of trade organizations we have been unable to get a vote of the Senate upon the proposition, and so he has despaired of getting a vote. The bill that they have got is satisfactory to the boards of trade, and if they can put that through they will be satisfied, as they prefer, it is stated, to get half a loaf rather than to get no bread.

Mr. President, there is no supervision in the Lever bill; when you come right down to it, you can not have supervision. The viciousness in the present system everywhere in the United States lies in the possibility of reaching the man who inspects through his friendship, through his acquaintanceship, through that general family relation that exists between the great buying interests and those with whom they are in daily converse and whom they meet day after day, friends and acquaintances. It so happens that they do make those changes; it so happens that they are not always just; and, as stated by the chief inspector of the State of Minnesota, in answer to questions put to him by his own legislature—

Yes; we do grade every year higher when the wheat first comes in. We do this because we do not know exactly what we are up against, and we want to be certain; in other words, we resolve every doubt against the farmer and in favor of the buyer.

That is what it means, and it means nothing else. We want a corps of inspectors who will be absolutely free from such influences, who will not meet demands made upon them, and who, to be sure that the purchaser will be protected at all times, will not resolve all doubts against the farmer.

Mr. STERLING. Mr. President——

Mr. McCUMBER. I yield to the Senator.

Mr. STERLING. I should like to ask the Senator to state, if he will, what class of farmers are most affected injuriously by that course of "rigid" inspection and grading early in the season.

Mr. McCUMBER. Mr. President, we who farm and have grave difficulty in making both ends meet know where the pinch comes. We can not hold our grain until the winter, until the grades get easy; we have debts to pay, and we have to put that grain on the market just as quickly as we can get it on the market, because the collector is at our door for his money. The man who is in debt, the poor men, the men who can not afford to store their grain, the men who have no granaries, are the men who get pinched under this loose and rigid system of grading and inspecting.

Mr. President, I want to say a word about the cost of this system, because it has been asserted over and over again that the proposed Federal inspection system is going to cost a million and a half dollars. It is not going to cost one penny. Who pays for the grading to-day? Every man who sells a bushel of wheat pays for it. The Government does not pay for it; the State does not pay for it; the boards of trade and chambers of commerce do not pay for it. Under the proposed new system the expense will be paid in just the same way as it is paid now. The farmers have not the influence that the great meat packers have. You make the Government pay $3,000,000 for inspecting the meats of the packers, so that they may have a Government certificate back of them; but the farmer does not dare ask such favor, because it would be said that it would cost a million and a half dollars for the Government to do it. He does not ask the Government to pay a penny. He says, "Give me the right to have a person in whom I have confidence inspect my grain, and I will pay 50 cents or $1 or $1.50 a carload; I will not grumble about the price." But, Mr. President, it will not begin to cost the amount the Senator from Missouri has stated. He says, in effect, if I caught him correctly, that the Secretary of Agriculture estimated that the cost would be a million and a half dollars at the 16 places mentioned in the bill.

If the Senator will look over the manuscript from which he was reading, he will find that the Secretary did not refer only to those places. I sent down to the Secretary of Agriculture some few years ago—and I want you to understand we do not raise any more wheat and grain now than we raised then—I sent down to the Secretary of Agriculture to get his report, and I found he named 34 places at which possibly there might be Federal inspection. Then he estimated the number of men at all these places. I can get the same number, because I can write over to Baltimore or any other place where grain inspection is carried on, and I can get the number of inspectors who are employed there, and I can add up the number and arrive at a final conclusion of the cost. The Secretary of Agriculture added up the figures, with a sufficient number in addition to make certain, and placed the number at 630 men, which is more than are inspecting to-day all the grain in the United States. Then he made a statement of the cost of the inspection in the 34 places. I can not at this moment put my hands on the statement of the Secretary, but it is found in one of the Senate documents.

I have the figures as to what it costs in Minnesota. May I ask the Senator from Minnesota what is the charge now for inspecting a carload of grain in that State? Is it 25 or 35 cents?

Mr. NELSON. I think it is 25 cents.

Mr. McCUMBER. I think that is right—25 cents a car for inspecting. In the year for which I have the figures, 1903, when they raised a fairly good crop—and the crop in Minnesota is about the same as that in my State—the expenses of the grain-inspection department in Minnesota were $236,355 and the receipts for weighing were $261,381, leaving a balance of more than $25,000; and that, I think, was at 25 cents a car, although I am not sure that that was the charge at that time; I can not state that accurately; but those figures will show that with a charge of only 25 or 35 cents a car for inspecting, you can more than pay the expenses of grain inspection in the State of Minnesota; and every one of these boards has a profit at the end of the inspection year.

Mr. SMITH of Michigan. Mr. President——

Mr. McCUMBER. I yield.

Mr. SMITH of Michigan. The suggestion of the Senator from North Dakota puts a new aspect upon this case. If we are to go into the business of Federal inspection for the purpose of raising revenue to run the Government, it would be quite a serious temptation with the present prospect of a deficit.

Mr. SMITH of Georgia. I trust the Senator from Michigan will not trouble himself about that. I thought he rose to suggest to the Senate that, as revenue was to be raised by this bill, it should have originated in the House, as the Constitution provides that revenue measures must originate in that body.

Mr. SMITH of Michigan. No; I would not raise a constitutional point at this time, especially with so many of my Democratic friends absent from the Chamber.

Mr. SMITH of Georgia. I am glad to know that there is some question which the modesty of the Senator from Michigan would deter him from raising.

Mr. McCUMBER. Mr. President, I regret that the bill is not drawn to conform to the suggestion made by the Senator from Michigan, but it provides that only such fees shall be charged as will pay the legitimate expense of the inspection at those

points and that the salaries paid for inspection shall correspond, as nearly as possible and practicable, to the present salaries paid inspectors in all the places. So that I have carefully guarded that proposition.

Mr. President, to make certain what this bill means, let me make these declarations as clearly and succinctly as it is possible for me to make them.

First, by the provisions of this bill, there is to be no Federal inspection where there is not State or board inspection to-day.

Second, it is proposed to take over the machinery now in operation in all of the inspection departments and simply to put that machinery under the arm of the Government and have grain inspected by the Government instead of by a board or by the State.

Third——

Mr. NELSON. Mr. President, will the Senator yield for a question?

Mr. McCUMBER. With pleasure.

Mr. NELSON. Are the men who are to be transferred from the State inspection service to the Federal inspection service likely to be more honest under the Federal Government than under the State government?

Mr. McCUMBER. They are not one bit more likely to be inherently honest; but take away the influence that may bear upon human beings to make them step without the straight and narrow path and they will be more likely to stay within it. That is all I am claiming for them; that is all I expect they will do.

Again, three things are sought in the bill; a Federal standardization that will mean the same the world over; second, uniformity of grades that will allow me to sell the same kind of wheat in any market in the United States or abroad upon the same grade; and, third, integrity of inspection. That is all this bill seeks to do, and if it does not entirely conform to these propositions, I am ready now to make it conform to those three specifications. I want, now, to go over the bill a little in detail, so as to explain these three propositions. Section 1 provides—

That the Secretary shall organize in the Bureau of Plant Industry—

Which he already has—

a section of grain inspection.

Well, that is unnecessary, because he has organized it already, and it has been organized for years.

SEC. 2. That the Secretary shall appoint, in accordance with the rules of the civil service, at each of the following cities, to wit—

Then are named a dozen or more of the most important cities. I do not pretend to name them all, but to show the general class. Then the bill provides:

and at such other important centers of interstate trade and commerce in grain as he may consider necessary or proper for carrying out the provisions of this act, one chief grain inspector and such assistants as may be required to inspect and grade grains as herein provided.

I shall ask to insert in the list of inspection cities, after the word "Seattle," Portland, Oreg., and Detroit, Mich. Again, section 3 provides:

That said inspectors shall be paid a salary or compensation to be fixed by the Secretary of Agriculture, which shall correspond—

I am reading this to answer the argument of the Senator from Missouri—

as nearly as possible to salaries and compensations paid other officers or employees of the Government performing similar duties.

Complaint has been made, Mr. President, of the bill because no bond is required of the inspectors. There is another section which provides that the Secretary shall promulgate and make all necessary rules, and I did not want to insert a bond provision, for I knew that he would require a bond under the rules, because he is to adopt the present system as nearly as may be; and, as it is the custom to require a bond, he would undoubtedly exact it; but to be absolutely certain that that complaint can not be lodged against the bill I shall propose an amendment which will read:

Each inspector shall execute a bond, with sufficient surities, for the faithful performance of his duties and for the benefit of any party who may be injured by any act or omission of such inspector, in such sum and with such conditions as the Secretary of Agriculture may by rule provide.

You might need different conditions in different sections of the country; one might be an exporting, the other an internal purchasing agency; and the conditions might be different. That should properly be left to be governed by rule.

Section 5 authorizes the Secretary of Agriculture to establish the grades, and it provides further:

In the inauguration of the work herein provided—

That is inserted so that there shall be no hiatus of time or condition—

In the inauguration of the work herein provided he may, if in his judgment the best interests of trade and commerce in said grains require it, adopt the standards of classification and grades now recognized by commercial usages or established by the laws of any State or by boards of trade or chambers of commerce.

This is so that there shall be no sudden change, no disarrangement. He is to take your present grades and your present system and make his modifications upon due and proper notice and after a full investigation. If it takes him a year or two years, he will continue your present grades at least until he finds a system that is better in the matter of grading.

It was feared that it would throw a lot of these men out of employment, and it is asked where we will get the inspectors; and Senators criticize this bill upon the ground that we will have to go to the colleges and get young, inexperienced men. I assume that without any rule the Secretary would naturally call for those who had had experience, and he would naturally go to these very places; but to make that certain I insert:

And may employ the forces now employed in the inspection and grading of grain at the several grain-trade centers.

That would naturally be done, even without that provision; but I want it certain that we will get only the best men. I am quite certain that he will find no difficulty, at least this year, in securing the services of these men at the salaries that are now being paid them.

Mr. SMITH of Michigan. Mr. President, whether he would get people who were familiar with cereals is greatly to be doubted. I remember a case that arose in my own State, where the Civil Service Commission advertised for applicants for appointment as boiler inspectors, to inspect the boilers on our vessels on the Lakes. A captain who had been on the Lakes for 25 years and was perfectly familiar with boilers was ruthlessly cast aside in favor of a young man who had just come out of school, but who could foot up a column of figures quicker than the captain could. On the same theory the chances are that you would want an entire stranger to cereals to make these inspections.

Mr. McCUMBER. The Senator perhaps knows that I am not wedded to the civil service itself.

Mr. NELSON. Mr. President, will the Senator yield to me?

Mr. McCUMBER. Certainly.

Mr. NELSON. Would it not be dangerous to take the men employed under these State systems, who have been so corrupt and bad, and transfer them to the Federal system? Would not they be apt to corrupt it?

Mr. McCUMBER. Oh, Mr. President, I do not think very many of them have been corrupt and bad. It is enough that the system has worked a wrong. The evidence speaks for itself. I am not impugning the motives of these men. They perhaps average just as honest as the average man—no better, no worse. It is simply that when I am representing a country that is dealing in 700,000,000 bushels of wheat alone, and in farm cereals that amount to eight or ten billion dollars, that we must sell upon grades, I want to put the credit of the certificate beyond any possible question, so far as it can be done.

Mr. NELSON. But you do not eat it on grades.

Mr. McCUMBER. Just a moment, Mr. President. I would not say that the Minnesota men could not coin the gold dollars of the United States just as accurately as the Government can do it, but when I take a gold eagle I would rather have the Government's stamp on it than the stamp of any State in the Union. I feel safer about it, and I think any foreign purchaser or seller taking that coin would feel exactly the same way.

Mr. NELSON. Mr. President——

The VICE PRESIDENT. Does the Senator from North Dakota yield to the Senator from Minnesota?

Mr. McCUMBER. Yes.

Mr. NELSON. I suppose the Senator from North Dakota would feel safer in eating a loaf of bread if there were a Government stamp on it?

Mr. McCUMBER. Mr. President, I thank the Senator. I have seen a load of bread go down these streets, and I have seen half of the loaves tumble off into the street. I have seen some colored man shining with grease and dirt get those loaves and push them against the sweating side of a horse and put them back again; and they were delivered, of course, as good No. 1 bread. I would rather have upon the loaf the Government certificate that it is well wrapped and protected and that it is good and that it is clean.

Mr. SMITH of Michigan. Yes; but if the certificate was put on at the oven that would not remedy the difficulty of which the Senator complains.

Mr. McCUMBER. No; but I would remedy the difficulty by having it protected all along the line. That is just what I am trying to do here. I do not expect to have anything perfect as long as there is imperfection in human nature, but I want to get it just as nearly perfect as it is possible to get it. The fact that the people of my State, the millers, all of those who have

been asking for this, all of the independent grain dealers, say "put it under Government inspection and put the inspectors under the civil service," has made me yield my views. I would not care whether they were under civil service or not, so far as I am concerned. Remove the inspectors from this influence, this family influence, this marriage influence with the boards of trade, and I am not afraid that we will not get substantial justice. I do not expect that we will have everything absolutely perfect.

Again, it is asserted that under this bill we would have to inspect at every possible point; that if a car went through a corner of a State it would have to be reinspected. Mr. President, under the bill as it originally stood there was no necessity for any inspection except at those great terminals; but to make it absolutely unquestionably so I have offered certain amendments, so that no man can make that argument, which to me has at all times seemed to be without any foundation whatever. That result is obtained by adding different amendments in several places.

One is in section 9:

That it shall be the duty of said inspectors to inspect and grade all grain—

Now, as it originally read, it was—

Which at the time of inspecting and grading of the same has been shipped from any other State—

And so forth.

That related back to the other section, which provides where these inspectors shall do their inspecting, and so forth; but to make it certain, I say:

Arriving or collected at any of the aforesaid grain centers and—

So that will be beyond any question.

Again, in section 9, concerning the weighing and grading of grain, I propose, on page 6, line 12, after the word "Agriculture," to insert:

Provided further, That no inspection or grading of grain shall be required except at the aforesaid important grain terminals.

I can not make it stronger than that.

Mr. SHERMAN. Mr. President—

The VICE PRESIDENT. Does the Senator from North Dakota yield to the Senator from Illinois?

Mr. McCUMBER. Certainly.

Mr. SHERMAN. I wish to inquire, before the Senator leaves this branch of the subject, whether it is possible, under this bill as amended, for me to ship grain from any point in Nebraska to any point in Indiana, or from Illinois to any point in Indiana, by way of Chicago, without inspection?

Mr. McCUMBER. Mr. President, if the grain was consigned from one State to a particular point in another State outside of this great terminal, the fact that it had to pass through Chicago would not require any inspection, because it would be inspected at the place of consignment, as the Senator will see from reading the language—"when consigned to these terminals." If it is sold in Chicago; if it is not merely transferred, but goes into the market in Chicago of course it would be inspected; but if the Senator were shipping it to a place in Indiana, of course, he would not stop it in Chicago at all for any purpose.

Mr. SHERMAN. But a large part of the freight must go through Chicago as the point of transmission.

Mr. McCUMBER. Oh, yes.

Mr. SHERMAN. Either that point or St. Louis, because they are the collecting points for the great bulk of the freight of that part of the country. I wish to inquire specifically whether I could ship from Bloomington, Ill., to Fort Wayne, Ind., by way of Chicago, without having my grain inspected at all, either at Bloomington, at Chicago, or at Fort Wayne?

Mr. McCUMBER. If Bloomington is not one of the important grain centers—and it is not mentioned here——

Mr. SHERMAN. No; it is not covered by the bill, and I am assuming that it has not been added by the Secretary of Agriculture.

Mr. McCUMBER. Then the Senator can. It will not need to be inspected, under this bill.

Mr. SHERMAN. I wish to say that in my judgment, in view of section 13, the Senator is totally mistaken. I believe that section makes it compulsory, so that I could not escape it without being subject to the penal provisions of the bill. In other words, section 13, when read with sections 8 and 9, even as amended, absolutely bars it. It makes grain shipped from Bloomington, Ill., to Fort Wayne, Ind., by way of Chicago contraband of commerce unless it be inspected at some of the points—for instance, Chicago, which is one of the inspection points specifically provided in section 2. Otherwise the grain is absolutely barred under this bill.

Mr. McCUMBER. Mr. President, I will read section 13, and we will see:

That the shipment or consignment of any grain aforesaid—

Now, we are speaking all the time of the grain at these great terminals—

from any of the places mentioned herein—

That is, the inspection terminals—

to another State or foreign country—

That is, where it starts from that terminal; not where it passes through it—

without the same being inspected and graded as herein provided is hereby prohibited; but where grain has been once inspected hereunder and remains unmixed with other grain the same need not be reinspected at the place from which it is exported: *Provided, however*, That said secretary may, in his discretion, reinspect any cargo of such grain before the same is exported.

To a foreign country. That is what that means. Then I add, on page 7:

but may be reinspected upon demand if for any cause its character or quality has been materially changed since the previous inspection.

There is no question as to the meaning. I do not think it possible to get that intent from the section indicated by the Senator from Illinois; but there is no question but that it would not have to be inspected. If the Senator feels that that language does not make it sufficiently clear, certainly a few added words would make it so. I think it does.

Mr. SHERMAN. Mr. President, will the Senator permit me to interrupt him again?

Mr. McCUMBER. Certainly.

Mr. SHERMAN. That all depends upon what the word "shipment" means. I think the word "shipment" in this bill means that if it be transmitted——

Mr. SMITH of Michigan. From the producer.

Mr. SHERMAN. From the producer, by way of Chicago, or any other one of the grain centers mentioned in section 2, to its point of destination in another State, it is a shipment.

Mr. SMITH of Michigan. It is an interstate shipment, of course.

Mr. SHERMAN. It passes inevitably under the interstate provision, and is prohibited.

Mr. McCUMBER. No; Mr. President, I can not see that the mere fact that it passes through one of these centers would make it subject, if you will read the whole bill, to reinspection at that place. I have proposed to insert here the words "or collected." Now, you may say there, "collected or disposed of at such place," if you desire. I do not think it is necessary, but that would place it beyond any possible question. It is not so intended.

Mr. SMITH of Michigan. Mr. President, suppose the farmers of Cass County, Mich.—a county adjoining one of the counties of the State of Indiana—gather their wheat in Michigan and find their market in Elkhart, Ind., and this grain is transported from the farms in Michigan across the border into Indiana and is there sold to an elevator company. Must there be any inspection of that grain before it arrives at the elevator?

Mr. McCUMBER. Not the slightest.

Mr. SMITH of Michigan. Then, if it is inspected after it reaches the elevator, and by reason of that inspection is given a higher classification than the farmer in Cass County sold for, the elevator man gets the benefit of the higher classification and the farmer gets nothing. Am I right about that?

Mr. McCUMBER. Of course, that would naturally follow; but neither of those places would be subject to inspection under this bill.

Mr. SMITH of Michigan. Notwithstanding the commodity becomes an interstate commodity from the farmer's barn until it reaches the elevator at Elkhart. Now, if the quality be not tested until it has passed into the hands of the middleman at Elkhart, any benefit to be derived from the legal test inures to the benefit of the owner of the elevator and not to the producer of the wheat.

Mr. McCUMBER. Mr. President, the Senator can see the impossibility of having Federal inspection or any other inspection for every bushel of wheat. We do not have it now.

Mr. SMITH of Michigan. No.

Mr. McCUMBER. You would not have it at those places, and you have not it now under any of your systems. I am not changing those in any way. I will discuss a little later what happens when the grain has passed out of the farmer's hands, and what effect giving it a higher grade, or any manipulation of it, has upon him.

Mr. SMITH of Michigan. I am very anxious to hear that branch of the matter discussed, because I am deeply impressed with the idea that the producer gets no benefit unless the stand-

ard of American production is elevated by the Government stamp, and the market as a whole is thereby widened.

Mr. McCUMBER. Mr. President, I have noted down a few points of the Senators who spoke, and I am going to follow them right up as rapidly as I can and answer each one of them very briefly, because I can not do otherwise and bring this to a vote to-day.

I will take up, first, one of the points made by the Senator from Missouri [Mr. REED]. He says:

> This is not a bill which affects the morals of the people. Therefore, unlike the pure-food bill, there is no demand for it.

Mr. President, like the pure-food legislation and like the fraud-order legislation, this bill protects the pocketbook as well as the morals of every person; it compels the grain which is now sold by grade all over the United States to be sold upon its honest grade.

Secondly, the Senator says:

> The same argument for inspection could apply to every product of the farm and factory.

Mr. President, the reason does not apply to every product of the farm and factory; and the very fact that all of the States and all of the grain centers in the United States have adopted this policy evidences the necessity of selling grain by grade. Therefore that policy having been adopted, our only desire is to secure a grade upon which we can depend.

Again, he says:

> The Secretary can employ as many persons as he sees fit, and pay them whatever salaries he sees fit.

That is especially guarded in the bill, which provides that he shall employ only such persons as are necessary, and shall pay only the usual salaries paid for that kind of work.

Again, in answer to a query from the junior Senator from Georgia [Mr. WEST], the Senator from Missouri says:

> Would a carload of grain have to be inspected when it crosses a corner of a State?

A carload of grain will not have to be inspected except at these great terminals; nowhere else; and only when it is disposed of at those terminals.

Again, the Senator speaks of the "discourteous treatment" given certain witnesses by the committee.

I am not a member of the Committee on Agriculture and Forestry, but I happened to be present when the "discourteous treatment" of which he speaks occurred. A number of gentlemen were here who wanted to be heard. The acting chairman took their names. Every one of them had testified before. He said to these gentleman: "Have you anything new?" "No." "What object is there in taking further testimony if you have nothing new to tell us?" "Well, we do not know; we simply want to express our opposition to this bill." "If you have anything new, we will hear you." One or two witnesses offered something new and that was taken. That is the "discourteous treatment"; nothing more.

Again the Senator says:

> Not 5 per cent of the grain which is sold at these great terminals is farmers' grain.

I am coming right directly to the point now about which the Senator from Michigan asks. Not 5 per cent of the cotton, for which you had a bill passed here the other day, is in the hands of and owned by the farmer when it reaches New York; possibly not 1 per cent or one-half of 1 per cent of it; but when you passed that bill you knew that you were legislating for the producer.

Let me explain that to the Senator.

I have in my granary a thousand bushels of wheat. It is good No. 2 wheat. It is worth 90 cents a bushel if I can get No. 2 grade for it. If I send it to Chicago or to Minneapolis or to Duluth and get only No. 3 for it, we will say that it is worth only 85 cents a bushel. Then I have lost 5 cents a bushel, have I not, if I send it directly there? But suppose I sell it to the elevator man, and the elevator man has some more just like it, good No. 2 wheat, and he can get only No. 3 when he sells it, what will he pay me for mine? Why, he will pay me a No. 3 price. My price, whether it is bought by the elevator man or not, is always dependent upon what it will bring at the great terminal, and what it will bring at the great terminal always depends upon the grade.

That is the direct evil, and that is how it reacts back upon me.

Here is the secondary evil, which is just as bad: Suppose I send out some No. 2 wheat, and it is worth, we will say, 85 cents a bushel. The elevator man pays me 85 cents a bushel. It is only No. 2. Suppose, however, that by means of a little doctoring, or whatever he does, the elevator man palms it off on the next man and grades it No. 1. He takes it to his mill to grind, and he finds that it does not correspond to No. 1. What does he do when he buys the next lot from the same man? He says: "I will pay only a No. 2 price for No. 1," and that means a No. 3 price for No. 2.

So, you see, in either event that will affect every bushel that I have in my granary, because the elevator man has destroyed the market of my good grain by adulterating it.

Let me give another illustration, which I think is a very important one. I was told, just after we passed the pure-food law, of a little incident in a very important neighboring city. I will not mention its name, but I will simply say that it has not been burdened with a regional bank. There was a great sign across the whole front of a building there reading: "Pure Vermont maple sirup." We passed the pure-food law. A few days after it was signed down came that sign, and in place of it there was elevated another sign, reading: "Corn sirup; the best in the world."

The man who had been buying the corn sirup was getting, perhaps, just as digestible an article as maple sirup, and perhaps a better article, so far as the physical system was concerned. He thought it was maple sirup. He was not hurt at all. Perhaps his health was improved. Can you not see, however, than when you unloaded all of that colored and flavored glucose on the country as maple sirup it drove down the price of all of your real maple sirup? So it is when you foist No. 3 and No. 4 and No. 5 grades on the consuming public as Nos. 1 or 2 grade; you drive down the value of all of your good wheat. The farmers know that; every wheat buyer knows it; and that is the thing that they have been struggling against. They want honest grades, an honest market, and honest certifications.

Now, I want to call attention to another thing. The Senator from Missouri says that the St. Louis exchange did not resolve in favor of Federal inspection. He criticized me, I thought, rather unjustly for having dared to make such an assertion; and then he read a portion of the testimony to show that it had not done anything of the kind.

I desire to call attention to the resolution which appears on page 221 of the hearings. Let us see what the St. Louis Merchants' Exchange resolved. This is the resolution:

> *Resolved*, That the uniform and correct grading of grain and the accurate weighing of same in the United States are not only highly desirable but essential to the continued welfare and growth of our foreign and domestic trade, and can best be secured by Federal control of the inspection and weighing.

The Senator means, of course, to draw from that the inference that they meant merely supervision and control over the inspection. I immediately go back to the testimony of Mr. Thomas B. Teasdale, a member of that board, who voted to pass that resolution, and I call attention to his statement. This is from the St. Louis Merchants' Exchange:

> Mr. TEASDALE. I simply want to say, gentlemen, that there has been a good deal said here in apparent derogation of boards of trade and merchants' exchanges; and that they are not all of them as black as they have been painted. At least the St. Louis Merchants' Exchange stands for a square deal for everybody. They have evidenced that by coming out flat-footed for Federal inspection, because they think it is going to remedy and do away with some of the abuses that undoubtedly do exist in the grain business to-day.

He says they are in favor of Federal inspection, and it is worth while for Senators to listen to his argument. There is a grain man who will measure up just as well as the man who was quoted so fully the other day by the Senator from Missouri [Mr. REED]. Mr. Teasdale continues:

> One of those abuses is the nonuniformity of the grading of grain in this country. It has been asked here how that affects the farmer who brings his grain into the country station and sells it on view, or by selling to the little dealer at the country station.

Here he answers that same question. He says:

> But how does the country shipper determine the price which he is going to pay the farmer? He looks at the market reports of St. Louis, Chicago, Kansas City, or Minneapolis, whichever market he may be tributary to. He deducts from that price the freight, the commission he has to pay at the terminal market, the inspection charge, the weighing charge; and there is another deduction for probable natural shrinkage of the weight of the grain in transit. He also has to make up his mind what that grain will grade in that terminal market. Having all that information, he knows what that grain will net him on his track; and he bids the farmer as much less than that net price as will afford him a fair margin of profit for shipping that grain. Therefore, you can readily see that if the dealer's price in the terminal market is reduced by reason of this irregularity in the inspection, or for any other cause, the price which he pays the farmer is correspondingly reduced. And, as one of the gentlemen preceding me has said, that price affects not only the grain which goes to the terminal market, but practically all of the grain that is sold by the farmer, because the price he gets on the farm for any other purpose than market shipment is fixed by the price it is worth in the market.

Now, reading from the statement of Crowell, the Senator says that in the past few years these exchanges have been honest. I want to keep them that way and I want to prevent them from doing otherwise. He also says there is no foreign association protesting against our certificates. I quoted an association. In this record there is the resolution of the association which

met in Berlin where they resolve against the American standards and declare that they could not be depended upon, and offered a resolution to boycott American grain, and that grain was driven out of a great many of the markets.

Mr. SMITH of Michigan. They frequently use one excuse or another to prevent our products from having very much opportunity on the German markets.

Mr. McCUMBER. I know, but it was not simply at Berlin. They took in England, Holland, and France, and representatives from the whole of Europe met there in convention. It was an association, the object of which was to make certain the American grades; that was all. Then they sent those resolutions to the President of the United States and to the Secretary of Agriculture, and the Secretary of Agriculture sent over Mr. Shanahan, an expert, who spent a whole year in Europe, and he came back and made his report that our grain was actually better than any other grain, and that it was tabooed and commanded a less price, although of the same grade generally over the Continent, because they could not depend upon our certificates; and he especially called attention to the fact that the Manitoba grades were accepted with much greater reliance, because they were Government grades. You will find that in the report of Mr. Shanahan.

Mr. SHERMAN. Before the Senator leaves that branch of the subject I will state that I have read all the reports I have been able to find on the Euroepan situation and their resolutions and the documents they prepared. I can conceive of no other purpose than a deliberate intention on the part of the European countries involved to control the inspection as well as the legislation of the United States. It is a most insolent and impudent attempt.

Mr. McCUMBER. I suppose they are selfish. They are compelled to buy upon our certificates, because in the sale it is provided that they shall have no recourse, but they must accept the grade that is given. Of course they have to buy the grain without seeing it, and they are quite anxious that they should get the correct grade. They have no remedy except in cases of fraud, and to come over here and establish that fraud would be rather more costly than it would be to accept the grade.

Mr. SHERMAN. They could cease buying grain altogether from us, could they not?

Mr. McCUMBER. Oh, yes.

Mr. SHERMAN. They have the world to buy from.

Mr. McCUMBER. But we would get a better price if they had confidence in our grades. That is all I ask.

Mr. SHERMAN. If the Senator will kindly yield——

Mr. McCUMBER. Certainly.

Mr. SHERMAN. There is a certain matter I wish to have him consider. The largest corn crop ever produced in the United States found less than one and a half per cent of it sold in Europe or any foreign market, and 10 per cent is a high rate of all the wheat production of the United States. The market for the European consumer is not obliged to buy a bushel from the United States, unless it finds the grades and prices and quality to be satisfactory. Europe is not dependent for her grain supply upon the United States. The Europeans have access to the markets of the world.

Mr. McCUMBER. I admit that, Mr. President, but it would be better for our grain trade if we could send a consignment they could depend upon. We would get a getter price for it. We want a part of that market, even though they can supply it somewhere else.

Now, the Senator from Illinois says:

> Some of the criticism in my State has in years past been abundantly established, but it is not true to-day.

That may be true; but the causes criticized existed under the laws substantially as they are to-day. The abuses, if they do not exist, may recur at any time, and why not prevent the possibility of their recurrence by taking away the ability to go back to the old system?

But that that is not true is shown by a letter I have, and it is one the Senator will consider I am justified in reading. I have here a letter from Princeton, Ill., dated March 17. It is as follows:

> DEAR SIR: I notice in the Chicago Tribune that you and Senator SHERMAN do not agree on the subject of grain inspection. At a recent meeting of the stockholders of the Farmers' Elevator Co. at Kasbeer, Ill., this subject received some attention. While I am not authorized to speak for the company, I am satisfied that it is the general opinion of the farmers in this locality that they suffer as much or more from improper grain inspection in Chicago than from almost any other one thing. That business should be taken out of State politics. Unless improvement in this is made, there will be concerted action by all of the farmers' elevators in the country for better inspection. I hope the measure before Congress will be so framed as to give relief.

That is a letter such as I have received from all over the Northwest, equally from States where there are 1,800 farmers' elevators, who have sent in their petition pleading for Federal inspection.

Again, the Senator says:

> Within the last five years the public warehouses of Chicago have performed their duties and have not defrauded their customers.

That is an indictment in itself. It means that prior to five years ago they did defraud their customers. I think the evidence abundantly proves the fact that they did defraud them, and I want to put them in a position where they can not have a recurrence of the old condition.

Again, the Senator says:

> These warehouses, called doctoring warehouses, clean and make the grain better. That is why they ship no "no grade" grain.

Mr. President, they do not make the grain better. The value of a berry of grain depends upon the percentage of protein, of starch, and of gluten, and all the polishing in the world will not change that condition or make it any better. It will make it look better to the eye; it may deceive, but it is not any better. It will not make better flour.

In my opinion, the Minnesota method of dockage, as I have said, is far better than the other method of reducing grades. I think you will find that there are as many bushels in Chicago of grain shipped out as are shipped in. That is the record I had some years ago, and I do not know of any change. Even though they lower the grade because the weeds and seeds, and so forth, have been taken out, they ought to have a less number of bushels shipped out to correspond with the lowering they make; but my own investigation shows that a few years ago, unless there has been a change, there were none less shipped out.

What opportunity have Iowa, Dakota, or Montana, or other citizens of the Northwest to appeal to Chicago or Minneapolis or Duluth? Under Federal control we will reach something through Congress. We are absolutely at their mercy. We have to sell the grain in their markets under rules adopted by them for their special benefit, and they are rules beneficial neither to the producer nor to the ultimate consumer.

Again, the Senator says:

> Six years is an age in commercial changes, and the evidence taken six years ago is now stale.

Mr. President, there has been no material change in 30 years in the methods of handling grain. I say there has been no material change. Pocket-picking and other methods of thievery have not changed in 6,000 years. It is the same to-day that it was when Fagin taught his urchins how to work the trade.

Now, he says:

> The rules say that "no grain shall be inspected out at a higher grade than it is inspected in."

If the inspection was certain and sure, why is it necessary to have that rule? The rule admits that it had to be put there to check this course. I do not know how long it will remain so. It was only put in a short time ago and you may take it away to-morrow. I want a continuing condition where you can not change the grade and make it different when inspected out than when it was inspected in.

Again, he says:

> The hospital does for the farmer what the farmer fails to do for himself.

The hospital does not help the farmer. The hospital does nothing whatever for the farmer except to buy his grain as cheaply as it can buy it, pay him an adequate price, mix that grain with others, and then certify it out again at a much higher grade, because it looks better than it is entitled to receive. When it gets to the miller, the miller soon detects its poor quality as flour-making grain, and he immediately strikes down the price of the grade, of which this is a false imitation.

Again, I want to take up what the Senator from Minnesota [Mr. NELSON] said. He says he has no objection to standards, no objection to uniformity, no objection to supervision, and that the Minnesota system is scientific. Now, he has come over and the exchanges have come over one-third of the way across the bridge to meet us on this proposition.

No one complains of the rules of inspection in the State of Minnesota. It may be sufficiently comprehensive. It is the enforcement, the actual things that are done under that system, that are most unjust to both purchasers and consumers. The rules governing the operation of banks are good and sufficient and comprehensive, but the bank itself may be rotten.

Again, the Senator indicates in his argument that this bill would abolish exchanges, and he makes a long argument on the benefit of exchanges. Of course, under our present system the exchanges are beneficial. They are absolutely necessary under the present system. The exchanges, those that are dealing in the wheat that they buy and selling the wheat that they buy, are asking for Federal inspection. They are not objecting

to it. It is only the mixers who are objecting to it. The exchange will go on just the same. Most of them want certainty of grades.

Again, the Senator states that these exchanges have acted badly in the past; but, Mr. President, their bad actions have been due entirely to their ability to manipulate the grades. There is where all the bad actions come in. If we place the system where they can not manipulate the grade, we will have at least removed that evil.

The Senator says it is strange that a system that should be satisfactory to Minnesota should not be satisfactory to the farmers in North Dakota. I have here and I have read over again a resolution passed by the farmers' warehouses, the independent warehouses of the State of Minnesota, praying for this legislation. Every year we have about 1,500 representative farmers from the States of Minnesota and North and South Dakota who meet at Fargo, in my State. They call themselves the Tri-State Grain Growers' Association. They are not politicians; they are good, honest, earnest farmers. Every year until the last two or three years they have been passing resolutions again and again for the Federal inspection of grain.

How can it be said that the farmers of that State and of the other States do not care when, through their only organization and their representatives and their elevator associations and their general associations, they declare in favor of it? Farmers do not like to write letters, and they will not write letters to those whom they think will not take their view. I receive letters from the State of Minnesota, as from all these other States.

The Senator says that it is only North Dakota that is asking for these grades. I want to call your attention to some of the elevators and other systems. First, I want to call attention to the statement made by the Senator that the trouble with the farmer in North Dakota is that the local buyer is dishonest; that he lies to the farmer about the grades that he can get. Undoubtedly that does happen in some cases, but in my State I can take a little town, for instance, of 500 inhabitants, and show you 15 elevators, and every one of them is competing to get the farmers' grain. They all buy on the same basis; they all sell on the same basis. They are going to get the very best grade that they can. They get from 2 to 3 cents a bushel or from 2 to 2½ cents a bushel for their profit in handling and insuring and delivering and selling the grain.

Mr. SMITH of Michigan. How many elevators are there in the State of North Dakota?

Mr. McCUMBER. Several thousand.

Mr. SMITH of Michigan. Thousands?

Mr. McCUMBER. There are thousands of them; I do not know how many. The farmer takes his grain to one of those elevators and it may be that there will be half a dozen men soliciting him for his business. He will deliver it to one elevator. That elevator will give him just as good a grade as it dare, but it is dependent upon the grade that it gets at the terminal, and if it can not get a good grade there it can not give a good grade to the farmer.

Now, I want to ask Senators, candidly and honestly, why do all of these independent elevators ask for Federal inspection? Is it not evident that they want accurate grading; that they believe that they are not getting accurate grading; and that that is why they are asking for this bill?

Mr. President, almost every grain-raising farmer in the United States supports this bill. I want to call attention to a few of its supporters. All of the independent elevators in the United States, all of the cooperative elevators in the United States, all of the grain growers' associations of the United States that I know anything about, practically all of the millers in the United States—the only exceptions possibly being the millers at Minneapolis, who can buy on sample and who do buy on sample—all of the importers, practically all of the ultimate consumers—we have resolutions from Minnesota, Nebraska, Kansas, Alabama, Florida, Mississippi, North Carolina, Georgia, South Dakota, Indiana, South Carolina, Kansas, Illinois, and from a large number of other States throughout the Union, all of them asking for Federal inspection.

Mr. President, I want some kind of a bill to be passed. I will admit frankly that there are two good propositions in the Lever bill, but the main thing, the thing that we want to get, is absolute certainty in inspection; and the grain dealers do not want that. Their supervision is not an adequate supervision. It provides, for instance, that the Secretary of Agriculture may pay a nominal salary to some inspectors. I do not know what "nominal" means, but it evidently is intended to cripple the service. There can be only one sure supervision, and that is a supervisor over every inspector; and if the Government can supervise, that supervisor can inspect. That is what we are asking for in this case.

I wish I had time to go fully into the Lever bill; but you will find, if you take that bill and examine it, that the method of appeal, for instance, makes it almost impossible of application. You have got to send to the Secretary of Agriculture and put up for the expense, and he will then send a man to investigate and see whether there ought to be an appeal. If a foreign purchaser, say in Hamburg, is dissatisfied, that foreign purchaser has to make his complaint to the Secretary of Agriculture and put up the money to send an expert across the ocean and back. Then, perhaps, he will get the same inspection, or he may get a modification. No one will accept that method; and if I had drawn a bill purposely to make supervision inadequate and inefficient, I should have drawn the Lever bill as it is drawn in reference to supervision. It will not operate as such.

Mr. President, I have spoken longer than I intended, and yet I have not spoken half so long as I ought to do to bring this matter fully to the attention of the Senate.

Mr. NELSON. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. ASHURST in the chair). The Senator from Minnesota suggests the absence of a quorum. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Ashurst	Gore	Norris	Smith, Ga.
Bankhead	Hollis	O'Gorman	Smith, Md.
Borah	Hughes	Oliver	Smith, Mich.
Brady	Johnson	Overman	Smith, S. C.
Brandegee	Jones	Page	Sterling
Bristow	Kenyon	Perkins	Swanson
Bryan	Kern	Pomerene	Thomas
Burton	Lea, Tenn.	Reed	Thornton
Chamberlain	Lee, Md.	Shafroth	Tillman
Chilton	Lewis	Sheppard	Townsend
Clapp	Lodge	Sherman	Vardaman
Clark, Wyo.	McCumber	Shields	Walsh
Clarke, Ark.	Martine, N. J.	Shively	Weeks
Dillingham	Nelson	Simmons	

The PRESIDING OFFICER. Fifty-five Senators have answered to their names. A quorum of the Senate is present.

Mr. GORE. I gave notice several days ago of my intention to offer a substitute for the pending bill. I now ask that the Secretary read the proposed substitute.

The PRESIDING OFFICER. The Secretary will read the amendment proposed by the Senator from Oklahoma.

The SECRETARY. It is proposed to strike out all after the enacting clause and to insert:

That this act shall be known by the short title of the "Grain-grades act."

SEC. 2. That, as used in this act, the term "grain" shall include and shall apply only to corn (maize), wheat, oats, barley, rye, spelt, emmer, rough rice, milled rice, flaxseed, and buckwheat, and kafir, milo, durra, and every other sorghum.

SEC. 3. That the Secretary of Agriculture is authorized to investigate the handling, grading, and transportation of, and to fix and establish, from time to time, standards of quality and condition for grain. In promulgating the standards the Secretary shall specify the date or dates when the same are to become effective, and may give public notice thereof by such means as he deems proper.

SEC. 4. That the standards so fixed and established shall be known as the official grain standards of the United States.

SEC. 5. That whenever standards shall have been fixed and established under this act for any grain no person thereafter shall ship or deliver for shipment for any State, Territory, or District, to or through any other State, Territory, or District, or to any foreign country, any such grain which is sold or offered for sale by grade, unless the grade by which it is sold or offered for sale be one of the grades fixed therefor in the official grain standards of the United States and the grain conforms to the standard fixed and established for the specified grade: *Provided*, That variations from the official grain standards may be permitted under such rules and regulations as the Secretary of Agriculture shall prescribe. No person shall, in any contract or agreement of sale or agreement to sell, either oral or written, or in any invoice or bill of lading or other shipping document relating to such shipment or delivery for shipment, describe, or in any way refer to any of such grain as being of any grade other than a grade fixed therefor in the official grain standards of the United States.

SEC. 6. That whenever standards shall have been fixed and established under this act for any grain, no person thereafter shall ship or deliver for shipment from any State, Territory, or District, to or through any other State, Territory, or District, or to any foreign country, any such grain which is sold or offered for sale, whether by grade or not, under any name, description, or designation which is false or misleading in any particular: *Provided*, That nothing contained herein shall prevent the shipment or delivery for shipment, otherwise lawful, of any grain which is sold or offered for sale, without reference to grade, under names, descriptions, or designations which are not false or misleading.

SEC. 7. That the Secretary of Agriculture is authorized to cause inspections and examinations to be made of any grain which has been certified or represented to conform to any grade fixed in the official grain standards of the United States, and to ascertain whether the grain is, in fact, of the specified grade, and whenever, after opportunity for hearing is given to the owner or shipper of the grain involved, it is determined by the Secretary that any lot of grain has been incorrectly certified or represented to conform to a specified grade, he may publish his findings.

SEC. 8. That whenever a dispute arises whether any grain, for which standards have been fixed and established under this act, is in fact a specified grade of such standards, and such grain has been sold, offered

for sale, transported, or delivered for transportation in interstate or foreign commerce, any interested party may refer the question to the Secretary of Agriculture, and the Secretary of Agriculture is authorized to cause such investigations to be made and such tests to be applied as he may deem necessary and to determine the grade. In such cases the party or parties referring the question shall pay to the Secretary of Agriculture, and he shall charge, and cause to be collected, fees, in amounts to be fixed by him to cover the cost of such investigations, tests, and grading. All such fees shall be deposited and covered into the Treasury as miscellaneous receipts. The findings of the Secretary of Agriculture as to grade, made after the parties in interest have had opportunity to be heard, shall be accepted in the courts of the United States in all suits between such parties, or their privies, as prima facie evidence of the true grade of the grain in question.

SEC. 9. That no person authorized or employed by any State, county, city, town, board of trade, chamber of commerce, corporation, society, or association to inspect or grade grain shall certify, or otherwise state or indicate in writing, that any grain which has been inspected or graded by him, or by any person acting under his authority, is of one of the official grades of the United States, unless he holds an unsuspended and unrevoked license issued by the Secretary of Agriculture, and a commission issued by the Secretary of Agriculture, authorizing him to inspect and grade grain for interstate and foreign commerce. The Secretary may issue a license and commission to any person upon presentation to him of satisfactory evidence that such person is competent to inspect and grade grain. Any such license and commission may be suspended or revoked whenever the Secretary of Agriculture is satisfied that the holder thereof has failed to grade grain correctly, in accordance with the official grain standards of the United States, or has violated any provision of this act or of the rules and regulations made thereunder, or that the license and commission have been used for any improper purpose whatsoever: *Provided*, That nothing in this act shall authorize the Secretary of Agriculture to pay more than a nominal salary to any inspector of grain authorized to be appointed under this section.

SEC. 10. That the Secretary of Agriculture shall, from time to time, make such rules and regulations as he may deem necessary for the efficient execution of the provisions of the act.

SEC. 11. That every person who shall violate any provision of this act or of the rules and regulations made hereunder shall be deemed guilty of a misdemeanor, and, upon conviction thereof, shall be fined not exceeding $200 for the first offense and for each succeeding offense not exceeding $1,000. After judgment by the court notice thereof shall be given by publication in such manner as the Secretary of Agriculture may prescribe.

SEC. 12. That every person who forcibly assaults, resists, impedes, or interferes with any officer or employee of the United States Department of Agriculture in the execution of any duties authorized to be performed by this act or the rules and regulations made hereunder shall, upon conviction thereof, be fined not less than $100 nor more than $1,000, or be imprisoned not less than one month nor more than one year, or by both such fine and imprisonment.

SEC. 13. That the word "person" wherever used in this act shall be construed to import the plural or singular, as the case demands, and shall include individuals, corporations, companies, societies, and associations. When construing and enforcing the provisions of this act, the act, omission, or failure of any official, agent, or other person acting for or employed by any corporation, company, society, or association within the scope of his employment or office shall, in every case, also be deemed the act, omission, or failure of such corporation, company, society, or association, as well as that of the person.

SEC. 14. That this act shall be effective on and after July 1, 1914.

SEC. 15. That there is hereby appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $300,000 for the fiscal year beginning July 1, 1914, for the expenses of carrying into effect the provisions of this act, including rent and the employment of such persons as the Secretary of Agriculture may deem necessary in the city of Washington and elsewhere.

The PRESIDING OFFICER. The question is on the amendment in the nature of a substitute offered by the Senator from Oklahoma.

Mr. McCUMBER. I understand the Senator from Oklahoma desires to speak upon that amendment before it is voted upon. I wish to perfect the bill by certain amendments before the substitute is acted upon.

Mr. GORE. Mr. President, I understood the Senator from North Dakota had perfected his bill. Has the Senator some amendments which he desires to submit?

The PRESIDING OFFICER. He so states at this time.

Mr. GORE. Then I do not care to proceed until the Senator finishes the presentation of his amendments.

Mr. McCUMBER. If that is satisfactory, I offer the amendment which I send to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The SECRETARY. On page 2, section 2, line 4, after the name "Seattle," it is proposed to insert "Portland, Oreg.; Detroit, Mich."

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. McCUMBER. On page 2, line 22, after the word "duties," I move to insert:

Each inspector shall execute a bond, with sufficient sureties, for the faithful performance of his duties and for the benefit of any party who may be injured by any act or omission of such inspector, in such sum and with such conditions as the Secretary of Agriculture may by rule provide.

The PRESIDING OFFICER. The amendment will be stated.

The SECRETARY. On page 2, section 3, line 22, after the word "duties," it is proposed to insert:

Each inspector shall execute a bond, with sufficient sureties, for the faithful performance of his duties and for the benefit of any party who may be injured by any act or omission of such inspector, in such sum and with such conditions as the Secretary of Agriculture may by rule provide.

The PRESIDING OFFICER. The question is on the amendment proposed by the Senator from North Dakota.

The amendment was agreed to.

Mr. McCUMBER. On page 3, line 15, after the word "trade," I move to insert "and may employ the forces now employed in the inspection and grading of grain at the several grain-trade centers."

The PRESIDING OFFICER. The amendment will be stated.

The SECRETARY. On page 3, section 5, line 15, after the word "trade," it is proposed to insert "and may employ the forces now employed in the inspection and grading of grain at the several grain-trade centers."

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. McCUMBER. On page 4, section 8, line 16, after the word "grain," I move to insert "at such terminal point," so that it will read:

That it shall be unlawful for any person herein named to willfully unload or otherwise discharge any load, cargo, or consignment of grain at such terminal point which has been at any time during the period of its transit an article of interstate commerce and which has not been inspected in accordance with the provisions of this act, until the same has been inspected as provided herein.

Mr. REED. Mr. President, I suppose the Senator has offered that to meet the objection which was raised that the bill as drawn compelled the inspection of all grain in interstate shipments?

Mr. McCUMBER. It is to meet that objection. While I have said I did not think it was necessary, I want to make it certain that the effect of the bill will not be to require inspection of all such shipments.

Mr. REED. I am not going to object to the amendment, but I wish to remark that it does not cover the case.

The PRESIDING OFFICER. The question is on agreeing to the amendment proposed by the Senator from North Dakota.

The amendment was agreed to.

Mr. McCUMBER. The next amendment is on page 5, line 4, after the word "grain," to insert:

Arriving or collected at any of the aforesaid grain centers and.

The PRESIDING OFFICER. The amendment will be stated.

The SECRETARY. On page 5, line 4, after the word "grain," it is proposed to insert the words:

Arriving or collected at any of the aforesaid grain centers and.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. McCUMBER. On page 6, line 7, after the word "Agriculture," I move to insert:

Provided further, That no inspection or grading of grain shall be required except at the aforesaid important grain terminals.

The PRESIDING OFFICER. The amendment will be stated.

The SECRETARY. On page 6, line 7, after the word "Agriculture," it is proposed to insert the words:

Provided further, That no inspection or grading of grain shall be required except at the aforesaid important grain terminals.

The PRESIDING OFFICER. The question is on agreeing to the amendment proposed by the Senator from North Dakota.

The amendment was agreed to.

Mr. McCUMBER. On page 7, line 11, after the word "exported," I move to insert:

But may be reinspected upon demand if for any cause its character or quality has been materially changed since the previous inspection.

The PRESIDING OFFICER. The amendment will be stated.

The SECRETARY. On page 7, line 11, after the word "exported," it is proposed to insert:

But may be reinspected upon demand if for any cause its character or quality has been materially changed since the previous inspection.

Mr. NORRIS. Mr. President——

The PRESIDING OFFICER. Does the Senator from North Dakota yield to the Senator from Nebraska?

Mr. McCUMBER. I yield.

Mr. NORRIS. I wish to inquire of the Senator from North Dakota regarding the other amendment that was offered just before this. As I understand, the effect of the other amendment is that no inspection will be required excepting at the places named in the bill?

Mr. McCUMBER. Yes; or at such places as the Secretary may designate.

Mr. NORRIS. That is the point I wanted to ask about.

Mr. McCUMBER. Yes; because when it says "at the aforesaid important grain terminals," I mentioned that the bill provides that the Secretary may establish Federal inspection at these important grain terminals, and I used the words "the

aforesaid important grain terminals" in the amendment so as to refer to that as being included within it.

Mr. NORRIS. The only question in my mind was whether the amendment would include other places that might be named by the Secretary.

Mr. McCUMBER. I will say that it does.

Mr. NORRIS. I have just heard it read, and yet I had some doubt about it. Of course, it ought to do that, because there probably will be other places named by the Secretary, taking advantage of the provisions of the bill.

Mr. McCUMBER. I have used the exact words that I used in the others, providing for other important grain terminals; so when I say "the aforesaid important grain terminals" it refers to the same ones that may be designated.

The PRESIDING OFFICER. The question is on agreeing to the amendment proposed by the Senator from North Dakota.

The amendment was agreed to.

Mr. McCUMBER. Those are all the amendments I desire to offer to perfect the bill.

The PRESIDING OFFICER. The bill having been perfected, the amendment in the nature of a substitute, proposed by the Senator from Oklahoma [Mr. GORE], is now in order.

Mr. GORE. Mr. President, I desire to avoid a repetition of the debate on this subject at the present time. Therefore, I shall detain the Senate only for a few moments.

The end proposed by the pending bill and the end proposed by the substitute are the same. They differ merely as to the means proposed for the accomplishment of the common end.

It is not my purpose to discuss the necessity or the desirability of establishing uniform grades of grain throughout the United States. That necessity is universally appreciated. Such a uniformity of grade would be serviceable to everybody connected with the production, transportation, and sale of grain. It would be serviceable to the producer, to the shipper, to the dealer, to the consumer, to the exporter, and to the purchasers in foreign countries. I believe that everybody in this country, at least, now appreciates the importance of establishing uniform grades of grain throughout the country.

That end can be brought about only under the authority of the Federal Government. It can not be done by the several States acting independently.

One of these bills proposes Federal inspection; the other Federal supervision. The pending bill proposes Federal inspection. The substitute I have offered, I may say, in the main proposes Federal supervision.

The General Government and the Congress have appreciated the importance of such uniformity of grade. In 1907 the agricultural appropriation bill carried an item of $15,000, with the direction that the Secretary of Agriculture should investigate the handling, grading, and transportation of grain with a view to the ultimate standardization of grades. Each and every agricultural appropriation bill since passed has carried a similar appropriation. Last year the agricultural appropriation bill carried an item of $65,000, continuing the direction that the Secretary should investigate the subject, with a view to ultimate standardization.

The measure which I have proposed as a substitute is the result of these years of research and of investigation. The measure was prepared under the direction of the Department of Agriculture. In their judgment, as in my own, it will accomplish the end desired. It will establish uniformity of grades. It will avoid the erection of an elaborate system of machinery and will avoid the enormous expense incident to the bill proposed by the Senator from North Dakota.

In my own judgment, as in the judgment of the department, the pending substitute will accomplish the purpose desired by the country and will avoid the difficulties and objections to which the other measure is subject.

The PRESIDING OFFICER. The question is on the amendment, in the nature of a substitute, proposed by the Senator from Oklahoma [Mr. GORE].

Mr. McCUMBER. On that I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. REED. Mr. President, I desire to say just one word. The Gore amendment is a vast improvement upon the original bill, and therefore I am going to vote now for the substitute; but if it is adopted, there will be some suggestions as to amendments to be made hereafter.

Mr. JONES. I should like to ask the Senator if he can state, briefly, what the improvements are as between the substitute and the principal bill?

Mr. REED. The Senator from Oklahoma has introduced a substitute, which was practically prepared by the Department of Agriculture, which proposes that the Government shall establish grades, and that the Government shall supervise the enforcement of those grades; but it leaves to the various States the right to maintain the inspection machinery. His bill could be enforced for about $100,000 a year, according to the estimate. The other bill would cost $1,500,000, according to the latest and best estimate, and it takes away from the States the right to control their local markets.

Mr. JONES. I understand that under the substitute the inspectors would be State employees?

Mr. REED. Yes; but licensed, and controlled in that way, under the substitute of the Senator from Oklahoma, by the Secretary of Agriculture.

Mr. WEST. Mr. President, did I understand the Senator from Missouri to say that after the substitute was adopted it would be subject to amendment?

Mr. REED. Yes.

Mr. WEST. Then I will vote for it.

The PRESIDING OFFICER. The question is on the amendment, in the nature of a substitute, offered by the Senator from Oklahoma [Mr. GORE], on which the yeas and nays have been ordered. The Secretary will call the roll.

The Secretary proceeded to call the roll.

Mr. BURTON (when his name was called). I am paired with the junior Senator from North Dakota [Mr. GRONNA] on this measure. I transfer that pair to the junior Senator from Maine [Mr. BURLEIGH] and will vote. I vote "nay."

Mr. CHILTON (when his name was called). I have a general pair with the senior Senator from New Mexico [Mr. FALL] and therefore withhold my vote.

Mr. CLARK of Wyoming (when his name was called). I have a general pair with the senior Senator from Missouri [Mr. STONE], who has indicated that he will not be able to be here this afternoon, and I therefore withhold my vote.

Mr. SHEPPARD (when Mr. CULBERSON'S name was called). I wish to announce the unavoidable absence of my colleague [Mr. CULBERSON], who is paired with the senior Senator from Delaware [Mr. DU PONT]. This announcement may stand for the day.

Mr. HUGHES (when his name was called). I have a pair on this bill with the junior Senator from West Virginia [Mr. GOFF] and therefore withhold my vote. If the Senator from West Virginia were present, I should vote "nay."

Mr. KERN (when his name was called). I transfer my pair with the senior Senator from Kentucky [Mr. BRADLEY] to the junior Senator from Nevada [Mr. PITTMAN] and will vote. I vote "yea."

Mr. WALSH (when Mr. MYERS'S name was called). The absence of my colleague [Mr. MYERS] is due to illness. I will let this announcement stand for the day.

Mr. OVERMAN (when his name was called). I have a general pair with the senior Senator from California [Mr. PERKINS] and therefore withhold my vote.

Mr. OLIVER (when Mr. PENROSE'S name was called). My colleague [Mr. PENROSE] is unavoidably absent. He is paired with the senior Senator from Mississippi [Mr. WILLIAMS].

Mr. SMITH of South Carolina (when his name was called). I have a pair with the senior Senator from New Hampshire [Mr. GALLINGER]. In his absence I withhold my vote.

Mr. THOMAS (when his name was called). I have a general pair with the senior Senator from New York [Mr. ROOT], and therefore withhold my vote.

Mr. TILLMAN (when his name was called). I have a general pair with the junior Senator from Wisconsin [Mr. STEPHENSON]. I transfer that pair to the junior Senator from Delaware [Mr. SAULSBURY] and will vote. I vote "nay."

Mr. WALSH (when his name was called). I have a general pair with the senior Senator from Rhode Island [Mr. LIPPITT]. In his absence I refrain from voting.

Mr. CLARK of Wyoming (when Mr. WARREN'S name was called). My colleague [Mr. WARREN] is unavoidably absent from the Chamber. He is paired with the senior Senator from Florida [Mr. FLETCHER], who is also absent.

Mr. WEEKS (when his name was called). I have a general pair with the junior Senator from Kentucky [Mr. JAMES]. I transfer that pair to the junior Senator from California [Mr. WORKS] and will vote. I vote "nay."

Mr. KERN (when Mr. WILLIAMS'S name was called). I desire to announce the unavoidable absence of the senior Senator from Mississippi [Mr. WILLIAMS], and to state that he is paired with the senior Senator from Pennsylvania [Mr. PENROSE].

The roll call was concluded.

Mr. McCUMBER. I wish to announce the unavoidable absence of my colleague [Mr. GRONNA], and to state that he is paired with the senior Senator from Ohio [Mr. BURTON].

Mr. SMOOT. I wish to announce the unavoidable absence of the senior Senator from Kentucky [Mr. BRADLEY]. He has

a general pair with the junior Senator from Indiana [Mr. KERN]. I also desire to announce the unavoidable absence of the junior Senator from Wisconsin [Mr. STEPHENSON]. He is paired with the senior Senator from South Carolina [Mr. TILLMAN].

Mr. CLARKE of Arkansas. I have a pair with the junior Senator from Utah [Mr. SUTHERLAND]. I transfer that pair to the senior Senator from Nevada [Mr. NEWLANDS] and will vote. I vote "yea."

Mr. HUGHES. I transfer my pair with the junior Senator from West Virginia [Mr. GOFF] to the senior Senator from Nebraska [Mr. HITCHCOCK] and will vote. I vote "nay."

Mr. REED. My colleague [Mr. STONE] is unavoidably detained from the Senate, owing to the condition of his health.

The result was announced—yeas 26, nays 34, as follows:

YEAS—26.

Ashurst	Kern	Reed	Smith, Ariz.
Bryan	Lea, Tenn.	Robinson	Smith, Ga.
Chamberlain	Lee, Md.	Shafroth	Swanson
Clarke, Ark.	Lewis	Sheppard	Thompson
Gore	Martine, N. J.	Shields	West
Hollis	Owen	Shively	
Johnson	Pomerene	Simmons	

NAYS—34.

Bankhead	Crawford	Nelson	Smith, Mich.
Borah	Dillingham	Norris	Smoot
Brady	Hughes	O'Gorman	Sterling
Brandegee	Jones	Oliver	Thornton
Bristow	Kenyon	Page	Tillman
Burton	Lane	Poindexter	Townsend
Catron	Lodge	Ransdell	Weeks
Clapp	McCumber	Sherman	
Colt	Martin, Va.	Smith, Md.	

NOT VOTING—35.

Bradley	Gallinger	Newlands	Stone
Burleigh	Goff	Overman	Sutherland
Chilton	Gronna	Penrose	Thomas
Clark, Wyo.	Hitchcock	Perkins	Vardaman
Culberson	James	Pittman	Walsh
Cummins	La Follette	Root	Warren
du Pont	Lippitt	Saulsbury	Williams
Fall	McLean	Smith, S. C.	Works
Fletcher	Myers	Stephenson	

So Mr. GORE'S amendment was rejected.

The PRESIDING OFFICER. The bill is still in Committee of the Whole and open to amendment. If there be no further amendment as in Committee of the Whole the bill will be reported to the Senate.

The bill was reported to the Senate as amended, and the amendments were concurred in.

The bill was ordered to be engrossed for a third reading, and was read the third time.

The PRESIDING OFFICER. The question is, Shall the bill pass?

Mr. REED. I ask for the yeas and nays.

Mr. LODGE. Let us have the yeas and nays on the passage of the bill.

The yeas and nays were ordered, and the Secretary proceeded to call the roll.

Mr. BURTON (when his name was called). On this measure I have a pair with the junior Senator from North Dakota [Mr. GRONNA]. I transfer that pair to the junior Senator from Maine [Mr. BURLEIGH] and vote. I vote "nay."

Mr. CHILTON (when his name was called). I wish to renew the announcement I made on the previous vote, and I withhold my vote.

Mr. CLARK of Wyoming (when his name was called). Again announcing my pair with the senior Senator from Missouri [Mr. STONE], who is unavoidably detained from the Chamber, I withhold my vote.

Mr. SHEPPARD (when Mr. CULBERSON'S name was called). I make the same announcement that I formerly made in regard to the absence and the pair of my colleague [Mr. CULBERSON].

Mr. HUGHES (when his name was called). I am paired with the junior Senator from West Virginia [Mr. GOFF] and therefore withhold my vote.

Mr. KERN (when his name was called). I announce my pair with the senior Senator from Kentucky [Mr. BRADLEY] and withhold my vote, not knowing how he would vote if present.

Mr. OVERMAN (when his name was called). I have a general pair with the senior Senator from California [Mr. PERKINS], but by an arrangement with the Senator from Massachusetts [Mr. WEEKS] I transfer my pair to the junior Senator from Kentucky [Mr. JAMES] and vote. I vote "nay."

Mr. SMITH of South Carolina (when his name was called). I again announce my pair with the Senator from New Hampshire [Mr. GALLINGER] and withhold my vote.

Mr. THOMAS (when his name was called). I have a general pair with the senior Senator from New York [Mr. ROOT] and withhold my vote.

Mr. TILLMAN (when his name was called). I transfer my pair with the junior Senator from Wisconsin [Mr. STEPHENSON] to the Senator from Delaware [Mr. SAULSBURY] and vote "nay."

Mr. WALSH (when his name was called). I again announce my pair with the senior Senator from Rhode Island [Mr. LIPPITT], and withhold my vote in consequence of his absence.

Mr. KERN (when Mr. WILLIAMS'S name was called). I again announce the unavoidable absence of the Senator from Mississippi [Mr. WILLIAMS]. He is paired with the Senator from Pennsylvania [Mr. PENROSE].

The roll call was concluded.

Mr. McCUMBER. I again announce the unavoidable absence of my colleague [Mr. GRONNA]. I will state that he is paired with the Senator from Ohio [Mr. BURTON].

Mr. HUGHES. I desire to transfer my pair with the junior Senator from West Virginia [Mr. GOFF] to the senior Senator from Nebraska [Mr. HITCHCOCK] and vote. I vote "yea."

The result was announced—yeas 20, nays 37, as follows.

YEAS—20.

Ashurst	Gore	Lane	Robinson
Borah	Hughes	McCumber	Shafroth
Brady	Johnson	Norris	Sheppard
Bristow	Jones	Page	Sterling
Crawford	Kenyon	Poindexter	Thompson

NAYS—37.

Bankhead	Lea, Tenn.	Pomerene	Smith, Mich.
Brandegee	Lee, Md.	Ransdell	Swanson
Bryan	Lewis	Reed	Thornton
Burton	Lodge	Sherman	Tillman
Catron	Martin, Va.	Shields	Townsend
Chamberlain	Martine, N. J.	Shively	Weeks
Clapp	Nelson	Simmons	West
Colt	O'Gorman	Smith, Ariz.	
Dillingham	Oliver	Smith, Ga.	
Hollis	Overman	Smith, Md.	

NOT VOTING—38.

Bradley	Gallinger	Newlands	Stone
Burleigh	Goff	Owen	Sutherland
Chilton	Gronna	Penrose	Thomas
Clark, Wyo.	Hitchcock	Perkins	Vardaman
Clarke, Ark.	James	Pittman	Walsh
Culberson	Kern	Root	Warren
Cummins	La Follette	Saulsbury	Williams
du Pont	Lippitt	Smith, S. C.	Works
Fall	McLean	Smoot	
Fletcher	Myers	Stephenson	

So the Senate refused to pass the bill.

RADIUM-BEARING ORES.

Mr. WALSH. Mr. President, pursuant to the notice heretofore given and in order that it may assume the character of unfinished business upon the adjournment to-day, I move that the Senate proceed to the consideration of the bill (S. 4405) to provide for and encourage the prospecting, mining, and treatment of radium-bearing ores in lands belonging to the United States, for the purpose of securing an adequate supply of radium for Government and other hospitals in the United States, and for other purposes. I will say in this connection that I am in hopes that we shall be able to dispose of the bill to-morrow, so that it will be out of the way of the consideration of the Panama Canal tolls bill.

Mr. SMOOT. Mr. President, I do not believe there will be any question about taking up the bill to-morrow. The Senator from Montana can make the motion immediately on the close of the morning business just as well as this evening.

Mr. WALSH. I do not know any reason why the motion should not be made now just as well as to-morrow.

Mr. SMOOT. There are a number of Senators who are not here. I have not any objection to the motion, and I will vote with him to-morrow to take up the bill immediately after the close of the morning business.

EXECUTIVE SESSION.

Mr. SHIVELY. Pending the motion of the Senator from Montana, I move that the Senate proceed to the consideration of executive business.

The motion was agreed to, and the Senate proceeded to the consideration of executive business. After 10 minutes spent in executive session the doors were reopened, and (at 6 o'clock and 20 minutes p. m.) the Senate adjourned until to-morrow, Saturday, May 2, 1914, at 12 o'clock meridian.

NOMINATIONS.

Executive nominations received by the Senate May 1, 1914.

COLLECTOR OF CUSTOMS.

Harris Bennett, of Duluth, Minn., to be collector of customs for the district of Duluth and Superior, in place of Levi M. Willcuts, whose term of office expired by limitation January 31, 1914.

Frank E. Fitzsimmons, of Lonsdale, R. I., to be collector of customs for the district of Rhode Island, in place of George W. Gardiner, resigned.

UNITED STATES MARSHAL.

William R. Waller, of Montgomery, Ala., to be United States marshal for the middle district of Alabama, vice Benjamin E. Walker, whose term has expired.

Henry Behrendt, of Lansing, Mich., to be United States marshal, eastern district of Michigan, vice Milo D. Campbell, whose term expires May 2, 1914.

PROMOTION IN THE ARMY.

GENERAL OFFICER.

Col. George Bell, jr., Sixteenth Infantry, to be brigadier general, vice Brig. Gen. Ramsay D. Potts, to be retired from active service.

APPOINTMENTS IN THE ARMY.

MEDICAL RESERVE CORPS.

To be first lieutenants with rank from April 30, 1914.

Daniel Le Ray Borden, of the District of Columbia.
William Cott Hobdy, of Hawaii.

PROMOTIONS IN THE NAVY.

Rear Admiral Charles F. Pond to be a rear admiral in the Navy from the 13th day of February, 1914, to change the date from which he takes rank as previously confirmed.

Commander Thomas Washington to be a captain in the Navy from the 9th day of April, 1914.

Lieut. Commander James P. Morton, an additional number in grade, to be a commander in the Navy from the 9th day of April, 1914.

POSTMASTERS.

ARIZONA.

James L. Byrnes to be postmaster at Flagstaff, Ariz., in place of Eva M. Marshall. Incumbent's commission expires June 10, 1914.

James W. Woolf to be postmaster at Tempe, Ariz., in place of John O. Mullen, resigned.

ARKANSAS.

Robert S. Allen to be postmaster at Mena, Ark., in place of Levi Wimberly. Incumbent's commission expired March 17, 1914.

William D. Jacoway to be postmaster at Dardanelle, Ark., in place of Henry M. Sugg. Incumbent's commission expired February 1, 1914.

John H. Nance to be postmaster at Earl, Ark., in place of Eva V. Moss, removed.

W. A. Ragon to be postmaster at Clarksville, Ark., in place of John N. Sarber, jr. Incumbent's commission expired February 7, 1914.

Ellis Turley to be postmaster at Forrest City, Ark., in place of Thomas O. Fitzpatrick. Incumbent's commission expired February 7, 1914.

CALIFORNIA.

George R. Bellah to be postmaster at Oxnard, Cal., in place of S. B. Bagnall. Incumbent's commission expired March 8, 1914.

Wright S. Boddy to be postmaster at Oakdale, Cal., in place of Robert G. Benson. Incumbent's commission expires June 10, 1914.

C. W. Corey to be postmaster at Escondido, Cal., in place of W. B. McCorkle, resigned.

James A. Lewis to be postmaster at Carpinteria, Cal. Office became presidential October 1, 1913.

Lottie L. Miracle to be postmaster at Campbell, Cal., in place of Meda L. Waite. Incumbent's commission expires May 18, 1914.

Joseph Scherrer to be postmaster at Placerville, Cal., in place of Shelley Inch. Incumbent's commission expires May 2, 1914.

James F. Trout to be postmaster at Avalon, Cal., in place of Edwin Stanton, resigned.

CONNECTICUT.

Andrew Leary to be postmaster at South Norwalk, Conn., in place of Edmund E. Crowe, resigned.

GEORGIA.

F. D. Colson to be postmaster at Ocilla, Ga., in place of Henry B. Sutton. Incumbent's commission expires May 19, 1914.

Marshall G. Merritt to be postmaster at Trion, Ga. Office became presidential April 1, 1914.

Henry T. Sewell to be postmaster at Lavonia, Ga., in place of T. A. Gulley. Incumbent's commission expired April 25, 1914.

HAWAII.

W. F. Young to be postmaster at Honolulu, Hawaii, in place of Joseph G. Pratt. Incumbent's commission expired February 25, 1914.

IDAHO.

Anna McMahon to be postmaster at Spirit Lake, Idaho, in place of Carl F. Zinnius. Incumbent's commission expired February 9, 1914.

ILLINOIS.

George Hanlon to be postmaster at Shawneetown, Ill., in place of Allen T. Spivey, removed.

F. O. Lovins to be postmaster at East Moline, Ill., in place of Frank J. Clendenin. Incumbent's commission expires June 10, 1914.

Henry J. Richardson to be postmaster at Pecatonica, Ill., in place of William J. De La Mater. Incumbent's commission expired January 26, 1914.

Charles Walkup to be postmaster at Oregon, Ill., in place of John T. Gantz. Incumbent's commission expired April 5, 1914.

INDIANA.

Charles B. Beck to be postmaster at Richmond, Ind., in place of Edgar M. Haas. Incumbent's commission expires June 2, 1914.

George B. Davis to be postmaster at Logansport, Ind., in place of John M. Johnston. Incumbent's commission expires June 10, 1914.

Simon Doenges to be postmaster at Connersville, Ind., in place of Samuel E. De Haven. Incumbent's commission expires June 2, 1914.

Lewis Sartor to be postmaster at Martinsville, Ind., in place of Frank T. Singleton. Incumbent's commission expires May 4, 1914.

Albert T. Sering to be postmaster at Liberty, Ind., in place of James M. Freeman. Incumbent's commission expires June 2, 1914.

Lucius C. Wann to be postmaster at Warsaw, Ind., in place of Eugene Alleman. Incumbent's commission expired April 29, 1914.

IOWA.

B. M. Jacobsen to be postmaster at Clinton, Iowa, in place of E. L. Martindale. Incumbent's commission expired March 5, 1914.

Katherine E. Morcombe to be postmaster at Storm Lake, Iowa, in place of Thomas Walpole. Incumbent's commission expired January 26, 1914.

KANSAS.

A. E. Bruner to be postmaster at Highland, Kans., in place of Harvey S. Hogue, deceased.

A. M. Markley to be postmaster at Mound City, Kans., in place of Edwin R. Smith. Incumbent's commission expired February 18, 1914.

Henry G. Mayse to be postmaster at Ashland, Kans., in place of George W. McNickle. Incumbent's commission expired April 28, 1914.

MAINE.

Daniel A. Michaud to be postmaster at East Millinocket, Me., in place of Guy S. Baker, resigned.

Frank A. Millett to be postmaster at Mechanic Falls, Me., in place of Forest L. Waterman, resigned.

MICHIGAN.

F. J. Bertschy to be postmaster at Spring Lake, Mich., in place of Samuel Falls, resigned.

Henry C. Glasner to be postmaster at Nashville, Mich., in place of L. W. Feighner, removed.

Peter F. Gray to be postmaster at Lansing, Mich., in place of Harris E. Thomas, declined.

John Loughnane to be postmaster at Lapeer, Mich., in place of Francis McElroy, deceased.

MISSOURI.

John T. Haley to be postmaster at Harris, Mo. Office became presidential April 1, 1914.

Oscar L. Meek to be postmaster at Koshkonong, Mo., in place of Elijah L. Brown, resigned.

NEBRASKA.

W. D. Bradstreet to be postmaster at Spencer, Nebr., in place of Josiah Coombs. Incumbent's commission expired January 11, 1914.

Thomas A. Kelly to be postmaster at Republican City, Nebr., in place of Charles W. Whitney. Incumbent's commission expired January 31, 1914.

M. T. Kilmer to be postmaster at Western, Nebr., in place of William Kaup. Incumbent's commission expired March 22, 1914.

I. A. Manchester to be postmaster at North Loup, Nebr., in place of William H. Rood. Incumbent's commission expired June 16, 1913.

NEW HAMPSHIRE.

John R. Willis to be postmaster at Manchester, N. H., in place of Edward H. Chadbourne. Incumbent's commission expires May 2, 1914.

NEW JERSEY.

Anton J. Mikolajczak to be postmaster at Maurer, N. J., in place of Frederick W. Bohlen. Incumbent's commission expired December 16, 1912.

NEW YORK.

Edward A. Clark to be postmaster at Greene, N. Y., in place of Richard Carter. Incumbent's commission expired March 30, 1914.

John D. Crosby to be postmaster at Inwood, N. Y., in place of W. A. Reinhart, resigned.

Myron L. Fisher to be postmaster at Spencer, N. Y., in place of Henry L. Emmons, removed.

Daniel Grant to be postmaster at Afton, N. Y., in place of Peter S. Krum. Incumbent's commission expired March 29, 1913.

Elbert G. Harris to be postmaster at Cuba, N. Y., in place of J. Fenton Olive. Incumbent's commission expires May 23, 1914.

Abram Lang to be postmaster at Eden, N. Y. Office became presidential January 1, 1913.

Andrew J. McMahon to be postmaster at Groton, N. Y., in place of L. J. Townley. Incumbent's commission expires May 23, 1914.

James L. Seely, jr., to be postmaster at Canisteo, N. Y., in place of Herman E. Buck. Incumbent's commission expired April 12, 1914.

Robert F. Talbot to be postmaster at New Berlin, N. Y., in place of Percy J. Thomas. Incumbent's commission expired March 30, 1914.

NORTH CAROLINA.

James D. Babb to be postmaster at Murfreesboro, N. C. Office became presidential January 1, 1914.

T. L. Grant to be postmaster at Old Fort, N. C., in place of William J. Souther. Incumbent's commission expired April 21, 1914.

George C. Lynch to be postmaster at Hillsboro, N. C., in place of C. G. Rosemond, resigned.

NORTH DAKOTA.

George E. Duis to be postmaster at Grand Forks, N. Dak., in place of Frank V. Kent. Incumbent's commission expired March 22, 1914.

OHIO.

William D. Caldwell to be postmaster at Canton, Ohio, in place of George H. Clark. Incumbent's commission expires June 6, 1914.

Crayton V. Calvin to be postmaster at Columbiana, Ohio, in place of Samuel S. Stewart. Incumbent's commission expires June 6, 1914.

Clarence D. Crumb to be postmaster at Cuyahoga Falls, Ohio, in place of Richard L. Moore, resigned.

Frank H. Davet to be postmaster at Madison, Ohio, in place of Charles W. Searls. Incumbent's commission expires June 6, 1914.

Charles A. Eberle to be postmaster at Dillonvale, Ohio, in place of William S. Parlett. Incumbent's commission expired April 21, 1914.

M. A. Houghton to be postmaster at Oberlin, Ohio, in place of Judson N. Stone. Incumbent's commission expired January 24, 1914.

Franzo D. Miller to be postmaster at Alliance, Ohio, in place of Edwin Morgan. Incumbent's commission expires June 6, 1914.

David Snyder to be postmaster at Archbold, Ohio, in place of Edward L. Downer. Incumbent's commission expires June 6, 1914.

William E. Warren to be postmaster at Leetonia, Ohio, in place of Henry D. Weaver. Incumbent's commission expires June 6, 1914.

OKLAHOMA.

William I. Bowen to be postmaster at Haileyville, Okla., in place of Odel S. Combs. Incumbent's commission expired March 2, 1914.

B. F. Suter to be postmaster at Randlett, Okla., in place of Will W. Fowler. Incumbent's commission expired April 5, 1914.

William T. Vest to be postmaster at Pondcreek, Okla., in place of Elmer E. Darrough. Incumbent's commission expired January 25, 1914.

OREGON.

T. B. Vernon to be postmaster at Lakeview, Oreg., in place of Fred C. Ahlstrom, resigned.

PENNSYLVANIA.

Charles J. Hansell to be postmaster at Cynwyd, Pa., in place of Elizabeth R. Skelton. Incumbent's commission expired January 25, 1913.

Martin Klinger to be postmaster at Allentown, Pa., in place of J. H. Kohler. Incumbent's commission expires June 10, 1914.

John J. McCoy to be postmaster at Crum Lynne, Pa. Office became presidential April 1, 1914.

Harvey Zeigler to be postmaster at Red Lion, Pa., in place of John S. Brooks. Incumbent's commission expires June 7, 1914.

SOUTH DAKOTA.

John Knuckey to be postmaster at Clear Lake, S. Dak., in place of J. Melroy Staley. Incumbent's commission expired February 25, 1914.

TENNESSEE.

William B. Hunt to be postmaster at Tellico Plains, Tenn., in place of Joseph M. Hawkins. Incumbent's commission expired April 21, 1914.

A. M. Riggs to be postmaster at Lafollette, Tenn., in place of William H. Delap, resigned.

TEXAS.

J. J. Evans to be postmaster at Bloomington, Tex. Office became presidential April 1, 1914.

Evye Kennedy to be postmaster at Kirbyville, Tex., in place of C. W. Bradbury, deceased.

UTAH.

Berdie P. Olson to be postmaster at Ephraim, Utah, in place of Fred Jorgensen. Incumbent's commission expired April 15, 1914.

VERMONT.

W. H. Boardman to be postmaster at Charlotte, Vt. Office became presidential October 1, 1913.

Ector P. Gobie to be postmaster at Woodstock, Vt., in place of Frederick Chapman. Incumbent's commission expired February 1, 1914.

Patrick H. Harty to be postmaster at Saxtons River, Vt., in place of Minnie A. Benton. Incumbent's commission expired April 21, 1914.

Andrew H. Peters to be postmaster at Bradford, Vt., in place of Trescott A. Chase. Incumbent's commission expired January 6, 1914.

VIRGINIA.

Wily W. Ward to be postmaster at South Boston, Va., in place of William H. Faulkner. Incumbent's commission expired April 5, 1914.

WISCONSIN.

James W. Moore to be postmaster at Watertown, Wis., in place of H. T. Eberle. Incumbent's commission expired April 26, 1914.

O. F. Illing to be postmaster at Juneau, Wis., in place of Michael Lehner. Incumbent's commission expires May 24, 1914.

Alexander Richardson to be postmaster at Evansville, Wis., in place of Marilla Andrews, resigned.

WYOMING.

Perle R. Herrin to be postmaster at Hanna, Wyo., in place of Ivor Christensen. Incumbent's commission expired January 28, 1914.

CONFIRMATIONS.

Executive nominations confirmed by the Senate May 1, 1914.

JUDGE OF THE DISTRICT COURT, CANAL ZONE.

W. H. Jackson, judge of the District Court, Canal Zone.

COLLECTOR OF CUSTOMS.

Harris Bennett to be collector of customs for the district of Duluth and Superior.

REGISTER OF THE LAND OFFICE.

Frank Laning to be register of the land office at Visalia, Cal.

POSTMASTERS.

CALIFORNIA.

Harrington Brown, Los Angeles.

HAWAII.

W. F. Young, Honolulu.

IOWA.

Leonard M. Bond, Menlo.
Edwin Le Roy Neville, Orient.

MASSACHUSETTS.

Thomas J. Costello, Springfield.
James H. Lakeman, Ipswich.

NEBRASKA.

W. N. Corder, Morrill.
Andrew G. Nelson, Norfolk.
Stephen D. Phillips, Albion.

NEW MEXICO.

Ernest M. Brumback, Silver City.

NORTH CAROLINA.

Redding M. Harper, La Grange.

OHIO.

H. J. Spitler, Brookville.

WITHDRAWAL.

Executive nomination withdrawn May 1, 1914.

POSTMASTER.

Clarence E. Butler to be postmaster at Osceola, in the State of Arkansas.

HOUSE OF REPRESENTATIVES.

FRIDAY, *May 1, 1914.*

The House met at 12 o'clock noon.

The Chaplain, Rev. Henry N. Couden, D. D., offered the following prayer:

O Thou, who art the life of men, the light of the world, the source of all good, cleanse our hearts, illumine our minds, quicken our conscience, strengthen our will, and give us the courage of our convictions, that we may prove ourselves worthy sons of the living God this day and in all subsequent days. In the spirit of the Lord Jesus Christ. Amen.

The Journal of the proceedings of yesterday was read and approved.

SESSION OF THE HOUSE NEXT TUESDAY EVENING.

Mr. POU. Mr. Speaker, under the rule this is private-bill day. I presume the House wants to go on with the naval appropriation bill. I ask unanimous consent that on next Tuesday night the House meet at 8 o'clock and remain in session until 11 o'clock p. m. for the consideration of bills on the Private Calendar which are unobjected to.

Mr. MURDOCK. Reserving the right to object, this same thing was done about two weeks ago.

Mr. POU. With respect to bills from the Committee on Claims only.

Mr. MURDOCK. Was it successful? Were any bills passed?

Mr. POU. We passed over 40 bills. I am now making the request that the House meet at 8 o'clock Tuesday night and remain in session until 11 o'clock for the consideration of bills on the Private Calendar which are not objected to.

Mr. MANN. I suppose the gentleman means that the House shall remain in session not later than 11 o'clock?

Mr. POU. Not later than 11 o'clock. That is the request I make.

Mr. MANN. Does that carry with it a recess from 5 o'clock until 8 o'clock?

Mr. POU. I presume the House would stand in recess from 5 o'clock until 8 o'clock.

Mr. MANN. That had better be included in the request.

The SPEAKER. The gentleman from North Carolina asks unanimous consent that on next Tuesday the House take a recess from 5 o'clock to 8 o'clock p. m., and that there shall be a session extending from 8 o'clock until not later than 11 o'clock, for the purpose of considering bills on the Private Calendar not objected to. Is there objection?

There was no objection.

THE COLORADO STRIKE.

Mr. TOWNER. Mr. Speaker, I ask unanimous consent to extend by remarks in the RECORD by inserting a short letter received from a former Iowa citizen now in Colorado regarding the strike conditions at Trinidad.

The SPEAKER. The gentleman from Iowa [Mr. TOWNER] asks unanimous consent to extend his remarks in the RECORD by printing the letter which he names. Is there objection?

There was no objection.

The document referred to is as follows:

STRIKE CONDITIONS, TRINIDAD, COLO.

Letter from a former citizen of Iowa, now in Trinidad, Colo., who was formerly an engineer on the railroad and was considered reliable in every way.

TRINIDAD, COLO.

_____ _____,

_____ _____.

_____: I know you will be surprised to hear from me. For God's sake, if you ever did anything in your life for which you expect the Almighty to reward you, write _____ a line to back up FOSTER on anything he does or says in regard to this trouble here. It is a blot on civilization. The heathens never committed such crimes as the thugs and murderers recruited by the Colorado Fuel & Iron Co. under the name of the National Guard. This district has been under martial law. The guards took away all the arms from the miners, withdrew from the field last Thursday, and yesterday a few gunmen (150) planted six machine guns on the hills surrounding the tent colony at Ludlow—this was land leased by the Western Mine Workers. They opened fire on the colony; never gave the women and children time to get away. The miners resisted as much as possible until they could get women and children away. Last night they set fire to the tent colony. In one tent 13 women and children were suffocated and their bodies burned, and to-night authoritative word comes to the effect that 11 people, 2 women and 9 children, were found smothered under a blanket. I just came from the Trinidad Trades and Labor Assembly, and I had to break down and cry. Language can not be found to picture such desolation and misery. I just thought, My God, what if my little girl and boys were left in such a condition.

The thugs in the employ of the Colorado Fuel & Iron Co. have burned all the bodies they could find in order to hide their crimes. It is surely a pitiful state of affairs. I am not concerned, only so far as humanity goes. I don't believe the Almighty would refuse the vilest wretch on earth a home in heaven if he were to pick up a gun and clean out these gunmen. If you can do anything to help FOSTER, for God's sake do it.

_____ _____,

_____ _____.

LEAVE TO EXTEND REMARKS.

Mr. MURDOCK. Mr. Speaker, I ask unanimous consent to print in the RECORD some remarks on the subject of the bureau of employment, provided in a bill which I have introduced, incorporating a paper on the subject by Elizabeth Read.

The SPEAKER. The gentleman from Kansas asks unanimous consent to print remarks in the RECORD.

Mr. FITZGERALD. Does the gentleman from Kansas object to making that speech?

Mr. MURDOCK. No; but I am trying to save the House.

Mr. FITZGERALD. I think the House would be very glad to hear the speech.

The SPEAKER. Is there objection to the request of the gentleman that he be allowed to print remarks in the RECORD?

There was no objection.

LOT 44, SQUARE 172, WASHINGTON, D. C.

Mr. WEBB. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (S. 5031) quieting the title to lot 44, in square 172, in the city of Washington. An identical House bill has been favorably reported by the Judiciary Committee.

The SPEAKER. The gentleman from North Carolina [Mr. WEBB] asks unanimous consent to take from the Speaker's table Senate bill 5031, a House bill identical in words having been reported by a House committee.

Mr. WEBB. House bill 14730, which is identical, has been favorably reported by the Committee on the Judiciary.

The SPEAKER. Has that bill come over from the Senate?

Mr. WEBB. Yes; it has been passed by the Senate. I am informed that it is on the Speaker's table.

The SPEAKER. It appears that this Senate bill, S. 5031, was, on last Tuesday, referred to the Committee on the Public Lands.

Mr. WEBB. I ask unanimous consent to discharge the Committee on the Public Lands from the further consideration of the bill and to take it from the Speaker's table.

The SPEAKER. The gentleman from North Carolina asks unanimous consent to discharge the Committee on the Public Lands from the further consideration of Senate bill 5031, and to take it from the Speaker's table. Is there objection?

Mr. MANN. A parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. MANN. Is the engrossed Senate bill here?

The SPEAKER. The Clerk says it is not.

Mr. MANN. Then the House can not consider it if it is not here.

Mr. FITZGERALD. Mr. Speaker, what is the nature of the bill?

Mr. SLAYDEN. The gentleman from New York wishes an explanation of the bill. I can explain it.

Mr. WEBB. The corresponding House bill was referred to the Committee on the Judiciary, and we reported it unanimously; but when the Senate bill came over here it was by mistake referred to the Committee on the Public Lands.

Mr. SLAYDEN. I think when the gentleman understands the situation he will be entirely satisfied to let the committee be discharged and the bill passed.

Mr. MANN. Mr. Speaker, it is impossible for the House to act on a Senate bill without having the engrossed Senate bill before the House.

The SPEAKER. That is true.

Mr. MANN. It is easy enough to send over and get the engrossed bill.

Mr. WEBB. I supposed the engrossed bill was here.

The SPEAKER. The Chair supposed so, too, but when the bill was referred on Tuesday last, of course the engrossed copy went to the committee. Is there objection to discharging the Committee on the Public Lands from the further consideration of this bill?

Mr. MANN. Mr. Speaker, I think they ought to get the bill here.

Mr. WEBB. I want to say that when this bill was originally introduced it went to the Judiciary Committee for some reason or other. We unanimously reported it.

Mr. MANN. But we make an invariable rule in both bodies not to act upon a bill of the other House without having the engrossed copy of the bill here.

The SPEAKER. The first step is to get the bill here, and one way of getting the bill here is to discharge the committee, and then it can send over and get it.

Mr. MANN. The committee can send over and get it anyway.

The SPEAKER. Physically, yes. Is there objection to discharging the Committee on the Public Lands from the further consideration of the bill?

Mr. MANN. Suppose that some one should object to the consideration of the bill?

The SPEAKER. Then the Speaker would rerefer it.

Mr. MADDEN. What is the purpose of the bill?

The SPEAKER. It clears up the title to a small strip of land for the building which is to be erected for the benefit of the Red Cross.

Mr. WEBB. It is a memorial building to the women of the Civil War.

Mr. SLAYDEN. This is to clear up the title to a strip of land upon which the building is to be erected as a memorial to the women of the Civil War, to be used by the American Red Cross. Block 172 was originally deeded to the Government at the time of the organization of the District of Columbia, and subsequently the Government sold it. It subsequently passed by various sales to a gentleman by the name of Maher, an Irishman, who died a number of years ago. It changed owners several times, and finally, in 1866, became the property of James Maher.

James Maher, by will duly proven and admitted to probate, devised to his two children, Annie Maria Maher and James B. Maher, jointly, in fee simple. The wife of James Maher died November 8, 1877, the daughter died January 2, 1878, and the son, James B. Maher, died May 9, 1879. The widow of James Maher died without children other than James and Annie, and these two children died intestate, unmarried, and without issue.

Now, it is a question whether or not this lot has escheated to the United States. The Government has been paid for the property.

Mr. FITZGERALD. The United States is taking the property. What are you going to do, release it to itself?

Mr. SLAYDEN. Release it to itself.

Mr. FITZGERALD. That is a peculiar thing to do.

Mr. SLAYDEN. That is what the bill proposes to do and what the attorneys think is desirable.

Mr. FITZGERALD. Does the committee recommend that?

Mr. WEBB. It is necessary under the laws of the District of Columbia.

Mr. FITZGERALD. That the United States release any title it may have to itself?

Mr. WEBB. Absolutely.

Mr. SLAYDEN. So the question involved is the question of escheat to the Government of the United States in passing title to the property that it originally owned.

Mr. BORLAND. Mr. Speaker, I do not understand yet the exact situation from the explanation of the gentleman from Texas—whether any private person is to be paid. Is the object of this bill to give some private person a chance to be paid for this property?

Mr. SLAYDEN. If the gentleman will read a paragraph or two in the report he will see it stated as succinctly as it is possible to state it.

Mr. GARRETT of Tennessee. May I ask the gentleman a question?

Mr. SLAYDEN. Certainly.

Mr. GARRETT of Tennessee. Has a similar bill been reported by the House committee?

Mr. SLAYDEN. Yes; by the Judiciary Committee.

Mr. GARRETT of Tennessee. Is there an emergency about this?

Mr. WEBB. There is; they want to get the title cleared.

Mr. GARNER. Mr. Speaker, I ask for the regular order.

The SPEAKER. The regular order is. Is there objection to discharging the Committee on the Public Lands from the further consideration of Senate bill 5031? [After a pause.] The Chair hears none. The Chair will notify gentlemen that as soon as the committee rises this evening he will recognize the gentleman to take up the bill.

LEAVE OF ABSENCE.

Mr. BALTZ, by unanimous consent, was given leave of absence for 10 days, on account of important business.

NAVAL APPROPRIATION BILL.

Mr. PADGETT. Mr. Speaker, I move that the House resolve itself into Committee of the Whole House on the state of the Union for the further consideration of the naval appropriation bill.

The motion was agreed to.

Accordingly the House resolved itself into Committee of the Whole House on the state of the Union, with Mr. JOHNSON of Kentucky in the chair.

The CHAIRMAN. The House is now in Committee of the Whole House on the state of the Union for the further consideration of the bill of which the Clerk will read the title.

The Clerk read as follows:

A bill (H. R. 14034) making appropriations for the naval service for the fiscal year ending June 30, 1915, and for other purposes.

Mr. PADGETT. Mr. Chairman, when the committee rose yesterday it was dividing on an amendment. I ask that the amendment be reported to the House.

The Clerk read as follows:

In lieu of the matter stricken out on the point of order at the top of page 22 insert a new paragraph, as follows:

"Navy yard, Boston, Mass.: That to carry out the purpose of so much of the act of March 4, 1913, as authorizes the President to have constructed one supply ship to cost, exclusive of armor and armament, not to exceed $1,425,000, there is hereby appropriated for the improvement of building slips and equipment $148,000."

Mr. MANN. Mr. Chairman, I would like to ask the gentleman from Massachusetts a question. The gentleman repeats in the amendment "Navy yard, Boston, Mass." That heading is in the bill. Does he want it in twice?

Mr. MURRAY of Massachusetts. I put it in so that there would be no doubt as to the place where the money was to be expended. I am perfectly willing that it should be stricken out. I ask, Mr. Chairman, to strike out the words "Navy yard, Boston, Mass.," because it appears in the caption under "Public works, Bureau of Yards and Docks," page 21 of the bill.

The CHAIRMAN. Is there objection to the modification of the amendment?

There was no objection.

The CHAIRMAN. The question is on the adoption of the amendment.

The question was taken, and the amendment was agreed to.

Mr. PADGETT. Mr. Chairman, I offer the following amendment, to follow the amendment just adopted.

The Clerk read as follows:

Amendment to follow the amendment just adopted, page 22: Insert "the unexpended balance under the appropriation 'Marine barracks, Boston, Mass.,' for the fiscal year ending June 30, 1914, is hereby covered back into the Treasury."

Mr. MURRAY of Massachusetts. Mr. Chairman, may I briefly say that I join with the chairman of the committee in support of this amendment, because we believe that this money which was appropriated for officers' quarters and marine barracks may well be covered back, in view of this appropriation?

Mr. MANN. Mr. Chairman, I notice the amendment says "unexpended balance."

Mr. PADGETT. All of it is unexpended.

Mr. MANN. There have been no obligations incurred at all?

Mr. PADGETT. No.

The CHAIRMAN. The question is on agreeing to the amendment.

The amendment was agreed to.

The Clerk read as follows:

Navy yard, New York, N. Y.: Paving and grading, to continue, $15,000; yard railroad, extension and equipment, $15,000; to complete Pier D, $12,000; toward construction of Pier C (cost not to exceed $130,000), $65,000; distributing system, extensions, to continue, including separator receivers, $15,000; in all, navy yard, New York, N. Y., $122,000.

Mr. MADDEN. Mr. Chairman, I make the point of order against the language in lines 9, 10, and 11—

Toward construction of Pier C (cost not to exceed $130,000), $65,000; distributing system, extensions, to continue, including separator receivers, $15,000.

Mr. PADGETT. Mr. Chairman, what is the point of order the gentleman makes?

Mr. MADDEN. Mr. Chairman, my point of order is that this is a new project not authorized by law.

Mr. PADGETT. Mr. Chairman, I will say to the gentleman that it is not a new project. It is a part of the improvement of the water front, but the committee this year adopted a different plan from what has been pursued heretofore. Heretofore we have appropriated toward water-front improvement, to continue, appropriating so much money, but the committee thought it better in this water-front improvement to designate in the bill what it should be, so that instead of making it read, as it has always read, "Water-front improvement, to continue," say, "$65,000," we have designated that it should be for Pier C, so that the House will know what it is that is being done.

Mr. MADDEN. This is a new project altogether. It is toward the construction. They have not begun the construction of this Pier C?

Mr. PADGETT. But it is a part of the water-front improvement, and if it be stricken from the bill it would be in order to offer an amendment by substituting the words "water-front improvement, to continue, $65,000," and we would accomplish the same thing, but not limit it and give the House control over the improvement.

Mr. MADDEN. This looks like a matter that ought to be in the river and harbor bill.

Mr. PADGETT. No; it is something that is carried regularly in the appropriation bill, but we have simply given the House the benefit of a specific designation, so that we would not say water-front improvement. This is not a new work or enterprise. Of course, this particular item that is to be constructed is a new thing, because it has not been constructed; but they have other piers there, and it is a water-front improvement. It has always been carried in the bill as water-front improvement, to continue, at whatever amount has been appropriated.

Mr. MADDEN. Just what are they trying to do down there?

Mr. PADGETT. They are developing the water front and improving the basin at the navy yard.

Mr. MADDEN. Does the gentleman mean that they are deepening the river?

Mr. PADGETT. Some of it has been deepened. Last year we appropriated for deepening the river, and this year we need this pier for the care and proper management and handling of the ships that come into the yard. There are a large number of ships that are handled there, and instead of putting it in the form that has heretofore been used—water-front improvement, to continue—we have specified what the work should be, so that Congress would know specifically what it was authorizing and what the department could do, and not give the money under the broad authority of water-front improvement, so that the department could do what it pleased with it. We thought this better legislation.

Mr. MADDEN. Does the gentleman from Tennessee say that when the language "toward construction of Pier C" appears in this bill, that under that the department would have the right to dredge the river and to deepen it?

Mr. PADGETT. No; they would not. We put it in that way for the reason that we wanted to limit it to this specific purpose; but if we put it in the language that has been used heretofore, they could either dredge the river or build the pier. We wanted to limit it so that it would be the pier, so that the House would designate what the improvement should be.

Mr. MADDEN. Does the gentleman say there is general authority of law to authorize the construction of piers in the navy yard?

Mr. PADGETT. Oh, yes; we have been doing that in the bill time out of mind under water-front improvement.

Mr. MADDEN. But it is all new law.

Mr. PADGETT. Oh, if the gentleman strikes this out, I would offer an amendment which would be in order to insert the language, "water-front improvement to continue, $65,000." Then the department could either build the pier or dredge the river; but we thought it better to preserve the rights of the House and designate what improvements should be made under this appropriation, thinking it better legislation.

Mr. CALDER. Mr. Chairman, if the gentleman will yield, last year the bill appropriated $100,000 for dredging the basin and $100,000 for water-front improvement to continue.

Mr. MADDEN. Of what did that consist?

Mr. CALDER. The first $100,000 was for dredging the basin, and the second $100,000 was for building this Pier C and for work on other piers.

Mr. MADDEN. But Pier C appears to be a new project.

Mr. CALDER. Oh, no; Pier D is a new project.

Mr. MADDEN. Is there unlimited authority for the extension of piers? Can they build as many piers as they want to?

Mr. PADGETT. They can.

Mr. GARNER. So long as Congress gives them the money.

Mr. PADGETT. When we insert language such as was used in the bill last year, "improvement of water front, to continue, $100,000," they could use that money to build a pier if they wanted to or to dredge the river. Heretofore they have been using it to build piers, but the committee thought it better when we authorize money for water-front improvement to designate how the money should be used, and not leave the broad, unlimited authority to the department.

Mr. MADDEN. Mr. Chairman, I withdraw the point of order.

The Clerk read as follows:

Navy yard, Philadelphia, Pa.: Quay walls and piers, $50,000; power plant improvement (to install rotary converters), $15,000; building slips and equipment, $200,000; in all, navy yard, Philadelphia, $265,000.

Mr. JONES. Mr. Chairman, I make the point of order against the words "building slips and equipment, $200,000," lines 15 and 16 of this paragraph. This, Mr. Chairman, is new legislation. There is no law which authorizes the construction of these building slips and equipment, and it can not be said that this proposed appropriation is to continue any work now in progress, as was said in reference to the building slip and equipment for the Boston yard. I think it will be admitted that there is not now, and never has been, a building slip at the Philadelphia Navy Yard. There never has been one and there is none there now. This is then an authorization for the construction of a building slip and equipment at a navy yard where there is none at present. I assume, Mr. Chairman, that the only excuse which will be offered in behalf of this appropriation is the fact that the Secretary of the Navy has ordered the building of a ship at this yard; that the law under which he acted authorized him to build it in a navy yard, and that therefore this authorization carries with it the authority to construct any necessary building way. I do not believe that such a contention will be entertained by the Chair for a moment. The law under which the transport is to be built provides that the Secretary of the Navy should build it either at a navy yard or by contract at one of the private yards of the country. The Secretary of the Navy has not thought fit to have this ship built at a navy yard equipped to build it, or at any one of the great private yards prepared to do so, but instead he has directed that it be built at a yard which is admittedly unprepared to do so. He now asks Congress to equip the Philadelphia yard to build this ship. Will it be contended that authority conferred upon the Secretary of the Navy to build a battleship carries with it authority to construct an armor-plate factory at a cost of $10,000,000? It will hardly be contended that such a factory could be appropriated for on a naval appropriation bill.

If it be permissible to provide for this building slip on a naval appropriation bill, then it would be equally permissible to so provide for the building of a new and complete navy yard. If the Secretary of the Navy can, under the act of March, 1913, order this ship to be built at a navy yard that can not build it, then he could order it built at a navy yard not in existence. But would it be competent under the rules of this House to provide upon a naval appropriation bill the funds to build the navy yard?

Mr. MOORE. Will the gentleman yield?

Mr. JONES. I will.

Mr. MOORE. The $148,000 that was appropriated for a building slip at the Boston yard would be expended for the construction of a ship, would it not?

Mr. JONES. I did not catch what the gentleman said.

Mr. MOORE. Yesterday the committee voted $148,000 for a building slip and equipment at the Boston yard. The gentleman does not contend that the $148,000 will not be spent for new work of construction on that building slip at the Boston yard, does he?

Mr. JONES. I may say, Mr. Chairman, that it was stated to the committee that there was a slip at Boston and that the appropriation was for the continuation of work upon that slip. That appropriation was held in order on the ground that it was for the improvement of an existing building slip. I took the position that if there was such a slip at Boston it was of small capacity, old, and practically worthless, and that the appropriation to which I objected was really to build a new building slip. In answer to my contention the gentleman from Massachusetts [Mr. ROBERTS] said that the existence of a slip at Boston capable of holding a yawl boat would make in order an appropriation to improve it to any extent. Now, the point I make is that there is absolutely no building way at Philadelphia at this time and that there never was one there at any time. The advocates of the appropriation to improve the building way at Boston undertook and, it seems, succeeded in differentiating the conditions which obtain at Boston from those which obtain at Philadelphia.

They contended that the appropriation for the Boston yard was not in violation of the rule, because it was to continue a work already in progress. It was stated that the Boston yard was a very old yard; that a great many ships had been built there; that the *Cumberland* was built there as late as 10 years ago; and that the slip upon which these ships had been built was there now. They defended that appropriation on the ground that it was to enlarge and improve a slip long since constructed under authorization of law; in other words, in the language of the rule. "a work in progress." As to this item there can be no such contention.

The gentleman from Massachusetts [Mr. ROBERTS] even described the building slip at Boston. He said it was a very massive one, built of stone, and therefore permanent in character. The gentleman from Boston [Mr. MURRAY] spoke to the same effect. This is an entirely different proposition. Nobody will claim, I think, that there is any sort of a building slip at the Philadelphia yard. This is a bald, naked proposition to authorize the construction of a building slip at a navy yard where there is not now and never has been one, and it is therefore clearly obnoxious to the rules of this House.

In my opinion, the Secretary of the Navy greatly erred in directing that the transport provided for in the act of March 4, 1913, should be built in a navy yard which lacked an equipment so essential as a building way; but, however that may be, to appropriate the money to supply this lacking building way upon a naval appropriation bill would be a palpable violation of one of the most wholesome rules of this body.

Mr. VARE. Mr. Chairman, it seems to me that the act of March 4, 1913, is very clear. It says, under the head "Increase of the Navy":

> That for the purpose of further increasing the naval establishment of the United States the President is hereby authorized to have constructed one first-class battleship, carrying as heavy armor and as powerful armament as any vessel of its class, to have the highest practicable speed and greatest desirable radius of action, and to cost, exclusive of armor and armament, not to exceed $7,425,000: *Provided*, That the battleship herein authorized shall be built in a Government navy yard.

It goes on further to say that there shall be six torpedo-boat destroyers, and so forth. Further down in the law it says that the Secretary of the Navy "shall"—it does not say "may"—it does not say there shall be any discretion, but it says the Secretary of the Navy "shall" build the battleship, "shall" build any of the other vessels "herein authorized, in such navy yards as he may designate, should it reasonably appear that the persons, firms, or corporations, or the agents thereof, bidding for the construction of any of said vessels, have entered into any combination, agreement, or understanding the effect of which or purpose of which is to deprive the Government of fair, open, and unrestricted competition in letting contracts for the construction of said work."

The Chair ruled yesterday that the latter part of that law had no bearing whatever on the case. It is not my intention to take up the time of the committee going over matters that were discussed on the floor yesterday. These two propositions are identically the same, namely, Philadelphia and Boston. The same authority had authorized and demanded and commanded; had authorized the construction of and had made it mandatory on the Secretary of the Navy that these vessels shall be built. The Chair ruled yesterday, after listening to the different arguments for and against this proposition, and I will read his exact language:

> The Secretary of the Navy shall build the battleship authorized in this act in such navy yard as he may designate, and shall build any of the other vessels herein authorized in such navy yards as he may designate should it reasonably appear that the persons, firms, or corporations, or the agents thereof, bidding for the construction of any of said vessels have entered into any combination, agreement, or understanding the effect, object, or purpose of which is to deprive the Government of fair, open, and unrestricted competition in letting contracts for the construction of any of said vessels.

I am still quoting from the language of the Chair yesterday:

> Under that paragraph in the current law discretion is given to the Secretary of the Navy to determine where the ships shall be built. The Chair has been furnished with a letter, dated March 10, 1914, addressed to the Hon. LEMUEL P. PADGETT, chairman of the Committee on Naval Affairs, by Josephus Daniels, Secretary of the Navy, in which he says:
>
> "After careful examination of the various bids and estimates, including the revision of the Boston and Philadelphia navy yards of the estimates at first submitted by them, I decided on February 19 to place the building of these two vessels in Government yards—the supply ship to be built at Boston and the transport to be built at Philadelphia."
>
> Therefore—

Still quoting the language of the chairman—

> we find that the Secretary of the Navy, acting under his legal discretion, has authorized this ship to be built at the Boston Navy Yard. In order to build it it is necessary to have a "slip," about which the Chair had never heard until this question came up. Some time has been used in discussing whether "building slip" was a hyphenated word or two words, but the time has not been thrown away entirely, for only a few days ago we found the Comptroller of the Treasury deciding a very important question upon the placing of a comma, and at the same time wrestling with the grammar used in the bill which he was construing.
>
> It is true there is not a very great deal of difference in effect between the amendment which is now presented to the Chair for determining the point of order and those which preceded it, and to each of which a point of order has been sustained. It very much resembles the distinction made in the common law between an attorney undertaking the prosecution of a case for one-third of all he may recover and the undertaking of it for an amount equal to one-third of all he may recover. The first would be champertous and the latter legal. There is just about that much difference between this amendment and the ones previously offered. The language of the several others, to each of which the Chair has sustained a point of order, is like this one in effect, but is different in wording. The Chair is of opinion that the change of wording makes it different from the others, and therefore overrules the point of order.

Now, Mr. Chairman, I submit in that ruling there is not a single line or any question of whether or not there was a slip many years ago at the Charlestown Navy Yard. I submit, further, how ridiculous it would appear if this Congress had made an appropriation authorizing the construction of a house or a building, to tell a navy yard that they had no right to build a scaffold around that building in order to carry out the purpose of the law and the appropriation. How ridiculous it would appear for this Congress to appropriate $1,850,000 for a transport, and giving us the right to build it in Government navy yards if the Secretary of the Navy deemed wise and proper, and for us to say that we could go and erect that ship, but we could not build a great scaffold around it in order that we could carry into effect the law as passed on the 3d of last March. I suggest, Mr. Chairman, that this case is identical with the Boston Navy Yard case decided yesterday by the Chair.

Mr. MOORE. Will my colleague yield?

Mr. VARE. I will yield.

Mr. MOORE. In connection with what my colleague, the gentleman from Pennsylvania, has just said, I desire to call his attention to the letter of Mr. Daniels, the Secretary of the Navy, to Mr. PADGETT, the chairman of the Committee on Naval Affairs, dated March 10, 1914, wherein he informed the chairman of the committee of the award he had made for the construction of these vessels, the supply ship and the transport, one of which he had assigned to the Boston yard and the other of which he had assigned to the Philadelphia yard. In concluding that letter the Secretary said:

> The estimates received from these two navy yards are based on the assumption that they are to be equipped with building slips and suitable handling facilities. The building slips are absolutely essential for the construction of the vessels, and the handling facilities are equally essential if the ships are to be built rapidly and economically.

Hence it would appear that the gentleman's argument is entirely borne out by the Secretary of the Navy, who has already made the award to the Philadelphia yard, and who indicates in his message to Congress that the building ways, or this building slip, if you prefer to so designate it, is absolutely essential to the construction of the ship, and hence is in the line of continuation.

Mr. VARE. The gentleman is correct, Mr. Chairman. And I believe the Chair will agree with the Secretary of the Navy that, having first the authority of this Congress, under the act of March 4, 1913, authorizing the President to construct this ship, the Secretary of the Navy under that same law is not given discretionary power. The act says that he "shall" construct and build these ships. As my colleague has called to my attention, the Secretary of the Navy says in his letter that in order to carry out this mandate of this Congress under that law—

> The department deems the provision of building slips at Boston and Philadelphia absolutely necessary at the present time for the specific

purpose of constructing the vessels awarded as stated and authorized by the Congress.

I submit to the Chair that these cases are identical. [Applause.]

Mr. MONTAGUE. Mr. Chairman, it seems very important that the rulings of the Chair upon the question under consideration shall have such consistency that they may not come hereafter to plague us.

I read the rule. It provides:

No appropriation shall be reported in any general appropriation bill, or be in order as an amendment thereto, for any expenditure not previously authorized by law, unless in continuation of appropriations for such public works and objects as are already in progress.

I submit to the Chair that the "public works" contemplated by that rule must be the public works provided in the bill under consideration, and this work must be an existing building slip or building slips. That is the character of public work which must be in existence, and the continuation of which will constitute the "progress" stated in the rule.

In order to avoid—in order, if the Chair please, to evade—the manifest purpose of that rule, amendment after amendment was offered on yesterday, I now recall three, with great ingenuity, and the amendment finally presented declared in terms for the improvement of an existing structure at the Boston shipyard. Here there is no such contention. On the contrary, there is a concession that there is no existing building slip at the Philadelphia yard. Therefore, there can be no continuing appropriation for such public work, for you can not continue a nonexisting thing. You can not continue to improve a nonexisting structure. You can not attach substance to a vacuum.

Now, it is conceded here by the opponents of the point of order that there is no building slip at the Philadelphia yard.

Mr. MOORE. Mr. Chairman, will the gentleman yield?

The CHAIRMAN. Does the gentleman from Virginia yield to the gentleman from Pennsylvania?

Mr. MONTAGUE. With pleasure.

Mr. MOORE. That statement has often been made, but the fact is that small boats have been built at the Philadelphia yard, and perhaps as good a case could be made out for that yard in the matter of construction as for Boston, except that once upon a time they did have a regular building slip at the Boston yard.

Mr. MONTAGUE. Is the gentleman through?

Mr. MOORE. Yes.

Mr. MONTAGUE. Now, I suggest to the Chair that you can never properly decide this point of order by traveling outside the record. You can not determine a question of order by citing the determination of other questions raised upon facts not contained in a pending bill or by statements, however ex cathedra, if outside of the record. We must take the language and the fact as recited in the bill itself.

The CHAIRMAN. The Chair would be glad if others would do as the gentleman is doing—stick to the point of order.

Mr. MONTAGUE. I appreciate the compliment of the Chair, but I am arguing in a new field; I am not a parliamentary lawyer. I am endeavoring to apply the ordinary rules of construction to the questions propounded to the Chair. Let me call your attention to this language of the rule:

Unless in continuation of appropriations for such public works and objects as are already in progress.

That is, works authorized; and "such public works" must inevitably mean works of the same character as are stated in the bill. What are "such public works"? Are they works authorized by laws passed by Congress relating to other subjects? No. They must be the identical public works mentioned in the bill under consideration. Otherwise, the rule is a meaningless piece of written stuff.

Now, what is the work mentioned in the bill? What is "such public works"? It is a public work of the precise character stated in the bill; it is a building slip; not a battleship. Surely an authority to employ men in a navy yard, though essential to the final culmination of a battleship, would not cover and include an appropriation to pay for the seamen and the soldiers and sailors employed in the conduct or the operation of a warship, and vice versa.

Mr. VARE. Mr. Chairman, will the gentleman yield?

The CHAIRMAN. Does the gentleman from Virginia yield to the gentleman from Pennsylvania?

Mr. MONTAGUE. With pleasure.

Mr. VARE. Is my colleague familiar with the fact that in the amendment already ruled upon by the Chair yesterday there was a provision containing this exact language:

And there is hereby appropriated for the improvement of building slips and equipment.

Mr. MONTAGUE. Yes. I do not know if the gentleman followed me. I hope the Chair understood me as saying that that was a very technical amendment, gotten up to meet several adverse rulings of the Chair upon the construction of this rule of the House.

I desire to repeat that in that case the amendment was for the improvement of an existing structure. Here the amendment is not for the improvement of an existing structure. Here it is conceded that there is no existing structure. Yesterday the amendment was offered to incorporate in the bill itself the precise language that there was an existing structure, and for the improvement thereof the appropriation was provided.

Now, I submit to the Chair that here it is conceded there is no existing structure. Therefore there can be no "continuation," there can be no "progress," because there is no point, object, or thing from which to start. Therefore it seems to me that the point of order must be sustained.

Mr. LOGUE. Mr. Chairman, endeavoring to follow strictly the suggestion of the Chairman to keep within the record, in reply to the gentleman from Virginia [Mr. MONTAGUE] the reference to "public works" certainly does not mean public works only referred to in the bill under consideration. The spirit of the rule is that there may be invoked a restriction on bringing into a departmental appropriation bill legislation of a new character. I do not think I am far wrong when I conclude that the purpose and spirit of this rule is to prevent putting into departmental or general appropriation bills any subject in the nature of legislation that would seek to change existing conditions or existing law. I believe, Mr. Chairman, that the spirit of the rule and a rule of this character is to prevent a vice and not to stop a meritorious consideration and claim. I believe that a technical objection is to be raised at all times to prevent injustice, but never for the purpose of preventing justice being accorded.

I use that as an illustration, that the spirit of this rule is to be invoked to prevent the department from being hampered, or a general law to be changed in an appropriation bill, but is never to be invoked to aid or assist purely on a technicality that which a department has asked for, that which a department has recommended, that which a committee has recommended, that which is found to be necessary for the advance and prosecution of public work.

What is "public work"? Public work is that which is for the general public advantage or good. The navy yard at Philadelphia, you will take notice, legislative notice, if not judicial notice, is an existing thing. I am tempted, sir, but will not do so, to depart from the Chair's admonition, and to refer to an authoritative book relative to Philadelphia and what Philadelphia's navy yard was in the past. But, Mr. Chairman, we are confronted now, and you have it before you now as a part of the record, with a letter from the Secretary of the Navy stating an award to carry out the act of March 4, 1913. You can not now question that decision of the Secretary of the Navy. Every presumption is that he fully complied with the act of 1913 and decided in the interest of the Government; and to prevent that which was complained of in the act, he decided to award that contract to a particular navy yard. He has done so. That is the determination. That is the end of it. You can not go into it collaterally. Is it not public work for the Secretary of the Navy to award a contract for the construction of a large transport? Is not the construction of a large transport public work? And in aid of that public work, in aid of the extension of that undertaking, for the full benefit of the spirit of the act of 1913 to come into play, that Government yards may be brought in as active factors in this, we now ask for this appropriation; and it is asked here, predicated and dependent upon the letter and the facts that you have before you. I do not see how this rule can be invoked. We are not undertaking new work. Let me illustrate further. Suppose coal oil, the old method of illumination, has disappeared, and gas comes in. Is the question of illumination new? No. The method may be new, but the fact of illumination for a yard is the subject matter. Along comes electricity. If an appropriation is asked for electric lighting, can you decide that that is new and may not be provided for? No; the subject matter is that of illuminating, and the means is merely an incident to carrying it out.

This is not new work. Taking it under the statement made, taking it under the conditions, taking it under the recommendation of the Secretary of the Navy himself, that it is in aid and assistance of, and necessary to carry on, the great public work of building a transport, who can say that there is no public work under way at the present time; that there is no public work appropriated for? When the gentleman from Virginia [Mr. MONTAGUE] says it is not in progress, does he mean to say that we have got to wait until the thing is partially constructed and then come in and appeal for it? Rather, in the first instance, as I said yesterday, that which is authorized, that

which has been contracted to be done, is in the eye of the law and all reasonable deduction considered as being done because we bring to play the reasonable deduction that it is based merely upon the authority, merely upon the appropriation.

So, Mr. Chairman, I say that in view of the illuminating character of the debate that we have had as to the purpose, aim, and object of this particular legislation, bearing in mind that which you, Mr. Chairman, referred to yesterday, where the authority was given to the Secretary, where it was almost, by the use of the word "shall," made mandatory upon him to act, and where he has acted, those of us who are familiar with the principle of the law know well that wherever a thing is ordered to be done it is considered as being done, to the extent of associating with it every authority necessary to carry out the act. The man directed under a testamentary instrument to sell has coupled with that direction by implication the necessary authority to do what he has been directed to do—to convey. The Secretary of the Navy has the necessary authority. He has exercised his discretion; he has reached a conclusion. He reports to a committee; he reports to this Congress. It is supplemented by a letter sent to this committee, which is official and made a part of this record, showing that he has acted, and this recommendation upon the part of the committee specifies the direct purpose, aim, and object of it. Clearly that comes in the line of continuing a great public work.

I have nothing to do with private yards. I am concerned with a great public proposition. I am not considering bids one way or the other, and when I made use of that term I meant distinctly to have it understood that I am looking upon this outside of Philadelphia, and outside of any particular locality. As a Representative from that city, I am naturally interested; but I am endeavoring to argue this as a broad proposition of public undertaking, of a Government engaged in public work. A short while ago the question was asked by the gentleman from Virginia, if an act of Congress had been passed directing that the armor for a ship should be made in Government yards, would the Government have the right subsequently to make an appropriation for the making of the armor in Government yards? Why, the question answers itself. It was authorized, it was directed to be done, and the making of the appropriation is merely a sequence, a natural following of the carrying out of those things authorized, those things ordered, those things that are public works.

Mr. PADGETT. Mr. Chairman, this matter was discussed yesterday at very great length, for a number of hours. There is nothing new in it. We devoted nearly all of yesterday to the consideration of one little paragraph. This matter is in the discretion of the Chair, and I appeal to the Chair to rule upon this question and let us proceed with this bill.

The CHAIRMAN. The Chair is ready to rule.

Mr. PADGETT. Then I ask the Chair to rule.

Mr. MOORE. Did the Chair say he was ready to rule?

The CHAIRMAN. Yes.

Mr. PADGETT. I ask the Chair to rule.

The CHAIRMAN. The gentleman from Pennsylvania [Mr. LOGUE] who has just taken his seat has suggested that this ruling ought not to be a technical one. Practically every point of order is determined by a rule more or less technical, and in most instances very technical, as this is. It is so much of a technical question that the Chair will have to be controlled almost entirely by technicalities.

The gentleman from Pennsylvania [Mr. VARE] has suggested that it would be impossible to build a house without a scaffold. The Chair does not believe that a case upon all fours with this. When the house is completed, the scaffold is taken down, and afterwards it is neither a part of the house nor a part of the realty. But where a ship is built in a "slip" and the ship has left the "slip" and gone into the sea it does not take the "slip" with it, but the "slip" remains, and it remains as part of the realty, and the realty is the navy yard.

We have confronting us this situation: The building of this ship has been authorized. The Secretary of the Navy has been given the option to say whether it shall be built in a Government navy yard or elsewhere. We can see plausible reasons upon each side of this question. It has been urged with much plausibility that the Secretary of the Navy may direct this ship built in any Government navy yard. The Chair can hardly see it just that way, but is of the opinion that the Secretary of the Navy, in selecting a Government navy yard where this ship may be built, must select one where it is possible for it to be built. If he select one where it is now impossible to build it, then the Chair is of the opinion that it can not be built until an authorized appropriation has been made to put the navy yard in condition so that it may be built.

Yesterday we had the Boston case before us. There the Secretary of the Navy selected a Government yard in which the ship should be built. In making that selection he designated a Government navy yard having a "slip." It developed that that "slip" needed improvement, and therefore the Chair held the final amendment which was offered to be in order.

But here we have a case where the Secretary of the Navy has selected a navy yard in which to build a ship which not only has no "slip," but never has had one. As indicated, the Chair is of opinion that if it is insisted that this ship be built in this particular navy yard it can not be built until an authorized appropriation has been made with which to build the necessary "slip" on which the ship can be built. Therefore the Chair sustains the point of order.

Mr. PADGETT. Mr. Chairman, I want to submit a request that relates to this paragraph and other matters, that the Clerk may have authority to change the totals.

The CHAIRMAN. The Clerk informs the Chair that that is always done.

Mr. MANN. It is always done by unanimous consent.

The CHAIRMAN. Is there objection? [After a pause.] The Chair hears none.

Mr. VARE. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

Page 22, line 15, after the figures "$15,000," insert: "That to carry out the purpose of so much of the act of March 4, 1913, as authorizes the President to have constructed one transport, to cost, exclusive of armor and armament, not to exceed $1,850,000, there is hereby appropriated for improvement of building slips and equipment $200,000."

Mr. JONES and Mr. SAUNDERS made points of order against the amendment.

Mr. VARE. Mr. Chairman, in ruling upon the question a few moments ago the Chair seems to have been guided by the statement that there were shipbuilding facilities at the Boston Navy Yard, but there were no shipbuilding facilities at the Philadelphia yard.

The CHAIRMAN. The Chair understood that to be admitted by all.

Mr. LOGUE. Mr. Chairman, I think it is only fair to state that while I was prepared to call the attention of the Chair to the shipbuilding at the Philadelphia Navy Yard, I adhered to the admonition of the Chair not to step outside of the record. Otherwise I would have illuminated the House and the Chair by a statement of facts as to what has been done in the Philadelphia Navy Yard as to constructive work. I regret that I kept strictly to the rule.

Mr. PADGETT. Mr. Chairman, I want the Chair and the House to understand the situation exactly. The language used would bring this under the same state of facts that we had yesterday. This morning I went personally and saw Admiral Stanford, Chief of the Bureau of Yards and Docks, and asked him the question if they had any building slip or building ways at the navy yard at Philadelphia. He said none whatever upon which there could be a shadow or pretense to base an improvement on; so I must deal frankly with the House and give the House the information as it is. I was very anxious to have the building slip come in, but I want it to go in under a clear statement to the House of the facts.

Mr. VARE. Will the gentleman yield?

Mr. PADGETT. Certainly.

Mr. VARE. Does not the chairman regard as equally important from a shipbuilding standpoint whether or not there has been recent construction such as would doubtless leave an old slip?

Mr. PADGETT. The admiral told me that they had no slips over there at all.

Mr. VARE. Did the gentleman inquire whether there had been any recent construction?

Mr. PADGETT. He said they had built some scows.

Mr. VARE. Did not he say that they had built some vessels?

Mr. PADGETT. He used the word "scows." I asked him if there was anything there in the way of building slips or building ways upon which we could predicate an appropriation for improvement or extension, and he said there was not, and he regretted it as much as I did.

The CHAIRMAN. The amendment offered by the gentleman from Pennsylvania is, in effect, almost identical with the one offered by the gentleman from Massachusetts yesterday, but the conditions to which the amendment applies are entirely different. In the first case there was something which could be improved or added to or subtracted from, but in this instance there is no such thing. Therefore the Chair is compelled to sustain the point of order.

Mr. LOGUE. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Page 22, line 15, after the figures "$15,000," insert: "To carry out the purpose of so much of the act of March 4, 1913, as authorizes the President to have constructed a transport to cost, exclusive of armor and armament, not to exceed $1,850,000, there is hereby appropriated for building slip and equipment $200,000."

Mr. JONES. Mr. Chairman, I make the point of order that that is precisely the same thing.

The CHAIRMAN. The Chair is of the opinion that the appropriation is unauthorized by existing law, and sustains the point of order.

Mr. LOGUE. Mr. Chairman, I do not want to seem captious, but I am anxious to get this in if it can be brought within the rule, and I offer another amendment.

The Clerk read as follows:

Page 22, line 15, after the figures "$15,000," strike out "building slips and equipment" and insert in lieu thereof the following: "To carry out the purpose of so much of the act of March 4, 1913, as authorized by the President to be constructed at the Philadelphia Navy Yard, there is hereby appropriated $200,000 for the necessary equipment."

Mr. JONES. Mr. Chairman, I make a point of order against the amendment.

The CHAIRMAN. The Chair is of the opinion that it is subject to a point of order.

Mr. MOORE. Mr. Chairman, I offer the following amendment, which I send to the Clerk's desk.

The Clerk read as follows:

Page 22, line 15, after the figures "$15,000," strike out "building slips and equipment" and insert: "Equipment to build the transport *Maume.*"

Mr. JONES. I make a point of order.

Mr. MOORE. Will the gentleman reserve it?

Mr. JONES. It does not seem to me that we ought to take up the time.

The CHAIRMAN. The Chair will hear the gentleman from Pennsylvania.

Mr. MOORE. Mr. Chairman, I have not yet spoken upon this point.

The CHAIRMAN. The Chair will hear the gentleman from Pennsylvania upon the point of order.

Mr. MOORE. Mr. Chairman, it is evident that this whole question now hinges upon whether or not there is a building slip at the Philadelphia Navy Yard. It has been contended that vessels have been constructed at that yard, and that contention is undoubtedly true as to certain kinds of craft, but for the purpose of bringing the whole question specifically before the Chairman I have offered this amendment. What is being sought here is an authorization for the expenditure of money for the construction of a vessel that has been assigned to the Philadelphia Navy Yard by the Secretary of the Navy, under direction of Congress. It involves the question whether or not Congress itself acted in good faith when on March 4, 1913, it provided that there should be constructed a supply ship and a transport, the place of construction to be at the discretion of the Secretary of the Navy. Congress undoubtedly conferred that discretionary power upon the Secretary of the Navy in the naval appropriation bill of March 4, 1913, and in the exercise of that discretion the Secretary of the Navy designated Boston as the place at which the supply ship should be constructed and Philadelphia as the place at which the transport should be constructed. He was wholly within his rights—within the powers and rights dictated by Congress itself. Therefore, if this transport is not to be constructed at the Philadelphia Navy Yard, what is to become of the discretionary power conferred upon the Secretary of the Navy and of the act of Congress itself?

I have no special reason for advocating the construction of this ship in the Philadelphia Navy Yard, for within my district is one of the large independent shipbuilding concerns of the world, and I am not now contending for or against Government ownership or for the right to build battleships in private yards, or to control their construction in Government yards. The question is apart from all that. What did that act of March 4, 1913, mean when it gave explicit directions to the Secretary of the Navy to build ships in certain ways and at certain places? Was that act of Congress meaningless, and is the act of the Secretary of the Navy, done apparently in good faith under the instruction of Congress, also meaningless? It would seem so, if this point of order is sustained, because, then, the Congress is in the position of giving instructions to the Secretary of the Navy which it did not intend should be carried out, and the Secretary of the Navy is put in the position of carrying out instructions under warrant of the law which can not be made effective. If this point of order is sustained, then the Navy Department is in the awkward and ridiculous position of saying to the country that a transport for the service of the Navy will be constructed in the Philadelphia yard, but that it is to be constructed without tools, without building ways, and without scaffolding, all of which are essential to its construction, and this in spite of the fact that Congress on March 4, 1913, said specifically that the Secretary of the Navy should have full power in this particular.

Mr. LOGUE. Mr. Chairman, will the gentleman yield?

Mr. MOORE. Yes.

Mr. LOGUE. Has the gentleman in mind the thought that if the Secretary of the Navy awarded this contract to a yard without any equipment the question of appropriation would then come up before Congress, and Congress, by vote, could then determine whether or not his judgment was good?

Mr. MOORE. Mr. Chairman, I have that thought in mind, and also that the Secretary of the Navy had it in mind, in a letter addressed to the chairman of the Committee on Naval Affairs, Mr. PADGETT, on February 14, 1914. In setting down the facilities at the respective yards for the construction of these two ships the Secretary said as to the Philadelphia yard, in the matter of "equipment," which is to be stricken out if this point of order is sustained—and equipment means the foundation under your building or the scaffolding and ways under the ship which would thus be left in the air—the Secretary said with respect to facilities, with respect to equipment, which must be added to in order to take on the construction of this transport:

Except for foundry facilities and certain machine tools, the yard [the Philadelphia yard] is already equipped with shops and tools for carrying on and completing the work.

Here is the authority of the Secretary of the Navy, who is in charge of the yard. He continues:

And expenditures for this purpose will be comparatively small.

The Secretary of the Navy tells the chairman of the Committee on Naval Affairs that this yard is equipped with facilities and tools for carrying on and completing the work. What is asked here is that $200,000 be set aside to further equip that yard for the construction of a vessel which Congress authorized the Secretary to build. According to these facts there is a continuation of equipment work here, and "equipment" is provided for in the sentence which it is proposed to strike out under the point of order.

Mr. JONES. Mr. Chairman, will the gentleman yield?

Mr. MOORE. Yes.

Mr. JONES. I have in my hand the report of the Committee on Naval Affairs, and under the head of "Public works, yards and docks," the report says:

The principal appropriations in the various yards are as follows: To provide for a building slip—

It does not say a word about equipment there—

in the Boston and Philadelphia yards, to construct the vessels awarded to these yards—

And so forth.

Mr. MOORE. Is that the report of the Committee on Naval Affairs?

Mr. JONES. Yes.

Mr. MOORE. I respectfully submit to the gentleman——

Mr. JONES. Just one moment. The Committee on Naval Affairs does not ask for an appropriation for any other purpose than a building slip, and, of course, the gentleman knows that if this be held in order, the money would be used for that purpose and for no other purpose. It is simply a subterfuge.

Mr. MOORE. Mr. Chairman, I wish to answer the gentleman specifically. The Committee on Naval Affairs does ask for something besides a building slip. The report is not accurate in that respect. The bill we are now considering provides for "building slips and equipment," and it is the extension of the equipment already provided for that we are asking.

Mr. JONES. I am reading from the report.

Mr. MOORE. Further than that, since the gentleman has a copy of the report of the committee, I cite against what he has read this statement of the Secretary of the Navy himself that there is equipment there, and that more equipment is needed in order that this ship shall be constructed in the manner directed by law.

Mr. JONES. Equipment is the building slip.

Mr. MOORE. Mr. Chairman, I submit to the Chair that the word "equipment" cuts a very large figure in this whole affair. There is an "equipment" at this yard—an equipment for building ships. There are tools at this yard; there are buildings at this yard. There are facilities at this yard for building this transport, and this the Secretary of the Navy took into consideration before he made the authorization for constructing that ship at this yard. All that he reported to the Committee on Naval Affairs, and the Committee on Naval Affairs, respond-

ing to his request, to his statement of facts, asked here for an appropriation for additional equipment, and the bill so states.

The CHAIRMAN. In line 15, page 22, the following words have gone out of the bill entirely on the point of order:

Building slip and equipment, $200,000.

Those words and figures are no longer in the bill. The gentleman from Pennsylvania [Mr. MOORE] offers an amendment to insert in line 15, after the figures $15,000, the words:

Equipment to build transport *Maumee*.

The Chair can not see in what better fix the gentleman would be if his amendment were held to be in order because of the fact it would leave him entirely without money to do the very thing he seeks to accomplish.

Mr. MOORE. I did not strike out the $200,000.

The CHAIRMAN. It is already out.

Mr. MOORE. Well, I ask unanimous consent to add "$200,000."

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania? [After a pause.] The Chair hears none.

The Chair was proceeding, when the gentleman asked unanimous consent to insert the amount of $200,000 in his amendment, simply to repeat in substance his former ruling. As the Chair said before, there is a plausible argument which can be made on each side of this question. The gentleman has just made a very plausible argument on his side of the question. If it is accepted, the situation will be this, that the Secretary of the Navy, in selecting a navy yard for this work, has selected one out of the many navy yards where, according to present authorized conditions, the ship can not be built. The gentleman from Tennessee [Mr. PADGETT] has made a statement here that he has authority from the Navy Department to say, which the Chair will accept, that there is no slip there upon which an improvement can be made, and the Chair can not but repeat that he is of the opinion that the appropriation of money to build a slip must first be authorized before it can be appropriated for in the naval appropriation bill. Therefore the Chair sustains the point of order to the amendment offered by the gentleman from Pennsylvania [Mr. MOORE].

Mr. VARE. Mr. Chairman, I offer the following amendment, which I send to the Clerk's desk.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Page 22, line 15, after the figures "$15,000," insert: "Additional facilities for the specific purpose of constructing the transport authorized to be constructed by the naval appropriation act approved March 4, 1913, the construction of which, in accordance with said act, has been awarded to the Philadelphia Navy Yard by the Secretary of the Navy, $200,000."

Mr. JONES. Mr. Chairman, I make the point of order against the amendment.

The CHAIRMAN. The point of order is made to the amendment, and the Chair might ask the gentleman just here whether or not the expenditure of the money mentioned in his amendment comes out of the amount appropriated for the ship or is to come out of Treasury money not yet appropriated?

Mr. VARE. There is the sum of $1,850,000 appropriated for this ship. Mr. Chairman, I desire to discuss the amendment to the extent of saying that this amendment not only provides for an additional equipment, but it leads to the reducing of the cost of the ship and therefore to a reduction in the amount of the appropriation. My understanding is anything that tends to reduce the expense of the Government is in order on such a proposition. Mr. Chairman, the chairman of the Committee on Naval Affairs [Mr. PADGETT] has told the committee this morning what some of the naval officials told him at the Navy Department. I want to say to this committee that I have conferred with Capt. Grant, who has been the commander at the Philadelphia Navy Yard for several years, and he has assured me that with the authority he can increase the existing facilities there and have that yard ready to build this transport *Maumee* within 90 days. That probably is a little bit at variance with the information the chairman received from the Navy Department in Washington. My information was received from Capt. Grant, who has been located at that yard for many years, that with the authority he could increase the facilities now existing at that yard within a period of three months to build this ship which is under consideration. My contention is that if this amendment is held in order, instead of the Public Treasury expending $1,850,000 for this transport it will be able, including the cost of these additional facilities, admitting that these additional facilities will require an expenditure of $200,000, to reduce the expenses to the Government to the extent of $90,000; or, in other words, if this amendment fails, instead of our Government building this ship at a Government shipyard, it goes to a shipyard known as one of those in the combination, and I use the word "combination" advisedly. The Secretary of the Navy does not specifically say that he has evidence of collusion, but the fact of his awarding this contract and saving $200,000 shows that he is trying to operate in the interest of economy and in the interest of this Government.

Mr. JONES. Will the gentleman permit me to ask him a question?

Mr. VARE. Not now; I will yield later on. I call the attention of the Chair to this bit of saving over the Government yard at Mare Island of $146,000, to the saving over the New York yard of $489,000, and I will explain that to this committee by saying that I have information that the New York yard was so busy that they could not handle this additional work. There is a saving over the Norfolk yard of $306,000, and over the yard at Portsmouth of $415,000, and over the yard on Puget Sound of $212,000, and over the Newport News Shipbuilding Co., which I repeat again is a part of this great combination concerning which the Democratic Party is about to adopt new laws and new regulations, a saving of $289,930. And admitting that this additional equipment as stated by Capt. Grant, one of the most efficient captains in our Navy, admitting that we will require out of this $1,850,000 an expenditure of the additional $200,000, I submit to the Chair, however, that this amendment means a saving to this Government of $89,930.

This amendment having saved that money, I submit it certainly must be in order.

Now, I yield to the gentleman from Virginia [Mr. JONES].

Mr. JONES. I wanted to ask the gentleman this: I understood the gentleman to say in reply to the question of the Chair—although I may have misunderstood him—that this $200,000 was to come out of the appropriation for the ship. Did he mean to say that?

Mr. VARE. The Chair asked that question. There is sufficient saving in this item, so that we could take the $200,000 from the original $1,850,000 and still have a saving of $90,000.

Mr. JONES. The act authorizing this transport limits its cost to $1,850,000. It must be built within that sum. If it can be built within that sum, then only the amount necessary to build it can be properly expended. In my judgment this transport, if built at Philadelphia, will not be built within the limit of cost.

Mr. VARE. And my amendment, if agreed to, will save the Government $89,930, conceding that $200,000 would be spent for additional facilities and equipment.

The CHAIRMAN. The Chair was about to say that he is in full sympathy with the purpose of these several amendments that this ship should be built at a Government navy yard; but the point must not be lost sight of that the money appropriated to build the ship and the money appropriated to build a navy yard is for different purposes. They are two separate and distinct matters. The amendment just offered by the gentleman from Pennsylvania is quite different from the several others which have just preceded it, in that the amendment offered by the gentleman from Pennsylvania provides $200,000 for the "specific" purpose of constructing the transport authorized. The Chair is inclined to the opinion that that would be an additional $200,000 added to the heretofore authorized amount for the construction of the ship and is, therefore, not in order.

Mr. JONES. There is not any question about that.

The CHAIRMAN. And for that reason the Chair put the question to the gentleman from Pennsylvania [Mr. VARE] when his amendment was first offered as to whether or not he intended it to come out of the ship appropriation or to be added to the ship appropriation.

Mr. MOORE. Mr. Chairman, I now present an amendment which I think will cover the point made by the Chair.

Mr. PADGETT. Mr. Chairman——

The CHAIRMAN. For what purpose does the gentleman from Tennessee rise?

Mr. PADGETT. I rise to offer a motion to close debate upon the paragraph and all amendments, so that we can make progress.

Mr. MOORE. The gentleman is not going to close our opportunity to settle this matter if we can do so?

The CHAIRMAN. The gentleman can not close debate on a point of order. The Chair is ready to rule upon these amendments as fast as they come, because we have heard every phase of them discussed. The Chair does not want to be discourteous to the gentleman if he insists upon debate upon the point of order, although the mind of the Chair is already made up. The Clerk will report the amendment.

The Clerk read as follows:

Page 22, line 16, at the end of the line add the following: "That of the $1,850,000 appropriated by the act of March 4, 1913, for one transport, exclusive of armor and armament, the construction of which has been awarded to the Philadelphia Navy Yard by the Secretary of

the Navy, the sum of $200,000, or so much thereof as may be necessary, shall be applied to the construction of equipment necessary for the building of such transport."

Mr. JONES. Mr. Chairman, I make a point of order against this amendment. It is clearly a change of existing law. It provides that of the money that has been appropriated for building the ship $200,000 shall be diverted to equip the navy yard at Philadelphia, which is, of course, a change of existing law; and it, moreover, assumes, Mr. Chairman, that $1,850,000 has been appropriated to build the transport, which is a false assumption, to start with.

The CHAIRMAN. The Chair did not catch the last words of the gentleman.

Mr. JONES. I say that it is based upon a false assumption to start with.

The CHAIRMAN. The amendment is?

Mr. JONES. Yes. It is based on the assumption that $1,850,000 has been appropriated to build a ship. That sum is the limit of cost fixed by the act. The cost can not exceed that amount. No such amount has been appropriated, and, therefore, it is based on a false assumption; but, Mr. Chairman, even if it were not, it would be a change of existing law, in that it seeks to take from a fund appropriated by Congress to build a ship $200,000 with which to equip one of our many navy yards, and therefore, of course, changes existing law.

Mr. MOORE. Mr. Chairman, I am perfectly willing to amend that, and ask unanimous consent to do so, if the Chair has any doubt about it, so that it shall read "of the money appropriated, $200,000 shall be."

The CHAIRMAN. If there is no objection, the gentleman will be permitted to change the amendment.

Mr. MOORE. That "of the sum of $1,850,000 appropriated," and so forth, and toward the end there, "for additional equipment" instead of "construction of equipment."

The CHAIRMAN. The Chair has several times ruled, in effect, that money can not in this way be appropriated out of the Treasury. The question again arises, Can it be appropriated out of the sum which has already been appropriated for the ship? It seems to the Chair that if it can not be appropriated for a navy-yard purpose out of the Treasury it can not be appropriated for that purpose out of the amount that has been appropriated for the ship, unless it is shown it is a part of the ship.

Mr. MOORE. Would it influence the Chair at all if I called attention to the fact that the estimate of the department of the cost of construction is $1,405,069.99, and that is $400,000, at least, below the amount appropriated for the construction of the transport, exclusive of armor and armament? Grant that the appropriation provides that the construction of the ship is not to exceed a certain amount. That leaves the opportunity to save $400,000, which, apparently, would be saved if this estimate of the Philadelphia yard were accepted, and it leaves such a saving as might, I think, within the purview of Congress, at least, enable us to delegate or transfer a portion of it to the construction of or the provision for the necessary equipment to carry out the purpose of Congress.

The CHAIRMAN. The maximum sum of $1,850,000 has been appropriated for the building of this ship. The Secretary of the Navy may use all of that amount or he may use less of it. Whatever less of it he may use will remain in the Treasury, and this would be but an indirect way of appropriating from the Treasury for a purpose which the Chair has held has not been authorized.

Mr. MOORE. The Chair will bear with me for a moment. Would not this Congress have the right now, by a new provision, to transfer that money? Have we not the right by law now to say what shall be done with money saved? Here is a new fund, which nobody can transfer except Congress.

The CHAIRMAN. It could do so only for some purpose now authorized by law.

Mr. MOORE. A purpose is specifically stated in the amendment to meet the objection of the Chair. We have the power to make that transfer, and the amendment proposes specifically to make it. It is not within the power of the Secretary of the Navy to make that transfer, but it is within our power to direct that the Secretary of the Navy shall make that transfer for a specific purpose. This seems to be the only time and the only place where it can be done.

Mr. JONES. Mr. Chairman, will the gentleman permit me?

Mr. MOORE. Yes.

Mr. JONES. The gentleman speaks of this as $200,000 which has been saved.

Mr. MOORE. I beg the gentleman's pardon. It would be of a sum saved.

Mr. JONES. That any sum has been or will be saved in the building of this transport is a false assumption. The Philadelphia yard has merely estimated that it can build this ship for a certain sum. It has given no guaranty that it will do so. It will take every dollar, in my opinion, of the $1,850,000, and more besides, to build this ship at Philadelphia. The gentleman knows that the experts of the Navy have said that it will take more than the estimated amount, so that there is no question of saving. The constructor at the Philadelphia Navy Yard has simply said, "I believe I can build the ship for so much money." There has been no saving effected.

Mr. MOORE. Mr. Chairman, I have confidence in the Secretary of the Navy, and I have confidence in his advisers. It makes no difference to me whether he is of the same political party to which I am attached or not. So long as he is the Secretary of the Navy and communicates officially to this body, I take the communication he sends here in good faith, and take it to be correct and true. I know of no other way for Congress to obtain this kind of information than through these heads of departments, who are charged to give us information. Now, first, under the law the Secretary has the right to build this ship and to designate Philadelphia as the place of construction; second, we have a partial equipment at the Philadelphia Navy Yard for the construction of the ship; and, third, the Government will save money from the sum appropriated for the construction of the ship. And that brings us up again to the question as to whether or not we have the right to say what shall be done with that money so saved; that is, the difference between the amount appropriated and the actual cost. Congress has the right to say, and Congress should say, how that money is to be expended.

Mr. JONES. The gentleman speaks of "the difference between the amount appropriated and the actual cost." That is not——

Mr. MOORE. I do not reflect upon the figures of the Secretary of the Navy; apparently the gentleman does.

The CHAIRMAN. The point of order is sustained.

Mr. LOGUE. Mr. Chairman, I offer an amendment. I will not discuss it.

The CHAIRMAN. The gentleman from Pennsylvania [Mr. LOGUE] offers an amendment which the Clerk will report.

The Clerk read as follows:

Insert, after the figures "$15,000," line 15, page 22, the following: "To carry out the purpose of so much of the act of March 4, 1913, as authorizes the President to have constructed a transport to cost, exclusive of armor and armament, not to exceed $1,850,000, there is hereby appropriated for building slip and equipment $200,000; the said sum of $200,000 to be charged against the $1,850,000 heretofore appropriated for construction of said ship."

Mr. JONES. Mr. Chairman, I make a point of order on that.

The CHAIRMAN. The Chair is of the opinion that this, too, is subject to a point of order.

Mr. PADGETT. I will ask, Mr. Chairman, that the Clerk read.

Mr. LOGUE. I ask for an appeal, Mr. Chairman.

The CHAIRMAN. The gentleman from Pennsylvania [Mr. LOGUE] asks an appeal from the decision of the Chair. The question is, Shall the decision of the Chair stand as the judgment of the committee?

The question was taken, and the Chair announced that the ayes seemed to have it.

The CHAIRMAN. It is therefore ruled that the decision of the Chair stands as the judgment of the committee. The Clerk will read.

The Clerk read as follows:

Navy yard, Washington, D. C.: Fireproof general storehouse (cost not to exceed $225,000), $100,000.

Mr. STAFFORD. Mr. Chairman, I reserve a point of order on the paragraph.

The CHAIRMAN. The gentleman from Wisconsin [Mr. STAFFORD] reserves a point of order on the paragraph.

Mr. STAFFORD. As I understand, Mr. Chairman, this provision for a new fireproof general storehouse at the Washington yard was recommended a year ago, and the committee either rejected it or it failed to be incorporated in the bill of that year.

Mr. PADGETT. It has not been incorporated. It has been recommended for several terms, but we have had so many other things to carry out that we did not provide for it until this year.

Mr. STAFFORD. Is that the only reason why the committee did not recommend it in prior years upon those successive recommendations, because there were other matters carried in the bill?

Mr. PADGETT. That is my understanding of it.

Mr. STAFFORD. We all have some acquaintance with the conditions in the Washington yard, the members of the Committee on Naval Affairs probably having more information than the average Member has; but we all know that the work at those shops, misnamed "navy yard," is congested; that the shop there is in need of much more ground; that it is contemplated by the present Secretary of the Navy to manufacture all our large guns at that shop, or at some other shop, and that at the present time, I believe, some 20 of the 30 large guns are now manufactured there by the Government. I would like to suggest to the chairman, as has been suggested by other members of the committee during the hearings, whether it is not a pressing and present question from the business standpoint that the Government, viewing the congested condition there, should consider obtaining some other tract of land where they might be able to enlarge their activities, rather than to purchase adjoining grounds, tear down buildings, as has been proposed for the erection of this building, and whether it would not be more economical to the Government to pursue that policy than to proceed with the erection of this building, which, as I understand, will require the demolishment of some two existing buildings.

In that connection, I wish to say, inasmuch as the gentleman in charge of the bill probably has information with regard to other large industrial concerns that have outgrown their old quarters and then selected another site where the land was more easily obtainable—for instance, did the gentleman notice, when he inspected the Philadelphia Navy Yard, and when he was entertained handsomely, as is customary, by the hospitable citizens of Philadelphia, that the Baldwin Locomotive Works, which had a large plant crowded in between Broad and Seventeenth Street and Spring Garden Street and the Reading Railroad, found their old location unsuitable for the expanding of their business, had accordingly purchased a large tract down near Wilmington, Del., along the Pennsylvania Railroad, for supplemental shops? Now, if the Secretary of the Navy deems it advisable to extend the activities of this plant at the Washington Navy Yard, why not develop a branch at some new tract where they would have more space for future development?

Mr. PADGETT. If the proposition is to abandon the navy yard here in Washington——

Mr. STAFFORD. I was not contemplating the abandonment of the navy yard, but the acquisition of a new site, as in the case of these other establishments, where they will not be cramped in their activities and future development.

The CHAIRMAN. The time of the gentleman from Wisconsin has expired.

Mr. STAFFORD. Mr. Chairman, I ask unanimous consent for five minutes.

The CHAIRMAN. Is there objection to the gentleman's request?

There was no objection.

Mr. PADGETT. I will yield to the gentleman from Wisconsin. I will say, Mr. Chairman, that this building is needed in order to properly and economically handle and care for the business that is going on there now, even if there is no enlargement in the future. This building is needed to take care of the material that is there. There is a large loss each year by leaving out large quantities of metal, material, and implements, and other things exposed to the weather. I have a statement here which I will put in the RECORD as a part of my remarks, showing the cost to the Government each year by way of loss on account of damage from exposure.

Mr. STAFFORD. Does the gentleman intend to have that letter read now?

Mr. PADGETT. It is a little long. Does the gentleman want it read?

Mr. STAFFORD. I do not wish to have it read if the gentleman will give me the gist of it. I have read the hearings on this proposition, and I am concerned, because I believe, from a business standpoint, it may be well not to go ahead with tearing down buildings here, but to have the Government purchase some adjoining tract of land, where the property is not so valuable.

Mr. PADGETT. This letter says:

1. For lack of a suitable storehouse at the Washington Navy Yard there is stored in the open, and consequently subject to deterioration, approximately $6,850,000 worth of ordnance material.

2. It is most surprising, but nevertheless a fact, that while at other yards the material of the Navy is adequately provided with storage, that the output of the Naval Gun Factory, the guns, mounts, accessories, etc.—the material, above all else, which is most vital to the efficiency of the Navy, and which should be available for immediate use and receive the most careful attention—is, so far as necessary storage is concerned, practically neglected.

3. That this situation is not new, and that the necessity for providing some relief has been properly represented by the officials of the Washington Navy Yard, is sufficiently attested by the fact that in 1902 a fireproof general storehouse was recommended and has been included in the estimates for each succeeding year.

4. It is interesting to note the following extract from the report of 1902:

"A large, centrally located, properly designed, fireproof storehouse for the use of the general storekeeper is very necessary for the efficiency of this yard. The present building is not only badly located, but is inadequate for the work, and is little better than a fire trap. The amount of time and money saved by modern methods of storage and of handling materials and of transporting same to and from a centrally located storehouse and the shops would soon reimburse the Government for the cost of the building and appliances, not to speak of the additional security from fire."

At that time—July 1, 1902—there was $4,271,785 worth of ordnance material on the books of the general storekeeper, while now there are stores to the value of $12,219,500, and yet nothing has been done to provide any additional storage facilities.

5. In order to illustrate the immediate need of a building, photographs are appended showing ordnance material now held at this yard.

6. From an economic standpoint, and to save money, a building is urgently required. The actual loss to the Government can be best shown by the single item of preservation. The additional expense of properly protecting ordnance which is exposed to the weather—the cost of protectives, such as white lead, vaseline, slushing compound, etc.; the expense of stripping the mounts by removing all ball-bearing elevatin and training gears and disassembling the top carriages, slides, and pivot stands—is a very considerable burden, which would not be necessary if proper storage facilities were provided. A conservative estimate of the extra cost of labor and material for the above work is $15 for each gun and $25 for each mount. During the past year there were 260 guns (over 3-inch) shipped out of this navy yard, entailing cost of preparation for shipment, etc. All of these guns were stored in the open. Upon this basis alone $10,000 per annum will be saved by the increase of storage facilities through the addition of a general storehouse. This cost does not include the expense of renewing parts lost or damaged through exposure to the weather or as a result of disassembling and reassembling.

7. The paramount military necessity of having mounts, guns, etc., intact and complete, with all spare parts and equipment ready for immediate shipment, without the necessity of overhauling and reassembling, is evident. This could be done if a storehouse were provided.

8. It can be safely asserted that the need of the storehouse included in the Secretary's estimates for 1914, submitted to Congress, is vital and imperative.

This is for the work that is going on at the present time, and not with a view to the enlarged operation.

Mr. STAFFORD. Of course the gentleman knows that if the Government should purchase an additional tract of land they would withdraw some of the work that is now being done there, and they would rearrange their plant in an economical, scientific manner, and that would give room for storage space in buildings that are now used for active operations.

Mr. PADGETT. If they were to discontinue some of their operations and activities, of course they might make room for other matters.

Mr. STAFFORD. Does not the gentleman agree that the plant is at the present time in a congested condition, and that they will be obliged to go outside or to purchase additional land for these additional activities, if those activities are going to be pursued?

Mr. PADGETT. It is congested to some extent.

Mr. STAFFORD. From a business standpoint, does not the gentleman think it would be advisable for the Government, and that if this was a business corporation it would be highly profitable, to purchase some land at a point where they have railroad facilities and where they have the men conveniently at hand to do the work?

Mr. PADGETT. I do not know whether it would be better to get some adjoining land and extend the shops there or whether it would be better to go to some other place. I have not sufficiently investigated and passed upon those questions. The territory is congested at the present time.

Mr. MANN. Mr. Chairman, may I ask the gentleman a question?

Mr. PADGETT. Certainly.

Mr. MANN. Is it intended to store guns in this storehouse?

Mr. PADGETT. Guns and material.

Mr. MANN. When they send these guns out for work, where do they store them? When these guns are put aboard ship, where do they store them then?

Mr. PADGETT. When they send them to the ship and place them upon the ship, they bring the old guns back into the yard.

Mr. MANN. Do they protect them on board ship by putting them under cover?

Mr. PADGETT. They keep them oiled all the while, and then they have canvas hoods that they put over them.

Mr. MANN. Is that possible here?

Mr. PADGETT. I should hardly think so.

Mr. MANN. Is not that what they do? Wherever they are, do they not keep these guns all covered with oil or vaseline, or something of the sort?

Mr. PADGETT. Yes; they try to do so.

Mr. MANN. Whether they are under cover or not under cover, whether they are exposed to the weather or not exposed to the weather?

Mr. PADGETT. I do not think they are kept under cover when they are put out. They paint them or oil them, but I do not think there is any cover put over them down at the yard.

Mr. MANN. I mean where they are kept under cover.

The CHAIRMAN. The time of the gentleman has expired.

Mr. STAFFORD. I ask unanimous consent that the time of the gentleman from Tennessee be extended five minutes, because I wish to ask him some questions if he will be good enough to answer them.

The CHAIRMAN. The gentleman from Wisconsin asks unanimous consent that the time of the gentleman from Tennessee be extended five minutes. Is there objection?

There was no objection.

Mr. PADGETT. On board ship they have special men to care for the guns, and they look after them as a part of their regular *duty*.

Mr. MANN. I suppose they would have them here, whether they are under cover or not. But will the gentleman allow me to ask him one more question?

Mr. PADGETT. Certainly.

Mr. MANN. If this storehouse is located here in Washington, will similar storehouses be required in all the other navy yards?

Mr. PADGETT. I think not, sir.

Mr. MANN. Why not?

Mr. PADGETT. Simply because they do not have a necessity for it. They do not handle the guns. Then the other yards, many of them, have ample facilities for all their activities.

Mr. MANN. Is this storehouse to be located on a railroad track?

Mr. PADGETT. They have tracks inside of the yard. The main line of the railroad has a spur running into the yard. Inside of the yard they have their own engines to operate their own cars, and a spur track would run into this storehouse.

Mr. ROBERTS of Massachusetts. If the chairman of the committee will pardon me, I think the intended use of this building has not been clearly stated. It is not designed as a building to store guns. It is a general storehouse, wherein may be gathered all the general stores in use in this yard, which are now scattered around in various portions of the yard, in small and ill-equipped, improper buildings.

Mr. MANN. Would not the same thing be required in many other yards?

Mr. ROBERTS of Massachusetts. We have general storehouses in the other yards. In some instances we have modern general storehouses; in other cases we have old buildings that have been modernized; and in other cases we have general stores scattered around the yard in small buildings.

Mr. MANN. We have storehouses here now. Here is a proposition to put up a new fireproof storehouse. I do not know whether it would be fireproof or not, but that is all right.

Mr. ROBERTS of Massachusetts. This is not a building in which to keep guns.

Mr. MANN. I got the information from the chairman of the committee.

Mr. ROBERTS of Massachusetts. The chairman of the committee was in error. That is what I was trying to point out.

Mr. MANN. If there is to be a general storehouse located here, you will want one in Boston next year, will you not?

Mr. PADGETT. I will say to the gentleman that I got the information which I gave from a memorandum furnished by the navy-yard authorities themselves.

Mr. ROBERTS of Massachusetts. I have before me the statement of the Chief of the Bureau of Yards and Docks on this very point.

Mr. MANN. It is evident that the Navy Department do not know what they want this storehouse for.

Mr. STAFFORD. Does the gentleman know of any large industrial establishment that has a quarter of a million dollar building used exclusively for storage purposes, no matter how large the establishment may be?

Mr. ROBERTS of Massachusetts. I do not have in mind any particular case, but I should be surprised if many of the large manufacturing establishments did not have extensive buildings for the storage of valuable material.

Mr. STAFFORD. My experience is limited, but I will say that the Allis-Chalmers Machine Works, the Folk plant, and other large manufacturing plants that I am acquainted with in Milwaukee have no such storehouse.

Mr. PADGETT. I will call attention to another clause in this memorandum:

> For lack of suitable storehouse at the Washington Navy Yard there is stored in the open and consequently subject to deterioration approximately $6,850,000 worth of ordnance material.

Mr. ROBERTS of Massachusetts. That does not mean manufactured guns, but material.

Mr. PADGETT. It means a great deal more than guns.

Mr. ROBERTS of Massachusetts. There was not a word said in the hearings about guns. The storehouse is to be used for materials used in active manufacture.

Mr. PADGETT. Yes; the common type of carriages, training gears, and all material.

Mr. STAFFORD. As was suggested by the gentleman from Illinois, whenever any machinery is shipped it is always covered with vaseline and prepared to withstand the elements for weeks and weeks. I will ask the gentleman—and I think it is a pertinent inquiry—whether at the time this was proposed the department did not suggest a rather large proposition looking to a plan that the guns needed in the Navy should be manufactured elsewhere than at the Washington yard?

Mr. PADGETT. The department submitted a proposition to extend the manufacturing plant for guns, but we did not include it in the bill because of the congested conditions.

Mr. STAFFORD. Was it not also rejected because it was an item that had recently been submitted and the plans had not been fairly worked out by the department?

Mr. PADGETT. That is what was said, and then the board on shore stations, that inspects that material, reported against it.

The CHAIRMAN (Mr. SHERLEY). The time of the gentleman has again expired.

Mr. STAFFORD. I ask unanimous consent that the gentleman be given five minutes more.

The CHAIRMAN. The gentleman from Wisconsin asks unanimous consent that the time of the gentleman from Tennessee be extended five minutes. Is there objection?

There was no objection.

Mr. PADGETT. The report of the board of inspection of shore stations, reading from page 281, says:

> In the opinion of the board, the proposition to increase the output of the gun shops in the manner proposed by the Bureau of Ordnance is decidedly inadvisable. The gun shop is too narrow for efficient work, and its proposed extension into the adjoining hill would further decrease light and ventilation. Even now some of the boring bars have to be operated in subways or tunnels built under the street, and the extension proposed contemplates adding to the number of such unusual and unsatisfactory arrangements. One of the lathes of the present shop has its headstock not more than 2 feet from the wall, this most undesirable state of affairs having been necessitated by the insufficient width of the shop. The present buildings in which the construction of guns is carried on are so unsuitable for such work that the board considers that, unless the department deems it advisable to transfer the plant elsewhere, the most efficient way to provide the necessary additional facilities, having due regard to economy of work and to conditions liable to arise in the future, is to build an additional new gun shop, about 500 feet long and not less than 180 feet wide, in a different location. Such a shop would afford the necessary floor space, light, ventilation, and other facilities for expeditiously constructing the largest guns with a high degree of economy.

With that recommendation the committee did not feel authorized to include at the present time a large appropriation to extend or enlarge the gun shop.

Mr. MADDEN. Will the gentleman yield?

Mr. PADGETT. Yes.

Mr. MADDEN. They have a dance hall over there, have they not?

Mr. PADGETT. They have dances there.

Mr. MADDEN. Why would it not be a good thing to utilize that as a warehouse?

Mr. PADGETT. They have dances there a part of the year, I understand.

Mr. MADDEN. No part of this appropriation is to be used to improve the dance hall?

Mr. PADGETT. No, sir.

Mr. MADDEN. Or to make better ventilation? It seems to me that if they have a lot of space to use for a dance hall, and they need space for storage, that they ought to utilize the space now used for dancing and put it into storage.

Mr. PADGETT. The place where they have occasional dances is up in the loft of one of the buildings.

Mr. MADDEN. The gentleman says "occasional." They have them there every week.

Mr. PADGETT. I think not. There are some there occasionally. Some one near me says three a winter. I do not know whether that is correct or not. But that is up in the loft over the house where they keep the shells stored. That would not answer in any way the purposes for which this appropriation is sought.

Mr. MADDEN. Until they utilize all the space they have for real business use for the navy yard they ought not to get any more money for storage purposes. I apprehend there is more space used for dancing and things of that sort than there is any necessity for, and that that space could be put to some use-

ful purpose. If there is any part of the material around the navy yard that is being exposed to the weather, and thereby rusted and deteriorated, I suggest to the chairman of the Committee on Naval Affairs and to the members that they ought to look into the feasibility of using this place occupied solely for purposes of pleasure for utilitarian purposes.

Mr. BARTON. Will the gentleman yield?

Mr. PADGETT. Yes.

Mr. BARTON. I would like to ask the chairman of the committee for information, whether or not there is any foreign gun finished or put together or assembled in our yard?

Mr. PADGETT. I do not know of any.

Mr. BARTON. When I visited the navy yard I had pointed out a 16-inch gun which they told me was for one of the companies here; it was being assembled and the hoops or bands being put on it.

Mr. PADGETT. I do not know whether that is true or not.

The CHAIRMAN. The time of the gentleman has again expired.

Mr. STAFFORD. Mr. Chairman, I ask unanimous consent that the gentleman's time be extended three minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. STAFFORD. Mr. Chairman, I would like to ask the gentleman what buildings are contemplated to be demolished if this building is to be constructed? I understand there are two buildings, as shown by the hearings, that will have to be razed if they build this quarter of a million dollar warehouse.

Mr. PADGETT. I do not recall at this time, for I have not refreshed my memory upon it.

Mr. STAFFORD. As I glean from the hearings, we would only have one-third more floor space than we now have with the existing quarters.

Mr. ROBERTS of Massachusetts. Mr. Chairman, I can state to the gentleman that the building to be removed is the building 24, the locomotive house and the test house. You will find that on page 170 of the hearings.

Mr. PADGETT. Those are small houses.

Mr. STAFFORD. Mr. Chairman, I think in view of the transition state that this yard is now going through, and the fact that buildings will have to be demolished in order to erect it, it is questionable whether it should be erected, and if they are going to have new grounds to meet the needs of the Navy Department in the construction of guns, then certainly it should be delayed, and accordingly I make the point of order.

The CHAIRMAN. The gentleman from Wisconsin makes the point of order to the language in lines 17, 18, and 19. Does the gentleman from Tennessee care to be heard?

Mr. PADGETT. Mr. Chairman, we have a gun factory there, and we need buildings of different kinds. This is a new building and is an integral part of an entity, the factory where the manufacture of guns and ordnance material is being carried on. This is one of the integral parts of that whole. It seems to me that it is in order to enlarge the work which is carried on in that factory and to enlarge its facilities.

The CHAIRMAN. The Chair will be glad to hear the gentleman from Wisconsin.

Mr. STAFFORD. Mr. Chairman, as I understand the distinction made in the decisions upon this question, it is that the precedents hold that any increase providing for the upkeep of a yard, or for implements or tools needed in the work of the yard, and the like, are in order, but any amendment that provides for a distinct building that has not heretofore been authorized or that is not an extension of an existing structure is subject to a point of order. I can not recall just at this moment the citation which was used on yesterday afternoon by the gentleman from Virginia [Mr. SAUNDERS], which was a decision rendered by Judge Crumpacker while presiding as Chairman of the Committee of the Whole House. If the gentleman from Virginia could give me the reference, I would be very much obliged to him.

Mr. SAUNDERS. I have a number of decisions here, but they are not cited.

Mr. PADGETT. Mr. Chairman, while they are looking that up I desire to call the attention of the Chair to section 1741, page 497, Hinds' Precedents. I have not the volume.

Mr. STAFFORD. Mr. Chairman, I have the decision—fourth volume Hinds' Precedents, paragraph 3736. An amendment was offered to the naval appropriation bill, then under consideration, providing for a steel floating dry dock.

Mr. Tawney made the point of order that the expenditure was not authorized by law. After debate and an exhaustive citation of precedents, the Chairman, Mr. Crumpacker, in a lengthy decision pointed out what I have just referred to as the distinction which is made by the precedents. In the course of that decision, he said:

> The logical inference from the precedents is that the Navy proper, consisting of the war fleet, officers, and seamen, with necessary equipment and supplies, is a public work or object already in progress within the meaning of the rule, and appropriations therefor are in order in appropriation bills without previous authority of law, while the administrative branches and the construction and repair establishments of the Navy Department, including, among other things, naval stations, navy yards, hospitals, magazines, and stationary dry docks, do not ipso facto constitute a public work or object in progress, and appropriations therefor must be previously authorized by law.
>
> The question for decision is whether a floating dry dock is an essential part of the equipment of the Navy proper or whether it belongs to the administrative service of the Navy Department. Dry docks are for the purpose of repairing vessels, and the only essential difference between floating dry docks and stationary dry docks is the portability of the former.

The gentleman from Illinois [Mr. MANN] calls my attention to the summary in the Manual at the top of page 358:

> Appropriations for new buildings at Government institutions have sometimes been admitted.

I recall those decisions, being those which related to buildings at Annapolis and at West Point, where special distinction was made, but the Digest goes on to say:

> But later decisions, in view of the indefinite extent of the practice made possible by the early decisions, have ruled out propositions to appropriate for new buildings in navy yards and other establishments. Appropriations for new school houses in the District of Columbia, for new Army hospitals, for new lighthouses, armor-plate factories, and for additional playgrounds for children in the District of Columbia, have also been held not to be in continuation of a public work.

Mr. Chairman, I respectfully contend that those various concrete cases cited in that paragraph show this is on all fours with them.

Mr. PADGETT. Mr. Chairman, I see that my citation here does not state the number of the volume, but simply says section 1741, page 497, Hinds' Precedents. In that citation it is held:

> A fireproof building on a site of public grounds, West Point, is within the purview of the rule. The construction of the building is an incident to the maintenance of the academy itself, the object being already in progress, the main object contemplated not only by the bill, but by the very institution of the academy itself, and the point of order was overruled.

In section 3732 it was held that an amendment to the naval appropriation act authorizing the erection of such new buildings at the Naval Academy, Annapolis, as the Secretary of the Navy might consider necessary and practicable and the removal of old buildings was in order, while the erection of a building at the Naval Academy which was not necessary for the work of the academy was held not to be in order.

Mr. STAFFORD. Mr. Chairman, I will direct the attention of the Chair to the fact that the citations to which the gentleman now refers are all in the summary that are taken from the Manual.

The CHAIRMAN. The Chair is prepared to rule.

Mr. PADGETT. Another one I have here is from Hinds' Precedents, volume 4, section 3750. There it was held that the following appropriation was in order:

> Quarters for gas, steam, and electric light connections, and furniture for the same.

These all being regarded as incident to the purpose for which the work was being done.

For instance, take the navy yard, and at West Point and Annapolis, these buildings were held in order because they were a part of and incident to the general purpose and scope of the yard and the work at the yard. At the gun factory these buildings are provided for as incident to and a part of the general scope of the work.

The CHAIRMAN. The Chair is prepared to rule——

Mr. SAUNDERS. Mr. Chairman, just a moment in that connection. The gentleman from Tennessee [Mr. PADGETT] refers to these authorities as if they announce a general principle, whereas by looking at the decisions in reference to West Point and Annapolis it will be found that they constitute a class apart. It has been frequently held that navy yards do not come within the rulings as to buildings at Annapolis, and at West Point.

The CHAIRMAN. The Chair has had an opportunity hastily to examine the precedents during the discussion. The Chair finds in volume 4 of Hinds' Precedents, section 3761, it was held that it was not in order on the naval appropriation bill to appropriate for a new foundry not previously authorized by law at a navy yard. Without taking up the time of the committee to review the decisions, it is that the later decisions have held that the cases originally cited touching the Naval Academy and West Point do not apply, and that it is not in order on the ground of a continuation of a work in progress to authorize a new building, even though the building may be thought desirable for the purpose for which the yard was established. In view of the indefinite extent to which such a practice might be car-

ried and the great field which might be opened up for appropriations which are really unauthorized, the Chair believes that the later rulings represent the better parliamentary practice. The Chair therefore sustains the point of order.

The Clerk read as follows:

Navy yard, Norfolk, Va.: Repairs, buildings, St. Helena, $25,000; the 150-ton crane authorized by the act of March 4, 1913, shall be of the floating revolving type, and the limit of cost is hereby increased to $450,000.

Mr. LOGUE. Mr. Chairman, I reserve the point of order. May I ask the gentleman from Tennessee for a little information on this? Is not this a change?

Mr. PADGETT. I will state to the gentleman that if he makes the point of order it is subject to the point of order, in my opinion.

Mr. LOGUE. Mr. Chairman, I make the point of order.

The CHAIRMAN. Does the gentleman make it to the paragraph?

Mr. LOGUE. No; the $450,000 appropriation, after the $25,000.

Mr. PADGETT. I will ask the gentleman if he will not reserve it a moment to let me make a statement that I may explain the necessity for this. If the gentleman intends to make the point of order, there is no use to take up the time.

Mr. LOGUE. I think I had better insist on it.

The CHAIRMAN. The gentleman from Pennsylvania makes the point of order, line 21, page 22, beginning with the word "the," down to the end of the paragraph. The Chair sustains the point of order.

The Clerk read as follows:

Navy yard, Charleston, S. C.: To complete torpedo boat berths (to cost not exceeding $300,000), $150,000; dredging, to continue, $10,000; sewer system, extensions, $5,000; conduit system, extensions, to continue, $5,000; in all, $170,000.

Mr. PADGETT. Mr. Chairman, I desire to offer an amendment as a separate paragraph, following line 5, page 23.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Amend, page 23. After line 5, as a separate paragraph, insert the following:

"Naval station, Port Royal, S. C.: The Secretary of the Navy is hereby authorized to pay, from appropriations 'Contingent, Bureau of Yards and Docks,' for the fiscal year 1913, voucher in favor of the Vilter Manufacturing Co., for $4,937 for an ice-making and refrigerating plant for the naval disciplinary barracks, Port Royal, S. C., furnished by said company under contract dated April 23, 1913, with the Secretary of the Navy; and the accounting officers of the Treasury are hereby authorized and directed to allow in the accounts of Passed Assistant Paymaster D. W. Rose credit for payments amounting to $1,184 made by him to said company under contract dated November 5, 1913, from appropriations 'Contingent, Bureau of Yards and Docks,' for the fiscal year 1914, on account of said ice-making and refrigerating plant."

Mr. MANN. Mr. Chairman, I reserve a point of order on the amendment.

Mr. PADGETT. Mr. Chairman, I will state this does not carry any appropriation in this bill. It is an authorization, however, for a payment out of last year's bill, and I have a letter——

Mr. MANN. It is subject to a point of order, and I suggest the gentleman allow it to go over, so we will have a chance to see it in print.

Mr. PADGETT. I will ask that it go over, and we will return to it; and I will ask that this letter——

Mr. MANN. Well, the gentleman offers it at this particular place——

Mr. PADGETT. This is the place. It comes right here in following Charleston, S. C., and the other before Port Royal, S. C., and I have a letter from the Secretary explaining the matter which I desire to put in the RECORD, and I will ask that the amendment may be passed over, with the privilege of returning to it later.

The CHAIRMAN. The gentleman from Tennessee asks unanimous consent that the amendment may be passed over with the privilege of calling it up later. Is there objection? [After a pause.] The Chair hears none.

The letter referred to by Mr. PADGETT is as follows:

NAVY DEPARTMENT,
Washington, April 27, 1914.

Hon. L. P. PADGETT, M. C.,
Chairman Committee on Naval Affairs,
House of Representatives.

MY DEAR MR. PADGETT: On April 23, 1913, the Vilter Manufacturing Co., of Milwaukee, Wis., entered into a contract with this department to furnish and deliver and to superintend the installation of an ice-making and refrigerating plant at the naval disciplinary barracks, Port Royal, S. C., for the sum of $4,890, which price was later increased by $47—that is, to $4,937—on account of a minor change in construction. No specific appropriation had been made for this plant; but as the climatic conditions and the isolated situation of the barracks made it necessary for the health and comfort of the personnel—near 1,000 men—and to prevent loss to the Government, to provide means as soon as possible for making ice and preserving fresh meats and provisions, the department considered that the demand for the plant during the summer then approaching was of such urgency as to justify the purchase of it from the appropriation "Contingent, Bureau of Yards and Docks," for the fiscal year 1913, contained in the naval act approved August 22, 1912. When, however, the contract was completed and a voucher for the agreed price presented, a question arose as to whether the appropriation mentioned was legally available for the proposed expenditure, and the Comptroller of the Treasury, to whom this question was submitted, held on March 18 last that the installation is not within the scope of a contingent appropriation, and that, Congress having given no authority for it, the expense thereof is not properly chargeable to any appropriation under naval control. Funds under the appropriation named had been set aside for payment for the work under this contract, and are now being held for the purpose.

After the original contract was under way certain changes in the location and arrangement of the apparatus were found to be advantageous, and these were made by the Vilter Manufacturing Co. under a contract dated November 5, 1913, entered into with Passed Asst. Paymaster D. W. Rose, the purchasing pay officer at Port Royal, S. C. The cost of these changes—$1,184—was charged to the appropriation "Contingent, Bureau of Yards and Docks," for the fiscal year 1914, contained in the naval act approved March 4, 1913, and was paid to the contractor by Mr. Rose upon two public bills, one, No. 252, for $1,160.91, paid December 31, 1913; the other, No. 2081, for $23.09, paid January 26, 1914. These payments were made before the question was raised as to whether the contingent appropriations were available for the plant, and it is practically certain that, in view of the comptroller's decision mentioned above, credit for them will be disallowed by the accounting officers in the settlement of the pay officer's accounts.

In these circumstances, and to the end that the contractor may now be paid for the work done under the contract with the department, and that Mr. Rose may not be held personally liable for the payments already made under the supplementary contract, I have the honor to recommend the enactment of legislation authorizing the payment of the sum due the contractor—$4,937—from the appropriation originally intended to be charged with this expenditure, namely, "Contingent, Bureau of Yards and Docks, 1913," and directing that the accounting officers allow credit to Passed Asst. Paymaster Rose for the payments already made. The draft of a clause, which it is believed will accomplish the desired end, is inclosed, and it is recommended that, if the committee deem it proper, this provision be included in the pending naval appropriation bill, H. R. 14034. Should this be done, the clause might, it is thought, appropriately be inserted in the bill on page 23 following the appropriation for the navy yard, Charleston, S. C. As will be noted, the proposed legislation involves no additional appropriation.

Besides being essential to the welfare of the personnel at the station, the ice plant installed has proved to be a good investment, and it is estimated that by reason of the savings it will effect it will more than pay for itself within two years from the time it was placed in operation, including the cost of its maintenance during that period.

A similar communication has been addressed to the chairman of the Committee on Naval Affairs of the Senate.

Sincerely, yours,

FRANKLIN D. ROOSEVELT,
Acting Secretary.

The Clerk read as follows:

Navy yard, Mare Island, Cal.: To complete quay wall, $20,000; modernizing electric-power and light-distributing systems, $10,000; improvement of hydraulics, Mare Island Straits, in accordance with report submitted in House Document No. 1103, Sixtieth Congress, second session, and such modifications as may be made therein in pursuance of the authority contained in the act making appropriations to supply urgent deficiencies in appropriations for the fiscal year ending June 30, 1913, and for other purposes, approved October 22, 1913 (limit of cost $507,000), to complete, $207,000, to be immediately available; in all, $237,000.

Mr. MANN. Mr. Chairman, I reserve a point of order on the paragraph. Has the balance of this been appropriated?

Mr. PADGETT. Yes; $300,000 has been appropriated.

Mr. MANN. Well, the limit of cost was $507,000.

Mr. PADGETT. Yes, sir.

Mr. MANN. Three hundred thousand dollars has been appropriated. Does the gentleman remember when that was appropriated?

Mr. PADGETT. It was appropriated in the Sixtieth Congress, second session; and then there was a modification of it in the urgent deficiency bill for the fiscal year June 30, 1913.

Mr. MANN. What is the necessity of making this additional appropriation now?

Mr. PADGETT. The necessity is this: It was contemplated, and under the contract it was provided, that they should have 24 months in which to complete this work, but the contractors have been making such progress upon it that they expect to complete it in 14 months.

Mr. MANN. Why did not they submit an estimate for a deficiency and let it go to the proper committee?

Mr. PADGETT. I do not know why, but it was sent to us in the regular estimates that came through the Treasury Department.

Mr. MANN. I think I shall make the point of order on the words "to be immediately available," so we may learn something about it later.

The CHAIRMAN. Does the gentleman from Tennessee desire to be heard?

Mr. PADGETT. No; those words are subject to a point of order.

The CHAIRMAN. The gentleman from Illinois makes the point of order to the language "to be immediately available," and the Chair sustains the point of order.

The Clerk read as follows:

Navy yard, Puget Sound, Wash.: To complete ship fitters' shop, mold loft, and structural steel storage, $155,000.

Mr. BRYAN. Mr. Chairman, I move to strike out the last word. We have out on the Pacific coast the two navy yards. One is the navy yard at Puget Sound, which is referred to in the present section, and we have also the navy yard at Mare Island, referred to in the preceding section. It is noticed that the appropriation for the Puget Sound yard is not as large as that for the Mare Island yard. It is noticed that the whole story to be told, so far as the Puget Sound yard is concerned, is contained in two brief lines and one little half inch addendum, whereas the story as to the Mare Island yard comprises half a page.

Now, the situation out there on the Pacific coast as to these two yards ought, I believe, to be more definitely understood by the Members of Congress. The Mare Island yard is absolutely efficient to a certain extent, within its limitations, but its limitations are so definitely set as to make it entirely unfit to handle a battleship or a dreadnaught. A dreadnaught of the present Navy, which is said to be the only part of the Navy that is worth while in a real fight, would no more think of going up to the Mare Island Navy Yard than an aeroplane would think of diving after a submarine. The whole situation is such that a battleship would not think of risking itself up there at that yard. And in order to cure that difficulty, or as a result of that fact, this bill a little further on contains an appropriation for $50,000 and a provision for a continuing contract with the Union Iron Works for a dry dock that battleships or dreadnaughts may use at Hunters Point, 30 or 40 miles from this Mare Island Navy Yard.

On the contrary, the Puget Sound yard is endowed by nature with every requirement for a first-class navy yard. A short time ago the Secretary of the Navy, or somebody in the Navy Department, caused a classification to be made that discriminated somewhat against the Mare Island yard. I understand it was called on paper a second-class yard. A delegation came, and that classification was changed so that, on paper, it figures as a first-class yard. But the dry dock that is proposed, the permanent improvement for shipbuilding, for care of the Navy, and repair of the efficient ships of the Navy ought to be concentrated at Puget Sound. There is no necessity for establishing another yard at Hunters Point. There is no necessity for establishing dry docks 40 miles away from Mare Island. Mare Island is all right for the smaller craft of the Navy, for the cruisers of the Navy, that may go there. There is plenty of work of that kind. But I want to call the attention of the Congress to the fact that no dredging is necessary in order to enable ships of any size or draft to go to the Puget Sound yard. The hydraulics of that yard are not subject to any question or any difficulty whatever.

Mr. KELLEY of Michigan. Mr. Chairman, it was stated before the committee that at high tide the largest battleships could go up to Mare Island. Does the gentleman know anything about that?

Mr. BRYAN. I phoned the office of the Secretary of the Navy for the depth at the Mare Island yard, and he said it was 23 feet. That is what I got from the Navy Department yesterday. The Mare Island Straits are only 1,000 feet wide; that is, they are so narrow that no more than a base channel of 1,000 feet can be devised by any kind of scheme.

The CHAIRMAN. The time of the gentleman from Washington has expired.

Mr. CURRY rose.

Mr. BRYAN. I will yield now to let the gentleman from California make a statement.

Mr. CURRY. The gentleman need not yield to me. I move to strike out the last two words.

Mr. PADGETT. Just one word, Mr. Chairman. There is a fine body of water at Puget Sound, and the gentleman will not speak more laudatory of it than myself. I do not agree with him fully in what he says with reference to the Mare Island yard. I have a letter from the Secretary of the Navy, dated December 22, in reference to the water at the Mare Island yard. He says:

NAVY DEPARTMENT,
Washington, December 22, 1913.

Hon. LEMUEL P. PADGETT, M. C.,
Chairman Committee on Naval Affairs,
House of Representatives.

MY DEAR MR. PADGETT: The following telegram just received from the commandant of the Mare Island Navy Yard is forwarded for your information:

"At request Congressman CURRY following information wired: 'Depth Mare Island Channel, low water, 24 feet; high water, 30 feet. Depth berthing space at quay wall 17 to 26 feet low water. Channel is being dredged to 30 feet at low water; about 2,000 feet, or 12 per cent of contract completed. Entrance to dry docks 20 to 24 feet low water.'"

It is thought that the information contained in this telegram may be of value to your committee.

Sincerely, yours,

JOSEPHUS DANIELS,
Secretary of the Navy.

When this work is completed that we are just providing for in the preceding paragraph, it is expected that they will have water 30 feet deep at low water, and at high water 36 feet deep.

Mr. BRYAN. The gentleman does not mean, though, that the statement of the Secretary would controvert in any way the statement I made that a dreadnaught would not think of going up there to the dock in 24 feet of water?

Mr. PADGETT. Some of the dreadnaughts carry a greater depth than that, but it is possible in the changes of the future there may be better docks on that coast.

Mr. BRYAN. Well, but the committee now provides, as I stated, for a dock down at Hunters Point and not at Mare Island Navy Yard.

Mr. PADGETT. That is not a Government dock. That is simply agreeing to patronize the dock for a period not exceeding six years, as a matter of encouragement to private enterprise to build a dock that would be available to the Government in time of peace as well as in time of war.

Mr. BRYAN. If the Mare Island dock is able to take care of battleships, then certainly I shall object and make a point of order against making a contract with a private yard for $50,000 a year to encourage private enterprise in that way. The reason this dock was to be constructed, I understand, was that the largest battleships could not dock at Mare Island.

Mr. PADGETT. The water at the present dock was not deep enough for the large ships, and in order to remedy that this provision is carried in the bill.

Mr. BRYAN. How soon does the gentleman think that dredging contemplated in this appropriation bill will be completed?

Mr. PADGETT. Inside of 12 months.

Mr. BRYAN. Does the gentleman recognize the fact that the dry dock could not be built in 12 months, and if you appropriate now for the dry dock at Mare Island, it could not possibly be ready until a long time after the dredging is completed?

Mr. PADGETT. The Government is not ready to contemplate the building of another dock at Mare Island at this time. With the information that we have and the condition of affairs, we do not deem it advisable to undertake it at this time. But with this other one, at a nominal cost, we would have a dock there available for the Government at all times; yet it would be built by private enterprise.

Mr. BRYAN. Is it not a fact that the bottom fell out of the dock at Mare Island—that the bottom oozed up—and they had tremendous trouble in building the dock they have?

Mr. PADGETT. No. Pearl Harbor is 2,100 miles distant. They have never had any blowing up of the dock at Pearl Harbor.

Mr. FALCONER. It is a fact, and I think the committee realizes it, that the depth of water at Puget Sound is magnificent.

Mr. PADGETT. It is magnificent.

Mr. FALCONER. And we have the finest harbor in the world.

Mr. PADGETT. I do not know about that.

Mr. FALCONER. Certainly on the Pacific coast.

Mr. PADGETT. The gentleman does not want to cover so much territory, if he expects me to follow him.

Mr. FALCONER. I will not retract that statement, but I will say——

The CHAIRMAN. The time of the gentleman has expired.

Mr. CURRY. Mr. Chairman, I want to say at the outset that I do not like to make any invidious comparisons, but the harbor at Bremerton is a very good harbor of its class. I do not intend to say anything about the four or five months of fog that they have out on Puget Sound, that ships going up and down through that waterway are compelled to follow a narrow and crooked channel; and I do not need to say that in going into Puget Sound a man-of-war has to pass by a foreign territory. It must sail through the Straits of Juan de Fuca, intervening between the British Columbia dominions of Great Britain and the United States.

Mr. FALCONER. Mr. Chairman, will the gentleman yield?

The CHAIRMAN. Does the gentleman from California yield to the gentleman from Washington?

Mr. CURRY. After I get through I will yield. When it comes to a harbor, San Francisco is the finest harbor on our Pacific coast, and one of the three finest harbors in the world,

those of Sydney, Rio de Janeiro, and San Francisco. It is so recognized by all competent and well-informed people.

The Mare Island Navy Yard is located 29 miles from San Francisco, right across the bay, at the very best point where a navy yard could possibly be located on the Pacific coast. It is safe from attack in time of war from outside the heads, and it would be in jeopardy only in case a foreign fleet would be in possession of the bay, which is impossible. Its location protects it from violent storms, and, being practically on fresh water, at the mouth of the Napa River, it is free from the destructive elements that are to be found in salt water.

When it comes to the proposition of a dry dock, in my opinion if the Government intended to construct a dry dock now, it ought to be constructed at the Mare Island Navy Yard. But I understand it to be the policy of the Navy Department to encourage the building of a private dock and afterwards to construct a public dock, so that at times in an emergency the Navy might have the use of two docks in that magnificient harbor.

At the Mare Island Navy Yard we have an organization of men and machinery second to none in this country. The geological formation is perfect for dry-dock purposes. A site for a dock located at Mare Island would not have to be purchased by the Government, because at the present time we own 1,400 acres of building site, on the operative line of which the water is deep enough to accommodate the largest ships. The deepest draft ship in the American Navy draws 28 feet and 10 inches of water. On the southern point of the Mare Island Navy Yard we have 40 feet of water at low tide. In the Mare Island channel proper, as the Secretary of the Navy has stated, the water at low tide is 24 feet, with a 6-foot rise of tide, making a 30-foot channel at high tide.

Recently the department let a contract for the dredging of that channel to make it 36 feet deep at high tide. That work is half completed at the present time, and to-day, at this minute, at the dry dock at Mare Island we have over 30 feet of water at low tide, and the dry dock we have now at Mare Island will accommodate any ship of the Navy except those of the dreadnaught class. We hope and believe that when the dry dock is constructed in San Francisco Bay by the Government it will be located at Mare Island. Mr. Roosevelt, the Assistant Secretary of the Navy, has recently returned from a trip to the Pacific coast, where he inspected the Bremerton yard and the Mare Island yard. He states that the location of the Mare Island yard is magnificent and could not be improved upon.

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. CURRY. Mr. Chairman, I would like to have two minutes more.

The CHAIRMAN. Is there objection to the gentleman's request?

There was no objection.

The CHAIRMAN. The gentleman from California is recognized for two minutes.

Mr. CURRY. Mr. Chairman, from my conversation with the Secretary of the Navy and with the Assistant Secretary of the Navy I feel confident that when the Government constructs a dry dock it will be located at Mare Island.

Now, I do not care what you do for any other navy yard in the United States that is right and proper and in the interest of the public. I do not care how much you spend at Bremerton to increase its efficiency. I believe there ought to be two yards on the Pacific coast, and, so far as the second place is concerned, Bremerton suits me as well as any other. But I do not think it is right or fair for a man who knows nothing about the location of the Mare Island Navy Yard, and has never been near it, and has never seen it, to get up and talk about it, as has the gentleman from Washington. I know Bremerton, and I have been all around that country, and I know all about San Francisco Bay, and all about the Mare Island yard. I do not wish to make any invidious comparisons, as I said, but I will say now that there are but two navy yards in this country that are equipped with men and machinery to construct a battleship, and one of them is at New York and the other is the Mare Island Navy Yard. I hope and believe that we shall have a battleship to construct out there in the near future.

So far as concerns the point of order upon which the item making the money immediately available was cut out by the gentleman from Illinois [Mr. MANN], I am sorry he made that point of order, for this reason: Next year there will be all of the American fleet in San Francisco Bay. We have invited the nations of the world to send their battleships to the Panama-Pacific International Exposition.

Mr. MANN. Mr. Chairman, will the gentleman yield?

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. MANN. Mr. Chairman, I ask that the gentleman have two minutes more.

The CHAIRMAN. The gentleman from Illinois [Mr. MANN] asks unanimous consent that the gentleman from California [Mr. CURRY] proceed for two minutes more. Is there objection?

There was no objection.

Mr. MANN. There is no likelihood that this bill will become a law much, if any, before the 1st of July. Now, if the gentleman needs money as a deficiency he ought to ask for it from the Committee on Appropriations, which will have a bill here in the House probably in a few days supplying urgent deficiencies. The cutting out of the clause making the money immediately available probably will not make any difference at all except as a matter of principle, to teach the Navy Department to go to the right place to get money when it desires a deficiency. But if you want money, and it is a deficiency, the only way to get it within this present fiscal year is to go to the proper committee. This bill will not become a law in time to give it to you.

Mr. CURRY. I had nothing to do with the suggestion that this item be put in this bill. That came from the Navy Department.

Mr. MANN. They did not know that I would take it out. It is just one more lesson to teach them.

Mr. CURRY. It was expected that this dredging work would take two years. The fact of the matter is that by next November or December this whole channel will be dredged; and it was nothing but right and proper that the Government should deal as fairly with its citizens as it expects them to deal with each other, and when any job has been completed, to pay for it. So far as the proposition of presenting a deficiency item to the Committee on Appropriations is concerned, while I think the gentleman from Illinois [Mr. MANN] has more experience in the Committee on Appropriations than I have, I do not know whether or not there is much chance of getting anything out of that committee at this time for this purpose.

Mr. MADDEN. If this is a deficiency, they can get it.

The CHAIRMAN. The time of the gentleman has expired.

Mr. BRYAN. I ask unanimous consent to proceed for five minutes.

The CHAIRMAN. The gentleman from Washington asks unanimous consent to proceed for five minutes. Is there objection?

There was no objection.

Mr. BRYAN. Mr. Chairman, I do not want to be put in a false light in this matter. I have no objection to Mare Island getting what is coming to her. The only trouble about Mare Island is that she tries all the time to associate with the real first-class navy yards of the country, and she does not belong in that class. Now, in 1905 this Government appropriated $166,812 for that harbor. In 1906 it appropriated $86,000 more. In 1907 it appropriated $80,000 more. In 1908 it appropriated $26,000 more. Then the engineers went out there and made an estimate, and Mr. Metcalf, then Secretary of the Navy, writing a letter in reference to the matter, said:

> The general board has considered the situation as regards the docking and repair facilities for a battle fleet on the Pacific coast of the United States, and finds the condition to be one of great seriousness so far as relates to the maintenance of our ships on that coast.
>
> The Mare Island Navy Yard can not be approached by our largest ships without danger, and even if they could reach the yard at extreme high water they would have to lie on the bottom for a considerable portion of every tide.

Since then we have appropriated money until there has been more than $1,033,738.73, and this bill adds $207,000, appropriated for the purpose of deepening the channel to the Mare Island Navy Yard.

In the Engineers Report it is said that when they dig this channel they are now working on, because of the silt and sediment that comes from the Sacramento River, there is no assurance that it will continue open, and it may be necessary afterwards to build dikes or sea walls on each side of the channel to keep it from filling up again. Then it is further observed that the width of the strait is not more than 1,000 feet, that they can not stand for any wider channel than a thousand feet.

They can not build wharves there at right angles to the stream, or could not in 1908. The report of the Engineers said—

> The proposal to dam the strait, thus diverting the Napa River into San Pablo Bay through the tule marshes, would, it is believed, improve the yard, as it would do away with the current and would permit wharves to be built out at right angles to the stream.

Perhaps my friend, Mr. CURRY, did not want me on the Naval Affairs Committee for fear I might set forth to the committee some of these facts.

The report, which is a part of House Document No. 1103, Sixtieth Congress, second session, and is referred to in this bill, further says:

In 1905 a channel 300 feet wide and 30 feet deep was dredged over a length of about 5 miles, connecting the 5-fathom contours. A survey in May, 1907, showed that this channel had shoaled over about four-fifths of its length and as much as 6 feet in places, reducing the available depth to about 24 feet. The total amount shoaled was about 1,000,000 cubic yards, or about half of the amount dredged.

Later the report adds:

The survey made by the board (in 1908), while not as extensive as that made in 1907, shows a general additional shoaling of this channel of about 1 foot.

Will any careful navigator enter a creek where it must drag its keel in the mud and fill its sea cocks with silt? But consider these plans as necessarily associated with future operations at the yard.

The report further advises:

It is recommended that the dike be extended 1¼ miles, with a proviso that it be further extended at a later date should conditions render it advisable.

The estimated cost of this improvement is as follows:

Dredging Mare Island Channel, 2,500,000 cubic yards, at 15 cents	$375,000
Extension of dikes in straits and entrance, at $50 a foot	120,000
Removal of Commission Rock	112,000
Extension of dike No. 12 into San Pablo Bay, 8,000 feet	400,000
Total	1,007,000

But note the following additional estimate:

Annual maintenance, repairs, and dikes and dredging	70,000

Attention is invited to the fact that the available width of the basin in front of the yard is only 1,000 feet, so that vessels 500 feet long could not enter docks at right angles to the sea wall. Docks at oblique angles or parallel to the direction of the current could, of course, be used.

An alternation plan is proposed to cost $1,553,000 and $134,000 annually for maintenance. Another plan is submitted to cost $5,247,000.

Mr. CURRY. I should like to correct the gentleman.

Mr. BRYAN. I will yield to the gentleman.

Mr. CURRY. The channel is 1,200 feet wide at the narrowest point.

Mr. BRYAN. The report says the base of it is so narrow that we can not maintain over 1,000 feet. Now, our battleships are 600 feet long, and it is some job for a 600-foot ship to turn around in a 1,000-foot channel. It is a mile wide in front of the Puget Sound Yard.

After all these years of appropriating, and spending this $1,000,000 and more on the harbor, we find that to-day the yard is still not able to handle that kind of a ship, as the only means of keeping the dreadnaughts from the Puget Sound yard they have got to arrange for a private contract at Hunters Point, in San Francisco Bay.

Mare Island never misses a bet. I take off my hat to those people. They are energetic and thorough, and their organization is effective, and they have been effective in the United States Senate and in the House in getting things for that yard. They know what congressional and senatorial pull means, and they do not object to putting the fixings onto the Puget Sound yard when they can. They are for Mare Island first, last, and all the time. I do not take the slightest exception to the little incident which I now desire to relate, but I tell it just to show "how doth the busy bee improve each passing hour." A short time ago, after the election returns from Washington were received in California, it appeared that J. W. BRYAN was elected to Congress from the Seattle district, and my good friend Mr. CURRY, the gentleman from California, for whom I have the highest respect, had a little meeting down there at the Mare Island yard, according to the Vallejo News, at which he presided, and it was stated that a nephew of William Jennings Bryan had been elected to Congress from the Puget Sound yard district and that he wanted to get on the Naval Affairs Committee, and it was essential that something be done to prevent him getting on that committee, otherwise he would give the Puget Sound Navy Yard a little too good a show, and suggested that they pass a resolution. In all kindness, there was nothing in this action to show that they were willing for Puget Sound to have such a fair chance as representation would give.

A little later that great Democrat, Theodore Bell, of San Francisco, came here and had a meeting. I do not know whether it was on that subject or not, but, nevertheless, the Curry resolutions of the Mare Island meeting went in. I was recommended for the Naval Affairs Committee. I was green of judgment, however, in wanting to get on that committee, but I was recommended for it, and I thought I wanted to be on it. It is a committee of routine and work, gunpowder, navy yards, and armor plate. One day, with one of those sweet but convincing smiles that sometimes frolic amid the grim and relentless fortifications of his placid but determined countenance, the distinguished leader of the Democratic majority, Mr. UNDERWOOD of Alabama, informed me that I could not go on the Naval Affairs Committee because I had a navy yard in my district. Bingo! It was all over.

The CHAIRMAN. The time of the gentleman has expired.

Mr. CURRY. I ask unanimous consent that the time of the gentleman be extended.

Mr. BRYAN. I should like two minutes.

Mr. PADGETT Reserving the right to object, I ask unanimous consent that debate upon this paragraph and all amendments thereto close in 10 minutes.

Mr. CURRY. I should like to have two minutes more.

Mr. BRYAN. I hope the gentleman will be allowed two minutes.

The CHAIRMAN. The gentleman from Tennessee [Mr. PADGETT] asks unanimous consent that debate on this paragraph and all amendments thereto be closed in 10 minutes. Is there objection?

There was no objection.

The CHAIRMAN. The gentleman from Washington asks unanimous consent to proceed for two minutes. Is there objection.

There was no objection.

Mr. BRYAN. It was plainly stated to me by the leader of the majority that the reason why I was not permitted on the Committee on Naval Affairs was because I had a navy yard in my district, and I believe that was the reason I was denied a place on the committee, and Mr. UNDERWOOD was considering the public service alone. I only mention that instance to show the activity of the Mare Island Navy Yard. But the Mare Island mass meeting did all it could with its resolutions.

Mr. MANN. That is the reason why the gentleman from California was not put on.

Mr. BRYAN. I did not know till now that my friend Mr. CURRY was an applicant for that appointment.

Mr. MADDEN. No gentleman who has a navy yard in his district ought to be on the Naval Affairs Committee.

Mr. BRYAN. That may be a good proposition if enforced, and I am glad I am not on the committee. There are so many subjects more interesting than gunpowder and dreadnaughts. I merely mention that to show that Mare Island never misses any chance to look out for its interest and its appropriations. Even a small matter like this did not escape its eagle eye. It is because of that diligence, it is because of that continued hammering and that continued telegraphing, and having information right up to date, that they are able to make impressions here that cause the people of the United States to think that battleships can sometimes be floated and docked there at Mare Island. As I said, it is as impossible and inconceivable as to think of an aeroplane diving after a submarine. There is nothing in it, and I want to call the attention of gentlemen here to the fact that we have a first-class yard on that coast, and it is not right to divide with a new yard at Hunters Point. It is not right to divide up for these big ships with a private plant, with the Union Iron Works or any other organization, and thereby establish a third dock out there, or the nucleus of a third dock, that is going to cause an interminable amount of expense and extended appropriations from time to time. Arrangements are already made for a big dock and repair station at Panama. With Mare Island Yard for the smaller ships and transports and the Puget Sound Yard and the Panama Yard for dreadnaughts and real battle machines, another enterprise at San Francisco (Hunters Point) would in reality be the fourth yard. The Puget Sound Yard ought to be a four-dock yard and should be equipped for building ships.

The commercial interests want a big dock at San Francisco, and they must have one. I do not see why the Government should put $50,000 a year into the proposition when it has a dry dock at Puget Sound in which a dreadnaught cradles itself like a cooing babe. No mud, no silt, no crowding, no danger, plenty of elbow room, good air, and "bully" surroundings. Uncle Joe Cannon said so when he went out there. Senator RANSDELL, former chairman of the Committee on Rivers and Harbors in this House, said so. It is a fact, gentlemen, and the more you know about it the better you will like it. I hope we may concentrate the appropriations between the Mare Island yard and the Puget Sound yard, and classify each yard according to its merits and not attempt to establish another yard and increase beyond all reason the expenses of the Government.

Mr. MANN. If the gentleman from California keeps on telling the truth about the Bremerton yard and the gentleman from Washington keeps on telling the truth about the Mare Island yard, does the gentleman think that either one will have a chance to get an appropriation in the future. [Laughter.]

Mr. BRYAN. I am perfectly willing to have all the truth told about the Puget Sound yard. Mr. Roosevelt when he came back the other day from an inspection of the navy yard said the Bremerton yard was "bully."

Mr. MADDEN. What Roosevelt?

Mr. BRYAN. Oh, it was not T. R., but it was another "bully" Assistant Secretary of the Navy who said that the Puget Sound yard was a "bully" yard.

Mr. FALCONER. Mr. Chairman, following my observation made a few minutes ago about the Puget Sound Harbor being the finest in the world, when I am asked to substantiate the statement I will be prepared to do so. Sufficient at the present time to say that the harbor of Puget Sound is the finest harbor on the Pacific coast, with Grays Harbor a close second. I do not think that any man who knows the facts of the relative merits of Puget Sound and the harbor of San Francisco will contradict that statement. Now, regarding the fogs on Puget Sound, referred to by the gentleman from California [Mr. CURRY], we have occasional fogs in the night, and once in a while in the daytime, but not worse certainly than on the eastern coast harbors of the United States. But how is it in San Francisco?

Mr. CURRY. Oh, we have a few there, too.

Mr. FALCONER. But the waters of Puget Sound do not have silt or mud to the extent found in the harbor of Vallejo or Mare Island.

Mr. MOORE. Will the gentleman yield?

Mr. FALCONER. Yes.

Mr. MOORE. Is it true that you have sufficient depth of water to accommodate battleships?

Mr. FALCONER. To accommodate all the navies of the world.

Mr. MOORE. When you say there is no silt in Puget Sound, is the depth of the water so great that you do not have a safe anchorage?

Mr. FALCONER. Oh, no; there are great areas of anchorage.

Mr. MOORE. Is it not a fact that sometimes by hydraulic process you have to fill up a portion of your basin?

Mr. FALCONER. Oh, if you are building a brick block on the tide flats we put in some filling. And we sometimes remove mountains when we find them in our way. [Laughter.]

Mr. MOORE. What is the depth of water in Puget Sound Harbor?

Mr. FALCONER. Directly in front of the Bremerton yard the depth is probably 7 to 8 fathoms or some deeper.

Mr. BRYAN. Oh, at its greatest depth the harbor is 100 fathoms, but there is ample anchorage ground of reasonable depth.

Mr. MOORE. That is what I am after. If the depth of water is as great as indicated, which I understand to be as much in certain places as 600 feet, perhaps it is not a good place for vessels of the Navy to attempt to anchor.

Mr. FALCONER. I will say that we have all the anchorage ground necessary at Puget Sound. Not confining my remarks particularly to the bay in front of Bremerton, but of Puget Sound, there is anchorage ground enough for all the navies of the world.

Mr. MOORE. You have Lakes Union and Washington running off from Puget Sound?

Mr. FALCONER. Oh, no; not running off from Puget Sound; but there are several lakes inland, and we are building a canal connecting them.

Mr. MOORE. For a harbor?

Mr. FALCONER. Not necessarily for a harbor, but for the best fresh-water harbor in America. Now, I want to say to my friend from California [Mr. CURRY] that I have no objection to appropriations being made for San Francisco Harbor or for the Mare Island yard, but for the information of the gentleman from California and other Members of the House I want to give some statistics about the relative cost of dry docks in the Mare Island and Puget Sound yards.

Dock No. 1, Mare Island, started in 1872, completed 1891; time 19 years. The length is 507 feet, entrance width 80 feet 6 inches, draft of clearance 24 feet 5 inches. The cost was $2,772,000. Foundation, earth; material, concrete and granite.

Dock No. 1, Puget Sound, started 1892, completed 1896; time 4 years. Length, 636 feet, entrance width 92 feet 8 inches, draft of clearance 29 feet 4 inches. The cost was $632,636.33.

Dock No. 2, Mare Island, started 1899, completed 1910; time, 11 years. Length 740 feet, entrance width 101 feet 11 inches, draft of clearance 29 feet 9 inches. The cost was $1,679,655.80.

Dock No. 2, Bremerton, started 1908, completed 1912; time, 4 years. Length 827 feet 6 inches, entrance width 123 feet 9 inches, draft of clearance 35 feet. Cost $1,863,000.

Regarding a dry dock for the handling of large vessels, I want to say that this bay fronting Bremerton is of magnificent proportions, and, as I have said, no silt is deposited by any stream, and where the tide rises and falls without any perceptible current, permitting the docking of vessels at any time. The water is always clear; no coating of mud is left in the dock or clogs up the sea valves of the vessels, and that is quite a factor. There is sufficient depth of water to allow the largest dreadnaughts to dock at low tide. There is every reason why we should consider the advisability of appropriating money for a dry dock in Bremerton at the proper time.

A NAVAL OFFICER'S OPINION.

Lieut. A. B. Wyckoff, United States Navy, retired, the first commandant of this yard, and a man who, by his long and active service, both on Puget Sound and in California, is qualified to judge the comparative merits of this and other locations, recently wrote as follows:

With the completion of the Panama Canal there will undoubtedly exist a necessity for another dry dock upon the Pacific coast, as even in times of peace the great fleet of battleships will spend at least half of every year upon the Pacific. The only other accessible place besides Puget Sound, with perfect defensibility, is San Francisco Bay. The Mare Island Navy Yard is not a suitable location because of the narrow and shallow channel. Even the expenditure of large amounts of money in dredging will not maintain a constant depth on account of the freshets in the Sacramento River and Napa Creek bringing down enormous amounts of alluvial matter held in suspension until it meets the tides of the heavier salt water at this point, when it is deposited. To locate a dry dock elsewhere on San Francisco Bay would necessitate the spending of millions in buildings and machinery to make it effective.

As the Hon. Joseph Cannon has so tersely expressed it when he said, "God Almighty made that location for a navy yard," the present location of the Puget Sound Navy Yard is perfect. It consists of over 200 acres of land, including the filled-in area, with a large level basin at each end suitable for docks and shops, and higher land in the center for residences, barracks, etc. The first dry dock never having settled the hundredth part of an inch shows that no better location could be found for such structures. The front of the yard is over a mile in length.

Mr. Chairman, the Puget Sound Navy Yard, at Bremerton, should command the special attention of this Congress. The great Pacific is the coming center of the commerce of the world. Bremerton has every natural advantage as regards distances to Japan, China, and Manila, and is in close proximity to Alaska. Transcontinental railroads, several in number, connect Puget Sound with the Great Lakes and the Central States at a minimum distance.

The character of the service rendered by the workmen at the Puget Sound Navy Yard should command the attention of the Navy Department and result in giving much repair and construction work to Bremerton. The economics involved demand it. Sir, Bremerton is the last word in navy-yard advantages.

[Mr. BRYAN was given leave to extend his remarks in the RECORD.]

Mr. CURRY. Mr. Chairman, there is no doubt that the harbor at Seattle is a splendid harbor. I do not think anyone has controverted that. No doubt they have got a splendid dry dock at Bremerton. They have the only dreadnaught dry dock on the Pacific coast. I would like to see it protected. There is no reason why some of the great dreadnaughts that come to the Pacific coast should not go up there for dry docking.

I hope they will, but when the gentleman says that a battleship never has and never can get up to the Mare Island Navy Yard he is saying something that I think he knows very little about. Of course it has been said, and an erroneous impression deliberately created, that they could not get up to the Mare Island Navy Yard, but during the time of the visit of the fleet to San Francisco the *Missouri*, when she was in San Francisco Bay, broke her cylinder, and she had to get to the yard. She went up to the yard, and she did not strike the mud or stick in the mud, but she was put on the dry dock, and she was repaired, and was slid off into the channel, and later sailed off into the ocean. Since then other battleships, as well as Army transports, have been up there. There is not a ship in the American Navy that can not without trouble, without injury, without danger, get to any part of the Mare Island Navy Yard now. As I said before, the deepest ships draw only 28 feet 10 inches of water, and at high tide, up to the dock now and beyond and half way up by the yard, the depth of water is 36 feet. The naval engineer at the yard, Mr. McKay, states that after this dredging is completed the channel will more than likely scour itself out 5 feet deeper. Fifty years ago the old *Independence* was taken up to the Mare Island Navy Yard at low tide, and she drew 31 feet of water. We have as good a yard as there is in the United States. With the exception of Bremerton, there is only one other yard that has a greater depth of water leading to it. There is not a great yard in the United States that has not had three or four times as much money expended upon it in dredging, and there is one place now that they are dredging to try and get a 35-foot channel. A great many million dollars have been expended upon that, and ought to be, but when they say that the Mare Island Navy Yard is not a

first-class yard, I think they are talking contrary to what the experts believe. I know they are talking contrary to what experience has demonstrated.

The CHAIRMAN. The time of the gentleman from California has expired. All time has expired. The pro forma amendment will be withdrawn, and the Clerk will read.

The Clerk read as follows:

Naval station, Narragansett Bay, R. I.: Water-front improvements, $10,000.

Mr. HUMPHREY of Washington. Mr. Chairman, I move to strike out the last word. Mr. Chairman, I have listened with some interest to this discussion in regard to the Puget Sound and the Mare Island Navy Yards. It has been my pleasure to represent the Puget Sound Navy Yard, at Bremerton, for almost 12 years. During that time I have seen it grow from a small station to a great yard. During that time I have seen great improvements at the Mare Island Navy Yard. During that period I have never uttered a word of criticism of the Mare Island Navy Yard upon the floor of this House, and, so far as I know, no man from California has ever uttered a word of criticism of the Puget Sound Navy Yard. I am not one of those who believe that you can help yourself by pulling the roof from your neighbor's house. I do not believe that you can magnify your own importance by criticizing your neighbor. When I look upon the Atlantic coast, commencing at the north and running down, see the yards at Portsmouth, at Boston, at New York, at Philadelphia, at Norfolk, at Charleston, at Port Royal, at Washington, and others that I have not mentioned along the Atlantic coast, I think it quite unnecessary for any argument to be raised between the Representatives from the Pacific coast as to the merits of the yards on the Pacific coast. The fact is there ought to be a dock at Mare Island or somewhere in the vicinity of San Francisco capable of taking care of the largest battleships, and the truth is there ought to be an additional dock at Puget Sound. We should be able to handle the largest battleships at each place, and I have no doubt that this will be the result soon. When they have nine or more yards or naval stations upon the Atlantic coast, can it be possible, after the Panama Canal is completed and the fleet is to be kept half of the time in the Pacific, that any patriotic citizen is going to object to having two yards on the Pacific coast, including Alaska, that are capable of caring for that fleet?

Mr. STAFFORD. Mr. Chairman, will the gentleman yield?

Mr. HUMPHREY of Washington. Certainly.

Mr. STAFFORD. As I understand it, about five years ago we provided for a large dock at Bremerton to accommodate the largest vessel afloat. Do I understand the gentleman to say that the dock will not accommodate the largest battleship?

Mr. HUMPHREY of Washington. The gentleman did not correctly understand me. I say there is one there, and there ought to be another. I think the smaller yard can handle all of the vessels afloat, possibly not the dreadnaughts. We have two docks at Bremerton that can handle battleships. The smaller, the old one, did handle them when the fleet made its trip around the world. As a man who is interested in the growth of the Navy, and in Puget Sound, I must say that I deprecate the arguments that have come up with regard to the merits of the two yards on the Pacific coast. I especially do that, because in all of the years that I have been here, this is the first time the question has ever been brought to the attention of the House, and I think I can say that in all the years I have been here I have never urged anything for the State of Washington when I did not receive the assistance of the entire delegation from California. I have hoped that that good spirit and feeling might continue, and that all the Representatives from the Pacific coast, on all meritorious propositions, could stand as a unit. Especially ought that to be true when we think of the small representation we have as compared with the Atlantic coast.

Mr. CURRY. Mr. Chairman, I think I can say to the gentleman that he will never find any Member from the California delegation who will not do everything in his power to assist the gentleman or the people of Washington or the Northwest in doing what they can for the Bremerton yards.

Mr. HUMPHREY of Washington. I have always thought so. I do not want to be misunderstood. I think perhaps my colleagues are a little overenthusiastic. I do not think either of them will ever be found wanting in any assistance the gentleman may need for the Mare Island yard. I am very sorry this criticism of the two yards came up. I can not see how any possible benefit to either of the Pacific coast yards can come from it.

Mr. MADDEN. It may help the rest of us to vote intelligently when we come to vote for what they want.

Mr. BRYAN. Oh, they do not want intelligence for river and harbor matters.

MESSAGE FROM THE SENATE.

The committee informally rose; and Mr. IGOE having taken the chair as Speaker pro tempore, a message from the Senate, by Mr. Tulley, one of its clerks, announced that the Senate had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 12235) making appropriations for fortifications and other works of defense, for the armament thereof, for the procurement of heavy ordnance for trial and service, and for other purposes.

The message also announced that the Senate had passed bill of the following title, in which the concurrence of the House of Representatives was requested:

S. 5148. An act for the reinstatement of Lieut. Col. Constantine Marrast Perkins to the active list of the Marine Corps.

NAVAL APPROPRIATION BILL.

The committee resumed its session.

The Clerk read as follows:

Naval station, Guantanamo, Cuba: Quarters for civilian employees, $8,000; recreation building for enlisted men, $30,000; in all, $38,000.

Mr. JOHNSON of Washington. Mr. Chairman, I move to strike out the last word. I want to say in regard to this apparent rivalry between the navy yards of the Pacific coast that we need both yards, and we need still others. When it comes to a discussion of the harbors on the Pacific coast, the gentleman from California [Mr. CURRY] and my colleague from Washington [Mr. BRYAN] have overlooked the daddy of them all, Grays Harbor, the discovery of which saved all of the Northwest to the United States; Grays Harbor, where the great bulk of the greatest tract of virgin timber owned by the United States will go to sea in the course of time. Why not fortify Grays Harbor? That important port is not mentioned in this bill. It is not mentioned in the Army fortifications bill, but all the boards of strategy of the Navy and Army mention it as a port which is most in need of defense. The War College has so reported, and the Army maneuvers have so demonstrated. Mr. Chairman, I ask unanimous consent to revise and extend my remarks in the RECORD.

The CHAIRMAN. The gentleman from Washington asks unanimous consent to extend his remarks in the RECORD. Is there objection? [After a pause.] The Chair hears none.

Mr. BRYAN. Mr. Chairman, I observe the words of my colleague [Mr. HUMPHREY of Washington] in his suggestion that he deprecates the fact that some word of criticism was expressed here, which means, of course, he deprecates what I said. My idea about the Puget Sound Navy Yard is to get for it what is coming to it. As an institution of this Government it should stand strictly on its merits, and if the Puget Sound Navy Yard can not be maintained as a Government institution strictly on its merits without having this arrangement with Mare Island of "I tickle you and you tickle me," then it ought to go out of existence. I believe there ought to be some intelligence given Congress on these subjects and that they ought to be discussed on their merits in place of operating under the old river and harbor idea of dividing up the spoils, the "you help me and I will help you" method of dealing with appropriations. [Applause.] I am willing to go back to the people of Bremerton and Charleston and Port Orchard, and it so happens my colleague and I both represent this navy yard here on this floor, but, to the misfortune of one of us, we can not both represent it any longer. The legislature has reapportioned the State, and the people are going to pluck one of us from this firmament at the next election. But, as I said, I am willing to go to the people of these navy-yard towns and the people of Seattle and say that hereafter, if I am elected to Congress, I am going to stand for the Puget Sound Navy Yard getting what it is entitled to, and nothing more.

I am going to oppose giving to the Mare Island Navy Yard and the Union Iron Works, San Francisco, or any other institution, any more than that to which they are entitled. After a million dollars is expended on a channel and the channel is not then deep enough to take a dreadnaught or a ship useful in the present Navy, it ought not to be called a first-class navy yard. And if Puget Sound is not better equipped by nature than that, if Puget Sound does not come up to the requirements that ought to be made of a strictly first-class yard, then the Puget Sound yard ought to be wiped out and one created at Hunters Point, San Francisco, or somewhere else——

Mr. MADDEN. Grays Harbor.

Mr. BRYAN. Grays Harbor or anywhere else. That is what I stand for, that is my position. I do not want for a moment to have the gentleman from Mare Island think there is any unpleasantness here or any desire to criticize on my part. I

want the Mare Island yard and the people of Vallejo to prosper. It is a conviction of duty with me. I believe that the Puget Sound Navy Yard is recognized by every man who has ever gone out there as being a yard of first-class proportions, and that the Mare Island Navy Yard is not and can never be equipped to handle big vessels, and when you talk about establishing a dreadnaught dry dock at Mare Island Navy Yard you are talking about an absurdity, and I am going to tell the Congress that every time the matter comes up here, and we must not proceed any more on the you tickle me and I tickle you basis in getting these yards cared for. Puget Sound has had enough of that kind of benevolent understanding. The workmen of Bremerton and the people of Bremerton and Seattle have been beat right along at that kind of a game.

Mr. MADDEN. The proper place for a navy yard is right out in the center of the United States at Chicago, where we have plenty of water.

Mr. BRYAN. Here are some figures furnished upon request by Assistant Secretary Roosevelt under date of April 29, 1914:

Cost per year of dredging the channel leading to navy yard, Mare Island, from July 1, 1904, to March 31, 1914, was as follows:

Fiscal year:	
1905	$166,812.13
1906	86,299.53
1907	80,208.84
1908	26,819.95
1909	11,833.99
1910	135,133.35
1911	111,448.71
1912	171,635.45
1913	25,167.60
1914	218,379.18
Total for 10 years, as shown by Navy Department	1,033,738.73

The cost of repairs to ships at navy yards, Mare Island and Puget Sound, for the past 10 years were, respectively, as follows:

Fiscal year.	Navy yard, Mare Island.		Navy yard, Puget Sound.	
	Repairs to ships title D.	Construction of new ships title A.	Repairs to ships title D.	Construction of new ships title A.
1904	$573,924.78	$186,826.05	$425,854.69	$35,211.20
1905	636,680.98	308,935.75	448,330.17	33,761.42
1906	653,549.13	46,433.40	254,536.92	21,827.68
1907	543,999.71	99,803.98	233,651.24	16,930.40
1908	732,163.86	764,136.96	878,549.39	57,549.15
1909	938,043.78	581,136.36	864,356.44	12,055.55
1910	1,418,441.80	263,142.00	1,052,601.46	
1911	1,395,905.31	2,704.57	1,100,468.57	
1912	1,105,236.96	608,276.06	894,353.62	
1913	758,162.08	756,122.42	706,855.97	
Total	8,776,108.39	3,617,517.55	6,859,558.47	117,335.40
Grand total, repairs an construction		12,393,625.94		7,036,893.87

The total cost of the last dry dock built at Puget Sound was $2,298,646.88.

Let my colleagues and let the people of the first congressional district notice these grand totals:

Mare Island Navy Yard	$12,393,625.94
Puget Sound Navy Yard	7,036,893.87
Difference in favor of Mare Island	5,356,731.07
It will be observed that there was spent for river improvement at Mare Island during same period, as shown in Navy Department reports	1,033,738.33
But there should be added to these river improvements the following, which the Chief Engineer in the War Department reports:	
1906	$53,000
1911	400,000
1912	122,000
1913	278,000
1914	40,000
	893,000.00
Making total for hydraulics in 10 years at Mare Island	1,926,738.33

Recapitulation.

Received from Federal Government by Mare Island in 10 years for "improvement of hydraulics"	$1,926,738.33
For repairs to Navy vessels	8,776,108.39
For construction of new Navy vessels	3,617,517.55
Total for 10 years, exclusive of appropriations to establish and equip the yard with buildings, tools, dry docks, etc	14,320,364.27
Received from Federal Government by Puget Sound for same purposes	7,036,893.87
Difference in favor of Mare Island	7,283,470.40

Here you have the milk in the coconut. Mare Island has received a little more than a quarter of a million more than twice as many dollars as the Puget Sound, notwithstanding the fact that there is no sort of comparison as to natural facilities. If this sum had been even divided in half, the Puget Sound yard would have obtained over three millions more than we have received.

Yet my colleague [Mr. HUMPHREY], who has been a Member of this House every minute of the 10 years referred to, deprecates my statements made to-day in an effort at fair play, and boasts that he has never had a word to say against Mare Island and Mare Island has never had a word to say against Puget Sound.

There is going to be said a few things from now on. I know such a policy can not get worse results than the "let us work together" scheme of California's shrewd delegation in this House and in the Senate. If the people do not like the way I represent them they will keep me at home next fall. I have just about as much fun there as I do here anyway.

But there is another feature of this case. The yard which gets the ship to repair gets the increased local business from caring for the fleet. In this way large sums of money have been held in San Francisco and Vallejo that ought to have gone to Seattle, Bremerton, and Charleston.

Pitiless publicity is what the Puget Sound Navy Yard wants, and if Mare Island does not want the same thing let the friends of that yard quit trying to make the yard try to shoulder a bigger load than it can shoulder.

If California wants to establish a new yard at Hunters Point where battleships and dreadnaughts can be repaired and docked, then that is another thing, and we will meet that issue squarely and fairly. I hope such an effort will fail.

Mr. MANN. Mr. Chairman, it is refreshing to get the truth once in a while. This morning we had the Virginia Representatives tell us the truth about Philadelphia, and Philadelphia did not get a building slip. Then we had the Philadelphia Representatives tell us the truth about Norfolk, and the Norfolk yard did not get an addition. Now we have the gentleman from Washington tell us the truth about Mare Island. If we only could proceed far along enough to get the Mare Island people to tell us the truth about Puget Sound, we might properly send a navy yard to Unalaska or some other proper place for it.

Mr. JOHNSON of Washington. Grays Harbor.

Mr. MANN. For years I served on the committee that had to do with aids to navigation, and these gentlemen from Puget Sound said how it was impossible for any vessel safely to go into Puget Sound and get to any anchorage place, because there were not sufficient aids to navigation; that the aids to navigation were very few in that territory covered with fog night and day.

Mr. BRYAN. Will the gentleman yield?

Mr. MANN. No; the gentleman has occupied enough of the time of the House to permit me to proceed for a moment.

Mr. BRYAN. All right.

Mr. MANN. Now we are getting gentlemen to tell us the truth about other places.

Mr. HUMPHREY of Washington. The gentleman does not mean that I was here at the time that occurred. I do not want the committee to get the impression that I went before the committee, because I never did.

Mr. BRYAN. That is what I wanted to get at; that if my colleague would stand for it then, I will not stand for it now.

Mr. MANN. Oh, but gentlemen have come asking for additional aids to navigation on the ground you could not enter.

Mr. BRYAN. If the gentleman will name a responsible and reliable officer or mariner who will make that statement, I will make an extra donation to the marriage fund.

Mr. MANN. For years they have been begging and praying and imploring and threatening and everything else to get additional aids for navigation, saying it was not safe to get a vessel in and out of Puget Sound, and if the gentleman has not discovered it he is not properly representing his district.

Mr. BRYAN. The statements are not true. The gentleman puts it too strong. We, of course, want buoys and aids to navigation, but it is not correct as the gentleman states it. He misstates the facts.

Mr. MANN. I do not.

Mr. MADDEN. What good are lighthouses in fogs?

Mr. MANN. They want lighthouses, fog signals, bells, and seagoing tugs. They want submarine signals also.

Mr. BRYAN. That is on the ocean.

Mr. MANN. They have stated to us that a lighthouse was not sufficient, because you could not see a light; that the fog signals were not sufficient, because the sound from a fog bell would jump over the fog, but that you had to get a submarine signal so that you could be sure of getting a sound so that a vessel could come into the Sound. And this is the harbor that the gentleman tells us is the greatest and finest harbor in the world.

The gentleman from Washington says it does not go on the principle of "you tickle me and I will tickle you." No; he wants the whole thing. He is not asking you to put the dock where it properly belongs; he is not asking you to find the best place to put the dry dock or to choose the best harbor. He is asking you to put it in his district. He wants the whole thing. I think it would be a good idea for us to judge these things on their merits and cut out most of them. [Applause.]

Mr. JOHNSON of Washington. Mr. Chairman, I renew my request for unanimous consent to extend my remarks in the RECORD.

The CHAIRMAN. Leave was granted to the gentleman.

Mr. STEPHENS of California. Mr. Chairman, I move to strike out the last two words.

Mr. PADGETT. Will the gentleman yield for just a moment?

Mr. STEPHENS of California. Yes.

Mr. PADGETT. Mr. Chairman, I ask unanimous consent that all debate on the pending paragraph and all amendments thereto close in five minutes.

The CHAIRMAN. Is there objection? [After a pause.] The Chair hears none.

Mr. STEPHENS of California. Mr. Chairman, I have the honor to represent the Pacific coast on the Naval Committee. Neither of the navy yards that have been talked about for the last few minutes is in my district. The nearest one, Mare Island, is 500 miles away, and Bremerton much farther. As a member of the committee, I am trying to serve both of those yards, as well as all other navy yards in the United States. My endeavor is to serve them impartially and for the general good of the Nation. I can not agree with the gentleman from Washington [Mr. BRYAN] that the proper and the best way to get what one navy yard deserves is by criticizing some other yard. I think the better plan is to set forth the particular qualifications of one's own yard for the purpose proposed. Personally, I shall favor only that which each yard deserves, whether it be Mare Island or Bremerton. There should not be a dollar spent in either place unless it is believed to be for the best interests of our ships of war.

Mare Island Navy Yard has cost the Government something like $14,000,000, and it is but a plain business proposition to further improve it as recommended by the Navy officials.

There seems to be no question in the mind of many eminent engineers that a little more dredging will enable Mare Island to take care of the deepest draft vessels that are to come through the Panama Canal. The contract for this dredging has been let. There is no reason why it should not be completed, and so have the matter determined as to whether or not a larger dry dock can be located advantageously at Mare Island.

Mare Island can now be reached by most of our vessels at any hour day or night, and by those of deepest draft at high tide. Complete the dredging project there, and the very largest dreadnaught can easily and readily dock for repairs.

Mr. Chairman, I was much impressed with the navy yard at Bremerton when I visited it last November. We should all be proud of it and be ready to meet all reasonable requests for appropriations for it. The Government needs both yards, and we should adequately equip them for every use the Government may have for them.

Mr. MOORE. Mr. Chairman, I ask unanimous consent to proceed for five minutes.

Mr. PADGETT. Let us take up the next matter first. Let us read some.

Mr. MOORE. Very well.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

Naval station, Pearl Harbor, Hawaii: Four officers' quarters, $20,000; to complete torpedo-boat slips, $50,000; in all, $70,000.

Mr. MADDEN. I wonder whether or not "to complete torpedo-boat slips" would not be subject to a point of order, as it has been on all other matters to which it had reference? I suggest a point of order against the words "to complete torpedo-boat slips."

Mr. PADGETT. This means berthing places for the torpedo boats.

Mr. MADDEN. That was what the other was.

Mr. PADGETT. No, sir; the other was for building slips. These are slips that are in the water, for the berthing of torpedo boats. It is work in progress, and this is to complete it.

Mr. MADDEN. This is a slip in which you may berth a ship?

Mr. PADGETT. Yes.

Mr. MADDEN. And not a pillow slip? [Laughter.]

Mr. PADGETT. No, sir; nor a slip of the tongue. [Laughter.]

The Clerk read as follows:

The limit of cost of the dry dock at the naval station, Pearl Harbor, Hawaii, is hereby increased to $4,986,500.

Mr. HENSLEY. Mr. Chtirman, I make a point of order on that.

Mr. PADGETT. I hope the gentleman will not do that. It is subject to a point of order. The gentleman knows it is the fact that there has been a mishap out there. The bottom of the dock was blown up. We have a project there, the building of a naval station that controls the Pacific Ocean, and essential to our proper defense of the west coast, involving, according to the estimates that have been submitted and the program which Congress has been following for five or six years past, about $10,000,000. And in order to complete this dock, about which all the rest of the enterprise centers, it will be necessary to increase this limit of cost.

Mr. HENSLEY. Now, Mr. Chairman, in explanation of the position which I take upon this proposition——

The CHAIRMAN. The Chair is ready to rule if the gentleman makes the point of order.

Mr. PADGETT. Does the gentleman insist upon the point of order? It is subject to a point of order. It is not necessary to argue that.

Mr. HENSLEY. I insist upon the point of order.

Mr. MANN. Will the gentleman reserve it for a moment?

Mr. HENSLEY. I simply wanted to explain the amount of money we have expended on that. And I have very substantial reasons for insisting on the point of order. However, I will reserve it.

Mr. MANN. Mr. Chairman, I do not know the details as the gentleman from Missouri and other members of the Naval Committee will know them, but I know the map, as we all do.

The Hawaiian Islands control the Pacific Ocean. It will not be many years until the Atlantic Ocean will be like the Mediterranean Sea used to be, as compared with the commerce of the world. The commerce used to be on the Mediterranean Sea. Now it is in the main on the Atlantic Ocean. It will not be many years until it is largely transferred to the Pacific Ocean, as the oriental races really wake up; and I take it that there is no process in the world now, so far as race is concerned, more rapidly going on than the awakening of the Chinese.

We have control of the Pacific Ocean from the Hawaiian Islands. If there is any place that we ought to keep absolutely and unquestionably in our power, it is the Hawaiian Islands—Pearl Harbor. [Applause.] There never ought to be any doubt about our absolute command of Pearl Harbor. I do not know what may be necessary to be done there. Every one knows, however, that eventually they must have a dry dock there if the place is maintained as a naval station ought to be maintained.

I have joined with the gentleman from Missouri [Mr. HENSLEY] in advocating his peace resolution. I never have been an ardent advocate of a great increase in the Navy. But if ever I am called upon to part company with my distingnished friend from Missouri [Mr. HENSLEY] on the question of peace and the question of the Navy, it will be when he objects to our maintaining our supremacy, both of race and Nation, by our command of the Pacific Ocean, which lies at Pearl Harbor. [Applause.] And if the gentleman insists upon driving me away from him, I will part company from him with no pleasure to myself, but I will part company, nevertheless, and then join with the big-navy advocates. If the people who do not agree on having an extremely large Navy still have to join with those who do believe in it in order to protect the Nation in the Pacific Ocean, we will have to go together—that bunch of us—with the big-navy crowd.

Mr. GARNER. Mr. Chairman, will the gentleman yield?

Mr. MANN. Yes.

Mr. GARNER. I agree with the sentiments expressed here by the gentleman from Illinois. I wanted to ask the gentleman a question with reference to the population of Hawaii, whether it is safe now under the present conditions with respect to their patriotism toward this country?

Mr. MANN. I feel satisfied that we have now protection at Pearl Harbor if we proceed with the plans that we have, and that we can maintain Pearl Harbor against the world for a short time. But we can not maintain it permanently without a dry dock.

Mr. GARNER. But if the population itself in Hawaii is against this country, and we should have trouble, and an uprising should occur, what is the status of Pearl Harbor?

Mr. MANN. Well, Pearl Harbor is still protected by an army, in my judgment.

Mr. BATHRICK. Mr. Chairman, will the gentleman yield there?

Mr. MANN. Yes.

Mr. BATHRICK. The gentleman knows also that if this increase is refused, an increase made necessary by changes required in construction, all the money already expended will have been wasted there and the whole project will be stopped?

Mr. MANN. I do not know anything about the details. I do not want to make any criticism. I simply wanted to relieve my feelings a little, because I believe that the future conflicts we will be engaged in will not be on the Atlantic Ocean, but upon the Pacific. In the course of time—how soon it will come nobody can tell; I hope it is hundreds of years away; but no one knows—but in course of time when you bring together two races, each moving in an opposite direction, when you bring them against each other there is an inevitable conflict of some kind. It may be commercial, or it may be warlike. Whichever it may be, we ought to be ready to protect ourselves, our civilization, our race from anyone else. [Applause.]

Mr. HENSLEY. Mr. Chairman, will the gentleman yield for a question?

Mr. MANN. Certainly.

Mr. HENSLEY. The gentleman realizes, of course, the amount of money that has already been expended upon the dry dock there?

Mr. MANN. Yes.

Mr. HENSLEY. The gentleman certainly would not insist upon more money being expended on the dry dock there than is absolutely necessary?

Mr. MANN. Of course I would not; but "absolutely necessary" is "necessary." I will say this to the gentleman——

Mr. PADGETT. This item, Mr. Chairman, does not appropriate one dollar. It simply increases the limit of cost.

Mr. MANN. Of course it involves more money. Do not let us hide behind that. In effect it means more money.

Mr. PADGETT. Yes; but the appropriations are still within the control of Congress. I had a conference this morning with Admiral Stanford, and he told me they had plans under which satisfactory results were being worked out. He said to me that he hoped they would be able to complete the work well under the amount provided for by this increased limit of cost, but that he thought it well to have this limit of cost increased, so that they would not have to come back to Congress again.

But, as I said before, everything revolves around and depends upon this dock. If we do not have a dock at Pearl Harbor we might as well abandon the station, because the repair shops, the machine shops, and everything else depend wholly and absolutely upon having a dock there to make them available, and I do beseech the gentleman from Missouri that he will not tie up an enterprise involving $10,000,000 that has been progressing along—an enterprise of the imperative and overwhelming importance of this matter, on this occasion, by making a point of order.

Mr. HENSLEY. The gentleman well recalls the fact that I called his attention to this item when the matter was before the Committee on Naval Affairs, and then and there I made it plain that if there was not some explanation made with reference to the matters I called the gentleman's attention to I would be compelled to raise a point of order to this item.

Mr. PADGETT. The question was whether or not the dock could be built for a certain amount, and I said to the gentleman that from the information I had it could not be built, but the amount to be appropraited will come along. It is necessary for the department to have an opportunity to deal with this question.

Mr. HENSLEY. Mr. Chairman, I make a point of order on that.

Mr. HENSLEY. Mr. Chairman, I desire to say that I appreciate full well the importance of this matter. I appreciate full well the force of the argument made by my friend from Illinois [Mr. MANN]. I understand that he looks upon this as being a very serious move, but I undertake to say here and now to the membership of this House that if the gentleman from Illinois were apprised of the facts as I have been apprised of them, if he understood the situation as it has been explained to me, he would not sit silently by and permit this item to go through in the bill. I am acting advisedly. I do not believe this item is right. I have been advised that beyond any sort of question the construction company would have completed this dry dock for $500,000. It seems, indeed, peculiar to me that all these years we have continued increasing the limit of cost for this dry dock. The first authorization will be found in the appropriation bill of 1908. A limit of cost not to exceed $2,000,000 was placed in the bill. The limit of cost was increased to $2,700,000 in 1910. In 1912 it was further increased to $3,486,500. It is sought by this bill to further increase the limit to $4,986,500, representing an increase of $1,500,000 in the present bill.

Mr. ROBERTS of Massachusetts. Will the getleman yield for a question?

Mr. Hensley. Yes.

Mr. ROBERTS of Massachusetts. Will the gentleman tell the committee why that increase was made?

Mr. HENSLEY. I am not going into that. The gentleman from Massachusetts can explain these matters to the committee in his own time.

Mr. BATHRICK. No; pending the point of order.

Mr. ROBERTS of Massachusetts. If the gentleman wants to go on giving a false impression, he can do it.

Mr. HENSLEY. It is not my purpose to make any false impression upon the minds of the members of this committee. I say the gentleman can explain these things if he desires.

Mr. MADDEN. Will the gentleman yield for a question?

Mr. HENSLEY. I certainly will yield.

Mr. MADDEN. The gentleman has stated that he has information which leads him to believe that his attitude is the correct attitude for him to take.

Mr. HENSLEY. Absolutely.

Mr. MADDEN. I think it is not fair to the House for him to make that statement and then leave unsaid what ought to be said as to the reasons.

Mr. HENSLEY. There are some things that the Navy Department regards as being against public policy to reveal. On some occasions and under certain circumstances it is necessary for a Member of this House to make reservations in connection with certain facts of which he has been apprised.

Mr. CALLAWAY. Will the gentleman yield?

Mr. HENSLEY. Yes; I yield to my friend from Texas.

Mr. CALLAWAY. Does the gentleman mean to say that the reason for increasing this limit of cost is a secret known to the committee?

Mr. PADGETT. No.

Mr. HENSLEY. I do not mean anything of the sort.

Mr. CALLAWAY. Does the gentleman mean to say that there is any reason why the House should not know all about this?

Mr. HENSLEY. I mean to say, Mr. Chairman, that, beyond any sort of question, I have facts sufficient to satisfy me in making the point of order.

Mr. CALLAWAY. But the gentleman from Massachusetts [Mr. ROBERTS] certainly knows whether it is a secret that the committee is not disposed to give out as being against public policy. The gentleman from Massachusetts has made the statement here that the gentleman from Missouri ought to give the reason.

Mr. HENSLEY. It refers to the condition of the work there and why these amounts have been increased from year to year. The gentleman from Massachusetts can detail those facts to the committee, if he desires. I intend to insist upon the point of order.

Mr. BATHRICK. Will the gentleman yield for a question?

Mr. HENSLEY. Yes.

Mr. BATHRICK. Does not the gentleman know that the reason the increase has been made from time to time is because there is a peculiar chemical situation there?

Mr. HENSLEY. I am as familiar with those facts as the gentleman from Ohio.

Mr. BATHRICK. The water contains chemical ingredients which have affected the cement.

Mr. HENSLEY. I certainly understand that.

Mr. BATHRICK. That is one of the reasons why this increase has been demanded from time to time.

Mr. HENSLEY. I insist, Mr. Chairman, that this item is unwarranted. The adverse conditions recited by the gentleman from Ohio constitute no reason why this bill should carry an increase of $1,500,000, since a certain construction company, fully apprised of all these facts, would have performed the same service for $500,000, as I have reason to believe from information which I have received.

Mr. PADGETT. Will the gentleman yield for a question?

Mr. HENSLEY. Yes.

Mr. PADGETT. Will the gentleman waive the point of order and let the House vote upon the amount? The gentleman can offer an amendment to reduce the amount, if he wants to, and let the matter come before the House.

Mr. HENSLEY. I have in the past had some experience with reference to a certain request to go back and recur to an item.

Mr. PADGETT. I do not ask to go back and recur; but will the gentleman just waive the point of order and offer an amendment? If this is not the right amount, let the gentleman offer an amendment to reduce it.

Mr. MADDEN. Will the gentleman yield for a question?

Mr. HENSLEY. I yield to the gentleman from Illinois.

Mr. MADDEN. Is the gentleman in possession of information which leads him to the conclusion that this is not a legitimate appropriation or a legitimate authorization, and that somebody is getting something he is not entitled to as the result of this authorization? I think the House ought to know.

Mr. HENSLEY. I will say that, in my judgment, at least, $1,000,000 of the amount carried in this bill is absolutely unwarranted.

Mr. MADDEN. For what reason? We are all anxious to do the right thing.

Mr. HENSLEY. You may be anxious——

Mr. MADDEN. We are all anxious to do the right thing, and if the gentleman has information he ought to give it.

Mr. HENSLEY. I called the attention of the chairman of the committee to this fact, and I besought him at the time to investigate this proposition, but I was not permitted to inquire into the matter, and I never got an opportunity to have these facts detailed before the committee so that we all might have the information.

Mr. MADDEN. If the gentleman has information which will help the members of the committee in reaching the right conclusion, does he not think it is a public duty to give that information to the Members, so that they may be able to decide the question as it ought to be decided?

Mr. HENSLEY. Probably that is the way the gentleman from Illinois would have it.

Mr. MADDEN. I certainly would.

Mr. HENSLEY. Then I will say to the gentleman that as a public servant, measuring distances and trying to do my full duty, I have information which, to my judgment, warrants me in insisting upon a point of order against this item.

Mr. PADGETT. Will not the gentleman waive the point of order and offer an amendment to reduce the amount to what he thinks it ought to be, and let the House pass upon that question?

Mr. HENSLEY. I am willing to have an agreement to adopt the amount of $500,000 in lieu of the $1,500,000 carried in the bill.

Mr. PADGETT. I am not asking the gentleman to agree to any amount. I am asking him to offer an amendment for such an amount as he thinks this sum should be reduced and let the House pass on it.

Mr. HENSLEY. And reserve my point of order?

Mr. PADGETT. Oh, no; the gentleman can not reserve his point of order and have a vote, too. The point of order must be waived.

Mr. HENSLEY. I will not do that. I must insist upon the point of order against this item.

Mr. UNDERWOOD. Mr. Chairman, I desire to address myself to the point of order, but really more to the merits of the case, if the House will pardon me. I recognize the fact that I shall be proceeding out of order. I wish to say in reference to this case that I do not believe that this item ought to stand in the bill as it is reported by the committee, if my understanding of the case is correct. Of course I have not had the opportunity to give full investigation to this matter, but some information has come to me in reference to it. The information I got in reference to this dry dock is that Congress made the original appropriation; I do not recall the exact amount.

Mr. MADDEN. Two million dollars.

Mr. UNDERWOOD. The gentleman says $2,000,000. The engineers in the Navy were proceeding to build the dry dock. They were having some difficulty with the bottom of the dry dock on account of the pressure coming from below; that during the process the contractors, not acting with the advice of the engineer in charge, withdrew the water from a portion of the dry dock inopportunely and the dry dock blew up from below.

Mr. ROBERTS of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. UNDERWOOD. I do not want to yield now. The gentleman from Massachusetts may be better informed than I am.

Mr. ROBERTS of Massachusetts. I wanted to point out where the gentleman from Alabama is in error.

Mr. UNDERWOOD. The gentleman can give the House his information in his own time. I am giving the House the information that I have, and I think it is correct. As I say, the bottom of the dry dock moved up from below, and then the order was given that they should cease work. An investigation was made and a board of inquiry was sent out there to determine whether that dry dock could be rebuilt according to the original plan.

My understanding is that the engineer in charge of the dry dock reported that it could be rebuilt according to the original plans with some modifications. In other words, that they would have to change the form of putting down this concrete bottom, and that the contractors by that change and modification would not have been released from their contract. I understand that a high authority was called in by the Navy Department, and, although that engineer authority stated that other plans might be better and more costly, that it was practicable and feasible to carry out the plans of the engineer who had the matter in charge. I understand, more than that, that it will probably cost this Government a million dollars more to adopt these new plans and release the contractors than it would if the original plans were carried out along the lines of the proposal of the engineer who had the matter in charge.

That information has come to me, but I have had no time to investigate it thoroughly. I believe it is a serious matter. I believe it should require a more full investigation on the part of the committee of the House. I think the House ought to strike the item out, and the gentleman from Missouri ought to insist on his point of order, so that the bill will go to the Senate with the item out, and let the Senate committee fully investigate it, with the option of the House to pass upon it when it comes back from conference.

Mr. HENSLEY. Mr. Chairman, I make the point of order.

Mr. PADGETT. Will the gentleman reserve it a moment, so that I may make a statement?

The CHAIRMAN (Mr. SHERLEY). Does the gentleman reserve his point of order?

Mr. HENSLEY. I will reserve it.

Mr. PADGETT. Mr. Chairman, when this dry dock was first authorized it was of much smaller dimensions. Afterwards Congress determined to build a much larger and deeper dock and increase the limit of cost. Then there arose troubles with reference to the chemical action of the water, and it became necessary to modify the contract in order to get a stronger cement, and the limit of cost was increased to $3,486,500.

The contractors were proceeding under the contract and, according to the information we have, not in opposition to the engineering chief, but the inspectors and engineers and the contractors worked in perfect harmony. There was no discord and no disagreement. They had laid about 8 feet of concrete base under water and began to pump out the water in a section 200 feet long in the dock. They had pumped the water down to something like 36 feet when the hydrostatic pressure from the outside sea coming through the porous condition of that coral formation of the island lifted the bottom out of the dock. Taking off the top pressure of 36 feet of water above, the hydrostatic pressure was so great coming underneath as to produce this breaking up and shooting up, as it is called, of the bottom of the dock.

Then came the question as to whether or not the construction of the dock could be proceeded with. Admiral Stanford, the present Chief of the Bureau of Yards and Docks, made a visit to Pearl Harbor and made a thorough investigation, as he said, and he reported that in his opinion, with modifications, it could be carried out. The engineers of the contractor submitted their opinion that the original plans could not be carried out and build a successful dock. Thereupon the Navy Department secured Mr. Alfred Noble, one of the most distinguished civil engineers in this country, a man of international repute in civil engineering, to go and make an investigation. Mr. Noble did so and submitted a report. His report stated that it might be possible, with extraordinary care, to construct a dock according to the original plans, but that he would not advise the attempt to construct the dock according to the original plans. He said he doubted very substantially that if the dock was completed it would be a substantial and workable dock after it was completed.

Mr. UNDERWOOD. Will the gentleman yield?

Mr. PADGETT. Yes.

Mr. UNDERWOOD. Has the gentleman Mr. Noble's report?

Mr. PADGETT. I have it in my office, but I have not it here.

Mr. UNDERWOOD. Did not the engineer in charge of the dock make a report as to the carrying out of the original plans that would not release the contractor, and did not Mr. Noble, in his report to the department, say that the plans could be carried out and the dock built along that line, although he would prefer a different plan?

Mr. PADGETT. He asserted, and I have the report in my office, that with extraordinary care the dock could be built according to the original plan, but that, as an engineer, he would advise that it be not attempted.

Mr. UNDERWOOD. Is the gentleman sure of that in his report?

Mr. PADGETT. I think so.

Mr. UNDERWOOD. My information was that he had advised——

Mr. PADGETT. I was going to call attention, therefore I suggested to the Secretary of the Navy that Mr. Noble come here, and he did so. Mr. Noble; Mr. Harris, the man who built Dock No. 4 at New York; Admiral Stanford; Mr. Roberts; and myself were present, and the Secretary and the Assistant Secretary, and there was also a civil engineer whose name I do not now recall who was present in the construction of the dock at Pearl Harbor. We talked the matter over. I asked Mr. Harris a question. If the dock could be built according to the original plans? His answer to that was that he had been designated by the Secretary of the Navy to undertake to construct this dock according to the original plans and that he had written out his resignation and had it then in his pocket to send it to the Secretary of the Navy to retire from the service rather than to undertake to be responsible for the construction of the dock according to the original plans.

Mr. UNDERWOOD. Now, let me ask the gentleman as a matter of fact was Mr. Harris ever in charge of that dock?

Mr. PADGETT. No, sir; but he was named, he was designated——

Mr. UNDERWOOD. He never was designated.

Mr. PADGETT. Yes.

Mr. UNDERWOOD. Mr. Harris's statement merely was that he was appointed——

Mr. PADGETT. No.

Mr. UNDERWOOD. I challenge the gentleman to show any statement——

Mr. PADGETT. That was the statement.

Mr. UNDERWOOD (continuing). To show he ever was appointed.

Mr. PADGETT. I have nothing to show in writing, but I can say what took place there. He stated he had written out his resignation and had it in his pocket to send it to the Secretary of the Navy rather than to assume the responsibility of that dock. Now, then, Mr. Noble was there. I said to Mr. Noble that I wanted to find out about this matter, and I asked him the question if this dock could be constructed according to the original plans, and he stated in that conference that it might be constructed according to the original plans by extraordinary care and great delay. I said to him, "If it is constructed according to the original plans, after it is constructed will it be a workable and substantial dock?" He said he would not so represent it.

Mr. SAUNDERS. Let me ask the gentleman this question——

Mr. UNDERWOOD. Let me say to the gentleman——

Mr. PADGETT. In a moment. We then said to him, "Will you, as a civil engineer, recommend us to proceed with the construction of this dock according to the original plans?" And he said that he would not. I said to him, "Mr. Noble, would you as a civil engineer take the job to build this according to the original plans?" And he said he would not.

Mr. UNDERWOOD. Let me ask the gentleman did not Mr. Noble prepare a plan and submit it to the Navy Department for a rebuilding of this dock without so changing the plans as to release the contractor?

Mr. PADGETT. He submitted the plans; they are here in the report.

Mr. UNDERWOOD. Did not he submit one plan himself to rebuild this dry dock nearly according to the original plans that would not have released the contractors; and would not there have been at least a half a million dollars less in amount of cost than the plan that is proposed in this bill?

Mr. PADGETT. No, sir.

Mr. UNDERWOOD. My understanding is different.

Mr. PADGETT. Here is a copy of the report. He submitted a plan, and they did not follow the original plan. He says nothing about the release or not releasing the contractors in his report. He simply submitted it as an engineering officer, but does not deal with the question of whether the contractors should be held or released.

Mr. UNDERWOOD. Well, now, I will ask the gentleman this: If they had not built this dry dock along the line of the original plan and adopted by Mr. Noble's suggestion about sinking the caissons in there, or boats, or whatever they call them, to the bottom, the contractors would have still to be held to the contract, and it would have cost the Government very much less than to wipe out that contract and make an entirely new contract.

Mr. PADGETT. This does not propose to wipe out the contract.

Mr. UNDERWOOD. It releases the contractors.

Mr. PADGETT. No, sir; it does not.

Mr. UNDERWOOD. Are not you going to make a new contract with the contractors?

Mr. PADGETT. No; this does not say anything about it——

Mr. UNDERWOOD. I know it does not say anything, but does it not contemplate it?

Mr. PADGETT. The Secretary said the idea is to enter into a supplementary agreement, continue this agreement, but put another supplemental or additional to it by which they will agree to a new plan according to the modification of these plans submitted by Mr. Noble and by Admiral Stanford.

Mr. UNDERWOOD This bill contemplates the making of a new contract with the contractors.

Mr. PADGETT. No; not a new contract, but a modified contract.

Mr. UNDERWOOD. Well, a supplemental contract is a new contract. It wipes out the old contract, and you will pay these contractors for the work they have done up to this time notwithstanding it was inefficient work, and will you not have to make this new contract?

Mr. PADGETT. That is a matter with the department. I do not know how they will adjust that.

Mr. UNDERWOOD. The gentleman is in charge of the bill.

Mr. PADGETT. Yes.

Mr. UNDERWOOD. And I have no doubt he has information on a matter of this importance. Now, these contractors made a contract to build a dry dock according to certain specifications, and they had not succeeded because it blew up at the bottom.

Mr. PADGETT. Now, these specifications did not call for anything according to the plans submitted by Mr. Noble; they were entirely different specifications and different requirements.

Mr. UNDERWOOD. But they accepted a lot of money on work that did not prove efficient.

Mr. PADGETT. That is true.

Mr. UNDERWOOD. Now, the proposition here is that by making a new contract or making a supplemental contract with them you are going to pay them for all the work that they did for the Government without accomplishing the results desired.

Mr. PADGETT. As to whether or not the department will pay them for it, I do not know. But I presume that that matter will be adjusted in the contract. But the question is to get a contract to build the dock, or a lawsuit, or to authorize this man to go ahead with the contract. Now, the Secretary did issue a letter to these contractors to proceed to build this dock according to the original contract, and they replied that they would proceed. But after he held his conference with Mr. Noble, with Mr. Harris and Mr. Stanford present, he modified that and asked these gentlemen to hold up until they could look into the matter further and proceed on a safer basis.

Mr. SAUNDERS. May I ask the gentleman a question now?

Mr. PADGETT. Yes, sir.

Mr. SAUNDERS. This seems to be quite a large item, with many important ramifications to it, and calling for careful inquiry.

Mr. PADGETT. Yes, sir.

Mr. SAUNDERS. And was all this matter that you are describing here brought to the attention of your committee?

Mr. PADGETT. No, sir.

Mr. SAUNDERS. And this item was considered with no knowledge on the part of the committee, outside of what you have described?

Mr. PADGETT. There is a whole lot of it in here.

Mr. SAUNDERS. And the gist of the whole matter is being developed now?

Mr. PADGETT. I have had a number of conferences with the Secretary and Mr. Noble and these men that did not come before the committee.

Mr. SAUNDERS. What I was trying to develop is, when we are entitled to know these things, and information that comes to our committees, whether all of this matter that has just been reported, was laid before the full committee, and developed in the committee, with such inquiries as the full committee desired to prosecute, or, rather, the opportunity given for such inquiry as the committee desired to prosecute and to be prosecuted?

Mr. PADGETT. Many of the things I have mentioned have transpired since the bill was reported and put upon the calendar.

Mr. HENSLEY. Have not these vital things you have gone over transpired when you and Mr. ROBERTS were there only, in spite of the fact that I, as a member of the committee, came to you and wanted information on this subject?

Mr. PADGETT. I told you that I would give you the benefit of everything I had.

Mr. HENSLEY. Why did you not have these parties come before the committee and give the committee the facts as you and Mr. ROBERTS and others have gotten them?

Mr. PADGETT. Many of these facts took place since the bill was reported and put on the calendar.

Mr. SAUNDERS. If we are to be aided in our committee work, ought not that entire committee to have the information that is essential, or that relates to so important an item in the bill as this which we are considering?

Mr. PADGETT. Yes, sir; and they did get the benefit of everything I had up to that time; but because we had additional information since the committee acted and the bill went upon the calendar, it does not preclude me from giving the House the benefit of everything I have learned since the committee acted upon the matter.

Mr. BUCHANAN of Illinois. Mr. Chairman, I understood the gentleman to state that if the dock was completed in accordance with the present contract—or it was stated by some one—it would not be workable?

Mr. PADGETT. That is what Mr. Noble and Mr. Harris said.

Mr. BUCHANAN of Illinois. Will the gentleman explain why that would not be so? The engineers have planned this dock, and after it is completed as first planned then it will not be workable. Why will it not be?

Mr. PADGETT. It has been stated that the conditions that have developed in the attempt to build the dock have disclosed such conditions there, changes in the soil and so much additional water pressure, that the dock would not have that strength and sufficiency of support to be such a safe dock after it was turned over to the Government as to justify us to put our ships in.

Mr. MADDEN. Was the bottom of this dock intended to be built on caissons?

Mr. PADGETT. To be built within caissons and upon piles.

Mr. ROBERTS of Massachusetts. That is the plan now.

Mr. PADGETT. They had big caissons, going around.

Mr. ROBERTS of Massachusetts. That was a cofferdam.

Mr. PADGETT. That is what I mean.

Mr. MADDEN. That is a different proposition.

Mr. PADGETT. I mean a cofferdam going around, and pumping the water out of it.

Mr. ROBERTS of Massachusetts. They put this concrete on the mud, and when they found it would not stay they modified the plan and put piles there, and with the concrete bedded in about 6 or 7 feet of the top of the piles.

Mr. PADGETT. Four feet.

Mr. ROBERTS of Massachusetts. And it was given out to these contractors that the suction, if I may use the term—the clinging power of the piles—in that mud would hold the concrete down. The contractors went ahead under that statement, and under that supposition and understanding we framed the contract. And when they put in this concrete, to something like 7 feet, the head of the piles being bedded in it to a depth of 4 feet——

Mr. MADDEN. Is that manner of construction provided for in the specifications?

Mr. ROBERTS of Massachusetts. Yes. And they had to build according to those plans and specifications, and in no other way. And when they started to pump out, up came the piles, concrete and all, showing the Government engineers had misled and misinformed the contractors in respect to this foundation. The engineers told me that they did not consider, when they ordered the piles put in there, the holding-down effect of the piles at all, but they merely contemplated the holding-up effect. In other words, the piles would be strong enough to hold the concrete up and no thought was given of any holding down. And they had to admit finally, in answer to my question, that they did contemplate and did understand that there was a holding-down effect of these piles as well as an uplifting effect, and then they explained to me that the piles did not hold down as they thought they were going to do.

Mr. BUCHANAN of Illinois. If we make this further appropriation, what guaranty have we that they will not come in and ask for more?

Mr. ROBERTS of Massachusetts. The plan now proposed will give a suitable foundation for this dock, one that is guaranteed on his reputation by a very high authority on this class of work.

Mr. BUCHANAN of Illinois. Was there any such guaranty before in the contract?

Mr. ROBERTS of Massachusetts. Not beyond six months.

Mr. BUCHANAN of Illinois. There is no end to this appropriation.

Mr. ROBERTS of Massachusetts. The dock will stand indefinitely if built under the plans and specifications as now proposed.

Mr. LINTHICUM. Mr. Chairman, will the gentleman yield?

The CHAIRMAN. Does the gentleman from Massachusetts yield to the gentleman from Maryland?

Mr. ROBERTS of Massachusetts. Yes.

Mr. LINTHICUM. I would like to know what will be the loss to the Government on the work that has already been done and which is of no value?

Mr. PADGETT. It has been estimated to be from three to five hundred thousand dollars.

Mr. ROBERTS of Massachusetts. Between $600,000 and $700,000 is involved in controversy between the contractor and the department. The department officials wrote to the Attorney General recently for an opinion as to who was responsible for the loss, and the Attorney General sent back in answer an opinion, carefully guarded and qualified, to the effect that if so-and-so existed the contractor was responsible. I spent a whole day in going through the contract, plans, specifications, and reports from all the engineers who have had anything to do with this dock from the beginning. In the conference with the Secretary of the Navy I expressed the opinion that in my judgment this Government stands to-day liable for all the loss that the contractor has suffered, and that as a lawyer I would not want any softer snap than to take his case on a good fat commission.

Mr. CALLAWAY. I wanted to ask a question of the gentleman.

Mr. ROBERTS of Massachusetts. Yes.

Mr. CALLAWAY. Whether the chairman of the committee as well as the gentleman from Massachusetts understands that these contractors ought not to stand the loss incurred, but that the Government should stand it?

The CHAIRMAN. Is a point of order made?

Mr. HENSLEY. Yes; I make a point of order.

The CHAIRMAN. The point of order is sustained. The Clerk will read.

The Clerk read as follows:

Naval proving ground, Indianhead, Md.: Toward extension of powder factory, $500,000.

Mr. WITHERSPOON rose.

Mr. BROWNING. Mr. Chairman, I make a point of order against that paragraph.

Mr. WITHERSPOON. Mr. Chairman, I wanted to make one myself.

The CHAIRMAN. A point of order is made by the gentleman from New Jersey [Mr. BROWNING] and by the gentleman from Mississippi [Mr. WITHERSPOON].

Mr. PADGETT. Mr. Chairman, I wish the gentlemen would state their point of order.

Mr. BROWNING. It is new legislation, without any authority of law. It is not a continuing appropriation. It is not a continuation of any authorized appropriation.

Mr. PADGETT. Mr. Chairman, we have had at Indianhead a powder factory at which we are manufacturing powder, something like 3,000,000 pounds a year, and this is to extend and enlarge the capacity of the factory.

Mr. WITHERSPOON. Mr. Chairman, will the gentleman yield?

The CHAIRMAN. Does the gentleman from Tennessee yield to the gentleman from Mississippi?

Mr. PADGETT. Yes.

Mr. WITHERSPOON. What does the gentleman mean by this extension? Does the gentleman mean adding to old buildings and making them bigger and higher and longer, or does he mean constructing entirely new buildings?

Mr. PADGETT. There are some places where they are building entirely new buildings, and there are others where they are enlarging existing buildings and modifying some of the existing buildings and getting additional and new machinery, and things of that kind.

Mr. WITHERSPOON. How many new buildings does this plan propose to construct?

Mr. PADGETT. I have not counted them up. There are several.

Mr. WITHERSPOON. There are few changes in old buildings?

Mr. PADGETT. They are modifications and changes and the enlargement in the capacity of the building.

Mr. WITHERSPOON. Is it not a fact that the modifications and changes of old buildings are very insignificant?

Mr. PADGETT. No; I could not say that they are very insignificant.

But the question presented, Mr. Chairman, is this: Here is a factory. The factory is an entity, taken as a whole. The factory is for a certain purpose, namely, to manufacture powder. In order to manufacture powder it is necessary to have different buildings and different kinds of machinery, and it is necessary to have them located at different places. Now, this is to en-

large it, and in order to enlarge it it is necessary to construct some new buildings, to enlarge some existing ones, and to modify some of the existing ones. Now, the factory is authorized by law, and is an existing institution or factory of the Government, operating; and this is simply to add to it so as to enlarge its capacity.

Mr. BROWNING. Mr. Chairman, I would like to be heard on the point of order. Paragraph 2, Rule XXI, provides as follows——

Mr. PADGETT. One moment, if you please. I want to call your attention to this: The naval act approved March 4, 1898, besides providing for the purchase and manufacture of smokeless powder in the amount of $250,000, also contains the following paragraph:

Smokeless powder factory: For the erection of buildings on Government ground for the manufacture of smokeless powder, for the necessary machinery and equipment, $93,727.

But there was no limit of cost fixed in the act, and since then extensions and enlargements have been made from time to time; and I say that it is entirely proper in this bill to carry an appropriation to enlarge and extend the capacity of the factory as a whole.

The CHAIRMAN. Has the gentleman from Tennessee the act which authorized the powder factory?

Mr. PADGETT. I can get it for the Chair.

Mr. BROWNING. Mr. Chairman, paragraph 2 of Rule XXI of the House provides as follows:

"No appropriation shall be reported in any general appropriation bill, or be in order as an amendment thereto, for any expenditure not previously authorized by law, unless in continuation of appropriations for such public works and objects as are already in progress. Nor shall any provision in any such bill or amendment thereto changing existing law be in order."

The appropriation in the bill before the committee "Toward extension of powder factory $500,000," violates the first clause of this rule, as, by its terms, it extends and enlarges the present powder factory and is not an appropriation in continuation of appropriation for public works and objects already in progress.

In the testimony of Admiral Strauss before the Committee on Naval Affairs of the House is given the object for which this appropriation is requested. Hearings, page 473, wherein it is specifically stated that the appropriation is intended for the erection of new buildings as well as the enlargement of some existing buildings for the specific purpose of manufacturing more powder than the present capacity of the present powder factory.

It has been repeatedly held, Mr. Chairman, that "while appropriations for new buildings at existing Government institutions have sometimes been admitted as in continuance of a public work, they are not regarded as establishing a principle."

In volume 4, section 3755, page 505, Hinds' Precedents, "the construction of barracks at a navy yard was held not to be the continuation of a public work or object," although marines have been stationed at and doing duty at the navy yard since the date of its authorization.

In volume 4, section 3756, page 506, Hinds' Precedents, an appropriation for a naval prison at Pensacola Navy Yard was held to be not in order.

In volume 4, section 3758, Hinds' Precedents, an appropriation for officers' quarters at a navy yard is not in order as in continuance of a public work.

In volume 4, section 3761, Hinds' Precedents, page 506:

"It is not in order on the naval appropriation bill to appropriate for a new foundry not previously authorized by law at a navy yard," although foundry work had been authorized and performed at the navy yard for many years.

In volume 4, section 3752, Hinds' Precedents, page 503, the erection of laboratory buildings for the Department of Agriculture was held not to be in continuation of a public work already in progress.

In volume 4, section 3605, Hinds' Precedents, page 404, for establishing a plant for the manufacture of powder was held not in order on an appropriation bill.

In volume 4, section 3606, Hinds' Precedents, page 404, while it is in order on an appropriation bill to provide for the repair of a building, it is not in order to provide for a new building in place of one destroyed.

In volume 4, section 3703, Hinds' Precedents, page 464, an amendment for the enlargement of a general service of the Government was held to be not in order under the clause relating to the continuation of a public work or object.

Now, in the hearings it appeared from the statement of Admiral Strauss that most of the proposed buildings were to be new buildings. Some of them were extensions of old buildings, but most of them were to be new. On page 474 of the hearings Admiral Strauss distinctly says:

Some will be new and others additions to the old buildings.

I took special pains to have Admiral Strauss bring a blue print and point out on that blue print the number of new buildings, and it appeared that nearly all of them were to be new.

Mr. Chairman, the particular point that I wish to make is that most of the buildings provided for are to be new buildings, and therefore the paragraph is subject to the point of order.

Mr. BROCKSON. Mr. Chairman, I want to add, to what the gentleman has already said, some statements in the testimony of Admiral Strauss. On page 479 you will find Mr. BROWNING referred to the map and questioned him as follows. I quote from the printed hearings:

Mr. BROWNING. Under this improved plan that you have, are those buildings to be enlarged or are they all to be new buildings?

Admiral STRAUSS. Some will be enlarged and others will be entirely new, notably the dry houses, of which we require a great many.

Admiral Strauss filed an itemized list, which appears on page 473, in which he specifies 10 new dry houses and several other new buildings to be constructed. This shows that it is the intention not simply to make improvements to this plant, or to make small enlargements of existing buildings, but that it is the intention of the department to double the capacity of the plant, as testified by Admiral Strauss. The chairman asked him to tell about an item of $50,000 for addition to facilities. Admiral Strauss said:

We have submitted a recommendation for increased facilities at the powder factory which would be capable of doubling the output there. That involves an expenditure of $500,000 the first year and about half that subsequently. If that is granted, then this item of $50,000 can be omitted.

Admiral Strauss also testified that they were now manufacturing at the Government plant nearly half the powder used by the Government, and stated that they proposed to double the output.

It plainly appears that a large part of the money sought to be appropriated by the pending paragraph is for the construction of buildings and equipment not authorized by law. Therefore the point of order should be sustained.

The CHAIRMAN. The Chair finds that in the act making appropriations for the naval service for the fiscal year ending June 30, 1899, and for other purposes, this language appears:

Smokeless-powder factory: For the erection of buildings on Government grounds for the manufacture of smokeless powder, for the necessary machinery and equipment, $93,727.

The Chair is of the opinion that that amount of $93,727 was appropriated for a complete powder factory, and that the item contained in the bill now before the committee appropriating $500,000 for the extension of the factory is subject to a point of order.

Mr. PADGETT. If the Chair will allow me just a moment, I will state that since then Congress has been appropriating for and extending that factory until the investment to-day is, as I remember it, $1,300,000 in addition to that amount. That does not represent the completed factory.

The CHAIRMAN. The Chair was about to say that in the opinion of the Chair this was subject to the point of order, and the fact that the appropriations to which the gentleman refers have been made does not, in the opinion of the Chair, relieve this item from the point of order. The point of order is sustained.

The Clerk read as follows:

Depots for coal and other fuel: For additional fuel-oil storage at Melville, R. I., $20,000; additional fuel-oil storage at Norfolk, Va., $150,000; fuel-oil storage at San Diego, Cal., $50,000; steel coaling tower at San Diego, Cal., $45,000; fuel-oil storage at Puget Sound, Wash., $105,000; contingent, $30,000; in all, $400,000, to be available until expended.

Mr. STAFFORD. Mr. Chairman, I reserve a point of order.

Mr. PADGETT. I want to offer an amendment to strike out "expended" and insert "June 30, 1916," as we have been doing at the other places.

Mr. STAFFORD. My reservation of the point of order was for the purpose of obtaining from the chairman of the committee information as to whether these items are such as require a continuity of appropriations?

Mr. PADGETT. Yes.

Mr. STAFFORD. Why can not these appropriations be exhausted in one year?

Mr. PADGETT. Simply because these structures are built of steel. Orders must be given for the construction of the steel and the metal to make the tanks, and then it has to be transported, and after that has to be put together, and it runs over more than a year.

Mr. STAFFORD. Is it intended that the Government shall do this work or that it will let it out by contract?

Mr. PADGETT. Ordinarily they do it by contract. I do not know of the Government doing anything of that sort directly.

Mr. STAFFORD. If it is let out by contract, if the contract is let within the fiscal year, the appropriation is available for the two succeeding years, even though the performance of the contract runs beyond the fiscal year. In these instances there is no need of providing for authorization beyond the fiscal year.

Mr. PADGETT. The words "to be available until expended" were put there because the department asked that they be put there.

Mr. STAFFORD. I do not think in this instance there is any ground whatsoever, as there was in the prior instances, where the work was to be performed by the Government, and where they could not complete the work, and could not estimate how much work would be finished within the fiscal year.

Mr. PADGETT. I appreciate that.

Mr. STAFFORD. I recognize that there is great potentiality in the position taken by the chairman in desiring to have that money available beyond the fiscal year.

Mr. PADGETT. I appreciate the gentleman's position, and I have no objection to striking out the words "to be available until expended." Mr. Chairman, I move to strike out the language "to be available until expended."

Mr. STAFFORD. Mr. Chairman, I withdraw the point of order.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Page 24, line 16, strike out the words "to be available until expended."

The question was taken, and the amendment was agreed to.

Mr. COX. Mr. Chairman, will the gentleman yield?

The CHAIRMAN. Does the gentleman from Tennessee yield to the gentleman from Indiana?

Mr. PADGETT. I do.

Mr. COX. I want to ask the gentleman a question for information. What percentage of the appropriation for fuel is used for the purchase of oil for the fleet?

Mr. PADGETT. I could hardly state that in per cent. It is a matter that has increased very rapidly of late. It is estimated that we will use 30,000,000 gallons during the fiscal year 1915, for which this appropriation is made.

Mr. COX. What I mean is, taking the total amount of money appropriated for fuel purposes for the fleet, what per cent of that is used in the purchase of oil?

Mr. PADGETT. That I can not give definitely, but the torpedo boats and submarines and two of the battleships use oil exclusively. It has increased rapidly. For the current year the amount estimated was 15,000,000 gallons, and next year it will be about 30,000,000 gallons.

Mr. COX. How does the cost compare with coal?

Mr. PADGETT. That depends upon which coast the vessel is. On the Pacific coast the oil is cheaper than coal, and on the Atlantic coast the coal is cheaper than the oil.

Mr. COX. Are all of the dreadnaughts prepared at the time they are built to burn either oil or coal?

Mr. PADGETT. The older ones were not. Some were built to burn oil exclusively, and some were built to burn coal, and some of the recent ones have been built to burn both.

Mr. KAHN. Will the gentleman yield?

Mr. PADGETT. Yes.

Mr. KAHN. I want to say that some of the commercial lines on the Pacific coast burn oil in place of coal, and they say that it is a very great saving.

Mr. PADGETT. I stated that it was cheaper on the Pacific coast.

Mr. KAHN. Even if the oil costs a little more, there is a saving. There are so many other ways that it saves money. They do not have to pay for painting as much as they do where they burn coal. The oil does not throw any cinders, and in that way it makes a material saving. Then they do not have to have so many stokers in the hold.

Mr. COX. Does oil make a stronger heat?

Mr. KAHN. It is just as good a heat and very much steadier, very much easier to handle and regulate, and it is not so hard on the boilers.

Mr. COX. Are the railroads out there burning oil?

Mr. KAHN. Altogether. The railroads in California along the Pacific coast, almost to the Rocky Mountains, burn oil and say that it is preferable as a fuel in many ways.

The Clerk read as follows:

Repairs and preservation at navy yards and stations: For repairs and preservation at navy yards, coaling depots, coaling plants, and stations, $1,100,000.

Total public works, navy yards, naval stations, naval proving grounds, depots for coal and other fuel, Naval Academy, Naval Observatory, and Marine Corps, $3,549,000; and the amounts herein appropriated for public works, except for the Naval Observatory and for repairs and preservation at navy yards and stations, shall be available until expended.

Mr. MANN. Mr. Chairman, to that I reserve a point of order. Where is it intended to establish these depots for coal and other fuel?

Mr. STAFFORD. Those are the ones mentioned in the paragraph above.

Mr. MANN. I understand that certain ones are mentioned above, but here is $3,000,000 that may be used for new depots for coal that are not mentioned above.

Mr. PADGETT. That is simply the summary; it says "total for public works."

Mr. MANN. I see; I did not notice that.

Mr. STAFFORD. Mr. Chairman, I reserve the point of order on the words "to be available until expended."

Mr. PADGETT. That is language that has been carried for years. This is for public works and has been carried year after year, and it is not new language at all.

Mr. STAFFORD. Would not the presence of that language—"to be available until expended"—apply to all of the appropriations carried in this section?

Mr. PADGETT. Only those that come strictly under the head of public works under the interpretation that has been placed on it heretofore.

Mr. STAFFORD. I would like to have the opinion of the chairman whether the continuation of this clause at the conclusion, which relates to all that goes before, would not apply to each and every appropriation or paragraph in the entire section?

Mr. PADGETT. I suppose it would.

Mr. STAFFORD. What was the need, then, of striking it out in the preceding paragraphs?

Mr. PADGETT. It had been put in there when the department sent down estimates. They had the language in and we kept it in there. It has been the universal custom and practice of Congress in legislating for public works to make it available until expended.

Mr. STAFFORD. As I understand the gentleman's position, you carry such a limitation in every separate item where it is needed, and why should you carry it at the end?

Mr. PADGETT. These two places where we had it in was for ordnance, and not in public works.

Mr. MANN. It is carried in all items in relation to public works.

Mr. STAFFORD. I am asking why they carry it in the omnibus clause, and if it does not make all the items in the section available until expended?

Mr. MANN. They are all public-works items, and it does make them all available until expended.

Mr. PADGETT. Public works have always been appropriated for in this way. It is not new language or a new procedure.

Mr. STAFFORD. I think it is a procedure that is open to severe criticism.

Mr. PADGETT. I do not know of any abuse of it.

Mr. STAFFORD. It is always advisable to have the naval officials account each year as to the amount of money they have expended.

Mr. MANN. This is mostly for buildings and things of that sort, and it is always made available until expended, like appropriations for rivers and harbors.

Mr. STAFFORD. I question that.

Mr. MANN. Appropriations for river and harbor improvement made 40 years ago are available, and so are appropriations for public buildings, the same way.

Mr. BARTLETT. Let me call the gentleman's attention to the fact that we passed a joint resolution the other day appropriating the unexpended balances for public works for the New Orleans Navy Yard that had accumulated for years amounting to $200,000.

Mr. STAFFORD. My purpose is to prevent that very condition. Now, will not the gentleman from Georgia [Mr. BARTLETT], who is well versed in this character of legislation, give the committee the scope of the general law we passed which turns back into the Treasury all the appropriations which are not availed of within the fiscal year, or within two years after, if the work is contracted for?

Mr. BARTLETT. It does not apply to appropriations for public works, public buildings, and rivers and harbors.

Mr. STAFFORD. The gentleman says, from his acquaintance with this subject, it does extend to all characters of public works as was suggested.

Mr. BARTLETT. I was not dealing with the policy of it; I might agree with my friend on the policy of it, but it is the law, all the same.

Mr. STAFFORD. It has been stated this clause has been carried for several years, and although I question the propriety of it, I withdraw the reservation.

The CHAIRMAN. The point of order is withdrawn.

Mr. GERRY. Mr. Chairman, I offer the following amendment which I send to the Clerk's desk.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

After line 3, on page 25, add: "The Secretary of the Navy is hereby authorized and directed to investigate and report at the next regular session of Congress upon the selection of a suitable site for a first-class naval station on Narragansett Bay in accordance with the recommendations of the Army and Navy board under date of November 27, 1911."

Mr. PADGETT. Mr. Chairman, I reserve a point of order upon the amendment.

Mr. GERRY. Mr. Chairman, I do not believe that we should economize by not building battleships, for I think that the chief reason for our appropriations is to maintain our naval strength among the great nations of the world, and that this can only be done by building dreadnaughts; but I do think that the 35 naval stations that we at the present time support are too many, and a sound policy of economy would be commenced by cutting down these stations.

There has been a great deal of discussion this afternoon with regard to which is the best harbor on the Pacific coast. There seems to be some doubt between two harbors, but I do not think that such discussion would be pertinent to the Atlantic coast, because Narragansett Bay undoubtedly leads all the others. It is extremely fortunate in its depth of water. From Fort Adams to Bristol Ferry, a distance of 10 miles, the channel has a depth varying from 10 to 25 fathoms. Between these points there is an area having a depth of 5 fathoms or more, about 10 square miles in extent, sufficient room to anchor 100 heavy vessels at 400 yards distance and leave a free channel of adequate width for incoming and outgoing ships. In addition to this there is a large area of 4 fathoms or more for the accommodation of smaller craft. Strategically there is a splendid location for a naval base near the headwaters of the bay, which would be absolutely safe from attack.

In support of my contention I have the recommendations of the joint board, dated November 27, 1911. That board said:

The considerations which should govern the location of a navy yard are the following:

(a) It should be at an important strategic point.
(b) It should be easily accessible from the sea under all conditions.
(c) It should have a near-by protected anchorage sufficient for a fleet.
(d) It must be safe from attack.
(e) It should be close to a commercial center with suitable labor and supply facilities.
(f) It should have a good climate, sanitary and hygienic conditions.

Secondary considerations are—

(g) Suitability as a liberty post.
(h) Proximity to good drill and practice grounds for all classes of vessels.

Narragansett Bay fulfills these requirements better than any other point on the north Atlantic coast. It is my view that if we adopt the policy of having the least number of yards that would meet strategic conditions a large amount of money would be saved, enough probably to build an additional dreadnaught.

Mr. HOLLAND. Will the gentleman yield?

Mr. GERRY. Certainly.

Mr. HOLLAND. Will the gentleman tell me the other naval bases recommended by the joint Army and Navy board?

Mr. GERRY. They recommended Newport News——

Mr. HOLLAND. And Norfolk and Hampton Roads. If, as a matter of fact, Narragansett Bay did not fare any better than Norfolk Navy Yard under this bill, does not the gentleman think it would be useless to have the investigation?

Mr. GERRY. I have no comment to make on that. I append as a part of my remarks the following:

JOINT BOARD, MILLS BUILDING,
Washington, D. C., November 27, 1911.

SIR: Referring to the letter of the honorable the Secretary of the Navy transmitting various reports and opinions on the subject of navy yards and coaling stations, and requesting the opinion of the joint board on the following:

(1) What navy yards, naval stations, and coaling stations are necessary for the service of the fleet, and what may be given up or reduced, in the Atlantic Ocean, the Gulf of Mexico, and the Pacific Ocean?

(2) Should any of the present stations within the continental limits of the United States be moved to other positions in the same general locality?

The recommendations on the above should be predicated generally on the following considerations:

(a) The general strategic demands of possible wars, the depths of navy-yard waters and future draft of our vessels, and the available or projected fixed defenses.

(b) That the policy of the Navy Department is to have the ships self-sustaining, as far as possible, thus reducing the amount of work at navy yards.

(c) That the use of floating docks in connection with present navy yards, or in deep waters in connection with repair facilities on shore, may be advisable.

(d) That if the number of navy yards is to be reduced, due weight should be given to the possible need of greater water front and facilities for those yards which are left.

The joint board has the honor to report as follows:

That the principal considerations which should govern the location of a navy yard are the following:

(a) It should be at an important strategic point.
(b) It should be easily accessible from the sea under all conditions.
(c) It should have a near-by protected anchorage sufficient for a fleet.
(d) It must be safe from attack.
(e) It should be close to a commercial center with suitable labor and supply facilities.
(f) It should have good climatic, sanitary, and hygienic conditions.

Secondary considerations are:

(g) Suitability as a liberty port.
(h) Proximity to good drill and practice grounds for all classes of vessels.

The number of yards should be the least that will fulfill strategic considerations. On economical considerations alone it would be ideal to have only one great yard on the Atlantic coast and one on the Pacific coast, since the repairing, docking, and supplying of the fleet could then be so regulated and systematized as to give the highest economy with efficiency, both as regards the fleet and the yard. Military (naval) considerations, however, must also be regarded.

THE ATLANTIC.

There are two important strategic points on the east coast of the United States which fulfill the above requirements better than any other points—Narragansett Bay and the lower part of Chesapeake Bay.

Narragansett Bay has exceptional depth of water, carrying a minimum of 10 fathoms in the channel from the sea up to Bristol Ferry, 10 miles from Fort Adams, the depth varying from 25 to 10 fathoms in the channel from Fort Adams to Bristol Ferry. It has, between these points, an area of depth of 5 fathoms or more of about 10 square miles in extent, sufficient room to anchor about 100 heavy vessels at 400 yards distance and leave a free channel of sufficient width for incoming and outgoing vessels. In addition to this, there is a very large area of 4 fathoms or more for the accommodation of smaller craft. The entrance to Narragansett Bay is peculiarly well adapted to fortifications and a navy-yard site at the upper end of the deep water would be entirely secure from bombardment.

Norfolk and its fleet anchorage, Hampton Roads, is somewhat deficient in depth of approach and in anchorage area. The controlling depth before the recent dredging began in to Hampton Roads was 29 feet. A channel 500 feet wide and to be dredged to 35 feet of depth at low water is now in process of making, which will give access to Hampton Roads to the heaviest ships. The channel from Hampton Roads up to the Elizabeth River to the navy yard has now a controlling depth of 30 feet. The anchorage of Hampton Roads between Fortress Monroe and the Newport News middle ground will accommodate, at 400 yards distance and within the 5-fathom contour line, about 50 heavy ships. There is also available anchorage for heavy ships to the eastward of Fortress Monroe on the sides of the channel. There is also anchorage for a considerable number of heavy ships, from 15 to 20, in the deep water off Newport News, but the channel to this anchorage should be improved. Altogether about 80 heavy ships can be accommodated with ample area in shoaler water for ships of less draft than 30 feet. Hampton Roads is protected by the fortifications at Fortress Monroe and is well behind the proposed fortifications at Cape Henry, and the immediate vicinity and approaches are well adapted for mining operations.

Taking into consideration all the above-mentioned requirements of a first-class navy yard, it will be seen that Narragansett Bay and Norfolk (with Hampton Roads) are superior to all other places on the Atlantic coast.

Portsmouth has a good dock, good shops, and a deep-water entrance, which, though crooked, presents no difficulty at slack water. Its berthing facilities are incomplete and would require extensions in order to provide for a division of battleships. It can dock any vessels prior to the *Arkansas* class. It has no fleet anchorage. It has not an adequate labor supply and can be attacked from the open sea.

Boston is superior to Portsmouth in all its yard facilities except the size of its largest dock; has a fair labor supply at hand. Its fleet anchorage (President Roads) is inadequate. It can repair a division of existing battleships.

The New York yard is superior in its labor, industrial, and supply facilities to any other existing yard. It has not room to expand sufficiently to meet the growing requirements of the fleet. Its fleet anchorage is inadequate without interference with the demands of commerce. There are shoal spots in the East River which hamper the bringing of heavy ships to the yard, practically limiting that operation to once every day at high water. The water about the yard is constantly shoaling, necessitating a dredging expenditure of approximately $100,000 each year to maintain depth. The yard has no connection with any railroad. It might be practicable to obtain another site in the vicinity of New York with better physical conditions, but the inadequacy of its fleet anchorage can not be remedied.

Philadelphia possesses great advantages in being the center of a great industrial and commercial district, but is too far from the sea for a fleet base and has no fleet anchorage. Modern battleships damaged in such a manner as to increase their draft and impair maneuvering power would find it difficult to reach this yard. The Philadelphia yard has convenient railway communication and is excellently suited for such manufacturing as may be desirable to have done in navy yards.

Norfolk (with Hampton Roads) possesses all the principal requirements of a navy yard and naval base. The channels to the yard and to the sea (from the fleet anchorage) need improvement, which is gradually being made and which can be completed within a reasonable cost.

Narragansett Bay has all the requirements of a navy yard, as set forth in the first paragraph, except (e) and (g). It possesses (a), (b), (c), (d), (f), and (h) in a high degree. It is near centers of industry which would afford a fair labor supply.

The joint board recommends, therefore, that steps be taken to establish a first-class docking, repair, and supply yard in Narragansett Bay; that while this is building the docking, repair, and supply facilities of New York, Boston, and Portsmouth be retained, transferring them to the new yard as its development proceeds. It would be the intention that this new yard should replace in all respects the three yards named

above when in such condition as may become necessary to meet the demands of the fleet, and that when it shall have been completed the navy yards at New York, Boston, and Portsmouth would be closed and sold. The proceeds of such sales would go far to equip the new yard. All desirable machinery and equipment capable of being transferred should be taken to the new yard. This substitution of one yard for three would result in greatly increased economy by reducing fixed charges and by establishing a great navy yard on a sheet of protected water exceptionally well suited for a naval base; would also increase military efficiency.

That the Philadelphia yard be retained as a base and home yard for the reserve fleet, which is growing to large proportions. This yard possesses advantages over any other for this purpose in having a large fresh-water basin in which to lay up ships in reserve. This yard is also well adapted for fitting out auxiliaries in time of war.

That the docking facilities of the Norfolk yard be improved and its channel of approach deepened. The water area opposite the yard should be widened to provide for large ships.

That the docking, repairing, and supply of the entire active fleet in the Atlantic be divided between the Narragansett and Norfolk yards.

That Charleston and Key West be maintained as torpedo flotilla bases, and the latter be improved for this purpose. These yards may be regarded as auxiliary to Norfolk and Guantanamo, respectively. Key West as the base of a torpedo flotilla controls the northern entrance to the Gulf, while Guantanamo as the base of the main fleet controls the entrance from the south.

Guantanamo and Colon: The two yards at Narragansett Bay and Norfolk would satisfy the strategic requirements of the east coast of the continental United States. There must also be naval bases for that great strategic area comprising the Gulf of Mexico and the Caribbean Sea. It is to be noted that Guantanamo Bay is very well situated as a base for a fleet whose object is to control that strategic area. By establishing an adequate navy yard at Guantanamo, fortifying the Isthmus of Panama, and establishing a base for the torpedo flotilla at Key West, the Gulf of Mexico becomes, from a naval point of view, an inland sea and may be considered safe from attack.

The joint board recommends that Guantanamo be developed by the establishment there of a large dry dock or floating docks and sufficient repair and supply facilities to enable the battle fleet to maintain itself in that vicinity for several months if need be.

The board further strongly recommends that steps be taken as soon as practicable to adequately fortify Guantanamo.

It is not contemplated that we will need a navy yard at the Atlantic terminus of the Panama Canal if docking and repair facilities for commercial vessels sufficient to meet all requirements of the Navy in time of war be provided there under Government ownership and control.

To summarize, the joint board finds the following navy yards are required in the Atlantic: Narragansett Bay, Norfolk, Guantanamo, Philadelphia, Charleston, and Key West.

All other navy yards in the Atlantic or Gulf of Mexico are now or will become, upon the completed development of the above yards, superfluous, and to continue indefinitely their maintenance would be a waste of money to the detriment of the Navy.

The board recommends the immediate discontinuance of the yards at Pensacola, New Orleans, San Juan, and Culebra.

THE PACIFIC.

The most important strategic points on the western coast of the United States are Puget Sound and San Francisco Bay, but the navy yards at those localities are not adequate in their docking, repair, and supply facilities for the maintenance of the fleet for any prolonged period.

Puget Sound: This is the natural base for naval operations on our northwest coast and Alaskan waters. In many respects the location of the yard is excellent. While it is at a considerable distance from the open sea, access to it is comparatively easy. It is well protected naturally and fairly well artificially; has ample depth of water and good anchorage. As regards repairs, its facilities, while sufficient for the fleet now maintained in the Pacific, should be increased without delay in anticipation of a possible transfer of the battle fleet to that ocean.

San Francisco: The Mare Island Navy Yard is critically deficient in several of the essentials of a navy yard. It is above the San Pablo Flats, crossed by a long and narrow channel, which is maintained at a navigable depth for large vessels only by extensive dredging. The yard itself is inaccessible for the largest battleships, and would be inaccessible for battleships of any size with increased draft due to injuries. Steps are now being taken to improve the channel and approach to Mare Island in accordance with the recommendation of a joint Army and Navy board, for the purpose of ascertaining if adequate depths in channel approach and depth at the navy yard itself can be maintained for large vessels. It is, at least, doubtful if this can be accomplished except at prohibitive cost. Furthermore, the water at the yard is filled with alluvial matter which clogs the condensers and flushing systems of vessels lying at the wharves. Unfortunately there has grown up here an extensive plant, which, while of little value to the fleet in its present situation, can not well be abandoned.

Should investigation prove that permanent improvements which will render the conditions satisfactory can not be made, the joint board recommends that steps be taken to establish a new navy yard with adequate facilities in the lower part of San Francisco Bay on a suitable water front; that the repair and supply facilities of the Mare Island yard be transferred, so far as practicable, to the new yard and that when the latter is ready for use the Mare Island yard will be closed as a docking, repair, and supply yard, but employed for other naval purposes to which it may be suited.

PEARL HARBOR, HAWAII.

This yard, owing to its advanced position and natural advantages as a naval base, is practically indispensable to our own fleet in any operation against an Asiatic power, and would be a great menace to us if it were permitted to fall into the hands of an enemy. It should be made as nearly as possible impregnable, in order that it may be safely held and that the fuel and other supplies of our fleet and its communications may be kept intact.

PANAMA.

The strategic relation of Panama to the trade routes in the Pacific through the Panama Canal suggest that a navy yard may eventually be needed at that point. In view, however, of the existing uncertainty as to the scope of the facilities planned by the Canal Commission the board is of the opinion that it will be enough for the present to assure that sufficient suitable area be reserved for the use of the Navy Department for a navy yard and that the time of the actual establishment of the yard be left open to future decision.

GUAM.

This is an important point in the trans-Pacific line of communication; means should be provided to protect it from a raid, to improve its harbor, and to increase its facilities as a coal and supply station, for if well fortified and garrisoned it would be of great importance.

In reference to the subhead (d), covering the question of the safety of navy yards from attack, the Army members of the joint board are of the opinion that should a navy yard be established under this recommendation at Narragansett Bay that the fixed defenses now established on that bay are adequate for the protection of the bay against forceful entry by hostile ships; but that, in their opinion, the existing defenses of Narragansett Bay should be reenforced by the establishment of heavy guns on Beaver Tail and of guns of smaller caliber on Seaconnet Point to insure sufficient area of protected water for the debouchment of the fleet and its formation for battle.

In the same connection, regarding the fixed defenses of the navy yard at Norfolk, the Army members are of the opinion that when the project for the establishment of fixed defenses on Cape Henry, already recommended by the joint board, shall have been completed, that the fixed defenses for the protection of that yard will be adequate for the purpose, and the Army members further express the opinion that in the event of war there will be greater probability of the Army being able to assemble sufficient mobile forces to protect the reduced number of navy yards than the present number against any raiding force which may reasonably be expected to be landed in the vicinity with a view to taking these positions in reverse.

In these opinions the joint board concurs.

COALING STATIONS.

The general board, under date of April 13 and June 14, 1911, made recommendation concerning coaling stations, to which it adheres under existing conditions. Should, however, a great navy yard be established in Narragansett Bay and the yards at Portsmouth, Boston, and New York be abandoned, the joint board is of the opinion that the recommendations as to coaling stations would be subject to modification in certain respects.

Very respectfully,

_____, _____,

Admiral of the Navy, Senior Member.

The honorable the SECRETARY OF THE NAVY.

Mr. O'SHAUNESSY. Mr. Chairman, I wish to congratulate my distinguished colleague [Mr. GERRY] for calling the attention of the committee to the splendid facilities of Narragansett Bay for a naval base. Nature has been generous in its endowment. It has been my privilege heretofore to introduce a bill in this House by which useless naval stations would be sold and the money arising from the sale would go to the establishment of a great naval base at Narragansett Bay, R. I. Of course it is hardly necessary to dwell upon the fact that efficiency and economy would arise from having central places where waste would be done away with and efficiency would be promoted. Whether that is a dream or not I do not know. Suffice it to say during the last administration great progress was made in that direction, and I felt I would be a defaulter to my sense of duty as a Representative in this Congress if I did not heartily indorse the efforts of my colleague [Mr. GERRY] in calling the attention of the committee to the recommendations of the Army and Navy board. Now, if men who make serious and deliberate study of these questions know anything about it, if their attempt is to be of benefit to the people, if their investigations are to be seriously considered, then I think that this question ought to engage the attention of Congress with a view to working out reforms suggested by trained minds. I have read repeatedly where naval stations have been established in this country by virtue of some political influence. I think I can recall a statement made in the Senate by Senator TILLMAN—I think it was a year or two ago—when he rose in his seat and said he might as well get a little of the pork which was going around for the navy yard down in his district. I believe, even though I represent a district that can not speak as eloquently, for instance, as Puget Sound and Mare Island did this afternoon, if in that district or in any establishment in that district any money has been expended by the Government that was not expended wisely and judiciously, then that plant ought to be abolished. No plant should be nurtured by the Government for political purposes. Let me cite here from an article by A. Maurice Low on Secretary Meyer's reforms:

A navy yard, according to Mr. Meyer, is primarily a military establishment rather than an industrial establishment, which is the great difference between a Government yard and a private yard, because, as Mr. Meyer pointed out before the Naval Committee of the House: "A navy yard exists as a repair machine shop for the sake of the fleet only. If the fleet is wiped out, you do not need the navy yard, and that is where the military question comes in." Although a navy yard can not be fairly considered in the same way as a private manufacturing establishment, Mr. Meyer has seen no reason why some of the methods employed by private concerns should not be utilized by the Government in the interest of economy and efficiency. Every manufacturer keeps an accurate account of the cost of the work done, otherwise it would be impossible for him to tell whether he is doing business at a profit or loss and whether some jobs are not costing more than others. The Navy Department has never made any attempt to place its affairs on a business basis. When a ship was ordered to a yard to be repaired, a board reported that the work would cost so much, and if the money was available or Congress made the appropriation the repairs were ordered carried out. It has often happened that practically identical work done at different yards, or even at the same yard after an interval, varied

greatly in the cost. A proper cost system would show where the fault lies.

Such a system Secretary Meyer has installed, and it is asserted that it has fully justified its expectations. He now knows the money paid for material and labor, and instead of the accounts being checked by the manager of the yard they are audited in the Bureau of Supplies and Accounts in Washington, so that careful supervision is exercised over all disbursements. By instituting a uniform system of accounts and bookkeeping it is possible to compare the cost of work in one yard with that in another and any extravagance or slackness can quickly be detected; and it will lead to rivalry among officers and men to obtain for their yard the highest reputation for both efficiency and economy.

Mr. Meyer has not only reorganized the navy yards, but he has also reorganized the Navy Department, and of course there was no hope of the proper administration of the yards unless the department was efficiently constituted. Mr. Meyer recognized that a civilian Secretary must have professional advice, but if he relied upon his bureau chiefs there was always danger of that advice being colored, and yet under the system then existing he could not seek outside assistance. To meet this he created what might be regarded as a professional cabinet by appointing four officers of large experience and sound judgment to act as his aids, who have no executive authority, but whose duties are to keep him informed and to act as his expert and responsible advisers. These four officers are officially known as the aids for operations of the fleet, inspections, personnel, and matériel. The functions of the bureau have not in any way been changed; but when a recommendation is made by a bureau and the subject is too technical for the nontechnical Secretary to be able to deal with it intelligently, he can ask the opinion of the aid in whose division the work belongs. The aid criticizes the recommendation from a purely impersonal standpoint, and as he is neither the author of the recommendation nor charged with its execution he can discuss it impartially and bring out the weak points, which the bureau will have to meet before the Secretary gives his approval. Mr. Meyer's expert advisers should be the means of reducing friction between the bureaus and coordinating their work, to the great advantage of the department and the efficiency of the fleet, and that, after all, is what the department exists for. A great many secretaries have acted on the theory that the fleet was merely a useful device to keep the Navy Department in operation; Mr. Meyer acts on the principle that the fleet is the Navy and the Navy is the fleet and everything else is subordinate and incidental.

Mr. Meyer, after a personal inspection of the navy yards of the country, came to the conclusion that there are too many, and that those regarded as most important would be of little value in time of war; that the test to which a navy yard must be subjected is the character and quality of its work and the rapidity with which it can be done in an emergency. The three yards on the eastern Atlantic coast are at New York, Boston, and Portsmouth, and these yards Mr. Meyer would abandon and in their place create a great modern establishment on Narragansett Bay, with anchorage grounds sufficient for the entire fleet and dry docks enough for six or eight of the largest battleships afloat to be repaired simultaneously, and with shops equipped with the latest machinery, so that the United States would have a plant second to none in the world. The consolidation would not only result in great economy, but would increase efficiency, as operations in one yard could be carried on better than in three and the establishment could be kept in operation all the year round. Of the yards that Mr. Meyer would abandon, Portsmouth has no value strategically and has not much greater value as a manufacturing establishment; New York and Boston have also lost their military importance, and while their plants have been kept up to date, they are cramped for room and have not sufficient water front for ships to find a safe anchorage. It is a peculiar thing, as Mr. Meyer discovered after looking into the subject, that in Europe the large naval stations are not in great commercial centers, such as New York and Boston, but at less important ports where there is less danger of interference by merchant ships with vessels of war. With the opening of the Panama Canal the strategical center will shift, and Guantanamo, which Cuba ceded to the United States as a naval base, will become one of the most important American naval stations because of its proximity to the canal. When the canal is in operation the fleet will divide its time between the east and west coasts until such time as there are fleets in both oceans, and the Gulf of Mexico will be the winter drill ground, so that repairs will be made more frequently at Guantanamo than in New York or Boston. Still, of course, it is necessary to maintain adequate yard facilities on the eastern coast, and that is why Secretary Meyer advocates the Narragansett Bay establishment, which has the support of the most experienced officers of the Navy as well as the joint board of defense, composed of Army and Navy officers.

And there ought to be a concentration of these yards in order that we may proceed in a more businesslike and more economical way. It is hard for us to do so, because I think some writer has spoken of Congress as "a convention of local envoys." We are all jealous of our districts and wish to do whatever we can for them, but the time must come when we will have to forget our districts and remember the country; and when we do remember the country as a whole I think we will come to a sounder and a better and a more judicious way of administering our navy yards. [Applause.]

In that connection, Mr. Chairman, I ask leave to extend my remarks by inserting in the RECORD a magazine article which deals more eloquently with the subject than I am able to do.

NAVY-YARD CONSOLIDATION—SHOULD THE NORTH ATLANTIC NAVY YARDS BE SOLD BY THE GOVERNMENT?

(By George F. Stowers, inspection department, navy yard, Boston, Mass.)

About to retire to private life Senator Aldrich electrified the country with the declaration that the conduct of Government business on a business basis would annually save to the people $300,000,000. This was truly a startling presentation of a situation with which the American public has long been familiar; to which, as a rule, it has been sublimely indifferent, for it has long been common knowledge that millions of dollars have been wasted annually in the reckless expenditure of public funds for the erection and maintenance of unnecessary and unnecessarily expensive public buildings; for the prosecution of ill-considered and unsystematic rivers and harbors projects; for our ever-increasing pension burden; and for the maintenance of certain navy yards and other Federal establishments the necessity for which has never been fully apparent to the average citizen. Indeed, this knowledge has been of such long standing and attempts to obtain remedial action have heretofore been so futile that the people have well-nigh accepted the situation as inevitable. Of course, the people of this country would like to save $300,000,000 annually; such saving would be a decided factor in the reduction of the present high cost of living; of course they absolve themselves from all responsibility for a situation that they firmly believe is strictly up to the public officials whom they send down to Washington to manage their business for them.

So with the passing of the first shock of Senator Aldrich's somewhat spectacular announcement the people relapsed into their usual attitude of seeming indifference and the game went merrily on. But did it? Even as the Senator gave utterance to his opinion certain Government officials, Cabinet members, were actively engaged in the work of reorganizing and systematizing, with a view to increased efficiency and economy, the executive departments of which they were the responsible heads. Of these officials none has shown himself to be more zealous or has brought to his work greater business acumen and capacity than the Secretary of the Navy, George von L. Meyer. There can no longer be any question that the so-called "Meyer scheme" of navy-yard administration has justified itself in the economies already attained; but the economies so far effected are insignificant as compared with the millions that the Secretary believes he can save to the public if Congress will but grant him the authority necessary to a comprehensive and complete application of his plans. It is the knowledge that the larger economies can only be attained through the influence of public opinion and the cooperation of Congress that has undoubtedly prompted the Secretary recently to take the public into his confidence regarding some of his more important plans.

Thus it has come about within the last few months that great interest has been aroused throughout the country, particularly in those States which have navy yards within their borders, through the fact that the Secretary of the Navy has let it become known that Navy Department officials are seriously considering the feasibility of selling certain Atlantic coast navy yards and concentrating their activities at three permanent naval bases, and that he personally believes that some such change in the status of navy yards is inevitable. The Secretary now has before him for consideration two special reports, one submitted by the joint Army and Navy board, the other by the general board of the Navy, both of which reports recommend the sale of the Portsmouth, Boston, and New York Navy Yards and the centralization of their activities at a great naval base to be established upon Narragansett Bay; this proposed naval base on Narragansett Bay to be one of three such naval bases to be maintained on the Atlantic coast, the other two to be located at Norfolk, Va., and Guantanamo, Cuba. As already intimated, such a plan can only be consummated as a result of favorable legislation by Congress, and the congressional delegations from those States and cities threatened with the loss of navy yards, urged on by their constituents, are already planning a determined campaign in opposition to any legislation that may be introduced into Congress for this purpose.

This question of consolidation of navy yards has in one phase or another attracted the attention and received the consideration of naval authorities for years past, and its development to its present importance has been coincident with the development of the new Navy and of the conditions that have prompted the extension of the country's industrial and political activities. Such a consolidation was partially effected in the early eighties under the direction of Secretary of the Navy William E. Chandler, who practically closed the Boston Navy Yard by the simple expedient of transferring its activities to the Portsmouth Navy Yard.

Now, that the Panama Canal is nearing completion the effect that its use will have on the history of our naval expansion is patent to all, as it will permit of the fleet dividing its time between the Atlantic and the Pacific and will enhance the importance of the naval bases at Guantanamo and upon the Pacific, including the great naval base now under construction at Pearl Harbor, near Honolulu. With the opening of the canal, extensive fleet maneuvers and target practice can be held in the Pacific as well as in the Atlantic, and these and other activities incident to the opening of the Canal mean that whatever the Pacific navy yards in this way gain, the Atlantic yards will lose; and the loss will be particularly felt by the North Atlantic yards as their importance in the maintenance of the fleet will greatly decrease. It is this situation that now brings before the public the question of whether or not some of the North Atlantic yards should be sold.

Any discussion of this question necessarily involves the use of terms the different interpretations of which have caused considerable confusion, and to avoid misunderstanding it is here deemed pertinent to give certain definitions. The definitions of the terms "navy yard" and "naval base" are those published by the Navy Department in its General Order 135, of December 6, 1911, for the information and guidance of the naval service. A navy yard is a single establishment for docking, repair, and supply. It may include building and manufacturing facilities. A naval base is a point from which naval operations may be conducted and which is selected for that purpose. Its essential feature is an adequate anchorage for a fleet with its auxiliaries, preferably sheltered from the sea and fortified against attack. Naval bases are permanent or temporary. The latter would generally be established nearer the theater of war than any permanent base and would be called an advanced base. A permanent base would have docking and repair facilities. The industrial establishment of a navy yard is that part of the equipment and activities of the yard that constitute the industrial plant. The military establishment of a navy yard is that part of the equipment and activities of the yard that has to do with the strictly military aspects of our naval establishment.

The opposition to the sale of the Boston Navy Yard seems to have crystallized itself in the contentions that the sale of the navy yard would mean loss of business to Boston; that the concentration of the North Atlantic navy yard activities at a naval base on Narragansett Bay would impair the military efficiency of the Navy; and that such concentration would be an act of extravagance, in that large sums of money have been expended in building up an industrial plant at the Boston Navy Yard, in developing the military establishment, and in deepening channel approaches. The opponents of the plan supplement these contentions with the assertion that there is no guaranty that the work now performed at the three North Atlantic yards would be performed materially cheaper when concentrated in one plant at the proposed naval base.

If we find that these arguments or contentions are correctly premised; if we find that they are based on the axiom that navy yards exist for

the Navy and not the Navy for the navy yards; if we find that they give due consideration to impending changes in conditions, changes that demand recognition in the successful and permanent solution of the question; then, as fair-minded persons, we must perforce concede that these considerations are of sufficient weight to warrant the definite conclusion that the Boston Navy Yard should not be sold. The opening of the Panama Canal is an impending change in conditions that has not only precipitated the question we are now considering, but it is a change that is fraught with great opportunities for the commercial expansion of Boston, and with positive danger to the industrial welfare of the North Atlantic navy yards, inasmuch as it will cause those navy yards to suffer a decided loss in work and importance; consequently it is a change that has a direct bearing on the issues involved, which are: "Would the sale of the Boston Navy Yard be to the advantage or disadvantage of industrial Boston? Would the sale of the Boston Navy Yard and the concentration of the North Atlantic navy-yard activities at a naval base on Narragansett Bay promote or impair the military efficiency of the Navy? Would or would not the sale of the Boston Navy Yard and the concentration at a naval base on Narragansett Bay of the navy-yard activities of the North Atlantic result in an appreciable saving of expense? In other words, is the sale justified on the grounds of economy?

This last question naturally falls into the three following subdivisions: (a) Would or would not such concentration result in a substantial saving in the cost of maintenance (indirect expense) of the industrial establishment or plant? (b) Would or would not such concentration result in a substantial saving in the cost of the labor and material directly chargeable to the output of the industrial establishment or plant? (c) Would or would not such concentration result in saving a large part of the present cost of maintenance of the military establishments at the Boston, New York, and Portsmouth yards?

The Massachusetts Legislature of 1911 enacted into law a bill creating a board of directors of the port of Boston, and delegating to that board the power to make all necessary plans for the development of Boston Harbor and to take immediate charge of the construction of piers and of improvements in connection therewith. (Chapter 748, Acts of 1911, Massachusetts Legislature.) The bill creating the board of directors also provided for an initial appropriation of $9,000,000 to enable the board to perform its delegated administrative and other duties. The board also considers itself responsible, under the law, for the conduct of a progressive campaign to stimulate the industrial activities of the city, and to increase its importance as an industrial and shipping center by taking active steps to increase its commerce. That the board thus interprets its obligations is evidenced by the fact that it is now seeking additional funds with which to purchase for the Commonwealth certain steamship terminals, the acquisition of which it considers necessary to facilitate the entry into Boston of the Grand Trunk and other railroads; also funds with which to encourage by conservative financial backing the establishment of new steamship lines, particularly a line to the Gulf that will insure to Boston a share in the increased commercial activities that are expected to accrue with the opening of the Panama Canal. Thus the necessary administrative and financial facilities for the commercial expansion of the city already exist, with prospects good that the additional $50,000,000 requested by the board will soon be forthcoming.

To quote its chairman, the directors of the port "enter upon their duties with all the developed water front of Boston under miscellaneous private control * * * the acquisition of the important water front is inevitable * * * New York owns 90 per cent of the water front of Manhattan Island." There is much truth in the chairman's statement relative to the miscellaneous private control of the developed water front, but all of the developed water front is by no means under such control; on the contrary, one of the largest, best developed, and most valuable water-front properties—the Boston Navy Yard—a property the actual transfer of which could be effected easily and expeditiously, is available for and peculiarly adapted to the very purposes which the directors of the port have in mind.

The acquisition by the Commonwealth of the navy-yard site and water front would lead to commercial expansion that would far outweigh in value to the city the necessarily restricted activities of a local navy yard, as it would immediately and greatly increase the tidewater terminal facilities of the port by adding over 3,500 feet (official map of Boston Navy Yard, showing improvements to June 30, 1911) to the commercial water front, with many excellent docks and space for more, and by making immediately available for commercial purposes one large modern dry dock, one smaller dry dock, a selected site for a third dry dock, many large and substantial buildings (suitable for warehouses), power plants, railroad trackage, coal pockets, etc. The site contains about 90 acres (records on file at the Boston Navy Yard) of land, and there is ample room for the erection of cold-storage plants, grain elevators, additional warehouses, and any other buildings that may be required to meet the exigencies of a rapidly developing foreign and coastwise trade. That such a transfer of the navy-yard property would immediately and materially aid the city of Boston in its competition with New York as a shipping port is very evident.

Commercial activities on the site of the navy yard would affect favorably far more wage earners than the navy yard plant ever could, even if run to its full capacity, for a commercial plant would affect favorably a far larger number of local commercial enterprises employing many men of many trades. A commercial plant that would be constantly in operation would be of incalculably greater advantage to Boston than a navy-yard plant operated to but a fraction of its full capacity.

With a comprehensive administrative and financial program for the commercial expansion of the city of Boston already well under way; with the necessity for State control of the Boston water front already recognized by the directors of the port; with the opportunity afforded the State to acquire, at one transfer, what is probably the largest, best equipped, and best located water-front property in the harbor; with the surety that such acquisition would be to the great advantage of local commercial enterprises, would encourage the establishment of others, and would thus favorably affect a large number of wage earners; with all these conditions assured, it is at once evident that the sale of the Boston Navy Yard would be to the advantage of industrial Boston.

When, through the irresistible political, social, and industrial tendencies of the times, a conflict is precipitated between sentimentalism or local pride on the one hand and progress on the other, local pride must ever be sacrificed in the interest of the larger efficiency and the general welfare. Experience has shown this to be axiomatic. Hence Boston, Portsmouth, and New York, with their wealth of historical associations antedating and overshadowing in sentimental importance the navy yards that lie within their borders, must rise to the occasion by recognizing and accepting new conditions that demand, in the interest of the common good, the removal of those navy yards.

If it were possible for Uncle Sam to enter into a contract with nature to supply the Government with a location for a naval base that would meet the definitions and specifications of the naval experts, he could not hope to obtain more ideal conditions than those that now exist, ready-made, at Narragansett Bay, for Narragansett Bay has all the essential features of such a base. It has an adequate anchorage for a fleet with all its auxiliaries, sheltered from sea. (United States Coast and Geodetic Survey (chart) of Narragansett Bay, R. I.) As it has direct access to the open sea via broad and deep channels that afford unexcelled opportunity for submarine and mine defense, and as it is already defended by modern fortifications on the island midway of the entrance and on the nearby headlands, it can be made practically, if not absolutely, impregnable against direct attack. Inasmuch as it would be impossible for an enemy to effectually obstruct such wide and deep channels, and inasmuch as any attempt by an enemy to mine the entrance to the bay would be foiled by the activity of our submarines and by countermining, all possibility of a foreign foe successfully bottling up any of our ships operating from the proposed base would be precluded.

On Narragansett Bay there are many acres of vacant land available for the establishment of a navy yard in which the work of docking and repairing an entire fleet, with its auxiliaries, could be carried on expeditiously, and in which, if necessary, new ships might be built. An entire fleet could not be accommodated at the Boston Navy Yard, for the necessary expansion of the yard would not be feasible because of the prohibitive cost. The yard is set in a crowded part of the harbor, with insufficient anchorage, and there is no chance for a rendezvous of men or for drilling. These same conditions also apply in the case of the New York Navy Yard; and at Portsmouth there is practically no safe anchorage.

Although it is argued that it would be folly to place all of our naval eggs in one basket—on Narragansett Bay—yet this point is not well taken, for the proposed naval base on Narragansett Bay would be but one of three such bases on the Atlantic coast. It is also held by some that the Government should not part with the dry docks at the Boston Navy Yard, but this point is hardly material, for even though these dry docks were turned over for commercial purposes they would still be available for naval purposes in time of war, as they would be under the protection of the harbor fortifications.

Narragansett Bay, then, meets all the requirements of a naval base. This being the case, the sale of the navy yards at such points as Boston, Portsmouth, and New York, points that do not meet the requirements of a naval base, and the concentration of the North Atlantic navy-yard activities at a naval base on Narragansett Bay would promote the military efficiency of the Navy.

As a thorough analysis of the third issue presented by a discussion of the question under consideration must necessarily be largely based on data that is available only as the result of the activities of the inspection department of the Boston Navy Yard, it is considered profitable here to briefly describe the functions of that department. The inspection department is distinctly a feature of the "Meyer scheme" of navy-yard administration. To it is delegated the duty of inspecting all work, during progress and upon final completion, performed by the two divisions of the manufacturing department, and all work must receive its stamp of approval. It is also responsible for the proper performance of much the same functions in connection with the activities of the navy yard as the Boston Finance Commission performs in connection with the activities of the city departments; that is, the inspectors and subinspectors of the inspection department of the Boston Navy Yard are constantly investigating navy-yard costs and conditions and inefficiencies that operate to increase costs. In the performance of its interrelated duties of making physical inspections and cost inspections the inspection department has exceptional opportunities for analyzing cause and effect, and hence is peculiarly qualified to make intelligent efficiency and betterment recommendations to the end that economy may be attained.

So much for the inspection department. Incidentally it may be said that the inspection department of the Boston Navy Yard has found, as will presently appear, that all navy-yard costs are excessive, due to conditions that can only be eliminated by the concentration of navy-yard work at a few plants, and running those plants to approximately full capacity.

Two important classes of expense enter into the cost of the output of an industrial plant—the indirect or maintenance expense, variously designated as overhead expense, general expense, surcharge; and the direct or productive expense, labor and material directly chargeable to the output of the plant.

It is an accepted fact that when a large plant is running to but a fraction of its full capacity the indirect or maintenance expense immediately becomes an overwhelming burden on the cost of the output, this for the reason that the maintenance expense remains practically the same whether a plant is run to a fraction of its capacity or whether it is run to full capacity. (Harrington Emerson, efficiency engineer, in pamphlet entitled "Shop Betterment and the Individual Effort Method of Profit Sharing.") The officials of the inspection department of the Boston Navy Yard have repeatedly been impressed by the fact that the Boston Navy Yard is a large plant that is operated to but a fraction of its present capacity. Hundreds of thousands of dollars have been expended on the yard machinery plant; machine tools of the latest and best designs have been purchased irrespective of whether or not the demand for their use warranted the expense; these machine tools are not run to anything approaching their full capacity, as compared with navy-yard standards even; as compared with scientifically determined standards, the present output is but a fraction of the possible maximum capacity of the plant; the efficiency of the machines is necessarily very low, as practically no attempt has been made to standardize speeds and feeds, to properly group the machines, or to eliminate inefficiencies in belting, etc. In short, little or nothing has been accomplished in the way of improving and standardizing conditions, largely for the same reason that little or nothing has been accomplished in the elimination of soldiering or loafing; and this reason is the lack of that incentive and stimulus that only comes with the knowledge on the part of the foremen and workmen that there is at all times enough work ahead to tax the maximum capacity of men and machines. Indeed, present navy-yard conditions furnish a direct incentive for perpetuating soldiering and other inefficiencies; inevitable changes, due to the opening of the Panama Canal, will only serve to accentuate these conditions, for, be it remembered, the opening of the canal means an immediate decrease in the amount of work to be performed in the north Atlantic yards.

The output of the Boston Navy Yard for the calendar year 1911 was burdened with an indirect expense totaling more than $1,575,000 when figured on a commercial basis.[1]

Figured on this same basis the indirect expense at the New York yard for the fiscal year 1911 totals over $2,000,000, and at the Portsmouth yard approximately $500,000. The total actual indirect expense of the three plants, exclusive of the salaries of the many officers who are heads and assistant heads of yard departments, runs well over $4,000,000 annually.

Concentration would greatly reduce the burden of indirect expense imposed upon the consolidated output of the three industrial plants, for as compared with the requirements of the present three independent plants it would mean a great reduction in the nonproductive labor expense through the fact that fewer foremen, tool dressers, repair men, clerks, draftsmen, etc., would be needed; it would mean a reduction (due to elimination of duplication in buildings, machine tools, etc.) in the expense for repair material, depreciation, etc. Throwing the work of the three present plants into one consolidated plant would insure a large consolidated output; there would be a decided reduction in the percentage of indirect expense chargeable to this output; hence there would be a decided reduction or saving in the unit cost of the output. Mr. Harrington Emerson, efficiency engineer, has stated that "the best way * * * to reduce the percentage of general expenses (indirect expenses) is to increase output." (Harrington Emerson, "Shop Betterment and the Individual Effort Method of Profit Sharing.")

The argument often made, particularly by navy-yard employees, that all the larger navy yards should be allowed to build battleships and their auxiliaries, as well as repair them, in order to increase the output of the industrial plants to full capacity is not economically sound, for the cost of Government-built ships is practically prohibitive. The U. S. S. *Connecticut*, built at the New York Navy Yard, cost the Government about $400,000 more than her sister ship the U. S. S. *Louisiana*, built by private contract; and this comparison does not take into consideration the indirect expense that should have been, but was not, charged to the construction of the *Connecticut*. (Data quoted by Chairman Foss, Naval Affairs Committee, CONGRESSIONAL RECORD of Feb. 20, 1911, pp. 1910–1911.) The U. S. S. *Florida*, also built at the New York Navy Yard, cost the Government approximately $2,182,000 more than her sister ship the U. S. S. *Utah*, built by private contract, notwithstanding that an indirect expense of about $500,000 that should properly have been charged during construction, and would have been charged by a private shipyard, was excluded from the indirect cost of the *Florida*.

The saving effected in the productive or direct expense by the concentration proposed would be immediate, important, and would apply to both labor and material directly chargeable to the output of the industrial plant. Under present conditions a large sum of money is constantly tied up in the stock of material that must be maintained at each of the three yards, and most of the purchases for the yards are made independently. The stock of material for the one plant would be appreciably less than the aggregate stock it is now necessary to keep on hand for the three plants; furthermore, this stock could be replenished more systematically and consequently more economically.

But the greatest saving of all would be effected in the direct labor expense. It is but natural that the men in the shops of the Boston Navy Yard should feel as they do, that they must "nurse" their jobs to avoid working themselves out of employment on account of lack of work. They reason, and their reasoning is based on experience, that nursing the work will postpone the inevitable lay off. With the concentration of the North Atlantic navy-yard work at the proposed plant on Narragansett Bay, the one plant could be run to at least approximately full capacity. A large force of men would thus have the assurance of permanent employment, and the most compelling incentive for systematic soldiering or loafing would at once be eliminated. With the elimination of the incentive for soldiering there would be eliminated the practice most responsible for excessive navy-yard costs, for systematic soldiering is the greatest and most expensive of industrial evils.

This is demonstrated by the extremely high cost of the work performed on those ships laid up at the Boston Navy Yard for extensive overhaul and repairs. The tendency is to treat extensive work on a ship undergoing general overhauling as "knitting work," with the result that important jobs drag along for weeks and months, until a date is set for the departure of the ship from the yard, when, in order to finish the work on time, that most expensive of navy-yard practices—the introduction of extra shifts of men, who must necessarily work at a disadvantage—is resorted to, with the likelihood that the emergency of bringing the work to final completion will necessitate the yet more expensive procedure of working the men over eight hours per day and allowing them pay and a half for such overtime. Right now (February) extra shifts are at work on the U. S. S. *Illinois*, a ship that has been under overhaul at the Boston Navy Yard since the summer of 1909 and is due to go to sea March 15, 1912; an overhaul period within which a new battleship could be built, commissioned, and sent to the other side of the world.

The inspection department has repeatedly noted and reported the existence of systematic soldiering on work for the *Illinois*. Here are a few specific examples: Four men consumed 90 working hours putting 3 sections of fire main and 1 tee in place; work that should not have taken more than 8 hours each for 1 machinist and 2 helpers, or a total of 24 working hours. Sixty-six working hours were consumed by six men in erecting two sections of fire main; work that one machinist and a helper could have performed in eight working hours. Forty working hours were consumed by two men in laying out two holes for gas ejector piping; work that one machinist could perform in half an hour. One more case just to drive home the fact that all navy-yard costs are excessive, and be it remembered that these quoted navy-yard costs would be even higher if the indirect expense were figured on a commercial basis: Two 6-inch drill guns were repaired for the *Illinois* at a cost of $656.66. One of these drill guns, of the latest type, was made in a navy yard at a cost of $258.49. Had these two guns been scrapped instead of being repaired, and had two new drill guns been manufactured at a cost of $258.49 each, or $516.98 for the two guns, the service would have had two new guns of the latest type and $139.68 would have been saved to the Government.

Mr. Frederick W. Taylor, consulting engineer, and the author of the so-called "Taylor" system of scientific management, has stated that "The natural laziness of men is serious, but by far the greatest evil from which both workmen and employers are suffering is the systematic soldiering * * * which results from a careful study on the part of the workmen of what they think will promote their best interests." (F. W. Taylor, Shop Management, pp. 30–32.)

Concentration would permit of the introduction of a common-sense system of modern management that would, by the elimination of wasted effort, wasted material, clumsy methods, etc., and the introduction of scientific planning of work, result in increased economy without any impairment of the fighting efficiency of the fleet. The first aim of scientific management is to increase efficiency; increased efficiency unites high wages (paid in recognition of individual effort) with a low labor cost (the result of increased output), and this means economy. It will thus be seen that scientific management, to be successful, must result in increased output. Present navy-yard conditions clearly indicate, however, that even the inducement of higher wages for the work they perform would not be sufficient to induce the workmen to increase their daily output if they believed that by so doing they would soon throw themselves out of employment altogether—by reason of lack of work. Hence the knowledge on the part of the employee that there is plenty of work ahead of him, that when he is finished with one job another will be ready for him, is absolutely essential to the successful introduction of scientific management. This end can be accomplished by concentrating at one plant enough work to keep steadily employed a large permanent force.

Concentration would permit of a better, more just, and more economical classification of the trades; for with a large force always at work the inducement of permanent employment would attract more and better workmen, and there would no longer be any necessity for overrating men in order to compensate them for frequent lay-offs and to insure their return to the yard when their services are again needed.

Although it is claimed that the proposed location in Narragansett Bay is impracticable because of its being too remote from a labor market, yet this argument is not founded on fact, for Narragansett Bay is near the labor centers of Providence, R. I., and Fall River, Mass. Moreover, Narragansett Bay is but a few hours' ride from Boston and New York. Large industrial plants that are comparatively isolated from labor markets experience no difficulty in securing an ample supply of competent help. This is exemplified in the case of the steel plant at Gary, Ind. England has found it impracticable to locate naval bases near centers of population. The wages of the employees would mean more to them in comfort and health than in the congested conditions of this city or of New York.

It is clear that the proposed change would effect a saving in the direct or productive expense; that the saving would be substantial is evidenced by the fact that the productive labor expense at the Boston Navy Yard for the calendar year 1911 approximated $1,100,000; that the productive labor at the New York Navy Yard for the fiscal year 1911 totaled $2,267,000; that this expense at the Portsmouth yard totaled about $642,000 for the last fiscal year; that the total annual productive-labor expense of the three yards is approximately $4,100,000.

Centralization would save a large part of the present cost of maintenance of the military establishments at the Boston, New York, and Portsmouth Navy Yards, for it would mean the elimination of the duplication of expense that now exists by reason of duplication of military functions at the three yards. At the Boston Navy Yard the annual maintenance cost of the general storekeeper's department alone, none of which expense is charged to the industrial plant, is over $100,000.

Everything else being equal, it must be the decision of an unprejudiced public opinion that the economies herein shown to be possible—economies that insure annual savings aggregating hundreds of thousands of dollars—permit of but one inevitable conclusion—that the Secretary of the Navy should be given that measure of public support and congressional authority necessary to a comprehensive and complete application of his plans. The justice of this decision becomes even more clear in the light of the knowledge that the consummation of these plans will be to the distinct advantage of industrial Boston and will promote the military efficiency of the Navy. The situation does not permit of a choice between present navy-yard conditions and the conditions it has been shown would pertain under centralization, for with the opening of the Panama Canal present navy-yard conditions will no longer exist. In the last analysis the people must choose between a policy that will not only perpetuate but increase present inefficiencies, and a policy that will eliminate those inefficiencies, make possible an immediate and material saving in expense, and that will at the same time insure the progressive attainment of further economies.

This question of selling useless navy yards is not a sectional question; it concerns every citizen in these United States, and it is a question the responsibility for the correct and sane solution of which the people can not shift to their Representatives at Washington. The time has arrived when the people must realize that in demanding of their Representatives that they stand sponsor for present navy-yard inefficiencies they are virtually demanding of these representatives that they aid and abet just such reckless expenditure of public funds as is exemplified in the disgraceful perpetuation of public buildings and rivers and harbors extravagances, for while the Representatives from navy-yard States are being importuned to prevent the sale of navy

[1] At the Boston Navy Yard the indirect expense is figured in accordance with the following formula:

Shop expense + power expense + pro rata of general industrial expense ÷ productive labor of shop concerned = indirect per cent.

In this way the percentage for each shop is figured each month, and the actual percentages for one month are used as estimated percentages for the following month. The indirect expense of a given shop for a given month is prorated to the output of that shop by taking the prevailing shop percentage of the direct labor of each specific job order and adding the amount thus obtained to the cost of the output covered by the job.

But from the indirect expense as figured at the navy yards is excluded the following items that would be included by private shipyards and industrial establishments:

1. Officers' salaries (heads and assistant heads of departments).
2. Clerical wages and salaries.
3. Pay of draftsmen.
4. Pay allowed employees on leave.
5. Pay allowed employees for holidays.
6. Expense of handling and testing stores.
7. Depreciation.
8. Fire insurance.
9. Interest on capital invested.
10. Taxes.
11. Expense of repair jobs that cost over $25.

The total indirect expense of the Boston Navy Yard for the calendar year 1911, when figured to include all but the first of the above-excluded items of expense, is approximately $1,575,000. The writer has computed this total on the basis of the value of the navy-yard industrial plant as appraised by expert accountants, and depreciation, fire insurance, interest, and taxes have been figured in accordance with the usual commercial practice, the depreciation percentages used being those recommended by the accountants.

yards other Representaties are confronted by the insatiable demands of their constituents for ever-increasing appropriations for public buildings, etc., with the natural and inevitable result that, willy-nilly, the Representatives are forced to pool their interests and complete the vicious cycle.

Not only because of the benefits that would accrue as a direct result of such action, but by virtue of the even larger Federal economies that would accrue as the result of such a conspicuous repudiation of a vicious and self-perpetuating practice—economies that would go far toward saving to the public the aforesaid $300,000,000—the Boston Navy Yard and the New York and Portsmouth yards should be sold by the Government.

The CHAIRMAN. The gentleman from Rhode Island [Mr. GERRY] asks unanimous consent to extend his remarks in the RECORD. Is there objection?

There was no objection.

The CHAIRMAN. There is a point of order pending.

Mr. PADGETT. Mr. Chairman, I make the point of order.

The CHAIRMAN. The point of order is sustained, and the Clerk will read.

The Clerk read as follows:

Contingent, Bureau of Medicine and Surgery: For tolls and ferriages; care, transportation, and burial of the dead; purchase of books and stationary, binding of medical records, unbound books, and pamphlets; hygienic and sanitary investigation and illustration; sanitary and hygienic instruction; purchase and repairs of wagons, automobile ambulances, and harness; purchase of and feed for horses and cows; trees, plants, garden tools, and seeds; incidental articles for the Naval Medical School and naval dispensary, Washington; rent of rooms for naval dispensary, Washington, D. C., not to exceed $1,200; naval medical supply depots, sick quarters at Naval Academy and marine barracks; washing for medical department at Naval Medical School and naval dispensary, Washington; naval medical supply depots, sick quarters at Naval Academy and marine barracks, dispensaries at navy yards and naval stations, and ships; and for minor repairs on buildings and grounds of the United States Naval Medical School and naval medical supply depots; for the care, maintenance, and treatment of the insane of the Navy and Marine Corps on the Pacific coast; for dental outfits and dental material, not to exceed $38,000, and all other necessary contingent expenses; in all, $142,000.

Mr. O'SHAUNESSY. Mr. Chairman, may I at this moment renew my request to extend my remarks in the RECORD?

The CHAIRMAN. Is there objection? [After a pause.] The Chair hears none.

The Clerk read as follows:

Transportation of remains: To enable the Secretary of the Navy, in his discretion, to cause to be transferred to their homes the remains of officers and enlisted men of the Navy and Marine Corps who die or are killed in action ashore or afloat, and also to enable the Secretary of the Navy, in his discretion, to cause to be transported to their homes the remains of civilian employees who die outside of the continental limits of the United States, $15,000: *Provided*, That the sum herein appropriated shall be available for payment for transportation of the remains of officers and men who have died while on duty at any time since April 21, 1898, and shall be available until used.

Mr. STAFFORD. Mr. Chairman, I reserve a point of order to the clause "and shall be available until used." I would like to inquire of the chairman whether there is any need for having this appropriation.

Mr. PADGETT. It has been explained to us by the head of the bureau that it is, for the reason that these men in the service abroad die in different countries. They have different laws and regulations relative to the transportation of remains, some requiring that there shall be burials for certain periods before they shall be transported from place to place across the country, and in other places they are buried and later the families at home conclude they desire to have the remains brought to this country, and make requests for that, and as long as there is this uncertainty as to the lack of uniformity in the regulations of different countries, and the families here at home at different times asking for remains after a lapse of time, and it being only a small appropriation—$15,000—we thought it ought to be allowed.

Mr. STAFFORD. It is not a question of amount. It is a question of principle and a question of accounting. Can the gentleman conceive of any case where there is a contrariety of custom and where the time that would be consumed would be more than two years?

Mr. PADGETT. This is a year.

Mr. STAFFORD. I thought perhaps the gentleman would be willing to say "until June 30, 1916," instead of "until used."

Mr. PADGETT I have no objection to that.

Mr. STAFFORD. Instead of saying "shall be available until used" make it read "shall be available until June 30, 1916."

Mr. PADGETT. Make the motion.

Mr. STAFFORD. I would prefer that the gentleman would make it.

Mr. PADGETT. Mr. Chairman, I offer the amendment, on page 26, line 20, to strike out the word "used" and insert "until June 30, 1916."

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Amend, page 26, in line 20, by striking out the word "used" and inserting "until June 30, 1916."

The CHAIRMAN. The question is on the adoption of the amendment.

The question was taken, and the amendment was agreed to.

The Clerk read as follows:

BUREAU OF SUPPLIES AND ACCOUNTS.

Pay of the Navy: Pay and allowances prescribed by law of officers on sea duty and other duty, $10,287,744; officers on waiting orders, $500,000; officers on the retired list, $3,099,433; clerks to paymasters at yards and stations, general storekeepers ashore and afloat, and receiving ships and other vessels, $320,520; 2 clerks to general inspectors of the Pay Corps, $3,625; 1 clerk to pay officer in charge of deserters' rolls, $2,000; not exceeding 10 clerks to accounting officers at yards and stations, $17,355; dental surgeon at Naval Academy, $2,400; commutation of quarters for officers on shore not occupying public quarters, including boatswains, gunners, carpenters, sailmakers, machinists, pharmacists, and mates, naval constructors and assistant naval constructors, $400,000; and also members of Nurse Corps (female), $14,120; for hire of quarters for officers serving with troops where there are no public quarters belonging to the Government, and where there are not sufficient quarters possessed by the United States to accommodate them, or commutation of quarters not to exceed the amount which an officer would receive were he not serving with troops, $100,000; pay of enlisted men on the retired list, $359,127; extra pay to men reenlisting under honorable discharge, $964,812; interest on deposits by men, $34,568; pay of petty officers, seamen, landsmen, and apprentice seamen, including men in the engineers' force and men detailed for duty with Naval Militia, and for the Fish Commission, 48,000 men, $23,027,777.40; and the number of enlisted men shall be exclusive of those undergoing imprisonment with sentence of dishonorable discharge from the service at expiration of such confinement, $283,854.60; and as many machinists as the President may from time to time deem necessary to appoint, not to exceed 20 in any one year, $200,000; and 3,500 apprentice seamen under training at training stations and on board training ships, at the pay prescribed by law, $275,808; pay of the Nurse Corps, $116,580; rent of quarters for members of the Nurse Corps, $1,000; in all, $40,010,724; and the money herein specifically appropriated for "Pay of the Navy" shall be disbursed and accounted for in accordance with existing law as "Pay of the Navy," and for that purpose shall constitute one fund.

Mr. STAFFORD. Mr. Chairman, I reserve a point of order on the paragraph. I would like to inquire, if the gentleman will permit, where this item was carried in last year's bill. Is it not out of the usual order in this bill?

The CHAIRMAN. The Chair did not hear the gentleman.

Mr. STAFFORD. I was addressing an inquiry to the chairman of the committee, having reserved a point of order.

Mr. PADGETT. It was in an earlier part of the bill heretofore, and was carried as a lump sum. If we had put it last year, it would have been forty million at the conclusion, but we thought it proper and better legislation to divide up so large an appropriation and give the House an idea of the amounts that were appropriated for these different items. Heretofore it has been in the bill simply in this language, commencing with the beginning of it and running down to the end, and the bill last year had $39,364,000, the amount stated there.

Mr. STAFFORD. There is no new phraseology as carried in the existing item?

Mr. PADGETT. No, sir. It is transferred from the Bureau of Navigation to the Bureau of Supplies and Accounts for the reason that the Bureau of Supplies and Accounts has distributed it heretofore and handled it and done everything except estimated for it, and the Chief of the Bureau of Navigation and the Chief of the Bureau of Supplies and Accounts stated that by transferring it to Supplies and Accounts, where it properly belongs, they could save the clerical hire for several clerks.

Mr. STAFFORD. Mr. Chairman, I certainly wish to compliment the committee for segregating these various items so that Congress can have a greater control over the expenditure of the various items included here. I certainly do not wish to stop the good work that is being done by this excellent committee, and accordingly I withdraw the reservation of the point of order.

The CHAIRMAN. The reservation of the point of order is withdrawn.

Mr. MANN. Mr. Chairman, I move to strike out the last word.

Mr. PADGETT. Let me offer an amendment first, and then I will take it up with the gentleman. Mr. Chairman, I offer an amendment to correct a misprint.

The CHAIRMAN. The Clerk will report the amendment offered by the gentleman from Tennessee [Mr. PADGETT].

The Clerk read as follows:

Amend, page 27, line 11, by striking out the figures "$400,000" and inserting in lieu thereof the figures "$499,000."

Amend, page 27, line 17, by striking out the figures "$100,000" and in lieu thereof inserting "$1,000."

The CHAIRMAN. The question is on agreeing to the amendment.

Mr. MANN. Mr. Chairman, I have noticed that the "Pay of the Navy" is put under the Bureau of Supplies and Accounts, and the first item of the bill is "Pay, miscellaneous." Is that all handled in the same place in the Navy Department?

Mr. PADGETT. It is in the Navy Department; but "Pay, miscellaneous," is under the Secretary himself, in his control, while "Pay of the Navy" is placed here under the Bureau of Supplies and Accounts. It was formerly under the Bureau of Navigation.

Mr. MANN. It was under the Secretary of the Navy?

Mr. PADGETT. "Pay, miscellaneous," was.

Mr. MANN. "Pay of the Navy" was under the Secretary of the Navy heretofore?

Mr. PADGETT. Yes; but estimated for by the Bureau of Navigation.

Mr. MANN. I do not know who estimated for it, but I am speaking of the form of the bill.

Mr. PADGETT. Yes, sir.

Mr. MANN. I think it might be wise to change the title of "Pay, miscellaneous" in another bill. It is not pay at all. It is a contingent fund. Anybody examining the bill would suppose that that was the place where he would find "Pay of the Navy."

Mr. BARTON. Mr. Chairman, I desire to oppose the amendment. I would like to ask the chairman of the committee a question. At the bottom of page 26, line 25, is an item, "Officers on the retired list, $3,099,433." What officers does that include? What does it mean?

Mr. PADGETT. It includes all the officers on the retired list of the Navy, from the highest to the lowest.

Mr. BARTON. I would like to know at what age they are retired.

Mr. PADGETT. At the age of 62, ordinarily; but sometimes they may be retired for disabilities incurred.

Mr. BARTON. Are they retired on full pay?

Mr. PADGETT. No; on three-fourths pay.

Mr. BARTON. A similar item is found on page 27, line 17, "Pay of enlisted men on the retired list, $359,127."

Mr. PADGETT. Yes; they are retired after 30 years' service.

Mr. BARTON. Thirty years' service?

Mr. PADGETT. Yes, sir.

Mr. BARTON. Does the gentleman know how many officers we have on the retired list?

Mr. PADGETT. There is a tabulated statement of them given here in the book of hearings. I could not state them offhand.

Mr. BARTON. About how many? I have not had an opportunity to examine the hearings.

Mr. PADGETT. There are 1,026 officers on the retired list and 423 enlisted men on the retired list.

Mr. BARTON. Do they have any other perquisites outside of their salary?

Mr. PADGETT. Nothing except that three-fourths pay.

Mr. BARTON. Three-fourths?

Mr. PADGETT. Yes, sir. Did the Chairman submit the amendment which I offered to a vote?

The CHAIRMAN. No. The question is on agreeing to the amendment offered by the gentleman from Tennessee.

The amendment was agreed to.

Mr. PADGETT. Mr. Chairman, I have another amendment which I desire to offer as a separate paragraph.

The CHAIRMAN. The Clerk will report the amendment offered by the gentleman from Tennessee.

The Clerk read as follows:

Amend, page 28, after line 12, by inserting the following as a separate paragraph:

"That the accounting officers of the Treasury are hereby authorized and directed to allow in the accounts of disbursing officers of the Navy all payments heretofore made by them in accordance with orders or regulations of the Secretary of the Navy for commutation of subsistence to members of the Nurse Corps of the Navy at the rate therein specified."

Mr. STAFFORD. Mr. Chairman, I reserve a point of order on that.

The CHAIRMAN. The gentleman from Wisconsin [Mr. STAFFORD] reserves a point of order on the amendment.

Mr. PADGETT. In the law of last year, approved March 4, 1913, there appeared this language, inserted for the benefit of the members of the Nurse Corps:

That the accounting officers of the Treasury are hereby authorized and directed to allow in the accounts of disbursing officers of the Navy all payments heretofore made by them in accordance with orders or regulations of the Secretary of the Navy for commutation of subsistence to members of the Nurse Corps of the Navy at the rate therein specified.

This is a letter which I have received from the Secretary of the Navy:

NAVY DEPARTMENT,
Washington, March 13, 1914.

MY DEAR MR. PADGETT: I inclose a copy of my predecessor's letter to you of January 6, 1913, in pursuance of which the following provision was incorporated in the naval act approved March 4, 1913 (37 Stat., 892):

"That the accounting officers of the Treasury are hereby authorized and directed to allow in the accounts of disbursing officers of the Navy all payments heretofore made by them in accordance with orders or regulations of the Secretary of the Navy for commutation of subsistence to members of the Nurse Corps of the Navy at the rate therein specified."

The inclosure clearly indicates that the legislation therein recommended was primarily for the relief of the nurses who had been checked, and the department believes that your committee and the Congress so understood it.

That was correct. It was so stated on the floor that it was for the purpose of allowing these nurses who were checked for what had been held to be an overpayment on account of their commutation of subsistence. There was a difference, running in varying amounts, and Congress intended to put this clause in to benefit the nurses themselves. I read further:

Yet, in a decision dated April 29, 1913, the Comptroller of the Treasury ruled that the provision above cited was for the relief of disbursing officers involved and not for the relief of the nurses; or, in other words, that those nurses whose accounts had not actually been checked need not be checked, the payments made being allowed to stand, while those whose accounts had been checked could not be reimbursed, but must be made to bear the checkage. Some were checked as much as $180, requiring from six months to a year to liquidate.

The department earnestly desires that a relief measure may be included in the pending bill, upon which there may be no likelihood of a misinterpretation of its intent, and suggests that the following would have the desired effect—

Which is what I have heretofore referred to.

Mr. MANN. Will the gentleman read that again?

Mr. PADGETT. It is—

That the accounting officers of the Treasury are hereby authorized and directed to allow members of the Navy Nurse Corps the amounts which, as commutation of subsistence, have been at any time checked against their accounts or withheld from them as the result of the decisions of the Comptroller of the Treasury dated December 21, 1912, and April 29, 1913, and to pay said sums out of any appropriation for "Provisions, Navy."

Mr. STAFFORD. I have no objection to the amendment, after the statement of the chairman of the committee.

Mr. MANN. I make the point of order against the amendment.

The CHAIRMAN. The point of order is sustained.

Mr. PADGETT. We attempted to legislate for this last year, and under the decision of the comptroller some of the nurses get the benefit of the legislation and some do not.

Mr. MANN. Mr. Chairman, I made the point of order last year, but it was fixed up somewhere else.

The CHAIRMAN. The point of order is sustained.

Mr. MANN. This is just an effort to increase their pay, and, if you want to do it, do it directly and squarely.

Mr. PADGETT. No; this is for commutations.

Mr. MANN. We went all over it last year.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

The grade of acting chaplain in the Navy is hereby authorized and created, and hereafter original appointments shall be made by the Secretary of the Navy, not to exceed the number hereinafter provided, in the grade of acting chaplains in the Navy after such examination as may be prescribed by the Secretary of the Navy, and while so serving acting chaplains shall have the rank, pay, and allowances of lieutenant, junior grade, in the Navy. After three years' sea service on board ship each acting chaplain before receiving a commission in the Navy shall establish to the satisfaction of the Secretary of the Navy by examination by a board of chaplains and medical officers of the Navy his physical, mental, moral, and professional fitness to perform the duties of chaplain in the Navy, and, if found so qualified, shall be commissioned a chaplain in the Navy with the rank of lieutenant, junior grade. If any acting chaplain shall fail on the examinations herein prescribed he shall be honorably discharged from the naval service, and the appointment of any acting chaplain may be revoked at any time in the discretion of the Secretary of the Navy.

Mr. STAFFORD. I reserve a point of order against that paragraph.

Mr. TRIBBLE. I reserve a point of order.

Mr. STAFFORD. I yield to the gentleman from Georgia, a member of the committee.

Mr. PADGETT. I ask unanimous consent, pending the reservation of the point of order, to read the other paragraphs relating to the chaplains, so that the whole matter may be considered at once.

Mr. STAFFORD. I have no objection to that.

The CHAIRMAN. What is the request?

Mr. PADGETT. That the Clerk read the other paragraphs relating to chaplains.

Mr. STAFFORD. To have them all considered as one paragraph?

Mr. PADGETT. Yes.

Mr. MANN. That the three paragraphs be considered as one paragraph.

Mr. PADGETT. Certainly.

Mr. STAFFORD. With the point of order considered as pending?

Mr. PADGETT. Yes.

Mr. STAFFORD. I have no objection to that.

The Clerk read as follows:

Hereafter the total number of chaplains and acting chaplains in the Navy shall be 1 to each 1,250 of the total personnel of the Navy and Marine Corps as fixed by law, including midshipmen, apprentice seamen, and naval prisoners, and of the total number of chaplains and acting chaplains herein authorized 10 per cent thereof shall have the rank of captain in the Navy, 20 per cent the rank of commander, 20 per cent the rank of lieutenant commander, and the remainder to have the rank of lieutenants and lieutenants, junior grade.

Naval chaplains hereafter commissioned from acting chaplains shall have the rank, pay, and allowances of lieutenant, junior grade, in the Navy until they shall have completed four years' service in that grade, when, subject to examination as above prescribed, they shall have the rank, pay, and allowances of lieutenant in the Navy, and chaplains with the rank of lieutenant shall have at least four years' service in that grade before promotion to the grade of lieutenant commander, after which service chaplains shall be promoted as vacancies occur to the grades of lieutenant commander, commander, and captain: *Provided*, That not more than seven acting chaplains shall be commissioned chaplains in any one year: *And provided further*, That no provision of this section shall operate to reduce the rank, pay, or allowances that would have been received by any person in the Navy except for the passage of this section, and that all laws or parts of laws inconsistent with the provisions of this section be, and the same are hereby, repealed.

Mr. MADDEN. I make the point of order against the paragraph.

Mr. TRIBBLE. I make the point of order.

Mr. PADGETT. It is subject to a point of order, if gentlemen insist upon it.

The CHAIRMAN. The point of order is made by the gentleman from Illinois [Mr. MADDEN], the gentleman from Georgia [Mr. TRIBBLE], and the gentleman from Wisconsin [Mr. STAFFORD].

Mr. STAFFORD. I reserved it.

The CHAIRMAN. The gentleman from Wisconsin reserved the point of order. Does the gentleman from Georgia or the gentleman from Illinois make the point of order?

Mr. MADDEN. I have made the point of order, Mr. Chairman.

The CHAIRMAN. The point of order is made and sustained against the three paragraphs. The Clerk will read.

Mr. LOGUE. Mr. Chairman, I ask unanimous consent to return to page 22, line 21, for the purpose of asking unanimous consent that the point of order made by me against that paragraph may be withdrawn—that I may have the privilege of withdrawing it.

The CHAIRMAN. The gentleman from Pennsylvania asks unanimous consent to return to page 22, line 21, and that the point of order made by him to that paragraph be withdrawn. Is there objection?

There was no objection.

The CHAIRMAN. There being no objection, the point of order is withdrawn.

Mr. PADGETT. Mr. Chairman, I offer an amendment, to insert in the bill, on page 22, at line 20, the language contained from lines 20 to 24, inclusive, which went out on the point of order.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

After line 19, page 22, insert the following:

"Navy Yard, Norfolk, Va.: Repairs, buildings, St. Helena, $25,000; the 150-ton crane authorized by the act of March 4, 1913, shall be of the floating revolving type, and the limit of cost is hereby increased to $450,000."

The CHAIRMAN. The question is on the adoption of the amendment offered by the gentleman from Tennessee.

Mr. STAFFORD. Mr. Chairman, as this is quite a large project, will the gentleman inform the committee as to the need of changing the former authorization of a land crane to a floating, revolving type of crane?

Mr. PADGETT. It is not a land crane. It is a floating crane in both instances, but when they designed the crane within the limit of cost authorized in the other bill——

Mr. STAFFORD. What was that amount?

Mr. PADGETT. That was $300,000—it became very manifest that it would be an inefficient crane and would not answer the purpose; and, at the suggestion of members of the committee, I asked the Secretary to hold up the letting of the contract under the old authorization until this matter could be submitted to the Congress, so that there could be a crane built that would be sufficient to answer the purpose and not be a waste of the money.

Mr. STAFFORD. As I recall, there is a floating crane at the New York yard and one at the Boston yard.

Mr. PADGETT. Yes; and this one has been authorized at the Norfolk yard.

Mr. STAFFORD. Is this a new type or design, different from those in use at the Boston and New York yards?

Mr. PADGETT. Yes. When we visited the Boston yard last summer we were so impressed with the awkwardness and inferiority of the type of crane that was being used there and its bunglesome character that we recommended this change. This gives a revolving type. The other is not a revolving type.

Mr. STAFFORD. Is it a cantilever?

Mr. PADGETT. It is a cantilever crane, and it will just reach out and pick up an object on the land. To replace it, they would have to turn the whole crane around.

Mr. STAFFORD. I assume this new type of crane is in use in some of the large private shipyards?

Mr. PADGETT. Yes; it is in use in some of the private yards, but not in a Government yard.

The amendment was agreed to.

Mr. MADDEN. Mr. Chairman, I suggest that it might be wise if we could have a quorum here. There are one or two very important items that may be reached.

Mr. PADGETT. Will not the gentleman let us run for 15 minutes? I will move that the committee rise in 15 minutes.

Mr. MADDEN. Very well.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

Provisions, Navy: For provisions and commuted rations for the seamen and marines, which commuted rations may be paid to caterers of messes, in case of death or desertion, upon orders of the commanding officers, commuted rations for officers on sea duty (other than commissioned officers of the line, Medical and Pay Corps, chaplains, chief boatswains, chief gunners, chief carpenters, chief machinists, and chief sailmakers) and midshipmen, and commuted rations stopped on account of sick in hospital and credited at the rate of 50 cents per ration to the naval hospital fund; subsistence of officers and men unavoidably detained or absent from vessels to which attached under orders (during which subsistence rations to be stopped on board ship and no credit for commutation therefor to be given); and for subsistence of female nurses, and Navy and Marine Corps general courts-martial prisoners undergoing imprisonment with sentences of dishonorable discharge from the service at the expiration of such confinement: *Provided*, That the Secretary of the Navy is authorized to commute rations for such general courts-martial prisoners in such amounts as seem to him proper, which may vary in accordance with the location of the naval prison, but which shall in no case exceed 30 cents per diem for each ration so commuted; and for the purchase of United States Army emergency rations as required; in all, $7,713,954.50, to be available until the close of the fiscal year ending June 30, 1916.

Mr. STAFFORD. Mr. Chairman, I reserve a point of order to make an inquiry. I notice there is a provision increasing the amount on the rations heretofore allowed in the hospitals from 30 to 50 cents, and later on in the paragraph we find a provision where the amount of the ration is limited to 30 cents.

Mr. PADGETT. That is a commutation of rations for the well. In the hospitals, where the commutation is required, it requires more delicate food and better preparation and in a more careful way. Upon the recommendation of the department, in order to care for the sick in the hospital, we put it at 50 cents, while the general commutation for the whole force is 30 cents.

Mr. STAFFORD. I presume there is additional allowance needed for those confined in the sick room, where they require better rations?

Mr. PADGETT. Yes; better preparation and a different character of food.

Mr. STAFFORD. Now, as to the last clause making this large appropriation of nearly $8,000,000 available until the end of the fiscal year 1916.

Mr. PADGETT. That has been carried heretofore.

Mr. STAFFORD. Whether it has been carried heretofore or not, I ask the chairman's opinion as to the need of it. Glancing over the list of enumerated items I can not see where there is anything that needs continuing beyond the end of the fiscal year.

Mr. PADGETT. That matter was fully discussed before the committee last year and also in Congress. Very often they advertise for products of various kinds. There are certain products that will be advertised for and can not be furnished until the end of the fiscal year or the beginning of the next year, and the result is that very often they have to turn back into the Treasury money available for this purpose when they receive the supplies, say, at the end of July or the 1st of August.

Mr. STAFFORD. The concrete case given by the gentleman would be where the advertisement would be so close to the end of the fiscal year that the contract might not be let until a few days after the end of the year and, of course, that money would not be available.

Mr. PADGETT. Yes.

Mr. STAFFORD. I withdraw the point of order.

The Clerk read as follows:

Maintenance, Bureau of Supplies and Accounts: For fuel; the removal and transportation of ashes from ships of war; books, blanks, and stationery, including stationery for commanding and navigating officers of ships, chaplains on shore and afloat, and for the use of courts-martial on board ship; purchase, repair, and exchange of typewriters for ships; packing boxes and materials; interior fittings for general storehouses, pay offices, and accounting offices in navy yards; coffee

mills and repairs thereto; expenses of naval clothing factory and machinery for the same; modernizing laboratory equipment and bringing the same up to date; purchase of articles of equipage at home and abroad under the cognizance of the Bureau of Supplies and Accounts, and for the payment of labor in equipping vessels therewith, and the manufacture of such articles in the several navy yards; musical instruments and music; mess outfits; soap on board naval vessels; athletic outfits; tolls, ferriages, yeomen's stores, safes, newspapers, and other incidental expenses; labor in general storehouses, paymasters' offices, and accounting offices in navy yards and naval stations, including naval stations maintained in island possessions under the control of the United States, and expenses in handling stores purchased and manufactured under "General account of advances"; and reimbursement to appropriations of the Department of Agriculture of cost of inspection of meats and meat food products for the Navy Department: *Provided*, That the sum to be paid out of this appropriation, under the direction of the Secretary of Navy, for chemists and for clerical, inspection, and messenger service in the general storehouses, paymasters' offices, and accounting offices of the navy yards and naval stations for the fiscal year ending June 30, 1915, shall not exceed $643,000; in all, $2,031,487.25.

Mr. MADDEN. Mr. Chairman, I reserve a point of order on the language "and reimbursement to appropriations of the Department of Agriculture of cost of inspection of meats and meat food products for the Navy Department," lines 9 to 12, page 32.

Mr. STAFFORD. Mr. Chairman, I reserve a point of order on the paragraph.

Mr. PADGETT. As I understand the gentleman, he reserves a point of order on the language in line 12 down to the word "*Provided*."

Mr. MADDEN. Yes. I wish to ask the chairman of the committee what the purpose of reimbursement is to the Department of Agriculture. The Department of Agriculture is inspecting the beef and food products for all the people in the United States, and I wish to know the reason why they should be reimbursed for the work done for the Navy Department.

Mr. PADGETT. The Navy Department is very careful and thorough in the inspection of all food products, and has been utilizing the inspectors of the Department of Agriculture. The department has been doing that, but during the last fall or summer the Secretary of Agriculture notified the Navy Department that it was becoming so large and the demands were so great that the force was unable to devote so much of their time and so many of their inspectors to the work of the Navy Department without compensation—that they could not do it unless the Navy Department bore some of the expense, and in order to secure the benefit of that and pay for it and not require the Department of Agriculture to increase its appropriation, in order to do the work for the Navy Department, the Navy Department should pay for its own inspection, and this clause was inserted.

Mr. MADDEN. Does the gentleman think that was a wise thing to do?

Mr. PADGETT. I do; yes.

Mr. ROBERTS of Massachusetts. May I call the attention of the gentleman to the fact that we were advised that the Bureau of Meat Inspection wanted the Navy Department to take over bodily these inspectors that had been doing the naval work, and the Navy Department did not want to do it, because the work is not continuous and localized enough to warrant carrying a permanent division, but they can utilize from time to time the inspectors of the Agricultural Department? In that way the Navy Department would get the best inspection for its meat and maintain the cost of the inspection.

Mr. MADDEN. I do not want to embarrass either department, and so I will withdraw the point of order.

Mr. STAFFORD. Mr. Chairman, my reservation was largely to the matter which the gentleman from Illinois has just referred to, but I would like to inquire as to some new phraseology in the paragraph, and that is the purchase of articles of equipage. Will the gentleman inform the committee what those words refer to?

Mr. PADGETT. It appears as new language inserted here, but it is not new language as it has appeared in legislation from time to time. The gentleman will note that the Bureau of Equipment, that has been for a number of years in a suspended state under an Executive order, its duties having been distributed and the appropriations distributed among the various bureaus, is now abolished. We are simply putting in this bill the language under which in all former bills these duties have been distributed and administered.

Mr. STAFFORD. This phraseology "articles of equipage" has a well-defined and technical meaning in the department?

Mr. PADGETT. Yes; and has been carried in the bill under Bureau of Equipment.

Mr. STAFFORD. I withdraw the point of order.

The Clerk read as follows:

Coal and transportation: Coal and other fuel for steamers' and ships' use, including expenses of transportation, storage, and handling the same; maintenance and general operation of machinery of naval coaling depots and coaling plants; water for all purposes on board naval vessels; and ice for the cooling of water, including the expense of transportation and storage of both, $4,800,000.

Mr. THOMSON of Illinois. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, in his last annual report Secretary Lane called attention to the necessity of the Government taking action to retain sufficient oil lands in the West to meet the needs of our Navy and make our ships independent of the world so far as fuel is concerned.

I wish to call the attention of the House to the following statement contained in that report:

The United States will need oil for its Navy as well as coal, and probably in increasing quantities as the modern oil-burning or gas-burning engines are recognized. It would be economical to substitute oil for coal for many reasons—to reduce labor cost, to avoid the building and maintenance of colliers, and the purchase and support of coaling stations. The Diesel engine can, with the fuel carried from the home port, take one of our greatest ships around the world without dependence upon a renewed supply of fuel. England's adventure in this direction will presumably force other nations into like enterprise, and yet England has no oil fields on which to draw, while we have already the largest producing fuel-oil fields in the world, and others are appearing. Already we know of oil in Alaska, and within a few weeks a fine grade of oil has been found on the Quinaielt Indian Reservation in Washington. The Indian oil lands we do not own. They belong to the Indians, and their product must be sold for the Indians' profit. The one sole reservation of oil lands for Governmental use is that in California, over the withdrawal of which litigation is now pending. Under these conditions it would seem of the highest expediency that the Government make such offers as will induce the proving of our lands, and of these proved lands retain sufficient to make our ships independent of the world and as fully competent as their rivals.

At the hearings held by the Committee on Naval Affairs testimony was given by Secretary Daniels and Admiral Griffin to a similar effect. The latter official testified before the committee on January 13, 1914, as follows:

In general, it may be said that all of the oil produced in the eastern part of the United States is too valuable for use as fuel; that the only oils which should be used as fuels are those produced in Mexico and California.

On the following day Admiral Griffin said:

I would like to add to what was said on the subject of oil yesterday that a supply of oil is absolutely necessary for us, and is becoming more and more necessary every year, because all the vessels we are now building are exclusively oil burners. The coal burners are being put in reserve. This last year we put five coal-burning destroyers in reserve, and next year we will get two oil-burning battleships. They will be our first oil-burning ships and will replace two coal-burning ships. Henceforth all ships added to the fleet will be oil burners. All ships we build will be oil burners, and unless we are sure of a cheaper supply of oil our fuel bills are going to mount up very rapidly. I understand that the Land Office has no funds sufficient to investigate all the claims and patents for oil lands within the confines of the naval petroleum reservation, and, of course, that handicaps us in making any move whatever to get oil of our own from these reserves. I merely wish to let you know the situation so that you will understand that the fuel bills are going to mount very rapidly unless we can get cheaper oil.

On the 13th the chairman of the committee, Mr. PADGETT, made the following statement:

The question of oil, which the department is considering, is a very serious one. The consumption of oil for the present fiscal year is estimated at about 16,000,000 gallons, and for the next fiscal year it is estimated that we will use over 30,000,000 gallons. The price of oil is going up. It has gone up more than 50 per cent during the last year so that we are multiplying the consumption and very largely the companies are multiplying the price, and it is raising a very serious question. The Secretary is considering the question, and we have been discussing with him some plan so that the Navy could make itself independent of having to purchase from these companies by reserving Government lands or acquiring them, if it is necessary, and the Government developing its own oil.

May I also call your attention to further statements to be found in the report of the recent hearings had by the Committee on Naval Affairs.

On page 660 we find a statement made by the chairman, Mr. PADGETT, in reply to a question by Secretary Daniels, in which statement he said:

My understanding is that President Taft withdrew certain lands in California from entry, but they are in litigation; that several concerns, the railroad company, and a lot of other concerns, are litigating the title of the Government, and that they are at this time involved in suits.

Secretary Daniels stated to the committee that we now have 60 ships in the Navy using oil only, and that the Engineering Bureau of the Navy estimated that they would use 30,000,000 gallons of oil in the year ending June 30, 1915, as against 14,000,000 for the current year. The Secretary stated that there should be an appropriation of $500,000 to buy or lease oil-bearing lands. He called attention to the fact that Great Britain had been very alert to secure oil fields, for the use of her navy, in Mexico and in Central America, and said he felt it essential that we look ahead and do something along the same line in our country, adding: "It is hard to get oil lands, and that is the reason we should begin early, and press it." He also called attention to the fact that British capitalists have already secured one-quarter of the oil lands in California and that they have large holdings in Oklahoma.

Again, in the hearings we find the following (p. 667):

Secretary DANIELS. Probably all of the California lands are claimed; some within the withdrawal are patented and some are in litigation. The Land Office has not as yet made a complete investigation.

Mr. BUTLER. The only opportunity is in California?

Secretary DANIELS. Yes; unless we can secure Indian lands in Oklahoma, or, in the ordinary course of business, buy or lease other lands.

On page 694 of the hearings we find a statement by the Secretary of the Navy in which he sets out the advantages of oil burning in the ships of the Navy. He there says:

The advantages of oil burning are so great that they can not be given up by us for military purposes. A far better ship can be built using oil instead of coal, and this carries with it reliability and ease of steaming, the element of human exhaustion in firing and trimming coal and its effects being eradicated. Boilers may be crowded close together, thus saving weight and space which can be utilized elsewhere. One smokestack only is necessary, thereby giving a more convenient arrangement of turrets and angles of train; the interference of smoke and gases with fire-control parties and gunnery is reduced to a minimum, and smoke and smokelessness may be had at will, which in certain tactical cases is of marked advantage.

Last September I introduced a resolution in this House, after the Attorney General's office had tried to persuade me not to, which referred to certain California oil lands, title to which is claimed by the Government but possession of which is had by the Southern Pacific Railroad Co. That resolution was referred to the Committee on the Judiciary. It reads as follows:

Whereas by act of Congress approved July 27, 1866, there was granted to the Southern Pacific Railroad Co. certain lands, with a proviso excluding all mineral lands from said grant (except iron or coal lands); and

Whereas patents were issued to said company for said lands, which patents excluded in express terms all mineral lands (except iron or coal lands); and

Whereas the lands described in said patents included mineral lands bearing petroleum, approximately to the extent of 125,000 acres and of the estimated value of over $1,000,000,000, which lands are claimed by said Southern Pacific Railroad Co., which company denies that the United States has any right, title, or interest in or to said lands, or any part thereof; and

Whereas after a lapse of more than two years, during which time it was well known to the Department of Justice that the Southern Pacific Railroad Co. and its lessees were drilling wells on this land and extracting petroleum therefrom in large quantities, a bill was filed by said department on December 20, 1912, in the United States District Court for the Southern District, Northern Division, of California, wherein it is sought to have the title to approximately 46,000 acres of said petroleum lands adjudged to be in the United States, free from all claims by said railroad company or its lessees, and it is reported that other suits are to be started to cover the remainder of said petroleum lands; and

Whereas certain private parties, claiming that said petroleum lands did not pass from the United States to said Southern Pacific Railroad Co. under said grant and said patents, have made certain mining locations upon said petroleum lands, and, basing their claims on said locations, have filed certain suits against the said Southern Pacific Railroad Co., claiming title to said lands under and by virtue of said locations, one of which suits is Burke against Southern Pacific Railroad Co. and Kern Trading & Oil Co., wherein the demurrer of the defendants to the bill of complaint was sustained in the court below, and which case is now pending in the United States Supreme Court on seven certain questions of law which have been certified to it by the circuit court of appeals; and

Whereas it is alleged in the Government's bill of complaint above referred to that at the time the Southern Pacific Railroad Co. selected the lands in question and applied for patent thereto it was well known by it that a large quantity of the lands applied for were mineral lands within the provisions of the grant of July 27, 1866; and further alleges that there was a mutual understanding between the company and the Government to the effect that the issue of the patent should not be considered as any adjudication by the Department of the Interior as to the mineral or nonmineral character of any of the lands described therein; and that it was further agreed by and between said company and the Government that if the Department of the Interior should issue said patent, excepting from its terms said mineral lands, without any examination or adjudication as to the mineral or nonmineral character of said lands, the said exception of mineral lands should be valid and effective, wherefore said company is estopped to deny the validity or effectiveness of said exception; and further, it is alleged in said bill of complaint that in order that said company might enjoy the fruits of their fraud in assuming title to said mineral lands by extracting and selling mineral deposits in said lands and at the same time conceal from the Government the true facts in the premises, the said company caused the codefendant, Kern Trading & Oil Co., to be organized, since which time the railroad company has been engaged through said oil company in extracting and selling large quantities of minerals from said lands; and

Whereas it became generally known that the Government proposed to bring suit to establish its title to said mineral lands on or about January 1, 1910, and at that time the said railroad company had about 40 producing wells on said lands, and immediately thereafter the operations of said company, through said oil company, were rapidly increased until it now has more than 40 drilling outfits working night and day, seven days in the week, constructing new oil wells on said lands, and said oil company is now extracting petroleum from approximately 150 wells in large quantities and of a value of approximately $250,000 each month, and is increasing this output as rapidly as it possibly can, and several other companies are doing the same thing under pretended leases from the Southern Pacific Railroad Co., for which all said oil companies are paying a royalty to said railroad company; and

Whereas it is reported that no further steps are to be taken by the Department of Justice in the suit of the Government against said companies until the Supreme Court has decided the case brought by private individuals against said companies; and

Whereas it is reported that the cases brought against said companies by said private individuals were delayed at the request of the Department of Justice upon the representation that suit was to be instituted by the Government and that the Government was in a position to present a much stronger case than the private litigants could, which delays extended over one year, when the said private litigants refused to delay longer; and

Whereas the issues raised in the suit of the Government against the railroad company and the oil company are not the same as those presented in the suits brought against said companies by said private litigants, and therefore the decision of the Supreme Court in the latter cases can not preclude the success of the Government in its case; and

Whereas it is reported that during the past three years this litigation has been so handled by the Department of Justice as to be most advantageous to the Southern Pacific Railroad Co. and that the attorneys responsible for the policy of the Department of Justice now in charge of this litigation are conducting it in a manner most advantageous to the Southern Pacific Railroad Co. rather than to the Government: Therefore be it

Resolved, That the Attorney General be, and he is hereby, directed to inform the House of Representatives what action, if any, has been taken by the Department of Justice, or any duly organized agent or attorney thereof—

First. To stop the construction of oil wells on the lands hereinabove referred to as the mineral lands claimed to have been excepted from the operation of the grants and patents issued to the Southern Pacific Railroad Co.

Second. What action, if any, has been taken by said Department of Justice to stop the extraction of petroleum from such lands by said railroad company or those who claim to be its lessees or assigns.

Third. What action has been taken by said department to protect the interests of the Government in and to said lands and minerals, other than the filing of the bill of complaint on December 20, 1912, as hereinabove referred to.

From the facts set forth in this resolution you will see that by act of Congress approved July 27, 1866, certain lands were granted to the Southern Pacific Railroad Co., which act contained a proviso excluding from its operation all mineral lands except coal and iron lands.

Under this act patents were issued to the company for these lands, which patents excluded in express terms all mineral lands except coal or iron lands.

The lands described in the patents included mineral lands bearing petroleum, approximately to the extent of 125,000 acres and of the estimated value of over $1,000,000,000. These lands are now claimed by the Southern Pacific Railroad Co., which company denies that the United States has any right, title, or interest in or to the lands or any part thereof.

Certain private parties, claiming that these petroleum lands did not pass from the United States to the Southern Pacific Railroad Co. under this grant and these patents, made certain locations thereon under the mining laws, treating the lands in question as public lands of the United States. The Government, however, refused to recognize such locations, taking the position that the lands in question had passed from the people of the United States into the hands of the railroad company; whereupon these private parties I have referred to filed certain suits against the railroad company, claiming title to said lands under and by virtue of the locations they had made, and one of these suits is entitled "Burke *v.* Southern Pacific Railroad Co. and Kern Trading & Oil Co." This case is now pending in the United States Supreme Court.

The Southern Pacific Railroad Co., not having the power under its charter to engage in the business of producing and selling oil, the Kern Trading & Oil Co. and the Associated Oil Co. and others furnish the convenient instruments through which the railroad company operates on these oil lands. The former is owned wholly by the Southern Pacific interests and the latter is controlled by that company through the ownership of 51 per cent of its stock. These companies are operating the lands in question under alleged leases from the railroad company and selling the oil, and this oil is being marketed through the connections these companies have with the Standard Oil Co.

On January 1, 1910, the Southern Pacific interests had fewer than 50 producing oil wells upon the 125,000 acres of oil land included within the lands described in the patents which had been issued to the railroad company. Since the question of the passing of these oil lands under these patents has been raised, these companies have put down over 150 wells and are taking millions of dollars' worth of oil from them. It is asserted that these companies are removing oil from these lands of a value of approximately $250,000 each month, and they are increasing this output as fast as they possibly can, for all of which the companies are paying a handsome royalty to the railroad company. At the present time these dummy oil companies have more than 40 drilling outfits working on these lands day and night, seven days in the week, constructing new wells so that the exploitation of these lands by the Southern Pacific Railroad may yield the greatest possible amount of profit before the question of the status of these lands may be determined.

Up to the time of the institution of the suits by Edmund Burke and other independent oil producers who have been in

competition with the Standard Oil Co. for years nothing had been done by either the Department of the Interior or the Department of Justice to clear the title of the United States from the claim of the Southern Pacific. They took the position that title to these oil lands had passed from the United States to the railroad company by the issuance of the patents, and that the Department of the Interior had no jurisdiction over them. But as soon as the independent operators filed their suits, attempting to acquire some of these lands through locations under the mining laws, and the acquisition of the oil by the big oil interests of the country bid fair to be interfered with, we witness the spectacle of the Department of the Interior reversing itself. As soon as these private parties and independent operators made their locations and filed their suits, Secretary Ballinger, notwithstanding the position previously assumed, issued an order withdrawing the lands from appropriation by citizens on the theory that they were then public lands of the United States. The only effect of this action was to protect the Southern Pacific from the annoyance of further locations and suits. This was in September, 1909.

During December, 1912, B. D. Townsend and T. J. Butler, special assistants to the Attorney General, wrote a brief to be filed in the Supreme Court in the Burke case, which I have referred to. Mr. Knabel, Assistant Attorney General, furnished the attorneys of the Southern Pacific a copy of this brief in manuscript, and after they had criticized it and objected to certain parts of it, he very accommodatingly rewrote it and eliminated from it the parts that did not please the railroad attorneys. This being done, the brief was filed in the Supreme Court. Of course, it can not be possible that it is a practice followed by the Department of Justice to furnish opposing counsel with copies of briefs on behalf of the Government before they are filed in court, for the purpose of revision by them. Then why are we to suppose it was done in this case? Is there anything in the fact that we find independent oil producers on one side of the case and the Southern Pacific Railroad Co. on the other side, together with their subsidiary oil companies transacting business through the Standard Oil Co.? Is there anything in that situation, I repeat, which would seem to warrant the Attorney General or his assistant, Mr. Knabel, appearing in the case as the friend of the court and collaborating with counsel for the latter interests in the preparation of the Government's brief? If there is any such thing, I fail to appreciate it. And yet we have Mr. Maxwell Evarts, representing the Southern Pacific interests, stating in the Supreme Court, at the argument of the Burke case, that he had received a copy of the brief above referred to from Mr. Knabel and had objected to parts of it, and that those parts had been eliminated before the brief was filed.

You will further see from the facts set forth in the preambles to the resolution that after the Government had known of the contentions of the independent operators and the increasing operations of the railroad company through its dummies for over two years a bill was finally filed on December 20, 1912, in the United States District Court for the Southern District, Northern Division, of California against the Southern Pacific and others, wherein it is sought to have the title to approximately 46,000 acres of said petroleum lands, adjudged to be in the United States, free from all claims by said railroad company or its assigns or lessees.

It may be noted that this suit covers only a portion of the lands in question. About a year ago Mr. Butler, then in charge of these cases, requested the Attorney General to secure abstracts of title for the lands in patent No. 25, issued to the Southern Pacific, which have been found to be petroleum-bearing mineral lands. The abstracts were never forthcoming, and no suits other than the one I have mentioned have been started in this matter. And all the while the railroad company, through its lessees, is pumping this land dry. Under date of August 21, 1913, the California Oil World printed as news a statement that the Associated Oil Co., a subsidiary of the Southern Pacific, was hauling material to commence the drilling of wells upon part of the land that would have been included within the suit covering the lands under patent No. 25. The article stated that 30 wells were to be constructed upon one section which would have been included in that suit.

It is interesting to note, in passing, that in whatever conveyances the railroad company has made affecting any of the lands included in these patents it has taken the precaution to insert a clause reading, "reserving all claim of the United States to the same as mineral lands." It should also be noted that the exceptions in these railroad grants are not reservations of the minerals in the lands, but of the lands themselves.

In the suit which I have referred to, started against the Southern Pacific Railroad Co. on December 20, 1912, the bill which was filed on that date alleges that at the time the railroad company selected the lands in question and applied for patent thereto it was well known by it that a large quantity of the lands applied for were mineral lands within the provisions of the grant of July 27, 1866; and it is further alleged that there was a mutual understanding between the company and the Government to the effect that the issue of the patent should not be considered as any adjudication by the Department of the Interior as to the mineral or nonmineral character of any of the lands described therein; and that it was further agreed by and between said company and the Government that if the Department of the Interior should issue said patent, excepting from its terms said mineral lands, without any examination or adjudication as to the mineral or nonmineral character of said lands, the said exception of mineral lands should be valid and effective; wherefore said company is estopped to deny the validity or effectiveness of said exception; and further, it is alleged in said bill of complaint that in order that said company might enjoy the fruits of their fraud in assuming title to said mineral lands, by extracting and selling mineral deposits in said lands, and at the same time conceal from the Government the true facts in the premises, the said company caused the codefendant, Kern Trading & Oil Co., to be organized, since which time the railroad company has been engaged, through said oil company, in extracting and selling large quantities of minerals from said lands.

Among other things, the bill prays for the appointment of a receiver, that the interests of the people of the United States both to the lands and the oil may be conserved.

This case is referred to in the annual report of the Attorney General, Mr. Wickersham, for the year ending June 30, 1912. On pages 40 and 41 of that report, after referring to other land litigation, the report proceeds as follows:

> In this connection it is proper to refer to other litigation concerning the same character of subject matter—mineral, and particularly petroleum lands of immense value—but of different legal aspect, which is soon to arise between the Government and the Southern Pacific Railroad Co. and others claiming under it. The legislation under which that company obtained its grants of public lands expressly excepted mineral lands other than lands valuable chiefly for iron or coal. A large number of patents have heretofore been issued to the company which in express terms except from the premises patented all mineral lands other than iron or coal lands. Among the lands described in these patents which, but for the exceptions, they would purport to convey are large areas of petroleum-bearing lands in California, said to be of a value exceeding $500,000,000. It is the contention of the railroad company and those claiming under it that the exceptions in the patents are void. This department, however, and the Department of the Interior have for many months been engaged in making preparations to institute suits in equity for the purpose of testing this question judicially, contending that in view of the provisions of the granting acts, the express terms of the exceptions of the patents, and the circumstances under which the patents were delivered and accepted, the exceptions are not void, but must be deemed valid and operate to exclude the petroleum lands in controversy and all other mineral lands from the premises granted by the patents. The preparations for the institution of these suits are about completed, and the suits will be instituted at an early day. In the meantime a case to which the Government was not a party, but which involves directly some of the points which the Government will raise in its proposed litigation, has reached the Supreme Court upon certification of questions by the circuit court of appeals for the ninth circuit, and has been advanced for hearing in January next. Upon motion of the Solicitor General, the court granted leave to the United States to file a brief. (Burke *v.* Southern Pacific Railroad Co. et al., No. 682, October term, 1912.)

The last annual report of the Attorney General, Mr. McReynolds, again refers to this case. The paragraph in that report to which I refer reads as follows:

> The last report spoke of prospective litigation of great importance respecting oil lands in California claimed by the Southern Pacific Railroad Co. under patents containing express exceptions of all mineral lands other than iron and coal lands. The work of preparation then referred to was completed during the last fiscal year as to one of the patents, which affects more known oil land than any of the others, and on December 20, 1912, suit was instituted asserting title to approximately 46,000 acres. This suit is pending on motion to dismiss the Government's bill of complaint upon the general grounds that were urged in the private suit of Burke *v.* Southern Pacific Railroad Co. et al., now pending in the Supreme Court, and referred to in the last annual report. Suitable provisions have been made to expedite the litigation, to bring new suits, and to protect in every practicable way the Government's rights in the land and to the oil which has been and is being extracted from certain parts of it.

With these assurances from the Attorney General in mind, let us see what has been done with this case of the United States against the Southern Pacific Railroad Co., started a year ago last December. It is still pending on a motion to dismiss the Government's bill. Not a finger has been lifted by the Government in that important litigation in all this time beyond the filing of the bill. The Attorney General's office has not even made a motion for the appointment of a receiver. Not a finger has been raised, even to asking the court to overrule the motion entered by the defense to dismiss the bill.

Contrast with this record the conduct of the prosecution of the suits by the Government against the independent producers to test the validity of the withdrawal orders. The first of these suits was filed in the United States District Court for the Dis-

trict of Wyoming during the latter part of January or in February, 1913. That suit was long since put on its way from the circuit court of appeals to the Supreme Court of the United States, while the suit filed on December 20, 1912, against the Southern Pacific et al., is reposing peacefully in the same status that existed when this Wyoming suit was filed. But the Attorney General will point out that suits against independent producers similar to the Wyoming suits were filed in California by the Department of Justice, but have not been pushed. Of course not. No one would expect an official or a department to so far forget himself or itself as to furnish such a contrast as would be produced by pushing litigation against independent operators in the same court in which a case against the Southern Pacific was being permitted to lie dormant.

But let us inquire why this important case has been permitted to remain pending on a motion to dismiss the bill for more than a year. A pretended reason for this course of action is contained in the language I quoted some minutes ago from the last report of the Attorney General, where it is stated that the motion to dismiss is pending—

upon the general grounds that were urged in the private suit of Burke v. Southern Pacific Railroad Co. et al., now pending in the Supreme Court.

In other words, it is claimed that the decision of the Supreme Court in the Burke case will determine the issues raised in the Government's case. That is a complete withdrawal from the position taken by the department when it urged the independents (Burke and others), as they did, to postpone their litigation until the Government could prosecute its suit, because the Government was in a position to make a stronger case against the railroad company than the private parties could.

The Department of Justice would seem to be prolific in nothing if not in its ability to reverse itself completely when the occasion would seem to call for action as forced as that.

The department was right in contending that the Government was in a position to make out a stronger case against the railroad company than the private interests could, for it can raise an issue of estoppel against the Southern Pacific and its allied interests, as alleged in the bill already filed, which the private interests are not in a position to raise and have not raised in their suit, and Mr. Townsend himself admitted this important difference in the cases when I mentioned the matter in a conversation I had with him on the occasion of a visit he made to my office a few days before I introduced my resolution on this subject. It had been intimated to the department that I had the matter in mind, and the Attorney General sent Mr. Townsend to see me and endeavor to induce me to forego the introduction of my resolution.

We are assured in the quotation I have made from the last annual report of the Attorney General that—

Suitable provisions have been made to expedite the litigation, to bring new suits, and to protect in every practicable way the Government's rights in the land and to the oil which has been and is being extracted from certain parts of it.

In view of the fact that the litigation in question has not been expedited, that new suits have not been started, and also that the Government's rights in the land and to the oil are not being protected, information as to what the "provisions" referred to are would at least be illuminating.

Upon the introduction of my resolution the Attorney General attempted to submit the information requested, not to the House nor to the Committee on the Judiciary, to which the resolution was referred and where it has peacefully slumbered for nearly seven months, but to the public through the press. I wish as briefly as possible to refer to the different paragraphs of his reply.

This statement was issued by the Attorney General October 3, 1913. In his statement the Attorney General says:

The securing of injunctions and the capping of the present producing wells would mean the flooding of many of the wells with water and their consequent ruin. In some cases this would mean the ruin of whole fields of petroleum.

In answer to this, it should be stated that in all these wells the oil is cemented off wherever water has been encountered in the overlying strata. Only a small proportion of the wells are bothered with water. If the withdrawal order I have referred to is effective to reserve the land and the mineral deposits in it to the United States, the taking of the oil is unlawful and the court has the power to appoint a receiver upon application of the Government to operate the wells which have been completed and to do all things necessary to protect them and to sell the oil, pay the necessary expenses, and hold the surplus proceeds pending the final determination of the controversy. Indeed, in the bill which the Government has filed it asks for the appointment of a receiver, but the Department of Justice has never seen fit to press that request. Why, pray?

The Attorney General's statement further reads:

Every barrel of oil extracted by the Southern Pacific and its allied concerns is recorded. The pending suit asks for an accounting and for indemnity for oil taken out, and there will be no difficulty in computing the exact sum due the Government if the oil-land suits are won.

Is this a comedy the Attorney General is performing? Think of this Government relying upon the accurate data compiled by the Southern Pacific on which to base the amount of damages to be disgorged and forced from that charitable organization upon losing the litigation brought against it by the Government.

But suppose that were possible; it would not be the railroad company that would be liable to pay this money, but the lessee oil companies. And what condition are they in? Why, the Kern Trading & Oil Co. can be thrown into bankruptcy in a moment, and by no less a power than the Southern Pacific Railroad Co. itself. The Southern Pacific Co. has loaned to the Kern Trading & Oil Co., the largest producer from these lands, the sum of $6,000,000, and no doubt has a mortgage upon all of its property to secure the debt; and it is quite as certain that all of its property is not sufficient to pay this first lien. The Attorney General should at least stop trying to be funny where so much is involved.

The statement proceeds to say:

Practically the only way to prove the mineral character of the lands involved is by sinking wells. Every producing well drilled by the Southern Pacific is an aid to the Government cases.

It has been quite beyond my powers of comprehension to understand why the Department of Justice seeks to insure a monopoly to the Southern Pacific in the matter of furnishing the Government proof in litigation against that company. Shed a tear for the poor Southern Pacific Railroad Co., my friends, or, better still, wire their attorneys and acquaint them with the facts, so that that poor, ignorant corporation may be stayed in this suicidal rush in which it is engaged.

Again, the statement says:

The securing of injunctions on the disputed lands embraced within the Roosevelt withdrawal order of 1909 would cripple practically all the independent producers of California, to the great advantage of the Standard Oil Co.

The Attorney General should explain how an injunction affecting operations on odd-numbered sections of land would interfere with the independent producers of California, who are all operating on mining locations of 160-acre tracts or less, and nearly all of them on the even-numbered sections.

Finally, the statement says:

The securing of injunctions is doubtful, as the Government would have difficulty in making a showing of irreparable injury in view of the solvency of the companies operating and the fact that an exact record of all the oil abstracted is kept.

Oh, consistency, thy name is not McReynolds! First this gentleman tells us the Government should not seek an injunction, because it would cause irreparable injury, and now he winds up with the statement that the Government could not get an injunction because it could not show irreparable injury. Of course, nobody suffers an irreparable injury by the unlimited sinking of wells and removal of oil by corporations on land that belongs to the people! Certainly not! Are not these dummy companies solvent, and do they not keep accurate records against the day of reckoning? There can be no doubt of it! Why not allow our dreams full sway and imagine them depositing all their gains in a trust fund for safe-keeping, merely awaiting the outcome of the little matter of this friendly litigation?

I have already pointed out how active the railroad company has been in the meantime. They have been pumping that land day and night, removing oil of a value of approximately $250,000 each month and marketing it through their dummy companies to the Standard Oil Co.; and more than that, I have called attention to the fact that they have many drilling outfits working on these lands day and night, seven days in the week, constructing new wells, so that the exploitation of these lands may yield the greatest possible amount of profit before the question of the status of these lands may be determined, as it will be whenever the Attorney General sees fit to go ahead with this and other similar cases that he has failed to even start as yet.

Weeks ago I wrote to Secretary Daniels calling his attention to this sleeping litigation that is the subject of the resolution I introduced last fall, and expressing the hope that he would urge the necessities of the case upon the Attorney General from the standpoint of the needs of the Navy.

And what has become of my resolution? That, too, has been put to sleep by the Committee on the Judiciary of this House.

A fine spectacle indeed! Behold the Secretary of the Navy urging Congress to appropriate half a million dollars to secure oil lands in California to furnish our Navy with the fuel it must

have for its many ships that burn oil, and only oil, while the Attorney General's Office and the powers that be in this House sit still and allow the Southern Pacific Railroad Co. to hang onto a billion dollars worth of oil lands in California, title to which is in the United States, and continue to pump the land dry to the tune of a quarter of a million dollars' worth of oil a month.

It seems to me that this Southern Pacific litigation has been so handled by the Department of Justice as to be most advantageous to the defendants in that litigation, and that the attorneys responsible for the policy of that department, who are now in charge of the matter, are conducting it in a manner most advantageous to the Southern Pacific Railroad Co. and its associates rather than to the people and the Government.

Mr. Chairman, if these facts I have brought to the attention of the House are not correct, the Attorney General owes it to *himself*, to his department, and to the administration to transmit to this body the information called for in the resolution and esablish that fact.

If these facts I have outlined are true, then we owe it to the people of this country, whom we are representing here, and to ourselves as their Representatives, to require a reply to the inquiries propounded in this resolution, to call the attention of the country to the matter, and to take such further action as may seem to be warranted. [Applause.]

The Clerk read as follows:

Those portions of the acts of June 25, 1910, and March 4, 1911, which create the "Naval supply account" under the Bureau of Supplies and Accounts, are hereby so modified and amended that hereafter the appraised value of all stores, equipage, and supplies turned in from ships, and ships' equipage turned in from yards or stations (except salvage), shall be credited to the current appropriations concerned, and the amounts so credited shall be available for expenditures for the same purposes as the appropriations credited until expended; and all acts or parts of acts in so far as they conflict with this provision are hereby repealed.

Mr. MADDEN. Mr. Chairman, I reserve a point of order on the paragraph. I think we ought to have a quorum.

Mr. PADGETT. Let us dispose of this.

Mr. MANN. The gentleman will have a better explanation in the morning as to what this naval supply account means.

Mr. PADGETT. Mr. Chairman, I move that the committee do now rise.

The motion was agreed to; accordingly the committee rose, and the Speaker having resumed the chair, Mr. JOHNSON of Kentucky, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill H. R. 14034—the naval appropriation bill—and had come to no resolution thereon.

BILL TO CONSTRUCT DAMS ACROSS NAVIGABLE WATERS.

Mr. UNDERWOOD. Mr. Speaker, at the request of the gentleman from Georgia [Mr. ADAMSON], chairman of the Committee on Interstate and Foreign Commerce, and concurring in his request, I ask unanimous consent that H. R. 16053, a bill to amend an act to construct dams across navigable waters, that is now on the calendar, be made a continuing order, not to interfere with appropriation bills. I will say that this bill is of very great importance. It is impracticable to build dams across navigable streams under the present dam act, because we can not pass a bill to conform to it in Congress. Within the last 10 years, I think, three dams have been built across navigable waters and a very large number of dams built across waters that are not navigable. I think this is a good bill and should be considered by the House. I do not ask for any limitation on its consideration, but just to make a general order that it may be called up for consideration.

Mr. MANN. What the gentleman means is simply to give it a privileged status not to interfere with Mondays or Wednesdays or——

Mr. UNDERWOOD. Or appropriation bills.

Mr. JOHNSON of Kentucky. Mr. Speaker, reserving the right to object, I wish to inquire of the gentleman if he could not extend his request so as not to interfere with District of Columbia business.

Mr. MANN. This will not interfere with that.

Mr. UNDERWOOD. It does not interfere with Mondays or Wednesdays or appropriation bills.

The SPEAKER. The gentleman from Alabama asks unanimous consent to give the bill H. R. 16053 a privileged status and to make it a continuing order not to interfere with appropriation bills or Mondays or Wednesdays.

Mr. BUCHANAN of Illinois. What about pension days—Fridays?

Mr. UNDERWOOD. I will say to the gentleman I can assure the gentleman it will not interfere.

Mr. MANN. The best form in which to put this is to give it the status of a bill reported from a committee with the right to report at any time, and then it is subject to recognition and does not take the place of any regular order asked for.

Mr. UNDERWOOD. I concede that; that is satisfactory to me.

Mr. GARRETT of Tennessee. Reserving the right to object, I understand the same thing is to be requested for another bill.

Mr. UNDERWOOD. I understand there will be a similar request made for another bill. This bill comes from the Committee on Interstate and Foreign Commerce. I think it is an important bill, and my purpose in asking this is really to give a chance to consider it when appropriation bills are not being considered, or on Wednesdays or Mondays, and so far as Fridays are concerned——

Mr. GARRETT of Tennessee. There is no conflict between this bill and the other?

Mr. COVINGTON. Not at all.

The SPEAKER. The Chair would like to inquire for his own information, to help business along, so we may get away from here some time or other, about how long will it take to discuss this bill?

Mr. UNDERWOOD. I believe if we get a whole day the chairman of the committee could probably dispose of general discussion in a day's time in the Committee of the Whole if he can get it at one time. The purpose of this order, Mr. Speaker, is not to interfere with the general business of the House, but to enable them to take up this bill when the House is not crowded on something else, and for that reason I thought it wiser not to put in pensions, although I can assure the gentleman pensions will not be interfered with, because some days there may be an hour or two after pensions are disposed of when this bill could be considered.

The SPEAKER. The gentleman from Alabama asks unanimous consent that H. R. 16053 be given a privileged status, to be the continuing order, not to interfere with appropriation bills or Mondays or Wednesdays, or pensions. The Chair will put that in himself. The Chair does not want to get into a hobbie about it. Is there objection? [After a pause.] The Chair hears none.

INTERSTATE TRADE COMMISSION.

Mr. COVINGTON. Mr. Speaker, I would like to make the same request for the bill H. R. 15613, a bill to create an Interstate Trade Commission and defining its powers and duties.

The SPEAKER. The gentleman from Maryland makes the same request as to H. R. 15613, the trades commission bill. Is there objection?

Mr. GOLDFOGLE. Mr. Speaker, reserving the right to object, I would like to ask the gentleman from Maryland what is the haste about this bill at this time?

Mr. COVINGTON. There is no unnecessary haste about the bill, I will state to the gentleman from New York [Mr. GOLDFOGLE]; but the Commission on the Revision of the Laws now occupies the call on Calendar Wednesday, and it apparently has a bill pending which, based upon the situation relating to a similar bill three or four years ago, will probably occupy that calendar day for the remainder of this session of Congress. The bill to create an Interstate Trade Commission has no privileged status, and it can only be considered by unanimous consent or as the result of a special rule. The Committee on Interstate and Foreign Commerce believes that the bill, which is a part of the definite administration trust program, will have no chance to be considered at this session of Congress, unless a consent such as I have asked is acceded to by the House.

The SPEAKER. Is there objection?

Mr. BUCHANAN of Illinois. Mr. Speaker, reserving the right to object, I would like to know if this bill will take the place of or interfere with any of the trust legislation which is going to be introduced?

The SPEAKER. This will come up first, unless some arrangement is made——

Mr. COVINGTON. The bill is itself a part of the trust legislation.

The SPEAKER. Unless somebody asks the same status for the trust bills.

Mr. COVINGTON. I hope the gentleman will withdraw his objection until I explain what the bill really is.

Mr. BUCHANAN of Illinois. Will it interfere with any of the special rules which the Committee on Rules may bring in?

Mr. COVINGTON. Not at all. It will not interfere with any program to facilitate the trust legislation. It is part of that trust program outlined by the President in his trust message and subsequently referred to the Committee on Interstate and Foreign Commerce. It does not run counter to any of the legislation now pending in the Committee on the Judiciary, nor

has the Committee on the Judiciary pending in the committee any bill bearing in any way on the subjects dealt with by the interstate trade commission bill. The two committees are laboring to complete the definite trust program.

Mr. BUCHANAN of Illinois. I do not want to let a condition develop where this bill will have privilege over the trust legislation.

Mr. COVINGTON. This bill will have no privilege over the remainder of the trust legislation which will in any way cause delay to the subjects the gentleman is interested in.

Mr. BUCHANAN of Illinois. At this time I do not feel that I can give my consent to let it be privileged over the trust bill.

The SPEAKER. Is there objection?

Mr. BUCHANAN of Illinois. Mr. Speaker, I object.

LOT 44, SQUARE 172, WASHINGTON, D. C.

Mr. SLAYDEN. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill S. 5031 and put it on its passage. It is a bill to remove a slight cloud on the title to one of the lots in plat 172, recently purchased for the site of the memorial building to the women of the Civil War period.

The SPEAKER. The gentleman from Texas asks unanimous consent to take from the Speaker's table and consider the Senate bill which the Clerk will report.

The Clerk read as follows:

A bill (S. 5031) quieting the title to lot 44 in square 172 in the city of Washington.

Be it enacted, etc., That for the purpose of removing a cloud from the title to lot 44 in John Rothert's subdivision in square 172 in the city of Washington, D. C., whatsoever right, title, or interest the United States may have in and to said lot by reason of escheat or otherwise, be, and the same is hereby, quitclaimed unto Delia C. Condron, owner of the record title.

Mr. MANN. Mr. Speaker, reserving the right to object, and I think I shall not object, because of the interest of the Red Cross in this, the fact is that there is no occasion whatever for the passage of the bill. It is proposed that the United States shall buy the title to this property, and now it is proposed here that the United States convey its present title to persons who claim to own the lot. Well, if the United States acquires their title, it will have a good title to the property. The truth is, we have law providing that persons who are foreigners, and who die, do not transmit their real estate by inheritance. Every time it takes effect we pass a special bill to remove the effect. There has been no instance, I think, that has been called to the attention of the Congress, where the law took effect, that we did not pass a bill to remove the effect in the District of Columbia, where the law only applies. Now, here is a case where we are buying a lot and, finding that we already own the title to it, we propose to convey the title to the person who does not own the title in order to buy it back from that person. But, as I say, on account of the interest of the Red Cross in the matter I shall not object, although I think it is a very foolish proceeding.

The SPEAKER. Is there objection? [After a pause.] The Chair hears none. The question is on the third reading of the Senate bill.

The bill was ordered to be read a third time, was read a third time, and passed.

On motion of Mr. SLAYDEN, a motion to reconsider the vote by which the bill was passed was laid on the table.

Mr. SLAYDEN. Mr. Speaker, I move to lay on the table H. R. 14730, a bill of identical wording, reported from the committee of this House.

The SPEAKER. The gentleman moves to lay on the table the identical House bill. Without objection, it is so ordered.

There was no objection.

ENROLLED BILL SIGNED.

Mr. ASHBROOK, from the Committee on Enrolled Bills, reported that they had examined and found truly enrolled bill of the following title, when the Speaker signed the same:

H. R. 3468. An act for the relief of the heirs of the late Samuel H. Donaldson.

SENATE BILL REFERRED.

Under clause 2 of Rule XXIV, Senate bill of the following title was taken from the Speaker's table and referred to its appropriate committee, as indicated below:

S. 5148. An act for the reinstatement of Lieut. Col. Constantine Marrast Perkins to the active list of the Marine Corps; to the Committee on Naval Affairs.

HOUR OF MEETING TO-MORROW.

Mr. PADGETT. Mr. Speaker, I ask unanimous consent that when the House adjourns to-day it adjourn to meet at 11 o'clock to-morrow.

Mr. MANN. Reserving the right to object, at what time will the committee rise to-morrow if it meets at 11 o'clock a. m.? I am willing to agree with the gentleman that the House meet at 11 o'clock a. m. if we adjourn in time to go to the ball game.

Mr. PADGETT. I want to finish the bill to-morrow if we can, and I think we can.

Mr. MANN. Well, that is impossible. Therefore I object.

ADJOURNMENT.

Mr. PADGETT. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 15 minutes p. m.) the House adjourned until Saturday, May 2, 1914, at 12 o'clock noon.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII, bills and resolutions were severally reported from committees, delivered to the Clerk, and referred to the several calendars therein named, as follows:

Mr. PARK, from the Committee on Public Buildings and Grounds, to which was referred the bill (H. R. 15110) to acquire by purchase, condemnation, or otherwise, additional land for the post office in the city of Thomasville, Ga., reported the same without amendment, accompanied by a report (No. 600), which said bill and report were referred to the Committee of the Whole House on the state of the Union.

Mr. EAGAN, from the Committee on Public Buildings and Grounds, to which was referred the bill (H. R. 13180) to amend the act of March 4, 1913 (37 Stats., p. 872), so as to provide that in the construction of the public building at Roseburg, Oreg., provision shall be made for the accommodation therein of the United States post office, land office, Forest Service, Weather Bureau, Indian agent, and other governmental offices, reported the same with amendment, accompanied by a report (No. 603), which said bill and report were referred to the Committee of the Whole House on the state of the Union.

Mr. CLARK of Florida, from the Committee on Public Buildings and Grounds, to which was referred the bill (H. R. 15000) authorizing the Secretary of the Treasury to disregard section 33 of the public-buildings act of March 4, 1913, as to site at Huntingdon, Tenn., reported the same without amendment, accompanied by a report (No. 604), which said bill and report were referred to the Committee of the Whole House on the state of the Union.

Mr. SINNOTT, from the Committee on the Public Lands, to which was referred the bill (H. R. 12919) to amend an act entitled "An act to provide for an enlarged homestead," reported the same with amendment, accompanied by a report (No. 605), which said bill and report were referred to the Committee of the Whole House on the state of the Union.

He also, from the same committee, to which was referred the bill (S. 533) to consolidate certain forest lands in the Ochoco National Forest, Oreg., reported the same without amendment, accompanied by a report (No. 606), which said bill and report were referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII, private bills and resolutions were severally reported from committees, delivered to the Clerk, and referred to the Committee of the Whole House, as follows:

Mr. McKELLAR, from the Committee on Military Affairs, to which was referred the bill (H. R. 9335) for the relief of James H. Kelly, reported the same without amendment, accompanied by a report (No. 601), which said bill and report were referred to the Private Calendar.

Mr. BURNETT, from the Committee on Immigration and Naturalization, to which was referred the bill (H. R. 7781) admitting to citizenship and fully naturalizing Gordon W. Nelson, of the city of New York, in the State of New York, reported the same with amendment, accompanied by a report (No. 602), which said bill and report were referred to the Private Calendar.

PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills, resolutions, and memorials were introduced and severally referred as follows:

By Mr. PETERSON: A bill (H. R. 16169) providing for the nomination of President and Vice President and the election of a member of the national committeemen for each State of each political party for whose candidates for presidential electors

20 per cent or more of the popular vote of the voters of the United States was cast at the last election for presidential electors, or for which hereafter 20 per cent or more of the popular vote of the voters of the United States may be cast for presidential electors; to the Committee on Election of President, Vice President, and Representatives in Congress.

By Mr. WINGO: A bill (H. R. 16195) to provide for the purchase and equipment of a mine rescue car and headquarters station therefor, and for other purposes; to the Committee on Mines and Mining.

By Mr. DUPRÉ: A bill (H. R. 16196) to extend the time for the repayment of war revenue taxes erroneously collected under act approved June 13, 1898; to the Committee on the Judiciary.

By Mr. DECKER: A bill (H. R. 16197) to authorize the county of Barry, State of Missouri, to construct a bridge across White River, in Barry County, Mo., near a point known as Goldens Ferry; to the Committee on Interstate and Foreign Commerce.

By Mr. ALLEN: A bill (H. R. 16198) authorizing the Secretary of War to donate to the village of Wyoming, Ohio, one cannon or fieldpiece; to the Committee on Military Affairs.

By Mr. JOHNSON of Kentucky (by request): A bill (H. R. 16199) to repeal section 935 of the Code of Law for the District of Columbia, to provide a substitute therefor, and for other purposes; to the Committee on the District of Columbia.

By Mr. BARNHART: A bill (H. R. 16200) authorizing the Secretary of War to donate to Miles H. Tibbits Post, No. 260, Grand Army of the Republic, department of Indiana, of Plymouth, Ind., two cannon or fieldpieces; to the Committee on Military Affairs.

By Mr. BORLAND: Resolution (H. Res. 496) directing that there shall be printed as a House document 1,600 copies of the soil survey of Jackson County, Mo.; to the Committee on Printing.

By Mr. BARNHART: Resolution (H. Res. 497) authorizing the Secretary of the Interior to remove the ancient fences surrounding the buildings occupied by the Department of the Interior and the General Land Office; to the Committee on Public Buildings and Grounds.

PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ALLEN: A bill (H. R. 16201) granting an increase of pension to Justus Momberg; to the Committee on Invalid Pensions.

By Mr. ALEXANDER: A bill (H. R. 16202) granting an increase of pension to Elizabeth J. Machen; to the Committee on Invalid Pensions.

Also, a bill (H. R. 16203) granting an increase of pension to Alice A. Meeker; to the Committee on Invalid Pensions.

By Mr. BELL of California: A bill (H. R. 16204) for the relief of John M. Beal; to the Committee on Military Affairs.

By Mr. BURKE of South Dakota: A bill (H. R. 16205) for the relief of Davis Smith; to the Committee on the Public Lands.

By Mr. CALDER: A bill (H. R. 16206) granting an increase of pension to John Beatson; to the Committee on Invalid Pensions.

By Mr. CARR: A bill (H. R. 16207) to correct the military record of Joseph R. Berg; to the Committee on Military Affairs.

By Mr. CASEY: A bill (H. R. 16208) granting a pension to Barbara Boyle; to the Committee on Pensions.

By Mr. CLANCY: A bill (H. R. 16209) granting an increase of pension to Calvin A. Eason; to the Committee on Invalid Pensions.

By Mr. DECKER: A bill (H. R. 16210) granting a pension to Dice C. Golden; to the Committee on Invalid Pensions.

Also, a bill (H. R. 16211) granting an increase of pension to Gabriel Nelson; to the Committee on Invalid Pensions.

Also, a bill (H. R. 16212) for the relief of John Mills; to the Committee on Military Affairs.

Also, a bill (H. R. 16213) for the relief of Thornton Pottorff; to the Committee on Military Affairs.

Also, a bill (H. R. 16214) granting an increase of pension to Elizabeth Kelly; to the Committee on Invalid Pensions.

Also, a bill (H. R. 16215) for the relief of W. L. M. Patterson; to the Committee on Military Affairs.

Also, a bill (H. R. 16216) granting a pension to Miles R. Sheldon; to the Committee on Invalid Pensions.

Also, a bill (H. R. 16217) granting an increase of pension to Jerusia Jones; to the Committee on Invalid Pensions.

Also, a bill (H. R. 16218) granting an increase of pension to William R. Hacker; to the Committee on Invalid Pensions.

By Mr. ESCH: A bill (H. R. 16219) granting an increase of pension to Francis Thompson; to the Committee on Invalid Pensions.

Also, a bill (H. R. 16220) granting an increase of pension to Edward K. Hill; to the Committee on Invalid Pensions.

By Mr. FOSTER: A bill (H. R. 16221) granting a pension to Sarah Groves; to the Committee on Invalid Pensions.

By Mr. GILLETT: A bill (H. R. 16222) granting a pension to Charles C. Arnold; to the Committee on Pensions.

Also, a bill (H. R. 16223) for the relief of Warren V. Howard; to the Committee on Military Affairs.

By Mr. GOLDFOGLE: A bill (H. R. 16224) allowing Abraham J. Willner to enter and take the examination for second lieutenant; to the Committee on Military Affairs.

By Mr. HINDS: A bill (H. R. 16225) to place Chauncey Rea Burr on the retired list of the United States Navy; to the Committee on Naval Affairs.

By Mr. HOUSTON: A bill (H. R. 16226) for the relief of J. W. Jacobs; to the Committee on War Claims.

Also, a bill (H. R. 16227) for the relief of the heirs of W. C. Jacobs; to the Committee on War Claims.

By Mr. KORBLY: A bill (H. R. 16228) granting an increase of pension to Edward G. Booz; to the Committee on Invalid Pensions.

By Mr. McKELLAR: A bill (H. R. 16229) for the relief of the estate of James A. Robinson, deceased; to the Committee on War Claims.

By Mr. NEELY of West Virginia: A bill (H. R. 16230) for the relief of Amanda W. Koontz; to the Committee on War Claims.

By Mr. PHELAN: A bill (H. R. 16231) granting a pension to Albert Fritz; to the Committee on Pensions.

Also, a bill (H. R. 16232) granting a pension to Elizabeth J. Brennan; to the Committee on Pensions.

By Mr. SHACKLEFORD: A bill (H. R. 16233) for the relief of J. H. Livingston; to the Committee on Claims.

Also, a bill (H. R. 16234) for the relief of the estate of Gordon M. Shearer; to the Committee on Claims.

Also, a bill (H. R. 16235) for the relief of the estate of John Henley; to the Committee on War Claims.

By Mr. THOMSON of Illinois: A bill (H. R. 16236) for the relief of James B. Clow & Sons; to the Committee on Claims.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

By the SPEAKER (by request): Petition of sundry citizens of Vincennes, Ind.; of Grace Reformed Church, of Detroit, Mich.; and of sundry citizens of Poplar Bluff, Mo., and of Lansdowne, Pa., protesting against the practice of polygamy in the United States: to the Committee on the Judiciary.

Also (by request), petition of sundry citizens of McKees Rocks, Pa., and of Glendale, Cal., against polygamy in the United States; to the Committee on the Judiciary.

By Mr. BAILEY (by request): Petition of sundry citizens of Johnstown, Pa., favoring national prohibition; to the Committee on the Judiciary.

Also, petition of the Blair County Medical Society of Altoona, Pa., protesting against the Nelson amendment to House bill 6282, the Harrison antinarcotic bill; to the Committee on Ways and Means.

By Mr. BARTHOLDT: Petitions of the Handlan-Buck Manufacturing Co., the Columbia Box Co., the Dammert Real Estate & Mortgage Co., Henry M. Doubrava, Joseph H. Kopp, Fred Hoffmann, and Aug. Koopmann, all of St. Louis, Mo., against national prohibition; to the Committee on the Judiciary.

By Mr. BELL of California: Memorial of Rosecrans Post, No. 132, Grand Army of the Republic, and the Woman's Relief Corps of Whittier, Cal., protesting against any change in the American flag; to the Committee on the Judiciary.

By Mr. BORCHER: Petitions of 495 citizens and Women's Home Missionary Society of Trinity Methodist Episcopal Church, of Urbana, 50 citizens of Rantoul, 400 citizens of Champaign, 200 citizens of Philo, the Ladies' Aid Society of the First Christian Church, of Decatur, 200 citizens of Foosland, 261 citizens of Bethany, 160 citizens of Tuscola, and 150 citizens of Farmer City, all in the State of Illinois, favoring national prohibition; to the Committee on the Judiciary.

By Mr. BROWN of West Virginia: Petitions of sundry citizens of Circleville, 19 citizens of Paw Paw, and 44 citizens of Randolph, all in the State of West Virginia, favoring national prohibition; to the Committee on the Judiciary.

By Mr. BRUCKNER: Petition of 500 citizens of New York City, Borough of The Bronx, protesting against national prohibition; to the Committee on the Judiciary.

By Mr. BRUMBAUGH: Petitions of sundry citizens of Columbus, Ohio, against national prohibition; to the Committee on the Judiciary.

By Mr. BYRNES of South Carolina: Petitions of sundry citizens of Saluda and Barnwell Counties, S. C., favoring national prohibition; to the Committee on the Judiciary.

By Mr. CALDER: Petition of 150 voters of the sixth New York congressional district, against the passage of the Hobson-Sheppard-Works resolutions; to the Committee on the Judiciary.

Also, petition of the New York Avenue Methodist Episcopal Church and citizens of Brooklyn, N. Y., favoring national prohibition; to the Committee on the Judiciary.

By Mr. CANDLER of Mississippi: Petition of 400 citizens of Booneville, Miss., favoring national prohibition; to the Committee on the Judiciary.

By Mr. CLANCY: Petitions of 145 citizens of Blodgett Mills, 425 citizens of Skaneateles, 1,000 citizens of Syracuse, 202 citizens of Manlius, 200 citizens of Jamesville, 300 citizens of Cortland, 39 citizens of McGraw, 300 citizens of Borodino, and 350 citizens of Solvay, all in the State of New York, favoring national prohibition; to the Committee on the Judiciary.

Also, petitions of Rev. B. D. Showers and 102 others, W. Henry Roberts and 38 others, Rev. R. E. Burton and 47 others, Calvin McCarthy and 50 others, Rev. John C. Brookins and 280 others, D. A. Lawton and 36 others, J. G. Gustmann and 22 others, H. H. Griswold and 26 others, L. E. Furman and 38 others, O. C. West and 110 others, all of Syracuse; Ernest E. Whitaker and 25 others, of Eastwood; Rev. C. W. Mason and 19 others, of Jamesville; G. H. Goodelee and 15 others, of Minoa; George D. Crossley and 51 others, of Manlius; Frank Blincoe and 11 others, of Blodgett Mills; Rev. William Jacques and 16 others, of McGraw; all in the State of New York, favoring national prohibition; to the Committee on the Judiciary.

By Mr. COX: Petitions of John F. Hemmerlein and others, citizens of Killerville and Ramsey, Ind., protesting against national prohibition; to the Committee on the Judiciary.

By Mr. CURRY: Petition by F. L. Bonn and 12 other residents of Vallejo, Cal., for the submission of the proposed amendment prohibiting importation, manufacture, and sale of intoxicating liquors; to the Committee on the Judiciary.

By Mr. DALE: Petition of Brooklyn Quartette Club, protesting against national prohibition; to the Committee on the Judiciary.

By Mr. DAVENPORT: Petition of sundry citizens of Lenopoh, Okla., favoring national prohibition; to the Committee on the Judiciary.

By Mr. DERSHEM: Petitions of 37 citizens of Huntingdon County, 71 citizens of Bedford and Huntingdon Counties, 245 citizens of Lewistown, 711 citizens of Greencastle, 90 citizens of Mount Union, 55 citizens of Huntingdon, 9 citizens of Barree, 11 citizens of Shade Gap, and 52 citizens of Mapleton, all in the State of Pennsylvania, favoring national prohibition; to the Committee on the Judiciary.

Also, petition of 5 citizens of the seventeenth congressional district of Pennsylvania, against national prohibition; to the Committee on the Judiciary.

By Mr. DOOLITTLE: Petitions of 110 citizens of Eskridge, 23 citizens of Onaga, 166 citizens of Americus, 101 citizens of Alma, 150 citizens of Olivet, 34 citizens of Le Roy, 137 citizens of Burlington, 300 citizens of Waverly, and 11 citizens of Louisville, all in the State of Kansas, favoring national prohibition; to the Committee on the Judiciary.

By Mr. DRUKKER: Petition of the International Photo-Engravers' Union of North America, favoring Bartlett-Bacon anti-injunction bill; to the Committee on the Judiciary.

By Mr. DYER: Petition of Rev. C. C. Long and J. D. Cleveland, of St. Louis, Mo., favoring national prohibition; to the Committee on the Judiciary.

By Mr. EDMONDS: Petition of Clarence D. Antring and other citizens of Philadelphia, Pa., favoring national prohibition; to the Committee on the Judiciary.

Also, petition of the Pennsylvania Patriotic Association, favoring the passage of the immigration bill; to the Committee on Immigration and Naturalization.

By Mr. ESCH: Petition of 26 citizens of Reedsburg, Wis., favoring national prohibition; to the Committee on the Judiciary.

By Mr. FOSTER: Petition of sundry citizens of St. James, Ill., and 14 citizens of Trenton, Ill., favoring national prohibition; to the Committee on the Judiciary.

By Mr. GILMORE: Petition of the Massachusetts Real Estate Exchange, protesting against repeal of canal-tolls exemption; to the Committee on Interstate and Foreign Commerce.

By Mr. GRAHAM of Illinois: Petition of James Gillespie, Mike Hanlon, and J. J. Burke, of Honington, Ill., against strike conditions in Colorado; to the Committee on the Judiciary.

Also, petition of 500 citizens of Springfield, Ill., favoring national prohibition; to the Committee on the Judiciary.

Also, petition of John Redolfi, of Gillespie, Ill., against national prohibition; to the Committee on the Judiciary.

By Mr. GREENE of Vermont: Petition of Mr. George A. Parker and other residents of the first congressional district of Vermont, favoring the adoption of a national constitutional prohibition amendment; to the Committee on the Judiciary.

By Mr. HINDS: Petitions of the Multum in Parvo Lodge, Kennebunk Port, 142 citizens of Kennebunk, 55 citizens of Portland, 160 citizens of Eliot, 25 citizens of Brunswick and Durham, 96 citizens of South Durham, and 280 citizens of Biddeford, all in the State of Maine, favoring national prohibition; to the Committee on the Judiciary.

By Mr. HULINGS: Petitions of 4 citizens of Warren County, Pa., favoring national prohibition; to the Committee on the Judiciary.

Also, petitions of 20 citizens of Warren, Pa., protesting against national prohibition; to the Committee on the Judiciary.

By Mr. JOHNSON of Washington: Petition of citizens of Tacoma, Vancouver, Washington, and Pierce Counties, Wash., against national prohibition; to the Committee on the Judiciary.

Also, petition of citizens of Centralia, Wash., favoring amendment to postal and civil service laws; to the Committee on the Post Office and Post Roads.

Also, petition of sundry citizens of Centralia, Wash., opposing the passage of a Sunday observance bill; to the Committee on the District of Columbia.

By Mr. KORBLY: Petitions of sundry citizens of the seventh congressional district of Indiana, favoring national prohibition; to the Committee on the Judiciary.

Also, petition of sundry citizens of Indianapolis, Ind., against repeal of Panama Canal act; to the Committee on Interstate and Foreign Commerce.

Also, petition of the Home Presbyterian Church and the Methodist Episcopal Church, of Indianapolis, Ind., and the Missionary Baptist Congregation of New Bethel, Ind., against polygamy in the United States; to the Committee on the Judiciary.

Also, petition of the Board of Veterinary Medical Examiners of Indiana, relative to House bill 6282, the Harrison antinarcotic bill; to the Committee on Ways and Means.

Also, petition of sundry citizens of the seventh congressional district of Indiana, against the Sabbath-observance bill; to the Committee on the District of Columbia.

Also, petition of sundry citizens of the seventh congressional district of Indiana, against national prohibition; to the Committee on the Judiciary.

By Mr. LAFFERTY: Petition of sundry citizens and voters of the State of Oregon, favoring national prohibition; to the Committee on the Judiciary.

By Mr. LEWIS of Maryland: Petition of 52 citizens of Union Bridge, Keysville, and Rocky Ridge; 103 citizens of Hagerstown; 25 citizens of Finksburg; 102 citizens of Middletown; 55 citizens of Buckeystown; 21 citizens of Ladiesburg; and 80 citizens of Frederick, all in the State of Maryland, favoring national prohibition; to the Committee on the Judiciary.

Also, petition of Miss Anna A. Gordon, representing the people of Frederick, Md., to prohibit the sale of intoxicating liquors, as prescribed by House joint resolution 168; to the Committee on the Judiciary.

Also, petition of various members of the Methodist Episcopal Church South, of Gaithersburg, Md., praying the passage of House joint resolution 168, to prohibit the sale of intoxicating liquors; to the Committee on the Judiciary.

Also, petition of various members of the Evangelical Sunday School of Hagerstown, Md., for the passage of House joint resolution 168, to prohibit the sale of intoxicating liquors; to the Committee on the Judiciary.

By Mr. LOBECK: Memorial of W. J. Coad and 67 other citizens of Omaha, Nebr., and the Northeastern Saengerbund of America, protesting against national prohibition; to the Committee on the Judiciary.

By Mr. LONERGAN: Petition of Dortha Bushnell Hillyer and 125 other citizens of Hartford, Conn., favoring a peaceable solution of the Mexican situation; to the Committee on Foreign Affairs.

By Mr. McKENZIE: Petition of 82 members of the Church of the Brethren of Sterling, Ill., favoring national prohibition; to the Committee on the Judiciary.

By Mr. MURRAY of Oklahoma: Petition of sundry citizens of Manchester, Okla., favoring national prohibition; to the Committee on the Judiciary.

By Mr. NEELY of West Virginia: Petitions of 42 citizens of Rivesville, 209 citizens of Clarksburg, 25 citizens of Lumberport, 37 citizens of Mineral, 46 citizens of Wolf Summit, 5 citizens of Jane Lew, 5 citizens of Weston, 37 citizens of Wallace, 12 citizens of Rinehart, 53 citizens of Triadelphia, 33 citizens of Chester, 27 citizens of Salem, 38 citizens of Follansbee, 52 citizens of Adamston, 25 citizens of Hepzibah, 25 citizens of Enterprise, 25 citizens of Brown, 25 citizens of Mount Clare, and 6 citizens of Bridgeport, all in the State of West Virginia, for passage of House joint resolution 168, proposing an amendment to the Constitution of the United States for nation-wide prohibition of the beverage traffic in intoxicating liquors; to the Committee on the Judiciary.

By Mr. O'BRIEN: Petition of 746 voters of the ninth New York congressional district, protesting against national prohibition; to the Committee on the Judiciary.

By Mr. O'SHAUNESSY: Petition of Jacob Wirth & Co., of Providence, R. I., against national prohibition; to the Committee on the Judiciary.

By Mr. PATTON of Pennsylvania: Petitions of over 1,385 citizens of Clearfield; 125 citizens of Millheim; 178 citizens of Rixford; 170 citizens of Duke County; 100 citizens of Crosby; 60 citizens of Colegrove; 1,716 citizens of Kane; sundry citizens of Bellefonte, Spring, and Walker Townships; 246 citizens of Mount Jewett; 30 citizens of New Millport and Olanta; 142 citizens of Glen Richey; 1,000 citizens of Dubois; 161 citizens of Hazelhurst; 750 citizens of Curwensville; 200 citizens of Port Allegany; 60 citizens of Bradford; and 161 citizens of Emporium, all in the State of Pennsylvania, favoring national prohibition; to the Committee on the Judiciary.

By Mr. REED: Petitions of 525 citizens of Seabrook, 50 citizens of Tilton, 15 citizens of Stratham, 75 citizens of Somersworth, 45 citizens of Somersworth, 97 citizens of Dover, 62 citizens of Penacook, 40 citizens of Penacook, 60 citizens of Penacook, and Albanus M. White, Benjamin Johnson, William G. Adams, Moses H. Tibbetts, John B. Lupien, A. Garfield Hurd, Benjamin C. Mills, and Lloyd J. Steward, of East Rochester, all in the State of New Hampshire, favoring national constitutional prohibition of the liquor traffic; to the Committee on the Judiciary.

Also, petitions of J. I. O'Brien, of Rochester; James H. Bannon, of Rochester; T. H. O'Brien, of Rochester; Coopers' International Union, of Portsmouth, and George W. Snow and 17 others, of Portsmouth, all in the State of New Hampshire; also the William Rahr Sons Co., of Manitowoc, Wis., opposing national prohibition of the liquor traffic; to the Committee on the Judiciary.

By Mr. REILLY of Connecticut: Petitions of sundry citizens of New Haven; Hermannsöhne Maennerchor; Frederick Hiehn Lodge, No. 440, Deutscher Orden der Hermannsöhne; H. S. Schlucker Club; Independent German Rifle Company; the Germania Bicycle Club; Friedens Lodge, No. 10 Deutscher Orden der Hermannsöhne; the Harugari Singing Society; Tenboula Maennerchor, all of New Haven, Conn., protesting against national prohibition; to the Committee on the Judiciary.

Also, petition of the Connecticut Peace Society, relative to situation between United States and Mexico; to the Committee on Foreign Affairs.

Also, memorial of the Mothers, Wives, and Sisters of American Boys, relative to effort in suppressing war spirit, etc.; to the Committee on Foreign Affairs.

By Mr. RIORDAN: Petition of 140 voters of the eleventh New York congressional district, against the passage of the Hobson-Sheppard-Works resolutions; to the Committee on the Judiciary.

Also, petition of sundry citizens of the eleventh congressional district of New York, protesting against national prohibition; to the Committee on the Judiciary.

By Mr. SMITH of Idaho: Petitions of 109 citizens of Middleton, 246 citizens of Fruitland, 80 citizens of Caldwell, 210 citizens of New Plymouth, and 200 citizens of Moscow, all in the State of Idaho, favoring national prohibition; to the Committee on the Judiciary.

By Mr. J. M. C. SMITH: Petition of 12 citizens of Grand Ledge, Mich., and 1 citizen of Holly, Mich., favoring bill to amend the postal and civil-service laws (H. R. 12928); to the Committee on the Post Office and Post Roads.

Also, petition of First Congregational Church of Pittsford, Mich., favoring national prohibition; to the Committee on the Judiciary.

Also, protest of 21 citizens of Grand Ledge, Mich., and 1 citizen of Holly, Mich., against Sunday-observance bill (H. R. 7826); to the Committee on the District of Columbia.

By Mr. TAVENNER: Petition of J. G. Huntoon, of Rock Island, Ill., protesting against application of steel-coach legislation to electric railways; to the Committee on Interstate and Foreign Commerce.

By Mr. TEN EYCK (by request): Petition of Mary F. Steenbergh, Martin Relyea, J. K. Laughlin, Robert S. Wightman, John Laughlin, R. K. Anderson, William Hamilton, H. F. Wagner, George W. Steenburgh, E. F. Pieper, F. E. Wilson, and E. R. Broughton, in favor of the Hobson bill; to the Committee on the Judiciary.

Also (by request), petition of C. E. Donohue, Henry Wheeler, G. F. Moore, John H. Nolan, John J. Collins, A. Van Steenburg, E. F. Kavanagh, and N. A. Connell, in favor of the Bartlett-Bacon anti-injunction bill; to the Committee on the Judiciary.

By Mr. UNDERHILL: Petition of sundry citizens of Ithica and Greenwood, N. Y., favoring national prohibition; to the Committee on the Judiciary.

By Mr. WALLIN: Petition of sundry citizens of the thirtieth New York district, favoring national prohibition; to the Committee on the Judiciary.

Also, memorial of the Common Council of Schenectady, N. Y., favoring Federal action with reference to the labor situation in Colorado; to the Committee on the Judiciary.

By Mr. WHITE: Petition of Arthur Doe, of Marietta, Ohio, and 15 others, protesting against national prohibition; to the Committee on the Judiciary.

By Mr. WILLIS: Petition of Frank S. Roof and 30 other citizens of Bellefontaine, Ohio, protesting against the adoption of House joint resolution No. 168, relating to national prohibition; to the Committee on the Judiciary.

SENATE.

SATURDAY, *May 2, 1914.*

The Chaplain, Rev. Forrest J. Prettyman, D. D., offered the following prayer:

Almighty God, we bless Thee for government founded upon the principles of the Christian religion and dedicated to that which is godlike in man. In this great Government committed to our hands and sent out on its mission in the world's life, the responsibilities resting upon Thy servants in this honorable Senate grow more and more, and we look to Thee for Thy guidance and blessing that with a clear discernment of the divine plan they may so discharge the duties of this day and every day as to receive the divine favor and to continue under the divine leadership. For Christ's sake. Amen.

The Vice President being absent, the President pro tempore took the chair.

The Secretary proceeded to read the Journal of yesterday's proceedings.

Mr. BRYAN. I ask unanimous consent that the further reading of the Journal be dispensed with.

Mr. McCUMBER. I object, Mr. President.

The PRESIDENT pro tempore. Objection is made, and the Secretary will proceed with the reading of the Journal.

The Secretary resumed and concluded the reading of the Journal, and it was approved.

Mr. McCUMBER. Mr. President, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The Senator from North Dakota suggests the absence of a quorum. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Ashurst	Goff	Overman	Smith, Mich.
Borah	Gore	Owen	Smith, S. C.
Brady	Hitchcock	Page	Smoot
Brandegee	Jones	Perkins	Sterling
Bristow	La Follette	Pittman	Stone
Bryan	Lane	Poindexter	Sutherland
Burleigh	Lea, Tenn.	Pomerene	Swanson
Burton	Lippitt	Ransdell	Thomas
Catron	Lodge	Reed	Thompson
Chamberlain	McCumber	Robinson	Thornton
Clapp	McLean	Saulsbury	Tillman
Clark, Wyo.	Martin, Va.	Sheppard	Townsend
Clarke, Ark.	Martine, N. J.	Sherman	Vardaman
Crawford	Nelson	Shively	Walsh
Cummins	Norris	Simmons	West
Dillingham	O'Gorman	Smith, Ariz.	Works
Fall	Oliver	Smith, Ga.	

Mr. SHEPPARD. I desire to announce the unavoidable absence of my colleague [Mr. CULBERSON]. He is paired with the Senator from Delaware [Mr. DU PONT]. This announcement may stand for the day.

Mr. McCUMBER. I wish to announce the unavoidable absence of my colleague [Mr. GRONNA]. He is paired with the senior Senator from Maine [Mr. JOHNSON].

The PRESIDENT pro tempore. Sixty-seven Senators having answered to their names, a quorum of the Senate is present.

RIVER AND HARBOR IMPROVEMENTS (S. DOC. NO. 477).

The PRESIDENT pro tempore laid before the Senate a communication from the Secretary of the Treasury, transmitting, in response to a resolution of the 9th ultimo, a statement showing by States outstanding liabilities and contract obligations under authority of law to June 30, 1913, for each river and harbor and canal, etc., and also a statement of amounts authorized to be contracted for for rivers and harbors and canals to June 30, 1913, for which appropriations have yet to be made, etc., together with a statement showing contract obligations authorized on account of the Panama Canal, which, with the accompanying paper, was referred to the Committee on Commerce and ordered to be printed.

MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by J. C. South, its Chief Clerk, announced that the House agrees to the amendment of the Senate to the bill (H. R. 3468) for the relief of the heirs of the late Samuel H. Donaldson.

The message also announced that the House had passed the bill (S. 5031) quieting the title to lot 44 in square 172 in the city of Washington.

ENROLLED BILLS SIGNED.

The message also announced that the Speaker of the House had signed the following enrolled bills, and they were thereupon signed by the President pro tempore:

H. R. 3468. An act for the relief of the heirs of the late Samuel H. Donaldson; and

H. R. 2314. An act for the relief of Allen Edward O'Toole and others, who sustained damage by reason of accident at Rock Island Arsenal.

CITIZENSHIP OF FIVE CIVILIZED TRIBES.

Mr. OWEN. I ask permission to have reprinted Senate Document No. 472, with certain additions.

The PRESIDENT pro tempore. The Senator from Oklahoma asks that a certain document may be reprinted. Is there objection?

Mr. McCUMBER. I do not know whether there will be objection or not. I think the Senate is probably entitled to know what the document is that the Senator asks to have printed, and I object until we get some information upon the subject.

The PRESIDENT pro tempore. The Secretary will state what the document is.

The SECRETARY. Senate Document No. 472 of the present Congress and session, entitled "Citizenship of Five Civilized Tribes," a communication from the Assistant Secretary of the Interior to Hon. ROBERT L. OWEN, submitting a list of names of persons apparently equitably entitled to enrollment on the rolls of various tribes composing the Five Civilized Tribes of Oklahoma, and the list approved by attorneys of the Choctaw and Chickasaw Nations.

Mr. McCUMBER. There is nothing in the caption of that instrument to indicate any necessity for the public printing of the instrument.

Mr. OWEN. It has already been printed, Mr. President, and the addition which is proposed is the assent of the attorneys representing the various tribes.

Mr. McCUMBER. What is the object of the whole matter?

Mr. OWEN. The object of it is to place before the Senate the list of those persons who are found by the Interior Department apparently equitably entitled to be enrolled, and the assent is given by the attorneys of the Choctaw and Chickasaw Nations and the Creek Nation, those principally involved, to the enrollment of those persons.

Mr. McCUMBER. Is it the purpose of the Senator to have it referred to the Committee on Indian Affairs and printed for their convenience?

Mr. OWEN. It is my purpose to have it printed for the information of the Senate and referred to the Committee on Indian Affairs for their information.

Mr. McCUMBER. Has the Senator the slightest idea that any Member of the Senate, other than those who are directly interested in the possible question whether certain citizens may be put upon the rolls, will ever read a word of it? Has the Senator even the slightest belief that one single word will be read by other Senators?

Mr. OWEN. If the Senator objects to it, I shall not insist upon it. I think it ought to be printed for the use of the committee and for the use of the Senate.

The PRESIDENT pro tempore. Does the Senator from North Dakota object?

Mr. McCUMBER. Yes.

The PRESIDENT pro tempore. The Senator objects.

PETITIONS AND MEMORIALS.

Mr. POMERENE presented memorials of sundry citizens of the State of Ohio, remonstrating against the adoption of an amendment to the Constitution to prohibit the manufacture, sale, and importation of intoxicating beverages, which were referred to the Committee on the Judiciary.

He also presented a petition of 385 voters and school children of Salem, Ohio, praying for an appropriation of $100,000 to be used by the Department of Agriculture to enforce the migratory-bird law, which was referred to the Committee on Appropriations.

Mr. BORAH presented petitions of sundry citizens of the State of Idaho, praying for the adoption of an amendment to the Constitution to prohibit the manufacture, sale, and importation of intoxicating beverages, which were referred to the Committee on the Judiciary.

Mr. CATRON presented a petition of sundry citizens of Quay County, N. Mex., praying for national prohibition, which was referred to the Committee on the Judiciary.

Mr. BRANDEGEE presented a petition of the Connecticut Peace Society, praying for a peaceable settlement of the difficulties between the United States and Mexico, which was referred to the Committee on Foreign Relations.

Mr. WARREN presented a memorial of the board of education of Hanna, Wyo., remonstrating against the treatment accorded citizens in southern Colorado by the military authorities of that State, which was referred to the Committee on Education and Labor.

Mr. GOFF presented petitions of 554 citizens of Harrison County, 54 citizens of Randolph County, 21 citizens of Boone County, 19 citizens of Upshur County, 19 citizens of Mason County, 25 citizens of Pendleton County, 52 citizens of Ohio County, 18 citizens of Morgan County, 33 citizens of Hancock County, 40 citizens of Brooke County, 15 citizens of Fayette County, 51 citizens of Wood County, 39 citizens of Raleigh County, 48 citizens of Hancock County, 31 citizens of Braxton County, 45 citizens of Taylor County, 136 citizens of Cabell County, 26 citizens of Wirt County, 26 citizens of McDowell County, 75 citizens of Mingo County, 78 citizens of Kanawha County, 66 citizens of Harrison County, 48 citizens of Nicholas County, 260 citizens of Kanawha County, 96 citizens of Randolph County, 78 citizens of Wood County, 14 citizens of Jackson County, 26 citizens of Mason County, 25 citizens of Harrison County, and 130 students of Salem College, all in the State of West Virginia, for the passage of Senate joint resolution No. 88, proposing an amendment to the Constitution of the United States for nation-wide prohibition of the beverage traffic in intoxicating liquors, which were referred to the Committee on the Judiciary.

Mr. SHERMAN presented a petition of Local Union No. 64, United Garment Workers, of Rockford, Ill., praying for the enactment of legislation to regulate the shipment and sale of convict-made goods, which was referred to the Committee on Manufactures.

Mr. WEEKS presented a petition of sundry citizens of Newtonville, Arlington Heights, Brookline, Dorchester, Newton, and Newton Center, all in the State of Massachusetts, praying for the enactment of legislation to provide for Federal censorship of motion pictures, which was referred to the Committee on Education and Labor.

He also presented a petition of the Massachusetts Fish and Game Protective Association, the Massachusetts Society for the Prevention of Cruelty to Animals, and the Massachusetts Audubon Society, praying for an appropriation of $100,000 for the enforcement of the so-called migratory bird law, which was referred to the Committee on Appropriations.

He also presented a resolution adopted by the directors of the port of Boston, Mass., favoring the refunding of all tolls collected from American coastwise ships passing through the Panama Canal, which was ordered to lie on the table.

Mr. POINDEXTER presented a resolution adopted by the Tacoma Business Girls' Club, of Washington, favoring the enactment of legislation making it a felony to willfully and intentionally desecrate the flag, which was referred to the Committee on the Judiciary.

He also presented a memorial of members of the Open Forum, of Seattle, Wash., remonstrating against the conditions existing in the mining districts of Colorado, which was referred to the Committee on Education and Labor.

Mr. PAGE presented a petition of the congregation of Bethany Congregational Church, of Montpelier, Vt., praying for the adoption of an amendment to the Constitution to prohibit the manufacture, sale, and importation of intoxicating beverages, which was referred to the Committee on the Judiciary.

Mr. BURLEIGH presented petitions of sundry citizens of the State of Maine, praying for the adoption of an amendment to the Constitution to prohibit the manufacture, sale, and importation of intoxicating beverages, which were referred to the Committee on the Judiciary.

Mr. CHAMBERLAIN presented petitions of sundry citizens of the State of Oregon, praying for the adoption of an amendment to the Constitution to prohibit the manufacture, sale, and importation of intoxicating beverages, which were referred to the Committee on the Judiciary.

Mr. PERKINS presented a memorial of sundry citizens of Stockton, Cal., remonstrating against the adoption of an amendment to the Constitution to prohibit the manufacture, sale, and importation of intoxicating beverages, which was referred to the Committee on the Judiciary.

He also presented a petition of the Epworth League of the Methodist Episcopal Church of Hollister, Cal., praying for the enactment of legislation to provide for Federal censorship of motion pictures, which was referred to the Committee on Education and Labor.

He also presented a memorial of sundry citizens of Norwalk and Artesia, in the State of California, remonstrating against the enactment of legislation to compel the observance of Sunday as a day of rest in the District of Columbia, which was referred to the Committee on the District of Columbia.

Mr. COLT presented petitions of sundry citizens of Scituate and Newport, in the State of Rhode Island, praying for the adoption of an amendment to the Constitution to prohibit the manufacture, sale, and importation of intoxicating beverages, which were referred to the Committee on the Judiciary.

Mr. BRADLEY presented a memorial of Local Union No. 4, United Brotherhood of Carpenters and Joiners, of Louisville, Ky., remonstrating against war with Mexico, which was referred to the Committee on Foreign Relations.

He also presented petitions of Plain City Lodge, No. 238, of Paducah; of Pride Lodge, No. 502, of Louisville; of Local Division No. 15, of Lexington; of Local Division No. 603, of Covington; and of Local Division No. 463, of Corbin, all of the Brotherhood of Locomotive Firemen and Enginemen, in the State of Kentucky, praying for the enactment of legislation to further restrict immigration, which were ordered to lie on the table.

He also presented a memorial of the Workman's Sick and Death Benefit Fund Association of New York City, N. Y., remonstrating against the conduct of the Colorado militia in the mining districts of that State, which was referred to the Committee on Education and Labor.

Mr. ASHURST. Mr. President, I present a large number of memorials and telegrams from citizens of Arizona, protesting against the repeal of the so-called "free-tolls act." I ask that they may be referred to the Committee on Interoceanic Canals, and I request the committee to consider them at their next meeting.

The PRESIDENT pro tempore. The Senator from Arizona presents certain telegrams and memorials, which will be referred to the Committee on Interoceanic Canals.

Mr. ASHURST subsequently said: Mr. President, this morning I submitted certain petitions and telegrams relating to the Panama Canal controversy. I now ask that they may be incorporated in the RECORD. I will not ask that they be read, but I ask that they may be incorporated in the RECORD.

Mr. BRANDEGEE. Mr. President, I think I shall have to object. The committee has already reported the bill, and the proper course is that the telegrams be ordered to lie on the table.

The PRESIDENT pro tempore. The Senator from Connecticut objects.

Mr. O'GORMAN. Mr. President, I desire to say, in reference to the request made by the Senator from Arizona [Mr. ASHURST], that the Committee on Interoceanic Canals has considered the bill to which they refer; it has made its report thereon, and it is not likely at this time to give further consideration to the subject.

RANDOLPH SUMMERLIN.

Mr. SMITH of Georgia. Mr. President, I ask permission to read a few lines from a telegram sent by a brother of Randolph Summerlin, a Georgia marine, who died a week ago yesterday at Vera Cruz from a wound received in the first occupation of that city.

The PRESIDENT pro tempore. Unless there is objection, permission will be granted. The Chair hears none.

Mr. SMITH of Georgia. A telegram was sent to a newspaper correspondent at Willacoochee, Ga., instructing him to interview Summerlin's father. The telegram reads as follows:

Please interview Summerlin's father on uselessness of sacrifice if the United States is now to accept mediation. Does he not think it outrageous to have to send boys to be killed and then the Government decide fighting is wrong?

This was the reply:

Referring to telegram, beg to say my brother Randolph Summerlin was killed at Vera Cruz in defense of our country's honor. We favor President Wilson and Democratic administration, and Randolph has four brothers and a father who are ready and willing to make the same sacrifice if called upon. We think the Wilson policy is absolutely right.

L. W. SUMMERLIN.

A telegram was also sent by citizens from Willacoochee to this effect:

B. F. Summerlin, father, and W. W. Summerlin, brother of Randolph Summerlin, killed at Vera Cruz, take the request as a gross insult not only to relatives and friends but entire country. If we could not be loyal to our country we would move out.

The patriotic spirit shown by the father and brother of the dead hero reflects the attitude of the entire people of Georgia.

REPORTS OF COMMITTEES.

Mr. VARDAMAN, from the Committee on Military Affairs, to which was referred the bill (S. 4853) for the relief of John J. Fisher, submitted an adverse report (No. 480) thereon, which was agreed to, and the bill was postponed indefinitely.

Mr. CHAMBERLAIN, from the Committee on Military Affairs, to which was referred the bill (S. 4417) to reinstate Francis Graves Bonham as a cadet at the United States Military Academy, reported it without amendment and submitted a report (No. 479) thereon.

Mr. O'GORMAN, from the Committee on Naval Affairs, to which was referred the bill (S. 5445) for the relief of Gordon W. Nelson, reported it without amendment and submitted a report (No. 481) thereon.

MEMORIAL TO JOHN ERICSSON.

Mr. LEA of Tennessee. From the Committee on the Library I report back favorably with an amendment the bill (S. 1086) for erecting a suitable memorial to John Ericsson, and I submit a report (No. 477) thereon.

Mr. CLAPP. I ask unanimous consent for the present consideration of the bill.

The PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill.

The amendment of the Committee on the Library was, in line 3, after the words "sum of," to strike out "$100,000" and insert "$25,000," so as to make the bill read:

Be it enacted, etc., That the sum of $25,000, or so much thereof as may be necessary, is hereby authorized for the erection, in the city of Washington, D. C., of a suitable memorial to John Ericsson, the inventor and constructor of the *Monitor*, said sum to be expended for the purposes herein named by a commission consisting of the chairman of the Committee on the Library of the Senate, the chairman of the Committee on the Library of the House of Representatives, and the Secretary of the Navy.

The amendment was agreed to.

The bill was reported to the Senate as amended, and the amendment was concurred in.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

IMPROVEMENT OF CHANNELS.

Mr. CHAMBERLAIN. From the Committee on Commerce I report back favorably, without amendment, the joint resolution (S. J. Res. 95) providing for method of improving channels giving access to military reservations or fortifications, and I submit a report (No. 478) thereon. I ask unanimous consent for the present consideration of the joint resolution.

The PRESIDENT pro tempore. Is there objection to the present consideration of the joint resolution?

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the joint resolution, which was read, as follows:

Resolved, etc., That whenever, in the opinion of the Secretary of War, the work of dredging or improving any channel of any navigable water for the purpose of giving access to any wharf on a military reservation or fortification, including any dredging in front of or along such wharf, under any appropriation available for the purpose, can be more economically done by the use of any Government dredge or other plant purchased for river and harbor improvement, or by combining the same with any authorized project for river and harbor improvement, the Secretary of War may, in his discretion, authorize such use or combination

upon the reimbursement of the river and harbor appropriation for the actual cost of the work, as determined by the Chief of Engineers with the approval of the Secretary of War.

The joint resolution was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

BILLS INTRODUCED.

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. REED:

A bill (S. 5462) to authorize the county of Barry, in the State of Missouri, to construct a bridge across the White River in Barry County, Mo., at or near a point known as Goldens Ferry; to the Committee on Commerce.

By Mr. CATRON:

A bill (S. 5463) to authorize the Secretary of the Interior to lease allotted or unallotted Indian lands for mining purposes; to the Committee on Indian Affairs.

By Mr. MARTIN of Virginia:

A bill (S. 5464) to amend the act entitled "An act granting to certain employees of the United States the right to receive from it compensation for injuries sustained in the course of their employment," approved May 30, 1908; to the Committee on Claims.

By Mr. RANSDELL:

A bill (S. 5465) regulating the method of keeping mortality statistics by the Census Bureau, and providing for tabulating and rating separately white and colored people; to the Committee on the Census.

By Mr. CHILTON:

A bill (S. 5466) to amend and reenact section 113 of chapter 5 of the Judicial Code of the United States; to the Committee on the Judiciary.

AMENDMENTS TO APPROPRIATION BILLS.

Mr. VARDAMAN submitted an amendment intended to be proposed by him to the river and harbor appropriation bill, which was referred to the Committee on Commerce and ordered to be printed.

Mr. SHEPPARD submitted an amendment intended to be proposed by him to the river and harbor appropriation bill, which was referred to the Committee on Commerce and ordered to be printed.

Mr. SWANSON submitted an amendment proposing to appropriate $16,000 for the construction of a bituminous macadam road from the wharf at Yorktown, Va., via the National Monument to the National Cemetery, intended to be proposed by him to the sundry civil appropriation bill, which was referred to the Committee on Appropriations and ordered to be printed.

He also submitted an amendment intended to be proposed by him to the river and harbor appropriation bill, which was referred to the Committee on Commerce and ordered to be printed.

Mr. HOLLIS submitted an amendment intended to be proposed by him to the river and harbor appropriation bill, which was referred to the Committee on Commerce and ordered to be printed.

Mr. TILLMAN submitted an amendment authorizing the Secretary of the Navy to exceed the amount appropriated under maintenance of yards and docks in an amount equal to the total of such expenditures in navy yards heretofore charged to other appropriations as properly constituted a part of yard maintenance, etc., intended to be proposed by him to the naval appropriation bill, which was referred to the Committee on Naval Affairs and ordered to be printed.

Mr. OLIVER submitted an amendment proposing to increase the salary of the civil engineer, office chief, Quartermaster Corps, from $1,800 to $2,000 per annum, intended to be proposed by him to the legislative, executive, and judicial appropriation bill, which was referred to the Committee on Appropriations and ordered to be printed.

Mr. CHILTON submitted an amendment intended to be proposed by him to the river and harbor appropriation bill, which was referred to the Committee on Commerce and ordered to be printed.

PANAMA CANAL TOLLS.

Mr. WALSH submitted an amendment intended to be proposed by him to the bill (H. R. 14385) to amend section 5 of "An act to provide for the opening, maintenance, protection, and operation of the Panama Canal and the sanitation of the Canal Zone," approved August 24, 1912, which was ordered to lie on the table and be printed.

AMENDMENT TO AGRICULTURAL APPROPRIATION BILL.

Mr. McCUMBER. Mr. President, I wish to submit an amendment to the Agricultural appropriation bill and have it printed; but if the appropriation bill comes up to-day there will be no time for the printing of the amendment. Before submitting the amendment, I desire to ask the Senator from Oklahoma [Mr. GORE] who is in charge of the bill if he purposes to move to take it up to-day for consideration?

Mr. GORE. Mr. President, it is my intention to call up the bill as soon as the morning business has been concluded.

Mr. McCUMBER. I will not submit the amendment at this time, but will do so if the Agricultural appropriation bill is not disposed of to-day.

WITHDRAWAL OF PAPERS—JOSEPH H. MAYO.

On motion of Mr. MARTIN of Virginia, it was—

Ordered, That the papers accompanying the bill S. 1529, Sixty-third Congress, granting a pension to Joseph H. Mayo, be withdrawn from the files of the Senate, no adverse report having been made thereon.

PANAMA CANAL TOLLS.

Mr. BORAH. I submit a resolution, and ask that it be read and lie on the table for the present.

The resolution (S. Res. 347) was read and ordered to lie on the table, as follows:

Whereas the three political parties now represented in the executive and legislative departments of the Government, and which alone will have to do with pending legislation, went before the voters in the last national campaign solemnly committed to the policy and the justice of exemption of tolls from American vessels engaged in coastwise trade; and

Whereas the three candidates for the Presidency of each of said political parties individually declared in favor of the justice and wisdom of such policy; and

Whereas it is now deemed by some the part of wisdom, notwithstanding such pledges and platforms, to impose tolls upon American vessels engaged in coastwise trade; and

Whereas national honor and the fundamental principles of representative government require that we deal in the utmost good faith with the electorate, and that all public servants carry out the pledges solemnly made to the people and upon and by reason of which pledges they are delegated to act for the people; and

Whereas at the approaching November election the entire House of Representatives and 32 Members of the Senate are to be elected, all of whom must be elected by popular vote; and

Whereas in this way a referendum for all practical purposes may be had upon this important question heretofore submitted to the people; and

Whereas no injury of any moment can possibly arise or be incurred by reason of delaying the passage of this bill for the next few months: Therefore be it

Resolved, That a vote upon House bill No. 14385, providing for the repeal of that portion of the act of August 24, 1912, providing for the exemption of tolls upon vessels engaged in coastwise trade, shall be postponed until after the convening of Congress, December 7, 1914, to the end that this matter may again be submitted to the voters of the United States, whose right and privilege it is to finally determine this question.

ADDRESS BY HON. MANUEL L. QUEZON.

Mr. HITCHCOCK. I ask unanimous consent to have printed as a document an address by Hon. MANUEL L. QUEZON, Resident Commissioner from the Philippine Islands, delivered to the Chamber of Industry, Cleveland, Ohio, April 16, 1914.

The PRESIDENT pro tempore. The Senator from Nebraska asks unanimous consent that a certain address delivered by the gentleman named by him may be printed. Is there objection?

Mr. SMOOT. I ask the Senator if he will not have it referred to the Committee on Printing, and have the committee pass on it, as is done in the case of all similar requests?

Mr. McCUMBER. Mr. President, there is objection to its printing. Whatever that may count for I do not know, but I want to make that objection; and if Senators wish still to debate it, of course they are at liberty to do so.

Mr. HITCHCOCK. I presume the request will be referred to the Committee on Printing.

The PRESIDENT pro tempore. The request of the Senator from Nebraska, together with the accompanying document, will be referred to the Committee on Printing.

DISCRIMINATIONS IN SHIPMENTS OF COAL.

Mr. TILLMAN. Mr. President, I ask unanimous consent to have the letter I send to the desk read, and then I will ask to have the table accompanying the letter printed in the RECORD with it.

The PRESIDENT pro tempore. Is there objection to the reading of the letter presented by the Senator from South Carolina? The Chair hears none, and the Secretary will read it.

The Secretary read as follows:

CONSOLIDATED NEWS, STATISTICS,
AND TRANSPORTATION BUREAU,
Philadelphia, May 1, 1914.

Hon. BENJAMIN R. TILLMAN,
Senate Chamber, Washington, D. C.

MY DEAR SIR: *Coal Trust manipulation of chief coal fields by railroads, of which the dominant factor is and has been for many years the Pennsylvania Railroad Co.*

Your move for an inquiry is most timely, and if incisively and fearlessly undertaken by the committee would reveal conditions that, when understood, could be rectified. Suppose you undertake to secure from any department of Government at Washington a statement of tide-

water receipts and shipments of coal—bituminous and anthracite—for calendar year 1913. You won't get it. We hand you a statement for 1912 and several previous years. The State of Maryland never produced over 5,500,000 tons of bituminous coal in a year. Pennsylvania produces 170,000,000 tons of bituminous coal. The Pennsylvania coal fields are substantially the same distance from Philadelphia as from Baltimore, but on our export and coastwise shipments of coal the Pennsylvania Railroad charges Philadelphia 7 cents more per ton freight than the Pennsylvania Railroad charges Baltimore. This is manipulated by a "joker," as the public tariff rates, as printed, are the same to each port.

You will therefore see that, as was recently the case, it cost owners of a 9,000-ton cargo of coal $630 more to load said cargo of Pennsylvania coal at Philadelphia than it would cost to have loaded the identical cargo of Pennsylvania coal at Baltimore. This is one of the kinds of discrimination which we understand you are complaining against. We have been trying for 15 years to assist in rectifying such injustices. We believe conditions surrounding export and coastwise coal shipments have never been thoroughly investigated.

Yours, very respectfully,

FRANK L. NEALL, *Manager.*

There being no objection, the table referred to was ordered to be printed in the RECORD, as follows:

Atlantic tidewater shipments of coal, 1907 to 1912.

[Tons, 2,240 pounds.]

Calendar years.	Port.	Anthracite.	Bituminous.	Total.
1907	New York	16,753,914	11,691,101	28,445,015
	Philadelphia	2,411,521	5,095,473	7,506,994
	Baltimore	266,062	3,804,066	4,070,128
	Norfolk	.....	1,951,747	1,951,747
	Newport News	.....	2,396,486	2,396,486
		19,431,497	24,938,873	44,370,370
1908	New York	15,069,981	10,247,014	25,316,995
	Philadelphia	2,164,747	4,675,767	6,840,514
	Baltimore	251,739	3,704,851	3,956,590
	Norfolk	.....	1,651,093	1,651,093
	Newport News	.....	2,742,294	2,742,294
		17,486,467	23,021,019	40,507,486
1909	New York	14,418,292	10,549,974	24,968,266
	Philadelphia	2,001,866	4,674,276	6,676,142
	Baltimore	235,233	3,344,225	3,579,458
	Norfolk	.....	2,047,417	2,047,417
	Newport News	.....	3,495,596	3,495,596
		16,655,391	24,111,488	40,766,879
1910	New York	15,036,622	11,289,095	26,325,717
	Philadelphia	1,980,830	4,700,174	6,681,004
	Baltimore	272,695	3,780,120	4,052,815
	Norfolk	.....	3,534,134	3,534,134
	Newport News	.....	2,817,701	2,817,701
		17,290,147	26,121,224	43,411,371
1911	New York	14,651,401	10,749,988	25,401,389
	Philadelphia	2,197,750	4,856,626	7,054,376
	Baltimore	257,025	4,002,809	4,259,834
	Norfolk	.....	4,698,769	4,698,769
	Newport News	.....	2,678,156	2,678,156
		17,106,176	26,986,348	44,092,524
1912	New York	13,805,163	11,656,912	25,462,075
	Philadelphia	1,987,202	4,751,922	6,739,124
	Baltimore	207,904	3,680,847	3,888,751
	Norfolk	.....	6,394,379	6,394,379
	Newport News	.....	2,725,282	2,725,282
		16,000,269	29,209,342	45,209,611

PANAMA CANAL TOLLS.

Mr. STONE. Mr. President, I see on the front page of the calendar a notice the Senator from Wisconsin [Mr. LA FOLLETTE] gave on yesterday that on Tuesday morning next, following the routine business, he would address the Senate on a certain bill. I rise merely to give notice or to state that if the Panama Canal tolls bill is not the unfinished business of the Senate at that time I will ask leave to speak on the bill I have just named following the address of the Senator from Wisconsin. If the Panama Canal tolls bill is to be taken up at 2 o'clock on Tuesday, I will not intrude myself on the morning hour, but will speak to it when it is called up as the unfinished business.

The PRESIDENT pro tempore. The announcement made by the Senator from Missouri will be noted.

AGRICULTURAL APPROPRIATIONS.

The PRESIDENT pro tempore. Morning business is closed.

Mr. GORE. I ask unanimous consent that the Senate proceed to the consideration of——

Mr. O'GORMAN. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Oklahoma yield to the Senator from New York?

Mr. GORE. Not until I have made my request.

Mr. SMOOT. I ask for the regular order.

The PRESIDENT pro tempore. The Senator from Oklahoma has been recognized. The Chair will hear what he has to say.

Mr. GORE. I ask unanimous consent that the Senate proceed to the consideration of House bill 13679, being the Agricultural appropriation bill.

Mr. McCUMBER. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Oklahoma yield to the Senator from North Dakota?

Mr. GORE. Yes, sir.

Mr. McCUMBER. I understand the Senator has made a request or a motion, but on account of the noise in the Senate Chamber I could not understand what it was.

The PRESIDENT pro tempore. The Senator from Oklahoma will repeat his request.

Mr. GORE. I ask unanimous consent that the Senate proceed to the consideration of the Agricultural appropriation bill.

Mr. McCUMBER. Mr. President, before giving unanimous consent—at least, on my part—let me call the Senator's attention to the fact that, in my humble judgment, he will scarcely be able to get through with the bill to-day, and, as I understand, other motions will be made.

I wish to say to the Senator that the grain-grading bill is dead; that there is joy in the ranks of all of the boards of trade; and that to-day is a holiday throughout the States in which such boards are located. While the taste of the blood of that bill still lingers on the lips of the Senate, I simply desire to inform the Senate and the Senator from Oklahoma that the principle which that bill contains is not dead, and that it will continue to come up, like Banquo's ghost, just so long as the robbery against the farming population of this country is allowed to continue. An amendment will be offered to place upon the bill the Senator has in charge the very provision which these boards of trade surreptitiously brought into the Senate for the purpose of giving us the idea that they did not object to Government supervision or to Government standardization or to uniformity. I knew that they did object to those things, and that those who followed their behest would vote against them, as was done, in the Senate. That amendment will be offered again to this bill, and I purpose, Mr. President, during the discussion of the bill, to see that there is a quorum in the Senate.

During the last several days we have had to debate subjects when there were not three Senators present, although the aroma of cigar smoke came from the halls outside, and while there was not a single sound here except that of one speaker dictating to the reporter, interspersed a little with the echo of a snore from one or the other of the two cloakrooms and the click of a ball out on the golf grounds. That is going to cease in the Senate of the United States. I saw the evil result of having but a handful of Senators present during the debate upon an important proposition that affected the farmers of my own State to the extent of more than $5,000,000 a year, and which affected to the amount of $30,000,000 or $40,000,000 a year the agricultural interests of the entire Nation, and having that bill voted upon without any knowledge and without any hearing; and I want to assure the Senate that, so far as it is in my power to keep a quorum here, the day has passed for you to vote during this session upon a matter in which you have not at least an opportunity to come in every three minutes, if it may be necessary, to keep a quorum here in the Senate. If the matters that come before us are not worthy of consideration by the Senate, it is better that we should adjourn and give the country at least a rest; otherwise we will stay here until the 15th of November next, and take the usual recess that we have been taking in the past few years.

I desire the Senate to understand clearly that this bill is going to be debated, and debated at length, and that I am going to have a hearing—if I have to convert the Senate Chamber into a kindergarten, it is going to be done—upon these matters that affect the people of the great Northwest; and the hearing is not going to be out in the cloakrooms of the Senate.

Mr. GORE. Mr. President, I wish to assure the Senator that I have enjoyed his several soliloquies on the grain bill, and I appreciate the assurance which he gives that a quorum is to be maintained.

The Senator will doubtless derive consolation from the assurance that the pending Agricultural appropriation bill perpetrates and perpetuates the extreme irony of continuing an appropriation authorizing the Secretary of Agriculture to investigate the handling, grading, and transportation of grain, not with a view of establishing uniform standards, because, as suggested by the Senator, the voice of the farmer is not always heard and the voice of the farmer is not always heeded, perchance, in this body; but I shall join him in his proper attempt to secure just and expeditious legislation upon the subject to which he refers.

I renew my request that the Senate proceed to the consideration of the Agricultural appropriation bill.

The PRESIDENT pro tempore. Does the Senator from Oklahoma ask unanimous consent or move to proceed to the consideration of the Agricultural appropriation bill?

Mr. GORE. If a motion is in order, I move to proceed to its consideration.

The PRESIDENT pro tempore. It will not be in order until 1 o'clock.

Mr. GORE. That was my understanding. For that reason I did not make the motion.

Mr. LODGE. On the point of order, I wish to call the attention of the Chair to page 10 of the Rules of the Senate, clause 3, under which this whole difficulty has arisen.

The PRESIDENT pro tempore. Yes; the Chair sees the alternative there.

Mr. LODGE. The statement is:

Until the morning business shall have been concluded and so announced from the Chair, or——

The PRESIDENT pro tempore. The motion is in order.

Mr. LODGE. It is disjunctive; if either of those conditions exists.

The PRESIDENT pro tempore. The Chair stands corrected.

Mr. LODGE. One moment, if the Chair will permit me.

The PRESIDENT pro tempore. The Chair will be pleased to listen to the argument of the learned Senator.

Mr. LODGE. If the Chair will permit me, the last section of Rule VIII reads as follows:

All motions made before 2 o'clock—

Recognizing the power to make a motion—

to proceed to the consideration of any matter shall be determined without debate.

The PRESIDENT pro tempore. The Chair was advised of all that. The remarks of the Senator from North Dakota [Mr. McCUMBER] were so interesting that the Chair did not feel like taking upon himself the right to stop him. The motion of the Senator from Oklahoma [Mr. GORE] is in order, to proceed to the consideration of the Agriculture appropriation bill.

The motion was agreed to; and the Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 13679) making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1915.

The PRESIDENT pro tempore. The Secretary will state the first amendment passed over.

Mr. McCUMBER. I suggest the absence of a quorum.

The PRESIDENT pro tempore. The absence of a quorum being suggested, the Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Ashurst	Dillingham	Martin, Va.	Smith, Ariz.
Bankhead	Fall	Martine, N. J.	Smith, Mich.
Borah	Goff	Nelson	Smith, S. C.
Brady	Gore	Norris	Smoot
Brandegee	Hitchcock	O'Gorman	Sterling
Bristow	Hughes	Oliver	Stone
Bryan	Johnson	Overman	Sutherland
Burleigh	Jones	Page	Swanson
Burton	Kenyon	Perkins	Thompson
Catron	La Follette	Pittman	Thornton
Chamberlain	Lane	Poindexter	Tillman
Clapp	Lea, Tenn.	Pomerene	Townsend
Clark, Wyo.	Lee, Md.	Ransdell	Vardaman
Clarke, Ark.	Lippitt	Robinson	Walsh
Colt	Lodge	Sheppard	Warren
Crawford	McCumber	Sherman	West
Cummins	McLean	Simmons	Works

The PRESIDENT pro tempore. Sixty-eight Senators having answered to the roll call, a quorum of the Senate is present. The Secretary will state the first amendment passed over.

The SECRETARY. The first committee amendment passed over is on page 1, relative to the salary of the Assistant Secretary of Agriculture. In line 12 the committee proposes to strike out "$5,000" and to insert "$6,000: *Provided*, That if the position is held by any other than the present incumbent the salary shall be reduced to $5,000."

The PRESIDENT pro tempore. The question is on agreeing to the amendment proposed by the committee.

Mr. CLARK of Wyoming. Mr. President, I do not know whether we have had any explanation of this increase as applicable to this particular officer or not. I should like to have some information from the chairman of the committee in regard to it, and also how it compares with the compensation of the Assistant Secretaries of other departments.

Mr. GORE. Mr. President, I will answer both of the questions of the Senator.

The particular reasons which moved the committee to report this increase are as follows: The present Assistant Secretary of Agriculture has been in the department and in the service of the Government for 26 years. He recently surrendered a place paying him $5,000 a year, which was in the civil service, which, of course, meant a life tenure, and accepted the assistant secretaryship at $5,000, which does not afford him the protection of a life tenure. On account of his long experience he is pre-eminently qualified for the duties of this particular place. I am advised that he has recently been tendered an appointment as dean of one of the largest agricultural colleges in the United States at a salary of $7,500 a year, carrying with it, in the event of his death, a pension to his widow and free education to his children. It is his wish, as I am informed, to retain this position and not to sever an association which has continued so long and with so much benefit to the department and to the country.

If this increase is granted, the salary of this position will be larger, I believe, than that of any other Assistant Secretary in any other department of the Government. I think it ought to be. It is more difficult to secure a man peculiarly fitted for this particular place than for any other assistant secretaryship. I believe I violate no confidence when I say to the Senate that the Secretary of Agriculture assured me that he would be much puzzled if a vacancy should arise here, and he should be called upon to select a man entirely adequate to the position, or as much so as the present incumbent.

These are the reasons why the committee has seen fit to report this increase; and I trust the Senate will sustain the committee.

Mr. CLARK of Wyoming. Mr. President, I have not the least doubt but that the Senate will sustain the committee. It occurs to me, however, that it is rather a novel basis on which to place a salary that this particular man, who undoubtedly has served the department well, is the only one who probably could be secured to fill this position.

I have had the notion for a good many years that the former Assistant Secretaries of the department were competent and worthy men, and that their work, together with the work of the former Secretary of Agriculture, has resulted in great good to the country. If, as a matter of fact, as the Senator states, the duties of this office are such that a good man can not be secured for less than $6,000 a year, then we ought not to place this limitation upon the appropriation, but we ought to fix generally the salary for this office at $6,000.

I suppose it will not be contended that any of the officers of this grade and character are getting in the public service what they could get in private service, or in employment outside of the Government service. That is true in the legislative branch of the Government as well. I suppose there are few, if any, Senators here who did not make a pecuniary sacrifice in coming to the Senate.

It seems to me the only just reason for this increase is that the services of the First Assistant Secretary of Agriculture are worth $6,000, or $1,000 more than those of the Assistant Secretary of any other department of the Government; and in that case I think there ought not to be the limitation that is incorporated in the amendment, namely, that the salary of $6,000 shall apply only so long as this particular individual fills the office.

Mr. VARDAMAN. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Oklahoma yield to the Senator from Mississippi?

Mr. GORE. I yield.

Mr. VARDAMAN. I wish to ask the chairman of the committee if the proposed increase of this salary was a condition precedent to the man retaining the place?

Mr. GORE. Mr. President, I have not consulted the Assistant Secretary on that point. It has been my hope, and the hope of the committee, that in case this increase should be granted he would feel justified in retaining the position.

Mr. VARDAMAN. Did he say to the committee that it would be necessary, in order to retain him, to increase his salary?

Mr. GORE. He did not say so.

Mr. VARDAMAN. I wish to say, while I am on my feet, that I agree with the Senator from Wyoming [Mr. CLARK] that it is bad policy to fix a salary for the man who happens to occupy the place. I have no doubt that the services of the man who fills this position just now are worth just as much as any man who could be put there, and if the services to be rendered are worth $6,000 a year the salary ought to be fixed unconditionally. The salary should go with the office rather than the man.

Mr. CLARK of Wyoming. Mr. President, I desire to make a point of order.

The PRESIDENT pro tempore. The Senator from Wyoming will state it.

Mr. CLARK of Wyoming. I make the point of order against the proviso that it is legislation upon an appropriation bill.

Mr. GORE. I think the proviso is subject to a point of order.

Mr. OVERMAN. Mr. President, for information, before the point of order is passed upon, I should like to make an inquiry. The question was asked whether or not we can hold this man. As I understand, the man who occupies the position at present has been in the employment of the Agricultural Department for a long time, has he not?

Mr. GORE. Twenty-six years, I think.

Mr. OVERMAN. What salary was he getting before he was made Assistant Secretary of Agriculture?

Mr. GORE. He was receiving $5,000 a year.

Mr. OVERMAN. The same salary he is now getting?

Mr. GORE. Yes; and that was a civil-service position, with life tenure. I may add that the duties of the Assistant Secretaryship devolve upon him the duties of the Secretary in case of the absence of the Secretary.

Mr. WARREN. Mr. President, will the Senator from Oklahoma yield to me?

The PRESIDENT pro tempore. Does the Senator from Oklahoma yield to the junior Senator from Wyoming?

Mr. GORE. I yield.

Mr. WARREN. The question is asked whether the present incumbent will probably remain. While I think none of us has any authority to state positively that he will, I believe, from his personal conversation with Members of the Senate, that he intends to remain.

There is no doubt in my mind about the proviso being subject to a point of order. I ought to say, on the part of the committee, that there are precedents for recognizing men by special appropriation, as this proposes for the present incumbent; but such a proviso is usually adopted only when there is unanimous consent. The committee thought that perhaps, if the proviso were put in the bill, it would not lead to the increase of the salaries of other Assistant Secretaries quite so soon; but, of course, the proviso can be withdrawn or voted down.

Mr. JONES. Mr. President, a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator from Washington will state it.

Mr. JONES. Would this provision in the bill raising this salary to $6,000 continue any longer than the current year under the provisions of the bill? It does not say that hereafter the salary of the Assistant Secretary shall be $6,000, but it simply is placed at that much in this bill. I understand that it would not be a permanent increase, but simply for the current year.

The PRESIDENT pro tempore. The Chair was about to ask the senior Senator from Wyoming to state some of the reasons that induced him to think the provision was subject to a point of order on the ground of being general legislation. The Chair does not take that view of it.

Mr. WARREN. If I may answer the inquiry of the Senator from Washington, there is an item in another bill now before the Committee on Appropriations which, if accepted by the Senate and by the conference committee, will provide that all salaries included in these appropriation bills shall be the salaries of the respective positions hereafter until changed. Of course, the salaries can be changed in any bill; but if this is adopted, and the provision in the other bill is adopted, it will leave the salary at this figure until it is specifically repealed.

Now, as to the Chair's inquiry——

The PRESIDENT pro tempore. The Chair is not disposed to take the view that this limitation or direction as to the manner in which a specific sum of money is to be expended is general legislation in the sense of our rule on the subject. The Senator from Wyoming [Mr. CLARK], however, spoke to the contrary, with such confidence, that he raised a doubt in the mind of the Chair.

Mr. CLARK of Wyoming. It was my own construction of the rule, that it is general legislation upon an appropriation bill. If the Chair shall take the point of view that legislation which limits an appropriation or states how an appropriation shall be expended is not general legislation, of course the point of order will fall; but I am sure the Chair will find by examining the precedents that, whether rightly or wrongly, the point of order has been very frequently made, and as frequently sustained.

Mr. OVERMAN. Mr. President, I think this is a statutory salary; that the Assistant Secretary's salary is fixed by statute at $5,000.

The PRESIDENT pro tempore. Is it fixed by statute, or is it fixed by an item in an appropriation bill, as in this case?

Mr. OVERMAN. It is fixed by statute, I understand.

The PRESIDENT pro tempore. Has the Senator that statute before him?

Mr. OVERMAN. I have not; but that is the reason it went out on a point of order in the other House—because the statute fixed these salaries originally, and when an appropriation bill changes the salary that is new legislation.

The PRESIDENT pro tempore. The Chair will state that his ruling is in line with a precedent made when we had under consideration an item in an appropriation bill providing that certain officers should be exempt from the operation of the civil-service law. The appropriation was designed to make a certain investigation in connection with this class of officers; and the Senator from North Carolina made the point, and the Vice President sustained it, that any legislation which sought to give direction for the expenditure of, or place a limitation upon a particular item of appropriation was not subject to that point of order; that it was not general legislation. If Congress has power to appropriate the money it has an incidental right to say how it shall be actually expended. The Chair holds that the point of order is not well taken.

Mr. NORRIS. Mr. President, I wish to say just a few words in regard to this amendment. The reasons that impel me to favor it are different from any of those which have been advanced.

As a general rule, and as a general proposition, the Assistant Secretaries in the various departments are selected for partisan, political reasons. They are selected because of some work they have performed or contribution they have made, either in human effort or in money, in behalf of some political party. I do not mean to say by that that they would necessarily not be competent and able to perform the duties of their office, but when, as a general rule, men are appointed to office for partisan, political reasons, and when, especially in a department where there should not be any partisan considerations given and where no man's duty is in any way partisan, a Secretary deviates from that rule and selects a man entirely for his fitness, who had been serving the department in the classified service and had worked up to the position, it seems to me it would be a wise thing for Congress to give its approval to such a course by paying to such an official a higher salary than is paid to one who was appointed simply for political reasons. As I understand it, the Assistant Secretary of Agriculture has been in the service of the department for a long number of years; for 26 years, I think. He gradually worked up in the department under the civil service until he reached the highest point that could be obtained in the department under the civil service, and when Secretary Houston came into office he selected this man as his Assistant Secretary. He therefore made the selection entirely on account of the fitness of the man whom he selected for the place.

In my judgment, if the President, or the Presidents of the future, should follow the example of the Secretary of Agriculture here and select men for the heads of departments who had come up from the ranks by their own efforts, rather than select men for political reasons and partisan purposes, we would increase the efficiency of every department of our National Government.

I feel therefore like going contrary to what, as a general rule, I would favor and vote to place in the bill a provision that this increase shall apply only so long as the present incumbent holds the position. I should like to apply the same rule to every other department, if the Assistant Secretary was selected in the same way for the same purposes. It seems to me it is good legislation, and if such a precedent could be established by congressional action it would be an inducement to heads of departments in the future to follow this course. Certainly a man who has by his service shown his efficiency to hold this position, who has worked up under the civil service, is a more valuable man than one selected outside of the department, who knows nothing about its details, and when the very reason for his selection is political or partisan.

Mr. CLARK of Wyoming. Mr. President, I have not the slightest objection to the action of the committee in fixing the salary for this position at $6,000. On the contrary, I approve it. I make no criticism whatever of the present incumbent of the office. For many years I have known and have approved so far as it has come to my knowledge his efficiency in that department. But I do believe it is a bad way to legislate to fix a salary for a particular person instead of fixing it for the office which he holds.

If we should apply that rule to the general governmental service, what would we have? We would have some of us in the Senate receiving $5,000 a year, others more efficient $6,000 a year, and others still more efficient would receive $7,500 a year. Take it through the departments and you would have a salary list with the salary attached not to the office or the service in the office, but you would have a salary list attached to the individual who happened for the time being to fill the

office. There is no question whatever that that would be a bad way to carry on the business of the Government.

Mr. President, the point of order having been overruled, I move to strike out from the committee amendment the proviso:

Provided, That if the position is held by any other than the present incumbent the salary shall be reduced to $5,000.

That will leave the salary of the present incumbent at $6,000.

I move to amend the amendment of the committee by striking out the proviso.

The PRESIDENT pro tempore. The Senator from Wyoming moves to amend the committee amendment by striking out the proviso, which will be read.

The Secretary read as follows:

Provided, That if the position is held by any other than the present incumbent the salary shall be reduced to $5,000.

Mr. BRADY. Mr. President, I hope that this amendment to the amendment will not prevail. The committee gave very careful thought and consideration to the peculiar qualifications and fitness of the present Assistant Secretary of Agriculture for this position. The amendment was agreed to for the reason that we believed it was only right and fair that we should give Dr. Galloway a compensation in line or nearly so with the salary he could earn elsewhere. It is my candid opinion that the present Assistant Secretary will remain at his post whether we make his salary $5,000 or $6,000, but it is known to every member of the committee that he could receive a salary many hundred dollars greater than $6,000 at any time he would want to accept the position. He is not a man of means; he has devoted his life and his best efforts for the benefit of the agricultural interests of this country, and I believe that we can in no better way show our appreciation of faithful services honestly rendered than by recognizing his ability and making the increased salary apply to him individually.

Mr. JONES. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Idaho yield to the Senator from Washington?

Mr. BRADY. I do.

Mr. JONES. I do not understand that there is any disposition to oppose the provision giving the Assistant Secretary a salary of $6,000. If that is true, what is the objection to cutting out these other words, because the raise to $6,000 in the bill would apply only for the current year? The Senator does not think this man is going to retire during the current year?

Mr. BRADY. I want to go on record as favoring the salary for this particular man and to set an example for something of this character in other departments.

Mr. JONES. I do not understand that there is any opposition to the specific raise.

Mr. BRADY. Let it be understood that when a new man comes into the office he shall receive a salary of $5,000 unless he earns more.

Mr. LANE. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Idaho yield to the Senator from Oregon?

Mr. BRADY. I do.

Mr. LANE. I desire to know who the gentleman is. What is his name?

Mr. BRADY. Dr. Galloway, Assistant Secretary of Agriculture.

Mr. LANE. How long has he been connected with the department?

Mr. BRADY. The record shows what his work has been there.

Mr. LANE. Does the Senator know how long he has been there? I understood the Senator to say that he had investigated all his qualifications, and he was recommending the increase for that reason. I wish to ascertain some of the reasons why the Senator has recommended it after such investigation.

Mr. BRADY. He has been connected with the department for over 15 years. This increase was recommended by every member of the committee who had any personal acquaintance with him. It is well known to all members of the committee what his life work in that department has been and how he had been promoted under the civil service to the position he occupied before receiving this appointment.

Mr. LANE. I merely wish to say, if I may be allowed to intrude, that it strikes me this is special legislation, and, in a general way, that such legislation is usually bad.

Mr. BRADY. I agree with the Senator on that point, but in this case special legislation is justified.

Mr. LANE. I am not going to vote to make invidious distinctions between this and other departments. The record of the department is such, I am told, that I have not the highest respect for it. We spend millions and millions of dollars on the department, and as a matter of fact the records of the Government show that the average production of wheat per acre in the United States has been gradually going downhill for the last 25 years. It may not be the fault of this gentleman; it may be the fault of the methods in which the department is handled, but it has gone from 25 bushels of wheat an acre to 12 bushels on an average. In Germany the yield has increased from 12 bushels to about 40 bushels.

There is something wrong with our Agricultural Department. I do not think it is because of this man, and I rather presume it is not, but it is not a department which is giving the largest return to the people for the money expended upon it. In my opinion it is closely akin in its general management and its results to the Indian Bureau. It is a department which ought to be checked out pretty closely. I would not vote for it at all if I thought he was in any wise responsible for it, but the methods of the Agricultural Department and its results are not such that anyone can be particularly proud of it.

Mr. SMOOT. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Idaho yield to the Senator from Utah?

Mr. BRADY. I do.

Mr. SMOOT. I desire to say that Dr. Galloway has been in the employ of the Government in this department for about 26 years, and I do not think that there is a man in the Government service who is better qualified for filling the position occupied than he. In relation to the amount of wheat per acre produced in the United States, I certainly do not think the Senator from Oregon ought to charge that up against Dr. Galloway. The reason for that is well understood. The farmer has been robbing the land, and there is no one in this country who has called attention to that fact and done more to have it rectified than Dr. Galloway.

I believe, Mr. President, that if there is any man in the Government service who is entitled to an increase of salary it is Dr. Galloway. I find in this bill here other increases. I find——

Mr. LANE. Special in legislative form?

Mr. SMOOT. Special in legislative form.

Mr. LANE. I think it ought to be cut out.

Mr. SMOOT Some have already been agreed to.

Mr. POINDEXTER. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Idaho yield to the Senator from Washington?

Mr. BRADY. I do.

Mr. POINDEXTER. If it is true that Dr. Galloway is responsible for the decreased annual yield of wheat per acre, it would be a good principle to fix his salary on a sliding scale. Let it go up when the crop yield is up, and if he allows it to go down make his salary go down. [Laughter.] Would not that be a wise provision?

Mr. TOWNSEND. Will the Senator from Idaho yield to me?

Mr. BRADY. I yield to the Senator from Michigan.

Mr. TOWNSEND. I am very much interested in the statement of the Senator from Oregon [Mr. LANE]. I confess it surprised me when the Senator said that the wheat yield had decreased during the last 20 years. I hold in my hand the Statistical Abstract of the United States, and on page 143 I find that the yield of wheat has increased. Although slightly, it has gradually increased from 1866. The yield is given for every year. In 1866 it was 11.9 bushels per acre, and it is now 15.9 bushels per acre.

Mr. LANE. Is that the average throughout the country?

Mr. TOWNSEND. That is the average throughout the country.

Mr. LANE. Does that take into consideration all the new land that has been opened in North Dakota, South Dakota, Oregon, and Washington?

Mr. TOWNSEND. I was looking at the table here.

Mr. LANE. I think you will find, if you check it out, that land——

Mr. BRADY. I suggest that we do not question the agricultural reports of our country.

Mr. LANE. I would like to inquire if it takes in all the new wheat land which has been thrown into cultivation, some of it producing 40 bushels to the acre. If it makes an average from that, by including that land, as showing an increase in the yield of wheat, it is not worth the paper it is printed on as evidence of any increase due to improved agricultural methods.

Mr. BRADY. Are we to assume then that Dr. Galloway's salary should be changed on that particular account?

Mr. LANE. If he made that report, he ought to be dismissed or his salary lowered, if he is responsible for that as a showing for his department.

Mr. BRADY. We all believe that the reports issued by the Agricultural Department are reliable, and if they have not

been correct in every way, there is no man who will strive harder to have them correct than Dr. Galloway.

Mr. McCUMBER. Mr. President, will the Senator allow me to add my little mite to what I think should be a matter of justice to Dr. Galloway? Yesterday this Dr. Galloway had a bill before the Senate that he had prepared and which the Senate had declared to be a wondrously fine bill. All the boards of trade through different Senators had been talking about the good bill that had been gotten up by the Agricultural Department under the auspices of Dr. Galloway. That bill was presented to the Senate yesterday for a vote and it was defeated overwhelmingly. I think the bill that was drawn by Dr. Galloway, this great statistician, this individual whose salary should be raised from $5,000 to $6,000, ought to have had a little consideration yesterday when the Lever bill was before the Senate. Nearly every one of the Senators who think that Dr. Galloway's salary ought to be raised because of his efficiency voted solemnly against the bill that he had presented, to which he had given years of study, so they said, to get a good bill before the Senate.

Let me call attention to one provision in this bill showing not only the efficiency but the conservatism of Dr. Galloway. He was acquainted with the boards of trade; he knew their proclivities; he knew that the Agricultural Department would have something to do with those boards of trade, and in his conservative and wise nature he took no chances. So he proposed to provide in section 12:

> That every person who forcibly assaults, resists, impedes, or interferes with any officer or employee of the United States Department of Agriculture in the execution of any duties authorized to be performed by this act or the rules and regulations made hereunder shall, upon conviction thereof, be fined not less than $100 nor more than $1,000, or be imprisoned not less than one month nor more than one year, or by both such fine and imprisonment.

I did not think it was necessary to put that provision in my bill. I had suspicions about boards of trade not always being imbued with the highest ideas of integrity toward the people they dealt with, but I never had felt that they were so voracious that it was unsafe for a member of the Departmennt of Agriculture to go within their confines. But the wise Dr. Galloway found that it was necessary; and the principal and most important provision in the bill this wise statesman has presented to the Senate was one to guard himself and his force if they dared to put their heads within the confines of a board of exchange to inquire placidly about the conditions there in order to get necessary information.

I repeat, however, that having voted down Dr. Galloway's bill, after having given him a slap in the face because of the bill which he presented here, it is probably justice to him that you now compliment him and salve that wound by another thousand dollars pasted over it.

Mr. GORE. Mr. President, I should like to say to the Senate that there is nothing confidential about this proviso. Senators may talk about it——

The PRESIDENT pro tempore. The Senator from Idaho [Mr. BRADY] has the floor. Does he yield to the Senator from Oklahoma?

Mr. BRADY. I yield to the Senator from Oklahoma.

Mr. GORE. I wish to say that there is nothing confidential about this pending proviso, and if Senators care to talk about it they will violate no confidence in so doing and will not be out of order. Otherwise I ask that the discussion proceed.

Mr. BRADY. Mr. President, referring to the remarks made by the distinguished Senator from North Dakota [Mr. McCUMBER], I was under the impression that we had the grain-inspection bill under consideration long enough, and that it is hardly necessary for us to discuss it in considering Dr. Galloway's qualifications as Assistant Secretary of Agriculture.

Mr. McCUMBER. We have hardly got started in the discussion of that bill, I will say to the Senator from Idaho.

Mr. BRADY. Again, I want to suggest that, owing to the action of the Senate yesterday, as I happened to vote with the Senator from North Dakota for his bill, it might be wise to raise Dr. Galloway's salary and to lower the salary of Senators from our point of view. I do not think that any of these things which have been mentioned should have any particular bearing on the question as to whether we should place Dr. Galloway's salary at $5,000 or $6,000. I have had considerable experience as a business man, and I can not agree with the distinguished senior Senator from Wyoming [Mr. CLARK] that you should not pay a man in accordance with the services he performs. The very best money that I have ever invested was in paying competent men for performing good service, and not raising the salaries of the men who did not perform their duties properly. I believe that we can do more to add to the benefits to be derived from this Agricultural appropriation bill by saying to the man who really has the work in charge, that we appreciate his efforts, than we can do in any other way. The chairman of the committee discussed the matter with us very fully and discussed it with the Secretary of Agriculture. It was the opinion of the committee that it was nothing but just and equitable that we should make this increase in Dr. Galloway's salary.

I am not in favor of going on record, and I shall not go on record, as favoring placing this salary at $6,000 at the present time, except with the understanding that it will be lowered to the present salary at the end of his service. I want to vote for the amendment that Dr. Galloway is to receive $6,000 a year so long as he stays in that office, and that when he retires and the next Secretary comes in his salary will be $5,000 until he demonstrates to the people of the country and to the Senate that he is worth more.

Mr. McCUMBER. Mr. President, I want to ask the Senator from Idaho and other Senators who are asking for an increase of this salary upon what basis do they make the request? Do I understand that it is because Dr. Galloway is especially proficient; that he peculiarly understands the needs of the agricultural people of the United Sates? Is that the ground on which Senators ask that his salary be increased? I ought to receive a direct answer to that question.

Mr. BRADY. Mr. President——

The PRESIDENT pro tempore. Does the Senator from North Dakota yield to the Senator from Idaho?

Mr. McCUMBER. I yield to the Senator from Idaho.

Mr. BRADY. So far as I am individually concerned, that is the exact reason why I favor the increase of Dr. Galloway's salary.

Mr. McCUMBER. Very well, Mr. President, I want to just follow that out.

Mr. GORE. Mr. President——

The PRESIDENT pro tempore. Does the Senator from North Dakota also desire the views of the Senator from Oklahoma?

Mr. McCUMBER. Not just now, though I will yield in a moment.

Mr. President, I have always understood that by its fruit ye shall know the tree. I have supposed——

Mr. SMITH of Georgia. Will the Senator from North Dakota yield to me?

Mr. McCUMBER. In just a moment.

Mr. SMITH of Georgia. Mr. President——

The PRESIDENT pro tempore. Does the Senator from North Dakota yield to the Senator from Georgia?

Mr. McCUMBER. I shall yield in a moment, but not just now.

The PRESIDENT pro tempore. The Senator from North Dakota declines to yield.

Mr. McCUMBER. If this wonderful tree had produced this wonderful fruit, I would suppose that fruit would at least be worth looking at and adopting; but while Senators by an overwhelming vote said that the results of six years' labor of Dr. Galloway were not worthy of consideration in the Senate, the very next day they come around and say that we should increase his salary $1,000 because of his efficiency. Now I yield to the Senator from Georgia.

Mr. SMITH of Georgia. Mr. President, in the first place, if we put the increase of salary upon the ground that it is for Dr. Galloway, and if we were to measure him by the substitute offered by the Senator from Oklahoma yesterday, as I voted for the substitute, to that extent I would be consistent in voting for the increase in salary; but I do not put my support of this increase of salary solely upon the purpose to increase the salary of the present incumbent. I think the Assistant Secretary of Agriculture should be master of the work of the Agricultural Department and of scientific agricultural work generally. At the present day there are many colleges of agriculture all over the United States that are calling for capable men to take positions as their head. I think our Assistant Secretary of Agriculture ought to rank with the presidents of the agricultural colleges; and in scarcely any of them do those gentlemen receive less than $6,000 a year. Many of them receive more; and I think $6,000 a year for the office permanently is not an excessive salary. I do not vote for the salary solely upon the idea that it was to go to one man; I will vote for it upon the idea that it is a proper salary for the place.

Mr. McCUMBER. Mr. President, I will not challenge the good judgment of those who believe that the action and the work of Dr. Galloway entitle him to an increase of salary, and who have voted for his work; but I do challenge both the good judgment and the sincerity of those who will vote against his propositions and kick them into the waste basket without one moment of consideration, and then come around and offer to

increase his salary because of his great efficiency. I think I have a right to ask those people to put themselves upon record here to show why it was a proper thing to kick Dr. Galloway's bill out of the Senate yesterday, and then to-day to come around and vote him the great compliment of a thousand dollars extra salary for having drawn that bill. But I am not surprised, Mr. President. During all of the argument that we heard yesterday, when the Senator from South Dakota [Mr. STERLING] was here dictating to the reporter, there were present another Senator and myself. I called for a quorum. After some time we got a sufficient number to make 49 Senators, and within three minutes there were but four of us left in the Senate. Then those Senators, who in some way have found out about the peculiar virtues of the Assistant Secretary of Agriculture, came in and overturned his long efforts. They did not even pay him the compliment of sustaining section 8 of his bill, which provided for protection against the assaults on the agents of the department by the agents of the boards of trade and the exchanges.

Mr. SMOOT. Mr. President——

The PRESIDENT pro tempore. Does the Senator from North Dakota yield to the Senator from Utah?

Mr. McCUMBER. I yield.

Mr. SMOOT. Mr. President, I voted the same way as the Senator from North Dakota did on that bill. The bill was offered as a substitute, and I think it is a great compliment to the Senator from North Dakota that his measure was thought of greater value than the one that was prepared by Dr. Galloway. There was no direct——

Mr. McCUMBER. Let me correct the Senator right there.

Mr. SMOOT. There was no direct vote on that bill.

Mr. McCUMBER. I know that; but let me correct the Senator. My bill was not thought to have any greater virtue. The fact is there was no thought on it; there was the whole trouble; that is what I complain of; there was nobody here to think; Senators did not want to trouble themselves about thinking in regard to anything that would require them to listen to debate upon a subject that affected eight or ten billion dollars' worth of produce in the United States. If the Senator wants the truth of it, those who voted against the substitute voted against it not with the idea that they were unfavorable to the substitute or favorable to my bill, but they voted against it with the idea that they were to destroy it, and then destroy the other bill. Nobody was fooled; I do not even think the Senator from Oklahoma [Mr. GORE] was at all deceived into the idea that those who were opposing Federal inspection were at heart in favor of his substitute. It was brought into the Senate under a disguise, with a wolf's internals inside a sheep's skin, with the idea that it would fool somebody and make people think that the boards of trade were really humane and wanted to do the right thing so far as they knew how to do it. Nobody was deceived about it, I want to inform the Senator, and I knew what the result would be.

When I go to the State of Illinois I know it contains Chicago, I know there is a board of trade there, and I know its workings, and I immediately count 2 votes against Federal inspection; when I go to Minnesota, I know that there is a very important system there, and I count 2 votes against inspection; when I get to Massachusetts I know that there is a great exporting place in that State and that the business is controlled by a board, and I count 2 more votes against inspection; when I get to New York I count out another 2, and so on; so that by the time I get through this system of elimination I know before I have introduced my bill just exactly what votes I will be able to get for it.

Mr. SMITH of Georgia. Mr. President——

Mr. McCUMBER. Just a moment, and I will yield to the Senator. I want to say to the Senator from Georgia, after the reading of the grain-inspection bill, after the Senator had learned of the conditions under which we were suffering and which had been reported again and again to the Senate, after he had listened to the reading of all of the resolutions that have been passed in different sections all over the country, I really thought, when he saw and reflected upon the fact that the grain growers were suffering from the same imposition as were the cotton growers because of the grades established in these great centers, that I would have the hearty support of the Senator from Georgia [Mr. SMITH] as well as that of the Senator from South Carolina [Mr. SMITH]; but they got their cotton bill through; they protected the cotton farmer of the South; and as these matters were afterwards presented to the Senate, the Senator from Georgia sat back in his seat, smiled complacently, and thanked God that he had at least gotten the cotton growers away from that condition. Then he immediately turned around and said, "Let the grain growers take care of themselves; we have not got time to consider the matter or to give it any thought whatever; canal tolls and half a thousand other things are coming up here, and it does not make much difference what happens to these few Yankee farmers up there in North Dakota or elsewhere; we are protected now in the South; we have protected the farmer in the South against the cotton thieves; now let the grain growers take care of themselves."

I really thought that I ought to have had the support of every one of those Senators who knew how their own farmers had suffered because of the manipulation of cotton grades in the Southern States; that I would at least have had some support in some way to get a bill through here that would protect the northern farmer against exactly the same character of manipulation.

Mr. SMITH of Georgia. Mr. President——

Mr. WEST. May I interrupt the Senator?

Mr. McCUMBER. Certainly.

The PRESIDENT pro tempore. Does the Senator from North Dakota yield to the senior Senator from Georgia?

Mr. McCUMBER. I first will yield to the senior Senator from Georgia [Mr. SMITH], because he first requested me to yield, and if the junior Senator from Georgia [Mr. WEST] will pardon me I will afterwards yield to him.

Mr. SMITH of Georgia. Mr. President, I wish to call the attention of the Senator from North Dakota to the fact that there are 14 Senators who voted against the substitute offered by the Senator from Oklahoma who voted finally for the bill introduced by himself.

Mr. McCUMBER. Yes.

Mr. SMITH of Georgia. If they had joined those of us who voted for that substitute, we would have passed the legislation. I wish to assure the Senator, for myself, that I voted for the substitute in good faith, expecting or hoping that it would pass.

I wish to add, further, that in respect of the cotton bill we asked for no Federal appropriation; we asked for no Government inspector to go to New York to inspect cotton. The real trouble I have had about the Senator's bill was the force of Government officials who were to do the inspecting. We have put into the Agricultural bill an appropriation of $75,000 or $76,000 to start the work of grading grain, and I believed that the bill presented by the Senator from Oklahoma, which carries an appropriation of, I think, about $300,000, would be all that would be necessary to bring the protection to the wheat growers that they require.

Mr. McCUMBER. Now, if the Senator will listen to me for one moment, how much does this bill carry for inspecting the meat of the packers? Will the Senator from Georgia inform me?

Mr. SMITH of Georgia. I do not know.

Mr. McCUMBER. Will the Senator from Oklahoma inform me how much the bill carries for that purpose?

Mr. GORE. I think there is a permanent statute which provides an annual appropriation of $3,000,000 for that purpose.

Mr. McCUMBER. Very well, Mr. President. Now, let us stop a moment and consider. The grain-inspection bill did not carry one cent of expense to the Government; that bill provided that every dollar of expense that was to be incurred by the Government should be charged against the grain, and when you would get through there would not be one single dollar to be paid by the Government of the United States. There can be no excuse upon that ground.

Now, suppose it had cost a million and a half dollars, as was stated by the Senator from Missouri [Mr. REED]—it would not cost a cent, but suppose it would. Let us put the two men together, the farmer who raises eight billion dollars' worth of grain and loses upon it, on the average, a grade, or nearly a grade, amounting to millions upon millions of dollars, comes before the Senate and says, "I want to have my grain inspected by the Federal Government, because I know that it will be honestly inspected; I know that people who buy it will have confidence in the inspection made by the Government." The Senate answered, "No; we will not give you any protection or any Government certification, because it may possibly cost something." Then comes the packer from Omaha and from Chicago and from Kansas City to the Senate of the United States, with his diamonds gleaming on his breast and his millions of dollars back of him, and he says, "I can sell my meat better if I can get Government inspection, because the public will then have confidence in my product with that Government certificate upon it that it is good, and I can sell it." You say to him, "But it is going to cost $3,000,000." "Ah," he says, "do not charge that to me; let the Government pay that," and immediately you say, "All right," and you go down into the

United States Treasury for these meat packers, these men who have more wealth than any other class of people in the United States according to their number, and give them $3,000,000; but the farmers, who come to you in great numbers, can not get a little appropriation, even where they have said they will take their chances and pay the entire expense.

I want to ask the Senator if he has any idea that there is any element of fairness or justice in that character of legislation? I admit that I stand here as a representative of the farmers; I will come branded with that stigma, if you want to brand me with it, for the interest of the farmers is about all I have in that section of the country, and I will admit that I have had to fight against these boards and exchanges for years. I know their influence; we met in the arena yesterday; and, well fortified, this little band of Spartans were able in the defiles of the mountains to destroy an army of farmers, and we went down to inglorious defeat.

You may get the benefit of it. We perhaps do not remember as well as some other people. We do not know always just how to get our rights. We have not the organization. If we did have it, I tell you this bill would not have been here six months before it would have been enacted into law.

I know what the farmers of this country want. I know what the grain dealers want. I know what the independent elevators of the country want. I say, there is no excuse on the face of the earth to stand here year after year and defy their pleas to be protected.

You got your cotton bill through, however. That is all you wanted. Your farmers are protected; and these same people of North Dakota, who lose from 3 to 5 cents a bushel on every bushel of grain they raise, are going down into their pockets this summer and are going to take out their hard-earned dollars to take care of your boll weevils, for your protection, against which you are appropriating millions.

I think we have a right and I had a right to ask of you, who are protecting your own people, that you meet me halfway and try to protect the farmers of the great Northwest, the cereal raisers, against a condition exactly similar to that against which you were battling with such eminent success. If we can not reach it in the same way, then you ought to have assisted me in getting a bill that would reach it.

Mr. WEST. Mr. President——

The PRESIDING OFFICER (Mr. HITCHCOCK in the chair). Does the Senator from North Dakota yield to the Senator from Georgia?

Mr. McCUMBER. I yield to the Senator from Georgia.

Mr. WEST. I think the Senator from North Dakota is a little unfair in his argument.

Mr. McCUMBER. I think somebody else was unfair yesterday.

Mr. WEST. I made no argument on the grain bill.

Mr. McCUMBER. I know it. I did not mean in the argument. I meant in the vote.

Mr. WEST. I voted for the substitute, but I did not vote for the main bill, because, as I told the Senator from North Dakota, I did not like the machinery of the bill. I thought the States ought to look after the inspection of this grain, and not the National Government. We have taken away too many of the States' rights to-day; and if the National Legislature continues as it has in the past four years, we will have here one great National Government, without any State lines.

Mr. SMITH of South Carolina. Mr. President——

The PRESIDING OFFICER. Does the Senator from North Dakota yield to the Senator from South Carolina?

Mr. McCUMBER. I yield, Mr. President.

Mr. SMITH of South Carolina. The Senator from North Dakota, I presume, referred to me when he said "the Senator from South Carolina."

I think it is fair to me and to him to make the statement that I was paired with a Member on the other side who was to vote against his proposition. I wish to make the statement here and now that I was heartily in sympathy with the legislation proposed, as the Senator from North Dakota evidenced his sympathy with the legislation that I had proposed. I was one of the few members of the committee who, when it was proposed to have the bill reported favorably by the junior Senator from North Dakota [Mr. GRONNA], voted to have it reported out.

The Senator from North Dakota knew more of the particulars and the needs of the section and of the produce than I did; but had I been at liberty to vote on yesterday, I should have voted for the bill, because the Senator was responsible for it. He represented the people concerned in the case of the grain-inspection bill, and I represented the people of the South in the case of the cotton bill, and I would not have hesitated for one moment to vote for his bill had I been at liberty to do so.

It is hardly fair, therefore, for the Senator to charge me with having gotten my cotton bill through, and then being indifferent to the passage of a bill to relieve the grain growers. Whether or not his bill would have done it is a question for him to decide. I was willing to follow him, as he showed a willingness to follow me.

I wanted to make this explanation for the reason that I will not sit in the Senate and permit any criticism of my attitude toward the class to which I belong, and which I know does stand so sorely in need, if not of actual legislation in its favor, at least of the repeal of some legislation that is operating against it.

Mr. McCUMBER. Mr. President, I want to thank the Senator for his entire fairness in this matter. In speaking of cotton I did not have reference to individual Senators. I had reference to the vote of a section, and what the vote of that section really meant to the farmers of the Northwest.

Mr. GORE. Mr. President——

The PRESIDING OFFICER. Does the Senator from North Dakota yield to the Senator from Oklahoma?

Mr. McCUMBER. In one moment, Mr. President. I am not even criticizing those from Northern States who voted the other way. I think I am inclined to be reasonably fair and just, and I think I know the conditions and influences that surround them. I have never questioned the integrity of the Senator from Minnesota [Mr. NELSON]. He was the father of this grain-inspection system in Minnesota. He has been tied to it with a love knot by a pink and white ribbon, and nothing on the face of the earth could ever separate his allegiance from that system.

But, Mr. President, I know the conditions, and I have filled the RECORD full of complaints about them on so many days that I was ashamed to continue it. I was, however, giving all this information to vacant seats. I will say now that I do not believe that 1 in 20 of the Senators who voted against this bill had the slightest idea of what the bill was, had ever read it, or had ever listened to a single argument on either side of the question.

It is because I had no opportunity to present the case to them, because they came in here with their prejudices and voted without any knowledge of the subject, that I have a right to complain. I wanted to show that and make it clear by their attitude in voting down a bill drawn by Dr. Galloway; and then, on the very next day, coming in and voting him an extra salary because of his efficiency.

Those little misunderstandings are likely to come into existence, and we are not always consistent when we do not know what is going on in the Senate of the United States.

Mr. WEST. Mr. President——

The PRESIDING OFFICER. Does the Senator from North Dakota yield to the Senator from Georgia?

Mr. McCUMBER. I yield.

Mr. WEST. Dr. Galloway's substitute got 26 votes. The committee propose to give him $6,000. The bill of the Senator from North Dakota got 20 votes, and the Senator gets $7,500.

Mr. McCUMBER. Very well, Mr. President. I will not, of course, put my intelligence nor my worth in the balance with that of Dr. Galloway. I appreciate what the Senator has said—that he might have been more valuable than I if he had been in the Senate of the United States; and I will accept from the Senator whatever disparagement he may see fit to utter in reference to my efficiency or what I may be able to accomplish on the floor of the Senate.

Mr. WEST. It is not a question of disparagement.

Mr. McCUMBER. Probably he would measure that efficiency by the vote I got for a bill as compared with the vote against it. I would not complain of measuring it in that way if the judge had read one syllable of the evidence on which he based his judgment.

Mr. WEST. Mr. President, I wish to say to the Senator from North Dakota that, except when the grain-inspection bill was first taken up, when I was away from here, I heard nearly all of his argument. I heard it presented here in this Chamber and listened to it attentively; so the Senator can not complain of me on that line. I voted against the bill because it placed this inspection under the civil service of the National Government, and for that reason I was opposed to it, but I am in favor of the standardization of the inspection of grain.

Mr. McCUMBER. Mr. President, there will be an opportunity to put that provision upon this bill, because I shall introduce as an amendment to the Agricultural appropriation bill the Lever bill. I will see then how many Senators will stand by that for which they have been pleading and who are afraid lest civil service would interfere with something—I do not really

know what. I shall be glad to offer that bill as an amendment, either as a whole or part of it. For the good credit of the Assistant Secretary of Agriculture I will suggest that if I do offer it as an amendment I ought to leave out the clause relating to the necessity of protection from assault, and I would do it, certainly, in a bill that saw fit to raise his salary from $5,000 to $6,000.

Mr. President, this bill created no other machinery at all. It was changing, you may say, a State machine to a Federal one. It did not add to the number. It did not change the machinery. It simply provided machinery one part of which was related to the other, and all parts of which would work in harmony.

When you presented your cotton bill you did not present it to the Legislature of South Carolina or the Legislature of Georgia. You knew that the evil was not within your own State, and you reached out into another State. You had to tie your legislation to some power of the Federal Constitution in order to get relief.

That is just exactly what I did. I abandoned the State, because we can not get the authority in the State. I appealed to the power of the Federal Constitution, because that was the only power that I could invoke to get the proper relief.

Mr. GORE. Mr. President——

The PRESIDING OFFICER. Does the Senator from North Dakota yield to the Senator from Oklahoma?

Mr. McCUMBER. I yield.

Mr. GORE. I wish to say to the Senator from North Dakota that he is under some misapprehension as to the real situation with reference to cotton legislation in regard to the standardization of grades.

It is true that the substitute which I offered yesterday was prepared under the supervision of the Agricultural Department—the bill for the standardization of grain grades. I have also introduced a bill for the standardization of cotton grades. That bill was prepared under the direction of the Department of Agriculture. It is now in the Committee on Agriculture and Forestry. It never has been reported out. I think, from the action of yesterday, I can foresee awaiting the bill for the standardization of cotton grades the same slaughterhouse to which the bill for the standardization of grain grades has already gone. Perhaps the Senator is not aware of the introduction of that bill.

Mr. McCUMBER. Let me ask the Senator a question. The Senator introduced and reported the Lever bill as an amendment to my bill?

Mr. GORE. I did; yes.

Mr. McCUMBER. Would the Senator be willing to accept that as an amendment to the bill now before the Senate?

Mr. GORE. I should be glad to accept it.

Mr. McCUMBER. I ask the question because I shall offer it. I shall not offer all of it, at least in the first instance, because there are some portions that I know are so incongruous and so injurious to the trade, and would benefit only those who were assistants in drafting the bill—the great exchanges—that I would not want to put them in; but I have cut out portions of that bill, so as to include only Federal standardization and uniformity of applying it, because if we can get that far I am reasonably certain that in a very short time we will secure entire relief.

Mr. LANE. Mr. President, I wish to say that I did not intend and do not want to do any injustice to the gentleman who is being specially legislated for in this amendment. He may be a well-qualified man; I do not know whether he is or not. I made the statement awhile ago, however, that if we were to judge by results this department is not accomplishing very great benefit to the people, not sufficient to justify the expenditure of the $19,000,000. I stated that the average production of wheat had decreased since we began to raise it in this country.

The Senator from Michigan [Mr. TOWNSEND] called attention to a table here which is contained in Statistical Abstract No. 35, for 1912. He called attention to some statistics which I do not think prove his contention that the average has increased.

In 1866 there was an average yield of 26.1 bushels per acre. In 1912 it was 29.2. In 1911 it was 23.9, which is less than it was in 1866. That, I presume, was a bad year, for I find it follows all through the various products.

Mr. O'GORMAN. Mr. President——

Mr. TOWNSEND. Is the Senator referring to wheat?

Mr. LANE. Yes; wheat. In 1911 it was 23.9. In 1866 it was 26.1.

Mr. O'GORMAN. Mr. President——

The PRESIDING OFFICER. Does the Senator from Oregon yield to the Senator from New York?

Mr. LANE. I would like to finish this. It will take only a moment.

Mr. McCUMBER. The Senator must be mistaken.

Mr. TOWNSEND. I think the Senator is mistaken about that.

Mr. LANE. I was; that was corn.

Mr. TOWNSEND. Oh, yes; that is different.

Mr. LANE. In wheat it was 11.9 in 1866, and in 1911 it was 12.5, an increase of not quite 1 bushel.

Mr. O'GORMAN. Mr. President——

The PRESIDING OFFICER. Does the Senator from Oregon yield to the Senator from New York?

Mr. LANE. Yes.

PANAMA CANAL TOLLS.

Mr. O'GORMAN (at 2 o'clock p. m.). Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Ashurst	Gore	Norris	Smith, S. C.
Bankhead	Hitchcock	O'Gorman	Smoot
Brady	Hollis	Overman	Stone
Bristow	Hughes	Page	Swanson
Bryan	Johnson	Perkins	Thomas
Burleigh	Jones	Pittman	Thompson
Burton	Kenyon	Ransdell	Tillman
Catron	Lane	Robinson	Townsend
Chamberlain	Lea, Tenn.	Sheppard	Vardaman
Chilton	Lee, Md.	Shields	Walsh
Clark, Wyo.	Lewis	Shively	Warren
Colt	McCumber	Simmons	Weeks
Cummins	Martine, N. J.	Smith, Ga.	West
Dillingham	Nelson	Smith, Mich.	

The PRESIDING OFFFICER. Fifty-five Senators have answered to their names. A quorum is present.

Mr. O'GORMAN. I move that the Senate take up for consideration the bill (H. R. 14385) to amend section 5 of "An act to provide for the opening, maintenance, protection, and operation of the Panama Canal and the sanitation of the Canal Zone," approved August 24, 1912.

Mr. WALSH. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Montana will state his inquiry.

Mr. WALSH. Yesterday, upon the conclusion of the consideration of the grain-inspection bill, I secured the floor and moved that the Senate proceed to the consideration of Senate bill 4405. At the very earnest and anxious solicitation of the acting chairman of the Committee on Foreign Relations I gave way to a motion for an executive session. I desire to inquire now of the Chair whether the disposition of my motion is not the unfinished business of the Senate, and if not, whether by the rules of the Senate and the courtesy of the Senate I am not now entitled to be recognized for the purpose of making that motion. I should like to have the view of the Senator from Indiana [Mr. SHIVELY] on the subject.

Mr. SHIVELY. Mr. President——

Mr. BRADY. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Indiana [Mr. SHIVELY] has been recognized. Does he yield?

Mr. SHIVELY. I do.

Mr. O'GORMAN. I suppose I have the floor. I yielded to the Senator from Montana, who rose to make a parliamentary inquiry. Of course, I suppose that I still have the floor.

The PRESIDING OFFICER. The Chair understood that the Senator from New York had made the motion and yielded the floor.

Mr. O'GORMAN. Oh, no.

The PRESIDING OFFICER. Then the Senator from New York will be recognized.

Mr. WALSH. I suppose that, having made a parliamentary inquiry, I am entitled to occupy the floor until that is disposed of.

The PRESIDING OFFICER. The Chair understood that the parliamentary inquiry was not addressed to the Chair.

Mr. WALSH. I did address the Chair upon it.

Mr. O'GORMAN. I suggest that the motion made by me is in order, and I presume it should be put to the Senate.

Mr. WALSH. My inquiry was whether my motion is not in order and whether it is not the unfinished business of the Senate.

The PRESIDING OFFICER. The Chair, as advised, would say that it is not the unfinished business, and that there is no unfinished business before the Senate. The Senate went into executive session yesterday before that motion was considered. There is no unfinished business, and the motion made by the Senator from New York is in order.

Mr. WALSH. Then I should like to have the idea of the Senator from Indiana as to whether I ought not to be recognized.

Mr. SIMMONS. Mr. President——

The PRESIDING OFFICER. Does the Senator from New York yield to the Senator from North Carolina?

Mr. SIMMONS. I make the point that the motion is not debatable.

The PRESIDING OFFICER. The motion is debatable after 2 o'clock.

Mr. O'GORMAN. I yield to the Senator from Indiana [Mr. SHIVELY].

Mr. SHIVELY. Mr. President, it will be remembered, I think, that we adjourned last evening after 6 o'clock. It was late in the afternoon when the grain-inspection bill was voted upon. I had been requested by a number of Senators to move an executive session, as there was some executive business to be transacted. The Senator from Montana [Mr. WALSH] had made a motion to take up the bill of which he has charge, and I think I did express to him a desire to make a motion to go into executive session. I do not think I undertook to say that that would fix the status of his bill at all. Of course, it is known that a motion to go into executive session is privileged and can be made at any time.

Mr. SMITH of South Carolina. Mr. President——

The PRESIDING OFFICER. Does the Senator from New York yield to the Senator from South Carolina?

Mr. O'GORMAN. I do.

Mr. SMITH of South Carolina. I rise to a parliamentary inquiry. I had intended, immediately upon the conclusion of the consideration of the grain-inspection bill, to ask the Senate to proceed to the consideration of House bill 6060. I wish to know if it would be in order to move, as a substitute for the proposition of the Senator from New York, the consideration of bill 6060, which is the immigration bill. We recognize thoroughly that the country is waiting for the solution of the tolls bill, and also for the passage or defeat of the immigration measure. I should like very much to have that bill disposed of, because I am sure it is going to take quite a while to dispose of the tolls bill. I wish to know whether I can move, as a substitute, to take up the immigration bill. I do not think that bill will consume so much time, and we could dispose of it before we proceed to the consideration of the tolls proposition. I make the inquiry of the Chair.

The PRESIDING OFFICER. The Chair did not understand the inquiry.

Mr. SMITH of South Carolina. The inquiry is whether a motion offering another bill as a substitute for the tolls bill is in order.

The PRESIDING OFFICER. It is not. The motion made by the Senator from New York is not subject to amendment.

Mr. SMITH of South Carolina. A motion to substitute another bill for that motion would not be in order?

The PRESIDING OFFICER. It would not be in order. The question is on the motion of the Senator from New York.

Mr. O'GORMAN. Mr. President, I desire to say, in explanation, that I do not press my motion in any spirit of contention with the Senator from Montana [Mr. WALSH]. If the Senate desires to give the tolls bill, as I believe it does, the position of unfinished business, then the motion made by me will prevail. If the Senate for any reason does not care to accord it that position, then the Senator from Montana is, of course, free to tender his own motion. I ask for a vote on my motion.

The PRESIDING OFFICER. The question is on the motion of the Senator from New York, that the Senate proceed to the consideration of House bill 14385.

The motion was agreed to.

The PRESIDING OFFICER. The Chair lays the bill before the Senate.

The SECRETARY. A bill (H. R. 14385) to amend section 5 of "An act to provide for the opening, maintenance, protection, and operation of the Panama Canal and the sanitation of the Canal Zone," approved August 24, 1912.

The PRESIDING OFFICER. The bill is before the Senate as in Committee of the Whole, and——

Mr. O'GORMAN. I ask that the bill be temporarily laid aside so that the pending discussion upon the Agriculture appropriation bill may proceed.

The PRESIDING OFFICER. The Senator from New York asks unanimous consent that House bill 14385, which was just laid before the Senate, be temporarily laid aside. Without objection, it will be temporarily laid aside, and the Senate resumes the consideration of the Agricultural appropriation bill.

AGRICULTURAL APPROPRIATIONS.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 13679) making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1915.

The PRESIDING OFFICER. The Senator from Oregon [Mr. LANE] is entitled to the floor.

Mr. LANE. Mr. President, I will be brief. An examination of the statistical table which was quoted by the Senator from Michigan [Mr. TOWNSEND]——

Mr. McCUMBER. Mr. President——

The PRESIDING OFFICER. Does the Senator from Oregon yield to the Senator from North Dakota?

Mr. LANE. I do.

Mr. McCUMBER. I suggest the want of a quorum.

The PRESIDING OFFICER. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Borah	Hollis	O'Gorman	Smith, S. C.
Brady	Johnson	Oliver	Smoot
Bristow	Jones	Overman	Sterling
Bryan	Kenyon	Page	Sutherland
Burleigh	La Follette	Perkins	Swanson
Burton	Lane	Pomerene	Thompson
Catron	Lea, Tenn.	Ransdell	Thornton
Chamberlain	Lee, Md.	Reed	Tillman
Chilton	Lewis	Robinson	Townsend
Clapp	Lippitt	Saulsbury	Vardaman
Clark, Wyo.	Lodge	Sheppard	Walsh
Clarke, Ark.	McCumber	Shields	Warren
Colt	McLean	Shively	Weeks
Cummins	Martin, Va.	Simmons	West
Fall	Martine, N. J.	Smith, Ariz.	
Gore	Nelson	Smith, Ga.	
Hitchcock	Norris	Smith, Mich.	

The PRESIDING OFFICER. Sixty-five Senators have answered to their names. A quorum is present. The Senator from Oregon will proceed.

Mr. LANE. Mr. President, I will continue and I will be brief. There seems to have been an increase since 1866 of the average production of wheat, amounting to about 3 bushels per acre. When the fact is taken into consideration that during that time the great wheat-growing belt of the country has been opened and put into cultivation, and that that land produces from 30 to 40 bushels per acre, I think a close analysis will show that in the older wheat-growing sections the average production has been materially reduced. In Germany during the same length of time they have doubled the production of wheat.

As I said in the first place, this seems to be special legislation, and I am not in favor of such legislation in a general way. If it is to be applied to this gentleman and all of his successors, and if the work is worth that salary, I am perfectly willing to vote for it. But I do not think we ought to pass such legislation, nor is there anything in the results of the work of that department which I think justifies the expense, if a close analysis of it is made. I think, like the Indian appropriation bill, this measure needs to be looked into very carefully, and that it carries much deadwood, and that that fact will be ascertained whenever it is examined into, and I say that without intending any reflection upon the gentleman concerned whom I do not know.

Mr. RANSDELL. Mr. President, we have had a good deal of discussion here which does not bear upon the motion before us at all.

Mr. McCUMBER. Will the Senator yield to me?

The PRESIDING OFFICER. Does the Senator from Louisiana yield to the Senator from North Dakota?

Mr. RANSDELL. I do.

Mr. McCUMBER. I simply want to say to the Senator that the Senate is beginning to show a degree of weariness, and after a call the seats immediately become vacant. I think Senators ought to listen to the logic the Senator is about to give them as to why they should vote an extra thousand dollars for a particular agent of the Government whose real worth has been demonstrated by kicking his bill out of the Senate. I therefore suggest the absence of a quorum.

The PRESIDING OFFICER. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Ashurst	Hitchcock	Norris	Smith, S. C.
Borah	Hollis	Oliver	Smoot
Brady	Hughes	Overman	Sutherland
Brandegee	Johnson	Page	Thomas
Bristow	Lane	Perkins	Thompson
Bryan	Lea, Tenn.	Pomerene	Thornton
Burton	Lee, Md.	Ransdell	Townsend
Chamberlain	Lewis	Reed	Vardaman
Chilton	Lippitt	Saulsbury	Walsh
Clark, Wyo.	Lodge	Sheppard	Weeks
Clarke, Ark.	McCumber	Shields	West
Colt	McLean	Simmons	Works
Cummins	Martine, N. J.	Smith, Ariz.	
Dillingham	Nelson	Smith, Mich.	

Mr. THOMAS. My colleague [Mr. SHAFROTH] is unavoidably detained and will not be in the Senate to-day. I make this statement to stand for the day.

The PRESIDING OFFICER. Fifty-four Senators have answered to their names. A quorum is present. The Senator from Louisiana will proceed.

Mr. RANSDELL. Mr. President, to resume what I was about to say, I do not think the present Assistant Secretary of Agriculture needs any defense at my hands. Anyone who has been connected with the Agricultural Department, or is familiar with the work of that department for the past 26 years, or any portion of that period, knows that Dr. Galloway, the present Assistant Secretary of Agriculture, has been one of the most faithful and efficient officials that department has ever had. It has been my good fortune often to come in contact with this gentleman, and I have been surprised and delighted at the very effective manner in which he handled the particularly difficult duties of his present office, as well as that which he held for many years as Chief of the Bureau of Plant Industry.

Whether he is to blame for our not having a greater yield of wheat per acre, I can not say; but it seems to me, Mr. President and Senators, that had it not been for the truly magnificent work of the Department of Agriculture, especially the Bureau of Plant industry, we would not be getting anything like as great a yield of wheat as we are receiving to-day.

I am not very well posted on wheat; we do not raise wheat in the section of the country where I live; but I can testify personally that had it not been for the splendid efforts of the Department of Agriculture in aiding the southern cotton growers to combat the boll weevil, we would not be producing anything like as much cotton as we are making to-day, and that particular work was conducted by the Farmers' Cooperative Demonstration Work, one of the divisions under the Bureau of Plant Industry, of which Dr. Galloway was chief.

Mr. President, in considering the proposition to raise the salary of this office, I wish to call to the attention of the Senate a rather remarkable and far-seeing piece of advice given to the Senate Committee on Agriculture and Forestry in 1896 by Mr. J. Sterling Morton, then Secretary of Agriculture. It is very pertinent to the matter before us, and relates to a subject which I hope to see enacted into law, not at this session, but certainly at the next session of Congress. This document is dated Washington, D. C., February 15, 1896, and is addressed to the Committees on Agriculture of the United States Senate and House of Representatives. It is very brief, so I hope you will listen patiently. It reads as follows:

GENTLEMEN: After mature deliberation and conference with gentlemen who have made the scientific work of this department a special study, I am convinced that it is my duty to ask Congress to provide in the pending appropriation bill for a director in chief of scientific divisions, who shall be charged with the supervision of the very important, comprehensive, and constantly growing scientific work done in the Department of Agriculture.

The Department of Agriculture has for its object the discovery, exploration, development, conservation, and proper utilization of the agricultural resources of our country. This is accomplished through various agencies, which are classified as either purely scientific, technical, or simply business, administrative, or educational agencies. These agencies are organized in the department under two large bureaus and a number of divisions and offices. The Weather Bureau includes 3 executive or business offices, 6 technical divisions, and 5 scientific experts engaged in research, besides 154 technical observing stations and 52 signal stations along the coast and on the Great Lakes. The Bureau of Animal Industry includes 2 administrative offices, 152 technical stations or agencies engaged in meat inspection, quarantine work, etc., and 3 laboratories for scientific investigations. Of the remaining divisions in the department, 7 are engaged in administrative business, publishing and distributing information, 8 are classed as technical, and 7 are chiefly engaged in scientific investigations or surveys of the country's resources.

An analysis of the last act shows that of the $2,400,000 appropriated for the Department of Agriculture, over $1,700,000, or over 70 per cent, was given for this scientific and technical work, as distinguished from the administrative or general work.

A canvass of the rolls of the department shows that 993 out of a total of 2,019 employees are engaged chiefly upon this scientific and technical work.

Mr. President, at the present time we have in the Department of Agriculture 14,478 employees, the growth since 1896 having reached this great figure. We had that year 2,019 and have at the present time, I repeat, 14,478. In that year we had an appropriation of $2,400,000. The bill now before us shows that the appropriation for next year will amount to $19,511,000, if every item is retained. It is therefore apparent from these figures that there has been a remarkable growth in the Department of Agriculture since 1896.

Secretary Morton continues:

It would seem a simple business proposition, needing no argument to support it, that this vastly important and comprehensive work, promoting, as it does, the development of almost every resource of our land and every industry of our people, our production at home and our markets abroad, and concerning even the food and health of a large part of our population, for which $1,700,000 are annually expended, and in which nearly a thousand scientific and technical experts are engaged, should have a permanent, broadly educated, and experienced scientific superintendent.

Mr. President, I have not the exact figures, but I have no doubt that out of this 14,478 employees at the present time, more than 7,000 are scientific and technical men of high character and ability. Mr. Morton continues:

No permanent and adequate direction and supervision is provided in the present organization of the department. It is not to be supposed that the Secretary of Agriculture, a member of the President's Cabinet, even if a farmer and an experienced executive, will always be a technically trained scientific man. Even if he should be, he occupies the position only four years, and thus scarcely becomes familiar with the difficult and complex work of the department before he leaves it.

Let me say here that it was very fortunate for this country that the late Secretary of Agriculture, Mr. Wilson, held his place, if I recollect correctly, for 16 years instead of for 4 years. He performed public duties of the highest character, and I, as a Democratic Senator, am glad to testify to the splendid services rendered by him.

Mr. McCUMBER. Mr. President, may I make a suggestion to the Senator from Louisiana?

THE PRESIDING OFFICER. Does the Senator from Louisiana yield to the Senator from North Dakota?

Mr. RANSDELL. I yield to the Senator from North Dakota.

Mr. McCUMBER. I desire to suggest to the Senator from Louisiana that while he as one Democrat is extolling the virtues of this gentleman there are very few Democrats on that side of the Chamber who are listening to him doing so.

Mr. RANSDELL. I hope the Senator is not going to raise the point of order now. I certainly would not have yielded if I had had any idea that the Senator was going to interrupt me twice in the course of a very brief speech to make the point of no quorum. I trust the Senator will not now make that point, but will allow me to proceed. I repeat, I would not have yielded to the Senator for that purpose.

Mr. McCUMBER. I could not make the point of order now, because the Senator does not yield for that purpose.

Mr. RANSDELL. No; I would not yield for that purpose. I shall yield for a question.

The PRESIDING OFFICER. The Senator from Louisiana declines to yield.

Mr. RANSDELL. Mr. Morton continues:

The Assistant Secretary of Agriculture is subject to the same conditions. Because he must represent the Secretary in the administration, he must go with the administration. These conditions, which are necessary and inherent in our system of government, it is not proposed to change. A Secretary and Assistant Secretary are both needed. But another permanent officer is needed to direct the work of the various scientific bureaus of the department, under the general authority of the Secretary.

I ask the attention of Senators to this point, because it is the meat of the proposition which I am trying to lay before you:

In order to accomplish the best and most permanent results, this department must have a permanent policy with regard to all its scientific work. This department has less relation to the general executive business of the Government and less connection with what is usually called politics than any other department of the Government.

I can corroborate that statement. I always heard that Secretary Wilson was very much of a partisan, but I can say that when it came to administering the duties of his office he did everything possible for that portion of the country where I live, and we never heard the word "politics" in connection with the Department of Agriculture any more than we hear of it to-day under Secretary Houston.

Mr. Morton continues:

In fact, the scientific work of the great bureaus, divisions, and surveys, above referred to, should be kept free from politics to be efficient and impartial to the interests of all. The numerous bureaus and divisions do not have under the present organization, in fact, can not have, the attention and direction which the interests involved demand. After a change of administration the department is practically headless, and to a great extent helpless, until the new Secretaries have had time to master the details of the technical work.

We all know that it takes a great deal of time and much study to master the details of the technical work of these great departments.

Mr. Morton continues:

Such a director of scientific divisions is needed, therefore, if for nothing else, to carry on the scientific work of the department from one administration to the next. Is it conceivable that any great manufacturing, railroad, or mining company, undertaking such difficult scientific work and using so much money and so many men, would provide for it no permanent scientific direction or supervision whatever, and then change all the heads every four years, leaving the work practically at a standstill, or, which is worse, entirely without direction or supervision for six months to a year? The change of administration affects the work of this department even more than it does that of others, because its work is less of a routine character, is more progressive, changes more frequently, and thus requires constant direction to keep it usefully going. The bureaus and divisions of this department can not do practically the same thing year after year, as they do in the great business departments of the Government, but must, if they serve the people properly, do a new and different thing almost every month in the year. They therefore need constant assistance and supervision much more than do the divisions of other departments.

Aside from these special considerations with regard to the scientific work, the Department of Agriculture greatly needs another general executive officer. It has only two Secretaries authorized to take official action. There is no provision in the laws for any officer of the department to act in case of the absence of the two Secretaries as there is in

some of the other departments. Either the Secretary or the Assistant Secretary has to be present in the department every day and every official hour during the year.

Mr. CLARK of Wyoming. Mr. President——

The PRESIDING OFFICER. Does the Senator from Louisiana yield to the Senator from Wyoming?

Mr. RANSDELL. I yield for a question.

Mr. CLARK of Wyoming. I was not in the Chamber when the Senator from Louisiana began his speech, and I do not know from what he is reading; but the last statement which he has just read seems not to be in accordance with the practice, at least, because within the past two years I have many times known when the head of the Weather Bureau has acted as Secretary of Agriculture, and it has so appeared in communications.

Mr. RANSDELL. I can not say as to that. The report from which I am reading is one made by the Secretary of Agriculture, J. Sterling Morton, in 1896, and it bore so forcibly upon the question of selecting a scientific man like Dr. Galloway as Assistant Secretary of Agriculture, one who was thoroughly trained, one who could pick the work up immediately where the former administration left it off and carry it on, that I wished to read it here and then to make a very few suggestions in regard to it.

Mr. Morton continues:

The bureaus and divisions in Washington are, contrary to the popular idea, much the smaller part of the Department of Agriculture. Outside of Washington there are 154 observing stations, 52 signal stations of the Weather Bureau. There are 100 meat-inspection stations in 40 different cities and towns in the country; 21 different quarantine stations for import cattle at points on the coast, the Canadian and Mexican boundary; 9 different stations for inspecting export stock and 19 for inspecting stock for Texas fever, making a total of about 150 stations in the Bureau of Animal Industry, which should have inspection and supervision occasionally by the highest authority of the department. The agricultural experiment stations, located in different States and Territories, and several experiment stations of the Department of Agriculture must be inspected by this department. In addition to these, the department has many other agencies for studying soils, foods, and food dietaries, testing timbers, and collecting material illustrating our natural resources scattered all over the country. The Secretaries or director should be in position to visit and examine the work of the various agencies for the purpose of informing themselves as to their uses and needs. In view of the great amount of business done, and of the large number of branches of the department scattered all over the country, another executive officer is greatly needed in order to permit a better distribution of work and a more regular and thorough supervision of the outlying branches of the department. The new officer here asked for should therefore be authorized to act, when called upon by the Secretary, as a Second Assistant Secretary.

The salary attached to the position should be sufficient to secure the services of a broadly educated, scientific man, who has had the necessary experience in the administration of affairs and the direction of scientific work, and should be equal to that paid for similar services in other branches of the Government.

I therefore respectfully recommend that you insert, after line 11, page 1, of the bill making appropriation for the Department of Agriculture for the fiscal year ending June 30, 1897, H. R. 5161, the words: "Director in chief of scientific bureaus and investigations, to serve during good behavior, to have the authority to act as Assistant Secretary, and to perform such other duties as the Secretary may direct, $6,000."

Respectfully submitted.

J. STERLING MORTON, *Secretary.*

Mr. President, that recommendation was made by a Secretary of Agriculture 18 years ago, when the department was very small and unimportant compared with what it is to-day. Mr. Morton realized the necessity of having a technical scientific man as either Assistant Secretary, or Second Assistant Secretary of Agriculture, a man who could tide over that great department from one administration to another, a man who could handle it in a proper way, a man who could be the real head of that department while the new Secretary and his Assistant Secretary were learning the business of a great office for which they had had no special training. Secretary Morton strongly advocated such a change, and if needed then, as I am firmly convinced it was, it is much more essential to-day. Our present very efficient and able Secretary of Agriculture, Mr. Houston, realizing the wisdom of that advice given 18 years ago, when selecting his Assistant Secretary sought the aid of a man who for 25 years has been giving all of his great ability to the service of the Department of Agriculture. This choice fell upon Dr. B. T. Galloway, at that time Chief of the Bureau of Plant Industry, who was enjoying a nice position at the very comfortable salary of $5,000 a year, with a life tenure, under the civil-service regulations, which entitled him to hold the office for life. Dr. Galloway accepted the position of Assistant Secretary at a salary of $5,000, the same that he had been receiving, knowing that at the end of four years he was subject to the ordinary exigencies of politics and might possibly go out with his chief at the end of that time.

The Committee on Agriculture, realizing the wisdom of the course pursued by Secretary Houston, and knowing that Dr. Galloway is entitled to more pay, have sought to increase this salary by $1,000, making it $6,000 instead of $5,000. They have coupled with it a provision, which I personally do not believe in, that the increased salary shall be limited to the term of office of the present incumbent. I do not believe in that kind of legislation. I believe that we should go further and say that there shall be a scientific head in the Department of Agriculture, to be called the director in chief of scientfic and regulatory work, who should receive a salary of at least $6,000, and who should serve during good behavior.

If we get the proper kind of director, why should he be subject to the exigencies of politics? We can not train that kind of man in a few years. If Dr. Galloway is the man, and I am convinced that he is, let us make him the director of scientific work; if he is not the man, let us find some other who is the proper person, and make him director of the scientific work of the Department of Agriculture and ex officio Assistant Secretary of Agriculture, and let him hold the position during good behavior, just as he would if under civil-service rules.

That kind of provision would be wise. I admit it is not before you now; you can not vote upon that proposition at this time; but I wish you to consider it, because it is going to be before you some day, if I can bring it, in the interest of good administraton of this great department, which I consider is the one that does most for the people of the country, and certainly the one that comes closest to those with whom I come in contact—the great agricultural classes.

Mr. MCCUMBER and Mr. VARDAMAN addressed the Chair.

The PRESIDING OFFICER. The Senator from Mississippi.

Mr. VARDAMAN. I am going to detain the Senate but a moment——

Mr. MCCUMBER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. Does the Senator from Mississippi yield to the Senator from North Dakota?

Mr. VARDAMAN. Not at this time.

Mr. MCCUMBER. I rise to a point of order.

The PRESIDING OFFICER. The Senator will state the point of order.

Mr. MCCUMBER. The point of order is that the suggestion of the want of a quorum is proper at any and all times, and no Senator can hold the floor continuously with all of the seats vacant and have no quorum here present to listen to him.

The PRESIDING OFFICER. The Chair overrules the point of order.

Mr. MCCUMBER. I addressed the Chair first, fully half a minute before the Senator from Mississippi addressed the Chair, and I had a right to have the recognition of the Chair at that time. So I raise the point of order that the Chair's duty in enforcing the rules of the Senate was to recognize the Senator who first addressed him.

The PRESIDING OFFICER. The Chair recognized the Senator from Mississippi, and the Senator from Mississippi declines to yield.

Mr. VARDAMAN. Mr. President, I am greatly interested in the passage of this bill. The department of this Government which affects most vitally the interests of and whose functions come closest to and deal most intimately with the American people is the Agricultural Department. We all realize that agriculture is the source of all real wealth. Upon the products of the farmer, the products of the soil, all enduring prosperity is based.

I am sorry that the discussion has taken the form that it has as to this particular clause of the bill. No one has questioned the loyalty of Dr. Galloway to the duties of the place which he now holds or his fidelity in the office which he has held for the last 25 years. He is efficient; he is capable; and it was only in recognition of his splendid service, I am advised, that he was taken from a position in the classified service and made Assistant Secretary of Agriculture. That he is entitled to the salary of $6,000 a year I do not for a moment question. He ought to have it. I know of no man who can bring more experience, more skill, and more learning to the performance of the functions of the office than he; but that is not the question before the Senate. The question is as to whether or not there shall be special legislation that the salary shall be suited to the man rather than to the office.

If the amendment proposed by the Senator from Wyoming [Mr. CLARK] should be voted down, you are going to open up a veritable Pandora's box of trouble; the legislative branch of the Government will be appealed to continuously to increase the salaries of men who have performed with especial or marked ability the functions of some particular office. I want to say in this connection that no man should be put into that place who is unfit and incapable of performing the duties of the place. Capable men are obtainable, and it is the duty of the Secretary

of Agriculture and of the President, who has the appointive power, to pick out the man to do the work.

Fix the salary at what it ought to be, a salary which will command the services of a capable and efficient man, and let it stand at that rate; and then, if you want to show some special honor or pay some special compliment to Dr. Galloway for efficiency, do it in some other way. But do not give the salary to the man; fix it for the office, and let all men who come to perform the duties of the office enjoy the same compensation. If you do not do that, I repeat, you will set a precedent which will vex you continuously in the future, because every time a man is appointed to a place, if he is a man of especial worth, some Senator will come into the Senate or some Member will come into the House and propose a bill to increase the salary of that office while the extraordinary Mr. Jones or Mr. Smith may occupy it. The policy will be pernicious and the system intolerable. It will not do, and I warn the Senate against it.

Mr. BRADY. Mr. President——

The PRESIDING OFFICER. Does the Senator from Mississippi yield to the Senator from Idaho?

Mr. VARDAMAN. I do.

Mr. BRADY. I know that the Senator from Mississippi is very much in earnest in advocating the line of action suggested in his address; but I want to ask him if he does not believe that when we find a public servant who is efficient and honest——

Mr. VARDAMAN. He could not be efficient without being honest. There is no permanent success or enduring efficiency without good judgment, guided by honesty and a high sense of duty.

Mr. BRADY. And entirely capable of earning the salary that we propose to pay, it is right and proper that we should recognize his services in that way?

Mr. VARDAMAN. You have done that in unmistakable terms by raising the salary to $6,000 a year.

I asked a question a moment ago of the chairman of the committee which I think I ought to explain. I asked him if the raising of this salary was a condition precedent to Dr. Galloway retaining the place.

If Dr. Galloway had made that a condition precedent to keeping it, I should have been opposed to increasing the salary; but since he had nothing to do with it, and his services are so manifestly, so incontrovertibly efficient he is entitled to this consideration, and I am willing to vote for the amendment for the increase in the salary. I do not, however, want the provision inserted that if the present incumbent shall be removed or shall resign the salary shall go back to $5,000. There may be other men who will be put there who ought to have $6,000. I think that would hardly be fair to Dr. Galloway's successor. It might be an unwarranted reflection upon the man's true worth and general qualification.

Mr. BRADY. That is the very thing of which I am very much in favor. I am voting to raise this salary for Dr. Galloway because of his many years of experience in this line of work—of his special ability to perform the task he has performed so well; but I am not in favor of saying that we will give $6,000 to every man who occupies the position. Let us give a new man $5,000, as we have done in the past, until he demonstrates by years of experience that he is entitled to receive more, and then give it to him.

Mr. VARDAMAN. Would the Senator be in favor of applying that rule to all offices under the Government?

Mr. BRADY. I have applied it to all lines of business in which I have ever been engaged, and have found it the most profitable investment I have ever made. I say frankly and honestly that I am in favor of applying this rule to every branch of the Government where a man shows special fitness for a position. It is done in other branches of work.

I am advised that a member of the force of the Senate is named in the bill, and it is provided that the position shall carry a certain salary during his incumbency. Why do we that? Because we know that from years and years of efficient service he has reached a point where we can not dispense with his services, and we are willing to name him. That is an unusual thing, but it is right, and it is proper; a just recognition of faithful and efficient service.

Mr. VARDAMAN. If the Senator should apply that system in the management of the affairs of this great Government, he would have matters in such a state that nobody could ever tell just what it was going to cost to conduct the Government. As a matter of fact, you can not do that.

Mr. BRADY. I am of the opinion that cases of this kind will very seldom arise. I would not be in favor of doing this indiscriminately, but I do believe that in this particular instance it ought to be done. I know that with the sense of fairness and justice that the Senator from Mississippi possesses, if he knew as much about this matter as the committee, whose members have gone into it very thoroughly and conscientiously, he would agree with us that in this particular case it is right and proper that we should specify that when Dr. Galloway ceases to be Assistant Secretary of Agriculture the salary of the position shall go back to $5,000, and when a new Assistant Secretary of Agriculture is named let his salary be $5,000 until he demonstrates, as Dr. Galloway has demonstrated, that he is worth $6,000 a year.

Mr. VARDAMAN. I do not think it is any injustice to Dr. Galloway to decline to put in the bill a provision of the kind. I do not think it is an injustice at all to him. As I said a moment ago, however, we are setting a precedent here that is going to rise up to vex us interminably in the future. You have shown your confidence in Dr. Galloway by raising his salary. He accepted the office for $5,000. Because of his superior wisdom, because of his large experience, because of his fidelity to duty, you have shown your appreciation for his services and his true worth by increasing the salary to $6,000. That is enough. I submit that it will be a mistake to put that sort of a provision in general legislation.

Mr. McCUMBER. Mr. President——

Mr. VARDAMAN. If you want to pay him a tribute, introduce a resolution in the Senate and in the House extolling him, proclaiming to the world our confidence in him and our appreciation for his services, and I will vote for it. Propose a medal to him for efficiency, and I will vote for that; but such a provision as this has no place in legislation of this character, and I submit that the Senate will make a mistake if it puts it there. I am opposed to it. I am not opposed to the salary of $6,000, but I am opposed to putting in the provision which the Senator from Wyoming [Mr. CLARK] has moved to strike out. I sincerely trust that the motion made by the Senator from Wyoming may prevail.

I yield now to the Senator from North Dakota. Did the Senator from North Dakota address me?

Mr. McCUMBER. I am not asking the Senator to yield. I addressed the Chair upon a right, not a privilege, and that was that I could raise at any time the point of there being no quorum present. The Chair refused to allow me to present the matter to him under the rules, and the decision under the rules. I am obeying the command of the Chair.

Mr. VARDAMAN. I hope the Senator will not "shake his gory locks at me." I am not responsible for the Chair's ruling.

The PRESIDING OFFICER. Does the Senator from Mississippi yield to the Senator from North Dakota?

Mr. VARDAMAN. I yield to the Senator if he desires to address——

Mr. McCUMBER. I did not ask the Senator to yield to me. When the Senator is through, if the Chair will allow me, and will recognize whoever addresses him first, I may possibly get recognition.

Mr. VARDAMAN. I will yield the floor.

Mr. McCUMBER. Mr. President——

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. McCUMBER. I thank the Chair very much for recognizing me before some one else appeared.

Mr. President, we might as well settle another little matter right here, which I am going to discuss in connection with this bill.

Mr. JONES. Mr. President——

Mr. McCUMBER. I raised a point of order, and I have a right to present that point of order.

The PRESIDING OFFICER. Does the Senator from North Dakota yield to the Senator from Washington?

Mr. JONES. I desire to make the point of order that we can not settle anything here without a quorum.

Mr. McCUMBER. Very well, Mr. President——

Mr. JONES. I suggest the absence of a quorum.

Mr. McCUMBER. Mr. President I have yielded to no one; and I will let the Chair rule again whether any Senator can make a point of order——

The PRESIDING OFFICER. The Chair rules that a Senator can not be taken off his feet by a point of no quorum against his consent.

Mr. JONES. Mr. President, I appeal from that decision.

Mr. McCUMBER. Mr. President, let me call attention to a little rule we have on this subject. Possibly it might not be inappropriate to quote the Constitution of the United States in a case of this kind.

The Consitution, in Article I, section 5, provides:

A majority of each (House) shall constitute a quorum to do business; but a smaller number may adjourn from day to day, and may be authorized to compel the attendance of absent Members, in such manner and under such penalties as each House may provide.

The Senator from Mississippi [Mr. VARDAMAN] was addressing the Senate. I assume that when any Senator is making an argument before the Senate the Senate is doing business. If it is not, I do not know what it is doing here. If arguments are not a part of the business of the Senate, I do not know what is a part of the business of the Senate. If it is possible that the Chair can look over and see three or four Senators here, and a Senator desires to take the afternoon, while the rest, or 60 per cent, of the Senate is at the ball game, and there is no method by which you can call the Senate back into the Chamber—if there is a rule that will prohibit us from obtaining any relief under those circumstances, I really want that rule pointed out.

I wish to call the attention of the Chair to the fact that I appreciate that it has been ruled that a Senator could not be taken off his feet——

Mr. WALSH. Mr. President——

Mr. McCUMBER. But I think it is an improper rule.

Mr. LANE. Mr. President——

Mr. McCUMBER. I want to call attention right now——

Mr. WALSH and Mr. LANE addressed the Chair.

Mr. McCUMBER. I want to call attention right now to the late ruling upon that point.

The PRESIDING OFFICER. Does the Senator from North Dakota yield, and to whom?

Mr. WALSH. I desire to make a parliamentary inquiry.

Mr. McCUMBER. I yield to the Senator from Oregon.

Mr. LANE. I simply wish to call the Senator's attention to the fact that that is exactly the game he worked on me a while ago.

Mr. McCUMBER. Yes.

The PRESIDING OFFICER. The Senator from Montana desires to make a parliamentary inquiry.

Mr. WALSH. I am very desirous of following this discussion, and I will ask what is the question before the Senate?

The PRESIDING OFFICER. The question before the Senate is the Agricultural appropriation bill.

Mr. WALSH. I understood that the Senator from North Dakota was addressing himself to some other question.

Mr. McCUMBER. Connected with the Agricultural appropriation bill is the right to have a quorum of the Senate present during the discussion, and I am raising a point of order upon that right. I have seen the evils resulting from having an argument go on in the Senate when practically no one was present.

Mr. WALSH. Mr. President, that was the purport of my inquiry. I understood that some question of order had been raised, and I was desirous of being advised what the point of order was.

The PRESIDING OFFICER. There is no question before the Senate except the Agricultural appropriation bill.

Mr. McCUMBER. Now, let me call the attention of the Chair to the precedents and decisions and points of order on page 405, where it has been held that a point of order that no quorum is present can not be made without the consent of the Senator holding the floor. It was so held in 1870. There is a note in the middle of the page which seems to accord with sound reason, and is certainly in conformity with the Constitution, which reads:

> The later decisions are to the effect that the absence of a quorum can be suggested at any time, it being in the nature of a point of order, which, under Rule V, clause 2, can be made at any time. The clause in question reads as follows:
>
> "If at any time during the daily sessions of the Senate a question shall be raised by any Senator as to the presence of a quorum, the Presiding Officer shall forthwith direct the Secretary to call the roll and shall announce the result, and these proceedings shall be without debate."

The Chair can easily see that these later decisions are right. Otherwise we are continuing to transact business in the Senate without a quorum, and we have no method of protecting ourselves and bringing a quorum here.

Mr. President, while that is not the direct question right at this point, I submit it to the Chair, so that in his moments of leisure he may consider it a little, and possibly we may have an opportunity to have a means by which we can keep this Chamber in a condition to do business by having a quorum present.

I now desire to reply briefly to the Senator from Louisiana [Mr. RANSDELL], who said he would not yield the floor for anything but a question. The Senator from Louisiana——

Mr. REED. Mr. President——

Mr. McCUMBER. Has spent considerable time in the discussion——

Mr. REED. A question of order.

The PRESIDING OFFICER. The Senator from Missouri raises a question of order. The Senator will state it.

Mr. REED. What matter is now before the Senate?

The PRESIDING OFFICER. The Agricultural appropriation bill is before the Senate.

Mr. REED. Is the Senator speaking on the Agricultural bill or speaking on a point of order?

The PRESIDING OFFICER. The Chair understands that the Senator is speaking upon the Agricultural appropriation bill.

Mr. REED. If that is the case, I have nothing to say.

The PRESIDING OFFICER. There is no point of order before the Senate.

Mr. REED. I was out for a moment.

The PRESIDING OFFICER. The Chair has ruled, and no appeal has been taken from the ruling of the Chair.

Mr. McCUMBER. I am under great obligations to the Senator from Missouri for allowing me to go on.

Mr. REED. No, Mr. President; the Senator is under no obligation to me. If he were, I would permit him to cancel it instantly.

Mr. McCUMBER. The Senator would if he could, certainly.

Mr. President, as I was about to say, the Senator from Louisiana [Mr. RANSDELL] has been discussing the question whether or not the salary of the Assistant Secretary of Agriculture should be raised. The Senator has evidently given the subject a great deal of consideration, as shown by the quite lengthy address he made upon the subject. I only wish the Senator had given the same consideration to the labors of the Assistant Secretary of Agriculture.

It has been stated on the floor that the Assistant Secretary of Agriculture had given six years of time in formulating a bill to come before the Senate. That bill was brought before the Senate yesterday in the form of a substitute. It was a bill which was admittedly drawn by the Assistant Secretary of Agriculture, whose salary is to be raised because of his efficiency. Upon that vote the Senator from Louisiana voted against the substitute proposed, the work of the very man whose salary he now asks to have raised because of his efficiency.

The Senator has discussed at some length the inspections that are being carried on by the Assistant Secretary of Agriculture. The Assistant Secretary of Agriculture asked permission that he might go further; that he might make a standardization of his labors in the bill which he presented to the Senate. When that bill was presented the Senator from Louisiana and others voted against granting him any such authority.

The Senator from Louisiana extols the farmers of this country and discusses his own friendship toward them. I appreciate the fact of his great friendship toward those, possibly, whom he knows; but it is evident that he has little knowledge of the farming conditions in the great Northwest, which are to be affected by this legislation.

Mr. President, I know how difficult it is ever to espouse the real cause of the farming public in a body like this. They are an unorganized mass of labor on the American continent. They can not speak to the Congress as readily, it may be as intelligently, as some others, and can not bring to bear directly upon the committees of Congress their desires on any particular point. It may be that because of the lack of association, because they are scattered all over the broad surface of the country, they have not the concentrated knowledge upon any particular subject that would enable them to know exactly what their own interests are; and one who seeks earnestly to serve their interests may sometimes be very much discouraged because he does not receive the great, strong, earnest support that he would receive if his voice were raised in behalf of these boards or the other institutions that operate through their own organization.

I desire in this connection to call the attention of the junior Senator from Georgia [Mr. WEST] to a question that he asked yesterday. He was not present when I replied to the question. He asked at that time whether or not a carload of grain would have to be inspected under that bill if it should happen to pass through a corner of a State. He was answered, I think, in the affirmative by the Senator from Missouri [Mr. REED].

I think if either of the Senators had read the bill carefully they scarcely could have made that assertion; but the particular point I desire to make plain to the Senator is how much easier it is to find these little technical faults when the matter pertains to the rights and the benefits of a great unorganized class as compared with when it is for the benefit of a very small organized class.

Let me call the Senator's attention to the fact that we appropriate $3,000,000 a year out of the coffers of the Government for the purpose of inspecting the meat-packers' products. When that bill was under consideration nobody inquired whether or not you could take a piece of pork from one side of a State line to another without its being reinspected. Nobody delved into

those little questions to see whether or not it would work a hardship upon the farmer who wanted to haul a quarter of beef across an imaginary State line and sell it in a little town on the other side of the line; and so you passed the bill. You passed it without any great opposition, and you prevented the interstate shipment of any meat whatever at any point unless it was inspected.

Did you stop to think how that operated upon the farmer who wanted to sell his own meat in the market? I will tell you how it operated.

We have on the Minnesota side of the line a little town called Moorhead. We have on the North Dakota side another little town called Fargo. We have a number of Jews in the city of Fargo. I imagine that they did not have the proper official to kill their beef for them, and so a Jewish rabbi on the other side of the river had done the butchering for the benefit of a few Jewish families upon the North Dakota side. That little quarter of beef was brought over, and this Jew was immediately arrested and proceeded against by the great Government of the United States for having taken a quarter of beef from one State over into another.

We hear no great complaint about that. In fact, it is very beneficial to the Chicago meat packers, because then their market is not interfered with in the slightest degree, and the Chicago meat packers can take their beef which has been properly butchered in the city of Chicago and send it on to these orthodox Jewish families. When, however, it comes down to a matter as between the farmer and the Government we can easily see all of those little defects in a bill which might operate, as you think, unjustly.

The man who wanted to bring that quarter of beef over the State line would have had to take it clear down to St. Paul, 265 miles away, to have it inspected, and then bring it across the river. That is the bill we have been supporting for years. It seems to me, when we are trying to find all kinds of excuses upon the face of the earth against a proposition that will benefit the farming community of the country, that we ought to direct our eyes for a moment toward the kind of bill that is protecting the meat packers of the country.

Mr. President, while I am on the floor, I suggest the absence of a quorum.

The PRESIDING OFFICER. The Secretary will call the roll.

Mr. SIMMONS. Mr. President, a question of order.

The PRESIDING OFFICER. The Senator will state it.

Mr. SIMMONS. I make the point of order that there has been no business transacted by the Senate since the last roll call.

The PRESIDING OFFICER. The Chair will overrule the point of order.

Mr. SIMMONS. I desire to be heard upon that suggestion. I disagree with the Chair. If the Chair has definitely made up his mind, of course I will not express the disagreement; but I assume that the Chair is open to a change of mind upon the subject.

I remember very distinctly that a year or two ago—and I do not recall any subsequent ruling upon the subject which would change the ruling then made—when we were engaged upon the debate with reference to certain matters connected with the powers of the Interstate Commerce Commission as to fixing rates the Senator from Wisconsin [Mr. LA FOLLETTE] was engaged in delivering to the Senate a very elaborate argument. He had spoken for a long time, and a call was made for a quorum. The roll was called and disclosed the presence of a quorum. The debate was resumed. Within a short time, nothing having transpired except debate—and I think in that case the debate was a continuation of the speech of the Senator from Wisconsin—another suggestion of the absence of a quorum was made. The point was then raised that no business had been transacted since the first call. My distinct recollection is that the Chair then held that debate was not such intervening business as made the second call for a quorum in order.

Mr. SMOOT. Mr. President, I wish to say to the Senator that the case now before the Senate is not at all parallel with the case referred to by him. If the Senator will remember, the Senator who was speaking on the former occasion himself called for a quorum, and then continued speaking on the same subject, and then himself called for a quorum again. In this case the Senator from Louisiana [Mr. RANSDELL] has spoken since the last quorum was called for.

Mr. SIMMONS. How does that affect the principle?

Mr. SMOOT. Oh, the principle is entirely different.

Mr. SIMMONS. The mere fact that in one case the Senator calling for the quorum continued to occupy the floor for an hour or so, and then called again for a quorum would not differentiate it, according to my mind, from the situation we have here to-day. As I understand, the Senator from North Dakota called for a quorum a little while ago, and every time I have happened to be in the Senate since that time the Senator from North Dakota has been speaking.

Suppose, however, some one else had, we will say, participated in the debate along with the Senator from North Dakota. Can it be that where one Senator alone occupies the floor for two hours that is not such intervening business as would make another call in order, but where two Senators have occupied the floor during the two hours that is such intervening business as would make another call in order?

Mr. SMOOT. Mr. President, I think there is no question about there having been intervening business in this case, because I think two or three Senators have spoken upon this subject since the last quorum was called for. I think the Chair is perfectly right in his ruling.

Mr. GORE. Mr. President, I think there is no doubt that under the rules the Senator from North Dakota has the right to raise the point of no quorum, and I should regret to see any precedent to the contrary established; but I wish to appeal to the Senator not to raise the point at this juncture. I wish to remind him that the bill is under consideration now through the grace of the Senator from New York [Mr. O'GORMAN]. The canal-tolls bill has been made the unfinished business, and I understand it is the purpose of the junior Senator from New York to call up that bill for consideration on Monday, and probably to press it until its final conclusion. It is important therefore that this measure should be pressed forward.

I have great respect for the high intelligence of the Senator from North Dakota, and I am willing to join him in any well-directed, diplomatic effort to secure legislation in regard to the standardization of grain grades. I am not perfectly persuaded that the course now being pursued will contribute to the end which the Senator and I both have so much at heart. I might also say that I refrained from undertaking to displace the grain-inspection bill by calling up this appropriation bill, although in one sense it was a privileged measure. I hope now that I shall enjoy some reciprocity at the hands of the Senator and that we may be allowed to proceed.

The PRESIDING OFFICER. The Chair has ruled that the Senator from North Dakota can properly suggest the absence of a quorum. The last quorum suggested was at 2 o'clock and 26 minutes. The Chair is prepared to rule that a point of no quorum made simply for dilatory purposes without any intervening business may be held to be out of order, but the Chair thinks that business has intervened, and if the Senator from North Dakota requests it the Secretary will call the roll.

Mr. McCUMBER. Mr. President, with the kind permission of the Chair, I will withhold that point, as it is not debatable, that I may make a mere suggestion to the Senator having the bill in charge.

This particular amendment deals with the raising of the salary of the Assistant Secretary of Agriculture. I think before we raise the salary we ought to determine whether or not the work of the Assistant Secretary of Agriculture has been efficient, and the best way to determine his efficiency is by voting into this bill a recommendation which he has tried to get before Congress for years. I will not go any further than his present recommendation. Then I would know better after the Senate has passed judgment upon his work as to whether I should join with the Senate in adding a thousand dollars here for his proficiency in that work.

If the Senator would just allow me to present this other bill and have it accepted or put into the Agricultural appropriation bill, I then would certainly not do anything that would delay his bill. I prefer that it should go over until Monday, that the Senator and myself and others might see if we could not get an amendment that would be entirely satisfactory.

Mr. REED. Mr. President, I rise to a question of order.

The PRESIDING OFFICER. The Senator will state it.

Mr. REED. The Senator from North Dakota raised the question of a quorum. I call attention to paragraph 2 of Rule V:

> If at any time during the daily sessions of the Senate a question shall be raised by any Senator as to the presence of a quorum, the Presiding Officer shall forthwith direct the Secretary to call the roll, and shall announce the result, and these proceedings shall be without debate.

The suggestion having been made, the roll must be called.

The PRESIDING OFFICER. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Ashurst	Burton	Gore	Lea, Tenn.
Brady	Chamberlain	Hitchcock	Lee, Md.
Brandegee	Chilton	Johnson	Lodge
Bristow	Clarke, Ark.	Jones	McCumber
Bryan	Cummins	Kenyon	McLean
Burleigh	Dillingham	Lane	Martine, N. J.

Nelson	Ransdell	Smith, Mich.	Townsend
Norris	Reed	Smith, S. C.	Vardaman
O'Gorman	Robinson	Smoot	Walsh
Oliver	Saulsbury	Sterling	Warren
Overman	Sheppard	Sutherland	Weeks
Page	Sherman	Swanson	West
Perkins	Shields	Thomas	Works
Pittman	Simmons	Thompson	
Pomerene	Smith, Ga.	Thornton	

Mr. WARREN. I wish to announce that my colleague [Mr. CLARK of Wyoming] is unavoidably absent from the Senate. He is paired with the Senator from Missouri [Mr. STONE].

Mr. SMOOT. I desire to announce the unavoidable absence of the senior Senator from Kentucky [Mr. BRADLEY] and the junior Senator from Wisconsin [Mr. STEPHENSON].

The PRESIDENT pro tempore. Fifty-eight Senators have answered to their names. A quorum of the Senate is present.

Mr. WARREN. Mr. President, I have only a word to say on this amendment regarding the salary of the Assistant Secretary. I am for that raise and the amount of $6,000 as the salary of that officer whether the proviso may be stricken out or not. If the proviso is stricken out, it will be, of course, until changed by later legislation, the salary, no matter who may occupy the place, and left in that way we will have perhaps early and more pressing demands from Assistant Secretaries of other departments.

I believe if there is any department which deserves to have the best that can be had, not only for Secretary but for Assistant Secretary, it is the Department of Agriculture. As to the present incumbent, I think it is within the knowledge of nearly every Senator in the body that he is a most competent man, a most experienced one, and one who could easily get a much larger salary in any one of many of the institutions of this country.

I sincerely hope that there will be no opposition to the subject matter itself of raising the salary. Earlier in the debate, when the present occupant of the chair was in the chair, a point of order on the ground that it was general legislation was overruled, which was undoubtedly right. If it is legislation, it would be special legislation, and that term should have been used. But whatever it is, a vote might as well come up on the matter itself as to whether it shall be stricken out or not. I understand under the present conditions a motion is before the body to strike out the proviso. May I inquire of the Chair if I am correct?

The PRESIDENT pro tempore. The Senator is correct.

Mr. WARREN. We have heretofore provided in this proposed manner for certain officers—for instance, for the Assistant Secretary of the Interior. He was paid $6,000 or $6,500 a year during the incumbency of one appointee. I think the salary was carried through as many as four or five appropriation bills. We have made the same distinction in some of the salaries of officers of the Senate, and it has been understood, while first it was the endeavor to pay what a useful man was worth, on the other hand, to allow it was to compliment the particular person in that particular way. It can easily be applied to his successor if we leave it open. If we strike out this provision and adopt the remainder of the amendment as offered, of course the salary then remains at $6,000 unless repealed, and will apply to whoever may be appointed, and it will undoubtedly bring us various demands from Assistant Secretaries of other departments.

I am not quite sure but that it ought to be demanded and granted and that all the First Assistant Secretaries should receive $6,000. It is noticeable that in some instances we pay a commissioner $6,000, and we are besought to raise the salaries of Assistant Attorneys General and many others to $6,000, and even to $7,500.

While an assistant to a Cabinet officer, who is the principal in the absence or illness of the head of the department, is Acting Secretary his acts are just as binding as if he were the Secretary himself, and I for one would be glad to afford a salary of $6,000 to all the First Assistant Secretaries of all the great departments.

So I feel free to say we ought to give the present Assistant Secretary of Agriculture the salary that is proposed.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the senior Senator from Wyoming [Mr. CLARK] to the amendment of the committee.

Mr. McCUMBER. Mr. President, I wish to direct my remarks to the Senator having charge of the bill. I wish the Senator would pass this amendment over for a short time and let me offer as an amendment to another portion of the bill that portion of the Lever bill which deals only with standardization and uniformity of grades, without anything else, cutting out all the balance of the bill relating to supervision or having any control, or even the examination of those who are to do the inspecting. It is only a portion of the bill that has been reported by the Assistant Secretary of Agriculture, but it assures those two things that we have been fighting for for years, and is a long way toward the goal we hope some day to reach. As all the Senators who have spoken against the grain bill have lauded at least that portion of the Lever bill, we might save a great deal of argument and considerable time upon this proposition if we could have that put in as an amendment.

Mr. GORE. Mr. President, so far as I am individually concerned, I should be very glad to accept the amendment which the Senator intends to propose, but I have no authority to do so.

Mr. OVERMAN. Mr. President, I rise to a point of order.

The PRESIDENT pro tempore. The Senator from North Carolina will state his point of order.

Mr. OVERMAN. I do not want to antagonize the Senator from North Dakota, but I suggest that in the consideration of appropriation bills usually unanimous consent is given to consider the committee amendments first. Was that agreed to be done in this case?

The PRESIDENT pro tempore. The procedure is so uniform in that behalf that the Chair rules that it is one of the laws of the Senate.

Mr. GORE. That was the original request. I had not intended to raise that point at this time. I will say to the Senator from North Dakota that I anticipate the amendment he intends to propose will be met with a point of order. As far as I am concerned, I would be very glad to accept it. I am with the Senator at any time in an effort to secure that legislation; but I do not think he can make progress in that direction now.

Mr. McCUMBER. I can not imagine that it would be subject to a point of order or that any one of those, at least, who have extolled this other bill will raise a point of order against it. I offer a portion as an amendment to that section which provides already in the bill for $78,000, I think, for inspecting and fixing standards of grain. So it is certainly pertinent. It is simply an amendment to that particular section.

Mr. GORE. I wish the Senator would defer his amendment until we finish the consideration of the committee amendments. That is the usual order, and undoubtedly it is the best order of procedure in the Senate. I am certain his amendment will not be accepted by the Senate. I have no control of that situation. I believe the Chair has ruled that the amendment would be out of order.

The PRESIDENT pro tempore. The uniform usage since the Chair has been in the Senate is that committee amendments are first in order, but the Chair has not looked to see definitely upon what specific authority it rests. That will be the ruling of the Chair under the present state of the Chair's information on the subject.

Mr. McCUMBER. That is true, Mr. President, but I understand that any one of the committee amendments can be passed over.

The PRESIDENT pro tempore. The Chair did not hold anything to the contrary.

Mr. McCUMBER. I ask that the amendment may be passed over for the time being and that some other committee amendments may be taken up. If the Senator will just pass over this one amendment for the time being and take up the next committee amendment, I think we might facilitate the progress of the bill. That could be done without interfering with the rule.

Mr. GORE. I should like to have the Senator state his request again. Is he merely asking that we pass over this amendment without involving any agreement that he shall offer an amendment?

Mr. McCUMBER. Yes. I ask just to pass it over temporarily, and I think I will have an opportunity possibly to see the Senators and ascertain if there will be any objection to the particular amendment that I wish to present, because my action and vote and discussion of this portion of the amendment will depend very much on what is done with the other. I assure the Senator that I want to do nothing except to get this moiety of justice.

Mr. GORE. Very well. I am sorry that the Senator did not prefer that request an hour ago.

The PRESIDENT pro tempore. Without objection, the amendment will be temporarily laid aside.

Mr. JONES. Mr. President, I see no reason why we should pass over this amendment. I can not see where the salary of this officer has anything to do with the grading of grain, and so forth. So I object.

Mr. OVERMAN. Mr. President, I suggest to the Senator from Oklahoma that possibly he can not do anything further with the bill this afternoon. We ought to have an executive

session. It is now 10 minutes of 4. Will not the Senator consent to lay the bill aside so that we may have an executive session? I suggest that the Senator from Oklahoma and the Senator from North Dakota get together and compose their differences by Monday morning.

Mr. McCUMBER. I think we could.

Mr. GORE. Mr. President, I may say that I have been accommodating everybody in the Senate by deferring the consideration of this bill at everybody's request, in particular at that of the Senator from North Dakota; that is, I have refrained from antagonizing his bill or trying to deprive it of its place by pressing the appropriation bill. It seems to me useless to insist upon the further consideration of the bill to-day.

Mr. McCUMBER. I may say to the Senator, with the permission of the Chair, there is one great advantage the Senator in charge of the bill has, and that is that this Congress will not adjourn until it has passed his bill.

Mr. GORE. I think that observation is not supported by the history of the bill up to to-day. If we are to thrash over grain every day as we have done to-day, I fear that two or three harvests will come and go before the Agricultural bill will be passed.

Mr. McCUMBER. I do not think so.

POSTAL SAVINGS BANK FUNDS.

Mr. BRYAN. I move that the Senate proceed to the consideration of House bill 7967, the postal savings bank bill.

Mr. SMOOT. I hope the Senator from Florida will not make that motion at this time, because there are a number of Senators away who did not expect it to come up to-day, and I ask him not to do it. I want to say to the Senator that there are a number of objected cases on the calendar, and I am aware it will take some time to dispose of those.

Mr. BRYAN. Mr. President——

Mr. SWANSON. Mr. President, a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator from Virginia will state his parliamentary inquiry.

Mr. SWANSON. Would that motion interfere with the unfinished business if the postal savings bank bill is taken up?

Mr. BRYAN. It will not.

The PRESIDENT pro tempore. That depends upon what transpired soon after 2 o'clock. The present occupant of the chair was not in the chair at the time the unfinished business was laid aside.

Mr. SWANSON. Temporarily.

The PRESIDENT pro tempore. If it was laid aside generally, without specific reference to the Agricultural appropriation bill, the motion of the Senator from Florida would not interfere with it.

Mr. SMOOT. I wish to say if the motion of the Senator that House bill 7967 be taken up, is agreed to and the bill is not disposed of before adjournment, it will displace the unfinished business and become the unfinished business.

Mr. BRYAN. I thank the Senator, but I am aware of that. There is no purpose upon my part to undertake to displace the unfinished business. I have no such intention. We have spent three or four hours to-day and have done nothing.

The PRESIDENT pro tempore. It all depends upon the language of the order laying aside the unfinished business. If it was laid aside generally, the motion of the Senator from Florida would not displace it. If it was laid aside for the specific purpose of permitting the Agricultural appropriation bill to be considered, the motion of the Senator from Florida would displace it.

Mr. O'GORMAN. The unfinished business was laid aside temporarily to permit the Senator from Oklahoma to proceed with his appropriation bill. I understand he has concluded the consideration of that bill for to-day, and it seems to me that the business now before the Senate is the canal bill.

The PRESIDENT pro tempore. That is true.

Mr. BRYAN. Let me ask the Senator from New York if he will agree to lay the bill aside temporarily in order that the Senate may consider the postal savings-bank bill?

Mr. O'GORMAN. Without prejudice?

Mr. BRYAN. Without prejudice.

Mr. LODGE. By unanimous consent?

Mr. O'GORMAN. By unanimous consent.

Mr. WARREN. It can be done by unanimous consent.

Mr. SMOOT. That is the only way it can be done.

The PRESIDENT pro tempore. What request does the Senator from New York make in connection with the unfinished business?

Mr. O'GORMAN. I ask that it be laid aside temporarily by the consent of the body.

Mr. SMOOT. Before consent is given, I want it distinctly understood that, if it is given, I shall call for a quorum for the purpose of getting Senators interested in the bill here.

Mr. BRYAN. Of course, I can not help that. There are more Senators now here than there were some time ago.

The PRESIDENT pro tempore. The Senator from New York asks that the unfinished business may be still further laid aside temporarily to permit the consideration of such bill as the Senate may see proper to take up on a vote.

EXECUTIVE SESSION.

Mr. SWANSON. Pending that motion, I move that the Senate proceed to the consideration of executive business.

The motion was agreed to, and the Senate proceeded to the consideration of executive business. After 30 minutes spent in executive session the doors were reopened.

CONFIRMATION OF ROBERT H. TERRELL.

Mr. SMITH of Georgia. Mr. President, I ask unanimous consent that my vote on the confirmation of Robert H. Terrell as a judge of the municipal court of the District of Columbia be made public. I desire it to be known that my vote was cast against his confirmation.

The PRESIDENT pro tempore. If there be no objection, it is so ordered.

Mr. BANKHEAD. I move that the Senate adjourn.

The motion was agreed to, and (at 4 o'clock and 23 minutes p. m.) the Senate adjourned until Monday, May 4, 1914, at 12 o'clock meridian.

NOMINATIONS.

Executive nominations received by the Senate May 2, 1914.

CONSULS.

J. Paul Jameson, of Pennsylvania, now interpreter and vice and deputy consul general at Hankow, to be consul of the United States of America at Antung, China, vice Edwin L. Neville, nominated to be consul at Tansui.

Edwin L. Neville, of Ohio, now consul at Antung, to be consul of the United States of America at Tansui, Taiwan, vice Adolph A. Williamson, nominated to be consul at Dalny.

Willys R. Peck, of California, now Chinese secretary to the legation of the United States of America to China, to be consul of the United States of America at Tsingtau, China, vice James C. McNally, resigned.

Albert W. Pontius, of Minnesota, now consul at Nanking, to be consul of the United States of America at Newchwang, China, vice William P. Kent, nominated to be consul at Leipzig.

Charles L. L. Williams, of Ohio, now consul at Dalny, to be consul of the United States of America at Nanking, China, vice Albert W. Pontius, nominated to be consul at Newchwang.

Adolph A. Williamson, of the District of Columbia, now consul at Tansui, to be consul of the United States of America at Dalny, Manchuria, vice Charles L. L. Williams, nominated to be consul at Nanking.

UNITED STATES DISTRICT JUDGES.

Henry D. Clayton, of Eufaula, Ala., to be United States district judge for the middle and northern districts of Alabama, vice Thomas Goode Jones, deceased.

Wilbur F. Booth, of Minneapolis, Minn., to be United States district judge for the district of Minnesota, vice Charles A. Willard, deceased.

PROMOTIONS IN THE ARMY.

CAVALRY ARM.

Lieut. Col. Daniel H. Boughton, Eighth Cavalry, to be colonel from April 30, 1914, vice Col. Joseph Garrard, Fifteenth Cavalry, retired from active service April 29, 1914.

Maj. Robert D. Walsh, Eighth Cavalry, to be lieutenant colonel from April 30, 1914, vice Lieut. Col. Daniel H. Boughton, Eighth Cavalry, promoted.

Capt. George P. White, Ninth Cavalry, to be major from April 30, 1914, vice Maj. Robert D. Walsh, Eighth Cavalry, promoted.

CONFIRMATIONS.

Executive nominations confirmed by the Senate May 2, 1914.

UNITED STATES JUDGE.

Henry D. Clayton to be United States district judge for the middle and northern districts of Alabama.

POSTMASTERS.

ARKANSAS.

Robert S. Allen, Mena.
William D. Jacoway, Dardanelle.
John H. Nance, Earl.
W. A. Ragon, Clarksville.

INDIANA.

Thomas J. Shelburn, Zionsville.

MASSACHUSETTS.

Michael E. Comiskey, Plymouth.

NORTH CAROLINA.

Horace McR. Gudger, Biltmore.

TENNESSEE.

A. W. Ashton, Hohenwald.
Rufus R. Doak, Lebanon.
Philip D. Harris, Greenfield.
George E. McKennon, Columbia.

HOUSE OF REPRESENTATIVES.

SATURDAY, *May 2, 1914.*

The House met at 12 o'clock noon.

The Chaplain, Rev. Henry N. Couden, D. D., offered the following prayer:

Father Almighty, hear us when we pray for a universal faith which shall dispel doubt and unite mankind into one great family, a universal justice which shall right all wrongs, a universal love which shall drive out hate and still unholy strife, a universal peace which shall be stronger than war and unite all hearts in the glad acclaim, "Glory to God in the highest, and on earth peace, good will toward men." In the name of the Prince of Peace. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE.

A message from the Senate, by Mr. Tulley, one of its clerks, announced that the Senate had passed without amendment joint resolution of the following title:

H. J. Res. 242. Joint resolution authorizing the Secretary of War and the Secretary of the Navy to loan equipment, for the purpose of instruction and training, to sanitary organizations of the American National Red Cross.

REVISION OF THE PRINTING LAWS.

Mr. BARNHART. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. BARNHART. The Committee on Printing has reported a bill. In the ordinary course of events bills from the Printing Committee are considered privileged. I want to inquire if the House bill 15902, providing for a revision of the printing laws, would be considered privileged?

The SPEAKER. What is it about?

Mr. BARNHART. It is a general revision of the printing laws.

The SPEAKER. It would not be.

Mr. BARNHART. Then, Mr. Speaker, I want to ask unanimous consent that this bill be considered as privileged, to be called up at any time that an agreement can be made between the three leaders of the House and the Speaker and the chairman of the Committee on Printing for its consideration.

Mr. FITZGERALD. Mr. Speaker, if it is to be given an opportunity to be called up in preference to an appropriation bill, I shall object.

Mr. BARNHART. I will say that it is not intended that it shall interfere with an appropriation bill.

The SPEAKER. The Chair would like to make a statement himself.

Mr. HENRY. Mr. Speaker, what was the request?

The SPEAKER. To make the bill privileged. The statement the Chair wishes to make has no particular reference to this bill, but has reference to the practice generally of making bills privileged. The tendency is to make a multitude of bills privileged.

Mr. HENRY. Mr. Speaker, before it gets too late, I want to reserve the right to object.

The SPEAKER. The gentleman from Texas [Mr. HENRY] reserves the right to object. This practice gets the Speaker and everybody else into trouble. Appropriation bills are now privileged, and certain other bills are privileged, and conference reports are privileged; and according to my recollection you made one or two bills privileged yesterday. If you go on making them all privileged, you might as well not make any of them privileged. These observations, however, have no special reference to this particular bill. They are made in the way of a general admonition all around.

Mr. HENRY. Mr. Speaker, reserving the right to object, I want to say that I concur in everything that the Speaker has said about such bills. It seems to me that in all these matters we ought to pursue the usual course, and that wherever the rules are to be amended and the business of the House is to be changed and upset these matters ought to go to the Committee on Rules. If we allow a lot of requests like this to be granted, to pile up a lot of things before the Speaker's table that ought not to be there, confusion will result. They ought to come up in the regular way; and, therefore, believing that this is not a good practice, I shall hereafter object to all such requests as this, and I shall also object to this.

Mr. BARNHART. I hope the gentleman will reserve his objection.

Mr. HENRY. I will reserve it for a moment.

Mr. BARNHART. My purpose, Mr. Speaker, in making this request is to obtain early consideration of this bill. It is a bill not political in its nature but of immense interest, a bill which the Joint Committee on Printing of the Senate and the House has considered to be of much importance to the House and to the Senate and to the country, having to do with matters that have for several years been considered important. But that is not all of it. There are provisions in the bill for the improvement of economies in the Government printing, for the regulation of the franking privilege, for improvements in the form and publication of the CONGRESSIONAL RECORD, in the regulation of the insertion of matter therein, and many things which I believe would appeal, if the report were read, to every Member of this House.

Mr. HENRY. I believe it is a very important bill, Mr. Speaker, and if the gentleman will only write his rule and drop it in the basket, I think the Committee on Rules will give it proper consideration.

Mr. MANN. Mr. Speaker, will the gentleman yield?

Mr. BARNHART. Yes.

Mr. MANN. Has not the Joint Committee on Printing a good chance of being reached shortly on a call of committees? It is only a little way down the list before the Committee on Printing will be reached.

Mr. BARNHART. No; I have not looked it up, but I believe the prospect is not assuring.

Mr. MANN. As I understand, the Committee on Printing is only a few committees off.

Mr. BARNHART. How many, did the gentleman say?

Mr. MANN. Only three or four committees have bills on the calendar ahead of the Committee on Printing.

Mr. BARNHART. I have no desire to violate the precedents or to impose upon the rules, Mr. Speaker, but I think it important to get this bill up at the first opportunity between consideration of the supply bills or at the first lapse of business. But if you do not want to consider it I shall withdraw my request.

Mr. MURDOCK. Mr. Speaker, will the gentleman yield?

Mr. BARNHART. Yes.

Mr. MURDOCK. Has the gentleman considered the device of a night session or night sessions? The Committee on Claims has been forced to night sessions.

Mr. BARNHART. I do not understand the nature of the gentleman's question. Have I considered a night session?

Mr. MURDOCK. Yes; or several night sessions?

Mr. BARNHART. No; I have not. The Committee on Printing will be glad to take any time for the consideration of the bill the House will provide.

Mr. MURDOCK. The gentleman's committee will not be reached at any near-by time on call of committees?

Mr. MANN. It is within three or four committees. The gentleman from Indiana undoubtedly voted to put in a bill and consume time ahead of his own committee.

Mr. BARNHART. No; I did not.

Mr. HENRY. Well, Mr. Speaker, to end it, I object.

The SPEAKER. The gentleman from Texas [Mr. HENRY] objects.

PEARL HARBOR DRY DOCK.

Mr. PADGETT. Mr. Speaker, I wish to state that in the discussion yesterday over the point of order against the increase of limit of cost of the Pearl Harbor dry dock I omitted to read into the RECORD some matters which I think are pertinent and which should appear in the RECORD. I wish to quote the exact language of Mr. Alfred Noble in his report to the Secretary of the Navy, in which he states:

It has been recited that the piles could not be driven to the depth indicated by the computations as necessary; that other resistances to

uplift were doubtless overestimated; disaster resulted; and it must now be considered whether by some modification in the method within the restrictions of the contract the work could be executed. It is obvious that if riprap or other leading properly distributed had been placed on the concrete as the unwatering proceeded in such manner that the lead added equaled the weight of water withdrawn the uplift would not have occurred during the unwatering. It would be necessary, in order to complete the work, to remove such leading in sections, so that the concrete could be placed. The displacement of at least one of the blocks of concrete in section 2 at the time of the collapse (and possibly more than one) suggests a danger in this procedure, although such displacement would be less probable if there were no violent disturbance of the bottom. It is clear, however, that it would be necessary to restrict the removal of the lead to small areas at any one time; the work would have to be done piecemeal, with considerable risk, with great delay and additional cost, and the finished work would be rendered less satisfactory by such subdivision.

In my opinion the plan was no longer judicious when it was found that piles could not be driven to depth necessary to hold down the concrete seal, and it should be modified or abandoned. It has been suggested that the plan might be modified by placing the full amount of floor concrete required by means of the tremie before pumping out. Computations similar to those on page 50 show that this amount would hardly be sufficient to withstand hydrostatic pressure alone without the margin of resistance given by arch action in the bottom; this is so uncertain in amount that it should not be relied upon, particularly in view of the several accidents that have occurred.

I believe, therefore, that a different method of construction should be adopted; one that will be safe at every step in the construction and afford a satisfactory dry dock when completed."

I desire also to quote from a letter addressed to me by the Secretary of the Navy, of date February 14, 1914, in which he states:

After this failure, on receiving advice as to the seriousness of it, the department directed the Chief of the Bureau of Yards and Docks and Civil Engineer F. R. Harris to go out there and examine the work and advise as to the steps necessary to carry it out to a successful completion, and, at a later date, arranged with Mr. Alfred Noble, an eminent civil consulting engineer of New York, to visit Pearl Harbor and report on conditions and suggest remedies. The gist of all of these reports were that the department's plans for this dry dock could probably be carried out, but would involve great delay and serious hazard and gave no great assurance of the successful completion of the work or of its entire satisfaction after completion.

After negotiations with the contractors for this work, the San Francisco Bridge Co., looking to some arrangement whereby the work could be carried on with assurance of success, all of which negotiations came to nothing, the department asked for the advice of the Attorney General as to the responsibility of the contractors under this contract, and on being informed, in an opinion of January 5, 1914, to the effect that the contractors were required to bring the dock contracted for to completion if it were physically possible to do so, but were not required to guarantee that the dock shall endure and discharge its duty successfully after completion. In view of this, and of the failure to induce them to open up any negotiations looking to a change of plan or method of construction, the department, on January 26, 1914, directed them to proceed with their contract on the old plans and specifications. However, on further negotiations, on February 10, 1914, the contractors submitted a letter to the department stating they were proceeding with the work, but in view of all of the circumstances and their familiarity with the site, they did not desire to stand in the department's way of securing a good dry dock which would stand and endure, and that they did not think that such a dry dock could be secured under this contract, and indicated their readiness to take up the question of changes in their contract to secure the desired end.

At a conference at the Navy Department, at which you were present, between Mr. Alfred Noble, the consulting civil engineer referred to, the Chief of the Bureau of Yards and Docks (Mr. Stanford), and Civil Engineer F. R. Harris, all expressed the opinion that the construction of this dry dock under the present plans and specifications was not alone fraught with the greatest hazard and probable delay in eventual completion, if completed at all, but was inadvisable as an engineering work and was not based on satisfactory assurance and factors of safety which are usually required in good engineering practice. In short, that it was impracticable.

These three engineers agreed that a different design, depending upon the use of floating caissons or boats, gave every assurance of the successful and early completion of this work, but that it would involve an increase in the authorization for this work of approximately, but not over, $1,500,000.

The contract obligation for the dry dock now stands at $3,168,461.61, of which the sum of $1,036,330.01 has been paid the contractor on monthly vouchers on account of work done.

There are sufficient funds remaining under the appropriation to defray the cost of proceeding with this dry dock on the new plans indicated during the next fiscal year, but to enable the department to enter into an agreement with the contractors to proceed on the new plans it will be necessary to increase the limit of authorized cost for this structure.

These extracts clearly show the opinion of the department and of the engineers.

QUESTION OF PROCEDURE AS TO MESSAGES.

Mr. LEVER. Mr. Speaker, on yesterday the Senate, through one of its clerks, sent a message to the House. Included in that message was the statement that the agricultural extension bill, H. R. 7951, had been returned to the House. A statement of that fact does not appear in the RECORD, and I suggest that the RECORD be made to show that the messenger from the Senate made the announcement; and then I submit a parliamentary inquiry as to whether or not that is a sufficient message to give notice to the House that the Senate has agreed to the conference report on that bill?

Mr. MANN. Mr. Speaker, that would depend upon the message itself.

The SPEAKER. The Chair understands that what happened was this: That the Secretary of the Senate, or one of the clerks of the Senate, brought over sundry bills and recited that the Senate had done this, that, and the other with those bills, and then he announced that he returned to the House the bill to which the gentleman refers. Now, he had no more right to return a bill to the House than had the man in the moon.

Mr. MANN. What took place before was that the Senate sent a message to the House stating that the Senate had agreed to the conference report. Then they sent a message requesting the House to return the papers and the message.

The SPEAKER. Yes.

Mr. MANN. That was granted, and both the papers and the message were returned to the Senate. Now, in order to make the RECORD complete we must have a message from the Senate as to whether they have agreed to the conference report.

The SPEAKER. The Chair thinks the gentleman from Illinois is right. The only question is what to do about it.

Mr. MANN. I suggest that the way to do is to have some one telephone to the office of the Secretary of the Senate and call attention to the fact that a proper message has not been sent over here.

The SPEAKER. The Chair again agrees with the gentleman from Illinois.

Mr. LEVER. Mr. Speaker, I will see that that is done.

The SPEAKER. And the gentleman from South Carolina [Mr. LEVER] says he will see that they send a message over here.

NAVAL APPROPRIATION BILL.

Mr. PADGETT. Mr. Speaker, I move that the House resolve itself into Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 14034, the naval appropriation bill.

The motion was agreed to.

Accordingly the House resolved itself into Committee of the Whole House on the state of the Union, with Mr. JOHNSON of Kentucky in the chair.

The CHAIRMAN. The House is now in Committee of the Whole House on the state of the Union for the further consideration of the naval appropriation bill, the title of which the Clerk will report.

The Clerk read as follows:

A bill (H. R. 14034) making appropriations for the naval service for the fiscal year ending June 30, 1915, and for other purposes.

Mr. LEVY. Mr. Chairman, I ask unanimous consent to return to page 28, line 12, for the purpose of offering a separate paragraph.

The CHAIRMAN. The gentleman from New York asks unanimous consent to return to page 28, line 12, for the purpose of offering an amendment. Is there objection?

Mr. MANN. What is the amendment?

Mr. PADGETT. Mr. Speaker, reserving the right to object, I will ask that the gentleman's amendment be read for information.

The CHAIRMAN. The Clerk will report the proposed amendment.

Mr. PADGETT. For information.

The CHAIRMAN. For information only.

The Clerk read as follows:

Amend by inserting as a separate paragraph, following the word "fund," line 12, page 28, the following:

"The grade of commodore on the active list of the United States Navy is hereby reestablished and the President is hereby authorized to appoint, by and with the advice and consent of the Senate, from the senior captains on the active list of the United States Navy nine commodores on the active list of the United States Navy, who shall receive the same pay and allowances as are allowed a brigadier general in the Army."

Mr. PADGETT. Mr. Chairman, I reserve the right to object to returning to the paragraph which has already been passed, and I shall also make a point of order against the amendment. I understand the gentleman wishes to speak on this subject, and I am willing that he be recognized to address the committee on his amendment.

The CHAIRMAN. If there be no objection, the gentleman from New York will be recognized for five minutes.

Mr. LEVY. Mr. Chairman, the amendment proposed by me would restore the rank of commodore in our Navy. Until the year 1861 captains in the United States Navy commanding, or having commanded, squadrons were recognized as commodores, though never commissioned as such, and flew a broad pennant distinctive of that rank. By the act of March 3, 1809, the rank of commodore was abolished in the Navy.

There were many brave, heroic, and gallant officers in our Navy who held the rank of commodore, and among them may be mentioned the following.

Commodore John Paul Jones, who in 1779 commanded a little squadron composed of the *Duras*, *Pallas*, *Cerf*, *Vengeance*, and *Alliance*, that cruised in English waters, making many captures. While in command of the *Duras*—her name being changed to the *Bon Homme Richard*—he engaged His Britannic Majesty's ship *Serapis*, Capt. Pearson, September 23, 1779, in the British Channel, and captured her after one of the most obstinate and desperate naval duels on record. The ships were equally armed and manned, and each lost about one-half of her crew in killed and wounded. He was decorated by the French Government and made a chevalier.

Commodore John Barry, who, in command of the *Alliance*, sailed in February, 1781, with our minister, Laurens, to France, and on his return in the same year captured the English sloop *Atlanta* and brig *Trepassa*, and was severely wounded. On his return from Habana in March, 1782, he was chased by three English ships, but, engaging the first, so injured her that he was able to escape. During the war with France he cruised in European waters in the *United States*, protecting our commerce. On May 16 there will be unveiled in Franklin Park, in the city of Washington, a magnificent statue in memory of this gallant naval officer, for which Congress appropriated $50,000.

Commodore Thomas Truxtun, who, on February 9, 1799, while in command of the *Constellation*, captured the French frigate *L'Insurgente*. On February 1, 1800, still commanding the *Constellation*, he fought and drove into Curacoa, in a sinking condition, the French frigate *La Vengeance*, but was prevented from taking possession of his prize on account of the loss of the *Constellation's* mainmast. For this action Congress awarded him a gold medal.

Commodore Oliver H. Perry, who led the vessels in Commodore Chauncey's attack on Fort George May 27, 1913. He had been assigned to the command of the forces on Lake Erie, and returned there after this action. By great exertions he assembled a fleet, and on the 10th of September defeated the English squadron of six vessels in the celebrated Battle of Lake Erie, off Put-in-Bay. His ship, the *Lawrence*, was so battered that he abandoned her during the action, going in a boat to the *Niagara*. On his flag was inscribed the dying sentence of Lawrence, "Don't give up the ship." For his victory he received a gold medal from Congress.

Commodore Isaac Hull, who, at the outbreak of the War of 1812, commanded the *Constitution*, in which vessel in 1811 he carried specie to Ireland for payment of a debt in Holland, and was chased by a squadron, but escaped. He sailed again on July 12, 1812, and from the 17th to the 20th was chased by an English squadron of seven vessels, escaping by the most consummate skill and seamanship. Sailing again on August 2, he captured five merchantmen, and on the 19th, after a bloody fight, captured and destroyed the British frigate *Guerriere*. For this he was awarded a gold medal by Congress.

Commodore William Bainbridge, who, on September 15, 1812, relieved Commodore Hull in command of the *Constitution*, and sailed down the coast of Brazil. When in latitude 13° 6′ S. and longitude 31° W. he fell in with and captured the English frigate *Java*. The *Constitution* went into action and came out with royal yards across, and without losing a spar. The *Java* was reduced to a mastless wreck, too much injured to be taken into port. The *Constitution* had 9 killed and 25 wounded. Commodore Bainbridge was seriously shot with a musket ball and hurt by a splinter from the wheel. The *Java* had 124 killed and wounded, and her captain—Lambert—was fatally wounded. Among the prisoners taken was Lieut. Gen. Hislop, bound to Bombay as governor. For this action he received a gold medal from Congress.

Commodore John Rodgers, who commanded the *John Adams*, with which and the *Enterprise* he successfully attacked, in June, 1803, a Tripolitan cruiser of 22 guns and several gunboats at anchor near Tripoli. In the spring of 1811, in the *President*, off Annapolis, he heard that a seaman had been impressed off Sandy Hook by an English frigate. Sailing for that point without delay, May 16, he hailed a vessel of war, but received no response. After a little delay, the stranger hailed, and immediately fired a shot that entered the *President's* mainmast. After a short engagement, in which his opponent was much crippled, he ceased firing, and on the following morning boarded, discovering her to be His Britannic Majesty's ship *Little Belt*. On receiving official notice on June 21, 1812, of the declaration of war against Great Britain, he sailed from New York in command of a squadron; on June 23, while chasing the British frigate *Belvidere*, during a running fight a gun burst, killing and wounding 16, Commodore Rodgers being among the latter. In a subsequent cruise he took the British packet *Swallow*, with a large amount of specie, and the schooner *Highflyer*. He rendered important service in the defense of Baltimore during the war.

Commodore Charles Stewart, who, in November, 1814, in command of the *Constitution*, captured the British ship *Pictou* and a number of vessels after having assisted in the defense of Norfolk. On December 17, 1814, he crossed the Atlantic and made two prizes. He captured the *Cyane* and the *Levant* on February 20, 1815, after a gallant fight, and was afterwards chased by a squadron and lost the *Levant*. For his heroism he received a gold medal and a sword, the thanks of Congress and of the Pennsylvania Legislature, and the freedom of the city of New York. He was the grandfather of the distinguished Irish patriot Parnell.

Commodore Thomas McDonough, who, while in command of the forces on Lake Champlain in 1813, had two of his small squadron captured. It was increased the following year, and on September 11, while at anchor near Plattsburg, he was attacked by an English squadron of 4 ships and 13 galleys, but by consummate ability and seamanship, particularly in anchoring his ships, he defeated the enemy with his squadron of 4 ships and 11 galleys after a long and bloody battle. For his bravery and valor he received a medal from Congress.

Commodore David Porter, who, in command of the *Essex* and the *Essex, Jr.*—being the *Georgiana*, a whaler previously captured and converted into a vessel of war—arrived at Valparaiso on February 3, 1814. On the 8th His Britannic Majesty's frigate *Phoebe* and sloop *Cherub* arrived and anchored near the *Essex*. On March 28 the *Essex* made an attempt to get to sea, but in doubling a headland was struck by a squall which carried away her foretopmast and caused the loss of several of her crew. In this crippled condition the ship anchored less than 3 miles from the town, only half a mile from the shore, and while within neutral waters was attacked by the *Phoebe* and *Cherub*. The *Phoebe's* fire proved very destructive, as she occupied a position where her long guns could rake the *Essex*, while that vessel could hardly bring a gun to bear against her, the *Cherub* meanwhile pouring in a galley fire. The latter vessel, however, soon found her position such a hot one that she was driven to leeward near the *Phoebe*, where both vessels kept up a raking fire on the American frigate. Commodore Porter soon got his guns at the stern port to work so well that in about one-half hour both the attacking vessels hauled off to repair damages. Having finished their repairs, the enemy took up their position on the starboard quarter of the *Essex*, out of reach of her carronades and where her long guns could not be brought to bear upon them. Their fire was very severe, and Commodore Porter had no alternative but to get under way and become the assailant.

The *Essex* ran down upon her assailants, and for a short time succeeded in closing with them so as to use her carronades with such effect that the *Cherub* was forced to haul off, and for a few minutes the hope was entertained that the enemy were so far disabled as to permit the *Essex* to escape; but the hope proved a vain one, as the *Cherub* kept up a destructive fire with her long guns, and the *Phoebe* chose the distance best suited to her long guns, where, out of range of the carronades of the *Essex*, she kept up a deliberate and destructive fire. The battle had now lasted over two hours, and the *Essex* lay like a target riddled by every shot from the enemy. The crew were completely exhausted, and had become so weakened in numbers that they entreated the captain to surrender in order to save the lives of the wounded, and accordingly the order was given to haul down the colors. The contest was a most unequal one, the enemy having the advantage in every way. The *Essex, Jr.*, brought the survivors of the action to the United States, where Commodore Porter was received with great honors.

Commodore Stephen Decatur commanded a division of vessels in an attack on Tripolitan gunboats August, 1805, where he was wounded, and captured two prizes. In 1811 he hoisted his broad pennant on the *United States*, and captured the English sloop *Macedonian* October 25, 1812, in a brilliant engagement. Entering New York with his prize, he was blockaded and his ship laid up, when he was given the *President*. He commanded a fleet sent to Algiers in May, 1815, and on the 17th of June captured the *Mashouda*, with the Algerian admiral.

Commodore Daniel T. Patterson, who in 1832 commanded the United States naval forces at New Orleans, and who so ably cooperated with Gen. Jackson in the defense of that city that he received the thanks of Congress.

Commodore William B. Shubrick, who commanded the squadron in the Pacific in 1847 and captured Mazatlan and other ports from the Mexicans.

Commodore Uriah Phillips Levy, who was officer of the brig *Argus*, which escaped the blockade during the War of 1812 and took out Mr. Crawford, minister to France, and destroyed in the British Channel 21 sail, with cargoes worth approximately $2,500,000. The *Argus*, in command of Capt. William

Henry Allen, engaged in a bloody battle in the English Channel with His Britannic Majesty's ship *Pelican*. Capt. Allen was shot through the leg during the engagement and the *Argus* was captured and the members of her crew—among them Commodore Levy—were held prisoners in Dartmoor Prison for 13 months, Capt. Allen dying from his wounds.

In 1817 he was made lieutenant, in 1837 commander, and in 1844 post captain. At the request of President Jackson in 1834, Commodore Levy purchased Monticello—the home of Thomas Jefferson—which ever afterwards he maintained as his home. He was the originator and prime mover in the movement for the abolition of flogging in the United States Navy. He published a manual of rules and regulations and etiquette of the United States Navy which, to a great extent, is in use at the present time. He was one of the first to tender his sword and fortune to President Lincoln at the outbreak of the War between the States. In 1834 he presented to the Government of the United States a bronze statute of Thomas Jefferson by David d'Angers which now stands in the Rotunda of the Capitol. In 1834 he was presented with the freedom of the city of New York and a gold box, and during the same year President Jackson presented him with a massive gold jeweled ring. He died in the city of New York on March 22, 1862.

Mr. Chairman, owing to the many brave and heroic acts performed by our commodores, this grade of commodore should be restored to the ranks of our Navy in memory of these gallant officers, and I sincerely hope that the amendment offered by me will be adopted by the committee. [Applause.]

Mr. PADGETT. Mr. Chairman, I object to returning to the paragraph indicated.

The CHAIRMAN. Objection is made to returning to the paragraph. The Chair is ready to rule on the point of order which was pending when the committee rose yesterday.

Mr. MANN. What was the point of order?

The CHAIRMAN. A point of order was made against the paragraph on page 33, beginning with line 5 and ending with line 16.

Mr. PADGETT. It was not made. It was reserved. I wanted to offer an amendment striking out the words "until expended," in line 15. I believe it was the gentleman from Illinois [Mr. MADDEN] who reserved the point of order.

The CHAIRMAN. The gentleman from Tennessee seems to be thinking of another point of order.

Mr. PADGETT. No; I am speaking of that one.

Mr. MANN. Reserving the point of order, will the gentleman state what the effect of this will be? The gentleman remembers that we had for a while a naval-supply fund and then a naval-supply account, which, I think, nobody except the Navy Department and the members of the Naval Committee understood. Now, what is the effect of this?

Mr. PADGETT. I can explain it better by explaining the workings under the naval-supply account as it is now provided by law. By means of the naval-supply account stores, and so forth, are purchased, and then as they are issued to the various ships, or are used in the service, they are paid for out of the proper appropriation, and charged to the bureau that utilizes them.

To illustrate the working of it, say that an anchor is purchased by the naval supply account at a cost of $5,000, and pays for it. Whenever it is needed for a ship it is furnished to the ship and the supply account is repaid out of the appropriation for the Bureau of Construction and Repairs available for the purchase of anchors. Later on the ship temporarily goes out of commission and the anchor and other stores and supplies are removed from the ship and placed with the general storekeeper. Under the law he credits that to the naval supply account.

Now, when that ship goes back into commission, in order to get back its anchor it has to purchase it again out of the appropriation current at the time. So the appropriation would pay for the anchor twice, and the same with the other stores.

This is simply to remedy that so that when it comes into the naval supply account and is credited to them on the books, when it is reissued it will be credited to the appropriation that was originally credited to the supply account by the reception of these stores.

Mr. MANN. The naval supply account is a revolving fund?

Mr. PADGETT. Yes.

Mr. MANN. We do not make any direct appropriation for it?

Mr. PADGETT. It is authorized by law, but it is rather a method of bookkeeping by the department.

Mr. MANN. Not entirely a method of bookkeeping; they have to buy the stores.

Mr. PADGETT. Yes; they buy them out of the amount.

Mr. MANN. Out of the naval supply account. How much is the naval supply account?

Mr. PADGETT. About $23,000,000 now. That is for all stores, exclusive of ordnance and ordnance stores.

Mr. MANN. How much has it increased within the last few years?

Mr. PADGETT. For the last few years it has decreased. At one time it amounted to $60,000,000.

Mr. MANN. If the naval supply account gets pay for everything that it furnishes to vessels, and then sometimes gets paid twice for the same thing, how is it possible for the amount to decrease?

Mr. PADGETT. I will explain. In Admiral Rodgers's time it had accumulated about $60,000,000.

Mr. MANN. That was the naval supply fund. I am talking about the naval supply account.

Mr. PADGETT. I can not tell the gentleman how much it has increased lately.

Mr. MANN. The increase would show how much duplication there had been by reselling the same thing.

Mr. PADGETT. That is one thing we want to obviate.

Mr. MANN. Under this provision the naval supply account will practically remain stationary, and it is sufficiently large to provide for the purchase of these things which it is necessary to dispose of to the ships.

Mr. PADGETT. That is correct.

Mr. STAFFORD. Will the gentleman yield?

Mr. PADGETT. Certainly.

Mr. STAFFORD. How often are the supplies credited to this account? How often does the ship, under ordinary circumstances, go out of commission so as to have the supplies taken off the ship and credited to this fund?

Mr. PADGETT. There is no definite time for that. It depends on the emergency. If the ship has to go into the dry dock to be repaired, the repairs might take only a few days, and the stores would not be taken off at all. But it may have to go in for repairs where it would remain for a number of months. There have been instances where the ship has gone out of commission for several years.

Mr. STAFFORD. How large an amount is overturned every year—how large is the fund that goes into the account in any one year?

Mr. PADGETT. I could not tell the gentleman, but it is tremendous. It takes all the stores, provisions, and supplies of every kind and character in that service except ordnance and ordnance stores and a few other items specifically exempted.

Mr. STAFFORD. Is it contemplated to take a credit of the supplies whenever there is an appraisal of the stores and the ship is placed out of commission?

Mr. PADGETT. When a ship goes out of commission the supplies are appraised and turned in to the storekeeper and credited to that fund. When disposed of they are disposed of at the appraised value. They may not go back to the same ship; they become a part of the general stock and may be issued to another ship.

Mr. MANN. Will the gentleman allow me to ask him another question?

Mr. PADGETT. Certainly.

Mr. MANN. The gentleman speaks of a ship going out of commission. A ship goes into a dry dock; is she out of commission?

Mr. PADGETT. Not necessarily; it does go out of commission temporarily.

Mr. MANN. The ship does not have to go out of commission in order to turn supplies over to the storekeeper.

Mr. PADGETT. No; I was simply illustrating by saying that when they did go out of commission.

Mr. MANN. I have heard that this sometimes takes place, although I have no information about it. I am told that this is not an infrequent occurrence where a ship comes in and is temporarily out of commission it can turn its supplies over to the storekeeper, to be credited to the naval supply account, in which case the ship is credited to supplies turned over. Then if the ship afterwards takes the supplies, the appropriation is again charged to it. In order to obviate that, instead of turning over the supplies to the officers in charge of the naval supply account, where they could be kept most economically, and I think with good reason, they will store them somewhere else at some expense.

Mr. PADGETT. Some expense and some risk. That is correct, and it is to remove that situation that this provision is intended.

Mr. MANN. Under this provision when a ship goes out of commission and has to dispose of everything that it has on

board, it will be turned into the regular storekeeper and accounted for?

Mr. PADGETT. Yes; the gentleman is correct.

Mr. STAFFORD. Will the gentleman state the purport of the amendment that he said he was about to offer?

Mr. PADGETT. It was simply to strike out the words "until expended." They were inadvertently inserted, and it is not necessary to have them in there.

Mr. STAFFORD. So that the officials of the department will always be able to tell the committee the amount of the available funds in the respective items of expenditure?

Mr. PADGETT. Yes, sir.

The CHAIRMAN. Is the point of order withdrawn?

Mr. STAFFORD. I do not know, but I believe I reserved the point of order; at least I intended to reserve the point of order, if I did not.

The CHAIRMAN. The point of order was reserved.

Mr. STAFFORD. As far as I am concerned, I withdraw the point of order.

The CHAIRMAN. The point of order is withdrawn.

Mr. PADGETT. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from Tennessee offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amend, page 33, line 11, by striking out the words "until expended."

The question was taken, and the amendment was agreed to.

Mr. GARDNER. Mr. Chairman, I move to strike out the last word.

In connection with the remarks of the gentleman from New York [Mr. LEVY] recounting the exploits of the fathers of the American Navy, I can not refrain from reminding this House that none of our early sailors excelled Commodore John Barry.

On June 4, 1906, the bill providing for a statue to Barry's memory passed the House of Representatives under suspension of the rules. In those days it was hard to get Speaker Cannon to consent to the passage of a bill in that manner, and yet it was only under suspension of the rules that the Barry bill could be passed.

I well remember that Mr. Driscoll, of New York, Mr. McCleary, of Minnesota, and I, with a number of others, visited the Speaker in a body. Driscoll's tongue must have been tipped with blarney, for Uncle Joe visibly softened under the eloquent treatment which the Member from New York lavished upon him. At all events, at last Mr. McCleary was recognized by the Speaker. He moved to suspend the rules; and so, after long endeavor, the plan to pay tribute to John Barry's memory was started on its course through Congress.

In this beautiful city there is no more beautiful square than that which bears the name of Franklin. At this moment in that favored spot a statue, heavily veiled, awaits the coming of the 16th day of this month of May. When that day arrives, in the presence of a vast multitude, the monument will be unveiled. It is our tribute to John Barry, a splendid, stainless representative of a splendid, stainless race.

John Barry was a Wexford man by birth, and everyone knows that Wexford has always been a nursery for poor boys with strong hearts and clear heads.

America has cause to be grateful to the Irish, who have fought in her battles by land and sea. To no one more than to John Barry does she owe a heavy debt of gratitude.

It was George Washington who discovered the qualities in Barry which brought him into public notice. Washington made him captain of the *Lexington* in 1776. In the *Lexington* he put to sea, the first to fly the Colonial colors in pursuance of the act of the Continental Congress, which established the Navy of the Revolution. In the *Lexington* he made his first fight and won his first victory. Soon he was given command of the *Effingham*. His splendid courage was again displayed. After the destruction of the *Effingham*, Barry fought on land as a soldier under Washington until he was ordered to the command of the *Ralcigh*. Finally he commanded the *Alliance* in the last naval action of the Revolutionary War. It was in this brilliant battle that Barry was so seriously wounded. History has it that his sailors would have surrendered the ship while he lay wounded below. Whether this be so or not, I believe it to be an unquestioned fact that in the extremity of his pain he issued orders that he be taken back to the deck of his sorely beset ship so that his presence might inspire the gunners.

When the war was over Barry remained in the public service. Under his watchful guidance and intelligent direction our infant Navy was nurtured. Barry's dazzling star will ever shine resplendent amid the Milky Way of luminaries which shed luster on our history.

The Clerk read as follows:

BUREAU OF CONSTRUCTION AND REPAIR.

Construction and repair of vessels: For preservation and completion of vessels on the stocks and in ordinary; purchase of materials and stores of all kinds; steam steerers, pneumatic steerers, steam capstans, steam windlasses, air craft, and all other auxiliaries; labor in navy yards and on foreign stations; purchase of machinery and tools for use in shops; carrying on work of experimental model tank; designing naval vessels; construction and repair of yard craft, lighters, and barges; wear, tear, and repair of vessels afloat; general care, increase, and protection of the Navy in the line of construction and repair; incidental expenses for vessels and navy yards, inspectors' offices, such as photographing, books, professional magazines, plans, stationery, and instruments for drafting room, and for pay of classified force under the bureau; for hemp, wire, iron, and other materials for the manufacture of cordage, anchors, cables, galleys, and chains; specifications for purchase thereof shall be so prepared as shall give fair and free competition; canvas for the manufacture of sails, awnings, hammocks, and other work; interior appliances and tools for manufacturing purposes in navy yards and naval stations; and for the purchase of all other articles of equipage at home and abroad; and for the payment of labor in equipping vessels therewith and manufacture of such articles in the several navy yards; naval signals and apparatus, other than electric, namely, signals, lights, lanterns, rockets, running lights, lanterns and lamps and their appendages for general use on board ship for illuminating purposes, and oil and candles used in connection therewith; bunting and other materials for making and repairing flags of all kinds; for all permanent galley fittings and equipage; rugs, carpets, curtains, and hangings on board naval vessels, $9,788,000: *Provided*, That no part of this sum shall be applied to the repair of any wooden ship when the estimated cost of such repairs, to be appraised by a competent board of naval officers, shall exceed 10 per cent of the estimated cost, appraised in like manner, of a new ship of the same size and like material: *Provided further*, That no part of this sum shall be applied to the repair of any other ship when the estimated cost of such repairs, to be appraised by a competent board of naval officers, shall exceed 20 per cent of the estimated cost, appraised in like manner, of a new ship of the same size and like material: *Provided further*, That nothing herein contained shall deprive the Secretary of the Navy of the authority to order repairs of ships damaged in foreign waters or on the high seas, so far as may be necessary to bring them home. And the Secretary of the Navy is hereby authorized to make expenditures from appropriate funds under the various bureaus for repairs and changes on the vessel herein named in an amount not to exceed the sum specified for said vessel, *Constellation*, $50,000: *Provided further*, That the sum to be paid out of this appropriation, under the direction of the Secretary of the Navy, for clerical, drafting, inspection, watchmen (ship keepers), and messenger service in navy yards, naval stations, and offices of superintending naval constructors for the fiscal year ending June 30, 1915, shall not exceed $958,100: *Provided further*, That the Secretary of the Navy is hereby authorized to enter into contract for the use by the Government of dry docks at Hunters Point, San Francisco, Cal., one of which docks shall be capable of docking the largest vessel that can be passed through the locks of the Panama Canal, for a period not to exceed six years from completion of such dock, at a compensation of $50,000 per annum during said period of six years, the right of the Government to the use of said docks in time of war to be prior and paramount: *Provided*, That the construction of the large dock shall be undertaken immediately upon entering into this contract and shall be completed within 24 months thereafter: *And provided further*, That said contract shall provide for docking rates not in excess of commercial rates, and for such other conditions as may be prescribed by the Secretary of the Navy, prior to entering into such contract: *And provided further*, That in the event, during the said contract period of six years, the necessities of the fleet require the docking of vessels which will necessitate a charge greater than $50,000 per annum, the Secretary of the Navy is authorized to have said vessels docked at a rate of charge not greater than price stipulated in said contract.

Mr. STAFFORD. Mr. Chairman, I reserve a point of order on the paragraph. It is almost one-half the bill, judging from its length, and provides a good many distinctive propositions as to which I desire to inquire.

Mr. PADGETT. Does the gentleman reserve it to the paragraph or the proviso beginning at the bottom of page 35?

Mr. STAFFORD. For safety I will reserve the point of order at the present time on the entire paragraph. I wish to inquire of the chairman whether the language found on page 34, beginning line 7, after the semicolon and running down three or four lines, is new phraseology?

Mr. PADGETT. It is the same, as I explained to the gentleman the other day in reference to the appropriations for another bureau. It is new language in this paragraph, but it is not new language in the bill. It was transferred from appropriations for the Bureau of Equipment, that was consolidated and part of its work came to this bureau and part went to other bureaus.

Mr. STAFFORD. Can the gentleman indicate in an existing act where there is an authorization for the Navy Department to manufacture cordage, anchors, cables, galleys, and chains?

Mr. PADGETT. Yes, sir. The same language that is here was in the law for years, and we are manufacturing chains and cordage, rope, and everything of that kind at the navy yard at Boston, Mass., very extensively.

Mr. STAFFORD. Can the gentleman inform the committee what percentage the Government makes of those articles as compared with that which it uses?

Mr. PADGETT. I think all our rope, cordage, and all chains; that is, the largest chains, the anchor chains, and things of that kind.

Mr. STAFFORD. Does the gentleman know the reason why the Government indulges in the manufacture of this line of

merchandise when it can be purchased, perhaps, from private concerns?

Mr. PADGETT. The Navy Department has always insisted that chains and rope for use upon war vessels were required to be superior to those manufactured in the common trade, and that requires a much more careful manufacture in order to have greater strength.

Mr. STAFFORD. Does the gentleman know whether we go to the extent of manufacturing the steel, or do we buy the high-grade Swedish steel which may be required for these chains?

Mr. PADGETT. My information is—I have not looked carefully into the matter—that we buy the steel and do the work of manufacturing the chains. These chains are manufactured by hand and welded by hand labor. They can not use machinery for it to a very large extent.

Mr. STAFFORD. Does the gentleman know whether we use electric furnaces in the manufacture of this steel?

Mr. PADGETT. Yes, sir; I think so; not in the manufacture of the steel——

Mr. STAFFORD. If they use electric furnaces, which gentlemen all know is the one furnace to obtain the very highest grade of steel possible, for that furnace eliminates from steel all the foreign substances that cause it to be brittle, such as sulphur and phosphorus.

Mr. PADGETT. I do not know, and I am not prepared to say they manufacture the steel, but when they have the steel they do the manufacturing of the chains.

Mr. STAFFORD. Possibly the gentleman from Massachusetts [Mr. ROBERTS] can give more enlightment.

Mr. ROBERTS of Massachusetts. If the gentleman will pardon me a moment, I understand he wants to know whether the language which appears on page 34, after the semicolon, line 7, has appeared in a prior appropriation bill. I have here the print of the naval appropriation bill approved March 4, 1913, and, on page 8, under the head of "Bureau of Equipment," he will find this same language for hemp, wire, iron, and other material, and so forth. As the chairman has already stated, this merely repeats the language that has appeared in prior appropriation bills under the Bureau of Equipment now transferred by this bill to various bureaus.

Mr. STAFFORD. As the gentleman is very well acquainted with the conditions at the Boston Navy Yard, where the chairman says this work is carried on, can he inform the committee as to what we are manufacturing so far as these chains are concerned, whether we have electric furnaces there or some other character of furnaces——

Mr. PADGETT. The Boston yard makes a specialty of rope and cordage.

Mr. STAFFORD (continuing). For the manufacture of chains.

Mr. PADGETT. I said Boston makes a specialty of rope and cordage.

Mr. STAFFORD. Where are the chains manufactured?

Mr. PADGETT. I think they are manufactured, some of them, in New York and perhaps some in Boston.

Mr. ROBERTS of Massachusetts. At one time, Mr. Chairman, there was a large industry of manufacturing chains in the Boston yard. I am not certain at the present moment how much of that work is chain manufacturing. I know they still are manufacturing chains at the yard.

Now, the gentleman asks as to the particular apparatus used. My observation is that there is no electrical welding. It is all done by hand. My impression is and my observation is that we do not use any electrical machines in welding those links or putting the pieces in the chain. The metal is heated in furnaces that have liquid fuel—I think oil—and the work is done by hand.

Mr. STAFFORD. It is the ordinary small oil furnace where they heat the bar iron prior to welding it together.

Mr. ROBERTS of Massachusetts. They heat the links after they have shaped them. Is that the information the gentleman wished?

Mr. STAFFORD. That is sufficient information.

I thought the House would be interested in having an explanation from the chairman of the committee as to the reason why we are entering into some kind of an arrangement with a private concern for the building of a dry dock on the Pacific coast. The House has heretofore taken the position that whenever there was need for the Government having a utility, for instance, like a dry dock, that it has the means to build it itself. Here we have a proposition for the first time, if I remember, where, before the dry dock is ever constructed, we are to enter into a contract to compensate a private party at a certain rate for the use of a dock by naval vessels. I think it is a very important proposition and that it should receive considerable consideration at the present time.

Mr. PADGETT. I should be very glad to give the gentleman and the committee all the information I have. It occurs to me that it is a very fine proposition for the Government. It is not necessary to argue that we need such a dock on the Pacific coast. We have one such dock at Bremerton up at Seattle. There is another one being constructed at the Balboa end of the canal.

Mr. MOORE. Will the gentleman give the dimensions of those two docks while he is discussing them?

Mr. PADGETT. The two docks are a thousand feet, or about a thousand feet, long; large enough to accommodate any ship that can be passed through the Panama Canal.

Mr. STAFFORD. As I remember the original proposition, when authorization was made to change the then plan of docks so as to provide for the largest ship afloat the dock was stated to be 1,200 feet in length.

Mr. PADGETT. Where is that?

Mr. STAFFORD. When we had this matter under consideration some five years ago the proposition was to increase the size of the docks, to increase the size of the dock at New York, to increase the size of the dock at the Norfolk Navy Yard, and also at the Bremerton yard——

Mr. PADGETT. We have no 1,200-foot docks.

Mr. STAFFORD. I was under that impression. I know that the dock as then designed was less in extent, and the proposition was to have the House increase it so as to provide for the largest ship afloat.

Mr. PADGETT. The 1,000-foot dock will be large enough to accommodate the largest ship that can pass through the canal.

Mr. MOORE. Will the gentleman give me the dimension of the Bremerton dock?

Mr. FALCONER. I will give the gentleman the dimensions. The length of Dock No. 2 is 827 feet and 6 inches.

Mr. MOORE. Before you go further, will not the chairman of the committee tell whether that is not the largest dock on the Pacific coast?

Mr. PADGETT. It is the largest dock that is completed. There is a dock under construction at the Pacific end of the Panama Canal that is larger. That is 1,000 feet in length.

Mr. MOORE. In order to clearly understand, the Bremerton dock is sufficiently large, this 827-foot dock, to accommodate the largest battleship constructed by the Navy?

Mr. PADGETT. Yes; or authorized. That is correct.

Mr. MOORE. So that dock would be sufficient to meet all present and all reasonable future demands?

Mr. PADGETT. If you had your ship up there. But a disabled ship, in an emergency, that had to go there north 600 miles or south 1,400 miles, would want a dock midway very badly.

Mr. J. I. NOLAN. Will the gentleman yield for a moment for a correction? Instead of being 600 miles from San Francisco to Bremerton, it is 900 miles.

Mr. KAHN. It is nearly 1,000 miles. It is 967 miles.

Mr. PADGETT. That only adds to the importance of what I was stating. It is some 1,200 or 1,400 miles to the mouth of the dock at San Francisco, if I remember, from Panama.

Mr. STAFFORD. Will the gentleman in that connection permit an interruption?

Mr. PADGETT. Yes, sir.

Mr. STAFFORD. As I recall, Secretary Meyer had under consideration the building of a new navy yard on the Pacific coast and had some certain site in view. Am I wrong in that impression?

Mr. PADGETT. I do not know of anything of that kind. But I will state that this proposition was first submitted to the Congress when Mr. Meyer was Secretary, and it met his cordial and hearty approval. He indorsed it and recommended it to the committee, and it appears in the hearings at that time with his hearty indorsement and approval and the approval of the bureau chiefs. When Mr. Meyer ceased to be Secretary and Mr. Daniels became Secretary the offer was renewed. He took it up and gave it very careful investigation, and has given it cordial indorsement and approval, and the committee has recommended it.

Now, we have one dock at Seattle, and the other one is at the mouth of the canal. They are something like more than 2,000 miles apart. A dock that is needed for a war vessel is needed worse in an emergency, and every consideration requires that we should have a dock at San Francisco. Now, this is not intended, as I understand it, to supplant ultimately the Government constructing a dock at Mare Island.

At San Francisco, if an emergency should arise, we would need more than one such dock. But here is this business firm there that will undertake to build a dock within the next two years that will accommodate any ship that will pass through the Panama Canal.

Mr. MURDOCK. What is the probable cost of that dry dock?

Mr. PADGETT. I was going to give it. The estimated cost is less than $2,000,000. They think they can build it for about that amount. The estimate for which the Government would undertake to build a dock was more than that. But putting it on the basis of $2,000,000, 3 per cent for the money the Government invested in it would be $60,000 interest upon the investment. Then the operation of the dock to do the docking, if the Government owned it and did the docking itself, would cost $30,000 or $40,000 a year.

Mr. MURDOCK. That is, the cost of operation of this dock would be paid out of the Government?

Mr. PADGETT. No. The operation of a Government dock, if the Government owned the dock and operated it itself, would cost the Government some thirty or forty thousand dollars. To operate its own dock, to pump out the water and fill it in, to supply the electric power, the machinery, the fuel, the hands, the labor, and all of those charges in the operation of the dock would be an additional charge.

Mr. MURDOCK. That is, in this instance the company that owns the dock pays the expenses of operation?

Mr. PADGETT. Entirely.

Mr. MURDOCK. Do I understand the estimated cost of this dry dock is $2,000,000?

Mr. PADGETT. Yes.

Mr. MURDOCK. And for a period of six years we are to pay $50,000 annually for the use of it?

Mr. PADGETT. Yes; for the full use of it. Now, this contract simply adds that for a period of six years we shall enter into a contract to pay them a minimum amount of $50,000 a year, if we choose to give them that much dockage.

Mr. MURDOCK. Then do I understand that if we should use this dry dock on regular commercial rates in excess of $50,000 we would pay for the excess?

Mr. PADGETT. Yes; we would pay for the excess. Now, then, as to the dockage, it appears in the hearings that Admiral Watts stated that if all the vessels that would likely be on the Pacific coast should be docked it would cost somewhere from $20,000 to $60,000 a year to dock them, so that the $50,000 is about the sum that it would require to dock them.

Mr. STAFFORD. This yard is tributary to the Mare Island yard?

Mr. PADGETT. It is between San Francisco and the Mare Island yard.

Mr. J. I. NOLAN. It is on San Francisco Bay. You come into the bay and go around the Hunters Point yard. You go in the bay and go into Carquinez Straits up to the navy yard.

Mr. STAFFORD. You go up the bay to reach both of them?

Mr. KAHN. Yes. They are about 35 miles apart.

Mr. STAFFORD. It is not much out of the way of the regular channel to vessels going up to Mare Island?

Mr. J. I. NOLAN. No.

Mr. MOORE. Mr. Chairman, will the gentleman yield?

The CHAIRMAN. Does the gentleman from Tennessee yield to the gentleman from Pennsylvania?

Mr. PADGETT. Yes.

Mr. MOORE. How long is this dock?

Mr. PADGETT. A thousand feet.

Mr. MOORE. Then it will be the largest dock in the United States?

Mr. PADGETT. No; there will be a bigger one at Balboa, on the Canal Zone.

Mr. MOORE. I mean in continental United States?

Mr. PADGETT. Yes.

Mr. MOORE. It will be larger than any dock in the United States except the new commercial dock at Boston.

Mr. PADGETT. Yes.

Mr. MOORE. I want the gentleman to answer some questions about the size of docks, because it is extremely important.

Mr. PADGETT. It is larger than the dock at New York.

Mr. MOORE. There has been a great controversy about the size of docks and their adaptability to the use to which the Navy desires to put them. The State of Massachusetts and the city of Boston have appropriated $9,000,000 for improvements to the harbor front at Boston, which is to include a new dock 1,200 feet long, which dock the Government will utilize under some such arrangement as this, as I understand?

Mr. PADGETT. Yes; and pay for the dockage.

Mr. MOORE. And if this arrangement at Hunters Point goes through—and I think it is proper for the Government defense on the Pacific side—then the Government will have at its disposal a commecial dock on the Atlantic side at Boston and a commercially owned dock on the Pacific side at Hunters Point, on San Francisco Bay. That is the fact, is it?

Mr. PADGETT. Yes.

Mr. MOORE. Then the next best dock that the Government will have, belonging to itself, will be the Brooklyn Dock No. 4, and next to that the dock at Bremerton, Wash., which is eight hundred and seventy-odd feet long. Is that right?

Mr. ROBERTS of Massachusetts. That is not quite correct.

Mr. MOORE. Is there any other Government-owned dock equal in size to that at Brooklyn?

Mr. ROBERTS of Massachusetts. The dock at the Panama Canal is larger.

Mr. MOORE. I am speaking of continental United States.

Mr. ROBERTS of Massachusetts. As to continental United States, the gentleman is correct.

Mr. MOORE. Then this is the situation: The Government has a large dock at Brooklyn, which it owns, and it has a second large dock at Bremerton, on Puget Sound, a thousand miles above San Francisco, leaving the coast line unprovided in between; and now by this arrangement it is intended to provide for itself, not at the original cost of a dock but at a rental cost, a commercially owned dock at San Francisco?

Mr. PADGETT. For a period of six years; yes.

Mr. MOORE. Having already reached an understanding or made a contract with the State of Massachusetts that it would utilize, if necessary, the 1,200-foot dock at Boston. Is that the situation?

Mr. PADGETT. I did not suppose that any understanding exists as to the dock at Boston. I understand that the Government authorities are willing to use it, but I do not understand that any plans have been consummated for its use.

Mr. MOORE. Being in sympathy with what the gentleman proposes in this bill, to locate at San Francisco a dock of sufficient size to accommodate the largest vessels of the Navy, and that suggestion being in line with the recommendation of at least two Secretaries of the Navy, I would like to ask the gentleman what has become of the recommendations of those two Secretaries of the Navy in regard to a thousand-foot dry dock to be built somewhere by the Government along the Atlantic seaboard?

Mr. PADGETT. Well, Mr. Secretary Meyer submitted a recommendation for a dock somewhere on the Atlantic coast, but designated no particular place. Secretary Daniels recommended the location and construction of a dock of that character at the Norfolk Navy Yard. I might state that there appeared to be upon that subject an intimation of a lack of harmonious agreement between the Norfolk people and the Philadelphia people on the question, and the committee has not reported either.

Mr. MOORE. I believe there ought to be a thousand-foot dry dock along the Atlantic coast; and the gentleman does, too, does he not?

Mr. PADGETT. Yes.

Mr. MOORE. I would like to know officially, if possible, what has become of the recommendation of the Secretary?

Mr. PADGETT. There has been no disposition made of it.

Mr. MOORE. There is no provision in this bill for a thousand-foot dry dock along the Atlantic seaboard, as recommended by the Secretary of the Navy?

Mr. PADGETT. There is not.

Mr. HOBSON. Mr. Chairman, will the gentleman yield there for a moment?

The CHAIRMAN. Does the gentleman yield?

Mr. PADGETT. Yes.

Mr. HOBSON. I took occasion to analyze the business side of the proposition to enter into a contract for the use of the dock at Hunters Point, and an item that the gentleman from Tennessee did not mention should, I think, be included in the record, namely, that of depreciation. The pumping plant and other movable equipment would probably depreciate at the rate of 10 per cent, and the fixed equipment would probably depreciate at the rate of 5 per cent, and that would make a very material item in making it of greater business advantage to the Government to enter into the contract.

Mr. STAFFORD. Will the gentleman yield for a question?

Mr. PADGETT. Certainly.

Mr. STAFFORD. I assume that even if the Government should not enter into this most favorable contract with this private company, there is sufficient business there to warrant the construction of this dry dock?

Mr. PADGETT. I want to state to the gentleman upon that point that it has been represented by the department, and also by some of the gentlemen who called to see me at the time when

the matter was submitted to Mr. Secretary Meyer in a former Congress, that after the completion of the Panama Canal, when business has readjusted itself to the new conditions, there will be sufficient business to justify the company to undertake it; but they stated that at the present time they did not feel that there was sufficient docking business to justify them to go into that, pending the period between now and the expiration of the six years.

Mr. STAFFORD. We have just reached that opportune time, when the transportation is developing.

Mr. PADGETT. Yes; but they want to build this dock, to get the benefit of that, and they want to get this limited contract with the Government to tide them over until that time.

Mr. HOBSON. If the gentleman will yield to me for a moment, I want to ask unanimous consent to extend my remarks in the RECORD in connection with two measures that the Secretary of the Navy has caused to be introduced, one bearing on vocational education and the other on the elimination of the sale of liquor from officers' messes on board ships and in the navy yards. On that particular question I propose to go into the matter of the rights of naval officers and the rights of citizens and the rights of States in the matter of the sale of intoxicating liquors. I should like unanimous consent to print on both of those subjects.

The CHAIRMAN (Mr. HARDWICK). The gentleman from Alabama asks unanimous consent to extend his remarks in the RECORD.

Mr. STAFFORD. On dry docks and dry territory.

Mr. MANN. Does the gentleman want to extend his remarks on dry docks or on dry territory?

Mr. HOBSON. Both.

The CHAIRMAN. The gentleman from Alabama asks unanimous consent to extend his remarks. Is there objection?

There was no objection.

Mr. HOBSON. I want to say to the gentlemen that I have gone into the question of the rights of individual officers and individual citizens and the rights of the States in the matter of the sale of intoxicating liquors. I made a statement yesterday before the Senate subcommittee investigating that subject in connection with the resolution for an amendment to the Constitution for national prohibition, and I want to put that statement in whole or in part with modifications in the RECORD, where it will be more available.

Mr. BRITTEN. Will the gentleman yield for a question right there?

Mr. HOBSON. Certainly, if the chairman will yield to me further.

Mr. PADGETT. I would ask both gentlemen to forego the discussion of dry versus wet, which does not relate to this bill, and to let us proceed.

Mr. BRITTEN. That was the purpose of the question I desired to ask.

Mr. MURDOCK. Mr. Chairman, will the gentleman from Tennessee yield to me?

Mr. PADGETT. I yield to the gentleman.

Mr. MURDOCK. I want the chairman of the committee to state, if he will, in order to save time, that there is no agreement, implied or otherwise, in this provision of the bill that obligates the Government to continue this payment of $50,000 or more after the expiration of the six years.

Mr. PADGETT. That is distinctly and emphatically understood.

Mr. MURDOCK. And the chairman here so states.

Mr. PADGETT. I do; and I so stated to the representative of the company who mentioned it to me a couple of years ago, and the contract will so stipulate.

Mr. MURDOCK. This is a departure. As I understand it, the Government hitherto has built its own dry docks. We are now proposing to rent one.

Mr. PADGETT. For a limited period.

Mr. MURDOCK. And there is no agreement in the six years' proposition which will permit this company to ask for an extension after the expiration of the six years.

Mr. PADGETT. None whatever; that is, none based on the contract.

The CHAIRMAN. Does the gentleman insist on the point of order or reserve it?

Mr. STAFFORD. I still reserve the point of order, and am trying to get some information. The gentleman from California [Mr. CURRY] wishes to submit some remarks.

The CHAIRMAN. The point of order ought to be disposed of. We are under the five-minute rule——

Mr. STAFFORD. This is entirely with the approval of the chairman of the Committee on Naval Affairs.

Mr. PADGETT. I think we can develop the whole situation in this way and save the discussion of the matter under the regular five-minute rule.

Mr. CURRY. Will the gentleman yield for a statement?

Mr. PADGETT. Yes.

Mr. CURRY. I understand that it is the policy of the Government to encourage the construction of a private dreadnaught dry dock in San Francisco Bay by entering into a temporary contract or lease with the Union Iron Works for the use of such a dry dock, to be constructed by that company at Hunters Point, and that later the Government intends to construct a public dry dock at some point on the bay—more than likely at Mare Island—so that in case of necessity the Navy may have the use of two dry docks in that harbor.

Mr. PADGETT. Just at that point; of course, the gentleman can not understand me as stating what the Government intends to do in the future. I stated that there was nothing in this provision that precluded the Government from that, and that I thought the necessities would require and justify more than one such dock at San Francisco, and that the Government would have the right to construct a dock at Mare Island; but, of course, I could not say what would be the intention or the act of a future Congress. There is nothing here to prevent, impair, or hinder a future Congress from authorizing the construction of as many docks as it sees fit. This is a temporary arrangement made for the use of a dock for six years at a place where we have none.

Mr. CURRY. The Secretary of the Navy stated to me that it was to encourage the construction of a private dock, and that it was the present intention to construct a public dock later on.

Mr. PADGETT. He is authorized to speak of it as the present intention of the department.

Mr. J. I. NOLAN. Will the gentleman yield to me for a statement?

Mr. PADGETT. Yes.

Mr. STAFFORD. I ask unanimous consent that the gentleman's time be extended five minutes.

Mr. WITHERSPOON. Mr. Chairman, I make a point of order against this item in the bill.

Mr. PADGETT. Will not the gentleman forego making that point of order, and let us include it in the bill, for I think it is a very meritorious matter?

Mr. WITHERSPOON. I am sure, Mr. Chairman, that we have four times as many dry docks now as we can use; they are idle a large part of the time, and we do not need any new ones.

Mr. J. I. NOLAN. Mr. Chairman, the site selected for the proposed dock is situated in my congressional district. Naturally, I have given it some little attention. I have taken the matter up with the Secretary of the Navy, in relation to this proposed contract. The Secretary of the Navy states that at the present time the department is not in a position to know what future needs the Navy might have on the Pacific, but they feel that after five or six years, after the Panama Canal is opened, they will know how much of a fleet is to be maintained in the Pacific, and will be in a better position to negotiate for the construction of a Government dock.

I am in favor of a Government docking its own ships in its own docks, and I am in favor of this proposition, because it is advantageous to the Government on account of the reasonable proposition made. It is not for the use of one dock only. It does not depend on the completion of this 1,000-foot dock, for the company owns, at Hunters Point, two docks, and the Government will have the first call on them at the commercial rates during the life of this contract. If we are not successful in our plan of mediation with our neighbor at the south, it might be that we shall need docks in the Pacific in the near future, and we will be in a position, pending the completion of the 1,000 foot dock, to use the company's two docks besides the one at Mare Island.

Mr. GOULDEN. Will the gentleman yield?

Mr. J. I. NOLAN. Yes.

Mr. GOULDEN. What is the size of the two docks that the company owns and are now completed?

Mr. J. I. NOLAN. I can not give the exact dimensions, but one is somewhere about 700 feet long and the other about 500 feet long. They are not large enough for big battleships, but they are large enough for some of the cruisers. This is a matter that has been under consideration by the present Secretary of the Navy, and by his predecessor, Mr. Meyer, and he made the same recommendation, that we enter into a contract with the Union Iron Works Co. Ex-Secretary Meyer wrote a letter on that subject, which will be found on page 240 of the hearings, under the date of February 12, 1913.

The CHAIRMAN. The time of the gentleman from Tennessee has expired.

Mr. PADGETT. I concede, Mr. Chairman, that it is subject to a point of order.

The CHAIRMAN. To what part of the paragraph does the gentleman from Mississippi make the point of order?

Mr. WITHERSPOON. Against the proviso for the Hunters Point dry dock.

Mr. KAHN. Does the gentleman from Mississippi make the point of order?

Mr. WITHERSPOON. I have made it.

Mr. KAHN. Then, Mr. Chairman, I suggest that there is no quorum present. I think we ought to have a right to discuss this matter.

Mr. STAFFORD. Will not the gentleman from Mississippi withhold his point of order so that the matter may be discussed?

Mr. WITHERSPOON. I will reserve it, but I thought I would save time by making the point, because I am going to make it eventually.

The CHAIRMAN (Mr. HARDWICK). First let the Chair understand to just what provision the gentleman from Mississippi makes the point of order.

Mr. PADGETT. To the proviso beginning at the bottom of page 35, line 24, to the end of the paragraph.

The CHAIRMAN. The Chair understands the gentleman from Tennessee to concede the point of order is good.

Mr. PADGETT. Yes, whenever it is insisted upon; but I understand the gentleman from Mississippi is to reserve the point of order.

Mr. WITHERSPOON. I will reserve the point of order.

Mr. KAHN. Then, I withdraw the point of no quorum, Mr. Chairman.

Mr. STAFFORD. Mr. Chairman, I ask unanimous consent that the time of the gentleman from Tennessee be extended five minutes.

Mr. MANN. Can not we have some understanding as to how much time will be devoted to the discussion of this provision?

Mr. PADGETT. Mr. Chairman, I ask unanimous consent that there may be 17 minutes discussion on this provision, and at the end of that time the Chair rule on the point of order.

Mr. MANN. Mr. Chairman, may I ask the attention of the gentleman from Mississippi for a moment? I would like to ask him to what portion of the paragraph he makes the point of order?

Mr. WITHERSPOON. To that part of the paragraph with reference to the dry dock.

The CHAIRMAN. Is there objection to the request of the gentleman from Tennessee [Mr. PADGETT] for unanimous consent to proceed with the discussion for 17 minutes, and then that it be closed and the Chair rule on the point of order? [After a pause.] The Chair hears none.

Mr. STAFFORD. Mr. Chairman, I withdraw my reservation of the point of order to the paragraph.

Mr. J. I. NOLAN. I would like to have the gentleman from Tennessee yield to me.

Mr. PADGETT. I yield to the gentleman five minutes.

Mr. J. I. NOLAN. I yield to my colleague, Mr. CURRY.

Mr. CURRY. Mr. Chairman, I want to ask my colleague if he is aware of the fact that there are two dry docks at the Mare Island Navy Yard, one large enough to accommodate the *Utah* and any other ship in the Navy, except dreadnaughts, and that last year 75 vessels were dry-docked at that yard at a total cost to the Government of $28,000?

Mr. J. I. NOLAN. I realize that. My statement with reference to the other two docks was that they were to be available in the event of hostilities with another country. I realize that it might only be necessary to use the dry dock at Hunters Point that is contemplated if this provision of the naval bill is carried. As far as locating a permanent dry dock at San Francisco Bay is concerned, I leave that to the naval experts. If they decide that one should be located at the Mare Island yard, I am going to stand by and permit them to do what is best for the needs of the Navy. I do not think this ought to be a selfish proposition at all. I believe the battleships that are going to go through the canal, and especially the largest dreadnaughts, ought to have some point between the Panama Canal and Puget Sound where they could dock the vessels for repairs. This is the opportunity. This is a contract that will cost 2½ per cent on an investment of $2,000,000. The Government in six years' time will be in a better position to decide what their needs will be. I think this is an excellent business proposition and the Government should accept it. If they have to transport a dreadnaught from San Francisco Bay to Puget Sound—900 miles—it is going to cost several thousand dollars, without any reason in doing it. There is going to be plenty of work for all the docks on the Pacific coast after the canal opens, because the greater part of our fleet will be in the Pacific, and this will be especially so in reference to our dreadnaughts, and it is for this type of ship that this new dock will be needed until the Government decides on a site and builds its own dry dock. I agree with the statement of the gentleman from Illinois [Mr. MANN], made the other day, that the great activities of our Navy will be on the Pacific in the future, and we will be in a better position in six years from now to determine the location, size, and capacity of the particular type and size of dock or whatever docks it may be necessary to construct for the future needs of our Navy.

I think this is an excellent business proposition and that the gentleman from Mississippi should withdraw his point of order. I believe there are some Members from the Pacific coast who have in mind making the point of order, and they ought to give up any selfish view they have of it. They ought to let this proposition go through and permit the Government to take advantage of this excellent business proposition.

In support of this contention I quote Admiral Watt, from page 235 of the hearings on this bill before the Naval Affairs Committee, in which he answers the question of the chairman of the committee as to what recommendation he would make:

The CHAIRMAN. I will ask you to state what recommendation you submit with reference to this proposition?

Admiral WATT. At the present time, should it become necessary to dock one of our large battleships on the west coast, she would have to proceed to Seattle to dock. With the opening of the Panama Canal it is probable that our principal fleet will have periods of duty on the west coast. This provision would permit the docking of these ships at Hunters Point, San Francisco, instead of sending them 900 miles farther north.

I also wish to incorporate at this time the papers and letters passing between former Secretary of the Navy, Mr. Meyer, the Chairman of the Naval Affairs Committee, and the representative of the company in reference to this proposition:

DEPARTMENT OF THE NAVY,
Washington, February 12, 1913.

MY DEAR MR. CHAIRMAN: I wish to invite the consideration of your committee to the conditions that exist on the Pacific coast of the United States relative to dry-docking facilities.

Upon the completion of the Panama Canal it is probable that the time of the fleet will be about equally divided between the Atlantic and the Pacific coasts, and there should be provided in the vicinity of San Francisco, in close proximity to the Mare Island Navy Yard, a dry dock capable of docking the largest vessels of the fleet, it being impracticable to build such a dry dock at the Mare Island yard itself.

The only dry dock on the Pacific coast which will be large enough for this purpose is the one now nearing completion at the navy yard, Puget Sound, Wash., about 900 miles from Mare Island.

The dry dock at Pearl Harbor, the completion of which is due about July, 1915, while large enough to accommodate any vessel of the fleet, is located over 2,000 miles from the Pacific coast, and can not, therefore, serve the demands which are likely to arise from yearly visits of our fleet to the Pacific coast.

I have in my annual report recommended the provision of 1,000-foot dry docks on both the Atlantic and Pacific coasts, but have not as yet made specific recommendation as to the location of these docks, and that matter is now under consideration by the department.

Recently, the department has received a proposition from the Union Iron Works, of San Francisco, offering to construct a dry dock at Hunters Point, San Francisco, capable of accommodating any vessel that could pass through the locks of the Panama Canal; to equip and maintain it in an efficient manner; and to give the Navy Department, for a term of years, priority in its use and in the use of two smaller docks which the company now has in operation at Hunters Point. The company will undertake to complete the new dock within two years after the acceptance of its offer. The company asks that, in consideration of this, the department agree to pay for such dockage as may be required for naval vessels, at rates lower than those prevailing in this country, and agree also that the compensation paid by the Government for the use of its three docks shall be not less than $50,000 a year during the term of the department's priority. According to the company's estimate, the proposed dry dock, with its equipment, would cost about $2,000,000. A copy of the company's letter, containing the above offer, is inclosed herewith.

In a general way this offer commends itself to the department, and I recommend that, in the naval appropriation act for the coming year, the Secretary of the Navy be given authority to enter into a contract with the Union Iron Works Co. for the use of its docks, the terms of the contract, including those which will govern the size and construction of the dock, the duration and terms of the Government's priority, and the rate of compensation to be paid for dockage, including the minimum annual compensation to the company, to remain subject to such adjustment as the department may deem necessary for the proper protection of the Government, but that the term of the proposed contract shall be limited to six years from the completion of the dry dock, and that the rate of compensation for dockage shall not be greater than the rate named in the company's offer, nor shall the amount of compensation guaranteed to the company annually exceed $50,000.

There is inclosed herewith copy of a suggested amendment to the naval appropriation act for the fiscal year 1914.

Very respectfully,

G. V. MEYER.

Hon. L. P. PADGETT,
Chairman Committee on Naval Affairs,
House of Representatives.

PROPOSED AMENDMENT.

That for the purpose of obtaining further facilities on the Pacific coast to dock, repair, and alter naval vessels of the United States the Secretary of the Navy is hereby authorized and empowered to enter into a contract with the Union Iron Works Co. of California, for the use of the docks of said company at Hunters Point, San Francisco, Cal., for a

period of six years from the completion of a modern dock to be constructed by said company of such size and facilities as to be capable of accommodating any vessel that may be able to pass through the locks of the Panama Canal, and to guarantee said company a sum not exceeding $50,000 annually for the use of its said docks, to be applied as part payment of docking charges.

JANUARY 17, 1913.

Re proposal of Union Iron Works with respect to the construction and maintenance of a dry dock at Hunters Point, San Francisco, and the use thereof by naval vessels.

MY DEAR SIR: By direction of the Union Iron Works Co., I beg to submit to you the following proposition:

The Union Iron Works Co. will undertake to construct and operate a dry dock at Hunters Point, San Francisco, in close proximity to the two dry docks which it now has in operation at that place, and to place the facilities of the proposed dry dock and of the two now in operation at the disposal of the Navy Department, for the docking and repair of vessels, upon the following terms and conditions:

I.

General description and dimensions of the existing docks and of the proposed dock: The blue print which I hand you herewith represents the location and dimensions of the company's dry docks now in operation at Hunters Point (Nos. 1 and 2) and the location and dimensions of the proposed dry dock (No. 3) together with its appurtenances, including the pump house and suction conduits. This plan is drawn to scale and the dimensions of the docks are given by a table on the blue print, entitled "Notes." The location of these docks is ideal, there being a great depth of water close to shore at that point. The land consists of soapstone, which can be excavated easily, and, at the same time, will be impervious to water, thus reducing to a minimum the risk of the dock becoming temporarily unfit for use. An idea of the capacity of the proposed dock (No. 3) can be obtained from the blue print, which represents a vessel 900 feet long, 100 feet wide, and 72 feet molded depth, as she would be, when in that dock, on the blocks.

Your attention is invited to the following features of the plan:

(1) The proposed dock would be provided with a sliding gate, located about midway between the ends of the dock, as well as a floating caisson, located at its entrance. By means of the sliding gate the dock could be divided into two sections, each section being available for use independent of the other, and both of them being available for use contemporaneously independent of each other.

(2) The proposed dock (No. 3) would be equipped with electrically driven pumping apparatus, consisting of four 54-inch main centrifugal pumps and one 15-inch drainage pump; also with four electrically driven capstans on each side of the dock; also with all piping necessary to supply electric current, compressed air, and fresh and salt water. Stairways would be provided, leading from either side of the outer section to the bottom of the dock, through inclined tunnels; also two similar stairways for the inner section and two open stairways at the shoreward end of the inner section.

(3 The dry docks now in operation at Hunters Point (Nos. 1 and 2) are provided with an efficient power plant, which produces the electric and pneumatic power used in their operation and is capable of producing enough power for the operation of the proposed dock in addition to that of the two existing docks. Furthermore, the Union Iron Works has recently entered into a contract with the Pacific Gas & Electric Co., of San Francisco, by which the latter has agreed to supply it with all electric current needed to operate its works and also with power needed for the operation of the docks at Hunters Point, including the proposed dock. By this contract the Pacific Gas & Electric Co. guarantees that it will furnish any amount of current that may be needed for any and all purposes to which the Union Iron Works Co. may wish to apply it. The term of this contract is 10 years.

(4) The proposed dry dock would be equipped with a traveling crane, operated by electric power. By means of a runway or tracks, extending along both sides of the dock, this crane would be available to serve a vessel in the dock, at any point. The crane will have a capacity of 50 tons and will have a reach extending to the middle of the dock, at least.

Docks Nos. 1 and 2 have been found adequate to meet all demands for dockage that have arisen heretofore in the port of San Francisco. They are entirely adequate to meet present demands, and there is no certainty that demands will arise in the future which the two existing docks could not meet. At least, there is not sufficient certainty of an increased demand for dockage to justify the Union Iron Works or any individual in making the outlay necessary for the construction and maintenance of the proposed dock, without some assurance of income from the dock, which would enable the company to meet part of the operating expenses and interest charges. It is thought, however, that, with the opening of the Panama Canal, vessels of the Navy and merchant vessels will call at San Francisco, which could not be accommodated in either of the existing docks, and, with a guaranty of income such as that described below, the Union Iron Works Co. would be willing to risk an investment estimated at $2,000,000 in a dry dock having a capacity sufficient to accommodate any vessel which could pass through the locks of the Panama Canal.

If the proposed dock should be built, it is the purpose to make it first class in every respect and at least equal in capacity and efficiency to the largest and best docks now in existence, here or abroad, so that it could provide safe and efficient docking facilities for any vessel that might call at the port of San Francisco.

II.

Conditions under which the Union Iron Works Co. will undertake to construct and operate the proposed dock: The terms and conditions upon which the company offers to construct and maintain the proposed dock are these:

(1) It will begin the construction of the dry dock as soon as possible after the preparation and approval of detailed plans thereof and the execution of a contract between the United States and the company providing for the dockage and repair of vessels of the Navy upon the terms and conditions named below and will complete the structure in conformity with the plans and put it in operation within two years after their approval and the execution of the contract.

(2) In consideration of the payments to be made for dockage and the guaranty of revenue hereinafter described, the company will agree that, throughout the term of the contract, the Navy Department will have priority in the right to use any one or more of the three docks when desired for the accommodation or repair of naval vessels. In time of peace the priority enjoyed by the United States will be subject to the right of the company to complete work in progress upon other vessels which may be contained in its docks at the time when any naval vessel makes application for dockage. This limitation of the Government's priority is believed to be reasonable and necessary to meet the exigencies of the other business of the dock. It is believed, too, that this limitation would never occasion inconveniences to any naval vessel, for it is highly improbable that all three of the docks would ever be occupied by merchant vessels all requiring extensive repair. In time of war the requirements of the Navy would be considered paramount and would be accorded absolute priority.

(3) The charge to the department for the use of the proposed dock or either of the two docks now in operation would be at the rate of 6½ cents per ton of displacement per day for each day that a naval vessel may occupy one of the docks; the length of occupancy to be reckoned from the time that the dock is made available for the naval vessel's accommodation until she leaves it. This rate is regarded as fair and reasonable and has been fixed by the company after due consideration of the considerable amount of dockage that the Government will probably require for its naval vessels after the Panama Canal shall have been opened. Six and one-half cents per ton of displacement per day would be considerably less than the rate charged by the Government for the docking of commercial vessels in naval dry docks and less than the rates charged by commercial docks. The company is aware that it is the practice of the Navy Department to compute its charges for docking naval vessels on a basis quite different from that which governs its charges for docking merchant vessels and from the basis of charge prevailing in private establishments. According to the practice of your department, naval vessels are not charged for what are termed "lay days," i. e., the time that the vessel remains on the blocks. That may be a suitable basis of charge for the department to adopt with respect to naval vessels and naval docks, because the docks are built and operated at the Government's expense, and it is optional with the department to charge its vessels for their use or not. You will appreciate, however, that such a basis would not be possible where, as in the present case, a dock is to be built and operated at private cost and risk and where the owner must depend upon the income derived from the dock to defray expenses incident to its operation and to pay interest charges on the capital invested.

(4) Before the company will be required to commence the construction of the proposed dock, the United States will enter into a contract with it, undertaking to pay it at the above rate for dockage furnished to naval vessels and guaranteeing that the compensation paid by the Government for the use of all three docks will be not less than $50,000 in any one year, and if the compensation actually paid to the company for the dockage of naval vessels during any one year shall be less than $50,000, the difference shall be paid to the company by the United States at the end of that year. The term of the contract shall be 10 years from the date of the dock's completion and the company will guarantee to complete and make it ready for operation within two years after the signing of the contract: *Provided, however*, That if the proposed dock should, at any time, fall into a condition in which it would not be safe and efficient for the accommodation of naval vessels and such condition were attributable to the neglect of the company to employ proper and efficient means for its upkeep and maintenance, the company will be liable to forfeit a part of the sum of $50,000, guaranteed to be paid annually, proportionate to the part of the year during which the incapacity of the dock may continue: *Provided, further*, That in the event of a strike or standout of workmen employed by the company to operate its docks, the United States may operate them itself, employing its own men for that purpose, and shall thereupon be entitled to offset against the company's charge for dockage and the above guaranty such reasonable sum or sums as the United States may be required to expend for the operation of the docks: *Provided, further*, That for any delays of the company in furnishing dockage to vessels of the Navy, except in case where docks are in actual use by other vessels, the company shall be subject to suitable penalty, to be deducted from any sum or sums that may become payable by the United States under this contract: *Provided, further*, That for any delays in the completion of repairs that the company may be called upon to make upon a naval vessel while contained in its dry docks, due to fault or neglect of the company, it shall forfeit all right to charge for the use of such dock during the period of delay.

The company estimates that $50,000 will represent about one-half of the company's annual outlay for interest upon the money invested in the dock.

(5) By the above contract the company will agree to do any repair work upon any naval vessel that may be ordered by your department, while she is occupying one of its dry docks, upon the following basis of charge: Cost of raw material to company; add 10 per cent of cost of raw material for handling charges at company's plant; actual cost of labor paid to workmen; add 65 per cent to cost of labor to overhead burden and use of tools; to the sum total of the above add 10 per cent for the company's profit: *Provided, however*, That in cases where the company's actual outlay for labor will be very small as compared with the charge for use of tools, the company's compensation shall be determined by a board of naval officers appointed for that purpose.

When it is considered that the overhead charges that the company would have to meet in performing repair work include many items, such as insurance, depreciation, and interest on capital invested, which do not enter into your department's estimates of the cost of repair work performed by it, we are assured that you will consider the above basis of charge fair and reasonable.

III.

Conditions to govern the construction and operation of the proposed dry dock: Prior to the signing of a contract for the purposes mentioned in paragraph II, the company would submit to your department for its approval detailed plans and specifications of the dock, its equipment, and appurtenances, and these would be followed in the construction of the dock. While the work of construction was in progress the company would accord to representatives of your department every opportunity to observe the manner in which the work was being done, to the end that your department might be satisfied of the safety and efficiency of the structure. Furthermore, upon the completion of the dock representatives of your department would be accorded an opportunity to inspect the dock and its operation in every particular, to assure themselves that it was being maintained in a proper and efficient manner, and thus assure themselves that the requirements of the plans and specifications have been fulfilled in every respect. After the completion of the dock and its inspection in the manner just mentioned representatives of your department would be accorded opportunities to inspect it at intervals of six months, or oftener, if desired, and kept in readiness for the safe accommodation of naval vessels. It is submitted that the foregoing plan of inspection and approval would meet all requirements of the Navy Department. Inasmuch as the dock would be built and operated at the cost and risk of the company, and would be owned by

the company, there would be no occasion for the approval of the work during its progress.

The company has already made an extensive investigation of the methods of dry-dock construction prevailing abroad. Before beginning the work upon the dock it would send experts to Europe to inspect and study the construction of the largest and best dry docks to be found in England, Germany, and other countries. It would hope, also, that your department would give it an opportunity to study the plans and specifications of docks recently completed by the United States or now under construction for it.

The foregoing offer is made in the belief that its acceptance would result in benefit to both parties and that it would be to the advantage of the Government to obtain the use of a dry dock in close proximity to the Mare Island Navy Yard where the largest naval vessels could be docked without being required to make any outlay for construction of the dock. In addition, it is believed that the dockage charges would be equal to the amount of the annual guaranty, and that the department would be relieved of the responsibility and cost of maintaining the dock during the considerable periods when its use would not be required by naval vessels.

I remain, very respectfully, yours,

JAMES H. HAYDEN,
Attorney for the Union Iron Works Co.

Hon. BEEKMAN WINTHROP,
Assistant Secretary of the Navy, Navy Department.

I trust the point of order that the gentleman from Mississippi has reserved will not be insisted upon, and that the House will permit this item in the naval bill to pass, because if it is insisted upon it will cost this Government many thousands of dollars, unless it is restored in the Senate.

There should be no objection to this contract from any of my colleagues from the Pacific coast, as all of the yards and docks on the Pacific will get their share of ships to dock and repair when the fleet is in our waters, and unless we have facilities for docking our largest ships in the Harbor of San Francisco without their making the long journey of 900 miles to Bremerton, it is more than likely the Navy Department will keep their large dreadnaughts in the Atlantic and at Balboa on the Pacific end of the canal and the selfish objections of any individual will be for naught.

I trust all objections will be withdrawn in the best interests of our Navy.

Mr. BRITTEN. Mr. Chairman, in order to show the necessity for another large dry dock on the Pacific coast I desire to call to the attention of the committee the amount of business done by Dock No. 2 at the Bremerton yard. This is the only dock on the coast at the present time capable of berthing our largest battleships. Dock No. 2 went into service in March of last year and was in operation for 121 days of the last fiscal year, and during those 121 days it was in absolute use day and night 105 days, exclusive of Sundays. Now, that means that that dock was in use practically 24 hours out of every day that it has been in commission during the last fiscal year, and that in itself will prove conclusively the great necessity of having another dock on the Pacific coast, preferably at San Francisco. I merely wanted to place this statement before the committee.

Mr. FALCONER. Mr. Chairman, I wish to ask my friend, the gentleman from Illinois, Why is it they are turning off about 800 men at the Bremerton Navy Yard in the last 90 days?

Mr. BRITTEN. I do not know; I merely tried to show the importance of having another dock on the Pacific coast.

The CHAIRMAN. If the gentleman will permit, the Chair understands the agreement was that he was to recognize two other gentlemen.

Mr. FALCONER. My colleague from California does not need——

The CHAIRMAN. If the gentleman will pardon the Chair, there was an agreement made by which two other gentlemen were entitled to five minutes each.

Mr. FALCONER. Mr. Chairman, I was one of those gentlemen.

The CHAIRMAN. The Chair was in error; the Chair recognizes the gentleman from Washington.

Mr. FALCONER. Mr. Chairman, I desire to say there is no disposition on the part of any Member from the Pacific coast to be unfair in the consideration of this question, but the economics of this whole proposition resolves itself around this one thing—whether the United States Government is going to do its own work or whether a private corporation, nurtured, hothoused by the Government, is going to do it. Why should the United States Government give any private corporation or any concern a bonus for repair or manufacture of ships? There is no valid reason why we should give the Union Iron Works $50,000 a year for six years, legislating, as we are, every year. That is the one thing which presents itself to this Congress. The Union Iron Works, of San Francisco, has had the advantage of Government repair and construction work for the last generation.

Mr. J. I. NOLAN. Will the gentleman yield?

Mr. FALCONER. No; I will not yield. The gentleman can make his statement on his own time.

The CHAIRMAN. The gentleman declines to yield.

Mr. FALCONER. I am not using this argument for the purpose of setting aside the importance of San Francisco in this connection. I think there ought to be a dock of large dimensions in San Francisco Harbor, a Government dock, but there is no reason why we should bind ourselves for six years to pay to a private corporation for work which the Government of the United States can and ought to do. It means simply this, that ships that might go elsewhere in the absence of a large dock in Mare Island—to Panama or Puget Sound, for instance—will be retained in the vicinity of San Francisco, thereby benefiting a private concern $50,000 per annum, while hundreds of men in the Government yards may be laid off. Now, it is a question of economics, it seems to me, whether we wish to favor a private concern with a string on Government business or the Government doing its own work in its own plants. This provision of the bill does not appeal to me.

Mr. KAHN. Mr. Chairman, the gentleman from Washington [Mr. FALCONER] says that so far as the proposition submitted here is concerned he is opposed to it because it is going to foster some private enterprise, or words to that effect. The gentleman is fearful the Government is giving private enterprise an opportunity to do some Government work. The only contract the Government will make with this company under the paragraph now pending will be one that will grant the right to dock its big battleships at these docks. Repair work will be done by the lowest responsible bidders, as at present. I agree with the gentleman that the Government ought to do the Government work, but there is no large dry dock at Mare Island.

Mr. J. I. NOLAN. Will my colleague yield?

Mr. KAHN. In a moment. Now, as a matter of fact, this is a patriotic proposition. A modern battleship of the dreadnaught type costs $15,000,000. When she is injured she should be brought to a dry dock without delay. It should not matter whether it be a private dock or a Government-owned dock, if she has to be promptly repaired. It is all important that she be docked expeditiously in case she should be seriously injured. Unfortunately there is no dry dock at San Francisco for these large vessels. There should be one, but the Navy has not constructed it. Now, I will yield to my colleague.

Mr. J. I. NOLAN. Is it not a fact that as far as the Union Iron Works are concerned they have not done any of the repair work of the Navy on battleships or cruisers?

Mr. KAHN. For some time.

Mr. J. I. NOLAN. No repair work, and have not done any big work since the time the whole fleet was out there.

Mr. KAHN. As a matter of fact, the Mare Island Navy Yard has been doing most of the repair work, not only on the battleships and cruisers but also on the Army transports.

Mr. FALCONER. Will the gentleman yield?

Mr. KAHN. No. I am sorry, but I can not do so.

Now, as a matter of fact, the Bremerton dry dock, if it were on the eastern coast, would be at a point in northern Maine and the San Francisco dock would be at Richmond, Va. There is not a suitable dry dock for docking ships of the size of our large battleships of the dreadnaught type between those two points on the Pacific; or, a distance that would extend from northern Maine to Richmond, Va., on the Atlantic seaboard, relatively speaking.

They certainly do need dry docks out there. This dock, if built, will be leased, virtually to the Government for six years. During those six years the situation at Mare Island will be fully determined. There has been some question as to the depth of water in the channel near Mare Island. During the next six years that matter will be fully developed, and the Government will determine whether it wants to build a dock at Mare Island or at some point further down on the Bay of San Francisco. In the meantime, if this paragraph were allowed to stay in the bill, the Government would have the right to use this dock, would have the first call, no matter what ships might be in the harbor waiting to be docked. The big battleships would have the right to go to this dry dock without delay, in order that necessary repairs could be made. It would be of inestimable value to this Government to have a dock of that character at San Francisco for that purpose. While we hope no accidents will occur to any of our ships, if one representing an investment of $15,000,000 should be lost on account of the refusal of Congress to make suitable provision for a dry dock on San Francisco Bay, the country would have a right to feel indignant at the shortsightedness of legislators who refused to take advantage of an exceptionally favorable offer for the construction of such a dry dock by the Union Iron Works at Hunters Point.

The CHAIRMAN (Mr. JOHNSON of Kentucky). The time of the gentleman has expired.

Mr. J. I. NOLAN. Mr. Chairman, I ask unanimous consent to extend my remarks in the RECORD.

The CHAIRMAN. Is there objection? [After a pause.] The Chair hears none.

Mr. FALCONER. Mr. Chairman, I have only used four minutes of my time and did not yield any back, and I am wondering if I can not proceed for one minute.

The CHAIRMAN. The Chair is informed by the clerk who keeps the time that all time has expired.

Mr. FALCONER. Then I ask unanimous consent to extend my remarks in the RECORD.

The CHAIRMAN. Is there objection? [After a pause.] The Chair hears none.

Mr. LINTHICUM. Mr. Chairman, I ask unanimous consent to extend my remarks in the RECORD on this paragraph.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. WITHERSPOON. Mr. Chairman, I make a point of order on this proviso in the bill.

The CHAIRMAN. The Chair will inquire of the gentleman whether he makes a point of order on the whole paragraph or a portion of it.

Mr. WITHERSPOON. Just to the proviso at the bottom of page 35.

The CHAIRMAN. The point of order is sustained.

Mr. GERRY. Mr. Chairman, I move to strike out the last word.

The *Constellation* has been at Rhode Island for the last 20 years, acting as a receiving ship and radio school, and also as an exhibit of the former wars of our country. She is an interesting relic. The Secretary of the Navy now wants to send her to the Star Spangled Banner Celebration at Baltimore. We of Rhode Island do not want to be selfish. I am very glad to say that the Secretary of the Navy has promised me that she is, after her trip, to be returned to Rhode Island.

I append herewith the letter of the Assistant Secretary of the Navy to that effect:

NAVY DEPARTMENT,
February 13, 1914.

Hon. PETER G. GERRY,
House of Representatives, Washington, D. C.

MY DEAR CONGRESSMAN: Confirming our talk with the Secretary of the Navy to-day, I want to assure you that it is the intention of the department to have the U. S. S. *Constellation* return to the naval training station, Newport, R. I., after she has made the contemplated visit to Baltimore at the time of the Star-Spangled Banner celebration, next September. Of course we shall probably want to have her visit various other ports on her way from and to Newport, as we feel that the historical record of the ship makes her an object that would interest many thousands of persons if they had a chance to see her.

Very sincerely, yours,

FRANKLIN D. ROOSEVELT,
Assistant Secretary of the Navy.

Mr. MURDOCK. Will the gentleman yield?

Mr. GERRY. I will.

Mr. MURDOCK. How much will this trip cost?

Mr. GERRY. It is stated in the bill here under the repair of the *Constellation*.

Mr. MURDOCK. I did not know to what paragraph the gentleman was speaking. Where is it?

Mr. GERRY. It is on page 35, line 17.

Mr. PADGETT. The repairs for the ship, it is estimated, will cost not exceeding $50,000.

The CHAIRMAN. The Clerk will read.

Improvement of construction plants: For repairs and improvement of machinery and implements at plant at navy yard, Portsmouth, N. H., $10,000.

Mr. COOPER. Mr. Chairman, I ask unanimous consent to address the committee for five minutes on the bill, introduced yesterday, I believe, which proposes that Congress shall cede part of Alaska to England.

The CHAIRMAN. Is there objection? [After a pause.] The Chair hears none.

Mr. COOPER. I have in my hand a newspaper containing a rather elaborate editorial, which I have just been reading, on the bill to cede a part of Alaska to England, which cession, the bill declares, ought to be made in order to insure us the good will of that country.

Mr. Chairman, this proposal to cede part of Alaska to England is attracting much attention and comment, and yet, in my judgment, it is wholly without merit. The Congress of the United States has no power to alienate any part of Alaska. Congress has no such power, because the Constitution of the United States has been extended over Alaska. The treaty by which that Territory was ceded to the United States granted all the privileges and immunities of citizens of the United States to all the people of Alaska, excepting the uncivilized natives, who renounced their allegiance to Russia within three years. The Constitution of the United States is extended over Alaska, and its thousands of civilized inhabitants are citizens of the United States.

Now, Mr. Chairman, the Supreme Court of the United States has decided that territory over which the Constitution has been extended is forever made a part of the United States. I remember that in 1902, in opening the debate on the bill to establish civil government in the Philippines, I called attention to this decision of the Supreme Court during my discussion of the democratic proposition then before the House, in which it was declared not only that the Constitution was over the Philippines but also that we ought to withdraw from the islands and give them up. Referring to that two-edged proposition, I called attention to the decision of Mr. Justice White, now Mr. Chief Justice White, of the Supreme Court, in the case of Downs against Bidwell, in which he, speaking for the court, expressly held that if the Constitution be extended over any territory it thereby becomes indissolubly a part of the United States, and, of course, beyond the power of Congress to alienate. In that case the court also expressly held that the clause of the Constitution which gives Congress the power to dispose of the territory of the United States did not confer power to transfer sovereignty where the Constitution has been extended.

This being the law, the Congress of the United States can not cede to England so much as one foot of the Territory of Alaska. No territory that is under the Constitution of the United States can be taken from the jurisdiction of the United States Government except by force, and that means by war.

Mr. GARRETT of Tennessee. Will the gentleman yield?

Mr. COOPER. I will.

Mr. GARRETT of Tennessee. On the Philippine matter the treaty was not, of course, the same as it is with regard to Alaska.

Mr. COOPER. No. But the decision of the Supreme Court——

Mr. GARRETT of Tennessee. I understand that perfectly, and I think I understand the point the gentleman makes, and I think he makes it very clear. But in the Alaskan case it is predicated upon the treaty.

Mr. COOPER. By which they are given all the rights, privileges, and immunities of citizens of the United States.

Mr. GARRETT of Tennessee. By which they are given all the rights, and so forth. Now, so far as the Philippines are concerned, the treaty does not make any such provision.

Mr. COOPER. No; but that is immaterial in discussing this bill to cede part of Alaska. The point here and now is that the Supreme Court has decided that if the Constitution has been extended over territory no portion of that territory can ever be taken from the sovereignty of the United States by cession or by treaty. It can be done only as the result of war.

Mr. LINTHICUM. Will the gentleman yield?

Mr. COOPER. I will.

Mr. LINTHICUM. The gentleman does not think that Congress has any idea of doing any such thing as this?

Mr. COOPER. I had just been reading an editorial on the bill which proposes to do it, and thought it might be well to present what I understand to be the facts and the law. The proposal is important and is being much discussed.

Mr. GOULDEN. I would like to suggest to the gentleman from Maryland [Mr. LINTHICUM] that his colleague from Maryland introduced the bill.

Mr. LINTHICUM. That is the reason I mentioned it. I have not any idea of doing any such thing as giving Alaska away.

Mr. COOPER. I have no comment to make on the suggestion of the gentleman from Maryland [Mr. LINTHICUM] except to say that it was a gentleman from his State who introduced the measure.

The Clerk read as follows:

For repairs and improvement of machinery and implements at plant at navy yard, Philadelphia, Pa., $15,000.

Mr. MOORE. Mr. Chairman, I offer an amendment, which I send to the Clerk's desk.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Page 37, line 5, strike out "$15,000" and insert in lieu thereof "$215,000."

The CHAIRMAN. The question is on agreeing to the amendment.

Mr. PADGETT. Mr. Chairman, I would like the gentleman to state for what purpose his amendment is offered.

Mr. MOORE. That is to provide for certain repairs and improvements and such implements as may be necessary to carry out the direction of the Secretary of the Navy upon work which he has authorized to be done at the Philadelphia yard.

Mr. PADGETT. I will call the attention of the gentleman to the fact that that amendment would not accomplish his purpose if it were adopted, because he will notice that this is for improvement and repair of machinery and implements, and would not authorize construction. That would simply repair a larger number of machines that are already in the shops.

Mr. MOORE. Well, Mr. Chairman, I submit that "repairs and improvements" is an expansive term.

Mr. PADGETT. When it is limited to improvements of machinery it is not expansive.

Mr. MOORE. It is "machinery and implements at the plant," which makes it an extremely expansive term, and this would make it possible for the Secretary of the Navy to carry out the purposes he has in mind. It seems to me that this is an amendment which is entirely germane. It is not contrary to the rule, and it enables the head of a great department, who has already undertaken to do a work with a plant already in existence, to provide the facilities to do work directed to be done by Congress.

The CHAIRMAN. The question is on the adoption of the amendment.

Mr. PADGETT. Mr. Chairman, the purpose of the gentleman is to build these slips. He has offered an amendment increasing by $200,000 the amount of $15,000 here; to increase it to $215,000, which is specified for the improvement of the machinery, for the repair and improvement of machinery. That would not authorize the construction of the slips that are outside of the shops. This is in the shops of the yard.

Mr. MOORE. Mr. Chairman, it is the plant to which the repairs and improvement are to be made, and the plant is a part of the equipment of the yard. Necessarily so. There must be a plant with which to do work. There must be implements with which to operate the plant, and the plant must be repaired and improved. That is what is proposed here, to furnish the means with which to do it.

The CHAIRMAN. A point of order has not been made.

Mr. SAUNDERS. I make a point of order.

Mr. PADGETT. It is too late for a point of order now to be made. It is not subject to a point of order, because this is to improve——

Mr. SAUNDERS. Mr. Chairman, I understand from the gentleman from Tennessee that so far as concerns the purpose in view here it could not be accomplished by this amendment anyhow?

Mr. PADGETT. It could not.

Mr. SAUNDERS. And that it would be a futile amendment there, and I understand that the committee is opposed to it.

Mr. PADGETT. Yes. This is for the repair and improvement of machinery at the plant. It is not to construct a slip.

Mr. BRITTEN. Does not that also apply to the improvements, and not to the machinery only?

Mr. PADGETT. It applies to the improvement of machinery and implements at the plant. But there is no semblance of slips there to improve. Is does not authorize new construction.

Mr. MOORE. Mr. Chairman, I want to ask the gentleman whtther everything mentioned in this paragraph does not pertain to equipment?

Mr. PADGETT. No. I am in sympathy with the gentleman's object, but I do not want to get it by putting it where it should not be, and where it could not be used.

Mr. MOORE. The gentleman is in sympathy with the proposition, and so is the chairman.

The CHAIRMAN. The question is on the adoption of the amendment.

Mr. MOORE. Mr. Chairman, I want to be heard for a moment.

The CHAIRMAN. The Chair understood that the gentleman had been recognized and then surrendered the floor to another.

Mr. MOORE. Mr. Chairman, I am sure the Chair understands this situation: That the Secretary of the Navy desires to construct a transport; that he has designated a place where it is to be constructed; that all this has been in accordance with an act of Congress, and that all necessary implements have not been provided. I leave the matter with the Chair. The Chair understands what is proposed to be done here.

Mr. SAUNDERS. Mr. Chairman, it has been expressly stated by the chairman of the Naval Committee that the object which the gentleman has in mind could not be accomplished by the amendment he has offered. The chairman of the committee has made that statement in emphatic terms.

Mr. MADDEN. Mr. Chairman, I have just looked up in the dictionary the meaning of the word "implement," and the dictionary defines it as an agent or means for the accomplishment of a purpose. Now, it seems to me with that definition before us——

The CHAIRMAN. The gentleman is arguing a point of order when there is no point of order pending.

Mr. MADDEN. No. I am arguing in behalf of the amendment offered by the gentleman from Pennsylvania [Mr. MOORE], and I contend that it will accomplish the purpose for which it was intended and for which it was offered.

I believe, Mr. Chairman, that the Secretary of the Navy ought to have the means to carry out the order which he has issued for the construction of the transport at the Philadelphia Navy Yard, and if the amendment of the gentleman from Pennsylvania, offering to increase this appropriation by $200,000, should be adopted the Secretary of the Navy would at once have authority to expend the money for any purpose which would accomplish the object, namely, the construction of a transport at the Philadelphia Navy Yard.

Mr. MOORE. Mr. Chairman, may I add to that "and the means"? He would then have the means or the agency "for the accomplishment of the purpose," which purpose is already indicated and is in accordance with the law.

Mr. SAUNDERS. Mr. Chairman, I move to strike out the last word.

The CHAIRMAN. The gentleman from Virginia moves to strike out the last word. The gentleman is recognized for five minutes.

Mr. SAUNDERS. Mr. Chairman, the rules of the House plainly declare that a nongermane amendment shall not be in order. The paragraph of the bill relates to one thing, the amendment to another. Hence it is not in order. But waiving the question of order, the amendment should be voted down for the obvious reason that the Secretary of the Navy could not in good faith use an appropriation which in terms is for implements about a shop, for another and different purpose, however anxious he might be to make that application.

The chairman of the Committee on Naval Affairs, has dealt very frankly with the Committee of the Whole. He has stated that he favors building a slip at Philadelphia, but is opposed to the pending amendment, because it will not accomplish that result. If this matter could come squarely before the committee, and be voted upon, as was done in the case of the Boston Navy Yard, the losers would have nothing to say. But this is an effort to do by indirection something that the chairman of the Committee on Naval Affairs tells us can not be done in this fashion. The Secretary of the Navy would be in an awkward plight should he use the funds provided by this amendment to build a way and slip at the Philadelphia Navy Yard. He would violate the plain meaning of the amendment.

We do not wish to legislate by indirection, and to have the Secretary give a meaning to a law which the plain language of the law does not carry. If the House wishes to authorize the Secretary of the Navy to do a particular thing, it ought to afford that authority in plain and manifest terms. He ought not to do something which he can not do, unless he violates the law which is the foundation authority of his action, and gives it a meaning which is manifestly contrary to its plain intent. It would be unjust to the Secretary to ask him to do such a thing, since in effect it would be a perversion, and misapplication of the funds provided in the amendment. Apparently meaning one thing, this amendment is intended to carry another and very different meaning, if it is intended to give the Secretary authority to construct a building way at the Philadelphia Navy Yard.

The chairman of the committee has so frankly told the Committee of the Whole that the object in contemplation by the gentleman from Philadelphia can not be accomplished by this amendment, that it ought to be overwhelmingly rejected. The purpose of language in the bill, as stated by the chairman of the committee is to provide for certain machinery in the shops. If it is desired to add something to this language intended to accomplish something confessedly entirely outside the purpose of the bill, then even if adopted, the amendment would fail of its purpose. The Secretary of the Navy would certainly not apply the money, afforded, contrary to the plain meaning of the amendment. An amendment to give the Secretary of the Navy authority to build these slips has been held out of order. But now it is proposed, by engrafting on the bill an amendment of this sort, to accomplish by indirection what may not be done by direction.

Mr. MOORE. Mr. Chairman, I wish to oppose the amendment to strike out the last word.

Mr. PADGETT. Go ahead for five minutes, and then I think we ought to close the debate on this.

Mr. MOORE. Mr. Chairman, the gentleman from Virginia [Mr. SAUNDERS] finds fault with the committee, and falls back upon the ground that we would not be keeping good faith with

the committee were this amendment to be adopted. If this amendment is not adopted, the committee will be eating its own words, because it recommended this very proposition. The committee want this thing done. They want it done because the Secretary of the Navy has acted officially and in accordance with the law. What does it all mean if this provision is not to go in? Were we bunkoed, to use a word of common parlance, when Congress said we were to build this transport in a navy yard? Were we bunkoed when the Secretary of the Navy said that this transport should be built in the Philadelphia Navy Yard? Were we bunkoed when the Committee on Naval Affairs brought in a provision here on page 22 of this bill providing for "building slips and equipment, $200,000"? What was the purpose of all this? Why did Congress pass the act of March 4, 1913, providing that this transport should be built in a navy yard, if it did not intend that it should be done? What did the Secretary of the Navy mean when he came over to Philadelphia and selected that yard as the proper place for the construction of this transport, if it is not to be done. What does the Committee on Naval Affairs mean when it brings in a provision here for "building slips and equipment, $200,000," if it is to be knocked out? If we are to be "so soon done for" in a matter of this kind, "what were we ever begun for"? What is the purpose of Congress? What is the purpose of the Secretary of the Navy? What is the purpose of the Committee on Naval Affairs? If we are to take them at their word and in good faith, then we are to appropriate the money to enable them to carry out the purpose that Congress intended when it passed that act of March 4, 1913.

The chairman of the Naval Affairs Committee knows that it is the purpose of the Secretary of the Navy to build this ship in the manner indicated. The Chairman of this Committee of the Whole House on the state of the Union has indicated that that was the purpose not only of the law but of the department, and apparently it is the purpose of Congress. Are we now to be left in that peculiar position between heaven and earth where we are to build this ship somewhere, up in the air, without the tools with which the work is to be done? I do not believe that is the purpose of Congress. If it is, we had better repeal the provision in the act of March 4, 1913, which directed the construction of this ship in a navy yard. We had better take back our instructions to the Secretary of the Navy, and the Secretary of the Navy had better take back his designation of the Philadelphia Navy Yard, as the place of construction. This is not a joke. Certainly the Secretary of the Navy has not been fooling us on this proposition, and yet you would seem to leave him in that position, unless you provide for him the means with which to go ahead and do the work Congress directed him to do. The motion is in order. It is not subject to the point of order. It is a fair motion. It simply means to carry out the will of Congress as the Secretary of the Navy has undertaken to carry it out. I believe the committee ought to vote on the question, and in due course I shall ask for a vote.

Mr. GOULDEN. Will the gentleman yield for a question?

Mr. MOORE. Certainly.

Mr. GOULDEN. Is the gentleman afraid of the point of order being renewed to the item for building slip and equipment?

Mr. MOORE. That point of order was made yesterday and sustained; and, I think, if the gentleman will read the decision of the Chair, he will find that that decision was made with great reluctance.

The CHAIRMAN (Mr. GARRETT of Tennessee). The time of the gentleman from Pennsylvania has expired. If there be no objection the pro forma amendment will be withdrawn. The question is on the amendment of the gentleman from Pennsylvania [Mr. MOORE].

The question was taken; and on a division (demanded by Mr. MOORE) there were—ayes 18, noes 28.

Accordingly the amendment was rejected.

The Clerk read as follows:

For repairs and improvement of machinery and implements at plant at navy yard, Mare Island, Cal., $15,000.

Mr. MADDEN. I should like to ask the chairman of the Committee on Naval Affairs why it is that all the plants and machinery at all the navy yards seem to be in the same condition and to need the same amount of repairs? One would imagine that no consideration whatever had been given to the item recommended by the Navy Department for improvement of machinery and implements in the navy yards, or that all the navy yards had exactly the same amount of the same kind of machinery and that the machinery is in the same state of decay. It looks rather singular that all the navy yards in the country require just exactly the same amount of money for repairs.

Mr. PADGETT. These were the estimates submitted by the Navy Department, and these particular yards do have substantially the same machinery and equipment, so far as repairs are concerned. The department submitted the estimate of $15,000, and the committee allowed that amount.

Mr. MADDEN. There was no inquiry made?

Mr. PADGETT. Yes; we asked each one of them if that would meet the necessities and requirements of the yard, and they said it would.

Mr. MADDEN. All I have to say is I think it is very singular that every yard is to have the same amount of repairs made on its machinery, and that it amounts to $15,000 for each yard.

Mr. PADGETT. The gentleman is hardly correct in that, because at New York it is $20,000 and at Puget Sound only $10,000.

Mr. MADDEN. They divided that so as to give $5,000 more to one and $5,000 less to the other, but on the average it is $15,000.

Mr. PADGETT. That is the fact.

Mr. REED. Mr. Chairman, Portsmouth, N. H., gets only $10,000, and I think the amount for repairs, and so forth, is entirely inadequate.

Mr. PADGETT. The department submitted these estimates, and they usually take care of the yards pretty well.

The Clerk read as follows:

For repairs and improvement of machinery and implements at plant at navy yard, Puget Sound, Wash., $10,000.

Mr. ROBERTS of Massachusetts. Mr. Chairman, I ask unanimous consent to return to pages 28, 29, and 30, to the provision with regard to chaplains of the Navy, in order that the gentleman from Illinois [Mr. MADDEN], if he so desires, may withdraw the point of order which he made the other day.

Mr. MADDEN. I have been looking into the question of chaplains in the Navy, and I am convinced that in making the point of order which I made I ought not to have done so, and I wish to ask unanimous consent to withdraw the point of order.

The CHAIRMAN. Is there objection to the request of the gentleman to return to the paragraphs mentioned?

Mr. REED. May we not have the paragraphs to which the point of order is made reported?

Mr. ROBERTS of Massachusetts. It is the provision as to the increase of chaplains in the Navy.

Mr. MANN. It will still be subject to a point of order.

Mr. REED. I do not wish to make a point of order, but I want to know what I am consenting to. What is the amount of appropriation carried in that paragraph?

Mr. MANN. There will be some discussion about it.

The CHAIRMAN. Is there objection to returning to the paragraphs? [After a pause.] The Chair hears none.

Mr. MANN. Now, I understand my colleague withdraws his point of order?

Mr. MADDEN. I withdraw the point of order.

Mr. PADGETT. Mr. Chairman, I move to amend page 28, following line 12, by inserting the language as it appears in the bill from line 13, page 28, to and including line 10, page 30.

Mr. MANN. Let the amendment be reported.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk began reading the amendment.

Mr. ROBERTS of Massachusetts. Mr. Chairman, I ask unanimous consent that the reading of the amendment be dispensed with. It has been read once and is familiar to every Member.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. MANN. Mr. Chairman, I wish to reserve a point of order on the amendment.

Mr. MURDOCK. Mr. Chairman, it seems that the other day these paragraphs relating to the corps of chaplains in the Navy went out on a point of order. Is that correct?

The CHAIRMAN. That is correct.

Mr. MURDOCK. And to-day the gentleman withdraws the point of order.

The CHAIRMAN. By unanimous consent, the committee returned to the paragraphs in the bill, and the gentleman withdrew his point of order, and the language originally in the bill is offered as an amendment, and to that the gentleman from Illinois reserves a point of order.

Mr. MURDOCK. The point of order by the gentleman from Illinois did not operate, then, at the beginning?

The CHAIRMAN. Yes; the language went out on the point of order by the gentleman from Illinois [Mr. MADDEN], and now the same matter is offered again by the gentleman from Tennessee and a point of order is reserved by the gentleman from Illinois.

Mr. TRIBBLE. Mr. Chairman, I reserve a point of order to these paragraphs.

The CHAIRMAN. A point of order has already been reserved. Whenever a point of order is reserved, it is reserved for the whole committee.

Mr. REED. Mr. Chairman, do I understand that the amendment covers the original language in the bill that went out on the point of order made by the gentleman from Illinois [Mr. MADDEN]?

The CHAIRMAN. The Chair understands it is identically the same language.

Mr. TRIBBLE. Mr. Chairman, I desire to be heard on this. First of all, it will be found that on page 354 of the hearings Mr. WITHERSPOON asked the question, "That would be a chaplain to each of the 39 battleships?" I read that part of the question for the purpose of making this point, that the discussion in the Naval Committee proceeded with the idea that the increase of 65 chaplains carried in this bill is for the purpose of placing chaplains on ships. I would not oppose this measure if it required those in authority to station the chaplains on ships. Also, it should take from the chaplain authority to require of the enlisted seamen any religious duty that conflicts with the Constitution of the United States granting religious freedom to all men. The men should be permitted to worship God according to the dictates of their own conscience.

There are 24 chaplains in the Navy, and of that number 7 are on battleships. The others are located in the navy yards. I want to say to you, Mr. Chairman, that I do not propose to stand on the floor of this House and see chaplains placed in the navy yard at Washington, New York, and other places where the men have their homes and can go to church, and where they can receive the benefit of clergy just the same as my constituents receive it in their homes. My constituents pay their preacher. These navy yards are located, many of them, where there are all kinds of denominational churches almost in a stone's throw, and the men in the navy yards have their own homes and can go at will to any kind of religious services they like. The machinist and skilled laborers receive from $4 to $6 per day—very few less and many more than $6 per day. They work eight hours, get sick leave, and 30 days' vacation. Tell me why my constituents should pay a chaplain to administer to their religious wants.

One chaplain is stationed in the navy yard at Washington. I would like for some gentleman to give me some reason why the country should be called upon to pay the expenses of a chaplain stationed at the navy yard in the great city of Washington.

Mr. ROBERTS of Massachusetts. Will the gentleman yield?

Mr. TRIBBLE. Yes.

Mr. ROBERTS of Massachusetts. I would like to state to the gentleman that the chaplain to whom he alludes is on his way to Vera Cruz for service on the fleet. He has been dispatched from the navy yard here to Vera Cruz, where his services are needed.

Mr. TRIBBLE. I read from the Navy Register, and the facts are Chaplain Byard has been stationed here in Washington several years, while many of the ships have had no chaplain.

Mr. PADGETT. I call attention that in this bill it is provided that, with reference to chaplains, they must have three years' sea service on board ship before they can receive a commission as chaplain at all; that is, three years' actual service for qualification.

Mr. TRIBBLE. This bill gives the chaplain too much authority. They are clothed with too much power. I call attention to the fact that out of 23 chaplains recorded in this book 8 of them were born in a foreign country.

Mr. BRITTEN. Does the gentleman think that interferes with their qualifications and service?

Mr. TRIBBLE. I think it does. I am not willing to turn over our young seamen to foreigners to receive their religious instruction and require them to submit to the regulations that may be required pertaining to religious creeds.

Mr. GOULDEN. Are they not American citizens?

Mr. TRIBBLE. I do not know. I doubt if they are, for one of them is a young man who entered the Navy within the last two years.

Mr. GOULDEN. They must be American citizens before they can get a commission; and if they are American citizens they have a right to hold any position to which they are appointed.

Mr. TRIBBLE. The gentleman does not convince me that foreigners should administer religious ceremonies on our battleships. I suppose I belong to the old school who sought refuge in America. This innovation does not appeal to me.

Mr. RAGSDALE. Will the gentleman yield?

Mr. TRIBBLE. Yes.

Mr. RAGSDALE. Would the gentleman be in favor of a law that prohibited foreign-born chaplains from serving?

Mr. TRIBBLE. I would.

Mr. RAGSDALE. Would the gentleman be in favor of a law prohibiting foreign-born citizens from serving in the Cabinet?

Mr. TRIBBLE. I prefer not to go into that question.

Mr. RAGSDALE. Would he be in favor of a bill that would limit them?

Mr. TRIBBLE. I do not care to discuss that question at this time. It does not relate to this issue.

Mr. PADGETT. They have to be citizens in order to get a commission.

Mr. TRIBBLE. Mr. Chairman, I regret that this religious question has been injected into this discussion. I considered it seriously before I made the point of order. I felt that Members would insist that I should go into a full discussion of the question.

Mr. ROBERTS of Massachusetts. I understood the gentleman to say that he read from the Naval Register of January 1, 1913?

Mr. TRIBBLE. I did.

Mr. ROBERTS of Massachusetts. I have it for January 1, 1914, and it appears that 10 out of the 27 chaplains are stationed on ships.

Mr. TRIBBLE. Where are the others? The gentleman has not answered my question as to why the people should be called upon to pay for a chaplain in New York or Washington or of some other naval station.

Mr. ROBERTS of Massachusetts. I will tell the gentleman where these others are stationed.

Mr. TRIBBLE. I know where they are stationed. I have the book in my hand.

Mr. ROBERTS of Massachusetts. One is at the naval training station, Great Lakes; one at the navy yard in New York; one at the naval disciplinary barracks, Port Royal; one at the Naval Academy; one at the naval training station, St. Helena, Va.; one at the navy yard, Norfolk; one at the navy yard, New York; one at the navy yard, Washington, who has been detached and sent to Vera Cruz; one at the navy yard, Boston; one at the Naval Home, Philadelphia; one at the training station, San Francisco; one at the naval training station, Newport; one at the navy yard, Mare Island; and one at the training station, Great Lakes. Now, the gentleman will notice that with few exceptions these chaplains are stationed where the men are gathered in large bodies.

Mr. TRIBBLE. The gentleman has assisted me in establishing my contention. Every place the gentleman mentioned is abundantly supplied with churches and ministers. Listen: Boston, Philadelphia, Norfolk, San Francisco, New York, Washington—the great cities of the Union.

Mr. Chairman, I arose to urge the present location of the chaplains as objectionable, therefore opposing the increase until it shall be made obligatory that chaplains go to sea on ships, where the law intends they shall be, and also to oppose giving them additional rank and authority. This question was considered by the Naval Committee. I did not make the record I am going to read from the hearings. I did not ask a question. The creed or religious question was injected by others. The proper distribution among the religious denominations was discussed by Father O'Hern, representing the Catholic Church.

The CHAIRMAN. The time of the gentleman has expired.

Mr. TRIBBLE. Mr. Chairman, I ask unanimous consent that I may proceed for five minutes.

The CHAIRMAN. Is there objection. [After a pause.] The Chair hears none.

Mr. TRIBBLE. The Secretary of the Navy asked the Naval Committee for 24 welfare secretaries. He said, in part:

> I would not advise any rank for chaplains or any other religious officers or workers; but it is a condition, and having had this rank a long time, I do not wish to make any recommendation for a change. I think there is very great need on our ships of young men—young men who are interested in religion and what you call social welfare. I believe that in this work the young man would help us tremendously in the educational policy. I do not want him to have any status and I do not want him to have any pensionable rights. I do not expect him to stay permanently.

Why was not this request granted? The secretaries were not granted the Secretary of the Navy. I did not desire to discuss this issue, but gentlemen insisted upon forcing it on me. I will not express any opinion, but read you the record which others made and is printed as part of the proceedings of this House. From page 352 of the hearings I will read you the following letter:

> CARDINAL'S RESIDENCE,
> 408 NORTH CHARLES STREET,
> *Baltimore, January 15, 1914.*
>
> Rev. LEWIS J. O'HERN, C. S. P.,
> *Apostolic Mission House, Washington, D. C.*
>
> MY DEAR FATHER O'HERN: As our representative in matters pertaining to Army and Navy chaplains, may I ask you to personally call on the members of the Committee on Naval Affairs, both of the Senate and the House of Representatives, and urge upon them the necessity

of more chaplains for the Navy? Explain to them that the proposed scheme of substituting "welfare secretaries" for chaplains does not meet with the approval of the American Catholic archbishop, since no laymen can do the work of an ordained clergyman.

Most faithfully, yours, in Xt.

J. CARDINAL GIBBONS,
Archbishop of Baltimore.

Mr. PADGETT. Will the gentleman yield?

Mr. TRIBBLE. No, sir; I will not yield until I read this. I am reading from the hearings, and this House has the right to know what goes on in the Committee on Naval Affairs.

Mr. PADGETT. Certainly; and I invite it, but I wanted to ask the gentleman, if he will permit me at this point——

Mr. TRIBBLE. I can not yield; the gentleman can state it when I have concluded. On page 356 I will read again:

Mr. BRITTEN. The service that is given or rendered aboard ship is practically the same irrespective of the religious denomination of the chaplain?

Father O'HERN. Well, no, sir; not entirely. At the morning service a Catholic priest would celebrate mass. That is our official form of divine worship, and all the Catholics would, I expect, be present at that. Whether others would come I am not prepared to answer, but there is held in the evening a general service, consisting of the singing of hymns and preaching.

Now, listen to what he says. Here is a man who speaks for the chaplains:

I presume that the character of this service is more or less determined by the chaplain.

It is not determined by the Naval Committee or the Navy Department or anybody else but the chaplain. He is an officer of rank and his command is law, and I say that this authority given to these chaplains is going too far. Mr. Chairman, the Constitution of the United States provides that every man can worship God in this country as he pleases. That is a privilege the Constitution gives him, and I say there should not be any encroachment upon that privilege. I read again on page 357:

Mr. BRITTEN. Will the gentleman yield for just one second?

Mr. TRIBBLE. When I read this, I will yield to the gentleman. Father O'Hern, continuing his testimony, submits a brief of the relative standing of several churches, and then the following appears, as stated in the hearings, page 357, as follows:

The CHAIRMAN. In the report of the Federal Council of the Churches of Christ in America in the quadrennial session assembled at Chicago December 9, 1912, on the point suggested, it says:

"We also believe that the providing of chaplains ought not to be treated as a mere matter of denominational proportion in an effort to distribute offices among the various Christian bodies, but rather in the interest of providing adequate moral influence and spiritual help."

Father O'HERN. According to the figures quoted above, the Catholic Church is entitled to a little more than 41 per cent of the religious leaders, and in a representative Government such as ours she should have something to say about the kind of religious leaders appointed.

Mr. BRITTEN. I merely desire to call attention to the fact that attendance at religious services is not compulsory on board ship. Our seamen or sailors do not have to go to mass unless they want to do so. They do not have to go to evening services unless they want to. It is entirely optional with them.

Mr. TRIBBLE. Well, I do not admit that.

Mr BRITTEN. If the gentleman will read the hearings, he will see.

Mr. TRIBBLE. I have been on these battleships where these chaplains are and I have been told the seamen are required to participate in certain religious formalities. I got my information from seamen aboard ship.

Mr. ROBERTS of Massachusetts. Will the gentleman yield?

Mr. TRIBBLE. I will not at this time. Gentlemen having heard the testimony as given in the committee and observing the fate of the recommendation of the Secretary of the Navy for 24 welfare secretaries and the substitution of 65 more chaplains will no doubt understand why I have called your attention to these facts I have placed before you shown by the record. The issue of division was raised as shown.

Mr. CALDER. How many has the Dutch Reformed Church got?

Mr. TRIBBLE. None. The Congregational Church has one, the Disciples of Christ has one, the Universalist has one, Catholic six, Episcopalian five, Methodist six, Baptist three, and Presbyterian one. I have called attention to the statement of Father O'Hern where he claims nearly half for his church.

Mr. O'SHAUNESSY. Will the gentleman yield?

Mr. TRIBBLE. I do.

Mr. O'SHAUNESSY. I merely wanted to ask the gentleman if the request of Father O'Hern was joined in by the other denominational representatives.

The CHAIRMAN. The time of the gentleman from Georgia has again expired.

Mr. O'SHAUNESSY. I ask that the gentleman be given five minutes. I have asked him a question.

The CHAIRMAN. Is there objection? [After a pause.] The Chair hears none.

Mr. TRIBBLE. The hearings speak for themselves.

Mr. O'SHAUNESSY. What I wanted to get is this: The gentleman is calling attention to a specific part——

Mr. TRIBBLE. Is the gentleman asking me whether the representatives on the Naval Committee joined in asking that this provision be made, 41 per cent going to the Catholic Church? Is that the question? If so, I answer they did not.

Mr. O'SHAUNESSY. That is not what I am asking. I am asking if they made representations to the committee that religious exercises could be conducted better by the ministrations of ministers and priests rather than by these secretaries to whom the gentleman refers. That is what I wanted to know.

Mr. TRIBBLE. I do not think they did.

Mr. O'SHAUNESSY. I am not a member of the committee, but I would like to get that on the record now.

Mr. PADGETT. Will the gentleman yield to me at just that point?

Mr. TRIBBLE. Only three ministers testified before the committee. They all requested chaplains.

Mr. O'SHAUNESSY. Will the gentleman answer my question? I would like to have it cleared up.

Mr. PADGETT. Will the gentleman yield to me?

Mr. TRIBBLE. I will.

Mr. PADGETT. I want to state——

Mr. TRIBBLE. I yielded to you for a question and not for a statement, because you have your own time.

Mr. PADGETT. I will reply, then, in my own time.

Mr. BRITTEN. Will the gentleman yield for a question?

Mr. TRIBBLE. I will yield to the gentleman.

Mr. BRITTEN. Is it not a fact that all the religious denominations were represented before our committee during this entire hearing?

Mr. TRIBBLE. I do not know how many denominations were represented, quite a number of gentlemen were there, but only three spoke.

Mr. BRITTEN. Were not 7 or 8 or 10 of them represented?

Mr. TRIBBLE. I stated to the gentleman that I do not know, as only three were heard by the committee.

Mr. ROBERTS of Massachusetts. The gentleman is wrong. Bishop Laurence and others were heard.

Mr. LEVY. Will my colleague tell me if there were any Hebrews represented?

Mr. TRIBBLE. There were no Hebrews represented

Mr. LEVY. A large number of the sailors are Hebrews.

Mr. BRITTEN. There are but a few Hebrews in the Navy, and they are good men.

Mr. LEVY. I beg the gentleman's pardon. The first one killed in the Mexican trouble was a Hebrew.

Mr. TRIBBLE. Mr. Chairman——

Mr. BROWNING rose.

Mr. TRIBBLE. I yield to the gentleman from New Jersey [Mr. BROWNING].

Mr. BROWNING. I would like to ask my colleague if all the ministers that were present at that hearing were not opposed to the welfare secretaries?

Mr. TRIBBLE. I can not answer that question, because only three of them spoke there, and the spokesman seemed to be Chaplain Bayard, who has been stationed in the navy yard here for three years——

Mr. ROBERTS of Massachusetts. Will the gentleman yield just a moment?

Mr. TRIBBLE. Yes, sir.

Mr. ROBERTS of Massachusetts. I understood the gentleman to say that only two ministers spoke.

Mr. TRIBBLE. Three.

Mr. ROBERTS of Massachusetts. Did he include the Rev. Charles S. MacFarland as one of the three?

Mr. TRIBBLE. I think he was one of the three.

Mr. ROBERTS of Massachusetts. The Rev. Charles S. MacFarland is secretary of the General Council of the Church of Christ in America, representing 30 denominations.

Mr. TRIBBLE. I do not know.

Mr. ROBERTS of Massachusetts. He came before the committee representing a conference of the 30 denominations and the consensus of opinion of all these denominations on this matter of chaplains.

Mr. TRIBBLE. I will tell the gentleman that I have recently received a letter from my district, from one of the best preachers that I know, a young man who has been trying to get an appointment as chaplain in the Navy, and the response comes back that there is no place here for the denomination he represents—that there is no vacancy.

Mr. BRITTEN. Why does not the gentleman see the Secretary of the Navy?

Mr. TRIBBLE. I saw the Secretary of the Navy and wrote him several times.

The official rank proposed in this bill should not be granted to chaplains. They should have no official authority to command sailors to conform to the mandate of any religious creed, and every man should feel at perfect liberty to serve God according to the dictates of his own conscience. This House should guard with jealous care that religious right.

Mr. PADGETT. Mr. Chairman, this is a point of order, and it is all by unanimous consent, but I simply wanted to make one or two statements. At the time we had the hearings there were representatives of 31 Protestant denominations at the hearing and 1 Catholic. That is one subject on which the Catholic Church and the Protestant Church have all agreed, and this Federated Council of the Church of Christ in America, representing 31 denominations, passed, unanimously, resolutions indorsing this movement. And there have been more petitions and memorials that have come to the Committee on Naval Affairs on this subject than all other subjects combined. The number of chaplains in the Navy, 24, was established in 1842, and has not been increased until this day, and all over this country, from every denomination in the country, has come an insistent demand that the number of chaplains in the Navy should be increased in order to meet the moral and religious welfare in the Navy. And, in addition to that, every representative of all the churches, without exception, Catholic and Protestant, opposed the substitution of welfare secretaries for ordained ministers as chaplains in the Navy. There was not a single protest or exception to the establishment of the chaplains. There was a universal demand for them and there was a universal protest against substituting the welfare secretaries.

Mr. MURDOCK. How much is it possible for a chaplain in the Navy to get now, anyway?

Mr. PADGETT. Counting it when he reaches the highest grade, $5,000.

Mr. MURDOCK. How much under the new provisions?

Mr. PADGETT. It starts in at $2,000.

Mr. MURDOCK. And ends where?

Mr. PADGETT. It ends with the length of service and grades which they can reach. They can reach the grade of captain, but their pay is limited to that of a lieutenant commander, with longevity pay.

Mr. MURDOCK. That will be about $5,000?

Mr. PADGETT. Five thousand dollars after they reach the highest pay.

Mr. MURDOCK. So far as the pay is concerned, then, the maximum is about the same?

Mr. PADGETT. Yes, sir. We do not interfere with the pay; we just increase the number.

Mr. GOULDEN. How many years of service does it require to reach that maximum pay and rank?

Mr. PADGETT. Twenty years.

Mr. TRIBBLE. Will the gentleman yield?

Mr. PADGETT. Yes.

Mr. TRIBBLE. I will ask the gentleman if I did not try to avoid this fight, and did I not go to him yesterday afternoon after this section was passed over and ask the gentleman to refuse to go back to that section?

Mr. PADGETT. You asked me to refuse to go back to the section without your being in the Hall. As I saw you sitting there, I presumed you knew I was going on, and the presumption was verified.

Mr. LEVY. Mr. Chairman——

Mr. PADGETT. I can not waste any more time. Does the gentleman insist on his point of order?

Mr. TRIBBLE. I certainly do.

Mr. PADGETT. I ask the Chair to rule.

Mr. THOMAS. Mr. Chairman, I just came into the House, and I observed some of the Members seemed to be talking about religion. I have many times noticed that men usually talk most about that of which they know least. [Laughter.] The gentleman from Georgia [Mr. TRIBBLE] was speaking about Baptists in connection with the Navy. Well, the Navy, it seems to me, is a peculiarly appropriate place for a Baptist. [Laughter.]

Now, I do not think we ought to raise any excitement about this question of religion, because from my acquaintance with the Members of this House I believe there are very few Members here who could pass a civil-service examination in religion. [Laughter.]

Mr. TRIBBLE. Mr. Chairman, I call for the regular order.

The CHAIRMAN. The regular order is demanded by the gentleman from Georgia.

Mr. ROBERTS of Massachusetts. Mr. Chairman, I desire to make a statement on behalf of the minority leader, the gentleman from Illinois [Mr. MANN].

The CHAIRMAN. A point of order has been made, and the regular order is demanded.

Mr. ROBERTS of Massachusetts. I wish to state, Mr. Chairman——

Mr. TRIBBLE. I will withdraw my demand for the regular order.

The CHAIRMAN. The gentleman from Georgia [Mr. TRIBBLE] withdraws his demand for the regular order.

Mr. ROBERTS of Massachusetts. Mr. Chairman, the minority leader, the gentleman from Illinois [Mr. MANN], had reserved a point of order on this paragraph. He desired me at the proper time to withdraw the reservation of the point of order. I wish to keep the RECORD straight in his behalf.

Mr. PADGETT. Mr. Chairman, I ask that the reservation be reserved for a moment. The gentleman from Mississippi [Mr. WITHERSPOON] wishes to address the Chair for a moment on the subject of the point of order.

Mr. HOBSON. Mr. Chairman, I would like to address the Chair if the gentleman from Mississippi does not do it now.

The CHAIRMAN. Does the gentleman from Mississippi [Mr. WITHERSPOON] wish to address the Chair now?

Mr. HOBSON. Mr. Chairman, I desire to point out the fact that the Navy is a God-fearing service. At Annapolis every cadet must go to church every Sunday. There is a chaplain who conducts services in the chapel, but there are squads of midshipmen who go out to the various churches in the town of Annapolis. They have their choice, but all must go to church every Sunday. More than three-fourths of all the midshipmen are members of the Young Men's Christian Association.

Chaplains go out to sea on cruises with midshipmen, and before sunset—at the time of sunset—no matter what the condition of the weather, all hands will be called; if it is good weather, all hands will be called on deck and prayers will be offered by the chaplain. If there is a chaplain on the ship, whether there are midshipmen or not, whether it is a midshipmen cruising ship or not, if there is a chaplain on the ship cruising at sea anywhere in the world at sunset all hands will be called together for prayers. The Navy never goes to sleep without saying its prayers.

Mr. LEVY. Mr. Chairman, will my colleague allow me a moment?

The CHAIRMAN. Does the gentleman from Alabama yield to the gentleman from New York?

Mr. HOBSON. In one moment. The deepest impression ever made upon me as a boy—I entered the service when I was not quite 15 years old, at the age of 14—was received on my first Sunday on a war vessel; it was on the *Constellation*, by the way, I will say to my colleague from Maryland, who is interested in the rehabilitation of that old vessel. If I remember correctly, we were at anchor near the capes of the Chesapeake. About 10 o'clock Sunday morning the boatswain's mate piped his whistle and called, "Lay aft port watch of afterguards and rig church!" They got out the little portable organ, erected a little altar, and arranged the camp stools with hymnals and prayer books. At 10.30 the bell began to strike slowly. It was the call to divine service, and officers, midshipmen, and enlisted men began to assemble aft. As the bell began to strike I saw the Stars and Stripes come down. It astounded me to see the national flag come down. No enemy had ever been able to make that flag come down from the peak. Then I saw another flag start up on the yardarm halyards. It had a blue cross on a white background. We call it the church pennant. It was hoisted to the yardarm. Then I saw the national flag start up again, this time on the yardarm halyards. It rose slowly, and then it stopped reverently, just beneath the church flag; and there it was flying during the whole service out there under the sky. I watched it all during that service, and the symbolism of the sight was engraven forever in my heart.

I have since then realized the significance; notably once, when I was on the deck of one of our ships in the harbor of Corfu, in the Mediterranean, with the first White Squadron, on the old *Chicago*, flagship of Admiral Walker, who was in command of the squadron. When I came up on deck before breakfast one day—it was a gala day ashore, a feast of the passover of the Greek Church—the flags were flying. Looking out I happened to notice a hoist of flags on the promontory on which stood the governor's palace. It was the official flagpole. There was a hoist of flags, practically of all nations, as it seemed, with the American flag about halfway up. There was the English flag and the French flag and the Italian flag. I counted several flags above ours, although ours were the only ships in the har-

bor. I felt a strange sensation. I did not know what to make of it. I knew that at that time our little Navy was the laughingstock of the civilized world, but I knew that the Nation it represented was not to be made light of, and I wondered by what precedent they were called upon there to put other flags, of other nations, above ours, right in our teeth. At that point Admiral Walker came up on deck. It was his custom to take a little constitutional on deck before breakfast. He saw the scene before him and stopped, and his eyes finally fell on the governor's palace and then that hoist of flags. He was an old sea dog. I can see him now.

His brows began to knit; he took out his binoculars, leveled them on the hoist of flags to make sure, and then called over his shoulder down the gangway, "Bugler, call away the barge." Nobody ever heard of the barge being called away for an official visit at that time of the day. The barge's crew hurried aft to man the boat. Then he turned to his orderly—how well I can see him now as he said, "Orderly, tell the flag lieutenant to report to me on deck in full uniform at once." Soon the flag lieutenant came hurrying on deck with his sword dangling, and saluted. The admiral said to him, "Proceed ashore at once in the barge." Now, this was before breakfast. The governor was doubtless still fast asleep. It is against the precedents of official intercourse to call before 10 o'clock. He said, "Proceed ashore at once in the barge. Ask to see the governor yourself, in person, and tell him, with my compliments, that if he wishes to use that flag at all while my fleet is in his harbor he must hoist it at the top." [Applause.] There is no other flag under heaven, the emblem of human power, that may float above the Stars and Stripes. But there is a flag that does float above it every Sunday morning, and I can see our proud flag there, looking up in humility, seeking help and guidance and spiritual strength and fortitude from the flag of the cross above, a true symbol of our Navy, that inaugurated the ceremony, and of our Nation, that we are a God-fearing people; the greatest agency ever raised up by a kindly Providence for service and uplift of humanity—24 chaplains for fifty-odd thousand men are not enough for attending properly to the religious welfare of our citizens in the Navy. [Applause.]

Mr. TRIBBLE. Mr. Chairman, I call for the regular order.

The CHAIRMAN. The regular order is demanded by the gentleman from Georgia.

Mr. LEVY. Mr. Chairman, I move to strike out the last word.

The CHAIRMAN. The regular order is demanded by the gentleman from Georgia. The gentleman from Georgia has made a point of order, and upon that he demands the regular order. The Chair sustains the point of order.

Mr. HEFLIN. Mr. Chairman, a great deal has been said during this discussion about expenditures and extravagance in the various departments. I believe that when we find a Government official who has been faithful and efficient, one who really practices economy in the department over which he presides, he is entitled to a word of praise instead of criticism at the hands of Congress.

The fact that I am a member of the Committee on Agriculture has brought me into close touch and intimate relationship with the Bureau of the Census, and I want to pay a deserved tribute to the head of that bureau, the Hon. William J. Harris, of Georgia. [Applause]. In the 10 years that I have served in this House no man has devoted himself more industriously, more intelligently and conscientiously to the duties of his office than has this able and courteous Chief of the Bureau of the Census. [Applause.] He has instituted more reforms for the benefit of the people than any department head that I know about in Washington.

When he assumed charge of the bureau in July, 1913, he found the work very much in arrears and the office force greatly demoralized. He reorganized the office on a business basis and increased the efficiency of the office force. He has made the bureau's publications of real service to the American people, and has placed the expenditures of that department upon the soundest economic basis ever known in the history of the department. [Applause.] The law had required that the Thirteenth Decennial Census be completed within three years. That period ended on June 30, 1912. One year later only 4 of the 12 volumes of the final report of the census had been published, and the annual report and permanent investigations were considerably behind.

Mr. Chairman, since he has assumed charge of the bureau, he has had completed seven of the remaining volumes of the final report of the Thirteenth Census, leaving only one unfinished, and that one will be ready for distribution some time during this month; so it will be seen that he has performed a great deal of work that belonged to his predecessor. Of the annual reports and the permanent investigations, he has issued reports on financial statistics of cities for 1912 and reports on mortality statistics for 1910, 1911, and 1912. In 10 months he has issued two delayed reports on one subject and three delayed reports on another. Not only that; he has issued thousands of bulletins, pamphlets, and circulars; the most popular of these is probably the pamphlet on the "Ravages of the Boll Weevil," which has a circulation already of more than 300,000 copies. One of the most important reforms that he has instituted is that of adding the names of more than a hundred thousand farmers and business men to the mailing list to receive publications in which they are vitally interested. He has inaugurated a great publicity bureau of valuable information for the American people. [Applause.] To the newspapers alone there have been issued over 230 press summaries, carrying a total of 255,000 copies, each summary reaching from 1,000 to 3,000 daily papers and 15 press associations, which in turn furnished it to more than 13,000 weekly papers.

Mr. Chairman, it takes two things to try out a man's fitness for public office—opportunity and responsibility. And here is a man who has utilized his opportunity to the utmost and has measured up to the highest requirements of the responsible position that he holds. [Applause.] His rearrangement of the whole work and organization of the force under him has made possible promptness in the issuance of publications in which the people are greatly interested. Reports on mortality statistics and the reports on financial statistics of cities, about two and a half years behind, have been brought up to date. The reports on street railway, electric power and light stations, and telephones and telegraphs, which were made every five years and formerly issued from two to three years after securing the data, will now appear in final reports in less than one and a half years after the beginning of the work. [Applause.] The inquiry on wealth, debt, and taxation, which is taken decennially, cost approximately $275,000 10 years ago and was carried on over a period of from 3 to 5 years, the final report not being issued until about 5 years after the work began.

The present investigation began November 1, 1913, and the first bulletin on the subject will be issued in this month and the final report for the entire United States will be ready for distribution before the end of the present year. Its cost will be approximately one-third of what it was 10 years ago. [Applause.] Much of the work heretofore done by agents in the field he is now having done in the office by the use of printed reports made for cities, counties, and States, and on this one piece of work alone he will save to the people thousands of dollars.

When he took charge of the bureau he found on the rolls of the machine shop a lawyer drawing $3,000 per annum. There was no record in the office to show that this lawyer had given any time or attention to the service of the bureau for two or three years past. Something happened to this man. Mr. Harris immediately dropped his name from the pay roll. [Applause.] He found an expert special agent at $8 per day, a gentleman residing in New York City and engaged in other business, to which he devoted his time, and he, too, was dropped from the roll, and the work that he was supposed to be doing has been completed by the regular office force. He has made the Bureau of the Census a real serviceable institution. He is giving the people the benefit of valuable information gathered by him and his office force. For instance, a census of manufactures is taken every five years. The next one covers the calendar year 1914 and will be taken shortly after the 1st of January, 1915. In order to interest the manufacturers in this census, which will probably be the most important census of manufactures ever taken, he has visited manufacturers' associations, chambers of commerce, and boards of trade in a number of cities throughout the country, thus obtaining the information at first hand and impressing the people with whom he came in contact with his desire to be of service to them. It is no wonder that he has secured the cooperation of the manufacturers of the country for the forthcoming census. The law provides for a census of agriculture to be taken in the fall of 1915, and he has already taken up the preliminary work with the leading agriculturists of the country. By correspondence and by conferences he is interesting the farmers in the forthcoming census in order to secure their cooperation, and I make the prediction that this census of agriculture will be the best ever reported by the Census Bureau. [Applause.] He is rendering valuable service to the cotton producers of the South in various ways.

He has raised the number of cotton reports to 27 during the year, and these reports now cover cotton production, cotton

distribution, and cotton consumption—valuable information for all persons interested in cotton.

Mr. Chairman, he has instituted one reform that has been worth millions of dollars to the cotton producers during the last cotton-selling season, and that is the separation of the report of linters from the report of cotton ginned. Heretofore the reports have read, for instance, thirteen and one-half million bales, including linters, and not one man in a thousand would stop to think that linters were anything else but cotton. The bear speculators used the amount of linters, counting it with cotton ginned, to confuse the public and depress the price of cotton, and they succeeded to the great injury of the cotton producers. For the first time in the history of the Census Bureau linters are not reported with the amount of cotton ginned, and when you see now a report coming from that bureau of so many bales of cotton ginned you may know that it is cotton and not linters. [Applause.] We produce from six hundred and fifty to seven hundred thousand bales of linters per year, and this stuff has no more right to be placed in the column with cotton ginned than seconds, shorts, and bran have to be placed in the column with flour in sacks or barrels.

I had the honor of calling this much-needed change to his attention, and he did not parley about it or dally with it. He instituted it, to the everlasting good of the cotton producers of the South. [Applause.] If he had done no more during his term of office than this for the farmers of the South, he would be entitled to the lasting gratitude of our people. [Applause.]

He has given wide publicity to these cotton reports by adding to the mailing list thousands of farmers in every section of the cotton belt, having these reports to show the information not only by States but by counties, and this information is now given to the local press. In his efforts to carry this information to those most vitally interested—the cotton producers themselves—he has the reports on cotton production, cotton consumption, and cotton distribution printed on large cards and posted in all the local post offices throughout the cotton belt. Through his pamphlet on the Ravages of the Boll Weevil he has called the attention of the cotton producers of Alabama, Georgia, and the Carolinas, as well as those in the other Southern States, to the subject. The States mentioned, with the exception of a portion of Alabama, have not yet been affected by the ravages of the boll weevil, and through this pamphlet he is reaching the producers of cotton in order that they may be prepared to meet this cotton pest in advance of his arrival. He has already aroused interest among the farmers, and in many places they are organizing to intelligently combat the boll weevil. This publication alone will greatly benefit the cotton producer of the South. He has compiled important data for the tobacco producers of the country, and is issuing reports that will be of service to them.

All this has been accomplished in the 10 months that he has been at the head of this department. [Applause.] The reforms that he has instituted and the economy that he has practiced in the department over which he presides stamp him as a man of keen foresight and extraordinary business ability. [Applause.] He has demonstrated that a Government bureau operating a large office force and controlling large expenditures of money can be operated on a business basis. He has converted this mighty machinery of the Government into a tremendous agency for good to the American people. [Applause.]

The trouble with many of the departments has been that the head or chief is unknown to and out of touch and sympathy with the working force under him. This charge can not be laid at the door of the Director of the Census Bureau. He has set a worthy example for officials in the various departments, for he has come in personal contact with the hundreds of men and women working under his direction for the Government of the United States. One of his first acts was that of a big-hearted, manly man. He held a public reception and met every employee of the bureau, from the humblest to the highest. He told them that he wanted their friendly interest, cooperation, and efficient service, and assured them that he felt a keen interest in all of them and stood ready to hear any complaint that they from time to time had to make. [Applause.] He urged them to be courteous and kind in their treatment of one another, and he informed some of the near topers that if they drank during work hours or came in with whisky on their breath they would be punished and ultimately discharged. This order was not only good for the service but has proven beneficial to the men themselves. He immediately gave to the old soldiers and their widows employed in the service new sanitary desks and chairs, and so grateful were the veterans, Federal and Confederate, that they sent a committee to express to him their thanks for his consideration and kind treatment of them.

When he came in office the man over 60 years of age could not serve as a gin reporter. That order eliminated almost entirely all ex-Confederate soldiers. He has abolished that order so that the Confederate soldiers could seek and fill those positions if they desired. [Applause.]

He is rendering the highest order of public service and is entitled to have Congress say of him, "Well done, thou good and faithful servant." [Applause.]

Mr. LEVY. Mr. Chairman, I rise for the purpose of asking my colleague from Alabama [Mr. HOBSON] if it is not the custom, the rule, and the regulation of the United States Navy for the captain of a ship to conduct service regularly every Sunday and to preside at any religious service?

Mr. HOBSON. I would not state absolutely what the practice is now, because it has been several years since I was in the service.

Mr. LEVY. But it was so in the old days?

Mr. HOBSON. In the early days, when there was not a chaplain on board, the captain did conduct the service, and he does preside now; but whether all the captains conduct service every Sunday I can not say.

Mr. LEVY. I think it is a proper regulation to do so.

Mr. HOBSON. I know the captain is authorized to conduct the service. Whether it is compulsory or not is the question.

The Clerk read as follows:

BUREAU OF STEAM ENGINEERING.

Engineering: For repairs, preservation, and renewal of machinery, auxiliary machinery, and boilers of naval vessels, yard craft, ships' boats, and air craft; repairs, preservation, and renewal of electric interior and exterior signal communications and all electrical appliances of whatsoever nature on board naval vessels, except range finders, battle order and range transmitters and indicators, and motors and their controlling apparatus belonging to other bureaus; maintenance of coast signal service, including the purchase of land as necessary for sites for radio shore stations; equipage, supplies, and materials under the cognizance of the bureau required for the maintenance and operation of naval vessels, yard craft, ships' boats, and air craft; purchase, installation, repair, and preservation of machinery, tools, and appliances in navy yards and stations; pay of classified force under the bureau; incidental expenses for naval vessels, navy yards and stations, inspectors' offices, the engineering experiment station, such as photographing, technical books and periodicals, stationery, and instruments; instruments and apparatus, supplies, and technical books and periodicals necessary to carry on experimental and research work in radiotelegraphy at the naval radio laboratory: *Provided*, That the sum to be paid out of this appropriation, under the direction of the Secretary of the Navy, for clerical, drafting, inspection, and messenger service in navy yards, naval stations, and offices of United States inspectors of machinery and engineering material for the fiscal year ending June 30, 1915, shall not exceed $650,000: *Provided further*, That the sum to be paid out of this appropriation for the purchase of land for sites for radio shore stations shall not exceed $50,000: *Provided further*, That the total expenditures under this appropriation at the naval radio laboratory shall not exceed $5,000.

In all, engineering, $8,080,000.

Mr. STAFFORD. Mr. Chairman, I reserve a point of order to the paragraph. I notice in this there is a limit of cost on the amount that may be expended by the department for radio shore stations, $50,000.

Mr. PADGETT. Yes; that is carried every year.

Mr. STAFFORD. The proviso was not carried last year, was it?

Mr. PADGETT. Yes.

Mr. STAFFORD. Will the gentleman kindly inform the House as to the extent the department has availed itself of this appropriation to purchase stations for radio communication?

Mr. PADGETT. I do not know that I can state. They did not purchase anything last year.

Mr. STAFFORD. How many radio stations has the service?

Mr. PADGETT. Shore stations? I do not know. Every navy yard has one, and then they have one on the Pacific coast, one at Alaska——

Mr. STAFFORD. One on the Isthmus?

Mr. PADGETT. Yes; and one at Fort Myer. They have a small one at Panama, but the Panama station will be one of the six provided for in the world belt radio stations that was authorized several years ago.

Mr. STAFFORD. Under that authorization, just what is contemplated?

Mr. PADGETT. Several years ago there was an authorization for a station at Panama, one on the California coast, one at Hawaii, one at the Philippines, and one at Samoa, but they are accomplishing so much better results now and reaching so much farther that Admiral Griffin told me the other day that he thought they would be able to dispense with the one in Samoa; that they could reach across that intervening distance to the Philippines without it.

Mr. STAFFORD. Has not the Navy Department some general plan as to the establishment of radio stations at certain places along the coast and the Gulf?

Mr. PADGETT. Yes; that covers the entire Gulf and the country.

Mr. STAFFORD. That is the complete plan, so far as the continental United States is concerned?

Mr. PADGETT. Yes.

Mr. STAFFORD. Now as to a few minor matters. I notice there has been some change in the phraseology for renewals of machinery, and so forth.

Mr. PADGETT. That occurs on account of the transposition of language from the Bureau of Equipment and incorporated into this bill.

Mr. STAFFORD. I assume that repairs have always taken place in the navy yards for machinery, and so forth.

Mr. PADGETT. Yes. They were under the Bureau of Equipment, and in the distribution we have placed them here.

Mr. STAFFORD. Mr. Chairman, I withdraw the point of order.

Mr. PADGETT. Now, Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

Amend, page 37, line 19, after the words "air craft" and before the word "repairs," by inserting the following: "distilling and refrigerating apparatus."

Mr. STAFFORD. I suppose that is for the purpose of repairing the refrigerating apparatus that all modern ships have.

Mr. PADGETT. Yes; it should have been incorporated, but in the transposition of the language it was overlooked.

The CHAIRMAN. The question is on the amendment.

The question was taken, and the amendment was agreed to.

Mr. PADGETT. I offer the following amendment.

The Clerk read as follows:

Amend, page 37, line 24, after the word "apparatus" and before the word "belonging," by inserting the following: "used to operate machinery."

The CHAIRMAN. The question is on the amendment offered by the gentleman from Tennessee.

The question was taken, and the amendment was agreed to.

The Clerk read as follows:

The unobligated and unexpended balances of appropriation "Steam machinery" for the fiscal years 1912 and 1913, not exceeding in amount $250,000, which were made available by the act of March 4, 1913, for the development of a heavy-oil engine for one of the fuel ships provided by that act, shall be considered available for that purpose until expended.

Mr. STAFFORD. Mr. Chairman, I reserve a point of order on the paragraph.

Mr. PADGETT. I will explain to the gentleman. Last year there was an appropriation made available on the unexpended balances not to exceed $250,000 for the purpose of developing what is known as the Diesel engine. That is an internal combustion engine. They are at work upon that now, but will not be able to complete the work within the period of the fiscal year. The chief of the bureau, Admiral Griffin, was not prepared to say whether or not it would lapse or would be a continuing appropriation, and in order to be sure of it this language was inserted in the bill.

Mr. STAFFORD. Will the gentleman inform the committee why it should remain available until expended?

Mr. PADGETT. It may not be completed in another year. They are developing the Diesel engine in the New York Navy Yard, and $250,000 of unexpended balances from the steam engineering appropriation that had been saved up to year before last was made available last year.

Mr. STAFFORD. How much of that amount is now available?

Mr. PADGETT. Two hundred and fifty thousand dollars was appropriated last year, and they have not been able to complete the work, and will not be able to during the present fiscal year.

Mr. STAFFORD. Will they not during the forthcoming fiscal year?

Mr. PADGETT. By 1916. This is the engine where the oil will be ignited inside of the engine, dispensing with water.

Mr. STAFFORD. I have no objecton, if the gentleman will limit it to the end of the fiscal year 1916.

Mr. PADGETT. I will move to amend.

Mr. STAFFORD. I will withdraw the point of order.

Mr. PADGETT. Mr. Chairman, I move to strike out the word "expended," line 8, page 39, and insert the words "June 30, 1916."

The CHAIRMAN. The question is on the amendment.

The amendment was considered and agreed to.

The Clerk read as follows:

The Bureau of Equipment of the Navy Department is hereby abolished, and the duties assigned by law to that bureau shall be distributed among the other bureaus and offices of the Navy Department as herein provided, and all available funds heretofore appropriated for that bureau and such civil employees of that bureau as were heretofore authorized by law are hereby assigned and transferred to the other bureaus and offices as herein provided: *Provided*, That nothing herein shall be so construed as to authorize the expenditure of any appropriation for purposes other than those specifically provided by the terms of the appropriations heretofore and herein made.

Mr. STAFFORD. Mr. Chairman, I reserve a point of order on the paragraph. I am entirely in sympathy with this unusual recommendation for the merging of some bureau and which will result undoubtedly in economy, but I am quite concerned as to the provision that makes available the funds that have heretofore been appropriated for the bureau.

Mr. PADGETT. No; it says that they shall not be used for any other purpose than that for which they were appropriated.

Mr. STAFFORD. But it makes available for the various branches of the service funds formerly available in the Bureau of Equipment.

Mr. PADGETT. Exactly.

Mr. STAFFORD. In the case of a resolution which was passed through the House the other day with reference to New Orleans, it made available appropriations running back nearly 20 years, and there may be some funds available for this bureau running back that length of time.

Mr. PADGETT. The gentleman is mistaken about that. The appropriation to which the gentleman referred was along back in 1904; it was not 20 years.

Mr. STAFFORD. I thought it was 1884; I was mistaken.

Mr. PADGETT. This does not affect that. The only effect and purpose of this is to abolish a bureau and allows this distribution of funds that are available, but it does not change their status. This simply means that what we appropriated for the Bureau of Equipment last year can be used by these bureaus during the balance of this year, and still they are available as though they had been appropriated.

Mr. STAFFORD. I understand from the gentleman's statement there are no available funds applicable to this bureau of prior years—that it is only the present fiscal year?

Mr. PADGETT. If there are any, they would not be affected by this.

Mr. STAFFORD. Oh, yes; they would be affected, because it says all available funds heretofore appropriated.

Mr. PADGETT. They would have to be available. It says "all available funds." If they are not available, they would not be affected; and if they are made available one year for expenditure or two years for contract obligations, they would not be available and would go back into the Treasury.

Mr. STAFFORD. Then I have the assurances of the chairman there are no funds older than two years which would be available?

Mr. PADGETT. That is my understanding.

Mr. STAFFORD. Mr. Chairman, then I have no objection. I withdraw the point of order.

Mr. GOULDEN. Mr. Chairman, I move to strike out the last word merely to obtain a little information. The abolition of the Bureau of Equipment is intended, I take it, in the interest of economy.

Mr. PADGETT. Yes.

Mr. GOULDEN. And tends to greater efficiency in the service?

Mr. PADGETT. Yes.

Mr. GOULDEN. There are too many of these bureaus now, perhaps, in the Navy Department——

Mr. PADGETT. I would not say there are too many in the Navy Department now, but for several years they have been in conflict, and several years ago we reported a provision in the bill authorizing the distribution of these duties, and there has been no chief of the Bureau of Equipment.

Mr. GOULDEN. And these other bureaus have been exercising these powers and functions of the Bureau of Equipment?

Mr. PADGETT. And we allowed that to run along for several years until it could be wisely and properly adjusted, and now we are making it legal.

Mr. GOULDEN. In the present crisis or threatened crisis the abolishment of the Bureau of Equipment will not affect injuriously the Navy Department?

Mr. PADGETT. No, sir; it simply legalizes permanently what has been done for two years.

Mr. GOULDEN. Thank you.

Mr. MURDOCK. Does the gentleman contemplate going ahead this afternoon?

Mr. PADGETT. I am only going to the item of "Increase of the Navy." I want to finish these matters about which there

is no dispute, but when we get to the increase of the Navy, where there will be a controversy——

Mr. MURDOCK. I suppose the gentleman recognizes that there is a constantly diminishing attendance here?

Mr. PADGETT. Yes, sir.

Mr. MURDOCK. And it is getting rather thin.

Mr. PADGETT. I hope that these matters which are merely pro forma may be concluded. When we get to a matter where there is controversy, then I will move to rise.

Mr. GOULDEN. The gentleman realizes that there is a baseball game this afternoon.

Mr. MURDOCK. The gentleman from New York speaks of a baseball game. I do not know whether that has anything to do with this or not, but there is virtually no attendance here this afternoon.

Mr. BARTLETT. The same old crowd here, about what we have had for 20 years.

Mr. STAFFORD. Mr. Chairman, I object to the use of the language "old" by the gentleman from Georgia.

Mr. BARTLETT. I apply it to myself, and it would be true.

Mr. GOULDEN. Then the gentleman can strike out the word "old."

The Clerk read as follows:

One sword master, $1,600; 1 assistant, $1,200; and 2 assistants, at $1,000 each; 2 instructors in physical training, at $1,500 each; and 1 assistant instructor in physical training, at $1,000; and 1 instructor in gymnastics, $1,200; 1 assistant librarian, $2,160; 1 cataloguer, $1,200; and 2 shelf assistants, at $900 each; 1 secretary of the Naval Academy, $2,400; 2 clerks, at $1,500 each; 4 clerks, at $1,200 each; 4 clerks, at $1,000 each; 4 clerks, at $900 each; 2 clerks, at $840 each; 1 draftsman, $1,200; 1 surveyor, $1,200; services of organist at chapel, $300; 1 captain of the watch, $924; 1 second captain of the watch, $828; 22 watchmen, at $732 each; 3 telephone switchboard operators, at $600 each. In all, pay of professors and others, Naval Academy, $118,556.

Mr. MURDOCK. Mr. Chairman, I move to strike out the last word. I want to ask the chairman of the committee a question.

Mr. PADGETT. Yes, sir.

Mr. MURDOCK. Is not that a rather small amount to pay for the services of an organist, only $300?

Mr. PADGETT. He is the leader of the band and this is supplemental pay for this special service.

Mr. MURDOCK. I was going to suggest you can not get an organist anywhere else at the rate of $300 a year.

Mr. PADGETT. This is simply additional pay for this additional service. He is leader of the band and gets his regular pay as leader of the band and this is supplemental thereto.

Mr. MURDOCK. I am glad to hear that. Now, I want to ask the chairman what does a sword master do?

Mr. PADGETT. He is instructor in fencing and in physical exercises and the development of the physical training of the young men.

Mr. MURDOCK. My understanding is that a sword as an implement of war is practically obsolete.

Mr. PADGETT. Well, that may be, but they accustom these young men to the handling of it, and it is used in the physical development of these young men.

Mr. MURDOCK. I thank the chairman.

The Clerk read as follows:

Commissary department: One chief cook, $1,200; 4 cooks, at $600 each, and 8 assistants, at $300 each; 1 steward, $1,200, and 1 assistant, $600; 1 head waiter, $720, and 2 assistants, at $480 each; 2 pantrymen, at $420 each; 1 chief baker, $1,200; 1 baker, $600; 2 assistants, at $540 each, and 1 assistant, $420; necessary waiters, at $16 per month each, $13,440; 1 messenger to the superintendent, $600; 27 attendants, at $300 each; in all, $35,760.

Mr. TRIBBLE. Mr. Chairman, I ask unanimous consent for the privilege of extending my remarks in the RECORD.

The CHAIRMAN. The gentleman from Georgia asks unanimous consent to extend his remarks in the RECORD. Is there objection? [After a pause.] The Chair hears none.

Mr. MURDOCK. Mr. Chairman, I move to strike out the last word. I am curious to know from the chairman of the committee how the four assistant cooks can live on $300 a year. Do they get this in addition to something else?

Mr. PADGETT. I think they get their maintenance, but I am not sure. I suppose they do. They get their food.

Mr. MURDOCK. They are supplied with food; and is that all they get?

Mr. PADGETT. There have been no complaints from them. It is the usual amount that has come up, and there has been no complaint about it.

Mr. MURDOCK. Does the gentleman think that matter of providing each one of these men in this item with provisions, subsistence, is applicable to all the people mentioned in this item?

Mr. PADGETT. Yes, sir.

Mr. MURDOCK. It must be. That is the smallest lot of salaries I have ever seen carried in a Government bill.

Mr. PADGETT. They all get their subsistence there at the academy.

Mr. MURDOCK. There is an assistant baker, at $540. It would be impossible in private employ to get men at these figures.

Mr. PADGETT. It is what these men have been getting for some time. There is no complaint about it. They are satisfied. They get their subsistence there, and are well cared for.

Mr. MURDOCK. Are they mature men?

Mr. PADGETT. I could not tell you. Most of them are colored men.

Mr. FOWLER. Mr. Chairman, will the gentleman from Kansas yield?

Mr. MURDOCK. Certainly.

Mr. FOWLER. I desire to ask the gentleman if it is not a fact that through all of these appropriation bills labor is paid a very poor wage?

Mr. MURDOCK. I will say to the gentleman from Illinois that it is. And in a former Congress, or in the first session of this Congress, we succeeded in raising the salaries of laborers in the Post Office Department from $600 to $620, you will remember?

Mr. FOWLER. Yes.

Mr. MURDOCK. I would like to have seen it go higher. I think a salary of $300 a year in the present condition of affairs is almost unspeakable, and I do not understand how individuals live upon it.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

The unexpended balance of the appropriation for dairy, Naval Academy, Annapolis, Md., contained in the naval appropriation act approved March 4, 1913, is hereby made available for expenditure during the fiscal year ending June 30, 1915.

Mr. TRIBBLE. Mr. Chairman, I make a point of order against lines 14 to 19.

Mr. PADGETT. I did not catch the gentleman's point of order.

Mr. TRIBBLE. I make the point of order on the language embraced between lines 14 and 19. I reserve it.

Mr. PADGETT. The gentleman will remember that last year we made an appropriation for the enlargement of the dairy at Annapolis for the furnishing of milk and butter to the eight or nine hundred students there, and that is being carried out. They were fearful they could not get it all done during the fiscal year, and this is simply to make that available. It is not an additional appropriation.

Mr. TRIBBLE. The gentleman will recall, too, that I made the point or order on the floor of this House, and that this went out. Then it went to conference, and it was brought back to this House in the bill and became law in conference.

Mr. PADGETT. It went in in the Senate.

Mr. TRIBBLE. With the consent of the conferees of the House. It did not do any good to knock this out on the point of order, for it went to conference and came back here in the bill, with the consent of the chairman of the Committee on Naval Affairs.

Mr. PADGETT. That does not prevent the Senate from legislating on it, and if they put it in it is in the bill just as if the House put it in, and then it is a matter of agreement between the two Houses. The conferees do not put anything in the bill. It is only a matter of agreeing to what shall stay in of what the other body puts in.

Mr. TRIBBLE. If the gentleman will look over the bill that went to the conferees a year ago, he will see how many things were knocked out on a point of order. They nearly all came back here. And I take the position that the conferees of this House, when these matters go out of this bill, should stand for the action of the House.

Mr. PADGETT. But the point of order is only the action of one man. It is not the action of the House, and you will find that whenever the House has voted on a proposition the conferees have stood steadfastly for it.

Mr. TRIBBLE. But the Naval Committee has no right to come in here and legislate on anything they please, and the House has no right to make——

Mr. PADGETT. But the gentleman takes the position that the objection of 1 man out of 435 is the action of the House.

Mr. TRIBBLE. The House is just wasting its time arguing these points of order.

Mr. TALBOTT of Maryland. I hope the gentleman will not insist on the point of order. This money is as well expended for the health and comfort of the cadets and the institution as any other money that is appropriated. Before this dairy was established they had an epidemic of typhoid fever at the academy. Since they have been producing their own milk and

have their own plant, not only the fever but other diseases have disappeared, and it is purely a sanitary measure for the health and comfort of the students and the people at that institution.

Now, it may go out on your point of order, but I hope you will not insist on it.

Mr. HOBSON. Mr. Chairman, I join with my colleague from Maryland in requesting the gentleman from Georgia not to do this.

Mr. TALBOTT of Maryland. It is the best legislation for the health of that academy that was ever proposed in this House.

Mr. TRIBBLE. I have opposed this proposition from the beginning, because I take the position that the Naval Academy has no right to go into the farming business in competition with the farmers of Maryland and other parts of the United States.

Mr. TALBOTT of Maryland. The farmers do not object.

Mr. TRIBBLE. The farmers of Maryland have not been heard from.

Mr. TALBOTT of Maryland. Oh, yes, they have. I live in Maryland. The farmers do not object.

Mr. TRIBBLE. There are 178 naval officers at the Naval Academy at the present time. There are about 50 additional professors there. There are over 200 men stationed at the Naval Academy, and this is an effort to create other places and station other naval officers there and give them a land job, instead of going to sea, where they ought to be.

Mr. TALBOTT of Maryland. I hope the gentleman will not insist on his point of order.

Mr. HOBSON. Will the gentleman permit me to point out that the dairy down there would not provide for any additional commissioned officers, not even warrant officers?

Mr. PADGETT. It is not money appropriated by the Government, at any rate. It is taken out of what is called the mess fund, and the money goes back into the Treasury of the United States eventually, at any rate.

Mr. TRIBBLE. Who pays the mess fund?

Mr. TALBOTT of Maryland. They are allowed a mess fund, and the boys pay it, and it goes out of the mess fund, and the law authorizes the purchase of this property for the dairy farm.

Mr. TRIBBLE. Considering the statement of the gentleman from Maryland [Mr. TALBOTT], I withdraw the point of order.

The CHAIRMAN. The Chair is of the opinion that the item is not subject to a point of order anyway, and the Clerk will read.

The Clerk read as follows:

Hereafter in addition to the appointments of midshipmen to the United States Naval Academy as now prescribed by law, the Secretary of the Navy is allowed 25 appointments annually from the enlisted men of the Navy who are citizens of the United States and not more than 21 years of age on the date of entrance to the Naval Academy, and who shall have served not less than two years as enlisted men on the date of entrance: *Provided*, That such appointments shall be made in the order of merit from candidates who have passed such physical and such competitive mental examinations as the Secretary of the Navy shall prescribe: *And provided further*, That no mental examination other than the aforesaid competitive examination shall be a requirement for their entrance to the Naval Academy.

Mr. TRIBBLE. Mr. Chairman, I make a point of order on that.

Mr. PADGETT. If the gentleman insists upon it, it is subject to a point of order, Mr. Chairman.

Mr. STAFFORD. Mr. Chairman, will the gentleman from Georgia reserve his point of order for a moment?

Mr. TRIBBLE. I will reserve it.

Mr. STAFFORD. Because if the item is going to be reinserted in another body, it is only owing to the Members of this House that the proponents of this measure should define their position in incorporating it on this bill.

Mr. PADGETT. I shall be very glad to state to the gentleman that it is recommended by the department and that it is intended to open the doors to enlisted men. We have something like 51,000 enlisted men in the Navy, and this is a proposal to allow the Secretary of the Navy, upon competitive examinations each year, to name 25 of these young men to go to the academy and take the course there, so that they can have an opportunity thrown open to receive a commission and official rank in the Navy.

Mr. TRIBBLE. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. TRIBBLE. I thought I had the floor.

The CHAIRMAN. The gentleman from Georgia is recognized.

Mr. TRIBBLE. Mr. Chairman, the reason I make a point of order upon this item is this: I hold in my hand a copy of the Naval Register for the year 1913. There were 102 resignations from the Navy in that year. There were retired on salary 68. In all, Mr. Chairman, there were retired from the Navy 177 men in one fiscal year. This bill provides for 25 boys to be appointed by the Secretary of the Navy annually.

It is time for this House to consider before creating another avenue to get into the Navy. We educate young men for the Navy, expecting them to defend those who educate and pay their salaries, and yet they are retired to the common walks of life after they secure an education, where they compete with other boys who have never had an opportunity to get an education, and they have the additional advantage of a big salary paid by the Government. Is it not time to stop and think before you open other avenues for that kind of thing? Is it not better to close avenues by which 68 men are retired annually on a salary paid by the people of the United States?

I made a point of order here last year to an item of this character, and I call the attention of the House and the attention of the gentleman from Wisconsin [Mr. STAFFORD] again to that fact. I made a point of order last year on an item which provided that each congressional district should have two appointments to the Naval Academy instead of one. I eliminated it from the bill, but the conferees put it back into the bill and it came back here, and it is the law to-day.

I want to know what is the use of a Member of this House making points of order and cutting out of this bill legislation when the conferees appointed by the House reinsert such items stricken out and nullify our act in a conference report? One year ago the number of cadets was doubled by legislation. I opposed it and struck it from the bill, but the conference committee reinserted it and made a law creating two cadets from each congressional district, thus opening an avenue to flood this country with more retired officers.

I want to call your attention to the fact that there are now 1,045 retired officers of the Navy on salaries ranging from $3,000 to $9,000 a year.

Join me, Mr. Chairman and Members of this House, and let us repeal the plucking board. Let us stop this practice of retiring young and able officers on a salary paid by your constituents and my constituents, instead of creating new avenues to make more officers to be retired. This is another innovation. A year ago the conferees put back the item against the will of this House and gave two for each district. Now they come here and ask us to increase that number and make it 25 more annually. Besides, Mr. Chairman, the membership of the House has been increased. Where will this thing stop?

Mr. BARTON. Mr. Chairman, will the gentleman yield?

The CHAIRMAN. Does the gentleman from Georgia yield to the gentleman from Nebraska?

Mr. TRIBBLE. Yes.

Mr. BARTON. The gentleman said officers were turned out "in their young manhood."

Mr. TRIBBLE. Yes; in their young manhood.

Mr. BARTON. Are these men retired at an age less than that prescribed by law?

Mr. TRIBBLE. I say to you that the plucking board has retired officers under 30 years of age. I can give the names of them—men who did not want to be retired, and who wanted to remain in the Navy and serve their country.

Mr. BARTON. What was the reason given?

Mr. TRIBBLE. Because they have so many in the service they say it stops the natural flow of promotion, thereby preventing officers from rapidly reaching the highest ranks in the line of promotion. The rank of admiral and captain carry larger salaries than lieutenants. They are all struggling to get to the top, so there must be a plucking board or some method of eliminating many of those contesting for promotion. There are not enough ships for them all to get a command, and this plan of elimination has been tolerated by this House because the Members do not understand it. There should be some regulation whereby men who are better fitted for promotion should receive it without having to retire young, able-bodied men, who have been educated for the service and are anxious to serve.

Mr. PADGETT. Mr. Chairman, does the gentleman insist on his point of order?

Mr. TRIBBLE. I do.

Mr. PADGETT. I concede it is subject to a point of order.

The CHAIRMAN. The point of order is sustained. The Clerk will read.

The Clerk read as follows:

For pay of officers prescribed by law, on the retired list: For 2 major generals, 5 brigadier generals, 7 colonels, 7 lieutenant colonels, 10 majors, 18 captains, 13 first lieutenants, 4 second lieutenants, and 1 paymaster's clerk, and for officers who may be placed thereon during the year, including such increased pay as is now or may hereafter

be provided for retired officers regularly assigned to active duty, $186,492.50.

Mr. PADGETT. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will report the amendment offered by the gentleman from Tennessee [Mr. PADGETT].

The Clerk read as follows:

Amend, page 45, line 9, by striking out the word "two" and inserting in lieu thereof the word "three"; and, on the same page and line, strike out the word "five" and insert in lieu thereof the word "four."

The CHAIRMAN. The question is on agreeing to the amendment.

Mr. STAFFORD. Mr. Chairman, in this connection I notice that this is for pay of retired officers of the Marine Corps. It is increasing each year, and I assume it will continue to increase. Is there any set ratio that the committee has at its command or that has been presented to the committee that will determine how rapidly this retired fund for officers increases?

Mr. PADGETT. There is no way that I know. That is only a mathematical calculation. This depends on how many reach the age of 62 years and how many die.

Mr. STAFFORD. Our fund for retired officers of the Marine Corps increases naturally as the years go by and as the members in the service increase. It is mounting up rapidly at this time. I will ask the gentleman, in connection with the next paragraph, how many enlisted men are in the Navy and in the Marine Corps?

Mr. PADGETT. There are 51,500 enlisted men in the Navy, and about 10,000 in the Marine Corps, making about 61,000 in both branches of the service.

Mr. STAFFORD. Yesterday we passed an item providing for the payment of interest to enlisted men for money deposited with the officials during service. Can the gentleman inform the committee what is the practice of the department as to paying interest for money deposited by enlisted men?

Mr. PADGETT. Yes; in order to encourage thrift among the young men in the Navy there is a provision of law authorizing them to deposit their money with the Government, and while it is on deposit they receive 4 per cent interest on it.

Mr. STAFFORD. Is there a similar arrangement as far as the Army is concerned?

Mr. PADGETT. I am not prepared to say as to the Army. I have never investigated that question.

Mr. STAFFORD. I certainly favor the practice, and wish to commend the Navy Department for paying a real rate of interest on savings, as contrasted with the interest paid to postal savings-bank depositors, who receive only one-half the amount generally paid by private savings banks.

Mr. PADGETT. These young men are away from home, and they deposit their money with the Government and get this interest upon it.

Mr. STAFFORD. Is that a recent innovation?

Mr. PADGETT. I do not remember when it was established. It was begun several years ago.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Tennessee [Mr. PADGETT].

The amendment was agreed to.

The Clerk read as follows:

In all, for the maintenance of Quartermaster's Department, Marine Corps, $3,000,000; and the money herein specifically appropriated for the maintenance of the Quartermaster's Department, Marine Corps, shall be disbursed and accounted for in accordance with existing law as maintenance, Quartermaster's Department, Marine Corps, and for that purpose shall constitute one fund.

Total Marine Corps, exclusive of public works, $7,345,469.86.

Mr. HENSLEY. Mr. Chairman, I move to strike out the last word, and wish to have read from the Clerk's desk an editorial in the Saturday Evening Post of May 2, 1914, entitled "Great Naval Strategists."

The CHAIRMAN. The article will be read in the time of the gentleman from Missouri.

The Clerk read as follows:

GREAT NAVAL STRATEGISTS.

The finest thing about your great naval strategist is that he always ends by blowing himself up. His proposition is that the three sides of a triangle must always be equal—only one side must always be longer than the others.

The world will lapse into chaos unless each one of four or five combinations exceeds all others. If it is the Mediterranean which engages his attention, he will demonstrate that England must predominate there or lose India and the colonies, while Germany, Austria, and Italy must likewise predominate; and, in any event, England can not predominate in the Mediterranean without losing control of her home coasts and territory. Here is the devil, there the deep sea; you may choose between them, but you have no other choice.

Now, if all this paper naval strategy were only a sort of weird game, played with building blocks in some home for the aged in order to while away a winter evening, it might have much merit, because you may play it forever without coming to any termination. The astounding thing is that intelligent men, holding positions of great responsibility, take it with deadly seriousness, and that vast sums of actual, hard-earned money are squandered to keep it up.

We are amazed at huge follies of the past—a Thirty Year's War; a prerevolutionary France; a Stuart régime; a Mississippi Bubble. Our children will be equally amazed at the great naval strategy of our day.

[Applause.]

Mr. PADGETT. Mr. Chairman, I ask unanimous consent to return to page 46, line 18, for the purpose of offering an amendment as a proviso.

The CHAIRMAN. The Clerk will report the amendment for information.

The Clerk read as follows:

Page 46, line 18, add the following proviso:

"*Provided*, That hereafter no mileage shall be paid to any officer where Government transportation is furnished such officer."

Mr. STAFFORD. I reserve a point of order.

The CHAIRMAN. Is there objection to the request of the gentleman from Tennessee to return to the paragraph?

There was no objection.

Mr. PADGETT. I am offering that amendment because of a ruling made by the Comptroller of the Treasury recently. The Navy Department has a regulation that when officers are furnished transportation on a Government vessel they are not entitled to mileage; but the Comptroller of the Treasury, who is the supreme authority on that question and is not reversible, has held that mileage under the statute is an allowance, and that the Navy Department can not make a regulation that will prohibit an officer receiving the mileage. For instance, if he travels upon a Government boat the Comptroller of the Treasury holds that he is entitled to his mileage. For that reason I am offering this amendment providing that where they receive Government transportation they shall not be entitled to mileage.

Mr. MADDEN. Mr. Chairman, if a marine officer were sent down from Newport News to Vera Cruz, would he be entitled to mileage when he went on a naval vessel?

Mr. PADGETT. Not in a case of that kind. This ruling applies to certain cases where officers travel without troops.

Mr. LEVY. I make the point of order that this is new legislation.

Mr. STAFFORD. What mileage do these officers receive when they are traveling on railroad trains?

Mr. PADGETT. They get 8 cents a mile.

Mr. STAFFORD. Do they also get an allowance for other expenses, such as sleeping-car fare, while en route?

Mr. PADGETT. No; they do not. The 8 cents a mile covers everything. They do not get any allowance for packing their household effects, and so forth. In the Army the officers get an allowance to cover the expense of packing, moving, and so forth, but in the Navy they do not.

Mr. STAFFORD. Will the gentleman give a concrete case where they are carried on a public conveyance, and still under the ruling of the comptroller they receive mileage?

Mr. PADGETT. For instance, if an officer is traveling without troops, but goes on a Government boat from one place to another, he may claim his mileage. The department made a regulation to disallow it, but the Comptroller of the Treasury, who is the supreme authority on that matter, has overruled the department, and he says the officer is entitled to his mileage. I do not think an officer ought to have mileage under such circumstances.

The CHAIRMAN. Does the gentleman from New York [Mr. LEVY] interpose a point of order against the amendment?

Mr. LEVY. I will reserve the point of order until I can ask a question. As I understand it, these officers have to pay their hotel bills and other expenses, and for all these expenses they get no allowance except the mileage.

Mr. PADGETT. This amendment is only intended to cover cases where they receive Government transportation. It simply carries out a regulation of the department, which the Comptroller of the Treasury has overruled.

Mr. LEVY. I think it is very small business. They get very little as it is in the way of traveling expenses. I make the point of order that the amendment is new legislation.

Mr. PADGETT. The department asks for this amendment. They have covered it by a regulation, but the regulation has been overruled.

Mr. LEVY. I withdraw the point of order.

The CHAIRMAN. The point of order is withdrawn. The question is on the adoption of the amendment.

The amendment was agreed to.

Mr. PADGETT. I make a similar request to return to page 3, at the end of line 18, to add a similar proviso with reference to the Navy. The other one was with reference to the Marine Corps.

The CHAIRMAN. The Clerk will report the amendment.
The Clerk read as follows:

Page 3, at the end of line 18, add the following proviso:
"*Provided*, That hereafter no mileage shall be paid to any officer where Government transportation is furnished such officer."

The CHAIRMAN. Is there objection to returning to the paragraph indicated by the gentleman from Tennessee?
Mr. LEVY. I make the same point. As I understand it, they receive very little as it is.
Mr. PADGETT. This is where they travel on Government ships.
Mr. LEVY. But they have got to pay their hotel bills.
Mr. PADGETT. They get their mileage when they are traveling otherwise than on Government ships. This is only to apply where the Government furnishes the transportation. The Comptroller of the Treasury has held that they are entitled to mileage although the Government furnishes the transportation. We are not doing the officers any injustice.
Mr. STAFFORD. The gentleman would not want a different rule to apply to the Marine Corps from that of the Navy?
Mr. LEVY. Mr. Chairman, I will withdraw the point of order.
The CHAIRMAN. The question is on the amendment.
The question was taken, and the amendment was agreed to.
Mr. PADGETT. Mr. Chairman, I move that the committee do now rise.
The motion was agreed to.
Accordingly the committee rose; and the Speaker having resumed the chair, Mr. JOHNSON of Kentucky, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the naval appropriation bill and had come to no resolution thereon.

ENROLLED JOINT RESOLUTION SIGNED.

Mr. ASHBROOK, from the Committee on Enrolled Bills, reported that they had examined and found truly enrolled joint resolution of the following title, when the Speaker signed the same:
H. J. Res. 242. Joint resolution authorizing the Secretary of War and the Secretary of the Navy to loan equipment, for the purpose of instruction and training, to sanitary organizations of the American National Red Cross.

CLASSIFICATION OF UNRESERVED UNAPPROPRIATED PUBLIC LANDS OF THE UNITED STATES.

Mr. RAKER. Mr. Speaker, I ask unanimous consent that I may have five legislative days in which to file minority views on House joint resolution 250, authorizing the Secretary of the Interior to make an approximate classification of the unreserved unappropriated public lands of the United States.
The SPEAKER. The gentleman from California asks unanimous consent for five days in which to file minority views on House joint resolution 250.
Mr. STAFFORD. Reserving the right to object, what is the resolution?
Mr. RAKER. It requires certain information from the Secretary of the Interior as to classification of the unreserved and unappropriated public lands of the United States, which we think to be a very expensive matter for the Interior Department.
Mr. STAFFORD. It is not probable that the matter will be brought up for consideration within the five days.
Mr. RAKER. Oh, no.
The SPEAKER. Is there objection?
There was no objection.

AGRICULTURAL EXTENSION WORK.

Mr. LEVER. Mr. Speaker, the Journal of this morning did not quite state the facts in reference to the message of the Senate relative to House bill 7951, relating to agricultural extension work. We have looked into the situation and we find that this bill has been properly messaged to the House, and I ask that the Journal be corrected to show the facts.
The SPEAKER. The gentleman from South Carolina asks that the Journal be corrected. Without objection, the correction will be made.
There was no objection.
Mr. LEVER. Now, Mr. Speaker, I ask the Chair to lay before the House the conference report on the bill H. R. 7951.
The SPEAKER. The Clerk will report the title to the bill.
The Clerk read as follows:

The bill (H. R. 7951) to provide for cooperative agricultural extension work between the agricultural colleges in the several States receiving the benefits of an act of Congress approved July 2, 1862, and of acts supplementary thereto, and the United States Department of Agriculture.

The SPEAKER. The Clerk will read the report.
Mr. LEVER. Mr. Speaker, I ask unanimous consent that the statement be read in lieu of the report.
The SPEAKER. The gentleman from South Carolina asks unanimous consent that the statement be read in lieu of the report. Is there objection?
There was no objection.
The conference report and statement are as follows:

CONFERENCE REPORT (NO. 587).

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 7951) to provide for cooperative agricultural extension work between the agricultural colleges in the several States receiving the benefits of an act of Congress approved July 2, 1862, and of acts supplementary thereto, and the United States Department of Agriculture, having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:
That the Senate recede from its amendments numbered 2, 4, 5, 11, 15, and 16.
That the House recede from its disagreement to the amendments of the Senate numbered 1, 3, 6, 7, 8, 12, and 14, and agree to the same.
Amendment numbered 9: That the House recede from its disagreement to the amendment of the Senate numbered 9, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$500,000"; and the Senate agree to the same.
Amendment numbered 10: That the House recede from its disagreement to the amendment of the Senate numbered 10, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$4,100,000"; and the Senate agree to the same.
Amendment numbered 13: That the House recede from its disagreement to the amendment of the Senate numbered 13, and agree to the same with an amendment as follows: After the word "contributions" in said amendment, insert the following: "from within the State"; and the Senate agree to the same.

A. F. LEVER,
GORDON LEE,
G. N. HAUGEN,
Managers on the part of the House.
HOKE SMITH,
JOE T. ROBINSON,
JAMES H. BRADY,
Managers on the part of the Senate.

STATEMENT OF THE MANAGERS ON THE PART OF THE HOUSE.

The managers on the part of the House of the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 7951) to provide for cooperative agricultural extension work between the agricultural colleges in the several States receiving the benefits of an act of Congress approved July 2, 1862, and of acts supplementary thereto, and the United States Department of Agriculture, submit the following written statement in explanation of the effect of the action agreed upon in the accompanying conference report on the Senate amendments, viz:
Amendment No. 1. This amendment adds the number of the chapter to the volume number and page number used in the description of the act of Congress referred to. The House agrees.
Amendment No. 2. The House bill provides:

That in any State in which two or more such colleges have been or hereafter may be established the appropriations hereinafter made to such State shall be admitted by such college or colleges as the legislature of such State may direct.

The Senate amendment takes this authority from the legislature and gives it to the governor of the State and the Secretary of Agriculture acting jointly. The Senate recedes from its amendment, and the conference report leaves the bill in this respect as it was originally passed by the House.
Amendment No. 3. This amendment occurs in the proviso which was inserted for the protection of the farm-management work and the farm cooperative demonstration work. The purpose of the amendment is to make clearer and to limit the meaning of the proviso. The House agrees.
Amendment No. 4. The Senate recedes from this amendment, which provides that the work shall be carried on without discrimination as to race, because the amendment, in view of the character of the work to be done, was regarded as unnecessary

and as confusing to the clarity of meaning of section 2 of the act.

Amendment No. 5. This amendment represents an increase of $10,000 in the total of the initial appropriation to the States, and was intended, when taken in connection with amendment No. 15, to extend the provisions of this act to Hawaii. The Senate recedes.

Amendment No. 6. This amendment makes more definite the proviso in which it occurs and changes it from a mandatory to a directory proviso. The House agrees.

Amendment No. 7. This amendment changes the amount for the second year's appropriation from $300,000 to $600,000. The House agrees.

Amendment No. 8. The bill as it passed the House provided that after the first two years there should be for nine years an appropriation exceeding by $300,000 the sum appropriated for each preceding year. Amendment No. 8 changes the number of years from nine to seven, and amendment No. 9 changes the amount from $300,000 to $600,000. The House agrees to amendment No. 8.

Amendment No. 9. This amendment changes the amount to be appropriated annually during the seven years mentioned in amendment No. 8 from $300,000 to $600,000. The House agrees, with an amendment making the amount $500,000.

Amendment No. 10. This amendment changes the final amount to be permanently appropriated each year, in addition to the initial appropriation, from $3,000,000 to $4,800,000. The House agrees, with an amendment making the amount $4,100,000.

Amendment No. 11. This amendment was made to conform with amendment No. 5 described above. The Senate recedes.

Amendment No. 12. This amendment strikes out the word "or," which word, in view of words added later, is unnecessary. The House agrees.

Amendment No. 13. This amendment allows the State to be credited with individual contributions on the same footing as with those provided by official authorities. The House agrees, with an amendment confining such individual contributions to those received "from within the State."

Amendment No. 14. This amendment strikes out the word "annually," which is superfluous. The House agrees.

Amendment No. 15. This amendment, in connection with amendment No. 5, was intended to extend the provisions of this act to Hawaii. The Senate recedes.

Amendment No. 16. This amendment was simply a change of the section number, which is now unnecessary. The Senate recedes.

A. F. LEVER,
GORDON LEE,
G. N. HAUGEN,
Managers on the part of the House.

Mr. STAFFORD. Will the gentleman from South Carolina yield?

Mr. LEVER. Yes.

Mr. STAFFORD. Mr. Speaker, the present conference report has been changed materially so far as the amount originally appropriated in the bill is concerned. From $3,000,000, as provided in the bill as it passed the House, and the total amount to be contributed on the part of the Government, there is by this bill to be appropriated $4,800,000 in addition to the $490,000 initial payment. This bill only emphasizes the trend that is continually going on of foisting on the National Government work that really belongs to the States.

I recall that 10 years ago, when the deceased and lamented colleague of mine, Henry C. Adams, Representative of the second Wisconsin district, made strenuous efforts to get through the House a bill providing for a small increase of a similar character by an annual appropriation of $150,000. At that time it was the prevailing idea on that side, and somewhat on this side, that the work of education belonged strictly to the State.

Here we find the State rights policy departed from entirely, where the National Government is taking some of the burdens of the State, in this instance involving at the end of seven years a total amount of $5,300,000 annually for the cost of education, putting it on the taxpayer generally, taking it away from the burden of the State and foisting it on the taxpayers generally. It may be all well and good, because no one will criticize the purpose if the money is to be used for the benefit of education. But if it is right, so far as agricultural education is concerned, to make an advance inside of 10 years from a small sum to over $5,000,000, the time will soon come for a demand on Congress to take over all the burdens of taxation.

Gentlemen on the other side are calling the attention of the country to the fact that they are in favor of an economical program. I assume that that does not extend to education; and yet we hear continually, and this is one instance of it, where the National Government is going to be called upon to enact legislation which tends to abolish the local units of the States. I have no objection to the consideration of the conference report at this time.

The SPEAKER. The question is on agreeing to the conference report.

The question was taken, and the conference report was agreed to.

ADJOURNMENT.

Mr. PADGETT. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 5 minutes p. m.) the House, in accordance with its previous order, adjourned until to-morrow, Sunday, May 3, 1914, at 12 o'clock noon.

EXECUTIVE COMMUNICATION.

Under clause 2 of Rule XXIV, a letter from the Secretary of the Treasury, submitting an amended estimate of appropriation increasing amount for suppressing counterfeiting and other crimes from $150,000 to $160,000 (H. Doc. No. 938); to the Committee on Appropriations and ordered to be printed.

CHANGE OF REFERENCE.

Under clause 2 of Rule XXII, the Committee on Interstate and Foreign Commerce was discharged from the consideration of the bill (H. R. 16173) waiving the age limit for admission to the Pay Corps of the United States Navy in the case of Samuel B. Deal, jr., and the same was referred to the Committee on Naval Affairs.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII,

Mr. SINNOTT, from the Committee on the Public Lands, to which was referred the bill (S. 49) to provide for the exchange with the State of Oregon of certain school lands and indemnity rights within the national forests of that State for an equal area of national forest land, reported the same without amendment, accompanied by a report (No. 612), which said bill and report were referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII, private bills and resolutions were severally reported from committees, delivered to the Clerk, and referred to the Committee of the Whole House, as follows:

Mr. HULINGS, from the Committee on Military Affairs, to which was referred the bill (H. R. 13698) to correct the military record of Charles A. Coulson, reported the same with amendment, accompanied by a report (No. 607), which said bill and report were referred to the Private Calendar.

Mr. LOBECK, from the Committee on War Claims, to which was referred the bill (H. R. 9703) for the relief of Thomas S. Johnson, reported the same without amendment, accompanied by a report (No. 608), which said bill and report were referred to the Private Calendar.

By Mr. GREGG, from the Committee on War Claims, to which was referred the bill (H. R. 14479) for the relief of the legal representatives of Sarah J. Montgomery, deceased, reported the same without amendment, accompanied by a report (No. 609), which said bill and report were referred to the Private Calendar.

By Mr. BYRNES of South Carolina, from the Committee on War Claims, to which was referred the bill (H. R. 4248) for the relief of Nelson D. Dillon, executor of Harriet A. Dillon, deceased, widow of Robert Dillon, deceased, reported the same without amendment, accompanied by a report (No. 610), which said bill and report were referred to the Private Calendar.

He also, from the same committee, to which was referred the bill H. R. 7140, reported in lieu thereof a resolution (H. Res. 498) referring to the Court of Claims the papers in the case of the heirs of Joshua Nicholls, accompanied by a report (No. 611), which said resolution and report were referred to the Private Calendar.

PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills, resolutions, and memorials were introduced and severally referred as follows:

By Mr. WEAVER: A bill (H. R. 16237) to increase the limit of cost of the addition to the Federal public building at Okla-

homa City, Okla., and providing an appropriation therefore; to the Committee on Public Buildings and Grounds.

By Mr. LEVY: A bill (H. R. 16238) to amend section 23 of the act entitled "An act to amend and consolidate the acts respecting copyright," approved March 4, 1909; to the Committee on Patents.

By Mr. WINGO: A bill (H. R. 16239) to exclude from the Arkansas National Forest all lands within the fourth congressional district and restore same to the public domain; to the Committee on the Public Lands.

By Mr. HAMILTON of New York: A bill (H. R. 16240) to provide for the purchase of a site for a public building in the village of Wellsville, N. Y.; to the Committee on Public Buildings and Grounds.

By Mr. AINEY: A bill (H. R. 16241) providing for the survey of the Susquehanna and Delaware Rivers and their tributaries, in Pennsylvania and New York; to the Committee on Rivers and Harbors.

Also, a bill (H. R. 16242) providing for the survey of the Cheat River and its tributaries, Pennsylvania and West Virginia, and the Allegheny, Monongahela, and Youghiogheny Rivers and their tributaries in Pennsylvania; to the Committee on Rivers and Harbors.

By Mr. HINEBAUGH: A bill (H. R. 16243) amending section 12 of the act creating the Interstate Commerce Commission, as amended; to the Committee on Interstate and Foreign Commerce.

By Mr. PAGE of North Carolina: A bill (H. R. 16244) to amend section 98 of an act entitled "An act to codify, revise, and amend the laws relating to the judiciary," approved March 3, 1911; to the Committee on the Judiciary.

By Mr. CLAYTON: Resolution (H. Res. 499) providing for the consideration of H. R. 15657 and amendments thereto; to the Committee on Rules.

By Mr. FERRIS: Resolution (H. Res. 500) instructing the Speaker of the House of Representatives to appoint a committee to inquire into and report upon all matters alleged concerning the refusal of the Standard Oil Co. to receive and convey oil produced from Indian lands, and for other purposes; to the Committee on Rules.

PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BORCHERS: A bill (H. R. 16245) granting an increase of pension to Eliza Helton; to the Committee on Pensions.

By Mr. BRITTEN: A bill (H. R. 16246) granting an increase of pension to Sigmund J. Messing; to the Committee on Pensions.

By Mr. BROCKSON: A bill (H. R. 16247) granting a pension to Laura C. Bailey; to the Committee on Invalid Pensions.

By Mr. DEITRICK: A bill (H. R. 16248) granting a pension to Maria F. Rice; to the Committee on Invalid Pensions.

Also, a bill (H. R. 16249) appropriating the sum of $4,000 to Alfred Roberts for personal injuries received at the United States customhouse at Boston, Mass.; to the Committee on Claims.

By Mr. DERSHEM: A bill (H. R. 16250) granting a pension to Anthony R. Small; to the Committee on Pensions.

Also, a bill (H. R. 16251) granting a pension to Ethelyn M. Ulsh; to the Committee on Pensions.

Also, a bill (H. R. 16252) granting a pension to Lusetta Weary; to the Committee on Invalid Pensions.

By Mr. DICKINSON: A bill (H. R. 16253) granting a pension to John Welsh; to the Committee on Invalid Pensions.

By Mr. FAISON: A bill (H. R. 16254) for the relief of the estate of Edward Cleve, deceased; to the Committee on War Claims.

By Mr. GOULDEN: A bill (H. R. 16255) granting a pension to Herman Siegel; to the Committee on Invalid Pensions.

By Mr. KINKEAD of New Jersey: A bill (H. R. 16256) granting an increase of pension to George B. Eesley; to the Committee on Invalid Pensions.

By Mr. KIRKPATRICK: A bill (H. R. 16257) granting a pension to Hannah U. Hassard; to the Committee on Invalid Pensions.

By Mr. MOORE: A bill (H. R. 16258) granting an increase of pension to Edgar Duffield; to the Committee on Pensions.

By Mr. O'SHAUNESSY: A bill (H. R. 16259) for the relief of Iver Boreson; to the Committee on Claims.

By Mr. PARKER: A bill (H. R. 16260) granting an increase of pension to Ann E. Richards; to the Committee on Invalid Pensions.

By Mr. TAVENNER: A bill (H. R. 16261) granting an increase of pension to Horace B. Hamilton; to the Committee on Invalid Pensions.

Also, a bill (H. R. 16262) granting an increase of pension to William H. Huff; to the Committee on Invalid Pensions.

By Mr. WILLIS: A bill (H. R. 16263) granting an increase of pension to Thomas Haggard; to the Committee on Invalid Pensions.

By Mr. BYRNES of South Carolina: Resolution (H. Res. 498) for the relief of the heirs of Joshua Nicholls; to the Committee of the Whole House.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

By the SPEAKER (by request): Petition of the Presbytery of Indiana and sundry citizens of Marshfield, La., against polygamy in the United States; to the Committee on the Judiciary.

Also (by request), petition of sundry citizens of Missouri, against Sabbath-observance bill; to the Committee on the District of Columbia.

Also (by request), memorial of the National Association of Vicksburg Veterans, favoring a reunion of Civil War veterans from the North and South to be held at Vicksburg National Military Park in October, 1915; to the Committee on Military Affairs.

By Mr. BEAKES: Petitions of 242 voters of Jackson County, Mich., in opposition to national prohibition; to the Committee on the Judiciary.

Also, petitions of 42 citizens of Monroe County, Mich., favoring the Lindquist pure fabric and leather bill; to the Committee on Interstate and Foreign Commerce.

Also, petitions of Barbers' Union, No. 448, of Jackson; Central City Lodge, No. 95; International Association of Machinists, of Jackson; and Jackson Trades Council, all of Jackson, Mich., favoring House bill 1873 and Senate bill 927, known as the Bartlett-Bacon anti-injunction bills; to the Committee on the Judiciary.

By Mr. BROWNING: Petition of sundry citizens of Blackwood, Magnolia, Ashland, and Lawnside, all in the State of New Jersey, favoring national prohibition; to the Committee on the Judiciary.

By Mr. BRUCKNER: Petition of 62 citizens of the twenty-second congressional district of New York, favoring national prohibition; to the Committee on the Judiciary.

Also, petition of sundry citizens of the twenty-second congressional district of New York, protesting against national prohibition; to the Committee on the Judiciary.

By Mr. COVINGTON: Petition of sundry citizens of Rising Sun and the Methodist Episcopal Church of Cherry Hill, all in the State of Maryland, favoring national prohibition; to the Committee on the Judiciary.

By Mr. CURRY: Petition of John J. Donnelly, John C. Donnelly, and Mrs. J. J. Donnelly, of Sacramento, Cal., against adoption of House joint resolution 168 and Senate joint resolutions 88 and 50, relative to national prohibition; to the Committee on the Judiciary.

By Mr. DICKINSON: Petition of 47 citizens of Rich Hill, Mo., petitioning for a modification or revision of the Weeks-McLean bill; to the Committee on the Judiciary.

By Mr. DOOLITTLE: Petition of sundry citizens of the State of Kansas, favoring establishment of a bureau of farm loans (H. R. 11755); to the Committee on Banking and Currency.

By Mr. EDMONDS: Petition of A. O'Donnell and other citizens of Philadelphia, Pa., protesting against national prohibition; to the Committee on the Judiciary.

By Mr. GRAHAM of Pennsylvania: Petition of the Bay View Reading Club, of Lewistown, Pa., favoring passage of the bill relative to United States acquiring Monticello; to the Committee on Military Affairs.

By Mr. HAMLIN: Petition of the B. Y. P. U., of Warsaw, Mo.; also of the Ruhamah Union and mass meeting of Fayette, Mo., asking for the passage of the Sheppard-Hobson prohibition resolutions; to the Committee on the Judiciary.

By Mr. JOHNSON of Washington: Petitions of sundry citizens of Tacoma and Olympia, Wash., protesting against national prohibition; to the Committee on the Judiciary.

By Mr. LEE of Pennsylvania: Petition of sundry citizens of Shenandoah, Pa., favoring national prohibition; to the Committee on the Judiciary.

By Mr. LLOYD: Petition of various residents of Lewis County, Mo., in favor of House bill 12923, the rural-credits bill; to the Committee on Banking and Currency.

By Mr. NELSON: Petitions of sundry citizens and organizations of Lafayette County, Wis., favoring national prohibition; to the Committee on the Judiciary.

By Mr. REED: Petition of 370 people of the Congregational and Free Baptist Churches of Candia; the congregation of the Baptist Church of Gilford; Junior Grange, No. 150, of the Patrons of Husbandry, of Grasmere; Herbert C. Whitney and 11 others of Penacook, all of New Hampshire; also the Pittsburgh Board of Trade, of Pittsburgh, Pa., and the Reformed Presbyterian Church of Apache, Okla., favoring national prohibition of the liquor traffic; to the Committee on the Judiciary.

Also, petitions of F. P. Symonds, of Chatham; Irville T. Proctor, of Alton; Frank Smith, of Alton; Mrs. E. H. Pearson, of Epping; Charles E. Davis, of Alton; 500 people of the Congregational and Free Baptist Churches of Milton; 300 people of the People's Methodist Episcopal Church, of Exeter; 350 people of the First Congregational Church, of Bartlett; 200 people of the Congregational Church of Hooksett; 70 people of the Congregational Church of Lee; 294 people of the congregation of Bethany Methodist Episcopal Church, of Rochester; 125 people of the congregation of Bethel Methodist Episcopal Church, of Rochester; 30 people of the Free Baptist Church, of Loudon; 250 people of the Federated Churches of Meredith; and the Sabbath School of the First Congregational Church of Nashua, all of New Hampshire, favoring national prohibition of the liquor traffic; to the Committee on the Judiciary.

By Mr. SCULLY: Petition of William J. Moody, of Newark, N. J., favoring passage of the Bartlett-Bacon bill (H. R. 18731); to the Committee on the Judiciary.

Also, petition of sundry citizens of Matawan, Old Bridge, and Perth Amboy, all in the State of New Jersey, favoring national prohibition; to the Committee on the Judiciary.

By Mr. SMITH of New York: Memorial of the Employers Association of Buffalo, N. Y., opposing antitrust legislation; to the Committee on the Judiciary.

Also, petition of sundry voters of the forty-first congressional district of New York, protesting against national prohibition; to the Committee on the Judiciary.

Also, petition of the Central Woman's Christian Temperance Union, of Erie County, N. Y., favoring national prohibition; to the Committee on the Judiciary.

By Mr. STEENERSON: Petitions of 110 citizens of Warren, Minn., favoring national prohibition; to the Committee on the Judiciary.

Also, petition signed by E. J. Olson and 75 others, all citizens of the State of Minnesota, purchasers of land under the act of Congress approved February 20, 1904, in favor of House bill 12290, for the relief of said purchasers; to the Committee on the Public Lands.

By Mr. STEVENS of Minnesota: Petition of the St. Paul (Minn.) Pressmen's Union, protesting against increase of rate on second-class mail matter; to the Committee on the Post Office and Post Roads.

Also, memorial of the Evangelical Lutheran Church of the Reformation, of St. Paul, Minn., favoring national prohibition; to the Committee on the Judiciary.

By Mr. SUTHERLAND: Petition of the Farmers Sunday School, of Farmers, W. Va., favoring national prohibition; to the Committee on the Judiciary.

Also, petition of sundry citizens of West Virginia, favoring national prohibition; to the Committee on the Judiciary.

By Mr. TAVENNER: Petition of J. Ramser, of Rock Island, Ill., favoring passage of the Stevens bill, relative to setting of prices on goods to be sold; to the Committee on Interstate and Foreign Commerce.

By Mr. TAYLOR of Colorado: Petitions of 700 citizens of Pueblo and the Sunday School Convention of Pueblo County, 37 citizens of Palisade, 40 citizens of Denver, and 115 citizens of Steamboat Springs, all in the State of Colorado, favoring national prohibition; to the Committee on the Judiciary.

By Mr. TEN EYCK (by request): Petition of various members of the Allen Woman's Christian Temperance Union, of Albany, N. Y., in favor of the Hobson-Sheppard-Works bill for national prohibition; to the Committee on the Judiciary.

Also (by request), petition of Charles H. Smith, M. D., and other voters of the city of Albany, N. Y., in favor of Hobson-Sheppard-Works bill for national prohibition; to the Committee on the Judiciary.

By Mr. WALLIN: Memorial of the Trades Assembly of Schenectady, N. Y., favoring Government supervision of labor conditions in certain sections of Colorado; to the Committee on the Judiciary.

By Mr. WILLIS: Petition of Gem City Council, No. 3, United Commercial Travelers of America, of Dayton, Ohio, in favor of the enactment of a law to create a coast guard by combining the existing Life-Saving Service with the Revenue-Cutter Service; to the Committee on Interstate and Foreign Commerce.

Also, petition of the Ladies' Guild, the Women's Home and Foreign Missionary Society, the Council, and the Luther League, all of the First Lutheran Church of Galion, Ohio, in favor of the adoption of House joint resolution No. 168, relative to national prohibition; to the Committee on the Judiciary.

HOUSE OF REPRESENTATIVES.

SUNDAY, *May 3, 1914.*

The House met at 12 o'clock noon.

The Chaplain, Rev. Henry N. Couden, D. D., offered the following prayer:

Our Father in heaven, whose heart is ever open to the prayers of Thy children and always in sympathy with those who need the touch of Thy spirit, let Thy blessing descend upon us as we gather here to-day in memory of a departed Member, whose life and conduct challenged the respect and admiration of all who knew him. Strong of mind, warm of heart, pure of motive, he lived well, wrought well, and left behind him a clean record. His going has left a void in the hearts of all who knew him; his earthly mission fulfilled, Thou didst call him to a larger service in the great beyond. May we hold him sacred to our memory and strive to emulate his virtues. Be Thou solace to the bereaved family, and inspire them with the hope he cherished in the immortality of the soul. So may we all trust in the infinite love of a heavenly Father revealed in the heart of the Christ, the world's great exemplar.

> If I find Him, if I follow, what His guerdon here?
> Many a sorrow, many a labor, many a tear.
> If I still hold closely to Him, what hath He at last?
> Sorrow vanquished, labor ended, Jordan past.
> If I ask Him to receive me, will He say me nay?
> Not till earth and not till heaven pass away.

Amen.

Mr. KIRKPATRICK. Mr. Speaker, I ask unanimous consent that the reading of the Journal be dispensed with.

The SPEAKER. The gentleman from Iowa asks unanimous consent to dispense with the reading of the Journal. Is there objection?

There was no objection.

Mr. KIRKPATRICK. I ask further that all those members who do not participate in the services here today, and who desire to do so, may have five legislative days in which to extend their remarks.

The SPEAKER. The gentleman from Iowa asks unanimous consent that those gentlemen who do not participate in the services to-day and who so desire may have five legislative days in which to print remarks. Is there objection?

There was no objection.

THE LATE REPRESENTATIVE PEPPER.

The SPEAKER. The Clerk will report the order for to-day's services.

The Clerk read as follows:

On motion of Mr. KIRKPATRICK, by unanimous consent, *Ordered*, That Sunday, May 3, 1914, be set apart for addresses upon the life, character, and public services of Hon. IRVIN S. PEPPER, late a Representative from the State of Iowa.

Mr. KIRKPATRICK took the chair as Speaker pro tempore.

Mr. VOLLMER. Mr. Speaker, I offer the following resolutions.

The Clerk read as follows:

House resolution 501.

Resolved, That the business of the House be now suspended that opportunity may be given for tribute to the memory of Hon. IRVIN S. PEPPER, late a Member of this House from the State of Iowa.

Resolved, That the Clerk communicate these resolutions to the Senate.

Resolved, That the Clerk send a copy of these resolutions to the family of the deceased.

Resolved, That at the conclusion of to-day's proceedings, the House, as a particular mark of respect to the memory of the deceased, and in recognition of his distinguished public career, do stand adjourned.

The resolutions were agreed to.

Mr. VOLLMER. Mr. Speaker, "Can this be the village of Falling Water?" Methinks I see again, "in my mind's eye, Horatio," the shambling unkempt figure, with its tattered clothes and straggling gray hair, with its quavering accents and bewildered air, created out of the formless mist of folklore by the genius of Washington Irving and visualized and immortalized by that of Joseph Jefferson. "Does no one here know Rip Van Winkle?" is followed by that other inquiry surcharged with pathos: "Are we, then, so soon forgot?" The allusion is not original with me, but the application flashed through my

mind recently while I was taking my oath of office in the House, for I had been in the employ of the House of Representatives of the Fiftieth Congress 26 years ago, and when I turned and faced the present membership of the House there was only one face on this floor that I recalled as belonging to a Member of the Fiftieth Congress—that of the venerable gentleman from New York—the Hon. SERENO E. PAYNE. I have not looked it up—there may be others—but he is the only one that I recall. In that Congress were such Titans as Speaker Carlisle, Thomas B. Reed of Maine, William McKinley of Ohio, Sam Randall of Pennsylvania, Sunset Cox of New York, and others whom we readily recall at this day.

But how about the three hundred and odd other gentlemen of that body—most of them loyal, able, patriotic, whole-souled men of high ideals who rendered great and distinguished service to the Commonwealth? Who can recall more than half a dozen of them after a scant 25 years have rolled by into the ocean of eternity? "Are we, then, so soon forgot?"

In honoring its departed Members, Congress honors itself. The faithful observance of memorial ceremonies speaks volumes for the manliness of the men of whom the House is composed; men who have good rich, red blood, not ice water, in their veins, and who are capable of virile friendships and maintain an exalted standard of human dignity. And I have felt this more keenly than otherwise because, as the successor of the universally beloved IRVIN S. PEPPER, it has been enforced upon me in the words that almost invariably followed immediately upon introductions to his former colleagues: "You follow a good man, sir!" That he should have gained so wide a circle of friends here is not a matter of passing wonder to those of us who knew him well, because his was an open, lovable nature, a stainless character, and the sunny disposition of a great big unspoiled boy. His conscience was free from haunting shadows, and his trust in humanity was unshaken and undisturbed.

IRVIN ST. CLARE PEPPER was born June 10, 1876, and he was reared on an Iowa farm. He received the benefits of the splendid public-school system of that State and graduated from its Normal School in 1897. Successively he became principal of the Atalissa High School and of the Washington School at Muscatine; private secretary to Congressman Martin J. Wade from 1903 to 1905; graduated from George Washington University in law; president of his class in 1905; elected county attorney of Muscatine County in 1906, and reelected to said position in 1908. He was elected to Congress in 1910 and reelected in 1912. He was taken to the hospital on November 21, 1913, and died December 22 of that year, even when the senatorial toga of the State of Iowa seemed about to fall upon his shoulders. He sleeps to-day in the "windowless palace of rest" in the soil of the prairie State which gave him birth.

Are God and Nature then at strife,
That Nature lends such evil dreams?
So careful of the type she seems,
So careless of the single life.

Who would have thought that in the sunniest hour of all the voyage, when friendly winds were kissing every sail, that the inevitable shipwreck was at hand? Never was I so awed with the thought of the certainty and the eternal tragedy of death as at the news of the untimely taking of my friend and yours—"Good old Pep."

If it be now, 'tis not to come; if it be not to come, it will be now; if it be not now, yet it will come: the readiness is all.

Mr. PEPPER was ready, for he had lived in accordance with the injunction conveyed in the immortal words of William Cullen Bryant in Thanatopsis:

So live that when thy summons comes to join
The innumerable caravan that moves
To that mysterious realm where each shall take
His chamber in the silent halls of death,
Thou go not like the quarry slave at night,
Scourged to his dungeon, but sustained and soothed
By an unfaltering trust, approach thy grave
Like one that wraps the drapery of his couch
About him and lies down to pleasant dreams.

Mr. PEPPER was no great orator, but he was a clear, convincing speaker. His deeds spoke for him, and they speak an eloquent language to-day. Few Members of Congress have accomplished more in actual results in many years of service than did this comparatively young man and relatively new Member.

There are a sort of men whose visages
Do cream and mantle like a standing pond
And do a willful stillness entertain,
With purpose to be dress'd in an opinion
Of wisdom, gravity, profound conceit,
As who should say: "I am Sir Oracle,
And when I ope my lips let no dog bark!"

Mr. PEPPER was not one of these, for he was unassuming to a degree, as modest as a girl, and this was true modesty, and not the pride that apes humility.

What may not the future have held in store for this promising young man in the way of public service? No man can tell. It has been said that life is but a narrow vale between the cold and barren mountain peaks of two eternities, from whose hard, unyielding walls comes back to us only the echo of our ineffectual cries, but no answer intelligent to our reason as to the great unsolved riddle of human existence, of life and of death, of this world and the beyond. Faith upturns her shining face in trust and joyous confidence, but the finite intellect acknowledges its failure to bridge the unknown, to comprehend the unknowable, to tear the veil from the future.

Flower in the crannied wall,
I pluck you out of the crannies,
I hold you here, root and all, in my hand
Little flower—but if I could understand
What you are, root and all, and all in all,
I should know what God and man is.

However, it is a thought which should be ever present with every Member of this historic body that we do know that we have it in our power to do something to make this present life a little better, a little more filled with comfort and justice and happiness to the great masses who are now sojourning here and to the untold multitudes who will come after us.

Abou Ben Adhem, who would not write down his name as one who loved the Lord, but as one who loved his fellow men, found, when the angel returned with the list of those who in the eyes of God loved him truly, that his name led all the rest.

And now a few observations of a political nature, but not in a spirit of partisanship. Mr. PEPPER was an Iowa Democrat. Under the political conditions prevailing in that State for many years after the Civil War this required some moral courage, disinterestedness of purpose, and certainly a large portion of buoyant and indestructible hope. It meant that one would have to meet much ridicule, some contempt, and, in the good old days, positive social as well as political ostracism. For you must understand that in those days the Republican Party was a civic institution there of almost equally universal acceptance as the church and the school. To make Democracy respectable in Iowa involved quite as desperate and long-continued a fight as the historic contest of Gov. Russell and his devoted little band in the Old Bay State.

Our Republican fellow citizens in Iowa have not been without honor either at home or abroad. Their party has justly recognized their claims, and they have contributed a galaxy of statesmen who have adorned their country's posts of honor at home and abroad; and that can justly be said also of their present delegation. But the voice of Iowa Democracy has not often been heard or its representatives seen in the councils of the Nation. Without recognition from the powers that be in our own party, we struggled on against overwhelming odds. We met our Republican opponents in every schoolhouse, at every crossroads in the State. We pounded into unwilling ears the more obvious truths of economic science as we saw them, and even when it seemed as though we were down and out for good came our reward. At a time when the sun of victory shone high in the Republican heavens and no political barometer told of the coming of a storm, a cloud no larger than a man's hand appeared on the horizon and in it were concealed the lightnings of popular wrath and out of it came the deluge of 1912. It was called the "Iowa idea," and its genesis can be traced to those little crossroads meetings in that State where Democratic doctrine was made to percolate, and there began the ferment which never ceased until the Republican Party was rent in twain, the Progressive Party was born, and a new political alignment took place from ocean to ocean.

I am not mentioning this in the spirit of partisanship, which would be out of place on a solemn occasion like this, but in the interests of the truth of history and a belated recognition at the Nation's Capital of the debt due from somebody to that heroic band of Iowa Democrats like Mr. PEPPER, which I believe was one of the efficient causes of the great revolutionary political changes of the recent past.

Mr. PEPPER held advanced economic views, but by reason of his mildness and fairness of statement acquired the reputation with many of being ultra-conservative. He was a single taxer by persuasion and by natural impulse and disposition the devoted friend of the old soldiers and of the toiling masses of the land. There have not been many gentler, sweeter natures among men since the Nazarene walked on the shores of Galilee.

In conclusion, I can not do better in paying tribute to our departed friend than to quote the inspired words of a great Southern orator:

I have seen by night the glowing headlight of a giant locomotive rushing onward in the darkness, heedless of danger and uncertainty, and I have thought the spectacle grand. I have seen the lightning flash across the storm-swept sky till night and darkness and the shadow-haunted earth gleamed with noonday splendor and I have

thought the spectacle grand. I have seen the light come over the eastern hills in glory till leaf and tree and blade of grass sparkled like myriad diamonds in the morning ray and I have known that it was grand; but the grandest thing, next to the radiance that flows from the Almighty's throne, is the light of a noble and beautiful life shining in benediction upon the destinies of men and finding its home at last in the bosom of the everlasting God.

I append the following resolutions passed by the Democrats of Clinton County, Iowa:

Whereas, the Great Ruler of the Universe has taken from this district our congressman, the Hon. IRVING S. PEPPER, thereby depriving the district of a representative whose heart always beat loyally toward the people, and whose every act, thought, and wish were for the advancement of the people he represented.

Cut down in the prime of his young manhood, when life's advantages were just unfolding, when opportunities were presenting themselves for further advancement, the district has suffered an irreparable loss.

We who knew IRVING S. PEPPER recognized in him a man of great ability, one who was willing to sacrifice those talents for the benefit of the people of the district he loved so well.

We, the Democrats of Clinton County, in convention assembled, desire to pay a tribute to our deceased congressman; and be it

Resolved, That a copy of these resolutions be sent to the bereaved family and that a copy be sent to the Clerk of the House of Representatives.

L. E. FAY.
D. H. SHEPARD.
W. H. CARROLL.
J. H. INGWERSEN.
J. E. MORAN.

Mr. CLARK of Missouri. Mr. Speaker, into the Sixty-second Congress from out the Central West came a new Member, young, handsome, capable, affable, industrious, graceful, ambitious. He at once became a prime favorite in the House. He discharged his duties cheerfully and well. His name was IRVIN S. PEPPER, and he hailed from Muscatine, Iowa, on the banks of the Great River. He had one decided advantage over most new Members—the fact that he had for two years been secretary to Hon. Martin J. Wade, an exceedingly able man. That gave Mr. PEPPER a clear insight into the way things are done here, both in Congress and in the departments. It also gave him a wide acquaintance with Representatives, Senators, and departmental officials. His service with Judge Wade was of great value to him.

As Missouri and Iowa lie side by side, and as he was the only Iowa Representative of my political faith, and as I was anxious for him to make such headway as to insure his reelection, I sought him out, cultivated his acquaintance, and did all that I could to promote his success. He needed help as little as any new Member I have seen here. He possessed a most generous heart and he repaid my efforts to aid him in Scripture measure, heaped up, pressed down, and running over. He was true as steel, faithful as the needle to the pole, constant as the North Star. I never had a closer or a better friend.

Iowa is an imperial Commonwealth and from her entrance into the Union has been as ably represented in the House, the Senate, the Cabinet, and the Diplomatic and Consular Service as any of her sister States. She is one of the two States on the sunset side of the Mississippi to furnish a Speaker of this House. She seems to have discovered at an early date the wisdom of retaining able and faithful men in Congress. Consequently she has always been prominent in Washington. At one time she counted among her citizens the Speaker of the House, two Cabinet ministers, and the Senator longest in service. In fact, Senator William B. Allison not only lived to be the Nestor of the Senate, but he, of all men, had the longest senatorial service in our history, and he lacked only a few months of having had the longest total service in House and Senate, being exceeded in that regard only by Senator Justin Smith Morrill, of Vermont.

Hon. James Wilson, after long service in the House, held a Cabinet position for 16 years, the longest period ever served by any member of the Cabinet, William Wirt and Albert Gallatin coming next, with 12 years each.

With his early start in Congress and his splendid adaptability for the public service, I have no doubt that, had his life been spared, Mr. PEPPER would have ranked with the best of them. A multitude of people believe that he would have been elected to the Senate this fall; but just when his prospects seemed brightest, just when his hopes were highest, he was cut off untimely—a great loss to his State and to his country.

None knew thee but to love thee,
Nor named thee but to praise.

Mr. MANN. Mr. PEPPER, the Speaker, who has just addressed the House, and myself, all belonged to the same college Greek-letter fraternity. There were in the last Congress, and there are in this, quite a number of members of that same fraternity. I do not know that I can call the names of very many of them at this moment, but there are frequent meetings in Washington of the local chapter, and I believe there is an alumni chapter here; and about the time that Mr. PEPPER came into the House I was informed, either by himself or by some of the other Members, that he was what we call a Delta Tau Delta. In fact, I think those Members of the House who paid any attention to the meetings of that society here very soon learned to rely upon Mr. PEPPER for advice and direction as to whether we should attend a meeting, or make a speech at a meeting, or anything of that sort.

Like every old Member, I take a considerable interest in every new Member who comes into the House, but when you have added to that the college association, the spirit that comes from the college fraternity, you have a very large interest. So that almost immediately, when Mr. PEPPER came to the House, he and I became very warm friends. I think, probably, there is no spirit of friendship closer than that which comes out of the fraternal organization, and I doubt whether there is any fraternal organization that draws the spirits of men closer together than the college fraternity. I soon became a very warm admirer of Mr. PEPPER in the House and elsewhere, and he used frequently to do me the honor to come to me and consult with me about matters in the House in which he was interested. I think all of us learned to love him, because he had a peculiarly lovable spirit and character. He was absolutely reliable; anyone could see that he was thoroughly honest, as most of the Members of this House are without question; but he also had a desire to accomplish things, and was able to succeed.

The Speaker has referred to the fact that a man's value as a Member of Congress increases, at least somewhat, with length of service, and yet it is true that a new Member of the House, in his first term, devoting himself to those things in which he may be particularly interested or in which his district may be particularly interested, can often accomplish what some of the older Members, largely for lack of time, are unable to do.

It is true that new Members coming into the House sometimes think they are neglected by the older Members, principally because they do not have so much to do as the older Members; and the older Members, or some of them, are so busily engaged that they do not have the time, or do not take the time, to show their interest in the younger Members; but I think there is no body of men in the world, possibly outside of a fighting army, where, when a man drops out who may have been beloved by his fellow Members and is succeeded by a new Member, the new Member is so truly received without any feeling against him, and with the desire of other Members to be his friends, as in this House. We let go with our best wishes those who fall, and we take in with our best wishes the new ones who come; and we never took in any new Member of the House who more quickly reached into the hearts and souls of the other Members than did our late colleague, Mr. PEPPER.

Mr. GOOD. Mr. Speaker, we are met to-day to pay our tribute of love and respect to the memory of IRVIN S. PEPPER. On occasions such as this we realize how inadequately our lips convey the feelings of our hearts.

Death is always mysterious. We take a pardonable pride in the great achievements we have made in all of the arts and sciences. We stand appalled when we survey what the ingenuity of man has wrought. As we review the great achievements of mankind we wonder if, after all, there is any mystery which the human mind can not solve. And yet before this proud record of human achievement that has touched every life, mankind must bow in sorrow and defeat in the presence of death. Before the open grave we must acknowledge that death is just as mysterious to-day as it was at the dawn of creation. We do know, however, that the mystery surrounding life and death has not served to lessen our affections in life or to assuage our sorrows in death. The birth of a child fills our heart with gladness; the death of a man plunges us into sorrow. So to-day we mourn the loss of our lamented colleague, IRVIN S. PEPPER, and the poignancy of our grief is increased when we recall that at the time of his death he was less than 38 years old and that he had just entered upon the duties of his second term in Congress.

It was not my privilege to have had an extended acquaintance with Mr. PEPPER, but it was my good fortune to know him somewhat intimately after his election to Congress. He came to Congress splendidly equipped for a brilliant legislative career. He was born and reared on an Iowa farm, received his early education in the country schools of Davis County, and later graduated from the Southern Iowa Normal School at Bloomfield. It was while serving in the capacity of private secretary to a Member of Congress that he completed a course in law and graduated from George Washington University Law School in

1905. He subsequently returned to his native State and engaged in the practice of his profession. At the time of his election to Congress he was serving his second term as prosecuting attorney for Muscatine County.

The rise of this young man from the hard and arduous duties of the farm to school teacher, private secretary to a Member of Congress, prosecuting attorney, and finally to a seat on the floor of this House was not only rapid, but unusual, and was not attained without hard work and great effort.

The hard work and difficult jobs which a farmer boy must do was no exception in the case of young PEPPER, and his early experiences are reflected in his subsequent public career. His work on the farm made him deeply sympathetic for the cause of labor. He took great interest in everything that affected the laboring man. In him the laborers in the Rock Island and other Government arsenals had a friend who had their interests at heart. He was a student of the various systems of shop management, and while in Congress labored diligently for the adoption of every measure calculated to dignify labor and to promote the welfare of the man that toils.

Congressman PEPPER'S untimely death cut short what would otherwise have been a useful, if not a brilliant, legislative career. But during the short time he was a Member of this House his manly qualities left an impress upon those who had the good fortune to know him which death can not efface. Long after his accomplishments and work as a legislator shall have been forgotten we will remember well his sterling qualities of mind and heart and those manly attributes of character which measured his true worth.

To my mind there were three noble characteristics which predominated in Mr. PEPPER'S life. These were industry, integrity, and kindness. To these splendid traits of character, more than to anything else, he owed his remarkable success. After all, are not these the real and substantial elements of true greatness? A man may be brilliant, but if he has not industry he will fail in the end. A man may have natural ability, but if he has not integrity he can not permanently succeed. A man may be brilliant and may possess ability of a high order, yet if his life is not tempered with kindness his success must be temporary. No one can accomplish a great work, achieve a great reform, write a great book, or attain to a high degree of constructive statesmanship unless he be industrious, honest, and kind.

Congressman PEPPER was exceedingly industrious. During the time he was a member of this body he was found at his post early and late in the performance of the arduous duties imposed upon him. I doubt not that to the hard work and close confinement which the duties of his office required more than to anything else was due his untimely death.

Honest and upright himself, he despised dishonesty and hypocrisy in others. He was not only scrupulously honest in all his dealings with others, but he was honest with himself. His honesty made him friends everywhere. His life truly exemplified the precept:

> To thine own self be true,
> And it must follow, as the night the day,
> Thou canst not then be false to any man.

I have been strongly impressed with Mr. PEPPER'S great kindness. He was always most considerate of others. He would not do an unkind thing to anyone, and seemed to take great pleasure in doing little kindnesses for others. I recall with pleasure the kindness and tenderness with which he cared for the comfort of his aged father, who made him a visit during one of the sessions of Congress. His rugged stature, evidencing great physical strength, stood out in striking contrast with his kindly and tender nature. He was as gentle as a child and as tender as a woman.

I shall long cherish the memory of those many traits of character which were so strongly exemplified in his life.

Mr. SHERWOOD. Mr. Speaker, probably I knew Mr. IRVIN S. PEPPER as well as any Member of the House outside of his State. He came here in the Sixty-second Congress, a valiant son of Iowa, without legislative experience, but full-equipped in knowledge, culture, and mental vigor for a successful career. And it can be said of him that no Member of either the Sixty-second Congress or the Sixty-third ever came into this historic Chamber who in so short a career made a more favorable or enduring impression upon his compatriots. Mr. PEPPER was a capable and earnest student of all live and pending problems. His political career, although short, was rarely exceptional. He was born and reared on a prairie farm in Iowa. As a boy he breathed the untainted air of the woods and fields. Born poor—poor in lucre, but rich in brawn and brain and courage, and full of the never-say-die spirit.

In the last Congress over 40,000 bills were introduced, covering every question, social, economic, or political, in the broad and ever-expanding domain of civics. Never before in all our history has it been so difficult for a new Member to achieve prominence on the floor of the House of Representatives as now. We are a continent-wide Republic, with a membership of 435, on a ratio of 211,877. For the past decade the tendency in Congress has been to regulate and control all the multifarious business of the country and to invade the local functions and legislative authority of the States. Hence, the main work of legislation is done in the more quiet seclusion of committees. Argument and oratory on the floor of Congress is no longer a potent force in legislation. The announcement in the House that there is to be a general debate on any question, however vital or continental in import, is followed by a general exodus of Members to their document and garden-seeds rooms in the House Office Building.

Hence, the opportunities of a new Member to make an enviable record and reputation among his fellows has never in the history of the American Congress been as difficult as now. The first Congress of 1789 was composed of only 65 Members, with a population ratio of only 30,000. A quarter of a century later, the ratio was only 40,000. For the first quarter of a century the Government of the people by the representatives of all the people was regarded as an experiment, the first of its scope and purpose in the world's history. Congress was then the central and leading attraction—the star of hope of a new nation on a new continent. To-day, Congress is regarded as a side issue, except in case of war, or some great conflict that stirs the patriotic blood of the people. The CONGRESSIONAL RECORD is generally unread in the presence of the baseball bulletins and the staged bouts of the nose smashers and rib crackers of the brutal prize ring.

Hence, a new Member who comes into this historic Chamber and commands the attention of his fellows as a debater, as a legislator, as a logician, is rara avis, as the old Romans would say of a bird prodigy.

The doings of Congress now and a half century ago are not comparable in general interest.

I first saw the United States Senate in session on the night of February 25, 1859, when the Cuba thirty-millions bill was in debate. William H. Seward, of New York, made an impassioned speech opposing the bill. Robert Toombs, of Georgia, arose and made a furious attack on Seward. Dixon of Connecticut then replied for two hours, opposing the bill. Then Judah P. Benjamin, of Louisiana, arose with a speech full of thunder and threatenings, saying that unless the United States purchased Cuba Spain would emancipate the Cuban negroes, which would ruin all tropical products, as they could only be produced by slave labor. Then arose old Ben Wade, of Ohio, fierce of mien, hot-blooded, and aggressive, and made a vigorous assault on Robert Toombs. They came near a personal collision. Finally, long after midnight, after nine hot hours of continuous debate, the Senate adjourned without action on the Cuban bill. The whole country then gave universal attention to these vital controversies on the floor of Congress. These debates by the old-time statesmen were the foremost topics of the hour in the newspapers, in the public forums, everywhere. How is it now? We seldom see a picture of a Congressman in the newspapers, but the leading journals carry daily (Sunday not excepted) a half-page vignette of some winning baseball pitcher or a full-length picture of a champion bruiser of the prize ring.

In the midst of the environment of some 435 Members, with a large minority of experienced and able gentlemen versed in the subtle legerdemain of modern parliamentary methods, it is a high tribute to our departed friend to say that he won a distinct place not only in the regard of his compatriots on this floor, but the warm friendship of all who recognized his sterling qualities. But for his untimely death Mr. PEPPER would have been the unanimous choice of his party for United States Senator for Iowa, so well had he won the confidence of his State for capability, sagacity, and saving common sense.

I close this modest mention of our departed friend with a stanza by Oliver Wendell Holmes, in a tribute to his dear departed friend, Robert Ware—

> A whiter soul, a fairer mind,
> A life with purer course and aim,
> A gentler eye, a voice more kind,
> We may not look on earth to find.
> The love that lingers o'er his name
> Is more than fame.

Mr. SCOTT. Mr. Speaker, it was not my good fortune to have had either a long or intimate acquaintance with our late colleague, Mr. PEPPER, before my coming into this House a little more than a year ago. We lived at extreme opposite borders of the State, and neither the sphere of his activities nor mine

had served to bring us into any frequent contact. All that I know intimately of Mr. PEPPER's personality I learned after coming here and becoming a Member of this House. Of course, as a citizen of his State I knew him by reputation, by a repute that was most high and enviable from a period even before that which he entered into public life.

But when I came here and met him personally I soon recognized in him a man of superior character, a man of very strong and high ideals personally. He was not a man who made any pretensions to overshadowing genius; he was not a man who unduly pressed himself upon either the acquaintance or friendship of others. At the same time he was always cordial, always evincing a high degree of superiority, with a splendid open disposition which commended him to all as a highly estimable gentleman.

Mr. PEPPER was a character that ought to be observed and studied, not because of extraordinary and overshadowing qualities of outward personality, but because of these qualities of inward character that commend themselves most strongly to us.

Born, as has been said here, in obscurity, poor so far as this world's wealth goes, but one of those characters who accepts life as he finds it, takes hold of his own environments with a view of making the most of the opportunities as they are presented to him in life. He was a man who took life's trial as it led from his abode and station. He took the trial with all its obstacles, never seeking to avoid or shun them, but patiently, sincerely, honestly, and determinedly undertaking to move on and over them, steadily on and upward, accomplishing and ever holding that which he had accomplished.

He lived half a lifetime, but in that patient, steady, unassuming way and method, at the end, he stood far and beyond the point at which the average man reaches in the allotted period of three score and ten years.

When we stop to think of it, Mr. Speaker and colleagues, that is a record of accomplishment, an exhibition of personal achievement that ought to challenge the attention of every young man in this country. It is a record that can fairly and truthfully and justly be held out to the youth of the land as an example of what may be made of the opportunities which our country affords, without help, without assistance, but simply by exerting those faculties which come to the average young man of the East, of the West, of the North, and of the South. When we stop to contemplate the fact that this man, obscure as he was, without being endowed with an unusal genius, was able to go on and up through the schools, through the college, through a technical school of education into an honorable profession and public station, and finally in middle life to walk into this Chamber—a Representative—with all that that appellation means—of one of the congressional districts of one of the greatest States in this Union, to take his seat here and be returned again with the respect and veneration and commendation of the people—not only of his district but of his entire State, irrespective of party—it is an achievement to be proud of.

We may all esteem it a privilege and honor to come here today, not only to acknowledge his worth, his character, and his achievement, but lay a tribute of sorrow, to express regret, that we have been deprived of his presence, his companionship, his counsel, and of his aid. He did not belong to the same political party that I did, but that makes no difference. After he entered this door he became then a representative of the American people, not the champion of a party, and I believe, and I have foundation for my belief in the observation of the man, that no man ever came here who exhibited less of pernicious partisanship, who lived up more truly and fully in his everyday life with the membership of this House as a representative of the American people, than did IRVIN S. PEPPER.

Mr. Speaker, I deem it a privilege to say these broken sentences in memory of Mr. PEPPER, and I shall always treasure my short acquaintance with him, my friendly meetings with him and daily contact, as an advantage and a high privilege.

Mr. CULLOP. Mr. Speaker, IRVIN S. PEPPER was distinctly an American and furnished a striking illustration of what a man in this country can do for himself if he possesses the proper genius and stability of character.

In him were to be found the essential elements necessary to cope with the obstacles which often prevent young men with less courage and determination from accomplishing their ambitions, causing them to fall by the wayside and writing on the pages of human history the failure of a life which had promised much for the country and humanity. He fought his way from the humble and obscure surroundings of his birth and early youth to a position of great distinction and honorable usefulness, furnishing an example which will long live with the people of his State as a character to which many will point with pride as an inspiration to young men and one worthy of imitation.

Doubtless many young men struggling to overcome adversity, almost ready to surrender the hopes of their ideals, relinquish the objects of their ambitions, will renew their courage and redouble their energies as they read and hear from others what this splendid young man accomplished in the short span of the life allotted to him and how his memory is sacredly cherished by those who knew him best and loved him most.

He possessed the essential elements calculated to endear him to all who knew him. Kind in manner, careful in conduct, ever thoughtful of the rights of others, considerate in speech and treatment, he won and retained the friendship and esteem of all who came in contact with him. Unyielding in his determination, firm in his purpose, reserved in deportment, he was able to win the objects he coveted and carry his purposes into successful execution.

His life was made up of successful efforts, because he knew no such thing as failure. Less than 40 years of age, he had earned the means to educate himself, had successfully taught school, held the office of school superintendent, had been a soldier in the Spanish-American War, county attorney, and twice elected to Congress, and at the time of his death was a formidable candidate for the United States Senate from the great State of Iowa.

In every position held by him he had filled the expectations of his warmest and most devoted friends and reflected credit upon the people who were so fortunate as to be his constituents. He earned and deserved the honors with which he was crowned and the gratitude and plaudits of the people he represented. The search of history will furnish but few men so young to have won so many honors all justly and deservedly earned.

He occupied a warm place in the hearts of the people of his State. They knew his worth. They respected his merits and intrusted him with their confidence. The love of honorable place in the public eye is a laudable ambition. It is worthy of the best efforts, the greatest sacrifice any man can make. It pledges good and faithful public service, careful and scrupulous conduct in office, and the honest administration of public duty. It is ever the promise, the hope, the security for duty well performed, and the progress of the Nation's ideals, the improvement of its civic affairs, for the betterment of the people who bear its burdens and share in its blessings.

Death claimed him as his star was in its ascendency, rising to take its place in a greater constellation where opportunity would enable it to radiate farther and wider in the sphere of human usefulness and where he might accomplish more for the great advantage of the people whom he loved and who in return bestowed on him their unbounded confidence and crowned him with the greatest laurels at their disposal. Stricken down in the prime of his life, when opportunity was beckoning and bidding him to higher places of usefulness, to greater fields of human endeavor, he sleeps the long last sleep in the bosom of his beloved State, surrounded by the friends who supported and encouraged him in life, mourned him dead, and emulate his example while living as an inspiration to the young of that great State that it may stimulate them to greater activities, higher ideals, and nobler purposes in life as a striking example of what a young man, surrounded by adversity, may accomplish if he will try, and in trying be true to his purposes and faithful to all the responsibilities in him reposed. I shall never forget the many splendid encomiums paid him at his funeral and how people in all stations of life, irrespective of politics, stood at his bier viewing for the last time all that was mortal of the man who had been their friend and companion and who had won and retained their esteem and had never abused their confidence.

Sleeping the sleep that knows no waking, on the summit of a beautiful hill near by his father's home, overlooking the prosperous city of Ottumwa, nestled on the rich and rolling prairies of Iowa, teeming with the bounties of life, free from the surcease of the busy world, unmindful of the strifes agitating the people as they come and go, he awaits "the great Judgment Day" for the reward of a life well spent and a career of duty well done.

Mr. TOWNER. Mr. Speaker, it is a privilege for a Representative from Iowa to speak honoring the memory of one of her sons who so creditably and worthily served her on the floor of this House. IRVIN S. PEPPER was a native of Iowa, and his life work was inseparably associated with that Commonwealth. Out of her splendid citizenship he came, and in her service he died. He was proud of his birthright and citizenship, and glad that the opportunity came to him to serve the State he loved so well.

Farm boy, school-teacher, lawyer, Congressman, these are the steps that marked his progress. I remember his telling me how, when following the plow, he thought out a plan by which he could prepare himself to teach school and then study law and become a lawyer. This modest ambition was not satisfied until he was 29 years old. But he kept his purpose steadily in view, and finally succeeded. It was a long, hard road. In order to accomplish it he became the private secretary of Congressman Wade and came to Washington.

It was while here, working hard as secretary and carrying on his studies in the law school, that he began thinking that he might come to Congress.

He told me how the idea kept its place in his thoughts that perhaps matters might shape themselves to give him the chance. When he went back to Iowa to commence the practice of law he kept constantly in mind this ambition, and when the opportunity came he was ready to seize it. It was a hard fight, but he won.

The endeavor to rise above the general average, the effort to achieve distinction is one of the motive powers of civilization. Especially is it a characteristic of American youth. Here, where the doors of opportunity swing wide to merit and worth, here where nearly all the examples of success are those where striving against odds marks the pathway to distinction, there is constant incentive and almost certain attainment for honest endeavor.

In every country there is a certain average of capacity. Distinguished men, great men as they are called, leaders in every line of effort are those whose energy and capabilities rise above the general average. In France their bourgeoisie, in England their "middle class," and in the United States our "common people" constitute a somewhat undetermined but still definitely imagined general average. In America we say we have no classes. This is true if by that we mean a fixed and unchanging status. Yet the average American citizen is a concrete and palpable thing. When we speak of the common people in America we mean the general average, and because that general average is so superior to the general average of other lands, we rightly give it the tribute of our respect and consideration.

But whence comes distinction? Not from distinction. It is not from the homes of the great that great men come. It is from the homes of the humble. Distinction arises from the general average. High as that average is in America, it is not to attain it that the American youth strives. It is not to become the average politician that he studies political economy and history. It is not to become an average lawyer, or physician, or engineer that the student aspires. It is of distinction that he dreams. It is for distinction that he strives. His vision is not of the plains, but of the heights, sun-kissed and golden. The commencement orators promise that with effort all may be presidents or governors excites our ridicule. But, after all, this aspiration for the highest has a sound basis. It is the lure that shining through the open door of opportunity has led the American boy, poor and portionless, to distinction and honor; yes, even to immortality and undying fame.

We have taken a boy from a log hut and made him President. We have taken a hunted refugee from foreign oppression, made him a citizen, and placed him in the Senate Chamber, that from such supreme vantage ground he might so plead the cause of liberty that all in the world might hear. We have taken a pauper's child and made him a merchant prince, to show that freedom is the wisest postulate of economics.

Washington in his inaugural address declared that "the destiny of the republican model of government," was "justly considered as deeply and perhaps finally staked on the experiment entrusted to the hands of the American people." Now, we are thinking that these words were not merely the expression of a conjectured hope, but rather the pronouncement of an inspired and justified belief. For nowhere else in all the world, at no time in all the history of nations, has it been so easy to achieve distinction by effort and merit alone as in our own beloved land to-day.

This is shown by the career of IRVIN PEPPER and others like him. His life and success are at once an inspiration and a promise. Hopeful, indeed, would it appear to all those who, like him, are poor, but who aspire; hopeful for all those who can not expect the help of others, but who must depend on their own unaided efforts; hopeful for all those who have only industry, ambition, and honest purpose to speed them in the race of life.

I am glad to draw this other lesson from his life. No one thing so helps a career as much as striking integrity of character. The time when shining gifts without character could hold the confidence of men has gone by. Tinsel now will not suffice. Pure gold is demanded.

I know that with many this view is not accepted. To such the trickster still may win, the scheme still succeed, the demagogue and the corruptionist still have place and power. Exceptional cases and individual instances can be cited to prove their contention, but the rule is otherwise. The bosses have been largely dethroned, the corruptionists driven from public life—we have "turned the rascals out." The people have given unmistakable evidence of their moral soundness. A more sane and wholesome state of public opinion never was known before. The flood of indignation against the public and private wrongdoer has borne the people to a moral height seldom if ever before attained.

Never was there a time when the young man who wishes to strive unselfishly for the betterment of mankind could with more promise of success gird on his armor. Never could an ambitious youth who desires to dedicate his life to honor and truth be more certain to find a welcome for such service.

It is a great age in which we live. To the men and women of to-day, as gradually there comes to them a fuller realization of their obligations to their fellows, there is born a greater charity, a larger humanity. Selfish interests are not primary, and the individual finds his greatest happiness in serving and helping others. More and more the citizen gives up his private right, his individual gain for his fellows. More and more does society become a scheme of individual sacrifice for the common good. No government of to-day can be found which does not in some measure sacrifice individual interests for the common welfare. And yet, by so doing they do not enslave themselves, they only establish a larger liberty. It is not by isolation, but by association that men live the larger life. And so government, which is only a rule of association, gives while it takes away, frees while it restrains.

No laws can be effective for good that are not based on the conscience of the people and supported by their moral sanction. And no work for the public good can accomplish anything which does not ally itself with that public conscience and strive for the approval of that moral sanction.

There can be no government without men. No matter what its form, it will be a reflex of their character. John Stuart Mill said: "Political institutions are the work of men; owe their origin and existence to human will. Men do not wake on a summer morning and find them sprung up. Neither do they resemble trees, which when once planted are ever growing while men are sleeping. In every stage of their existence they are made what they are by human voluntary agency." We are apt to forget this in America. We have almost an adoration for form. We change constitutions to change conditions. We demand a law when we need a man. It is astonishing how many political ills could be cured by the simple expedient of electing good men to office.

God give us men—
Men whom the lust of office does not kill,
Men whom the spoils of office can not buy,
Men who possess opinions and a will,
Men who have honor, men who will not lie.

Kipling put it still better when he described the man who could fully meet the demands of the hour:

With great things charged, he shall not hold
Aloof till great occasions rise,
But serve, full harnessed, as of old,
The days that are the destinies.

He shall forswear and put away
The idols of his sheltered house;
And to necessity shall pay
Unflinching tribute of his vows.

He shall not plead another's act,
Nor bind him in another's oath,
To weigh the word above the face,
Or make or take excuse for sloth.

The yoke he bore shall press him still,
And long ingrained effort goad
To find, to fashion, and fulfill
The cleaner life, the better code.

Gladstone, in one of his great papers, after enumerating the material achievements of England and America, said:

But all these pompous details of material triumph is worse than idle, unless the men of the two countries shall remain or shall become greater than the mere things that they produce, and shall know how to regard those things simply as tools and materials for the attainment of the highest purposes of their being.

And so it is that we read our surest promise of perpetuity as a nation in the character of our citizenship. We see the guaranty of a cleaner political life and a better national code in the prevailing cleanliness of our public men, in the higher ideals of our national life.

In large measure he whose memory we honor this day possessed those elements of sterling manhood and integrity of character that make the standard of which I speak. It was

to them he was indebted for his success. It should be a source of satisfaction to those who love him, that in memory he will ever be recalled for those traits and characteristics which merit unreserved approval. It should be an encouragement to the student and observer of our times that so strongly is the love of justice, the appreciation of righteousness in public service, the admiration for sterling worth ingrained in the consciousness of the people, that one who bases his appeal on these meets with instant approval and steady support.

Mr. RUSSELL. Mr. Speaker, to me it is always a sad occasion when this House meets to consider a resolution like this, when the friends of a former colleague meet in this Chamber to honor the memory of one who has passed away, but my feelings of sadness are intensified when we meet as we do to-day to honor the name and the memory of one who was to me in life such a sincere and such a devoted friend.

I was appointed by the Speaker of this House, who knew that Mr. PEPPER and I were warm friends, to attend his funeral, and I was requested by his friends to deliver a eulogy upon his life and character at the funeral services in his home State. Speaking as I did then in his presence, as he slept in death with my heart filled with grief and emotion, I perhaps better expressed my love and friendship for him, than I could do to-day, and may be pardoned if I repeat in substance some of the sentiments uttered on that occasion.

I met Mr. PEPPER soon after his election to Congress and before he had taken his seat. I was at once attracted to him by his splendid open countenance, his natural frankness, and his generous, manly spirit. We soon became warm personal friends, and as our acquaintance became more intimate the ties of friendship that bound us together became stronger and stronger.

During his service in this House I met him almost daily, both officially and socially. I knew his ambitions and he knew mine. Our mutual confidences and mutual sympathies, it seemed to me, gave vitality to our ambitions and strength to the hope of the future success of us both.

The last day he spent in Washington we took dinner together, and he advised me at the time of his contemplated trip to his home State that he loved so much, and of the purposes of his mission.

Soon afterwards I learned that he was seriously sick and I frequently inquired of his condition. On Friday before his death I was informed that he was out of danger, and went at once to my office and wrote him a brief letter congratulating him upon the information that I had received. That letter, I am now informed by his sister, she read to him on the last day of his life, and but a few hours before his death. In my letter at that time I addressed him as "My dear PEP," a term which to-day might seem disrespectful, but it was not so then; it was to his associates in Washington a term of endearment and one that was inspired by the warmest personal friendship.

On Saturday, the following morning, his secretary showed me a telegram stating that our friend had suffered a relapse and was much worse. I at once felt that all hope of his recovery was gone, knowing as I did of his long and serious sickness and of his necessarily weakened physical condition. On the following Monday morning, when the message came announcing his death, and when the official flag was hung at half-mast, it seemed to me that a cloud of gloom at once covered this capital city, and I know that a feeling of sadness filled the hearts of all who knew him.

About two weeks before his death a bill was under consideration in the House which carried an item for a pension for the deserving widow of an old Union soldier in Mr. PEPPER'S district. An amendment was offered, and an effort made to strike that item from the bill. I at once arose in my place to resist the amendment, stating to the House that this item in the bill was introduced by Mr. PEPPER, who was at that time in his home State seriously sick, and as he was not able to speak for himself I desired to speak for him. I defended the item, the amendment was defeated, and the item remained in the bill and was approved and passed by the House. It will be a great satisfaction to me till the day of my death to remember that I seized this opportunity, the last one that I could ever have during his life, to do him a personal favor. Knowing him and his loyal friendship as I did, I am perfectly conscious of the fact, that if the circumstances had been reversed he would have done as much for me.

Mr. PEPPER had the confidence not only of his constituents in his own district, but was highly esteemed by all of the people of his State, and if he had lived there is but little doubt that he would have been elected to places of higher political distinction. He was a man of great industry and with a remarkable capacity for work. The political party to which he belonged recognizing these qualities had selected him as the secretary of the Democratic congressional committee. As a member of that committee I, at his request, had the pleasure of placing him in nomination at the time of his election.

In the cemetery at Columbia, Mo., where the university of that State is located, the monument at the grave of Dr. Read, an ex-president of the university, bears this inscription: "I tried to do my duty." These were the last words spoken by him. I think that I might with propriety appropriate these words to-day expressive of the life and efforts of our departed friend in whose memory we have met to-day. I know, and every Member of this House knows, that he tried to do his duty and succeeded well.

The confidence, the friendship, and the esteem of the people of Iowa were plainly shown by the large number of distinguished citizens from all parts of the State who attended his funeral. I have never seen a more positive demonstration of universal grief, nor a more genuine expression of profound respect for the dead, than I witnessed on that occasion. There were probably a thousand present in the church, with many more outside who were unable to gain admission. The tears of hundreds of strong men and women gave unmistakable testimony of their love for him in life and for their grief at his bier.

Mr. PEPPER had been an active member of the State militia, and the members of that organization, and all others who ever knew him as he was, were devoted to him as a comrade and a friend, and gave to him a military burial.

The newly made grave was at the brow of the hill overlooking the beautiful little city, and surrounding country, the scenes of his childhood and youth. When his body was slowly lowered into his grave the last volley of his former military comrades was fired over his remains, and as the echo of their solemn notes died away in the distant hills we saw the body of our friend laid to rest.

It was a sad but an impressive scene, and if he could have spoken and prepared the ceremonies and surroundings in every detail, it would not have been changed. In obedience to his last request he was buried by the side of his angeled mother. The ceremonies were plain and simple, in harmony with the life he had lived. The snow-covered landscape was emblematic of his pure life and spotless character. The many floral offerings from former friends and associates were indicative of their love and sorrow. His grief-stricken father and other living kindred stood at the foot of the open grave surrounded by many of the most intimate friends of his professional and official career. Every face, every flower, and every tear seemed to breathe in respectful silence the universal grief, and a loving farewell to our friend, until we shall meet and greet him in a better and a brighter world in that spirit land beyond the grave.

Mr. MOORE. Mr. Speaker, it is something of a coincidence that my bundle of mail this morning should contain a letter from the widow of a soldier saying she had recently written to Mr. PEPPER in support of a bill to correct her husband's military record and that she had not received an answer. She did not know that the service our lamented colleague had undertaken to perform as the chairman of a subcommittee of the Committee on Military Affairs had suddenly ended and that he had responded to a higher call. But her letter, written in the stress of her anxiety, reminded me of the very great devotion to the detailed work of the House which characterized our departed friend from Iowa. As a member of the Committee on Military Affairs he was painstaking and assiduous. To members who had business with that committee he endeared himself by his courtesy and the personal attention given to their claims. It was a pleasure to present a case to Mr. PEPPER, and whether he found himself in favor of or against a bill, his decision left no sting.

And now that we are come to extol his memory, particularly those of us who saw him enter this House, the wonder is that in so great an assemblage of men chosen from the body of the people because of their experience and public service, he should have made so marked a progress in so brief a period. Mr. PEPPER was only 35 years old when he came into this body. He served throughout the Sixty-second Congress only. In that two years he took an advanced position in committee and on the floor. He was modest, but he was forceful. He did not obtrude himself into the proceedings at any time, but when he felt called upon to speak he did so unhesitatingly and with emphasis and decision. Indeed, it was early evident that Mr. PEPPER possessed the elements of statesmanship and that in due course his influence would be strongly felt in Congress.

It is not my purpose to speak at greater length, Mr. Speaker. In God's own time and in His own good way he has called our colleague from the scene of his earthly activities. We wonder that one so young, so well equipped for service to his

fellow men, should thus be taken, but it is not for use to murmur or complain. We know the caliber of man he was; we know the excellence of his heart and mind; we know had he lived that laurels would have clustered thick upon his brow. All this we know and treasure in our memories. 'Tis the best that we can do.

Mr. GOULDEN. Mr. Speaker, we have met to-day to do honor to the memory of a former colleague. IRVIN S. PEPPER, late a Representative from Iowa, served his district, his State, and the Nation well in the Sixty-second and a part of the Sixty-third Congress. He was known as a patient, hard-working Member, ever faithful to the call of duty. Nothing was too small or trivial when he took it up, giving the best that was in him. He was always kind and courteous, ever ready to help those that needed it.

He came from a sturdy stock of farmers from that splendid State that has produced so many patriots, soldiers, and statesmen. Like many sons of the farm he taught school, and in many respects was a self-educated man, of which our favored land has produced so many eminent successful men in all walks of life.

These sturdy Americans that have so materially aided in the development of the country acquired their strength, their clean minds and hearts by contact with nature and nature's God by working on the soil, man's best and truest occupation.

IRVIN S. PEPPER was a splendid illustration of this truth. Actuated always by the principles of right living, honest purposes, and an unflinching loyalty to his country, his loss is seriously felt.

Of him it may well be said what the angel spoke to the wise man of the Far East—

Abou Ben Adhem (may his tribe increase!)
Awoke one night from a deep dream of peace,
And saw, within the moonlight in his room,
Making it rich, and like a lily in bloom,
An angel writing in a book of gold:
Exceeding peace had made Ben Adhem bold,
And to the presence in the room he said,
"What writest thou?" The vision raised its head,
And with a look made of all sweet accord,
Answered, "The names of those who love the Lord."
"And is mine one?" said Abou. "Nay, not so,"
Replied the angel. Abou spake more low,
But cheerily still, and said, "I pray thee, then,
Write me as one that loves his fellow men."
The angel wrote and vanished. The next night
It came again with a great awakening light,
And showed the names whom love of God had blessed,
And lo! Ben Adhem's name led all the rest.

It is a privilege to lay this brief tribute to the memory of a good man and a true patriot, IRVIN S. PEPPER, late of Iowa.

The SPEAKER pro tempore (Mr. TOWNER). The Chair will now recognize the gentleman from Illinois [Mr. TAVENNER].

Mr. TAVENNER. Mr. Speaker, if a stranger had been in the city of Muscatine, Iowa, on the morning of Sunday, December 28, he would have observed that something out of the ordinary was taking place.

He would have noticed groups of men standing about the streets conversing in low tones, and that in every face there was an expression of sadness. As the day advanced, more and more people appeared. By 1 o'clock hundreds had gathered, and then they moved silently toward one of the large churches and went inside, and the down-town streets became deserted.

Muscatine on that day was a grief-stricken city. Muscatine had sent IRVIN S. PEPPER to the Halls of Congress because it had believed in him, and after arriving in Washington he had proven true to the trust that had been reposed in him. He had now been taken by death, and no one in Muscatine on this day could have failed to notice that the hearts of the people had been touched.

Funeral services for Mr. PEPPER had been held in Ottumwa on Friday, following which was planned a special tribute in the form of this great memorial meeting held in Muscatine two days later.

When I saw the doors of the Muscatine church thrown open, and the people pour into and quickly fill the building, the thought occurred to me that it would be a great mistake to assume that this great audience of people had gathered to pay tribute to IRVIN S. PEPPER simply because he had been an able Member of Congress. The mere fact that a man was a Member of Congress would never of itself alone have touched the hearts of the people of this community as the death of IRVIN S. PEPPER touched them.

There was something deeper than his official position, and more important, which explained the presence of so large a throng, and that something was the fact that his life outside Congress, and his acts in Congress, proved that his heart beat in sympathy with the plain people of this land.

Simply because a man is elected to Congress is no indication of greatness; a Member of Congress is worth while only when he takes advantage of his presence here to do something for the masses of the people.

Some men come to the halls of Congress from humble surroundings, as did Mr. PEPPER, only to acquire new and aristocratic ideas and sympathies, and to gradually and unconsciously permit to steal over them a feeling of shame, indeed, if not of contempt, for the old-fashioned plain people at home who, believing their protestations of sympathy, were the very ones who had elevated them to their high positions of trust and honor.

IRVIN S. PEPPER was not one of these. To him it always remained a pleasure to stand by and espouse the cause of that vast majority that Mr. Lincoln referred to as the plain people.

It was IRVIN S. PEPPER who, on the floor of this House and before the committees of the House, fought the introduction of the inhuman Taylor system of scientific shop management, a cruel process of scientifically grinding down the spirit, the hopes, and the ambitions, as well as the physical bodies of those who toil. Of course, strong pressure was brought on Mr. PEPPER to abandon that fight, but he never wavered, and there is pending before one of the committees of the House now, ready to be reported, a bill bearing his name which will prohibit the introduction of the nerve-wrecking Taylor system in the Government arsenals.

Representing adjoining districts, Mr. PEPPER and I were thrown into contact almost daily, and it was our habit to confer on nearly everything. Next to the distinguished Speaker of the House, the Hon. CHAMP CLARK, who was one of the first to help me when I was at the bottom of the ladder struggling to get along, IRVIN S. PEPPER probably did more toward bringing about my election to Congress than any other one man. Mr. PEPPER had no opposition in the last campaign, and took it upon himself to make my fight for a seat in this body his fight, and it seemed to me there was absolutely nothing within his power that was too much for him to do for me.

I mourn for IRVIN S. PEPPER, not only because he was one of my best friends and benefactors, nor merely because he was a Member of Congress, but because I saw him on the firing line in this House, and I saw that he was not ashamed of the cause of the common men and women from whose ranks he sprang; and I observed, too, that whenever the line was drawn as between the forces of special privilege on the one hand and the welfare of all the people on the other, without hesitation and without apology IRVIN S. PEPPER quietly took his place on the side of the plain but godly people who gave him birth.

When IRVIN S. PEPPER passed to the world beyond the people realized they had lost a friend—they were sad.

The SPEAKER pro tempore. The Chair will recognize the gentleman from Iowa [Mr. KIRKPATRICK].

Mr. KIRKPATRICK. Mr. Speaker, I am here to-day to assist in paying tribute in these last sad rites of a departed Member of this House, and I now come to place, as it were, a flower of love and reverence on the newly made grave of IRVIN S. PEPPER.

Notwithstanding the seriousness of the occasion, I am happy in the thought that I have known the Pepper family for many years. The father of the deceased is now bending with age; still he is one of God's noblemen. I have known the deceased from childhood. He was an exemplary boy, always standing for the right and high ideals. Young PEPPER came from a sturdy stock, as evidenced by those who survive him. Not long before his death he was telling me of his departed mother, and, among other things, said:

If I am permitted to enter the "gates ajar" and do not find mother there, I do not feel that such a condition will be heaven to me.

By reason of his parents having been pioneers in the settlement of the great West he was frequently obliged to face the storms of adversity. In life he was my friend, my neighbor, and my colleague in this the Sixty-third Congress.

In the triumph of his early ambitions the summons came, and he was called beyond the veil which separates all earthly vision from the paradise of God.

Sure when thy gentle spirit fled
To realms beyond the azure dome,
With outstretched arms God's angels said,
"Welcome to heaven's home, sweet home."

[Mr. LOBECK addressed the House. See Appendix.]

Mr. GREEN of Iowa. Mr. Speaker, I first met Mr. PEPPER when I came into this House as the result of a special election some three years ago. It was easy to become acquainted with

him and our relations were always most cordial. He was the youngest of our delegation, and if I had given a thought to the subject I would have considered that he was likely to be the last to pass away. If he suffered from illness, it was known only to his intimate friends. To me he seemed to be endowed with unusual vigor and strength, and especially fitted to endure the stress of campaigns and the strain incident to service in this House, to which so many succumb, and which since my membership has laid such a heavy toll upon us. His untimely demise admonishes us of the slender hold which we have upon life, and the uncertain tenure of our existence.

There are some who as they draw near the sunset of life are able to look back upon a long career of activity and feel that they are ready to lay down life's cares and burdens. To those who are wearied and discouraged death often seems a happy relief, and those whose efforts have been crowned with success can feel that their work is finished and their race is run. But to the young man who finds in each day a new inspiration, and cherishes the belief that as the years go by he will find new opportunities for rising higher and higher the future is radiant with hope and full of promise. Yet the inexorable messenger of fate spares none, and beckons too oft to those for whom the panorama of life is just beginning to unfold. So it was with our departed friend. Success came to him early. Young as he was he had the promise of a notable career. He had made for himself a position. He had friends in high places, and an admiring and faithful constituency. He could look forward through the vista of years, and see no obstacle that he could not overcome. But just when hope was most high, when the future was most promising, the grim angel of death crossed his path and he heard the call which the strongest can not resist. The promise of the morning faded into the blackness of night. Life's dreams and actualities alike were no more.

Mr. Speaker, such incidents are inexpressibly sad. In our weakness we can not comprehend why such strokes should fall. It is a part of the riddle of the universe that we can never solve. We can only bow our heads in submission to the Ruler of all knowing that a higher wisdom than ours shapes the course of men and nations, and that not a sparrow falls to the ground without His notice.

Another has come to the place of our departed colleague. Able hands will take up his work. Congress does not pause in its duties upon the death of one of its Members no matter how great or influential, but it is well that no public matters, however important, should prevent our rendering a tribute to the memory of the departed.

Mr. PEPPER'S kindly and genial manners attracted to him a host of friends. There was no malice in his disposition nor evil intent. I never heard him speak ill of another, or knew him to injure anyone. The same qualities that made him so attractive in private life contributed to his success in the political arena. He had a strong following in his own district and no one here could refuse him a favor. To meet him was to like him, and he was as good a companion as a friend. It is not alone in public life that his loss will be felt. We shall miss him in that social intercourse which goes far to brighten our lives and ease our tasks. Never again shall we hear his cordial greeting or see his pleasant smile. Let us trust that in another world he may find that sunshine and hope which he so freely imparted when with us.

Mr. CONNOLLY of Iowa. Mr. Speaker, farmer boy, school teacher, county superintendent of schools of Muscatine County, private secretary to Congressman Wade, county attorney of Muscatine County, twice elected by the people of the second Iowa district as their Representative in Congress, and at the time of his death the probable nominee of his party for the office of United States Senator from Iowa, this, in brief, was the ladder of achievement scaled by IRVIN S. PEPPER during a life prematurely and unexpectedly terminated, and with his passing went one of the most promising, one of the noblest, one of the kindest figures in the public life of Iowa.

There are Members of this House who knew him longer, but I question if any knew him as intimately as I did. In the December following the election of 1912 I made a journey to Panama in his company. We shared the same stateroom, and on this delightful trip was born a friendship that grew apace and bound us together by bonds "though light as air were strong as bonds of iron." The frankness of his character, the cheeriness of his disposition, the liberality and unselfishness of his spirit, the quality of his heart and mind, at once drew me to him.

In the balmy breezes of the Caribbean we cemented our comradeship, underneath the southern cross we exchanged our confidences, and the sheen of the moon upon the waters seemed to mark the clear, straight path of a brotherhood that never wavered.

Outside of the love of womankind there is no sweeter, nobler sentiment than the love of a man. The pure, unselfish, loyal love of a kindly man for his fellowman.

Although somewhat my senior we were near of an age and being bachelors we had not known the love of those dear helpmates of life that make the home the shrine of perfect domestic happiness, but we had both been trained in the old-fashioned school of family affection and had responded to the love of a splendid motherhood and fatherhood. We had known the love of women who had watched us from the cradle. We had seen the lovelight in their eyes, that light that never fails, that shineth in the darkness, that beacon that led us in the blackness of worldly tempests to the harbor of peace and righteousness. And in one of our fraternal conferences he had told me that it was the mother who had determined him to run for Congress. When urged to make the race his inclination was to decline, and as he expressed this view to the family gathered around he saw the light of disappointment in the mother's eyes. He read in them the aspirations and ambitions of his dearest friend, so he turned about and addressed himself to the earnest work of the campaign. Her love and cheer were his inspiration, her hopes and pride sustained him, but the pathos of it all came when she was called away by the Great Elector of the Universe just upon the eve of the son's election. As he recalled that incident so epochal in his career there was moisture in his eyes and we gazed silently out upon the waters under the spell and thrall of homely sentiments, the memory turned willingly back to the thoughts of home, and we heard again the songs of childhood. Yea, at that moment there arose above the strains of splendid orchestras, more appealing than the chants of practiced choirs or the tonal peal of a great organ in some grand cathedral, a voice stealing through our sympathetic ears and swaying the tendrils of our hearts—the homely croon and mellow lullaby of those silver-haired guardians of our birth and being.

In the passing of IRVIN PEPPER this House has lost one of its most efficient and capable Members. We all miss his smile and friendly greeting. I feel a peculiar personal loss, as our daily associations were most intimate and agreeable. He was my good friend, my intimate associate, my chum. It is hard to realize that he has gone for good. In the Office Building I turn unconsciously toward his door as if to meet him. In the cloakroom and on the floor I look in vain for his suggestions and counsel. In the evening, after the day's work, I await his call for the customary walk up the Avenue. At every turn and in each hour I yearn for the "touch of a vanished hand and the sound of a voice that is still."

In the last flickering moments at the hospital, with the eyes growing dim and the heartbeats waning, the spirit halting within the vestibule of eternity—he asked his brother about his chances, and the answer was, "You are going to your final sleep," and then his old philosophy in life expressed itself in his familiar phrase, "Well, whatever is, is," and with a smile of fortitude upon his kindly face he went—

> Not like the quarry slave at night,
> Scourged to his dungeon, but sustained and soothed
> By an unfaltering trust, approach the grave
> Like one that wraps the drapery of his couch 'bout him
> And lies down to pleasant dreams.

And in the quiet of that night I voiced our common sentiment with the old lines—

> If I were hanged on the highest hill,
> I know whose feet would follow me still.
> Mother o' mine, mother o' mine.
>
> If I were drowned in the deepest sea,
> I know whose tears would come down to me.
> Mother o' mine, mother o' mine.
>
> If I were damned of body and soul,
> I know whose prayers would make me whole.
> Mother o' mine, mother o' mine.

Others can relate his triumphs, other tongues tell of his honors, of his legion of friends, of his numerous activities.

He stood high in the Masonic and other fraternal lodges that had recognized his sterling manhood, but it was the lodge and shrine of that pioneer, old-fashioned parental home that impressed upon him the hall-mark of character and sentiment and that had influenced the course of his honorable career. And now that course is run. The mother had gone before to prepare for his coming. At the grave I saw the aged father, bowed with grief, as the youngest of the flock slipped quietly into his couch upon the snow-clad hill. The brothers and sisters gathered around with heavy hearts, and I could see in the eyes of each the undisguised and unreserved sentiment of the old-fashioned family love for the brother and the son. In such homes and

through such genuine attachments are the finer, higher, nobler instincts reared.

Mr. McKELLAR. Mr. Speaker, upon coming into the House in December, 1911, one of the first Members that I came to know well was IRVIN S. PEPPER. Only a short time after the beginning of the session he and I both were appointed on a committee to witness the opening of the Oversea Railway to Key West, Fla. On that trip we became warm and true friends—a friendship that was one of the most delightful of the many I have made here.

In politics we had the same views, the same ambitions and aspirations. In social life we had largely the same friends. We served for a long time on the same committee in the House. Rarely a day passed that we were not together. Both being bachelors and about the same age, the friendship that grew up between us was close and intimate and will never be forgotten by me.

IRVIN PEPPER was absolutely straight, clear-headed, vigorous-minded, strong in his views, temperate in his speech, kindly, yet determined, in all his dealings with men, and was, as I esteemed him, one of the highest types of the American citizen.

No Member was more generally or more sincerely loved by all who came within the sphere of his association. No Member deserved more the great popularity that was his.

His ambition was to come to the Senate from his beloved State, and he was to be a candidate at the approaching election, and with great prospects of success. His death was a great loss to his State and to the Nation, but a far greater loss to his loved ones, both relatives and friends. He was cut off in the very flower of a splendid young manhood, and while our hearts are sad that he was taken away, we, who were his friends, will ever cherish his memory and feel grateful that we were privileged to have known him.

Mr. BALTZ. Mr. Chairman, we withdraw for a short time from the scenes of political strife to pay the last sad rites to a departed brother.

His death in the very prime of an active and useful career suggests again the words of Burke on a similar occasion, "What shadows we are, and what shadows we pursue!"

While my acquaintance with Mr. PEPPER was not of long duration, I knew him long enough to be impressed with his sincere and manly stand on all public issues and to be charmed by his courtesy and geniality.

One trait of Mr. PEPPER's character was his tireless devotion to his public duties. Few Members of Congress displayed greater zeal and industry in their public career.

The people who are the fountain of power in this country are quick of discernment. This is strongly illustrated in the career of Mr. PEPPER. He justified in the fullest measure the confidence reposed in him by his constituents. As a Member of the House and as chairman of a committee he gave his time and talent unstintedly to the service of his district, his State, and his Nation. In such a life there is inspiration and encouragement. The memory of his faithfulness may well nerve us to greater faithfulness in our own efforts.

In the presence of death it is hard to sing a song triumphant o'er our tears and our fears; hard, indeed, is it for the bereaved when their dearest is taken from them. But in this terrible test of our faith we have some inspiring examples in the saintly ones who have suffered before us. When Prof. Andrews Norton, of Harvard, was called upon to mourn the loss of his only daughter, dead at womanhood's door, with unshattered trust in God he sat in his study while his beloved child slept the eternal sleep in an adjoining room, and there and then that godly man wrote those brave and courageous words, and with all humility may I commend them to those who as relatives or friends mourn the loss of our departed comrade:

My God, I thank Thee, may no thought
  Ere deep Thy chastisements severe;
But may each heart by sorrow taught
  Calm each wild wish, each anxious fear.

Thy mercy bids all nature bloom,
  The sun shines bright and man is gay;
Thine equal mercy sheds the gloom,
  That darkness round his little day.

Full many a throb of grief and pain,
  Thy frail and erring child must know,
But not one sigh is breathed in vain,
  Nor does one tear unheeded flow.

Thy various messengers employ,
  Thy purposes of love fulfill;
And mid the wreck of human joy
  Let kneeling faith adore Thy will.

ADJOURNMENT.

Then, in accordance with the resolution previously adopted (at 1 o'clock and 55 minutes p. m.), the House adjourned until to-morrow, Monday, May 4, 1914, at 12 o'clock noon.

SENATE.

MONDAY, *May 4, 1914.*

The Chaplain, Rev. Forrest J. Prettyman, D. D., offered the following prayer:

Almighty God, we thank Thee for every hard task of life, for all our conscious sense of incompleteness, for all hunger of heart or body, for we believe that every limitation and all that narrows and restrains is but a prophecy of the larger life that Thou hast for us. We pray Thee to save us from the path of least resistance. Stir us up to be heroes in the great strife of life. Give to us the spiritual equipment for the highest service among men. Lead Thou us on; in every path do Thou direct our steps. May our lives be God-centered; and in the day that shall dawn upon us in the world that knows no limit, no setting sun, may our life be adjusted and attuned to the infinite. For Christ's sake. Amen.

The Journal of the proceedings of Saturday last was read and approved.

SETTLERS ON SNOQUALMIE FOREST RESERVE LANDS, WASHINGTON.

Mr. THOMAS. Mr. President, throughout the East there is considerable adverse criticism of the sentiment of the western people, without reference to party division, concerning some features of what is popularly known as conservation. I want to read into the RECORD an extract from the World of yesterday, which sets forth in graphic terms an individual instance of hardship and injustice suffered under the administration of the land laws, which is one of a great many of similar character, although differing, perhaps, as to some of the facts. I simply wish to read it into the RECORD without further comment, in order that the country may perceive why this feeling is so profound in the West and how well it is justified. This article is entitled "Nation seizes home fought for for 12 years—Homesteader ousted after suffering hardships in wilderness and spending $1,800." It is dated Everett, State of Washington, May 2.

[From the World, Sunday, May 3, 1914.]

"I have spent the best years of my life trying to build up a home for my family, only to be informed at this time by the United States Government that my claim of 160 acres near Galena is void by reason that the land has been thrown into the forest reserve."

W. E. Dermott, now of this city, thus summarizes the disastrous outcome of 12 years' struggle against the wilderness and its privations 6 miles from Galena, in the Cascade Mountains.

"Twelve years ago last January I took up my homestead 6 miles the other side of Galena," continued the contractor and builder, whose hair has turned gray while he and his family strove against heavy odds to wrest a livelihood from the fertile bottom lands along the south fork of the Skykomish River.

"Two years after we settled on the fine agricultural land the Interior Department, acting on a recommendation from the Forestry Department, included our acreage in the Snoqualmie Forest Reserve. B. C. Hopkins, of Everett, and L. Servis and P. E. Marks, of Snohomish, also had homesteads, but were some time ago frightened away by the Government; but I have expended $1,800 in erecting a one-and-a-half-story house and several other buildings, in planting 1,500 strawberry vines, in clearing 3 acres of land for garden purposes, where we can raise everything in fruit and vegetables we need and more, too; so you see it was harder for us to give up to the mighty Government."

Six or eight months each year the Dermott family lived on the 160 acres high in the mountains, bending every effort to make a comfortable home and investing in improvements every dollar they could earn during the few months of the year when Dermott followed his trade in Everett.

"After all we have accomplished up there," said Dermott, "the Government has informed me that we did not live long enough each year on the homestead and the department also found fault with the nature of our improvements. I have taken up the question of my rights with our Senators and Representatives.

"There were plenty of hardships during most of the 12 years we lived in the mountains so far from civilization. There were no trails, no schools, no doctors, and few neighbors; we were in the wilderness, but happy and fairly well contented in the belief that some day we would have a comfortable home."

Representative J. A. FALCONER has introduced a bill in the House of Representatives authorizing the issuance of patents to Dermott and some of his neighbors for lands they have entered, all in the vicinity of Galena, upon proof being submitted showing compliance with the homestead laws of the United States, notwithstanding the inclusion of the lands in the Snoqualmie National Forest.

Mr. President, I know nothing about the facts in this case beyond what is contained in this extract, but their relation is so familiar and so similar to other instances that have come under my personal observation that I am inclined to believe they are true. I hope the time will come before long when the objection which we justly make to methods of conservation enforcement will appeal to the judgment and conscience of men throughout all the people of the United States, to the end that they may realize that one such family as that of Mr. Dermott anchored upon the soil of the country is a benefit and value to a State as a unit of the vast number which might so settle that it is almost incalculable.

Mr. BORAH. I desire to know from what paper that extract was taken.

Mr. THOMAS. From the New York World of yesterday.

Mr. JONES. I simply desire to say to the Senator from Colorado that a bill has been introduced——

Mr. THOMAS. So this article states.

Mr. JONES. Trying to take care of that situation. It is now before the Committee on Public Lands and we hope to get the real facts. I have not any doubt that the statements made in that article are absolutely true from what investigation I have made in connection with the matter. I hope we can get relief through Congress, as we can not get it anywhere else.

Mr. BORAH. Does the Senator from Washington mean that a bill has been introduced to cover this particular case?

Mr. JONES. Yes; the case of this particular citizen.

Mr. THOMAS. The article so states, Mr. President. The bill was introduced in the House.

Mr. BORAH. That will be a hopeful but a very small beginning, because there are hundreds of such cases.

Mr. JONES. I concede that.

MESSAGE FROM THE HOUSE.

A message from the House of Representatives by J. C. South, its Chief Clerk, announced that the House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 7951) to provide for cooperative agricultural extension work between the agricultural colleges in the several States receiving the benefits of an act of Congress approved July 2, 1862, and acts supplementary thereto, and the United States Department of Agriculture.

ENROLLED BILL AND JOINT RESOLUTION SIGNED.

The message also announced that the Speaker of the House had signed the following enrolled bill and joint resolution, and they were thereupon signed by the President pro tempore:

H. R. 7951. An act to provide for cooperative agricultural extension work between the agricultural colleges in the several States receiving the benefits of an act of Congress approved July 2, 1862, and acts supplementary thereto, and the United States Department of Agriculture; and

H. J. Res. 242. Joint resolution authorizing the Secretary of War and the Secretary of the Navy to loan equipment, for the purpose of instruction and training, to sanitary organizations of the American National Red Cross.

PETITIONS AND MEMORIALS.

Mr. PERKINS presented memorials of sundry citizens of Sacramento, Cal., remonstrating against national prohibition, which were referred to the Committee on the Judiciary.

Mr. MARTINE of New Jersey. I present memorials signed by upward of 39,496 citizens of the State of New Jersey, remonstrating against national prohibition. I ask that the memorials be received and referred to the appropriate committee.

The PRESIDENT pro tempore. The memorials will be referred to the Committee on the Judiciary.

Mr. STERLING. I present a petition of citizens of South Dakota, praying for the passage of Senate bill 2651. As the petition relates to a bill now on the calendar which has been passed over on several occasions, I should like to have it read by the Secretary.

The PRESIDENT pro tempore. That will require unanimous consent. Is there objection? The Chair hears none and the Secretary will read.

The petition was read and referred to the Committee on Public Lands, as follows:

To the honorable United States Senate:

Whereas there has been discovered in the State of South Dakota an extensive deposit of kaolin and fuller's earth that, under exhaustive practical and comparative tests conducted by expert chemists and practical refiners in some of the largest packing plants in the United States, has proven to be far superior to any other domestic product yet discovered and is in all respects equal to the foreign product that, because of superiority over the domestic product now available, has a monopoly of the market in the United States; and

Whereas the said mineral deposit is located within a part of an Indian reservation heretofore opened to settlement and entry under an act of Congress (Mar. 2, 1907) which did not authorize the disposal of such mineral-bearing lands, and the mining laws of the United States now in force providing no means whereby title may be procured, development of the said mineral deposits is impossible without the aid of additional legislation; and

Whereas there has been introduced in the Senate of the United States a bill (S. 2651) providing for the disposal of such mineral lands under the provisions of the mining laws of the United States: Now therefore

We, the undersigned residents and citizens of the State of South Dakota, realizing that the development of the said mineral lands will be of great benefit to the people of the State of South Dakota and its surrounding sister States, respectfully petition your honorable body that the bill aforesaid (S. 2651), now before your honorable body, be brought to a speedy vote with all possible dispatch.

Respectfully submitted.

Mr. JOHNSON presented petitions of sundry citizens of the State of Maine, praying for the adoption of an amendment to the Constitution to prohibit the manufacture, sale, and importation of intoxicating beverages, which were referred to the Committee on the Judiciary.

Mr. KERN presented petitions of sundry citizens of Brazil, Moores Hill, Carmel, Decatur, Lebanon, Seymour, Aurora, Newcastle, Ridgeville, Wabash, Fairmont, Frankfort, Michigantown, Noblesville, Cochran, and Gas City, all in the State of Indiana, praying for national prohibition, which were referred to the Committee on the Judiciary.

Mr. PAGE presented a petition of the congregation of the First Baptist Church, of Burlington, Vt., praying for national prohibition, which was referred to the Committee on the Judiciary.

Mr. WILLIAMS presented petitions of sundry citizens of Union, Winona, and Gulfport, all in the State of Mississippi, praying for national prohibition, which were referred to the Committee on the Judiciary.

He also presented a petition of the women of the Mississippi Annual Missionary Conference of the Methodist Episcopal Church South, praying for the passage of uniform child-labor laws, which was referred to the Committee on Education and Labor.

Mr. OLIVER presented a memorial of the Blair County Medical Society, of Altoona, Pa., remonstrating against the enactment of legislation to prohibit the distribution and dispensing of narcotic drugs by physicians, dentists, and veterinarians, which was ordered to lie on the table.

He also presented petitions of sundry citizens of Pennsylvania, praying for the adoption of an amendment to the Constitution to prohibit the manufacture, sale, and importation of intoxicating beverages, which were referred to the Committee on the Judiciary.

He also presented a petition of the Foundrymen's Association of Erie, Pa., praying for the postponement until the next session of Congress of action upon the so-called trade commission, interlocking directorates, Sherman law definition bills, and the so-called omnibus bill embodying them, which was referred to the Committee on the Judiciary.

He also presented a petition of the Bucks County Fish, Game, and Forestry Association, of Doylestown, Pa., praying that an appropriation of $100,000 be made to carry out the provisions of the Weeks-McLean migratory law, which was referred to the Committee on Agriculture and Forestry.

He also presented a petition of Local Union No. 1339, United Mine Workers of America, of Castle Shannon, Pa., praying for an investigation into the conditions existing in the mining districts of Colorado, which was referred to the Committee on Education and Labor.

Mr. TOWNSEND presented a petition of sundry citizens of Hastings and Coats Grove, in the State of Michigan, praying for the adoption of an amendment to the Constitution to prohibit the manufacture, sale, and importation of intoxicating beverages, which was referred to the Committee on the Judiciary.

He also presented a petition of sundry citizens of Waucedah, Mich., praying for the enactment of legislation to establish a system of rural credits, which was referred to the Committee on Banking and Currency.

He also presented a memorial of J. B. Richardson Post, No. 13, Department of Michigan, Grand Army of the Republic, of Harbor Springs, Mich., remonstrating against any change being made in the American flag, which was referred to the Committee on the Judiciary.

He also presented a petition of sundry citizens of Cass City, Mich., praying for equal suffrage, which was ordered to lie on the table.

He also presented a petition of Local Branch, Scandinavian Aid and Fellowship Society of America, of Ishpeming, Mich., praying that an appropriation be made for the erection of a monument to the memory of Capt. John Ericsson, which was ordered to lie on the table.

Mr. POINDEXTER presented a memorial of sundry citizens of Spokane, Wash., remonstrating against the conditions existing in the mining districts of Colorado, which was referred to the Committee on Education and Labor.

Mr. HUGHES presented a petition of sundry citizens of New Brunswick, N. J., praying for the repeal of the exemption clause in the Panama Canal act, which was ordered to lie on the table.

THOMAS SMART.

Mr. WEST, from the Committee on Military Affairs, to which was referred the bill (S. 717) to correct the military record of

Thomas Smart, reported it without amendment and submitted a report (No. 482) thereon.

BILLS INTRODUCED.

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. JOHNSON:

A bill (S. 5467) granting an increase of pension to George W. Townsend (with accompanying papers); and

A bill (S. 5468) granting an increase of pension to Albert F. Harvey; to the Committee on Pensions.

By Mr. KERN:

A bill (S. 5469) granting an increase of pension to William P. Mullikin (with accompanying papers); to the Committee on Pensions.

By Mr. DILLINGHAM:

A bill (S. 5470) granting an increase of pension to Patrick Carver (with accompanying papers); to the Committee on Pensions.

By Mr. BORAH:

A bill (S. 5471) to reserve certain lands and to incorporate the same and make them a part of the Lemhi National Forest; to the Committee on Agriculture and Forestry.

By Mr. WILLIAMS:

A bill (S. 5472) for the relief of the legal representatives of James M. Brabston and Roche H. Brabston; to the Committee on Claims.

By Mr. OVERMAN:

A bill (S. 5473) granting an increase of pension to Elizabeth S. Tennent; to the Committee on Pensions.

By Mr. SHAFROTH:

A bill (S. 5474) to provide for the acquisition of a site and the erection thereon of a public building at Alamosa, Colo.; to the Committee on Public Buildings and Grounds.

By Mr. ASHURST:

A bill (S. 5475) to establish a bureau for the study of the criminal, pauper, and defective classes; to the Committee on the Judiciary.

By Mr. STONE:

A bill (S. 5476) granting a pension to John T. Shouse; to the Committee on Pensions.

By Mr. LEWIS:

A bill (S. 5477) to renew and extend certain letters patent; to the Committee on Patents.

AMENDMENTS TO APPROPRIATION BILLS.

Mr. STERLING submitted an amendment proposing to appropriate $50,000 for securing right of way for and construction of a wagon road or highway through the Standing Rock Indian Reservation in Corson County, S. Dak., etc., intended to be proposed by him to the Indian appropriation bill, which was referred to the Committee on Indian Affairs and ordered to be printed.

Mr. WALSH submitted an amendment proposing to appropriate $4,900 for the maintenance of an assay office at Helena, Mont., etc., intended to be proposed by him to the legislative, etc., appropriation bill, which was referred to the Committee on Appropriations and ordered to be printed.

Mr. STONE submitted an amendment intended to be proposed by him to the river and harbor appropriation bill, which was referred to the Committee on Commerce and ordered to be printed.

Mr. SMITH of Maryland submitted an amendment intended to be proposed by him to the river and harbor appropriation bill, which was referred to the Committee on Commerce and ordered to be printed.

WITHDRAWAL OF PAPERS—ANNA K. CARPENTER.

On motion of Mr. OLIVER, it was

Ordered, That leave be granted to withdraw from the files of the Senate the papers in the case of Anna K. Carpenter which were filed with the bill S. 4962, Sixtieth Congress, no adverse report having been made thereon.

EMPLOYMENT OF STENOGRAPHER.

Mr. LA FOLLETTE submitted the following resolution (S. Res. 348), which was read and referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

Resolved, That the Committee on Corporations Organized in the District of Columbia be, and hereby is, authorized to employ an additional stenographer at the rate of $100 a month, the term of services of such stenographer to conclude two weeks after the final adjournment of the second session Sixty-third Congress.

PANAMA CANAL TOLLS.

The PRESIDENT pro tempore. A resolution coming over from a previous day——

Mr. BORAH. I ask that the resolution which I submitted on Saturday last and requested to lie on the table and be printed may lie over subject to call.

The PRESIDENT pro tempore. Unless there is objection, such will be the order.

Mr. SIMMONS. I did not hear the request.

The PRESIDENT pro tempore. That the resolution lie on the table subject to call. The Chair hears no objection.

GORDON W. NELSON.

Mr. O'GORMAN. Mr. President, there is an emergency bill on the calendar, and I ask unanimous consent for its consideration. It will take but one or two minutes. It is the bill (S. 5445) for the relief of Gordon W. Nelson.

Mr. Nelson is a student at the Naval Academy, at Annapolis, and will graduate in two weeks. He, however, is not a naturalized citizen of the United States. He can not become naturalized until December of this year. This bill, which has the approval of the department, permits the President, with the advice of the Senate, to appoint him on the date of his graduation an ensign in the Navy, with the understanding that if he does not become naturalized before January 1 next his commission may be withdrawn. When he entered the Annapolis Academy the law provided that a commission would not be issued until after a service of six years. That has been amended so that a commission will now be awarded after a service of four years. Unless this bill is passed the young man, who, although the son of English parents, has resided in this country since his early youth, will not be allowed to receive his diploma with the other graduates. I therefore ask unanimous consent for its immediate consideration.

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill, which was read, as follows:

Be it enacted, etc., That the President be, and he is hereby, authorized to commission, by and with the advice and consent of the Senate, Gordon W. Nelson an ensign in the United States Navy on the date of his graduation after the four years' course at the Naval Academy, to take rank as an ensign with the other members of his class according to their standing as determined by their final multiples for the four years' course at the Naval Academy: *Provided*, That unless the said Gordon W. Nelson becomes a citizen of the United States on or before January 1, 1915, he shall on said date cease to be an officer of the Navy.

The bill was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

PERSONAL EXPLANATION.

Mr. McCUMBER. Mr. President, I rise to a question of personal privilege.

The PRESIDENT pro tempore. The Senator will state it.

Mr. McCUMBER. Mr. President, on Saturday last, when the Senator from Nebraska [Mr. HITCHCOCK] was in the chair——

The PRESIDENT pro tempore. From what page of the RECORD is the Senator from North Dakota about to read?

Mr. McCUMBER. Page 7619. When the Senator from Nebraska was in the chair explaining a ruling of the Chair, he stated as follows:

THE PRESIDING OFFICER. The Chair has ruled that the Senator from North Dakota can properly suggest the absence of a quorum. The last quorum suggested was at 2 o'clock and 26 minutes. The Chair is prepared to rule that a point of no quorum made simply for dilatory purposes, without any intervening business, may be held to be out of order; but the Chair thinks that business has intervened, and if the Senator from North Dakota requests it the Secretary will call the roll.

There is in that statement a fair inference, at least, that in calling for a quorum I was adopting dilatory tactics. I want to say that each time before I called for a quorum I counted the number of Senators present, the number ranging all the way from 6 to 21, 21 Senators being the greatest number that were in the Senate Chamber at any time when I called for a quorum. I never have pursued mere dilatory tactics, and I never shall; but I insist that we have a right to have a quorum present, and when there are not one-third of the Senators present it is not adopting dilatory tactics to suggest the want of a quorum.

LANDS AT MONTROSE, COLO.

Mr. THOMAS. I ask unanimous consent for the consideration of the bill (H. R. 5993) authorizing the city of Montrose, Colo., to purchase certain public lands for public-park purposes.

Mr. SMOOT. I have no objection to the passage of the bill, but I wish to ask the Senator from Colorado why it should be acted upon to-day.

Mr. THOMAS. I am informed that the land which the city desires, and which it can now acquire, must be entered very soon, as outside parties may otherwise acquire some of it. The city authorities are very anxious about the matter. I think this is the first time that I have trespassed upon the good nature of

the Senate in asking unanimous consent for the consideration of a bill out of its regular order, and I would appreciate it very much, under the circumstances, if the bill be permitted to pass this morning.

The PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill.

Mr. WALSH. I should like to inquire of the Senator from Colorado how it comes that we are permitted, as proposed in the bill, to dispose of section 16. Does not that land belong to the State?

Mr. THOMAS. I did not catch the Senator's interrogatory.

Mr. WALSH. I wish to inquire of the Senator how we are permitted to dispose of section 16, which ordinarily is the property of the State.

Mr. THOMAS. I can only answer the Senator's question upon the assumption that this is the western part of the State, and that the indemnity lands have not been acquired by reason of the lack of early survey. The land was formerly in the Ute Reservation. That is my impression. I can call for the information from Representative TAYLOR, who introduced the bill in the other House, if the Senator from Montana desires that I shall do so.

Mr. WALSH. I made the inquiry merely for information. If the Senator is satisfied that we are not disposing of property of his State, I have no objection.

Mr. THOMAS. There is no question but that this disposition of the land is proper, or the bill would not have been introduced and passed in the House.

The bill was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

CALLING OF THE ROLL.

The PRESIDENT pro tempore. Morning business is closed.

Mr. JONES. I suggest the absence of a quorum.

The PRESIDENT pro tempore. The Senator from Washington suggests the absence of a quorum. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Ashurst	Kenyon	Owen	Stone
Bankhead	Kern	Page	Sutherland
Borah	La Follette	Perkins	Swanson
Bristow	Lane	Pomerene	Thomas
Burleigh	Lea, Tenn.	Ransdell	Thornton
Burton	Lee, Md.	Saulsbury	Tillman
Chamberlain	Lodge	Shafroth	Townsend
Clarke, Ark.	McCumber	Sheppard	Vardaman
Crawford	McLean	Simmons	Walsh
Dillingham	Martin, Va.	Smith, Ariz.	Warren
Goff	Martine, N. J.	Smith, Ga.	Weeks
Hitchcock	Nelson	Smith, Md.	West
Johnson	O'Gorman	Smoot	Works
Jones	Overman	Sterling	

Mr. SHEPPARD. I wish to announce for the day the necessary absence of my colleague [Mr. CULBERSON] and his pair with the Senator from Delaware [Mr. DU PONT].

Mr. STONE. I desire to state that my colleague [Mr. REED] has been called from the city on pressing and important business and will be absent perhaps for two or three days. I wish this announcement to stand for the day.

Mr. SMOOT. I desire to announce the unavoidable absence of the senior Senator from Kentucky [Mr. BRADLEY], and also of the junior Senator from Wisconsin [Mr. STEPHENSON].

The PRESIDENT pro tempore. Fifty-five Senators having answered to their names, a quorum of the Senate is present. Unless the Senate shall otherwise order, the calendar under Rule VIII is in order.

PANAMA CANAL TOLLS.

Mr. O'GORMAN. I ask unanimous consent that the canal-tolls bill be temporarily laid before the Senate, so that the Senator from Michigan [Mr. TOWNSEND] may be given an opportunity to speak on the subject.

The PRESIDENT pro tempore. The Senator from New York asks unanimous consent that the Senate proceed to the consideration of what is known as the canal-tolls bill. Unless there is objection, such will be the order.

There being no objection, the Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 14385) to amend section 5 of "An act to provide for the opening, maintenance, protection, and operation of the Panama Canal and the sanitation of the Canal Zone," approved August 24, 1912.

Mr. TOWNSEND. Mr. President, in what I shall say on the pending measure I shall hope to be acquitted of any desire to make partisan political capital out of a matter of our foreign relations, which can not well be overmagnified in its importance. It is pregnant with possibilities affecting not only our standing among the nations, but which may involve at a later date our prerogatives as a great, independent, sovereign Republic. We have, sir, reached a critical period in our national life, and the result of the Senate's action at this time and under existing conditions may determine whether the American policies which have guided our statesmen in the past and under which our Nation has commanded the respect of the world shall be maintained; whether we shall continue to settle for ourselves all matters affecting our domestic affairs, our vital interests, and our national honor, or whether, "right or wrong," we shall, at the behest of a President, no matter how sincere, repudiate our past, weaken the Monroe doctrine under which it has been possible to democratize the western continent, and with no new reason except that the President demands it.

President Wilson says that matters of "greater delicacy and nearer consequence," known, however, only to himself and upon which he maintains a silence as profound as that grave in which it is now proposed to inter the American spirit of national sovereignty, demands this proposed action. If, in the course of this debate, the President has been too severely criticized, and if he shall hereafter be improperly arraigned, he can not justly complain. In asking Congress to reverse itself upon a matter which met with his and his party's approval, which met with the approval of the people at the only time they have had an opportunity to speak upon the subject, he should at least have taken the Congress into his confidence and presented the real reasons which were evidently sufficient to effect a change in him. Senators must discuss this proposition according to the facts which have been disclosed and in the light of all the circumstances which illumine it.

The question of a waterway from the Atlantic to the Orient is as old as the dream of Columbus. Periodically it has been an issue in the world's activities since the discovery of America. Spain, Portugal, France, England, and the United States have at various periods in their history agitated the subject of water communication between Atlantic and Pacific across the Isthmus. It remained for the United States, after all men and other nations had failed, to undertake and complete a steamship canal at a cost to its people, first and last, of about half a billion dollars; and now the real question is whether a certain convention, known as the Hay-Pauncefote treaty, entered into between the representatives of Great Britain and the United States prohibits the latter from enjoying any advantage from this mighty enterprise not enjoyed by every other nation—aye, whether the United States shall have even less benefit from it than other nations will have. We are about to determine that question; and if a majority of this Senate shall properly so decide, then, Mr. President, the future historian of our country should record those representatives of the United States who prepared and those Senators who ratified that treaty either as incompetents or as indifferent to the interests of their country. I can not believe that a majority of this Senate will so direct the historian.

Mr. President, early in the life of our Republic, and after two wars for independence and national sovereignty, an American policy known as the Monroe doctrine was adopted by the United States. The doctrine, in brief, is this:

The American Continents are not to be subject to colonization by any foreign non-American nation. The United States will consider any attempt on the part of such nation to extend its system to any portion of the Western Hemisphere as dangerous to our peace and safety. Any interposition by such foreign powers for the purpose of oppressing the independent nations of the American Continent will be considered by the United States as the manifestation of an unfriendly disposition toward us. This doctrine clearly implies that the United States will resent, with such power as is necessary, any attempt by such a nation to violate it. It implies a disapproval of every effort to supplant the sovereignty of our Government, either directly or indirectly, by that of any other nation.

This principle of our national policy proclaimed by President Monroe on December 2, 1823, recognized that at that time certain European nations had possessions in the Americas, and with those possessions there was to be no interference by the United States, but the extension in America of foreign sovereignty was not to be tolerated.

Here on these shores had been established a people's Government which was to work out the experiments and problems of democracy. Their early struggles against the exactions and dictates of monarchy induced the fathers to demand that foreign powers should keep hands off the Western Hemisphere, and no administration, save that of Zachary Taylor, to which I shall refer later, prior to the present one has ever suggested an abandonment of that doctrine. On several occasions foreign nations have attempted to avoid it and to gain a foothold

in the Americas, but always an uncompromising American President has commanded a halt, and his orders have been obeyed. But now, because of reasons withheld from all, aye, even from those distinguished men of his own party who in the Congress of the United States have made a legislative success of his measures thus far, leaders who have never wavered in their loyalty and devotion to him as the head of their and his party, the President has asked Congress to reverse a policy essential, as I believe, to our national honor and welfare.

In this emergency some of us, who after careful study and due deliberation two years ago assisted in writing into our statutes the law which it is now proposed to repeal, are insisting that we shall have a good and sufficient justification for this retreat. We demand as a proper thing that the President shall disclose his reasons for this extraordinary action.

That the President wants this repeal as a means of relieving him from temporary unknown personal embarrassment may be sufficient cause for some Democrats to stultify their individuality, their judgment, and their ideals of patriotism. It seems that some Republican Senators feel that it is their duty to follow the Commander in Chief, "right or wrong," in this matter. They have not always demonstrated that devoted loyalty to Presidents in matters of foreign policy; but for myself, sir, I owe a duty to my country greater than the blind and un-American loyalty I owe to any President or to any party.

There is something not clearly stated in President Wilson's message on this subject. The speeches thus far made in favor of repeal leave something undisclosed, some influence uncovered, some powerful motive shrouded in mystery. Why, England has not to our knowledge asked that this particular action be taken. She has stated, and with some little degree of interest, since a few Americans have given her aid and comfort, that the matter of Panama tolls was in dispute, and that it was a subject for arbitration, but the proponents of this measure do not propose to give the United States the right given to ordinary criminals, namely, the right to present its case to a fair and impartial court. They insist that our country plead guilty to the charges of faithlessness to treaty and disloyalty to national honor and thus make the decision res adjudicata for all time to come against the United States.

It is true that the original administration measure has been amended by the Senate committee, but the amendment, instead of relieving from embarrassment, makes the matter more humiliating to the Senate, more contemptible to the world. It is a palpable delusion and snare, but it will delude only the weak and feeble minded, it will ensnare only those who are looking for an excuse to be caught; it does not change in any particular the spirit or intent of the House measure. It is calculated only to deceive.

Why was it necessary, when the former Secretary of State, Mr. Knox, was negotiating with England on this subject and with bright prospects of satisfactory settlement in the near future, for United States Senators to denounce the American position and thus in a measure to nullify the efforts of our State Department? Why this sudden and unexplained action by the President when the matter was at rest and apparently settled? Why, I repeat, should we close and lock the door against arbitration if arbitration should be demanded? Why this inordinate, this inexplicable haste? Is there some powerful, undiscovered influence behind this project greater than party platforms, greater than public pledges, greater than national honor, greater than the general welfare, greater than patriotism itself? I do not know. I am sorry that Senators who wish to do their duty are compelled to enter the field of speculation in which grow luxuriantly the foul weeds of suspicion.

I voted for the act of August, 1912, exempting the domestic commerce of the United States from tolls, believing it was not in contravention of the Hay-Pauncefote treaty. I knew that our Government constructed the Panama Canal for two principal objects, namely, to increase our naval strength by making it serviceable on both oceans and to benefit our commerce by creating additional facilities which would furnish competition to the railroads of the country. I knew that in building it we were benefiting the world, and I was glad we were; I knew that we purchased the land upon which the canal has been built; I knew that hundreds of American lives had been and would be sacrificed on the project; I knew that half a billion of the people's dollars would be expended upon it; I knew that the United States was to defend and maintain it, not only against the effects of floods and earthquakes but against the hostility of every nation, but I did not believe that the builder, owner, and preserver of that canal had entered into a contract which forever forbade it to extend any especial benefit to the country and people who built it and whose it is.

This matter was discussed and considered in committees, in the Houses of Congress, in the press, in national conventions, in the political campaign, and by the people for months prior to its settlement in 1912 by the enactment of the law which it is now proposed to repeal. No one has advanced a new idea on the subject since that settlement. No one has specified a single embarrassment that has come to our country by reason of our previous action, and yet, sir, it is now demanded of Congress, for reasons known only to the Executive, that it ungrudgingly reverse itself. Congressmen are "not to reason why, theirs is but to do and die." Political death, like physical death for principle, should not make men cowards, but political death for a cause against which principle and patriotism rebel, and in which conscience and reason are stifled by the imperious will of a political Commander in Chief, is dishonorable and a disgrace to American statesmanship.

It would seem that inasmuch as the status quo of this case, so far as the evidence and the relation of the parties are concerned, has not changed since it was before the Senate less than two years ago, no further discussion of the facts were necessary and I shall not go into them in detail. It would seem that Senators who voted for no tolls for the domestic commerce of the United States in 1912 would feel that in common fairness to themselves and to their constituents it was their duty to state to the Senate the reasons which will induce them to change their votes on this matter. I, sir, do not wish improperly to animadvert upon the honesty, sincerity, or patriotism of Senators who differ from me, but inasmuch as they have refused to request the President to submit to the Senate the veiled reasons which induced him to ask this coordinate branch of the Government to do this thing for him; inasmuch as this is a proposition to permit Great Britain to obtain greater benefits from our canal than our country can obtain; inasmuch as the transcontinental railroad companies and every other railroad which will be subject to canal competition have not only fought the construction of the canal from its inception but are now known to be urging this proposed repeal; inasmuch as some Senators are proposing to "about face," it would seem incumbent upon them to enlighten the Senate with the new evidence, if new evidence there be. An explanation is due the country and is being waited with great public interest.

Mr. President, if it can be shown me that we have violated a solemn treaty, I will vote to remedy the wrong without a moment's hesitation, even though that treaty was an economic blunder and notwithstanding it practically destroys the business reason for which the canal was built. But, sir, I will not knowingly vote for any measure which even indirectly or remotely lessens the complete and unequivocal sovereignty of the United States over every foot of land, over every piece of property, over every national right now or hereafter entitled to the protection of our flag, unless I know that our Government intentionally and with aforethought made such a contract.

No sickly sentimentality, no fear of or hope of reward from powerful railroad corporations, no desire to evade full responsibility by the United States of its duties under the Monroe doctrine, no effort to purchase the temporary cooperation of any foreign nation in our clearly defined national duties, will control my action. I am opposed to running up the white flag of surrender when I know that our cause is just.

I have no use for the individual or national bully, nor have I sympathy with the jingoist; but undesirable as all these are, they are, in my judgment, entitled to quite as much respect as the man or nation that would sacrifice honor for the approval and worthless good opinion of an offender. The United States can not yield one jot or tittle of its sovereign powers at the behest of any nation or of even a peace society, for such yielding is but an invitation to greater future trouble. There are some things so vital to a nation as to preclude the possibility of joint discussion even, much less can they be surrendered.

Our domestic conditions were never less hopeful than they are at the present time. The flood of foreign importations is inundating our industries. Commerce is struggling for its very existence, and the clouds of business disaster hang low over our beloved country. This unfortunate condition, however, is one that time will cure, for the bitter lesson of experience will teach wisdom. If loss of business, if privations and financial disaster were our only troubles, or even the greatest of them, we could bear them with the confident hope that we would survive, a poorer but a wiser people. Unfortunately, however, our foreign relations are most distressing, and God only knows what tomorrow may bring forth.

Our attitude in the Philippines has halted progress in those islands, and it is the general impression among the most patriotic and thoughtful residents there that we are shirking our

plain duty to a people whom the fortunes of war placed under our care and protection.

The so-called Pacific coast problem is unsolved.

The administration is seriously negotiating with Colombia over the title to our canal. I believe that the United States owes no apology to Colombia for its conduct in the Panama rebellion, neither does it owe that country $25,000,000. We accepted Colombia's original terms and signed a treaty embracing those terms, only to have our action flouted by the unanimous vote of the Bogota Congress. But now, sir, it is proposed that we reward perfidy and double dealing not alone by the payment of $25,000,000, but by an admission that our Government has been guilty of treachery and dishonor.

I can not discuss now as I could have properly discussed a few days ago our most distressing relations with Mexico. Out of those relations no possible credit or honor can come to our country. The war now on between Huerta and the United States will be recorded in history as having originated in an unjustifiable stated cause.

Was it Cato, the Roman orator, who had such a hatred of Carthage that he closed every speech he made on any subject with the words "Delenda est Carthago"? The destruction of Carthage was his overmastering desire. Our President assumed a similar attitude toward Huerta. He has, however, entered upon armed intervention in Mexico, and every patriotic American will follow the Commander in Chief, "right or wrong," in this instance. Huerta will probably be destroyed, and to accomplish his destruction thousands of America's best boys and of Mexico's guiltless sons may die. I devoutly pray that in some honorable way peace may soon be restored.

It has been intimated that the President's matters of "greater delicacy and nearer consequence" referred to by him in his canal-tolls message to Congress meant some complications involved in the Mexican situation, and now, because some Senators who have in the past sat in silence, while the country's foreign affairs have been almost inextricably complicated, are asking for information, they are called demagogues and bluffers. In this game of war and repeal time is fast disclosing the hands of the players, and it will soon be discovered who is bluffing and who is not.

I oppose this proposed repeal for one reason, because I believe that its defeat may save our Government from another embarrassment in its foreign relations.

The economic side of this tolls question is great, but it sinks into obscurity in the presence of the proposition to surrender a clearly determined position of national right at the behest of any foreign country, aided and abetted by anti-American sentiment in our own land. The senior Senator from Massachusetts, in a most scholarly and eloquent address, has proven that the action of Congress in granting free passage through the canal to our domestic ships was not in contravention of the Hay-Pauncefote treaty; indeed, if I recall his words uttered in 1912 correctly, he stated that he would not have voted for that treaty in 1901 if he had understood that it could be construed to preclude the United States from treating American ships in a different manner as to tolls from the treatment accorded foreign ships; and yet to-day, after our Government has by the formal action of legal enactment interpreted that treaty as he insists it had a legal right to do, he in effect urges the Senate to acknowledge that its interpretation was wrong. For if the Congress passes the administration bill even as amended by the committee its action will be considered by the world as an acknowledgment that our Government had done what the great majority of the proponents of repeal claim was done, viz, willfully and unconscionably violated its treaty obligations. To perfidy and dishonor we are asked to annex an additional vice, cowardice.

The Senator from Massachusetts repeats the assertion of President Wilson that all the rest of the world believe we have violated our national word, and his suggestion is that we do what is equivalent to pleading guilty to the charge of dishonor in order that the world may consider us a magnanimous "good fellow."

Oh, sir, even foreign nations have no respect for the dishonest coward, and that is what we would rightly be if, believing that we have done no legal wrong, we abandon our position because of the charge that we have willfully violated a solemn international treaty. But I do not believe that all the nations of the world have uplifted hands against us. No nation except Great Britain and possibly one of its dependencies has raised a voice of protest at our action. Is it possible that gentlemen who have been listening for anti-American music have caught a sound of protest from any other nation? Have their imaginations made it conceivable that nations not even parties to the canal treaty, which have not contributed a dollar or even a thought to the construction and maintenance of this stupendous enterprise but which are to be permitted to use it at less than it costs to pass their shipping through it—is it possible that these nations are complaining of our lack of generosity? Are they clamoring against our perfidy and dishonor? No; gentlemen are laboring under hallucinations. The noise and confusion of railroads sometimes create a sort of buzzing in the head, which seems to remain when the cause is no longer operative. Maybe the imaginary voices from foreign nations are similar phenomena.

But even Great Britain does not—she can not—feel that our country has been faithless to its treaty obligations. Of course her proverbial British sagacity will not prevent her from taking advantage of any opportunity to profit at the expense of a commercial rival, especially when that rival can be induced to furnish the opportunity and retire from the field. I am not censuring Great Britain for looking after her own. I want the United States to be equally vigilant.

Before the President reopened this question Mr. Innes, speaking officially for his Government, said in a letter to our State Department:

> If the trade should be so regulated as to make it certain that only coastwise traffic, which is reserved for United States vessels, would be benefited by this exemption, it may be that no objection could be taken.

Let it not be forgotten that the exemptions act of 1912 applies only to vessels engaged in coastwise traffic.

Mr. Innes recognized that our coastwise trade, in which Great Britain had no right to participate, was no concern of his country. He knew that this identical principle was raised in 1904 in the case of Olsen against Smith, and that the Supreme Court decided it in favor of the present American contention. That was an action brought by the licensed pilots of the Texas coast against pilots who sought to guide an English vessel into a Texas port. The defendants claimed that under the treaty between the United States and Great Britain made in 1815 the same charges for pilotage must be paid by American coastwise vessels as were imposed upon British ships entering the same American harbor. The treaty provision was and is as follows:

> No higher or other duties or charges shall be imposed in any of the ports of the United States on British vessels than those payable in the same ports by vessels of the United States.

Yet Texas enacted a law imposing a pilotage charge upon vessels engaged in the foreign trade but exempting vessels engaged in the coastwise trade from such charges. The United States had previously to the passage of the Texas statute exempted coastwise traffic from all State charges. It is claimed that free passage through the canal of our coastwise vessels is a violation of the following provision of the Hay-Pauncefote treaty:

> The canal shall be free and open to the vessels of commerce and of war of all nations observing these rules on terms of entire equality, so that there shall be no discrimination against any such nation, or its citizens or subjects, in respect of the conditions or charges of traffic, or otherwise. Such conditions and charges of traffic shall be just and equitable.

Surely the inclusion of domestic boats in this provision is not so clear as it was in the treaty of 1815; and yet, in deciding the case of Olsen against Smith, the Supreme Court said:

> Nor is there merit in the contention that, as the vessel in question was a British vessel coming from a foreign port to the State, laws concerning pilotage are in conflict with a treaty between Great Britain and the United States providing that no higher or other duties or charges shall be imposed in any of the ports of the United States on British vessels than those payable in the same ports by vessels of the United States. Neither the exemption of coastwise steam vessels from pilotage, resulting from the law of the United States, nor any lawful exemption of coastwise vessels created by State law, concerns vessels in the foreign trade, and therefore any such exemption does not operate to produce a discrimination against British vessels engaged in such trade. In substance, the proposition but asserts that because by the law of the United States steam vessels in the coastwise trade have been exempt from pilotage regulations, therefore there is no power to subject vessels in foreign trade to pilotage regulations, even although such regulations apply without discrimination to all vessels in such foreign trade, whether domestic or foreign. (Olsen *v.* Smith, 195 U. S., 344.)

England can not believe we are insisting upon rights and privileges inconsistent with the terms of the canal treaty, or which she would not demand for herself if she had been the builder, owner, and preserver of the canal and the United States the beneficiary of her bounty without cost or responsibility.

Some of her most learned and profound international authorities have spoken on this subject.

Mr. Cox Sinclair, in the London Law Magazine and Review, said:

> The United States can support its action on the precise words of the material articles of the treaty, its case is strengthened by reference to the preamble and context, and its case is difficult to challenge on the grounds of natural justice.

Mr. C. A. Hereshoff-Bartlett, another eminent English scholar, has given the matter great consideration, and this is his opinion:

> The treaty could never have been intended to prevent the Federal Government from arranging and regulating its domestic or coastwise

commerce and in the use and enjoyment of its own property as it saw fit. No such restriction could have been in view in adopting "as the basis for neutralization" a rule that the canal should be free and open to vessels of commerce and of war of all nations on terms of entire equality. It would be absurd for the United States to solemnly declare that its own vessels of war might openly and freely navigate its own landlocked waterways and enjoy the privileges that belong to the Nation as a sovereign power in the use of its own territory. The use of the words "vessels of war" shows plainly that the word "vessels" as used refers only and exclusively to those of all nations other than those of the United States, and that the word "nations" was restricted to foreign nations; that is to say, nations foreign to the United States.

They believe that our act of August, 1912, exempting our domestic vessels from tolls, was well within our treaty rights. Some of our very ablest international students, including ex-Presidents Roosevelt and Taft, ex-Attorney General Olney, and Hannis Taylor, have expressed themselves strongly in favor of the legality of our Government's position on this question. The argument of the senior Senator from Massachusetts in favor of our exercised right is to me unanswerable. I can not present the case more strongly than he has presented it.

If Great Britain is really demanding as a matter of equity that the United States shall surrender her position on this question because it is a violation of section 8 of the Clayton-Bulwer treaty, referred to in the Hay-Pauncefote convention, then could we apply the old English law maxim, "He who enters a court of equity must come with clean hands."

The Clayton-Bulwer treaty was entered into at a peculiar period of United States history. The great Commonwealth of Texas had a few years before entered the Union. The War with Mexico had just closed, and as a result the United States had acquired what is now California and the great Southwest. The year before gold had been discovered in California and thousands of people from east of the Mississippi were moving into the region of golden promise. Travel across the then western desert was full of danger and death. Thousands found it safer and shorter to take boat on the Atlantic and sail to Colon and thence go on foot or by saddle horse across the Isthmus to Panama, and from there again by boat to Sacramento; but the cost was almost prohibitive. Means of transportation across the Isthmus became most important, and talk of an interoceanic canal was revived.

Contrary to the Monroe doctrine, England claimed a protectorate over the Mosquito Coast in Nicaragua and over Costa Rica. She based her claim on an ancient license to chop wood, obtained from Spain by some Englishmen. This claim was disputed by the United States. In 1849 a private company obtained a concession from Nicaragua to construct a canal through that country. The Caribbean end of this proposed canal was in territory over which Great Britain claimed a protectorate. Under the circumstances Zachary Taylor's administration permitted a waiver of the Monroe doctrine, and thereby the mistake which rises now to plague us was made. But instead of profiting by the experience of that blunder, it is proposed to commit another to-day which will vex us to-morrow. In order to avoid temporary trouble and secure the good will of England the great American principle was surrendered and the Clayton-Bulwer treaty was made, and England was to release her claim to territory in Central American. Under this treaty the United States secured nothing of value, but it gave to Great Britain the position which she and her American allies are using to embarrass and humiliate our country to-day. Deplorable as the fact is now known to be, nevertheless the Clayton-Bulwer treaty was made and our Government was in honor bound to respect it so long as Great Britain observed it. The fact is, however, that England violated it from the very date she entered into it, and continued to so violate it, in spite of protests from our Government, for many years thereafter and until the very reason and purpose for which it was made had ceased to exist. That treaty, as I have said, was entered into by the United States to secure the abandonment by Great Britain of her claim to territory in Central America. It was on the Nicaragua coast that the eastern terminus of the proposed canal was to be located, and through that country the private waterway was to be dug. It was with especial reference to this canal that the treaty was made, but the project was soon abandoned, and yet Great Britain still asserted her claim of authority over the disputed section, and not until President Pierce, in 1855, and again in 1856, had called to the attention of Congress these persistent violations; not until a great committee, composed of Senators John Sherman, George F. Edmunds, William P. Frye, William M. Evarts, J. N. Dolph, John T. Morgan, Joseph E. Brown, H. B. Payne, and J. B. Eustis, constituting the Committee on Foreign Relations of the Senate in the Fifty-first Congress, had, under direction of the Senate, investigated the situation and reported thereon, did Great Britain abandon her claim. This report is most illuminating, and is in part as follows:

We think it can be justly affirmed that the convention of 1850 has become obsolete. One of the provisions of the convention of 1850 most important to the United States and to the preservation of the republican Government on this continent was that which declared that neither party to the convention should "occupy or fortify or colonize or assume to exercise any dominion over Nicaragua, Costa Rica, the Mosquito Coast, or any part of Central America." At that time the "settlement" of British subjects, as it was called, at Belize, on the coast of Central America, was of the smallest dimensions and had no substance or form of a territorial dominion. British woodcutters were there under an ancient Spanish license of timber cutting, and nothing more. This was substantially the condition of things when the convention of 1850 was entered into.

The next step taken after the convention of 1850 was in 1853, when a legislative assembly was constituted to manage the affairs of the settlement. This was followed by a convention between Great Britain and Guatemala in 1859, for the establishment of the boundaries between what the treaty chose to call "Her Britannic Majesty's settlement and possessions in the bay of Honduras" and the territories of Guatemala. By this treaty that which was before a licensed industrial establishment became instantly a possession of the British Crown. The settlement government continued until 1862, when the settlement was declared a colony of the British Crown, and a regular colonial establishment was set on foot; and so from that time to this the form and substance of a regular colonial government as a part of Her Majesty's dominions has continued. It is understood that its geographical dominion has been vastly enlarged from the licensed wood-cutting limitations and boundaries that existed in 1850. All this has taken place systematically and persistently, notwithstanding the declaration of Her Majesty's Government that it should not "colonize or assume or exercise any dominion over the Mosquito Coast or any part of Central America."

In view of all these considerations, the committee is of opinion that the United States is at present under no obligation, measured either by the terms of the convention, the principles of public law, or good morals, to refrain from promoting, in any way that it may deem best for its just interests, the construction of this canal, without regard to anything contained in the convention of 1850.

The President and Senators insist that the United States has broken the Hay-Pauncefote treaty, which, according to their contention, is founded upon a section of the Clayton-Bulwer treaty which had never been observed by Great Britain. Under these conditions, sir, I resent the charge that those who are opposed to repeal are less patriotic, less solicitous for their Nation's honor than those gentlemen who now favor in this controversy the nation which purchased our national birthright for a mess of pottage and then refused to deliver the pottage. The Clayton-Bulwer treaty was a unilateral contract, and no consideration passed to the United States. But, sir, we are asked to continue this kind of bargaining and to deliver the product of hundreds of millions of our treasure and to abandon the foundation principle of independent government—national sovereignty—to a foreign nation for nothing. I refuse to be a party to such incompetency, to such national disgrace. I have recited this history of the Clayton-Bulwer treaty not for the purpose of justifying our action of 1912 under the Hay-Pauncefote treaty but to answer the "holier-than-thou" people who claim to have a monopoly of patriotism and who charge the opponents of repeal with dishonor and infidelity. If the great argument of the senior Senator from Massachusetts shall be accepted as valid—and that it is valid I have no doubt—then our country has not violated the Hay-Pauncefote treaty, invalid as it was and is, for lack of any consideration received by the United States.

The Senator, however, insists that we should surrender all to Great Britain because, among other reasons, the negotiators of the treaty of 1901 understood that "all nations," in paragraph 1 of the rules adopted by the United States for the control and government of the canal, included the United States, and therefore that her domestic commerce should be treated the same as foreign commerce is treated. Other gentlemen have made the same assertion, and letters from Mr. White and Mr. Choate, who assisted in the negotiations, have been offered in evidence in support of this contention. I have read those letters, and while it is true that the writers say they understood that our coastwise ships were to be treated exactly as foreign ships are treated, yet no one of them has stated in his letter that the particular question was ever raised by the negotiators. It nowhere appears that it was even discussed. I prefer to hold a higher opinion of my country's representatives than to believe they would freely and without protest or argument voluntarily throw into a useless agreement their country's right of sovereignty. Silence on a matter which otherwise, under the decision of the Supreme Court in the case of Olsen against Smith, would have to be specifically mentioned in order to include it within the terms of the treaty should be and must be construed as having excluded it from the agreement.

Ex-Secretary of State John Hay, who made the treaty, is quoted pro and con on this question, and he is not here to answer for himself. His understanding of the agreement, however, can best be determined by his subsequent acts. That he believed the United States had the right not only to prescribe rules for the control and government of the canal which would be especially favorable to his country, but which also would be especially favorable to all nations which had been parties to the location and construction of the canal there can be no doubt.

It will be recalled that after the Hay-Pauncefote treaty was

entered into the United States signed an agreement, prepared by John Hay, with Colombia containing this clause:

The Government of Colombia shall have the right to transport over the canal its vessels, troops, and munitions of war at all times without paying charges of any kind.

Great Britain, speaking with authority through Sir Edward Grey, has stated that such provision was and is a violation of the Hay-Pauncefote treaty. Colombia did not agree to the treaty, and thereupon Panama, seeing vanish the vision of great benefits which would come to her through a constructed canal, seceded from the United States of Colombia, and our Government, through John Hay as Secretary of State, subsequently made a treaty with the new Republic in which was this provision:

The Government of the Republic of Panama shall have the right to transport over the canal its vessels and its troops and munitions of war in such vessels at all times without paying charges of any kind.

This provision, practically the same as the one in the proposed treaty with Colombia, was claimed by Lord Grey in 1912 to be in violation of the Hay-Pauncefote convention, and yet John Hay drew and negotiated it and the Senate approved it. This action by the late Secretary Hay furnishes a complete answer to the statement made by the advocates of repeal, that he understood article 3 of the Hay-Pauncefote treaty to include our coastwise ships. Is it possible to conceive that he would sign a treaty which gave our Government the right to exempt from tolls the ships of a country from which we acquired the territory in which to construct a canal when he had previously made a treaty which denied the same privilege to the Government which builds and owns and maintains that canal? The suggestion is preposterous, and John Hay did not so understand the international agreement of 1901.

And, in passing, permit me to say that if the act of 1912 affecting our domestic commerce passing through the canal is repealed our generosity will not have been sufficient to meet the good opinion of the world. Great Britain denies our right to grant free passage to the vessels of Panama, and yet we have given Panama that right. Will the President and his supporting Senators demand that in order to keep the good opinion of Great Britain our Government shall pay the tolls on the vessels of Panama? Certainly the demand will be made if we pass this repealing act, and we can not escape from the logical sequences of our own decision. Are Senators determined to force the United States into a position where she must either annul the treaty with Panama by which was obtained the right of our Government to construct it or else still to remain in the contempt of the world?

Some Englishmen, with as strong reasons as any they have already presented as to the vessels of commerce, insist that our battleships shall be treated exactly as are English battleships. The provision of article 3 of the Hay-Pauncefote treaty is:

The canal shall be free and open to the vessels of commerce and of war of all nations observing these rules on terms of entire equality, so that there shall be no discrimination against any such nation, or its citizens or subjects, in respect of the conditions or charges of traffic or otherwise. Such conditions and charges of traffic shall be just and equitable.

What legerdemain can be employed to distinguish the treatment which shall be accorded to our vessels of war from that accorded to our vessels of commerce? And yet gentlemen do make a distinction between the two classes of vessels and admit that the provision does not mean that our war vessels must pay tolls. In other words, they use common sense in considering one class of vessels, but are bound by a different rule in the other class.

It is also interesting in this connection to note that the senior Senator from New York, who undoubtedly is the most influential exponent of the proposition to repeal in either country, and who has insisted that Congress construed wrongly the treaty of 1901 when it exempted our domestic commerce from tolls, did, as Secretary of State, prepare and sign a treaty with Colombia designed to settle an alleged claim which Colombia had upon the canal territory containing this clause:

In consideration of the provisions and stipulations hereinafter contained, it is agreed as follows:

The Republic of Colombia shall have liberty at all times to convey through the ship canal now in course of construction by the United States across the Isthmus of Panama the troops, materials for war, and ships of war of the Republic of Colombia without paying any duty to the United States, even in the case of an international war between Colombia and another country.

The Senator afterwards explained that this proposed treaty with Colombia signed by him was intended to remove a cloud from the canal title caused by Colombia's claim to Panama. Recognizing that his action in attempting to make this treaty containing the provision I have just mentioned would have been in conflict with his views of our Government's rights under the Hay-Pauncefote treaty to exempt its coastwise vessels from the payment of tolls, he states that he obtained the consent of Great Britain to do the thing he attempted with Colombia. It is unfortunate that after such consent had been given, Lord Grey, speaking for Great Britain, should still insist that our present treaty with Panama containing a similar provision to that in the attempted treaty of 1909 as to free ships for Colombia is in violation of our treaty rights.

Believing as I do that Colombia's claim is without merit, I am compelled to believe that if the proposed treaty of 1909 with Colombia had been ratified it would have been a violation of the Hay-Pauncefote treaty. Colombia is clearly within the "all-nations" provision. She was not and is not a party to the canal ownership or construction. The canal territory was not obtained from her. There is no more reason for exempting her vessels from tolls than there is for granting a similar favor to France. It is different in the case of Panama. Great Britain agreed in the treaty that the United States could construct the canal by such means as were necessary. It was necessary to get the territory from Panama. The United States was obliged to purchase it, and a part of the purchase price was exemption from tolls of the vessels of Panama. Such was not the case with Colombia, and yet the senior Senator from New York evidently believed that in order to remove the invalid cloud of Colombia's claim our Government could grant free passage to Colombian ships, although he does not believe that we have the right to grant the same privilege to American domestic ships.

But if the negotiators did understand that they were making such a contract as is contended for by Lord Grey and it was done without specific mention and by inference, and if a natural and proper construction would retain in the hands of our Government an inherent and sovereign right, I shall abide the decision of the American Congress when in 1912 it solemnly declared its position on this subject.

The Senator from Massachusetts states that he is strongly in favor of ship subsidies for the benefit of our merchant marine. He asserts that the law sought to be repealed exempting our coastwise merchant marine from payment of canal tolls is a subsidy. He also insists that it is impossible to enact a straight and direct subsidy law, and yet by voting out the alleged subsidy now in the law he will defeat the very thing he greatly desires. He thinks that we have a right to do what England will do to her ships, viz, collect tolls when a boat enters the canal and pay them back when it leaves at the other end, but that it would be a perfidious thing to avoid all bookkeeping and omit the farce which the Senator says has the approval of all nations. This argument may satisfy some Senators, but it does not appeal to me.

It occurred to me that the Senator's argument in reference to arbitration was hardly consistent with the principle involved in his subsidy position. He believes we have the legal right under the Hay-Pauncefote treaty to exempt our coastwise boats from the payment of tolls, but he thinks the matter is a subject for arbitration. He would like to have it arbitrated, but he also thinks the Senate would not consent to arbitration, and therefore he proposes to foreclose any possibility for arbitration by yielding on this question now and forever.

To me the Senator's arguments on subsidy and arbitration are confusing when subjected to the same rules of logic.

The Senator illustrates his opinion of the difference between direct subsidies, which he approves, and indirect subsidies, which he condemns, by using the familiar example of an easement across real estate. He says that the right of way is delineated, and to that specific strip travelers must confine their passage. Of course, this is true. The very object of the right requires that this be so. The illustration is not at all applicable to the case under consideration. A right of passage across another's property is granted by the owner of the fee either for a consideration from the user or because of legal necessity. Always a certain damage to the grantor is implied, yet passage by the grantee is desirable and reasonable, but the benefit to the latter is to be obtained at the minimum damage to the former; therefore the way of passage is defined and determined. Clearly equity would not permit the beneficiary of a right of way over another's land to drive at random over that other's property—through his grain or over his meadows. Governmental subsidies are benefits bestowed upon some person, firm, association, or corporation with the ostensible object of encouraging for the public good the development of the business in which such parties are engaged. Will Great Britain be injured to any extent more by the nonpayment of tolls by American vessels than it will be if the United States collects them in the first instance and then repays them immediately? Certainly not.

Is the provision exempting coastwise vessels from the payment of tolls a subsidy to the vessels engaged in domestic commerce?

In a sense it is—in the same sense that our policy permitting American registered vessels the free use of our Government-improved rivers and harbors is a subsidy. We have spent hundreds of millions of dollars in improving the Mississippi and Missouri and Ohio Rivers, and yet not a dollar in tolls or other charges is paid by any vessel which uses them. We have built some of the finest locks in the world at the Soo, in the St. Marys River, through which there passed more tonnage last year than will lock in and out of Panama in several years, and although it was all done exactly as the work at Panama was done, namely, at the public expense, no charge is imposed upon the vessels which pass through those locks. Will Senators say our policy as to the Soo Canal and locks is one of subsidy to our Lake marine? Will the people of the Middle West agree with those who, desiring to be consistent, advocate tolls upon ships using the Government-improved waterways of the Great Lakes? That policy would no doubt meet the hearty approval of the Canadian Pacific and other railroads, and the proposition is on all fours with the one to charge our domestic boats for passing through the Panama Canal, which is also a domestic waterway. I have not felt like denominating our American policy of keeping our waterways open for the free use of our inland and coastwise vessels a subsidy. The fathers did not so name it when they established it. But I do not care to split hairs in endeavoring to define definitions. I regard the river and harbor work of the United States as having been done not primarily for the benefit of the boats which use the improved waters, but in the interest of trade and commerce, which are essential to the highest welfare of the people.

I repeat, that since our Nation's birth it has followed the principle of keeping our inland waterways open to the free use of every boat which could float the Stars and Stripes. Under that doctrine a domestic marine commerce, which outrivals that of any other nation in the world, has been established, and the result has been the lowest transportation rates in the world, not only on water shipments but to points on railroads where even latent or insufficient water competition exists. The Panama Canal will not be an exception to the benefits of water competition. I remember, of course, that the Senator from Massachusetts and other Senators have claimed and still others will claim that the Panama Canal will not affect railroad rates. I will allow the railroads, who ought to know best, to make answer. Their opposition to free tolls for American ships is a most powerful and convincing argument of their belief that the canal will compel reduced rates and improved railroad facilities. What possible grounds have they for opposing the American policy except its effect upon them? Already many places far inland from our seaboard receive a benefit from water transportation competition between Atlantic and Pacific points by way of Cape Horn. What will be the effect when we cut off 8,000 miles of the water distance between New York and San Francisco?

If the evident purpose of these arguments was not clearly the intent to create local prejudice in a matter which is of necessity nation-wide in its magnitude and importance, the efforts of some orators and newspapers to show that Michigan, Wisconsin, Minnesota, Illinois, Iowa, Ohio, Indiana, and other Middle Western States have been discriminated against by the "free-tolls" act of 1912 would be amusing. Suppose it is true that these States will not get as cheap transportation rates to coast cities because of the Panama Canal as Atlantic, Pacific, and Gulf States will get, when before have our great public improvements been controlled by the demand for exact proximate benefits to every section of the country? Will Michigan and the other lake-bordering States complain of discrimination? I do not believe they will. They know that many millions of the money belonging to the people of all the States have been expended in building the Soo Canal and locks, in constructing the St. Clair Canal, in improving the St. Marys River, the Portage Channel, the Straits of Mackinaw, the St. Clair and Detroit Rivers. They know that the lake harbors have been generously, though not too generously, improved. They know that hereafter millions more will be asked of and granted by the Federal Government for river and lake improvements, and some day, not in the very distant future, an ocean waterway from Duluth and Chicago to the Gulf of St. Lawrence will be constructed, and they will demand that it shall be free to their commerce.

To me this argument of local benefits seems most inconsistent and unpatriotic. The Panama Canal, if it shall remain under the undisputed dominion of the United States and its use shall justify the hopes of its builder, will be a benefit not alone to New York and California, but to every State in the Union. The products of Michigan shipped to Oregon will by virtue of cheap transportation through the canal receive a benefit. The rail rate from Detroit to Portland must meet the rail and water rate from Detroit via New York or New Orleans and the canal to Portland. To-day the rail rate from Detroit to Pacific points is affected to some extent by the rates by water from the Atlantic seaboard by way of the Straits of Magellan to Pacific points. It is impossible that the shorter Panama route will not have the effect of either cheapening transportation or bettering the facilities, or both, between the Middle West and the Pacific coast. I do not expect a great reduction in individual rates because of the Panama Canal influence, but the aggregate benefit will be great, much greater than the aggregate of remitted tolls on domestic shipping.

That a boat which pays no tolls can carry freight more cheaply than one which does there can be no doubt. The former can, with the same net profit, transport its cargo through the canal at a less rate than the latter by exactly the toll charge. If the tolls are $1.25 per ton and they are not imposed upon a certain vessel, then that vessel's rate of freight can be $1.25 per ton less than it could be if the toll was not remitted. Evidently England believes that this is so. With no tolls for our coastwise ships she feels that her boats will in some way be obliged to suffer a loss. She must feel that free passage to American ships will in some manner be detrimental to her.

There is no doubt in my mind that a lower transportation rate on passengers and freight passing through the canal will be imposed if no tolls are charged than will be made if they are.

Will the shipper, who will be the producer or merchant, pass this freight benefit on to the consumer, or will he absorb it all? That, of course, is a more difficult question to answer. But without lower transportation charges the consumer can not even hope to get a benefit, while with them he can. Organized public sentiment will demand that reduced shipping rates shall benefit producers and consumers. Reductions in carrying rates in the past have almost invariably been shared by the whole people and there can be no good reason for believing that the remission of canal tolls will be an exception to the general rule.

Mr. President, this attempt to array one section of our country against another is unbecoming to patriotic Americans. By two great wars our fathers established this Republic and freed it from the tyrannical hand of foreign despotism. In a great Civil War a half million of the bravest men of history shed their life's blood to cement the parts of that Republic into an indissoluble union of States, in which the interests of one are the interests of all. The domestic commerce of the United States knows no State lines. American patriotism has no sectional geography.

But when driven to extremity by the arguments in favor of the right and propriety of the act of 1912 the proponents of repeal abandon the President's recent message to Congress, abandon all reasons based upon logic, and assert that the "free-tolls act" is in the interest of the Shipping Trust, or, to use the more refined language of the senior Senator from Massachusetts, its enactment was induced by a "desire to put money into the pockets of a few American citizens in a questionable manner." By "few American citizens" he evidently means the gentlemen engaged in our domestic merchant-marine business.

Those who resort to this argument are mistaken. The real issue can not thus be evaded. A great American principle is involved, and if I favored for economic reasons the imposition of tolls upon domestic vessels I would still oppose the proposition to repeal the act of 1912 at this time and under existing conditions.

If later it shall be found wise to impose tolls upon American coastwise vessels, then let this Government settle that question for itself, unembarrassed by foreign dictation. Let it be done at a time and under conditions as will create no doubt as to what is the intention of the United States, either as to its policy or its power. But, sir, there are sound economic reasons for "free tolls." Our desire is not to put money into the pockets of American shipowners; it is not to benefit a shipping monopoly; it is rather, so far as this branch of the subject is concerned, to keep money in the pockets of American producers and consumers. The only shipping monopoly is that which is engaged in our foreign trade, floated in foreign bottoms, flying foreign flags, and over which our Government has no control. The only merchant marine which our country can boast is that engaged in our domestic commerce, and some Senators would destroy that by admitting to our coastwise traffic, without let or hindrance, the merchantmen of England and of other countries, and that policy will soon be urged by foreign sympathizers after the pending action is taken; indeed, it is now urged by some. What is our coastwise merchant marine to which free passage of the canal is now given? It is the fleet of boats built, owned, and operated in the United States, and under laws enacted by Congress. They must be built in Amer-

ican yards according to regulations assuring healthful sanitary conditions. They must be manned by American seamen who are paid American wages. Such of them as are suitable can be secured by the United States in case of war. They furnish competition with railroads, and thereby do more to secure reasonable transportation rates than all the efforts of railroad commissions, State or National. When the canal-tolls bill was before the Senate Committee on Interoceanic Canals it was shown by competent witnesses that the wages paid to employees on boats flying the American flag were 4 to 10 times the wages paid on foreign boats. It was further shown that combinations clearly in restraint of trade existed among foreign ship companies, and that none existed among American shipowners. But the committee that framed the law which it is now proposed to repeal provided in the bill, and it was enacted into law, as follows:

From and after the 1st day of July, 1914, it shall be unlawful for any railroad company or other common carrier subject to the act to regulate commerce to own, lease, operate, control, or have any interest whatever (by stock ownership or otherwise, either directly, indirectly, through any holding company, or by stockholders or directors in common, or in any other manner) in any common carrier by water operated through the Panama Canal or elsewhere with which said railroad or other carrier aforesaid does or may compete for traffic, or any vessel carrying freight or passengers upon said water route or elsewhere with which said railroad or other carrier aforesaid does or may compete for traffic; and in case of the violation of this provision, each day in which such violation continues shall be deemed a separate offense.

The Interstate Commerce Commission by the law is given full authority to determine whether any railroad is in violation of the above provision. It is thus seen that any trust or combination between railroads and boat lines using the canal is prohibited.

Let it not be forgotten that the free-tolls act also makes it impossible for any boat owned or operated, directly or indirectly, by a trust or combination legally to enter or pass through the canal. This is the provision of law on that subject:

No vessel permitted to engage in the coastwise or foreign trade of the United States shall be permitted to enter or pass through said canal if such ship is owned, chartered, operated, or controlled by any person or company which is doing business in violation of the provisions of the act of Congress approved July 2, 1890, entitled "An act to protect trade and commerce against unlawful restraints and monopolies," or the provisions of sections 73 to 77, both inclusive, of an act approved August 27, 1894, entitled "An act to reduce taxation, to provide revenue for the Government, and for other purposes," or the provisions of any other act of Congress amending or supplementing the said act of July 2, 1890, commonly known as the Sherman Antitrust Act, and amendments thereto, or said sections of the act of August 27, 1894. The question of fact may be determined by the judgment of any court of the United States of competent jurisdiction in any cause pending before it to which the owners or operators of such ship are parties. Suit may be brought by any shipper or by the Attorney General of the United States.

I had confidently hoped and believed that with the law unchanged a great impetus would be given to American shipbuilding, and that the result would be most beneficial to our people in times of peace and of war.

The country will not be deceived by the false issues raised in this controversy. He who utters the cry of special benefit to American shipowners, who during all our past have been encouraged to build and operate American ships, and he who asserts that the advocates of our national doctrine are working in the interests of a ship trust will invite the inevitable criticism upon himself of being interested in the propaganda to destroy competition to railroads and to yield a right of sovereignty which ought not to be surrendered. The advocates of this propaganda have unlimited money, which has been and which is being expended with a lavish hand. The known beneficiaries of this money have been very active in their efforts to secure action favorable to Great Britain. They have been much in evidence here in the Capitol. I would much prefer to believe that they are actuated by high motives and principles; but when they gratuitously assign bad motives to their opponents where no evidence of such motives exist, I am compelled to wonder why.

If I lived in a glass house, I would hesitate before I threw stones lest I demolish my own premises. Has anyone representing the American ship interests appeared here in behalf of those interests? Has any literature been sent out, any lecturers promoted by the shipowners? Does anyone know that these shipowners want "free tolls"? I have not seen anyone interested in American ships; I have not heard from anyone who is interested.

Does anyone doubt that if there was as much evidence of outside influence, backed by such abundant financial means, exerted against repeal as has been used for it that an Executive denunciation against it would have been issued? It would have been denominated a most vicious and insidious lobby, entitled to the maledictions of all good people. But this particular influence is working in harmony with the purposes of the President, and therefore is not the object of condemnation. Again do we have a demonstration of the modern distinction between the good and the bad lobby. If it is for you, it is beneficent; if it is against you, it is corrupt and baneful.

But, Mr. President, this case will not be decided by the American people on any collateral issue. They see the great principle involved; they understand it in all of its mighty proportions. Criminations and recriminations will not assist them in reaching a just conclusion. They will not consent to a predetermined decision right or wrong. They want a right decision, and they will tolerate no other.

Greater than the question of subsidies; greater than all material benefits which can grow out of the canal; greater than the good opinion of all the world, because it includes them all and upon it all depends, is the absolute, unlimited right and power of the United States to do what it pleases in its own domestic affairs. I can not consent to yield any part of that right and power at the command or solicitation of any country or of all the countries of the world. If our Government makes an economic mistake in the conduct of its business, it can be corrected; but if it surrenders its rights of sovereignty, it renders itself naked and helpless in the struggle of nations.

I resent the charge that our behavior as a nation has incurred the hostility and bad opinion of the world. I know that there is no government on the globe that commands greater respect and confidence than this Government commands, and I will not sit in silence while some of its own citizens traduce it. If there has ever been the slightest justification for criticism of its efforts to establish and maintain a great progressive democracy, the occasion has been when it has hesitated to assume and exercise a right essential to its freest, broadest existence. When a country commences to yield or to compromise on a principle involving its sovereignty that moment it becomes the target of the world. To hold the confidence and respect of nations we must retain not only our every sovereign power, but we must retain our own self-respect.

The administration of our Government under which the treaty with Great Britain was made and under which the canal was begun, and also the administration under which the largest portion of the canal was dug, have decided this question in favor of the right of the United States to exempt domestic ships passing through the canal from the payment of tolls, and now, when that canal is about to be opened, I will not repudiate our past nor stultify myself by libeling my country. It has done no legal or moral wrong. I will not, in order to obtain the approval of the selfish shipping interests of any nation or of all nations, vote our Government, of which we are a part, guilty of perfidy and dishonor.

Mr. OWEN. Mr. President, before the Senator yields the floor I wish to call his attention to the letter of Mr. Choate, which I think he perhaps did not observe.

In the letter of August 20, 1901, Mr. Choate, in addressing John Hay, the Secretary of State, said:

As article 8 stands in the Clayton-Bulwer treaty it undoubtedly contemplates further treaty stipulations, not "these" treaty stipulations, in case any other interoceanic route, either by land or by water, should "prove to be practicable," and it proceeds to state what the general principle to be applied is to be, viz, no other charges or conditions of traffic therein "than are just and equitable," and that said "canals or railways, being open to the subjects of Great Britain and the United States on equal terms, shall also be open on like terms to the subjects and citizens of other States, which I believe to be the real general principle (of neutralization if you choose to call it so) intended to be asserted by this eighth article of the Clayton-Bulwer treaty.

I wish to call the Senator's attention to this statement of the United States ambassador to Great Britain negotiating this treaty for us, in his letter to the Secretary of State, explaining what the principle of neutralization of article 8 meant; and then I desire to ask the Senator if he thinks that retaining the principle of neutralization referred to in article 8 in the preamble of both the first and the second drafts of the Hay-Pauncefote treaty and refusing to strike it out by an overwhelming vote does not preclude us from denying the interpretation given by our own ambassador in this negotiation?

Mr. TOWNSEND. I think not. I have so stated. In answer to the Senator from Oklahoma, I will say that I have read the Choate correspondence, and it does not change the statements I have already made. Nothing that has been disclosed yet shows that the question of our coastwise boats, to which I have referred, was ever even discussed between the representatives of the two countries.

The Senator from Oklahoma again speaks of "the overwhelming vote" in the Senate. I am surprised that the Senator should even mention that after what has been disclosed in reference to it. I have not yet known of a single Senator who was in the Senate in 1901, when that amendment was proposed, who has not declared that the reason it was not adopted was because it was thought unnecessary.

Mr. O'GORMAN and Mr. OWEN addressed the Chair.

The PRESIDENT pro tempore. Does the Senator from Michigan yield to the Senator from New York?

Mr. TOWNSEND. In just a moment.

The PRESIDENT pro tempore. The Senator from Michigan declines to yield at this time.

Mr. TOWNSEND. The Senator from Massachusetts [Mr. LODGE] himself has stated that he voted against the Bard amendment because he believed it was unnecessary. He reported the treaty for Senator Davis, Senator Davis being ill. He says that Senator Davis also understood that the United States had the right under the treaty to discriminate in favor of her coastwise vessels. He has told the Senate that he voted against the Bard amendment because it was unnecessary, and that he would not have voted for the treaty if he had not understood that under it we had the right to exempt our own domestic commerce if we saw fit.

Mr. OWEN. Mr. President, will the Senator permit me to interrupt him for a moment?

Mr. TOWNSEND. Certainly.

Mr. OWEN. The Senator is speaking about the Bard amendment, proposing an exemption in favor of our coastwise vessels. Senator Bard would not have made the proposal to amend unless he thought it was necessary; and I think every man who does not disclaim his motive in voting for the Bard amendment is bound by the proposal that it was necessary. I was not, however, speaking of the Bard amendment. I was speaking of the Bacon amendment. I was speaking of the amendment which passed by a vote of 60 to 18, to strike out the maintenance of the principle of neutralization referred to in article 8 of the Clayton-Bulwer treaty, which was put in both the first and the second drafts of the Hay-Pauncefote treaty, and which was explained to our own Secretary of State by our own ambassador as meaning that the ships of the United States and the ships of other nations should be treated alike as to tolls.

Mr. TOWNSEND. Mr. President, as used in a treaty neutralization refers to war and can refer to nothing else than to conditions of war. It can not be construed or tortured when used in treaties as referring to anything else than that.

Mr. OWEN. Mr. President, it was so construed by our own ambassador who negotiated this treaty, and it is in the record of the hearings at page 267.

Mr. CLARK of Wyoming. Mr. President, of course I am not competent to speak for anybody except myself. As a Member of the Senate at the time the Hay-Pauncefote treaty was ratified by the Senate, I know that it was my belief and I know that it was the belief of many Members of the Senate that the Bard amendment perhaps was not necessary, because the effect of it was included in the treaty; and it was urged that if it was added in specific language it would not only delay the ratification but would make necessary the resubmission of the treaty to the envoys.

Mr. President, I think it is not too much to say that if any other impression had prevailed, or if any other belief had prevailed, the Hay-Pauncefote treaty would not have been ratified by the Senate as then constituted.

Mr. THOMAS. Mr. President, I have listened with a great deal of interest to the speech of the junior Senator from Michigan [Mr. TOWNSEND], and I am in accord with some of the views which he has expressed. I can not, however, permit the opportunity to pass without noticing for a moment the protest which the Senator has registered against what he assumes to be the influence of Great Britain in the pending bill, which influence, he thinks, seems to have had its effect upon the attitude of the President and those in sympathy with him.

My experience in public life is a somewhat brief one, but I was directly connected with some questions of public importance long before I had the honor of a seat in the Senate; and I long ago discovered that the influence of Great Britain in any American policy is commendable or censurable as it may apply to given subjects. A great many, both in and out of public life to-day, who are now inveighing so much against the supposed influence of Great Britain in this matter seem to forget that that influence was entirely agreeable to them when our financial policy was at stake and when in consonance with its interests one-half of the coined money of the Nation was about to be demonetized. I recall very distinctly that from 1873 to 1900 this foreign influence had much to do in shaping our financial policy and in leaving finally the stamp of their permanent impress upon it. This was made possible with the cooperation of a public opinion which now shudders at the thought of British influence in shaping our economic legislation with reference to the operation of the canal.

Mr. SIMMONS. Mr. President, I do not at this time desire to go into any discussion of the general questions involved in this controversy. The Senator from Michigan [Mr. TOWNSEND] has made a broad statement to the effect that the Bard amendment was voted down because Senators thought it was not necessary, and that the vote upon that question was not upon the merits of the proposition.

There has been placed in the record, in the hearings, statements made by Senator Bacon, who was then a member of the Foreign Relations Committee and who afterwards became chairman of that great committee, showing that his vote was given without any such understanding.

I did not arise, however, for the purpose of enumerating Senators who have declared that their vote upon that amendment was based upon the merits of the proposition. I have risen to call the attention of the Senator from Michigan to a statement of former Senator Fairbanks, who afterwards became the presiding officer of this body, who we all know was most diligent in attending the sessions of this body, and was the senior Senator from Indiana when the amendment was under consideration, and who probably heard all the discussion and all the reasons given by Senators for their vote upon that amendment.

This statement is given in an article which appeared in the May number, 1914, of the North American Review, written by the editor of that great magazine, Col. George Harvey:

Former Senator Fairbanks—

Says Col. Harvey—

on the other hand, declares emphatically that—

Now, here is what he declares—

the Bard amendment was voted down, after full discussion, not because it was regarded as surplusage, but because in the opinion of a large majority of the Senate it was violative of the spirit of equality which had been expressed in the treaty.

Mr. GORE. I should like to ask the Senator in charge of the unfinished business if it would be consistent with his plans to lay it aside temporarily that the Senate may proceed with the consideration of the Agricultural appropriation bill?

Mr. O'GORMAN. I ask unanimous consent to lay the bill aside temporarily so that the chairman of the Committee on Agriculture and Forestry can proceed with his appropriation bill.

The PRESIDENT pro tempore. The Senator from New York asks that the unfinished business may be temporarily laid aside. Unless there is objection, such will be the order. The Chair hears none.

AGRICULTURAL APPROPRIATIONS.

Mr. GORE. I ask that the Senate proceed with the consideration of House bill 13679, the Agricultural appropriation bill.

There being no objection, the Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 13679) making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1915.

The PRESIDENT pro tempore. The pending question is on the amendment——

Mr. McCUMBER. Mr. President, that I may not be accused of dilatory tactics, I have just counted the number of Senators present. There are less than 30 and I understand that is not a majority of the Senate. I therefore suggest the absence of a quorum.

The PRESIDENT pro tempore. The Senator cut the Chair off from the floor before he had a chance to state the pending question.

Mr. McCUMBER. I beg the Chair's pardon.

The PRESIDENT pro tempore. The Senator from North Dakota suggests the lack of a quorum. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Ashurst	Kenyon	Owen	Smith, S. C.
Borah	Kern	Page	Smoot
Bristow	La Follette	Perkins	Sutherland
Bryan	Lea, Tenn.	Pittman	Swanson
Burton	Lippitt	Pomerene	Thomas
Chamberlain	Lodge	Robinson	Tillman
Crawford	McCumber	Saulsbury	Vardaman
Cummins	McLean	Shafroth	Walsh
Goff	Martin, Va.	Sheppard	Warren
Gore	Martine, N. J.	Sherman	West
Hollis	Norris	Shively	Williams
Hughes	O'Gorman	Simmons	Works
Johnson	Oliver	Smith, Ariz.	
Jones	Overman	Smith, Ga.	

The PRESIDENT pro tempore. Fifty-four Senators having answered to their names, a quorum of the Senate is present.

Mr. GORE. Mr. President, I am informed this morning that Dr. Galloway has severed his connection with the Department of Agriculture to take effect the 1st of July. I feel that I ought to say, however, before taking the intended step, I owe

it to that department and I owe it to Dr. Galloway and myself to say that the Senator from North Dakota [Mr. MCCUMBER] was in error when he stated that the substitute offered for the grain-grading bill on Friday last bore the finger prints of the boards of trade and grain exchanges. Hearings have been in progress for a week before the Committee on Agriculture of the House and a number of the representatives of boards of trade have appeared before that committee and registered their opposition to that substitute.

I now ask unanimous consent to withdraw the pending amendment.

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and the amendment is withdrawn.

Mr. SMOOT. Do I understand that the amendment has been disagreed to?

The PRESIDENT pro tempore. It has been withdrawn by unanimous consent.

Mr. SMOOT. Of course, that is equivalent to disagreeing to the amendment.

Mr. MCCUMBER. Mr. President, it has been stated upon the floor of the Senate that boards of trade have been in conference with the Agricultural Department, and that they have secured a bill which was entirely satisfactory with reference to the inspection and grading of grain, satisfactory both to the Agricultural Department and to the several exchanges in the country. I have no doubt that that is true. I have no doubt that in the drafting of the bill just mentioned by the Senator from Oklahoma there were called in those who had specific knowledge of the operations of the several exchanges. I think it eminently proper that they should be heard. I think, of course, that in securing some provisions in the Lever bill which was presented here they were especially well protected in carrying on certain features of their business that we have been complaining about. But I am making no complaint about that in general.

Now, I want to have the attention of the Senator from Oklahoma. Although the Senator has withdrawn that provision in the bill relating to an increase of $1,000 in the salary during the term of the present incumbent in the office of the Assistant Secretary of Agriculture, I agree with him that it would be most proper to recognize the efficiency and the good work of Dr. Galloway by inserting in this bill a provision that has been drawn by him and is his own opinion as to what ought to be done in reference to the grading of grain.

I did not agree with every provision of the Lever bill. I said, however, on the floor that it had two good provisions. I agreed with the Senators who opposed my bill that there were at least two good provisions in the Lever amendment. One proposition was for Government standards of grades, and the other was for the uniformity of grades. Beyond that I thought, and still think, that the bill was rather inefficient; but those were two very good features, and those two good features I would like to have in this bill.

I want to read to the Senator a letter which I received from Dr. Galloway in reference to this subject when I asked him if there had been any change of his views, and in which he stated that he had not changed his views whatever, but thought that we could do as well with supervision as though he had the actual inspection under his power. I want to read his letter of March 12, 1914, which he wrote to me. It is as follows:

DEAR SENATOR MCCUMBER: I have your favor of March 10 relating further to the inspection and grading of grain by the Federal Government, or under the supervision of the Federal Government, in which you make inquiry as to any legitimate reason why the grain exchanges should oppose Federal inspection.

That was one of the things I asked him—if he knew any legitimate reason that the Department of Agriculture had ascertained why they should oppose this inspection. Further, quoting:

In reply I have to advise that while various objections have been raised by the grain exchanges in opposition to Federal inspection, the results of the investigations of this department do not indicate that either Federal inspection or Federal supervision would in any way be detrimental to the legitimate transactions in grain on any of the exchanges.

Now, just note his words. He says that it would not "in any way be detrimental to the legitimate transactions." Of course, he means to convey by that language the idea that it might be detrimental to the illegitimate transactions upon these exchanges, and the department knows of those illegitimate transactions, and he seeks to obtain in this way some method of control over those transactions that would make them all legitimate.

Following, he says:

It is clearly evident that there is urgent need—

I want Senators to bear this in mind, both the Senators who occupy their seats and those who are out of their seats—

It is clearly evident that there is urgent need for some legislation which will bring about uniformity and reliability in the grading of grain in all markets.

These are words of wisdom by the Assistant Secretary of Agriculture. When he says there is urgent need for some legislation that will bring about uniformity and reliability in the grading of grain in all markets, he means that there is not reliability in the several markets of the United States at the present time. But to make it clear he goes on:

So that the producer—

The farmer—

will have some incentive to grow and market grain of better quality and that the consumer will get the grade that he buys.

There are two things in these words of wisdom that have been uttered by the Assistant Secretary of Agriculture. The one proposition is that there is no encouragement on the part of the farmer to raise a better grade or to care for his grain better, because he can put no dependence whatever upon the certification that is given him on his grain. Also, he says, so that "the consumer will get the grade that he buys." If that means anything on earth, it means that under the present system the consumer does not get the grade that he buys.

Can the Senator draw any other conclusion from that? Can anyone else who will listen to me draw any other conclusion from that? Then he goes on further and says:

The investigations of this department during the past two or three years have led to the conclusion that a system of rigid Federal supervision will be equally as effective as Federal inspection and likewise simpler in its operation. The department, however, stands ready to undertake the enforcement of whatever measure may be enacted by Congress to insure uniformity in the grading of grain entering into interstate and foreign commerce.

I have several other and longer letters from the Assistant Secretary of the Department of Agriculture, which I should like to read, but I notice there are about 18 Senators present at this time in the Senate Chamber, and with only that number present of course I do not feel very much encouraged to impress the matter upon the entire Senate as a body.

However, I want to call the attention of the Senator from Oklahoma to some matters that I think are worthy of consideration at this time. I want to show, if I can, what is meant by this statement of the Assistant Secretary, to the effect that neither the producer nor the ultimate consumer knows what he is getting, under the present system of grading; that the producer is not encouraged to raise any better grain, because he can not depend upon the certification of that grain as being better; and that the miller can not secure the grade that he is entitled to receive.

The PRESIDENT pro tempore. Will the Senator please suspend until the Chair causes the next amendment to be reported to the Senate? There is nothing pending at this time.

The SECRETARY. The next amendment passed over is on page 7, line 5, after the words "Weather Bureau that," to insert "in the judgment of the Secretary of Agriculture," so as to make the clause read:

For the maintenance of a printing office in the city of Washington, for the printing of weather maps, bulletins, circulars, forms, and other publications, including the pay of additional employees, when necessary, $26,000: *Provided*, That no printing shall be done by the Weather Bureau that, in the judgment of the Secretary of Agriculture, can be done at the Government Printing Office without impairing the service of said bureau.

The PRESIDENT pro tempore. The question is on agreeing to the amendment.

Mr. SMOOT. Mr. President, did I understand the Chair to state that the amendment that was just presented was agreed to?

The PRESIDENT pro tempore. Oh, no; it is pending. The question is on agreeing to the amendment.

Mr. KENYON. Mr. President——

The PRESIDENT pro tempore. Does the Senator from North Dakota yield to the Senator from Iowa?

Mr. MCCUMBER. I yield.

Mr. KENYON. I did not understand the statement of the Chair as to what amendment is now before the Senate. Will the Chair kindly restate it?

The PRESIDENT pro tempore. On page 7, line 6, where it is proposed to add the words "in the judgment of the Secretary of Agriculture."

Mr. KENYON. I thank the Chair.

The PRESIDENT pro tempore. The Senator from North Dakota will proceed.

Mr. MCCUMBER. I know, Mr. President, that very many of the boards of trade do not consider the farmer an important factor in the discussion of commercial problems relating to his

products. His mission, they seem to think, is solely to raise the grain that others may have profit out of its sale and distribution. In many ways, however, the cultivation of his confidence has tended toward better grades and the eradication of this very element of distrust. If he finds that his best wheat, carefully cleaned, is liable to be graded lower than that taken direct from the separator, it is not surprising if he markets his product in a poor condition. He may well say, "What is the use?" He does say now and ever since the grading system has been indulged in—has been saying that his grades are, on the whole, too low; that every doubt is resolved against him and in favor of the purchaser; that the grading is carelessly and inefficiently done.

Mr. President, I am not objecting at all to the silence of the empty seats here in the Chamber, but I do ask the attention of the very few seats that are occupied, and I can not go on until there is less disturbance on the floor.

The PRESIDENT pro tempore. The Senate will please be in order.

Mr. McCUMBER. I want Senators to listen to a little letter that I received from one of the farmers of my own State upon this very matter that the Assistant Secretary of Agriculture is writing about. He says:

> I shipped two carloads of specially good wheat to the terminal market. One car graded No. 2, the other No. 3. I ought to have had No. 1 for both. Both cars of grain were practically the same. I had one car also of very poor wheat, wet and foul.

And I want the attention of the senior Senator from Georgia [Mr. SMITH].

Mr. SMITH of Georgia. Mr. President——

Mr. McCUMBER (reading):

> I had one car also of very poor wheat, wet and foul——

Mr. SMITH of Georgia. If the Senator will address himself to the amendment pending before the Senate, I will be glad to hear him. I do not care to hear these other matters at the present time. I have heard them several times. I shall devote myself to something else. The Senator is addressing the Senate upon a matter that is not before the Senate.

Mr. McCUMBER. I will excuse the Senator from the Chamber if he does not want to listen.

Mr. SMITH of Georgia. I do not desire the Senator to excuse me. He would do me a great favor if he would excuse himself from discussing a subject that is not before the Senate and let us proceed with the bill.

Mr. McCUMBER. The Senator will find that this whole matter is before the Senate, and right on this bill, whether it is agreeable to him or not. The Senator can find an exit in the cloakroom, if he desires.

Mr. SMITH of Georgia. Thank you; I will do so.

Mr. McCUMBER. I do not blame the Senator for leaving. I am not surprised that the subject is disagreeable to him. Cotton has been taken care of. Wheat is of much less value to that section of the country. But I want to read this letter, and I read again the opening sentences:

> I shipped two carloads of specially good wheat to the terminal market. One car graded No. 2, the other No. 3. I ought to have had No. 1 for both. Both cars of grain were practically the same. I had one car also of very poor wheat, wet and foul. I had no room for it—no place to dry it—and I decided to ship it out and get the best I could for it, naturally expecting to have it inspected no grade. It certainly was not even No. 4. You can imagine my surprise when I got my returns; it was graded No. 2, and I got more out of it than I got out of one of the cars of my good grain.

Now, that took place under the particular kind of a system that has been paraded before the Senate as being perfect. I have had considerable experience along the same line myself. It was not very long ago that I shipped a couple of carloads of grain, the first grain that ever had been raised upon a virgin soil, without a weed, without a stick, without a foul seed in it anywhere. It was all put into an elevator. Not a drop of rain had fallen on it after it had been cut. It was in prime condition. It was elevated in that elevator and mixed thoroughly. It was mixed again when it was loaded into two cars as thoroughly as it was possible to mix anything. I got a No. 1 grade for one car, with 1 pound per bushel off. I got a No. 2 grade for the other car, with some 3 pounds per bushel of weight off. That is what we are experiencing every day in our shipments, and that is what we are complaining about. They may be honest; it may be that they have more work than they can do; but the work is carelessly done. I am not reflecting at all upon the integrity of those inspectors, but I do say, Mr. President, that they are inefficient.

The farmers in my State ship a great deal of grain direct to the terminals, and the complaint is universal that absolutely no reliance can be placed upon the grades. The independent buyers at the country elevators find themselves beset exactly by the same conditions and difficulties. They dare not trust their own judgment. They are forced to resolve every doubt as to grades against the producer. Not only this, but in many instances they must compete with the line elevators. They must sell their grain at the terminals to the same company whose agent may be purchasing at an adjoining elevator, and whose interest it would be to drive them out of business. They naturally feel that their competitors, already having that one advantage, ought not to be possessed of the additional one, an inspector who is beholden to them for his position.

When I come to the miller I find the same complaint—no confidence in the grades. He finds himself compelled in many instances to purchase direct from the terminal elevator and to accept the mixture which has been concocted therein and the grade which has been placed on it by the inspector. He generally prefers to do his own mixing. The consensus of opinion of the millers of the country, as near as I can ascertain, points to the unreliability of grades as a great hindrance in their business.

Mr. President, the price of our grain is finally fixed by the foreign demand. If that demand is lively, if it is free from contention and disappointment, no one will deny that it will add to the value of the American product; and if our consular reports are at all reliable, the mixing of grades and inefficient inspection in the grading of our grain have seriously affected our trade abroad during the last 15 or 20 years.

Mr. President, there seems to be an idea that, because the farmers of the country do not write to the individual Senators, they are entirely satisfied with the present condition, and that we need not consider anything that refers to that condition; but even if the farmer does not know the extent to which the rules of trade injure him, ought we not, as representatives of that great class, constituting more than 35 per cent of our entire population, represent him in a way that he ought to be represented? If we know that he is not receiving justice by the methods that are now prevalent throughout the country in the handling of his grain, is it not our duty as his representatives to see that justice is done him without his having to write us letters and to appeal to us again and again for some remedy? Mr. President, it is probably true that the farmer does not know how the remedy may be brought about; he is not in a position to know exactly what kind of letters to write. There are only a few of them who give especial attention to legislative matters, but wherever they have done so they have written us, and they have met and sent resolutions which expressed the wishes of those who have a knowledge of the subject. What more can we ask of the farming community than those expressions?

We have had such expressions as I have suggested not alone from the farmers' organizations in every one of the great Western States, but we have had them from every one of their elevator companies; we have had them from all of the independent elevator companies; we have had them from the millers all over the entire country.

The other day I received a resolution from the Board of Trade of the city of Duluth. Duluth is only secondary to Minneapolis in the handling of the northwestern grain products, and is it not strange, Mr. President, that that particular board of trade should appeal for Federal inspection? I want to ask those Senators who do me the honor of listening if they will stop and consider for one moment why one board of trade in the city of Minneapolis so viciously battles against this bill, while another board of trade, but 115 or 120 miles distant, pass a resolution asking for Federal inspection of grain. There are reasons for both. I do not suppose that the Duluth Board of Trade would appeal unless they felt that there was something to be gained to the individual, nor would the Minneapolis Board of Trade be opposing it unless they were of the opinion that they would profit by maintaining the old system. I am not deceiving myself for one moment into the idea that either of them are making any earnest effort to protect the interests of the producer or of the consumer. Then why is it that the Duluth Board of Trade is appealing for Federal inspection? Mr. President, the Duluth board deal with the sales of grades of grain; they are not the mixing element; they are not so much the owners of the elevators, although, of course, there are owners of elevators there, but they are not so much dominated by them. They are commission men, pure and simple. They buy a grade and they sell that grade on commission. The only thing in which they are interested—because they will get their commission anyway—is that they may have a grade upon which they may depend; that when they buy grain at a certain grade they can sell it at the same grade and be absolutely certain that there will be no complaint on the part of either the person selling to them or on the part of their own customers. That is a simple explanation of

the reason why the Duluth Board of Trade wants this, and that is the particular reason why the millers and the ultimate consumers over the entire country are demanding the same thing.

I have stated before, Mr. President, that my labors in the Senate have been to benefit the farming element of the State which I in part represent. I have always considered it strange that the business of farming could not be carried on like any other business in the country. I can buy a stock of merchandise; I can go into the mercantile business; and if I have to borrow money I will balance the cost, and so forth, and charge for my product an amount that will give me a little profit above the running expenses. I can always do that. I can fix my own price. I do not need to sell for anything less than the thing cost me. The farmers of the country must sell their product for what they can get. The farmer, as a rule, can not hold his product. His is the only business in which a man must pay what the other man demands for everything he purchases and must sell for what the other man will give for everything that he sells.

Farmers labor under this natural disadvantage. I should like to get them out of that condition if it be possible, and to put our farmers in a position where, for instance, if as a farmer I so desired, I could buy a thousand acres or two thousand acres of land, could hire men to work that land the same as you hire men to do your work in your mercantile or manufacturing establishments, and that I could then get a profit upon what they would produce by their labor the same as you get a profit in your mercantile and in your manufacturing establishments; but you know, and I know, that if I hire this work done and put in my capital as my contribution to the business I would go into bankruptcy within a year or two. There is not any farm in the United States that I know anything about that will pay for the hire of labor or for all the work that is done by hired labor with the present price of labor. That is a condition that I should like to overcome. The only way to overcome it is to so frame our laws and the rules under which the farmer's product is disposed of as will enable him to secure the very best possible price. If we do that, in a very short time the farmer would be in a position to meet the balance of the world upon a footing of business equality; but as things now are, when a farmer buys a farm he simply buys an opportunity to labor himself; he simply purchases an opportunity to earn, according to the Agricultural Department's report, 20 cents a day and his board. For that opportunity he gives a mortgage on two-thirds of his working life; and when I appeal to Senators to join with me and to assist me in securing some legislation to put the farmer on a nearer equality with the other lines of business in the United States I have to deal with those who, like the Senator who left the Chamber a short time ago, do not want to listen to his appeals.

I have prepared an amendment that will partially carry into effect the provisions of the Lever bill, which was introduced by me as an amendment the other day, and which was lauded to the skies as being a most perfect bill and one that would do justice to the producer, to the consumer, and to the dealer in grain.

Mr. STERLING. Mr. President——

The PRESIDENT pro tempore. Does the Senator from North Dakota yield to the Senator from South Dakota?

Mr. McCUMBER. I yield.

Mr. STERLING. I suggest the absence of a quorum.

The PRESIDENT pro tempore. Without making the action of the Chair at this time a precedent that will be obligatory in the future, the Chair directs the Secretary to call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Bankhead	Kenyon	Owen	Smith, S. C.
Brady	Kern	Page	Smoot
Bryan	Lea, Tenn.	Perkins	Sterling
Chamberlain	Lewis	Pittman	Sutherland
Chilton	Lippitt	Poindexter	Swanson
Clark, Wyo.	McCumber	Ransdell	Thomas
Clarke, Ark.	McLean	Saulsbury	Thompson
Crawford	Martin, Va.	Sheppard	Townsend
Cummins	Martine, N. J.	Sherman	Vardaman
Gore	Nelson	Shively	Warren
Hughes	Newlands	Simmons	West
Johnson	Norris	Smith, Ga.	Williams
Jones	Overman	Smith, Md.	Works

Mr. PAGE. I am requested to announce that the Senator from Oregon [Mr. LANE] and the Senator from Arkansas [Mr. ROBINSON] are absent on business of the Senate.

The PRESIDENT pro tempore. Fifty-two Senators having answered to their names, a quorum of the Senate is present.

Mr. McCUMBER. Mr. President, I want to call the attention of the Senator from Oklahoma to the first two or three sections of the amendment which he introduced the other day when the grain-inspection bill was pending. Section 2 of that amendment provides:

SEC. 2. That, as used in this act, the term "grain" shall include and shall apply only to corn (maize), wheat, oats, barley, rye, spelt, emmer, rough rice, milled rice, flaxseed, and buckwheat, and kafir, milo, durra, and every other sorghum.

I do not know that that is necessary to be inserted, and I have not included it in the amendment which I desire to offer to the pending bill. I propose to amend section 3 of the so-called Lever bill so as to read:

That the Secretary of Agriculture in fixing the said definite grades shall fix and establish from time to time standards of quality and condition for grain. In promulgating the standards the Secretary shall specify the date or dates when the same are to become effective, and may give public notice thereof by such means as he deems proper.

I now read sections 4, 5, 6, and 7 of the Lever bill, as follows:

SEC. 4. That the standards so fixed and established shall be known as the official grain standards of the United States.

SEC. 5. That whenever standards shall have been fixed and established under this act for any grain no person thereafter shall ship or deliver for shipment from any State, Territory, or District, to or through any other State, Territory, or District, or to any foreign country, any such grain which is sold or offered for sale by grade, unless the grade by which it is sold or offered for sale be one of the grades fixed therefor in the official grain standards of the United States and the grain conforms to the standard fixed and established for the specified grade: *Provided*, That variations from the official grain standards may be permitted under such rules and regulations as the Secretary of Agriculture shall prescribe. No person shall, in any contract or agreement of sale or agreement to sell, either oral or written, or in any invoice or bill of lading or other shipping document, relating to such shipment or delivery for shipment, describe or in any way refer to any of such grain as being of any grade other than a grade fixed therefor in the official grain standards of the United States.

SEC. 6. That whenever standards shall have been fixed and established under this act for any grain, no person thereafter shall ship or deliver for shipment from any State, Territory, or District, to or through any other State, Territory, or District, or to any foreign county, any such grain which is sold or offered for sale, whether by grade or not, under any name, description, or designation which is false or misleading in any particular: *Provided*, That nothing contained herein shall prevent the shipment or delivery for shipment, otherwise lawful, of any grain which is sold or offered for sale, without reference to grade, under names, descriptions, or designations which are not false or misleading.

SEC. 7. That the Secretary of Agriculture is authorized to cause inspections and examinations to be made of any grain which has been certified or represented to conform to any grade fixed in the official grain standards of the United States, and to ascertain whether the grain is, in fact, of the specified grade, and whenever, after opportunity for hearing is given to the owner or shipper of the grain involved, it is determined by the Secretary that any lot of grain has been incorrectly certified or represented to conform to a specified grade, he may publish his findings.

I then skip over sections 8, 9, and 10 and take section 11 and modify it so that it will read:

That every person who shall violate any provision of this act relating to the shipment or standardization of grain as herein provided shall be deemed guilty of a misdemeanor, and upon conviction thereof shall be fined not exceeding $200 for the first offense and for each succeeding offense not exceeding $1,000.

Section 11 as it originally stood read:

SEC. 11. That every person who shall violate any provision of this act or the rules and regulations made hereunder shall be deemed guilty of a misdemeanor—

And so forth.

But with the sections I have indicated omitted, there being no rules, that portion would be inappropriate. If I may again have the attention of the Senator from Oklahoma, I will call his attention to lines 4 to 6, inclusive, on page 19, of the pending appropriation bill, which read:

For investigating the handling, grading, and transportation of grain and the fixing of definite grades thereof, $76,320.

The Senator will observe that by this provision the Secretary of Agriculture is authorized to fix definite grades; at least he is given the amount of money indicated for the purpose of fixing definite grades of grain. Therefore the only matter that I want to bring in there and add to this provision is one against which, as I conceive, there can be no possible parliamentary objection, because after we have appropriated a given sum for a given purpose we can at least amend by directing how that purpose may be carried into effect; that is, in what way the definite grading provided for may be accomplished, if I do not change the amount that is appropriated, and so forth. So at the end of this paragraph, following the figures "$76,320," I desire to insert the following:

That in fixing said definite grades the Secretary of Agriculture shall fix and establish from time to time standards of quality and condition for grain. In promulgating the standards the Secretary shall specify the date or dates when the same are to become effective, and may give public notice thereof by such means as he deems proper.

The Senator will observe that I change the third section of the Lever bill only by inserting the words "in fixing said definite grades the Secretary of Agriculture shall." The remainder of the amendment is in the exact words of sections 3, 4, 5, 6, and 7, and there I stop.

Section 8 of the Lever bill provided for appeals when there were disputes, but as we do not go that far in this amendment, and we give the Secretary no authority, not even a supervisory authority over the grading of grain, of course there will necessarily be no appeal from him. We only provide by the amendment that he shall fix the standards and the methods by which those standards shall be fixed, and then we shall have to trust the board and the State inspection systems to carry into effect the standards which he promulgates, and it is assumed that he will promulgate standards that will be as nearly uniform as possible.

We might possibly dispense with a great deal of argument upon that bill if the Senator will agree and the Senate will agree that the amendment which I offer, covering only a portion of the Lever bill, and which only pertains to the standardization of grades by the Government and those things that are necessary to carry that power into effect, may be adopted by the Senate. May I ask whether that would be satisfactory to the chairman of the committee?

Mr. GORE. Mr. President, it has been the uniform practice of the Senate—and, I think, generally speaking, a wise practice—to dispose of committee amendments before considering other amendments. The presiding officer indicated a few days ago that he would defer to that precedent during the consideration of the present bill.

The PRESIDENT pro tempore. Yes.

Mr. GORE. I have no permission from the committee, much less the Senate, to accept the amendment tendered by the Senator. Speaking for myself alone, I should be glad to accept it if I were in a situation to do so. I may say to the Senator that whenever he presents that issue to the Senate in accordance with the rules of the Senate he will have my hearty cooperation.

The PRESIDENT pro tempore. The Senator can offer the amendment he has just been reading.

Mr. McCUMBER. I should like to offer that amendment at the present time. I appreciate that it has been more or less the custom, but that custom generally has been preceded by a request, that we proceed to the consideration of a bill and first consider the committee amendments. That request generally has been concurred in.

The PRESIDENT pro tempore. The Senator may send his amendment to the desk. The question whether or not the Senate will have to deal with that matter will be presented later. As the Chair understands, the amendment has not been presented to the Senate. The Senator has indicated that he would present such an amendment, but he has not actually presented it.

Mr. McCUMBER. That is correct. I understand, however, that there is really before the Senate at this time a different amendment, and I will await a vote upon that amendment. Then, if the Chair will give me recognition, I will offer this one, and we can test out that rule.

The PRESIDENT pro tempore. The Senator from Utah [Mr. SMOOT] is not in his seat. He intended to have something to say about the pending amendment. He is evidently absent under the belief that this discussion would take longer than it has taken. The Chair will ask one of the pages to be good enough to notify the Senator.

Mr. McCUMBER. What Senator is it?

The PRESIDENT pro tempore. The Senator from Utah [Mr. SMOOT], who has indicated that he desires to discuss the pending amendment to insert certain words on page 7, line 6. It has no relation whatever to the subject matter that the Senator from North Dakota has been discussing.

Mr. GORE. Mr. President, I ask that that amendment be passed over in the absence of the Senator from Utah.

Mr. SMOOT entered the Chamber.

Mr. GORE. I observe that the Senator from Utah has just come in.

The PRESIDENT pro tempore. The attention of the Senator from Utah is called to the fact that the question is on the adoption of the committee amendment which appears on page 7, line 6.

Mr. SMOOT. Mr. President, I wish Senators were——

The PRESIDENT pro tempore. The Chair will state to the Senator from Utah that the chairman of the Committee on Agriculture and Forestry has expressed a willingness to have the amendment go over until a later time.

Mr. SMOOT. I am perfectly willing that that shall be done. I have not the least objection. I am ready to speak upon the amendment now or at any time the Senator may prefer.

Mr. GORE. I should prefer to proceed with the consideration of the amendment. I wish to accommodate the Senator, of course.

The PRESIDENT pro tempore. The question is on agreeing to the amendment of the committee.

Mr. SMOOT. Mr. President, the other day, when this amendment was under consideration, I was asked at what time the branch printing office of the Agricultural Department was abolished. I did not then remember the exact month, but I have since looked it up, and I find it was November, 1909. The Joint Committee on Printing authorized the Public Printer to abolish the Weather Bureau printing office, except as to maps, charts, and so forth, on December 6, 1910. The object of that was to curtail printing of all kinds, other than that which was absolutely necessary, at the Weather Bureau printing office. As I said before, the policy always has been to consolidate the printing of our Government into the Government Printing Office.

Mr. McCUMBER. Mr. President, I rise to a point of order.

The PRESIDENT pro tempore. The Senator from North Dakota will state the point of order.

Mr. McCUMBER. The point of order is that by actual count made by me there are 19 Senators present in the Chamber; and even without asking the Senator from Utah to yield to me, I make the point of order that I can raise the point of a lack of a quorum at any time, and I now suggest the absence of a quorum in the Senate Chamber.

The PRESIDENT pro tempore. The point of order is not well taken. The Senator from Utah will proceed.

Mr. McCUMBER. Mr. President, I appeal from the ruling of the Chair, and prior to that appeal, as a new matter of business, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The question is, Shall the ruling of the Chair stand as the judgment of the Senate? As many as favor sustaining the ruling of the Chair will signify by saying "aye."

Mr. McCUMBER. I call for a division, Mr. President.

The PRESIDENT pro tempore. Those who favor sustaining the ruling of the Chair will please rise and stand until they are counted. [After a pause.] The ayes will be seated and the noes will rise. [After a pause.] The ayes have it.

Mr. McCUMBER. Mr. President, I ask the Chair to state the number of votes.

The PRESIDENT pro tempore. It is immaterial.

Mr. McCUMBER. I think I have a right to ask for it.

The PRESIDENT pro tempore. The Senator has not.

Mr. McCUMBER. Mr. President, I raise the point of order, which I suppose may as well be determined, that——

The PRESIDENT pro tempore. On a division the question is simply whether the larger vote is on the one side or the other. There is not any question of a quorum involved in it. The Chair has frequently ruled in that way, and its action in doing so has been sustained by the Senate.

Mr. McCUMBER. May I ask the Chair if it is the opinion of the Chair that a motion can be voted upon and carried by less than a quorum?

The PRESIDENT pro tempore. Ninety-nine motions out of a hundred adopted by the Senate are thus disposed of.

Mr. McCUMBER. Then we can do business with less than a quorum?

The PRESIDENT pro tempore. No, indeed; the Senator can call for the yeas and nays if he desires a more definite ascertainment of the sentiment of the Senate than is given by a viva voce vote. The Senator from Utah will proceed.

Mr. McCUMBER. I wish to register my protest right here against the ruling of the Chair that the Senate is not entitled to know how many Senators vote upon a division.

The PRESIDENT pro tempore. The protest will be noted.

Mr. McCUMBER. And I call for the yeas and nays.

The PRESIDENT pro tempore. On what proposition?

Mr. McCUMBER. On this same proposition.

The PRESIDENT pro tempore. It has been disposed of. The Senator from Utah will proceed.

Mr. SMOOT. Mr. President, I wish to call the attention of the Senate to the preliminary report of the Printing Investigation Commission in compliance with public act No. 217 of the Fifty-eighth Congress, third session, made a public document on June 25, 1910, in which I find the following:

Agricultural branch—

That is, referring to the printing branch of the Agricultural Department.

Agricultural branch: The Secretary of Agriculture, under date of March 25, 1910, replied as follows to an inquiry from the chairman of the commission concerning the abolishment of the Agricultural branch printing office:

In answer to the several inquiries propounded in your letter of the 19th instant, I have the honor to submit the following replies:

(1) Will you kindly advise the Printing Investigation Commission whether the abolition of the branch printing office at the Agricultural Department has resulted in any serious inconvenience to your department?

No serious inconvenience has resulted from the abolition of the branch office. During the maintenance of this office an immense amount of small job work was done, and it was executed very promptly—very often within a few hours.

Mr. WARREN. Is that from the Secretary of Agriculture?

Mr. SMOOT. This is from the Secretary of Agriculture—Secretary Wilson.

This was undoubtedly a very great accommodation, but in most instances there was no real necessity for the haste; or, if there was, it was due to negligence in ordering work required. Our people are beginning to get accustomed to the change, which occurred November 20, 1909, and fully understand that more time is now necessary to secure printing of all kinds.

(2) Has the Agricultural Department any criticisms to make of the manner in which its urgent or confidential printing is now being done at the Government Printing Office?

It has not. Occasionally there is urgent necessity for the completion and delivery of work at a specified time. In such cases the Public Printer has been so advised, and without exception our desires have been most promptly complied with. The only delay occurs in work regarding which no instructions as to time of delivery are given. After a reasonable time has elapsed it is the practice of the Chief of the Division of Publications, who is charged with the supervision of such matters, to draw the printer's attention to the desirability of executing the work, and such requests usually receive prompt and courteous compliance. If slight irritation sometimes arises at the apparent delay, it is done with remarkable accuracy and dispatch when the immense volume of the Government's printing is considered.

(3) Has the abolishment of the branch printing office resulted in increasing or decreasing the expense of printing for your department?

The work formerly done at the branch printing office is now done cheaper at the main office, and a further decrease has resulted from the fact that certain small printing is not now done at all, because it can not be obtained from the main office in a few hours and request is not made for it by the various bureaus, divisions, and offices.

Mr. President, Secretary Wilson had before taken the position that it would cost more to have the printing of the Agricultural Department done at the Government Printing Office, and objected to the abolishment of the plant, but after it had been in operation not exceeding one year the Secretary of Agriculture not only said that it was an advantage to the department, but admitted that it was a great saving to the Government. From that time forth we have tried to require all Government printing to be done at the Government Printing Office. This is taking a step to undo the good work that has been done in the past by the commission and by the Joint Committee on Printing of the two Houses.

I call attention to the fact that the estimate of the department does not include the proviso. The House passed it in these words:

That no printing shall be done by the Weather Bureau that can be done at the Government Printing Office without impairing the service of said bureau.

The House desired that no printing should be done at the Weather Bureau that could be done at the Government Printing Office. That, in my opinion, goes too far, because I want to call the attention of the Senate to the work that can be done at the Government Printing Office but that should be done at the Weather Bureau.

When this question was under consideration by the Joint Committee on Printing of the two Houses, we went into it most thoroughly, and agreed that this class of printing, the daily chart, should be printed under the direct supervision and watchful care of the head of the Weather Bureau. There is no objection to this kind of printing; but they have gone further than that.

Mr. WARREN. Including the cards.

Mr. SMOOT. Yes; including the morning cards, as the Senator from Wyoming suggests. They have gone further than that, and I find now in the Weather Bureau they are getting out a monthly abstract of telegraph and telephone messages sent and received. This is not printed. We find that it is lithographed because of the fact that they have no presses to print it. I could show the Senate other monthly statements of a similar character. This is what the Joint Printing Committee of the two Houses object to, and they ask the Senate of the United States to uphold them in the position they have taken. I wish to say to the Senate to-day that if this is not done it will be only the beginning of increasing the expense of our printing in this department, and no doubt it will be followed by the requests of other departments.

I find in the Agricultural appropriation bill hearings before the House of Representatives committee, and the report that was made by Mr. LEVER from the Committee on Agriculture on House bill 13679, on page 6, the following:

The increase in the printing office item is to be used for the purchase of a press and for paper and material. No addition to the printing office force is contemplated. The increase in the allotment for the printing office is only apparent and not actual, however, as a corresponding saving will be effected in expense for printing outside of Washington.

Mr. President, I say that if that printing can be saved outside of Washington under the bill as it passed the House, it can be saved without the addition of the proviso to the bill.

It continues:

This increase in the printing office allotment will also enable the bureau to do much of the work in connection with weather maps, etc., that is now done in the Government Printing Office, and will result in a saving of $22,000 in the amount allotted to the Weather Bureau from the general printing fund for the department.

Mr. President, I do not agree with that statement. I say that every bulletin, every circular, all the work that is being done at the Government Printing Office for the Weather Bureau to-day does not cost the Government a single cent outside of the printer's ink and the paper. Take this work away from the Government Printing Office and put it into the Weather Bureau and I want to say now that there will not be a hand less in the Government Printing Office nor one single cent less paid for maintaining that office.

Let us see what the facts are. It is true that the number of employees would not be increased if this were allowed; but I wish to call the attention of the Senate to the fact that in 1914 the cost of maintenance of the office was $16,750. We appropriated that amount for it. The employees cost $16,480. We have already proposed in this bill to increase the maintenance charge from $16,750 to $26,000. Let me say that in 1910 the maintenance charge alone was $45,000; in 1911, $40,000; in 1912, $18,000; in 1913, $16,750; in 1914, $16,750; and now we are asked to appropriate for that same purpose $26,000.

Mr. BRADY. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Utah yield to the Senator from Idaho?

Mr. SMOOT. I do.

Mr. BRADY. Does the Senator from Utah object to the entire item, or simply to what has been added by the Senate committee?

Mr. SMOOT. What I should like would be to have the proviso stricken out entirely. It was not asked for by the department. I should like to see the amount cut to $17,500. The reason I say that is that if you limit the amount to $17,500, which will be an increase over what they had a year ago, they will then print only such items as can be printed within the limit of cost, unless they do as some of the other bureaus have done in this bill, ask for an appropriation and then provide that a certain amount of it shall be immediately available. I wish to say to the Senator from Oklahoma now that I am going to object to all of the items in the bill providing that a certain amount of the appropriation shall be immediately available. I do it for this reason——

Mr. GORE. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Utah yield to the Senator from Oklahoma?

Mr. SMOOT. Just a minute, and then I will yield.

Mr. GORE. I did not want the Senator to let that sentence crystallize, because there are certain appropriations that relate to the present crops; and unless the appropriation is made now, it means that the experiments can not be made until next year. I hope the Senator will at least make a reservation in regard to those appropriations.

Mr. SMOOT. If there are such cases as that in this bill, I really do not remember which they are. I have reference to the amendments on pages 19, 48, 59, 68, and 69.

Mr. WARREN. Mr. President, I suggest to the Senator that I appreciate the ground he takes about the immediately available appropriations. They always ought to be avoided when we can avoid them; but when a new subject comes up, something that should be started in the spring of the year, right away, I hope the Senator will not make the point against that.

Mr. SMOOT. If there are such items, I shall not object; but I shall object where there have been appropriations year after year made, and then, in this bill, appropriations are made for the coming year, and a certain amount of the appropriation is made immediately available.

Mr. WARREN. That is right.

Mr. SMOOT. The reason I shall do so is that that is really a deficiency appropriation, and the Committee on Agriculture and Forestry has no right whatever to handle deficiency appropriations. There is another committee in this body appointed for that purpose. I do not believe the Department of Agriculture ought to be treated any differently from any other department when they require a deficiency. They ought to come to the proper committee, and the committee ought to pass upon it and report it to the Senate. I think if that is the case, we will have less of it in the future than we have had in the past.

Mr. WARREN. The Senator is right about that.

Mr. SMOOT. Mr. President, I do not want to take up the time of the Senate to do so, but I could go through the hearings we have had in the past and show what the sentiment of Congress was at that time in relation to the future policy of this

Government for its printing, not only in one department, but in all of them. In the report which was made by the senior Senator from Florida [Mr. FLETCHER] the other day, accompanying the bill for the revision and codification of the printing laws, now on the calendar of the Senate, Senate bill No. 5340, I find this statement:

The work done in the printing office of the Weather Bureau was greatly decreased by the Public Printer on the suggestion of the Printing Investigation Commission. A saving of several thousand dollars a year was effected thereby. The Joint Committee on Printing authorized the Public Printer, December 9, 1910, to abolish the printing office of the Weather Bureau, but the Agricultural appropriation bill approved March 4, 1911, contained the following provision under the Weather Bureau appropriation—

I call the attention of the Senator to the amount of the appropriation that followed that very year:

"For the maintenance of a printing office in the city of Washington, including the purchase of necessary supplies and materials for printing weather maps, bulletins, circulars, forms, and other publications, and for pay of additional assistant foremen, proof readers, compositors, pressmen, lithographers, and folders and feeders, when necessary, $18,000."

It is believed that the delegation of authority to abolish or regulate the branch offices as proposed will result advantageously to the Government, as it is impossible to regulate the work of the branch printing offices by acts of Congress. It is an administrative detail of the Government Printing Office, and as such should be handled by the Public Printer and the Joint Committee on Printing. The three branches which were abolished by the Public Printer have resulted in an approximate annual saving of $38,000.

Mr. President, this is the first step backward. This is the first step to undo the saving that has been accomplished by the abolishment of these branch printing offices. I am going to ask the Senator from Oklahoma if it would not be satisfactory to him to strike out altogether the proviso of this paragraph and decrease the amount of the appropriation, $26,000, to $17,500. I wish to say to the Senator now that that will give them an increase from $16,750 to $17,500. They have gotten along fairly well with the amount of the appropriation they have had in the past. They are not asking for any deficiency in this bill, nor have they come to Congress for any deficiency. I fully believe that is ample, and I believe if it is restricted to $17,500, the head of the bureau will not exceed that amount in printing, no matter what form it will be.

Mr. GORE. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Utah yield to the Senator from Oklahoma?

Mr. SMOOT. I do.

Mr. GORE. I should not be willing to consent to any amendment that impaired the efficiency of the service of this bureau. My impression is that they desire this increase of some $9,000 or $10,000 for the purpose of purchasing an additional press; and if that be necessary, I certainly would not be willing to say them nay.

This matter was pretty thoroughly discussed a few days ago, and I have no disposition to canvass the ground again. I agree with the general purpose which the Senator from Utah has in mind. I think the printing of the Government ought to be concentrated in the Government Printing Office. At the same time, I think the exception in this case rests upon solid and justifiable grounds.

A great deal of the printing done in this bureau is technical. There is a daily map which must be run off during certain hours in order to be of service. It is lithographic work. There is also a weekly publication of the same character. I think the monthly publication is printed at the Government Printing Office, excepting the lithographic pages, which are done at the Weather Bureau office.

The publication of the maps require certain hours of the day, I think, extending until some 2 or 3 o'clock in the afternoon. It has been the practice in the bureau after that hour to print certain blank forms and cards which are sent to the various weather stations throughout the United States and are used in making up their reports to be returned to the central office here in Washington.

The only point involved in this discussion is as to whether the men and machinery should be kept idle after 2 or 3 o'clock in order that this printing shall go to the Government Printing Office or whether the men and machinery may be used for the printing of these forms, otherwise allowing the men and machinery to remain idle.

Mr. SMOOT. In this connection I asked the head of that bureau this morning whether it was possible to keep the employees engaged or not, and he told me that he would keep them engaged in some way.

Mr. President, I admit what the Senator says, that this increased appropriation is for the purpose of purchasing a press. That is exactly what I want to avoid. I know they have been lithographing the monthly abstracts of telegraph and telephone messages sent and received. It is not necessary to lithograph those monthly statements. No other department of the Government does it, and there is no necessity for it. The only reason why it is done is because they have not a press. Now, they come to Congress and ask Congress to appropriate money for the purchase of a press. That simply means the first wedge, and a year from now it will not be one press, but they will want another press to take in some other line of work, and we will have a duplication of the work that might have been done at the Government Printing Office if this step is taken now.

Mr. GORE. I may say that the representatives of the department who were before the committee indicated that there was no purpose whatever to enlarge or extend the character of printing done by this office.

Mr. SMOOT. I admit that.

Mr. GORE. The language, "without impairing the service," it was thought might possibly prevent the printing of these forms, and in order to place that beyond doubt the amendment was suggested.

Mr. SMOOT. I wish to call the Senator's attention to the amendment. Let us take the provision just as it came from the House and then take the amendment suggested by the committee and see if it is not a fair statement to make that the conclusion which will be drawn from it is that Congress has reversed the policy that it has followed in the past. The proviso as agreed to in the House is—

That no printing shall be done by the Weather Bureau that can be done at the Government Printing Office without impairing the service of said bureau.

I will admit that those words are far-reaching, but I know that Congressman BARNHART had in his mind to stop a duplication of printing. I think the proviso goes too far, because I believe that some of the printing that is done at the Weather Bureau is absolutely necessary, and should not be done at the Government Printing Office. But, now, see how it reads with the amendment of the committee in:

That no printing shall be done by the Weather Bureau that, in the judgment of the Secretary of Agriculture, can be done at the Government Printing Office without impairing the service of said bureau.

In other words, it takes from Congress the right to say where the printing shall be done. It takes from the Government Printer the power under the direction of the Joint Committee on Printing of the two Houses to say whether the plant shall be abolished or not, and places the matter in the hands of the Secretary of Agriculture. I do not believe that Congress wants to do that. I believe it is a mistaken policy. Therefore, I sincerely trust that the Senate will not agree to this amendment.

Mr. WARREN. Will the Senator yield to me for a moment?

Mr. SMOOT. I yield.

Mr. WARREN. The Senator's argument has largely been against the part of the paragraph which was put in by the House. As I understood the action of the committee, the committee based their amendment upon what was already inserted by the House, and the question of the amount did not come up. I can assure the Senator from Utah that the only motive in putting in this proviso was in the line of economy. It was thought if we were to spend $26,000 for such necessary printing as must be done we should have some one there responsible for it. The proviso that the House put in reads:

That no printing shall be done by the Weather Bureau that can be done at the Government Printing Office without impairing the service of said bureau.

The proposition before us was, Who shall determine that? Therefore, in inserting the language "in the judgment of the Secretary of Agriculture," we proposed to put him upon honor and upon active service to determine what should be done there, with the idea of cutting down rather than increasing the work of this branch printing office.

Mr. SMOOT. I fully realize the object of the committee, but I do not believe that they understood what the result would be. It is for that reason that I have called it to the attention of the Senate. I do not criticize the committee in trying to amend the proviso as it came from the House, because, as I said before, the House provision was too drastic. However, in doing so, as I have said, they are placing in the hands of the Secretary of Agriculture a power that is to-day vested in the Joint Committee on Printing of the two Houses, and I do not believe that that conflict should be allowed.

Therefore I move to disagree to the amendment offered by the committee. I also give notice now that if the amendment is disagreed to I shall then move to strike out the proviso beginning in line 4, down to and including line 8, and if that is agreed to I shall then move to strike out "$26,000," in line 4, and to insert "$17,500." I make that statement in connection with my motion to disagree to the committee amendment.

The PRESIDENT pro tempore. The pending question is whether the Senate shall agree to the amendment of the committee, and it is better to put the question in that affirmative form.

Mr. McCUMBER. Mr. President, I think again that we ought to have more than 23 Senators present. I therefore suggest the absence of a quorum.

The PRESIDENT pro tempore. The Senator from North Dakota suggests the absence of a quorum. Let the Secretary call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Ashurst	Jones	Overman	Smith, Ga.
Bankhead	Kenyon	Owen	Smith, Md.
Brady	Kern	Page	Smith, S. C.
Bristow	Lea, Tenn.	Perkins	Smoot
Bryan	Lee, Md.	Pittman	Sterling
Burton	Lewis	Pomerene	Swanson
Chamberlain	McCumber	Ransdell	Thomas
Clarke, Ark.	McLean	Saulsbury	Thompson
du Pont	Martin, Va.	Shafroth	Vardaman
Gore	Martine, N. J.	Sheppard	Warren
Hughes	Nelson	Sherman	West
Johnson	Norris	Shively	Williams

Mr. PAGE. I was requested to announce that the Senator from Oregon [Mr. LANE] and the Senator from Arkansas [Mr. ROBINSON] are absent attending to special duties of the Senate.

The PRESIDENT pro tempore. Forty-eight Senators having answered to their names, a quorum of the Senate is present. The Senator from Utah has moved that the amendment be stricken out, but the Chair will put it in the affirmative. The question is on agreeing to the pending amendment.

Mr. McCUMBER. On that I ask for the yeas and nays.

The yeas and nays were not ordered.

The amendment was rejected.

The PRESIDENT pro tempore. The next amendment passed over will be stated.

Mr. SMOOT. As the amendment of the committee has been disagreed to, I desire to strike out the proviso, being all after the numerals "$26,000," in line 4.

The PRESIDENT pro tempore. Under the rule adopted, that amendment is not in order at the present time. On the 29th of April, when the Senator from Oklahoma [Mr. GORE], the chairman of the Committee on Agriculture and Forestry, asked the Senate to proceed to the consideration of the bill, the following took place:

Mr. GORE. I ask that the formal reading of the bill be dispensed with and that it be read for amendment, the amendments of the committee to be first considered.

The VICE PRESIDENT. Is there objection? The Chair hears none, and that order is made.

Mr. SMOOT. The Chair is perfectly right. I will recur to this paragraph after the committee amendments have been disposed of.

The PRESIDENT pro tempore. The next amendment of the committee passed over will be stated.

The SECRETARY. On page 18, line 13, the committee report to strike out "$80,580" and to insert "$180,580: *Provided*, That of the sum thus appropriated $100,000 shall be used for furnishing the primary markets in the cotton-growing States with a set of the samples as standardized by the Government and a sample of the bleached and unbleached yarns made from the different grades showing the waste, tensile strength, and bleaching quality thereof."

Mr. SMOOT. I ask the Senator from Oklahoma if he will not allow this amendment to be passed over for a few minutes? I have sent for a Senator who is interested in it and who wishes to speak on it.

Mr. GORE. I have no objection to that course.

Mr. SMOOT. We can come back to it as soon as that Senator returns to the Chamber.

The PRESIDENT pro tempore. The Senator from Utah asks that the amendment be passed over.

Mr. McCUMBER. Mr. President, I object to passing over the amendment.

The PRESIDENT pro tempore. Does the Chair understand the Senator to object?

Mr. McCUMBER. I object to the amendment being passed over. If we are bound to take up the bill according to the rule and consider the amendments in their order, I want the amendments taken up in their order. I object to the amendment being passed over, because I myself may want to introduce an amendment to it.

Mr. SMOOT. It is a committee amendment.

Mr. SMITH of South Carolina. I should like to state to the Senator from North Dakota that the Senator to whom I presume the Senator from Utah had reference will, I think, add materially to the contention the Senator from North Dakota and myself have been making. This is my amendment, and I hope I shall be able to demonstrate to the Senate that it is a proper one. I would like to hear that Senator's statement before this amendment is passed on, and I hope the Senator from North Dakota will not object to its being passed over temporarily.

Mr. SMOOT. I hope the Senator from North Dakota will withdraw his objection.

Mr. McCUMBER. I do not think that anything will strengthen the bill and the amendment which I have offered. I can not imagine that after the three weeks' debate and the assertion by Senators that they propose to leave the Chamber if the matter is referred to in any way there is much hope of our being able to get a real thoughtful vote upon the amendment.

Mr. SMITH of Georgia. Mr. President, if the Senator will allow me, I did not make that statement.

The PRESIDENT pro tempore. Let the Chair understand the parliamentary status of the question. Does the Senator from North Dakota object to laying aside the amendment?

Mr. McCUMBER. I did object.

The PRESIDENT pro tempore. Objection is made, and the question is on the adoption of the amendment.

Mr. SMITH of Georgia. I only want to reply to the Senator from North Dakota in order to correct his statement. When the Senator introduces his amendment and we come to its consideration, I will stay here and be *glad* to hear him, and we will vote on it. My statement was that it was not then before the Senate, and that was the reason why I left the Chamber. If the Senator will discuss it and will state simply and briefly as he can, and clearly, just what it is when it is offered, I will sit here and be glad to hear him, and in all probability I will support him.

Mr. SMOOT. Mr. President——

Mr. McCUMBER. I will say to the Senator that I have at all times tried to state my points as succinctly and as briefly as I could, but I had great difficulty in making the empty seats understand really what I wanted to impress upon Senators. I was under the necessity, therefore, of sometimes repeating the same proposition when a Senator happened to drop into the Chamber. Those who were speaking against the bill were exactly in the same position. The Senator from Minnesota [Mr. NELSON] on two different occasions refused to go on any further unless he could have somebody to listen to him. A part of the time there were as many as five in the Senate Chamber listening to his very earnest defense of his side of the case. All I want is to get the attention of Senators to the proposition, and I will trust to the Lord and their own consciences then to vote upon it properly.

Mr. SMITH of Georgia. Mr. President, I was watching for the time when the Senator should offer his amendment, when it will be in order; and unless something providential prevents I intend to be in my seat and hear him when it is regularly before the Senate. My sole point was that the Senator was not discussing the question before the Senate, and I did not think the Senator ought to interrupt me when I was studying something else and while he was speaking upon his amendment, which was not at the time before the Senate.

I wish to add that what I said was meant in no discourtesy to him or to his amendment, because I intend to listen to it when it is read, and I will hear what he says when it is presented.

Mr. McCUMBER. Let me say to the Senator very sincerely and very briefly that there are other Senators here who are kept in the Chamber only through fear that it may come up. They want to oppose it. So it is a pretty good proposition to keep them on an anxious seat and keep them here in the Senate. I withdraw the objection to passing over the amendment.

The PRESIDENT pro tempore. The Secretary will report the next amendment.

Mr. SMITH of South Carolina. Do I understand that the Senator from North Dakota has withdrawn his objection?

Mr. McCUMBER. I withdrew it at the request of the Senator from South Carolina.

The PRESIDENT pro tempore. The amendment will be temporarily laid aside. All the amendments proposed to that paragraph seem to be related to the same question, and unless there is objection they will all be included in the order and the paragraph will be passed over for the present. The next amendment passed over will be stated.

The SECRETARY. The next amendment passed over is on page 20, line 25, after the words "cotton-boll weevil," to strike out "$378,240" and in lieu insert "$628,240: *Provided*, That the entire expense of such service shall be defrayed from this appropriation, and no contribution or endowment for said purpose

shall be received or accepted from any individual, firm, company, or corporation."

Mr. WILLIAMS. Mr. President——

Mr. VARDAMAN. I wish to propose an amendment to that.

The PRESIDENT pro tempore. The senior Senator from Mississippi has the floor.

Mr. WILLIAMS. I hope that the chairman of the committee will find it possible to modify the committee amendment. The committee amendment reads now:

That the entire expense of such service shall be defrayed from this appropriation and no——

Mr. GORE. Mr. President——

Mr. WILLIAMS. Wait a moment until I am through reading this.

Mr. GORE. I wish to say to the Senator that I intend to accept the modification.

Mr. WILLIAMS. The amendment reads:

Provided, That the entire expense of such service shall be defrayed from this appropriation—

And then it continues—

and no contribution or endowment for said purpose shall be received or accepted from any individual, firm, company, or corporation.

It is wrong, in my opinion, and it is bad policy as well to do anything which prohibits or prevents a county or State or municipality in the cotton States from aiding the Federal Government by contribution of money and by cooperation by work of extirpating the cotton-boll weevil.

Mr. VARDAMAN. Mr. President——

The PRESIDENT pro tempore. Will the senior Senator from Mississippi yield to his colleague?

Mr. WILLIAMS. Yes.

Mr. VARDAMAN. If the senior Senator from Mississippi will permit the substitute which I offer to be read, he will find that it covers that objection.

Mr. WILLIAMS. Well, it may or it may not.

The PRESIDENT pro tempore. The Senator from Mississippi declines to yield further.

Mr. WILLIAMS. I yielded for a suggestion, which has been made.

Mr. President, I understand, of course, the object of this amendment. It has been discovered that certain very rich people are engaged in cooperating with the United States Government in much of the work of the Agricultural Department, and they have been furnishing a part of the money for that purpose. I myself do not altogether share that extreme delicacy of sentiment which keeps communities or good causes from taking money which was wrongfully earned and then untainting it by devoting it to a good purpose. But, upon the other hand, I think it a very bad thing to get the employees of the Federal or of the State or of a city government in the habit of relying upon rich men and corporations for aid and assistance, because it brings around in the course of time a certain influence by those contributing parties upon the character of the work of the governmental officer and a certain, perhaps dominating, influence upon the officials themselves that might be and probably would be finally detrimental to the public service or to self-respect and interest of the masses. I shall now yield one moment while the Secretary reads the amendment proposed by my colleague [Mr. VARDAMAN] to see if, in my judgment, it covers the point at issue.

The PRESIDENT pro tempore. The junior Senator from Mississippi offers an amendment at this stage The Secretary will report the amendment to the amendment of the committee.

The SECRETARY. Amend the committee amendment by substituting the following proviso:

Provided, That the entire expense of such service shall be defrayed from this appropriation and such contributions as may be made by the States, counties, municipalities, and firms, associations, individuals, and corporations residing within said States wherein such work is to be done or service rendered.

Mr. WILLIAMS. Mr. President, I do not think the amendment quite covers the object which the committee has in view, because it says "individuals and corporations residing within said States." If it be bad policy to receive a contribution to aid in the public work from an individual or corporation of a certain type living outside the cotton belt because of the fear of the influence that such an individual or corporation may have upon the work of the public departments or on the public interest, then it is equally bad to receive it from individuals or corporations residing within the cotton States who conceivably might be equally rich and equally undesirable citizens of the same type and equally menacing to the institutions, or rather to the working of the institutions, of the Government. I should have no objection to this amendment if the words "associations, individuals, and corporations" were stricken out.

Mr. VARDAMAN. Mr. President, I will state, with the permission of my colleague——

Mr. WILLIAMS. One branch of the Standard Oil Co., for example, resides very largely in the State of Texas.

Mr. VARDAMAN. There are a great many associations in the State of Mississippi which have contributed to this fund. I was told by an officer of the Agricultural Department that in one of the States the bankers' association had contributed to this work, and it was for this reason that I inserted the word "association."

Now, with the indulgence of my colleague, I will say while on my feet that I do not know, except from what one Senator has told me in private conversation, what is desired to be effected by this committee amendment. I presume it is to exclude one certain individual from contributing to this fund, and the only way we could under this proposed law permit the carriers, corporations, individuals, and associations within the State of Mississippi to contribute would be to put language like this into the law, to amend the bill as I propose to amend it.

In a great many of the counties in Mississippi—one, for instance, that I have in mind—the General Government pays $500 to the demonstrator, the county pays $600, and the little county seat pays $400. In that way they raise $1,500 to engage the services of a very capable man. Everyone is wrought up about it; and if this amendment does not reach the end desired, I hope sincerely that the senior Senator from Mississippi will perfect it.

Mr. GORE. Mr. President——

Mr. WILLIAMS. I have the floor yet, I think.

The PRESIDENT pro tempore. Does the Senator from Mississippi yield to the Senator from Oklahoma?

Mr. WILLIAMS. Does the Senator from Oklahoma desire to interrupt me?

Mr. GORE. I wish to send to the desk a substitute amendment for the proviso, which I think will meet the wishes of Senators.

Mr. WILLIAMS. Will the Senator from Oklahoma let me first see it?

Mr. GORE. Yes. I think it will meet the wishes of the junior Senator from Mississippi [Mr. VARDAMAN] and the objections of the senior Senator from Mississippi [Mr. WILLIAMS].

Mr. WILLIAMS. As I understand, the committee will offer this amendment?

Mr. GORE. Yes, sir.

Mr. WILLIAMS. The amendment reads as follows:

For farmers' cooperative demonstrations and for the study and demonstration of the best methods of meeting the ravages of the cotton-boll weevil, $628,240: *Provided*, That the expense of such service shall be defrayed from this appropriation and such funds as may be contributed by State, county, and municipal agencies, agricultural societies or associations, and individual farmers.

I see no objection to that. It seems to me that that covers the point.

One other word, Mr. President, and then I shall be through with the matter. Of course we understand—and we might just as well speak plainly; there is no reason why we should not mention names—that the reason of the amendment offered by the committee is that it was discovered that Mr. Rockefeller was very largely engaged in contributing money and in participating, through the agencies of the Agricultural Department, in doing this demonstration work. Although the committee is aiming the amendment at that one man, it is simply because that one man is the only man at present of that type engaged in that work; but if it be right to aim it at him, it is also right to aim it at any man of like character with like conceivable motives engaged in like work. It ought to cover the class and not merely the individual.

If it is a blow at what is called predatory wealth, it ought to strike at all predatory wealth when seeking to insinuate into our governmental functioning influence of its sort. It seems to me that the amendment which will be offered by the committee covers the point, and I shall have no objection to its adoption nor to the adoption of the committee amendment as amended.

Mr. McCUMBER. Mr. President, may I ask for the rereading of the amendment?

The PRESIDENT pro tempore. The Secretary will state the amendment as originally reported by the committee, and the amendment now presented.

The SECRETARY. On page 20, line 25, after the word "weevil," the committee originally reported to strike out the figures "$378,240" and to insert "$628,240: *Provided*, That the entire expense of such service shall be defrayed from this appropriation, and no contribution or endowment for said purpose shall be received or accepted from any individual, firm, company, or corporation."

It is now proposed, on behalf of the committee, to amend the paragraph so that it will read:

For farmers' cooperative demonstrations and for the study and demonstration of the best methods of meeting the ravages of the cotton-boll weevil, $628,240: *Provided*, That the expense of such service shall be defrayed from this appropriation and such funds as may be contributed by State, county, and municipal agencies, agricultural societies or associations, and individual farmers.

Mr. McCUMBER. I want to ask the Senator having the bill in charge if he would object to a few dollars additional to the appropriation for the benefit of the farmers' cooperation in checking the ravages of the cutworm upon their cabbages, onions, and so forth, and also for the ravages of the cutthroats upon their wheat, oats, and barley, so that we might cover the whole field and give some adequate protection?

I should like, in connection with this, to ask the Senator from Oklahoma if he will give me the information as to the extent of the damage yearly caused by the boll weevil? I assume that it has been estimated by the Department of Agriculture.

Mr. GORE. Mr. President, I wish to say, in the first instance, that I think this bill provides for waging war against every bug known to entomology; but if there be any others, we should be very happy to include an appropriation to carry on a crusade against them, excepting possibly the one that does business on the exchange; and I shall join the Senator from North Dakota in that crusade on any proper occasion.

Mr. President, there have been estimates made from time to time as to the extent of loss resulting from the ravages of the boll weevil; but they are not now fresh in my memory. They aggregate, however, many millions of dollars in the State of Texas, in the State of Louisiana, and in the State of Mississippi. In portions of Louisiana and of Mississippi the cotton plantations have almost been abandoned for the production of cotton, and the loss, I repeat, aggregates many millions of dollars.

Mr. VARDAMAN. I will state, with the Senator's permission, that in one county in Mississippi the yield of cotton has been reduced from 37,000 bales annually to about 1,800 bales.

Mr. McCUMBER. But taking the entire crop, the boll weevil, of course, may be very bad in some counties and may not seriously affect other counties; it may be bad some years and in other years not so bad.

Mr. VARDAMAN. The trouble about it is the boll weevil is bad all the time. It is never good, but is the most persistent, energetic, pernicious pest that ever cursed a country. It is an evil without a mitigating qualification.

Mr. McCUMBER. But in some years it is worse than others?

Mr. VARDAMAN. Yes; in some years it is a little worse than others; where there is a great rainfall it is worse; but except in certain portions of Texas, where there is a very light rainfall, the boll weevil has well-nigh destroyed the cotton crop.

Mr. BRADY. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Mississippi yield to the Senator from Idaho?

Mr. VARDAMAN. I shall do so in a moment, Mr. President. I shall then be glad to yield; but I want to suggest to the Senator from Oklahoma [Mr. GORE], the chairman of the committee, that I am perfectly willing to accept his amendment in place of the one offered by me if he will enlarge it a little. There is a great deal of money contributed to this work by the merchants of the different communities, and under the Senator's amendment a contribution from them could not be accepted.

Mr. WEST. May I interrupt the Senator from Mississippi?

The PRESIDENT pro tempore. Does the Senator from Mississippi yield to the Senator from Georgia?

Mr. VARDAMAN. Yes.

Mr. WEST. Under this amendment could they receive anything from bankers for this work?

Mr. VARDAMAN. I do not think they could under the amendment proposed by the chairman of the committee, though under the amendment offered by me they could receive contributions from anybody residing within the State.

Mr. WEST. The banks have the best intentions with reference to this matter, because the farmers in the various States support the banks.

Mr. VARDAMAN. The bankers' associations have contributed much to this fund. There is one little city in Mississippi I have in mind which gave $400 last year to this work; in fact, they do it all over the State; and I think it would be quite unfortunate for the cotton industry if anything should be put into this bill which would prevent them from contributing. The bankers, the merchants, the lawyers, the sawmill people—in truth, every class and vocation of our people are alive to the necessity for employing every means possible which even promises to exterminate this terrible pest which threatens to destroy the staple crop of the entire South. It is of tremendous importance to all the people of my State.

Mr. KENYON. Mr. President——

The PRESIDENT pro tempore. The Chair now recalls the fact that the Senator from North Dakota [Mr. MCCUMBER] is entitled to the floor. Does the Senator from North Dakota yield, and to whom?

Mr. KENYON. Will the Senator from North Dakota permit me to ask the Senator from Mississippi a question?

Mr. McCUMBER. I yield to the Senator from Iowa.

Mr. KENYON. I want to ask the Senator from Mississippi a question.

Mr. BRADY. I want to ask the Senator from Mississippi a question.

Mr. VARDAMAN. I shall be very glad to answer the question.

The PRESIDENT pro tempore. Does the Senator from North Dakota yield to the Senator from Idaho?

Mr. McCUMBER. I do.

Mr. BRADY. The Senator from Mississippi gave the number of bales of cotton.

Mr. VARDAMAN. Yes.

Mr. BRADY. I should be very glad if the Senator will give me the amount in dollars and cents, so that we may better understand the matter.

Mr. VARDAMAN. Cotton is worth about $50 or $60 a bale, and in addition to that is the seed, which is worth about $15 a bale; so it makes the value of the cotton per bale about $75 this year.

Mr. McCUMBER. I have not yet received an answer to my question.

Mr. GORE. There can be no doubt that the ravages resulting from the boll weevil exceed a hundred million dollars a year.

Mr. McCUMBER. I have not yet got an answer to my inquiry. It is well known by the Department of Agriculture how many acres of cotton are planted every year; it is well known what the yield is where there have been practically no ravages by the boll weevil. From that information I think they could arrive pretty fairly at the percentage of damage that is done, and I wish to secure that information, if I can.

Mr. GORE. I undertook to answer the Senator's question. His query really involves several questions. If the Senator will again propound his inquiry, I will make an answer.

Mr. McCUMBER. I want to know what the yearly damages are as estimated on the cotton crop by reason of the ravages of the boll weevil?

Mr. GORE. Mr. President, I will say I have not the figures before me, though I could obtain them at the department; but the loss undoubtedly exceeds a hundred million dollars a year. Many counties have been made desolate as the result of those ravages.

Mr. KENYON. Mr. President——

The PRESIDENT pro tempore. Does the Senator from North Dakota yield to the Senator from Iowa?

Mr. KENYON. I think the Senator yielded to me.

The PRESIDENT pro tempore. The Chair stands corrected as to that.

Mr. McCUMBER. I yielded to the Senator from Iowa.

Mr. KENYON. I want to ask the Senator from Mississippi a question. Out of the abundance of his experience, is there any preventive or any method of exterminating the boll weevil?

Mr. VARDAMAN. No such preventive has yet been found. The ingenuity of man up to this time has been baffled and defeated in the effort to find a remedy for the evil.

Mr. KENYON. Has the search for it been abandoned?

Mr. VARDAMAN. It has not. The boll weevil does its damage by making an incision in the square which is the beginning of the fruit. It lays its eggs in that little square, and that seems to act as a poison and the square drops off the stalk. The damage can be somewhat reduced by picking up these squares and burning them before the egg hatches.

Mr. KENYON. Is this work carried on now by the Government?

Mr. VARDAMAN. This work is being carried on by the Government, and conditions are being greatly improved and the losses lessened by intensive farming, by early planting, and a system of cultivation which has enabled the people to make something in the districts where the boll weevil has wrought such fearful havoc. We of the South are very desirous that the work by the Government shall continue. It is our only hope.

Mr. KENYON. What I wanted to get at was this: Whether this appropriation is used for farm demonstration work entirely or whether some part of it is used for eradicating the boll weevil?

Mr. VARDAMAN. Farm demonstration work involves the eradication of the boll weevil, the destruction of the boll weevil, and making a crop in spite of the boll weevil. The method of

cultivation is about the only means we have now of getting around it.

Mr. KENYON. I think in the debate in the House it was suggested and conceded that there was no way to eradicate the boll weevil, and, consequently, the appropriation was not used for that purpose.

Mr. VARDAMAN. The boll weevil is not being eradicated, as a matter of fact. I hope some day a parasite or a poison may be found that will put it out of business, but that remedy has not yet been discovered. The boll weevil has never yielded sovereignty in any country where it has made a conquest; but, as I have said before, the farmers have been able to overcome the difficulty, or to mitigate the evil somewhat, by a different system of farming, and reducing the number of the weevils by picking up the squares that fall off and burning them. That, however, is only a palliative, but it is the best we can do just now. This is a very important matter to the people of the South, and I do hope Senators may realize that fact and not put anything in our way in fighting this little insect which seems to possess almost an infinite capacity to do harm.

Mr. McLEAN. Mr. President——

Mr. McCUMBER. I yield to the Senator.

The PRESIDENT pro tempore. Interruptions should be limited to a single Senator at a time. There are now so many Senators on the floor that it is utterly impossible for the Chair or anybody else to determine what the due and orderly proceedings are. Does the Senator from North Dakota yield to the Senator from Connecticut?

Mr. McCUMBER. I yield.

Mr. McLEAN. Mr. President, I have in my hand the report of the United States Department of Agriculture, Bureau of Biology, issued June 10, 1908, which relates to the subject under discussion; and I think it is a very opportune time to read this document to the Senate, because I think it has a very important bearing upon another appropriation which has been cut out by the Committee on Agriculture and Forestry, and that is the appropriation for the enforcement of the Federal law for the protection of insectivorous birds. Mr. Arthur H. Howell, assistant, Biological Survey, made a report at that time as follows——

Mr. McCUMBER. Mr. President, I supposed when the Senator interrupted me that he did so to give me the information which I was trying to secure.

Mr. McLEAN. If the Senator will be patient, he will get it.

Mr. McCUMBER. I merely wanted to make sure.

Mr. McLEAN. Mr. Howell reported:

> The region now infested by the cotton-boll weevil includes the greater part of the cotton-growing area of Texas and Louisiana and parts of Oklahoma, Arkansas, and Mississippi. Texas and Louisiana produced in 1906 over 5,000,000 bales of cotton, valued at upward of $270,000,000.

Of course, the amount has been greatly increased since that time.

> The loss occasioned by the boll weevil is variously estimated in different localities at from 10 per cent to 50 per cent of the crop, or even more in badly infested areas. Even at the lowest reasonable estimate, the loss to the cotton planters of Texas and Louisiana from the ravages of the pest yearly aggregates many millions. As the weevil extends its range eastward into the more humid regions of the lower Mississippi Valley, the damage it does will be proportionately greater than in the drier regions to the westward.
>
> Investigations conducted by the Biological Survey on the food habits of birds in Louisiana during January and February, 1908, showed that more birds were feeding upon the weevils and that many more weevils were destroyed by them than in any of the more western localities where birds have been collected at a corresponding season. The destruction of weevils in winter is vastly more important than in summer, for the reason that the death of every weevil at that season prevents the production of a very numerous progeny during the early summer and postpones the date when the increase will become so great as to destroy the cotton squares as fast as they appear.
>
> * * * * * * *
>
> During January and February, 1908, the writer visited central and northwestern Louisiana, and studied the food habits of the birds found in and about the cotton fields. Collections were made at Alexandria, Lecompte, Natchitoches, Shreveport, and Belcher. About 600 specimens, representing 50 species, were secured, of which 20 species and 81 individuals were found to have eaten boll weevils, this being 13½ per cent of the total number taken.

I have here the report for the prior year, 1907, on the same subject, "The relation of birds to the cotton-boll weevil." In this report we find that the Department of Agriculture has made very careful investigation of the subject, and advises that:

> The relation of birds to the boll weevil has been studied by the Biological Survey during portions of four seasons and by the Bureau of Entomology during portions of two seasons. Seventeen species of birds were examined during the seasons of 1903 and 1904 by the Bureau of Entomology, with the result that 11 species were found to feed on the weevil. In November and December, 1904, Vernon Bailey, of the Biological Survey, took up the study of the problem, and as a result of the examination of 354 stomachs collected by him 9 additional species of birds were added to the list of boll-weevil destroyers. The work was carried on in the summer and fall of 1905 by the present writer, 62 species of birds being collected and examined, and 8 additional species found to feed on the weevil. The investigation was continued also by the writer in August and September, 1906, and from February 11 to May 3, 1907. Fifteen species were added to the list of weevil-eating birds by the investigations in the past two seasons, details of which will be given later.

Then follow recommendations as to the proper methods of protecting insectivorous birds. I want to say in this connection, while some, at least, of the Senators from the cotton States are present, that I am heartily in favor of this appropriation. I realize the vital necessity of staying, if possible, the ravages of the boll weevil; but it does seem to me that inasmuch as these appropriations began some 20 years ago—the first appropriation for the investigation of noxious insects, I think, was made in 1879—and inasmuch as we have appropriated millions of dollars for the investigation of the ravages of the boll weevil, it seems to me that it is opportune for us now to take advantage of the advice we have been furnished as a result of the expenditure of this money.

I will say that the British colonial office has been searching for several years to find birds that would eat the boll weevil in Africa, as it has already become prevalent there; and as a result of their investigation they are now importing into Africa the quail and one variety, I think, of the heron, as birds which are most valuable for the destruction of the weevil. I sincerely hope that the Senators from the Southern States, when they come to vote upon the appropriation for the enforcement of the migratory bird act, will realize the wisdom of taking the advice of these men who have been employed for the last 25 or 30 years in investigating the ravages of the boll weevil and to recommend the best means of avoiding its increase.

Mr. WILLIAMS. Mr. President——

The PRESIDENT pro tempore. The Senator from North Dakota has the floor.

Mr. McCUMBER. I yield to the Senator.

The PRESIDENT pro tempore. The Senator from Connecticut will have to surrender the floor, then, as the Chair can not recognize two Senators at a time.

Mr. WILLIAMS. If the Senator will pardon me, I want to file a cross-interrogatory. I am very much interested in what the Senator from Connecticut has just said. Have they the Mexican boll weevil in South Africa? I ask for information, because, if they have, I have not hitherto known of it.

Mr. McLEAN. It is the cotton-boll weevil.

Mr. WILLIAMS. Oh, that may be a totally different thing. The Mexican boll weevil is an entirely new thing. Cotton suffers from many pests—the army worm, the bollworm, and the Mexican boll weevil; but, so far as I know, the Mexican boll weevil, which crossed from the Mexican border, invaded Texas, spread over that State and Arkansas, and then went into Louisiana and Mississippi, and is every year going farther and farther north and farther and farther east in the cotton belt, is peculiar to this continent.

I asked the Senator the question merely for information, because, of course, if they have the Mexican boll weevil in South Africa, and if they have birds there that eat and destroy it, it would not only pay us to preserve those birds in this country, but to make a very liberal appropriation for the purpose of importing them and turning them loose in the cotton States. I think, upon inquiry, however, the Senator will find that the peculiar weevil which is known as the Mexican boll weevil does not exist outside of this continent.

Mr. McLEAN. Mr. President——

The PRESIDENT pro tempore. Has the Senator from North Dakota obtained the information he originally sought?

Mr. McCUMBER. I have not obtained the information, but I have been promised it.

The PRESIDENT pro tempore. Does the Senator from North Dakota yield further to the Senator from Connecticut?

Mr. McCUMBER. I yield.

Mr. McLEAN. I wish to call the attention of the Senator from Mississippi to the fact that this appropriation in this bill is for the investigation and control of the cotton boll weevil. I assume that that includes the Mexican boll weevil.

Mr. WILLIAMS. What is meant is the pest from which we are suffering, which is the Mexican boll weevil.

Mr. McLEAN. Yes.

Mr. WILLIAMS. It is true this bill does call it the "cotton boll weevil." I do not know why, except the fact that the Mexican boll weevil eats nothing but cotton; but it is known as the Mexican boll weevil, and there are other weevils which will get on cotton. I have never heard that this peculiar pest—the Mexican boll weevil—exists in South Africa.

Mr. McLEAN. And it is with regard to that particular weevil that the United States Department of Agriculture has advised the protection of the insectivorous birds. I call the attention of the Senator from North Dakota to the fact that this estimate is from 10 to 50 per cent of the production in

the year 1908, which was worth $270,000,000. Of course the value of the annual cotton product is much more than that now; nobody questions that the loss involved is a tremendous one.

Mr. McCUMBER. Mr. President, I am still trying to get as nearly definite information as I can as to what percentage of the cotton crop in the United States and its value is affected by the boll weevil. I do not desire figures merely for one year for one county or for one State.

Mr. SMITH of South Carolina. Mr. President——

The PRESIDENT pro tempore. If the Senator from North Dakota will state what he desires, then the Chair will recognize the Senator from South Carolina.

Mr. McCUMBER. I yield to the Senator.

The PRESIDENT pro tempore. The Senator from North Dakota yields to the Senator from South Carolina.

Mr. SMITH of South Carolina. Mr. President, I should like to state to the Senator from North Dakota that the Director of the Census about eight years ago issued a statement giving the comparative losses sustained by the different States by the presence of the boll weevil. That document is available. I have sent to the document room to see if I could obtain it so as to quote it accurately, but I think the loss is estimated at somewhere about $50,000,000 annually, the estimate being based on the number of bales destroyed by the weevil at the current prices obtained for cotton.

I should like also to state to the Senator that since the advent of the boll weevil on the eastern side of the Rio Grande River its progress has been steady, without an appreciable stay, in spite of all the efforts of the Agricultural Department to check it or to lessen its ravages. In this effort a very early variety of cotton has been developed. This early variety of cotton comes on before the weevil comes out of hibernation, but in the early variety of cotton the gain which accrues because of freedom from the attack of the boll weevil is offset by virtue of the fact that the early variety is of the shorter staple and really of less value than the later-maturing variety, so that, summing the profit and loss, the weevil has not been checked in its ravages upon the value of the cotton production of this country.

I should like to state further in this connection, with the permission of the Senator from North Dakota, that, as intimated by the Senator from Mississippi [Mr. WILLIAMS], cotton is the only food of the boll weevil. By experimenting, the department found that the boll weevil can subsist on nothing else but cotton. It is almost a misnomer to call it a boll weevil, in that it rarely feeds upon the bolls; hence the effort upon the part of the department to get an early-maturing variety, so that the boll will become firm before the weevil comes out of hibernation. The boll weevil feeds upon the little bloom just before it opens, so that after the advent of the weevil in any great numbers in a cotton field you see no more blooms, and therefore you see no more fruit. It is claimed—and I have in my possession holographic letters, not typewritten letters, from entomologists in the employ of the Government to that effect—that the only practical solution of this question is to throw a sufficient zone in front of the weevil over which he can not pass for lack of food, cease cotton planting in that zone, and then, after having eliminated him entirely from that zone, begin a retrograde movement, so that ultimately he can be driven back. It has been stated that that will be less expensive in the long run to the Government, and that it would be absolutely practicable; but that plan has failed of materialization up to the present time, for the reason that they claim that by farm demonstration, the production of early varieties of cotton, and diversification of crops might enable the farmer to make some money, or as much money with the presence of the weevil as without it.

I am stating this as preliminary, though perhaps not particularly germane, to giving the information that up to the present time there has been no check to the progress of the boll weevil, no check to its destruction of the cotton product of America, and it is only a question of time until the boll weevil shall have covered the entire cotton belt and faced those of us in the Southeastern States with a problem we may not solve, because the same conditions do not prevail in the Southeastern States that prevail in the Southwestern States.

Mr. WEST. Mr. President——

The PRESIDENT pro tempore. Does the Senator from North Dakota yield to the Senator from Georgia?

Mr. McCUMBER. Mr. President, I will yield in just one moment.

The PRESIDENT pro tempore. The Senator declines to yield.

Mr. McCUMBER. The discussion in the last 15 minutes, I think, has demonstrated beyond any question the great service to the country that I am rendering by insisting that Senators shall be present during the discussion of this bill.

I asked a simple little question as to what damage was being done by the ravages of the boll weevil. Neither the Senator in charge of the bill nor any other Senator on the floor seemed to have the slightest idea about the subject, and I could not tell whether or not I would be voting more money to exterminate the boll weevil than the damage the boll weevil was doing would amount to. I had to recur to the great seat of learning in the New England States, and the Senator from Connecticut [Mr. MCLEAN] was able to give me some information. He said it was several million dollars. The Senator from South Carolina [Mr. SMITH] has given us more information; and as I am holding the floor and yielding, we will finally get some information about this bill and what it is for and why we should vote this particular sum.

I now yield at the request of the junior Senator from Georgia.

The PRESIDENT pro tempore. The Senator has not yet exhausted all the cotton pickers on that side.

Mr. WEST. Mr. President, with the permission of the Senator from North Dakota, I desire to ask the junior Senator from South Carolina what is the probable width of the belt that it is desired to leave in order to stop the ravages of the boll weevil?

Mr. SMITH of South Carolina. Mr. President, if the Senator from North Dakota will allow me, the department estimated that the weevil had arrived at a certain point in Alabama, and that entirely eliminating cotton for one year from a zone 100 miles wide, extending from the Tennessee line to the Gulf of Mexico, would eradicate the weevil. That would necessarily place the zone 100 miles back. They estimated, roughly, that an appropriation of something like $10,000,000 would be necessary for that purpose, but that the saving would offset that.

I should like to suggest to the Senator from North Dakota, as he said he wanted some definite information, that it is practically impossible to get definite figures as to the damage caused by the weevil, for the reason that it is practically impossible to tell what is going to be the price of cotton, just as it is practically impossible for the Senator to tell what is going to be the price of his grain under the present miserable system of marketing.

I wish to state to the Senator that I was heartily in sympathy with his effort to bring about a condition where those who produce grain and produce cotton could at least have some show when they came to sell. If the Senator will allow me, I do not think he is making any headway by laying strictures indiscriminately upon those of us who have spent almost our entire time here working for those we know need legislation that will help them to enjoy a part, at least, of the wealth they produce.

I do not know whether the Senator's bill was exactly in accordance with what was proper or not, but I was willing to follow him. I simply wish to state to the Senator that, so far as the damage done by the weevil is concerned, he can get an idea of its extent when I say that in the State of Louisiana—and the Senators representing that State will confirm me—they formerly made a million bales of cotton, and after the advent of the weevil their production dropped down to something like 300,000 bales. Taking as an average 500,000 bales at $50 a bale, that would make a loss of something like $25,000,000 in one State alone chargeable to this pest. This is a line along which it is impossible for one to give accurate information.

Mr. RANSDELL. Mr. President——

Mr. McCUMBER. I will yield to the Senator from Louisiana in just a moment.

The Senator, I think, has given us the most nearly accurate information we have gotten; and it is evident that he has given the matter some study. I wanted the Senate to have the benefit of the knowledge that has been obtained by the Senators who have given the matter some study. The only way Senators can get the knowledge, of course, is for them to be here and listen to the Senator from South Carolina.

I am not attempting in any way to delay the matter, except to get it clearly before us, so that we may understand what we are voting upon. As a result of my study of the grain question I can make a pretty accurate statement of the loss that results from the present methods. I can take the number of bushels of each kind of grain produced in any year, and take 3 cents a bushel on each grade of grain, and make a fair estimation of what we lose by reason of the present system of grading and inspecting grain.

The Senator from South Carolina has stated that the loss by reason of the damage done by the ravages of the boll weevil amounts to about $50,000,000 a year. Now, side by side with that I wish to put a few figures relating to the damage resulting from the ravages of the evil system of grading and inspecting grain from which we are suffering.

Taking a production of 700,000,000 bushels of wheat a year, I estimate that through wrongful grading we lose at least 3 cents a bushel, which would make a loss of $21,000,000. Taking a billion bushels of corn, there would be a loss of $30,000,000. Taking our flax and our rye and our oats and our barley on the same basis, it would make a loss of $25,000,000, or, altogether, a loss of $76,000,000 annually to the producer.

I want Senators to think of that in connection with the losses to the cotton industry—for these are losses that can be quite accurately estimated and stated, according to all the evidence in the case—when they vote for this item in a short time, after having received the information that has been obtained through considerable labor upon my part, and having to undergo a feeling of anger, possibly, on the part of a few of the Senators on the other side because I have attempted to keep them here. I think we have made great headway; and when I vote to appropriate $800,000 instead of $300,000, which we had in the bill a few minutes ago, for the extinction of the boll weevil, I, for one, will know what relation there is between the ravages of the boll weevil and the amount of money we are asked to appropriate, of which the farmers of my State will go down into their pockets and pay their proportion. I wanted to know just what the relation was, in order that I might vote intelligently upon the subject.

Mr. RANSDELL. Mr. President, will the Senator yield to me?

The PRESIDING OFFICER (Mr. ASHURST in the chair). Does the Senator from North Dakota yield to the Senator from Louisiana?

Mr. McCUMBER. I yield the floor just now.

Mr. RANSDELL. I shall endeavor to throw a little light on that subject. I can not throw much light on it. I am a cotton producer myself, and I have been an unfortunate sufferer from the ravages of the cotton boll weevil.

I generally made, at the lowest calculation, from five to six hundred bales of cotton a year on my plantation. Last year, solely because of the boll weevil, I made 206 bales. I lost a considerable amount of money, but I made a good crop in comparison with many people in my immediate locality. I got in the neighborhood of a quarter of a bale of cotton per acre. I had a great many friends a little south of me who did not make a tenth of a bale of cotton per acre. I visited fields where I saw as fine cotton as I ever witnessed in my life—8 feet and some of it nearly 10 feet high—with not over six or eight bolls on the stalk, cotton that ought to have made a bale to a bale and a quarter, and some of it a bale and a half to the acre, but it was not making a bale to 15 acres. That was due entirely to the ravages of the cotton boll weevil.

I am glad to say that did not extend all over Louisiana. We did make some cotton in the State, but we did not make half, or anything like half, what we were entitled to make and what we would have made but for the ravages of the boll weevil. I speak personally because a burnt child dreads the fire, Senators, and I have been burnt by the boll weevil, and the district I represented in Congress for many years has been burnt by the boll weevil.

Let me give you some official figures from the Statistical Abstract of the United States for 1912. I quote from page 155 of the Abstract:

The cotton crop of Louisiana in 1902 was 886,000 bales. I will not read the odd hundreds. In 1903 it was 836,000 bales. In 1904 it was 1,107,000 bales. In 1905 it was 523,000 bales. In 1906 it was 979,000 bales. Then the boll weevil began to come in, and the next year it dropped to 679,000 bales. In 1908 it dropped to 481,000 bales. In 1909 it dropped to 269,000 bales. In 1910 it was 256,000 bales. In 1911 it was 399,000 bales, and in 1912 it was 391,000 bales.

So, for the past five or six years our crop has fallen short, at the lowest calculation, between 250,000 and 300,000 bales a year. It has fallen short from $20,000,000 to $25,000,000 every year, Senators, because of the cotton boll weevil.

Mr. WILLIAMS. From 33⅓ to 50 per cent.

Mr. RANSDELL. Yes, sir; in actual percentage, from 33⅓ to 50 per cent. Many portions of the State which used to raise good cotton have had to abandon it entirely. The crop of sugar advanced rapidly from the south to the north and took the place of the cotton farms where they used to make cotton very successfully, but where they could not make it at all in the presence of the boll weevil. Then they began to plant sugar cane, and we were getting along pretty well with it; but now they can not even raise sugar cane successfully down there, and God knows what they are going to raise.

We want all the help we can get from this great Government to help us find something to raise on those lands which used to be profitable in cotton and which were profitable in cane; but now, as I say, we know not what to put them in.

Mr. President, any crop pest which causes a single State to lose from twenty to twenty-five million dollars a year is well worth the serious attention of the Government. I can not give the actual figures for Texas or for Oklahoma or for Arkansas or for Mississippi, but I know that the losses have been heavy in all of those States, and I know that, as certainly as the sun shines in the heavens now, it is going to be very bad in Alabama, in Georgia, in North and South Carolina, and in Florida.

The weevil is already in southern Alabama. The weevil is already in a portion of Florida. I look to see it in Georgia next year, to some extent, and within five years I look to see it in every cotton State in the South.

This is a very small appropriation in comparison with the enormous interests involved. I am satisfied that the loss is at the least fifty to seventy-five million dollars a year, and that loss is to the South's greatest staple. That loss is to the crop which brings more money to this Government, directly, at any rate, than any other crop. I admit that corn is agriculturally the king of this Union, worth more than our cotton; but cotton is the crop which makes the balance of trade in favor of this country with foreign lands. It is the part of statesmanship, of wisdom, and of humanity to do everything possible to protect this great crop.

Mr. McCUMBER rose.

Mr. RANSDELL. Does the Senator from North Dakota wish me to yield to him?

Mr. McCUMBER. Yes; if the Senator will allow me.

The PRESIDING OFFICER. Does the Senator from Louisiana yield to the Senator from North Dakota?

Mr. RANSDELL. I do.

Mr. McCUMBER. Why can not the farmers of Louisiana raise sugar cane to advantage?

Mr. RANSDELL. Sugar cane was never raised very successfully on what is known as the neutral ground, between the cotton-producing and the cane-producing sections of the State, and, since the enactment of the present tariff law, they can not raise it successfully now, certainly not in the portion which was always the very doubtful cane-producing area of the State.

Mr. McCUMBER. Does the Senator remember how very earnestly I worked to protect his industry down there, and how I voted with him?

Mr. RANSDELL. I do; and I thank the Senator for all his efforts. I am sorry they were not successful.

Mr. McCUMBER. I will say to the Senator that up in my State we are troubled with drought. I have known farmers who sometimes did not raise a single crop for three long years. Hot winds come from the southeast and southwest, and they destroy our crops. The chinch bug alights upon it and destroys it. It is often destroyed by hail and hot weather, and sometimes it is frosted. After we have escaped all of these dangers, when we sell in the general market the little part that we have left in that section of the country, we lose from 3 to 5 cents a bushel on it because we can not get a straight, honest grade.

When the Senator wanted to have his cotton protected in Louisiana and other places throughout the South, I voted with him and with the other Senators to protect their crop from the ravages of the evils of the system in New York; but when I appealed to the Senator from Louisiana to help the farmers of my section of the country to save the little 3 or 5 cents a bushel upon their crops I had a negative vote.

It seems to me that the Senator does not feel as kindly toward my people as I do toward his. I am going to vote for this item. I am going to vote to give those people all the protection the Senator feels they ought to have. I submit, however, that as we can not raise sugar cane in our State, as we can not raise cotton, as we can not raise corn very safely, as we must rely entirely upon our cereals, they being our only reliance, we ought also to be protected and enabled to get the very best we can out of that crop. If the Senator felt as kindly toward that entire section of the North as I do toward his section, we would reach the hand of good fellowship from North Dakota to New Orleans, and we would help the farmers of both sections by our votes.

Mr. RANSDELL. Mr. President, I do not think the Senator will say that I or any other Senator from my section of the Union does not feel kindly to the great grain crop of the Northwest. I always have been in favor of everything that would promote that great industry. I am in favor of it now. If he will show me any way by which I can aid that industry, I will be glad to do it. We are appropriating in this bill $400,000 for that purpose. The item preceding the one under consideration proposes to appropriate $400,000 for farm demonstration work. I believe that is to be used in the Northwest. I understand that it is.

The big difference between the Senator and myself is that he is talking about a law for marketing the crops—for handling the crops after they are made—while I am trying to get through a law here permitting us to make the crops. There is a vast difference between the two things.

Let me suggest another thing to the Senator. All of us from the South are agreed on the wisdom of this proposition; but when his measure about grain came up I found my very eloquent and learned friend from the great grain State of Minnesota—not quite so great as North Dakota, but still a wonderful grain-producing State—Mr. NELSON, for whom I have the highest respect, taking exactly the opposite view from that which the Senator from North Dakota took in regard to the grain-inspection bill. I also found the very eloquent and learned Senator from Missouri [Mr. REED], who comes from a section right on the border line between Missouri and Kansas and Nebraska, that wonderful region, taking exactly the opposite view from the Senator from North Dakota. When the doctors disagree, when you have two learned doctors on one side of the case and only one learned doctor on the other side of the case, do you think we can do anything but say, "We are humble laymen, and we will wait until the doctors agree, and then we will take the medicine which all three of them agree on dosing us with"? That was the proposition, as I understood it.

Mr. McCUMBER. Mr. President, will the Senator allow me to interrupt him right there?

Mr. RANSDELL. I will.

Mr. McCUMBER. When the doctor from Kentucky disagreed with the doctor from Louisiana upon the matter of protection for the sugar cane of Louisiana, I did not hide behind the proposition that the two doctors disagreed. I voted with the Senator from Louisiana, even though three-fourths of the doctors on the other side were against him.

Mr. RANSDELL. May I interrupt the Senator? How much sugar is raised in Kentucky, and how much did the doctor from Kentucky know about sugar?

Mr. McCUMBER. Why, they are consumers, and I do not know how much they use to mix with that other Kentucky ingredient. [Laughter.]

Mr. RANSDELL. May I further ask if it is not a fact that the Senator from Minnesota [Mr. NELSON] represents a very great grain-growing State? Does he not come from a State which handles an enormous quantity of grain? And is not the same true of the Senator from Missouri [Mr. REED]?

Mr. SHERMAN. Mr. President——

The PRESIDING OFFICER. Does the Senator from Louisiana yield to the Senator from Illinois?

Mr. RANSDELL. I will yield when the Senator from North Dakota has finished answering my question.

Mr. McCUMBER. I was simply making the point that in that case I think we ought to be our own doctor and use our own judgment, after we have studied the question and have given it our attention. If the Senator had listened to the arguments—if he had listened to the argument of the Senator from Minnesota and had been convinced from his argument that he was right, and had listened to my argument and had been convinced that I was wrong—I could accept his decision. I am awfully sorry, however, that it was only the Senator's desk that listened to us, and the Senator could not absorb that knowledge from his desk.

Mr. RANSDELL. Mr. President, I think if the arguments had been a little briefer, not only on the part of the Senator from North Dakota but also on the part of all the other Senators who spoke on that question, we might have listened; but when they lasted for a month or six weeks, we could not possibly listen to all that was said.

EXECUTIVE SESSION.

Mr. STONE. Mr. President——

Mr. RANSDELL. I yield to the Senator from Missouri.

Mr. STONE. I do not wish to interfere unnecessarily with the Senator from Louisiana; but it is 5 o'clock, and I was about to move that the Senate proceed to the consideration of executive business.

Mr. RANSDELL. I have no objection. I had made all the points I wished to make, and tried to answer the question, so the Senator will not interfere with me if he makes that motion.

The PRESIDING OFFICER. The question is on the motion of the Senator from Missouri that the Senate proceed to the consideration of executive business.

The motion was agreed to, and the Senate proceeded to the consideration of executive business. After 13 minutes spent in executive session the doors were reopened.

AGRICULTURAL APPROPRIATIONS.

Mr. GORE. I ask unanimous consent that the Senate resume the consideration of House bill 13679, the Agricultural appropriation bill, which was temporarily laid aside.

Mr. McCUMBER. I can not understand what is the Senator's request on account of the confusion in the Chamber.

The PRESIDING OFFICER. The Senator from Oklahoma asks unanimous consent that the Senate proceed to the consideration of the Agricultural appropriation bill.

Mr. McCUMBER. Pending that, I suggest the absence of a quorum.

The PRESIDING OFFICER. The Senator from North Dakota suggests the absence of a quorum. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Ashurst	Johnson	Overman	Smith, Ga.
Bankhead	Kenyon	Owen	Smith, S. C.
Brandegee	Kern	Page	Smoot
Bristow	Lea, Tenn.	Pomerene	Swanson
Bryan	Lewis	Ransdell	Thomas
Chamberlain	McLean	Saulsbury	Vardaman
Clark, Wyo.	Martin, Va.	Shafroth	Walsh
Clarke, Ark.	Martine, N. J.	Sheppard	Warren
Crawford	Nelson	Sherman	West
Gore	Norris	Shively	Williams
Hughes	O'Gorman	Simmons	

Mr. MARTINE of New Jersey. I desire to announce that the Senator from West Virginia [Mr. CHILTON] is absent on public business. He is paired with the Senator from New Mexico [Mr. FALL].

Mr. WALSH. I wish to announce the absence of my colleague [Mr. MYERS], who is ill.

Mr. SMOOT. I desire to announce the unavoidable absence of the senior Senator from Kentucky [Mr. BRADLEY] and the junior Senator from Wisconsin [Mr. STEPHENSON].

The PRESIDING OFFICER. Forty-three Senators have answered to their names. A quorum of the Senate is not present.

Mr. SMITH of Georgia. The Secretary under the rule must call the roll of absentees.

The PRESIDING OFFICER. The Secretary will call the names of absent Senators.

Mr. WEST. I move that the Senate adjourn. I do not think we shall be able to get a quorum this evening. I have been here all day, and I think it is time to adjourn.

The PRESIDING OFFICER. The Senator from Georgia moves that the Senate adjourn.

The Senate refused to adjourn.

The PRESIDING OFFICER. The Secretary will call the names of absent Senators.

The Secretary called the names of the absentees, and Mr. THOMPSON and Mr. TILLMAN answered to their names when called.

Mr. SMITH of Maryland, Mr. ROBINSON, Mr. LA FOLLETTE, and Mr. LANE entered the Chamber and answered to their names.

The PRESIDING OFFICER. Forty-nine Senators have answered to their names. There is a quorum present.

Mr. GORE. I now ask the Senate to proceed to the consideration of the Agricultural appropriation bill.

There being no objection, the Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 13679) making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1915.

The PRESIDING OFFICER. The pending question is on the amendment proposed by the Senator from Oklahoma [Mr. GORE] to the amendment of the Committee on Agriculture and Forestry.

Mr. GORE. I withdraw the amendment which I offered, and, so far as I am concerned, I accept the amendment offered by the junior Senator from Mississippi [Mr. VARDAMAN], if there be no objection.

The PRESIDING OFFICER. There being no objection——

Mr. WILLIAMS. I object. I should like to have a vote upon it, anyhow. My reason for objecting is that, while it is all right to strike at Rockefeller's participation, I think the language ought to be broad enough to strike anybody else out of participation who is in Rockefeller's situation. In other words, if there is any principle in this matter at all, it ought to be applied to everyone of the class and motive aimed at; it ought to exclude men of like character and purposes and motives residing within the South. I shall not make any difficulty about it. I shall simply vote against the motion if it is made to substitute this amendment for the committee amendment as modified a moment ago by the chairman of the committee [Mr. GORE]. I think the committee amendment as modified accomplishes the purpose that the chairman and the gentlemen of the committee

pretend they desire to accomplish, and that the amendment to it by my colleague does not accomplish that purpose; on the contrary, it leaves room through which to drive a coach and four.

Mr. SMOOT. Mr. President——

Mr. WARREN. I should like to have the amendment to the amendment read.

Mr. SMOOT. The Senator from Wyoming asks that the amendment be read. That is what I rose to ask.

The PRESIDING OFFICER. The amendment to the amendment will be read.

The SECRETARY. In the part proposed to be inserted at the bottom of page 20 after the word "*Provided*," in the amendment offered by the committee, strike out and insert in lieu the following words:

That the entire expense of such service shall be defrayed from this appropriation, and such contributions as may be made by the States, counties, municipalities, and firms, associations, individuals, and corporations residing within said States wherein such work is to be done or service rendered.

Mr. GORE. Mr. President, I wish to say that I withdraw the amendment which I offered, and propose to accept this amendment, because I feel certain that this amendment will be administered by the Department of Agriculture in a way to secure the end which the committee have in view, and I move its adoption.

Mr. WILLIAMS. Mr. President, there is at the head of a great corporation in the State of Texas a man who has been much talked about as one of the men of pernicious activities and "predatory wealth." Why provision should be left in a condition such that he can become a contributor to this fund and a participator in this work, while somebody else outside of the State of Texas equally predacious can not, I do not understand. It seems to me, upon the contrary, that there is more objection to his intermeddling in the affair than of somebody outside doing so, because a man inside a State has an interest in the complexion of the legislature, and if he can bribe public sentiment by contributions to a great public purpose of local interest he is of much more danger to the State and its people than anybody with great wealth and with like supposed or alleged ulterior purposes outside of the locality could be. Rockefeller would have no interest in the complexion of the Legislature of the State of Mississippi or of the State of Texas, but a man of great "predatory wealth," at the head of a great and pernicious trust in one of these States, would have a great interest in precisely that thing. Now, if the reason why this amendment is adopted is to prevent just that sort of thing in the public life of the Nation and upon the governmental functioning of the Nation, then it applies with twofold force to men of that character who reside within the section affected, because their contributions will have much more influence in bringing over to a favorable consideration of their ulterior ends the local men than would the contributions of somebody outside of the territory, who could have no local ends in view. I think that either one of these amendments is better than the language which occurs in the bill as brought from the committee; but I think that the modified language offered by the committee in the first instance is better than this, to which the chairman now for some reason gives way. This reads:

Associations, individuals, and corporations residing within said States wherein such work is to be done or service rendered.

The Pierce-Waters Oil Co. is no more respectable than is the Rockefeller Oil Co., nor is the head of one any more respectable than the head of the other, and there are a great many other companies of like character whose influence and the influence of whose chiefs are to be as much dreaded. The local company's influence is to be much more dreaded than that of a company or an individual whose interests are outside of the territory to be affected and that has no interest in the political complexion of the State.

I will say this before I sit down: I have said what I have, predicating it upon the theory of the committee. I am not as highly supersensitive as are a great many people about taking a tainted dollar and untainting it. After all, it is not the dollar which is tainted, but the man who got it and the nefarious system under which it was gotten. In a little town in Mississippi there was a man who made his business by professional gambling. A Methodist preacher of great character and eloquence came there. This man, thinking to be either insolent or funny, one or the other, went to him one day and said, "Parson, here is $25 for your church; but before you take it I want to tell you how I got it. I won it at the poker table." The parson took it. "Well," he said, "thank God, here are $25 badly and dirtily won that will be taken from a bad cause and made to serve the cause of God and humanity," and he put the money in his pocket and gave it to the church.

As to the dollar itself, it is never tainted; it is the man who is tainted; it is the business that is tainted; and I wish I could get half the dollars such people have away from them by lawful means, so far as that is concerned, and get them directed in some way to a good purpose; but I do realize that when it comes to carrying on the Government itself that is a totally different thing. The Government itself ought to pay its own employees, and it ought not to permit somebody else to be virtually the real employer of its nominal employees, because where the paymaster is there the heart of the employee is, and where the paymaster's interests lie there will the service of the employee go, if at any time in the carrying out of the work there should be or could be a conflict between the interests of the Government, representing the people, upon the one side, and the interests of the contribution, representing the individual or the trust or predatory wealth, upon the other side.

I have heard that there were a good many of the people—the so-called employees of the Department of Agriculture—upon the pay roll—the junior Senator from Iowa [Mr. KENYON] is my informant—who receive a dollar from the Government to fix the nominal character, the nomenclature of their employment, and receive the balance of their pay from Mr. Rockefeller. If so, it is idle to call them employees of the Agricultural Department; they are at heart and in service, if the test should ever come, the employees of Mr. Rockefeller; or else, if they do not serve him as his employees, when the test comes, they will have to resign their positions, because the right sort of men do not take their bread as a voluntary gift from a given source and then work against or hold righteous indignation against that source. Their mere naming or nomination by the Department of Agriculture does not make them the employees of the United States Government. They remain the employees of the man who pays them, of the interest that pays them. Moreover, if you are going to stop this sort of thing, then I think you ought to go further and stop it whencesoever or by whomsoever the menace may come. Leaving in here the words "associations or individuals residing within said States," I should have no objection if it read: "And such contributions may be made by the States, counties, municipalities, mercantile or banking associations, or agricultural associations, farmers or merchants, residing within the State."

But when you put in the broad word "individuals," and just prior to it the word "associations," I do not see how anybody can say that that does not include everybody, subject only to the limitation that they shall be resident within the several States of the cotton belt, and thus possibly, if not probably, defeat the very end aimed at.

A great lumber interest down South might have some legislation that it wanted to put through a local legislature, and it might think that it could gain a few legislative votes by contributing largely to the funds for the extermination of the Mexican cotton boll weevil, thus striking a popular chord and bribing the popular will, unconsciously to the popular conscience. The great cottonseed-oil industry, if it became united in a trust—and thus far it has not, I am glad to say—might conclude that it could make antitrust laws easier in their operation upon it if it would please the farmers and the legislatures representing the farmers by making a large contribution to the extirpation of the Mexican boll weevil, and so on ad infinitum. It seems to me it would be better to confine it, and I would rather, if I could, confine it, to States, to counties, to municipalities, to agricultural and banking associations, and to individual farmers.

Mr. President, I ask unanimous consent to publish in the RECORD at the end of my remarks and as a part of them the telegram which I now send to the desk.

The PRESIDING OFFICER. That will be done in the absence of objection. The Chair hears none, and it is so ordered.

The telegram referred to is as follows:

CLEVELAND, MISS., *April 24, 1914.*

Senator JOHN SHARP WILLIAMS,
Washington, D. C.:

We earnestly urge that you oppose amendment to general Agricultural appropriation bill relative to farm demonstration work. County, State, and individual assistance is necessary if effective work is done in this work.

C. P. METCALF,
W. L. PEARMAN,
C. S. GASSCO,
W. G. HARDEE,
WALTER SILLERS,
W. B. PARKS,
L. H. GAINS,
R. M. EDWINS,
L. E. EDWARDS,
CHARLES OWEN,
Cleveland Business League.

Mr. MARTIN of Virginia. Mr. President, this amendment which has been presented by the committee and which has been modified, or attempted to be modified, by a number of suggestions made on the floor of the Senate, seems to be intended to prevent contributions from the general education board—which I suppose means Mr. Rockefeller—to demonstration work through the agency of the Department of Agriculture in Washington. I confess, Mr. President, I am somewhat at a loss to understand the logic of the idea which refuses to permit contributions to be made for legitimate purposes to worthy objects. For my part, and so far as my State is concerned, I am very glad to see Mr. Rockefeller contribute to worthy objects in my State as liberally as he is willing to contribute.

I have heard very little about this matter until to-day. To-day the president of the Agricultural and Mechanical College of the State of Virginia came to Washington to bring this matter to my attention, and he has prepared a statement and handed it to me within the last 15 minutes, from which it appears that contributions are being made for this current year by the general education board as follows: In Alabama, from the general education board for girls' canning and poultry club work, $5,000; in Arkansas, from the same general education board, for girls' canning and poultry club work, $5,000. Contributions are made from other sources; for instance, in Arkansas business men, business organizations, and county boards of revenue contributed $50,700 for the same purposes.

In all the States large contributions are being made by county boards and by business organizations for these very commendable objects, all of which, under the amendment originally reported by the committee, were struck down. The committee proposed to forbid the philanthropic people of the several States from contributing, in conjunction with the Agricultural Department, to these worthy objects. It is inconceivable to my mind what could have led them to the conclusion that they must legislate to prevent contributions by business organizations, business men's associations, and municipal organizations to worthy objects of great benefit to the public.

In Florida the general education board contributed $5,000 for the same objects—canning and poultry club work of girls. In Georgia, for the same work, girls' canning and poultry club work, $5,000 was contributed by the same board, as well as $12,000 for regular demonstration work. I do not understand how the State of Georgia can be injured by permitting Mr. Rockefeller, be he a good man or a bad man, devoting his money to such uses.

Mr. LANE. Mr. President——

The PRESIDING OFFICER. Does the Senator from Virginia yield to the Senator from Oregon?

Mr. MARTIN of Virginia. Certainly.

Mr. LANE. There is a prejudice against taking money from Rockefeller. There may be none against taking money from agricultural associations; and there are a million men in this country from whom the people would not object to taking money; but there is an objection to taking money from Mr. Rockefeller and the Standard Oil Co. There are many people who believe that there is sweat and blood and grime and mothers' tears on every penny of his money, and that the curse of God rests on the hand that accepts it; that it is used to demoralize the service of the people. They do not want the money, and they do not want the Senate to vote it onto them. The Senator need make no mistake about that.

Mr. MARTIN of Virginia. It is a prejudice in which I do not participate. If Mr. Rockefeller has money that is covered with blood, take it away from him, if he is willing to give it, and use it for legitimate charity, instead of letting him keep it and use it.

Mr. LANE. Has the Senator read the news from Colorado of how gunmen shot women and children and then set fire to the tents and burned 13 babies to death?

Mr. MARTIN of Virginia. I read all that, and I will say that for whatever wrong he has done let him be punished; let him be punished for every evil deed he has committed, but if he wants to do any good do not interpose a law that will prevent him from doing it.

It will do good in my State. When he gives $38,000 a year for these purposes the people in my State do not object to receiving it; I do not object to receiving it; I would be glad to get a half of all his millions, ill-gotten or not, if they could be bestowed on public charities and useful objects in my State. I would be glad to see him give his money to such purposes.

Mr. KENYON. Mr. President, may I ask the Senator a question?

Mr. McCUMBER. Mr. President——

The PRESIDING OFFICER. Does the Senator from Virginia yield; and if so, to whom?

Mr. MARTIN of Virginia. The Senator from Iowa is the only one I see on his feet.

Mr. McCUMBER. The Senator from Iowa first addressed the Chair.

Mr. KENYON. I merely wanted to ask the Senator in that connection if he knew that $2,500,000 worth of Colorado Industrial Co. notes and bonds were held by the general education board, the Colorado Industrial Co. being one of the companies involved in the riots now going on in Colorado, and that some of the money that is given to pay the employees of the Government comes from the funds of that company? Would the Senator want that kind of money?

Mr. MARTIN of Virginia. It will not help them any for us to force Rockefeller to keep it himself. I should like to get the whole estate he has accumulated, if it could be devoted to charity and education and beneficent purposes for the betterment of the world and for the help of the poor.

Mr. KENYON. Does the Senator want employees of the Government, or presumably employees of the Government, paid by the money of this man, which he gets from the bonds of a company such as that in Colorado? That is what is being done to-day. The report of the Secretary of Agriculture shows that 600 employees of his department are paid from this fund, one dollar being paid by the Government and the balance by the general fund. That is what this amendment is striking at. The amendment does not prevent the Senator taking Rockefeller money for his State if he wants to do so, but it does stop the Government having their employees paid by this man; that is all.

Mr. MARTIN of Virginia. The fact that he gives it to a public use does not hurt anybody. We can not take the money away from Rockefeller and give it to those miners. If he got it by any mistreatment of those miners, he ought to be punished for his acts. I know nothing about that.

Mr. KENYON. Does the Senator believe, as to the employees of this Government—as the record now stands, 600 of them paid by the money that comes from that fund—that that is a proper way to pay them? Is not this Government big enough and powerful enough to take care of its own employees without that kind of a contribution?

Mr. MARTIN of Virginia. It has not done it; it is not doing it now; it is not taking care of this demonstration work in my State as it ought to be taken care of, and I wish I could get $200,000,000 of Rockefeller's money and devote it to beneficent purposes in my State.

Mr. KENYON. That is all right, so far as the State is concerned, perhaps; but would the Senator pay the salaries of the Supreme Court judges or United States Senators or any other officers of the Government from a fund of this kind?

Mr. MARTIN of Virginia. Nobody has made any proposition of that sort.

Mr. KENYON. That is being done now as to certain employees of the Government.

Mr. MARTIN of Virginia. The Senator has heard more than I have; I have not heard of that.

Mr. KENYON. Then the Senator has not read the letter from the Secretary of Agriculture in response to the Senate resolution.

Mr. MARTIN of Virginia. Surely the Senator from Iowa does not stand up here and say that Rockefeller is paying the judges of our courts. There is no use of talking stuff like that to me.

Mr. KENYON. I did not say that.

Mr. MARTIN of Virginia. That is what the Senator said. I do not know what he meant to say; but that is what he said.

Mr. KENYON. No; I did not. I say he is paying to-day, out of his money, 600 employees of the Department of Agriculture, and I say you might as well pay the judges of the Supreme Court and you might as well pay the Senators.

Mr. MARTIN of Virginia. I do not think so. He has put $250,000 or $300,000 a year in the hands of the Secretary of Agriculture to be used for demonstration work. I think it was a very creditable donation, a very useful donation, and a very proper donation. So far as it comes to my State, I am glad to get it. I wish he could be induced to double it and to increase it, yes, a hundredfold. I should like to take—well, I would not say every cent. I should not like to pauperize him; but I should like to bring him down to the limits of a hardworking man, working for his living as the Senator and I are working for our living, and use all the balance of his resources for beneficent purposes throughout our country.

Mr. BRISTOW. Mr. President——

The PRESIDING OFFICER. Does the Senator from Virginia yield to the Senator from Kansas?

Mr. MARTIN of Virginia. I do.

Mr. BRISTOW. Mr. President, it seems to me the Senator's proposition is not exactly pertinent to this situation. He might take Rockefeller's funds from him and leave him a common, ordinary man who works as other men do; but this proposition is for him voluntarily to contribute a part of his income, as much as he feels he can spare, to the Government to pay Government officers for doing work which Congress thinks ought to be done; and in order to get the money to pay these men he resorts to the devices which he has practiced to accumulate his enormous fortune, which are criminal devices. Does the Senator from Virginia want to be in partnership with that kind of business?

Mr. MARTIN of Virginia. No; and I am not going to be. I do not want to be in partnership with it, and I am not going to be in partnership with it. I did not make myself clear if the Senator understood me as saying that I would take anything from Mr. Rockefeller, unless he has something that the law can wrest from his control. I say I should be glad to see him donate his entire fortune to public uses, to benevolent purposes, to education, and to charity.

Mr. McCUMBER. Mr. President——

The PRESIDING OFFICER. Does the Senator from Virginia yield to the Senator from North Dakota?

Mr. MARTIN of Virginia. I yield to the Senator.

Mr. McCUMBER. I assure the Senator that I agree with him, and I think he is perfectly justified in allowing Mr. Rockefeller to spend as much money as he desires in the State of Virginia; but does not the Senator agree with me that it would be better to let Mr. Rockefeller run his own investigations and render assistance in his own way, without tying him up in any kind of a partnership with the Government of the United States? Would it not be better to let the United States expend what it feels it can afford to expend for this purpose, and then, if Mr. Rockefeller wants to use any of his money to investigate also and assist in any way, to have him use it on his own part, without this partnership arrangement with the Government of the United States?

Mr. MARTIN of Virginia. Mr. President, there is nothing to this idea of a partnership. The Senator can not seriously talk about our being in partnership with Mr. Rockefeller. Nobody is in partnership with him. The Government is carrying on a public work, and Mr. Rockefeller comes along and says: "I will turn over to the Secretary of Agriculture $300,000 a year to be used in this demonstration work."

Mr. McCUMBER. That is what I call a partnership—to do work together.

Mr. MARTIN of Virginia. It is a donation, pure and simple. Is the Senator in partnership with everything to which he donates money for the public welfare?

Mr. BRISTOW. Mr. President——

The PRESIDING OFFICER. Does the Senator from Virginia yield to the Senator from Kansas?

Mr. MARTIN of Virginia. I yield to the Senator.

Mr. BRISTOW. If the Senator will yield again, the Government puts these employees on the pay roll. They are Government officers. They are paid a dollar a year or a dollar a month by the Government out of the public funds, so that nominally makes them public officials. Then Mr. Rockefeller fixes the salary which he thinks they ought to have and pays it to them, and they are under obligations to him for the salaries they receive and for the authority of the United States Government.

Mr. MARTIN of Virginia. Mr. President, according to my information the Senator from Kansas is absolutely incorrect. I am told by those who are close to this work that Mr. Rockefeller never has made a single suggestion of any sort as to who shall be employed or as to what shall be paid them. All Mr. Rockefeller does is to put to the credit of the Secretary of Agriculture $300,000 a year to be used in these beneficent public works. He does not appoint anybody or suggest the appointment of anybody or fix anybody's salary or fix the kind of work they shall do. He seems to have been pleased with the good work being done by the Agricultural Department, and he has donated to that work $300,000 a year.

Mr. BRISTOW. And the Government supplements that by an appropriation of its own; so that there is actually, in fact, a partnership now between the Department of Agriculture and John D. Rockefeller.

Mr. MARTIN of Virginia. Mr. President, I shall not discuss any further the partnership matter. My mind does not enable me to work out any such theory as that. Every donor to a public charity is not in partnership with the charity. He simply makes a donation. As I say, I wish Rockefeller would donate the bulk of his fortune to public uses, to charity, and to educational purposes.

In South Carolina I know that this general education board gives $5,000 to the girls' canning and poultry club work, and for general demonstration work $33,000; so South Carolina gets $38,000 altogether. I will ask my friend the Senator from South Carolina to advert to that particularly. He is on the Committee on Agriculture and Forestry. The bill as reported to the Senate takes away from the State of South Carolina $38,000 which Mr. Rockefeller has turned over to the Agricultural Department to promote the work of canning clubs among girls and general demonstration work on the farms of South Carolina. In Tennessee $5,000 is donated to the girls' clubs and $17,700 to general demonstration work. In Texas $7,500 is donated to the girls' clubs. In Virginia $38,000 is donated for general demonstration work and the girls' clubs. In West Virginia $17,500 is donated.

That is as far as this table goes. It was handed to me a moment ago, while this bill was under consideration, by the president of the agricultural college of Virginia. It shows that $250,000 is donated for those purposes by Mr. Rockefeller, and some additional donations are made for other purposes.

For my part, Mr. President, I do not see how we can undertake to investigate the way in which all the money is earned that is given to public uses, to charity, and set ourselves up as censors upon the morals of other people and determine whether or not they have earned their money in a clean, honest, moral way before we will accept it for beneficent uses. As far as I am concerned, I do not propose to make any inquiries into how Mr. Rockefeller earned his money. It would take more than the few remaining years of my life for me to make any investigation of it if I were to try to make such an investigation. He has gotten immense gains. Whether they were ill-gotten or honestly gotten is with his conscience and between him and his God; or, if he has violated the law of the land, it is between him and the law. If he has done any illegal act, I want him brought to the bar of justice and punished for it; but I do not wish to reject donations which he may make, perhaps to soothe his injured conscience or perhaps from the excess which he possesses.

I can not judge of his motives, and I am not familiar with his methods, but if he wants to give anything to good purposes I think he ought to be permitted to do it. So far as my State is concerned, I am very willing to see the money received. The president of our agricultural and mechanical college says that his donations are exceedingly helpful. They are advancing the welfare of classes who need all that can be bestowed upon them, and I do not think Congress ought to intervene here and undertake to legislate against donations for good, moral, and proper purposes.

I will send up this paper, which I ask to have go in the RECORD.

The PRESIDING OFFICER. Is there objection to the inclusion in the RECORD of the paper presented by the Senator from Virginia? The Chair hears none, and it will be so ordered.

The matter referred to is as follows:

VIRGINIA POLYTECHNIC INSTITUTE,
Blacksburg, Va., May 4, 1914.

DEAR SENATOR: In answer to your inquiry as to the amount of money being spent in the Southern States for girls' canning and poultry club work, for boys' corn-club work (the boys' corn-club work is included in the regular demonstration work), and for adult demonstration work, I submit the following:

ALABAMA.

From the general education board for girls' canning and poultry club work	$5,000
State legislature	25,000
Business men, business organizations, etc	17,643

ARKANSAS.

From the general education board for girls' canning and poultry club work	5,000
Business men, business organizations, county boards of revenue	50,700

FLORIDA.

From the general education board for girls' canning and poultry club work	5,000
State legislature	5,000
Business men, business organizations, counties	12,500

GEORGIA.

From the general education board for girls' canning and poultry club work	5,000
From the general education board for regular demonstration work	12,000
State college of agriculture	6,363
County organizations	3,042
Citizens and business men's organizations (estimated)	3,000

KENTUCKY.

From the general education board for girls' canning and poultry club work	5,000
From the general education board for regular demonstration work	17,500
State department of agriculture	1,000
County boards of revenue	9,075
Agricultural clubs, etc	1,700

LOUISIANA.	
From the general education board for girls' canning and poultry club work	$5,000
From business men, county boards of revenue, business men's organizations, etc	20,300
MARYLAND.	
From the general education board for girls' canning and poultry club work	5,000
From the general education board for regular demonstration work	13,500
Counties, business men's organizations, etc	8,400
MISSISSIPPI.	
From the general education board for girls' canning and poultry club work	5,000
Business men, county boards of revenue	23,000
NORTH CAROLINA.	
From the general education board for girls' canning and poultry club work	5,000
From the general education board for regular demonstration work	33,000
State department of agriculture	18,000
Business men, county boards of revenue	35,000
OKLAHOMA.	
From the general education board for girls' canning and poultry club work	5,000
Business men, county boards of revenue, etc	24,000
SOUTH CAROLINA.	
From the general education board for girls' canning and poultry club work	5,000
From the general education board for regular demonstration work	33,000
Clemson Agricultural College	12,500
Winthrop College	4,800
Business men's organizations, county boards of revenue, etc	16,100
TENNESSEE.	
From the general education board for girls' canning and poultry clubs	5,000
State board of education, county boards of revenue, business men's organizations	17,700
TEXAS.	
From the general education board for girls' canning and poultry club work	7,500
County boards of revenue, business men's organizations, etc	77,080
VIRGINIA.	
From the general education board for girls' canning and poultry clubs	5,000
From the general education board for regular demonstration work	33,000
United board of agriculture, counties, business men's organizations, etc	65,300
WEST VIRGINIA.	
From the general education board for girls' canning and poultry clubs	5,000
From the general education board for regular demonstration work	12,500
State college of agriculture, county boards of revenue, agricultural clubs, business men, organizations of business men	11,500
The total funds given by business men, business men's organizations, county boards of revenue, agricultural colleges, and other sources, including the general education board for the year 1914	740,150
Of this amount the general education board gives	250,000

In the above totals we have not included between $50,000 and $75,000 that are given each year in prizes by railroads, banks, business men, bankers, business men's organizations, clubs, merchants, commercial organizations, and many other sources. These prizes are given in money, merchandise, such as plows, stoves, etc., wagons, horses, mules, pigs, cows, chickens, and scholarships to attend agricultural colleges, scholarships to attend normal schools, short courses in agriculture for boys at agricultural colleges, trips to State fairs, trips to the State capital, and trips to Washington. Also in various other ways.

Mr. VARDAMAN. Mr. President, I approve most heartily the action of the committee in this instance. We need all the money we can get to help us in the great effort which the people of the South are now engaged in to exterminate the boll weevil, but I think it is very proper for this Government to put the stamp of its disapproval upon the methods by which the great fortunes of John D. Rockefeller and men of his class were made.

That they are made up largely of money coined of the blood and tears of the toiling masses of this country no man will question, and he is still making it that way. The money is tainted. Every dollar of his hoard represents a wrong and is reeking with the enforced sacrifices and suffering of the helpless toiling poor. It is a very wholesome lesson to inculcate into the minds of coming generations, that they may so act and so live that men will not be glorified and apotheosized who have amassed fortunes in the way this man has amassed his great fortune and in the way in which he is enlarging it to-day.

There are a few things in this world, thank God, more valuable than money. We do not need Mr. Rockefeller's money, however desperate our situation may be.

But that, however, is not the question now at issue. The question before the Senate is whether or not the people of the various States engaged in this herculean effort may be permitted to promote their own interests by cooperating with the Government in the effort to exterminate the boll weevil.

To meet the objection made by the Senator I am going to submit this proposition, which amends the amendment I offered and which has been accepted by the chairman of the committee, so that it will read in this way:

That the entire expense of such services shall be defrayed from this appropriation and such contributions as may be made by the States, counties, municipalities, firms, farmers' organizations, individuals, mercantile companies, and banking associations located in and residing within said State wherein such work is to be done or service rendered.

Something has been said about the great lumber companies contributing to this fund with a view of controlling legislation. The lumber companies in my State, if they should contribute to it, will do so for the purpose of adding to the value of the lands which they hold. They hold large bodies of such lands. If there were an oil company there—and we have none in Mississippi—it would contribute for the improvement of the lands in the State wherein it is operated. There could be no way by which it could influence a legislature. There could be no way by which it would influence a judge. It would be for the purpose of improving the property of the contributors, and in that way benefiting the entire Commonwealth.

That objection to my amendment, Mr. President, I submit is certainly without merit.

In Mississippi, where we are driven to desperate straits in this matter, the people of the counties have organized. In one county, as I stated here this afternoon, namely, the county of Clay, and the same is true in the other counties, the Government has paid $500 to a man, the county has contributed $600 to his salary, and the citizens of the county seat have contributed $400, making a total of $1,500, which enabled them to employ the services of a capable man. That is the way it is done all over the State of Mississippi. The people are greatly interested in this measure, Mr. President. They have telegraphed me and have written me that if this amendment is agreed to as it came from the committee, the great work which they have begun and are pushing along with such eagerness and with such a bright prospect of ultimate success will be defeated, and all of their efforts will come to naught.

The amendment offered by the committee was for the purpose and with the intent to strike at one concern, one company. It is merely a protest against a system. No other companies that have contributed to this fund are complained of—not one. If this amendment is adopted as I propose it, the work can go on, and the people of the States, cooperating with the General Government, probably will be able to overcome this evil which threatens the destruction of the agricultural interests of the South.

The chairman of the committee has accepted the amendment, and I sincerely hope it may be adopted. It is of vital importance to us. Nothing has come before the Congress that is of more material interest and in which is involved more in dollars and cents for the people of the cotton-growing section than the provision of the bill which we are now considering.

Mr. McCUMBER. Mr. President, during the long struggle of the Colonies for their independence, when we were poor and overburdened with taxation, there was some excuse for the Government or the combination of the States accepting gifts for carrying on their war and their defense. I submit, however, that the Government of the United States can give no valid excuse for the acceptance of contributions now to fatten its Treasury. The United States has within its borders sufficient taxable property to carry on every function of government.

Mr. VARDAMAN. Mr. President, will the Senator yield to me for a moment?

Mr. McCUMBER. In just one minute. If it desires any of the funds of Mr. Rockefeller to assist it, the income tax can be so levied as to secure all the funds that we may need in that particular direction. If Mr. Rockefeller has a right to enhance the volume of money in the Treasury by his gifts, so every widow has a right to put her little mite into the Treasury for some other purpose, and every good man and every bad man has an equal right to subscribe an amount to go into the Treasury of the United States to be used in this investigation and in that investigation.

Mr. VARDAMAN. Mr. President, will the Senator yield to me for a moment?

Mr. McCUMBER. Certainly.

Mr. VARDAMAN. The Senator evidently misapprehends the purpose of this provision. We are not contributing to the General Government fund in this work. We are simply asking the Government to let us cooperate with it to protect our own individual interests. We are not giving this money to be sent away to be used by the Government. We are simply saying to the Government: "When you send your agent here, let us co-

operate with him. You are not giving enough money to do it all yourselves." I think it is very proper that you should not. We are simply asking to be allowed to contribute this money for our own benefit, to be used on our own property, in our own communities. That our request is most reasonable and just, I am sure the sense of right and justice of the Senate will admit.

Mr. McCUMBER. When I made that argument a short time ago the Senator from Virginia [Mr. MARTIN] denied that there was any kind of a copartnership arrangement between the Government and the people who want this work done. It seems to me, from the argument of the Senator from Mississippi, that he establishes that copartnership. That is what I object to. I shall vote against the substitute, and then I shall vote against the amendment offered by the committee. I would simply prevent the Treasury of the United States accepting any donations from any source to help it carry on its functions of government. If any wealthy man in the United States desires to enter upon the investigation of anything that he thinks will be beneficial to the public, there is no law to prevent his doing so, but I want to separate and divorce entirely the Government from acts in connection with the efforts of private individuals to carry on a governmental function. I think the senior Senator from Mississippi [Mr. WILLIAMS] is entirely correct in his argument, and that we ought not to encourage that kind of a Government.

The PRESIDING OFFICER. The question is on the amendment proposed by the Senator from Mississippi [Mr. VARDAMAN] to the amendment of the committee.

Mr. GORE. In order to perfect the committee amendment, I accept the amendment of the Senator from Mississippi.

Mr. SMOOT. It is quite evident we can not vote on this question to-night, and——

Mr. GORE. I do not think there will be anything more than a formal vote required on this question. Let us perfect the pending amendment, anyway.

Mr. SMOOT. I want to have the amendment pending in the morning. We can not get through with it to-night.

Mr. GORE. The Senator from Utah certainly does not object to the last amendment offered by the Senator from Mississippi?

Mr. SMOOT. I know Senators desire to discuss it, and I therefore say to the Senator that it can not be disposed of to-night.

Mr. OWEN. Mr. President——

The PRESIDING OFFICER. Does the Senator from Oklahoma yield to his colleague?

Mr. GORE. I yield.

CITIZENSHIP OF THE FIVE CIVILIZED TRIBES (S. DOC. NO. 478).

Mr. OWEN. I ask unanimous consent to have reprinted Senate document 472 with the corrections proposed. I submitted this request on Saturday, and it was objected to by the Senator from North Dakota [Mr. MCCUMBER], but I understand he withdraws his objection.

Mr. CLAPP. What is the document?

Mr. SMOOT. If there is any correction to be made, I ask the Senator to let it go to the Committee on Printing.

Mr. OWEN. The addition consists of only a few lines.

Mr. SMOOT. I will say to the Senator that in my opinion the document will have to have a new number if it is changed in any way.

Mr. OWEN. Then I ask that it be printed with a new number.

Mr. SMOOT. Then I do not care to have it referred.

Mr. CLAPP. What is the document?

Mr. CRAWFORD. Let it be stated.

The PRESIDING OFFICER. The caption of the document will be stated.

The SECRETARY. Senate Document No. 472 of the present Congress and session, entitled "Citizenship of Five Civilized Tribes," a communication from the Assistant Secretary of the Interior to Hon. ROBERT L. OWEN, submitting a list of names of persons apparently equitably entitled to enrollment on the rolls of various tribes composing the Five Civilized Tribes of Oklahoma, and the list approved by attorneys of the Choctaw and Chickasaw Nations.

Mr. OWEN. The addition adds a few names to the list of those whom the department thought ought to be enrolled.

Mr. SMOOT. The Senator sees the reason why I asked that it might go to the Committee on Printing.

Mr. OWEN. I see no objection to giving it a new number.

Mr. SMOOT. By having two documents with the same number one would be asked for and the other might be given.

Mr. OWEN. I agree to that. Let it take a new number.

The PRESIDING OFFICER. The Chair hears no objection, and the document will be reprinted with the corrections, and it will be given a new number.

AGRICULTURAL APPROPRIATIONS.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 13679) making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1915.

The PRESIDING OFFICER. The question is on agreeing to the amendment proposed by the Senator from Mississippi [Mr. VARDAMAN] to the amendment of the committee.

Mr. SMOOT. If the Senator from Oklahoma does not propose to adjourn, I will suggest the absence of a quorum.

Mr. GORE. All right.

Mr. KERN. I was about to move to adjourn.

Mr. SMOOT. Then I will withdraw the suggestion.

Mr. GORE. I will not withdraw my suggestion that I accept the last amendment tendered by the Senator from Mississippi. I have a right to perfect the committee amendment. I have accepted that form of amendment. I have a right under the rule to perfect the pending amendment by accepting the suggestion of the Senator from Mississippi. I will not consent that it shall go over until we make an effort to perfect it.

Mr. SMOOT. Nobody is trying to take any right away from the Senator. The Senator has a perfect right to do that to-morrow. He has a perfect right to do it to-night. I have not tried to deprive him of any of his rights; but I want to say to the Senator that unless we adjourn I shall, as I said, suggest the absence of a quorum, and we will have a quorum here before action on the amendment.

Mr. GORE. The Senator has a right to suggest the absence of a quorum.

Mr. McCUMBER. I move that the Senate adjourn.

The motion was agreed to, there being on a division—ayes 16, noes 8; and (at 6 o'clock and 5 minutes p. m.) the Senate adjourned until to-morrow, Tuesday, May 5, 1914, at 12 o'clock meridian.

NOMINATIONS.

Executive nominations received by the Senate May 4, 1914.

ASSISTANT ATTORNEY GENERAL.

Bert Hanson, of New York City, N. Y., to be Assistant Attorney General (conduct of customs cases), vice William L. Wemple, resigned.

UNITED STATES MARSHAL.

John S. P. H. Wilson, of Auburn, Me., to be United States marshal for the district of Maine, vice Henry W. Mayo, resigned.

PROMOTIONS IN THE NAVY.

Capt. Walter McLean to be a rear admiral in the Navy from the 10th day of March, 1914.

Asst. Naval Constructor Alexander H. Van Keuren to be a naval constructor in the Navy from the 30th day of April, 1914.

Asst. Naval Constructor Edwin G. Kintner to be a naval constructor in the Navy from the 30th day of April, 1914.

Asst. Naval Constructor Fred G. Coburn to be a naval constructor in the Navy from the 30th day of April, 1914.

Pharmacist Richard F. S. Puck to be a chief pharmacist in the Navy from the 24th day of February, 1914.

CONFIRMATIONS.

Executive nominations confirmed by the Senate May 4, 1914.

UNITED STATES DISTRICT JUDGE.

Wilbur F. Booth to be United States district judge for the district of Minnesota.

COLLECTOR OF CUSTOMS.

Frank E. Fitzsimmons to be collector of customs for the district of Rhode Island.

PROMOTIONS IN THE ARMY.

CAVALRY ARM.

Lieut. Col. George H. Morgan to be colonel.
Maj. George H. Cameron to be lieutenant colonel.
Capt. Edward D. Anderson to be major.
Lieut. Col. William C. Brown to be colonel.
First Lieut. Consuelo A. Seoane to be captain.

FIELD ARTILLERY ARM.

First Lieut. Lesley J. McNair to be captain.

COAST ARTILLERY CORPS.

First Lieut. Henning F. Colley to be captain.

INFANTRY ARM.

Lieut. Col. Wilds P. Richardson to be colonel.
Maj. Beaumont B. Buck to be lieutenant colonel.

Capt. Ferdinand W. Kobbé to be major.
Lieut. Col. William F. Blauvelt to be colonel.
Chaplain Oscar J. W. Scott to be chaplain with the rank of captain.

MEDICAL CORPS.

Lieut. Col. Jefferson R. Kean to be colonel.
Maj. Charles Lynch to be lieutenant colonel.
Capt. John L. Shepard to be major.

QUARTERMASTER CORPS.

Lieut. Col. George F. Downey to be colonel.
Lieut. Col. John M. Carson, jr., to be colonel.

APPOINTMENTS IN THE ARMY.

MEDICAL RESERVE CORPS.

To be first lieutenants.

George Edward Barksdale.
Theodore David Burger.
Ralph D'Alma Denig.
Charles Marvin Fox.
Clarence Gunter.
Lasher Hart.
Harry Hungate Robinson.
Charles Wallace Sale.
Thomas Hugh Scott.
Fedor Leo Senger.
Jonathan Mayhew Wainwright.

POSTMASTERS.

ARIZONA.

James L. Byrnes, Flagstaff.
James W. Woolf, Tempe.

GEORGIA.

Marshall G. Merritt, Trion.

IDAHO.

Anna McMahon, Spirit Lake.

INDIANA.

Charles B. Beck, Richmond.
George B. Davis, Logansport.
Simon Doenges, Connersville.
Lewis Sartor, Martinsville.
Albert T. Sering, Liberty.
Lucius C. Wann, Warsaw.

IOWA.

B. M. Jacobsen, Clinton.
Katherine E. Morcombe, Storm Lake.

KANSAS.

A. E. Bruner, Highland.
A. M. Markley, Mound City.
Henry C. Mayse, Ashland.

MAINE.

Clarence Mantor, Skowhegan.
Daniel A. Michaud, East Millinocket.
Frank A. Millett, Mechanic Falls.

MINNESOTA.

Gunstein D. Aakhus, Erskine.
G. E. Comstock, Houston.
Ole A. Fuglie, Ulen.
Michael E. Gartner, Preston.
Otis W. Newton, Morton.
May B. Rosing, Cannon Falls.
Charles S. Strout, Monticello.
Charles A. Tullar, Warren.

MISSOURI.

John T. Haley, Harris.
Oscar L. Meek, Koshkonong.

NEBRASKA.

W. D. Bradstreet, Spencer.
Thomas A. Kelly, Republican City.
M. T. Kilmer, Western.
I. A. Manchester, North Loup.

NEW HAMPSHIRE.

John R. Willis, Manchester.

NEW JERSEY.

Anton J. Mikolajczak, Maurer.

NEW YORK.

James H. Burns, Troy.
John D. Crosby, Inwood.
Edward A. Clark, Greene.
Myron L. Fisher, Spencer.
Daniel Grant, Afton.
Elbert G. Harris, Cuba.
Abram Lang, Eden.
Andrew J. McMahon, Groton.
James L. Seely, jr., Canisteo.
Robert F. Talbot, New Berlin.

NORTH CAROLINA.

T. L. Grant, Old Fort.
George C. Lynch, Hillsboro.

NORTH DAKOTA.

George E. Duis, Grand Forks.

OHIO.

Clarence D. Crumb, Cuyahoga Falls.
Charles A. Eberle, Dillonvale.
M. A. Houghton, Oberlin.

OREGON.

T. B. Vernon, Lakeview.

SOUTH DAKOTA.

John Knuckey, Clear Lake.

TEXAS.

Evye Kennedy, Kirbyville.

UTAH.

Berdie P. Olson, Ephraim.

VIRGINIA.

Charles W. Mugler, Newport News.
Wily W. Ward, South Boston.

HOUSE OF REPRESENTATIVES.

MONDAY, *May 4, 1914.*

The House met at 12 o'clock noon.

The Chaplain, Rev. Henry N. Couden, D. D., offered the following prayer:

Eternal God, our heavenly Father, whose boundless love encircles all, whose infinite wisdom is displayed in all the works of Thy hands, whose almighty power is everywhere manifest, whose gracious providence has shaped and guided the destiny of men and of nations in all the past, we most fervently pray for all that makes for purity in the soul, for all that makes for righteousness in the Nation, that thus susceptible to the heavenly influences we as individuals and as a Nation may fulfill our destiny to the honor and glory of Thy holy name. In the spirit of the Lord Jesus Christ. Amen.

The Journal of the proceedings of Saturday, May 2, 1914, and of Sunday, May 3, 1914, was read and approved.

GEN. DANIEL E. SICKLES.

Mr. GOULDEN. Mr. Speaker, I ask unanimous consent to address the House for three minutes.

The SPEAKER. The gentleman from New York asks unanimous consent to address the House for three minutes. Is there objection. [After a pause.] The Chair hears none.

Mr. GOULDEN. Mr. Speaker, last night, Sunday, May 3, in New York City a brave, heroic soldier, Maj. Gen. Daniel E. Sickles, answered the roll call of the Supreme Commander of the Universe. He was the last of the great corps commanders on either side of that memorable struggle from sixty-one to sixty-five.

Gen. Sickles served his country well and faithfully; first as a member of the New York State Legislature in both houses, then as a Member of Congress for four years, beginning with 1856 to the outbreak of the Civil War. Although a Democrat he offered his services to President Lincoln early in 1861, and was commissioned to raise a regiment. This he promptly did, following it with four others, constituting a brigade known as the "Excelsior," of which he was made the commanding officer, with the rank of brigadier general. His previous experience in the State militia as an officer qualified him to drill, discipline, and command troops. In November, 1862, after the Battle of Antietam, where he gallantly led a division of the Third Army Corps, he was made a major general and placed in command of that historic corps, distinguished himself in various battles of the Army of the Potomac, and in an especial manner on July 2, 1863, at Gettysburg, where he lost a leg in the service of his country.

He served as minister to Holland in 1866 to 1869, declining the same position to Mexico, but accepted the appointment to represent this country at the court of Spain.

Gen. Sickles was again elected to Congress in 1894 as a Democrat, serving one term with credit to himself and honor to the Nation.

He was born in New York City October 20, 1820; was admitted to the bar in 1844, and served as corporation counsel for several years in that city.

He was commander in chief of the Loyal Legion and of the Grand Army of the Republic, of which organizations he was a prominent member.

Much of the historic interest of the famous Gettysburg battle field is due to Gen. Sickles, who was one of the commissioners in charge of that work. I saw him there at the fiftieth anniversary in July last, a number of my colleagues being present, where he was a conspicuous figure.

It was my privilege to have personally known this brave, rugged soldier, hero, diplomat, and statesman for many years, and I am pleased to be able as his comrade to pay this brief tribute to his memory this morning in a place where he served with distinction. [Applause.]

Mr. MURDOCK. Mr. Speaker, will the gentleman yield for just a moment?

Mr. GOULDEN. With pleasure.

Mr. MURDOCK. I am curious to know if the gentleman from New York who is now speaking served under Gen. Sickles.

Mr. GOULDEN. No. I regret I did not have that honor. My service was elsewhere.

ELZIE C. FISHER.

Mr. WITHERSPOON. Mr. Speaker, I ask unanimous consent to address the House for five minutes.

The SPEAKER. The gentleman from Mississippi asks unanimous consent to address the House for five minutes. Is there objection? [After a pause.] The Chair hears none.

Mr. WITHERSPOON. Mr. Speaker, on the 23d day of April at Vera Cruz, Mexico, 17 young Americans lost their lives, falling victims to Mexican bullets, and the remains of those young heroes are now taking their last cruise upon the ocean destined to points scattered throughout the Union where they are awaited by sorrowing friends and relatives to have their last reunion with them.

Among this number was Elzie C. Fisher, a boy 20 years old, reared in Scott County, Miss. His parents are James E. Fisher and Elsie Fisher, who live about 15 miles in the country from a railroad in an humble, unpainted home, but within that home, Mr. Speaker, the light of paternal love is as bright as any illumination in the palaces of the rich.

It seems to me but meet and proper that in the great work of national legislation we should pause long enough to pay the tribute of our commendation to one who gave his life in the execution of our will and to send a message of tender sympathy to soothe, if possible, the wounded love and broken hearts of the father and mother who have lost their boy.

Mr. Speaker, learning and intellect and eloquence and courage do not make the noblest acts of human beings. It is self-sacrifice that raises the act of a man to its highest point. He who gives his life for his country makes the nearest approach to the fulfillment of the divine command, "Thou shalt love thy neighbor as thyself," and the death of this ordinary seaman, by its very contrast with the magnitude of his sacrifice, emphasizes and increases the nobility of his act.

It is not strange, therefore, that the poet's peri on her long mission from the courts above to search throughout the ends of the earth to find the thing most dear to heaven should first alight on the field of battle and secure the "last glorious drop" of blood flowing from the heart of the soldier who had died for his country "before its free-born spirit fled."

"Be this," she cried, as she winged her flight,
"My welcome gift at the gates of light.
Though foul are the drops that oft distil
On the field of warfare blood like this,
For liberty shed, so holy is,
It would not stain the purest rill
That sparkles among the bowers of bliss.
Oh, if there be on this earthly sphere
A boon, an offering heaven holds dear,
'Tis the last libation Liberty draws
From the heart that bleeds and breaks in her cause."

Then from the death of young Fisher let us learn anew the lesson so well expressed by the poet, who says:

Honor and shame from no condition rise;
Act well your part, there all the honor lies.

[Loud applause from both sides of the House.]

ORDER OF BUSINESS.

Mr. TOWNSEND. Mr. Speaker, I ask unanimous consent to address the House for three minutes.

The SPEAKER. The gentleman from New Jersey asks unanimous consent to address the House for three minutes. Is there objection?

Mr. FERRIS. Mr. Speaker, reserving the right to object, there are so many bills on the calendar I can not sit here—I will not object to the gentleman's request, but I will to any more.

The SPEAKER. Is there objection to the gentleman from New Jersey [Mr. TOWNSEND] addressing the House for three minutes?

Mr. KINDEL. Mr. Speaker, I object unless I am granted the same privilege.

The SPEAKER. The Chair can not guarantee——

Mr. TOWNSEND. Mr. Speaker, I withdraw my request.

The SPEAKER. This is Unanimous Consent Calendar day, and the Clerk will report the first bill.

TERMS OF COURT AT STEUBENVILLE, OHIO.

The first business on the Calendar for Unanimous Consent was the bill (H. R. 5849) to amend section 100 of an act entitled "An act to codify, revise, and amend the laws relating to the judiciary," approved March 3, 1911.

The Clerk read as follows:

Be it enacted, etc., That section 100 of the act entitled "An act to codify, revise, and amend the laws relating to the judiciary," approved March 3, 1911, be, and the same is hereby, amended so as to read as follows:

"SEC. 100. The State of Ohio is divided into two judicial districts, to be known as the northern and southern districts of Ohio. The northern district shall include the territory embraced on the 1st day of July, 1910, in the counties of Ashland, Ashtabula, Cuyahoga, Carroll, Columbiana, Crawford, Geauga, Holmes, Lake, Lorain, Medina, Mahoning, Portage, Richland, Summit, Stark, Tuscarawas, Trumbull, and Wayne, which shall constitute the eastern division; also the territory embraced on the date last mentioned in the counties of Auglaize, Allen, Defiance, Erie, Fulton, Henry, Hancock, Hardin, Huron, Lucas, Mercer, Marion, Ottawa, Paulding, Putnam, Seneca, Sandusky, Van Wert, Williams, Wood, and Wyandot, which shall constitute the western division of said district. Terms of the district court for the eastern division shall be held at Cleveland on the first Tuesdays in February, April, and October, and at Youngstown on the first Tuesday after the first Monday in March; and for the western division, at Toledo on the last Tuesdays in April and October. Grand and petit jurors summoned for service at a term of court to be held at Cleveland may, if in the opinion of the court the public convenience so requires, be directed to serve also at the term then being held or authorized to be held at Youngstown. Crimes and offenses committed in the eastern division shall be cognizable at the terms held at Cleveland or at Youngstown, as the court may direct. Any suit brought in the eastern division may, in the discretion of the court, be tried at the term held at Youngstown. The southern district shall include the territory embraced on the 1st day of July, 1910, in the counties of Adams, Brown, Butler, Champaign, Clark, Clermont, Clinton, Darke, Greene, Hamilton, Highland, Lawrence, Miami, Montgomery, Preble, Scioto, Shelby, and Warren, which shall constitute the western division; also the territory embraced on the date last mentioned in the counties of Athens, Belmont, Coshocton, Delaware, Fairfield, Fayette, Franklin, Gallia, Guernsey, Harrison, Hocking, Jackson, Jefferson, Knox, Licking, Logan, Madison, Meigs, Monroe, Morgan, Morrow, Muskingum, Noble, Perry, Pickaway, Pike, Ross, Union, Vinton, and Washington, which shall constitute the eastern division of said district. Terms of the district court for the western division shall be held at Cincinnati on the first Tuesdays in February, April, and October; and for the eastern division at Columbus on the first Tuesdays in June and December, and at Steubenville on the first Tuesdays of March and October: *Provided*, That suitable rooms and accommodations for holding court at Steubenville shall be furnished free of expense to the Government until the completion of the Federal building: *And provided further*, That terms of the district court for the southern district shall be held at Dayton on the first Mondays in May and November. Prosecutions for crimes and offenses committed in any part of said district shall also be cognizable at the terms held at Dayton. All suits which may be brought within the southern district, or either division thereof, may be instituted, tried, and determined at the terms held at Dayton."

The SPEAKER. Is there objection?

Mr. POST. Mr. Speaker, I ask that that bill be passed over.

The SPEAKER. The gentleman from Ohio [Mr. POST] asks that this bill be passed over without prejudice. Is there objection?

Mr. MANN. Mr. Speaker, reserving the right to object, what is the object of passing it over?

Mr. POST. I want to investigate it myself.

Mr. MADDEN. It has been passed over three times already.

Mr. MANN. I understand it has been passed over several times——

Mr. MADDEN. It has been passed over three times. I have looked up some of the records of the trials in some of these places now where they hold court and I think in one case, Dayton, they have not tried over 25 cases in five years.

Mr. POST. That is my information——

Mr. MADDEN. And there is no sense in starting another place and creating an expense. I suggest it ought to be objected to, and I object to it.

The SPEAKER. Will the gentleman from Illinois [Mr. MADDEN] give his attention to the Chair for a moment?

Mr. MADDEN. Yes, sir.

The SPEAKER. Is the gentleman objecting to it being passed over——

Mr. MADDEN. I object to the bill.

The SPEAKER. To the consideration of the bill?

Mr. MADDEN. Yes, sir.

The SPEAKER. It will be stricken from the calendar. The Clerk will report the next bill.

MESSAGE FROM THE SENATE.

A message from the Senate, by Mr. Tulley, one of its clerks, announced that the Senate had passed without amendment bill of the following title:

H. R. 5993. An act authorizing the city of Montrose, Colo., to purchase certain public lands for public-park purposes.

The message also announced that the Senate had passed bills and a joint resolution of the following titles, in which the concurrence of the House of Representatives was requested:

S. 5445. An act for the relief of Gordon W. Nelson;

S. 1086. An act for erecting a suitable memorial to John Ericsson; and

S. J. Res. 95. Joint resolution providing for method of improving channels giving access to military reservations or fortifications.

MEDAWAKANTON AND WAHPAKOOTA SIOUX INDIANS.

The next business on the Calendar for Unanimous Consent was the bill (H. R. 11246) for the restoration of annuities to the Medawakanton and Wahpakoota (Santee) Sioux Indians, declared forfeited by the act of February 16, 1863.

The Clerk read as follows:

Be it enacted, etc., That jurisdiction be, and hereby is, conferred upon the Court of Claims to hear, determine, and render final judgment for any balance that may be found due the Medawakanton and Wahpakoota Bands of Sioux Indians, otherwise known as Santee Sioux Indians, with right of appeal as in other cases for any annuities that may be ascertained to be due to the said bands of Indians under and by virtue of the treaties between said bands and the United States, dated September 29, 1837 (7 Stat. L., p. 538), and August 5, 1851 (10 Stat. L., p. 954), as if the act of forfeiture of the annuities of said bands approved February 16, 1863, had not been passed: *Provided*, That the court in rendering judgment shall ascertain and include therein the amount of accrued annuities under the treaty of September 29, 1837, up to the date of rendition of judgment, and shall determine and include the present value of the same, not including interest, and the capital sum of said annuity, which shall be in lieu of said perpetual annuity granted in said treaty; and to ascertain and set off against any amount found due under said treaties all moneys paid to said Indians or expended for their benefit by the Government of the United States since the treaties were abrogated by the act of 1863: *Provided*, That the treaty of 1868 shall not be a bar to recovery, but all equities and benefits received thereunder by the Santee Sioux Indians may, in the discretion of the court, be taken into consideration in the determination of the amount of recovery. Upon the rendition of such judgment and in conformity therewith the Secretary of the Interior is hereby directed to ascertain and determine which of said Indians now living took part in said outbreak, and to prepare a roll of the persons entitled to share in said judgment by placing thereon the names of all living members of said bands residing in the United States at the time of the passage of this act, excluding therefrom only the names of those found to have personally participated in the outbreak; and he is directed to distribute the proceeds of such judgment, except as hereinafter provided, per capita, to the persons borne on the said roll.

Proceedings shall be commenced by petition verified by one of the attorneys who have been heretofore employed by said bands of Indians to prosecute their claims under this act under a contract which has been approved by the Commissioner of Indian Affairs and the Secretary of the Interior as provided by law, upon information and belief as to the existence of the facts stated in said petition, and no other verification shall be necessary. Upon final determination of the cause the Court of Claims shall decree such fees as the court shall find to be reasonable upon a quantum meruit for services performed or to be performed, to be paid to the attorney or attorneys so employed by the said band of Indians and their associates, and the same shall be paid out of the balance found to be due said bands of Indians when an appropriation therefor shall have been made by Congress: *Provided*, That in no case shall the fees decreed by the court amount in the aggregate to more than 5 per cent of the amount of the judgment recovered, and in no event shall the aggregate amount exceed $25,000: *Provided further*, That the court shall by its decree distribute such fees equitably between the attorneys who have been employed by said bands of Indians in said cause.

The SPEAKER. Is there objection?

Mr. STAFFORD. Mr. Speaker, reserving the right to object, when this bill was last under consideration I asked the gentleman from Nebraska [Mr. STEPHENS] to let the bill be passed over until to-day so that I might have further opportunity to examine into the facts. Since that time I have obtained a decision of the Court of Claims in a somewhat similar case that related to another tribe, the Sisseton and Wapeton Band. I find that the Court of Claims, under an act similar in content to the one now under consideration, had rendered judgment to that tribe.

Though the amount here involved is considerable, running up into the hundreds of thousands, I really believe that if Congress in times past has followed one course of action to one tribe who were in revolt in the insurrection of New Ulm, Minn., with which these tribes were also connected, that these tribes should also receive similar treatment. But I would like to inquire of the gentleman as to what amendments he proposes to the bill now before the House.

Mr. STEPHENS of Nebraska. Mr. Speaker, I would suggest an amendment, on line 15, page 2, by striking out the words "for their benefit" and inserting instead "on their account."

Mr. STAFFORD. I have that memorandum now in my bill, recalling that the gentleman at a prior meeting made that suggestion, and in that particular I would like to ask the gentleman what is the purpose of it and what will be covered by the amendment?

Mr. STEPHENS of Nebraska. Well, I do not think that the amendment will make much difference. It seemed that other gentlemen who had objected to the language there thought that this language would cover the subject more effectively.

Mr. STAFFORD. In that connection I direct the attention of the gentleman to the report as found on page 5, the third paragraph from the end, where we find this language:

Attention is invited to Senate report No. 5689, setting forth the reasons of the Senate committee why no payment under the treaty of 1868 should be charged against the forfeited annuities which it is now proposed to restore.

I would like to have the opinion of the gentleman whether in this bill the Government is going to be credited for the annuities that have been paid to these bands under the treaty of 1868, which that report states should not be binding on these Santees.

Mr. STEPHENS of Nebraska. In lines 20 and 21, page 2, I have suggested the amendment by striking out "may, in the discretion of the court," and inserting in lieu thereof the word "shall."

That would make it impossible for these Indians to escape having charged to them by the court the amount paid them under the treaty of 1868. My own opinion is that the amounts paid to them under the treaty of 1868 were for another and specific purpose, namely, the policing of the frontier, in assisting the Government to protect its right of way while it was building the Union Pacific Railway. But other gentlemen think these amounts ought to be charged against the Indians, so I have consented to this amendment.

Mr. STAFFORD. So under the amendment as suggested credit will be given the Government for the annuities paid under the later treaty of 1868?

Mr. STEPHENS of Nebraska. Absolutely. In other words, every dollar that these Indians have received from the Government for any purpose whatever is now to be charged against them as an offset against the obligation that the Government owes these Indians for land that the Government purchased from them, and which obligation was abrogated by the act of Congress in 1863.

Mr. STAFFORD. Does the gentleman believe that the first amendment suggested is broader in its effect than the one now carried in the language in the bill?

Mr. STEPHENS of Nebraska. I think it is, although I am in doubt as to that.

Mr. STAFFORD. At least, the purpose is to make it broader?

Mr. STEPHENS of Nebraska. Yes.

Mr. STAFFORD. What other amendment has the gentleman proposed to the bill, if any?

Mr. STEPHENS of Nebraska. On page 3, line 20, the word "band" is amended to read "bands." It is just a typographical amendment.

Mr. STAFFORD. Are those all the amendments?

Mr. STEPHENS of Nebraska. Those are all the amendments.

Mr. STAFFORD. I would like to have the gentleman explain why the committee did not follow the recommendation of the department, so far as the provision relating to the attorneys is concerned, and striking out, in line 10, page 3, "one of the attorneys who have been heretofore employed by said bands," as recommended by the Indian Office?

Mr. STEPHENS of Nebraska. The object of that was to permit the attorneys who have had this bill in charge for so many years to prosecute the case for the Indians in the Court of Claims. I do not know who the attorneys are. It is a matter of no importance whatever to me whether that provision be left in the bill or not. The judgment of the committee was that these men, who have spent several years in handling this case, ought not to be barred from completing it. It was my recommendation.

Mr. MANN. Will the gentleman yield?

Mr. STEPHENS of Nebraska. I will.

Mr. MANN. Is not the real object of that to prevent, if this bill becomes a law, the Indians being harassed by a whole lot of attorneys, good, bad, and indifferent, who seek to get the job?

Mr. STEPHENS of Nebraska. That is another good reason for this provision.

Mr. STAFFORD. I have been informed, I will say to the gentleman, though this bill has passed the House on prior occasions, it has met opposition somewhere, because of limit of fees enacted in the bill as it passed the House that might be recovered by attorneys. We have here a favorable restriction for the protection of the Government and the Indians by limiting it to 5 per cent of the whole amount that may be recovered, and in no event to exceed $25,000. I have been informed, how reliably

I can not say, through the influence of some persons this bill failed of passage. I wish to say that the attorneys who have heretofore been employed ought not to be displaced. They have certainly prior rights that should be given consideration. But what assurance has the House if we pass this bill with this safeguard as to attorneys' fees, and it should be insisted on, that it will be carried ultimately in case the other body should disagree to it? I see the chairman of the committee before us. I would like to have some expression from him as to whether he believes that it will be insisted upon by the House conferees if this limitation on attorneys' fees should be changed in another body?

Mr. STEPHENS of Texas. We shall certainly take care of the Indians in the proper way, and I think the language is sufficient to provide for its being done in that way. If the gentleman will read line 12 of page 3 he will notice that these attorneys must have had a contract, and that it must have been approved by the Commissioner of Indian Affairs.

Mr. STAFFORD. I am directing my attention to the limit on the amount that may be recovered—5 per cent on the total amount and $25,000 in any event.

Mr. STEPHENS of Texas. I can assure the gentleman we will certainly follow the law.

Mr. STAFFORD. This is not the law. I am trying to obtain from the gentleman an expression of his views in case that would not be deemed equitable in another body and if it would be insisted upon when it goes to conference.

Mr. MANN. Let us ask the plain question: Suppose the Senate should strike out the limitation of 5 per cent and the $25,000 attorneys' fees and return the bill to the House with that provision eliminated. I would like to ask my friend from Nebraska [Mr. STEPHENS] what his position on that amendment would be in the House if the bill came back in that situation?

Mr. STEPHENS of Nebraska. Personally, I will say to the gentleman, I have no concern as to the size of the fees for the service rendered, and if I could secure the passage of the bill as it stands now I would most certainly do so, but it might possibly be necessary to make concession to the Senate conferees in order to come to an agreement.

Mr. MANN. The gentleman did not understand my question. Suppose the House should be willing to pass the bill with the limitation that it now contains as to attorneys' fees, being not to exceed 5 per cent and not to exceed $25,000, and then the attorneys who are interested should, through proper representations, suggest to the Senate that that limitation be stricken out of the bill and the bill should come back with that amendment, what would be the gentleman's position in reference to that amendment?

Mr. STEPHENS of Nebraska. My position would be to insist upon the bill as it stands.

Mr. BURKE of South Dakota. Mr. Speaker, I would like to ask the gentleman from Nebraska if he thinks there is any likelihood of the conferees that would be named by the House on the bill consenting to any report on the bill unless there was a limitation as to attorneys' fees?

Mr. STEPHENS of Nebraska. I do not think so.

Mr. MANN. I feel quite confident that they would not, unless the gentleman from Nebraska [Mr. STEPHENS] should urge the conferees to, and he has given us the assurance that he will not so urge them.

The SPEAKER. Is there objection?

Mr. STAFFORD. I withdraw my reservation.

The SPEAKER. The gentleman from Wisconsin withdraws the reservation of the right to object. This bill is on the Union Calendar.

Mr. STEPHENS of Nebraska. Mr. Speaker, I ask unanimous consent to consider this bill in the House as in Committee of the Whole House on the state of the Union.

The SPEAKER. The gentleman from Nebraska [Mr. STEPHENS] asks unanimous consent to consider this bill in the House as in Committee of the Whole House on the state of the Union. Is there objection?

There was no objection.

The SPEAKER. The Clerk will read the bill for amendment.

Mr. MANN. The bill has already been read, Mr. Speaker.

The SPEAKER. Has any gentleman any amendment to offer?

Mr. STEPHENS of Nebraska. I sent the amendments to the desk, Mr. Speaker, and I ask that the Clerk read them.

The SPEAKER. The Clerk will report the amendments.

The Clerk read as follows:

Amend, page 1, line 15, after the word "expended," by striking out the words "for their benefit."

The SPEAKER. The question is on agreeing to the amendment.

Mr. STAFFORD. I believe there should be inserted the words "on their account."

The CLERK. And insert in lieu thereof the words "on their account."

The SPEAKER. The question is on agreeing to the amendment.

The amendment was agreed to.

The SPEAKER. The Clerk will report the next amendment.

The Clerk read as follows:

Page 2, line 20, after the word "Indians," strike out the words "may, in the discretion of the court," and insert in lieu thereof "shall."

The SPEAKER. The question is on agreeing to the amendment.

The amendment was agreed to.

The SPEAKER. The Clerk will report the next one.

The Clerk read as follows:

Page 3, line 20, after the word "said," insert the letter "s" in the word "band."

The SPEAKER. The question is on agreeing to the amendment.

The amendment was agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill as amended.

The bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed.

On motion of Mr. STEPHENS of Texas, a motion to reconsider the vote whereby the bill was passed was laid on the table.

The SPEAKER. The Clerk will report the next bill.

AMENDMENT OF ACT MAKING APPROPRIATION FOR RIVERS AND HARBORS.

The next business on the Calendar for Unanimous Consent was the bill (H. R. 14331) to amend section 19 of an act making appropriations for the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes, approved March 3, 1899.

The Clerk read as follows:

Be it enacted, etc., That section 19 of the act approved March 3, 1899, entitled "An act making appropriations for the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes," be, and the same is hereby, amended so as to read as follows:

"SEC. 19. That whenever the navigation of any river, lake, harbor, sound, bay, canal, or other navigable waters of the United States shall be obstructed or endangered by any sunken vessel, boat, water craft, raft, logs, merchantable timber, or other similar obstruction, and such obstruction has existed for a longer period than 30 days, or whenever the abandonment of such obstruction can be legally established in a less space of time, the sunken vessel, boat, water craft, raft, logs, merchantable timber, or other obstruction shall be subject to be broken up, removed, sold, or otherwise disposed of by the Secretary of War, at his discretion, without liability for any damage to the owners of the same: *Provided*, That in his discretion the Secretary of War may cause reasonable notice of such obstruction of not less than 30 days, unless the legal abandonment of the obstruction can be established in a less time, to be given by publication, addressed 'To whom it may concern,' in a newspaper published nearest to the locality of the obstruction requiring the removal thereof: *And provided also*, That the Secretary of War may, in his discretion, at or after the time of giving such notice, cause sealed proposals to be solicited by public advertisement, giving reasonable notice, of not less than 10 days, for the removal of such obstruction as soon as possible after the expiration of the above specified 30 days' notice, in case it has not in the meantime been so removed, these proposals and contracts, at his discretion, to be conditioned that such vessel, boat, water craft, raft, logs, merchantable timber, or other obstruction, and all cargo and property contained therein, shall become the property of the contractor, and the contract shall be awarded to the bidder making the proposition most advantageous to the United States: *Provided*, That such bidder shall give satisfactory security to execute the work: *Provided further*, That any money received from the sale of any such wreck, or from any contractor for the removal of wrecks, under this paragraph shall be covered into the Treasury of the United States."

The SPEAKER. Is there objection?

Mr. MOORE. Mr. Speaker, I reserve the right to object. I wish the gentleman from Louisiana would let this bill go over.

Mr. WATKINS. If the gentleman requests it, I will do so, although, in deference to the Committee on Rivers and Harbors, I have deferred action upon it for nearly two months. I will let it go over if the gentleman requests it.

Mr. MOORE. Has the gentleman conferred with the Committee on Rivers and Harbors concerning this bill?

Mr. WATKINS. I have had frequent conferences with the chairman of the committee, and he looked favorably upon the bill. He wanted a report from the Chief of Engineers. I have a report from the Chief of Engineers, as well as from the Board of Engineers, approving the passage of this measure—not after the bill was filed, but before the bill was filed. That is the basis on which the bill was filed.

Mr. MOORE. The gentleman understands this involves the jurisdiction of committees—Rivers and Harbors and Revision of the Laws?

Mr. WATKINS. I am willing to try that out now, if the gentleman wants to raise that question.

Mr. MANN. Neither one of these committees has jurisdiction.

Mr. WATKINS. If the gentleman wants to raise that question, I am willing to dispose of it now.

Mr. MOORE. If neither of those committees has jurisdiction, I am going to raise objection to the consideration of the bill.

Mr. WATKINS. Then I will agree to let it go over. I am anxious to have it thoroughly investigated.

Mr. MOORE. I have no objection to its going over.

Mr. WATKINS. I ask unanimous consent, Mr. Speaker, that this bill be passed over without prejudice.

The SPEAKER. The gentleman from Louisiana [Mr. WATKINS] asks unanimous consent that the bill may be passed over without prejudice. Is there objection?

There was no objection.

The SPEAKER. The Clerk will report the next bill.

NEW ORLEANS, BATON ROUGE & VICKSBURG RAILROAD CO.

The next business on the Calendar for Unanimous Consent was the bill (H. R. 5890) for the relief of settlers within the limits of the grant of the New Orleans, Baton Rouge & Vicksburg Railroad Co.

The Clerk read the title of the bill.

The SPEAKER. Does the gentleman from Louisiana [Mr. ASWELL], who introduced this bill, desire to have the original bill read, or the substitute?

Mr. FERRIS. Mr. Speaker, I reported this bill. I ask unanimous consent that the substitute be read in lieu of the original bill.

Mr. STAFFORD. Has unanimous consent to consider the bill been granted yet?

The SPEAKER. It has not.

Mr. FERRIS. The original bill has been stricken out and a substitute reported by the committee.

The SPEAKER. Is there objection to this substitute being read instead of the original bill?

There was no objection.

The Clerk read the substitute.

The SPEAKER. Is there objection to the present consideration of this bill?

Mr. TOWNSEND. Mr. Speaker, I object.

The SPEAKER. The gentleman from New Jersey [Mr. TOWNSEND] objects, and the bill will be stricken from the calendar.

Mr. FERRIS. Will the gentleman allow the bill to remain on the calendar?

Mr. TOWNSEND. No; I will not.

Mr. ASWELL. I ask the gentleman to allow the bill to remain on the calendar.

The SPEAKER. What does the gentleman say?

Mr. TOWNSEND. I have said all I want to.

The SPEAKER. The gentleman objects. The bill will be stricken from the calendar, and the Clerk will report the next bill.

IMMIGRATION STATION AT BALTIMORE, MD.

The next business on the Calendar for Unanimous Consent was the bill (H. R. 11625) to increase the appropriation for the erection of an immigration station at Baltimore, Md.

The Clerk read the title of the bill.

Mr. FOSTER. Mr. Speaker, reserving the right to object——

Mr. LINTHICUM. Mr. Speaker, I ask unanimous consent that this bill be passed without prejudice.

The SPEAKER. The gentleman asks unanimous consent to pass this bill without prejudice. Is there objection?

Mr. MANN. Reserving the right to object, what is the purpose of that?

Mr. FOSTER. I will say to my colleague that I have been looking into this matter a little, and I desire to have it go over.

The SPEAKER. Is there objection to the request that the bill be passed without prejudice?

There was no objection.

HEIRS OF DECEASED INDIANS.

The next business on the Calendar for Unanimous Consent was the bill (H. R. 10834) to amend an act entitled "An act to provide for determining the heirs of deceased Indians, for the disposition and sale of allotments of deceased Indians, for the leasing of allotments, and for other purposes," approved June 25, 1910 (36 Stats. L., p. 855).

The bill was read, as follows:

Be it enacted, etc., That section 7 of the act entitled "An act to provide for determining the heirs of deceased Indians, for the disposition and sale of allotments of deceased Indians, for the leasing of allotments, and for other purposes," approved on the 25th day of June, 1910 (36 Stat. L., p. 855), be, and the same is hereby, amended to read as follows:

"SEC. 7. That the mature living and dead and down timber on unallotted lands of any Indian reservation may be sold, under regulations to be prescribed by the Secretary of the Interior; and the proceeds from such sales shall be used for the benefit of the Indians of the reservation in such manner as he may direct: *Provided*, That this section shall not apply to the Menominee Indian Reservation, Wis.

With the following committee amendment:

Amend the bill by striking out all after the word "be," in line 6, page 2, down to and including the word "direct," in line 8, and inserting in lieu thereof the following: "deposited in the Treasury of the United States to the credit of the Indians owning the timber."

The SPEAKER. Is there objection to the present consideration of this bill?

Mr. MANN. Mr. Speaker, reserving the right to object, may I ask the gentleman from Minnesota [Mr. STEENERSON] what his intention is with reference to this bill?

Mr. STEENERSON. It is my intention to offer an amendment to the bill.

Mr. MANN. Has that amendment been agreed to by the committee?

Mr. STEENERSON. The committee have not had a meeting. They have not had a quorum.

Mr. STEPHENS of Texas. I think the bill has not been before the full committee.

Mr. MANN. If that is the case, I will object.

The SPEAKER. The gentleman from Illinois objects. The bill will be stricken from the calendar.

Mr. STEPHENS of Texas. I hope the gentleman will withhold his objection.

Mr. MANN. I will reserve the objection.

Mr. STEPHENS of Texas. I hope the gentleman from Minnesota [Mr. STEENERSON] will withdraw his amendment and permit this bill to pass as recommended by the department, with a committee amendment.

Mr. MANN. That is what I thought the position of the gentleman was, and I object.

The SPEAKER. Does the gentleman from Illinois object?

Mr. MANN. I object.

Mr. STEENERSON. Will the gentleman reserve his objection for a moment?

Mr. MANN. I am perfectly willing to do that.

Mr. STEPHENS of Texas. Will the gentleman permit it to be passed over without prejudice?

Mr. MANN. I object to that, but I will reserve the objection for a moment.

Mr. STEPHENS of Texas. I hope the gentleman will withdraw his amendment.

Mr. STEENERSON. The amendment is not pending. I simply stated for the benefit of the House that I would offer an amendment which is contained in a bill that I introduced on the subject, and which simply limits the authority of the department as to the sale of timber on one reservation in Minnesota. That is the Red Lake Reservation. It simply fixes a minimum price, so that the timber can not be sold for less than that, and provides certain regulations which I thought were proper.

The SPEAKER. The gentleman from Minnesota is speaking about an amendment that he intends to offer?

Mr. STEENERSON. An amendment that I intended to offer, but I will say to the chairman of the Committee on Indian Affairs and to the gentleman from Illinois that the amendment has not been considered by the committee. If the bill is taken up for consideration, I am willing to offer the amendment or to withhold it, just as may be desired. I would like to have the bill considered, and I hope there will be no objection to it.

Mr. STEPHENS of Texas. Will the gentleman permit me to ask him a question?

Mr. STEENERSON. I will.

Mr. STEPHENS of Texas. I desire to ask both the gentleman from Illinois and the gentleman from Minnesota, if we should strike out the words "Menominee Indians" and say "any Indians within the State of Wisconsin," would that satisfy the gentlemen?

Mr. STEENERSON. I understand the gentleman from Wisconsin [Mr. FREAR] proposes to except Wisconsin from the bill.

Mr. STEPHENS of Texas. Would that be satisfactory to the gentleman?

Mr. FREAR. As far as Wisconsin is concerned——

Mr. STEENERSON. I was going to leave Wisconsin out of the bill, so that it would apply to Minnesota.

Mr. MANN. I do not know of anybody either from Wisconsin or Minnesota who is in favor of this bill. What is the use of considering the proposition by unanimous consent?

Mr. STEENERSON. I am in favor of the bill, but I would prefer it with my amendment.

Mr. STEPHENS of Texas. I will say that recently a joint committee of the two Houses investigated this measure in Washington and also in New Mexico. They found that there is on these reservations a great deal of timber that is dead and down and timber that is mature. When forest fires sweep over these mountains, as they do very often, millions of dollars' worth of timber is destroyed.

Mr. MANN. We have the authority now to sell it.

Mr. STEPHENS of Texas. This authorizes the department to make such rules and regulations as may be prescribed for marketing this timber.

Mr. MANN. They already have the authority to sell that timber.

Mr. STEPHENS of Texas. The committee restricts that in this way: They desire to have the right to sell this timber and take the proceeds and use it among the Indians. We object to that and want it to go into the United States Treasury to the credit of the Indians.

Mr. MANN. That is existing law.

Mr. STEPHENS of Texas. No; the existing law is that on all the reservations except those in Minnesota and Wisconsin the proceeds from the sale of timber, burnt timber, goes into the hands of the commissioner, to use as he deems proper.

Mr. STAFFORD. Mr. Speaker, I was informed by my colleague [Mr. LENROOT] that there is a hearing going on now before some committee in relation to this matter.

Mr. STEPHENS of Texas. I think that is a Senate committee.

Mr. STAFFORD. It is not before the gentleman's Committee on Indian Affairs.

Mr. STEPHENS of Texas. No; but before some Senate committee.

Mr. STAFFORD. The gentleman from Wisconsin [Mr. LENROOT] is not favorable to this bill, as far as Wisconsin is concerned, and wishes to have Wisconsin specially exempted.

Mr. STEPHENS of Texas. Does the gentleman desire to have the bill passed over without prejudice so that the Committee on Indian Affairs can take it up and consider it?

Mr. MANN. The committee can take it up and consider it at any time.

Mr. STEPHENS of Texas. If it is stricken from the docket, there would be no chance to pass it in this session, for the gentleman knows that we have a buffer in the way.

Mr. MANN. The gentleman from Texas can restore it to the Unanimous Consent Calendar, and if the committee can get it in shape so that there will be a semblance of protection to the Indians it may go through. But everybody familiar with the situation knows that if this bill should become a law they would sell a lot of this timber for a song, and while a song is worth something it is not valuable to the Indian.

Mr. STEPHENS of Texas. Will the gentleman from Illinois tell me how he would go to work to put this timber on the market if he did not do it through the Indian Bureau?

Mr. STEENERSON. They have a right now to sell the dead and down timber, but now they want to sell the green timber as well.

Mr. MANN. Taking the state of the market, this is not a good time in which to sell Indian timber.

Mr. STEENERSON. As I understand it, the necessity for this legislation is that under the existing law, so far as Minnesota and Wisconsin are concerned, the department only has authority to sell the dead and down timber. On all other reservations the department has the right to sell green live timber as well as dead and down. So Minnesota and Wisconsin are the only exceptions to the general rule. The reason why the department asks for this change is that in the Red Lake Reservation there is a large quantity of timber that is dead and down by reason of forest fires. They further say that they can not cut and can not sell that timber because it can not be cut without cutting green timber. They offered it for sale a year ago and could get no offers, because the condition was that they must take out the dead and down without touching any green timber, and that was impracticable. That timber is going to waste, and the Indians are losing probably from one to two hundred thousand dollars by reason of the inaction of Congress. Although it may be contended that it is for the protection of the Indians that they are objecting to this, I do not look at it in that light. I believe I would be willing to risk passing the bill in the form proposed by the department rather than have it postponed another year, on account of the loss that is sure to result from inaction. I should prefer to have the bureau limited, as I have stated heretofore.

Mr. MANN. The gentleman offers an amendment putting a minimum limit on the price at which the timber shall be sold?

Mr. STEENERSON. Yes.

Mr. MANN. Does the gentleman think that the timber ought to be sold for a price less than the minimum?

Mr. STEENERSON. No.

Mr. MANN. What is the objection to the committee putting in a minimum limit?

Mr. STEPHENS of Texas. Because there are many reservations remote from the railroads or navigable streams.

Mr. MANN. Oh, no; it only applies to the Red Lake, and all the timber there is near the water. Here it is proposed to have the department sell this timber without a limited minimum price, and everybody knows that if they sell it it will be sold for far less than it would have been a few years ago or will be in a few years hence. It will be giving away the Indians' timber, and I am not willing to be a party to it by unanimous-consent agreement.

The SPEAKER. Is there objection?

Mr. MANN. I object.

The SPEAKER. The gentleman from Illinois objects, and the bill will be stricken from the calendar.

SETTLERS ON THE GRANT TO NEW ORLEANS, BATON ROUGE & VICKSBURG RAILWAY CO.

Mr. ASWELL. Mr. Speaker, the gentleman from New Jersey [Mr. TOWNSEND] objected to the consideration of the bill H. R. 5890. He now states that he misunderstood the object of the bill and was laboring under a false impression. I ask that the bill be restored to the calendar.

The SPEAKER. What is the number of the bill?

Mr. ASWELL. It is the bill H. R. 5890, relating to the relief of settlers within the limits of the grant to the New Orleans, Baton Rouge & Vicksburg Railway Co.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

Mr. MANN. Reserving the right to object, the gentleman has the right to place it again on the calendar. It has never gone off before.

Mr. ASWELL. But I would like to have it restored to its original place.

Mr. MANN. I am not going to object to the bill.

Mr. ASWELL. Let me explain. The gentleman from New Jersey misunderstood the bill. He said he did not know anything about it, and he objected for another reason, and now he says he would like to see it restored.

Mr. MANN. I am not opposing the bill. The gentleman can place it on the calendar again.

Mr. ASWELL. But it will be so far down on the calendar that it will not stand a chance of being considered.

Mr. MANN. The gentleman, having lost his advantage, is seeking by unanimous consent to get advantage over some one else.

Mr. ASWELL. No; and the bill lost its place through mistake.

The SPEAKER. The gentleman from Illinois objects.

ENROLLED BILL SIGNED.

Mr. ASHBROOK, from the Committee on Enrolled Bills, reported that they had examined and found truly enrolled bill of the following title, when the Speaker signed the same:

H. R. 7951. An act to provide for cooperative agricultural extension work between the agricultural colleges in the several States receiving the benefits of an act of Congress approved July 2, 1862, and acts supplementary thereto, and the United States Department of Agriculture.

The SPEAKER announced his signature to enrolled bill of the following title:

S. 5031. An act quieting the title to lot 44 in square 172 in the city of Washington.

AUTHORIZING SHOSHONE INDIANS TO BRING SUIT IN COURT OF CLAIMS.

The next business on the Calendar for Unanimous Consent was the bill (H. R. 14869) authorizing the Shoshone Tribe of Indians residing on the Wind River Reservation in Wyoming to submit claims to the Court of Claims.

The Clerk read as follows:

Be it enacted, etc., That all claims of whatsoever nature, both legal and equitable, which the Shoshone Tribe of Indians, residing on the Wind River Reservation in Wyoming, may have, or claim to have, against the United States under the treaty between the United States and said Shoshone Tribe ratified February 26, 1869, or under any other laws or treaties, may be submitted to the Court of Claims, with the right of appeal to the Supreme Court of the United States by either party, for determination of the rights of said Shoshone Tribe in and to said reservation, and the proceeds and profits therefrom; and for determination of the amounts, if any, of the funds of said Shoshone Tribe which have been wrongfully paid by the United States to the Arapahoe Tribe of Indians residing on said reservation; and for determination of the amounts, if any, due to said Shoshone Tribe from the United States for

their being deprived of the use and occupancy of said reservation; and for determination of the amounts, if any, due to said Shoshone Tribe from the United States for portions of said reservation, if any, which have been appropriated by the United States for said Arapahoe Tribe, or individual members thereof; and jurisdiction is hereby conferred upon the Court of Claims to hear and determine all legal and equitable claims, if any, of said Shoshone Tribe against the United States arising out of said treaty, and also any legal or equitable defense, set-off, or counterclaim which the United States may have against said Shoshone Tribe, and to enter judgment, and, in determining the amount of judgment to be entered herein, the court shall deduct from any sums found due said Shoshone Indians any and all gratuities paid said Shoshone Indians, or individual members thereof, subsequent to 1877. The Court of Claims shall advance said cause upon the docket for hearing, and shall have authority to determine and adjudge the rights, both legal and equitable, of said Shoshone Tribe arising out of said treaty, and all rights and equities of the United States in the premises, notwithstanding lapse of time or statutes of limitation; and the final judgment and satisfaction thereof shall be a full settlement of all claims of said Shoshone Tribe against the United States. Such cause shall be commenced within one year after the passage of this act, and in such cause the said Shoshone Tribe shall be party plaintiff and the United States shall be party defendant; and the petition setting forth the cause of said Shoshone Tribe shall be verified by the attorneys employed by said Shoshone Tribe to prosecute their claims under this act under contract approved by the Secretary of the Interior and the Commissioner of Indian Affairs, as provided by law, upon information and belief as to the facts alleged therein, and no other verification to said petition shall be necessary. The Attorney General of the United States is hereby directed to appear in said cause in behalf of the United States. Upon the final determination of said cause, the Court of Claims shall decree such fees as the court shall find reasonable to be paid to the attorneys employed by said Shoshone Tribe, and the same shall be paid out of any sum or sums found due to said Shoshone Tribe, or out of any sum or sums which may be placed to the credit of said Shoshone Tribe as a result of said cause: *Provided*, That in no case shall the fees decreed by said court be in excess of the amount stipulated in the approved contract, nor amount to more than 10 per centum of the amount and value of the judgment recovered in said cause: *Provided further*, That all sums of money which may be found to be due and recovered for the Shoshone Tribe of Indians under the provisions of this act, less attorneys' fees, shall be deposited to the credit of said Indians in the Treasury of the United States, which sum shall thereafter draw interest at 3 per cent per annum.

The SPEAKER. Is there objection?

Mr. MANN. Mr. Speaker, reserving the right to object, I understood the gentleman was going to endeavor to get some information as to how much was involved in this bill.

Mr. LOBECK. Well, it is impossible to get reliable information, for the court will determine, and no one can tell what that will be; but there is to be deducted for gratuities to the Shoshones amounting to $464,000 and for cost of irrigation plants costing $561,000, so that there is a total of $1,025,000, which would be deducted from the final claim.

Mr. MANN. How many acres are there involved here, or rather how many millions of acres?

Mr. LOBECK. There are 600,000 acres in the reservation. I said the other day Arapahoes had been allotted 75,000 acres, but the Arapahoes have been allotted about 100,000 acres.

Mr. MANN. There are 600,000 acres in the entire tract, in the tract referred to here as being in controversy, and a portion of that is irrigated land worth $75 to $100 an acre?

Mr. LOBECK. No, sir.

Mr. MANN. What is it worth?

Mr. LOBECK. Well, I can not tell what it is worth, but over a million dollars will be deducted from what improvements have been made on that portion. The irrigated lands of the tract that are subject to irrigation are something in the neighborhood of 100,000 acres situated in the eastern or in the lower part of this tract, and the rest is timberland and mountain land and grazing land that the tribes of the Arapahoes and Shoshones have used together during these years.

Mr. MANN. I do not now recall whether this bill provides for fixing the value of this land at the time it was turned over to the Arapahoes, or whether it fixes it at the time the suit is determined.

Mr. LOBECK. If it be determined at the time the land was taken over by the Arapahoes back in 1877, then there would be no balance; if the court should deduct the amount that has been expended and gratuities, why, they would have no money at all, because that land had no particular cash value at that time.

Mr. MANN. The claim is that some land was given the Arapahoes that belonged to the Shoshones.

Mr. LOBECK. Yes.

Mr. MANN. In the meanwhile we pay the Shoshones more than the land was worth at the time it was taken.

Mr. LOBECK. The Arapahoes got the full benefit of that.

Mr. MANN. And in the course of time we make the land very valuable by our modern system of irrigation, and then the Shoshones come along and want us to pay them the present value of the land, which we have made valuable by a system of irrigation which they would not have done in a million years.

Mr. MONDELL. Will the gentleman from Nebraska allow me?

Mr. LOBECK. Certainly.

Mr. MONDELL. The statement made by the gentleman from Illinois——

Mr. MANN. I put a question only.

Mr. MONDELL. Very well; the question is not an accurate statement of the situation.

Mr. MANN. It was very likely not. Give us one.

Mr. MONDELL. There were more than a million acres of land in the reservation—I think approximately a million and a quarter acres.

Mr. MANN. The gentleman from Nebraska just stated it was 600,000 acres. I do not know——

Mr. MONDELL. The gentleman from Nebraska evidently meant the ceded land. There was approximately a million and a quarter acres in the Shoshone Reservation in Wyoming, a reservation granted to and claimed to be the property of the Shoshone Tribe.

The Arapaho Tribe was placed on this reservation. They have since occupied it as though they were joint owners. Approximately 100,000 acres of the entire area have been allotted to the Arapahoes, so that the claim of the Shoshones under this bill would be for the value of the land which the Arapahoes have taken. Now, with regard to the improvements upon that land, it should be remembered that we are improving these lands; we are building irrigation ditches from appropriations reimbursable from the fund to be derived from the sale of the ceded portion of the reservation. In making up the amount that would be due the Shoshones it would be the original cost or value of the land which the Arapahoes now occupy.

Mr. LOBECK. Very true.

Mr. MONDELL. Added to that what has been taken from the common fund to improve the Arapahoes' land, so that it would not be a question of the value of those lands after irrigation, but as to what the lands were worth originally which the Arapahoes took and then how much of the joint funds have been used for the improvement of those lands. If the court shall hold that the Shoshones have a good case, the court would of course hold that the joint fund was not in fact a joint fund but the Shoshones' fund, and therefore the funds taken from them for improvement of the Arapahoes' land, the court would probably say should be paid back. My understanding is it costs approximately $15 an acre to irrigate those lands. Not all of the 100,000 acres have been irrigated; probably not over 50,000 have been completely irrigated. Those lands have been irrigated from appropriations ostensibly coming out of the Shoshones' funds, but in fact coming out of the Treasury until such time as we shall secure moneys for the reimbursement of those appropriations from the sale of the ceded lands. I think that is as accurate a statement as could be made of what the finding of the court would be, assuming that the court should find that the reservation belongs to the Shoshones and that the Arapahoes are not entitled to share. We would have to pay first for the land, and, secondly, for whatever has been paid from the Shoshone funds for the irrigation of those lands.

Mr. MANN. They would have to pay—whom does the gentleman mean?

Mr. MONDELL. I said we would have to pay.

Mr. MANN. Who would have to pay this?

Mr. MONDELL. The Government would pay for it.

Mr. MANN. That is another proposition.

Mr. STAFFORD. The Arapahoes have no fund at all, I understand.

Mr. MONDELL. The Government would pay, to be entirely accurate. If this reservation is the property of the Shoshones, then the Government would be required to pay whatever the court held the lands which have been allotted to the Arapahoes were worth and whatever sums have been used from the joint fund for the improvement of those lands.

Mr. MANN. The gentleman says, "the lands were worth." Where does the gentleman get any authority for the statement that it will not be the value which the lands "are" worth?

Mr. MONDELL. Well, it could not in the nature of things, in the language of the act, be the value that the lands after irrigation are worth, because the only claim the Shoshones could have would be, first, that some of their land was taken, and, second, that some of their funds have been used for the purpose of improving the value of those lands.

Mr. MANN. Do not the Shoshones claim that they own this land?

Mr. MONDELL. Yes, sir.

Mr. MANN. If a man owns property, why, certainly he would be entitled to the value of it.

Mr. MONDELL. He is entitled to the value of it at the time it was taken from him and whatever else is added to it out of this fund.

Mr. MANN. Here is the claim that the Shoshones have, that they own this land which the Government put the Arapaho Indians on, and they want the value of the land now, as stated by the gentleman from Nebraska [Mr. LOBECK].

Mr. MONDELL. If the gentleman wants to put it that way, I will say to him that these lands are selling, lands that are called "dead Indian lands"—heirship lands—these lands are selling, I am told, with their water rights, the few small tracts that are being sold, anywhere from $20 to $30 an acre.

Mr. MANN. Well, that would be $2,500,000, although my opinion is that they are worth $50 an acre.

Mr. MONDELL. I think they are actually worth that much.

Mr. LOBECK. They are worth about $24 an acre, so I am informed.

Mr. MANN. I think the gentleman should be informed on a question of this kind when it is intended to give the Indians not their legal rights, but their supposed equitable rights. I am willing to give the Indians any time their legal rights.

Mr. MONDELL. Will the gentleman let the bill go over in order that further information can be obtained?

Mr. MANN. I will allow the bill to go over by objecting to further consideration. Has it not gone off the calendar before?

Mr. LOBECK. It was passed without prejudice a week ago.

Mr. MANN. Then I object. It can go back on the calendar.

The SPEAKER. The gentleman from Illinois [Mr. MANN] objects.

LANDS IN SIERRA NATIONAL FOREST, CAL.

The next business on the Calendar for Unanimous Consent was the bill (H. R. 13770) to consolidate certain forest lands in the Sierra National Forest, Cal.

The bill was read as follows:

Be it enacted, etc., That for the purpose of preserving scenic features and consolidating certain forest lands belonging to the United States within the Sierra National Forest and the Yosemite National Park, Cal., the Secretary of the Interior be, and he hereby is, authorized and empowered, upon the recommendation of the National Forest Reservation Commission created by act of March 1, 1911 (36 Stats., p. 961), acting upon the advice and recommendation of the Secretary of Agriculture, and after the approval by the Attorney General of the United States of the titles to lands to be acquired, to exchange lands belonging to the United States which are a part of the Sierra National Forest for privately owned timberlands of approximately equal value lying within the boundaries of said Sierra National Forest and the said Yosemite National Park: *Provided*, That upon the consummation of an exchange hereunder the lands acquired by the United States within the boundaries of the Sierra Forest shall become a part of that national forest and that within the boundaries of the Yosemite National Park shall become a part of that park.

Also the following committee amendments were read:

Page 1, after the word "empowered," in line 7, strike out the following language: "Upon the recommendation of the National Forest Reservation Commission, created by act of March 1, 1911 (36 Stat., 961), acting upon the advice and recommendation of the Secretary of Agriculture, and after the approval by the Attorney General of the United States of the titles to lands to be acquired, to exchange lands belonging to the United States which are," and insert "upon the recommendation of the Secretary of Agriculture, and after obtaining and accepting for the Government of the United States of America a valid title to the land to be acquired, which title shall be approved by said Secretary of the Interior, to exchange lands belonging to the United States which are."

The SPEAKER. Is there objection to the consideration of the bill? [After a pause.] The Chair hears none. This bill is on the Union Calendar.

Mr. FERRIS. Mr. Speaker, I ask unanimous consent to consider the bill in the House as in the Committee of the Whole.

The SPEAKER. The gentleman from Oklahoma asks unanimous consent to consider the bill in the House as in the Committee of the Whole. Is there objection? [After a pause.] The Chair hears none.

Mr. MANN. Mr. Speaker, the Clerk did not finish reporting the amendment.

The SPEAKER. The Clerk will finish the reporting of the committee amendments.

The Clerk read as follows:

Page 2, line 18, after the word "park" insert the following: "*Provided further*, That only the following privately owned lands in the Sierra National Forest may be acquired by the United States under the exchange: N. ½ SE. ¼ and SE. ¼, SE. ¼, sec. 34, SW. ¼ SW. ¼, sec. 35, and all of sec. 36, T. 4 S., R. 20 E., M. D. M.; E. ½ NE. ¼ and S. ½ SW. ¼ sec. 32, W. ½ NW. ¼ sec. 33, T. 4 S., R. 21 E., M. D. M.; SE. ¼ sec. 1, SE. ¼ SE. ¼ (lot 16) sec. 11, lots 3 and 4, SW. ¼ NW. ¼, SW. ¼ and SE. ¼ sec. 12, lots 2, 5, 6, and 7, sec. 13, T. 5 S., R. 20 E., M. D. M.; lots 2 and 6, sec. 5, portion NW. ¼ NW. ¼ south of traverse, SW. ¼ NW. ¼ portion SE. ¼ NW. ¼ west of traverse, NE. ¼ SW. ¼, SE. ¼ SW. ¼, and that portion of the SE. ¼ west of the traverse, sec. 8, portion of NW. ¼ NE. ¼ west of traverse, SW. ¼ NE. ¼, portion of SE. ¼ NE. ¼ west of traverse, and portion of E. ½ SE. ¼ west of traverse, sec. 17, portion of NE. ¼ NE. ¼ west of traverse, and portion of E. ½ SE. ¼ west of traverse, sec. 20, T. 5 S., R. 21 E., M. D. M.; and that only the NE. ¼ sec. 36, T. 4 S., R. 21 E., M. D. M., in the Yosemite National Park may be acquired by the United States under the exchange; and that only the following lands may be given in exchange by the United States: W. ½ lot 9, and W. ½ SW. ¼ sec. 3; portion of lots 4 and 5 north of traverse, sec. 5; portions of lots 1, 2, 3, and 5, south of traverse; portion of lot 6 east of traverse; lots 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, and portions of lot 20 north of traverse, sec. 6; portion of the N. ½ NE. ¼ south of traverse line, sec. 7; N. ½ NE. ¼, SW. ¼ NE. ¼ and N. ½ NW. ¼ sec. 10; SW. ¼ NW. ¼ and NW. ¼ SW. ¼ sec. 11; SW. ¼ NE. ¼ and SE. ¼ NW. ¼ sec. 13; portion of SW. ¼ NE. ¼ east of traverse, sec. 20, T. 5 S., R. 21 E., M. D. M.; SW. ¼ SW. ¼ sec. 9, NE. ¼ NE. ¼ (lot 1) sec. 17, lot 5, sec. 18, SW. ¼ SW. ¼ and SE. ¼ SW. ¼ sec. 19, SW. ¼ NW. ¼ sec. 28, NW. ¼ NE. ¼ sec. 29, SW. ¼ NE. ¼, NE. ¼ NW. ¼, SW. ¼ NW. ¼, SE. ¼ NW. ¼, lot 1, NE. ¼ SW. ¼, NW. ¼ SW. ¼, SE. ¼ SW. ¼, W. ½ SE. ¼, and SE. ¼ SE. ¼ sec. 30, T. 5 S., R. 22 E., M. D. M.; NE. ¼ SE. ¼ and S. ½ SE. ¼ sec. 2; N. ½ NE. ¼, sec. 11, NW. ¼ NE. ¼, S. ½ NE. ¼, and NW. ¼ sec. 12, T. 6 S., R. 21 E., M. D. M.; NE. ¼ NW. ¼ and S. ½ NW. ¼, sec. 7, T. 6 S., R. 22 E., M. D. M."

Mr. MANN. Mr. Speaker, I wanted to ask the gentleman whether he is assured about the description of the property in this bill? I notice the report does not describe the property. Does the gentleman have a statement from the Department of Agriculture that this is the accurate description of the property involved?

Mr. FERRIS. Mr. Speaker, the gentleman from California [Mr. CHURCH], of the Committee on Public Lands, was designated by the committee to go down and ask them to procure that exact data. He came back with a written report, a written statement, from them, giving us these figures. Since that time they have sent us another notation which shows there is a discrepancy in a word or two, and I am going to ask that that be added. It will embody then precisely the figures they gave us as to the land we are to receive and the amount we are to give away.

Mr. MANN. The only reason I ask is, of course, it is manifestly impossible for Congress itself to know the proper description or purpose except by a report through the department.

Mr. FERRIS. That is very true.

Mr. MANN. They are the ones that ought to be held responsible if there is an error. If they have said this is a description, it is satisfactory to me.

Mr. FERRIS. They have; and we have gotten every one of the figures from them. Now, Mr. Speaker, I send this amendment to the desk, embodying a supplemental report from the department which shows the change to be made. This is an amendment to the committee amendment.

The SPEAKER. The Clerk will report the amendment.

The Clerk read as follows:

Amend, line 19, page 3, by adding after the word "traverse" the words "portion southeast quarter northeast quarter west of traverse."

Also:

Amend, line 7, page 4, by changing the word "north" to read "south."

The SPEAKER. The question is on agreeing to the amendments.

The amendments to the amendment were agreed to.

The SPEAKER. The question is on the committee amendments.

The committee amendments were agreed to.

The bill as amended was ordered to be engrossed and read a third time, was read a third time, and passed.

On motion of Mr. FERRIS, a motion to reconsider the vote by which the bill was passed was laid on the table.

LEAVE OF ABSENCE.

Mr. SLAYDEN, by unanimous consent, was granted leave of absence, indefinitely, on account of important business.

INTERNATIONAL CONGRESS OF AMERICANISTS.

The next business on the Calendar for Unanimous Consent was the resolution (H. J. Res. 109) authorizing the President to extend invitations to foreign Governments to participate in the International Congress of Americanists.

The Clerk read as follows:

Resolved, etc., That the President be, and he is hereby, authorized to extend invitations to foreign Governments to be represented by delegates at the Nineteenth International Congress of Americanists, to be held at the city of Washington in September of the year 1914: *Provided*, That no appropriation shall be granted for expenses of delegates, or for other expenses incurred in connection with the said conference.

With a committee amendment, as follows:

In line 6, strike out the word "September" and insert the word "October" in lieu thereof.

The SPEAKER. Is there objection?

Mr. MANN. Reserving the right to object, Mr. Speaker, I wish the gentleman from Maryland [Mr. LINTHICUM] would make a brief statement about this, and the necessity for it, and the reason why we should invite people here and then refuse to pay the bills.

Mr. LINTHICUM. We do not refuse to pay the bills. They do not ask us to pay the bills. They will be paid by the society and by friends of the society.

I want to say to the gentleman from Illinois that in the Senate, when this matter was considered, Senator SMOOT said he would object if we should agree to pay any of the bills. Now, when we get it over here the gentleman from Illinois thinks

we ought to pay the bills. The fact is, the society has arranged to pay all the expenses of these delegates, and the Government will not be called upon to pay one cent, and there will not be any feeling about the matter, either. These gentlemen will be treated properly, without expense to the Government.

Mr. MANN. Well, who will pay the expenses?

Mr. LINTHICUM. The society has agreed to pay the bills. The delegates are to be invited to various places. The gentleman from Wisconsin [Mr. KONOP] will explain that.

Mr. MANN. The gentleman will probably remember the unfortunate experience we had in connection with an international congress which met at Buffalo, where it was insisted that the Government would not pay the bills, and then a new Member came in and even had the President to send up a message, stating that we ought to pay the bills, notwithstanding the agreement not to pay.

Mr. KONOP. Dr. Ales Hrdlička, the secretary of the society, has informed me that the organization and friends and members of the society have subscribed funds, and there will be no expense whatever to the Government.

Mr. MANN. Then what good will it do to pass the resolution?

Mr. KONOP. I understand a law has been passed forbidding the President to invite delegates to international congresses to be held in this country without authority of law.

Mr. MANN. What is the object of having the President in the invitation say——

Mr. KONOP. It seems that the delegates to all these congresses have been invited heretofore by the Governments of the countries in which they are held, and I have letters here and extracts from letters from eminent foreigners stating that it is absolutely necessary that they be invited officially by the Government.

Mr. WILLIS. Mr. Speaker, will the gentleman yield to me for a suggestion?

Mr. KONOP. Yes.

Mr. WILLIS. I understand from the report here that—

The expenses of the Washington session will be defrayed entirely by the scientific men who are charged with the organization of this session from their membership payments and from such voluntary contributions of our friends as we may be able to secure.

Who are these "we"?

Mr. KONOP. I do not know. I am not a member of that organization.

Mr. WILLIS. This is the committee report. The committee will have to pay the expense, as I understand from that language.

Mr. LINTHICUM. No. The committee never pays any bills. [Laughter.] The gentleman knows that. I want to say that the reason why we have to ask the President to invite the delegates here is stated in a letter from President Franz Heger, director of the National Museum at Vienna, saying that it will be absolutely impossible for him to come unless the invitation is extended by the United States Government.

Mr. WILLIS. Will the gentleman state whether in the meetings heretofore the expenses have been borne by the Government?

Mr. KONOP. No. All the expense was borne by the scientific men and the men interested in scientific research. The last one was held in London in 1912.

Mr. MANN. Does the gentleman know how many conventions or congresses are going to be held in San Francisco in the year 1915?

Mr. KONOP. I do not know. I am told that 241 congresses have been invited to meet there.

These people are first to go to Philadelphia and then to the western part of the country to investigate the early history of man in North America, especially the Pueblo Indians, and to make scientific investigations.

Mr. MANN. This matter is largely under the control of the Smithsonian?

Mr. KONOP. Yes.

The SPEAKER. Is there objection?

Mr. GOULDEN. Reserving the right to object, Mr. Speaker, I would like to ask the gentleman from Maryland a few questions. Can the gentleman tell me what this body is? It is said to be an international congress of "Americanists." That term "Americanists" is a very broad term. What does the congress stand for?

Mr. LINTHICUM. It is a body of gentlemen who are making a study of archæology and anthropology in the United States. Their work grows largely out of the discoveries in South America made by Humboldt. The society has been in existence about 25 or 30 years and is the outgrowth of the American Society of France organized in 1857. The last international convention was held in London without any expense to the Parliament of Great Britain. The next two are to be held in America, one to be held this year in Washington at the National Museum and then the next one is to be held in La Paz, the capital of Bolivia, in 1916. This society has to do with the study of man and his history and work, especially the Indian races.

Mr. GOULDEN. I can see no objections to this resolution.

The SPEAKER. Is there objection?

There was no objection.

Mr. LINTHICUM. Mr. Speaker, I ask that the Committee on Foreign Affairs be discharged from the further consideration of Senate joint resolution 97, and that that resolution be considered instead of House resolution before us.

The SPEAKER. Is the Senate resolution on the calendar?

Mr. LINTHICUM. No. It is before the committee.

Mr. MANN. It is theoretically before the committee. The papers are here.

Mr. LINTHICUM. The papers are on the Speaker's desk.

Mr. KONOP. The papers are on the desk, Mr. Speaker.

The SPEAKER. The gentleman from Maryland [Mr. LINTHICUM] moves that the Committee on Foreign Affairs be discharged from the further consideration of Senate joint resolution 97. Is there objection?

There was no objection.

Mr. MANN. And that the resolution be considered in the House in lieu of the House resolution.

The SPEAKER. And that the Senate resolution be considered in the House in lieu of the House joint resolution 109. Is there objection?

There was no objection.

Mr. MANN. We should have it read, Mr. Speaker.

The SPEAKER. The Clerk will read.

The Clerk read as follows:

Joint resolution (S. J. Res. 97) authorizing the President to extend invitations to foreign Governments to participate in the International Congress of Americanists.

Resolved, etc., That the President be, and he is hereby, authorized to extend invitations to foreign Governments to be represented by delegates at the Nineteenth International Congress of Americanists, to be held at the city of Washington in October of the year 1914: *Provided*, That no appropriation shall be granted for expenses of delegates or for other expenses incurred in connection with the said conference.

The SPEAKER. The question is on the third reading of the Senate joint resolution.

The Senate joint resolution was ordered to be read a third time, was read the third time, and passed.

Mr. MANN. House joint resolution 109 should be laid on the table.

The SPEAKER. Without objection, the House joint resolution 109, of the same tenor, will lie on the table.

There was no objection.

On motion of Mr. LINTHICUM, a motion to reconsider the vote whereby the Senate joint resolution was passed was laid on the table.

POST OFFICE AND COURTHOUSE, PENSACOLA, FLA.

The next business on the Calendar for Unanimous Consent was the bill (H. R. 12291) to increase the limit of cost for the extension, remodeling, and improvement of the Pensacola (Fla.) post office and courthouse, and for other purposes.

The bill was read, as follows:

Be it enacted, etc., That the act entitled "An act making appropriations for necessary civil expenses of the Government for the fiscal year ending June 30, and for other purposes," approved August 24, 1912, be, and the same is hereby, amended, so as to increase the limit of cost for the extension, remodeling, and improvement of the Pensacola (Fla.) post office and courthouse in the sum of $30,000, or so much thereof as may be necessary to complete said extension, remodeling, and improvement.

With the following committee amendment:

Page 1, line 3, after the word "act," strike out the words:

"Strike from lines 3, 4, 5, and 6 the words 'making appropriations for necessary civil expenses of the Government for the fiscal year ending June 30, and for other purposes, approved August 24, 1912,' and insert in lieu thereof the words 'to increase the limit of cost of certain public buildings, to authorize the enlargement, extension, remodeling, or improvement of certain public buildings, to authorize the erection and completion of public buildings, to authorize the purchase of sites for public buildings, and for other purposes, approved June 25, 1910.'"

The SPEAKER. Is there objection?

Mr. FOSTER. Mr. Speaker, reserving the right to object, I observe from the letter of the Secretary of the Treasury, printed in the report, that a part of this appropriation is to provide for a sidewalk around the building. Is that true?

Mr. WILSON of Florida. It is.

Mr. FOSTER. Has the gentleman noticed that within the last two or three days there has been a notice issued in which it is said that the Government will not pay assessments for sidewalks around post offices?

Mr. WILSON of Florida. I will say to the gentleman from Illinois that it has been customary heretofore to build sidewalks, although the Supervising Architect says that there is

no justification for such a course. It has been done very frequently heretofore in many places.

Mr. FOSTER. This additional appropriation will provide for a lot of ornaments in and around this building.

Mr. WILSON of Florida. No. I will say to the gentleman that this building is in my home town, and I know all about the conditions. As United States attorney, I was an occupant of this building for several years, and since then I have been an occupant of a building right across the street. When I was at home a few weeks ago I went through this building with the architect in charge, and he pointed out to me many things that an untechnical mind could readily discern to be necessary for the proper completion of this building. For instance, they have closed up the back of the building and closed several windows and doors. There is no appropriation to paint the walls, and they will be blotched and spotted, unless it can be done by an additional appropriation. In addition to that the woodwork in the post office has been moved back several feet, making the lobby larger, leaving 3 or 4 feet of unfinished flooring work. That makes another botch which they can not proceed to cure unless they get this appropriation.

In addition to that the city of Pensacola has within the last two or three years regraded the streets around this building, and it is anywhere from a foot and a half to 2 feet from the street paving up to the sidewalk. Aside from that, the sidewalk is cracked, worn, and in a very bad condition. Now, there may be one or two items mentioned by the architect in charge that are purely ornamental. For instance, the lights that he mentions may be. Lights of some kind are necessary, and his recommendation is based——

Mr. FOSTER. You mean outside of the building? We are providing lights outside and not inside the building.

Mr. WILSON of Florida. On the Government property.

Mr. FOSTER. These lights are on the street, at the entrance to the building, are they not?

Mr. WILSON of Florida. Right at the entrance. They are in keeping with the lighting system that the city has recently installed. The revolving doors seem to be necessary, because they keep out rain and cold and storm. Now they have only swinging doors, something like those leading into this Hall, and while some items may appear to be ornamental, I will state to the gentleman, though I am not an architect, I know personally that the building will be left in a very unfinished condition unless we make this appropriation, or at least some part of it; and furthermore, in the course of a year or two, I think it will undoubtedly be realized that this work will have to be done, necessitating the tearing up of the building again to some extent. At this time all the officers have vacated this building and are using rented buildings in several parts of the city. This is an old building. It was placed there some time in the eighties. The original appropriation of $100,000 must, we think, be supplemented by this amendment for $30,000 more in order to put the building in proper condition. In fact, I know that it will be uncompleted unless we give this or the greater part of it.

Mr. FOSTER. I will say to the gentleman that I think some of these items are really necessary and ought to be allowed; but, on the other hand, I think there are a lot of these things that are simply put in there as an additional expense; that are not for the good of the building or for the convenience of the public or the men who occupy the building.

Mr. WILSON of Florida. Is the gentleman in a position to suggest the amount which he thinks this appropriation ought to be reduced on account of that?

Mr. FOSTER. No. I will say to the gentleman that I could not tell how much that would be; but I want to call attention to the fact that, in my judgment, we ought not to be allowing for the extension of public buildings and paying a lot of these expenses that are unnecessary. I do not propose to object to this, but I think these matters ought not to be put in these public-building bills, providing for ornaments, which, in my opinion, simply make an expense to the Government.

Mr. MADDEN. Will the gentleman yield?

Mr. WILSON of Florida. Yes.

Mr. MADDEN. I understood the gentleman from Florida to say—although I may not have understood him properly—that part of this money will be expended for street improvement.

Mr. WILSON of Florida. Oh, no; for sidewalk approaches around the building—not on the street at all.

Mr. MADDEN. Not on the street?

Mr. WILSON of Florida. Oh, no. The street is thoroughly paved and lighted by the city.

Mr. ADAIR. Will the gentleman yield to me?

Mr. WILSON of Florida. Certainly.

Mr. ADAIR. I should like to ask a question for information. There is no law, is there, that provides that the Government shall pay any part of the cost of street improvement in front or on the side or rear of Government property?

Mr. WILSON of Florida. I think not, and we do not ask that the street be improved.

Mr. ADAIR. I understand that. I am just asking for information. Is it the practice and policy of the Government to pay for sidewalks in front of Federal buildings?

Mr. WILSON of Florida. I understand it has been the practice to do so, but there is some question about the right to do so. But I will say to the gentleman from Indiana that the city of Pensacola will not build a sidewalk around this building. The sidewalk is 6 or 8 feet in width and, as I stated a moment ago, the old sidewalk is absolutely worn out. I think it was put there before I was born.

Mr. ADAIR. I will say to the gentleman that I think the Government ought to pay for a sidewalk around a Federal post-office building.

Mr. WILSON of Florida. So do I.

Mr. ADAIR. There is no reason, there is no justice, and there is no sense in compelling a city to pay for such an improvement to Federal property, and the Government ought to pay for it.

Mr. FOSTER. It has never been the policy to do that.

Mr. ADAIR. It is a bad policy not to do it.

Mr. FOSTER. No; it is not; and there is no law for it.

Mr. ADAIR. The gentleman can not assign a single good reason why it should not be done.

Mr. FOSTER. It has been refused by the department.

Mr. ADAIR. For what reason?

Mr. FOSTER. It is not the law.

Mr. ADAIR. I understand that there is no law for it; but there should be a law compelling the Government to build sidewalks around and in front of its own property.

Mr. FOSTER. As I say, there is no law for it and ought not to be, so that assessments could be made against the Government.

Mr. ADAIR. Then the Government ought not to build a Federal building.

Mr. FOSTER. I think perhaps the gentleman may be right about that in some instances.

Mr. WILSON of Florida. Mr. Speaker, Pensacola is not a village; it is a town with thirty-odd thousand inhabitants; a very progressive town. Recently the city has built many miles of sidewalks and paved streets. This public building at Pensacola, which was put up in 1887 or 1888, is far inferior to several other buildings in that city. Indeed, right across the street is a 10-story bank building which cost very much more than the Federal building.

Mr. ADAIR. Does not the gentleman think that the Government, where it builds a public building, ought to be able to spend enough to put a sidewalk around it?

Mr. WILSON of Florida. Yes.

Mr. FALCONER. Will the gentleman yield?

Mr. WILSON of Florida. I do.

Mr. FALCONER. I want to ask the gentleman where the estimate was made for the additional cost of this building?

Mr. WILSON of Florida. In the Supervising Architect's Office in Washington.

Mr. FALCONER. The original estimate; but how about the estimate for the extra work? How does the gentleman get another estimate to increase the cost so as to provide for this building in the Supervising Architect's Office when there are 40 or 50 buildings where money has been appropriated for from three to five years, and where it is impossible to get an estimate of the cost of the buildings, resulting in holding them up all over the country?

Mr. WILSON of Florida. Did the gentleman ever build a house and find before he finished that he had not money enough; that there were more things needed than he thought for when he started out?

Mr. FOSTER. As I understand, this is to pay for the original enlargement.

Mr. WILSON of Florida. It is an emergency case.

Mr. FOSTER. After they got along this far they found that there were a lot of improvements that they could not put in. I will say to the gentleman from Washington that I have looked into this matter and that I think some of these things ought to be put in. It is an original enlargement from an appropriation some time ago, but when they got to this point they found that they had not enough money to put in these needed improvements.

Mr. FALCONER. I am not joining the gentleman from Illinois in his apparent enjoyment of deviling a new Member while getting his bill through.

Mr. FOSTER. No; I would not do that; but I saw some things in it that I thought ought not to be there.

Mr. FALCONER. What I wish to emphasize is that in many cities—cities in my own State, for instance—having had an appropriation for some years to build a public building, the buildings have been held up on the statement of the Supervising Architect that he could not get money enough to expend in the architect's office for clerical services so as to advance the building of these buildings. It occurred to me in the discussion of this question to ask how the gentleman found that he needed exactly $30,000 in order to do this work. Was the estimate *made in the* Supervising Architect's Office; and if so, where did the Supervising Architect get the money to do the work?

Mr. WILSON of Florida. We have not the money yet; we are after the money now.

Mr. FALCONER. Do you spend money without getting an estimate?

Mr. WILSON of Florida. No; the estimate was made by the architect's office.

Mr. FALCONER. Was there enough money provided originally by the architect to make this estimate?

Mr. FOSTER. They though there was; but in repairing an old building they found some things that were required that they are not able to do with the original allowance.

Mr. FALCONER. I am not talking about the appropriation for the building. I am talking about necessary money to provide service in the Supervising Architect's Office.

Mr. MADDEN. The gentleman from Wisconsin wants to know how the Supervising Architect got enough money to make an estimate for these additional repairs.

Mr. FALCONER. Yes. It is the architect's expenses that I am after.

Mr. WILSON of Florida. I can answer that; because, in the course of the improvements which were authorized in 1910, the architect had his man on the ground, and he is now there and has been there several months.

Mr. FALCONER. Then it has cost no extra money or expense in the Supervising Architect's Office?

Mr. WILSON of Florida. None at all.

Mr. FALCONER. Very well; that question could have been answered five minutes ago.

Mr. WILSON of Florida. I did not understand what the gentleman from Washington wanted to know.

The SPEAKER. Is there objection to the consideration of the bill?

There was no objection.

Mr. WILSON of Florida. Mr. Speaker, I ask unanimous consent that the bill be considered in the House as in the Committee of the Whole.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. ADAIR. Mr. Speaker, I move to strike out the figures "$30,000," on line 5, page 2, and insert in lieu thereof "$31,000."

The SPEAKER. The Clerk will report the amendment.

The Clerk read as follows:

Page 2, line 5, strike out "$30,000" and insert in lieu thereof "$31,000."

Mr. ADAIR. Mr. Speaker, just a word. I offer this amendment in order that the Government may be able to construct a sidewalk around this property owned by the Government. I know it is not the law. I have been in a number of cities in this country where they have Federal buildings, and have seen sidewalks around those buildings that are a disgrace to the city and a disgrace to the Government, and I can see no reason why the Government should expend money in erecting a Federal building in which the post-office business of a city is to be transacted and not be permitted to build a sidewalk around it in keeping with the building itself. For that reason I offer this amendment.

Mr. FOSTER. Mr. Speaker, the gentleman from Indiana [Mr. ADAIR] offers this amendment for the purpose of building a sidewalk around this building; but I want to say there is provision made in this bill for the very purpose for which the gentleman offers his amendment.

Mr. ADAIR. If the gentleman will permit, where is it?

Mr. FOSTER. That is the statement in the report of the Secretary of the Treasury.

Mr. ADAIR. I did not so understand the gentleman from Florida.

Mr. MADDEN. The Government does build sidewalks around a building, but does not pave the streets.

Mr. ADAIR. I will say to the gentleman from Illinois that I did not understand the item of sidewalks was included in this estimate.

Mr. FOSTER. Yes.

Mr. ADAIR. Mr. Speaker, in view of the statement that has been made by my good friend from Illinois [Mr. FOSTER], in whom I have the greatest confidence, I withdraw my amendment.

The SPEAKER. The gentleman withdraws his amendment.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

On motion of Mr. WILSON of Florida, a motion to reconsider the vote by which the bill was passed was laid on the table.

TO VALIDATE CHAPTERS 52 AND 54 OF THE ACTS OF THE ALASKA LEGISLATURE.

The next business on the Calendar for Unanimous Consent was the bill (H. R. 11740) to cure defects in and to validate chapters 52 and 54 of the acts of the Legislature of the Territory of Alaska, approved by the governor of the Territory of Alaska May 1, 1913, and for other purposes.

The Clerk read as follows:

Be it enacted, etc., That those two acts of the Legislature of the Territory of Alaska entitled "Chapter 52 (H. B. No. 96), an act to establish a system of taxation, create revenue, and providing for the collection thereof for the Territory of Alaska, and for other purposes," approved by the governor of the Territory of Alaska May 1, 1913, and "Chapter No. 54 (H. B. No. 98), an act to impose a poll tax upon male persons in the Territory of Alaska and provide means for its collection," approved by the governor of Alaska May 1, 1913, be, and each is hereby, ratified and made valid from the date of its respective approval by the governor of the Territory of Alaska, and all their provisions shall be held to be in full force and effect from and after the date of the approval of this act by the President.

SEC. 2. That nothing in that act of Congress entitled "An act creating a legislative assembly in the Territory of Alaska and conferring legislative power thereon, and for other purposes," approved August 24, 1912, shall be so construed as to prevent the courts now existing or that may be hereafter created in said Territory from enforcing within their respective jurisdictions all laws passed by the legislature within the power conferred upon it the same as if such laws were passed by Congress, nor to prevent the legislature passing laws imposing additional duties, not inconsistent with the present duties of their respective offices, upon the governor, marshals, deputy marshals, clerks of the district courts, and United States commissioners acting as justices of the peace, judges of probate courts, recorders, and coroners, and providing the necessary expenses of performing such duties, and in the prosecuting of all crimes denounced by Territorial laws the costs shall be paid the same as is now or may hereafter be provided by act of Congress providing for the prosecution of criminal offenses in said Territory, except that in prosecutions growing out of any revenue law passed by the legislature the costs shall be paid as in civil actions and such prosecutions shall be in the name of the Territory.

The committee amendments were read, as follows:

Page 1, strike out, beginning with line 3, down to and including line 8, page 2.

The SPEAKER. Is there objection?

Mr. MANN. Mr. Speaker, reserving the right to object, I know the Delegate from Alaska would like to be heard on this very briefly.

Mr. WICKERSHAM. I refer the gentleman to the chairman of the committee.

Mr. HOUSTON. Mr. Speaker, the bill as before the House upon the report of the committee is embraced in section 2 of the bill, as the amendment proposes to strike out section 1 and substitute section 2 after the enacting clause, and the only thing to be considered is section No. 2, as the balance is to be stricken out if this amendment be agreed to. Now, the object of this section No. 2 is to provide that the Territorial Government of Alaska shall proceed with the collection of taxes of the Territory without any hindrance or delay. It so happens that the Territorial government of Alaska, in chapters 52 and 54 imposes certain duties upon the Federal officers, clerks, in the Federal court, and marshals in the Federal court in reference to the collection of the taxes of the Territory. Now, then, there is a provision in the organic law of Alaska which provides that:

No person holding a commission or appointment under the United States shall be a member of the legislature or shall hold any office under the government of said Territory.

Now, by virtue of that inhibition in the organic law it has been held by the Attorney General of the United States and by the governor of Alaska that it is unlawful for these Federal officers, clerks, and marshals to perform these functions. This merely proposes to cure that defect.

Mr. MANN. The gentleman says that the Territorial laws provide for the collection of taxes by the United States officials. What taxes are collected by the United States officials under the Territorial law?

Mr. WICKERSHAM. Will the gentleman allow me to answer that question——

Mr. HOUSTON. I yield to the Delegate to answer that question.

Mr. MANN. I can answer it myself. The gentleman said "taxes," and I wondered if the gentleman simply meant poll taxes. There is a difference between the collection of taxes and the collection of poll taxes.

Mr. HOUSTON. Well, poll taxes might be used in the plural, I think.

Mr. MANN. Certainly; but still you might be misled in this, unless the gentleman says it does not mean the collection of Territorial taxes, because it does not seem to be in the report. Ordinary taxes under this report are not collected by United States officials at all, but the report says that the commissioner of each precinct is made ex officio poll-tax collector. What do you mean by "each precinct"?

Mr. WICKERSHAM. There is in each precinct a commissioner appointed by the judge of the court who performs the duty of recorder and justice of the peace, probate judge, and coroner—a sort of Pooh-Bah, performing all these functions under the United States statutes.

Mr. MANN. What is a precinct?

Mr. WICKERSHAM. A precinct is a portion of the country bounded by such line as the judge of the court fixes, and in which he appoints one of these commissioners with the power of justice of the peace, recorder, probate judge, and coroner.

Mr. MANN. This has nothing to do with what we call a precinct here?

Mr. WICKERSHAM. No; not an election precinct; nothing at all of that sort.

Mr. MANN. He appoints a United States commissioner or a fish commissioner. Which is it?

Mr. WICKERSHAM. No; he is called a commissioner.

Mr. MANN. This report refers to him in one place as a commissioner and in the next place as a fish commissioner, and I wondered which he was.

Mr. WICKERSHAM. It refers in one place to a commissioner and in another place to a fish commissioner. The fish commissioner is the United States Fish Commissioner or one of his deputies. This is the situation with respect to the duties to be performed there: The Government of the United States now levies a license tax upon certain business in the Territory of Alaska, and it levies a license tax upon those engaged in fishing. A license tax is levied upon certain grades of salmon to be canned. Now, the Territory of Alaska has also passed a similar bill levying a license tax upon the canneries, and in drawing that bill the legislature left the duty of collecting the tax upon the collector of the court who collects the license taxes for the Government of the United States. It would not add a cent of expense. It is the same official, the same sort of a duty, and but one tax is to be collected by him of a specific amount, for the Government, and the other for the Territory.

Mr. MANN. I was under the impression that when we passed the Territorial act Congress reserved the control over the fishery business.

Mr. WICKERSHAM. That is correct.

Mr. MANN. Then how can the Legislature of Alaska pass a special tax against it?

Mr. WICKERSHAM. In the bill the gentleman from Illinois will see, if he will examine it, you gave the legislature specific authority to levy additional license taxes, and that is all. In the performance of that limited duty the intention of the legislature is to have the same official collect the taxes for the Territory and for the United States.

Mr. MADDEN. The license tax which the legislature levies is a tax upon the canneries and not on the fisheries?

Mr. WICKERSHAM. That is right.

Mr. WILLIS. I understand the purpose of this bill is to validate certain acts of the Territorial legislature which has undertaken to impose duties upon certain officials of the United States. Is that correct?

Mr. WICKERSHAM. Yes. That was the original purpose. But in the meantime it was thought this general clause would have that effect, and so the validating clause in the bill was stricken out by the committee.

Mr. WILLIS. Then I want to invite the attention of the gentleman to the language beginning on line 18 and following on page 2, and ask his opinion as to whether or not that would not be a pretty large extension of power. It says:

That nothing in this act of Congress shall be so construed as to prevent the legislature passing laws imposing additional duties not inconsistent with the present duties of their respective offices upon the governor, marshal, deputy marshals, clerks of the district courts, and United States commissioners acting as justices of the peace, judges of probate courts, recorders, and coroners—

And so on. Does not the gentleman think it rather dangerous legislation to give to the legislature of a Territory authority to prescribe without limit additional duties to be performed by Federal officials?

Mr. WICKERSHAM. Of course that could only be done within the limit of the power granted to them in the organic act. That act prescribes certain limitations beyond which they can not impose duties upon any official. The point of the situation is this: That we have a system of courts and officials now appointed in the Territory of Alaska by the Government for the performance of these particular duties. If this bill does not pass and the legislature does not have this power, then the legislature would be forced to pass additional laws creating a new system of courts and officials for the purpose of enforcing this and other laws.

Mr. WILLIS. What I am trying to get at, as the gentleman will see, is this proposition, that if you pass this bill, not simply validating acts already passed by the Territorial legislature, but looking to the future, is there not danger that you will clog the machinery of government by giving the legislature authority to place additional duties upon all the United States officers? I am perfectly agreed it is proper to validate the acts already passed, but when you take off the limitation as to the future, except, of course, the limitation in the organic act, it would seem to me somewhat questionable as to whether that is wise.

Mr. WICKERSHAM. I do not think so. I can not view it as the gentleman does. Here are present officials, and the courts are in existence, and such duties as would be imposed upon them by the legislature would be very limited, because the jurisdiction of the legislature is limited.

Mr. MANN. Will the gentleman yield? The gentleman will notice in the bill that these duties, according to the bill, must not be inconsistent with the present duties of these respective officials. And I take it if the legislature should pass a law which would be a burden upon these officials, so it would be inconsistent, they would have permission not to perform those duties.

Mr. WILLIS. We can conceive of a case where additional duties would be required that would be entirely consistent with the duties they are now performing, but which would nevertheless seriously interfere with the proper performance of the present duties of the office. It might be consistent with it, all right, and the same kind of duty, but it might be so great in extent that they could not perform it.

Mr. WICKERSHAM. I think it would be inconsistent with their present duties if they had so many others imposed that they could not perform them.

Mr. WILLIS. If the court would so interpret it, I would be perfectly satisfied.

Mr. MANN. The administrative officers would probably so interpret it, and Congress, possibly.

Mr. WICKERSHAM. I will say that this bill was prepared by the governor of Alaska very carefully, and I think it is all right.

Mr. HOUSTON. There is no better authority to determine what duties would be consistent than the Territorial legislature. They would be less likely to impose any hardships or burdens than any other authority. They are the proper ones to determine that question, it seems to me.

Mr. WILLIS. What suggestion has the gentleman to make in response to the question I propounded to the gentleman from Alaska [Mr. WICKERSHAM]? Here you have a Territorial legislature with authority to go ahead and prescribe duties for its own officers and officers of the United States and Federal courts. Does not the gentleman think it would be unwise and unusual to so legislate?

Mr. HOUSTON. I think it would be safe to leave it to the legislature of the Territory to fix those duties that are not inconsistent with the organic act or controlling them and governing them.

Mr. MANN. I take it none of us would agree to it unless we had the power to change it.

Mr. WILLIS. We have the power to change it, but will we change it? That is the question.

Mr. MANN. I would like to ask the gentleman whether this bill was ever submitted to the Secretary of the Interior or the Attorney General?

Mr. HOUSTON. We have the letter of the Attorney General written in regard to this bill, in which he gives his construction of these acts.

Mr. MANN. If the gentleman refers to the letter quoted in the report, it is a letter written not in regard to this bill at all, but a letter in regard to the Alaskan act, in which he held they were not valid.

Mr. HOUSTON. Well, it was a letter in regard to the very item involved in this section 2 here. That was the subject of that letter.

Mr. MANN. I understand; but the Attorney General has certain control of the Department of Justice officials in Alaska

who are affected by this legislation. The Secretary of the Interior also has certain control of officials. Are we not entitled to any knowledge that they have on this subject?

Mr. HOUSTON. Well, I will just say that this bill was not submitted to the Attorney General by me, but I had conferences with him in regard to the letter which he has written in regard to the subject matter of it, in which he concurred fully in the opinion that it was necessary to have the relief that is proposed to be provided here by this act.

Mr. MANN. The idea was that under the existing law the legislature did not have the authority to impose these duties upon the officials?

Mr. HOUSTON. Yes; and he thought they ought to have that authority.

Mr. MANN. There is nothing in this statement to that effect.

Mr. HOUSTON. We believe that the authority ought to be given.

Mr. MANN. I think it would be wiser for us to be protected by the written opinion of these officials.

Mr. HOUSTON. We felt that that covered the subject matter and it was not necessary to go further. Perhaps it is my fault that I did not get from him a written opinion.

Mr. MANN. How about the Secretary of the Interior?

Mr. WICKERSHAM. He has control of none of the officials mentioned in the bill.

Mr. MANN. None of the officials mentioned in the bill?

Mr. WICKERSHAM. The marshals, the deputy marshals, the clerks of the court, the recorders, and coroners, and everything except the governor are in the Department of Justice.

Mr. MANN. The coroner, and so forth——

Mr. WICKERSHAM. Those are in the Department of the Interior. The commissioners are all.

Mr. MANN. The governor himself is under the control of the Department of the Interior.

Mr. WICKERSHAM. I will say to the gentleman from Illinois that the governor prepared this bill and asked me to introduce it.

Mr. MANN. I understand it. The governor is one thing; the head of the office is another thing. Many an official down below has prepared a bill which has not been examined by his superior officer.

Mr. WICKERSHAM. This one is in the way stated by the gentleman from Tennessee [Mr. HOUSTON].

The SPEAKER. Is there objection?

There was no objection.

The SPEAKER. The question is on agreeing to the committee amendment.

The committee amendment was agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill as amended.

The bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed.

The SPEAKER. Without objection, the title will be amended to conform to the text.

There was no objection.

On motion of Mr. HOUSTON, a motion to reconsider the vote whereby the bill was passed was laid on the table.

CONSOLIDATION OF SUNDRY FUNDS FROM UNPAID INDIAN ANNUITIES.

The next business on the Calendar for Unanimous Consent was the bill (H. R. 10835) to authorize the Secretary of the Treasury to consolidate sundry funds from which unpaid Indian annuities or shares in the tribal trust funds are or may hereafter be due.

The Clerk read as follows:

Be it enacted, etc., That the Secretary of the Treasury is hereby authorized and directed to transfer upon the books of the Treasury any unpaid and noninterest-bearing annuity or per capita share or shares of any Indian, whether derived from a gratuity appropriation or from the principal of or the interest on any tribal or trust fund of his tribe from the caption or fund under which the share or annuity accrued and became due and unpaid at any time prior to the passage of this act, or which may hereafter accrue and become due and unpaid, to a common fund known as "Indian moneys, unpaid per capita shares, noninterest," to the credit of the individual Indian entitled thereto, and thereafter such annuity or share shall be paid direct from said common fund without further appropriation therefor by Congress, the amounts so transferred, whether previously covered into the surplus fund or not, being hereby permanently appropriated for that purpose: *Provided*, That no such transfer shall be made except upon the certificate of the Commissioner of Indian Affairs, showing the shares due and unpaid and the names of the Indians entitled thereto, and upon settlement of the account by the Auditor for the Interior Department.

SEC. 2. That the unpaid shares which bear the same rate of interest, payable at the same intervals, of all Indians in the funds above described, may in the same manner as hereinbefore provided be consolidated under such title as may be prescribed by the Secretary of the Treasury, and thereafter payments shall be made from the common funds so created without further appropriation by Congress therefor, the amounts so transferred and the interest thereon being hereby permanently appropriated for that purpose.

SEC. 3. That the consolidation and transfers herein provided for shall not be construed to repeal that part of section 1 of the act approved June 21, 1906 (34 Stat. L., p. 327), making provision for the payment of interest on minors' shares retained in the Treasury.

SEC. 4. That any and all annuities or shares transferred in accordance with the provisions of the foregoing sections, together with any interest which may accrue thereon, shall be paid to the party entitled thereto by settlement of an account and the issuance of a warrant in his favor according to the practice in other cases of authorized and liquidated claims against the United States: *Provided*, That the determination by the Secretary of the Interior of the heirs of any deceased Indian, to whose credit any annuities or shares may have been transferred in accordance with this act, shall be deemed final.

With a committee amendment, as follows:

Amend, page 3, line 15, after the word "final," by inserting the following: "except in cases where the estate of the deceased Indian is being legally probated, and the probate court having jurisdiction is determining, or has determined, the legal heirs of such deceased Indian: *Provided further*, That if any person whose share is transferred to the common fund as herein provided is found subsequently not entitled to the same, such share shall revert to the tribe and shall be transferred to the tribal funds upon the recommendation of the Commissioner of Indian Affairs and certification by the Auditor for the Interior Department."

The SPEAKER pro tempore (Mr. GOLDFOGLE). Is there objection?

Mr. MANN. Reserving the right to object, Mr. Speaker, may I ask the gentleman from Texas a question?

Mr. STEPHENS of Texas. Certainly.

Mr. MANN. In reference to these unpaid noninterest-bearing annuities or per capita shares, I wanted to ask how long unpaid are they, or how long may they be?

Mr. STEPHENS of Texas. It refers to the tribal funds in the Treasury, and subject to be paid out at the discretion and direction of the department at the present time. Now, as I understand it, these funds are in the Treasury to the credit of certain tribes or bands of Indians, and the reason for this legislation——

Mr. MANN. I do not see anything in this bill that refers to that.

Mr. STEPHENS of Texas. And the reason for this legislation, I will say, is stated in a letter from the First Assistant Secretary of the Interior:

In explanation of the necessity for the proposed legislation it may be said that for over 30 years past annuity payments and per capita distributions have been made to various Indian tribes from time to time from funds having more than 100 different titles, and that at each payment some shares are unpaid, owing to the inability of the disbursing officer to locate the Indians, to determine questions of heirship, or for other reasons.

And now it seems no appropriation could be made out of funds to the credit of these tribes for the reason that the department could not do it without some specific act of Congress.

Mr. MANN. Here is money in the Treasury, which the gentleman says belongs to a tribe of Indians, and it has been allotted to be paid to the different Indians, so much per capita. Now you want to transfer that money from one fund to another?

Mr. STEPHENS of Texas. No.

Mr. MANN. That is the purpose of it. That is what it means.

Mr. STEPHENS of Texas. I read further:

As the per capita share of an Indian in any payment may be, and frequently is, made up of two or more funds, some of which bear interest and others of which do not, and as the unpaid shares go back into the Treasury to the credit of the particular fund out of which they accrued, a very complicated system of bookkeeping has become necessary under the present laws in order to keep track of the funds, the amounts due to each Indian, and the reserve which must be kept on hand in the funds with which to meet these unpaid shares.

Mr. MANN. The gentleman is reading from the report. I have read that very carefully myself.

Mr. MADDEN. This bill provides that the money that is not paid to a man that can not be found is to be turned back to his credit on the books of the Treasury instead of into the general fund.

Mr. STEPHENS of Texas. For instance, there are 1,000 Indians, and 300 of them do not apply for annuities and payments. That is set aside for them in a specific fund, whereas the other 700 are paid without any legislation at all. The way it is now, the 300 would have to have their part of that fund thrown back into the general fund, because Congress requires all of these funds, if they are not paid at a certain time, to be put back into the general fund; and it creates confusion as to the keeping of accounts with the Indians. That is the very object of this legislation—to prevent the confusion of accounts.

Mr. MANN. Now, if there is a tribal fund, and it is ordered to be distributed, so much money, say, to each one of the Indians, and some of them do not apply, that money stands there, to be paid to those Indians when they do apply?

Mr. STEPHENS of Texas. That is correct.

Mr. MANN. If it is not paid within a certain time, it goes back into the tribal funds. Is that the gentleman's statement?

Mr. STEPHENS of Texas. It is.

Mr. MANN. Still, these specific Indians are entitled to the money if they show up?

Mr. STEPHENS of Texas. Yes; and if they do not, the money goes back into the general fund.

Mr. MANN. In what respect does that change that feature?

Mr. STEPHENS of Texas. In this: It goes back to the general fund at a certain time.

Mr. MANN. Under this bill it does not go back into this fund at any time. Instead of going back into the general fund and being subject to the call of the Indians, it goes into a lump-sum fund known as Indian moneys, unpaid per capita shares, noninterest.

Mr. STEPHENS of Texas. That is right.

Mr. MANN. To the credit of the particular Indian. That is the case, whichever fund it goes into.

Mr. STEPHENS of Texas. Without this bill it is to be refunded and put back into the general fund. Whenever the Indian fails to receive his amount it goes back into the general fund and has to be reapportioned again. This law would permit the Indians who do not apply to have a separate account—and there may be a hundred of them—and those accounts will be kept under one head.

Mr. MANN. Here is the situation: Here is a certain fund which is due to some Indians. It is apportioned among them, so much per capita.

Mr. STEPHENS of Texas. That is correct.

Mr. MANN. A few of the Indians do not apply. In the course of time the money is put back into the common fund, but still to the credit of these Indians when they do apply.

Mr. STEPHENS of Texas. Yes.

Mr. MANN. Now, the gentleman proposes, instead of putting it back into that fund, that it shall be put into another fund?

Mr. STEPHENS of Texas. No; it remains in the unappropriated fund.

Mr. MANN. Not at all. It is put into another fund, where all Indians of different tribes have their money, put under the head of Indian funds, unpaid per capita shares, noninterest; and when the Indians do apply, you have to look through the books and find where the Indians that apply have some money to their credit in that fund, which covers a great many more Indians than would be the case if you only had to look into the fund as to a particular tribe. What is the bookkeeping advantage of it? I take it that this is largely a matter of bookkeeping.

Mr. STEPHENS of Texas. That is correct; but does not the gentleman understand that they keep separate books for every separate tribe?

Mr. MANN. Yes; but I understand that by this bill, as to money which has been apportioned per capita, they will no longer keep separate books by different tribes.

Mr. STEPHENS of Texas. Yes. It will go back to the general fund.

Mr. MANN. Not at all. It is the purpose of the bill to prevent that.

Mr. STEPHENS of Texas. I beg to differ with the gentleman. It goes back to the specific fund of that tribe. That is the intention.

Mr. MANN. If we are so wide apart on the matter, I hope the gentleman will ask to put it over, so that we may each study the bill and see.

Mr. STEPHENS of Texas. Then I ask that the bill be passed over without prejudice.

The SPEAKER pro tempore. The gentleman from Texas asks unanimous consent that the bill be passed over without prejudice. Is there objection?

There was no objection.

CLAIMS ARISING FROM INDIAN DEPREDATIONS.

The next business on the Calendar for Unanimous Consent was the bill (H. R. 22) to amend an act entitled "An act to provide for the adjudication and payment of claims arising from Indian depredations," approved March 3, 1891.

Mr. STEPHENS of Texas. Mr. Speaker, without reading that bill, I ask unanimous consent that it be passed without prejudice.

The SPEAKER pro tempore. The gentleman from Texas asks unanimous consent that this bill be passed without prejudice. Is there objection?

There was no objection.

ALLOTMENT AND DISTRIBUTION OF INDIAN TRIBAL FUNDS.

The next business on the Calendar for Unanimous Consent was the bill (H. R. 10833) authorizing the Secretary of the Interior to lease for grazing, agricultural, and mining purposes unallotted lands within Indian reservations established by act of Congress or Executive order.

The bill was read as follows:

Be it enacted, etc., That the Secretary of the Interior be, and he is hereby, authorized to lease for grazing, agricultural, and mining purposes unallotted lands within Indian reservations established by act of Congress or Executive order in such quantities and upon such terms and conditions and under such regulations as he may prescribe: *Provided*, That no grazing or agricultural lease shall be for a period to exceed 5 years and no mining lease for a period to exceed 10 years.

With committee amendments.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. MANN. Reserving the right to object, I understand it is expected to adopt the committee amendments?

Mr. STEPHENS of Texas. Yes. The committee amendments ought to be adopted.

Mr. MANN. There might be some question as to just what is meant by "such Indian" in line 10, page 2. Does the gentleman have any objection to adding after the word "Indian" the words "as hereinbefore in this act described"?

Mr. STEPHENS of Texas. None whatever. I think it would improve the bill.

Mr. MANN. Then there would be no question about it. I do not object to the consideration of the bill.

Mr. STEPHENS of Texas. I will offer the amendment.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

There was no objection.

Mr. STEPHENS of Texas. I ask unanimous consent that the bill be considered in the House as in Committee of the Whole.

The SPEAKER pro tempore. The gentleman from Texas asks unanimous consent that the bill be considered in the House as in Committee of the Whole. Is there objection?

There was no objection.

Mr. STEPHENS of Texas. There are two committee amendments: First, to strike out the words "including the," in line 9, page 1, and to insert the words "who is," and in line 1, page 2, insert the words "needy and destitute."

The SPEAKER pro tempore. The Clerk will report the committee amendments.

The Clerk read as follows:

Amend, page 1, line 9, by striking out the words "including the" and inserting the words "who is."

The amendment was agreed to.

The SPEAKER pro tempore. The Clerk will report the next committee amendment.

The Clerk read as follows:

Amend, page 2, line 1, after the word "aged," insert the words "needy and destitute."

The amendment was agreed to.

Mr. STEPHENS of Texas. The gentleman from Illinois has an amendment.

Mr. MANN. I move to amend by inserting, on page 2, line 10, after the word "Indian," the words "as hereinbefore in this act described."

The SPEAKER pro tempore. The Clerk will report the amendment.

The Clerk read as follows:

Amend, page 2, line 10, by inserting after the word "Indian" the words "as hereinbefore in this act described."

The amendment was agreed to.

Mr. FERRIS. Mr. Speaker, I want to ask the gentleman a question about page 2, line 1. I assume that the bill only intends to reach those who are needy, and so forth. I was wondering if the language of the bill did not bind it down so tight that some people who might need their pro rata share would be unable to get it. For instance, they must be blind, crippled, aged, needy, and destitute.

Mr. STEPHENS of Texas. I think the first part of that section will answer the gentleman's question in this, that it authorizes the Secretary of the Interior—

Under such rules, regulations, and conditions as he may prescribe, to pay any Indian who is blind, crippled, aged, needy, and destitute or helpless, his or her share or any portion thereof of the tribal or trust funds in the United States Treasury belonging to the tribe of which such Indian is a member.

Now, it is true that there are a great many Indian tribes that have quite a large amount of money, and there are blind, crippled, aged, needy, and destitute or helpless Indians, as described here, who ought to have the money and ought to have the use of it. This leaves it in the discretion of the Commissioner of Indian Affairs to pay out these funds to these blind, crippled, aged, needy, and destitute or helpless Indians.

Mr. FERRIS. Of course, a Secretary can work out rules and regulations to carry out the law, but he could not make rules and regulations to overthrow the law. My thought was that if you would change the word "and" to "or," page 2, line 1, he could make the rules and regulations in accordance with what is

intended. You could scarcely find an Indian who was blind, crippled, aged, needy, and helpless altogether.

Mr. STEPHENS of Texas. The regulations would not provide for that.

Mr. MANN. The gentleman from Oklahoma is wrong about his reading of the bill. It says "or helpless."

Mr. FERRIS. But it says "needy and destitute."

Mr. MANN. Here is the qualification: Blind, crippled, aged, needy and destitute, or helpless.

Mr. FERRIS. If the gentleman would take out the "and" and insert the word "or"——

Mr. MANN. You do not need to.

Mr. FERRIS. The word "and" being between "needy" and "destitute" couples up all the others.

Mr. MANN. Not at all; the commas are in there.

Mr. FERRIS. It is true that you have the word "or" in front of the word "helpless," but between "needy" and "destitute" the conjunction "and" is put in, and that couples up all the others.

Mr. MANN. Not at all. "Needy and destitute" is one clause, "aged" is another clause, "crippled" is another clause, "blind" is another clause, and "helpless" is another clause. It is perfect grammatical construction.

Mr. FERRIS. I suggest to the gentleman that on page 1 line 9, the word "either" ought to be put in after the word "is," so that it will read "to pay any Indian who is either blind, crippled, aged," and so forth. In that event there would be no question about it. But I think you will find that the Interior Department will construe this language the way I have stated, and it will be back here for us to amend it.

Mr. MANN. They can not construe it in that way.

Mr. FERRIS. I have seen greater miracles than that.

Mr. BURKE of South Dakota. Let me say to the gentleman that the existing law which this proposes to amend reads the same as this does, only that this bill includes "needy and destitute."

Mr. FERRIS. Do you get along all right with the law as it is now?

Mr. BURKE of South Dakota. Apparently, yes. My understanding is that what prompted the department to send in the bill was to make it general, so that they could pass to the credit of any Indian who was sick, helpless, or otherwise. It practically does what the law does now, only it enlarges a little bit the classes to which it may apply.

Mr. MANN. It inserts the words "needy and destitute."

Mr. BURKE of South Dakota. It does not make much of a change in the existing law.

Mr. FERRIS. I think that unless you put in the word "either" after the word "is," in line 9, page 1, the officer who construes the law will hold that it means "Indian who is blind, crippled, aged, needy, and destitute."

Mr. BURKE of South Dakota. Let me call the gentleman's attention to the law.

Mr. MANN. We schoolmasters do not agree with the gentleman from Oklahoma.

Mr. BURKE of South Dakota. The existing law reads:

> The Secretary of the Interior is hereby authorized to pay to any Indian who is blind, crippled, or helpless from old age, disease, or accident.

That is the existing law.

Mr. MANN. And this bill proposes to insert the words "needy and destitute."

Mr. FERRIS. They have stricken out the word "including."

Mr. MANN. That is not in the existing law.

Mr. FERRIS. But it is in the bill. I do not care anything about it, Mr. Speaker; I am in favor of the bill, but I think it ought to be made clear.

Mr. MANN. It is clear, and the gentleman would cloud it.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. MONDELL. Reserving the right to object——

Mr. MANN. It is too late to object; we have already adopted two amendments.

Mr. MONDELL. Will the gentleman yield for a question?

Mr. STEPHENS of Texas. Certainly.

Mr. MONDELL. I desire to ask the gentleman if it was the thought of the committee in reporting this bill that there would result from it a general distribution of tribal funds?

Mr. STEPHENS of Texas. I think not.

Mr. MONDELL. There are many tribal funds in regard to which there has been no attempt to distribute or allot them individually. The conditions in many cases are such that no such attempt should be made at this time.

Mr. STEPHENS of Texas. This only applies to the classes mentioned here, and they must come in under that class.

Mr. MONDELL. Do I understand that this so enlarges the law that if an Indian of a tribe having a very considerable amount of tribal funds which have not been allotted should be found to come within one of these classes that it becomes the duty of the Secretary of the Interior to attempt to arrive at a decision relative to the amount of such funds due each Indian?

Mr. STEPHENS of Texas. No; I think not. It applies to funds in the Treasury subject to be paid out for the benefit of the Indians.

Mr. MONDELL. Not for the benefit of individual Indians, but for the tribe.

Mr. STEPHENS of Texas. That is correct.

Mr. MONDELL. Many of these funds can only be paid out, unless this changes the law, in accordance with the provision of the treaty for certain specific purposes. Is it the thought of the committee that this legislation will broaden the law so as to affect treaty stipulations?

Mr. STEPHENS of Texas. It does not. It was not the intention to do so, and I do not think it has that effect.

Mr. MONDELL. It only affects trust funds that are now practically apportioned individually.

Mr. STEPHENS of Texas. That is correct. It is to broaden the number of Indians to whom payments can be made.

Mr. MONDELL. Gentlemen on this side suggest that it does not affect anything.

Mr. STEPHENS of Texas. Then there can be no harm in it; but in that case I do not see why the department wants it.

Mr. MONDELL. I should be inclined to object to it if I thought it did not accomplish something.

Mr. STEPHENS of Texas. The gentleman is too late to do that.

Mr. MONDELL. I realize that. I did not use the term in the restricted sense, but I meant that I should not be inclined to favor it. If it is intended by this legislation to authorize and direct or give the Secretary authority to generally segregate funds which are accumulating and which under the treaties can only be used for certain specific purposes——

Mr. STEPHENS of Texas. This is what the department says, and it will answer the gentleman's question.

Mr. MONDELL. I do not think what the department says there will answer the inquiry I have propounded.

Mr. STEPHENS of Texas. It says:

> Upon the satisfactory showing of the need of any Indian to withdraw his individual share of the tribal funds of the Treasury and place it in the bank to his credit under the supervision of the superintendent, to be paid to him in such sums as the circumstances may from time to time justify, or the whole or any part thereof may be expended under the superintendent's direction for his benefit.

Mr. MONDELL. That does not answer the point I have in mind at all.

Mr. STEPHENS of Texas. I will further state to the gentleman from Wyoming that I find this:

> There is a large proportion of the membership of most of the tribes having trust funds in the Treasury which is neither competent nor disabled by reason of disease or old age, as required in the application of the provisions of the act of March 2, 1907, and the department is therefore without authority under existing law to pay such members their pro rata share of the tribal funds or to expend for their benefit any portion of such funds.

Now, that seems to be a provision of the act of March 2, 1907, that would prevent them from giving the relief that this bill gives to these distressed Indians.

Mr. MONDELL. Now, the gentleman is aware there are numerous tribal funds, and I have in mind now tribal funds that are being increased constantly by the sale of lands with regard to which there are treaty provisions that the funds shall be used only for certain specific purposes. This bill does not, I understand the gentleman from Texas to say, and was not intended to give to the Secretary of the Interior authority to segregate such funds as I have referred to and pay out the proportionate share of such funds to any Indians coming within this classification.

Mr. STEPHENS of Texas. The gentleman is correct about that. That is the reason given here. They say:

> The object of the proposed amendment is to extend the scope of the act of March 2, 1907, which experience has shown to be advisable and necessary in order to cover classes and circumstances not now provided in existing law.

Mr. MONDELL. If they intend to extend it to cover classes and circumstances, it is all right, but if it is intended to extend the law so as to lead to a general distribution of the tribal funds which have accrued or are accruing under treaty obligations, under which they can be applied, or which are to be applied for certain specific purposes, then the legislation would be unwise. There are funds accumulating for the purpose of paying the obligations of the Indians for appropriations which have been made for the benefit of the tribe and made reimbursable.

Many of these funds are accumulating for the purpose of improving the lands of the Indians, those funds ought not to be dissipated by dividing the fund so as to find out how much each Indian is entitled to and then paying it over to him if he is an Indian of this class——

Mr. STEPHENS of Texas. Let me ask the gentleman this question——

Mr. MONDELL (continuing). But the gentleman does not propose to do that, I assume, and I do not understand this legislation is giving authority to do that.

Mr. STEPHENS of Texas. It does not. I will state to the gentleman that he was correct in that the tribal fund should be used to first take care of the aged and destitute and those who are in needy circumstances before it should be distributed to those who are able to take care of themselves.

Mr. MONDELL. Another thing. In most every case under these treaties, or in many cases under these treaties, tribal funds may be used to take care of the aged and destitute, to take care of such cases as arise.

Mr. STEPHENS of Texas. The gentleman is correct.

Mr. MONDELL. And they use the tribal funds for that purpose. They do not take the amount which each Indian is entitled to and then pay him the amount he is entitled to or a portion of it, but they pay out of the tribal fund enough to subsist and take care of those aged and infirm Indians. Is it not intended in such cases to change the method so that in the future the assistance is to be given by dividing or attempting to divide the fund?

Mr. STEPHENS of Texas. It does not extend to that at all.

Mr. MONDELL. Then, what does it do?

Mr. STEPHENS of Texas. It just simply adds two classes here—aged and destitute. In this statement I have just read to the gentleman it is stated that this is the whole purpose of the law, and they state the law is not broad enough now to include those classes.

Mr. MONDELL. To use a concrete illustration: The Shoshones and Arapahoes in my State have a fund which is constantly increasing from the sale of public lands. The Government has a claim against that fund by reason of expenditures which it has made under appropriations for the construction of irrigation projects, and so forth; the fund will ultimately, it is hoped, be much in excess of the amount required to meet the Government's obligations. It would be utterly impossible to determine, except for the moment when the distribution was made, how much each individual's share in that fund was, because the fund is constantly varying, growing larger as lands are sold. Now, the treaty under which that fund is being built up provides that a certain amount of it may be used for the care of the aged and infirm, and it is being so used, but it is used as a tribal fund, and under any plan of division——

Mr. STEPHENS of Texas. This does not change that law; they still use the tribal funds.

Mr. MONDELL. But here is a plan of dividing that fund or attempting to divide it and giving infirm and aged and crippled Indians their share. It does not, of course, apply to the case I have cited.

Mr. STEPHENS of Texas. If the law was not broad enough at first, why not broaden it?

Mr. MONDELL. The effect of that would ultimately be that these very Indians who will most need a share in the tribal funds will have used up their part of the funds without leaving any further claim on the tribal funds at all.

Mr. STEPHENS of Texas. Now, this does not take care of that matter in any way. It simply amends the act permitting and authorizing these funds to be used for these Indians, destitute, aged, and crippled.

Mr. MONDELL. These funds to which I have referred, the Arapaho and Shoshone funds in my State, were not affected by this legislation at all, as I understand it.

Mr. STEPHENS of Texas. Not at all in any way. This simply just broadens the law.

Mr. MONDELL. At present payments may be made out of their funds for the infirm, the aged, and the crippled, whereas if we attempted to find out how much each Indian's share in that fund was, and then giving it to him, we would very soon arrive at the condition under which the very Indian that in the future will need the most aid will be unable to secure any, because his proportion of the total fund has been used up.

Mr. NORTON. Mr. Speaker, I move to strike out the last word. As I understand it, this bill simply makes larger the authority of the Secretary of the Interior under the act of March 2, 1907. Under the terms of this bill not only those who are not capable of providing for themselves on account of disease and on account of old age, but the blind, the crippled, and the "needy and destitute" may be cared for?

Mr. STEPHENS of Texas. That is correct. The "needy and destitute" are the classes added to the bill.

Mr. NORTON. Replying to the suggestion made by the gentleman from Wyoming [Mr. MONDELL], it occurs to me—and I want to know whether I am correct or not in this—that under the provision of this bill no money can be paid out of any tribal fund unless, in the judgment or decision of the Secretary of the Interior, there is a certain definite amount of money due the individual Indian from the tribal fund over and above any charges against that fund.

Mr. STEPHENS of Texas. Unless there are tribal funds, of course, there can be no money paid out of such tribal fund to any Indian of any kind or character, needy or destitute or what not. This applies to the funds now in the hands of the United States Government coming to that tribe, and they have the right to segregate that money and pay it out to the Indians who are not able to take care of themselves; and we have added the words "needy and destitute."

Mr. NORTON. Beginning on page 1, line 7, the provision of the bill is:

> The Secretary of the Interior is hereby authorized, under such rules, regulations, and conditions as he may prescribe, to pay any Indian who is blind, crippled, aged, needy and destitute, or helpless his or her share, or any portion thereof, of the tribal or trust funds in the United States Treasury belonging to the tribe of which such Indian is a member.

I will say to the gentleman from Wyoming [Mr. MONDELL] that there certainly must be some definite determination of the amount due any Indian coming under the provisions of this act before any sum whatever can be paid out of the fund.

Mr. STEPHENS of Texas. If there is a gross amount coming to the tribe in the closing of these Indian matters, the excess money is granted to the individual members of the tribe.

Mr. NORTON. A certain amount due each member?

Mr. STEPHENS of Texas. Yes; the crippled people in the tribe. They take the funds of the tribe and pay them to those people.

Mr. NORTON. I am very much in favor of this bill——

Mr. BURKE of South Dakota. Let me say to the gentleman from North Dakota [Mr. NORTON] that this bill is reenacting the existing law exactly as the law reads, with the exception in line 1 it adds two additional words, namely, "needy" and "destitute"; and it does not change the law in any other respect.

Mr. NORTON. I have read the wording of the existing law.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, was read a third time, and passed.

On motion of Mr. STEPHENS of Texas, a motion to reconsider the vote by which the bill was passed was laid on the table.

SEED, LIVE STOCK, ETC., FOR INDIANS.

The next business on the Calendar for Unanimous Consent was the bill (H. R. 10846) to authorize the Secretary of the Interior to use in the purchase of live stock, seeds, and agricultural equipment moneys appropriated to fulfill treaty obligations.

The bill was read, as follows:

> *Be it enacted, etc.*, That the Secretary of the Interior may, in his discretion, with the consent of the Indians, use any moneys appropriated for the purchase of subsistence or other supplies for the various Indian tribes, in fulfillment of treaty obligations, which may not be needed for that purpose, in the purchase of live stock, seeds, and agricultural equipment for the benefit of the tribe for which such appropriation is made.
>
> SEC. 2. That all acts or parts of acts in conflict herewith are hereby repealed.

Also the following committee amendment was read:

> Insert after the word "Indians," in line 4 of the bill, the following: "Obtained in a suitable manner and with like effect as that which ratified the original treaty on their part."

The SPEAKER. Is there objection to the consideration of the bill? [After a pause.] The Chair hears none. This bill is on the Union Calendar.

Mr. STEPHENS of Texas. Mr. Speaker, I ask unanimous consent that the bill be considered in the House as in the Committee of the Whole.

The SPEAKER. The gentleman from Texas asks unanimous consent that the bill be considered in the House as in the Committee of the Whole. Is there objection? [After a pause.] The Chair hears none. The question is on the committee amendment.

The question was taken, and the committee amendment was agreed to.

Mr. MANN. Mr. Speaker, I move to strike out the last word. It seems to me that this bill, if enacted into law, may be of considerable value, but how will they do about providing live stock, seeds, and agricultural equipment for the benefit of the tribe for which such appropriation is made? In most of these

cases will the tribe as a tribe be in a position to handle the live stock and seeds and equipment and keep it in a common fund?

Mr. STEPHENS of Texas. They are doing it to some extent through the present Indian agents and the department and bureau.

Mr. MANN. Well, they may be doing it to some extent; but what I was getting at was this: Here we make an appropriation, it is true, for the maintenance and support of Indians under some treaty stipulations, but I take it that in the distribution of subsistence or other supplies it is in part, at least, distributed to the Indians individually.

Mr. STEPHENS of Texas. According to their needs.

Mr. MANN. According to their needs. Is it not desirable, if you want to get anybody interested in something, that they own it themselves individually?

Mr. STEPHENS of Texas. We have thought so, and that is the reason for this amendment.

Mr. MANN. But that is what the bill does. That is what I am talking about. You appropriate to give seeds not to individual Indians but to the tribe. You propose to buy live stock, not for any Indian who can own it, but the tribe owns it. You propose to buy plows so that the tribe will own them. Now, is there any way by which that can be arranged so that an individual Indian is induced to take an interest in something because he owns it?

Mr. BURKE of South Dakota. Not out of tribal funds, Mr. Speaker, if the gentleman will permit.

Mr. STEPHENS of Texas. I yield to the gentleman from South Dakota.

Mr. BURKE of South Dakota. My understanding of this bill is that it allows the Secretary of the Interior to expend moneys that, under treaty obligations, we annually appropriate, and that is used for rations and given to the Indians for the purchase of live stock, and it is the intention, as I understand it, of the department to purchase these cattle in common for the tribe as a whole. And I would like to ask the gentleman in charge of the bill, as to the second section, as to whether or not it is necessary or it ought to be stricken out?

Mr. STEPHENS of Texas. I think it ought to be stricken out, and I move to strike out the last section.

The SPEAKER. The gentleman will state the amendment.

Mr. STEPHENS of Texas. On page 2, strike out lines 3 and 4.

The SPEAKER. The Clerk will report the amendment.

The Clerk read as follows:

Page 2, strike out section 2.

The SPEAKER. The gentleman from Illinois [Mr. MANN] withdraws his pro forma amendment, and the question is on the amendment of the gentleman from Texas [Mr. STEPHENS].

The question was taken, and the amendment was agreed to.

Mr. FERRIS. Mr. Speaker, I move to strike out the last word for the purpose of asking the gentleman from Texas [Mr. STEPHENS] a question. I want to ask the chairman of the committee one or two questions as to the way this will work out. Now, it only applies to money that is appropriated; does it not?

Mr. STEPHENS of Texas. That is right.

Mr. FERRIS. And it only applies to money for the fulfillment of treaty obligations?

Mr. STEPHENS of Texas. Yes.

Mr. FERRIS. Does it apply to their trust moneys at all?

Mr. STEPHENS of Texas. I think not. You will remember, many years ago—maybe 40 or 50 years ago—treaty obligations were entered into between various tribes and the United States by which the United States promised to give them, in some instances, so many shoes for a blacksmith and so many horses, and things that are not now needed. It is impossible now to comply with those provisions, and the Indians do not want it.

Mr. BURKE of South Dakota. And pay for a miller somewhere or a blacksmith in the city of Chicago, for example?

Mr. FERRIS. Yes. I have those things in mind. But I also had in mind the idea that we ought not to cut the Department of the Interior loose on the trust funds. Otherwise, you would have war with the Indians on your hands.

Mr. STEPHENS of Texas. The gentleman is right about that. It does not do it.

Mr. FERRIS. Mr. Speaker, I will withdraw my pro forma amendment.

The SPEAKER. The pro forma amendment is withdrawn. Is there objection?

There was no objection.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

On motion of Mr. STEPHENS of Texas, a motion to reconsider the vote whereby the bill was passed was laid on the table.

LEASING UNALLOTTED LANDS IN INDIAN RESERVATIONS.

The next business on the Calendar for Unanimous Consent was the bill (H. R. 10833) authorizing the Secretary of the Interior to lease for grazing, agricultural, and mining purposes unallotted lands within Indian reservations established by act of Congress or Executive order.

The Clerk read as follows:

Be it enacted etc., That the Secretary of the Interior be, and he is hereby, authorized to lease for grazing, agricultural, and mining purposes unallotted lands within Indian reservations established by act of Congress or Executive order in such quantities and upon such terms and conditions and under such regulations as he may prescribe: *Provided*, That no grazing or agricultural lease shall be for a period to exceed 5 years and no mining lease for a period to exceed 10 years.

With committee amendments, as follows:

Line 4, after the word "grazing," strike out the comma and insert the word "and."

Line 4, after the word "agricultural," strike out the comma and insert the words "and mining."

Line 9, strike out the words "or agricultural."

Page 2, line 1, after the word "no," strike out the word "mining," and insert in lieu thereof the word "agricultural."

The SPEAKER. Is there objection?

Mr. MONDELL. Mr. Speaker, reserving the right to object, I would like to ask the gentleman from Texas [Mr. STEPHENS] if this bill affects so-called treaty reservations in any way?

Mr. STEPHENS of Texas. If there are treaty obligations already entered into that would prevent this character of Executive order reservations——

Mr. MONDELL. Does it affect so-called treaty reservations?

Mr. STEPHENS of Texas. No; I think not.

Mr. MONDELL. It only affects reservations created by act of Congress or Executive order?

Mr. STEPHENS of Texas. Yes; only reservations created by act of Congress or Executive orders, and it so specifies. That is the plain reading of it. The bill says:

That the Secretary of the Interior be, and he is hereby, authorized to lease for grazing, agricultural, and mining purposes unallotted lands within Indian reservations established by act of Congress or Executive order in such quantities—

And so forth.

Mr. MONDELL. What do you mean, or what did the committee have in mind, by the words "reservations established by act of Congress"?

Mr. STEPHENS of Texas. Well, I presume——

Mr. MONDELL. Well, if Congress ratified a treaty under which a reservation was established, would that make such a reservation "a reservation established by act of Congress"?

Mr. STEPHENS of Texas. As I understand it, there are two ways of making reservations. One is by Executive order, which sets apart a certain amount of land for such tribe of Indians, and the other is when it is established by act of Congress, which defines the boundaries of a certain tract of land which is given up to the use and benefit of the Indians.

Mr. MONDELL. Reservations are or were established by treaty and by Executive order.

Mr. STEPHENS of Texas. This does not apply to a treaty reservation.

Mr. MONDELL. By Executive order and by act of Congress. Are these three separate and distinct, or does the fact that Congress may ratify a treaty made with the Indians, establishing a reservation, make such reservation a treaty reservation?

For instance, take the reservation in my State. Of course my first interest in regard to all this legislation is as to its effect upon that reservation. We have what I understand to be a treaty reservation. I understand it to be a reservation that would not be affected by this legislation. I would not want this legislation to affect that reservation for this reason, that at the present time the department holds it has authority to make mineral leases on that reservation. If this bill passes there will be no authority to make mineral leases on the reservations described in it.

Mr. STEPHENS of Texas. I think not. I do not think it will have that effect, for the reason that we have stricken out the word "mining" here.

Mr. MONDELL. The very fact that you have stricken out the word "mining" and have provided for other classes of leases precludes the making of mining leases on the classes of reservations to which you refer. You eliminate mining leases by describing agricultural and grazing leases. If Congress provides that a certain kind of lease shall be made, that action precludes the making of any other kind of lease.

Mr. STEPHENS of Texas. I think not. I think it leaves the original law in existence just as it is now.

Mr. MONDELL. Unquestionably; there can not be any doubt about that. There is now no law allowing leave for mining on unallotted lands on reservations of the classes described.

Mr. STEPHENS of Texas. There is no repealing clause to this act.

Mr. MONDELL. The department informed the committee, and the committee acted in this matter on the suggestion of the department, to the effect that in regard to the treaty reservations it had a right to make certain leases. I will read:

There is authority of law, found in section 3 of the act of February 28, 1891 (26 Stat. L., 795), for leasing lands within treaty reservations.

That is so broad that various kinds of leases are made. Now, that is the condition under which we are operating on the Shoshone Reservation in Wyoming, and it is a very satisfactory one. Reading further, however, from that same report of Assistant Secretary Jones, we find here:

It is the opinion of this department that there is great public need for authority of law for the leasing of lands within Indian reservations that have been established by act of Congress or Executive order.

There, apparently, the department draws a clear distinction between treaty reservations and a reservation created by act of Congress.

Mr. STEPHENS of Texas. Will not the gentleman admit that if you specify, too, the Executive orders and the act of Congress, that will not interfere in any manner whatever with the treaty reservations?

Mr. MONDELL. I was trying to get the gentleman's opinion with regard to that.

Mr. STEPHENS of Texas. I say it does not.

Mr. MONDELL. I think it is very important that it should be made clear that a reservation created by act of Congress shall not include a reservation established by treaty.

Mr. STEPHENS of Texas. I am perfectly willing to add an amendment providing that nothing in this act contained shall refer to treaty regulations, but it would not do it anyway.

Mr. MONDELL. I do not know that it is necessary——

Mr. MANN. We do not have any more treaties with Indians except by act of Congress, do we?

Mr. STEPHENS of Texas. We can not have now, but there are reservations known as treaty reservations.

Mr. MANN. I understand; but what is the distinction in practice between a treaty entered into with Indians when the treaty-making power of the Government was exercised and a treaty entered into now, which is confirmed by an act of Congress? What is the distinction in practice as to the treatment of the lands?

Mr. STEPHENS of Texas. We would have to look to the department for those distinctions. The department have drafted this bill, and they say it shall only apply to those provided by act of Congress and by Executive order.

Mr. MONDELL. The department have drafted the bill, but we want to know exactly what the bill means.

Mr. STEPHENS of Texas. These words have well-known meanings in the department, because these questions have been passed upon frequently.

Mr. MONDELL. Does the gentleman understand what that meaning is?

Mr. STEPHENS of Texas. It is very plain, as I understand it. They know what the regulations are, what the treaty reservations are.

Mr. MONDELL. What is a reservation created by act of Congress?

Mr. STEPHENS of Texas. It is a specific portion of country set apart by treaty for the benefit of certain Indians.

Mr. MANN. Supposing the Government of the United States, through the Indian Office, has made a treaty with the Indians.

Mr. STEPHENS of Texas. That is a treaty reservation, then.

Mr. MANN. Will the gentleman wait until I finish my question? Supposing the Government of the United States, through the Indian Office, has made a treaty with the Indians, and that is presented to Congress and then confirmed by an act of Congress. Is that a treaty reservation or an act of Congress reservation?

Mr. STEPHENS of Texas. I should say that it was a treaty reservation.

Mr. MANN. I should say it required an act of Congress. Who will determine which it is?

Mr. STEPHENS of Texas. The rules and regulations of the department control that matter explicitly. The department drafted this bill, and they certainly knew what they wanted, and there was no objection to the bill.

Mr. MANN. I know; but the department knows or thinks it knows what it wants, but it is our duty to know what the department wants before we enact legislation.

Mr. MONDELL. And it is our duty also to know what Congress wants, Congress being still a coordinate branch of the Government, to a certain extent.

Mr. MANN. This side of the House is a coordinate branch of the Government, but that side is not.

Mr. STEPHENS of Texas. The gentleman is getting into politics now. I want to get back to the Indians.

Mr. MONDELL. No; we are treating of facts.

Mr. STEPHENS of Texas. This bill is not according to the wishes that I had in the matter in this, that I think it should have applied to mining. A bill has passed through the House twice and gone to the Senate and been defeated there, a bill providing for agricultural, grazing, and mining leases on these reservations, and the bill as originally drafted was that way.

Mr. MONDELL. What objection is there to having mining leases on the reservations?

Mr. STEPHENS of Texas. It was objected to, I think, by the Committee on the Public Lands, because they are considering bills of this character.

Mr. MONDELL. Do I understand that the Committee on the Public Lands——

Mr. STEPHENS of Texas. There are certain members of that committee who are on our committee, and they said the Committee on the Public Lands had the whole matter in hand.

Mr. MONDELL. Do I understand the Committee on the Public Lands have agreed to mining leases on Indian reservations?

Mr. STEPHENS of Texas. They have not. I wanted the Indians' reservations and the public lands to have the same provisions relative to the mining leases, so that we could have a uniform mining law, to apply on Indian reservations as well as on public lands, but the committee simply outvoted me on that proposition.

Mr. TAYLOR of Colorado. The Public Lands Committee are considering a bill for the leasing of coal, oil, and other substances, but that bill does not apply to reservations.

Mr. STEPHENS of Texas. But we wanted it to apply.

Mr. MANN. Are the Public Lands Committee also considering the subject of grazing leases on public lands?

Mr. STEPHENS of Texas. I think not.

Mr. MANN. Then the gentleman has another think coming, because they have been fighting over it for a long time. Now, I should like to know——

Mr. STEPHENS of Texas. The gentleman will admit that that is not nearly so important as the mining leases.

Mr. MANN. I am not saying anything about that. The question of grazing leases is, I think, very important. The Public Lands Committee have been working on that subject for some time as to public lands, and as they know a great deal more about it than I do—I trust they do; if they do not, they do not know enough to pass the legislation—I should like to hear from some gentleman on the Public Lands Committee. I see the gentleman from California [Mr. KENT], who has a bill pending, and the chairman of the Committee [Mr. FERRIS], who, I think, has a bill pending. I should like to know from them as to how this bill works in with the ideas of the Public Lands Committee as to grazing leases. We do not want competition between the Indians' reservations and the public lands if we are going to pass legislation on this subject.

Mr. STEPHENS of Texas. Does not the gentleman think it would be bad legislation to have the miners competing——

Mr. MANN. I am not talking about miners. The gentleman from Wyoming can talk about that. I am trying to find out about the grazing business. That is in the bill.

Mr. KENT. In reply to the gentleman's question, I will say that we did have under consideration a grazing bill. We found that there seemed to be but little knowledge in the Department of the Interior as to the arid lands and how they should best be handled, and therefore the grazing bill has been temporarily put in abeyance. A joint resolution is before the House and before the Senate calling for an examination of that portion of the public domain in which 640 acres is not sufficient to support a family on a grazing basis, and the request is made in this joint resolution that a report be made to Congress early in December. We want to get the views of the Interior Department as to how that problem should be handled.

Mr. MANN. What I really wanted to get at was the judgment of the gentlemen on the Public Lands Committee as to whether it would be advisable or not to follow the old method of trying it on the dog first. In other words, in order to figure out what we should do on the public lands we would experiment on the Indian lands to see whether the department could work out something that they wanted to adopt as to our own public lands.

Mr. KENT. In reply to the gentleman I will state that the question of grazing for a temporary period of years has been tried out in many places with eminent success. Texas and a number of States have tried it out. The forest reserves have been, on the various reservations, handled under a licensed per capita for stock pastured with eminent success. It is not experimental, and it is along the lines of reasonable conservation. Under such plan there are definite rights, and the situation is relieved from squabbles and warfare. People can produce live stock in a self-respecting way, knowing what their rights are.

Mr. MANN. I understood the gentleman from California to say that the Interior Department did not have sufficient information on this subject. Is that merely as to the character of the lands?

Mr. KENT. As I understand, the character of the lands and the method of utilizing them.

Mr. MANN. Is it the gentleman's idea that 5 years is a proper limit for a grazing lease?

Mr. KENT. The bill proposes to make an outside limit of 10 years.

Mr. MANN. This makes an outside limit of 5 years.

Mr. HAYDEN. The bill as amended makes it 10 years.

Mr. MANN. The gentleman is mistaken. It is 10 years for an agricultural lease and 5 for a grazing lease.

Mr. KENT. In some localities and some classes of land 5 years is a sufficient length of time, and others, where there is a large expense for developing water and no possibility for the land being used for higher purposes, probably 10 years would yield better results than 5.

Mr. BURKE of South Dakota. Mr. Speaker, I desire to ask the gentleman from Texas a few questions with reference to this bill. The last bill passed authorized the Secretary of the Interior to use certain moneys in purchase of live stock for the benefit of the Indians. I would like to ask the gentleman if it would not be advisable to provide in this bill, if we are to lease reservations, that the proceeds received from such leases might be used in the purchase of live stock, the same as provided in the bill passed a few minutes ago, H. R. 10846?

In my State the Indian reservations have been leased for some years—and they were not treaty reservations, either—and the money has been paid out in annuities to the Indians in amounts of about $3 per capita, and it is absolutely throwing the money away. It is expended for popcorn and pop and other things that do the Indians absolutely no good whatever.

I want to suggest that, if this bill is going to be passed, after the word "prescribe" insert "and may expend the proceeds received in the purchase of live stock for the tribe occupying the reservation leased."

Mr. STEPHENS of Texas. I have no objection to that.

Mr. BURKE of South Dakota. I have not used the word "owned," because on some reservations the Indians do not own the land in any sense. If the gentleman from Texas has no objection to that amendment, after consideration is given, I would like to offer it.

Mr. STEPHENS of Texas. I have no objection.

Mr. STAFFORD. Mr. Speaker, before consent is given, I would like to inquire why the committee changed the recommendation of the department in extending the period of the lease so far as agricultural land is concerned from 5 to 10 years. As the bill was drafted it limited the tenure of grazing and agricultural lands to five years.

Mr. STEPHENS of Texas. As to agricultural lands, we thought they could not be successful; that they could not raise successful crops unless by irrigation, and it would not be possible to do anything under five years' lease if they had to irrigate the land.

Mr. STAFFORD. The bill is not limited to irrigated lands.

Mr. BURKE of South Dakota. I will say to the gentleman that where land is in its virgin state and broken up it is very difficult to lease the land and to get anything out of it unless you can make a lease for a period of not less than five years.

Mr. STAFFORD. My experience has been, when I have leased lands in the West—in the Dakotas—for clients in my State, that you did not get any return at all. The settler out there appropriated everything except the small amount necessary for taxes. If I thought that the Indians would get no more than what nonresidents of Dakota lands received from these lands under lease, I would object to the bill.

The SPEAKER. Is there objection?

Mr. STAFFORD. Reserving the right to object, I would like to obtain some information as to the reason why they went beyond what was recommended by the department.

Mr. STEPHENS of Texas. Because men who live in the West stated that it was impossible to get a man to go on a tract of land and prepare the land to be irrigated on a five-year lease. They want the right to lease longer; and, then, this language does not make it obligatory on the department to give a 10-year lease, but for a period not to exceed 10 years.

Mr. STAFFORD. Does the gentleman have any hope that with a lease, even of 10 years, the settler would erect any kind of a home?

Mr. STEPHENS of Texas. Yes; it is under the discretion of the Secretary of the Interior.

Mr. STAFFORD. Does the gentleman think it would be any inducement to erect any kind of a home on property that the lessor only had a tenure on for 10 years?

Mr. HAYDEN. I know of a reservation in Arizona where they are erecting homes, leveling the ground, and fencing the property; and these improvements are made under the terms of the lease for the benefit of the Indians. The plan is that after the lease has expired the place will be in such shape that the Indian can step in and have a home and make a living from that time on. I think a 10-year limit is proper.

Mr. STAFFORD. Of course under such a lease the settler would have to be compensated in the rental to make up for the improvements that he would be obligated to perform under the terms of the lease.

Mr. HAYDEN. Yes.

Mr. RAKER. Mr. Speaker, reserving the right to object, will the gentleman advise me how many acres of this land is subject to these leases?

Mr. HAYDEN. I could not tell the gentleman how many acres are to be leased in the reservations all over the United States.

Mr. RAKER. Approximately how many acres?

Mr. HAYDEN. I have no idea.

Mr. RAKER. Is there any method by which these lands can be disposed of?

Mr. HAYDEN. No; we can not sell them, because they are Indian reservations. The advantage of this system is that when the Indian comes to occupy his allotment he can make a better living from the very beginning.

Mr. RAKER. Well, I know; but the improvements that the lessee puts upon the land—will he get compensation for his fences, buildings, houses, barns, and wells?

Mr. HAYDEN. That is the theory on which these leases are made. In the particular instance which I mention no rent is paid for the first few years on the condition that certain improvements shall be made. During the latter part of the lease some cash rent must be paid. What the department wants to secure are houses, corrals, and fences which the Indian can use when he goes on his allotment.

Mr. RAKER. Is it the gentleman's theory that by this leasing of land that the man who gets that place will improve it in such shape, put it in such a high state of cultivation and improvement, that he will turn it right over an improved farm?

Mr. HAYDEN. Yes; that is the theory of it, exactly. That is the way they are doing on the Colorado River Reservation.

The SPEAKER. Is there objection?

Mr. RAKER. Mr. Speaker, reserving the right to object, I would like to have some information as to the quantity of the land covered by this bill. Possibly the chairman has some idea.

Mr. STEPHENS of Texas. Under such rules and regulations as the department may prescribe. It does not say 160 acres, 500 acres, or any other amount.

Mr. RAKER. Does the gentleman know the sum total of the number of acres of land that will be subject to the provisions of this bill?

Mr. STEPHENS of Texas. It is impossible to state, because some of the reservations are allotted and some of them are not allotted. I have never seen any specific amount stated.

Mr. RAKER. This would not cover the allotted lands at all, would it?

Mr. STEPHENS of Texas. No; it would be the common lands belonging to the Indians, belonging to the tribe in common.

Mr. RAKER. Does the gentleman think it would bring a fund to the Indians for the use of the land?

Mr. STEPHENS of Texas. Yes; because it is not used at all now. Some of it has valuable grass. Take the Arizona land, and there is a great scope of country there, some whole counties taken up by the Indian reservations, and a great deal of it is very fine grass, the value of which would be lost to the Indians, because on the reservations they have no stock. The white people want to graze there, and there is a great deal of demand for the beef and mutton which can be raised there, and I think it is very bad policy not to permit it to be so used.

Mr. RAKER. Is any use made of this land at the present time at all?

Mr. STEPHENS of Texas. It is not because the Indians can not use it. They have no stock to put upon the land, and unless

some rules and regulations are prescribed by the department and there is authority given by law they can not lease it, and I will call attention to the forest reserves in the gentleman's own State which are being leased now to great advantage.

Mr. RAKER. No; we are not leasing any lands in the forest reserves.

Mr. STEPHENS of Texas. They are in New Mexico.

Mr. RAKER. They do not lease any land, they simply give a permit to turn stock on them in the forest reserves.

Mr. STEPHENS of Texas. But they charge for that permit.

Mr. RAKER. Yes; and that adds just that much cost to the beef and to living. That takes that much more money from the people living in the community in which these expenses are paid.

Mr. STEPHENS of Texas. Does not that furnish more beef to the country at large?

Mr. RAKER. No; it furnishes less, from the statistics presented before the committee. We are getting more and a better beef from private ownership than from men who have a permit that allows their stock to go on the reservation. The number of beef cattle have been reduced, but the general increase comes because of the farmers' intensive cultivations—raising alfalfa and other crops. The farmer is the man who does this.

Mr. STEPHENS of Texas. If the gentleman had lived in my State and observed the manner in which we are using our public domain he certainly would not object to this bill. We are securing every year three-quarters of a million dollars from lease of public domain; from school lands of the State, at 4 cents per acre. Many years ago that was not leased at all, and the lands belonged to everybody in common. The cattlemen and the sheepmen were fighting each other for these lands, as they were all over the United States. Now, no man would go back to the old system. We are preserving our public domain and own and control it.

Mr. RAKER. No; the record from the West shows that for 10 years, from the examination of all who appeared before the committee, there had been no dispute; that there has been no trouble to amount to anything. The record shows it has been used, and used better than any place in the United States today; used better than it is in the Eastern States, where thousands and thousands of head of cattle could be ranged and all the forage should be used; but the trouble is that the large stock interests have been for 20 years trying to get hold of the public range. Now, we want to avoid that in the Indian reservation, because it does not——

Mr. STEPHENS of Texas. What objection has the gentleman to the Indians getting more revenue from the lands they have? The gentleman is aware there are a great many millions of acres of land that belong to these Indians, very good grassland. Why should it not be utilized; why should not they raise beef; why should not the Indians get something for their grassland?

Mr. RAKER. I think the Indians should get something for them, but——

Mr. STEPHENS of Texas. Why should not they get something for them?

Mr. RAKER. But the gentleman has not yet answered my question. I want some information.

Mr. STEPHENS of Texas. Unless the Indians' lands are fenced and have line riders, of course, they run over the lines and get on the Indians' grass, and that creates trouble in the West and creates friction between the Indians and cattlemen.

Mr. FERRIS. Mr. Speaker, will the gentleman yield?

Mr. RAKER. Yes.

Mr. FERRIS. The gentleman from California has some well-defined views about grazing on public lands, and I am partially with him about that and partially against him, but I want to call attention to the fact that this does not necessarily set any precedents by solving or unsolving that question one way or the other. This applies to the unallotted Indian land, and where there is a scope of Indian country that is not subject to homesteads or not subject to any sort of entry by the gentleman's constituents or my constituents or anybody else's constituents this merely lets the Indians lease their own land, and under the amendment that the gentleman from South Dakota [Mr. BURKE] is going to offer in a few minutes it merely takes the proceeds and reinvests them in severalty. So I do not think it involves a question which I know to be a very deep-seated one.

Mr. RAKER. What is the suggested amendment of the gentleman from South Dakota [Mr. BURKE]?

Mr. BURKE of South Dakota. I will say, Mr. Speaker, that under the present policy of leasing Indian reservations the money has been paid out per capita to the Indians, and in my State the annual per capita payment has, I think, been about $3, and the amount has been so small it has done the Indian little if any good. Some of them travel 100 miles to get $3. The amendment that I propose to offer will authorize the Secretary of the Interior to take the proceeds received from the leasing of these unallotted tribal lands and use them in the purchase of stock for the tribe as a whole, and thus get them into stock raising.

Mr. RAKER. I understood from the gentleman when he appeared before the Committee on the Public Lands on this leasing question that there had been Indian leases in his State, and it had been a serious detriment as it there existed because of a few getting hold of large tracts of land.

Mr. BURKE of South Dakota. If we had the conditions that obtained a few years ago in my State, I would object to the passage of this bill, I will say to the gentleman, because at that time we had so much Indian reservation that there were large tracts leased to large cattle companies, which I think was not for the best interests of the development of our State. Now the reservations are diminished, the Indians have been allotted, and the surplus lands are in small areas, comparatively, to what they were.

Mr. RAKER. Do I understand from the gentleman, from his experience—and he has some of this land in his State—that the surrounding farmers who have cattle and horses get the benefit of the surplus grass that is on these lands?

Mr. BURKE of South Dakota. Not at all, Mr. Speaker. In fact, it has been very difficult for them to get it, even where they were desirous of paying the highest price for it, simply because the policy of the department has been against allowing the Indian to sell his hay, the theory being, if he was not permitted to sell it, he would put it up and feed it out to stock that he might himself own. And I may say that is a mere theory, as only a few Indians own any stock. The reservations that have been leased have been leased, as a rule, to large cattle companies from outside of the State, though not entirely.

Mr. RAKER. Mr. Speaker, I do not want to object to any bill if it has for its purpose this statement as made by the gentleman from Texas [Mr. STEPHENS], the chairman of the committee, but there is a good deal of false impression which has gone abroad in regard to the West as to the forage on the public domain which is theory and not fact. For 21 years—since the act of 1885, prohibiting the fencing of the public domain—the large stock interests have been centering upon a policy of trying to gobble up, to fence, and control the remaining public domain for the purpose of preventing homesteading, which they themselves in their testimony admit; and, second, that in rounding up their stock they do not want to have the association of homesteaders—those living upon that land. The policy would be to retard the development of the public-land States and put them into a cow pasture, and permitting the few to handle and control it. As I understand from the gentleman now, this bill does not have that effect, is not intended for that, but is intended for the benefit of the Indians. I do not believe that it would have any bad effect, so far as the Indians are concerned, at this time.

Mr. TAYLOR of Colorado. Will the gentleman yield?

Mr. RAKER. I yield.

Mr. TAYLOR of Colorado. Is not the principal objection of yourself and the other Members from the Western States to an agricultural leasing bill the fact that it will prohibit and prevent settlement upon the public domain?

Mr. RAKER. Not only will it prohibit and prevent it, but those interested admit that the homesteading retards the great cattle barons from getting more land and fencing up the remaining public domain.

Mr. TAYLOR of Colorado. If they are honest, they will admit that will put the public-land settlement out of business.

Mr. RAKER. There is no question about that.

Mr. TAYLOR of Colorado. But in this case this land is not open to settlement, anyhow. That objection does not obtain here.

Mr. RAKER. I asked that question, and my distinguished friend from Arizona and the distinguished chairman of the committee advised me that the public would not get any of the grass or forage upon the land anyhow.

Mr. TAYLOR of Colorado. Now, the other question that arises in my mind is why you do not put onto the Indians this leasing of the mines, and the oil, and the coal, and the phosphate, and the scenery? [Laughter.]

Mr. BURKE of South Dakota. I would like to ask the gentleman from Colorado [Mr. TAYLOR] a question.

Mr. TAYLOR of Colorado. Yes.

Mr. BURKE of South Dakota. I would like to ask the gentleman from Colorado if he does not think if we authorize by law the leasing of Indian reservations it may retard the opening to settlement and sale of surplus lands, after the Indians have been allotted, that in the interest of the development of

some of the Western States ought to be on the market at an early date? Now, I suggest that to the gentleman from Colorado and gentlemen from other Western States that may have considerable areas in Indian reservations, that if leases are made for a period of 5 or 10 years it will most likely be more difficult to get that land onto the market and subject it to homestead settlement for that reason.

Mr. TAYLOR of Colorado. That will not go on the market after that. It will be leased forever.

Mr. BURKE of South Dakota. I suggest that for the consideration of gentlemen who may have reservations in their State that they would like to have open to settlement that they had better consider carefully before allowing this bill to be passed by unanimous consent.

Mr. TAYLOR of Colorado. Let me ask the gentleman a question. Ought there not to be some provision in this lease to prohibit a gigantic monopoly of all of this thing? While we all have profound confidence in the present Secretary of the Interior, and in the past one, there will be Secretaries of the Interior in the future that none of us yet know, and ought there not to be some guarded provision in here, some limitation, or something?

Mr. BURKE of South Dakota. I do not wish to be understood to be committed to a policy of leasing Indian reservations. But before this bill is passed I want to offer the amendment I have mentioned and one that I think should be adopted.

Mr. MANN. I would like to ask whether under the provisions of this bill, where a lease may be made for a portion of an Indian reservation for grazing purposes for five years, and another portion for agricultural purposes for 10 years, it would be practicable to either allot the lands in severalty or to open them up for settlement and sale?

Mr. TAYLOR of Colorado. Not very much, no; because those people, in order to get those leases, are going to provide for the extension of them, and there will not be any twilight zone between these tenants.

Mr. MANN. There is no provision here providing for the extension of the lease, but it is perfectly evident that the leases will not all expire at the same time if they give grazing leases and agricultural leases in the same reservation, and of course if they give agricultural leases they will lease to one man one piece of property and to another man another piece of property at different times. Would there be any difficulty of allotting in severalty to the Indians subject to the expiration of the leases or the opening up of the land for sale to settlers, subject to the expiration of the leases?

Mr. TAYLOR of Colorado. Oh, I think the chances are that the Secretary of the Interior, if he understands his business—and we have got to presume that he will be honest—can and will protect the interests of the Indians, although it looks to me that it is clothing him with a wonderful amount of power.

Mr. BURKE of South Dakota. I want to suggest to the gentleman from Colorado, commenting on the observations of the gentleman from Illinois [Mr. MANN], that in my State, while the Indians have tribal lands unallotted, all the newborns shall be allotted. It is possible that there might be some complication if a tract were leased for agricultural purposes, we will say, for 10 years, about the child of some Indian being allotted that land, yet he would be entitled to an allotment. It is a question that ought to have careful consideration.

In reservations where the lands have all been allotted and all the Indians have been allotted, and there is no provision for allotting in severalty thereafter to newborns, I can readily understand how you can lease the unallotted or surplus land for 10 years without injuring the Indians; but where the law provides, as it does, with regard to the reservations in my State, and I think in some other States, that the newborns shall be allotted so long as there are tribal lands, you can readily see how there might be complications if the land is leased for 10 years.

Mr. RAKER. I still reserve my right, Mr. Speaker.

Mr. STAFFORD. Will the gentleman yield to me right there?

Mr. RAKER. In a moment.

I wanted to ask a question of the gentleman from South Dakota right there. Why would it not be better for the Indians and for the development of the country, that after all the allotments have been made to the tribes that are entitled to allotments they be allowed to dispose of that land, so that we might have settlements and towns, and the country built up in homes, as it ought to be, instead of lying open and unused?

Mr. BURKE of South Dakota. The gentleman's question answers itself. So far as I am concerned, I am not in favor, as a general proposition, of authorizing Indian reservations to be leased.

Mr. RAKER. They want a leasing bill properly carried out, permitting fencing of these tracts; and when they once obtain the right to fence, will it not be continued ad infinitum, and will they not maintain that this leasing right shall forever be continued, and the land will never be thrown open to homestead settlement?

Mr. BURKE of South Dakota. Answering the gentleman's question, Mr. Speaker, I thought that would be the condition in my State when leasing was first begun, and it has been the case to some extent; but the present Commissioner of Indian Affairs has adopted a new policy, and is refusing to renew any of these leases. Only a few days ago he extended the time of some lessees, whose leases had expired, to remove their stock, until the 1st of November, I think it is, at a monthly price per head, and the price fixed is so high that it will mean that they will get their cattle out as soon as they mature them this year; so leasing has not worked entirely as I thought it might, to continue to keep the land under lease for all time.

Mr. RAKER. What authority did he have to make these leases, when it is stated in the report that there is no authority for such leasing?

Mr. BURKE of South Dakota. He states in this report that what he terms a "treaty reservation" may be leased. Now, the reservations in my State are created by the act of 1889, which ratified an agreement. There was no treaty, because we ceased making treaties some 19 or 20 years before that, but the reservations have been leased.

Mr. RAKER. As to the land—Indian land and unallotted—that is not leased in your State, do the farmers and homesteaders surrounding or near that land get the forage off of the land?

Mr. BURKE of South Dakota. I will say, Mr. Speaker, that they do not to any considerable extent. The lands are leased in two ways in my State. There are some that we call "large pastures," as large as 50,000 acres or more; and then another system of leasing has been to allow owners of cattle to put the cattle upon the reservation and pay so much per head per year, the reservation being fenced.

Now, I am a little surprised that the department should be asking for the enactment of any bill providing for the leasing of Indian reservations, for the reason that I have been assured by the Commissioner of Indian Affairs and the assistant commissioner and everybody connected with the Indian Office that it is the policy of this administration to discontinue making leases of Indian reservations and as soon as it is possible to get the Indians to use these lands for the grazing of a tribal herd, it being the hope of the Interior Department that Congress may provide such herds by appropriation, or permit the use of tribal funds to acquire such herds.

Mr. RAKER. Is the gentleman going to object to this bill under that statement?

Mr. BURKE of South Dakota. The gentleman is not objecting to the passage of the bill. The gentleman from California can do so if he wishes.

Mr. RAKER. I do not know how to object to a bill. I have never yet done so. The principle of this is all wrong, and there is no information here——

Mr. MADDEN. The gentleman can object to it.

Mr. RAKER. No. I do not want to be in any hurry. I want to get it fully before the attention of the House.

Mr. MADDEN. I ask for the regular order, Mr. Speaker.

The SPEAKER. The regular order is, Is there objection?

Mr. RAKER. Mr. Speaker, I reserve the further right to object.

The SPEAKER. But the gentleman from Illinois [Mr. MADDEN] demands the regular order, and the regular order is for the Speaker to put the question, Is there objection?

Mr. RAKER. I should like to be heard further, reserving the right to object.

The SPEAKER. Is there objection?

There was no objection.

The SPEAKER. This bill is on the Union Calendar.

Mr. STEPHENS of Texas. I ask unanimous consent that it be considered in the House as in Committee of the Whole.

The SPEAKER. The gentleman asks unanimous consent that it be considered in the House as in Committee of the Whole. Is there objection?

There was no objection.

Mr. BURKE of South Dakota. Now, Mr. Speaker, I offer the amendment which I send to the Clerk's desk.

Mr. MANN. First, the committee amendments are to be acted upon.

Mr. BURKE of South Dakota. I will wait for the committee amendments.

The SPEAKER. The Clerk will report the first committee amendment.

The Clerk read as follows:

Page 1, line 4, after the word "grazing," strike out the comma and insert the word "and"; and in the same line, after the word "agricultural," strike out the comma and insert the words "and mining."

The amendment was agreed to.

Mr. STEPHENS of Texas. There is another amendment in line 9.

The SPEAKER. The Clerk will report it.

The Clerk read as follows:

Page 1, line 9, strike out the words "or agricultural."

The amendment was agreed to.

Mr. STEPHENS of Texas. And in line 1, on page 2, is another amendment.

The SPEAKER. The Clerk will report the amendment.

The Clerk read as follows:

Page 2, line 1, after the word "no," strike out the word "mining" and insert the word "agricultural."

Mr. RAKER. Mr. Speaker, am I entitled to be heard on the amendment?

The SPEAKER. Yes.

Mr. RAKER. I should like to ask the gentleman why he strikes out the word "mining"?

Mr. STEPHENS of Texas. The committee did it by a vote.

Mr. RAKER. That does not answer the question.

Mr. HAYDEN. I can answer the gentleman's question. There was pending in the Committee on the Public Lands, as the gentleman is aware, a bill for leasing the fuel and fertilizing minerals in the public lands of the United States. From my knowledge of the hearings that had been held before the Public Lands Committee I believed that some plan would be adopted, some principle established, that might be applicable to mining these minerals on Indian reservations. For this reason I did not think it was proper at this time to make a wide-open leasing arrangement for mining on Indian reservations.

Mr. RAKER. I understand, then, that it is the purpose later to have the minerals on the Indian reservations leased, and to have this bill apply only to the agricultural features of the bill.

Mr. HAYDEN. My idea is this, that whatever law applies to leasing of the public domain for mining purposes, that that same law should apply to the Indian reservations.

Mr. RAKER. I see.

Mr. HAYDEN. And therefore I did not think it was proper to have another system inaugurated at this time. I made the motion in the Indian Committee to strike out all mention of mining in this bill.

The amendment was agreed to.

The SPEAKER. The Clerk will report the Burke amendment.

The Clerk read as follows:

Page 1, line 8, after the word "prescribe," insert the following:
"And may expend the proceeds received in the purchase of live stock for the benefit of the tribe occupying the reservation leased."

The amendment was agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

Mr. NORTON. Mr. Speaker, I move to strike out the last word.

So that the changes which this bill, if enacted, will make in the existing law may be clearly presented to the House, I wish to read sections 1 and 2 of the act approved February 28, 1891 (26 Stat., 897). These sections are as follows:

SEC. 1. That in all cases where any tribe or band of Indians has been, or shall hereafter be, located upon any reservation created for their use, either by treaty or stipulation or by virtue of an act of Congress or Executive order setting apart the same for their use, the President of the United States be, and he hereby is, authorized, whenever in his opinion any reservation, or any part thereof, of such Indians is advantageous for agricultural or grazing purposes, to cause said reservation, or any part thereof, to be surveyed, or resurveyed, if necessary, and to allot to each Indian located thereon one-eighth of a section of land: *Provided*, That in case there is not sufficient land in any of said reservations to allot lands to each individual in quantity as above provided the land in such reservation or reservations shall be allotted to each individual pro rata, as near as may be, according to legal subdivisions: *Provided further*, That where the treaty or act of Congress setting apart such reservation provides for the allotment of lands in severalty to certain classes in quantity in excess of that herein provided the President, in making allotments upon such reservations, shall allot the land to each individual Indian or said classes belonging thereon in quantity as specified in such treaty or act, and to other Indians belonging thereon in quantity as herein provided: *Provided further*, That where existing agreements or laws provide for allotments in accordance with the provisions of said act of February 8, 1887, or in quantities substantially as therein provided, allotments may be made in quantity as specified in this act, with the consent of the Indians, expressed in such manner as the President, in his discretion, may require: *And provided further*, That when the lands allotted, or any legal subdivision thereof, are only valuable for grazing purposes, such lands shall be allotted in double quantities.

SEC. 2. That where allotments have been made in whole or in part upon any reservation under the provisions of said act of February 8, 1887, and the quantity of land in such reservation is sufficient to give each member of the tribe 80 acres, such allotments shall be revised and equalized under the provisions of this act: *Provided*, That no allotment heretofore approved by the Secretary of the Interior shall be reduced in quantity.

SEC. 3. That whenever it shall be made to appear to the Secretary of the Interior that, by reason of age or other disability, any allottee under the provisions of said act, or any other act or treaty, can not personally and with benefit to himself occupy or improve his allotment or any part thereof, the same may be leased upon such terms, regulations, and conditions as shall be prescribed by such Secretary, for a term not exceeding 3 years for farming or grazing or 10 years for mining purposes: *Provided*, That where lands are occupied by Indians who have bought and paid for the same, and which lands are not needed for farming or agricultural purposes, and are not desired for individual allotments, the same may be leased by authority of the council speaking for such Indians for a period not to exceed 5 years for grazing or 10 years for mining purposes, in such quantities and upon such terms and conditions as the agent in charge of such reservation may recommend, subject to the approval of the Secretary of the Interior.

Mr. Speaker, as will be noted from the reading of section 1 of this act of February 28, 1891, this section refers to three distinct and separate classes of Indian reservations—(1) reservations created either by treaty or stipulation; (2) reservations created by acts of Congress; (3) reservations created by Executive order.

The first paragraph of section 3 gives the Secretary of the Interior authority to lease allotted lands on any of the three classes of reservations belonging to Indians who by reason of age or other disability can not personally and with benefit to themselves occupy or improve these allotted lands.

The proviso contained in section 3 authorizes the Indian council, subject to the approval of the Secretary of the Interior, to lease allotted and unallotted lands not needed by the Indians for farming or agricultural purposes where these lands are in reservations of the first class, which includes reservations where the Indians have bought and paid for their lands. No provision is made in section 3 for the leasing of unallotted lands in reservations of the second and third classes; that is, in reservations created by acts of Congress or by Executive orders. This bill, as I understand its purpose, makes provision for the leasing of unallotted lands in these reservations of the second and third classes. Under the terms of this bill as amended the lands are not to be leased for mining purposes, but only for grazing and agricultural uses.

Mr. RAKER. What has been the gentleman's experience as to the leasing of allotted lands for mining purposes? Have they been leasing these claims as provided under the law?

Mr. NORTON. No; not at all in my State, as far as I have been able to learn.

I am much in favor of the amendment that was offered by the gentleman from South Dakota and which has just been adopted. I believe that every encouragement should be given Indians on these reservations to raise cattle and horses and to use these lands themselves instead of leasing them to white people. Where the Indians can not be induced to make use of these lands themselves, the next best thing, of course, is to lease them, and to do this wisely and for the best interest of the Indians.

Mr. STAFFORD. Mr. Speaker, I want to ask the gentleman a question.

The SPEAKER. The time of the gentleman from North Dakota has expired.

Mr. STAFFORD. I ask unanimous consent that the gentleman from North Dakota may proceed for two minutes.

The SPEAKER. Is there objection?

There was no objection.

Mr. STAFFORD. Can the gentleman inform the House from his experience as to the success of this leasing for three years as carried in the existing statute? Here we are extending the period from 3 to 10 years, even against the recommendation of the Secretary of the Interior.

Mr. NORTON. As far as I know from my own knowledge and from hearsay, and speaking only of leasing in my own State, it has not been altogether satisfactory. In fact, there has been a great deal of complaint that the cattle and horses of white lessees have ranged over in their grazing on lands owned by the Indians and not leased, and they have done much damage, which has never been paid for, to the Indians.

Mr. STAFFORD. My inquiry is limited more as to the success based on a limited tenure of 3 years, which we are now extending to 10 years.

Mr. NORTON. I judge that in the case of a lease for 10 years a higher price per acre would be paid the Indians than in the case of a lease for a shorter period.

Mr. STAFFORD. Will not one effect of a long tenure be the withdrawal of the lands from ultimate settlement?

Mr. CARTER. The lands are not subject to settlement now.

Mr. STAFFORD. They may be subject to entry and settlement by some act of Congress later on. If you are going to lease it for 10-year terms, the inducement for settlement is going to be withdrawn.

Mr. MADDEN. Is it not likely that in leasing these lands they will have a cancellation clause in the lease?

Mr. STAFFORD. I think that the Secretary of the Interior would protect the interests of the Government.

Mr. MONDELL. Mr. Speaker, the gentleman from North Dakota [Mr. NORTON], through inadvertence, did not exactly state the situation in regard to the leasing provided for in section 3 of the act of February 28, 1891. The lease as provided for in that section, or the proviso, under the order of the Indian council, relates only to what are known as treaty reservations.

Mr. NORTON. I so stated.

Mr. MONDELL. The gentleman intended to, I have no doubt, but when he reads the notes he will find that he includes all three classes of reservations. At the present time an Indian allotment or any sort of reservation can be leased for mining, grazing, or agricultural purposes; that is, an allotment. The bill before us relates entirely to unallotted lands, and provides for grazing and agricultural leases on unallotted lands on reservations created by act of Congress or by Executive order.

Now, the proviso in section 3 of the act I quoted a moment ago the department applies only to what they call treaty reservations. The proviso itself does not contain the words "treaty reservations," but is as follows:

Where leases are occupied by Indians who have bought and paid for the same.

And the Indian Office has taken the position that treaty reservations are lands which the Indians have bought and paid for. In other words, treaty reservations are those referred to in this proviso. Under treaty reservation the Indian council may provide for leasing of unallotted lands for grazing 5 years, mining 10 years, but no agricultural lease at all.

Now, in my opinion, that is a wise provision. Unallotted lands on Indian reservations should not be leased for farming purposes at all. If they are fit for farming purposes and the Indians do not need them and can not use them, they should be open for settlement. On the other hand, there may be some difference of opinion as to the advisability of leasing the grazing lands on Indian reservations. If it means a permanent lease, a system that is going to continue for a great length of time, then it is a system of doubtful wisdom. If it is only intended to be temporary, to such time as the Indian can acquire cattle and use the land himself, then it may be an entirely proper thing to do. But to lease unallotted agricultural lands on Indian reservations means the establishment of a leasehold farming system upon Indian lands, which I do not believe is a wise thing.

My particular interest in this legislation relates to the fact that it does not apply to the reservation in my State.

Mr. STEPHENS of Texas. The gentleman is correct.

Mr. MONDELL. To put it another way, I should have more interest in it if it did affect the reservation in my State.

The SPEAKER. The time of the gentleman has expired.

Mr. MONDELL. Mr. Speaker, I ask for three minutes more.

The SPEAKER. The gentleman from Wyoming asks that his time be extended for three minutes. Is there objection?

There was no objection.

Mr. MONDELL. I think it wise and proper that they have the authority to lease mineral lands. They are leasing coal lands, they are leasing oil lands to the advantage of the Indians, and in a way it is helpful to the development of the country. This bill, applying to other classes of reservations, as I understand it, prohibits mining leases by reason of the fact that it makes no reference to them, but does provide for other classes of leases. Mining leases not being provided for, can not, of course, be made.

Mr. STEPHENS of Texas. This repeals existing law by implication.

Mr. MONDELL. It does not repeal existing law. There is no law on the statute books on the subject. In other words, there is no authority now to lease these lands on the reservations in these classes.

Now, in the absence of law the Indian Office has not authority to lease any of this land for any purpose; now, if we provide for a law for the leasing of the land for a specific purpose that is the only authority granted. And while the department might have held in the absence of any law on the subject that in the exercise of a supervisory authority it might have leased these lands without any law on the subject, the department certainly can not hold after we have legislated on the subject matter that they can lease for purposes not provided for by law. We foreclosed them as to other kinds and classes of leases by legislating with regard to this class of leases, and so far as at least one of these classes of leases is concerned, to make leases of unallotted land, it is my opinion a mistake, whatever may be said with regard to the grazing lease. So far as the permit is concerned, to which my friend from Wisconsin referred a moment ago, if we are to make an agricultural lease it ought to be for 10 years, and that is particularly true if these lands be irrigable; otherwise it would be impossible to make an advantageous lease for a shorter length of time, but I do not think they ought to be leased at all if they are fit for farming purposes.

The SPEAKER. The gentleman withdraws the pro forma amendment.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

The title was amended so as to read:

A bill authorizing the Secretary of the Interior to lease for grazing and agricultural purposes unallotted lands within Indian reservations established by act of Congress or Executive order.

On motion of Mr. STEPHENS of Texas, a motion to reconsider the vote by which the bill was passed was laid on the table.

PUBLIC BUILDING AT NEWCASTLE, IND.

The next business on the Calendar for Unanimous Consent was the bill (H. R. 11317) to increase the limit of cost of the United States post-office building at Newcastle, Ind.

The Clerk read as follows:

Be it enacted, etc., That the limit of cost of the United States post-office building at Newcastle, Ind., be, and the same is hereby, increased $15,000, or so much thereof as may be necessary, to meet the additional cost of construction of said building by the substitution of stone instead of brick with stone trimmings, as specified in the existing specification.

The SPEAKER. Is there objection?

Mr. MADDEN. Mr. Speaker, reserving the right to object, I would like to know how much the cost of this building is to be and what is the purpose of changing from the present construction of the building to a stone construction, and also what is the revenue from the post office?

Mr. FOSTER. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection? [After a pause.] The Chair hears none, and the Clerk will report the next bill.

MINE RESCUE STATION AT M'ALESTER, OKLA.

The next business on the Calendar for Unanimous Consent was the bill (H. R. 3988) for the purchase of a building and lot as a mine rescue station at McAlester, Okla.

The Clerk read as follows:

Be it enacted, etc., That the Secretary of the Interior be, and he is hereby, authorized and directed to purchase, for and on behalf of the United States, the following-described real estate in the city of McAlester, county of Pittsburg, State of Oklahoma, to wit, the north 50 feet of lot No. 2, in block No. 487, in the original town site of South McAlester, the dimensions of said lot being 50 feet by 165 feet, with 50 feet front on South Third Street, in said city of McAlester, together with the two-story brick building and all other improvements thereon, for the use of the Bureau of Mines for a mine rescue station and for such other purposes as the Bureau of Mines may from time to time desire to use the same, at and for the sum of $5,500, which said sum is hereby appropriated for such purchase out of any money in the Treasury not otherwise appropriated.

The SPEAKER. Is there objection?

Mr. MANN. Mr. Speaker, reserving the right to object, I would like to ask the gentleman whether this building is on a railroad switch or not?

Mr. CARTER. I am sure I can not tell the gentleman. I assume, however, it is, although I have never seen the building.

Mr. MANN. Does not the gentleman think we ought to know?

Mr. CARTER. I think that is a very important thing; and I was so sure that such a building would be erected conveniently to switching facilities that it had not occurred to me to ask about that particular feature. I have never seen the building, but I should think the bureau certainly would see that this important matter was considered in the erection of a building for this purpose.

Mr. MONDELL. Has the gentleman any information on that subject at all?

Mr. CARTER. I have not any, except this information. I understand it was erected under the direction of Dr. Holmes, of the Geological Survey, and was located in accordance with the regulations of the department, so it had not even occurred to me it would not be on a railroad switch.

Mr. MONDELL. At one time I think it was the statement of the Mining Bureau that it might be well to establish these mine rescue stations at various points in the country separate and apart from a point or place which is the headquarters of a

rescue car. McAlester, if I recollect rightly, is the headquarters of a mine rescue car, is it not?

Mr. CARTER. I presume so.

Mr. MONDELL. More recently I think the bureau has come to the opinion—I am sure that many others have; I have personally—that any building we have in connection with mine rescue work should, in the main, be a building at the headquarters of a mine rescue car, and should be a building adjacent to a switch on which the mine rescue car is placed when it is not in use.

In other words, what we need in this mine rescue work is not a lot of stations scattered throughout the country more or less separate and apart from the crew and the car works, but headquarters buildings located so as to be convenient to the car crews, buildings that can be utilized as headquarters and by the car crews, for headquarters for the car crews possibly at times for the relief from the monotony of the car, a place for the storage of surplus material so as not to overload the cars with that sort of thing. Now, if this building is located so as to serve the purposes of that particular thing, then by all means we ought to have it. I do not know but what we ought to have it in any event under the circumstances, but if it is located as I have suggested and for the purposes which I have suggested, and in order to be most useful for those purposes it must be adjacent to a car switch, then certainly we ought to acquire the property.

Mr. CARTER. Mr. Speaker, I looked over the record of Dr. Holmes's statement to see if he touched upon this matter, but I suppose the Committee on Public Buildings and Grounds took it for granted that a man of Dr. Holmes's experience would not attempt to build a mine rescue station outside the usual requirements. Now, if the gentleman will permit me, I will read to him just what the building is.

Mr. MONDELL. Is that about its location?

Mr. CARTER. No; it is not.

Mr. MONDELL. There was a view developed possibly at the time this was erected that these stations should be erected at various places, not to be used as car headquarters, but as a separate and distinct establishment.

Mr. CARTER. Let me read what this building is from data prepared by the bureau:

> This building, as stated in the bill, is built of brick, two stories with basement, all commodious and complete, finished in first-class style and work. It contains a large smoke or practice room for rescue training, observation hall, reading and lecture room, repair room, and office for the man in charge. In addition to the ordinary finishing and furnishings it has a complete system of electrical wiring, the best and most up-to-date gas and water plumbing, and a complete heating plant, with large boiler and fixtures.

Mr. Holmes told the Committee on Public Buildings and Grounds that when the Bureau of Mines was organized in 1910 the miners and the mine operators of the McAlester district were the first to respond in any kind of assistance to his bureau. He needed a building, he went there, and he could not secure one in McAlester, which is centrally located in the Choctaw coal district. The miners and mine operators, by personal subscription, provided for the erection of this building, but they did not raise enough money with which to build it, lacking something over $5,000, and that money was borrowed by the operators and the miners, a mortgage being given on the building and lot. Now, the operators and miners propose to turn the property over, which is worth $10,000 or $12,000, to the Federal Government, if the Government will only pay the $5,500 mortgage on that property.

The SPEAKER pro tempore (Mr. ALEXANDER). Is there objection?

Mr. MANN. Mr. Speaker, reserving the right to object, as I understand, this building is one that is put up by the local people, the local people being lessees of Indian coal lands, where they raised $6,500 to put up a building, which now has a mortgage on it of $5,500, and which is now used by the Government at a rental of $40 a month?

Mr. CARTER. The lot and building cost about $11,500.

Mr. MANN. The Indians are all paid for this coal, are they not?

Mr. CARTER. They are supposed to be, but they are not. The money is placed in the United States Treasury, and can not be drawn out until Congress appropriates.

Mr. MANN. It is not proposed to draw any of it out through this bill?

Mr. CARTER. No.

Mr. MANN. The money to be paid here is to come out of the General Treasury?

Mr. CARTER. Yes, sir.

Mr. MANN. What is the reason these people got cold feet?

Mr. CARTER. The mine operators and miners?

Mr. MANN. The people who contributed this money to erect this building. Is the statement in the report correct, that they have not been as prosperous as they hoped to be?

Mr. CARTER. There may be some truth in that. The oil and gas development somewhat interfered with coal sales, and labor troubles ensued.

Mr. MANN. I can very readily understand that these people in the prosperous and hopeful days of 1910 could easily see a way of raising $11,000 or $12,000 to build an institution and present it to the Government. But that fall there was a frost, a killing frost. A Democratic majority was elected to the House of Representatives, and yet they hoped that the evil might pass away, and so they put a mortgage on the property and paid interest and waited until after the election of 1912. And then there was a freeze, and then they gave up. [Laughter.] Then they said, "We are not prosperous. Where before we were willing to contribute out of our private means to aid the Government in this, the Government through its policies has deprived us of the means of doing it, and now we asked you to pay for this out of the General Treasury." While I doubt the propriety of doing it, still, understanding the difficulties or obstacles which confront these noble and generous gentlemen whom you are trying to put out of business, I shall not object to taking it out of the Treasury.

Mr. CARTER. I shall not object to the gentleman taking that view if he just will not object to my bill.

The SPEAKER pro tempore. Is there objection to the consideration of the bill? [After a pause.] The Chair hears none.

Mr. NORTON. Mr. Speaker, reserving the right to object——

The SPEAKER pro tempore. The Chair did not hear objection.

Mr. NORTON. I was on the floor.

The SPEAKER pro tempore. The gentleman from North Dakota reserves the right to object.

Mr. NORTON. I would like to ask the gentleman a question. Does the gentleman think that this building should be on the railroad?

Mr. CARTER. Perhaps it should be, and I think it is.

Mr. NORTON. I want to say to the gentleman that Mr. Manning, of the Bureau of Mines, has made a personal investigation of this matter—has been down and looked over this building. He tells me that the building is about two or three blocks from the railroad, and that it is not on any spur or any sidetrack of a railroad, but that it is on a trolley line. I thought I would tell the gentleman that.

Mr. MANN. It came very near getting on a sidetrack here.

Mr. MONDELL. Reserving the right to object, I am glad we have the information from the gentleman from North Dakota [Mr. NORTON] that I sought from the gentleman from Oklahoma [Mr. CARTER]. It seems that the building is not on or near the railroad. While I regret that fact, I think the circumstances are such that we should take the building over and pay for it, that situation to the contrary notwithstanding, particularly in view of the situation which has just been outlined by the gentleman from Illinois [Mr. MANN]. The gentleman has just made an inquiry as to whether this was the beginning only of taking up deficits that have fallen upon the American people or have come to them by reason of this Democratic administration, and if this was simply an entering wedge. Does the gentleman hope to go on from this to relieve every citizen or combination of citizens that have already found themselves in financial difficulty since 1910?

Mr. MANN. Will the gentleman from Wyoming yield?

Mr. CARTER. The gentleman can take it as he pleases, so long as he lets us pass the bill.

Mr. MANN. The gentleman knows the present condition of the calendar. Gentlemen on that side have arranged bumpers in every direction, and bills like this can only pass by unanimous consent. But after this Congress that side of the House will not have anything to say about it.

Mr. MONDELL. All of which is very true. But I was about to say, Mr. Speaker, that while, in my opinion, we should purchase this building, I am inclined to the view that we should not, in further investments of this sort, make them in buildings some distance from the railroad tracks——

Mr. CARTER. Let me say to the gentleman——

Mr. MONDELL. And buildings not directly associated with the headquarters of the car.

Mr. CARTER. Let me say this to the gentleman: The gentleman from North Dakota [Mr. NORTON] has just spoken of this building being on the trolley line. The trolley line passes through the coal region. It would give just as efficient service on the trolley line as on a railroad line.

Mr. MONDELL. It is some distance from the car line. The rescue car is more and more coming to be recognized as the one

essential thing in this rescue work, and therefore all supply stations, all stations for the exercise of the crew, all stations where the crew may for a time have temporary quarters away from the car, should be located so as to be readily and quickly accessible to the car.

Mr. CARTER. That would be so in this case. This is on the trolley line.

Mr. MONDELL. It is some distance away. It would be like stationing the personnel of a fire station some four or five blocks away from the apparatus which they are to operate.

Mr. CARTER. Oh, I will say to the gentleman that the railroad cars can be switched right off onto the trolley line.

Mr. MONDELL. They do not sidetrack the car. They do not run the rescue car on this trolley line.

Mr. CARTER. There is no reason why they should not. They run freight cars and coal cars right on the trolley line.

Mr. NORTON. I will say to the gentleman that I have asked the officer at the department if it would be necessary for this building to be on the railroad track or on a siding, and he said not. He said it was to be used for the storing of the mine rescue equipment rather than to be used for the mine rescue car, and that it was not necessary for the mine rescue car to run up to the building. I do not know how much he knows about it, but I presume he knows a good deal about it.

Mr. CARTER. He knows all about it.

Mr. STEPHENS of Texas. Mr. Speaker, I desire to state, if I am permitted, that this line is 30 or 40 miles long. It runs right through the heart of this mining district to the town of Hartshorn.

Mr. CARTER. The trolley line, on which cars have a 15 or 30 minute schedule.

Mr. STEPHENS of Texas. Yes; and it would be of much more service to those coal miners on this trolley line than anywhere else.

Mr. MONDELL. The gentleman does not understand that the mine rescue car would be run on the trolley line?

Mr. MANN. It is known that this building at McAlester is of no value to the Government. We will give it back to the city in a few years after we have accepted it.

Mr. FOSTER. Is this building now so constructed that the car can be run into the building?

Mr. CARTER. I could not say as to that.

Mr. FOSTER. Or is it just for the storing of the apparatus to be used?

Mr. CARTER. The gentleman knows more about mine rescue stations than I. This is the only one I have ever had any experience with.

Mr. FOSTER. As was suggested by the gentleman from Wyoming [Mr. MONDELL], there are stations where they store the apparatus. Then they have what they call movable stations. That is where the car has a home, but has to be moved around over certain districts. If this building is only for the purpose of storing certain apparatus, I think it is not the best for the Government to buy the building.

Mr. MANN. That is all it is to be used for.

Mr. FOSTER. Then I think this bill ought to go over until it can be looked up.

Mr. CARTER. This bill has been rejected from the calendar once before. It has been on the calendar for several months. I hope the gentleman from Illinois [Mr. FOSTER] will not object to it.

Mr. FOSTER. Let me give the gentleman this illustration: In the State of Illinois we have what is called a station at Champaign, at the State university. There is no car there. They have some apparatus that has to be taken out. The State of Illinois has established three movable stations. That is, the State has purchased three cars that are in use, going from mining camp to mining camp over the State, and instructing the miners. That is the important work. Those stations are not the important work.

Mr. WILLIS. Mr. Speaker, will the gentleman yield for a question?

Mr. FOSTER. Yes.

Mr. WILLIS. Can the gentleman tell how many of these rescue stations there are in the United States?

Mr. FOSTER. Eight.

Mr. WILLIS. Where are they located?

Mr. FOSTER. I can not give the gentleman the locations just now. I think the Government has one that has been donated in Alabama and one in the State of Washington. The others have not been donated.

Mr. WILLIS. Can the gentleman tell us——

Mr. CARTER. They have one at Birmingham, Ala., and one at Norton, Va., one at Pittsburgh, Pa., and one at Jellico, Tenn.

Mr. FOSTER. What does the gentleman mean?

Mr. WILLIS. Then there are three in the country.

Mr. FOSTER. What does the gentleman mean?

Mr. CARTER. Mine-rescue-station buildings.

Mr. FOSTER. You mean the buildings?

Mr. CARTER. Yes.

Mr. FOSTER. I could not tell you how many we have.

Mr. MANN. They have more than three.

Mr. CARTER. There is one at Pittsburgh.

Mr. MANN. There is one out West somewhere.

Mr. FOSTER. The gentleman refers to buildings that the Government owns, not to stations that are established.

Mr. CARTER. The gentleman is correct about that.

Mr. MANN. I refer to the buildings. The Government is authorized to build a building, but it is not authorized to buy land. Where the sites have been donated, they have built buildings.

Mr. FOSTER. That may have been done.

Mr. WILLIS. There are four places where the Government owns the plant, separate from the cars. How many of those rescue cars are there now?

Mr. CARTER. There are eight.

Mr. FOSTER. I think there are eight in the United States.

Mr. MANN. And there is this one where we rent this building?

Mr. CARTER. There may be other buildings that are rented now, but there are four, I think, that the Government owns.

Now, permit me to say that the veins of coal in this vicinity are the most gaseous and explosive in the Southwest. There are many large mines in close proximity to this station. I should judge that not less than five or six thousand miners are employed within a radius of 15 or 18 miles, and mostly along this trolley line. McAlester is a prosperous, growing city in the center of the mining district, and this property may cost much more in the future.

Mr. FOSTER. I hope the gentleman will let this go over.

Mr. CARTER. I trust the gentleman from Illinois will not object. It will be difficult to get this bill through at this session of Congress if it is not passed to-day. I have had it up with the gentleman several times and have gone into it thoroughly. Here is a case where some gentlemen actually paid out their money with no hope of personal reward or benefit, but they have paid out the money for the building of a public institution for the Federal Government, upon the understanding, clearly manifest from this correspondence, that they would be paid for the buildings which would eventually be taken over by the Government.

Mr. MANN. What! Does the gentleman mean to say that Dr. Holmes agreed with these parties that they would be paid?

Mr. CARTER. I do not know that there was any agreement——

Mr. MANN. Because if that is so, that is very important.

Mr. FOSTER. I think the gentleman is mistaken about that. The Government was to take it as a gift.

Mr. CARTER. I may be mistaken about that, but that is what I gather from reading the correspondence. This letter says:

> During the year of 1910 there was created a Bureau of Mines, and a mine rescue station was located at this place. As there was no building available for such work, the coal operators took it upon themselves to secure funds necessary for the purchase of a site and the erection of a suitable building.
>
> Through the donations of miners, mine operators, and business men throughout the mining district there was collected something like $6,000; a site was purchased and the building constructed. The total cost of this was about $10,000, which left a deficit of $4,000, to take care of which a number of the mine operators secured a loan from the local banks, which they are still carrying.
>
> Upon the completion of the building the committee in charge agreed to deed same to the Government, provided it would assume this indebtedness. This had the indorsement of Dr. Holmes, Chief of the Bureau of Mines—

That is what I got my impression from—

but on investigation it was found that there was no law permitting the Government to accept the offer.

Mr. MANN. That is the pending bill?

Mr. CARTER. Yes; but that was in 1910.

Mr. MADDEN. When they were able to raise money.

Mr. MANN. If the indebtedness was $4,000, how do they get the amount now up to $5,500?

Mr. CARTER. I think I can explain that to the gentleman. I thought I had explained it to him the other day.

Mr. MANN. We have been paying them $40 a month, and that is certainly enough to pay the interest.

Mr. CARTER. Interest has accumulated on the amount borrowed.

Mr. MANN. How could it accumulate when we are paying $40 a month rent for the building?

Mr. CARTER. I can explain that if the gentleman will give me an opportunity.

Mr. MANN. Forty dollars a month would more than take care of the interest on $4,000.

Mr. MADDEN. That would be 12 per cent on $4,000.

Mr. CARTER. The mine operators—the owners of the property—simply offer to convey it to the United States for a sum sufficient to pay the debt. This would give the Government property well worth $10,000 to $12,000.

Mr. MANN. The gentleman read a statement in the letter that the indebtedness on this building was originally $4,000. Now, it is stated in the bill at $5,500. How could it be increased, and how was it increased except by interest? And if it was interest, why should not the rent we have been paying pay the interest?

Mr. CARTER. I am frank to say that I think a part of that is interest, though I do not say how much.

Mr. MANN. We have been paying rent enough to pay the interest.

Mr. CARTER. I assume that——

Mr. MADDEN. If we were paying 6 per cent it would amount to only $960 for the four years.

Mr. CARTER. What I want to say to the gentleman is this: This building really is now considered worth $10,000 to $12,000 by the Bureau of Mines, according to their own statement.

Mr. MANN. We do not care what the building is worth. We can get one man to say it is worth $15,000 and the next one, equally competent, to say it is worth $7,500, and another man probably would say it was worth $5,000.

Mr. FOSTER. Let me ask the gentleman from Oklahoma, Does the Government get title to the ground upon which this building stands?

Mr. CARTER. Yes; it does.

Mr. FOSTER. And the opportunity to get in there with their cars?

Mr. CARTER. Yes. It has been stated here that the trolley line runs right by the station.

Mr. FOSTER. My reason for asking is this: The Government takes these cars. They cost about $1,500 to $2,000 apiece. The car is of more practical use than the station; so if we put a lot of money into buying these stations it will take that much money away from the amount that we can spend for cars, which is not a good thing, because the cars are the important part of the mine rescue work.

Mr. WILLIS. Will the gentleman yield for a question?

Mr. FOSTER. Yes.

Mr. WILLIS. Just what work is done at these stations anyhow? Are they simply storage places?

Mr. FOSTER. That is about all. They may train some miners there.

Mr. WILLIS. The actual work is done in the car?

Mr. FOSTER. The stations are not movable. It is found that the miners will not travel a great way in order to get this instruction. Now, the car goes into a mining camp where there are several hundred miners working, and they are instructed with this car, which has all the apparatus, and in that way the car does the good by going to the men instead of trying to get the men to go a long distance to take instruction at the station.

Mr. WILLIS. In this mine rescue work the car is the important thing.

Mr. FOSTER. By all means; the car is the important thing, and is taken from place to place to instruct the miners.

Mr. MONDELL. Let me suggest that the Bureau of Mines is coming to realize the importance of having a headquarters station for every car, a central station located near its field of operations, a headquarters station where the car is held in actual service. The greater part of the time, of course, it is in actual service here and there in the various mines—one week in this mine and another week in that mine, and so on—but when not in actual service in the field it is at the headquarters station. The bureau believes there should be at each headquarters station a small building—a frame building is considered satisfactory—for the storage of surplus equipment, and possibly one room that can be used to demonstrate, where there will be a little more space than there is on the car. And then it would be an excellent thing to have a second story, in which there could be two or three rooms for the men assigned to the car, a place where they could sleep when the car was at headquarters and give them some relief from the continual life on the car. That sort of a station could be built for from $1,000 to $1,500.

That is one sort of a station that we ought to have. When you build expensive stations back at a distance from the car you are liable to build up there another branch or organization not correlated with the car service, and instead of getting a beneficial use of the building, if you had a considerable number of them, the effect on the service might be unfortunate. I think this is an exception to the general rule. This building was erected in good faith by people who wanted to help the Government and wanted a car station at McAlester.

Mr. FOSTER. I think the gentleman from Wyoming states the proposition plainly. The great trouble has been that the Government has not sufficient cars to cover the whole territory in the United States and give the instruction to the miners. For instance, they are taking up the question of perfecting electric lamps so as to get rid entirely of lamps that are dangerous. The other day in West Virginia the mine explosion there may have been caused by an open light, or one supposed to be safe but was not, coming in contact with gases. If they can impress on the miners the importance of these things, which they can only do by going into the camp with the cars, it is hoped that in a reasonable time they will be able to avoid a good many of these accidents.

Mr. COOPER. Will the gentleman yield?

Mr. FOSTER. Certainly.

Mr. COOPER. The gentleman said that this mine explosion in West Virginia was caused by an open light?

Mr. FOSTER. It may not have been an open light, but it was not one of the latest improved electric lamps, as they are not yet so perfected as to be in general use, but it is hoped they will soon be.

Mr. COOPER. Was it stationary or to be carried about?

Mr. FOSTER. I do not know. They are manufacturing a small electric light which gives more light than the old safety lamp—a little electric lamp carried by the miner—and the use of which entails absolutely no danger of igniting gas in a mine. A part of the work of the rescue cars is to instruct the miners in all these safety devices and to impress on them the importance of always using the utmost care. The miners and operators are both anxious to get this instruction, and it is very important for the safety of the lives of the miners.

Mr. MANN. Mr. Speaker, I ask for the regular order.

The SPEAKER pro tempore. Is there objection to the consideration of the bill?

There was no objection.

Mr. CARTER. Mr. Speaker, I ask unanimous consent that the bill be considered in the House as in Committee of the Whole.

The SPEAKER pro tempore. The gentleman from Oklahoma asks unanimous consent that the bill be considered in the House as in Committee of the Whole. Is there objection?

There was no objection.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

Mr. KINDEL, by unanimous consent, was given leave to extend his remarks in the RECORD.

INCOME TAX ON RAILROADS IN ALASKA.

The next business on the Calendar for Unanimous Consent was the bill (H. R. 9770) to levy and collect an income tax on railroads in Alaska, and for other purposes.

The Clerk read the bill, as follows:

Be it enacted, etc., That in addition to the normal income tax of 1 per cent there shall be levied and collected 4 per cent on the net annual income of all railroad corporations doing business in Alaska, on business done in Alaska, which shall be computed and collected in the manner provided in the act of Congress approved October 3, 1913, entitled "An act to reduce tariff duties and to provide revenue for the Government, and for other purposes," the proceeds of which tax when collected shall be paid to the treasurer of Alaska and be applicable to general Territorial purposes. So much of the provisions of the act of Congress approved March 3, 1899, entitled "An act to define and punish crimes in the District of Alaska and to provide a code of criminal procedure for said district," or acts amendatory thereof as impose a license tax of $100 per mile per annum on railroads operated in Alaska is hereby repealed, and all penalties for nonpayment thereof are hereby remitted.

The SPEAKER pro tempore. Is there objection?

Mr. STAFFORD. I reserve the right to object. This bill is to exempt railroads in Alaska from taxes until that country becomes populated so that they have some income from which to pay taxes. As the report shows—and I compliment the gentleman from Virginia [Mr. WATSON] for the very extensive report he has submitted—there are several railroads up there that have not been able to pay the existing license fee of $100 per mile supposed to be in lieu of personal property tax. Can the gentleman from Virginia inform the House what is the rate of taxation on personal property in general—not on railroads—of the inhabitants of Alaska? How do they raise funds to meet the expenses of the government?

Mr. WATSON. Until very recently there has been no local taxation in the Territory of Alaska. The Territorial Legisla-

ture has only recently been organized, and, except during the past year, there has been no attempt on the part of any local legislative body to impose any system of taxation. All of the revenue raised in the Territory of Alaska has been raised by acts of Congress itself, all of which, and more besides, has been expended in the Territory, because the local revenues have been inadequate for the expenses of the government.

Mr. STAFFORD. In the enabling act Congress vested authority in the Territorial Legislature to originate the form of taxation.

Mr. WATSON. Under the act of 1912.

Mr. STAFFORD. By this bill we take away the authority and say that so long as the railroads have no income they are not subject to taxation.

Mr. WATSON. That is not exactly the state of the case.

Mr. STAFFORD. It is the effect of it, is it not?

Mr. WATSON. In 1899, before there were any railroads in Alaska, Congress provided a civil and criminal code for the Territory. Although it was a remarkable place in which to put such a provision, it did, in the criminal code enacted for the Territory, incorporate a revenue-license tax for railroads in Alaska. Under the organic act to which the gentleman refers, passed in 1912, a Territorial legislature was provided for; but in that organic act it was expressly provided that the legislature should not have jurisdiction to tax railroads until five years after the passage of that law.

Mr. STAFFORD. In other words, merely suspended taxation for five years, and then they are to have full power of taxation?

Mr. WATSON. A fair statement of the case is, Congress has heretofore exercised the power, and reserved the right to exercise it exclusively for five years after the passage of that act.

Mr. STAFFORD. It is already the existing statute that the tax levy should be $100 per mile——

Mr. WATSON. That is true.

Mr. STAFFORD. For the license tax.

Mr. WATSON. That is correct.

Mr. STAFFORD. According to the report, there are certain railroads that are defunct there. As we all know, in the consideration of the Alaska railroad bill it was brought out that there was no income whatsoever; and I assume there are very few railroads up there that have any income, or will have for quite a number of years to come; so by this bill you virtually exempt the railroads from taxation, and take away from the Territorial legislature the right to levy any taxation whatsoever on the railroads except this provision of 4 per cent on their net income.

Mr. WATSON. Mr. Speaker, I will reply to the gentleman by saying there is nothing in this bill which affects in any way the jurisdiction of the Territorial legislature to tax railroads in Alaska.

Mr. STAFFORD. Why, here Congress is repealing——

Mr. WATSON. An act of Congress.

Mr. STAFFORD (continuing). An existing law which levies a license fee of $100 per mile per annum on the railroads that are operating in Alaska.

Mr. WATSON. The gentleman will discover, upon reflection, that it repeals a prior act of Congress, and that the Territorial legislature never has had the right to levy taxes upon railroads in Alaska.

Mr. STAFFORD. But it will have power to provide that in five years——

Mr. WATSON. It will do it in 1917, but there is nothing in this act to prevent it.

Mr. STAFFORD. I appreciate the gentleman's view, of which I was not aware when I rose. Does the gentleman, then, contend, even if we exempt these railroads from taxation for the coming four years—I suppose one year has already passed—that at the expiration of that time the Territorial legislature will have the right to levy taxes on the railroads, and that they would have full authority to levy the rate——

Mr. WATSON. Unquestionably, Mr. Speaker.

Mr. WILLIS. Will the gentleman yield?

Mr. WATSON. Certainly.

Mr. WILLIS. Has the gentleman that enabling or organic act? If so, I would like to have the language on this subject just at this point.

Mr. WATSON. I will read it to the gentleman.

Mr. WILLIS. So we will see just what it says about the authority of the legislature to tax the railroads.

Mr. WATSON. The gentleman from Ohio desires to have the organic act?

Mr. WILLIS. Pertaining to the taxation of railroads.

Mr. WATSON. Touching the taxation of railroads by the Territorial Legislature?

Mr. WILLIS. Yes, sir.

Mr. WATSON. It reads as follows: The gentleman understands this is in a general clause:

> No tax shall be levied for Territorial purposes in excess of 1 per cent upon the assessed valuation of property therein in any one year; nor shall any incorporated town or municipality levy any tax, for any purpose, in excess of 2 per cent of the assessed valuation of property within the town in any one year: *Provided*, That the Congress reserves the exclusive power from five years from the date of the approval of this act to fix and impose any tax or taxes upon railways or railway property in Alaska, and no acts or laws passed by the Legislature of Alaska providing for a county form of government therein shall have any force or effect until it shall be submitted to and approved by the affirmative action of Congress; and all laws passed, or attempted to be passed, by such legislature in said Territory inconsistent with the provisions of this section shall be null and void.

Mr. WILLIS. If this bill becomes a law at the end of the five-year period the legislature will have authority to tax the railroads in Alaska, and all this does is simply to change virtually the taxation of $100 per mile per annum to 4 per cent on the net income for this five-year period?

Mr. WATSON. That is true.

Mr. STAFFORD. I can hardly agree with that statement, perhaps not in direct language, but there is nothing to limit the provision to the five-year period. Here you have language authorizing Congress to determine the tax so far as railroads are concerned for five years, and the tax by this bill is 4 per cent on their net income. Now, I think there ought to be some saving clause in this act so the Territorial legislature will know Congress is not attempting to arrogate to itself at the expiration of the five-year period the right to determine what the taxation policy should be toward its railroads.

Mr. WATSON. Mr. Speaker, so far as the taxation of railroads in Alaska is concerned, there is scarcely a possibility of the collection of these penalties which we undertake to release the railroads from the payment of under this bill. The truth of it is every country on the face of the earth except our own instead of taxing the railroads in pioneer conditions has actually given Government aid. We all know the railroads in Alaska have not made anything. There has been no profit in their operations. The truth of it is, with our system of conservation, we have placed the railroads in such a situation that it will be impossible for them to receive profits from their operations.

Mr. MANN. Will the gentleman yield for a question?

Mr. WATSON. Yes.

Mr. MANN. If there are no profits in the operation, what is the net annual income of a business which has no profits?

Mr. WATSON. Absolutely nothing, Mr. Speaker.

Mr. STAFFORD. Four times x—and x is an unknown quantity.

Mr. WILLIS. Four times zero.

Mr. MANN. And the only effect of this bill is to repeal the $100 license. It does not really put any tax on anybody.

Mr. WATSON. I will say to the gentleman from Illinois that there are three railroads in Alaska that have defaulted in the payment of this tax. Under the provisions of the law of 1899, if a railroad undertakes to operate without the payment in advance of this tax, it incurs a penalty for the first day's operation of twice the amount of the tax, and for the second day's operation of three times, or treble, the amount of the tax; and the consequence is that there is one railroad, only 45 miles long, running from Fairbanks to the mines, which by operating during a portion of the year 1913 has incurred penalties approximating $5,000,000.

Mr. MANN. Is that one of the roads we want?

Mr. WATSON. That is one of the roads we do not want.

Mr. STAFFORD. That road is going to be a feeder for the Government system.

Mr. WATSON. That will be a feeder to the system.

Mr. MANN. I am not in favor of the license law. We have had it up here half a dozen times. Does not the gentleman think a railroad ought to pay some tax?

Mr. WATSON. Mr. Speaker, if you could get blood out of turnips, I should say yes.

Mr. MANN. Do we not tax turnips, whether we collect the tax or not?

Mr. WATSON. We may tax them, but we do not collect the tax.

Mr. MANN. Do we collect the tax?

Mr. WATSON. I think not.

Mr. MANN. We had the House the other day in the frame of mind—and it will be in the same frame of mind soon again—that it wanted to collect a tax on the note overdue and which a man would not pay. It proposes to collect a nominal tax on it in the District of Columbia. That is on intangible property.

But here is tangible property. Ought not the railroads to pay something in the way of taxes anywhere?

Mr. WATSON. I can answer the gentleman from Illinois by suggesting this to him, that the moment the road begins to operate without paying the tax, it will incur the additional penalty to which I have referred. Now, three of these roads have already suspended operations.

Mr. MANN. The gentleman does not need to make any argument to me in favor of repealing the present license system.

Mr. WATSON. I was trying to answer the gentleman's question and to tell him that these roads in Alaska confront a very practical and a very critical condition. They have no profits, partly due to Government activity in that field. There is no prospect of their having any. To prescribe a nominal tax, which we all know would be unjust, because they could not pay it, as there are no profits, would serve no useful purpose.

Mr. MANN. I can remember when some of these bills under which these railroads were built were passed, and I said then in the House that men with good sense and money ought not, in my judgment, to invest in these railroads in Alaska, because it was perfectly evident they would not pay; but if men with money, whether they had good sense or not, were determined to invest it in the railroads there and pay some tax on it, very well. Now, those men who had the money, having invested it there and having property there, want to have all taxation against them removed.

Mr. WATSON. Penalties, not taxation.

Mr. MANN. All taxes.

Mr. WATSON. No.

Mr. MANN. I beg the gentleman's pardon. Here is a bill that repeals all taxes against them except 4 per cent on the net annual income, and there is no net annual income, and will not be as long as they pay interest on their bonds, and can not be.

Mr. WATSON. I will say to the gentleman that the question as to whether we relieve the tax or not is a question which, I expect, will have to be adjudicated by the courts before it can be answered with certainty.

Mr. MANN. They do not pay taxes in any other way now except the license fee.

Mr. WATSON. They do this: They pay an income tax now of 1 per cent.

Mr. MANN. That is an income tax to the Government of the United States. That is not on the annual income, though.

Mr. WATSON. What is it on?

Mr. MANN. The gentleman will find that is apart from the operation. The net annual income would take out of it the interest on the bonds; but they do not take that out when it comes to the income tax.

Mr. CULLOP. Mr. Speaker, I would like to ask the gentleman from Illinois a question. If this bill would pass, would the effect of it be an inducement to these railroads to never have a net income?

Mr. MANN. I doubt whether they need any inducement. [Laughter.]

Mr. CULLOP. But if they could by good business management have a net income, would not this be an inducement for them to simply handle the earnings of the road so as to never have a net income? They could pay it out in officers' salaries and one thing and another so as to never have a net income to be taxed, and it would only be by legislation or the passage of a law that would enable the local government ever collecting any tax from them whatever.

Mr. BORLAND. Will the gentleman yield?

Mr. WATSON. With pleasure.

Mr. BORLAND. As I understand it, at the end of five years, in the act of 1912, the Territorial legislature will have plenary power to tax these railroads?

Mr. WATSON. That is true.

Mr. BORLAND. And this bill will have no effect except to relieve the situation during the time the Territorial legislature has jurisdiction over them?

Mr. MANN. I do not remember that provision. What is it?

Mr. WATSON. In the organic act.

Mr. MANN. You mean the act creating the Territorial legislature?

Mr. WATSON. The act creating the Territorial legislature says that until the lapse of five years it shall not have authority to levy a tax on railroads.

Mr. BORLAND. After five years they shall have plenary power.

Mr. MANN. I think they have the power to do it anyway. We have put a license fee upon them in lieu of all taxation. They would not have the power to put on any additional taxes.

Mr. WATSON. For Territorial purposes or local purposes; no.

Mr. MANN. For any purpose.

Mr. WATSON. I think that would be so.

Mr. STAFFORD. Would not this act be supplemental to the enabling act, and would it not properly be considered as a determination by the Congress of the question of taxation of railroads as provided in the enabling act?

Mr. WATSON. Mr. Speaker, at the earnest solicitation of three governors of Alaska, at the request of the Territorial legislature, with the approval, after careful consideration, of the Secretary of the Interior, and in accordance with what I believe to be the views of the Department of Justice, your Committee on Territories has undertaken to deal, not with a theoretical question of taxation, but with the practical question of providing transportation in the Territory of Alaska. That is the whole object of this bill.

Mr. STAFFORD. I have no objection at all, and I do not think others here have any objection, to the provision that would relieve them of the penalty imposed for default in the payment of this tax; but I think it is a serious question whether we should adopt the policy of exempting the railroads of Alaska from taxation, and that is what this bill purposes in the present provision.

Now, there are certain railroads in Alaska—those of the Guggenheims and others—that have been paying this $100 per mile franchise tax. They are able to pay it. If that is not the proper method, why not devise some method that would be proper for the payment of a tax by these railroads, and not exempt all these railroads from taxation for many years to come?

Mr. WATSON. The two railroads that are now paying the $100 per mile tax will, in one instance, pay more and in another equally as much as it now pays under the present law.

Mr. STAFFORD. Does not the gentleman think it is a very heavy burden on the bondholders and stockholders of these six railroads in Alaska, which to-day may be defunct by reason of exploitation on the part of their backers, that the total sum each year for railroad taxes would be $45,000? But you are exempting them entirely under the scope of your bill.

Mr. WATSON. Mr. Chairman, the two railroads that have operated in Alaska will continue to pay taxes, and probably pay more taxes than they do now. The White Pass & Yukon Railroad, which runs 20 miles in the Territory, will pay more under this bill than it has paid under the present law. As to the Guggenheim road, to which the gentleman refers, which runs from Cordova to the copper mines, we have no means of ascertaining certainly whether it will pay more or not. It is believed that the general freight traffic of that road does not pay any profit; but, inasmuch as its owners haul their own ores, the railroad, on the whole, is a profitable piece of property to them. But if they hauled somebody else's ore and not their own, the probabilities are that the rate of taxation here prescribed for the net income would amount to more than $100 per annum per mile.

Now, those are the only two roads, Mr. Speaker, that continuously operate in Alaska. There is another road leading out from Fairbanks which has had an intermittent operation. The net profit during the last year, according to the statements issued, was about $2,000. The gentleman will see that under the conditions which have existed in recent years in that Territory naturally there would be no profit. The prospect is that there will be no profit for that road for the incoming year. The other roads have suspended operations, one of them directly as the result of an attempt to collect this penalty.

Mr. BORLAND. Mr. Speaker, I ask for the regular order.

Mr. STAFFORD. Just before the gentleman does that, permit me to say that from my reading of this bill I think there should be some provision inserted that will make it certain that this will not overcome or supersede the provision in the enabling act granting to the Territorial legislature the authority and right to levy a tax four years hence. I will suggest that the gentleman ask unanimous consent to have this bill go over for two weeks without prejudice, so that I can examine the enabling act and prepare the amendment.

Mr. WATSON. If the gentleman will allow me, I want to say to him that if he will reflect for a moment he will realize that no matter what authority may be delegated to the Territorial legislature in Alaska, Congress can always repossess itself of it.

Mr. STAFFORD. That is the very purpose of this amendment—to make it clear that we are not superseding that original provision.

Mr. WATSON. Surely the gentleman can not suppose that the Congress, in enacting this bill, is stripping itself of any authority?

Mr. STAFFORD. No; but Congress moves very slowly in the matter of the taxation of railroads in Alaska. When we once adopt a policy, we are not likely to change it.

Mr. WATSON. This is intended to provide for a very critical and temporary emergency in Alaska. I would not appeal to the gentleman personally, but on patriotic grounds I would appeal to him not to object.

Mr. STAFFORD. It will be only two weeks before it will come up again.

Mr. WATSON. If this goes over for two weeks, a Mexican war may be upon us by that time.

Mr. MANN. The gentleman can call it up on a Wednesday when the committee is reached.

Mr. STAFFORD. We will likely be here until August or September, anyway.

Mr. MANN. The gentleman can call it up on the Wednesday call.

Mr. WICKERSHAM. We will not reach it.

Mr. WATSON. We will not reach it in a long time.

Mr. MANN. That is not the fault of this side of the House. That side of the House put in a buffer, to allow no more Calendar Wednesday business to be transacted.

Mr. STAFFORD. I suggest to the gentleman that he ask unanimous consent to let it go over without prejudice, so that we can look it up.

Mr. BORLAND. Mr. Speaker, I call for the regular order.

Mr. STAFFORD. If the gentleman does not wish to have it passed over, I will have to object.

The SPEAKER. Is there objection?

Mr. STAFFORD. I object, Mr. Speaker.

The SPEAKER. The gentleman from Wisconsin objects. The bill will be stricken from the calendar, and the Clerk will call the next bill.

IOWA INDIANS OF OKLAHOMA.

The next business on the Calendar for Unanimous Consent was the bill (H. R. 13519) for the relief of the Iowa Indians of Oklahoma.

The bill was read, as follows:

Be it enacted, etc., That jurisdiction is hereby conferred upon the Court of Claims to hear and determine and render judgment in all claims of the tribe of Iowa Indians of Oklahoma against the United States, with the right of appeal by either party to the Supreme Court of the United States for the determination of the amount, if any, which may be legally or equitably due said tribe of Indians under any treaties or laws of Congress or under unexecuted stipulations or agreements between the representatives of the United States and said tribe of Indians, or for the failure of the United States to pay any money which may be legally or equitably due said tribe of Indians. A petition in behalf of said Indians shall be filed in the Court of Claims within one year after the passage of this act, and the Iowa Tribe of Indians shall be the party plaintiff and the United States the party defendant, and the petition may be verified by the attorney employed by the said Iowa Tribe of Indians, to prosecute their claim under this act, under any contract approved by the Commissioner of Indian Affairs and the Secretary of the Interior, as provided by law, upon information and belief as to the facts alleged in said petition. Upon the final determination of the cause the Court of Claims shall decree such fees as the court shall find to be reasonably due to be paid to the attorney or attorneys employed by said tribe of Indians, and the same shall be paid out of any sum or sums of money found due said Iowa Tribe of Indians: *Provided*, That in no case shall the fees decreed by said court be in excess of the amount stipulated in the approved contract: *Provided further*, That all necessary expenses attending the securing of evidence and prosecuting said case shall be paid by the Secretary of the Treasury out of any judgment obtained in favor of said Indians upon an itemized account of said expenses.

Mr. WATSON. Mr. Speaker, with the consent of the gentleman from Wisconsin [Mr. STAFFORD], I want to ask unanimous consent that calendar No. 105, the Alaska bill, which was objected to just now, be put on the calendar and not lose its place.

Mr. MANN. I shall object. I stated before that I would have to object to that when a bill has been upon the Unanimous Consent Calendar only once.

The SPEAKER. Is there objection to the present consideration of the bill just reported?

Mr. MANN. Reserving the right to object, I notice that last year the committee, instead of reporting this bill favorably, recommended that it be referred to the Court of Claims for a finding of facts. This year the committee report the bill. Have they secured any additional facts beyond what they had last year?

Mr. MURRAY of Oklahoma. I understood that this bill was reported once before, but that it went off on an objection in a former Congress. As to what was done in the past Congress I can not say that I know.

Mr. MANN. In the last Congress the bill was introduced, and then the committee reported House resolution 773 for the purpose of referring the bill to the Court of Claims under the Tucker Act for a finding of facts. That did not pass. This year without any finding of facts and without any additional information, so far as the report discloses, they reported in the bill. Does the gentleman recall how much is involved?

Mr. MURRAY of Oklahoma. Yes; I will state that these Indians had a total of 207,000 acres of land. They allotted 8,000 acres; 12,000 acres were cut out for schools in Oklahoma, and 20 acres for common use. These Indians are seeking to get the difference between 38 cents an acre and the $1.25 an acre received by all the other tribes.

Mr. MANN. We passed a bill to-day involving two or three million dollars, to be paid to some Indians to whom we did not owe anything. An objection was made to another bill that proposed to pay all the way from $3,000,000 to $10,000,000 to some other Indians to whom we did not owe anything. Now, here is a bill to pay the difference between 38 cents, which we paid under an agreement, and the $1.25 which the Indians now think we ought to have been willing to pay. Nobody claims that we owe them anything.

Mr. MURRAY of Oklahoma. I will state for the benefit of the gentleman that this tribe of Indians were the most docile of any of the prairie tribes. When the Government got ready to break up Oklahoma Territory and open it to settlement they naturally went to the Indians with whom they could reach an agreement most quickly. They went to the Iowa Tribe of Indians. The gentleman will remember that there are two tribes, one in Kansas and Nebraska and the other in Oklahoma, and they made a trade with the Indians, to give them 80 acres apiece for allotments, with the provision that they would buy the remaining land for 38 cents an acre, and with the further understanding "if the United States gives any other tribe any more, the United States will give the same amount to you."

They went across the river, to the adjoining lands of the Pawnees, and gave them 160 acres each for allotments instead of 80 acres, as in the case of the Iowas. They used the treaty with the Iowas to prise down the Pawnees and got their land for $1.25 an acre. They went to the Kickapoos and made a trade with them, and gave them 40 cents an acre and allotments of 160 acres. Then Congress later paid the Kickapoos the difference between 40 cents and $1.25. Then the commissioners went to the Sacs and Foxes, in the same county, and gave them $1.25 an acre and an allotment of 160 acres each. This tribe of Iowa Indians was used by the Government to make all of these various trades, and they got no more than 80 acres each. Their land was along the river, and the land allotted to the chief of that tribe. I understand, for the most part was washed away and covered up by white sand. They claim that the Government ought to be just with them and give them the difference between 38 cents an acre and $1.25 an acre, which the other Indians receive.

Mr. MANN. Now, here is the fact of it: The Government sent a commission to them——

Mr. MURRAY of Oklahoma. Yes.

Mr. MANN. That commission went to these Indians and agreed to pay them 38 cents an acre for the unallotted lands.

Mr. MURRAY of Oklahoma. Yes.

Mr. MANN. According to the statement of the Indians these same men agreed to give them as much as they gave to any other Indians.

Mr. MURRAY of Oklahoma. Yes.

Mr. MANN. And then on the same trip, immediately across the river, and in bad faith, acting as consummate liars, they gave the other Indians $1.25 an acre.

Mr. MURRAY of Oklahoma. You might call it that.

Mr. MANN. If the claim of the Indians is correct, that is what they did; but I am not willing to assume, just because some aged Indians now think they did not get enough money a generation or two ago, that the men who dealt with them were all consummate liars, engaged in perpetrating a deliberate fraud upon these Indians.

Mr. MURRAY of Oklahoma. I think they call it diplomacy.

Mr. STAFFORD. Will the gentleman yield?

Mr. MURRAY of Oklahoma. Yes.

Mr. STAFFORD. Does not the report also show that the other bands are not on all fours, in that the Iowa Band, when transferred from Nebraska to this reservation in the Indian Territory, were not given absolute fee-simple title, but the Government reserved the right to locate on that reservation any other Indians they saw fit?

Mr. MURRAY of Oklahoma. That is true.

Mr. STAFFORD. As to the Kickapoos, they had absolute title, and as the former Assistant Secretary states in his report on a similar bill:

In view of the above facts it does not appear to the department that the Iowa Tribe in Oklahoma has any valid claim against the United States in relation to the agreement of May 20, 1890.

Is it not highly probable that these three commissioners took that into consideration in allowing only 80 acres to this tribe?

Mr. MURRAY of Oklahoma. What the gentleman says about the fee-simple title is true of the Kansas Indians and is true of all the tribes.

Mr. STAFFORD. I challenge that.

Mr. MURRAY of Oklahoma. The Five Civilized Tribes were the only tribes that had the title in fee simple. The Kickapoos in Kansas never got any fee-simple title.

Mr. MANN. The commissioners who represented the United States are now dead, I think; all of them.

Mr. MURRAY of Oklahoma. I do not know.

Mr. MANN. Does the gentleman think there would be any difficulty on the part of any real, lively Indian claim agent or attorney in proving any kind of an oral agreement that he wanted to by aged people now on the other side when the men on our side are all dead and it being impossible to call them as witnesses?

Mr. MURRAY of Oklahoma. No; I will state that the record, as I understand, will show sufficient to prove the claims of these Indians. They will be supported by oral testimony, the testimony of a man who has just gone out of office, a United States attorney, not an attorney in this case, who has nothing to do with the case, but he will prove a connecting link between the Government and the Indians sufficient to make out a case.

Mr. CULLOP. Will the gentleman yield?

Mr. MURRAY of Oklahoma. Yes.

Mr. CULLOP. I would like to call attention to some language in the bill, line 8, beginning at the word "which"—

Which may be legally or equitably due said tribe of Indians under any treaty or laws of Congress or under any stipulations or agreements, whether written or oral——

Mr. MURRAY of Oklahoma. Read on.

Mr. CULLOP (reading):

Entered into between said tribe of Indians and the United States or its authorized representatives—

Now, then, that would leave it, if these agents of the United States are dead, open for anyone to come in and set up an oral agreement about which there might be the greatest kind of a dispute and open the door for the greatest kind of fraud. You are letting this rest on the recollection or the memory of some individual to come in and say whether he has a claim against the United States Government or not.

Mr. MURRAY of Oklahoma. No; not individually. It will be the whole tribe.

Mr. CULLOP. You are leaving it to recollection. Years have elapsed, and yet you allow these men to come in and give their recollection of what was said years and years ago. With that language in the bill I do not think the gentleman should insist upon it.

Mr. MURRAY of Oklahoma. If the gentleman thinks that language should go out, I will agree to it.

Mr. CULLOP. The word "oral" should be stricken out and not allow a matter of this importance to rest on what took place 20 or 25 years ago.

Mr. MURRAY of Oklahoma. The Indians do not claim that they will prove their case by oral testimony. The oral testimony will be incidental to the record.

Mr. CULLOP. But that is not this proposition.

Mr. MURRAY of Oklahoma. Well, I am willing that it be stricken out.

Mr. CULLOP. On this proposition they could come in and base their case on some oral agreement that they claimed took place between the Indian tribe and some representative of the Government. It certainly would not be wise legislation to pass an act which would open the door to so many abuses as this would.

Mr. STAFFORD. Will the gentleman yield?

Mr. MURRAY of Oklahoma. Yes.

Mr. STAFFORD. In the interim when this bill is next considered I wish to direct the gentleman's attention to what I stated of the other tribes, that they had a better title to the lands, as will be found on page 6, which reads as follows:

The Sac and Fox own the reservation without question under the treaty, they having by treaty bought and paid for it.

Does not that fact show, so far as the Iowa Indians are concerned——

Mr. MURRAY of Oklahoma. The gentleman may know more about Oklahoma Territory than I do.

Mr. STAFFORD. Oh, no; nothing of the sort. I know only what is contained in this report.

Mr. MURRAY of Oklahoma. Let me tell the gentleman the truth about it. All of the Oklahoma Territory, with the exception of the strip known as Beaver County, or No Man's Land, between Kansas and Texas, originally was bought and paid for and a fee-simple title given to each of the Five Civilized Tribes. That was the northwest territory, similar to the northwest territory under all of the thirteen Colonies. The Government made an agreement with the Five Civilized Tribes to settle tribes on the land and not a single one owned the title to it. The Government made a treaty with the Five Civilized Tribes, first, by which they agreed that they might be opened up to settlement, and then they in return made an agreement to reserve allotments to the various little tribes, totaling about 16,000 individuals. That is true about every one of them. None of them under it ever took a fee-simple title and they never paid the Five Civilized Tribes for it.

Mr. MANN. Mr. Speaker, I think this bill will have to have more debate than it can well receive under conditions surrounding the Unanimous Consent Calendar, and I object.

Mr. MURRAY of Oklahoma. Will the gentleman allow it to go over without prejudice?

Mr. MANN. What is the use?

Mr. MURRAY of Oklahoma. The gentleman is so fair.

Mr. MANN. If the gentleman says that to me twice I will object. I do not pretend to have any element of fairness. If I did, I would insist on its going off the calendar.

Mr. MURRAY of Oklahoma. Mr. Speaker, I ask unanimous consent that the bill be passed without prejudice.

The SPEAKER. Is there objection?

There was no objection.

GORDON W. NELSON.

Mr. CHANDLER of New York. Mr. Speaker——

The SPEAKER. For what purpose does the gentleman rise?

Mr. CHANDLER of New York. Mr. Speaker, I rise to ask unanimous consent to take from the Speaker's table Senate bill 5445 and substitute it for House bill 7781. The Senate bill was passed by the Senate this morning and House bill 7781 was reported unanimously from the Committee on Immigration of the House a few days ago and is now on the Private Calendar. The necessity for action at this time is simply this: These bills are identical and look to the relief of Gordon W. Nelson, a midshipman at Annapolis. Nelson entered the Naval Academy in 1910, an alien. The law as it existed at that time provided for a six years' course, four years at the academy and two years at sea. It is perfectly legal, according to the advices we have, to have an alien midshipman in the Navy, but it was against the law then and it is against the law now to have an alien commissioned, and in 1912 the law was changed so as to provide a course of four years instead of six. Nelson, not knowing anything of the passage of the law, took no steps toward naturalizing himself, and when the law of 1912 was passed sufficient time was not allowed before his graduation in 1914 for him to naturalize himself. He can not be commissioned without a special act of Congress, and this bill is to authorize the President to commission him an ensign conditionally. This bill provides for a conditional commission to be granted by the President, by and with the advice and consent of the Senate, and that he shall graduate and receive his commission as ensign in 1914, conditioned upon the fact that he completes naturalization on or before January 1, 1915.

The SPEAKER. Let us see what the parliamentary status of this is. This has passed the Senate?

Mr. CHANDLER of New York. To-day.

The SPEAKER. And the House committee has reported an identical bill.

Mr. CHANDLER of New York. Yes, sir.

The SPEAKER. The gentleman from New York asks unanimous consent to take from the Speaker's table Senate bill 5445 and substitute it for H. R. 7781.

Mr. MANN. For consideration is the request of the gentleman.

The SPEAKER. For consideration, a similar bill being reported on the calendar. Is there objection? [After a pause.] The Chair hears none, and the Clerk will report the bill.

The Clerk read as follows:

A bill (S. 5445) for the relief of Gordon W. Nelson.

Be it enacted, etc., That the President be, and he is hereby, authorized to commission, by and with the advice and consent of the Senate, Gordon W. Nelson an ensign in the United States Navy on the date of his graduation after the four years' course at the Naval Academy, to take rank as an ensign with the other members of his class according to their standing as determined by their final multiples for the four years' course at the Naval Academy: *Provided*, That unless the said Gordon W. Nelson becomes a citizen of the United States on or before January 1, 1915, he shall on said date cease to be an officer of the Navy.

The bill was ordered to be read a third time, was read the third time, and passed.

The SPEAKER. Without objection, the House bill will lie on the table.

There was no objection.

On motion of Mr. CHANDLER of New York, a motion to reconsider the vote by which the bill was passed was laid on the table.

ENROLLED BILLS PRESENTED TO THE PRESIDENT FOR HIS APPROVAL.

Mr. ASHBROOK, from the Committee on Enrolled Bills, reported that they had this day presented to the President for his approval bills of the following titles:

H. R. 3468. An act for the relief of the heirs of the late Samuel H. Donaldson; and

H. R. 2314. An act for the relief of Allen Edward O'Toole and others, who sustained damage by reason of accident at Rock Island Arsenal.

CLERICAL ASSISTANTS FOR THE VOCATIONAL EDUCATION COMMISSION.

Mr. HUGHES of Georgia. Mr. Speaker, I ask unanimous consent to call up Senate joint resolution 142 for immediate action, and I hope there will be no objection.

The SPEAKER. What is the number on the calendar?

Mr. HUGHES of Georgia. It is a joint resolution authorizing the Vocational Education Commission to employ stenographers and clerks.

The SPEAKER. What is the number on the calendar?

Mr. HUGHES of Georgia. On the Union Calendar the number is 188, on the Unanimous Consent Calendar 141, and it is Senate joint resolution 142.

The SPEAKER. The Clerk will report the resolution.

Mr. HARDY. Mr. Speaker, I would like to know, for I have been waiting to find out, if we are going to depart from the regular order in regard to the calling of bills on the Unanimous Consent Calendar?

The SPEAKER. We are not, except in cases where there are matters of emergency. The bill just passed, unless it is passed now, is no good, and this joint resolution is to pay people money for which the Chair understands they are suffering, and they ought to have it.

Mr. HUGHES of Georgia. Mr. Speaker, it is an emergency measure, I will state to my friend, and I hope he will not object to it.

Mr. HARDY. I will not object.

Mr. MANN. Mr. Speaker, reserving the right to object, I do not know whether that point is reached yet.

The SPEAKER. No; it has not been reached yet. The Clerk will report the joint resolution.

The Clerk read as follows:

Joint resolution (S. J. Res. 142) authorizing the Vocational Education Commission to employ such stenographic and clerical assistants as may be necessary, etc.

Resolved, etc., That the commission to consider the need and report a plan for national aid to vocational education provided for in the joint resolution approved January 20, 1914, is furthermore authorized to employ such stenographic and clerical assistants, and to have printed such of the testimony taken before the commission and reports of the commission, as the commission may deem advisable, the total expenditures of said commission not in any event to exceed the amount of $15,000 heretofore appropriated for the expense of said commission.

The SPEAKER. Is there objection?

Mr. MANN. Reserving the right to object, I believe this bill is on the Unanimous Consent Calendar lower down?

Mr. HUGHES of Georgia. Yes, sir; it is.

Mr. MANN. If this bill should be considered now, might I ask my friend from Alabama if he intends to move that the House adjourn?

Mr. UNDERWOOD. I will state to the gentleman from Illinois I was waiting on the patience of the House, but I would like to submit this proposition to the gentleman from Illinois and the House: There is a bill here in reference to the election of United States Senators by the people, and I think it is quite important that it should get through. It is a Senate matter and relates to their people, and I would like to have an opportunity for the gentleman from Missouri to call it up this afternoon, if there is no serious objection.

Mr. MANN. That would not be possible for this reason: We had the other day on the Wednesday Calendar quite a contest as to whether we would blockade the entire calendar. We on our side of the House opposed that, but I will not put the responsibility upon the gentleman from Georgia [Mr. BARTLETT], who, I think, if I am not mistaken, openly stated in the House that he wanted to prevent the consideration of the bill to which the gentleman from Alabama now refers, and I would not be willing to have that done in his absence.

Mr. ANDERSON. Mr. Speaker, if the gentleman will permit, there is on this entire calendar only one little bridge bill, in which two gentlemen from Missouri are interested [laughter]——

The SPEAKER. Let us get rid of this thing first.

Mr. RUCKER. Mr. Speaker, I hope the gentleman from Illinois will not make any objection to this.

Mr. MANN. I would not be willing to take advantage of the House, when there is such a small number here, on a bill of that kind. I think the bill ought to pass, however, I will say to the gentleman.

Mr. RUCKER. If there was any objection to the bill, I would not bring it up, but I do not think there is any objection to it.

Mr. MANN. The gentleman knows there was quite an objection here the other day, and when we had a roll call, the issue being whether a bill should be considered or not or whether we preferred to go ahead and block the calendar with the codification bill, the majority of the House preferred to block the calendar and prevent that bill from being reached.

Mr. RUCKER. But a great many Members came in while the roll was being called and did not know what the issue was.

Mr. MANN. I was not responsible for that. I tried my best to tell them what the issue was.

The SPEAKER. The gentleman from Georgia [Mr. HUGHES] has a resolution. Is there objection to its consideration?

Mr. MANN. Mr. Speaker, I am not going to object if we are not going ahead with the rest of the calendar.

Mr. UNDERWOOD. The gentleman from Illinois [Mr. MANN] realizes, of course, it is too late to send for a quorum, and if he desires to raise the question of no quorum——

Mr. MANN. That is another question. I do not object to this on that account.

Mr. UNDERWOOD. The gentleman from Missouri [Mr. RUCKER] wants to be given leave to print, I understand. That is all there is——

The SPEAKER. Is there objection to the consideration of the resolution of the gentleman from Georgia [Mr. HUGHES]? [After a pause.] The Chair hears none. The Clerk will report the resolution.

The Clerk read as follows:

Joint resolution (S. J. Res. 142) authorizing the Vocational Education Commission to employ such stenographic and clerical assistants as may be necessary, etc.

Resolved, etc., That the commission to consider the need and report a plan for national aid to vocational education provided for in the joint resolution approved January 20, 1914, is furthermore authorized to employ such stenographic and clerical assistants, and to have printed such of the testimony taken before the commission and reports of the commission, as the commission may deem advisable, the total expenditures of said commission not in any event to exceed the amount of $15,000 heretofore appropriated for the expenses of said commission.

The SPEAKER. The question is on the third reading of the Senate joint resolution.

The resolution was read a third time; and having been read a third time was passed.

On motion of Mr. HUGHES of Georgia, a motion to reconsider the vote by which the resolution was agreed to was laid on the table.

Mr. RUCKER. Mr. Speaker, I ask unanimous consent for the present consideration of the resolution which I send to the Clerk's desk.

The SPEAKER. The Clerk will report the resolution.

Mr. MANN. Mr. Speaker, I make the point of order that there is no quorum present.

The SPEAKER. The gentleman from Illinois makes the point of order that there is no quorum, and, evidently, there is not.

ADJOURNMENT.

Mr. UNDERWOOD. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 48 minutes p. m.) the House adjourned until Tuesday, May 5, 1914, at 12 o'clock noon.

EXECUTIVE COMMUNICATION.

Under clause 2 of Rule XXIV, a letter from the Secretary of the Treasury, transmitting copy of communication of the Attorney General submitting a supplemental estimate of appropriation in the sum of $14,675 for rent of court rooms, United States courts, for the fiscal year ending June 30, 1915 (H. Doc. No. 909); to the Committee on Appropriations and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII, bills and resolutions were severally reported from committees, delivered to the Clerk, and referred to the several calendars therein named, as follows:

Mr. ANSBERRY, from the Committee on Ways and Means, to which was referred the bill (H. R. 6433) to relocate the headquarters of the customs district of Florida, reported the same without amendment, accompanied by a report (No. 613), which said bill and report were referred to the House Calendar.

Mr. LEWIS of Maryland, from the Committee on War Claims, to which was referred the bill (H. R. 9628) to refund to the corporate authorities of Frederick City, Md., the sum of $200,000 exacted of them by the Confederate Army under Gen. Jubal Early, July 9, 1864, under penalty of burning said city, reported the same with amendment, accompanied by a report (No. 614), which said bill and report were referred to the Committee of the Whole House on the state of the Union.

Mr. FLOYD of Arkansas, from the Committee on the Judiciary, to which was referred the bill (H. R. 2167) to amend an act entitled "An act to codify, revise, and amend the laws relating to the judiciary," approved March 3, 1911, reported the same without amendment, accompanied by a report (No. 615), which said bill and report were referred to the House Calendar.

CHANGE OF REFERENCE.

Under clause 2 of Rule XXII, committees were discharged from the consideration of the following bills, which were referred as follows:

A bill (H. R. 5535) granting a pension to Eliza J. Gay; Committee on Invalid Pensions discharged, and referred to the Committee on Pensions.

A bill (H. R. 14568) granting an increase of pension to L. R. Clayton; Committee on Invalid Pensions discharged, and referred to the Committee on Pensions.

A bill (H. R. 14874) granting a pension to Carson E. Newhard; Committee on Invalid Pensions discharged, and referred to the Committee on Pensions.

A bill (H. R. 15943) granting a pension to William M. Wilson; Committee on Invalid Pension discharged, and referred to the Committee on Pensions.

PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills, resolutions, and memorials were introduced and severally referred as follows:

By Mr. DAVENPORT: A bill (H. R. 16264) to provide for the erection of a public building at Pawnee, Okla.; to the Committee on Public Buildings and Grounds.

Also, a bill (H. R. 16265) to require the carriers of passengers for hire to establish an interstate rate which shall not exceed the combination of local rates; to the Committee on Interstate and Foreign Commerce.

Also, a bill (H. R. 16266) to provide for the erection of a public building at Pawhuska, Okla.; to the Committee on Public Buildings and Grounds.

By Mr. KEATING: A bill (H. R. 16267) providing for the retirement of certain officers who have served in the Philippine Scouts; to the Committee on Military Affairs.

By Mr. TAGGART: A bill (H. R. 16268) for the remodeling, alteration, and repair of the post-office building at Fort Scott, Kans.; to the Committee on Public Buildings and Grounds.

By Mr. SPARKMAN: A bill (H. R. 16269) to regulate the taking or catching of sponges in the waters of the Gulf of Mexico and the Straits of Florida, outside of State jurisdiction; the landing, delivering, curing, selling, or possession of the same; providing means of enforcement of the same, and for other purposes; to the Committee on the Merchant Marine and Fisheries.

By Mr. FREAR: Concurrent resolution (H. Con. Res. 38) directing the Interstate Commerce Commission to investigate river and harbor improvements and to report thereon; to the Committee on Rivers and Harbors.

By Mr. FOSTER: Joint resolution (H. J. Res. 260) authorizing the Joint Committee on Printing to have printed 2,000 copies of the hearings on the Colorado coal strike before the subcommittee of the Committee on Mines and Mining; to the Committee on Printing.

By Mr. AINEY: Resolution (H. Res. 502) authorizing and directing the Committee on Foreign Affairs, or a subcommittee thereof, to inquire, investigate, and ascertain and report whether any persons, associations, or corporations domiciled or owing allegiance to the United States have heretofore been or are now engaged in fomenting, inciting, encouraging, or financing any rebellion, insurrection, or other flagrant belligerent disorder in Mexico; to the Committee on Foreign Affairs.

PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ALLEN: A bill (H. R. 16270) granting an increase of pension to Harriet J. Bromwell; to the Committee on Invalid Pensions.

Also, a bill (H. R. 16271) granting an increase of pension to Nancy Gould; to the Committee on Invalid Pensions.

By Mr. BELL of Georgia: A bill (H. R. 16272) granting an increase of pension to Martha Allison; to the Committee on Pensions.

Also, a bill (H. R. 16273) granting an increase of pension to Eliza Ann McDonald; to the Committee on Pensions.

Also, a bill (H. R. 16274) granting an increase of pension to Mary E. Nickelson; to the Committee on Pensions.

Also, a bill (H. R. 16275) granting an increase of pension to Sarah Jane Smith; to the Committee on Pensions.

By Mr. CLARK of Missouri: A bill (H. R. 16276) granting an increase of pension to John T. Hetherlin; to the Committee on Invalid Pensions.

Also, a bill (H. R. 16277) granting an increase of pension to Daniel Williams; to the Committee on Invalid Pensions.

By Mr. ESCH: A bill (H. R. 16278) granting a pension to Adelaide Doty; to the Committee on Invalid Pensions.

By Mr. FRENCH: A bill (H. R. 16279) granting an increase of pension to Benjamin F. Coplen; to the Committee on Invalid Pensions.

By Mr. HAWLEY: A bill (H. R. 16280) granting a pension to Margaret L. Estep; to the Committee on Invalid Pensions.

By Mr. HILL: A bill (H. R. 16281) for the relief of John L. Seargeant; to the Committee on War Claims.

By Mr. KENNEDY of Connecticut: A bill (H. R. 16282) granting an increase of pension to Marrieta Parks Silvernail; to the Committee on Invalid Pensions.

By Mr. KETTNER: A bill (H. R. 16283) granting a pension to Martha L. Rummell; to the Committee on Pensions.

Also, a bill (H. R. 16284) granting an increase of pension to Levi M. Dort; to the Committee on Invalid Pensions.

By Mr. McANDREWS: A bill (H. R. 16285) granting a pension to Andrew J. Haslam; to the Committee on Pensions.

By Mr. POWERS: A bill (H. R. 16286) granting a pension to Lillie Guffey; to the Committee on Pensions.

Also, a bill (H. R. 16287) granting a pension to Samp Huddleston; to the Committee on Pensions.

Also, a bill (H. R. 16288) granting a pension to Iven Sawyers; to the Committee on Pensions.

Also, a bill (H. R. 16289) granting an increase of pension to Elizabeth R. Stephens; to the Committee on Pensions.

Also, a bill (H. R. 16290) for the relief of the estate of McKenza Smallwood, deceased; to the Committee on War Claims.

By Mr. RAINEY: A bill (H. R. 16291) granting an increase of pension to Richard B. Winn; to the Committee on Invalid Pensions.

By Mr. SELLS: A bill (H. R. 16292) granting a pension to George A. Stanberry; to the Committee on Pensions.

By Mr. SAMUEL W. SMITH: A bill (H. R. 16293) granting an increase of pension to Orrin J. Wells; to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

By the SPEAKER (by request): Memorial of sundry citizens of Chicago, Ill., Gardiner, Me., and Fort Hall, Idaho, protesting against the practice of polygamy in the United States; to the Committee on the Judiciary.

Also (by request) memorial of the Gloversville (N. Y.) Socialist Party, protesting against the Colorado strike outrages; to the Committee on the Judiciary.

By Mr. AINEY: Petition of 41 citizens of Meshoppen, 15 citizens of Tunkhannock, and 12 citizens of Brandt, all in the State of Pennsylvania, favoring national prohibition; to the Committee on the Judiciary.

Also, petition of sundry citizens of Wayne County, Pa., against national prohibition; to the Committee on the Judiciary.

By Mr. ASHBROOK: Evidence to accompany House bill 15877, for the relief of David Lewis; to the Committee on Invalid Pensions.

By Mr. BAILEY: Petition of the Hardware Merchants and Manufacturers' Association of Philadelphia, Pa., protesting against amending the Sherman law; to the Committee on the Judiciary.

Also, petition of sundry bankers of Altoona, Pa., protesting against the reduction of the appropriation for the Federal Children's Bureau; to the Committee on Appropriations.

Also, memorial of the Erie (Pa.) Foundrymen's Association, relative to extending time for passage of bills regulating interstate business; to the Committee on the Judiciary.

Also (by request), petitions of D. D. Kauffman, H. E. Barton, Garfield Wilkins, Cecil Mitchell, M. B. Cowke, H. L. Densmore, J. L. Brown, L. Smale, E. M. Smale, Elery T. Grim, D. C. Miller, H. L. Gregg, W. L. Thompson, Eli Stein, Sam Stein, Charles Cronemiller, C. R. Black, Levi Spangler, Richard Rowley, C. H. Witherow, John Catherwood, J. G. Kuhmley, L. S. Bell, Joseph Kelsall, Patrick Lynch, J. D. Blair, William Bloom, William Sanford, James White, Joseph Hughes, M. C. Cronemiller, C. H. Nerdigh, S. Edmiston, T. J. Crooks, T. E. Cartwright, C. L. Kelly, F. W. Merrelly, W. F. Shoff, John O'Brien, C. Heist, W. I. Lupold, W. A. Coder, George Chapman, A. R. Thompson, E. C. Brown, S. C. Benson, W. F. Copp, F. C. McClure, J. R. Cornelius, Charles Heist, John Hodge, jr., William Monteith, John A. Gunn, D. P. Conrad, William R. Hinter, Thomas Powell, John O'Brien, C. C. Greninger, Carl W. Vetell, C. L. Forsberg, Olaf Anderson, Gottfried Auderman, Straessk Johnson, Charles Anderson, G. Dahlof, Andrew Goldberg, John Johnson, Carl Borgerson, F. J. Anderson, John Corlberg, Charles Colberg, Nick Carlas, Theodore Johnson, John A. Johnson, Christopher Johnson, William Bloom, A. Swedeberg, J. E. Johnson, L. Bloomberg, Peter Johnson, Arthur Peterson, all of Patton, Pa., for passage of House joint resolution 168, relative to national prohibition.

By Mr. BAKER: Petition of the National Woman's Christian Temperance Union, of Dividing Creek, N. J., favoring Sims amendment to House bill 27878, relative to closing gates of Panama Exposition on Sunday; to the Committee on Interstate and Foreign Commerce.

Also, petition of various voting citizens of Palmyra, Sea Isle City, and the First Baptist Church of Newport, all in the State of New Jersey, favoring national prohibition; to the Committee on the Judiciary.

By Mr. BARNHART: Petition of the First Methodist Church of Wakarusa, Ind., and Bethel Evangelical Church and the Riverside Christian Church, of Elkhart, Ind., favoring the passage of the Smith-Hughes bill to establish Federal censorship of motion pictures; to the Committee on Education.

Also, petition of sundry citizens of Elkhart, Plymouth, North Judson, Grovertown, Hamlet, Knox, Michigan City, and Goshen, all in the State of Indiana, protesting against the passage of any prohibition legislation; to the Committee on the Judiciary.

Also, petition of sundry citizens of Fulton, Kosciusko, Pulaski, and Marshall Counties, and Grasscreek and Culver, all in the State of Indiana, favoring the passage of an amendment to the Constitution for national prohibition; to the Committee on the Judiciary.

By Mr. BROWN of New York: Petition of the Baptist Church of Huntington; various voters of Jamesport, Freeport, Riverhead, Hempstead, and Smithtown; and the Woman's Christian Temperance Union of Port Jefferson, all in the State of New York, favoring national prohibition; to the Committee on the Judiciary.

Also, petition of sundry citizens of Southampton, N. Y., favoring national prohibition; to the Committee on the Judiciary.

By Mr. CANTOR: Petition of 50 voters of the twentieth New York congressional district, against passage of Hobson-Sheppard-Works resolutions; to the Committee on the Judiciary.

By Mr. CARY: Petition of sundry citizens of Milwaukee, Wis., favoring national prohibition; to the Committee on the Judiciary.

Also, petition of Dohl & Busse, of Milwaukee, Wis., against House bill 11321, relative to stove and furnace repair business; to the Committee on Patents.

Also, petition of J. I. Hooper, of Janesville, Wis., against appropriation for national library for the blind at Washington, D. C.; to the Committee on Appropriations.

By Mr. CURRY: Petition of 873 citizens of Sacramento, Cal., against national prohibition; to the Committee on the Judiciary.

By Mr. DALE: Petition of sundry citizens of Massachusetts, thanking the administration for efforts in trying to prevent war with Mexico; to the Committee on Foreign Affairs.

Also, petition of Hebrew-American Typographical Union, No. 83, favoring amendment to the Sherman antitrust law; to the Committee on the Judiciary.

By Mr. DERSHEM: Petitions of sundry citizens of Willow Hill, Concord, and Dry Run, and 44 citizens of Lewisburg, all in the State of Pennsylvania, favoring national prohibition; to the Committee on the Judiciary.

By Mr. DONOVAN: Petition of the Wives and Sisters of American Boys of Hartford, Conn., indorsing President's policy of mediation with Mexico; to the Committee on Foreign Affairs.

By Mr. ESCH: Memorial of sundry citizens of Massachusetts, approving position taken by the President relative to Mexico; to the Committee on Foreign Affairs.

Also, papers in support of a bill (H. R. 16219) granting an increase of pension to Francis Thompson; to the Committee on Invalid Pensions.

By Mr. GALLAGHER: Petition of the Chicago Post Office Clerks' Union, No. 1, National Federation of Post Office Clerks, relative to reduction of night work; to the Committee on the Post Office and Post Roads.

By Mr. GREGG: Petition of sundry citizens of the seventh congressional district of Texas, against national prohibition; to the Committee on the Judiciary.

By Mr. HAWLEY: Petitions of T. A. Livesley & Co., of Salem, and sundry citizens of Hubbard and Portland, all in the State of Oregon, protesting against national prohibition; to the Committee on the Judiciary.

By Mr. IGOE: Petitions of the St. Louis Hardware & Manufacturing Co., the Campbell Iron Co., and Glass Bottle Blowers' Branch No. 5, of St. Louis, all in the State of Missouri, protesting against national prohibition; to the Committee on the Judiciary.

Also, petition of the Central Trades and Labor Union of St. Louis, Mo., favoring the passage of the Palmer bill relative to lessening the hours of night work of the post-office clerks; to the Committee on the Post Office and Post Roads.

Also, petition of William Volkes & Co., of Kansas City, Mo., favoring passage of House bill 14328, relative to false statements in the mails; to the Committee on the Post Office and Post Roads.

By Mr. KEATING: Petitions of various voters of the first congressional district of Colorado, protesting against national prohibition; to the Committee on the Judiciary.

By Mr. LEE of Georgia: Papers to accompany House bill 16004; to the Committee on Pensions.

By Mr. LEWIS of Pennsylvania: Memorial of the Erie (Pa.) Foundrymen's Association, relative to time for consideration of bills to regulate interstate business; to the Committee on the Judiciary.

By Mr. LONERGAN: Petition of the Equal Franchise League of New Canaan, Conn., favoring woman suffrage; to the Committee on the Judiciary.

By Mr. McCLELLAN: Petition of 110 voters of the twenty-seventh New York congressional district, against passage of Hobson-Sheppard-Works resolutions; to the Committee on the Judiciary.

Also, petition of 50 voters of the twenty-seventh congressional district of New York, against passage of Hobson-Sheppard-Works resolutions; to the Committee on the Judiciary.

Also, petition of sundry citizens of Cobleskill, Prattsville, East Chatham, Hensonville, and Cairo; the Methodist Episcopal Church of Cairo; the Wesleyan Methodist Episcopal Church, of Saugerties; 13 citizens of Sloanville; 7 citizens of Emporium; 102 citizens of Charlotteville; and Mrs. C. M. Harcourt, of New Paltz, all in the State of New York, favoring national prohibition; to the Committee on the Judiciary.

By Mr. McKENZIE: Petition of the Woman's Relief Corps of Sterling, Ill., against change in United States flag; to the committee on the Judiciary.

By Mr. MADDEN: Petition of the National Shoe Wholesale Association, protesting against extension of the parcel-post service; to the Committee on the Post Office and Post Roads.

Also, petition of sundry voters of the State of Illinois, protesting against national prohibition; to the Committee on the Judiciary.

By Mr. MERRITT: Petition of 65 voters of the thirty-first congressional district of New York, protesting against national prohibition; to the Committee on the Judiciary.

By Mr. MURRAY of Oklahoma: Petition of the Congregational Church of Oklahoma City, Okla., and citizens of Stiglar, Okla., favoring national prohibition; to the Committee on the Judiciary.

By Mr. PAYNE: Petition of various voters of Seneca County, N. Y., favoring national prohibition; to the Committee on the Judiciary.

By Mr. RAINEY: Petition of various business men of Illinois, favoring anticoupon bill; to the Committee on Ways and Means.

By Mr. RAKER: Resolutions of the city of Berkeley, Cal., favoring Senate bill No. 3677, providing for the granting of a right of way for a suspension bridge across San Francisco Bay; to the Committee on Interstate and Foreign Commerce.

Also, letter from the committee on public policy and legislation of the Los Angeles County Medical Association, favoring House bill 12292, the Federal child-labor bill; to the Committee on Labor.

Also, letters from F. A. Cline, of El Portal, Cal., and Ed Walsh, of Altaville, Cal., protesting against the passage of House joint resolution 168, relative to national prohibition; to the Committee on the Judiciary.

Also, letter from the California Club, of San Francisco, Cal., favoring the appropriation of $165,000 for the Child Labor Bureau; to the Committee on Appropriations.

By Mr. REED: Petitions of Odias Routhier and 80 others, of Derry; Frank A. Porter and 2 others, of Windham; G. A. Greeley, of Londonderry; and George A. Dalbor, of Chester, all in the State of New Hampshire, opposing national prohibition of the liquor traffic; to the Committee on the Judiciary.

By Mr. SCOTT: Petition of the Woman's Christian Temperance Union of Hornick, Iowa, favoring national prohibition; to the Committee on the Judiciary.

By Mr. SLAYDEN: Petition from 9,000 voters of the fourteenth congressional district of Texas, protesting against the passage of resolutions providing for an amendment to the Constitution prohibiting the manufacture and sale of intoxicants in the United States; to the Committee on the Judiciary.

By Mr. STEPHENS of California: Petition of sundry citizens of the State of California, protesting against the passage of the Sunday-observance bill; to the Committee on the District of Columbia.

Also, memorial of the council of Berkeley, Cal., relative to construction of a suspension bridge across San Francisco Bay; to the Committee on Interstate and Foreign Commerce.

Also, petition of the chairman of the committee on public policy and legislation of the Los Angeles County Medical Association, favoring the Federal child-labor bill (H. R. 12292); to the Committee on Labor.

Also, petition of sundry citizens of Los Angeles, Cal., favoring passage of the Bartlett-Bacon bill (H. R. 1873); to the Committee on the Judiciary.

By Mr. TAVENNER: Petition of Ed. H. Dunavin, Company A, Sixth Infantry, Illinois National Guard, favoring passage of National Guard pay bill; to the Committee on Military Affairs.

By Mr. TAYLOR of Colorado: Petition of the Nathaniel Lyon Woman's Relief Corps, of Boulder, Colo., protesting against any change in the present design of our flag; to the Committee on the Judiciary.

By Mr. TEN EYCK (by request): Petition of Fred S. Green, Alfred Bawdine, Thomas E. Horan, Charles A. Rogers, G. H. Daury, and Charles C. Russel, voters of Troy, N. Y., in favor of the Bartlett-Bacon anti-injunction bills; to the Committee on the Judiciary.

By Mr. TREADWAY: Memorial of various members of Emmanuel Parish, Shelburne Falls, Mass., favoring the prohibition of polygamy in the United States; to the Committee on the Judiciary.

By Mr. WILLIS: Petition of Albert H. Weaver and 22 other citizens of Richwood, Ohio, in favor of the passage of House bill 15651, granting a pension to Nettie Livingston; to the Committee on Invalid Pensions.

Also, papers to accompany House bill 16263, granting an increase of pension to Thomas Haggard; to the Committee on Invalid Pensions.

SENATE.

TUESDAY, *May 5, 1914.*

The Chaplain, Rev. Forrest J. Prettyman, D. D., offered the following prayer:

Almighty God, Thou hast put an image of Thyself in our human minds. The unity we find in all nature has its rise in our thought of God. The sequence of history comes out of that transcript of the divine nature in our own minds. We find ourselves self-determining and self-conscious. We, too, exist and are free. Into the great field of human service we have brought our living personality and are delivering the forces of our lives as best we can for the uplift of humanity. May Thy blessing abide with us, giving to us not only the power and the inspiration of Thy spirit, but giving to us motives to lead us in the path of success, that our lives may be owned and used of God for the benefit of our fellow men. For Christ's sake. Amen.

The VICE PRESIDENT resumed the chair.

The Secretary proceeded to read the Journal of yesterday's proceedings, when, on request of Mr. LEA of Tennessee and by unanimous consent, the further reading was dispensed with and the Journal was approved.

CALLING OF THE ROLL.

Mr. KERN. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Ashurst	Hollis	Overman	Stone
Bankhead	Hughes	Page	Sutherland
Brady	Kenyon	Perkins	Swanson
Brandegee	Kern	Pittman	Thomas
Bristow	Lea, Tenn.	Robinson	Thompson
Bryan	Lee, Md.	Root	Tillman
Burleigh	Lippitt	Saulsbury	Townsend
Burton	Lodge	Shafroth	Vardaman
Chamberlain	McLean	Sheppard	Warren
Chilton	Martin, Va.	Simmons	Weeks
Clapp	Martine, N. J.	Smith, Ga.	West
Clark, Wyo.	Nelson	Smith, Md.	Williams
Cummins	Norris	Smith, S. C.	
Goff	O'Gorman	Smoot	
Gore	Oliver	Sterling	

Mr. SHEPPARD. I wish to announce the necessary absence of my colleague [Mr. CULBERSON], and to state that he is paired with the Senator from Delaware [Mr. DU PONT].

Mr. SMOOT. I desire to announce the unavoidable absence of the senior Senator from Kentucky [Mr. BRADLEY], and also the junior Senator from Wisconsin [Mr. STEPHENSON].

The VICE PRESIDENT. Fifty-seven Senators have answered to the roll call. There is a quorum present. The presentation of petitions and memorials is in order.

MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by J. C. South, its Chief Clerk, announced that the House had passed the following bill and joint resolutions:

S. 5445. An act for the relief of Gordon W. Nelson;

S. J. Res. 97. Joint resolution authorizing the President to extend invitations to foreign Governments to participate in the International Congress of Americanists; and

S. J. Res. 142. Joint resolution authorizing the Vocational Education Commission to employ such stenographic and clerical assistants as may be necessary, etc.

The message also announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H. R. 3988. An act for the purchase of a building and lot as a mine-rescue station at McAlester, Okla.;

H. R. 10832. An act to amend section 2 of an act approved March 2, 1907, entitled "An act providing for the allotment and distribution of Indian tribal funds" (34 Stat. L., 1221 and 1222);

H. R. 10833. An act authorizing the Secretary of the Interior to lease for grazing and agricultural purposes unallotted lands within Indian reservations established by act of Congress or Executive order;

H. R. 10846. An act to authorize the Secretary of the Interior to use in the purchase of live stock, seeds, and agricultural equipment moneys appropriated to fulfill treaty obligations;

H. R. 11246. An act for the restoration of annuities to the Medawakanton and Wahpakoota (Santee) Sioux Indians, declared forfeited by the act of February 16, 1863;

H. R. 11740. An act to amend an act entitled "An act creating a legislative assembly in the Territory of Alaska and conferring legislative power thereon, and for other purposes," approved August 24, 1912;

H. R. 12291. An act to increase the limit of cost for the extension, remodeling, and improvement of the Pensacola (Fla.) post office and courthouse, and for other purposes; and

H. R. 13770. An act to consolidate certain forest lands in the Sierra National Forest and Yosemite National Park, Cal.

ENROLLED BILL SIGNED.

The message further announced that the Speaker of the House had signed the enrolled bill (S. 5031) quieting title to lot 44 in square 172 in the city of Washington, and it was thereupon signed by the Vice President.

PETITIONS AND MEMORIALS.

Mr. LEA of Tennessee presented a memorial of sundry citizens of Knoxville, Tenn., remonstrating against the adoption of an amendment to the Constitution to prohibit the manufacture, sale, and importation of intoxicating beverages, which was referred to the Committee on the Judiciary.

Mr. LEE of Maryland present memorials of sundry citizens of Maryland, remonstrating against national prohibition, which were referred to the Committee on the Judiciary.

He also presented petitions of sundry citizens of Maryland, praying for national prohibition, which were referred to the Committee on the Judiciary.

He also presented a petition of the Baltimore Conference of the Methodist Episcopal Church, held at Cumberland, Md., praying for the establishment of national censorship of motion pictures, which was referred to the Committee on Education and Labor.

Mr. KENYON presented petitions of sundry citizens of the State of Iowa, praying for the adoption of an amendment to the Constitution to prohibit the manufacture, sale, and importation of intoxicating beverages, which were referred to the Committee on the Judiciary.

He also presented memorials of sundry citizens of the State of Iowa, remonstrating against the adoption of an amendment to the Constitution to prohibit the manufacture, sale, and importation of intoxicating beverages, which were referred to the Committtee on the Judiciary.

He also presented a memorial of sundry citizens of the State of Iowa, remonstrating against the enactment of legislation to compel the observance of Sunday as a day of rest in the District of Columbia, which was referred to the Committee on the District of Columbia.

Mr. McLEAN presented a petition of the Equal Franchise League of New Canaan, Conn., praying for the adoption of an amendment to the Constitution granting the right of suffrage to women, which was ordered to lie on the table.

Mr. CHAMBERLAIN presented petitions of sundry citizens of the State of Oregon, praying for the adoption of an amendment to the Constitution to prohibit the manufacture, sale, and importation of intoxicating beverages, which were referred to the Committee on the Judiciary.

He also presented a petition of sundry citizens of the State of Oregon, praying for the enactment of legislation to prohibit immoral or indecent songs from being copyrighted, which was referred to the Committee on Education and Labor.

Mr. CLAPP presented a petition of sundry citizens of the State of Minnesota, praying for the adoption of an amendment to the Constitution to prohibit the manufacture, sale, and importation of intoxicating beverages, which was referred to the Committee on the Judiciary.

Mr. JONES presented petitions of sundry citizens of Port Orchard, Sunnyside, Sumas, Lynden, Ferndale, and North Yakima, all in the State of Washington, praying for the adoption of an amendment to the Constitution to prohibit the manufacture, sale, and importation of intoxicating beverages, which were referred to the Committee on the Judiciary.

He also presented memorials of sundry citizens of Seattle, Spokane, Bellingham, Hoquiam, Tacoma, Ellensburg, Aberdeen, Olympia, and King County, all in the State of Washington, remonstrating against the adoption of an amendment to the Constitution to prohibit the manufacture, sale, and importation of intoxicating beverages, which were referred to the Committee on the Judiciary.

Mr. PAGE presented a memorial of sundry citizens of the State of Vermont, remonstrating against the enactment of legislation to compel the observance of Sunday as a day of rest in the District of Columbia, which was referred to the Committee on the District of Columbia.

Mr. BRANDEGEE presented a petition of the Equal Franchise League of New Canaan, Conn., praying for the adoption of an amendment to the Constitution granting the right of suffrage to women, which was ordered to lie on the table.

HOSPITAL SHIP FOR AMERICAN FISHERIES.

Mr. WORKS, from the Committee on Fisheries, to which was referred the bill (S. 1732) providing for the establishment of a hospital ship in connection with the American fisheries, asked to be discharged from its further consideration and that it be referred to the Committee on Public Health and National Quarantine, which was agreed to.

MEMORIAL OF BATTLE OF PLATTSBURGH.

Mr. ROOT. Mr. President, I reported from the Committee on the Library the other day the bill (S. 3662) to promote the erection of a memorial in conjunction with the celebration of the centenary of the Battle of Plattsburgh during the year 1914, in commemoration of the one hundredth anniversary of Macdonough's victory in the naval battle fought in the War of 1812, the last naval engagement between English-speaking peoples, and I asked that it be put upon the calendar. That was an inadvertence upon my part. It was the intention of the committee that the bill should be referred to the Committee on Appropriations, and I will ask that it be taken from the calendar and referred to that committee.

The VICE PRESIDENT. Without objection, that action will be taken.

BILLS INTRODUCED.

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. THOMAS:

A bill (S. 5478) granting an increase of pension to Lizzie Nelson (with accompanying papers);

A bill (S. 5479) granting an increase of pension to Delia Curry (with accompanying papers); and

A bill (S. 5480) granting an increase of pension to John Pace (with accompanying papers); to the Committee on Pensions.

By Mr. SHAFROTH:

A bill (S. 5481) granting an increase of pension to Martin V. B. Eisenbarger; to the Committee on Pensions.

By Mr. THOMPSON:

A bill (S. 5482) granting an increase of pension to John Collier (with accompanying papers); and

A bill (S. 5483) granting a pension to Frank West (with accompanying papers); to the Committee on Pensions.

By Mr. WALSH:

A bill (S. 5484) modifying and amending the act providing for the disposal of the surplus unallotted lands within the Blackfeet Indian Reservation, Mont.; to the Committee on Indian Affairs.

By Mr. CHAMBERLAIN:

A bill (S. 5485) granting an increase of pension to Edwin P. Kyle (with accompanying papers); to the Committee on Pensions.

By Mr. WARREN:

A bill (S. 5486) granting a pension to Elizabeth C. Miller (with accompanying papers); to the Committee on Pensions.

By Mr. O'GORMAN:

A bill (S. 5487) to supplement and amend an act entitled "An act to authorize the New York and New Jersey Bridge Cos. to construct and maintain a bridge across the Hudson River between New York City and the State of New Jersey," approved June 7, 1894; to the Committee on Commerce.

A bill (S. 5488) for the relief of the widow and minor children of Michael Gumb, deceased (with accompanying papers); to the Committee on Claims.

AMENDMENTS TO APPROPRIATION BILLS.

Mr. BRYAN (for Mr. FLETCHER) submitted an amendment intended to be proposed to the river and harbor appropriation bill, which was referred to the Committee on Commerce and ordered to be printed.

Mr. RANSDELL submitted an amendment proposing to increase the salary of the chief clerk, office of the Surgeon General of Public Health Service, from $2,000 to $2,500 per annum, intended to be proposed by him to the legislative, etc., appropriation bill, which was referred to the Committee on Appropriations and ordered to be printed.

NATIONAL FARM-LAND BANKS.

Mr. TOWNSEND. I submit an amendment which I intend to propose to House bill 12585, to establish national farm-land banks. I submit it by request, and ask that it be printed and, together with some papers in connection with it, referred to the proper committee.

The VICE PRESIDENT. The amendment will be printed and, with the accompanying papers, referred to the Committee on Banking and Currency.

AFFAIRS IN MEXICO.

Mr. LIPPITT. I submit the resolution which I send to the desk, and ask unanimous consent for its immediate consideration.

The VICE PRESIDENT. The Secretary will read the resolution.

The resolution (S. Res. 349) was read, as follows:

Resolved, That the President be requested, if not incompatible with the public interest, to inform the Senate whether there is any foundation for the following statement which appeared in the Washington Post of May the 5th:

"PRESIDENT MAY AID GEN. VILLA TO BECOME THE NEXT RULER OF MEXICO.

"The President is endeavoring to obtain all the light he can on the Villa-Carranza relationship and upon Villa's character. The possibility of a crisis calling for decision on the part of the American Government as between the two men is recognized. There are some among the President's advisers who believe that the better policy for the United States to pursue in meeting the situation that will follow the passing of Huerta is to see that a military leader of proven strength is placed in power at Mexico city, rather than a political leader of the Carranza type.

"PEACE THE CHIEF CONCERN.

"These men argue that the chief concern of the United States must necessarily be peace in Mexico. As they see it, the President will be in far better position to claim success for his policy if he can show

a Mexico brought to peace by the iron hand of Villa than if the Mexican capital presents the spectacle of dissension in the name of constitutionalism. Whether there is reason or not, they fear that a Carranza régime would be a repetition of the Madero experience.

"Since Carranza uttered what was construed here as a defiance of the United States following the dispatch of the Atlantic Fleet to Mexican waters, administration leaders have become convinced that he can not be relied upon to follow Washington dictation or advice, and they believe there must be some measure of direction from here if a new Mexican Government is to get on its feet.

"STRONG MEN NEEDED.

"The strongest influence in inducing them to favor Villa, despite his bad record is, however, the conviction that what Mexico most needs is a man who by force of arms can keep down revolution and restore peace throughout the land, and no questions asked about the constitution and constitutionalism. They think Villa may prove another Porfirio Diaz.

"It is this consideration that has brought Villa to the fore as the American 'hope.'

"The chief concern of the very active confidential agency maintained by the Carranzistas in Washington is to head off this pro-Villa movement."

The VICE PRESIDENT. Is there objection to the present consideration of the resolution?

Mr. STONE. Mr. President, I do not know just why this editorial should be dignified by the Senator from Rhode Island by having it read into the RECORD.

Mr. LIPPITT. If the Senator will excuse me just a moment, it is not an editorial; it is a news item.

Mr. STONE. Well, whatever it is, I do not think it ought to have been presented at this particular time; but, of course, the Senator can judge as to that from his own standpoint. At all events, I shall object to the present consideration of the resolution.

The VICE PRESIDENT. The resolution goes over under the rule.

Mr. LODGE. In this connection I should like to have printed in the RECORD an extract from the Daily Telegraph, of London, of the 15th of April, 1914, which gives some account of Francisco Villa, with names of persons and places and dates, and ask that it lie over with the resolution submitted by the Senator from Rhode Island [Mr. LIPPITT].

The VICE PRESIDENT. In the absence of objection, that action will be taken.

Mr. MCCUMBER. Mr. President, the editorial referred to by the Senator from Massachusetts, I presume, is a very short one; it is upon somewhat of a live topic, and might be of interest to the Senate. I therefore ask unanimous consent that it may be read, in order that we may know what it is.

The VICE PRESIDENT. Is there objection?

Mr. STONE and Mr. LEA of Tennessee. I object.

The VICE PRESIDENT. Objection is made.

Mr. LODGE. If there is objection, I will ask that the extract be returned to me, and I will find time to read it. I understood that consent was given to print it in the RECORD.

The VICE PRESIDENT. Unanimous consent was given, and then the Senator from Massachusetts withdrew the article.

Mr. LODGE. The Senator from North Dakota [Mr. MCCUMBER] asked that it be read, and permission was refused. Under those circumstances, I suppose it will not be printed in the RECORD, and therefore I shall take occasion in the course of the debate to read it.

Mr. SMITH of Georgia. I understood that unanimous consent was given to print it in the RECORD.

Mr. LODGE. Unanimous consent was given, but the Senator from North Dakota asked that it be read.

The VICE PRESIDENT. There is no doubt about the fact that unanimous consent was given to print it in the RECORD.

Mr. LODGE. The Senator from North Dakota asked that it be read, but objection was made.

Mr. HUGHES. Mr. President, did the Senator from Massachusetts ask that it be read? I understood that he simply wanted it printed in the RECORD and that some other Senator asked that it might be read.

Mr. LODGE. I asked that it be printed in the RECORD and consent was given, and then the Senator from North Dakota asked that it be read.

Mr. HUGHES. I did not object to the request of the Senator from Massachusetts.

Mr. LODGE. The article is very short, and I can see no objection to its being read. The reading would not take five minutes.

Mr. HUGHES. If the Senator from Massachusetts desires it read, I do not think there will be any objection.

Mr. LEA of Tennessee. I objected, although I will not object if the Senator from Massachusetts desires it to be read.

Mr. LODGE. Then I ask that it may be read.

Mr. STONE. That is a very long article.

Mr. LODGE. It is a short article, and I can read it in a few moments.

Mr. STONE. I was judging from its appearance.

Mr. LODGE. Very well; if the Senator insists that I shall read it myself, I will do so.

Mr. STONE. The Senator can read it if he wishes.

Mr. LODGE. Of course, I can read it if I wish.

Mr. STONE. The Senator need not grow impatient about it.

Mr. LODGE. But it seems to me such a waste of time——

Mr. STONE. I think it is a waste of time, and therefore I objected to its being read.

Mr. LODGE. When the Senator hears the article, he will find that it is not a waste of time to read it.

Mr. STONE. I have no objection to its being put into the RECORD without reading.

Mr. POINDEXTER. Mr. President, if the Senator from Massachusetts will allow me, I understand this article gives some account of the life of Pancho Villa?

Mr. LODGE. It is an account taken from a London paper of Villa's life and of some of the things he has done, giving names, places, and dates—information which, as I recall, has not been presented heretofore with any thoroughness.

Mr. POINDEXTER. Of course, Mr. President——

Mr. LODGE. I do not understand that the article reflects on anyone connected with the present administration, for I do not assume that Villa is yet connected with it, or that it is treasonable or disrespectful to say anything in regard to him.

Mr. POINDEXTER. Mr. President——

Mr. LODGE. I beg the Senator's pardon.

Mr. POINDEXTER. It is not my purpose to object. It is a matter of a good deal of interest, I think, and there has been much said on this general subject matter; but I should like to inquire of the Senator from Missouri, the chairman of the Committee on Foreign Relations, whether or not it is true, as reported, that the State Department has had prepared a sort of official life of Villa for the information of Senators? I noticed such a statement, I think, in this morning's paper.

Mr. STONE. Mr. President, I saw something of the kind in a newspaper, and that is all I know about it. I call for the regular order.

The VICE PRESIDENT. Morning business is closed.

PANAMA CANAL TOLLS.

Mr. GOFF. Mr. President, I ask the indulgence of the Senate for a moment merely to give notice that on Friday next, the 8th instant, after the conclusion of the routine morning business, I shall ask permission to submit a few observations on Panama Canal tolls.

MANIFESTS OF VESSELS IN COLUMBIA RIVER.

Mr. LANE. Mr. President, I have in charge a bill which has been favorably reported upon by the Committee on Commerce, but it has not been reached in regular order upon the calendar. It is a short bill. There is no objection to it that I know of. If possible, I should like to get it through. I ask unanimous consent for the immediate consideration of the bill (S. 3886) to repeal sections 2588, 2589, and 2590 of the Revised Statutes of the United States.

Mr. SMOOT. Let it be read.

The VICE PRESIDENT. The Secretary will read the bill.

The Secretary read the bill, as follows:

Be it enacted, etc., That sections 2588, 2589, and 2590 of the Revised Statutes of the United States be, and the same hereby are, repealed.

Mr. CLARK of Wyoming. What is the purpose of the bill?

Mr. LANE. I will state for the information of the Senate that all ships coming into the port of Portland, Oreg., first pass Astoria, another port at the mouth of the river. Under an old law they are compelled to stop there and make a report to the local customhouse officer. In the early days there was a customhouse officer there, but at this time he is merely a deputy of the customhouse officer at Portland, Oreg. It detains ships two or three hours, or may do so. If they were allowed to proceed on up the river it would save delay, which is expensive. When the canal is completed the Hamburg-American Line and other companies with which you are all familiar are going to put on lines of steamers. They have entered a protest against having to stop a large steamer for a purpose which, they claim, produces no good end. The Chamber of Commerce of Portland, Oreg., wrote me a letter, which I have in my hand, asking me to have the law repealed. I took the matter up with the Treasury Department, and they said they had no objection to it and it ought to be done.

Mr. CLARK of Wyoming. Is there a letter accompanying the bill?

Mr. LANE. I have a letter in my office from the department, but there is a letter here from the Chamber of Commerce of Portland which explains it.

Mr. CLARK of Wyoming. I should like to have the letter from the department read.

Mr. LANE. Then the bill may go over until to-morrow that I may bring to the Senate the letter from the department.

Mr. PERKINS. The letter from the department is printed in the report.

Mr. LANE. There is a report from the Committee on Commerce. The committee reported the bill favorably after a full investigation. The report was made by the senior Senator from California [Mr. PERKINS], who has been engaged for a lifetime in that line of business and knows exactly the effect of the restriction much better than I do.

Mr. BRISTOW. The Senator from California states that the letter referred to is in the report of the committee.

Mr. CLARK of Wyoming. I should like to hear the letter read, because I have an idea that possibly the repeal of these three sections of the statute may affect vessels other than those the Senator mentions, which are bound solely to Portland, Oreg.

Mr. LANE. It is a local statute, if the Senator pleases.

Mr. CLARK of Wyoming. It is a United States statute.

Mr. LANE. The statute applies locally to that port. I ask that the letter may be read.

The VICE PRESIDENT. The Secretary will read the letter.

The Secretary read as follows:

TREASURY DEPARTMENT,
OFFICE OF ASSISTANT SECRETARY,
Washington, January 28, 1914.

The CHAIRMAN COMMITTEE ON COMMERCE,
United States Senate.

SIR: I have the honor to acknowledge the reference by your committee, dated the 23d instant, of S. 3886, a bill to repeal sections 2588, 2589, and 2590 of the Revised Statutes of the United States.

These sections require the master of a vessel entering the Columbia River, bound for Portland, Oreg., to exhibit his papers to the collector at the port of Astoria and take on board an inspector, and also, when bound to sea, to leave a copy of his manifest at Portland.

This procedure entails delay and expense and does not in any way tend to increase the protection to the revenue, and I recommend that the proposed legislation be enacted.

By direction of the Secretary.

Respectfully, CHARLES S. HAMLIN,
Assistant Secretary.

Mr. LANE. I ask the Senator from Wyoming if that letter removes his objection to the bill?

Mr. CLARK of Wyoming. I do not know that I have any objection to it.

Mr. LANE. It is merely a local matter, and, so far as I know, applies only to those two ports. The Treasury Department has recommended the passage of the bill, and the object is merely to facilitate commerce.

Mr. SMOOT. I suggest to the Senator that an amendment should be made to the bill by inserting, in line 5, after the words "United States," the words "relative to manifests of vessels," so that the object of the bill may be stated in the bill itself. That is generally the rule in passing bills repealing certain statutes. If the Senator has no objection, I will offer that amendment.

Mr. LANE. I have no objection if it in no wise interferes with the purpose of the bill.

Mr. SMOOT. No; it will be no interference whatever. I propose to insert, after the words "United States," the words "relative to manifests of vessels," and the bill will then read:

That sections 2588, 2589, and 2590 of the Revised Statutes of the United States, relative to manifests of vessels, be, and the same hereby are, repealed.

Mr. LANE. I will accept that amendment.

The VICE PRESIDENT. Is there objection to the present consideration of the bill?

There being no objection, the bill was considered as in Committee of the Whole.

The VICE PRESIDENT. The amendment submitted by the Senator from Utah will be stated.

The SECRETARY. In line 5, after the words "United States," insert a comma and the words "relative to manifests of vessels."

Mr. LANE. Mr. President, would that amendment still compel the stopping of vessels there for some other purpose?

Mr. SMOOT. No, Mr. President. The sections named will be repealed. The amendment provides for a particular reference to the subject of the sections named in the bill. It will not change the effect of the Senator's bill.

Mr. CLARK of Wyoming. Mr. President, of course the result of the passage of this bill will be virtually to abolish Astoria as a port of entry.

Mr. LANE. No.

Mr. CLARK of Wyoming. If the Senator will read section 2590 of the Revised Statutes, which this bill proposes to repeal, he will see that substantially it will do so, except that a vessel loaded entirely with goods for Astoria will stop. Section 2590 reads:

SEC. 2590. When a vessel shall arrive at Astoria, in the district of Oregon, from sea, having merchandise on board for that place and also for Portland, in the district of Willamette, such vessel shall enter at Astoria and discharge such portion of her cargo as is destined for that place, whereupon the collector shall cause her hatches to be closed and sealed, and shall then permit her to proceed to Portland in charge of a customs officer.

The effect of the Senator's bill would be to repeal that section of the Revised Statutes and the two preceding sections. It seems to me, upon a cursory examination, that goods bound for Astoria would pass Astoria, proceed to Portland, enter there, and be reshipped to Astoria. If the Senator from Oregon is satisfied with that condition, of course, it being a local matter, I have no objection. I have not any question, however, but that would be the operation of the bill if passed.

Mr. LANE. There is merely a deputy there, and the main port has been placed at Portland, Oreg. A majority of the vessels which come in go on through.

Mr. CLARK of Wyoming. Is there not a customhouse at Astoria?

Mr. LANE. There was in the past.

Mr. CLARK of Wyoming. Is there not one now?

Mr. LANE. With a deputy in charge of it; yes.

Mr. CLARK of Wyoming. The United States collects customs dues there?

Mr. LANE. We formerly had a customhouse at Portland, another one at Coos Bay, another one at Astoria, and another one at Yaquina. They have all been consolidated and merged into one under an Executive order by President Taft.

Mr. CLARK of Wyoming. But the Senator from Oregon concedes the fact, as I understand, that a vessel with goods for Astoria on board, under his proposed law would pass Astoria, go to Portland, make entry of the goods there, and then they would be compelled to reship to Astoria. As I have said, however, this is a local matter, and I shall not object to it.

Mr. LANE. What the Senator from Wyoming says may be true, and yet, as a matter fact, the great bulk of the shipping goes on to Portland, but under the present law all vessels have to stop at Astoria, involving considerable delay. There would be more harm done by leaving the law as it is, as I understand, than there would be by making a change, which would facilitate the transportation of the freight of the entire Columbia River country.

Mr. CLARK of Wyoming. Of course I have no earthly objection to the local desire in this matter.

Mr. LANE. I will state for the information of the Senator from Wyoming that I have had correspondence with people living at Astoria, and on presenting to them the claim of the Hamburg-American Line and the petition of the Chamber of Commerce of Portland I have had no serious protests against the proposition, and in some cases have had a concurrence in the idea—an assent to it.

I think the measure is all right. If I did not think so, I would not present it. I do not know just what effect the amendment of my friend from Utah [Mr. SMOOT], who lives far from the sea, although near very salty water, will have on the bill. I would rather have the opinion of the Senator from California [Mr. PERKINS] than that of the Senator from Utah, the Senator from California being more closely associated with that line of work. I do not know whether the proposition of the Senator from Utah will not still compel vessels to be held up at Astoria, though it looks so innocuous on its face.

Mr. SMOOT. Mr. President, I will assure the Senator from Oregon that the amendment will have no effect whatever on the bill as introduced by the Senator, with the exception of stating in the bill the object of the sections of the law referred to. They are relative to the manifests of vessels. That is what the law refers to, and that is all the amendment provides.

Mr. LANE. The Senator from Utah has been able to qualify on a good many different subjects since I came here; but I had sort of sidetracked him in my own mind in matters concerning the sea, having been around that portion of the globe, I think, more than he. He may be right about this matter, but I would much prefer, if it would suit the Senator just as well, to have him withdraw his amendment and let the bill pass in its present form.

Mr. SMOOT. I do not care anything about the matter, only I say that every bill which has passed in the Senate since I have been here repealing or amending a statute of the United States has always stated the substance of the statute proposed to be repealed or amended, and this bill does not do so. Of course, if the Senator from Oregon desires that I withdraw the amendment, I am perfectly willing to withdraw it, and I ask unanimous consent that it be withdrawn.

Mr. LANE. Inasmuch as this measure has been in the hands of my old seafaring friend, the Senator from California [Mr. PERKINS], and has met with his approbation, I had rather rest on his judgment than on that of a Senator from the interior salty shores of the great Salt Lake. I prefer to have the bill go through as I introduced it. Will the Senator from Utah withdraw his amendment?

Mr. SMOOT. I have asked unanimous consent to withdraw the amendment.

The VICE PRESIDENT. In the absence of objection, the amendment is withdrawn.

The bill was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

HOUSE BILLS REFERRED.

The following bills were severally read twice by their title and referred to the Committee on Public Buildings and Grounds:

H. R. 3988. An act for the purchase of a building and lot as a mine rescue station at McAlester, Okla.; and

H. R. 12291. An act to increase the limit of cost for the extension, remodeling, and improvement of the Pensacola (Fla.) post office and courthouse, and for other purposes.

The following bills were severally read twice by their title and referred to the Committee on Indian Affairs:

H. R. 10832. An act to amend section 2 of an act approved March 2, 1907, entitled "An act providing for the allotment and distribution of Indian tribal funds" (34 Stats. L., 1221, 1222);

H. R. 10833. An act authorizing the Secretary of the Interior to lease for grazing and agricultural purposes unallotted lands within Indian reservations established by act of Congress or Executive order;

H. R. 10846. An act to authorize the Secretary of the Interior to use in the purchase of live stock, seeds, and agricultural equipment moneys appropriated to fulfill treaty obligations; and

H. R. 11246. An act for the restoration of annuities to the Medawakanton and Wahpakoota (Santee) Sioux Indians, declared forfeited by the act of February 16, 1863.

H. R. 11740. An act to amend an act entitled "An act creating a legislative assembly in the Territory of Alaska and conferring legislative power thereon, and for other purposes," approved August 24, 1912, was read twice by its title and referred to the Committee on Territories.

H. R. 13770. An act to consolidate certain forest lands in the Sierra National Forest, Cal., was read twice by its title and referred to the Committee on Public Lands.

PANAMA CANAL TOLLS.

Mr. O'GORMAN. Mr. President, I ask that the canal tolls bill be temporarily laid before the Senate, so that the senior Senator from Missouri [Mr. STONE] may have an opportunity to address himself to that subject.

The VICE PRESIDENT. Is there any objection?

There being no objection, the Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 14385) to amend section 5 of an act to provide for the opening, maintenance, protection, and operation of the Panama Canal and the sanitation of the Canal Zone, approved August 24, 1912.

Mr. STONE. Mr. President, the senior Senator from Wisconsin [Mr. LA FOLLETTE] has given notice that he would address the Senate during the morning hour to-day on a bill in which he is interested. He has sent me word, however, that he is not quite ready to proceed and has stated that it would be an accommodation to him if I should go on in advance.

Mr. President, ordinarily when I am addressing the Senate I do not object to interruptions, but I do not feel physically able to engage in a running debate or controversy which might be prolonged indefinitely. So I would rather proceed without interruption, for I think even that will tax my strength, and, unless some Senator feels impelled by some overmastering impulse to "butt in," I will pursue the course I have indicated.

Mr. President, among other things I wish to advert to at this time, and upon which I desire to express my opinion, is that clause of the last Baltimore platform which relates to tolls on coastwise vessels passing through the Panama Canal; and perhaps I had as well dispose of that now in the first instance. During my recent protracted illness it was impossible for me to keep myself fully advised as to the progress made in Congress on the proposal to repeal the free-toll provision of the act of 1912—the Panama Canal administration act. It has been only since my convalescence that I have been able to employ the sources of information at my command to inform myself of the trend of events. During the last several weeks of that convalescence I have scanned the CONGRESSIONAL RECORD with some regularity, glancing through many speeches on the tolls question, and reading some of them in full. I have been astonished to find that a number of Democrats in both Houses, and among them some quite eminent gentlemen, have found themselves embarrassed by the canal-tolls clause of the platform to which I have referred. Now, Mr. President, I am myself a firm believer in keeping the obligation resting on all men to observe the declarations set forth in their party platforms and to keep the faith. I think I am as ardent an advocate of that policy as any other Democrat. Nevertheless, I am unable to see why anyone should be embarrassed by this clause in the Baltimore platform, for according to my view there is nothing in it that should occasion embarrassment. It seems to me those Senators and Members of the House who have been beset with difficulties because of the platform have taken a superficial view of that pronouncement, not going to the root of the matter, and that they have forgotten or overlooked the circumstances surrounding the adoption of the platform, and have thus allowed themselves to be misled and to form an ill-considered judgment. I voted for free tolls when that question was before the Senate in 1912; I expect at this time to vote to repeal that provision of that law; and I am now going to show, as I think I clearly can, that in doing this I do not in any degree stultify myself, or even subject myself to the criticism of inconsistency. Let me state, however, that I do not justify my present course with any pretense of having changed my opinion, for I have not changed my opinion in the least in any respect.

ACT 1912, AND SUBSIDIES.

Mr. President, let me state this question as I understand it, and as it appeared to me three years ago, and as it appears to me now. In 1912 this country was engaged upon the stupendous task of constructing the Panama Canal at an enormous expense. We were constructing it across territory which had been acquired by the United States for canal purposes, and over which territory we were then as now exercising practical sovereignty. For some time there had been a widespread discussion in this country, in and out of Congress, as to the policy this Government should adopt with respect to tolls on vessels of American registration and flying the American flag. That discussion culminated in the legislative proposition introduced in Congress to allow a part of our seagoing merchant vessels, namely, vessels engaged in coastwise traffic, to pass through the canal without the payment of tolls. As this proposition assumed form and potency Great Britain stepped in and filed with our State Department a formal and earnest protest against the enactment of any law exempting any American vessel from the payment of tolls, holding that such a statute would be an unlawful discrimination in favor of American ships. This protest was based on the Hay-Pauncefote treaty, made between the United States and Great Britain. The British contention was that under the terms of that treaty the United States could not lawfully allow any exclusive favor to American vessels or make any discrimination whatever on their account as against the vessels of other nations. Our State Department joined issue with the British Government on that contention. That issue involved the construction of the Hay-Pauncefote treaty. On that issue I absolutely agreed with the interpretation placed on the treaty by our Government. I was fully convinced in my own mind that the United States had the right, under the very terms of the treaty itself, and without violating either the letter or spirit of that convention, to allow our coastwise vessels to pass through the canal free of tolls.

I speak not now of any question of power or policy, but only of our naked right under the treaty to exempt our coastwise vessels from toll exactions. More than that, I was equally convinced that the United States had the right under the treaty to exempt not only our coastwise trade vessels from the payment of tolls, but also to exempt our over-sea vessels from the payment of tolls. That was my conviction in 1912, and it is my conviction to-day. As to whether we should exempt any class of American vessels from the payment of tolls, I then regarded, and now regard, as a purely domestic question with which foreign nations justly and lawfully have nothing to do. That was the contention of our Government in 1912 so far as coastwise vessels were concerned. There was, therefore, a sharp and clearly defined international issue raised between Great Britain and the United States. I will not review the arguments pro and con presented at that time; that is unnecessary; it answers my purpose now merely to state the issue and the conclusion whether the United States had a lawful right under the treaty to discriminate in favor of its coastwise vessels with respect to tolls. We said, "Yes"; Great Britain

said, "No." I regarded that issue as one of transcendent and far-reaching importance, for it involved to a certain degree our sovereign right and power over the canal. When I came to determine my course and cast my vote on the bill pending in 1912 I found myself confronted with two distinctly antagonistic propositions with which I was compelled to deal. First, the vote I should cast would represent my judgment and decision on the international issue involving the construction of the treaty. The lawmaking power of this country, Congress and the President, were about to deliver to the world their verdict and judgment on the interpretation of the treaty, thereby defining our position, so far as Congress could define it, as to the right of the United States to exercise a sovereign control over the canal with respect to our purely domestic shipping; and with my profound conviction on that question I was obliged, in the very nature of things, to support the pending legislation. That was one of the questions I had to meet at that time. The other was the subsidy question involved in the legislation. I knew that in voting for that law I was voting for a bill granting a subsidy to our coastwise vessels; and I knew also full well that the Democratic Party was thoroughly committed to a policy of opposition to all forms of subsidies, direct or indirect, to our merchant marine, or any part of it, or to any kind of legislation that would impose a tax burden on the American people in the interest of shipbuilders and shipowners. That was and for years had been a historic party policy—a policy proclaimed years before and repeated from time to time in different national platforms. For example, as late as 1908, at the Denver convention, the last convention held prior to that at Baltimore, the platform contained this declaration:

> We believe in the upbuilding of the American merchant marine without new or additional burdens upon the people and without bounties from the Public Treasury.

Again, in 1904, the St. Louis convention inserted this declaration in its platform:

> We denounce the ship-subsidy bill recently passed by the United States Senate as an iniquitous appropriation of public funds for private purposes and a wasteful, illogical, and useless attempt to overcome by subsidy the obstructions raised by Republican legislation to the growth and development of American commerce on the sea. We favor the upbuilding of a merchant marine without new or additional burdens upon the people and without bounties from the Public Treasury.

It will be observed that this convention specifically denounced a subsidy bill which had recently theretofore passed a Republican Senate. That bill, which passed the Senate March 17, 1902, granted subsidies for carrying mails, and also granted direct subsidies based on the tonnage of vessels entering American ports. The Democrats in Congress opposed that measure. During my service here as a member of the Commerce Committee and on the floor of the Senate I have opposed subsidy legislation on more than one occasion, as did all Democrats. That was our party attitude in Congress. These quotations I have made from the platforms of 1904 and 1908 are enough to disclose the established doctrine of the Democratic Party on the subject of ship subsidies. I knew all about this party doctrine when I cast my vote for free tolls in 1912. I confess that the situation in which I then found myself was in the beginning somewhat embarrassing to me, but on due reflection I solved the question of my duty and discharged that duty in the end without embarrassment. There were, as I have said, two propositions involved. One of these related to an international question involving an important American right which another country was disputing and antagonizing. The other of these two questions was a domestic question relating to our domestic policy, and which concerned our own country alone. If the international issue had not been present in 1912, and if the only question before Congress had been the allowance of free tolls to coastwise vessels I would have voted "No" on the passage of the bill, instead of voting "Yea." But it seemed clear to me that in the circumstances of the situation I should for the time being subordinate and put aside the domestic question and cast my vote so as to assert the right of the United States under the treaty to exercise its own pleasure with respect to assessing tolls on our coastwise vessels. After settling the international question, after disposing of that, so far as we were concerned by passing that law, I felt that we could at any time thereafter take up the domestic question involved and dispose of that as we might see fit to do. Upon this theory I cast my vote in 1912.

But now, Mr. President, we are here to-day to deal with the tolls question from the other standpoint, that of treating it as a question with which we are alone concerned. It is now proposed to repeal that provision of the act of 1912 exempting American coastwise ships from the payment of tolls. That is now a question of our own, with which foreign nations have nothing to do. We have now taken up this question on our own initiative. No foreign country is making any effort or in any wise attempting to exercise an influence, so far as I know, intended to affect the legislation upon which we are now engaged. We answered the protest of Great Britain through the act of 1912, thereby asserting our dissent to the British contention and our unhampered right to exempt from tolls our coastwise shipping if we so desired, and since then that Government has taken no further action nor made any further protest in the premises. So far as I am advised all foreign Governments have been standing aloof with hands off since the passage of the act of 1912. I believe it to be true that some foreign Governments, how many I know not, do not coincide with our construction of the Hay-Pauncefote treaty, but none so far as I know has taken any formal action in the premises since 1912. True it is that in the course of the present debate some Senators and Representatives have declared that the exemption provision of the law of 1912 should be repealed because in their opinion it is in conflict with the Hay-Pauncefote treaty and that its enactment did in some sense involve the good faith and honor of this Nation. But that is being said here in Congress and in American and foreign newspapers, and not by foreign Governments. As to that contention, by whomsoever made, I absolutely dissent, for I still believe that the act of 1912 asserted no right to which we are not lawfully entitled within the very terms of the treaty. No foreign Government is now asking us to repeal this law; no foreign Government has filed or presented any protest since its enactment. I stand by what we did in 1912 as being within our right. But now, on my own account and for my own reasons, and without reference to the opinion or contention of any other man, I stand ready to vote to repeal the free tolls provision—in other words, the subsidy provision of the act of 1912—because I am opposed to that provision as being an unwise and vicious economic policy and because the Democratic Party has wisely committed itself against the policy of subsidizing.

On the merits of the pending question I can find no satisfactory reason why the American people should grant a subsidy of millions to this special interest, the coastwise merchant fleet, which now enjoys under our laws an absolute monopoly of the enormous traffic carried on along the coasts of all the seas bordering this continent. None but American vessels can enter into this coastwise business; it is a monopoly enjoyed by the American ships engaging in it. The construction of the canal has cost the American people $400,000,000, and it will require millions annually to maintain and operate it. Every vessel passing through the canal will entail an expense. Why should these already favored ships be permitted to utilize this waterway without contributing a farthing toward its maintenance or toward the expense of passing them through from sea to sea, or toward the creation of a fund for the gradual reimbursement of the Public Treasury for the enormous outlay it has been put to in the construction of the canal? I feel that the United States has already gone far enough in granting legislative favors and privileges to coastwise vessels. The corporations operating these vessels have not shown any great appreciation of the favors already bestowed upon them. I hear talk now to the effect that transcontinental railroads are backing the movement for the repeal of the free-tolls provision. So far nothing has come to me to convince me that this statement is true. But I heard something the other day down at Norfolk, near which city I was recreating for several weeks, that would seem to prove that there is some kind of combination between the Atlantic coastwise vessels and the railroads south of the Potomac River.

I was informed from such trustworthy sources that I assert it to be a fact, that these coastwise ships refuse to convey any passenger from Norfolk to any port south of that city. They will not carry any person from Norfolk to Charleston, or Savannah, or Jacksonville, or any other point on the South Atlantic coast. I was told of one man who purchased a ticket at Baltimore for one of the southern cities I have named. From Baltimore he went to Norfolk by rail, intending to take the boat at that point, but the boat's officers refused to allow him to go aboard. This looks very much like a ship-railroad combination. No; Mr. President, I see no good reason why this subsidy should be given to the owners of these ships; and if it is given it will be a subsidy pure and simple. No man will deny that it is a subsidy. That is admitted on all sides. For example, in the correspondence held between Secretary Knox and representatives of the British Government on the subject of these canal tolls, I find this expression in a letter sent by our Secretary to our embassy at London to be shown to Sir Edward Grey, the British Secretary of State for Foreign Affairs, namely:

> The exemption of the coastwise trade from tolls—

Said Secretary Knox—

or the refunding of tolls collected from the coastwise trade is merely a subsidy granted by the United States to that trade, and the loss resulting from not collecting or from refunding those tolls will fall solely upon the United States.

I also find the following in a letter addressed by the British Embassy at Washington to our Secretary of State:

The proposal to exempt all American shipping from the payment of the tolls would, in the opinion of His Majesty's Government, involve an infraction of the treaty, nor is there in their opinion any difference in principle between charging tolls only to refund them and remitting tolls altogether. The result is the same in either case.

I also find the following in a letter addressed by the British Secretary for Foreign Affairs to the British ambassador at Washington to be shown to Secretary Knox:.

If the United States exempts certain classes of ships from the payment of tolls the result would be a form of subsidy to those vessels which His Majesty's Government consider the United States are debarred by the Hay-Pauncefote treaty from making.

I could add numerous expressions of like kind and to the same effect from men of such distinction and learning as to entitle them to be regarded as authority. But that would be useless, as no one, I take it, will join issue with what I have quoted, or for a moment contend that the exemption of our vessels from tolls would not be in effect the exact equivalent of collecting tolls and then refunding them.

BALTIMORE PLATFORM.

Now, Mr. President, this brings me directly to the Baltimore platform, and to the consideration of that clause of the platform which seems to occasion embarrassment to some Democrats in Congress. That canal-tolls clause of that document is in this language:

We favor the exemption from toll of American ships engaged in coastwise trade passing through the canal.

Mr. President, in determining the correct significance and meaning of that declaration we should look not alone at the phraseology of this resolution, separate and apart from every other consideration, but it is necessary that we should consider it in connection with the whole platform, and in the light of such historical data as may bear upon the subject treated in that resolution. Examining the platform we find under the appropriate heading, "Merchant marine," four resolutions relating to that subject. The first of these is in this language:

We believe in fostering by constitutional regulation of commerce the growth of a merchant marine which shall develop and strengthen the commercial ties which bind us to our sister Republics of the south, but without imposing additional burdens upon the people and without bounties or subsidies from the Public Treasury.

Here we find that the convention reaffirmed the old, historic doctrine of the Democratic Party against granting bounties or subsidies from the Public Treasury to the merchant marine. Almost immediately following this declaration just quoted, and under the same heading, we find the resolution relating to the exemption of coastwise vessels from the payment of tolls. If we should stop there without further inquiry we should be apparently confronted by two declarations, one almost immediately following the other, in direct and irreconcilable conflict with each other. Mr. President, I assume that the gentleman who wrote the platform and the convention which adopted it did so with their eyes open, conscious of what they were doing, and that they did not understand or believe that they were stultifying themselves, nor did they intend to stultify themselves, by perpetrating any such absurdity. Undoubtedly the platform committee and the convention consciously and deliberately intended to assert, as they did, the party opposition to bounties and subsidies. for the resolution in which that was done announced nothing new, but merely repeated and reasserted an old doctrine of the Democratic Party. The convention never intended to say that it favored a subsidy, temporary or permanent, to be paid out of the Public Treasury to the merchant marine or to any part of it. Such a thing as that is absolutely unthinkable. If that were not so, then the convention not only stultified itself by adopting two distinctly antagonistic resolutions, but one of these resolutions would have been a radical and complete reversal of the long-established policy of the party.

I repeat, Mr. President, that the convention never intended to do any such thing as that, and did not, in fact, do any such thing as that. All the convention meant to do by the resolution respecting free tolls was to approve what Congress had done, and especially what Democratic Senators and Representatives had done, in voting to pass the law of 1912. We all know that the free-tolls provision of that act is in direct contravention of the Democratic policy. I have already spoken sufficiently upon that subject and will not further elaborate it. The Baltimore convention desired to put the seal of its approval upon the course taken by the Congress in registering its solemn interpretation of the Hay-Pauncefote treaty to the effect that the United States had the right to pass American vessels without the payment of tolls if it so desired; but the convention did not mean and could not have intended to reverse the party doctrine of antagonism to subsidies, and to commit the party to the policy of granting subsidies. In the same platform the convention approved and applauded the efficiency, economy, and constructive work of the Democrats in Congress. It specifically approved of numerous measures passed by the Democratic House of Representatives and advocated by Democrats in the Senate, such as the bill relating to tariff taxation, to the admission of Arizona and New Mexico, to the submission of a constitutional amendment for the popular election of Senators, to prevent the abuse of the writ of injunction, to the passage of an 8-hour law for workmen on public works, and other bills which had been acted upon by the House. With a like purpose and in the same line of thought, the convention adopted the resolution, under a proper caption, with respect to the nonpayment of tolls by coastwise vessels. It was in that spirit and with that meaning that the resolution about tolls was incorporated in the platform, and for no other reason.

WAS CONVENTION DELEGATE.

Mr. President, I was a delegate to the Baltimore convention. I heard the platform read and concurred in adopting it. I did not understand, or for one moment imagine, that the tolls resolution was intended to commit the Democratic Party to the policy of subsidizing American ships—a policy which had been distinctly denounced in the preceding resolution. Both resolutions were embodied in the same group of resolutions and under the same caption. I understood then, as I do now, that the convention only meant to uphold and indorse the act of Congress in asserting the right of the Government of the United States to regulate the question of tolls on coastwise vessels according to its own untrammeled judgment. Surely no Democrat will contend that the convention intended to commit the Democratic Party to the policy of ship subsidies, and certainly not to make subsidies a fixed and permanent party policy. If we can not now safely and consistently repeal the coastwise tolls provision of the act of 1912 because of what happened three years ago, or because of this platform declaration, then we have tied our hands as with a Gordian knot, and we will be forever powerless to rid ourselves of it unless we cleave it with a sword. If that be true, then we have reversed our historic position on the question of subsidies and become, in the twinkling of an eye, the boldest, most arrant, and uncompromising advocates of subsidies. I utterly repudiate the notion that the Democratic Party has placed itself in any such pitiable condition.

It may be that the resolution might have been, and I think could have been, so phrased as not to leave the meaning of the convention in doubt or even open to quibble, but there can be no reasonable doubt as to what the convention intended to do. Mr. President, I have no question that I am absolutely right in my construction of the platform. There are a number of Senators here who were delegates to that convention, and some who were members of the committee on resolutions and platform. Among the Senators who served on that committee I recall the Senator from Indiana [Mr. KERN], who reported the platform to the convention; the Senator from Montana [Mr. WALSH]; and the Senator from New York [Mr. O'GORMAN], now chairman of the Senate committee having charge of the pending bill, and who is exerting his great powers to defeat this measure. No doubt there are other Senators here who served on that platform committee. I am bound to assume that at least these Senators who helped to write the platform knew what was in it and had a clear conception of its meaning. They at least must have understood just what was meant by the first resolution written under the head of "Merchant marine." They at least must have understood that when that resolution emphatically declaring against the payment of bounties or subsidies was written it reasserted, and was intended to reassert, the oft-proclaimed doctrine of the party. There could be but one interpretation, one possible meaning, to that declaration.

Then, Mr. President, I would like to know if any of these Senators had it in his mind deliberately to follow that declaration against subsidies with another resolution in favor of subsidies? Did they intend to commit any such gross inconsistency, any such astounding abortion as that? I can not believe it. Did any Senator here who represented his State in that convention intend in one breath to declare against subsidies to ships and in the next breath to declare in favor of subsidies to ships? Did anyone intend to perpetrate an act so inde-

fensible or intend to take part in any such discreditable double-dealing as that? I do not believe it. If my understanding and construction of this platform be not true, then this part of the platform is incongruous and contradictory, if not absolutely contemptible. And now having said this much on this subject I dismiss it.

IRISH AMERICANS.

Mr. President, I turn now to another phase of the discussion had on this bill which attracted my attention while recuperating amid agreeable, albeit sedate, environments in Virginia. Looking on from that distance I was amused as I watched the antics of those who resorted to the antiquated and now almost harmless trick of twisting the knotted tail of the British lion, and especially so as I observed the heroic and desperate waste of energy in the process.

It was apparent that all these spectacular and ferocious attacks on the old Lion's rear defenses, and all the fusillades of eloquence fired at him by inflammatory congressional orators, and all the extravagant expenditure of space devoted to him by wild tomcat newspaper romancers, had altogether but one chief inspiration and purpose. That purpose was to stir afresh the ancient and justly inherited hostility of the Irish people toward England for wrongs suffered through centuries of oppression. Whatever the effect might be on others it was evident that these Lion hunters believed that the Irish in America would certainly rise in tumultuous protest whenever the charge was made that the British Government was seeking to overreach and obtain some undue advantage over the United States. I looked on all this without alarm because I have long since learned that the Irish are a pretty hard lot to fool. They are an impulsive people and quick in resentment, and they have an old and deep sense of grievous wrong inbred in their very blood. But they are a sensible people also, with a keen appreciation of what is true and false, and right and wrong. Whoever undertakes to fool the Irish assumes a difficult task. It will not do for any man in this day and generation to rest his cause on a mere appeal to the national prejudice of the Irish people. The case must be presented to them on its merits. Irish Americans will weigh this bill on its merits. The great majority of them will pass upon the merits of this measure just as if the Hay-Pauncefote treaty had been made between the United States and France or Germany instead of Great Britain, and just as if France or Germany instead of Great Britain had presented the protest against the pending legislation of 1912. They would not have this Government settle a great international question on some sentimental ground that did not touch the merits of the question itself.

That is the kind of opinion I have of the intelligence, worth, and patriotism of the Irish people. I have no appeal to make to the Irish-American that is not addressed to him in common with all his fellow citizens. Moreover, I can not believe that the Irish people in America, or in Ireland itself, are inimical and hostile to the present Government of Great Britain. Home rule, with better land laws and improved industrial and social conditions, has been a paramount issue in Ireland ever since the days of Gladstone and Parnell, and even long before that date. The present Liberal Government, with Asquith at its head, supported by such men as Lloyd-George and Winston Churchill, is engaged in a great and noble struggle to bestow upon Ireland the semi-sovereignty of home rule, and through that to give to Ireland new and infinitely greater opportunities for national development and progress. The Irish representatives in Parliament are allied with the Liberal leaders in this movement, which now seems nearer success than ever before. The landlord tories of England and the malcontents of Ulster are striving in every way possible to thwart the Asquith government and to obstruct the march toward a more liberal rule in Ireland, even threatening civil war to check and defeat it. I can not believe that any friend of Ireland in America would assail the present government in London merely because of some senseless and unfounded clamor that England was reaching out a hand against the United States, striking in some way at our sovereignty, or attempting by force or artifice to usurp some just right of this country. Questions of difference may and will arise between this country and Great Britain as they arise between this country and other nations. It is wholly improbable, however, that any question will arise between this country and Great Britain that can not be settled by diplomacy, and it is wholly impossible that any question should arise that could be settled by any threat of force.

Mr. President, I am sure in my own mind that there is no class of American citizens of any origin whose judgment can be swayed or seriously influenced through any apprehension that any other country on the globe may overreach us by diplomacy or overawe us through fear. Those who are dreaming of an impetuous outburst of Irish opposition to the pending measure because of England's relation to it will awake in due time to a grievous disappointment.

ATTACKS ON PRESIDENT.

Mr. President, in this connection and as apropos to what I have said, I wish to add that all this rigmarole we see in certain news publications insinuating that the President is traitorously or timorously sacrificing the honor and interests of our people and that he is weakly disposed to surrender some part of the just sovereignty of this Republic to Great Britain or to any other nation is so absurd as to be unworthy of respectful notice. Every man of sound judgment must know that. The President is an able, scholarly, and patriotic American. He is a man of great learning, of high conceptions, blessed with a clear head and a courageous heart. The American people can not for one moment be made to believe that the welfare and the highest interests of this Republic will not be zealously guarded and wisely guided under his administration. The longer he serves the people and the better they know him the greater will be their faith in him and in his devoted purpose and great capacity to perform efficient and patriotic service. Therefore I am not much disturbed by the lurid flabbergast daily displayed under appalling headlines in newspapers hostile to the President and his administration. The job they have undertaken of discrediting the administration and the Democratic Party is so ferociously overdone that their structure of billingsgate and mendacity falls of its own weight and will become utterly stale and profitless. It is funny how even smart men are sometimes so beset with a kind of moral or mental splenitis as to do things so foolish that normal human beings wonder if the poor fellows have lost their reason and whether their judgment has indeed fled to brutish beasts. For a while well-meaning men may sometimes be rattled by the flash and roar of assault, and, like ships at sea, may list a little, but in good time the ballast of common sense will usually so shift as to right them on their keels.

It is not unusual to find men, spurred on by personal or partisan considerations, who desperately strive to stampede their countrymen by noisy arraignment and loud alarums, willing, as they have little to lose, to take a gambler's chance on winning. But, Mr. President, I think it safe to say that the bugaboos now stalking the land are not of such character and dimensions nor of such frightful mien as to chill the blood of adversaries and put honest men to inglorious rout. To me my path of duty is clear, and I see nothing along the way to fill my mind with dread or doubt.

SIMMONS AMENDMENT.

Mr. President, a word more and I am done. The Senator from North Carolina [Mr. SIMMONS], a member of the committee reporting the bill, proposes an amendment declaring in effect that the passage of this bill shall not be construed as waiving any right the United States may have under any treaty whatsoever to which the United States may be a party. I have no special objection to that amendment, although I consider it wholly immaterial and unnecessary. Perhaps it might be incorporated in the bill as a concession to those who may really entertain some apprehension that the repeal of the law allowing free tolls might in some inscrutable way be construed by somebody as a waiver of our rights to enact such legislation as that of 1912 if we so desired. For myself, I have no such apprehension. If we pass this bill, we would have a law of Congress regulating a purely domestic matter of our own with respect to our administration of the canal. It would be no business of other nations to construe our statutes or interpret our purposes. I shall not object to this amendment, if it is insisted upon, although I regard it as of little consequence.

Mr. LODGE. Mr. President, I have listened with great interest, as I am sure everyone else has done, to the very able speech of the Senator from Missouri [Mr. STONE]. I know well he will pardon me if I say that his discussion in regard to the Democratic platform leaves my emotions personally well within control; but to the rest of his argument I have listened with great pleasure, and I am very glad to feel that he and I are going to vote the same way on this question.

Of course, it is impossible to cover all the points on this question of the canal tolls; but there is one point which seems to me to be of great importance, and that is the consideration of those few countries which have the same relation to the canal, commercially, that we have; that is, countries with Atlantic and Pacific ports. Canada, of course, is one; Costa Rica, Nicaragua, Mexico, and Colombia are the others.

Not only is our action on tolls of particular importance to these countries, but the countries surrounding the Gulf of Mexico and the Caribbean Sea are of particular interest to us in regard to the safety and well-being of the canal. It is very important to us that those countries should be well governed, and that there should be no possibility of any great military power gaining a foothold anywhere on the islands in the neighborhood of the canal, or on the coasts on either side.

Of course, no country is so important to us in that respect as Mexico. It is all the more important on account of its distracted condition. The peninsula of Lower California is particularly important in a strategic way. Therefore, wholly apart from the feeling which we all have of desiring the pacification of that unhappy country, comes in our own interest and the interest of the world in the canal. Therefore what government is finally established in Mexico is a matter that assumes very great importance; and that government will depend, as all governments in Mexico have depended, very largely on the character of the person who comes to the head of the government. That is, therefore, a matter of very immediate interest to us.

One of the leading candidates for that position, if I may use the word "candidate," is that general who has distinguished himself so much in northern Mexico lately—Francisco Villa, or Pancho Villa, as he is commonly known. I have been trying myself to gain some information in regard to him. There was sent me the other day an extract from the Daily Telegraph of London of the 15th of April, 1914. I need hardly say to the Senate that the London Telegraph is one of the great newspapers of England. The article is not long. It is of so much interest in this connection, as to the future Government of Mexico, that I desire to read it. It is entitled:

FRANCISCO VILLA—A FRIGHTFUL CAREER OF MURDER AND TORTURE.

[From a correspondent.]

Mr. POMERENE. Mr. President——

The VICE PRESIDENT. Does the Senator from Massachusetts yield to the Senator from Ohio?

Mr. LODGE. Certainly.

Mr. POMERENE. May I ask who the writer of the article is?

Mr. LODGE. It is simply headed "From a correspondent."

The article is as follows:

FRANCISCO VILLA—A FRIGHTFUL CAREER OF MURDER AND TORTURE.

[From a correspondent.]

Francisco Villa was born at Las Nieves, in the State of Durango, about the year 1868. He is wholly uneducated, being unable to read and barely able to sign his name. About the year 1882 when only 14 years of age, he was sentenced to a term of imprisonment for cattle stealing. On his discharge he settled in the mining camp of Guanacevi, where a few months later he underwent another sentence of imprisonment for homicide. When he came out of prison for the second time he organized a band of robbers, which had their headquarters in the mountainous regions of Perico in the State of Durango, and were the terror of all that district.

In the year 1907 he was in partnership with one Francisco Reza, stealing cattle in Chihuahua and selling them in the United States, and then stealing mules and horses in the United States and selling them in Chihuahua. In consequence of some disagreement he shot and killed Reza in broad daylight, while sitting in the plaza in the city of Chihuahua. During the early part of November, 1910, he attacked the factory of a Mr. Soto, in Allende, State of Chihuahua, and killed the owner. By threatening the latter's daughter he forced her to show where she had hidden a sum of $11,000, which he stole and used for arming a considerable force. He then joined Madero's revolution, uniting his band with Urbina's column. In January, 1911, he was at Casas Grandes, Chihuahua, where he killed Carlos Alatorre and Luis Ortiz for refusing to pay him the money he demanded for their ransom.

At Batopilas, State of Chihuahua, in February of the same year, he tortured a lady named Señora Maria de la Luz Gomez until he made her pay him $30,000. She died from the effects of the barbarous treatment she received.

COLD-BLOODED CRIMES.

When Ciudad Juarez was taken from the federals in May, 1911, he killed Señor Ignacio Gomez Oyola, a man of over 60 years of age, under the following circumstances: Having sent for him, Villa asked whether he had any arms in his house, and on his saying he had not Villa, "who was seated on a table," drew his revolver and shot him dead. After rifling the corpse of money and valuables it was thrown into the street.

After the triumph of the revolution, Villa, in November, 1911, obtained a monopoly from the then governor of Chihuahua for the sale of meat in the city of Chihuahua, which he procured by stealing cattle from the neghboring farms. Suspecting one of his subordinates, Cristobal Juarez, of stealing on his own account, he killed him one night in the latter part of November in the Calle de la Libertad.

In the early part of May, 1913, Villa, with 75 men, assaulted a train at Baeza, State of Chihuahua, that was carrying bars of gold and silver valued at ₱100,000, killing the crew and several passengers, including Messrs. Caravantes and a Señor Isaac Herrero, of Ciudad Guerrero.

Later in the same month he entered the town of San Andres, Chihuahua, and assaulted the house of Señor Sabas Murga, an hacendado, who with his two sons tried to defend themselves. Two of his nephews were killed, but the Murgas got away. Villa then got hold of two sons-in-law of Murga, who had not taken any part in the fight, and after torturing them to say where their father-in-law had hidden his money he had them killed.

Toward the end of the month Villa's band took the town of Sta. Rosalia, Chihuahua, shooting all prisoners and treating the principal officers with terrible cruelty. Col. Pueblecita was shot and his body dragged along the streets of the town. The commercial houses of Messrs. Visconti, Sarli, Cia Harinera, Sordo y Blanco (Spaniards), and many others were totally sacked. Many private persons were murdered, one of the worst cases being that of a Spaniard, Señor Montilla, cashier of the house of Sordo y Blanco, who was shot over the head of his wife, who tried to defend him. Villa personally kicked her in the face as she lay on the dead body of her husband. He also himself killed a Señor Ramos, secretary of the court of first instance.

He arrested more than 20 of the principal people of Sta. Rosalia, torturing them and taking them out to be shot, until he obtained from them ₱70,000, which were collected by several people in order to save their lives. One of these was a lady, Señora Maria B. Coviero, who was herself also tortured until the sum Villa wanted was forthcoming.

WHOLESALE ATROCITIES.

In July, 1913, Villa took Casas Grandes, Chihuahua, and shot more than 80 noncombatants, violating several young girls, amongst them two young ladies named Castillo.

He attacked and took the town of San Andres, which was held by the federals, in September, 1913, shooting many peaceable residents and more than 150 prisoners, many of these being women and children. In shooting these people, in order to economize cartridges, he placed one behind the other up to five at one time, very few of them being killed outright. The bodies of the dead and wounded were then soaked with petroleum and thrown into bonfires prepared for the purpose. The prisoners were forced themselves to make the bonfire and cover with petroleum the rest of the victims.

After this he went to the small town of Carretas, where he took prisoner an old man of more than 70 years of age, named José Dolores Moreno, demanding from him a ransom of $200. As he could not pay, Villa killed him with his own hand.

On September 29, 1913, Villa, having overpowered a force of over 500 federals commanded by Gen. Alvirez, at Aviles, 15 kilometers from Torreon, had every prisoner shot.

Toward the end of November he took the city of Juarez by surprise. Nearly all the federal officers who were taken there were shot, as well as some 60 noncombatants, most of them inferior employees and servants. The higher employees had managed to escape across the river to the American city of El Paso, Tex.

On December 8, 1913, Villa took possession of the town of Chihuahua, which had been abandoned by the federals since November 28, seizing all the commercial houses of Spaniards and Mexicans down to the smallest bars and drug stores, besides some owned by other foreigners.

Moreover, Villa expelled all the Spaniards, obliging more than 500 Spanish families to leave within three days. Only two Spaniards disobeyed this order, namely, two brothers, Martinez, owners of a small eating house. Villa thereupon ordered them to be beaten to death.

CHILDREN HELD TO RANSOM.

Señor Pedro Olivares, an old and very infirm man, whose shop, under the name of José Ma Sanchez, successor, had been already plundered, is being held until he pays $50,000 ransom. He has already paid $10,000 for two of his children, these also having been held for ransom. Villa also took prisoners two children of 14 years of age, called Lorenzo Arellano and Alfonso Moliner, sons of two gentlemen who were able to leave Chihuahua before Villa arrived.

Many private houses have been occupied by Villa's men, who use their carriages and automobiles. These last are placed at the disposal of public women for their daily orgies.

The house of Señora T. S. Vda. de Prieto is also occupied by the rebels. This lady paid ₱25,000 to Villa to allow her to leave the town.

Villa has shot in Chihuahua 150 noncombatants, the greater number being poor people who could not leave for want of means or because they thought they ran no risks, as they took no part in politics, for all the people in any way connected with the Government had left before Villa entered the city. Special mention may be made of the case of Señor Ignacio Irigoyen and Señor José A. Yañez, who, though in no way connected with politics, were taken by Villa and tortured for several days with threats to shoot them until they paid ransoms of $20,000 each. Having obtained from Villa himself safe conducts to leave by train for the border, the train in which they were was caught up at the station of Montezuma by a locomotive in which were several officers in Villa's confidence, headed by an ex-Maderista deputy called Miguel Baca Ronquillo, who took them from the train and shot them in the presence of the passengers.

Those statements, made in a responsible newspaper, are given with great detail, with names, places, dates, and all that gives them, I think, a significance.

I see it stated in the public press—I know not how truly—that the State Department is preparing a biography of Pancho Villa. I offer these suggestions from a London newspaper as matters which, at least, should be considered in the preparation of the work, if it is ever prepared.

Mr. O'GORMAN. Mr. President, I ask that the canal bill may be temporarily laid aside.

The VICE PRESIDENT. Is there any objection? The Chair hears none.

PROPOSED INCREASE OF RAILROAD RATES.

Mr. LA FOLLETTE. Mr. President, pursuant to the notice I gave some days ago I address the Chair now with the purpose of submitting some remarks upon a bill lying on the table and which I ask that the Secretary may read.

The VICE PRESIDENT. The Secretary will read the bill.

The Secretary read the bill (S. 5127) making it unlawful to attempt to influence the determination of any proceeding pending before the Interstate Commerce Commission excepting under the rules and regulations of the commission governing its proceedings in the orderly administration of the interstate-commerce law and the acts amendatory thereof, which had been

introduced by Mr. LA FOLLETTE on April 1, 1914, and is as follows:

Be it enacted, etc., That section 13 of the act entitled "An act to regulate commerce," approved February 4, 1887, as amended by section 11 of the act entitled "An act to create a commerce court," approved June 18, 1910, be, and is hereby, amended by adding at the end thereof the following:

"Every person who attempts to influence the action of the Interstate Commerce Commission, or any member thereof, in making or refraining from making any ruling, conclusion, finding, recommendation, report, or order in the determination of any proceeding pending before the commission by writing or sending to the commission, or any member thereof, any letter or any written or printed communication, circular, or paper, or by writing, or printing and circulating, or causing to be printed and circulated, any communication, matter, or thing addressed to the commission, or any member thereof, or by communicating with the commission, or any member thereof, in any other manner, with like purpose and intent in relation to such ruling, conclusion, finding, recommendation, report, order, or proceeding pending before said commission, excepting under the rules and regulations of the commission governing its proceedings in the orderly administration of the interstate-commerce law and the acts amendatory thereof, shall be deemed guilty of a misdemeanor, and upon conviction thereof shall be punished by a fine of not more than $2,000 or imprisoned for a term not exceeding one year, or by both such fine and imprisonment, in the discretion of the court."

Mr. LA FOLLETTE. Mr. President, I have before me here a mass of material which I shall refer to in the course of my remarks. Some extracts, and in some cases perhaps, brief communications I may read in full. But I shall ask to have the material, for the most part, printed in the CONGRESSIONAL RECORD without reading. It has been transmitted to the Senate by the Interstate Commerce Commission pursuant to a resolution which passed this body April 28.

On the 14th of May, 1913, the railroads operating in what is known as official classification territory—that is, the territory east of the Mississippi and north of the Ohio and Potomac—filed their formal application for an increase in railroad rates with the Interstate Commerce Commission. Many months before this application was filed there appeared in newspapers quite generally throughout the country, as if by concert, interviews with prominent railway officials setting forth the need of the railroads for increased revenues. And coincident with these interviews, from day to day there appeared in the prominent newspapers of the country editorial comment and news articles manifestly designed to create public opinion which the Interstate Commerce Commission should be made to feel.

The commission has undertaken to conduct this case under the law and to determine upon the sworn testimony of witnesses whether the railroads operating in this so-called official classification territory are justly entitled to an increase in transportation rates. The question at issue, Mr. President, is in many respects the most important that has ever been submitted to the Interstate Commerce Commission. If the public is not now paying a fair and reasonable rate the increase should be made, no matter how oppressive the burden.

It has been computed by the railroads that if the increase which they ask for in their application were granted it would average a 5 per cent increase in existing rates, and that this increase would add in the aggregate to the rates now in force approximately $50,000,000 per annum. While it has been designated as the 5 per cent rate advance, this case, if it should be decided in favor of the contention of the railroads, would add 5 per cent in many cases, less than that in some, much more than that in others, running in some instances as high as 50 and 60 per cent increase. Like the averages in tariff bills, the stated average of 5 per cent is very misleading.

Any Senator can readily see that the amount of burden laid upon the traffic of the country in the aggregate depends entirely upon the volume of that traffic. The increase may be slight in some lines of traffic; it may be manyfold larger in other lines of traffic. The average bears no relation to the amount of burden imposed upon the public as a whole, because some of the rates may attach to articles of which comparatively little is transported or consumed, and yet in computing the general average an item carrying a 2 per cent increase, only a small quantity of which is transported, would affect the average as much as another item in which the per cent of increase is 45 and in which the transportation and consumption of the product is very much larger.

I do not think from such study as I have made that it would be any exaggeration to say that this increase, if it should be allowed by the Interstate Commerce Commission, would lay upon the consumers of this country a burden in the aggregate approaching, and possibly exceeding, $100,000,000 in that limited territory instead of $50,000,000.

But, Mr. President, I am not standing before the Senate this afternoon to argue this case upon its merits. This is not the forum in which that argument should be made. I am here to present to the considerate judgment of this body evidence of an organized conspiracy to control, to compel, to intimidate, and coerce the judgment of the Interstate Commerce Commission in this case, or these two cases pending before it at this time.

So I say again that whatever the results, whether rates are increased $50,000,000 or $100,000,000 in this limited territory, or vastly more than that—to be followed, as it is certain to be followed, should the railroads secure a favorable decision in this case, by an application for increase in all the balance of the territory covered by the railroad lines of the country—if the commission should determine that the public is not now paying just and reasonable rates, such rates should be increased, no matter how oppressive the burden. Whether present rates are just and reasonable should be the only question, and testimony bearing upon that issue should constitute the only influence upon the judgment of the Interstate Commerce Commission when it comes to render its final decision in this case.

Now, Mr. President, the commission decided at the outset that there were certain questions to be settled before rates could be increased: First, do the railroads need more money to enable them to perform the services required of them as common carriers; second, if they need more money, is it because the rates are too low or because the roads are inefficiently or extravagantly managed, or because they are unlawfully giving away hundreds of millions of dollars in free service to big shippers and favored localities to the injury and ruin of smaller shippers and smaller trade centers? These are questions of fact of tremendous importance and they ought to be decided by evidence.

Mr. President, the members of the Interstate Commerce Commission are sworn officers of the Government. They are charged with duties the gravity and importance of which can not be overstated. Theoretically, at least, they have control over the great iron highways of commerce, with power to fix reasonable rates and charges and tolls which common carriers shall receive. The railroads of this country take annually from the people of the country for carrying only—not for producing, not for creating—a sum in excess of that required each year to maintain our National, State, and municipal governments. It is difficult to measure by any standard that the mind quickly grasps the magnitude of the questions submitted to this commission.

I emphasize that, Mr. President, only to impress upon the Senate the importance of the advance-rate case now before the commission.

I repeat the questions which the commission announced were vital to the determination of this case: First, do the railroads need more money to enable them to perform the service required of them as common carriers? Second, if they need more money is it because their rates are too low or because the roads are inefficiently managed—for the efficiency or inefficiency of their management is a matter of as much concern to the public as any other question touching the railroads, and a matter which the public is entitled to have thoroughly discussed before the commission. Or is it because they are unlawfully giving away hundreds of millions in free services to big shippers and favored localities to the injury and ruin of smaller shippers and smaller trade centers?

On this latter point I may suggest, Mr. President, that those who have been closely following the testimony that has been submitted to the commission will recognize in these "free services" the old evil of rebating, against which we have legislated for more than a score of years. I would not mention this if it were not for the fact that the testimony upon this point is closed, and stands undisputed, for, as I have said before, I am not arguing the merits of this case. But it has been proven that free services of definite money value have been rendered to large shippers by the railroads, which, as I say, are in all essentials rebates. It has been proven that millions upon millions of gratuities have been conferred by the railroad companies upon the great monopolies of the country, thus strengthening their hands for the destruction of their competitors; and then because of depleted revenues resulting from that sort of proceeding these common carriers come to the Interstate Commerce Commission demanding increased revenues from increased rates in order that they may meet the demands imposed upon them by the public.

Therefore, Mr. President, it was necessary for the Interstate Commerce Commission to consider not only whether rates were too low, whether the roads were efficiently managed, but to consider also this matter of free service to big shippers and to favored localities to the injury and ruin of smaller shippers and smaller trade centers.

Mr. WORKS. Mr. President——

The PRESIDING OFFICER (Mr. THOMAS in the chair). Does the Senator from Wisconsin yield to the Senator from California?

Mr. LA FOLLETTE. I do.

Mr. WORKS. Does the Senator from Wisconsin understand that the Interstate Commerce Commission is taking all the railroads as a whole in determining this question?

Mr. LA FOLLETTE. I assume that the considerations are entirely confined to transportation matters in official classification territory. However, I can conceive that they might take into consideration the interests of shippers outside of official classification territory who were concerned in transportation charges on products passing through that territory.

Mr. WORKS. But suppose within this classified territory some railroad company should be honestly and efficiently managed and is making money upon the rates that are now allowed by law, and it should appear that some other railroad company was not, how could a 5 per cent increase of the rates be made as between those companies and do justice?

Mr. LA FOLLETTE. I do not understand, Mr. President, that a flat 5 per cent rate is asked for. As I have stated, my understanding is that in many cases the rate asked for is much below 5 per cent, and in other cases the rate asked for is very, very much above, extending to 40 or 50 per cent.

Mr. WORKS. That is precisely what I am trying to find out from the Senator, whether these railroad companies were being treated individually and separately or whether the proposition was to make a horizontal increase of rates as affecting all of them.

Mr. LA FOLLETTE. Oh, no; the railroads contend that they are asking for an advance which will average a 5 per cent increase in rates in official classification territory. As I have suggested earlier in my remarks, this is very misleading; the increase is very much less than 5 per cent in some cases, and very much more in others.

Mr. President, the commission must try this case and decide it as between those who pay the rates and the carriers that receive the rates. Now, to discharge this duty honestly and intelligently it must examine witnesses on oath. It must secure evidence of the important facts material to a just determination of the issue involved.

In this field of its labors the Interstate Commerce Commission is in effect a judicial body. Its powers are in many respects broader than those exercised by the courts. Its findings of fact may be absolutely controlling in a given case. It is therefore vital to the integrity of its work and hence to the very existence of the commission that its decisions should be based solely upon evidence.

But, Mr. President, what shall be said of any attempt made by anyone to influence the action of the Interstate Commerce Commission by any means other than the presentation of testimony under the rules and regulations prescribed by the commission? I assert, sir, that in this case as in no other ever tried by this commission or by any tribunal in the history of our country an attempt has been made to subject the commission to every form of influence and pressure which human ingenuity can devise in order to force from it a decision favorable to the railroads.

A very comprehensive and effective publicity campaign has been going on for more than a year, having for its object a favorable decision to the railroads in this case. It began, as a matter of fact, shortly after the decision of the Interstate Commerce Commission adverse to the contention of the railroads in the rate-advance cases of 1910. During this campaign a mass of material has been printed and spread broadcast throughout this country in every community, every hamlet and village, through the medium not only of the metropolitan press but also through the little country weeklies, aggregating, all told, 22,000 newspapers.

This publicity work has not been limited or confined to the newspapers; it has extended itself by organized effort into magazines and periodicals. Circulars—pamphlets of large bulk, elaborately printed—aggregating a mass the extent of which is but in small part represented in all that lies before me on these desks, have fairly flooded the country.

This campaign, sir, had its inception at the meeting of railroad presidents held April 30, 1913, as recorded in the New York Times of that date. That, Mr. President, was exactly two weeks before the railroads operating in official classification territory filed their applications for an increase in rates. The campaign was on! The lines through which public opinion was to be manufactured had been laid. The eastern railroads have maintained a publicity bureau at Philadelphia, from which emanates anonymous bulletins and circulars, presenting ex parte statements of the railroads and of their officials. Twenty-eight of these publications came from one of the railroads which is a party to this pending case.

To know where they have been sent, to know what was the purpose, one has but to follow the material that they contain into the columns of the press—the daily press and the weekly press of this country. The case proves itself; and though it will require very many pages of the CONGRESSIONAL RECORD to give to the public the evidence of this monstrous plan, I ask that all of this material which I have before me here upon my desk and which was received from the Interstate Commerce Commission under the Senate resolution which I introduced be printed in the CONGRESSIONAL RECORD.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. LA FOLLETTE. If it had been necessary, Mr. President, I should have read into the CONGRESSIONAL RECORD every line and paragraph and page of this great mass of material to demonstrate the conspiracy that has been on in this country. It shall go, sir, to the people of this country a monument of shame, not only to those who would seek by that infamous method to control judicial functions, but to the press that lent itself to the imposition upon the public of this ex parte and unsworn mass of special pleading on behalf of the railroads.

Outside, Mr. President, of the bureau maintained by the eastern railroads in Philadelphia there is a bureau at the Railway Business Association, No. 30 Church Street, New York, with Frank W. Noxon, as secretary. The literature of these bureaus has been circulated throughout the country, and it forms the basis of large numbers of editorials in the newspapers of every State. Railroad officials gave special interviews to newspapers, they addressed business men's clubs, chambers of commerce, and various other organizations of influence; they invited chambers of commerce to attend meetings at which the case of the railroads was presented. The public was not there. Newspapers have been filled with columns of prorailroad material, based apparently very largely, if not wholly, on the literature put out by the publicity bureau of the Pennsylvania Railroad Co. Many newspapers have been misled as to the real facts. Scores of magazine articles have appeared during the past year pointing out the need of the proposed advance in rates. Trade journals have been literally filled with arguments and articles favorable to rate increase. Financial journals have also joined in this campaign.

Through this means and through many others great pressure has been brought to bear on the business public, so that in turn business men have written scores upon scores and hundreds upon hundreds of letters and business organizations have sent hundreds upon hundreds of resolutions and communications to the Interstate Commerce Commission, to the President, to members of the Cabinet, and to Members of Congress, urging them in turn to use their influence with the Interstate Commerce Commission. For what? To secure a prompt and favorable decision for the railroads in this case.

This campaign has also reacted on the stockholders and bondholders, and from them have come a flood of letters, telegrams, and other communications asking for the rate advance, demanding that the commission should arrest its proceedings, should stop taking testimony, and should at once decide this case, *right* or *wrong*, in favor of the railroads.

Railway employees menaced by the railroads with reduced wages or loss of employment have addressed petitions, with hundreds of signatures, to the Interstate Commerce Commission. Several other agencies besides the Pennsylvania Railroad Co. have been issuing and circulating speeches of railroad officials, and hundreds of those publications are anonymous.

Advertisements have been run in several of the leading trade journals urging readers to petition the President, Members of Congress, and the Interstate Commerce Commission in the interest of the railroads. One staggers at the audacity, at the brazen impudence of this raid upon a body of men exercising the judicial function and sworn to administer the law. The means resorted to to influence their opinion, their judgment, their conclusion, their decision are appalling and shocking beyond all expression. Let me read you, Mr. President, an advertisement which appeared in the Manufacturers' News, of Chicago, in its issue of January 8, 1914. It is a full-page ad in large display type. Listen:

Shippers attention! Wire President Wilson; wire your Senators; wire your House Member to signal the Interstate Commerce Commission to go ahead. A 5 per cent advance in rates at this time will put business over the hill; a slow-down means a rear-end collision. The track ahead is the track to watch, not the track behind. Call in the rear flagman; run to the next station; there is freight on the

platform ahead; there are loaded cars on the sidings. Industries can not move if the danger signal is set against the carrier. Telegraph at once; do not delay. The directors of the Illinois Manufacturers' Association at their regular monthly meeting Friday, January 2, passed a resolution indorsing the horizontal increase of 5 per cent in freight rates, and it requested the members to take the matter up at once with their Senators and Representatives.

Illinois Manufacturers' Association, 1227 American Trust Building, Chicago.

Here is another:

The Graves Shale Paving Brick Co., Birmingham, Ala.—

That company transmitted the advertisement which appears below on the sheet which I hold in my hand to the Interstate Commerce Commission. This came to me through the resolution of the Senate. Listen:

Manufacturers: A 5 per cent raise in railroad freight is imminent. Increased wages, increased taxes, greater expense to insure safety, and so forth, have so increased operating expenses of the railroads in general that a 5 per cent increase in rates is predestined to come, and many manufacturers favor it. Some have put themselves on record to the effect that shippers can better afford to pay a uniform advance of 5 per cent now than suffer any future impairment of railroad service.

There is no question in their minds as to whether or not it is a just increase. Mr. President, it matters little to the manufacturing company, to the great shipper, whether or not there shall be an increase in rates, except as he may think it will contribute to boom business, cause railroad extension, and set in motion lagging trade. The big shipper does not pay the freight; the manufacturer does not pay the freight; not one farthing of the 5 per cent or 50 per cent or 70 per cent of increase in rates, if the petition of the railroads shall be allowed by the Interstate Commerce Commission, will come from the pockets of the men who are petitioning to have it allowed or from the pockets of the organizations that placed these big advertisements. It will be taken from the pockets of the consumers of the country, carried over and added to the cost of what the consumer must purchase.

Mr. President, in response to the advertisement which appeared in the Manufacturers' News, I venture to say that not less than 150 letters and telegrams came to me, many of them asking that I use my influence as a Senator with the Interstate Commerce Commission to secure this increase in rates for the railroads. It is almost inconceivable, Mr. President, that the business conscience has been so dulled, the moral sense so blunted, that men can not see the iniquity of this whole proceeding.

Many letters have been written to the commission. The character of these letters, in many instances, is shocking in the extreme. Congress, derelict in its duty to this great organization, has left it exposed to every conceivable form of attack. The telegram which I hold in my hand is a copy transmitted under the resolution of the Senate by the Interstate Commerce Commission. It is, Mr. President [Mr. THOMAS in the chair], from your home city and State. It is dated Denver, February 18, 1914, and reads as follows:

Chairman HARLAN,
Interstate Commerce Commission.

Kindly decide rate increase promptly or resign. Your delay killing business.

R. U. JOHNSON.

This telegram addressed to the Interstate Commerce Commission, care of Hon. James Harlan, is a very long one. I will read just a portion of it. It is signed by A. E. Russell, and dated Altoona, Pa., December 4:

I earnestly appeal in behalf of the citizens of this section and the country in general that your honorable body waive the merits and demerits of all questions for the time being and save our burning homes. To that end I beg to suggest that a grant of the 5 per cent freight advance could be made with the understanding that the few exceptions among shippers who had real grievances could be taken up and adjudicated separately thereafter.

I read another. It is anonymous and was sent from Bridgeport, Conn. It was received at the Interstate Commerce Commission February 12, 1914, and is an example, Mr. President, of what will happen in this country if we are to permit issues before our courts and kindred tribunals to be tried by the methods employed in this case. As I have said, it is unsigned. It is addressed to the commission.

Keep up the good work, gentlemen. Do not allow any increase in railroad rates. Force all the railroads into the hands of receivers. Then the Government can buy them cheap and put many needy politicians in office.

Many of the editorials and articles which have appeared in all sections of the country have been abusive of the Interstate Commerce Commission. Some charge the commission with incompetency, unfairness, politics, cowardice, ignorance, stupidity, and lack of good faith. Many of the editorials dwell at length on the psychological effect on business of a favorable decision. Other articles make use of the instinct of fear, picturing industrial depression and panic which will follow in the event of an unfavorable decision. The commission is severely criticized for making a thorough investigation. Unemployment has been much exploited in the hundreds of news articles and editorials. It is alleged that the railroads are unable to meet their maturing obligations, that they are unable to make necessary improvements. Some articles make the point that the rate advance will prove no hardship upon the public. The argument is urged that because the railroads of England have received a 4 per cent increase therefore the railroads of the United States should have a 5 per cent increase. Some of the articles fail to perceive that the Interstate Commerce Commission is a judicial body, and urge that it ought to go into politics; that it is perfectly proper to decide rate advances on public opinion or political expediency. Many articles make the subtle suggestion that no party can retain power whose name has become a synonym for depression.

I have here a large number of letters that have been sent to President Wilson and to members of the Cabinet, and which have been transmitted by them to the Interstate Commerce Commission. Running through many of these letters, quite uniformly, one finds the suggestion that the political party that does not maintain prosperity regardless of justice is doomed to defeat, and that the Interstate Commerce Commission should be ordered from the White House to stop the taking of testimony, to allow the railroads what they demand, and thus bring "prosperity to the country." I find large numbers of these letters addresed to the President and addressed to each member of the Cabinet containing innuendoes, suggestions, threats, and all have been forwarded to the Interstate Commerce Commission for their "consideration and answer."

I ask leave to print in the CONGRESSIONAL RECORD the letters and articles and editorials to which I refer in the course of my discussion; not to which I refer in detail, for that would take more of the time of the Senate than it is necessary for me to consume, but those upon which I base the argument I am presenting to the Senate.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. NORRIS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Wisconsin yield to the Senator from Nebraska?

Mr. LA FOLLETTE. I do.

Mr. NORRIS. I should like to inquire of the Senator whether the letters, telegrams, and communications sent to the President and members of the Cabinet were by the President and members of the Cabinet forwarded to the Interstate Commerce Commission and then come here to the Senate in answer to our resolution?

Mr. LA FOLLETTE. I hold in my hand a large collection of these letters. I should say that of these, not less than 150 are letters written to the President and transmitted from the White House to the Interstate Commerce Commission. They bear evidence upon their face of that fact. They are rubber-stamped, showing when they were received. "White House, March 21, 1914, received," is the form of one impress. Many of those received at the White House are stamped as follows:

Respectfully referred for acknowledgment and consideration.
J. P. TUMULTY,
Secretary to the President.

Mr. BORAH. Mr. President——

The PRESIDING OFFICER. Does the Senator from Wisconsin yield to the Senator from Idaho?

Mr. LA FOLLETTE. I do.

Mr. BORAH. As I understand, those signatures on the transfers are simply rubber-stamp signatures?

Mr. LA FOLLETTE. This signature is; yes, sir. I think all of these bear rubber-stamp signatures referring the letters to the Interstate Commerce Commission.

Mr. BORAH. I suppose it is fair to assume that they simply passed through the routine of business; that they never, perhaps, were read at the White House at all, but were simply transferred through the clerks to the commission.

Mr. LA FOLLETTE. I am not able to say about that. The Senator can judge of that as well as I can. The letters that I have before me are addressed to the President, and appear, from the stamp upon them, to have been received at the White House, and by another stamp they are "respectfully referred for acknowledgment and consideration"; signed by the President's Secretary.

I have here a letter written on the stationery of the Union League Club of New York, addressed to the President and signed by Mr. Henry E. Smith. I shall not take the time of the Senate

to read all of the letter. The closing sentence but one of the letter is:

While you may not want to interfere with the Interstate Commerce Commission, at least do what you can.

Just what the writer of the letter expected the President could do, I do not know.

Here is a letter written to the President's Secretary by J. H. O'Neil, president of the Federal Trust Co., Boston, Mass., and I am informed he at one time was a Member of the other House. The letter is three pages in length. In it Mr. O'Neil says:

I am writing you as one who can put in a word at the right place, close up; and as you are a practical man like myself and know conditions as I think I know them from practical experience, I hope that you will do your best to see that something is done, and done at once.

Farther on in the letter the writer says:

Do this thing, and in my opinion the Republican Party need not nominate a candidate against us in 1916. Do not do it, and I do not think there is the least necessity for our nominating one.

[Laughter.]

Here is a telegram addressed to the President from St. Paul, Minn., signed by R. G. Mackay:

ST. PAUL, MINN., *February 17, 1914.*

The PRESIDENT:

Call the Interstate Commerce Commission and pass the 5 per cent increase. It will be the crowning glory of your administration and give us the most prosperous year this country has ever known.

[Laughter.]

Mr. BORAH. Mr. President——

The PRESIDING OFFICER. Does the Senator from Wisconsin yield to the Senator from Idaho?

Mr. LA FOLLETTE. I do.

Mr. BORAH. Does the Senator know who this Mr. O'Neil is?

Mr. LA FOLLETTE. I do not. He is the president, as I said, of a trust company, and I am informed was at one time a Member of Congress.

Mr. BORAH. Where does he live?

Mr. LA FOLLETTE. In Boston, Mass., according to my recollection. The letter is written on the letterhead of "The Federal Trust Co., Boston, Mass.; capital, $1,000,000; president, Joseph H. O'Neil."

Mr. BORAH. Is that letter addressed to the President?

Mr. LA FOLLETTE. It is signed by J. H. O'Neil. It is addressed to J. P. Tumulty.

This letter is written upon the stationery of Edgar R. Dawson, 8 East Madison Street, Baltimore, Md., and is signed by Edgar R. Dawson. It is dated April 6, 1914. It is addressed to Woodrow Wilson, President of the United States:

DEAR MR. PRESIDENT: Will you permit one of the enemy to say a word?

There are two or three pages of this letter. I read from the last page. I ask to print it all, as I do the rest of this mass of material.

The PRESIDING OFFICER. That permission, as the Chair understands, has been granted.

Mr. LA FOLLETTE. I shall not find it necessary, then, to ask it again.

The PRESIDING OFFICER. It is included in the previous request of the Senator.

Mr. LA FOLLETTE. This writer says:

I believe you wish to be entirely fair, and I also appreciate the delicate position in which you are placed with reference to the I. C. C. [Interstate Commerce Commission.] Would that it were judicial, or even semi, as you must, of course, consider it. I hope you may find time to read the inclosed editorial, and especially the phrase underscored. Should you see fit to forward this letter to the I. C. C., I would be pleased. I am sorry that I have not the pleasure, as have some of the family, of knowing you personally.

That is a fair sample of the character of these letters addressed to the President of the United States and to his private secretary, invoking their aid to bring about a decision of this advance-rate case in favor of the railroads. These letters were transmitted to the Senate by the Interstate Commerce Commission.

On the other hand, aside from letters of that character, there is a small number of editorials taking an impartial view of the question, and which manifestly discern the unnatural and sudden outburst of the press generally looking toward a rate increase. In order that this may be a fair showing of what has taken place I shall incorporate those in the matter I pass up for printing.

Many cartoons, nearly all of them of a prorailroad character, have appeared in the leading publications of the country. I have here a collection of something like 40 or 50 or more of that character. I do not ask to encumber the RECORD with those.

In this extraordinary campaign certain trade journals have issued special editions of their papers devoted entirely to propaganda seeking to create public opinion for a decision of this case by the Interstate Commerce Commission favorable to the railroads. I hold in my hand a letter from the Railway Record Co., dated Chicago, January 16, 1914, addressed to the International Harvester Co., Chicago, Ill., signed by T. J. Justice, manager. I will read just a paragraph or two from the letter:

The Railway Record proposes to issue a powerful special "Raise Rates" edition January 24. It will be sent to every railroad commissioner, State and national, to Members of both Houses of Congress, to hundreds of newspapers, to thousands of influential men. It will recapitulate the needs of the railroads, emphasize the necessity of a prompt decision from the I. C. C., and start an irresistible wave of opinion in favor of increased rates, favorable legislation, and fair treatment for the railroads. This will mean a lot to you—

That is, to the International Harvester Co.

This will mean a lot to you, and the better it is done the more it will mean. The way to do it is to hand this over to your advertising man with a notation to supply us with copy for an ad of one-sixteenth page at $5, one-eighth page at $8.50, one-fourth page at $15, one-half page at $27.50, or one page at $50; back-cover page, $100.

And here [exhibiting copy of paper] is the special issue of this publication, "received at the Interstate Commerce Commission February 4, 1914," gotten up ingeniously and artfully to impress the mind of the reader with the railroad side of this case. The whole of this publication is devoted to that subject.

I have here a circular letter—this is a copy of the letter which came to the Interstate Commerce Commission—it was sent out by the Standard Stained Shingle Co., dated Tonawanda, N. Y., April 10, 1914. After to-day it will have another stain.

THE WESTMORELAND CHEMICAL & COLOR CO.,
925 Chestnut Street, Philadelphia, Pa.

DEAR SIRS: If you favor the railroads having an increase of 5 per cent in freight rates, and such other privileges as they are entitled to, write a letter to Hon. James S. Harlan, chairman Interstate Commerce Commission, Washington, D. C.

Now, listen—and this will show you how every conceivable line to influence the commission has been worked to the limit:

Also write or inclose a letter to 10 firms with whom you are corresponding, asking them to write Mr. Harlan; also 10 firms—

That is, 10 other firms.

and so on, thus forming an endless chain. If this can be accomplished, Mr. Harlan will soon realize what public sentiment is. This is a very important matter as bearing on the present depression in business, and we hope you will do your part to help out the very serious situation.

Thanking you, we remain,
Yours, very truly,
(Signed) STANDARD STAINED SHINGLE CO.
H. P. KENDALL, JR., *Secretary.*

Bankers' associations were drawn into this combination to control the decision of the Interstate Commerce Commission. It seems as though business generally throughout this country had utterly prostituted itself in behalf of the railroads.

I hold here a collection of letters, which is but a small portion of a very large number emanating from bankers over this country, addressed to the Interstate Commerce Commission, appealing for a decision in favor of the railroads, regardless of the testimony. These letters were evidently solicited from the bankers of the country to be written to the Interstate Commerce Commission by White & Kemble, 56 Pine Street, New York. White & Kemble write a letter of 12 pages to the Interstate Commerce Commission, and that same letter appears also in this group, printed in circular form. It is perfectly evident that the bankers of this country were circularized in that manner by this firm. This printed letter was gotten up in convenient form for the banker who received it to pass it on to the Interstate Commerce Commission with his indorsement. A blank place was provided for signatures. In the case of the one that I hold in my hand I find that the Long Island City Savings Bank responded as follows:

We fully indorse the facts and figures presented in this statement gotten up in this office in New York, and earnestly request your honorable body to give this matter your serious consideration.

I have already stated that several letters of an insulting character were addressed to the commission. One letter to which I am going to ask the attention of the Senate—and I think I will have it read from the Secretary's desk, with the permission of the Senate—was addressed as an open letter to the Interstate Commerce Commission. It was written by Mr. Forbes, the business editor of the New York American. When that letter is read from the desk I do not think it will be necessary for me to make any comment upon it; but it simply presents another phase of this war upon the Interstate Commerce Commission, this organized system of hammering the Commission into submission to the demands of the railroads. I ask the Secretary to read the letter.

The PRESIDING OFFICER. There being no objection, the Secretary will read as requested.

The Secretary read as follows:

[Washington Herald, March 24, 1914.]

AN OPEN LETTER TO THE I. C. C.

Impelled, he explains, by "a knowledge of current conditions and of possible dangers," Mr. B. C. Forbes, business editor of the New York American, has written an open letter to the members of the Interstate Commerce Commission, in which he forcefully describes the national railway crisis and makes strong appeal for early and intelligent action by the governing body. Here is the letter:

"Gentlemen of the Interstate Commerce Commission:

"Are you aware that, partly owing to your course of action, the country is in peril of suffering an upheaval disastrous to labor, to the railroads, to investors, to industry, to the public at large, and to the administration?

"Do you realize that in your hands have been placed responsibilities comparable only with those devolving upon the Supreme Court of the United States?

"You have been given control of the greatest industry in the country, its system of transportation, on whose welfare depends, directly or indirectly, the welfare of every man, woman, and child in the Union.

"You are responsible to Congress alone.

"You are more than a quasi-judicial body; there have been reposed in you administrative functions of the gravest importance.

"Now, rightly or wrongly, your actions have created the very general belief that instead of holding the scales of justice even between the railroads and shippers you have become an antirailroad body.

"In ruling—perhaps wisely—against the *increase in freight rates applied for in 1910 you gave reasons which were supported by arguments and statistics embodying serious misrepresentation of facts. Your misuse of figures on that occasion raised doubts in well-informed minds of your desire—or your ability—to be strictly impartial in dealing with large railroad and financial problems.*

"Since then the position of our railroads has grown distinctly worse.

"The confidence of investors, both in Europe and at home, has been so shaken that many roads are to-day in a parlous financial state.

"During the years 1914, 1915, and 1916 maturing railroad obligations alone will call for upward of $1,000,000,000—this without providing one dollar of additional capital for any purpose whatsoever.

"How debts falling due are to be met and new capital necessary to maintain solvency is to be raised are problems now exercising grave concern in the financial and railroad world.

"Whether these problems can be handled without plunging the country into general disaster depends in large measure upon the course you choose to follow. The eyes of financial Europe and of thinking American citizens are upon you at this moment, anxiously awaiting announcement of your policy.

"The state of mind existing to-day in the most responsible circles is not conducive to that speedy return of prosperity which the deplorable prevalence of unemployment and discontent renders so extremely desirable.

"Without overstating the facts, it can be said that those who are charged with the task of directing and managing the country's railroads are in danger, if further denied the cooperation of the Government and your body, of abandoning as hopeless all efforts to overcome multiplying difficulties.

"I beg you to ponder these words uttered this week by Samuel Rea, president of the Pennsylvania Railroad:

"'This statement is not made to predict calamity, but it is made to prevent calamity.'

"There is more need than you, perhaps, realize for efforts 'to prevent calamity.'

"What are you gentlemen of the Interstate Commerce Commission, you guardians of the Nation's railroads, doing to prevent calamity?

"One of your number has just caused to be published in sensational manner charges of 'serious irregularities' against the Chicago, Milwaukee & St. Paul Railway, which 'irregularities'—confined wholly to bookkeeping—were committed several years ago and pointed out at that time by the financial press.

"Has it taken you three years to discover what the financial press discovered immediately the company issued its annual report?

"If not, why is the subject treated by you so sensationally at this unfortunate juncture, when the solvency of numbers of railroads and the position of the railroads as a whole are occasioning so much concern and militating so strongly against a revival in business which, if much longer delayed, can not but lead to unhappy consequences to government and governed alike?

"Not content to aggravate the unrest by harking back at this juncture to a three-year-old incident, admittedly indefensible, you add the alarming statement that 'in many instances' similar irregularities have been perpetrated.

"Why this vague, panic-breeding allegation?

"Are you concealing wrongdoing by many other roads?

"Is it your intention to explode these bombs periodically whenever your fancy, or what you may regard as expediency, dictates?

"Why single out one railroad for exposure and shield many others you know to be equally guilty?

"Can you not see how disquieting is the effect of your very serious allegation?

"How are investors to know that the road whose securities they hold is not one of the many who have juggled their accounts to flimflam the public?

"The St. Paul's shares shrank $9,000,000 in market value on your unexpected and alarmist announcement.

"Are other stocks to be forced down equal amounts from time to time, whenever you see fit to expose the many guilty companies?

"Gentlemen, I ask you to consider whether the time for purposeless recrimination has not passed.

"I ask you to consider whether the time has not come to cease destructive action and to concentrate upon a constructive policy.

"You have before you, and have had before you for many months, an application by eastern railroads for permission to increase their freight rates 5 per cent.

"The railroads have cooperated with you in supplying all needful facts to judge their case.

"Can you not expedite your deliberations?

"An attempt has been made of late to cite other avenues of relief and the impression has been spread that the railroads have been 'discovered' indulging in various practices calculated to unreasonably deplete their income.

"You gentlemen know that these practices, one and all, have been done in accordance with established usage and under arrangements never once prohibited by you.

"Yet I am not aware that you have put the public right in their conception of the position, although a statement from you would have clarified the atmosphere and tended in some degree to allay the antirailroad sentiment now so prevalent and so injurious to the whole Nation.

"Abolition of these various entrenched practices can not be ordered or effected hastily. Exhaustive investigation will be necessary before overthrowing the status quo.

"Hence no adequate relief can be obtained at this time from such sources, although later on substantial readjustments may be possible for the benefit of the railroads.

"I would respectfully ask you to consider the advisability of granting at the earliest possible moment after the conclusion of your present hearings the increased rates petitioned for, supplemented, if need be, by a statement that if developments ameliorate the circumstances of the railroads the higher rates may be canceled at some future date.

"A patient is beyond medical aid once he has died."

The Herald reproduces this remarkable letter from the American because of its strength and clarity and timeliness. *Much of its ground has been covered in this and other newspaper columns,* but possibly not so well as Mr. Forbes has presented the case.

Mr. LA FOLLETTE. Mr. President, the letters that have been received by the Interstate Commerce Commission directly and those which have been transmitted to it by Representatives in Congress and United States Senators and those which have been transmitted by the President and Members of the Cabinet aggregate several thousand. I think some 175 letters were transmitted by the President, and a smaller number from Representatives in Congress and Senators.

I have called attention to only one anonymous communication directed to the commission or to any member of it, of which a very large number have been received. Some of these are scandalous in character. It came to my knowledge that only a few evenings ago a member of the commission, in fact the chairman of the commission—I did not learn it from him—was called out of his bed after midnight by a violent ringing at his door and on going down had an anonymous communication thrust at him by some messenger who immediately disappeared. The communication was a call upon the commission to make this rate increase in favor of the railroads.

I feel compelled to call the attention of the Senate to one other phase of this campaign. For months the Washington newspapers particularly, and the papers friendly to the administration, have published that the President favors the increase in transportation rates demanded by the railroads. Every Senator here must be aware of the fact that those publications have been made from day to day. Again and again they print this statement with a definiteness and a certainty just a little short of actual quotation. That is, it has appeared that way on its face, and it has impressed the reader in that way unmistakably.

These same statements have gone broadcast over the country. Like matters have appeared from time to time in the body of what are called the White House reports, which are accepted by the public as in some measure authorized. The Washington newspapers especially, and I have found many duplications of that same matter in papers over the country, have gone the length of serious editorial comment upon "the President's effort" to bring about a decision from the Interstate Commerce Commission favorable to the railroad companies of the country. It is unbelievable, sir, that President Wilson could have entertained such a monstrous thought. Any man of integrity of character would as soon attempt from his high place to influence the decisions of the Supreme Court of the United States. But since the press has persisted in these gross misrepresentations, one is constrained to feel that the President should have let it be known that he resented the imputation. I have looked in vain for such a declaration. He has again and again corrected misrepresentations as to his action and attitude in matters of incomparably less significance, but these statements, so far as I have observed, have been permitted to stand uncontradicted until not only in the press but in the minds of thousands upon thousands of people, as shown by these letters, is lodged the belief that the President favors this advance in rates.

Mr. STONE. Mr. President——

The PRESIDING OFFICER. Does the Senator from Wisconsin yield to the Senator from Missouri?

Mr. LA FOLLETTE. Just let me conclude my sentence. I say these statements have been permitted to stand uncontradicted, until not only the press but many people, as shown by the printed articles and written communications, have apparently, without thinking of the wrong that their belief does the President, concluded that the President actually desires a decision in favor of the railroads.

I now yield to my friend from Missouri.

Mr. STONE. I have seen printed statements, I think more than once, coming from the President or purporting to come from him, seemingly with authority, that he would as soon think of attempting to influence the Supreme Court in deciding any great question before that tribunal as he would of injecting himself into the deliberations of the Interstate Commerce Commission to influence its action. I have seen that in the papers. I have not conversed personally with the President on the subject.

Mr. LA FOLLETTE. I understand. I am glad, indeed, to have the Senator from Missouri call attention to the publication of a denial of the repeated statements that President Wilson is exerting influence upon the Interstate Commerce Commission for a decision favorable to the railroads. I think the Senator from Missouri could render a most excellent service to the President, to the country, and to the commission if he would cause to be investigated the papers in which such denial was printed and have such papers brought in here and spread upon the records of this Congress in order that they may give to the country the indubitable evidence that I am certain a great many people have sought.

I know that I have watched the columns particularly of all the Washington papers, and I have had their columns searched again and again, but could find no denial of these statements with respect to the attitude of the President. Right here where the Interstate Commerce Commission is sitting, and where day after day and week after week not only these statements from the White House are given out and are printed, placing the President in the attitude of favoring the advance in rates, but where serious editorials, of which I have the copies here, appeared in these Washington papers, discuss the position of the President and commend him for his endeavor to bring influence to bear upon the Interstate Commerce Commission to secure a judgment or finding or determination of this case in favor of the railroads. Many of those editorials which I will print urge the commission to yield to the President's requests, and to suspend the taking of further testimony and decide this case at once in favor of the railroads. Mr. President, it is almost inconceivable in this enlightened day and age that men charged with the responsibility of publishing papers should be so utterly consciousless.

I have prepared a diagram here [exhibiting] which shows the different organizations as they have operated to bring to bear all of the influences which have been at work upon the Interstate Commerce Commission. All the efforts of the various organizations inclosed in these brackets [indicating] were directed toward the Interstate Commerce Commission. I ask leave to print a diagram showing exactly the extent and scope and perfection of this monster organization to control a decision in this case. [See next page.]

The PRESIDING OFFICER. Is there objection? There being no objection, it will be so ordered.

Mr. LA FOLLETTE. If this wicked proceeding which I have imperfectly presented to the Senate this afternoon is not arrested at once and forever, it will lead to the destruction of the work which the Interstate Commerce Commission is doing. It will lead to the speedy abolition of that commission. Once permit the public mind to be tainted with the belief that the proceedings of that commission may be influenced in any manner outside of the sworn testimony submitted, and the great work which it can do for the people of this country is forever at an end.

Mr. President, the founders of this Republic wrought out a system by which the will of the people should be enacted into law, and impartially enforced through our judicial tribunals. This is the basic principle of our Government. Upon the integrity of its proceedings depends the security of life and liberty, of person and property—the very existence of organized society.

The ideal of justice was so precious to the framers of the Constitution that it was given first place in the enumeration of specific objects to be attained by forming the Union.

We the people of the United States in order to form a more perfect Union, establish justice—

So runs the preamble.

And it was to insure the administration of justice that they ordained our judicial system.

The constitution of every State in the Union declares, in substance, that—

Every person is entitled to a certain remedy in the law for all injuries or wrongs which he may receive in his person, property, or character; he ought to obtain justice freely, and without being obliged to purchase it; completely and without denial; promptly and without delay, conformably to the laws.

No student of existing conditions, however conservative he may be, can ignore the alarming fact that there is a widespread and growing suspicion in the public mind that our courts and kindred tribunals established to administer justice under the law are more considerate of property interests than of personal rights.

For years the current literature of the day has teemed with it. It is idle to say that it is confined to the violent denunciation of the agitator and demagogue. It has found expression in publications of accepted standing. It has been the theme of eminent publicists. It has been denounced from the pulpit. It has been discussed in the meetings of National and State bar associations. It has become the settled conviction of millions of worthy citizens of the Republic.

I say this is no longer an academic question. Out of it has come the demand for the recall of judges, which is already embodied in the constitutions of at least three States of the Union.

Mr. President, in the American home, in our schools, and in all the relations of life we are taught to respect and reverence our courts. The judiciary alone, of all our institutions of government, was set upon an eminence of station and consecrated to a service designed to lift it above the suspicion of perverting justice.

Standing somewhat apart from the turmoil and clash of the material world, our courts were insured a calm and repose where they might hold with even hand the scales of human justice. Nor was that all. Through common-law proceedings for contempt, and a great body of statutory crimes against justice, we have thrown about them as constituted every protection and safeguard which the wit of man can provide.

But notwithstanding all of the care which has been exercised to shelter and preserve the sanctity of their proceedings, we have not succeeded in saving them from falling under criticism which we can not wholly ignore.

What, then, shall be said of us when we create a tribunal such as the Interstate Commerce Commission, commit to it the most complex task ever imposed upon a like body of men, and leave it, in the performance of its enormous undertaking, exposed to every form of attack conceivable.

Sir, there is no mistaking what has been done. Everyone knows there has been an organized conspiracy to coerce the Interstate Commerce Commission to an immediate compliance with the demands of the railroads that $50,000,000 be taken from the public, handed over to the railroads, and no questions asked.

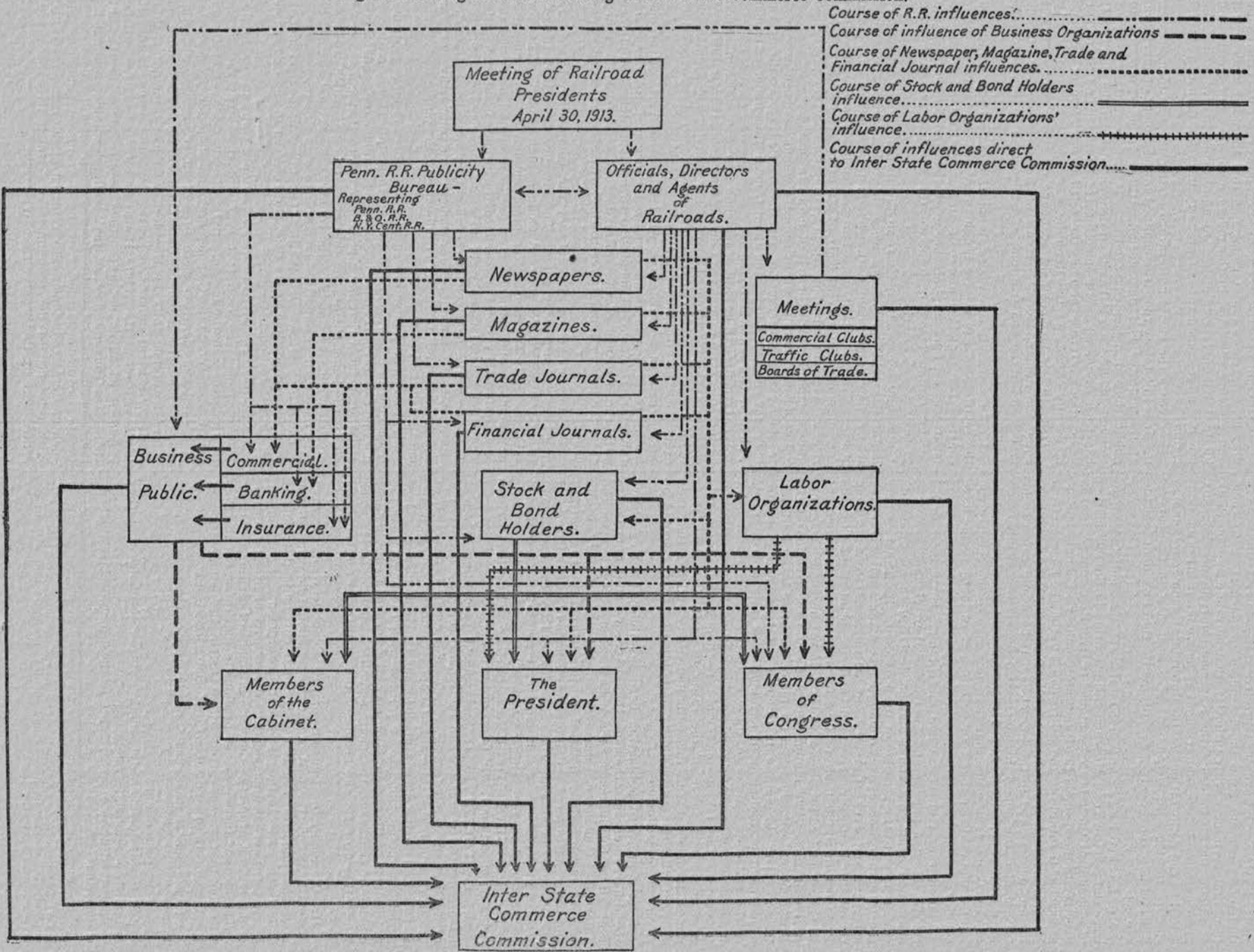
The law makes it the duty of the commission to require proof before increasing rates. The law presumes that the existing rate which the railroad made is high enough. The law says the railroads must offer proof enough to overcome this presumption, and then enough more to meet and overcome the proof offered by those opposed to the proposed advance rate. The commission has no right to grant an increase otherwise. To do so would be to violate the law they have been chosen to administer. It would be a dishonest and unworthy act, for which they would forfeit the confidence of the public and would merit dismissal from office.

Mr. President, I have presented a bill which in large measure, if enacted into law, will protect the Interstate Commerce Commission as our courts have been protected under the common law and the statutes that have been enacted to that end. Let us afford the same shelter for this great tribunal which we have erected about the courts of the country. I ask that the bill be referred to the Committee on Interstate Commerce.

The PRESIDING OFFICER. The bill will be considered, read the second time by its title, and referred to the Committee on Interstate Commerce.

Mr. HUGHES. Mr. President, I simply want to say to the Senator from Wisconsin that I am informed that the letters to which the Senator has referred as having been stamped and sent to the Interstate Commerce Commission for acknowledgment and consideration were so sent in accordance with the long-established custom of the White House. They were so referred automatically by the clerk who had been doing that work for a great number of years. My information is that it is the custom at the White House to refer no matters to the President which do not affect the executive department; that there is a constant flood of mail and telegraphic communications coming to the White House which must be dealt with by the various departments of the Government; and that all such matters are automatically referred in the manner adopted with reference to the communications which have been presented here by the Senator from Wisconsin.

Diagram showing influences bearing on Interstate Commerce Commission.



Mr. LA FOLLETTE. I should like to ask the Senator from New Jersey whether the information which he has secured regarding these letters would apply as well if letters were written to the President, or to the Secretary to the President, asking that the influence of the President or of the secretary be brought to bear upon the Supreme Court of the United States to secure a decision favorable to one side or the other in any given case? I should like to ask if the Senator knows or is led to believe from information that he has received that such letters would be transmitted to the Supreme Court of the United States?

Mr. HUGHES. They certainly would if they came to me, and I will say to the Senator from Wisconsin that I do not know of any better place to send a letter of that kind than to the Supreme Court of the United States in order to secure proper action on it.

Mr. LA FOLLETTE. I was just asking the Senator whether he had information that would lead him to conclude that such letters, if received at the office of the President, would be transmitted to the Supreme Court?

Mr. HUGHES. My information is that such letters would automatically go to the Supreme Court.

Mr. LA FOLLETTE. That is all I wanted to know.

Mr. HUGHES. That would be the very object of transmitting them. Where else would the Senator from Wisconsin expect that such letters should go?

Mr. LA FOLLETTE. I should think, if that were done, the secretary making the reference would be liable for contempt as well as the writer of the letter.

I now submit for the consideration of Congress and the country the written and printed material which has poured in a steady stream upon the Interstate Commerce Commission for the purpose of influencing its decision in favor of the railroad companies. The Senate has given permission for its publication in the RECORD. It is but a small portion of the vast amount printed and circulated in every State in the campaign to manufacture a spurious public opinion designed to aid the railroads in accomplishing their purpose.

Proof of Efforts to Control Decision of Interstate Commerce Commission in Advance Rate Cases.

EXHIBIT A.—Bulletins and other printed matter issued by the railroad publicity bureaus.

EXHIBIT A2.—A series of pamphlets issued by the railroads containing addresses delivered by railroad officials before traffic clubs and business organizations.

The bulletins and addresses were the bases for hundreds of newspaper and magazine articles and for action by business organizations in all parts of the country.

EXHIBIT B.—Consists of copies and lists of newspaper and magazine articles and editorials sent to the Interstate Commerce Commission. These, for the most part, are based upon the statements contained in the pamphlets issued by the railroad publicity bureaus and the addresses of railroad officials. Their evident purpose was to create a false public opinion favorable to the railroads and to impress the commission that a real public opinion favorable to the railroads existed.

EXHIBIT C.—Communications from individuals to the President and forwarded to the commission.

EXHIBIT C2.—Communications sent by the Cabinet.

EXHIBIT C3.—Communications sent by Members of Congress.

EXHIBIT C4.—Abusive and derogatory letters sent the Interstate Commerce Commission.

EXHIBIT C5.—Letters showing agitation by bankers for the rate increase.

EXHIBIT C6.—Special "raise the rates" edition of the Railway Record, showing another method of publicity.

EXHIBIT C7.—Letters showing agitation by business organizations for the rate increase.

EXHIBIT C8.—Petitions from labor organizations asking for the rate advance.

The statements made in all of these letters, telegrams, and petitions show that they were based upon the representations made in the newspaper articles or in the railway bulletins.

EXHIBIT D.—Resolutions and petitions from boards of trade, chambers of commerce, and manufacturers' associations, urging the Interstate Commerce Commission to grant the rate advance.

EXHIBIT E.—Communications from corporations, firms, and individuals urging the Interstate Commerce Commission to grant the rate advance.

EXHIBIT F.—Communications to the Interstate Commerce Commission protesting against a rate advance.

EXHIBIT G.—Chain letters made use of to secure the rate advance.

EXHIBIT H.—Communications to the Interstate Commerce Commission relative to railroad inefficiency and wastefulness and other matters.

EXHIBIT I.—Communications from shippers protesting against introduction of "spotting" or other similar charges.

EXHIBIT A.

RAILROAD PUBLICITY BUREAUS.

The Baltimore & Ohio, New York Central, and Pennsylvania Railroads conducted a publicity campaign through the publicity agent of the Pennsylvania Railroad. Thirty-two anonymous ex parte bulletins, reprinted below, have been issued and scattered broadcast over the country. They have formed the basis of thousands of news items, editorials, and addresses. They found their way into the weekly newspapers. They played no small part in influencing a large proportion of the upward of 22,000 newspapers of the United States.

Railroads in the eastern section of the United States—what is known as official classification territory—have applied to the Interstate Commerce Commission for an increase of 5 per cent in freight rates. The presentation of the railroad case is in charge of a committee of railroad presidents, as follows:

Daniel Willard (chairman), president Baltimore & Ohio Railroad Co.
Samuel Rea, president Pennsylvania Railroad Co.
A. H. Smith, President New York Central lines.

It is desired that the public generally should be fully informed as to the nature of the data upon which the railroad case is based. Consequently the railroad committee is distributing to shippers and others abstracts of the facts brought to the attention of the commission.

[Bulletin No. 1.]

THE CASE FOR INCREASED RAILROAD RATES.

General statement on behalf of the railroads made before the Interstate Commerce Commission, at Washington, November 24, 1913, by Daniel Willard, president of the Baltimore & Ohio Railroad Co. and chairman of the committee of railroad presidents appointed to present the railroad case to the Interstate Commerce Commission.

The railroads parties to this proceeding include practically all the lines operating in so-called official classification territory, which is substantially all that part of the United States east of the Mississippi and north of the Ohio and Potomac Rivers. The same companies were also parties in a similar proceeding before this commission in 1910.

In its report of that investigation, known as I. C. C. 3400, the commission made a comprehensive review of the whole subject, and found that the carriers had failed to establish the need of additional revenue from increased rates at that time. It recognized, however, that it might come about in the future, as the carriers feared that the net earnings from the then existing basis of rates would be inadequate, but held that this could only be determined by an actual test. It said, "If actual results should demonstrate that our forecast of the future is wrong, there might be ground for asking a further consideration of the subject."

Since 1910 sufficient time has elapsed to afford the actual test, and with the records of operation for the three intervening years available, the same carriers appear again, believing that the results of the actual test will now demonstrate the necessity for additional revenues or net earnings.

In I. C. C. 3400, page 19, the following language is used:

"Our railroads must be maintained in a high state of efficiency. This the public interest demands. Commerce and industry can not afford to wait on transportation facilities. Our rates should be such as to render possible a high-class, not an extravagant service.

"It is generally conceded that within the next few years, if our means for transportation by rail are to keep pace with the calls upon them, very large sums must be expended in the way of new construction and new equipment. While some small portion of this may come from current earnings, the great bulk must be new capital. This capital must be obtained from the investing public.

"If, therefore, we are to rely on the future, as we have in the past, upon private enterprise and private capital for our railway transportation, the return must be such as will induce the investment. It is therefore not only a matter of justice but in the truest public interest that an adequate return should be allowed upon railway capital."

While the carriers fully recognize and acknowledge their obligations to the public, and are alive to the responsibilities so imposed, they are helpless to fulfill these obligations unless the financial result of their operation is such as to inspire the confidence of private capital and encourage the support of private enterprise, and the result of operation during the last three years is not such as to inspire the one or encourage the other.

PROBLEM NOT MERELY OF DIVIDENDS.

This as we view it is the situation to-day, and if we are right, it is respectfully submitted that there is at this time no more important question before the people, nor one the correct solution of which will do more to stimulate healthy commercial activity and promote industrial growth. It is a mistake to think that the problem is merely a question of dividends to railroad stockholders, although that feature is of course involved. The problem in a broad and true sense affects all interests, and the outcome of this particular case, whichever way it is decided, will mark an epoch, because it will, in effect, very largely determine whether we shall, as in the past, continue to look to private capital and private enterprise for our transportation requirements, or be compelled finally to accept the only alternative possible. It is recognized, of course, that railroad expansion and improvements must go on, and any tendency or condition that threatens to seriously check, if not completely stop such expansion in a large and important part of the United States, becomes, because of that fact, a matter of vital importance.

This commission in its report (I. C. C., 3400) said that the railroads had failed to establish a necessity for higher rates at that time. It also said, in effect, that it believed that from the increase in gross earnings which would undoubtedly come to the railroads, together with such economies as the companies might effect, the net earnings of the future would be adequate, but it also said that should it come about that its views were not sustained by future developments, and should it appear at any time that there was a real necessity on the part of the carriers for increased revenue, in order that they might be in position to provide such facilities as the public required, that it would, upon request, give the matter further consideration.

NET EARNINGS DECREASING.

During the first two years immediately following the decision, the commerce of the country showed little, if any, change in volume, but during the last fiscal year there was marked activity in business of all kinds, and the gross earnings of the railroads generally for the year ended June 30, 1913, were the largest in their history. Notwithstanding the increased gross, however, the railroads in official-classification territory continue to show decreases in net earnings, and, as the commission well said in the opinion above referred to, "It is the net, not the gross, we must consider." This decrease in net earnings has been due largely to greatly increased expenses, as pointed out in the petition which the carriers filed for rehearing on May 14, 1913, from which I will quote:

"The cost of conducting the business of the carriers has been, and is being, steadily increased by increases in capital charges; increases in wages, in taxes, by burdens imposed by legislative enactments, such as extra-crew laws, employers' liability and compensation acts, by the elimination of grade crossings, either in part or in whole at the ex-

pense of the carriers, and in various other respects, and it is felt that existing rates are insufficient to afford just and reasonable compensation and return to the carriers, and are unreasonably low in view of the value of the service afforded thereunder."

In the application for rehearing just referred to, the carriers asked permission to advance freight rates in official-classification territory on the basis of 5 per cent, with reasonable minima and with the modifications necessary to preserve differential relations. The commission thereupon ordered that this proceeding of inquiry be instituted into the following matters:

"First. Do the present rates of transportation yield adequate revenues to common carriers by railroad operating in official-classification territory?

"Second. If not, what general course may carriers pursue to meet the situation?"

The railroads, parties to this proceeding, have prepared new tariffs, advancing freight rates as suggested in their petition, and have placed the tariffs on file with this commission and at stations, so that all concerned might be fully advised regarding the effect of the proposed increase.

In order to develop the whole situation and to show the actual operating results obtained during the last three years, tables have been prepared, containing such information as is necessary to show the changes that have gradually come about in property investment, earnings, cost of operation, income, etc., not only during the 3-year period, but also for the last 10 years. This has been done because the influences which have brought about the existing conditions have been operating over a considerable period of time. The present situation and the gradual but consistent tendency in that direction are both clearly indicated in these tables. Separate tables have been prepared for each of the several companies for the periods above mentioned, and a combined statement giving the consolidated figures for all of the companies has also been prepared, and all of the tables have been or will be filed with the commission.

THE INCREASED INVESTMENT.

A brief reference to some of the more striking features in the statements may be pertinent at this time. The consolidated statement shows, for instance, that during the fiscal years ended June 30, 1911, 1912, and 1913, the railroads interested in this movement increased their property investment $659,862,000. The gross earnings of these roads during the last fiscal year were $1,424,119,000, or $186,775,000 greater than they were in the fiscal year ended June 30, 1910.

The operating expenses and taxes during the last fiscal year, for the same roads, at $1,087,365,000 were $203,087,000 greater than they were in 1910, so that even though these railroads earned in gross during the last fiscal year $186,775,000 more than was earned three years previous, the net result, after paying operating expenses and taxes, was actually $16,311,000 less than it was in 1910, notwithstanding the fact that over $659,000,000 of additional money had been spent in the meantime for additions, betterments, and equipment. These companies apparently not only failed to earn any return whatever upon the new capital invested, but saved even less from gross earnings, as return upon the original property investment, than they were able to show before this large additional expenditure was made.

Another table has been prepared showing the combined results, for the same period, of the Pennsylvania, New York Central, and Baltimore & Ohio systems, these particular companies having been referred to by the commission in its report (I. C. C., 3400) as typical systems. This table shows that on these three systems during the three-year period mentioned, the property investment was increased $423,431,000. The combined gross earnings during the same period increased $109,380,000, while net operating income of all three systems, after paying operating expenses and taxes, was $8,380,000 less in 1913 than in 1910, notwithstanding the fact that over $423,000,000 had been spent in the meantime for betterments, additional equipment, etc. I might also add that in the single case of the Baltimore & Ohio system the tables show that the property investment of that company was increased over $56,000,000 during the same 3-year period; the gross earnings in the meantime increased over $13,000,000, but the net operating income in 1913, after paying expenses and taxes, was $660,000 less than in 1910.

NEW CAPITAL EARNED LITTLE OR NO RETURN.

The separate reports of the roads or systems which will be submitted show that the same tendencies have operated in greater or less degree in the case of each individual company. In brief, it appears to have come about that the new capital invested in railroads in official classification territory during the last three year has earned little or no return; in fact, these properties generally are actually earning less net, after paying operating expenses and taxes, than they were earning at the beginning of the period, and before the $659,862,000 had been spent. It would seem that the mere statement of the case should be sufficient to indicate the serious situation which confronts not only the railroads in this territory, but also those industries and commercial undertakings which depend upon the railroads for transportation.

The result, as might be expected, of this constant tendency toward diminishing net returns has been to seriously check, if not altogether stop, the normal development of railroad facilities in the territory affected. The tables show that during the 10-year period these railroads found it necessary to increase their property investment approximately $2,000,000,000, an average of about $200,000,000 per annum, and it is certain that an equal if not greater amount per annum will be necessary to meet the requirements of the future.

Railroad managers would hardly be expected, under the circumstances just stated, to continue large capital expenditures for betterments and additions, if possible to avoid doing so, at least unless they had reason to believe that something had happened, or was about to happen, which would materially change the situation. It is believed that the preceding statements, if confirmed, are sufficient in themselves to justify the request which the carriers now make fo ardvanced rates, unless it can be shown that the causes which have operated to bring about such results are of a temporary character, or have now ceased to exist. As already stated, while the matter has only recently reached an acute stage, the influences which have, as a whole, served to bring about the present condition have been operating for a number of years. Evidence will be submitted to show some of the contributing causes and their effects. It was shown in case Interstate Commerce Commission 3400 that the advanced wage movement culminating in 1910 would increase the wage payments of the railroads in this territory approximately $34,000,000 per annum. The commission, in its report, expressed the opinion that in view of the large recent increases it seemed fair to assume that wages would not much increase in the immediate future. Evidence to be submitted, however, will show that subsequent to the general increase in 1910, a similar movement was inaugurated in 1912, and increases already gained by this last movement—largely as a result of mediation and arbitration proceedings—have greatly augmented the wage payments of these same carriers.

INCREASING WAGES.

The award just recently announced by the arbitrators in the matter of the application for increase in wages by the conductors and trainmen in eastern territory, it is estimated, will give approximately $6,000,000 increased wages annually to the conductors and trainmen employed by the railroads affected, all of which are in official classification territory. The effect of this increase is not shown in any of the other figures which I am using at the present time.

A full statement, showing the general wage increases made during the three-year period, and the procedure under which they were obtained will be presented.

The total wage payment of the Baltimore & Ohio System has been increased by an amount in excess of $4,000,000 per annum, comparing the fiscal year 1913 with the fiscal year 1910, due to increased rates of pay and changes in working conditions. Approximately one-half of this amount, or $2,000,000, is due to advances gained by the movement begun in 1912, and subsequent to the increases considered by the commission in the 1910 investigation. This indicates, in a general way, what has also taken place with each of the other companies. It should be borne in mind that the wages paid on the several roads interested in this proceeding are very nearly on the same basis, and with substantially the same working conditions.

Since 1910 there has been an increase in the cost of materials, due in part to increased use and higher standards, and in part to increased prices of certain materials entering largely into the cost of operation, such as fuel and track ties. The advance in price of these two items alone in the case of the Baltimore & Ohio System served to increase the expenses of that company in 1913 more than half a million dollars above what they would have been had prices remained as in 1910.

INCREASING TAXES.

The amount paid for taxes by the companies, parties to this proceeding, has shown constant increases during the whole 10-year period, and particularly during the last three years. The increase payment in 1913 over 1903 was $28,720,000, and the increase incident to the last three years was $11,579,000. In the case of the three systems selected by the commission as typical, the amount of money actually paid as taxes during the year 1913 was $31,216,000, being $7,854,000 more than was paid in 1910.

Legislation, both State and Federal, enacted during the last 10 years, has brought steadily increasing burdens upon the carriers. It is not proposed to question the merits of any of the legislation referred to in this connection. For the present purpose, it is sufficient to say that the effect upon cost of operation has been and will be the same, regardless of the merit of the measure. Among the measures which have affected cost of operation, I may mention: Employers' liability and compensation acts, full-crew bills, so-called semimonthly pay laws, safety appliance, and standardization of equipment acts, and acts requiring the elimination of grade crossings, etc. The effect of the so-called full-crew laws alone has been to increase the expenses of these carriers more than $4,000,000 per annum.

The public demands to-day a higher standard of service than ever before, and while it may be that the wishes of the public in this particular have not been fully realized, none the less, much has been done in that direction, all of which is reflected in the cost of operation.

One other very important influence upon the expense of railroad operations, when considered in a broad sense, is the higher rate of interest which the companies have been obliged to pay in recent years for new money raised for improvement purposes. It is believed that in the case of the carriers particularly the cost of new capital has been made higher than it otherwise would have been, by the constantly narrowing margin between income and outgo, as it is upon this margin chiefly that the railroads in this territory must rely as the basis for raising additional capital.

RAILROADS FEEL HIGH COST OF LIVING.

In short, the railroads have felt the burden of the increased cost of living, like all other enterprises or individuals, but, unlike all others, have not been permitted, so far, to raise their prices or adjust their charges in recognition of that burden.

Further, the rates which were in effect in 1910 have not, in the aggregate, been maintained—that is to say, while certain increases have been made during the period in mind, decreases have also come about, so that the general basis of rates has been lowered, to some extent by orders of the regulating commissions, and perhaps to an equal if not greater extent by commercial conditions or influences beyond the power of the carriers to resist. The net result of this movement is indicated in the statement that if the same rates and classifications which were in effect in 1910 had remained in effect in 1913, the freight earnings of the Baltimore & Ohio system, in the year last menioned, would have been over $900,000 greater than they actually were, and the net income would have shown the same increase. It should be understood that this tendency will continue to lower the general level of the rate structure for some time to come, and it should be taken into account when deciding upon any fair basis of rates for the future.

OTHER NATIONS RAISING FREIGHT RATES.

In addition to the actual reduction in rates above referred to, the continuous decline in the value—that is to say, the purchasing power—of money for a number of years past has had the effect of diminishing still further the burden of the rate to the shipper, while at the same time increasing the burden of the carriers. This influence, reflected in the higher cost of operations, has been world-wide, and has been recognized by rate advances recently made by railroads in England, Italy, Switzerland, Belgium, Denmark, Russia, Austria, Hungary, and other countries.

Having set forth the results of the operation of these carriers to show that the revenue received upon the existing basis of rates is inadequate, and having pointed out some of the causes which have served to bring about this condition, we come now to a consideration of what general course the carriers may pursue to meet the situation.

If the situation is as I have shown, it is clear that the remedy must come from such changes or such line of action as will serve to increase net earnings, and this result might be brought about by one of three methods or by a combination of some or all of them. A large reduction in cost of operation—other conditions remaining as at present—would produce larger net earnings. A large increase in gross earnings, if the additional business could be handled with the present facilities and at present operating ratios, would also result in a larger

net, and it is obvious that an increase in freight charges, other conditions remaining as at present, would bring about the same result.

I do not believe it will be possible to obtain the necessary relief either by reducing wages already in effect or by making any very considerable reduction in the number of men employed; nor do I believe it will be possible to effect economies in operation of sufficient magnitude to have any saving effect upon the situation. Undoubtedly, further economies will be brought about, but it is altogether likely that in the future, as in the past, they will be more than offset by increased taxes, by the effect of further legislation, which is almost certain to come about, and by other unavoidable increases in expenses.

OPERATING ECONOMIES.

It appears from the tables submitted that coincident with increased property investment during the past three years, practically all of the railroads in this proceeding have largely increased the average tractive power of their locomotives and the carrying capacity of their cars, and have also made substantial increases in their train load, all of which has tended to more economical operation. Speaking more specifically, the Baltimore & Ohio Co., having made exceptionally large capital expenditures during the period last mentioned, was enabled to effect such increase in its freight-train load as to result in a saving in the fiscal year 1913 when compared with 1910 of over 9,000,000 freight-train miles, which, at an estimated cost of 50 cents per train mile, accomplished a saving in transportation costs of approximately $4,500,000 per annum. This large saving, however, was more than offset by increases in other expenses, due to causes which I have already mentioned. I feel confident that the relief which is necessary if these carriers are to meet the standard suggested by the commission in its report (I. C. C. 3400) is not to be found in more efficient operation.

TO RAISE RATES ONLY ALTERNATIVE.

We next come to the question of large increase in gross earnings. Under certain conditions it might properly be expected that larger gross earnings would give increased net, but it so happens that the railroads involved in this proceeding are located in that part of the United States where commercial and industrial development has been most intense, and it will be shown that in order to increase the gross earnings of these particular companies to any great extent at the existing rates, it would be necessary for them to handle a volume of business much beyond their present carrying capacity. It would, therefore, be necessary to obtain and spend a large amount of new capital for increased facilities before gross earnings could be greatly augmented, and, as has already been shown, new capital invested in such facilities during the last three years has generally failed to earn any return whatever upon the investment. For this reason, I do not think we can safely look for relief in the one direction of increased gross earnings, and this brings us to the third remaining method suggested; that is, increase charges or increased rates and fares.

Inasmuch as the passenger fares charged by these several companies are generally the result of legislative enactments, and the mail pay and express rates are also beyond the control of the railroads, it will be seen at once that no immediate relief, and perhaps no very considerable relief at any time, can be obtained in these directions, and we are consequently forced to consider an advance of freight rates as the one available source of increased earnings. When this same question was before the commission in case I. C. C. 3400, it was strongly urged by shippers who opposed the increase at that time that, if it should be shown that the carriers did need increased revenue, and if it should also appear that such increased revenue ought to be obtained by increased freight rates, such advance should not be obtained, as was then proposed, by a very considerable advance of some of the rates and no advance of others. It was pointed out that the rate structure, such as it was at that time, was the result of a long period of competition, plus the influence of many years of State and Federal regulation, and that commercial and industrial conditions generally had grown up in harmony with the existing structure, and it was urged that the relation of rates between different places and between themselves ought not to be violently or unnecessarily disturbed. The force of this argument has been recognized by the carriers, and in the present instance, while it is proposed to secure the necessary increased revenue by an advance of freight rates, it is also proposed that it should be obtained by an increase generally of 5 per cent, using minima of 5 cents per ton and of one-quarter of a cent per hundredweight, preserving so far as possible existing competitive adjustments as between localities. This method takes full cognizance of the claim previously made by the shippers that the existing rate structure should not be unnecessarily disturbed so far as relation between rates is concerned.

The amount of advance, or the percentage of increase now proposed is, in the opinion of those who are parties to this movement, too small to properly meet the exigencies of the case. It was felt, when the matter was first discussed, and that feeling has been strengthened with the passage of time, that a 10 per cent increase of freight rates was necessary and should be requested at the present time, and while all felt that 10 per cent was not higher than the conditions justify, the lesser advance of 5 per cent was finally determined upon, because it was recognized that the whole rate situation was a matter of delicate relationship, and the individual carriers were naturally solicitous that nothing should be done to disturb the free and well-established movement of traffic. An increase of 5 per cent, it was thought, would not be large enough to affect seriously, if at all, commercial adjustments, and the increased net which would be gained by such an advance, while not of itself equal to the necessities of the case, would in any event be of assistance, and most important of all, the general increase of rates would serve to direct attention to the relationship which does and must exist between railroad charges and the total cost of operation.

It was urged in the previous hearing that the carriers at that time were nuable to show by actual test that the rates in effect were insufficient, and that they failed to show the necessity for increased revenue. We believe that in the present case the evidence showing the need of additional revenue is ample. It was suggested, also, that even if additional revenue were necessary at that time, the plan proposed was not the right one by which to obtain it. The carriers accept that point of view, and now propose that the increased revenue be obtained by an advance of a small percentage of all rates in the territory affected. It is believed that the plan now submitted is the fairest and best one possible under all the circumstances.

In conclusion: I have shown that tendencies which have been operating over a period of at least 10 years have resulted in such diminishing net returns that it has gradually come about that money invested in these railroads, because of the low average rates prevailing in so-called official classification territory and for other reasons, does not earn the same return as money invested in other enterprises of similar kind or character. As a matter of fact, money so invested during the last three years, taken as a whole, has earned no return whatever. In view of all this, those responsible for the management of these properties would not be justified in continuing large expenditures of new capital for additional facilities and equipment, even if such capital were available at reasonable rates of interest.

$200,000,000 CAPITAL INVESTED EACH YEAR.

I have also shown that the railroads in official classification territory have increased their property investment for new tracks, stations, locomotives, freight and passenger cars, and for other similar purposes at the rate of approximately $200,000,000 per annum during the whole of the last 10-year period, and it is certain that the continued annual expenditure of a sum even greater than that will be necessary for similar purposes, if the carrying capacity of the railroads in this territory is to keep pace with the normal growth of commerce.

The immediate and all-important question is, How shall these railroads obtain the new capital necessary if they are to provide the needed facilities and furnish the high-class service which the public interest demands and to which the public is properly entitled? The answer, we think, is to be found in the following words, which appear in the report of this commission, from which I have already quoted:

"We should allow such rates which will yield to this capital as large a return as it could have obtained from other investment of the same grade. If rates formerly in effect have become insufficient, then higher rates should be permitted. Commerce and industry can not afford to wait on transportation facilities."

[Bulletin No. 2.]

Statement on behalf of lines in Central Freight Association made before Interstate Commerce Commission November 24, 1913, by Frederick A. Delano, receiver Wabash Railroad.

In the 1910 case the commission reiterated a principle it had frequently applied in previous cases involving the reasonableness of competitive rates, which is tersely stated in the following sentence taken from the Spokane case:

"We must therefore in fixing rates have regard not altogether to any one particular railroad, but to the whole situation, and must consider the effect of whatever order we make upon all these defendants."

In applying this principle in the 1910 case, the commission held that the Pennsylvania, New York Central, and Baltimore & Ohio systems were, for the purpose of measuring the reasonableness of rates, fairly typical of the railroads in oiicial classification territory.

Mr. Willard has indicated in his statement that the lines generally will offer evidence which will show that they are now entitled, on the authority of that ruling, to increase their rate.

That ruling was, no doubt, justified by the evidence submitted in that case, but we, who represent the Central Freight Association lines, do not believe the evidence in that case fully developed the whole railroad situation in the territory.

We concur in all that Mr. Willard has said, and believe the evidence will show that the systems I have mentioned considered alone are entitled to an increase in rates; but we are not satisfied with the ruling of the commission that those systems are typical of the lines in the territory, and believe that if the ruling should be affirmed as a fixed precedent for future guidance its application will cause irreparable injury not only to them but also to the people they serve, and we have accordingly determined to bring to the attention of the commission in the present case evidence which we believe will justify a reconsideration of the subject, and I have been delegated to briefly outline that evidence.

We will participate with the trunk lines in offering testimony on the general features of the case, and will confine our separate presentation to the submission of additional evidence which, we believe, will show the ruling of the commission, that the systems I have mentioned are fairly typical of the whole situation in the territory, ought not to become a fixed precedent, and that the "whole situation" in Central Freight Association territory is the fair measure of the reasonableness of the rates in that territory, and calls for a very substantial increase in rates.

OFFICIAL CLASSIFICATION TERRITORY.

Official classification territory embraces three distinct and independent railroad territories and rate zones, which we will endeavor to show were created in a natural way in the evolution and development of the railroad business by economic conditions peculiar to each but not common to two of them.

NEW ENGLAND TERRITORY.

First, we have the New England territory, which embraces the New England States, and contains an area of approximately 64,000 square miles, inhabited by approximately 11,000,000 people, or 174 inhabitants to the square mile, and traversed by 8,071 miles of railway lines, which touch an average population, including New York City, of 1,389 per mile of railroad. The population of that territory is dense, and, in the main, assembled in large industrial centers, the rural population of the New England States being only 17 per cent of the whole population.

That territory does not produce fuel or other raw material, except granite, marble, and lumber—and those do not comprise a substantial tonnage—and, while the traffic is dense, it consists largely of merchandise, manufactures, and miscellaneous. For instance, approximately 45 per cent of the tonnage of the two principal railroads in that territory during the year 1912 consisted of that class of traffic.

The hauls in that territory are short. Little traffic passes through, except imports and exports, and the bulk of the traffic originating or destined beyond that territory is received from or delivered at its west boundary to lines running west and south, while the water-borne tonnage is largely hauled but short distances to inland towns.

These conditions and the isolated location of that territory along the Atlantic seaboard, water competition, and numerous other economic influences peculiar to it, which the evidence will bring out more in detail, have created a railroad territory and fabric of rates and traffic conditions peculiar to it and independent of the West and South.

TRUNK-LINE TERRITORY.

We have next the trunk-line territory, which embraces the area west of the Hudson River and Atlantic seaboard, north of the Potomac River, and east of what is known as the "western termini"—a line extending from Buffalo through Pittsburgh to the Ohio River. This territory embraces an area of 112,000 square miles, and has a population of 21,000,000, or 207 inhabitants to the square mile, and is traversed by 23,777 miles of railway lines, which touch an average population of 889 per mile of railroad.

As in the New England territory, the population in the trunk-line territory is found largely in its great cities—the rural population of the States included in the territory being only 30 per cent of the whole.

The area and population of this territory are greater than the area and population of the New England territory, but the area per mile of railroad is only about one-half, which indicates that the former is more amply supplied with railroad transportation facilities than the latter. While the population per mile of railroad is greater in New England territory than in trunk-line territory, the tonnage in the latter, per mile of railroad, is approximately twice the tonnage in the former. The character of the traffic is likewise substantially different in the two territories. For instance, the combined tonnage of products of mines carried by the Pennsylvania Railroad proper, the New York Central proper, and the Baltimore & Ohio system in 1912 was approximately ten times the same class of tonnage carried by the two principal railroads of New England. That class of tonnage comprised 66 per cent of the total tonnage of the Pennsylvania and the Baltimore & Ohio but only 30 per cent of the total tonnage of the two New England roads.

The evidence will show that trunk-line territory comprises relatively the largest population per square mile, the greatest industrial activity, and the densest traffic of any similar area in the country. It embraces the great manufacturing centers of New York, New Jersey, and Pennsylvania, and the Pittsburgh district—the greatest tonnage center in the world.

In the early history of railroad building in that territory the railroads were built westward from New York and other Atlantic seaboard cities on the south and either terminated at Buffalo, on the Lakes, or at Ohio River cities. The rates were made applicable to these lines as originally constructed, and the character of the traffic, physical surroundings, and other economic influences, which we will point out more in detail in the evidence, built up and have preserved to this day a railroad territory and a fabric of rates and traffic conditions peculiar to it and independent of and distinct from the territory east, west, and south of it.

CENTRAL FREIGHT ASSOCIATION TERRITORY.

The remainder of official classification territory—the vast area extending from trunk-line territory to the Mississippi River and the Lakes—comprises what is known as Central Freight Association territory.

The portion of that territory in the United States contains an area of approximately 186,000 square miles, inhabited by about 19,000,000 people, or 122 inhabitants to the square mile, as compared with 207 in trunk-line territory and 174 in New England territory, and is traversed by 35,849 miles of railroad, which touch an average population of 506 per mile of railroad, as compared with 889 in trunk-line territory and 1,389 in New England territory.

It will be noted that while this territory contains 2,000,000 less population than trunk-line territory, its area is 74,000 square miles greater, and is traversed by 12,072 more miles of railroad, and while it contains about 8,000,000 more inhabitants than New England territory, it comprises more than three times the area and is traversed by 27,778 more miles of railroad.

The population of the principal States in Central Freight Association territory is about equally divided between the cities and the rural sections, the percentage of rural population being 46 per cent of the whole. But it does not follow that it has too many railroads or too much mileage, because, as we have seen, the population is thinly spread over 186,000 square miles, as compared with a 2,000,000 greater population in trunk-line territory assembled on 112,000 square miles, and only 8,000,000 less population in New England territory assembled on 64,000 square miles.

The traffic in this territory is diversified and very general in character, and is substantially different in many respects from the traffic in the other territories.

SPECIAL NATURE OF MIDDLE WEST RAILROADS.

This territory was created largely by physical conditions and natural development and growth of population. Its numerous lakes and rivers, some of which form its boundaries, attracted to their borders the early settlements and cities, and in time came Chicago and St. Louis, its two chief centers of population. The territory is comparatively level, which facilitated railroad building, and as population increased railroads were constructed in all directions, the objective points being naturally lake and river cities.

It is a well-known fact that in the development of that territory water competition has always been an important factor, and that the railroads have promoted the growth of population and industrial development by low rates. Again, railroad building at times has been in excess of the growth of the country, and caused abnormal competition, resulting in lower rates.

At the time the Government entered upon the regulation of rates, those prevailing in Central Freight Association territory, as a body were comparatively the lowest rates prevailing in any section of the country, and in recent years they have been still further reduced—and especially passenger fares, which have been reduced from 3 to 2 cents per mile, or 33⅓ per cent—in all the States in that territory.

The influences I have mentioned, which we will show in detail in the evidence, have resulted in the bankruptcy of a substantial portion of the railroad mileage in the territory and in depleting the earnings and debilitating the credit of the remaining lines to an extent which, unless relieved by prompt and substantial advances of rates, will naturally result in impeding the commerce and transportation of that section of the country.

On the evidence, we will urge that, owing to the different conditions existing in these three component parts of official classification territory, lines traversing two of these sections ought not to be regarded as typical of the whole situation in the territory or in the component parts. Undoubtedly a great many important considerations are common to all the lines in the three component parts, and, accordingly, the showing of the Pennsylvania, Baltimore & Ohio, and New York Central systems will be of great value to the commission. We do not mean to disparage, or in any way discredit the showing of those systems, but merely contend that their showing is not conclusive or typical of the entire situation.

GROUPING OF LINES IN CENTRAL FREIGHT ASSOCIATION TERRITORY.

We believe it will be pertinent to show the conditions prevailing in Central Freight Association territory, and will, therefore, offer in evidence, among other things, statements of the mileage, earnings, and results of operation of the lines located therein, with a view of indicating the "whole situation" in that territory.

There are, in the territory, 35,849 miles of railroad (exclusive of the mileage of switching and terminal companies) owned by 93 companies.

We have omitted switching and terminal companies because they perform a special service on an arbitrary basis, generally fixed on a per car rate.

The mileage, however, includes the mileage in Central Freight Association territory of the Mobile & Ohio; St. Louis, Iron Mountain & Southern; Louisville & Nashville; Southern Railway; St. Louis Southwestern; Chicago, Burlington & Quincy, and Norfolk & Western—1,892 miles, or 5.3 per cent of the total—but we exclude that mileage from our figures, because it is only 7 per cent of the mileage of those companies, and the results of their operation can not be segregated. As 93 per cent of the mileage of these companies is in higher-rate zones, it is obvious that the operations of these companies as a whole would be immaterial.

This leaves 33,957 miles of railroad, or 94.7 per cent of the total, in the territory.

In presenting our figures we will be obliged to add to that mileage the results of the operation of 264 miles of the Chicago & Alton, 2,628 miles of the Illinois Central, and 859 miles of the Wabash. The principal operation of these three companies is in the territory, the 3,751 miles outside being west of the Mississippi River or south of the Ohio River, in higher-rate zones, and we include them because the results of operation of the mileage in the territory can not be segregated.

We will also include 3,401 miles of the Baltimore & Ohio and Erie, which are located in trunk-line territory, because the operation of this mileage can not be segregated from their lines in the territory.

SPECIAL GROUPING OF CENTRAL FREIGHT ASSOCIATION RAILROADS.

Our figures will, therefore, embrace the results of operation of 41,109 miles of railroad, and we will arrange them in four groups:

Group one: Embraces the 41,109 miles of railroad I have mentioned, except 6,443 miles of Erie lines east of Marion, Ohio, and the Baltimore & Ohio system, and 2,729 miles—the aggregate mileage of 46 short railroads in the territory which, together, earned less than $8,000,000 in 1910.

Group two: Embraces the Erie lines east of Marion, Ohio, and Baltimore & Ohio system, aggregating 6,443 miles, 3,401 of which are located in trunk-line territory. This mileage is grouped together because the results of operation of the mileage in Central Freight Association territory can not be segregated.

Group three: Embraces 28 of the 38 roads in group 1, with an aggregate mileage of 23,167 miles, which includes 19,416 miles, or 51½ per cent of the entire mileage in the territory, and embraces such important lines as the Big Four system; the Vandalia; the Chicago & Eastern Illinois; Nickel Plate; Grand Trunk Western; Grand Rapids & Indiana; Pere Marquette; Cincinnati, Hamilton & Dayton; Illinois Central; Chicago & Alton, and Wabash.

Group four: Embraces 46 companies with an aggregate mileage of 2,729 miles, or 7½ per cent of the total mileage in the territory, which, together, in 1910 earned less than $8,000,000. These roads are important factors in the development and commerce of the respective communities they serve, but, as a rule, they are in great financial distress, and, being short lines, we thought it natural to group them together.

LINES REPRESENTING THE WHOLE SITUATION.

We believe that group 3 embraces lines which are fairly representative of the whole railroad situation in the territory, and for that reason we will refer to it in some detail.

We have omitted from this group the main-line connections of the trunk-line systems—the Lake Shore, the Michigan Central, the Pennsylvania Co., and the Panhandle—although the figures will show that their prosperity has been substantially impaired during the last few years by a constantly increasing ratio of expense to earnings.

The fact, however, that this mileage as a whole was constructed at a very low capital charge, and forms integral parts of the best and strongest railway systems of the country, to say nothing of the credit and business they have enjoyed from their affiliations and the returns on their outside investments, place them in a class by themselves. These facts (which will be shown more in detail in the evidence) will conclusively prove that while those lines no doubt need an increase in rates, they do not belong in the group of railroads which fairly represents the railroads in the territory.

We have also excluded from group 3 the Pittsburgh & Lake Erie, Bessemer & Lake Erie, Hocking Valley, Kanawha & Michigan, Toledo & Ohio Central, and Wheeling & Lake Erie. These roads are located in a comparatively small area between the Great Lakes and the iron furnaces and coal mines of Ohio, and their traffic is not of a general nature but substantially confined to the products of mines, their tonnage of these products during 1912 being 78.6 per cent of their entire tonnage, but the exceptional feature of their situation lies not only in the volume of this mineral traffic but in the fact that by reason of hauling iron ore in one direction and coal in the reverse way they have a balanced traffic which produces an unusually favorable operating condition.

While these lines are within the boundaries of the territory they do not enter into the general railroad situation and can not be included in a group of roads fairly representative of all the railroads in the territory.

We have also excluded from group 3 the 46 short lines whose aggregate earnings for 1910 were less than $8,000,000, because, as we have said, those lines are short, their earnings are small, and they are, as a rule, in financial distress and ought not to be included in a group of roads representative of the railroads in the territory.

We have included in group 3, 28 companies, with an aggregate mileage of 23,167 miles, which traverse all parts of the territory and participate in the general traffic of that section of the country.

We believe a mere glance at the map of this large mileage (23,167 miles) will indicate that it is fairly representative of the territory. In any event, we may be assured that if this mileage is not influential in determining the reasonableness of rates, the prosperity, commerce, and development of the whole territory will be placed in jeopardy.

SALIENT FACTS FROM THE EVIDENCE.

On the evidence we will present, in detail, our contentions, but my present purpose will be served by merely calling your attention to a few salient facts.

This great network of railroads, covering the entire territory, during the year ending June 30, 1910, earned $239,000,000, and during the year ending June 30, 1913, $275,000,000, or a gross increase of about $36,000,000; but in the former year the operating expenses and taxes were $182,000,000 and in the latter year $227,000,000, or an increase in expenses of about $45,000,000, resulting in a decrease in net revenue, after payment of taxes, of over $9,000,000 and in net corporate revenue of more than $16,000,000.

As stated in other words, the ratio of operating expenses and taxes to earnings during the same period increased from 76.3 per cent to 82.8 per cent.

These same roads during the year ending June 30, 1908 (which will be remembered as a panic year), earned $212,000,000, and during the year ending June 30, 1913, $275,000,000, or an increase of $63,000,000; but during the year ending June 30, 1908, the operating expenses and taxes were $165,000,000 and the year ending June 30, 1913, $227,000,000, an increase of about $62,000,000.

NET CORPORATE INCOME DECREASING.

Now, despite the fact that during that same period more than $175,000,000 were put into additions and betterments, the net, after deducting operating expenses and taxes, showed an increase of only $800,000, while the net corporate income actually decreased about $8,000,000.

As we have shown, this mileage comprises 51½ per cent of the entire mileage in the territory, and if we add the mileage of the 46 short railroads we will have 59.1 per cent of the entire mileage of the territory, all of which is in a deplorable financial condition.

While, as we have said, the evidence will show the lines embraced in group 3 are fairly representative of the whole situation in the territory, the lines embraced in group 1 show a result almost equally deplorable, especially in the last few years.

Group 1, as we have seen, embraces 78.6 per cent of the entire mileage in the territory, including all the strong lines and, besides, 3,751 miles outside of the territory in higher-rate zones, and excludes only the 46 short lines which are in financial straits and the Erie east of Marion, Ohio, and the Baltimore & Ohio system and the short projections of southern lines into the territory.

Group 1, in the fiscal year 1910, earned $457,000,000, and in the fiscal year 1913, $533,000,000, or showed an increase of $76,000,000; but operating expenses and taxes during the former year were $329,000,000 and during the latter year $417,000,000, or an increase in expenses and taxes of $88,000,000, resulting in a decrease in net revenue, after deducting operating expenses and taxes, of $12,000,000 and a decrease in net corporate income of $17,500,000.

These large decreases resulted in the face of the investment of vast sums of new money for additions and betterments; in other words, notwithstanding the investment of this new capital, the ratio of operating expenses to gross revenue increased from 72 per cent in 1910 to 78.2 per cent in 1913.

LATEST FIGURES LESS ENCOURAGING.

The figures for the first two months of the present fiscal year are still less encouraging; for instance, the net revenue, after deducting operating expenses and taxes of the lines in group 1 for the two months mentioned, decreased about $4,500,000 as compared with the same two months last year, while the decrease of the lines in group 3 was about $2,000,000 as compared with the same months last year.

The evidence will show that the lines in Central Freight Association territory are confronted with the expenditure in the near future of millions of dollars in the separation of grades in various cities on which they will receive no adequate return, and many of the lines have not the credit to raise this money. This circumstance, in view of the present conditions of the roads, presents a serious situation which calls for prompt relief.

It will be obvious from the evidence that a 5 per cent increase in rates will not be adequate to meet the demands of the territory. As I have said, the rates in that territory, both freight and passenger, are the lowest rates prevailing in the United States, and the interests of the people of that rapidly growing and developing section of the country, to say nothing of the carriers, require in the near future a readjustment of the rates, both freight and passenger, to a basis which will enable that territory to have good railroads and the people to have efficient and adequate service, and to progress measurably with the other sections of the country.

[Bulletin No. 3.]

HOW THE DEMAND FOR RAILROAD FACILITIES HAS INCREASED.

DECEMBER 3, 1913.

The railroads of the eastern district now applying for a 5 per cent increase in freight rates have filed with the Interstate Commerce Commission a statistical exhibit showing the growth of population, railway building, and railway traffic during the past decade.

The territory from which these statistics have been drawn is substantially that part of the United States east of the Mississippi River and north of the Potomac and Ohio Rivers.

RAILROAD BUILDING.

1. There are some 49 railway systems in this territory, and in 1903 they were operating 55,706 miles of line. (All statistics in this exhibit were taken direct from Interstate Commerce Commission records.) This does not include double trackage or sidings—merely the distance between terminals. In the decade succeeding—that is, through the year 1912—the increase in new line was only 3,619 miles, or about 362 miles a year; less than 1 mile a day over this immense territory. Reduced to a percentage, the increase amounted to 6½ per cent.

In 1909 and 1910 only 52 miles and 199 miles, respectively, of new line were constructed. While the percentage of increase of 1912 over 1903 was 6½, that of 1912 over 1910 had dropped to less than 1½ per cent.

During the period of 10 years these 49 railroad systems double-tracked—or, where there were double tracks, added a third or fourth track—over 10,465 miles of track, or an average of almost 1,050 miles a year. Thus they had 15½ per cent more double trackage in 1912 than in 1903, although the increase of 1912 over 1910 was but 3.54 per cent.

In 1903 these systems had a total of 95,349 miles of all kinds of tracks, including double tracks, yard switching tracks, and sidings. This had grown to 115,683 miles by 1912—an increase of 21½ per cent, or an average increase of 2,000 miles a year. The increase of 1912 over 1910, however, was only 4.17 per cent.

POPULATION.

2. The population of this section of the United States was, in 1903, 36,381,924. By 1912 it had increased by more than 6,000,000—an annual average growth of 612,000. The population in 1912 was almost 17 per cent greater than in 1903, and in 1912 3.62 per cent in excess of what it had been in 1910, i. e., 41,021,267, as against 42,508,230.

Thus in 10 years' time these same railroads had come to have 117 persons to serve where previously they had had 100. They had but 106½ miles of new extension track as compared with every 100 miles in 1903. They had 115 miles of double trackage for every 100 miles they had had, and 121 miles of track facilities, as compared with 100 miles in 1903.

In other words, the 17 per cent of increased population in this decade, while it found an increase of 15 per cent of double trackage and 21 per cent of tracks of all kinds, had had built for it only 6½ per cent of new line.

These miles of double, third, and fourth tracks and sidings constituted the emphatic note in this decade, and drew attention to the intensive development of the railroads rather than the extension of their lines.

3. Railway traffic, both freight and passenger, increase much faster than the facilities for handling either. In 1903 the freight traffic amounted to carrying one ton of freight 93,948,275,807 miles, or, to reduce it to an almost incomprehensible comprehensibility, this ton of freight, could such a thing have been possible, might have made almost four million odd trips around the globe.

In 1912 these 49 railway systems were transporting 1 ton of freight 143,803,436,298 miles, which means that the ton of freight had gained the right to about 2,000,000 additional world-girdling trips. The increase of the year 1912 over the year 1903 was 53 per cent. The annual average increase of the second half of the decade over the first half was 22 per cent.

The passenger traffic in 1903 was the equivalent of carrying one passenger 10,985,949,080 miles. In the supposititious case of globe girdling this passenger would have been carried around the globe 400,000 times, i. e., the railroad transportation in that year was equal to carrying 400,000 passengers once around the world.

The passenger traffic in 1912 had increased 41⅛ per cent, which means that the lone passenger was now carried 15,578,111,594 miles, or another load of about 200,000 passengers had been added to the railroad annual globe-encircling trip.

The passenger traffic also saw an increase of 20⅜ per cent in the annual average of 1908–1912 over 1903–1907.

The freight traffic increase correspondingly was 22⅛ per cent. As the percentage of increase of freight traffic in 1912 over 1910 was 3.69, passenger traffic grew more rapidly, since it attained an increase of more than 5 per cent.

Thus, as compared with an increase of 17 per cent in population between 1903 and 1912, the freight traffic increased 53 per cent and the passenger traffic 42 per cent. In other words, freight traffic increased three times and passenger traffic more than twice as fast as population.

Between 1910 and 1912 the rate of increase in freight traffic was slightly greater than the growth of population, while the rate of increase in passenger traffic was almost twice as great as that of population.

In presenting the case of the railroads to the commission, Mr. Daniel Willard, president of the Baltimore & Ohio Railroad Co., commented on this situation in these words:

"The railroads in official classification territory have increased their property investment for new tracks, stations, locomotives, freight and passenger cars, and for other similar purposes at the rate of, approximately, $200,000,000 per annum during the whole of the last 10-year period, and it is certain that the continued annual expenditure of a sum even greater than that will be necessary for similar purposes if the carrying capacity of the railroads in this territory is to keep pace with the normal growth of commerce.

"The immediate and all-important question is, How shall these railroads obtain the new capital necessary if they are to provide the needed facilities and furnish the high-class service which the public interest demands and to which the public is properly entitled?"

Comparison of increase in population, railway mileage, and railway traffic, railways in the eastern district, fiscal years 1903 to 1912.

[Compilation in matter of application of eastern railways for increase in freight rates, 1913.]

Year.	Population.	Railway mileage operated.			Railway traffic.	
		Miles of line.	Miles of main track.	Miles of all tracks.	Ton-miles.	Passenger-miles.
1903	36,381,924	55,706	68,262	95,349	93,948,275,807	10,985,949,080
1910	41,021,267	58,499	76,037	111,051	138,692,142,554	14,825,472,236
1912	42,508,230	59,325	78,727	115,683	143,803,436,298	15,578,111,594
Annual average:						
1903–1912	39,395,592	57,760	73,811	106,347	119,394,875,236	13,433,849,970
1903–1907	37,707,450	56,863	71,095	101,044	107,471,361,160	12,176,229,355
1908–1912	41,083,734	58,656	76,528	111,651	131,318,389,312	14,691,470,596
Per cent of increase:						
1912 over 1903	16.84	6.50	15.33	21.33	53.07	41.80
1912 over 1910	3.62	1.41	3.54	4.17	3.69	5.08
Annual average 1908–1912 over 1903–1907	8.95	3.15	7.64	10.50	22.19	20.66

Authorities: Reports of the Bureau of the Census; returns of the railways to the Interstate Commerce Commission.

Prepared by Bureau of Railway Economics, Washington, D. C.

Explanatory note: The population figure shown for 1910 is drawn from official compilations of the Thirteenth Census; those for the other years are estimates based upon the rate of population growth between 1900 and 1910. The method underlying these estimates is that of the Census Bureau itself. The railway statistics of this table are those of the 49 railway systems covered by the compilations of the Bureau of Railway Economics.

[Bulletin No. 4.]

RAILROAD EXPENSES INCREASE FASTER THAN EARNINGS.

DECEMBER 4, 1913.

Expenses have increased so much faster than revenues that the net operating income of eastern railroads for 1913 was $16,311,000 less than it was in 1910, and this notwithstanding the fact that more than $650,000,000 of new money has been put into these railway properties in that time.

This in brief, coupled with the present difficulty of obtaining new capital, is in a word the railroad case for increased rates. Details are presented in an elaborate statistical compilation submitted to the Interstate Commerce Commission by the railroads interested.

1. The revenue or money received from the operation of these railroad systems had attained the sum of $1,205,155,435 in 1910. The increase in 1911 was some $14,000,000, while 1912 held the gain and added to it $38,000,000. In 1913 this revenue had grown to $1,386,073,429. This showed an increase in revenue of $181,000,000 for 1913 over 1910, or in a matter of three years' time.

The largest item in this revenue was, of course, that derived from carrying freight. This was in 1910, $860,403,390. Passenger fares collected amounted to a little less than one-third of this sum, or

$260,234,027. To avoid the constant repetition of large figures the increased receipts from freight charges were successively, in 1912 and 1913, over each preceding year, $30,000,000 and $105,000,000, while 1911 decreased over 1910 $3,000,000, while in the same years the passenger department receipts increased $14,000,000, $5,000,000, and $14,000,000. Thus passenger and freight receipts were in the year 1913 $165,000,000 in excess of what they had been in 1910.

To show what each mile of track was earning in each of these years it can be said that the return was $20,611 for each mile in 1910, and that in 1911, 1912, and 1913 the amounts, respectively, were $20,850, $21,271, and $23,430. Separating them again for the four successive years the freight returns for each mile were $14,715, $14,654, $15,006, and $16,770, while the passengers returned in fares $4,451, $4,692, $4,720, and $4,965.

Looked at from another angle the percentage of increase in revenue made by each mile of track in the year 1913 over 1910, 1911, and 1912, respectively, was 13.7 per cent, 12.4 per cent, and 10.2 per cent.

WHERE THE MONEY WENT.

2. There are three items which make up between 90 and 95 per cent of the expenses of operating a railroad. In the order of their magnitude they are: Transportation, maintenance of equipment—which means its rolling stock—and the maintenance of the roadbed, bridges, etc.

These 49 railways spent $410,734,001 for transportation charges in 1910. Their maintenance of equipment consumed $195,727,105, while to maintain their railway tracks, bridges, etc., demanded an expenditure of $145,273,335. As the total expenses—money paid back to the public—for the running of these railroads in 1910 was $800,662,522, it will be seen that the three items mentioned accounted for more than $750,000,000, or above fifteen-sixteenths of the money paid out.

The sums of money which these 49 railway systems were called upon to pay during the years 1911, 1912, and 1913 had increased steadily from year to year until in 1913 the increase over the year 1910 amounted to $92,000,000 in transportation charges, $51,000,000 in equipment maintenance charges, and $35,000,000 in maintenance of way and structure charges.

3. These railroads paid out in taxes for the successive years 1910, 1911, 1912, and 1913 $43,140,475, $45,898,383, $51,055,738, and $53,946,004. The percentage of increase in taxes in 1913 over 1910 for each mile of line was 23.6 per cent. When the total amount of taxes had been slightly more than $43,000,000 in 1910—in the space of three years the tax expense had been increased almost eleven millions of dollars, or, to be accurate, $10,805,529.

THE RESULT.

The operating income for these 49 railway systems in 1910 was $362,006,165. This income fell to $321,927,779 in 1911, picked up to $327,453,816 in 1912, and to $347,803,564 in 1913. Thus the actual loss in income in three years was about $14,000,000, and this in the face of an increase of annual receipts of more than $180,000,000, and the addition to the railroads property investment of more than half a billion dollars in new money.

Each mile of the 59,157 miles of railway line operated in 1913 showed a decrease of 5 per cent in net operating income over each mile of the 58,471 miles in use in 1910.

To recapitulate: The money received by the railroads for the business they handled on each mile of line was greater in 1913 than in 1910 by $2,819, or 13.7 per cent, yet the increase in expenses more than balanced this increase and resulted in a decrease in operating income of $312 a mile, or 5 per cent.

The money received in 1913 was greater by $181,000,000 than in 1910, but the expenses and taxes had increased $195,200,000. Thus the net operating income of these 49 railway systems was in 1913 less by over $16,000,000 than it was in 1910, notwithstanding the expenditure of more than $650,000,000 for improvements.

[Filed with Interstate Commerce Commission. Compilation in matter of application of eastern railways for increase in freight rates, 1913.]

Operating revenues, expenses, and income, in the aggregate and per mile of line, railways in the eastern district, fiscal years 1910 and 1913.

Account.	Aggregate amount.		Amount per mile of line.		Increase per mile, 1913 over 1910.	
	1910	1913	1910	1913	Amount	Per cent.
Total operating revenues	$1,205,155,435	$1,386,073,429	$20,611	$23,430	$2,819	13.7
Freight	860,403,390	992,078,364	14,715	16,770	2,055	14.0
Passenger	260,234,927	293,721,286	4,451	4,965	514	11.6
Other transportation	73,114,526	83,942,059	1,250	1,419	169	13.5
Nontransportation	11,402,592	16,331,720	195	276	81	41.6
Total operating expenses	800,662,522	984,314,319	13,693	16,639	2,946	21.5
Maintenance of way and structures	145,273,335	180,535,226	2,484	3,052	568	22.8
Maintenance of equipment	195,727,105	246,680,465	3,347	4,170	823	24.6
Traffic	22,676,752	24,116,559	388	408	20	5.1
Transportation	410,734,001	502,086,884	7,025	8,487	1,462	20.8
General	26,251,329	30,885,185	449	522	73	16.3
Net operating revenue	404,492,913	401,759,110	6,918	6,791	[1] 127	[1] 1.8
Outside operations—Net revenue	653,727	[2] 9,542	11	([3])	[1] 11	.....
Taxes	43,140,475	53,946,004	738	912	174	23.6
Operating income	362,006,165	347,803,564	6,191	5,879	[1] 312	[1] 5.0
Average mileage, 1910	.....	.....	58,471		.....	.....
Represented, 1913	.....	.....	59,157		.....	.....

[1] Decrease. [2] Deficit. [3] Less than $1.

Explanatory note: This table is cumulated from monthly returns of revenues and expenses made by the railways to the Interstate Commerce Commission. There are included the returns of the 49 railway systems covered by the compilations of the Bureau of Railway Economics, with the exception of certain small roads that have annual operating revenues of less than $100,000, and are therefore excused by the commission from the requirement of filing monthly returns.

Authorities: Monthly returns of the railways to the Interstate Commerce Commission.

Prepared by Bureau of Railway Economics, Washington, D. C.

[Bulletin No. 5.]

THE NET CONDITIONS OF EASTERN RAILROADS.

DECEMBER 6, 1913.

In order to bring to the attention of the Interstate Commerce Commission and the public generally the facts as to their real condition, the 35 railroad systems east of the Mississippi and north of the Ohio have filed with the commission an exhibit such as had not hitherto been compiled.

It eliminates all intercorporate system ownership of capital obligations, as well as receipts and payments as between members of a railway system, and reduces results to a net figure showing the actual conditions as they affect investors and the public, which must have railway facilities provided for its use.

These railroads own 53,670 miles of roadway, with a total of 107,933 miles of track. Their gross earnings from 1910 to 1913 increased $187,000,000, while operating expenses and taxes increased $201,000,000. Tax payments alone increased from $42,900,000 in 1910 to $54,490,000 in 1913. The net operating income actually decreased $16,311,000. Consequently, even had these companies made no increase in capital expenditures in the period, they would still have been worse off in 1910 by this amount of over $16,000,000.

But in the three years the actual property investment—that is, the cost of railroad and equipment—increased by almost $660,000,000. With increased business to the extent of $187,000,000, there was a decline in net operating income of $16,311,000, notwithstanding this large increase of almost $660,000,000 in the investment in the property.

It required above $3.50 property investment for each dollar of increased gross earnings, and for each $1.87 of increased gross earnings increased expenses and taxes were $2.01, without any allowance for interest on the new money spent to supply facilities to earn the increased gross revenue.

In 1910 these companies showed net operating income equal to 6.28 per cent on their property investment, but in 1913 this percentage had fallen to 5.36 per cent.

The total capital obligation of these 35 companies are $6,389,000,000, of which funded debt is $3,829,000,000, and the balance capital stock.

These companies earned in 1913, in gross, $1,424,000,000. Their net operating income, after deducting expenses, taxes, rents, and hire of equipment, was $336,754,000. Their net corporate income, after payment of interest on funded debt and other obligatory charges in 1913, was $206,600,000. Out of this net income the companies declared dividends of 5.10 per cent on the capital stock outstanding, amounting to $130,000,000. This sum was $19,000,000 less than the dividends paid in 1912 and $7,000,000 less than the dividends in 1910.

The design of the exhibit containing these figures was to emphasize statistically that the reason for the application is that in the last three years (since the last application was made to the commission for an advance in freight rates) the operating expenses of these railroads have increased faster than their gross earnings, with the result that net operating income has not increased sufficiently to furnish any additional return on the additional investment of the past three years.

[Bulletin No. 6.]

THE RAILROAD SITUATION IN THE MIDDLE WEST.

DECEMBER 7, 1913.

As part of the presentation by the railroads of the need for an increase in freight rates the railroads of the Middle West, operating in what is known as Central Freight Association territory, have filed with the Interstate Commerce Commission elaborate statistical data covering the condition of those companies.

Figures covering 78.6 per cent of the entire mileage in the territory show that these companies enjoyed in 1913 an increase in operating revenue of $76,000,000 over 1910; nevertheless, after paying operating expenses and taxes, they suffered a loss of $12,000,000 in operating income.

This result was due to an increase in the ratio of operating expenses and taxes to gross as between 1910 and 1913 from 72 per cent to 78.2 per cent. This showing was made despite the fact that large sums of new capital were invested in the property.

Besides the loss in net revenues for the year ended June 30, 1913, as compared with 1910, the figures for these same roads for the three months of July, August, and September, 1913, show a decrease in net operating earnings of $6,937,353, or approximately 20 per cent.

In addition to the tables covering figures for all the roads in this territory, special attention has been directed to the condition of a special group of roads which, as stated by Mr. F. A. Delano in his opening statement the previous day, were more particularly representative of the "whole situation" in Central Freight Association territory.

This group embraces 28 roads, with 23,167 miles of road, or 51.5 per cent of the entire mileage in the territory, and including such important lines as the Big Four System, Vandalia, Chicago & Eastern Illinois, Grand Trunk Western, Grand Rapids, Illinois Central, Chicago & Alton, Nickel Plate, and Wabash Railroads.

In 1913 roads in this group earned $63,000,000 more than in 1908, which is known as the panic year, and operating expenses and taxes were $62,000,000 more. Net operating revenues, after paying expenses and taxes, were only $811,000 more than in 1908.

The net corporate income of these properties was actually $8,000,000 less than in 1908, although during this five-year period $180,000,000 new capital was put into these properties.

In 1913 the roads in this group earned $36,000,000 more than in 1910; operating expenses and taxes were $45,000,000 more than in 1910, and the net, after operating expenses and taxes, decreased $9,500,000. The net corporate income decreased almost $17,000,000.

If in 1913 the railroads in this group had been able to operate at the same ratio as in 1910, their net operating revenue, after paying taxes, would have been almost $18,000,000 greater than it was in 1913.

The increase in cost is largely in two items—transportation and maintenance of equipment.

Mr. F. A. Delano, one of the receivers of the Wabash Railroad, in presenting the situation of the middle western railroads to the Interstate Commerce Commission, says:

"It will be obvious that a 5 per cent increase in rates will not be adequate to meet the demands of the territory. The rates in that territory, both freight and passenger, are the lowest rates prevailing in the United States, and the interests of the people of that rapidly growing and developing section of the country, to say nothing of the railroad companies, require in the near future a readjustment of the rates, both freight and passenger, to a basis which will enable that territory to have good railroads and the people to have efficient and adequate service, and to progress measurably with the other sections of the country."

[Bulletin No. 7.]

RESULTS OBTAINED FROM RAILROAD IMPROVEMENTS.

DECEMBER 8, 1913.

The railroads of the eastern district participating in the application for a 5 per cent increase in freight rates have filed with the Interstate Commerce Commission a series of statistical tables which give the details as to various operating conditions in the last decade incidental to handling and carrying freight.

The principal result herein enumerated is set forth in the fact that for 1912 these railroads were able to carry in each freight train an average load of 510 tons, while the average in 1903 had been but 391 tons.

This achievement was one of the results of the fact that the 49 railroads in the territory affected expended during the past 10 years an average of $200,000,000 a year in enlarging the roadbed and equipment. The increase in the property investment account per mile is due to many things—larger and more expensive terminals and stations for both passenger and freight; elimination of curves, grades, and crossings; heavier and improved bridges, rails, ties, signals, interlocking, etc.; and generally a more substantial standard of roadbed to carry the heavier equipment.

The railroads also have built larger locomotives. The average locomotive in service in 1912 had grown so in size and power that it could haul a heavier load by more than one-third—33.8 per cent, to be strictly accurate—than the locomotive of 1903. This meant that two locomotives in 1912 could almost do the work of three average locomotives a decade earlier. This is expressed technically in the statistical fact that tractive power of locomotives on these roads increased from 22,796 pounds in 1903 to 30,501 pounds in 1912.

As the engines increased in size so did the freight cars. The average freight car in use in 1903 could carry a little less than 31 tons.

In 10 years the capacity of freight cars increased to 39½ tons—a gain of more than 9½ tons. At present three freight cars can carry almost as much as four could have carried in 1903.

Every freight car with any load in it carried 19 tons of freight on an average in 1903. This had increased to almost 23 tons in 1912, or short of 20 per cent. That is, five loaded cars in 1912 were doing the business of six loaded cars in 1903.

The average number of cars in each freight train—loaded cars, empty cars, and cabooses—increased in this period from a train of 30.3 cars to one of 34 cars. While the number of loaded cars in each freight train was 20.7 in 1903, it was 22.4 in 1912.

The result was that these railroads in 1912 carried 15 tons of freight on an average on every freight car hauled—loaded or empty—when they had only carried 13 tons in 1903, an increase of 2 tons on each freight car moved in the decade.

[Bulletin No. 8.]

HOW AVERAGE RATES HAVE DECLINED AND WAGES GONE UP.

DECEMBER 9, 1913.

The decrease which has taken place in the money received by the railroads for carrying each passenger a mile, as well as the decrease for carrying each ton of freight a mile, in the decade of 1903–1912 is set forth in two statistical exhibits, which have been filed with the Interstate Commerce Commission by the 49 railways participating in the application for a rate increase of 5 per cent.

These railroads in 1903 received 0.653 of a cent, on the average, for each ton of freight carried 1 mile. If it were possible to conceive the hauling by rail around the world of this average ton of freight, the average railroad company's bill, at this average rate for doing it, would have been $163.25.

Average freight revenues had dropped in 1912 to 0.617 of a cent a mile ($0.00617). This means that the ton of freight would be hauled around the world for $154.25, or a decrease of $9 a ton in the decade for such a distance. This represents a loss of 5.8 per cent in money received for carrying the same weight of freight. Even admitting that the decline in freight revenue per ton mile may be partly due to a change in the character of the traffic handled, the loss in revenue remains an actual fact.

Nearly three times as much money was received, on the average, for carrying a passenger a mile in 1903 as for carrying a ton of freight the same distance. These roads that year received 1.847 cents for carrying each passenger a mile. In dollar-sign figures this reads $0.01847.

In the impossible case of giving a passenger a continuous ride around the world at the Equator, he would have paid the railroads for the trip, based on the average, $461.75 in 1903. He could have had the ride around the world, at the 1912 average rate, for $451.50, a saving to him of $10.25 and an equal loss in money received by the railroads for doing the same business.

His average rate for each mile in 1912 would have been 1.806 cents, as compared with $0.01847 in 1903.

WAGES.

While these reductions were in progress aggregate wages and average rate of wages paid per man were steadily rising.

The aggregate amount of wages paid by the railways of the eastern district to its employees in the year 1903 was $364,000,000 (excluding general officers). The amount paid in 1912 was $567,000,000, an increase of $203,000,000, or 56 per cent. Employees received in wages $57,000,000 more in 1912 than they did in 1910, or 11 per cent.

The advanced wage movement which culminated in 1910 added $34,000,000 a year (based on the pay rolls of that year) to the pay rolls of the railroads in the eastern district. (Cf. statement of Mr. Daniel Willard, Bulletin No. 1.)

The award just announced by the arbitrators will give the conductors and trainmen alone of the roads affected in the eastern district $6,000,000 increase wages annually. And the effect of the full-crew laws has added $4,000,000 a year.

[Bulletin No. 9.]

TESTIMONY AS TO CONDITIONS ON ERIE RAILROAD SYSTEM.

DECEMBER 10, 1913.

The Erie Railroad system, through Mr. Charles P. Crawford, to-day presented to the Interstate Commerce Commission a statistical statement of its own condition in relation to the application of the railroads for an advance in freight rates.

The following is a summary of Mr. Crawford's testimony:

"In 1913 the property investment of Erie Railroad system had increased $88,459,748 since 1903, or 24.26 per cent, while its net operating revenue increased only $1,701,404, or 9.36 per cent, and its net operating income decreased $799,205, or 4.76 per cent.

"During the same period its gross operating revenue increased $19,133,219, or 39.70 per cent, showing greatly increased service to the public. The Erie system in 1913 fell $799,205 short of receiving any additional return on its great increase in investment, although it rendered a greatly increased amount of transportation service to the public.

"The business handled by the system has greatly increased since 1903. The number of tons of revenue freight carried 1 mile has increased from 5,600,000,000 in 1903 to 6,669,000,000 in 1910, 7,976,000,000 in 1913.

"During this period the average revenue per ton per mile was 6.13 mills in 1903, 6.15 in 1910, and 5.92 in 1913. The revenue per ton per mile has decreased 3.74 per cent since 1910.

"While the decrease in the average revenue per ton per mile since 1903 may have resulted in part from changes in the character of traffic handled and in its average movement, yet it is believed the reduction in the average revenue per ton per mile has resulted in large part from rate reductions.

"Notwithstanding these reductions in the average revenue per ton per mile, the total operating revenue has increased from $48,000,000 in 1903 to $59,000,000 in 1910 and $67,000,000 in 1913, making an increase of 39.70 per cent for 1913 as compared with 1903, and of 13.96 per cent as compared with 1910.

"Under normal conditions, with such a large increase in the business handled and in operating revenue, there should be a substantial decrease in the ratio of operating expenses to operating revenues; but this has not been the case, as operating expenses and taxes have increased at a rate largely in excess of the increase in operating revenues."

[Bulletin No. 10.]

CHANGES IN ECONOMIC CONDITIONS AFFECTING RAILWAY EARNINGS.

DECEMBER 10, 1913.

Mr. Charles A. Conant, economist and author of "The Principles of Money and Banking," was called by the railroads to testify before the Interstate Commerce Commission regarding changes in the purchasing power of money, and the world-wide demand for capital.

Mr. Conant said, in substance:

"The purchasing power of the dollar over the great mass of commodities has permanently fallen since the present schedule of passenger and freight rates was established.

"Average prices in 1912 were 48.9 per cent higher than in 1897; 47.8 per cent higher than in 1896; and 18.2 per cent higher than in 1904. Analysis of the details of prices by classes of products shows that under the head of metals and implements, the index number advanced from 86.6 per cent, in 1897, to 126.1 per cent in 1912; lumber and building materials, from 90.4 per cent in 1897, to 148.2 per cent in 1912, or an increase of more than 60 per cent.

"In 1880, the first year after the resumption of specie payments, prices were much higher than the average of 1890–1899. An almost uninterrupted decline occurred, however, until 1896, when the index number fell to 90.4, or more than 40 per cent below the prices of 1880. With the resumption of business activity, in 1898, the index number begins to rise until it has attained 110.5 in 1900.

"There was then a slight recession, followed by a slow recovery, which carried the index number for 1904 to 113. Then began the rapid upward movement of the past eight years—interrupted by the depression of 1908—which finally advanced the index number for the year 1912 to 133.6. This is an increase of nearly 11 points over the low point of 1908, and of 40.2 points over the index number of 1898.

"One of the most remarkable evidences that the increase in the value of goods in terms of money in recent years has been broad and general in character is afforded by the statistics which are compiled annually by the Comptroller of the Currency in regard to the banking power of the United States."

After noting that the banking power of the country increased 111 per cent in 12 years, Mr. Conant continued:

"The essential question is whether this great increase in banking power, by 111 per cent in 12 years, reflects a corresponding increase in the annual production or in the accumulated wealth of the country. The population during this period increased only 25.3 per cent, so that the increase in banking power was more than four times as rapid as that in population. For the four years between 1908 and 1912 the increase in banking power was 27.8 per cent, while the increase in population was only 9.3 per cent."

In dealing with the effect upon railroad freight earnings of the purchasing power of money, Mr. Conant said:

"Taking the receipts for freight alone per ton-mile and expressing them in mills, or tenths of a cent, it appears that this average of ton-mile receipts varied only within narrow limits during the whole of the 16 years from 1896 to 1912. In 1896 the average receipts per ton-mile were 8.06 mills; in 1912 they were 7.43 mills. This represented a decline of 63 hundredths of a mill, or about 7 per cent.

"If the receipts per ton-mile in 1896 were 8.06 mills, and wholesale prices bore a ratio to the standard of 90.4 points, the purchasing power of the receipts per ton-mile was 8.92 mills. As the index number of prices advanced, however, even if receipts remained the same in terms of money, the purchasing power of the receipts inevitably fell in a striking ratio.

"After the revival of business activity in 1897, receipts per ton-mile declined only slightly, but the index number of wholesale prices increased rapidly. The result was that the purchasing power of the money received for freight fell from a ratio of 8.06, in 1898, down to 6.61 in 1905.

"Then began another decline, interrupted only by the depression of 1908, which finally carried the ratio of purchasing power of freight receipts in 1912 down to 5.56. When this purchasing power of the receipts per ton-mile is compared with the corresponding figure of 1896, we find a decline of 3.36 mills, or 37.6 per cent.

"I conclude, therefore, simply as a question of mathematics, and without undertaking to enter into the intricacies of railway accounting or the special demands which have been made upon the railways, that the purchasing power of the moneys which are now paid for freight is approximately 37 per cent less in the market for commodities than it was in 1896."

THE DEMAND FOR CAPITAL.

On the subject of the world-wide demand for capital, Mr. Conant said:

"In recent years new demands have converged upon the supply of available capital in an unusual degree from the conversion of industrial enterprises into stock companies, the absorption and merger of old companies with new, the great extension of the system of local traction lines, the demands of undeveloped countries for railways and industrial equipment, and the remarkable expansion in the calls of governments upon the financial markets for the means of increasing armaments and making public improvements.

"This great demand for capital which converges on the principal money markets of the world has effects similar to those produced by great demand upon other commodities—it raises its price. As the price of capital is the rental charged for its use, or the interest rate, this rate has risen in a marked degree in recent years. The influence of this condition may be summarized as follows:

"'1. New securities can only be sold at lower prices than formerly or must pay higher interest rates on their par value.

"'2. The prices of outstanding securities fall, making them unsalable in the hands of their holders except at a loss and reducing the assets and the surplus funds of savings banks, other banking institutions, and insurance companies.

"'3. The seekers of new capital by means of security issues must pay a larger amount in money for its use, and in view of the rise in general prices, must pay more for their materials, thus making necessary a higher rate of earnings than formerly in order to meet fixed charges.

"'4. Under the conditions of competition for capital thus established, industries of high earning power are able to outbid those of lower earning power for the supply of free capital in the market.

"'5. Incident to the decline in the purchasing power of money, there is a tendency on the part of investors to shift their investments to those paying higher returns than formerly, in order to meet the increased cost of living, even at the risk of some slight decrease in security.

"'6. In so far as the decline in the purchasing power of money is recognized in the financial world as a factor likely to be continuously felt, there will be a tendency on the part of investors to refrain from purchasing securities for long terms, paying a fixed income in money.'

"The railways have not adopted their charges, as have other industries, to the change in the purchasing power of money. They have continued to sell their services for an amount which has remained comparatively fixed in money, but has declined greatly in purchasing power.

"Such additional capital as they have sought by the issue and sale of securities has been obtained on higher terms than in former years, while its purchasing power, in materials and wages, has been much less than in former years. The railways have been in the peculiar position of seeing prices rising all around them, while they have been unable to make advances proportionate to their changed relations to other industries.

"If the value of the money received by the railways for their services has so seriously declined in purchasing power as to deprive them of the means of meeting their legitimate charges and obtaining new capital at its present rental price, they are not on an equality with other industries, they are receiving a much less proportionate share of the proceeds of the economic output of the country than that which they formerly received, and they are less capable of contributing their share to equipping this country for unfettered competition with other countries in the field of production and international commerce."

[Bulletin No. 11.]

INCREASES IN FREIGHT RATES WORLD WIDE.

DECEMBER 14, 1913.

At the hearing before the Interstate Commerce Commission on December 10, Mr. Charles A. Conant, testifying in reference to the proposed increase in freight rates, stated that adjustments of rates had been made in many leading countries on account of the increased cost of operation.

Mr. Conant cited as authoritative on this point an article by Mr. C. Colson, the eminent French economist, published in the Revue Politique et Parlementaire for August 10, 1913.

Mr. Colson is a conseiller d'état, was formerly director of railways in the French university of public works, and is professor of political economy in the École Nationale des Ponts et Chaussées of Paris, etc.

A copy of a translation (made by Mr. J. H. Parmelee, statistician of of the Bureau of Railway Economics) of that article has been filed by the railroads as an exhibit in their case, and is reprinted herewith:

Among the economic phenomena which have characterized the last few years, few have been more marked than the general increase in prices. This increase at first influences the railway situation only by the increase which it brought about in railway expenses. It is now commencing to bring about rate increases on a fairly large number of railway systems. In view of the rapid and continuous decline in transportation rates, which has been one of the principal factors of economic progress for a century, this fact certainly merits attention.

When price variations are spoken of by the public at large, comment nearly always centers around changes brought about through retail sales. Economists who endeavor to measure these variations with exactness generally take for the purpose the average prices of the principal agricultural or industrial products as registered upon the exchanges where they are sold in bulk. These averages they call index numbers. In most cases they are interested only in transactions involving material goods, which constitute, however, perhaps only 50 per cent of all current transactions. The prices taken into account by them do not as a matter of fact cover either wages or rents or transportation rates. To get an exact idea of what a given sum of money represents at different periods, it would be necessary to take account of both wholesale and retail prices of a number of products, such as services rendered by different categories of labor, by landlords who lease their property, by transportation agencies, etc. This would be a considerable task, and one which we believe has never been attempted as a whole.

Yet studies made with respect to each price category taken by itself, according as they measure the general movement, permit at least an appreciation of its significance and importance. To be sure, this movement is not manifested to the same degree in different kinds of transactions, or in different countries whose markets are separated by more or less obstructive customs barriers. A generally characteristic gain is, however, maintained.

OSCILLATIONS IN PRICES.

Disregarding oscillations resulting from alternating periods of prosperity and depression, there was till recently a general and rapid decline in the prices of industrial products, resulting from technical progress. Agricultural products, on the other hand, increased constantly in price in western Europe until about 1875–1880, as a result of increasing density of population within a limited area. But about this time the tremendous decline in transportation rates that resulted from extensions of railway and steamship lines permitted older settled regions to draw a portion of their necessary subsistence from scarcely settled territory in the New World; the rapid fall in agricultural prices which took place toward the end of the nineteenth century resulted in an agricultural crisis. Both the increase of population in the New World and in the Old, and the increase in consumption due to increased wages, have brought about a new movement of rising prices during the past 15 years.

If one seeks to measure the general movement of wholesale prices by that of the customs values of French imports and exports, an increase of about 20 per cent from 1847 (the date of the first valuation) to 1860–1865 will be observed, followed by a gradual decrease of about 40 per cent from the latter period down to 1896–97. Then the movement again reversed itself, and the increase which has resulted is actually about 20 per cent over the prices of 15 years ago. It must not be forgotten that the present moment probably marks the culminating point of a period of business expansion which will undoubtedly be followed by a certain temporary reaction.

Retail prices have not followed exactly the trend we have just described, because the gap between them and wholesale prices naturally goes on increasing in the degree to which wages and business rentals in congested centers continue to rise. Disregarding products of exceptional quality, the prices of which increase continuously with the increased number of fairly rich families who use them, the following variations in current prices may be noted:

FURNITURE AND FOOD.

The cost of furniture and of clothing declined constantly until about 1896–97, but has risen a little since that time. As to articles of food, the increase was very marked up to 1880, while the period since 1880 is divided into two equal parts, the first of which is characterized by a notable decrease, and the second by an increase which, contrary to general belief, has not yet brought prices up to the level reached some 30 years ago.

Wages, on the other hand, have constantly increased. The increase, rather slow up to 1850, was extremely rapid, both in agriculture and in industry, between that date and the agricultural crisis. It slacked considerably in the country districts and to a slight extent in the industrial centers 30 years ago. During the past 15 years, however, it has resumed an accelerated progress, first in the towns, then in the rural districts. One may sum up the change in living conditions of laborers during two intervals, 30 years apart, by following a study of the French Statistical Office prepared with the care and acumen characteristic of all the labors of its director, M. Lucien March. The results of this study are shown by the following relative figures (calculated by assuming the corresponding figures of the year 1900 as equivalent to 100):

	1850	1880	1910
Wages	51	82	110
Cost of living (uniform throughout)	85.5	110	104
Purchasing power of wages	59.5	74.5	106

The underlying statistics for this table were drawn especially from the cities, and notably from Paris, but the results may well be extended to cover the country, at least for the three dates considered. It was only for a portion of the years between 1880 and 1910 that the agricultural crisis seems to have stood in the way of actual parallelism of movement in city and country.

EFFECT OF LABOR ORGANIZATION.

It should be remarked in passing that the advance in wages produced solely by the play of economic forces, notably technical progress and the accumulation of capital, was more rapid from 1850 to 1880 than from 1880 to 1910. Statistics confirm what a study of the mechanism of prices teaches, contrary to almost universal opinion, that the organized-labor movement (infinitely more powerful in the second of the 30-year periods considered above) is powerless to accelerate the advance in wages. We even believe that in France it had the reverse effect during the last few years by disseminating ideas among the working classes that have considerably reduced the labor output. The result is that the net cost to the employer of a given piece of work has increased in recent years to a much greater extent than is indicated by statistics of increases in hourly or daily wages. This net cost would no doubt be less, the cost of living would also be less, the gain to the workman would be considerably increased, and his purchasing power would be very much greater if the slackening of endeavor which has so much diminished the productivity of his work were less accentuated. As a matter of fact, in view of the attitude of labor, the peculiar mental influence of the labor unions is felt principally with regard to the productivity of labor, while wages, depending on supply and demand, escape their action whenever advances are sought which the state of the market at the moment does not justify.

In the cities rents also have notably increased. It is true that the cost of local transportation has considerably decreased at the same time that the cost of long-distance travel has been decreasing, and also, except very recently, the cost of freight transportation.

STATISTICS HAVE WORLD APPLICATION.

The foregoing conclusions are based upon French statistics, but, with very slight differences as to dates and as to the sweep of the movement, the general trend is the same for all Europe, and even to-day for America. It can be summed up by saying that the level of prices, including wages, presents a marked rise during the past century. Moreover, this general movement, after having undergone a considerable slackening in the last quarter of the nineteenth century, and especially from 1882 to 1897, has been notably emphasized since then. Especially

true of this latter period is the fact that the increase has become almost universal in character. Technical progress may continue to reduce the net cost of many industrial and agricultural products, but the margin is no longer large enough to neutralize either the increased cost and efficiency of manual labor or the increased demand due to the improved condition of the working classes.

We shall not inquire here into the causes of this general rise in prices. It may be remarked, however, that if the increase or decrease in the relative value of products or of different services results necessarily from causes which are peculiar to each, a movement which bears at the same time on practically all prices can hardly be explained, except as the result of monetary causes; the more so that these causes at the present time are obvious. The increase in production of gold, added to the development of methods of payment without the use of money (notes, checks, book transfers, etc.), appears for a long time to have proceeded faster than that of the need for money. Although very much increased by the working of the Siberian deposits, the production of gold did not average 200,000,000 francs annually from 1840 to 1850. Carried by the exploitation of California and Australia to an annual average of 673,000,000 between 1851 and 1870, the average fell back to 572,000,000 between 1871 and 1890, but since that time the Transvaal mines have increased it to such an extent that it reached 1,086,000,000 between 1891 and 1900, 1,959,000,000 between 1901 and 1910, and finally amounted to 2,423,000,000 for the year 1911. An equal increase in instruments of exchange must necessarily have resulted in the diminuation of the purchasing power of money; that is, an increase of general prices.

If the production of gold continues to increase there is no reason to doubt that our descendants will assist at a phenomenon analogous to that general increase during the sixteenth century which was the consequence of the enormous influx of precious metals resulting from the discovery of America, and which raised prices threefold according to some writers and fivefold according to others. The existence at the present time of a larger stock of gold than four centuries ago, the colossal development of business transactions, the demonetization of silver and the diffusion of gold in the Far East serve actually to reduce the importance of the movement to-day, and without doubt will continue to do so in the near future. Its effects are none the less already felt and may be even more strongly felt in the future.

RAILWAY RATES HELD IN CHECK.

But there exists one industry, the railway industry, whose selling prices do not by the sole interplay of supply and demand follow the general rising movement under which it pays increased prices for all the things which it buys, notably the wages of its employees. Railway service is a public service which practically can be organized only by the State or by grantees selected for the purpose. Railway operation has the character of a monopoly, and when a country endeavors to establish competition the only result is to divide the benefits of the monopoly between several enterprises. As a result transportation rates can not be left to free action; they must result from tariffs established by the Government or under its control. Even in Anglo-Saxon countries the State, which has proceeded upon a wholly different conception, does not now allow the railways the same freedom of action accorded to them at the beginning, a freedom which has resulted in a control always arbitrary in character, although not, as with us, contractually defined.

Under these conditions, an increase in rates, even when it is imposed by economic circumstances, always has the appearance of a unilateral and forcible act. This act is the more ill received by public opinion the more it has become accustomed to seeing tariffs go almost constantly down in a movement which technical progress and the elasticity of traffic have rendered nearly universal. States have only rarely authorized increased tariffs on railways under their control, and when they have substituted Government operation for operation under concession, they have generally sought to render the new régime popular by rate reductions. Both in England, where the railways desired to compensate themselves by means of lessening former reductions which had become obsolete at certain points, for the new reductions imposed upon them at other points to diminish rate inequalities, and in the United States, where the cordial relations eventually established between different railway systems permitted the suppression of abnormal reductions brought about by previous competition over certain routes, laws have intervened to give quasi-judicial authorities power to oppose such increases. The freedom of action of the railway companies and the mobility of their tariffs, which has so powerfully contributed to the economic development of the American continent by facilitating rapid railway growth, are no longer tolerated in the United States, since the need for new railways is less vividly felt than the need of equality in the treatment accorded competing producers. Increases in rates, always more rare than decreases, have for a long time been extremely exceptional almost everywhere, and have become rare even in America during later years.

EFFECT OF 1907 PANIC.

But rapid increases in operating and construction expenses have come seriously to modify the situation in a number of countries. It was at the very crisis which followed the height of prosperity in 1906 and 1907 that the effect of this increase was most severely felt. As we have frequently stated in these pages, the movement of expenses always follows that of receipts, but at a slower gait; traffic progresses by spurts, the most recent of which have been somewhat in advance of the date set for them under the periodical alternation at approximately 10-year intervals of industrial prosperity and depression. At the beginning of these spurts the railroads meet the situation as best they can with the facilities at hand, and it is only when they have ascertained where, for what classes of traffic, and under what conditions the needs exist that they undertake the necessary and costly improvements of their operating facilities. Then, when the slackening of traffic renders it more difficult to provide for the new expenses, they endeavor to retrench. This is what occurred in all countries when the crisis of 1907–8 seriously affected the financial status of most of the railway systems. But the results of the measures adopted to realize economies were nullified, when business again became active after a short period of slackening, by the general increase in prices. This increase is no doubt in part temporary with regard to coal and metals, but will probably be permanent with regard to wages; and the expenses brought about by the increase have been aggravated by the necessity of offsetting reduction in labor output by means of added facilities. It was under these conditions that the idea of raising rates gained ground and has been applied in a number of countries.

It has not been necessary to refer to Germany, where, as we have frequently shown in these pages, abundance of traffic, added to exceptionally advantageous conditions resulting from the configuration of the country and from regulations very favorable to the railways, assured excellent results, even with a relatively expensive system of operation. After the enormous falling off in net revenue in 1908 a serious effort was made to reduce expenses; since then the recovery of traffic has been sufficiently strong to secure for the capital invested a greater return in 1911 than the maximum realized in 1906, although capital had grown three and one-half billions in the interval. Meanwhile, in the smaller German states where the railways are less prosperous than in Prussia, the question of raising rates has been agitated at different times. Wurttemburg, soon after the unification of tariffs throughout the empire in 1907, increased the price of fourth-class tickets in 1909 from 2.5 centimes to 2.875 centimes per kilometer. The Prussian Government withdrew the export tariffs on coal, but this was apparently less to augment receipts from coal traffic than to reserve that commodity for national industry. With regard to internal traffic, the Government contented itself with forcing the public to pay for the routing of freight shipments over longer but less congested lines. As to the stamp tax on bills of lading and passenger tickets which, established by the empire, was levied for passengers at a progressively higher rate, according to class of accommodation, this caused much disappointment, since passengers simply shifted to the lower classes, and the measure has had the character of a general tax rather than an increase in rates, so that the railway administration of the several German states have suffered rather than profited by it.

CONDITIONS IN ENGLAND.

In England, as we have shown (May number, 1913), successive interventions by the Government at the time of the threatened strikes of 1907, and afterwards at the time of the strike of 1911, caused the companies to make concessions to their employees in consideration of the promise that legal facilities would be afforded them for two classes of relief measures: First, the consummation of agreements or consolidations that would permit reductions in expenses by suppressing existing competition on many lines, not as to prices (in this respect there has been an understanding for a long time among the railways), but as to the facilities offered to the public. Second, increases in freight rates. A bill presented in 1912, which covered these two points, and at the same time imposed various new obligations upon the railway companies, did not pass. The Government, called upon to fulfill its part of the agreement, at last carried a bill through both chambers which consisted merely of a brief amendment to the act of 1894 by virtue of which the railway and canal commission was empowered to oppose all unjustifiable increases of freight rates. This amendment, which took effect in March, 1913, declared that an increase would be deemed justifiable when it should be established that its object was to meet the additional expense of handling goods resulting from increases in wages and improvements in working conditions since August 19, 1911 (date of the strike).

Already, in January, 1912, the railways had put into effect certain increases in passenger rates, to which the restrictive measures of 1894 did not apply; these very moderate increases affected only certain exceptional passenger tariffs. Utilizing the new privilege granted them in regard to freight rates, they put into effect, on July 1, 1913, increases equivalent to a general surcharge of 4 per cent on all traffic. It is natural that the customers of an industry thus suffer the consequences of its increased net cost; this is only what occurs in all unregulated industries, whether the increase results from the intervention of public authority, so frequent nowadays in the matter of labor, or whether it proceeds from natural price variations. So far as the railways are concerned the British Government has kept its promise by refraining from interposing legal obstacles which would have rendered them victims of the pressure brought upon them on behalf of their employees. As to the agreements between different railways for the purpose of reducing expenses, the indefiniteness of the law has allowed them in most cases to consummate these agreements without the necessity of new legislation.

ITALY RAISES RAILROAD RATES.

In Italy, as in England, betterments of the conditions of the laboring force have necessitated increases in rates. The old leasing system, which was ended in 1905, did not sufficiently permit the railways to provide the means for necessary increases in equipment, and thus made it impossible for them to respond to traffic needs. Direct operation by the Government, under the capable and energetic management of M. Bianchi and a fairly independent administration, has notably improved the service. But expenses have gone up considerably, for the most part as the result of legislation enacted by Parliament under pressure from railway employees, providing for increased rates of pay. The latest of such laws, enacted April 13, 1911, provided that part of the new charges should be taken care of by means of an increase in the price of term tickets and of special tickets issued at unusually low rates. These increases have produced six millions, perhaps a little over 3 per cent of total passenger receipts. At the same time there has been authorized an increase in accessory charges on freight amounting in the aggregate to three millions, perhaps a little over 1 per cent of the receipts from ordinary freight. This increase has for its object the creation of a reserve of 4,000 cars for the transportation of agricultural products.

In Switzerland a law passed June 23, 1910, improved the conditions of railway labor to a very marked degree; its application will add about fourteen millions to a wage aggregate amounting to sixty millions in 1910. Inasmuch as the wage increases provided for are often automatic, it is fair to ask whether the service will be improved along with the condition of the employees. On the other hand, the Government railway administration has put into effect increases running from 9 to 12½ per cent on certain forms of season tickets very much used in that country. Other increases have been proposed, applying to round-trip tickets, but these the Federal Government has not ventured to adopt.

MEASURES TAKEN IN BELGIUM.

In Belgium the State has for several years been endeavoring to offset the increase in expenses, brought about through increases in railway wages, by increases in rates. The stamp tax (droit d'enregistrement), which in France is but 10 centimes, has been raised from 20 to 50 centimes. Measures have been taken to prevent such combining of shipments as permit the economical transportation of small consignments. Finally, after a long series of struggles and one first ineffectual attempt, increases of 50 centimes per ton have been imposed upon short-haul shipments of all coals.

In Denmark the net revenue of the State system declined from 6,300 francs per kilometer in 1905–6 to less than 2,100 francs in 1909–10, the gross revenue being more than 31,000 francs per kilometer. The public authorities took steps toward putting into effect on the 1st of December, 1911, new tariffs which would increase total revenues about 9 per cent.

In Russia ordinary freight rates on a large number of manufactured products were considerably raised in 1910. Some increases were also made with respect to passenger rates; but on account of the poverty of the population these latter increases brought about a reduction of passenger traffic and a shifting from higher to lower classes, which has forced a partial abandonment of the scheme.

It is especially in Austria and in Hungary that a considerable sustained effort has been made. In Austria the State system, considerably enlarged by the policy of purchase of railway lines which has led to the gradual disappearance of all the private systems, with the sole exception of the Südbahn, has been far from earning the interest on its capital. For a long time the Government has been seeking to increase revenues by means of rate increases. Some years ago station charges had been considerably increased. A general reform was instituted in 1910, applying both to freight and passenger tariffs, by means of which revenues were increased ten millions the first year and thirty-seven millions in later years. But the results were seriously disappointing, and in 1911 and 1912 new and important increases were effected, bearing partly upon certain special classes of goods—cement, lumber, alcohol, petroleum, coal, sugar—and partly on merchandise of all classes in carload lots.

HUNGARY MAKES GENERAL RATE INCREASE.

In Hungary still more radical measures were adopted. In 1909 the net revenue of the State system was forty-five millions less than the capital charges. During 1910 and 1911 rates on a majority of commodities were sensibly increased. The results, though satisfactory, remain still insufficient, and on March 1, 1912, normal fast-freight rates were uniformly raised 7 per cent, exceptional fast-freight rates 5 per cent, and all ordinary freight rates also 5 per cent. Finally, the celebrated zone tariffs for passengers, which had formerly been extolled as a great step forward, were completely abandoned.

This zone system, established in 1889, was destined in part to develop local passenger traffic and in part to bring the capital of Budapest and the farthest parts of the kingdom into closer relations. At the beginning there were 2 zones for local passenger traffic and 12 zones for journeys of from 25 to 225 kilometers (each carrying a uniform rate for all the points within a fairly wide area, the rates increasing at successive steps either of 15 or 25 kilometers). Finally, there was a single zone, with a uniform fare, for all journeys over 225 kilometers, even up to 800 kilometers. However, there was a necessary break in all journeys by way of Budapest. This tariff produced a species of traffic not then existent over very short and very long distances. From 1888 to 1894 the State railways and the Austro-Hungarian Co.'s lines, purchased by the State in 1891, increased their traffic in the following proportions:

	Per cent of increase in—	
	Number of passengers.	Passenger receipts.
Local zones	650	232
Zones 2 to 12	40	10
Zones 13 to 15	246	186

But when the long-distance travel, hardly existent before, had developed so seriously as this, it did not take long to ascertain that the receipts from such travel did not cover the corresponding expenses. In 1896 and 1903 the local tariff was altered and two new zones created, one of 75 and one of 100 kilometers, so as to establish a complete uniformity of rates only beyond 400 kilometers. Experience shows that these increases have had no effect on the growth of traffic.

Under these conditions passenger traffic barely made expenses, but did not contribute, so to speak, to net revenue. On the 1st of July, 1912, the zone system of tariffs was abolished. Rates are now, with a few exceptions, increased at 5-kilometer intervals for trips under 30 kilometers, and at 10-kilometer intervals thereafter, the per-kilometer rate rapidly decreasing above 250 kilometers. The increased revenues resulting from this new classification amount to about 16,000,000 francs, or about 18 per cent of former passenger receipts.

RAILROAD POLICY IN FRANCE.

It is clear that the once generally accepted idea that railway rates must always continue to decline is contrary to the facts. In France, public opinion still refuses to admit that rates can never be increased. However, the operating results which we analyze each year in the May number of this Review lead us to fear that, as in so many other countries, we shall be obliged to apply higher rates some day. From 1906 to 1912 the revenues of the railways d'intérêt général increased in round numbers about 350,000,000, while operating expenses increased 400,000,000, and the capital invested had increased about 2,000,000,000. Of this increase in expenses, the follies that have accompanied the purchase by the State of the Western Railway are perhaps responsible for 50,000,000, adding that much to the normal increase in expenses which the Government operated systems must suffer, as well as the private systems. Even after deducting these 50,000,000, it is clear that the increase in expenses entirely absorbed the total increase of revenue. The operating ratio in 1906 was about 52 per cent. The length of the new and slightly productive lines put into operation in the interval, upon which this ratio is necessarily higher than on the older lines of dense traffic, is hardly more than 1,000 kilometers. On the other hand, the additional traffic of the older lines would not, by a wide margin, have brought an increase in expenses proportionate to that of revenues, had not the net cost of transportation grown. On the whole, an increase in expenses equivalent to half the increase in revenues would have been the expected thing, had not the conditions of operation been seriously changed.

Among the changes of this period are those which represent real improvements, both as to the speed and the number of trains, improved car accommodations, etc. But the expenditures undertaken by the railway managements on this score have not greatly exceeded the economies brought about through technical progress; the use of more powerful locomotives, permitting an increase in average train load, the development of classifications based upon weight, etc. The enormous gap between the results actually attained and those reasonably expected from the development of traffic is due chiefly to the general increase of prices and especially of wages.

But the intervention of public authority has considerably contributed to the increase. We have often spoken of the special legislation which assures railway employees better pensions even than those granted to State employees themselves, and incomparably better than those provided under ordinary legislation for workmen in general, without even that contribution from the budget which is granted to other workers. This special act increased expenses of operation from twenty-five to thirty millions a year, which would have been infinitely better employed in the amelioration of wages—to say nothing of 8,000,000 carried in 1912 to capital account on behalf of employees pensioned during that year, nor of its retroactive provisions, nor of the slowly decreasing amounts it will add to the expenses of future years. The labor regulations imposed upon the railways have also added new expenditures over and above those brought about by such increases in force as have been necessitated by the general movement tending toward greater leisure for laborers.

HOW FRENCH EXPENSES INCREASED.

The law of 1905, regarding the liability of carriers, has further added to railway expenses, by means of payments for damage, to the extent of 15,000,000 a year. While nullifying the contractual clause which combined the privilege of lower rates with a lessening of the carriers' liability, the law has very much reduced the number of cases in which the court of cassation can exert a control over the decisions of judges of fact of the lower courts. However, it must be recognized that these judges, when elected by patrons of a railway, do not always grant it all the necessary guarantees. Doubtless, in the large cities, the commercial tribunals exercise their authority with entire impartiality; but their independence is not the same in the less important centers. The more closely they are in contact with the merchants who elected them, the more they incline to side in their favor against enterprises that are foreign to the region. As to this, statistics regarding the legal suits of one of our great railways in 1910 and 1911 are singularly instructive. It should be noted that all these suits are prepared and defended by the same legal-claim department, which examines all cases in the same light and goes to law only when it believes that there are good chances of a victory. Yet the proportion of legal cases lost by it before commercial tribunals is as follows:

	Per cent.
In Paris	32.5
In other cities of 50,000 population and over	46.6
In cities from 10,000 to 50,000 population	60.9
In cities of less than 10,000 population	80.

When the law of 1905 had overthrown one of the conditions made by the railway systems in return for the voluntary rate reductions introduced by them, the Government recognized that it could not insist upon these reductions without some compensatory arrangement. The minister of public works took the almost unheard-of step of promulgating increases in certain rates that were extremely low and were due for revision when the effect of the new legislation should become known. But when the time came the administration directed its whole weight of authority against the railways, to obtain their renunciation of certain surcharges which it was impracticable to refuse to them if they should insist on their rights. The railways give in upon the promise that a slight compensation would be granted them through the revision of certain tariff regulations much more burdensome to them than really beneficial to the public. Then, as always, when it was proposed to promulgate certain rules facilitating railway service, the administration backed down in the face of demands formulated not so much by large shippers, seriously interested in the question, as by small groups who receive their instructions from agencies on the lookout for opportunities to file claims. As a final result, the railways obtained nothing in exchange for their consent to the maintenance of special tariffs, even in cases where the evidence itself showed that the provisions reducing the liability of carriers had been among the determining conditions underlying the reductions voluntarily agreed to by them.

EFFECT OF RISING INTEREST RATE.

Although the new operating expenses absorbed, and more than absorbed, the increases in revenues, the amount of capital grew and the corresponding charges grew still faster. The general increase in the rate of interest has continued simultaneously with the increase in prices for 15 years past. Of late it is especially with regard to old family investments that this increase has been manifested; the cost of living has forced a search for more productive investments; furthermore, in the face of financial and other threats that are directed from all sides upon accumulated wealth, the difference in safety between securities once regarded as absolutely sound and other investments no longer seem important. Fifteen years ago the rate of interest (including funding costs) at which the railways borrowed hardly exceeded 3.25 per cent; to-day they can no longer issue securities without paying about 4 per cent. Retirement of securities becomes more difficult in the measure by which the end of the period of concession approaches. The annual amortization charge (l'annuité des emprunts) has increased by 0.50 to 0.75 per cent in 15 years, and amounts to 75–115 centimes to-day, according to the length of time yet remaining to the concession of each system, and the charge will grow very rapidly unless measures are taken to render possible the continuation of betterments indispensable to the good of the service.

Whether the increase in capital charges and expenses of operation bears directly upon the State in regard to its own system and the expenditures assumed by it, through the construction of new concessionary lines, and whether it directly affects the railways with which the State is closely associated through guaranties of interest and the division of profits, it reacts no less gravely upon the state budget. For other reasons as well the budget is affected by the general increase in prices and wages, being drawn upon especially for the improvement of the working conditions of all public employees—not to give satisfaction to labor associations or unions, whom it would be easy to bring to their senses, but because the recruiting of civil or military employees becomes more and more difficult, and will become impossible if they are not properly compensated. The new military burdens which have been imposed upon us and the social burdens sometimes imprudently assumed, added to those which have resulted from the natural movement of prices, forced the State to secure new resources for immense sums never required before, not even after the catastrophe of 1871. At the very moment when it becomes necessary to search on all sides for new taxes it is no longer possible to discard a priori any idea of an increase in transportation rates.

THE PROBLEM IN FREIGHT CHARGES.

Without doubt this increase will bear grievously upon agriculture, commerce, and industry. But under whatever form it may arrive the new burdens imposed upon national production will fetter that produc-

tion. To burden the transportation industry, or to tax its transactions, or to attenuate its capital, all tend to diminish the productive power of a country. The problem is to so distribute the load as to render no one part of it crushing. A certain increase in railway rates must nevertheless follow upon a general increase in prices, such as was described at the beginning of this article. Soon, perhaps, the State will no longer be able, in fairness, either to refuse the increase to the railways, in whose prosperity it is directly interested as a partner, or to continue to operate its own system at a continuously increasing loss. Perhaps, also, it would be wise to use from now on additional transportation charges that are relatively low and well selected as part of the resources of which there is need, in order to cover at least the interest on the capital expended to develop all sorts of means of communication.

The memory of the enormouse part that has been played by the considerable decrease in transportation rates in modern progress must not lead us to exaggerate the inconvenience of a slight increase. The experience of actual increases abroad, as well as increases of transportation taxes in France some time ago, show that charges of this kind are not especially prohibitive, provided they be moderate and well selected; and even if they were to bear heavily upon passengers traveling on passes or special tickets (cartes de circulation), yet they constitute a valuable means of moral uplift.

What is of significance to the public welfare is not that a special form of service, like the railway service, is left out of the general movement of increased prices and augmented public charges, but that these charges be not increased without absolute necessity. The policy of reducing transportation rates is an excellent one, but to carry it out it is necessary to avoid increasing beyond measure the charge upon the carriers, the expenses of operations of doubtful utility or of no utility at all, and even, if possible, the total budget. On the other hand, when it becomes absolutely necessary to increase the levy made by the public power upon national production the users of means of communication of all kinds should justly and inevitably contribute their share, at least in the proportion by which special legislation and the general increase in prices have increased the net cost of the services rendered to them.

This is what many countries have already recognized. It looks as if France also will soon have to recognize it.

[Bulletin No. 12.]

METHODS OBSERVED IN ADVANCE OF FREIGHT RATES IN TRUNK LINE TERRITORY.

DECEMBER 16, 1913.

The railroads have published complete tariffs covering the proposed advance in freight rates. These publications involved a reprinting of all the tariffs on many railroads. In order that the exact application of the proposed increase may be better understood, the railroads have filed with the Interstate Commerce Commission a supplementary statement, prepared by Mr. C. C. McCain, chairman of the Trunk Line Association, describing in general terms the methods observed in advancing "trunk line" rates.

The controlling principle was to bring about a uniform advance of 5 per cent on all class and commodity traffic via the various standard and differential routes: (1) From all eastern points to trunk line western termini and points beyond, domestic and import; (2) from western termini of the trunk lines to all eastern points, domestic and export, and (3) between all eastern interior points.

The detailed instructions formulated for this purpose, and which were employed by all roads, were as follows:

"In computing and publishing all revised class and commodity rates in cents per 100 pounds, decimals of tenths to be employed.

"In figuring advanced per ton rates, fractions of 1 cent per ton to be disposed of by dropping 49 hundredths of 1 cent or less per ton and increasing 50 hundredths or more per ton to 1 cent.

"The minimum advance in the per ton rates to be 5 cents per ton and ¼ cent for rates in cents per 100 pounds expressed in decimals.

"In computing through westbound rates, the New York-Chicago rate will first be advanced 5 per cent, and other western points taking a percentage of the New York-Chicago rate, will take the established percentage of the new advanced Chicago rate, with the understanding that port differentials heretofore established and recognized will be continued.

"In computing other rates not based on a percentage of the New York-Chicago rate, recognized differentials above or below advanced basing rates will be maintained."

The new rates, generally, were constructed in accordance with the foregoing; there were, however, certain exceptions to the strict application of the 5 per cent increase which were regarded as necessary in order that the long-established competitive rate relations as between the principal shipping points and via various routes should remain substantially as before. Typical instances of these exceptions are given, as follows:

Under existing methods governing the west-bound rates from the seaboard, certain differentials have applied as between the Atlantic ports, known as port differentials, under which the rates from Philadelphia and Baltimore and points taking the same rates to western points have been stated amounts lower than the rates currently in effect from New York. Instead of computing the advanced rates upon the existing rates from Philadelphia and Baltimore, the new rates have been obtained by observing the existing differentials under the new rates established from New York, and while this process results in some variation from an actual 5 per cent advance, the average advance will not materially exceed 5 per cent. Under the new basis, the rates from Philadelphia and Baltimore and points taking the same rates will bear the same relation to the rates from New York as now prevailing.

From New York, Boston, Philadelphia, and Baltimore rates are published by various differential routes, such as rail-and-lake, ocean-and-rail, and canal-and-lake, as the case may be, the rates via these routes being specified amounts under those of the standard all-rail routes. When computing the new rates the differential relation of these several routes has been maintained as heretofore, the rates of the standard routes having been first advanced 5 per cent and those of the differential routes then obtained by deducting therefrom the established differentials. This method operates to produce slight variations from the exact advance of 5 per cent via such routes.

For many years the rates from eastern seaboard and interior points to points in Central Freight Association territory have been constructed under what is known as the westbound percentage scale, by which the rates to such points have been determined under assigned percentages of the current rates New York to Chicago; for example, the percentages of several points are as follows: Peoria, 110 per cent; St. Louis, 117 per cent; Cincinnati, 87 per cent; Indianapolis, 93 per cent; Detroit, 78 per cent, and Grand Rapids, 96 per cent of the rates New York to Chicago. When computing the new rates this percentage method was observed, the result being less variation in the relation of rates as between western points than under the method of applying the 5 per cent increase to the former rates to such points, and a close approximation to the advance of 5 per cent.

The former rates from eastern interior points, such as Albany, Syracuse, Binghamton, etc., have similarly been made under a fixed percentage relation to those from seaboard points, and in order to continue this relation the same method has been observed in computing the advanced rates from such origin points. The observance of this plan in connection with the new rates has resulted in slight variations from an actual 5 per cent advance.

It was regarded as desirable to prescribe a minimum advance per 100 pounds or per ton. The minimum prescribed, as shown above, was one-quarter cent per 100 pounds, or 5 cents per ton. Where existing rates were of small amount, the application of this minimum has operated to increase such rates more than 5 per cent; for example, the rate of 20 cents per ton, to which a minimum of 5 cents is added, produces 25 cents, the advance being 25 per cent. Variations of this character will occur in sundry rates of low amount, but usually as between points where the traffic involved is not large and would not therefore materially affect the general average of the 5 per cent increase.

There are many instances throughout eastern territory where through rates to points on different roads are constructed on basis of adding to the rates to the junction points certain arbitrary rates. The rates to these junction points have in all instances been advanced, and in certain cases the arbitraries beyond junction points have been similarly advanced. Where such arbitraries were not advanced the revised through rates were increased only to the extent of the advance to the junction points, which was not equivalent to a full 5 per cent advance in the through rate.

The rates from Albany, Syracuse, Binghamton, and other interior points to western points bear a certain relation to the rates from New York or Buffalo to the same western points. Similarly, the rates from eastern points to Cincinnati, Indianapolis, Columbus, and St. Louis bear a stated relation as compared to Chicago and as compared with each other.

These relations are recognized as long-established factors in commercial operations, and it is understood that it would be preferable from the public standpoint that they should be continued rather than that the increase should be computed directly upon the existing rates to such points, although the observance of the present plan results in variations from an exact 5 per cent advance.

The new rates to various western points from Philadelphia and Baltimore are computed by employing the New York-Chicago rates as the basic rates and then observing the differential relation governing at Philadelphia and Baltimore under New York, and also observing the percentage group system as governing at western points.

It is believed that, notwithstanding the variations, the application of the new rates to the entire traffic affected will very closely approximate an advance of 5 per cent.

[Bulletin No. 13.]

PROPOSED RATE ADVANCES IN THE MIDDLE WEST.

DECEMBER 18, 1913.

In order that there may be a clear understanding of the method of applying the proposed 5 per cent increase in freight rates to the complicated rate structure in the Middle West, the railroads have filed with the Interstate Commerce Commission a statement prepared by Mr. E. Morris, chairman of the Central Freight Association.

CLASS RATES IN CENTRAL FREIGHT ASSOCIATION TERRITORY.

The class rates between points within Central Freight Association territory, both intrastate and interstate, were, except as may be hereafter stated, increased as follows: Rates 5½ cents per 100 pounds and less were increased one-fourth of 1 cent; rates in excess of 5½ cents were increased 5 per cent; minimum increase, one-fourth cent per 100 pounds.

An exception to an increase of 5 per cent, literally speaking, is the employment of the established differentials from Youngstown and Cleveland rate points.

A second exception to the literal increase of 5 per cent is the intrastate class rates applying between points in the Lower Peninsula of Michigan and also the interstate rates applying between points in the Lower Peninsula of Michigan and certain points in northern sections of Indiana and Ohio adjacent to southern State line of Michigan, which were affected by the basis announced for recheck of the intrastate rates between points in the lower peninsula of Michigan.

The rates from and to Louisville, Owensboro, Henderson, and Paducah, Ky., which were made subject to established arbitraries in excess of the increased rates published from and to the usual Ohio River base points in cases where arbitraries were used in obtaining present rates.

Still another exception to an increase of 5 per cent are the rates proposed between Buffalo, N. Y., Erie, Pa., Salamanca, N. Y., Pittsburgh, Pa., Wheeling, W. Va., and points taking same rates and points contained in territory taking higher than 100 per cent and some points taking 100 per cent of rates applying from Chicago to New York City. The rates between these points were advanced, subject to established percentage of the increased rates proposed from same origin points to New York City.

CLASS RATES EXTRATERRITORIAL.

The rate increase, in so far as it applies where joint through rates are in effect from and to South, Southwest, and Northwest, is as follows:

Northwest: The rates between points located in territory east of the Indiana-Illinois State line and points in Wisconsin, eastern Minnesota, and upper peninsula of Michigan, taking Winona, St. Paul, Duluth (Minn.), Marquette, Hancock, Houghton, Michigamme, and Sault Ste. Marie (Mich.), rates were increased to the extent of the increase made in the rates applying between Pittsburgh and Chicago.

The rates applying between Buffalo and Pittsburgh rate points and Lexington and Winchester, Ky., groups were advanced subject to the usual percentage of the increased basing rates announced to apply between Lexington and New York City.

Southwest: The joint through rates applying from territory above described located east of the Indiana-Illinois State line to Arkansas and other southwestern territory are to be increased to the extent of the increase made east of St. Louis on the 5 per cent advance.

COMMODITY RATES IN CENTRAL FREIGHT ASSOCIATION TERRITORY.

The commodity rates applying between points in this territory, both intrastate and interstate, were also advanced in the same manner as class rates. The differential adjustments were used from western Pennsylvania, eastern and southern Ohio.

The commodity rates now published between points in this territory on basis of percentage of established class rates will continue to be made on same percentage basis, but subject to the class rates increased on basis mentioned above.

COMMODITY RATES EXTRATERRITORIAL.

The extent to which the joint through commodity rates applying from and to South, Southwest, and Northwest were increased is as follows:

Northwest: The joint through commodity rates published between points located in territory mentioned above east of the Indiana-Illinois State line and points in Wisconsin, eastern Minnesota, and upper peninsula of Michigan, taking Winona, St. Paul, Duluth (Minn.), Marquette, Michigamme, Houghton, Hancock, and Sault Ste. Marie (Mich.), rates were advanced amounts equal to the increase made in the commodity rate applying between Chicago and points east thereof.

In some cases the advance made in the commodity rate from or to Chicago, as the case may be, and the base point east thereof was the measure of the increase made in the joint through rates published on the same commodity from all points in respective origin territories.

To trans-Mississippi River territory: The joint through commodity rates from territory located east of the Illinois-Indiana State line to trans-Mississippi River territory, Montana, Wyoming, Colorado, Oklahoma, and east thereof, to which joint through commodity rates are published from said origin territory, were advanced to the extent of the increase made in the rates from the base or origin points mentioned, as the case may be, to the junction of Central Freight Association and western roads, which was used as the western base point.

Through rates made on combination of locals or proportional rates were increased to extent of increase made in the locals or proportional rates applicable from and to the base point used.

RAIL-AND-LAKE RATES—CLASS.

The class rates from points in western New York and Pennsylvania, Ohio, Indiana, etc., to points named in caption were advanced on basis as follows:

First: Combination of locals on increased basis to and from Lake Erie ports were used.

Second: Baltimore rates on increased basis were applied as maxima.

Third: The usual grouping and adjustments were observed.

Fourth: Customary differentials below all-rail rates were applied.

RAIL-AND-LAKE RATES—COMMODITY.

The commodity rates were obtained as follows:

Manufactured iron and steel articles: Rates were increased subject to foregoing principle as mentioned for class rates.

Cast-iron pipe: Rates were increased subject to usual differentials under all-rail rates from base points to St. Paul, Minn.

Miscellaneous commodities: Joint through rates were increased 5 per cent.

RATES FROM CENTRAL FREIGHT ASSOCIATION TERRITORY TO TRUNK LINE TERRITORY—CLASS.

The class rates from Chicago, Ill., to New York City were increased 5 per cent.

The class rates from other points in Central Freight Association territory to New York City were increased subject to the established percentage of the advanced basing rates as named above to apply from Chicago to New York City.

The rates to interior eastern basing points were computed subject to the established percentage of the advanced basing rates to New York City.

The rates to Boston rate territory are made subject to the following arbitraries in excess of the advanced rates to New York City:

1	2	3	4	5	6	classes.
7	6	5	4	3	2	cents per 100 pounds.

The advanced rates to Philadelphia rate points are made subject to an arbitrary of 2 cents per 100 pounds for all classes below the increased rates to New York City; and the advanced rates to Baltimore rate points are made subject to an arbitrary of 3 cents per 100 pounds below the increased rates to New York City.

The advanced rates to Newport News and Norfolk rate points are the increased rates to Baltimore, except from certain territory located south and east of Columbus, Ohio. From this excepted territory the usual practice was observed, and the increased rates from Columbus, Ohio, to Baltimore, Md., are applied as minima to Virginia cities.

RATES FROM CENTRAL FREIGHT ASSOCIATION TERRITORY TO TRUNK LINE TERRITORY—COMMODITY.

The commodity rates (which are commonly understood to mean rates applicable on articles that are not subject to the established class rates governed by official classification) from origin points west of Buffalo and Salamanca, N. Y., Pittsburgh, Pa., Parkersburg and Charleston, W. Va., to points east thereof, were also advanced subject to 5 per cent increase in the basing rates applying to New York City.

Where a basing rate existed from Chicago to New York City, such basing rate was advanced 5 per cent, and the rates in effect from other points in said origin territory to New York City were computed on the established percentage of the advanced basing rate from Chicago to New York City.

Where there are commodity rates from origin points located in Central Freight Association territory and no commodity rates are now published from Chicago on like traffic, such commodity rates from each origin point to New York City were advanced 5 per cent.

The rates to interior eastern basing points were computed subject to the established percentage of the advanced basing rates to New York City, except where the present rates may have been arrived at subject to different procedure, in which event such procedure was observed in publication of increased rates.

EXPORT RATES.

The rates on by-products of grain, etc., from points located in territory described under section 1, when for export, were advanced as follows:

From Chicago to New York City, the basing rate was increased 5 per cent.

From points taking 100 per cent and less, the increased rates were obtained as follows:

To New York City, established percentage of the increased rates from Chicago to New York City.

To Boston, Philadelphia, Baltimore, Newport News, and Norfolk the usual rule was observed.

From points west and south of Chicago taking in excess of 100 per cent of Chicago to New York rate, the arbitraries above referred to were added to the increased rates from Chicago.

RAIL—LAKE-AND-RAIL RATES.

The rates from points in Western Indiana, also Illinois and on Mississippi River, to Buffalo, Salamanca, N. Y., Pittsburgh, Pa., and points east thereof were advanced subject to established differentials less than the all-rail rates on the increased basis.

RAIL-AND-OCEAN RATES.

The rates from points in Central Freight Association territory to North Atlantic seaboard ports were advanced, subject to the established differentials less than the all-rail rates on increased basis.

The rates to eastern points which make on arbitraries over rates to the base point will continue to be made in the same manner, subject to the increased rate to the base point.

[Bulletin No. 14.]

METHODS OF ADJUSTING INCREASED COAL FREIGHT RATES.

DECEMBER 20, 1913.

In order that the methods pursued in adjusting the proposed 5 per cent increased freight rates to the coal rate structure may be clearly understood, the railroads interested have filed with the Interstate Commerce Commission two general statements. The first of these, relating more particularly to the eastern territory, was prepared by Mr. R. H. Large, general coal freight agent of the Pennsylvania Railroad Co. The substance of Mr. Large's statement is as follows:

I.

The instructions received from the executive committee of the Trunk Line and Central Freight Associations required that a general advance be made of 5 per cent, with a minimum of 5 cents per ton, the existing differentials to be preserved.

It was determined by the coal-traffic officers—

(1) That wherever port or regional differentials existed, in making the 5 per cent advance such differentials should be preserved.

(2) That fractions of forty-nine one-hundredths of 1 cent should be dropped, and where the straight 5 per cent figured fifty one-hundredths of 1 cent, a cent should be added.

BITUMINOUS COAL RATES, EASTBOUND.

(1) Tidewater: The existing rates on bituminous coal to the Atlantic seaboard for transshipment by water to coastwise or export destinations from the various fields of origin hereinafter designated to the several ports of transshipment, which rates have existed since May 1, 1907, are as follows:

From the Georges Creek and Cumberland, upper Potomac, Austen-Newburgh, Meyersdale, Somerset, and Clearfield regions:

To Baltimore, f. o. b. vessels, $1.18 per gross ton.

To Philadelphia, f. o. b. vessels, $1.25 per gross ton.

To the lower New York Harbor ports of South Amboy, Elizabethport, etc., $1.55 per gross ton.

To the upper New York Harbor ports, $1.60 per gross ton.

From the New River and Pocahontas districts to Hampton Roads, via the Chesapeake & Ohio Railway, Norfolk & Western Railway, and Virginian Railway, $1.40 per gross ton.

While the basic rate to tidewater is the rate from the Georges Creek and Cumberland region to Baltimore, via the Baltimore & Ohio Railroad, of $1.18 per gross ton, it may be said that the basing rate is the $1.25 rate to Philadelphia, on which rate the differentials to the several other ports are based.

As a straight 5 per cent advance in the aforesaid rates would have resulted in an advance of 8 cents in the $1.55 rate to New York Harbor, of 7 cents in the $1.40 rate to Hampton Roads, and of 6 cents in the $1.25 and $1.18 rates to Philadelphia and Baltimore, and as it was essential that the prevailing differentials to the several ports should be preserved, it was determined to advance the tidewater rates based on the average rate to all ports.

Adding the five before-mentioned rates toegther and dividing by five gives an average rate of $1.396 per gross ton, 5 per cent of which would be 7 cents per ton, the equivalent of a 5 per cent advance in the $1.40 rate to Hampton Roads. It was therefore determined to advance the tidewater rates 7 cents per ton. Thus, while the rate to Hampton Roads would be advanced exactly 5 per cent, the rate to New York Harbor less than 5 per cent, and the rates to Philadelphia and Baltimore slightly more than 5 per cent, the port differentials are preserved.

It was further understood that the existing regional differentials over and above the aforesaid rates from the Georges Creek and Cumberland, Austen-Newburgh, Meyersdale, Somerset, and Clearfield regions, and from the New River and Pocahontas regions, should be preserved. For example, the rates to Baltimore, Philadelphia, and New York Harbor from the Greensburg district are 10 cents per ton above the rates from the Clearfield region; from the Westmoreland and Fairmont regions, 25 cents above the rates from the Clearfield region, etc.

Those, as well as all other regional differentials to tide, were preserved, so that all rates on bituminous coal to the Atlantic seaboard for transshipment into vessels for coastwise or export trade were advanced a straight 7 cents per ton—i. e., an average advance of 5 per cent on the minimum rate to tide, which, of course, yields materially less than a 5 per cent advance on the average rate to tide.

(2) All-rail—New England: It was further determined, using as the basing rate the minimum rate (which is the Clearfield-Somerset rate), to advance the all-rail rates to New England a straight 5 per cent, observing the rule with respect to fractions decided upon, and that the inland rates from the ports of entry in New England to the interior of New England should be advanced 5 per cent, with a minimum of 5 cents per ton, by the New York, New Haven & Hartford Railroad Co., the Boston & Maine Railroad Co., and others.

(3) All-rail—Eastern other than New England: The all-rail rates to eastern destinations in New York State, Pennsylvania, New Jersey, Delaware, Maryland, Virginia, and the District of Columbia, and into Canada via the so-called St. Lawrence River gateways, were advanced a straight 5 per cent, using as the basing rate the so-called Clearfield-Somerset-Meyersdale rate, and the regional differentials over and above that rate were preserved both in the all-rail rates to New England and in the all-rail rates to the other territory referred to.

Northbound.

The rates to the Buffalo district were advanced 6 cents per ton, that being 5 per cent on the minimum rate, i. e., the rate from the

Reynoldsville district of $1.10, and likewise 5 per cent on the maximum rate, i. e., the rate from the Pittsburgh district of $1.25. This advance of 6 cents per ton was likewise made in the proportions of the through rates to the north side of Lake Erie in such joint rates as were published into Canada via Ashtabula and other Lake Erie ports and across Lake Erie car ferry routes, thus preserving the existing relation between the all-rail rates via those routes and the combination of the rates to and beyond Black Rock.

Westbound.

(1) Cargo coal rates: The existing rates on bituminous coal from the several fields of origin to Lake Erie ports for transshipment as cargo up the Great Lakes are as follows:

	Per net ton.
From the Pittsburgh district	$0.78
From the Ohio district	.75
From the Fairmont district	.90
From the Kanawha and Thacker districts	.97
From the Pocahontas and New River districts	1.12

As the rates from the Pittsburgh, Ohio, Fairmont, Kanawha, and Thacker districts were less than $1 per ton, and as the executive officers had determined that the minimum advance should be 5 cents per ton, it was decided to advance all the rates from the several fields of origin to the several Lake Erie ports for transshipment as cargo up the Great Lakes a straight 5 cents per ton, thus preserving the existing regional differentials.

(2) Line rates: In the all-rail rates to the West the Pittsburgh district rate was used as the basing rate. That rate was advanced 5 per cent, the regional differentials from the other districts being preserved. In this instance, in the case of the rate to Chicago and some other western places where the rates are all-rail from the Ohio district are on a differential of 25 cents per ton less than the Pittsburgh district rate, the advance may be said to be slightly more than 5 per cent.

ANTHRACITE COAL RATES.

Eastbound.

By reason of the fact (1) that the existing rates on anthracite coal to the East are already the subject of bitter attack and that the Interstate Commerce Commission is about to proceed with an exhaustive examination into the rates, rules, regulations, and practices of the several carriers of anthracite coal, and (2) that the small sizes of anthracite coal must practically all be sold in the East and are now sold at a loss (that is, at less than the cost of production), in competition with bituminous coal, no advance therein was made.

Westbound.

The rates on anthracite coal to and beyond the western termini of the trunk lines were advanced a straight 5 per cent. That is to say, the rate to Buffalo was advanced to 5 per cent, and the rates published by the several lines operating westward therefrom were also advanced 5 per cent, as were likewise the all-rail rates to and beyond Pittsburgh, published by the Pennsylvania Railroad Co. and its connections; the rates to and beyond Salamanca, published by the Erie Railroad Co. and its connections, and the rates to and beyond Pittsburgh, published by the Philadelphia & Reading Railway Co. in connection with the Baltimore & Ohio Railroad Co. and their connections, and all other all-rail rates, with the exception that to the several Mississippi River crossings, to which there are joint rates established, which rates are based on certain differentials over and above the Chicago rates, those differentials were preserved.

COKE RATES.

It will be observed from the foregoing that in every instance, with the exception of the rail rates to Chicago and a few other western places, insofar as the advances in the bituminous and anthracite coal rates are concerned, the basing rate on which the 5 per cent advance was made was the minimum rate. The reason for that was that the preponderant proportion of the bituminous coal tonnage moved under those rates, and it was realized that unless the minimum rate was used as the basis the carriers would receive a greater return than 5 per cent.

In advancing the coke rates we deviated from this practice in principle, but only to a very slight degree in result. By reason of the fact that the preponderant proportion of coke—probably 90 per cent or more—consumed throughout the Eastern and Middle States is produced in the Connellsville region, which rate, generally speaking, is the maximum rate, it was determined but fair to use that rate as the basing rate, and therefore the rates on coke from the Connellsville region eastbound, northbound, and westbound were advanced 5 per cent. This results in a greater advance than 5 per cent in the rates from the Fairmont, Latrobe, and mountain regions eastbound, but as the production in those fields is exceedingly limited as compared with the production in the Connellsville field, the net result is that the advance will be but slightly more than 5 per cent.

The sum and substance of the entire matter is that by reason of using the minimum rate as the basing rate in every instance in advancing the coal rates, except in the case before referred to, the general advance published in the tariffs already filed will be in the aggregate materially less than 5 per cent.

II.

COAL RATES IN THE MIDDLE WEST.

The statement filed with the commission covering the increase of coal rates in the Middle West was prepared by Mr. George H. Ingalls, freight traffic manager of the "Big Four" Railroad, and is as follows:

In advancing coal rates westbound the Pittsburgh-Chicago rate was taken as the base rate, and the rates from that district were advanced 5 per cent to all points north of the Ohio-Michigan line and to all points west of a line drawn from Toledo to Cincinnati on the Cincinnati, Hamilton & Dayton Railway; to all points on and east of that line they were advanced 5 cents per ton. The rates to Chicago, Peoria, St. Louis, and Cairo were advanced 10 cents per ton as well as the proportional rates to the upper Mississippi River crossings and across-lake—this to equalize, via those junctions, the rates made to western points on the Chicago combinations.

As the Ohio rates are carried on a differential under the Pittsburgh rates the same advance was made in the rates from the Ohio fields to the territory outlined above, thus maintaining the regional differentials.

Rates on coal to the lake for transshipment from the Pittsburgh district were advanced 5 cents per ton, and in order to maintain likewise the regional differentials, the rates from Ohio fields to lake for transshipment were advanced 5 cents per ton.

The coal fields in Indiana and Illinois have been treated as one coal field, any change in rates from one State necessarily affecting the rates from the other State. Therefore, it has been the practice to consider together the rates on coal from both States.

There are in existence to-day practically 10 working districts, with as many rates, and in order to maintain the present regional differentials, the rates have been advanced uniformly from each district 5 cents per ton to Chicago and Chicago rate points.

The rates to northern Illinois and southern Wisconsin south of a line on or south of the Chicago, Milwaukee & St. Paul Railway, Milwaukee to Madison via Watertown, thence via Chicago & North Western Railroad to Dodgeville, were advanced 5 cents per ton from each district.

Rates to northern Illinois, southern Wisconsin, and some points in Iowa have been advanced 5 cents per ton from each district. The rates to the north of the above-outlined territory have not been advanced, due to the fact that these markets are competitive with eastern coal handled via lake, and no advance having been made in rates from the Head of the Lakes to this territory, it was felt equitable to maintain the present basis of rates.

The rates from Indiana and Illinois to southern Indiana and Illinois points have been advanced 5 cents per ton uniformly from each district.

No advance has been made to points south of the Ohio River, due to there being no corresponding advances from competitive fields in Alabama.

An advance of 5 cents per ton has been made from Indiana and Illinois points to all central and northern Indiana points, thus maintaining the regional differentials.

To Michigan points the rates from Indiana and Illinois are based on proportional rates to Chicago junctions in connection with specifics into Michigan.

The rates from the Danville group to Michigan territory are the base rates and were increased 5 per cent, and an advance of the same amount per ton made from other Illinois-Indiana districts, thus maintaining the regional differentials. This corresponds to the 5 per cent advance to this territory that has been made from eastern coal fields.

As tariffs from Illinois districts serving St. Louis markets were filed on April 1, 1913, advancing the rates on coal 5½ cents per ton to East St. Louis, East St. Louis rate points, and St. Louis proper, and the same having been suspended by the Interstate Commerce Commission and being now in the course of investigation, no further advance has been made in those rates. The proposed advance would maintain the present regional differentials.

As of November 29 the proportional rate on coal destined to points west of St. Louis were advanced 5 cents per ton, uniformly.

Where through rates are made, in combination with the Iowa distance rates on fine coal, the rates have been advanced 5 cents per ton, the same as the upper Mississippi River crossings, thus maintaining the regional differentials.

[Bulletin No. 15.]

HOW RAILROAD WAGES HAVE BEEN INCREASED.

DECEMBER 21, 1913.

The railroads participating in the application for increasing freight rates have filed with the Interstate Commerce Commission statistics showing how wages have increased on these roads during the past several years.

The various railroad companies in this territory paid out $506,000,000 in wages and salaries in the year ending June 30, 1913. Estimates for 29 of the 38 railroad systems concerned show an increase in wages for 1913 over 1910 of $48,618,972.41, due to changes in rates of pay and working conditions.

This figure was obtained as a result of a request to the railroads to take the actual performance for the year ending June 30, 1913, and compare the rates of pay and working conditions prevailing in that period with those in effect in October, 1909, a period prior to the date of the important increases.

In addition to the increases up to June 30, 1913, careful estimates show that the increases in wages recently granted to the firemen, conductors, and trainmen will add not less than $8,750,000 more to the expenses of the railroads parties to the respective arbitration proceedings, this estimate being based on the volume of business for the calendar year 1912.

In addition to the wage increases granted in the calendar year 1910, a small portion of which was effective in the fiscal year ending June 30, 1910, the engineers, firemen, conductors, and trainmen have been awarded increases through arbitration proceedings amounting to $10,350,000 per annum on the eastern railroads, and increases in rates of pay have been granted to various other classes of labor amounting to large sums in the aggregate in addition to those granted in the year 1910.

Taken altogether, there has been an increase of 10.62 per cent in the average rates of pay on these railroads in 1913 over 1910.

Figures for the Pennsylvania system show that during the year 1913 the various companies of the system paid in wages the sum of $189,397,069, an increase for the 1913 pay roll of $18,088,673 over what would have been paid to the same number of employees at the rate of wages prevailing in 1909.

Various increases and adjustments in wages from 1901 up to June 30, 1913, applied to the 1913 performance, added over $45,000,000 to the pay rolls of the Pennsylvania system companies by reason of changes in rates of pay and working conditions.

The records of the New York Central lines show that wages paid since 1910 have amounted to $10,000,000 more than would have been the case had not the successive increases and adjustments been made.

On the Baltimore & Ohio Railroad the increases amounted in this period to $4,069,014.

[Bulletin No. 16.]

ATTITUDE OF THE RAILROADS CONCERNING QUESTIONS SUBMITTED BY THE COMMISSION.

JANUARY 7, 1914.

On December 26, 1913, the Interstate Commerce Commission addressed to the carriers concerned in the case for advanced freight rates a series of 78 questions relative to the organization and practices of the railway companies.

On January 7, 1914, a committee representing the carriers appeared before the commission, and the general attitude of the railroad companies concerning these questions was set forth by Mr. Daniel Willard, president of the Baltimore & Ohio Railroad Co., at the opening of the hearing, as follows:

"This commission, in its circular letter of December 26, 1913, addressed to carriers in official classification, announced that it would on

January 7, 1914, hear parties concerning any matters in connection with the list of questions therewith submitted, and as to which further instructions might be desired. It is in response to that invitation that the carriers interested in this proceeding appear here to-day.

"The carriers have given careful consideration to the questions referred to, and they wish to announce first of all their entire willingness to cooperate as completely as possible with the commission in a full and thorough development of the whole case, and to that end will endeavor to furnish any and all information which may be desired, but inasmuch as the commission has ordered that complete answers to all of the 78 questions be submitted not later than January 31, 1914, and in view of the fact that some of the questions contemplate a review of complicated transactions extending over a period of 15 years, it has seemed desirable to the carriers that they avail themselves of the opportunity now afforded to discuss the matter.

"The commission states in its letter of inquiry that 'elaborate and helpful compilations from the carriers' accounts have been submitted by the railroads with a view to showing the diminishing net returns from operations and lessened net income,' but it says further that 'these statements of the financial result do not furnish fully the data deemed by the commission to be necessary to determine the general course carriers may pursue to meet the situation' and that additional data is desired in that connection.

"The carriers involved have, since the inquiries were received, made as thorough an examination as possible of the questions for the purpose of developing the information required as well as the time and expense involved in furnishing full and complete answers thereto. This examination indicates that it will be impossible to furnish all of the information desired by January 31, and that several months will be required in which to prepare some of the answers, and the work will involve a very considerable expense.

"However, for the purpose of developing how the information desired may be best obtained, and at the same time with minimum delay and expense, the carriers would like at this time to discuss with the commission some of the more difficult features involved, and will be glad to submit suggestions with respect thereto.

"It may be mentioned in this connection that the chief executives of a number of the more important lines involved in the proceeding desire to appear as witnesses when hearings are resumed, and it is quite possible that by cross-examination the commission may be able to obtain from such witnesses much of the additional information deemed necessary to enable it to reach a determination of the matter at issue.

"While the carriers do not wish to appear as urging improper haste concerning a matter of such great importance, they are very deeply impressed with what appears to them to be the seriousness of the situation, and they hope it may be possible to proceed with the hearing without undue delay.

"They believe that they have already demonstrated, or will be able to do so, a necessity for increased revenue, and they feel that the advance proposed by the schedules now on file will, if granted, only serve to partly meet the necessary requirements of the situation. In suggesting, however, that the situation be met by a uniform advance of freight rates of approximately 5 per cent, the carriers have felt, as already pointed out, that that was the only practicable solution available at the present time."

[Bulletin No. 17.]

RESULTS OF OPERATIONS IN THE CENTRAL WEST.

JANUARY 14, 1914.

To set forth the needs of the railroads in the Central West in the application for advanced freight rates, Mr. J. L. Minnis, attorney for the Central Freight Association lines, has just filed with the Interstate Commerce Commission a digest of the evidence submitted by Mr. W. C. Maxwell, on behalf of the Central Freight Association companies.

Quotations from the digest prepared by Mr. Minnis follow:

"The data, therefore, covers a total mileage of 34,866 miles, arranged in groups.

"Group 1 contains the mileage of 38 companies, aggregating 31,937 miles—28,186 miles, or 78.6 per cent of the total mileage in the territory, and the 3,751 'outside mileage'—and includes all the mileage in the territory except 13.8 per cent of the mileage of the territory; and except, also, the mileage of 46 short roads owned by 46 companies, aggregating 2,729 miles, or 7.6 per cent of the total mileage in the territory, whose aggregate gross revenue for the year 1911 was less than $8,000,000.

"(a) Prior to the fiscal year 1911 the carriers were free to promulgate their interstate rates and substantially the body of their intrastate rates, and to adjust them from time to time to ever-changing conditions, and were, in a practical sense, unhampered in the management of their properties.

"(b) The ratio of operating expenses and taxes to operating revenues of Central Freight Association territory lines reached the low point of a descending period in 1910 and began to ascend in 1911; for instance, the ratio of group 1 was:

	Per cent.
1908	75.11
1909	73.28
1910	72.40
1911	76.49
1912	77.25
1913	78.56

"(c) Beginning with the year 1911 the power of the carriers to promulgate their interstate rates and substantially the body of their intrastate rates was placed under the supervision of the National and State Governments, so they could not adjust their rates to the increasing ratio of expenses and taxes to earnings; and other governmental regulatory laws have been enacted affecting the management, expenses, and revenues of the carriers.

RESULTS FOR 1910 AND 1913.

"The lines of group 1 increased their mileage, 1913 over 1910, first main track owned 684 miles, operated 828; all tracks owned 3,320 miles, operated 3,568; and increased their property investment $225,503,220.

"Operating revenues, 1913 over 1910, increased $71,398,933; operating expenses and taxes increased $84,934,336; operating revenue, after deducting operating expenses and taxes, decreased $13,535,403; or, after deducting operating expenses, taxes, and rentals, decreased $13,893,910; or, after deducting operating expenses, taxes, and hire of equipment, decreased $15,133,257; or, after deducting operating expenses, taxes, rentals, and hire of equipment, decreased $15,491,764. The decrease in net corporate income was $23,207,414.

"The increase in operating revenue, $71,398,933, measures an additional service rendered the public—increase, 1913 over 1910, in tons carried 1 mile, approximately 10,000,000,000, or an increase of 16.43 per cent; and in passengers carried 1 mile, 400,000,000, or an increase of 7.32 per cent.

"Not withstanding the much larger volume of business enjoyed in 1913 over 1910, the power of the carriers to earn a return on their property declined substantially.

RESULTS IN GROUP 3.

"While the showing of group 1 indicates that the carriers as a whole in the territory are rapidly approaching financial disaster, it is believed the showing of that group is far above the average railroad situation in the territory.

"Group 3 embraces 28 companies, which operate 19,416 miles, or 54.1 per cent of the entire mileage of the territory. It includes all the mileage in the territory, except that of the 'four main trunk line connections,' the 'coal and ore roads,' the '46 short roads,' and the 'excluded mileage' (the Baltimore & Ohio; Erie; Chicago, Burlington & Quincy, etc.), and embraces all the mileage which serves generally the people of the territory, and whose prosperity is dependent upon the territory.

"Obviously, the reasonable needs of the lines embraced in group 3—54.1 per cent of the entire mileage of the territory, to say nothing of the 46 short roads—must control in determining the reasonableness of rates in the territory, if the people in that section are to have adequate transportation facilities and prosper measurably with other sections of the country.

"The lines group 3 increased their mileage, 1913 over 1910—of first main track owned, 543 miles; operated, 604 miles; of all track owned, 2,020 miles; operated, 2,106 miles; and increased their property investment, $99,570,844.

"Operating revenue, 1913 over 1910, increased $33,025,190, but the operating expenses and taxes increased $43,724,956, resulting in a decrease in operating revenue, after expenses and taxes, of $10,699,766; or a decrease in operating revenue, after operating expenses and taxes and rentals, of $10,271,473; or a decrease in operating revenue, after operating expenses and taxes and hire of equipment, of $13,526,961; or a decrease in operating revenue, after operating expenses and taxes, rentals, and hire of equipment, of $13,098,668; and a decrease in net corporate income of $15,987,445.

"The increase in operating revenue, of $33,025,190, measures an increase, 1913 over 1910, in tons carried one mile of 4,500,000,000; passengers carried one mile, 145,000,000.

"It will be observed that after swelling the volume of business by this increased traffic and increasing the property investment approximately $100,000,000, group 3 had remaining, after deducting operating expenses and taxes, above $10,000,000 less money than in 1910.

DIVIDENDS PAID IN 1910 AND 1913.

"Dividends paid by the lines in group 3 decreased, 1913 as compared with 1910, $5,943,035. The companies paying dividends in 1910 include the Grand Rapids & Indiana—which has not paid subsequent dividends—and the Chicago & Alton and Toledo, St. Louis & Western—who ceased paying dividends in 1913. In 1911 four companies reduced their dividends; in 1912 five companies reduced their dividends, and in 1913 six companies reduced their dividends.

"Only 9 companies out of 28 in group 3 paid dividends in 1913."

[Bulletin No. 18.]

SITUATION OF EASTERN RAILROADS IN MARCH, 1914.

MARCH 20, 1914.

At the hearing before the Interstate Commission to-day, Mr. George F. Brownell, vice-president of the Erie Railroad, in requesting that the commission proceed immediately to hear the conclusion of the case of the railroad, made the following statement to the commission:

It is the earnest desire of the carriers, as it has been their desire since these proceedings were instituted, to complete the presentation of their evidence in support of the advanced rates and close their case at the earliest possible date, in order that the matter may be submitted for the consideration and determination of the commission without any avoidable delay. The petition of the carriers for a hearing of the commission's determination in the 1910 case, as to the necessity for additional revenue to be determined through higher freight rates, was filed in May of last year.

The commission, under date of June 21, denied the petition for rehearing, but instituted a proceeding of inquiry (Docket 5860) into the following matters:

1. Do the present rates of transportation yield adequate revenue to carriers by railroad operating in official classification territory?

2. If not, what general course may carriers pursue to meet the situation?

* * * * * * *

In its report upon the petition for a rehearing, Commissioners Clements and Marble dissented from the institution of this proceeding of inquiry upon the ground that it should not be made in advance of the filing and posting of the proposed increases. Commissioner McChord, while agreeing to the general proposition stated by Commissioners Marble and Clements, was of the opinion that the investigation should be made.

In these circumstances and in order, among other things, to meet the views of the commissioners named, the carriers filed their tariffs providing for a general increase on the basis of 5 per cent, with certain minima and certain modifications, in order to preserve certain necessary differentials. These tariffs were to become effective November 15, 1913, but were suspended by order of the commission November 4, 1913, by which order the commission also instituted this hearing (Docket No. 333) concerning the propriety of the increase and the lawfulness of the increased rates, etc., stated in the tariffs so filed. The hearings have proceeded together.

The first hearing was on November 24, at which time Messrs. Willard and Delano made opening statements for the railroad companies, and on that day and two succeeding days a large amount of evidence was presented by accounting officers of the carriers and other witnesses. The hearing was then adjourned for the purpose, among others, of permitting the representatives of the commission and others to examine the carriers' exhibits and prepare for the cross-examination of the accounting officers and other witnesses who had testified on behalf of the carriers.

The commission subsequently, by circular letter of December 26, called on the carriers to prepare and submit answers to some 78 questions propounded by the commission, and announced that on January 7, it would hear parties concerning any matters in connection with the list of questions, as to which further instructions might be desired.

On January 7 the carriers appeared before Commissioner Marble and announced, through Mr. Willard, their entire willingness to cooperate as completely as possible with the commission and furnish any and all information which might be desired. They pointed out, however, that it would take at least several months to prepare answers to those questions, and that the work would involve a very considerable expense. At that time and in that connection Mr. Willard said:

"While the carriers do not wish to appear as urging improper haste concerning a matter of such great importance, they are very deeply impressed with what appears to them to be the seriousness of the situation, and they hope it may be possible to proceed with the hearing without undue delay.

"They believe that they have already demonstrated, or will be able to do so, a necessity for increased revenue, and they believe that the advance proposed by the schedules now on file will, if granted, only serve to partly meet the necessary requirements of the situation. In suggesting, however, that the immediate situation be met by a uniform advance of freight rates of approximately 5 per cent the carriers have felt, as already pointed out, that that was the only practicable solution available at the present time."

Since then there have been numerous hearings with respect to the propriety of the carriers making additional charges for the spotting of cars on industrial tracks, lighterage, reconsignments, and diversions transit, and other services, which are now performed without charge, in addition to the regular tariff rate; also a number of hearings assigned to hear testimony offered by protestants against increases with respect to certain commodities.

In the notice from the commission under date of the 24th instant, assigning hearings for the 30th and 31st instant, it is stated that the carriers have expressed their desire to present, at an early date, additional testimony touching their financial requirements; also to have an opportunity to offer evidence in rebuttal of testimony recently introduced in opposition to the proposed increases in rates, and that March 30 and 31 were assigned for this purpose, and for hearing Mr. Thorne, and that if the carriers were not able to complete their testimony at the close of March 31, the hearing would be continued April 20, inasmuch as arguments had been set for the intervening days. The carriers will not be able to complete the presentation of their case in one day, but could complete it in three days, and they respectfully and earnestly urge that the commission afford two additional days this week to enable them to complete their case.

PRESENT EARNINGS.

The statement of the revenues and expenses of the carriers for the seven months ending January 31, 1914, show a decrease of operating revenue amounting to $6,995,529, and a decrease in operating income of over $51,000,000, as compared with the seven months ended January 31, 1913, being a decrease in operating revenues of 1.5 per cent.

The returns of the roads in Central Freight Association territory for the same period (group 1) show a decrease of $8,178,477 in freight revenue, and a decrease in operating income of $25,190,598. This is without including the figures of the roads in group 2 of the Central Freight Association roads, which, if included, would show a further decreased operating income of over $4,000,000.

The returns of revenues and expenses for February and March, so far as they are now available, are in the same direction, and are of such significance as compared even with the returns for the fiscal year ended June 30, 1913, as to indicate that the condition confronting the carriers at the present time is one of gravity, and that it is of vital importance in the interest of the public, as well as of the petitioning carriers, that the question of the propriety of the advanced freight rates involved in docket No. 333, should be submitted to the commission for their determination at the earliest possible day.

We desire, therefore, that opportunity now be afforded us to advise the commission fully with respect to the situation which now confronts the carriers and respectfully urge that the commission proceed with the inquiry as to the adequacy of freight revenues under present rates, and into the reasonableness of the advanced rates, without further deferring action thereon on account of the collateral inquiry in regard to the practices of the carriers involved in the proceeding of investigation, docket No. 5860, but that the latter be considered by the commission in due course.

[Bulletin No. 19.]

HOW RAILROAD EARNINGS HAVE DECREASED.

APRIL 7, 1914.

The railroads petitioning for a 5 per cent increase in freight rates have filed with the Interstate Commerce Commission figures showing the results of operations for the seven months ending January 31, 1914, of the fiscal year beginning July 1, 1913.

For the three principal systems, namely, the Pennsylvania, Baltimore & Ohio and New York Central, returns show operating revenues of $458,472,676, a decrease against last year of $1,294,375, or 0.3 per cent. Operating expenses increased $25,157,945, and operating income decreased $29,513,161, or 24.8 per cent.

The 40 railroads in Central Freight Association territory showed revenues of $316,584,427, a decrease since last year of $4,850,029, or 1.5 per cent. By reason of the great increases in operating expenses, the operating income of these roads showed a decrease of $25,195,598, or 30.7 per cent.

The Pennsylvania Railroad System, with operating revenues of $223,693,157, increased over last year $1,231,796, while by reason of increased expenses, the operating income decreased $8,434,640, or 15.9 per cent.

The Baltimore & Ohio System, with operating revenues of $59,950,125, showed a decrease of $903,217 in gross, and a decrease of $2,227,429 in operating income, or 13.9 per cent.

Operating revenues of the New York Central System, were $174,829,394, a decrease of $1,622,954, and showing a decrease in operating income of $18,851,092, or 37.8 per cent.

The Erie System's gross operating revenues decreased $612,732, to a total of $37,630,081, and operating income decreased $2,643,970, or 24.8 per cent.

The figures for the 49 roads in the entire official classification territory showed operating revenues of $821,426,031, a decrease of $6,995,529, and such increases in expenses that the operating income was reduced $51,026,935, or 22.5 per cent.

[Bulletin No. 20.]

THE PRESENT CRISIS IN RAILROAD CONDITIONS.

APRIL 9, 1914.

In testifying before the Interstate Commerce Commission in the application for an advance of 5 per cent in freight rates, Mr. Daniel Willard, president of the Baltimore & Ohio Railroad, when asked as to whether or not there was a crisis in the business situation demanding immediate relief, replied:

"I suppose I had better define first what is meant by a crisis, and what I have in mind when I speak of a crisis. When I speak of a crisis, what I have in mind is a condition like this:

"If it has come about, as it seems to have come about, that new money to provide railroad facilities does not now, under existing conditions, earn any return, then it would seem that the carriers could not be expected to put the amount of new money constantly into the property that is necessary in order to take care of the growing commerce which they are called upon to move.

"The history of the Baltimore & Ohio, for instance, shows that for a long period of years it has been necessary to expend from $15,000,000 to $20,000,000 of new capital upon the property each year for new equipment, new facilities, new tracks, and things that are necessary to take care of the developing country which it serves.

"If a condition should come about which would make it seem unattractive or unwise to the Baltimore & Ohio Railroad Co. to continue to put that new capital into the property to provide new facilities and take proper care of the commerce that is growing all the time, then I should say there had come about a condition of crisis to those people who looked to the Baltimore & Ohio Railroad Co. for transportation—just such a condition, for instance, as existed in 1910.

"I have already referred to the fact that when I came to the Baltimore & Ohio Railroad Co. the shippers complained that they were then confronted with a very serious situation, and that development in part of West Virginia particularly had stopped. To my mind that would be one indication of a crisis as affects the general public.

"There might be another phase of a crisis. I should say that we would be approaching a crisis whenever net earnings, as a result of our operation, were so small that our ability to maintain fair returns upon our existing capitalization was seriously in question. Those who hold our securities would certainly look upon that as a crisis approaching, for it would certainly have reference to their investment.

"I should also think that it might be considered there was a crisis at hand from the point of view of the workman, when a man who had been employed by a company for some time was deprived of employment, not because his services were not needed, but because of the inability of the employer to pay him. I should think that would be a crisis from the employee's point of view.

"As I view the situation, all of these phases are at hand to-day, in a state of greater or less development, and I have referred to the reasons that have brought it about. I would like to say this in that connection also:

NOT TENDENCIES, BUT FACTS—NOW.

"Three or four years ago, when this matter was before the commission, the carriers at that time, as I recall, based their request for increased rates very largely upon what they considered to be the tendencies of that time, and they pointed out that while at that particular time they were able to meet their engagements as they viewed it, the tendencies of a constant increase in wages, increases in taxes, and increases in other directions, brought about by various other forces, the tendencies of all of that would be in the near future to bring about a condition where they would not be able to maintain their fair and reasonable payments and to continue to provide additional facilities.

"To-day we have not rested our case upon the matter of tendencies. We have stated—I have stated—and I most earnestly believe it is not a question of tendencies that confronts the railroads in the eastern territory now. It is a question of fact, and the facts either are or are not, as we have endeavored to point out, and in the case of the Baltimore & Ohio, I honestly believe them to be as I have endeavored to show. It is not a question of tendency with the Baltimore & Ohio. It is a question of an exact state of fact at the present time."

Mr. Willard stated that since June 30, 1910, his company has spent about $56,000,000 in improving its property. The results of these improvements were largely available for the traffic of 1913. In 1910 the company earned about $90,000,000 gross, and in 1913, $103,000,000, the largest earnings in the history of the company. But by reason of the increased expenses which had occurred in the meantime their net earnings in 1913 were $751,000 less than they had been in 1910, before the additional capital had been spent for the additional facilities provided.

[Bulletin No. 21.]

INCREASING DIFFICULTIES OF THE RAILROADS.

APRIL 11, 1914.

Mr. F. A. Delano, president of the Chicago, Indianapolis & Louisville Railway, commonly termed the Monon Route, in presenting to the Interstate Commerce Commission the situation in Central Feight Association territory said that the commission in 1910 "thought the railroads were unduly alarmed at what they regarded the tendencies, and the commission pointed out that times were improving and that the railroads were going to fare better, apparently, rather than worse. The hopes of the commission do not seem to have materialized, and the fears expressed by the railroads have come true."

With reference to the contention that railway credit, judged by market quotations on railway bonds, was improving, Mr. Delano stated that there was a wide difference between what might be known as railroad credit and what might be known as the price of securities.

"Now, to illustrate that point, take the case of the Wabash. If anybody should take the price of Wabash first mortgage 5 per cent bonds or second mortgage 5 per cent bonds for the period from 1889 down to date he would find that the prices had been pretty well maintained. Those first-mortgage bonds sold all the way down from 105 up to 110. There has been very little fluctuation. The prices on the second-mortgage bonds have fluctuated from 98 to 102.

"Now, that has no bearing at all on what may be called the credit of the railroad company. These mortgages were closed mortgages at the time the company was reorganized, in 1889. There could not be any more bonds sold. Any additions to property had to be made either from surplus or from issuance of car-trust notes or from the sale of third or fourth mortgage bonds—and there were such; there were debenture bonds that were equivalent to that—all of which went to

increase the property and increase the security behind these same first and second mortgage bonds.

"It would entirely mislead Mr. Thorne or any other investigator, then, to simply consider the price of those first mortgage or second mortgage bonds and reach a conclusion from that as to the credit of the Wabash. The credit of a railroad is really what it can raise money for from year to year.

"The railroads are in this position. Their senior securities have practically all been marketed. They must either sell a short-time security, like a note, a car-trust note, something that you pay off the principal in installments, or they must sell a consolidated-mortgage bond or a convertible bond, something which has some speculative feature to attract the buyer.

"So the vital question with these railroads is their credit as measured by what they can borrow money for. The Wabash Railroad last August, in the hands of a receiver, renewed receivers' certificates on the basis of 7½ per cent, although those receivers' certificates came in ahead of $40,000,000 of the refunding bonds.

THE REAL MEASURE OF RAILROAD CREDIT.

"That is a measure of the credit of a railroad rather than the price in the stock market of first and second mortgage bonds."

Mr. Delano called attention to the fact that the average gross freight rate in C. F. A. territory was not only less, but the average haul was less than in any other territory in the country except one, namely, New England; and that the combination of the two—that is, the rate per ton-mile—on the whole is very much less in C. F. A. territory than in any other territory.

With reference to maintenance charges Mr. Delano said:

"In the last 9 or 10 years, more specifically from the year 1905 down to date, I found on the Wabash that in spite of a continuing increase in gross earnings, maintenance increased from between 24 to 25 per cent of gross earnings to about 29 to 30 per cent. That was under precisely the same management through all that time, with precisely the same policy, and was not due to any conscious effort to increase maintenance or to improve the quality of the road more than was absolutely demanded by the public.

"I think you gentlemen are conscious that there has been a very steady, irresistible demand for improved conditions. Take mantenance of way. Sixty-five or seventy-five pound rails were once considered ample. To-day there are very few main lines that do not find it necessary to lay 85, 90, and 100 pound rails.

"To-day we have to use, very largely, softwood ties that are creosoted in place of hardwood, white-oak ties, which we were formerly able to get. The great State of Indiana, for instance, in the center of C. F. A. territory, is requiring all railroads to adopt automatic block signals, and public safety demands it. In respect to maintenance of equipment, I might point out to you that 70 per cent of maintenance of equipment is labor. The wages of labor in our shops have gone up very considerably in the last 10 years.

"Just as Mr. Willard very well said, what we have been able to accomplish in reducing expenses in conducting transportation has in a measure been reflected by an increase in expenses in maintenance. It costs more to maintain these big engines than it did smaller ones. It costs more to maintain big cars than smaller cars. Especially it costs more to maintain old cars handled in big trains. It costs more to maintain tracks that are operated over by powerful engines, and switches, sidetracks, passing tracks, and all items of that kind have increased; and while wages of track labor have increased far less than other wages, they have increased very considerably in the average.

"Railroad officials generally believe that a valuation of the railroads will fully justify the property accounts; but they also realize that until that valuation is completed they may be attacked, and the railroads have no answer which they can make. For that reason the C. F. A. lines made no mention in their presentations, and did not urge in any way the argument for return on capital invested. Their whole case was based on the fact that since 1907 new capital has been invested in these companies, that the accounts have been kept strictly as this commission required them to be kept, and with that added capital invested in these roads, in most cases they showed less return than they did before the capital was invested.

"We simply submitted that complete statement as evidence that we could not on that sort of a showing continue to get capital to improve or develop these railroads."

Mr. MINNIS. What would you say generally of railroads in C. F. A. territory? Are they prosperous or otherwise?

Mr. DELANO. They are certainly not prosperous. In the group of railroads known as group 3, in my opening statement, it shows that of the 28 lines, 9 of them paid a dividend in the year 1913. The other 19 did not. Quite a number of the 19 were in the hands of receivers.

[Bulletin No. 22.]

OBSTACLES TO RAISING NEW RAILROAD CAPITAL.

APRIL 13, 1914.

Mr. W. H. Williams, third vice president of the Delaware & Hudson Co., in the 5 per cent advance rate case has presented a statement to the Interstate Commerce Commission concerning the decline in railway credit and the increased competition, especially by municipalities and public utilities, for the world's available capital.

The substance of Mr. Williams's paper is as follows:

"Based on the yearly averages, the railroads are now compelled to pay more for their capital than at any time within the 11 years. The railroads are between upper and nether millstones. They are not only compelled to raise the net interest rate on their new offerings in order to withstand the higher rates offered by municipalities, but they must also contend in the investment market with the increasing amount of new standard public utility and industrial offerings.

"Thus, on the one hand, the railroads have to meet the competition of an increasing amount of securities of the very highest character as regards safety, i. e., municipal borrowings; on the other hand, they have to compete with the high rates of return offered by the so-called public utility and industrial securities.

"Railroad securities have lost a great deal of the strength of their former position as the most popular class of investment securities, occupying a place between Government obligations—selling at a very low-income yield—and public utility or industrial securities—offering a high-income yield, but considered less desirable for conservative investment. This has contributed to (a) the pronounced fall in the prices of outstanding standard railroad securities and (b) greater difficulty in procuring new railroad capital."

INVESTMENT MERITS OF RAILROAD SECURITIES.

The ability of the railroads to raise new capital has been impaired to a considerable extent by the following:

1. The inability of many railroads to issue further prior lien obligations as the mortgages on their existing lines, and other property have become closed.

2. The decrease of net earnings, due in part to decreases in rates and in part to higher operating costs.

3. Inability to obtain any increased return after increasing total investment.

4. Legal restrictions on railroad securities as investments for savings banks, trust funds, and insurance companies.

5. Discrimination against railroad securities in the matter of exemption from taxation, as contrasted with State and municipal bonds.

6. Risk attending railroad enterprises.

Owing to the rigidity of rates and the inability to adjust their charges to conform with changes in business or in operating conditions, railroads in this respect are at a peculiar disadvantage as compared with manufacturing concerns. Although railroads can not expand earning capacity, as industrial companies do, they are, nevertheless, affected by business depressions.

The property investment of the railroads is increasing at a greater ratio than net operating income. Thus the increase in the capital investment as of June 30, 1913, over June 30, 1910, of 38 eastern railroads was $659,862,586, or 11.74 per cent, whereas net operating income actually decreased $16,311,321, or 4.62 per cent.

This condition is undoubtedly due in large part to the nonproductive nature of much of railroad capital. Improvements such as the elimination of grades, elevation of tracks, electrification of terminals, and the like, entail large capital expenditures, without corresponding net return.

NOTHING EARNED ON NEW CAPITAL.

In recent years, notwithstanding large increases in gross receipts, increases in expenses and in taxes have been so great as to more than offset the additional receipts, so that for the new money which the investor has put into the railroads there has been little or nothing earned.

It should be noted that in 1913 the savings banks of the United States reporting to the Comptroller of the Currency owned about $821,500,000 of the railroad bonds against about $708,000,000 held by all other banks, trust companies, etc. These figures serve to suggest the serious effect upon these important agencies for the encouragement of thrift and the irreparable damage to their depositors that would follow further depreciation of railway securities.

The failure to earn any return on new capital tends to produce a condition in which the payment of dividends would be impossible. Further, it should be noted that a number of companies whose bonds are already in the savings-bank class are not able to obtain new capital by the issue of stock.

It is therefore essential that railroad earnings shall be large enough to place the companies in a financial position that will enable them to obtain necessary new capital by the issue of shares of stock and, at least, to maintain the position of the existing issues of bonds that are now available for savings-bank investment.

Notwithstanding the large capital expenditures made by the railroads during the past six or seven years the economies and increased traffic resulting therefrom have not been sufficient to offset the increased cost of wages, materials, supplies, and taxes, so that with a substantial increase in their fixed charges the railroads have had a less amount available with which to meet such charges.

RAILROADS NEED $600,000,000 NEW CAPITAL PER YEAR.

If the railroads are to secure sufficient funds, their credit must be improved, and this can only be accomplished by larger excess of current earnings over the current cost of operation and taxes. Increased capital can not be invited in any other way. The railroads of the United States invest annually about $600,000,000.

The bulk of this new capital must be obtained from private investors. These naturally place their funds where the prospects for fair returns are reasonably assured. They will put their money into railroads, therefore, only when the investment returns in railroad properties are as good and as well secured as in other enterprises.

This competition of outside securities is an element in the cost of capital to the railroads. It must be successfully met if transportation systems are to continue developing and expanding.

[Bulletin No. 23.]

HIGHER COST OF RAILROAD LIVING.

APRIL 14, 1914.

Testifying before the Interstate Commerce Commission in the 5 per cent advanced rates case, Mr. W. C. Wishart, statistician of the New York Central Railroad, spoke in substance as follows concerning "A railroad's cost of living":

Rates of pay for transportation have gone down sharply. The consumer of to-day can secure more transportation for a given amount of goods than he ever could before, and the carrier continues to sell at declining prices regardless of cost of production. While revenues per unit of traffic have remained fairly constant, as measured in money, the railroad has suffered a heavy decline in actual compensation for its services, on account of the decreasing purchasing power of the dollar.

Though it has been necessary time and again to raise the scale of wages to meet the demands of employees and to procure the necessary labor, the railroad must still accept for its services an average rate which is very much depreciated in exchange value from that which it had when the present rate level was established.

While transportation revenues per unit of traffic appear, since 1902, to have remained fairly constant, in that they are expressed in approximately the same figures year after year, influences beyond the control of any group of men have been at work quietly and constantly to reduce the actual compensation to the carrier to a level which is estimated as almost 40 per cent below that of 1896.

The ability of a railroad to purchase labor, supplies, and credit has been impaired by the general increase in commodity prices in the face of a fixed rate of return per unit of service, for it may be shown that the cost of labor, supplies, and capital increase as the general price level rises.

While average revenues have declined somewhat, wages have risen 24 per cent per unit of traffic, and other expenses and taxes about 12 per cent per unit of traffic, but it has been possible to do a larger business per dollar of plant investment.

RAILROAD DOUBLY PENALIZED.

A railroad which can not adjust its rates to meet rising costs, and thereby suffers a loss in relative net earnings, is doubly penalized. First, it must pay more on account of the general rise in interest or rent for the use of capital; and, second, it must suffer through its inability to offer as good security as formerly or to maintain a margin of profit great enough to offset the change in the character of the security offered. Both factors increase the cost of production and in most enterprises are met by an increase in the selling price of the product.

The present difficulty of the railroad, however, rises more largely out of the increased cost of operation and taxes, the current expenses, which have kept pace with the rise in commodity prices and have advanced faster than gross revenues or traffic. The increasing cost of plant and higher fixed charges make themselves felt more slowly, but are none the less serious.

If the service of transportation were paid for in kind; that is, by taking toll of the commodities carried, and the standard toll to-day were the same as that to which it had been reduced after the period of competition spoken of by Commissioner Prouty, the well-managed railroads would be prosperous and the impairment of credit which they are now experiencing would have no reason for existence.

As it is, there has been a marked increase in business done with a steady shrinkage in the measure by which the carrier's toll is meted out. The result is that the railroad apparently has passed the point where it is possible through an increase in the volume of its business to obtain a living from the decreasing toll and now finds itself in a predicament not of its own making.

REAL RATES GREATLY DECLINED.

If there had been the same growth in traffic, with a practically stable medium of exchange, as there has been during the past 15 years with money constantly depreciating in exchange value, the railroads would have no just cause for complaint.

Furthermore, the relation between the railroads and their patrons, their employees, and their stockholders probably would be more satisfactory than they are. While the service has been greatly improved, it has not been possible to make it what the managers would like.

While wages have risen as a result of arbitration, mediation, and the general demand for higher pay in all branches of industry, stockholders have not received relatively as high a return as they did in the late nineties.

The percentages may be the same, but the purchasing power of the dividend is considerably lowered, and if one attempted to-day to realize upon the investment, he would receive not only fewer dollars, but considerably less in what they will buy.

[Bulletin No. 24.]

WHY IT COSTS MORE TO KEEP UP A RAILROAD'S CARS AND LOCOMOTIVES.

APRIL 15, 1914.

At the hearing before the Interstate Commerce Commission, Mr. J. T. Wallis, general superintendent of motive power of the Pennsylvania Railroad Co., testified concerning the increased maintenance of equipment expenses incidental to the operation of the Pennsylvania Railroad system.

Mr. Wallis pointed out that the Pennsylvania system paid out $72,971,585 for maintenance of equipment in 1913, as compared with $58,197,036 in 1910, an increase of 25.39 per cent.

The Pennsylvania Railroad east of Pittsburgh had 4,242 locomotives on June 30, 1913, against 4,067 on June 30, 1910. Average tractive power in 1913 was 32,776 pounds against 31,013 pounds in 1910. Total locomotive miles were 128,334,119 in 1913 and 117,010,549 in 1910.

The cost of locomotive repairs on the Pennsylvania Railroad lines east of Pittsburgh for the year ended June 30, 1910, was $11,597,406. The cost of locomotive repairs for the year ended June 30, 1913, was $15,267,832, an increase of $3,670,426, or 31.7 per cent.

It costs proportionately more money to maintain a large locomotive than a small one, and the repairs of any given size locomotive will vary with the number of miles that the locomotive is run, namely, its use. It is accordingly proper to base comparison of the cost of locomotive repairs on tractive power miles, which are arrived at by multiplying the mileage of every locomotive in service by its tractive power.

Of the total increase of $3,670,426 in locomotive repairs $1,129,940 is accounted for by increased rates of pay and by expenditures to meet changed conditions and $1,843,988 as a result of increase in tractive power miles.

The cost of locomotive repairs to-day bears a proper relation to the class of locomotives that are being maintained when due consideration has been given to the general increases and various adjustments in wages that have been made since the adoption of locomotives of the type used to-day.

Repairs of freight cars cost the Pennsylvania system $24,121,049 in 1913, as compared with $18,281,364 in 1910. There were 268,364 cars the former year against 249,788 in 1910.

Of the total sum of $5,839,685 increased charges to repairs of freight cars, there is due to an increase in total freight-car mileage $2,175,482. The increase in wages previously refered to in connection with locomotives caused an increase of $572,802. Expenditures rendered necessary by the standardization of equipment law accounted for a further sum of $1,190,054.

The remaining amount of $1,901,347 is due, first, to an increase in the price of yellow pine and oak used in repairs of wooden cars, and, second, to the increase in the capacity of the modern car.

WHY REPAIRS COST MORE.

The character of the cars that are being constructed to-day is different from what it was 10 years ago. Steel cars are coming in for heavy repairs, and the situation is gradually adjusting itself, but we will not have complete data as to the cost of repairs to such cars until a greater proportion of the steel cars have been passed through the shop for heavy repairs and probably not until some of them, at least, have been discarded on account of decay, at which time an average figure for the repair of steel cars can be arrived at; but this is not possible to-day.

The cost of repairs to freight cars per million capacity ton-miles has decreased each year, as compared with the year 1903, this decrease for 1909 being 22.6 per cent. Since that time the decrease has not been so great, due to the fact that there was an increase in wages and added expenditure in connection with the standardization of equipment law. In the year 1913 there was a decrease of 17.4 per cent in the cost of repairs per million capacity ton-miles under the cost of 1903. If the charges for the standardization of equipment law and the increase in wages were eliminated, the cost per million carrying capacity miles would have been .00069, as compared with .00093 in 1903, or a decrease of 26 per cent. In other words, it is quite plain that the cost of car repairs per unit of capacity available for loading is decreasing, if other varying factors, such as increases in wages and charges for standardization of equipment, are eliminated.

The cost of repairs to passenger equipment cars for the year ended June 30, 1910, was $2,681,753, and for the year ended June 30, 1913, $3,176,707, an increase of $494,954, or 18.4 per cent.

Of this, 6.6 per cent, or $176,006, is due to an increase in car mileage. An increase in wages heretofore referred to accounts for an additional amount of $75,781, or 2.8 per cent.

In 1908 we received our first steel passenger-equipment cars. At January 1, 1914, we had a total of 1,742 steel passenger cars in steam service, 84 steels cars in electric service, and 2,209 wooden cars. The wooden cars have been rapidly going out of service and the steel cars have been replacing them. The rate of replacement has been very rapid, in fact, much faster than the replacement of wooden cars prior to the adoption of the steel car. During the first few years that the steel cars came to us they required comparatively little attention, and in our effort to utilize our steel passenger-equipment cars to the very best advantage and to make steel cars cover a maximum number of trains, so that the public might have the maximum benefit therefrom, we kept our steel passenger-equipment cars out of the shop and did but comparatively little work on them until within the last two years, when it became necessary to take them in and do more work to prevent deterioration.

RENEWALS AND DEPRECIATION OF EQUIPMENT.

At the present time the Pennsylvania Railroad Co. charges depreciation on the following bases: Locomotives and passenger cars on a basis of 4 per cent of the original cost of the equipment, and on freight cars on a basis of 3 per cent on such cost, for the reason that we believe a locomotive will last about 20 years, and based on the final value of the scrap being 20 per cent of the original value, the depreciation plus the salvage will equal the original cost. On passenger cars we believe that our wooden cars will last 20 years. As far as steel cars are concerned, we do not know how long they will last, but in order to provide for the replacing of our wooden with steel cars in a reasonable time, and for the steel cars when they shall have to be retired, the best figure we have been able to arrive at is 4 per cent.

[Bulletin No. 25.]

WHY IT COSTS MORE TO MAINTAIN A RAILROAD.

APRIL 16, 1914.

Testifying in the 5 per cent rate case before the Interstate Commerce Commission, Mr. J. G. Rodgers, general superintendent of the northern division of the Pennsylvania Railroad, set forth the reasons for the increase in cost of maintenance of way and structures on the Pennsylvania Railroad in recent years.

Charges to operating expenses on the Pennsylvania system east of Pittsburgh were $24,855,624 in 1910 and $29,411,210 in 1913, an increase of 18.3 per cent. Mr. Rodgers stated in substance:

The maintenance of way expenses for 1913 are necessarily much larger than they have been in the past, and will undoubtedly continue to be at least on the present level in the future, due to the following causes:

1. The large increase in wages which has already been made.

2. That in view of the policy of commissions and the demands of the public a much higher standard of maintenance must be observed than in the past.

3. That in past years the standard, quality, durability, and strength of the roadbed and track structure has not kept pace with the increase in the weight of locomotives and steel cars, but the improvements that have been made looking toward this end have made the track a much larger and more expensive structure than it was some years ago, and therefore it costs more to renew the different parts thereof.

4. That the policy of eliminating grade crossings, installing interlocking and automatic signals, straightening line, etc., in which respect there is still a great deal to be done, and which will continue as far into the future as we can foresee, involves heavy charges for replacement in kind of plant retired, and the structures which are built to eliminate grade crossings, consisting as they do of embankments, tunnels and bridges, will require much more to be spent upon them in the way of maintenance than the ordinary running track that heretofore existed.

Thus of the total increase in maintenance of way and structures expenditures, 1913 over 1910, of $4,555,586 there are accounted for:

1. Mileage maintained	$1,089,059
2. Rate of wages paid	633,760
3. Number of men employed	283,721
4. Prices of materials used	607,603
5. Miscellaneous repair items	7,624
6. Amounts charged to expenses as replacements in kind in connection with elimination of grade crossings, installation of interlocking and automatic signals, changes of grade and line, etc	2,162,964
Total	4,784,731

INCREASING COSTS.

Mr. Rodgers gave certain concrete illustrations of increased costs, as follows:

The average distributing point price of rail has advanced from $28.87 in 1910 to $30.88 in 1913, an increase of $2.01 per ton, or 7 per cent, due to a greater proportion of open-hearth than Bessemer steel used to secure increased safety during the latter year.

The average price of all ties used for repairs increased from 76.6 cents to 84.5 cents at the distributing point. This is due largely to the increased use of creosoted softwood ties made necessary by the scarcity of hardwood ties. Creosoted ties have been used since 1909 only; in 1910 17,598 and in 1913 1,102,886 creosoted ties were put in.

The depth of ballast in 1909 was from 8 to 12 inches, and the standard has now been established as 18 inches. While the first cost of the increased depth is chargeable to additions and betterments, operating expenses are increased by the renewal of cinder, gravel, and slag ballast placed under track a few years ago and will increase as the additional stone ballast wears out.

The number of ties used per mile has been increased in order to strengthen track for use of heavier equipment; prior to 1909 the number of ties to a 33-foot rail was 16, or 2,560 per mile; in 1909 this was increased to 18, or 2,880 per mile, to comply with which policy additional ties per rail have been put in as rapidly as possible.

The total number of tons of rail used for renewals in 1913 was 77,094, as compared with 95,808 tons in 1910. There were 3,023 miles of 100-pound rail in main track in 1910, or 37 per cent of the total, and in 1913 3,534 miles, or 43 per cent of the total. There were 3,904 miles of 85-pound rail in main track in 1910, or 48 per cent of the total, and in 1913 3,825 miles, or 46 per cent of the total.

Eighty-five-pound section was adopted as standard in 1887, and 100-pound rail for main line passenger tracks in 1892.

As was the case in some other instances, renewals of rails in 1908 and 1909 were low, which made it necessary to use larger amounts in 1910. The consumption in the latter year, therefore, was considerably higher than the average, while that for 1913 was about normal, based upon the average for the past five years.

In the endeavor to promote the safety of the traveling public in every possible direction, special attention was given to the rock cuts between Philadelphia and Pittsburgh and overhanging rocks were removed, at a cost of $72,852.

Renewing linings of tunnels on the Western Pennsylvania division and maintaining an improved ventilation system at Baltimore entailed an increased expenditure of $29,032.

"SAFETY" COSTS MORE.

"Safety work"—signs and signals at crossings, heavier repairs to road crossings and fences—together with the construction of a large amount of improved fence in New Jersey, represented an increase of $36,206.

The signal system has been greatly extended during this period, all passenger tracks having been put under absolute block system in 1912, in addition to which there has been a large extension of the automatic signals in place of manual block signals, and revisions of interlocking in connection therewith.

In 1910 there were 395 miles of automatic signals and 3,209 miles of manual block signals; in 1913 there were 690 miles of automatic signals and 3,926 miles of manual block signals. These changes must continue, resulting in increased charges to expenses for replacements in kind, as shown above, as well as in the increased cost of maintenance.

[Bulletin No. 26.]

THE POSITION OF THE PENNSYLVANIA RAILROAD.

APRIL 18, 1914.

In presenting the case of the Pennsylvania system in applying to the Interstate Commerce Commission for a 5 per cent increase in freight rates, Mr. Samuel Rea, president of the Pennsylvania Railroad Co., testified in substance as follows:

"The position of the Pennsylvania Railroad system is not so strong as it was.

CHANGES IN 15 YEARS.

"1. In 1898 the company was emerging from a period of prolonged and very severe depression, whereas in 1913 it was at the end of a great period of growth. It would be natural under ordinary circumstances that the owners of the property should find themselves very much better off in 1913 than they were in 1898.

"2. In the 15 years between 1898 and 1913 the company had the benefit of the following:

"(a) An advance in certain commodity rates.

"(b) The abolition of rebates.

"(c) The expenditure of hundreds of millions of capital for improvement and enlargement of facilities and equipment.

"(d) A consequent great improvement in efficiency and use of plant.

"3. In the 15 years, 1898 to 1913, property investment increased from about $792,000,000 to almost $1,387,000,000, or 75 per cent; operating revenues increased from a little less than $145,000,000 to over $382,000,000, or 163 per cent; operating revenue per mile of track operated increased from $8,178 to $15,261, or 87 per cent; the company thus had during these 15 years all the benefits arising from a remarkable growth of business both in volume and density, which ordinarily under the law of increasing return should have materially improved the position of its owners.

"4. But as a matter of fact the return on property investment in 1913 was only 5.48 per cent, as against 5.45 per cent in 1898, and, furthermore, was the smallest return in any of the 15 years of the period; the percentage of net corporate income (plus interest on funded debt) on total capital obligations in 1913 was but 6.88 per cent, against 6.65 per cent in 1898, and with the single exception of the year 1899, when this figure was 6.70 per cent, it is the lowest of any year in the 15-year period; the net corporate income per cent on capital stock outstanding held by the public in 1913 was only 9.64 per cent, against 8.53 per cent in 1898, and here also the 1913 figure is the lowest for any year in the 15-year period with the single exception of 1899, when the figure was 8.94 per cent.

"5. The conclusion to be drawn from these facts is that the increase of expenses and other outlays beyond the company's power to control have finally overcome the advantages thus far realized of advanced rates, abolition of rebates, increased volume and density of business, large expenditure of capital, and improvement in plant and methods. The company is now confronted by a rapidly decreasing rate of return on property investment and capital obligations and is unable to offset these tendencies by any methods which it can at present apply or which seem to be practically possible other than an advance in rates.

"We have in more prosperous times given to the public a good share in our prosperity. We desire to continue to live up to a high standard of public service, but whether we can do so or not depends on the decision of this commission.

"Unless the gap between receipts and expenditures can be widened, we must begin to retrench, and retrenchment must begin on betterments and improvements not directly necessary to the movement of trains. We should be very reluctant to do this, as it would be to run counter to our traditions and practice of half a century, and we are sure that it would not be in the public interest, and we do not believe the public desire it.

"I would not create the impression that a 5 per cent rate advance is necessary to the maintenance of the Pennsylvania Railroad Co.'s dividends in the immediate future, although, if it can not be obtained, it may be necessary for the company to curtail the necessary provision to preserve that high standard which the public has grown to expect from it.

"Any general idea that the Pennsylvania Railroad Co.'s position is so strong as not to need any additional revenue is not correct, because only 4.84 per cent was earned on the money invested in the railroad and equipment of the Pennsylvania Railroad Co. and the lines east of Pittsburgh directly operated by it during the year ended June 30, 1913.

"This company has paid a return on the stock in every year since its incorporation, but in the past 36 years the cash dividends have never exceeded 6 per cent per annum, except in 1881, when 8 per cent was paid, and in 1882 and 1906, when 6½ per cent was paid, and in 1907, when 7 per cent was paid. Cash dividends since 1847 have averaged 6.01 per cent on par ($50 per share).

EIGHTY-NINE THOUSAND STOCKHOLDERS.

"Our company is owned by over 89,000 stockholders, and the average holding is about 113 shares. Fully 48 per cent of this number is made up of women, and two-thirds of the stockholders do not hold over $2,500 each of stock.

"Since 1907 our large body of stockholders have, like everybody else, had to face the higher cost of living; that is, with the decreased purchasing power of the dividend. We have not been able to relieve them by any change in the rate of dividend, although it is recognized that some of them subscribed for the stock at 20 per cent above par and their return is but 5 per cent per annum. The bondholders who converted their holdings into stock at 140 per cent obtain a return of only 4.29 per cent, while those who converted their bonds at the fixed rate of 150 per cent receive only 4 per cent per annum on their investment.

"The stockholders have pursued a very liberal policy in using the surplus of past years for betterments and to maintain a high and safe standard of railroad service.

FUTURE POLICY.

"But what is to be our policy in the future? The striking shrinkage of net operating income in recent years compels us to review and reconsider it; we can not stand still; we must advance with a growing country, for which there is yet much to be done, or go backward.

"It is unwise as well as unnecessary to commit ourselves to any large fixed program of expenditures, except to say that without assurance of adequate earnings they can not proceed, and a reasonable portion of the cost of these future enlargements and improvements ought, in our judgment, to be provided from surplus earnings.

"The Pennsylvania Railroad ought to continue its traditional policy of paying stable and reasonable dividends and putting back into the property a reasonable portion of its surplus for additional facilities and improvements for the public, but if we are to be prevented from securing reasonable rates, I am forced to deal with the question whether that policy is still sound. The question must be faced from two points of view—that of the stockholders and that of the public, including in the latter all dependent on the railroads for support as well as service.

"From the stockholders' point of view I desire now to say that our present dividend, unless it is absolutely secure in good and bad years, is not a fully reasonable return to our shareholders. The fact that we have not paid to our shareholders many millions of dollars earned as a profit, at very low rates, which profit might without objection, either legal or moral, have been paid out as dividends, but instead have devoted this money very largely to the improvement of the public service, entitles us to make this claim.

"If we are allowed to earn a net income that will make our dividends safe beyond reasonable risk the company will, I doubt not, continue its established policy of devoting a large portion of its surplus to improvements and the maintenance of a safe and high standard of transportation service.

"But if the security of our dividend is to be imperiled we must do what we can to protect ourselves, and we shall be forced to seriously consider the propriety of insuring against a reduction of dividends in bad years by devoting in good years our additional earnings not to the improvement of property devoted irrevocably to public service, but to a reserve dividend fund for our shareholders.

"Experience indicates that the practice of putting back into the property the surplus beyond a reasonable dividend is in the interest not only of the shareholders, who thereby tend to insure the permanence of their dividend, but also of the public, who thereby insure the continuance of the provision of adequate facilities, even where they are not directly dividend earning. Is not the policy of betterments from income at least more in the public interest than dividing the entire net profits?

"In all of this it should be recalled that while improvements and betterments made out of surplus income become the property of the shareholders, they are properly dedicated to a public use, and as such subject to public regulation, and only by the pursuit of this policy for over 50 years has the Pennsylvania Railroad Co. been able to maintain its dividends, and its surplus is not excessive.

"The position of the Pennsylvania system is clearly revealed in the following brief digest:

"In 10 years (June 30, 1903, to June 30, 1913): Property investment in railroad and equipment has increased five hundred and thirty millions; operating revenues increased one hundred and forty-nine millions; operating expenses increased one hundred and twenty-nine millions; net operating income (after paying taxes, rents, and equipment hire) increased twelve millions, or a return of only 2.23 per cent on the increased investment.

"In the last three years (1911–1912–1913): Property investment in railroad and equipment has increased two hundred and seven millions; operating revenues increased forty-seven millions; operating expenses increased fifty-four millions; net operating income (after paying taxes, rents, and equipment hire) decreased eleven millions.

CONCLUSION TO BE DRAWN.

"What is the conclusion to be drawn from all of this?

"1. The margin of surplus is steadily diminishing and the company is not receiving any return either on the additional capital invested or for the value of the service rendered and the facilities provided for public use.

"2. Had there been no surplus in earlier years, and had the whole of the improvements been paid for out of capital, the margin would now have reached the vanishing point.

"3. If surplus steadily decreases, improvements, if made at all, will more and more need to be made out of new capital.

"4. But if the margin of safety decreases, new capital will only be raised with greater difficulty and on more onerous terms.

"5. Indeed, it is questionable whether, if new capital is to continue to earn no income, the directors will be justified in attempting to raise more than a modicum of what they believe necessary, as the effect must be to reduce the percentage return on the shareholders' capital already invested."

[Bulletin No. 27.]

RAILROAD RETURNS FOR FIRST EIGHT MONTHS OF CURRENT FISCAL YEAR.

APRIL 26, 1914.

The 35 railroad systems in official-classification territory which are applying for a 5 per cent increase in freight rates have compiled and just filed with the Interstate Commerce Commission data setting forth results of their operations for the first eight months of the present fiscal year.

During the period from July 1, 1913, to February 28, 1914, the revenues of these companies decreased from $931,508,361 to $910,346,537 as compared with the previous year.

For the same period expenses increased from $645,404,198 to $683,364,514.

There was thus a decrease in revenues of $21,161,824, and an increase in expenses amounting to $37,960,321—or a loss in net operating income of $59,122,145.

When to the foregoing fact is added an increase in taxes of $2,507,471 and a decrease in net revenue from outside operations there is shown a loss in operating income of $69,355,881, or 26 per cent.

Assuming that no additional money has been invested in these properties since July 1 of last year, the returns for the current eight months show 4.47 per cent earned on property investment, as against 5.53 per cent in the corresponding eight months of last year.

The Pennsylvania system in the same period shows 4.92 per cent, as against 5.56 per cent in 1913.

The New York Central lines show 3.56 per cent, as against 5.63 per cent in 1913.

The Baltimore & Ohio system shows 4.10 per cent, as against 4.63 per cent in 1913.

The Erie system shows 2.75 per cent, as against 3.91 per cent in 1913.

The Pennsylvania Railroad system, Baltimore & Ohio system, and New York Central lines show 4.23 per cent, as against 5.44 per cent in 1913.

The rate of return on property investment that is shown by all these railroads for this portion of the present year is the smallest of any year in the last 15 years.

[Bulletin A.]

APRIL 27, 1914.

The 35 railroad systems which are appealing to the Interstate Commerce Commission for an increase in freight rates to-day filed with the Interstate Commerce Commission their briefs summarizing the position of the railroad companies.

The brief devotes considerable attention to the purely economic features of the case. It is set forth that the purchasing power of money has so decreased in the past 18 years "that the purchasing power of the moneys now paid for freight on the railroads of the country, generally, were in 1912 approximately 30 per cent less in the market for commodities than it was in 1896."

"Imagine the protests," says the brief, "and the unsettlement of the value of railroad securities in the market if it had been proposed by law in 1896 to require the railways to reduce their rates and the compensation received by them for their services from 35 to 40 per cent, or if an order had been made by this commission to any such effect. Yet witnesses have shown that the actual rates and actual compensation have, by reason of the diminished purchasing power of the dollar, been lowered far in excess of the apparent lowering as measured in gold dollars.

"The railroads are still required to sell their services at rates to pay even less than those established years ago, after competition had forced them to a low level, and to take their pay in a depreciated currency, while they must buy their labor, buy their materials, borrow their capital, and pay their taxes on the basis of present-day commodity prices."

After presenting in detail the situation as relating to different roads or groups of roads, the conclusions of the carriers are thus set forth:

"We have shown a steady decline in the return on the money which has gone into the transportation plant; i. e., the road and equipment.

"We have shown (*a*) that in the period 1903 to 1913, the net operating income per cent (of the 35 roads embraced in this proceeding) on the money which went into the property investment account, was an amount equal to 4.31 per cent in 1913 over 1910. The rate of return on property investment was 5.85 per cent in 1903, 6.28 per cent in 1910, and 5.36 per cent in 1913.

"Comparing 1913 with 1910, the combined property investment increased $659,862,588, while operating revenue increased $186,775,867. Including taxes, which increased over $11,579,165, expenses increased more than $201,301,462, so that net operating income decreased $16,311,000, or nearly 5 per cent.

"In other words, after increasing investment 11.74 per cent and gross revenues 15.09 per cent, there was no resulting increase in net operating income; on the contrary, there was realized $16,311,321 less net than was earned before the $659,862,588 was added to the property investment.

"(*b*) That during the 1903–1913 period, the Baltimore & Ohio system increased their property investment account by $116,387,481, with a decrease in net operating income of $829,021, and that between 1910 and 1913 their property investment account increased $56,634,002, with a decrease of net operating income of $660,791, notwithstanding the fact that in 1913 their operating revenues exceeded 1903 by $35,837,724, and exceeded 1910 by $13,341,491. The rate of return on property investment was 6.01 per cent in 1903, 5.21 per cent in 1910, and 4.52 per cent in 1913.

"(*c*) That in the case of the Pennsylvania system, the property investment increased $530,750,073 between 1903 and 1913, with an increase of only $11,860,533 in net operating income, or an amount equal to 2.23 per cent on the increase in property investment, and that between 1910 and 1913 that same system increased its property investment by $207,186,919, with a decrease of $11,485,511 in net operating income, notwithstanding an increase in 1913 in operating revenues of $148,861,269 over 1903, and of $47,057,640 over 1910.

"The rate of return on property investment was 7.49 per cent in 1903, 7.41 per cent in 1910, and 5.48 per cent in 1913.

"(*d*) That between 1903 and 1913, the New York Central lines increased their property investment account $460,198,262, and their net operating income $28,714,151, or an amount equal to 6.24 per cent on the increased investment, and that between 1910 and 1913 they increased their property investment account $159,606,173, and their net operating income $3,765,591, or an amount equal to 2.36 per cent. Operating revenues increased 1903–1913, $124,520,099, and 1910–1913, $48,981,231.

"The rate of return on property investment was 5.07 per cent in 1903, 5.89 per cent in 1910, and 5.47 per cent in 1913.

"(*e*) That between 1903 and 1913 the property investment account of the Erie Railroad system increased $88,459,748, with a decrease of $799,205 in net operating income or no return on the increased investment, and notwithstanding an increase of $19,133,219 in total operating revenues during that same period; that between 1910 and 1913 there was an increase of $24,617,024; in property investment, with an increase of $201, 230 in net operating income, or an amount equal to 0.82 per cent on the increased investment, while in that same period operating revenues increased $8,247,449.

"The rate of return on property investment was 4.60 per cent in 1903, 3.68 per cent in 1910, and 3.53 per cent in 1913.

"(*f*) That there has been a steady and constant increase in transportation, maintenance of way, and maintenance of equipment expenses, an increase not temporary, but of a continuing character due to the nature of the underlying causes, such as the increase in wages, legislative requirements, and the necessity of maintaining a higher standard of track and equipment.

"(*g*) That the operating revenues of the carriers are inadequate to keep pace with this increase in expenses, and, accordingly, that the money expended in procuring necessary facilities has earned an utterly inadequate return since 1903, and no return at all since 1910.

"(*h*) The effect of these things is that at a time when the business of these carriers is larger in volume than ever before in their history, at a time when their capital obligations are the largest ever recorded and their plant and equipment more complete and more efficient than ever before, they find themselves face to face with a declining net income. They are, moreover, now without the potentiality of further operating economies, such as they have been able thus far to put into effect, and which have, until but recently, held in check the forces beyond their control, and these are now operating in full strength to diminish profits. The situation disclosed in the figures for 1913 which are before the commission is serious, but a truer reflection of the actual facts is found in the figures so far available for 1914, for it is only now that the full effect of the factors operating to diminish the carriers' profits is beginning to appear.

"In brief it appears (as Mr. Willard said in his opening statement) that 'the new capital invested in railroads in official classification territory, during the last three years, has earned little or no return; in fact, these properties generally are actually earning less net, after paying operating expenses and taxes, than they were earning at the beginning of the period, and before the $659,862,000 had been spent.

"'The result, as might be expected, of this constant tendency toward diminishing net returns, has been to seriously check, if not altogether stop, the normal development of railroad facilities, in the territory affected. During the 10-year period these railroads found it necessary to increase their property investment approximately $2,000,000,000, an average of about $200,000,000 per annum, and it is certain that an equal, if not greater amount per annum will be necessary to meet the requirements of the future.

"'It is a mistake to think that the problem is merely a question of dividends to railroad stockholders, although that feature is, of course, involved. The problem in a broad and true sense affects all interests, and the outcome of this particular case—whichever way it is decided—will mark an epoch, because it will in effect very largely determine whether we shall as in the past continue to look to private capital and private enterprise for our transportation requirements, or be compelled finally to accept the only alternative possible. It is recognized, of course, that railroad expansion and improvements must go on, and any tendency or condition that threatens to seriously check, if not completely stop, such expansion in a large and important part of the United States, becomes, because of that fact, a matter of vital importance.'

"The interest of the public in the situation has nowhere been more clearly stated than in the 1910 case, where the commission said:

"'Our railroads must be maintained in a high state of efficiency. This the public interests demand. Commerce and industry can not afford to wait on transportation facilities. Our rates should be such as to render possible a high-class, not an extravagant, service.

"'It is generally conceded that within the next few years, if our means for transportation by rail are to keep pace with the calls upon them, very large sums must be expended in the way of new construction and new equipment. While some small portion of this may come from current earnings, the great bulk must be new capital and this capital must be obtained from the investing public.

"'If, therefore, we are to rely in the future, as we have in the past, upon private enterprise and private capital for our railway transportation, the return must be such as will induce the investment. It is therefore not only a matter of justice, but in the truest public interest, that an adequate return should be allowed upon railway capital.'"

In reference to the difficulties encountered by the railroads in obtaining new capital, the brief says, in part:

"Railroad companies have experienced constantly increasing difficulty in recent years in securing necessary new capital.

"There has been a general increase in the interest return demanded of investment securities and at the same time the railroads have been forced to meet a great, world-wide and strenuous competition for the use of capital.

"One of the principal causes for the impaired ability of the railroads to obtain new capital is that their property investment is increasing in a greater ratio than their net operating revenue and that their inability to increase their rates to meet increased expenses has made them no longer responsive to the law of increasing returns.

"Unless the railroads are permitted to increase their revenues by a reasonable increase in their rates for transportation services so as to help meet the large and permanent increases in the cost of capital, wages, taxes, and other expenses, then it will be only a question of time when there will result not merely the reduction or suspension of dividends, but also in some cases at least a default in the payment of interest and other obligations.

"Unless the railroads are able to receive rates for their transportation services that will produce net revenues sufficient to meet reasonable dividend requirements and leave a reasonable surplus as a margin of safety to help defray the 'cost of progress,' secure the future stability of rates, establish confidence in the continuance of dividends, and otherwise maintain credit, there is but little ground to believe that private investors will afford the necessary new capital.

"Diminished surplus earnings prevent the creation of adequate reserve funds unless dividends be curtailed or suspended. Curtailments of dividends would aggravate the situation, while suspension of dividends would make it increasingly difficult to obtain any capital even by the sale of bonds, and where obtainable by bond sales it would only be at much higher rates of interest. Total suspension of dividends by all the railroads, though it would produce a great panic, would not produce the amount of new capital required."

[Bulletin B.]

WHY THE CARRIERS SEEK A GENERAL RATE ADVANCE.

APRIL 28, 1914.

The railroads seeking a general increase of 5 per cent in freight rates have just filed with the Interstate Commerce Commission a memorandum as to why the railroads seek a general rate advance. The memorandum says:

"To meet the need for increased net revenues, three methods were looked upon as possibilities:

"(1) A large reduction in the cost of operation, other conditions remaining as at present, would produce larger net earnings.

"(2) A large increase in gross earnings if the additional business could be handled with the present facilities and at present operating ratios would also result in a larger net.

"(3) An increase in freight charges, other conditions remaining as at present, would bring about the same result. The process of reasoning by which two of these possibilities were eliminated may be best stated in the language of Mr. Willard:

"'I do not believe it will be possible to obtain the necessary relief either by reducing wages already in effect or by making any very considerable reduction in the number of men employed; nor do I believe it will be possible to effect economies in operation of sufficient magnitude to have any saving effect upon the situation. Undoubtedly further economies will be brought about, but it is altogether likely that in the future, as in the past, they will be more than offset by increased taxes, by the effect of further legislation, which is almost certain to come about, and by other unavoidable increases in expenses.

"'Under certain conditions it might properly be expected that larger gross earnings would give increased net, but it so happens that the railroads involved in this proceeding are located in that part of the United States where commercial and industrial development has been most intense, and it will be shown that in order to increase the gross earnings of these particular companies to any great extent at the existing rates, it would be necessary for them to handle a volume of business much beyond their present carrying capacity.

"'It would therefore be necessary to obtain and spend a large amount of new capital for increased facilities before gross earnings could be greatly augmented, and as has already been shown, new capital invested in such facilities during the last three years has generally failed to earn any return whatever upon the investment.

"'For this reason I do not think we can safely look for relief in the one direction of increased gross earnings, and this brings us to the third remaining method suggested—that is, increased charges, or increased rates and fares.

"'Inasmuch as the passenger fares charged by these several companies are generally the result of legislative enactments, and the mail pay and express rates are also beyond the control of the railroads, it will be seen at once that no immediate relief, and perhaps no very considerable relief at any time, can be obtained in these directions, and we are consequently forced to consider an advance in freight rates as the one available source of increased earnings.'

"In the opinion in Docket No. 3400, at page 16, the commission noted the fact that in official classification territory especially the existing fabric of freight rates is the product of most active competition, recognizing the principle that 'there is a strong presumption that rates so arrived at are reasonable rates.'

"Having before them, therefore, a fabric of freight rates presumed to be reasonable and nondiscriminatory, and having reached the conclusion that the only practicable method of augmenting net revenues was by an increase in the rates therein contained, it appeared to the carriers to be obvious that the fair method of effecting the increase, having regard to the interests of the shippers, was to lift the entire fabric into a higher plane by means of what may be called a horizontal increase, thereby preserving in support of the increased rates the presumption in favor of their nondiscriminatory character, and leaving open as the sole question to be determined before permitting the rates to go into effect whether the need for increased net revenues justifies the extent to which the entire fabric has been raised.

"In anticipation of a possible conclusion by the commission to the effect that present rates do not afford adequate revenue to the carriers, and having regard to the second question referred to by the commission in its inquiry under Docket No. 5860, it has been suggested that the revenue of the carriers under present tariffs and practices suffers important depletion from the performance by the carriers of certain services as incident to the transportation of freight without any charge in addition to the transportation rate, when in fact such services should more properly be held to be in addition to the transportation service covered by the published rate and should be made the subject of additional charges.

"In its decision in the so-called Industrial Railways Case, Docket No. 4181, at page 217, the commission said that—

"'the very carriers that are augmenting their expense accounts and dissipating their revenues in this manner (by paying allowances to industrial railways) to the extent of many millions of dollars a year, and for the benefit of a comparatively few shippers, are now complaining that their present earnings are insufficient and on that ground have asked our permission to make a substantial increase in their general rate schedules.

"'In this general connection it may safely be assumed that no substantial part of the well-informed and reflecting public would deny to the owners of the railroads of the country a reasonable return on their investments; nevertheless, before they may fairly ask the general public to share further in carrying their burdens it is manifest that the railroads must themselves properly conserve their sources of revenue by making every service rendered by them contribute reasonably to their earnings.'

"Following the decision just referred to, notwithstanding the fact that no order was made, the carriers in this territory attempted in good faith to comply with the views of the commission in respect to industrial allowances. Tariffs were filed with this commission and with the various State commissions canceling allowances to 109 so-called industrial railways, only 30 of which were specifically dealt with by the commission in its opinion.

"Many persons affected by these cancellations felt themselves aggrieved, and sought, through the medium of the various State commissions, to prevent the tariffs from going into effect to the full extent contemplated by the decision of this commission.

"Proceedings were instituted before the public-service commissions of New York, Illinois, Indiana, and Ohio, and protests were filed with this commission, with the result that the tariffs providing for cancellations of allowances to 20 of the 79 roads not mentioned by the commission in Docket No. 4181 were by this commission suspended.

"It thus appears that the reform recommended in Docket No. 4181, estimated to be worth $15,000,000 a year, has failed of its immediate purpose, and it is apparent that it can only be made effective in aid of inadequate revenue by overcoming many obstacles which those controlling the industrial railways will be able to interpose.

* * * * * * *

"We understand that these subjects—spotting, etc.—are not on the docket for discussion in this brief, and that further investigation thereof will be made. With such further investigation the carriers sympathize, and if at the end of such investigation some way is found by which additional revenues may be secured for the so-called 'volunteered services,' such additional revenue will doubtless be welcome.

"The matters are referred to here merely to call attention to what appears to be the obvious fact that if the commission shall be of opinion that the carriers are in immediate need of additional net revenue, it is not at all likely that such additional net revenue in any adequate amount can be immediately secured by the adoption of any of the reforms which have been suggested."

[Bulletin C.]

THE NEED OF THE CARRIERS FOR ADDITIONAL REVENUE.

WASHINGTON, *April 27.*

In opening the oral argument in the application of the eastern railroads for an increase in freight rates, Mr. George Stuart Patterson, general solicitor of the Pennsylvania Railroad, addressed the Interstate Commerce Commission to-day on "The Need of the Carriers for Additional Revenue."

Mr. Patterson said in substance:

"During the past 10 years, for the 35 railroad systems in this proceeding property investment has increased 46.04 per cent, capital obligations have increased 49.22 per cent, operating revenues have increased 63.54 per cent, operating expenses have increased 74.80 per cent, and taxes have increased 111.43 per cent.

"During this same period, 1903–1913, there has been (a) a decline in the ratio of net operating income to property investment; (b) a decline in the ratio of net operating income (plus interest on funded debt) to total capital obligations; (c) a decline in the ratio of surplus to total capital obligations.

"All of this shows a decided weakening in the position of the carriers as regards their return on investment, despite the growth in the size of the plant, volume and density of the business, and the facilities and improved methods of handling that business.

"Thus during the last 10 years the carriers find themselves, after a period of great growth and expenditure of new capital, worse off than they were before this growth and expenditure, though they should be materially better off.

"The importance of this showing for the period of 1903 to 1913 is greatly increased by the fact that the tendencies which operated during that period to decrease the return on the investment are operating with even greater force in the last three years.

"The figures reflect an acceleration in the rate of decline in recent years. They show the lowest rate of return and the lowest surplus in the last three years, and the year 1913 shows the lowest figure for any of these years. If it be remembered that these three years are the biggest three-year period in the carriers' history, and that 1913 was in itself the largest of the three, then the full significance of the showing becomes apparent.

"The view has been suggested that the net revenues for 1913 were larger than for any of the last five years except 1910, and therefore negative any inference that the carriers' revenues are inadequate or that they have reached a crisis in their affairs.

"In 1913 not only were the facilities the largest in the history of these carriers, but the use of them was the greatest, and practically to their full capacity.

"To justify the outlay required to provide the facilities, the net revenues resulting from such use should have exceeded those of any prior year—should have been sufficient not only to pay the charges on the additional property investment for a year such as 1913, but to provide money to pay those charges during lean years, e. g., 1914, when the facilities are not fully used.

"The year 1910 is that of the preceding five years wherein the then facilities of the carriers were fully used, and is, therefore, the year properly comparable with 1913.

"When a comparison of 1913 with 1910 shows that, despite the expenditure of over $659,000,000 on property and an increased use yielding $186,775,000 increased operating revenues, the net operating income decreased $16,311,000; then that comparison, the carriers urge, does prove the inadequacy of their revenues, and that the results so shown are not such as to fairly justify the expenditure of additional capital for the further provision of similar facilities.

"It is an absolutely new thing in the history of American railroading for a year like 1913, or a period like 1910–1913, when traffic was the largest ever recorded for a similar period of time, to show the position of the owners of the property to be worse off than any previous years or periods.

"It is strong and conclusive evidence that some change has taken place in conditions, nor is it difficult to see what this change is, and what has brought it about. It will be disclosed by the collateral lines of inquiry; namely, increased cost of operation, and increased cost and difficulty of securing new capital.

"There has been a steady increase in transportation, maintenance of way, and maintenance of equipment expenses, which are continuing in character, and the full effect of which is just beginning to be felt.

"Operating revenues are inadequate to keep pace with the expenses, and accordingly the money expended in procuring facilities has earned an inadequate return since 1903, and no return since 1910.

"The effect of these things is that at a time when the business of the carriers is largest in volume, and at a time when their investments and capital obligations are the largest, and their plant and equipment more complete and efficient, the carriers find themselves face to face with a declining net operating income.

"The result of this tendency toward diminishing net returns will be to check, if not altogether stop, the normal development of railroad facilities in this territory. In the last 10 years they have been forced to spend $200,000,000 a year, and an equal, if not a greater, amount will be necessary for the future if the railroads are to properly handle the business of the country.

"The question is one not merely of railroad dividends, though that is a question of vital importance, but one of the interests of the general public in seeing that the railroads are maintained in a high state of efficiency, for, as Mr. Prouty said in the 1910 case—

"'If, therefore, we are to rely in the future as we have in the past upon private enterprise and private capital for our railway transportation, the return must be such as will induce the investment. It is, therefore, not only a matter of justice, but in the truest public interest that an adequate return should be allowed upon railway capital.'"

[Bulletin D.]

THE ECONOMIC JUSTIFICATION FOR AN INCREASE IN FREIGHT RATES.

WASHINGTON, *April 28.*

Oral argument that fundamental economic and financial conditions justify an increase in freight rates was offered the Interstate Commerce Commission to-day by Mr. Geo. F. Brownell, vice president of the Erie Railroad. Mr. Brownell said in substance:

"If operating expenses and the new burdens imposed by law upon the railroads had not been enormously increased they would now be in a highly prosperous condition, but it is the net income and not the gross that counts, and the adequacy of the net must be considered in connection with the amount of capital employed in the work and the aggregate amount of transportation service performed.

"The railroad industry is the Nation's greatest industry, save only that of agriculture. In it is invested more than a tenth of the Nation's wealth, and it gives direct employment, under normal conditions, to nearly 2,000,000 of the country's most intelligent and efficient workers, and indirectly to many more.

"But except for its magnitude it is in most respects like other industries. It provides transportation, which is all that it has to sell. Its prosperity and its ability to properly and adequately perform its important functions for the public depend upon its ability to charge such reasonably adequate transportation rates as will yield fair compensation for the service, including a fair return upon the capital employed and one that will make the investment of new capital attractive to investors.

"Until recent years it was, like other industries, responsive to the law of increasing returns, under which an increase in the volume of traffic would produce a decrease in the unit of cost, and operating revenues would increase more rapidly than would operating expenses. In those early years, like other industries, it was able to control its expenditures and increase its charges to meet changed conditions.

"All this has changed. It has lost in large measure its ability to control its expenditures. Because of its quasi public character it is subject to governmental regulations and control to much greater extent than most other industries. It has been subjected to numerous requirements of legislatures and regulatory bodies, both Federal and State, which have increased greatly its operating and its capital expenditures. Many additional legislative requirements of this character are in various stages of incubation.

"The railroads are not here questioning the wisdom or expediency of these requirements, and will continue to the best of their ability to bear and sustain the financial burdens they impose; but they ask that they be not deprived of strength to accomplish the task—and remunerative rates are the very sinews of that strength.

"The railroad industry has ceased responding to that economic law; it has been forced to become an industry of decreasing returns. The increase in expenses and other burdens has also absorbed the savings from increased efficiency and from the investment of new capital. It is fast reducing net operating income to a point less than in previous years, when the business handled and the investment of capital were much less; and the prospect is that, upon the basis of existing freight rates, the rate of net return will continue to diminish, notwithstanding any further increase in the volume of business handled and in property investment.

"The irresistible processes of economic forces have reduced the money or purchasing value of railroad rates more than a third in the last 15 years, more than 15 per cent since 1903, and nearly 10 per cent since 1908. The railroads have been compelled to accept pay for their services in currency which in fact, though not in form, has depreciated, and the reduction in their real compensation is quite as effective, if it is not so apparent, as though the nominal rates had been reduced but made payable in dollars of their former value.

"Efforts at readjustment to meet these new conditions have long been in evidence on every hand. Labor and capital require and secure higher rates than heretofore. Other industries have increased selling prices of their products, but in the railroad industry this readjustment has taken place only with respect to the railroad companies' expenditures for wages, materials, interest, etc., but not with respect to the railroads' charges.

"They have been restricted by statute from adapting themselves like other industries to the new economic and monetary conditions. They are still required to sell their services at rates of pay even less than those established years ago, after competition had forced them to a low level, and to take their pay in a depreciated currency, while they must buy their labor, buy their materials, borrow their capital, and pay their taxes on the basis of present-day commodity prices.

"Why should not they be given permission to adapt their rates to these general economic changes just as the wage earner or merchant, operating in a free market, without restraints of legislation limiting his power to fix his charges or prices, has been able to secure an adjustment of his charges or prices?

"The forces bringing about the rise of prices will necessarily lead to a rise of railway rates—or lead to railroad bankruptcy.

"The railroad companies have experienced constantly increasing difficulty in recent years in securing necessary new capital; and, where they are able to market new securities for that purpose, they are unable to do so except at substantially lower prices or upon substantially higher interest bases. There has been during recent years a general, a substantial, and a world-wide rise in interest rates.

"The rates of interest yielded by underlying and well-secured outstanding railroad bonds at the present prices do not measure the price which railroad companies have to pay to-day to secure new capital. The competitive position in the struggle to obtain new capital out of the general investment fund has been impaired by a number of causes specially applicable to them.

"It is not an abstract question as to whether railroad credit generally has deteriorated as compared with other forms of credit. It is a practical question whether the kind of credit these railroads now have available has deteriorated as compared with their available credit in former years, by reason of factors beyond their control.

"They no longer are able to offer prior lien obligations. They are no longer able to dispose of capital stock. They are therefore compelled to offer junior securities which can be marketed only at lower prices and upon higher interest bases. Because of the existence of conditions unfavorable to the borrower, short-time notes have become an important factor in the investment market.

"Recently many companies have found that, owing to the conditions in the money market, it was not practicable for them to dispose of long-term bonds, and that financing by means of short-term notes presented the only practicable and available means of meeting their immediate necessities, affording as they do a relatively high rate of interest yield and generally being specially secured by collateral.

"An added cause of the decline in railroad credit is the increasing uncertainty of the financial results of railroad operations and the risk attending railroad investments.

"If the railroads are not allowed to charge such rates for their services as will produce the proper return upon the money invested, then how long will those responsible for the management of these properties be justified in continuing these expenditures of new capital, even if it should be available at reasonable rates of interest?

"How about their duty to their shareholders and those whom they have induced to purchase their securities? Must not that duty be considered as well as their desire to furnish better and additional transportation facilities for the use of the public? How long can they be expected to incur additional fixed or dividend charges through the continuance of expenditures that have proven to be unremunerative in the past and that in the judgment of the managers will continue to be unremunerative in the future, unless freight rates be advanced?

"Unless the railroads are permitted to increase their revenues by a reasonable increase in their rates for transportation services so as to meet the large and permanent increases in the cost of capital, wages, taxes, and other expenses, then it will only be a question of time when there will result not merely the reduction and suspension of dividends, but also, in some cases at least, a default in the payment of interest and other obligations.

"Now, when the need for capital is greater than ever, the ability to secure it rests more largely than ever upon the ability of the railroads to satisfy investors that they will be able to increase their net earnings. The great bulk of this new capital must be obtained from private investors. Increasingly less amounts can be obtained from surplus earnings.

"Being practically limited to the issue of junior securities, the physical property or securities they can pledge as security for the new issues are subject to various prior liens. Consequently the principal basis of the market value of the bonds and other corporate obligations which these carriers can now issue, as well as of their capital stock, is the income producing ability of the railroad. The rapidly diminishing price which can be realized for their bonds other than those that are underlying and well secured, and for their stocks, bear eloquent testimony as to the impairment in their net income producing ability which has already occurred and that which investors regard as a serious risk in the future.

"Unless the railroads are able to receive rates for their transportation services that will produce net revenues sufficient to meet reasonable dividend requirements and leave a reasonable surplus as a margin of safety to help defray the 'cost of progress,' secure the future stability of rates, establish confidence in the continuance of dividends, and otherwise maintain credit, there is but little ground to believe that private investors will afford the necessary new capital."

[Bulletin E.]

THE NATION'S POLICY TO ENCOURAGE INVESTMENT IN RAILROAD PROPERTIES.

WASHINGTON, *April 28, 1914.*

Speaking on behalf of railroads in the Central Freight Association territory, Mr. J. L. Minnis, general counsel for the Wabash Railroad, to-day presented to the Interstate Commerce Commission a special argument in reference to the meaning and purpose of our national laws regulating railroads. Mr. Minnis said in substance:

"Transportation by railroad in a country of great area like ours is a public necessity vital to every citizen, and therefore a facility which the Government is bound to afford for the use of the people. The Government may afford it either by owning and operating the railroads as a Government instrumentality, or by authorizing and encouraging its citziens, by the inducement of private gain, to own and operate them.

"At the beginning of the railroad era Government ownership was, according to tradition, thought not only unwise but incompatible with the permanency of our free institutions, in that it would place in the hands of the executive department the expenditure of vast sums of public money and the power to appoint, supervise, and discharge the vast armies of organized men necessary to the conduct of the railroad business, which would so enlarge the office-holding class as to greatly diminish, if it would not in time destroy, the influence of the people generally in the conduct of the Government.

"The Government including the States, accordingly declared its public policy with respect to railroad transportation by authorizing the citizens, whom I shall call private investors, to construct, operate, and develop the railroads of the country through the agency of corporations organized for private gain.

"By saying the Government authorized and encouraged private investors to construct, operate, and develop the railroads for private gain, I mean that when the Government determined to rely and depend upon private investors to furnish the money necessary for so great an undertaking, involving the well-being of the people, it must have engaged to make railroad investments attractive as the foundation of its policy, because a breach of that engagement would deprive the people of transportation or necessitate its conduct as a Governmental facility; and the engagement must, in duration, exist as long as the need for transportation exists.

"I have said that policy was to foster and promote the operation and development of the railroad transportation of the country by means of private capital through the agency of private companies. Now, what, in its final analysis, did that policy embrace?

"A railroad company has no owners in the sense that ordinary property has owners; it is only a legal fiction or agency of the private investors who supply it with its caiptal; and as its officers act under their impulse, we may say that the legislative charters gave to the private investors the management through the companies of the railroad enterprises and the right to fix, in their discretion, their reasonable tolls and fares.

"By these charters, then, the Government and the States, in substance, gave to the private investors the authority to construct and manage the railroads, and left them free to make as much money as

they could obtain from the reasonable rates and fares they promulgated in their discretion.

"But in return for these valuable grants the private investors agreed, in the charters of the companies, to operate the railroads as public carriers for reasonable rates and fares.

"The policy then embraced two elements: One of a private nature, namely, that the private investors represented by the companies should have the right to construct and manage the railroads and make all the money they could obtain from the reasonable rates and fares they charged for transportation; and the other of a public nature, namely, that the private investors represented by the companies would operate the railroads as public carriers.

"The policy of Congress from the beginning was to rely upon competition to prevent excessive rates, and it was no doubt reasonable to assume that the enforcement of the salutatory provisions of the Hepburn bill would confine competition to its natural and lawful field. In addition, it was a well-known fact that the carriers could not, without acting in combination in violation of the antitrust statute, increase their rates as a body. Besides, the Hepburn bill provided an effective means from preventing them from applying excessive individual rates.

"The competitive conditions prevailing since the enactment of the Hepburn Act rendered impossible an increase in the body of rates of the companies, except pursuant to combination which was forbidden by law.

"The amendment of 1910 has, then, opened up a way for the companies to lawfully increase the body of their rates if necessary to encourage the investment of private capital in their railroads.

"Thus it will be observed that the act to regulate commerce, whether viewed from the standpoint of the Government or the investor in the railroads, was designed to foster and encourage the operation and development of the railroads by private capital.

"The amendment of 1910 invested the commission with power to veto advanced rates filed by the companies if they be unreasonable. Now what is meant by a reasonable rate in that amendment?

"As we have seen, the amendment was enacted to promote the public policy of the Government, and it is obvious that in construing it we should make it useful in carrying out that policy; and if we do so, we find that the policy of the Government affords a definition of the reasonable rate referred to in the amendment, and it is this:

"A body of rates which will produce sufficient revenue to encourage private investors to supply the companies with the two hundred and twenty-five or fifty million dollars per annum which is necessary for their development.

"Such a rate or rates were contemplated by the amendment, because their promulgation is essential to carry out the policy of the Government. Such a rate would be a reasonable rate to the shipper, who ought not expect a lower rate than is necessary to supply the needed money for developing the railroads. It is likewise a fair rate to the companies, because if it be high enough to encourage new investors to supply needed money from time to time, it will produce a fair return on the money already invested in the properties.

"The amendment of 1910, therefore, in connection with the act it amends, affords a fair workable method of carrying out the policy of the Government. If, then, what I have said is true, the policy of the Government can fail, only in its administration. This reflection heightens the duty of all of us who have duties to perform in relation to the railroads, because every good citizen must shudder at the suggestion of its failure.

"The question presented here is not the ordinary question involved in an attack upon the reasonableness or unreasonableness of a rate—it is a question of giving effect to a great public policy. The concrete question to be decided is whether present rates have produced and are now producing sufficient revenue to the companies to justify the belief that much needed new capital may be obtained from private investors on reasonable terms.

"The only object of investing money is personal gain. Private capital is timid and often influenced by misapprehensions and unfounded suspicions. Investors owe no duty in the premises, and do not act by compulsion, but invest voluntarily if at all.

"Many misapprehensions, with respect to the purposes of the act to regulate commerce, have been hurtful to railroad credit. By some it has been assumed that a share of the managements of the railroads has been vested in the commission, when in fact, notwithstanding that the many public abuses which provoked the enactment of the law were due to private management, the law left the management with the investors represented by the companies.

"Others have assumed that the power vested in the commission was designed to prevent the companies from earning a return on watered securities, when in fact, notwithstanding the rank abuses attending the financing of the companies by private investors—although likely not more scandalous than attended the transactions of the Government and the States in aiding the construction of the early railroads—Congress has not, directly or indirectly, exercised any authority on that subject; in fact, the legislation now pending in Congress on that subject is designed to safeguard future investments in the railroads.

"The absence of an enactment in regard to abuses in connection with issuing securities, and the pendency of the present legislation, recognizes that Congress has in the past deemed it wise to allow a wide range of discretion in issuing railroad securities, with a view to encouraging private investments in railroads; and that it does not now regard it wise to further unsettle railroad credit by casting a cloud on the value of investments made in good faith in securities for which present value may not have been received.

"The harmfulness of the assumption that those securities are to be destroyed is obvious when we reflect that the supposition is that they are to be destroyed by the Government. It would be a slander on the Government to say that while it preserves its own obligations as sacred, it has conferred power on this commission, one of its instrumentalities, to destroy a large class of investments which our citizens have made in good faith.

"If the policy of the Government be executed, allowance must be made in the rates to cover the natural timidity of private capital, and if capital is to be acquired by the companies at reasonable interest, their rates must be high enough to foreclose question as to the security of railroad investments.

"It will not reassure the investor to say that the companies might be more profitably managed. That would frighten them away, and if it may ever be truthfully said that the managements of the companies are incompetent and wasteful, it will mean that the policy of the Government has failed.

"So the question is not one merely of theories with respect to maintenance or efficiency or accounting, but it is a broad, practical, common sense question which must be dealt with on broad lines."

EXHIBIT A2.

MANY PRORAILROAD PAMPHLETS HAVE BEEN PUBLISHED.

Speeches of railroad officials and business men in the interests of the railroads have been widely circulated. The Railway Business Association, 30 Church Street, New York City, acted as distributors for several of the pamphlets printed below. It is impossible to determine who was responsible for the publication of speeches made before the traffic clubs of Pittsburgh, Rochester, and Milwaukee. The speech of Mr. Ivy L. Lee to the City Club of St. Louis was printed by Mr. Festus J. Wade, of the Mercantile Trust Co. Various other printed matter was issued, some of which is printed below.

THE RAILWAYS AND THE GOVERNMENT.

Address by Howard Elliott, chairman of the New England lines, delivered at the fifth annual dinner of the Railway Business Association, the national association of manufacturers of railway materials, equipment, and supplies, at the Waldorf-Astoria Hotel, New York, December 11, 1913.

This is a gathering of representative men who contribute much to the industrial activity and prosperity of the Nation. The opportunity of speaking to you was accepted with hesitation, not only because it gives me a chance to meet many old friends and make, I hope, some new ones, and also because gatherings like this help us to appreciate our mutual interests. It is well to talk over those problems which the remarkable social and industrial evolution of the Nation has placed upon the business men, who are anxious that this country shall progress, and who believe that the social and intellectual advancement of the people depends upon reasonable success in all forms of industry—a class of men also who are as high-minded and patriotic and as great believers in the United States and its future as any class of men in the country.

INDUSTRIAL INTERDEPENDENCE.

The rapid increase in the country's population, accompanied, as it has been, by a racial mingling unprecedented in history, has produced new economic conditions and has brought to the fore new problems and new theories of the relation of the Government and the citizen in his business. The application of the principle of increasing Government supervision of business emphasized more than ever before the interdependence of all industry.

The industries which you and I represent are very closely related. Lack of sustenance and stagnation in one affects the others. If the railways of this country are to be maintained and operated as they should be, increasing their facilities to meet the increased demand of the growing business of the Nation, then they must be supplied with materials, and this benefits the many industries which you represent. These purchases of the railway stimulate the activities of the whole country. [Applause.] On the other hand, any curtailment in the purchasing power of the railway will have a withering effect on many industries and retard the prosperity of some which have been leading factors in the commercial growth and expansion of the Nation.

RAILWAY GROWTH.

The growth of the railways in the United States is without a parallel in any other nation. In their present form these railways have been constructed practically within the last 50 years. The total operating revenues of railways earning $1,000,000 or more for the fiscal year ending June 30, 1913, were $3,057,089,811, of which $2,134,563,789 came from transportation of freight and $678,440,089 from carrying passengers. In the same year these railways paid out for expenses $2,118,529,173, of which $407,156,008 was for maintenance of way and structures, $501,663,582 for maintenance of equipment, $1,074,914,428 for the actual expenses of transportation, and $134,795,155 for administration and traffic expenses. The net operating revenues of the railways of the country in the last fiscal year amounted to $938,560,638, out of which was paid in taxes $123,682,118.

The railways east of the Mississippi and north of the Ohio and Potomac Rivers in the same year did a business of $1,386,073,429, of which $992,403,390 was from freight and $293,234,927 from passengers carried. For the three items which make up between 90 and 95 per cent of the expense of operation, maintenance of equipment, maintenance of roadbed, bridges, etc., and transportation these roads spent in 1913 $246,727,105 for maintenance of equipment; $180,273,335 for maintenance of tracks, bridges, etc.; and $502,734,000 for transportation.

THE RAILWAY PAY ROLL.

Everyone admits now that the transportation question in this country is a very vital one, and these few figures are given to emphasize its importance. And the importance to the general welfare is not alone in the service rendered by transporting man and his property, but also because the railway is a greater paymaster. The railway pay roll is one of the greatest pay rolls in the country; more than 1,700,000 employees receiving in wages and salaries last year nearly $1,250,000,000. Adding the families of those employees there are nearly 7,000,000 people—about 7½ per cent of the total population—supported by this pay roll. Think of what this means to the communities in which these railway employees live; to the tradesmen to whom their earnings go for food and clothing. Think of the effect upon the business interests of this country generally of the distribution of this sum of money passing through the hands of this multitude of purchasers into the channels of trade. It would be difficult to find a person in this country who is not in one way or another benefited by this employment of labor. The railway employee is an important factor in his community, and there is no better proof of the theory that the prosperity of a railroad and the section it covers are interdependent than that furnished by the part the railway employees' purchases play in helping business.

Out of $2,750,667,435 which the railways earned in 1910, $1,143,725,306, or 41.58 per cent, were distributed in wages and salaries; in 1911, out of $2,789,761,669, $1,208,466,470, or 43.32 per cent; and in 1912, out of $2,826,917,967, $1,243,113,172, or 43.97 per cent. And each year this wage distribution has been taking a larger proportion of the railway dollar. Between 1910 and 1911 there was an increase of 5.66 per cent in the pay roll and only 1.42 per cent in the operating revenues. Between 1911 and 1912, the increase in the pay roll was 2.87 per cent and in operating revenues 1.33 per cent. There are no very complete statistics of the amount of material purchased by the railways, but it is very large—many hundreds of millions of dollars.

Obviously, as an abstract proposition, because of its effect on general business activities and upon the welfare and happiness of so many people, everybody must want this great pay roll maintained,

and want the railways to go on spending money. Curtailment of the railway purchasing power, or a diminution of its pay roll, would be felt in millions of homes. A continued improvement of the railway will stimulate trade, give a general steadiness to business, and minimize depression. The money the railways would spend in expanding their facilities as they should be expanded, to keep pace with the growth of business in the country, would percolate into every conceivable artery of trade. Can it be doubted that this would impart that wholesome stimulus to business that is so anxiously awaited at the present time?

To a large extent the railway is simply a collecting and distributing agency of the sums, small in units but large in the aggregate, that the public pays for the service it performs. The railway owner retains for himself what, compared with many forms of other business, is a relatively small return on the value of the railway plant. If there is to be a halt in railway activity, if the railways of the country are to be forced, by the conditions imposed upon them, to abandon all new construction and restrict their outlay to the absolute necessities of maintenance and operation, what will be the result? Will there not follow a corresponding contraction, especially in those industries, many of them very large, which the railroad helps to support, and be imparted by them, in turn, through still other trade channels until an adverse influence is felt throughout the entire business life of the country? For example: The railways purchase a very large proportion of all the iron and steel made in this country. Thus their prosperity is very closely interwoven with the prosperity of the great metal industry of the country, and upon this industry enforced economies and the suspension of construction by the railways will have a most serious effect.

RAILWAY EARNINGS.

There is indisputable evidence that that expansion of our railways which has contributed so much to the country's prosperity has, by reason of the conditions now imposed upon them, reached a point of practical suspension. There is hardly any new construction being undertaken, and improvements are being postponed wherever practicable because of lack of funds. This is due, in part, to the great increase in the cost of labor and materials, in part to the elaborate and luxurious facilities which the people demand, and in part to the rise in the rates of interest, all of which is reflected in the loss in net earnings shown by recent statements of the railways; and this despite an increase in gross earnings maintained until very recently, though there are signs to-day of a falling off even in gross. In the case of the eastern roads, the gross earnings increased $187,000,000 from 1910 to 1913, while operating expenses and taxes increased $201,000,000, the increase in tax payments alone amounting in those three years to $11,590,000. There was an actual decrease in the net operating income of these roads of $16,311,000. In 1913 these railways earned in gross $1,424,000,000. Their net operating income was $336,754,000, and after payment of interest on funded debt and other obligatory charges there was left $206,600,000. The dividends paid out of this amounted to $130,000,000, which was 5.10 per cent on the capital stock outstanding. This was $19,000,000 less than the dividends paid in 1912 and $7,000,000 less than the dividends paid in 1910.

In the Central Freight Association territory, a group of 28 roads, having 23,167 miles of road, or 51.5 per cent of the entire mileage in the territory, roads like the Big Four, Vandalia, Wabash, Chicago & Alton, and Illinois Central, in the year ending June 30, 1913, earned $63,000,000 more than in the panic year of 1908, but their operating expenses and taxes were $62,000,000 more, and after paying expenses and taxes their net operating revenues were only $811,000 more than in 1908, and their net corporate income was actually $8,000,000 less, although in these five years $180,000,000 of new capital had been invested in these properties.

The reduction in net is shown very strikingly in the statements of the New York Central, the Pennsylvania, and the New Haven for the first four months of the present fiscal year. In this period the New York Central lines showed an increase in gross earnings of $4,339,442, as compared with the same period of 1912, but as a result of increased expenses there was a decrease in the net earnings of $7,614,542. The Pennsylvania for the same period showed an increase in gross earnings of $5,100,192, but a decrease in net earnings of $4,367,795, while the New Haven, including all transportation lines in which it is interested, showed a decrease of $790,379.12 in the gross and $4,020,311.51 in net operating revenue, and of $4,934,725.01 in net corporate income, after allowing for all fixed charges of every kind.

THE RAILWAY PROBLEM.

I think that all candid and thoughtful persons will admit that the situation as reflected here is a serious one, not only as affecting the railways themselves but the entire business of this country. Indeed, with railway credit impaired, it would seem difficult for the railways to extricate themselves from the present situation unless a change occurs in public sentiment and in the treatment they receive from the people, as expressed through their various governmental agencies. Undoubtedly, various causes have contributed to bring this situation about. Some of these have been economic and some social, and the railway has suffered from both, perhaps, more than any other industry in that the price of its service is no longer within its own control, and the same may be said of its great pay roll.

Is it not incumbent upon all thoughtful men who wish to see this country continue to prosper to stop and ask themselves what can be done in this emergency? Is this trouble a socialistic one, due to new currents of thought and feeling in the minds of a majority of our citizens, fostered possibly by ideas of government brought here by many of our new citizens from the Old World, who influence many others with whom they come in contact? And if the trouble is socialistic, does it not behoove every citizen who does not believe in this kind of doctrine applied to business to speak out?

PRESENT TENDENCIES.

Many of us have hazy ideas about socialism, but the principle underlying the proposed socialistic state, as expressed by many socialists, is that from everyone shall be expected according to his ability, and that to everyone shall be given in accordance with his needs. The socialistic ideal thus expressed, is that every man shall do his utmost, but that he is not to be paid in proportion to the amount of work that he does, or in proportion to its value, but, on the contrary, he is to be paid in accordance with his needs. The tendency of the people of the United States, however, seems to be not to extend to the railways even that treatment which is expressed by this socialistic ideal. [Applause.] Under that ideal the railways would be expected to do all that they can, and would be allowed to receive all that they need, but is it not true to-day that the railways are expected to do more than they can, and at the same time are not permitted to receive what they need?

THE HUMAN FACTOR.

For example, first and foremost, the railways are expected to run their trains without causing injuries or death that would be avoidable by all ordinary human precaution. Yet distinction is seldom made between the need for care and caution on the part of the public and the need for care and caution on the part of those intrusted with railway operations. [Applause.] A very large number of the injuries and half the deaths charged against the railways are of trespassers on railway property. If people will not keep off railway property the law should compel them to do so. [Applause.] Yet, although the railway companies have time and again urged legislatures to pass laws against trespassing, only two or three State legislatures have responded. In other words, more is expected of the railways in diminishing the number of casualties and fatalities than they can do, and there is not given them that protection which they need and which the people need. [Applause.] Wrecks and accidents are sometimes due to the delinquency of those charged with the management and operation of a railway, and it is only right that the managing officers of a railway should be held directly to account for defects in administration and carelessness in directing operation. But there is another side, and if the officers are to be held responsible for the administration and discipline, the employees of a railway should be held responsible for submission to proper discipline and should not consider their allegiance to their brotherhoods above their allegiance to the company which employs them [great applause], or their duty to the public who supply the money for their wages. The Interstate Commerce Commission has pointed out that one of the most disturbing causes of accidents is the carelessness of the railway employees. Under these conditions, quite generally acquiesced in by the public and the press, the people make it difficult for the railway managers to preserve the discipline that the hazardous business of train operation demands, and are asking almost more than the railways can do. [Applause.] If the railways are quasi public servants, their employees are also quasi public servants, and the people should hold the man as well as the master to his responsibility. [Applause.] By not demanding this responsibility, the people are not according to the railways that which they need and that which the people need.

IMPROVEMENTS.

While the railways should be held directly to account for maintaining roadbed, track, and other facilities in proper condition, the fact should not be lost sight of that safety in operation, as the people look upon it to-day, means equipment of steel or steel underframe in the passenger service and other heavy expenditures in consequence. To demand that such improvements be made within any short period of time, in advance of the ability of the railways to pay for them, is to demand of the railways more than they can accomplish. And to hold them down and so to impair their credit that they can not obtain funds for such improvements is certainly not to accord to them that which they need. [Applause.] Again, in insisting that they serve the end of efficiency from the standpoint of economical operation, and, at the same time, meet the requirements for fast and frequent service, the people demand of the railways more than they can do. If they desire such service without allowing the railways the compensation that justifies it, they are not according the railways what they need.

In this respect the railways of Europe are treated better than ours, because there the justice of charging a higher rate for a fast-freight service has been recognized. In Europe, as in this country, there are generally three kinds of service, express freight on passenger trains, expedited or fast freight, and ordinary, or low-speed freight. But, while in this country no distinction is made between the fast and slow freight in the matter of compensation, in Europe a higher rate is permitted in the case of "accelerated freight." Such a charge, if permitted here, would increase earnings and help the railroads to make improvements now badly needed and yet would not impose an undue burden upon the public. [Applause.]

COMPETITION VERSUS COMBINATION.

There is another respect in which the people of this country are dealing at cross purposes with the railways, and this is a question of transcendent importance, not only in the field of transportation but throughout industry and commerce. This is a question of competition versus combination. The New Haven road is a consolidation of 189 companies—the Boston & Maine and Maine Central of 200 companies. Before the consolidation of these lines, when it was desired to move a carload of freight from one end of New England to another, separate arrangements had to be made and varying instructions issued for each railway and endless bargaining and higgling over rates and schedules, as well as the expense of many separate organizations. In this combination of separate railways in one organic whole there is the possibility of efficiency, under proper management, both from the standpoint of economical operation of the railways and from the public's standpoint of improved service. Because of practices incident to the great construction period of American development and not confined to railways, the people created the Interstate Commerce Commission, which has pretty effectually not only restrained competition but stifled it, so far as rates are concerned. As the commission has the power to prevent the railroads from charging unreasonable rates and to prevent unjust discrimination, it is a grave question whether it is not an economical error to object to combinations of railways which, under suitable management, can be made to serve the ends of efficiency by more economical operation and better service. [Applause.] Here, again, we find an inconsistency on the part of the people, who insist that the railways shall practice the greatest economy and efficiency in operation, but who, at the same time, object to principles that will further such economy. If the railways are not supported by the people they can not render service to the people. The very expression "the railroads and the people" indicates a distinction, a separation of interests, that the prosperity or the adversity of the railways is a matter of indifference to the people, and vice versa. Such a feeling occasionally finds expression in such an utterance as was made recently in the New Orleans Picayune, which editorially called upon the voters to oppose any candidate who was not "fully competent and willing to place the people's interests above those of the railroads and transportation lines under all circumstances," when, as a matter of fact, their interests are identical. One reason, I believe, for ths attitude, is that our people do not realize that railroading is business just as much as rail making or producing paint is business, and that railways are as much a part of everyday life as any other business.

MULTIPLICITY OF LAWS.

There are State legislatures which pass laws concerning the railways within their State and the laws of one State sometimes conflict with those of another, and sometimes with those of the National Government. The effect of this multiform and heterogeneous regulation is to compel the railroads to serve 49 masters, although the impossibility of serving even 2 masters has been crystallized in a proverb. [Applause.] The effect of this multiplicity of laws also has been to undermine the confidence of investors, whose money is needed for the extension and the improvement of the railroads. It has been estimated that nearly one billion dollars will be required within the next year to improve the railways so that they may meet the demands of growing business and safer and more luxurious service. How can this money be raised? How can this condition be remedied? Must it not come from cooperation of the people with the railways and from the conviction in the public mind that railways are rendering to the people not only an essential but a vital service?

GOVERNMENTAL EFFICIENCY.

If the people, by reason of new tendencies of thought, are exacting more of the railways and allowing them less in return for service rendered, are the people following the same rule with respect to the great machine of Government which they themselves have created, and in whose management they have a potent voice? There has been criticism of lack of efficiency in railway administration, and some of it is just, because railway officers and men are human and imperfect, but as a class they are doing better year by year. As a class they are high-minded, patriotic gentlemen, dealing with a problem that at times is very discouraging. They believe in frank and honorable business methods. They are doing the very best they can and they should receive help and commendation from the public instead of hindrance and hostile criticism. [Great applause.] Does the Government set any better example to the busines men or to the youth of this country of the necessity of hard, efficient, and high-minded work? [Applause.] In 1896 there were in the executive civil service, excluding employees in the Congress, the judiciary, and enlisted men and officers of the Army and Navy, 178,717 persons, and in 1910, 355,635, an increase of 100 per cent in 14 years. While the population of the country has increased, it has not increased 100 per cent, and is the Government doing the careful, efficient work the taxpayer has a right to demand? [Great applause.] If the Government with all its power has been unable to resist the demands for greater elaborateness and more employees, can it be expected that the railways can escape these same forces? [Applause and cries of "No, no."] Again, does the Government exemplify in its own dealings with others the principles of justice and business morality which the people, through this same agency, exact from those subservient to it?

STANDARDS OF CONDUCT.

There has been a gradual and desirable change in the standards of business in the past 20 years, and particularly in the past 10. Practices that a few years ago were considered proper in financial, commercial, manufacturing, and transportation business are contrary to the ideas of the public to-day.

In this business uplift, I think the great railway systems of the country, taken as a whole, are in the front rank in trying to do their work on a high plane and in trying to observe the complicated laws of the land. [Applause.] And the larger and more complicated the business, the more rigid is the carrying out of the maxim that "Honesty is the best policy." [Applause.]

Some people are still ready to ask for the rebate, the pass, and the special privilege. Because of some glaring failures here and there the press and the public sometimes are too prone to condemn all. But every man in modern industrial-business life knows how insistent the majority of men charged with the responsibility of management is for honesty, good morals, industry, and avoidance of sharp practice, and of trying to get something for nothing. [Applause.]

The moral effect of this policy on the young man in business must be good, because whether he likes it or not he must behave or be thrown into the discard. What kind of an example does the United States Government set before the youth of the land in its treatment of the great transportation lines? The Government should surely be as scrupulously honest and high minded in dealing with the railways as it expects the railways to be in dealing with the people, but is it? [Applause.]

RAILWAY MAIL PAY.

Look at the mail and parcel-post situation for a moment. The Government pays the railways for transporting the mail on the basis of weights obtained in the autumn of 1912 for four years beginning July 1, 1913, although there is always some increase in weight each year. In January, 1913, the parcel post began with a weight limit of 11 pounds, then increased it to 20, and it is now, in some cases, to be 50 pounds. The parcel post takes business away from the express business of the railway and reduces earnings in that way but the Government pays nothing for the extra weight carried, as the test weighing was before the parcel post began. So for four years the railways must carry the increasing weight of the ordinary mail and the rapidly growing parcel post freight for nothing, unless the Government takes steps to pay for service already performed and to be performed, which, so far, it seems disinclined to do. [Applause.]

On the New Haven road, which right now needs all the help it can get [laughter and applause], a careful computation made by chartered accountants showed that the company was performing service costing $743,000 a year more than it received; and what is true of the New Haven is true of many other roads. Yet there is little criticism of the action of the Government, although it is taking large sums of money away from the railroads. [Applause.] Do you remember all the outcry there was, and justly so, when it was found some years ago that an importer in Brooklyn was defrauding the Government through false weights? [Laughter and applause.]

The New York Times, in an editorial in October, 1913, said:

"Every receiver of a postal parcel carried at the cost of the railways whose services are not paid for is a receiver of stolen goods." [Laughter and applause.]

The Chicago Inter-Ocean, in commenting on this, said:

"Any man who, merely because he has the power, compels another to give him unpaid service is a robber. [Great applause.] He has taken from the other his time, his strength, or his property in some form without making due compensation. If 10 men thus combine to rob 8, the immorality remains. Because several millions have combined 'through Government' thus to rob their fellow citizens who happen to own railroads, the wrong of it is not made right."

SERVICE WITHOUT PAY.

This is strong language, but is it not true?

Here are the railways, struggling to make both ends meet, and the Government takes service from them worth, exclusive of the parcel post, at least $15,000,000 per year, and no pay. What kind of an example is this for the great United States Government to set to the younger men of the country? [Laughter and applause.]

The whole theory of modern railway regulation is to secure honesty of operation and fairness of treatment on the part of the railway toward all classes of the public. Does it not, therefore, behoove the Government in all of its relations with the transportation companies to treat them with the most scrupulous regard to the dictates of honesty and fairness? Treatment by the Government, however, of the question of compensating the railways for carrying the people's mails suggests a lack of full appraciation of this converse proposition by some of our highest governmental authorities. While not a single definite and practical step has been taken with a view of compensating the railways for carrying the additional weight of the mail for the period of the first six months of the parcel post, the Postmaster General was empowered, after July 1, to add not exceeding 5 per cent to the pay of the railways. But on August 15 the Postmaster General increased the weight limit from 11 to 20 pounds, and the Interstate Commerce Commission, only last week, gave its approval to his recommendation of a further increase to 50 pounds. No arrangements were made, however, and no arrangements have as yet been made, to compensate the roads for this additional weight. Is it any wonder that the parcel post, under such conditions, has been eminently successful? [Laughter and applause.] And is it any wonder that some advocates of Government ownership have seized upon its success as an argument for other theories, particularly with respect to its efficiency and economy? [Laughter and applause.]

The Supreme Court has ruled that the railways are not compelled to carry the mails, but that if they do carry them it must be under the rules laid down by the Postmaster General. Any thinking man will realize that they could not seriously consider refusing to carry the mails. If the law compelled them to carry the mails under rates fixed by Congress which were not compensatory, they would have some standing before the courts, but under the law as it stands they must make now a contract with the Post Office Department upon terms dictated by that department, and can only appeal to public opinion for a redress.

THE RAILWAY FACTOR.

The more men of fair and unbiased minds study the economic situation in this country, affected as it undoubtedly is by some of these experiments of Government, the more are they impressed with the importance of the railway situation as a factor. Sir George Paish, eminent in the field of finance and economics, commenting on the country's condtion, after a long trip of observation, said recently:

"In considering the economic outlook of the United States in the immediate future, it is evident that the factor of most immediate importance is the application of the railways of the Eastern States to the Interstate Commerce Commission for an advance in rates. The difficulty experienced by the railways in raising capital has already caused many of them to reduce their new capital expenditures, and this reduction in a large measure accounts for the reaction in the iron and equipment trades that is now observable. If the difficulties of raising new capital become still greater, then it is obvious that the railway companies would practically stop improvement works and a serious setback in trade would result. If, however, the railways succeed in funding the large amount of notes which fall due in the current year, and in raising the new capital they require to expend on works of improvement and on new equipment, then the reaction in trade, due to international conditions and other influences would, in my judgment, be comparatively small. Thus the action of the Interstate Commerce Commission in altering or disallowing the railways of the East to advance their rates by 5 per cent will have important economic consequences."

RAILWAY IMPROVEMENT NECESSARY.

With all our troubles, however, I still feel that we will come out all right, but—and this a great big but—care must be taken in working out these problems, and the public must be told the truth, or harm will be done that will take years to cure, and the best results will be delayed. It is foolish, in this country, to admit that all railway improvement must be given up. These things must go on; public opinion will not tolerate a deterioration of the railways. It will insist upon their being able to furnish the service required by growing business and by the very logic of the situation the public will provide the means for them so to do. But it is most important not to delay too long.

HOPEFUL SIGNS.

There are some rifts in the clouds. Signs indeed are multiplying of a readjustment of ideas in the public mind, which ought to find a reflection in the attitude of governmental agencies. The miasma which has arisen from the misrepresentation of the past is disappearing, and the public mind is clearing in consequence. That a constructive rather than a destructive sentiment is growing is apparent. This drift in public sentiment is clearly beginning to make itself felt, as shown in some recent expressions of a friendly nature coming from those in Government offices. Such, for example, was the statement made only a short time before his death by Interstate Commerce Commissioner Marble: "We are seeking to bring about a condition that will be fair and equitable and that will make the railroads successful under present ownership." [Applause.] In the newspapers this drift is finding expression in a rebuke of continued criticism and intemperate denunciation of former practices, and a general realization that such a course can only produce widespread business atrophy.

CURING THE PATIENT.

National need of terminal and other railway facilities having been thoroughly impressed upon the public mind, shippers and editors generally convinced that larger net railway returns should be permitted, what are the reasons and perplexities which prevent the people from giving effect to a policy that will cure the trouble, making it unanimous? Even if there is only a vigorous minority opposed to such policy, candid consideration of their objections is due them.

It is claimed that the management of some roads has not been honest—that insiders have profited when they should not. The morals of all kinds of business have improved year by year, and things have been done in railway and other business in the development of the country that were probably not right then and that certainly are frowned upon now by law and public opinion. Such things ought never to have been done. Owners of railways should root out dishonesty if it exists, and

if they will not, public authority will do it. But is there anything in the situation that warrants calling a halt on the development of the continent? [Applause.] Every time a clergyman, a doctor, a senator, or a cashier is punished, are we forthwith to abolish all clergymen, all doctors, all senators, and all cashiers, while we unfrock that particular clergyman, convict that particular doctor, expel that particular senator, or jail that particular cashier?

RAILWAY SECURITIES.

Others say that some railways are overcapitalized. Whether they are or not, and certainly American roads have led the world in refraining from it, no more capitalization ought to be created than is necessary in order to serve the public. If too much was issued by some roads in the past, this is to be regretted, but no workable method has been suggested by which securities issued legally and bought in good faith can be taken from their owners without failures and receiverships that harm many more people than the owners of the securities. [Applause.] As for the future, every railway of importance runs through one or more States which regulate security issues. And apart from that, those responsible for railway management realize, as they never did before, the absolute necessity of sound business principles in issuing securities, law or no law. The present problem is not to restrict the issues of securities but to find people willing to buy them. [Laughter and applause.]

Another says that if securities were sold over the counter the bankers' commission would be saved. Perhaps, some day, if confidence can be restored, part of such commissions might be saved, but a railroad must have financial experts, as well as engineering experts, and pay a fair price for services rendered. If the commissions can be saved, they ought to be. But not even city, State, and Federal Governments, whose credit is based on the taxing power, have been able at all times to float even moderately large popular loans without the aid of bankers. [Applause.]

Others object because they say the new revenue would go to increased dividends. So some of it would and must. The dividend which a stockholder receives is not all that he would like or that his managers want to pay, but is an amount needed to induce him and others to buy more stock or bonds when an enlarged plant is necessary in order to meet the desires and absolute necessities of the public.

EFFECT OF ECONOMIES.

It is said that the increased income needed could be had by economies. It is true that economies have been introduced, and there is room for more of them. Railroad managers, as a whole, are pushing hard every day to improve men, methods, and facilities. Many economies, however, can only be adopted by throwing away old appliances and buying new ones, which is the case in mills and factories as well as in railroads. And, if the railroads have no money with which to get the new tools, they must do the best they can with the old ones. No effort in this direction should be neglected, and no other industry is, or in the nature of things can be, so thoroughly organized nation-wide as the railways to cooperate in studying, experimenting, and standardizing their progress. But, in view of the wonderful savings already accomplished, both major and minor, in the past few years, and in spite of the larger percentages of gross earnings absorbed by expenses and taxes, it is doubtful if the people should depend on such measures to offset the apparently irresistible rise in wages and in the price of materials, the higher cost of capital, and the demands for more elaborate facilities and luxurious service.

Are any of these obstacles sufficiently important to delay such revision of rate schedules as will meet this anomalous situation of increasing gross earnings, but declining net earnings, and still more rapidly declining net corporate income after payment of fixed charges?

The railway managers of the country want to know where to improve. They welcome just criticism based on a real knowledge of all the actual facts. It is their purpose to profit by it. To serve the public adequately, on the other hand, is also their purpose, and it is their duty to seek diligently from the appropriate authorities the sanction and help necessary if the railway is to do what the people want and must have if the country is to grow. So it would seem as if it was to the interest of the people to be patient with a railway which has practically no control over the price of what it has to sell—transportation—and very little control over the price of labor needed to produce that transportation.

New England is a great educational and financial force. She has sent her sons all over the country to help do the work needed. In the last edition of "Who's Who in America" 20 per cent of the names are those of men born in New England. Anything that affects adversely the credit and social welfare of New England will, in turn, affect the whole country. Her welfare and the welfare of her railways are important to the entire country. These six New England States have one-fourteenth of the national population, and have one-twelfth of the national wealth. They consume one-eighth of the materials of manufacture, and they have one-sixth of the bank deposits. For the New England lines, that I represent, I ask the patient goodwill of her people and of the Nation while her peculiar and difficult transportation problems are being solved. [Great applause.]

I don't think I ever sat in a board that felt so badly as the New Haven board did yesterday when the figures forced them to make the decision that took away a dividend, coming at Christmas time, from thousands and thousands of people. [Applause.] But they had the courage to take that position because they felt in the long run it would be better for the property, better for New England, and better for the stockholders themselves. [A voice: Good, good!]

The business men of the country who benefit from the accumulated savings of New England, from her large purchases from other parts of the country, from her great and continuous contributions to the national welfare in sending out trained men and women, should at this time of storm and stress help the situation in every reasonable way. It is to your interest to do it, and as patriotic citizens interested in the welfare of the whole country, I ask you most earnestly to help. [Great outburst of applause and prolonged cheering, Mr. Elliott rising and bowing.]

GOVERNMENT AND THE RAILWAYS.

An address by Hon. James M. Cox, governor of Ohio, delivered at the fifth annual dinner of the Railway Business Association, the national association of manufacturers of railway materials, equipment, and supplies, at the Waldorf-Astoria Hotel, New York, December 11, 1913.

Business and government are beginning to understand each other better—a development in attitude born of expediency on the one hand and an awakened consciousness of responsibility on the other. Business in its present form is a distinct social evolution based on the elements of human dependence. In fact, it not only antedates organized society, but it was the one thing most conducive to the association of man without which he would still be encased in the shell of primitive darkness.

As government sprang logically from the social organization, then a very simple analysis establishes the important part that the mere exchange of products and utilities has played in the whole scheme of things. This very obvious corelation makes it difficult to account for the prejudice which government so long held for business. And yet we must not delude ourselves into the thought that the human element was lacking in this estrangement. The tendency of government is but the impulse of humanity. Laws are but the reflex of a controlling public desire, the act of government being as closely joined to the social organization as the movement of the arms to the mind which directs them.

So that we are brought confessedly to the proposition that the mass has been drawn into agreed opposition to the class. There is a high average of fairness in public opinion, the admission of which brings the thought that unfair advantages have obtained somewhere. As our Government is designed to maintain the largest measure of equality and opportunity possible, then it must adjust itself to the useful function of correction.

PARENT GUILTY, TOO.

So-called big business was chartered by government, and if the child has been guilty of abuses, the parent is not blameless for permitting them to go on until they assume the form of a distinct menace to the industrial life of the Nation. [Applause.] Everyone but the cynic grows into an acceptance of the philosophy that things balance up pretty evenly in the game of life, and it would seem that the agencies which by one form or another postponed the day of governmental regulation find the consequences falling upon them with some severity. [Applause.] On the other hand, the Nation, now aroused from the lethargic spirit of letting well enough alone, finds the results of its long neglect spread into every community.

A NATIONAL RESPONSIBILITY.

The country is now facing a responsibility which must be met with candor and courage. Something must be done with the railroad question. Let us discuss it frankly in its important phases.

First. The part which transportation plays in our affairs and in the development of the country.

Second. The real condition of the railroads, physical and financial.

Third. The cause of the present confusion.

Fourth. The remedy.

IMPORTANCE OF TRANSPORTATION.

It is surprising upon analysis of industrial activities to find the potential part that the railroads play. Ours is a great country of vast domain. Our lands possess the diversified fertility which yields the extremes of corn and cotton. Our mines give up the richest treasures in all the world. The genius of man lays hand on the waterpower of our rivers. We enjoy the varying climates common to every region from St. Petersburg on the north to Palestine on the south. We attract the strong, red-blooded people of all nations, and as they pass through the melting pot of the American institutions there comes from it that wonderful composite figure, the American citizen. [Great applause.] And yet, with all these God-given advantages, what would it avail the great Northwest to grow bread for millions if its products could not be transported all over the world, producing in steady flow the yellow stream of gold? The South, facing the future with every promise of restored commercial strength, would fall into stagnation if the means were not provided to convey cotton from the plantation to the spindles and looms of the globe. [Applause.]

The great Middle West, a giant in the part it plays in the affairs of man, would lapse into decline if transportation lines did not tap the fields of this vast universe. We are a great people because we produce practically everything necessary to civilization. We are essentially a nation of traders, because the North, South, East, and West must sell to and buy from each other.

We are a concrete mass in commerce, because the genius of man has solved the problem of distance and isolation. Lay down the map of the Republic and trace the network of railroad lines. In combined mileage they span the distance from the earth to the moon. They pierce every State. In 1912 they transported 1,019,658,605 passengers. Over every mile of track were carried more than a million tons of freight and 138,169 passengers.

SPIRIT OF RAILWAY ORGANIZATIONS.

The vast organizations are held together by a spirit as impressive as that dominating an army. No order of loyalty exceeds that of the vast majority of officers, while the privates unflinchingly face dangers every day that would try the mettle of the seasoned soldier. [Applause.]

The great trunk lines and feeders resemble the circulation system of the human body.

And if you lay your finger on the pulse of the railroad organism you have certain and unmistakable symptoms of the country's prosperity or adversity. [Applause.] One out of every twelve male adults in this country is employed by the railroads. Their contribution to labor and manufacturing makes up one-twelfth of the commerce of the land. No city of any size has grown without a railroad.

OHIO'S GREAT FLOODS.

When the great Commonwealth of Ohio was stricken last spring with the great flood catastrophe we lay stunned and helpless until railroad communication was established. As soon as the severed cords were put together the whole aspect changed. Communities were fed and the vital life of the State restored.

Certainly none will deny how important the railroads are and how essential it is to conserve this utility, and by this is meant protection from unwise operation, and a guarantee of measurable safety to the individual and institutions that have hazarded their capital. The health of the railroads is very far-reaching when we consider that, aside from the ordinary investor, life insurance companies, holding in their hands the hopes and expectations of almost 30,000,000 policyholders, have invested one and a quarter billion dollars in railroad securities.

CONDITION OF THE RAILWAYS.

Now, what is the condition of the railroads? We have enjoyed unprecedented prosperity. Commerce has its ups and downs, but the tonnage of the railroads continues stupendous. Terminals in every city are insufficient. There is congestion at these points which interferes with the normal tide of travel. Service is beginning to show the lack of old-time regularity. Rolling stock is inadequate in some respects. The development of the country makes a call on the railroads for exten-

sions and equipment which finds an enforced feeble response. They could, advantageously to the public, use hundreds of millions of dollars right now. [Applause.]

Three years ago James J. Hill, with a vision that was almost prophetic, stated that the railroads should for five years expend a billion dollars annually for construction if they were to handle the business of the country efficiently. [Applause.] He predicted congested terminals and vastly inadequate facilities, and events show the wisdom of his observation.

RAILWAY CREDIT IMPAIRED.

With the public and the railroads in agreement on the proposition that the march of progress has passed the transportation business, the fact remains that the railroads can not borrow the money to provide for the situation. Short-time notes have been given to meet current and emergency expenses, and if the banks of the country were to demand payment we would be in the throes of a well-organized panic. Investors have been driven to other fields, notwithstanding no business is based on a more stable utility than that of the railroads. The amount of securities listed on the New York Stock Exchange by steam railroads in 1912 was the smallest in 10 years.

RAILWAY REGULATION.

While there can be no difference in opinion with reference to the utility of the railroads, their present physical and financial condition and the necessity of their conservation, there may be a vast divergence in views with reference to what has brought about the present situation and the correct remedies which must come from both the common sense and fairness of the American people. Where symptoms are so well marked it seems to me that the diagnosis out to be measurably easy. You hear in many quarters the statement that adverse legislation and the policy of regulation by the Government—State and Federal—are the largest contributing factors. I do not subscribe to this view. In fact, sane regulation will become the ultimate salvation of the business. [Applause.]

REGULATION NOT SOON ENOUGH.

One can not resist the thought, when he surveys the abuses of overcapitalization, financial adventure, and personal exploitation, that the mistake in regulation has been that it did not come soon enough. Prior to regulation by Government, 20 per cent of the railroads of the country were in the hands of receivers. This was the situation in 1894. It can not but be regarded as significant that the New York Central, Baltimore & Ohio, and Pennsylvania Railroads, with a combined capital stock of $934,000,000, have issued, since 1900, during the period of increased regulation, stock to the amount of $548,000,000, upon which they realized more than $600,000,000 in cash, the securities having sold at a handsome premium.

COWARDICE AND CORRUPTION.

No one will contend that the laws in some of the States have not been unduly burdensome. The truth is that in the political affairs of a nation the two harmful elements are cowardice and corruption, and as debasing as corrupt influences have been, the ultimate harm from cowardice in public station has been infinitely greater. [Great applause.] Personal political expediency is too apt to rise transcendent to the public welfare. There has been a regrettable absence of that order of courage to withstand some legislation born of prejudice against the railroads, and I believe you gentlemen will agree that this prejudice developed in considerable degree because of the unwise and, in some instances, reprehensible administrative policies of some companies.

NEW MORAL STANDARDS.

No one will seek to condone the practice of milking railroads in order that the executive officers and directors might be illegally and immorally given vast fortunes through the artful and insidious method of contracting with themselves for construction work. [Applause.] No man in conscience will avow the propriety of a wildcat policy in the issuance of securities. No community in America will produce the man who will attempt to justify the practices which have shaken the confidence of the conservative thought of New England. These abuses of power, like every other disaster in social or economic life, have their compensations. There is always a hidden blessing which plays its part in working out an ultimate evolution along the lines of morality and sound business policy. There is no saying more truthful than that the hazard always makes the man; and it is fortunate that over the wreckage of these misguided projects there come men with a vision, a humanity, and a courage which give hope to this whole country, which can not but look upon the situation with grave concern. [Applause.]

ABOLITION OF REBATES.

The method of regulation by Government which prevents preferential rates and rebates is not only helpful to the railroads themselves but it is a dignified participation of Government. These quasi-public corporations spring into life by the consent of society through the agencies of Government. That is the first and essential element of vitality to the project; and the institution responsible for the birth of the corporation not only has a constitutional right to retain a reserve power of control, but the moral obligation to do so is just as binding. [Applause.] The misconduct of the child is a reproach upon the parent if he has been remiss in his duty. It is unfortunate that the railroads, in their failure to recognize the ultimate advantage from regulation, drifted for a time into a Nation-wide policy of resistance, and this resulted, in some instances, in a too large corporate participation in politics.

RESTORE THE PATIENT FIRST.

Now, what is the remedy?

First of all, we might just as well recognize at the outset that a puritanical severity with stockholders who honestly acquired their securities is not going to do any good. The thing to do is to restore the patient and then prescribe and enforce a diet and behavior which will prevent recurrent illness. The man who stands for progressiveness in government bases his plea upon the theory that all things are changing; that man and his activities must fall into inevitable subjection to the laws of evolution; and we remind the ultraconservative that things not only change in business, in professions, in the sciences, in all the agencies of life itself, but that each age brings its changes in accepted fundamentals of justice.

NEW ETHICAL YARDSTICK.

Our fathers subscribed to many things in full conscience that are shocking to present-day ideals. My reference is obviously to the offense for witchcraft, imprisonment for debt, and the property qualification in suffrage. We must therefore be consistent and recognize this as fundamentally just—that the transgression of yesterday can not and must not be measured with the ethical yardstick of to-day. [Applause.] It is more creditable, I feel sure, to adhere to this doctrine than to frame a policy of confiscating the holdings of present owners who are in no way to blame for the abuse of those who sold them.

NEW ENGLAND SITUATION.

Some may contend that the Government is not the guardian of the people in their traffic regulations one with the other, but that does not reach the question of the Government's neglect for years in permitting its corporate creature to run amuck. [Applause.] We have in illustration of this thought the developments of to-day in the affairs of the New Haven road. [Applause.] The whole country stands appalled. A great property builded on the resource, thrift, and pioneer morals of New England has been drained of its very blood and bone through methods that inspired the Divine command, "Thou shalt not steal." [Applause.] Of the 22,000 stockholders, half are women, many are estates and trustees, a circumstance which speaks the confidence of those now dead. What excuse has government to offer those who lived secure in the thought that it protected the defenseless? What word have the States responsible for this outrage to utter in explanation? It would have been impossible of accomplishment in any progressive State. I feel sure the Federal Government in its present hands will not remain dumb to the constitutional command of absolute control over interstate commerce. [Applause.]

SOCIETY MUST PAY.

As the responsibility was divided in the first instance, there should now be common acquiescence as between the Government and the railroads in the suggestion to seal the past and proceed in making of a better order of things on an entirely new base.

If we concede that the agencies of transportation must be healthy in order that the country can grow and develop, then regulation must proceed on the theory that what society imposes on the railroads society itself must pay for. [Applause.] If increased taxes, larger compensation for labor, the application of safety devices, the maintenance of expensive schedules and other things are insisted upon by society through Government, then the railroads, like any other institution, must be given the right and the facility to distribute the burden. The business man meets the increased cost of his products by adding to his selling price. Augmented costs, due to short crops or other unseemly circumstances, fall generally upon consumption. If the industry involved were to bear it alone and Government prevented the distribution of added expenses, there would be but one result—disaster. So that if we expect the railroads to draw from their earnings to meet the changed and developing conditions of the day, they must receive the same consideration shown to other business enterprises, or the result with them will be the same—disaster. [Applause.]

You can not buy land for terminals, lay tracks of steel to accommodate the growing traffic of the Nation, build spurs to mines, cities, or agricultural centers without an increased cost in investment. You can't sell the securities unless the public is assured of a return on the outlay.

TO STRENGTHEN INVESTORS' CONFIDENCE.

Every phase of the fiscal situation with the railroads suggests that something be done to establish in the mind of the investing public some fixed idea not only of the inherent value of the railroads but a national policy securely supported by an intelligent public opinion must be framed for the conservation of the transportation utilities, and you can not conserve the business without conserving the confidence of the country. Railroad men everywhere admit that a new day in the affairs of this industry has arrived, and that the old order of things is displaced, first, by the impossibility of extensive exploit and adventure; and, second, by a new moral code which seems to be finding adoption everywhere. The policy of dealing above board with the Government, public, and shipper will become the real asset of the railroads. The Government is the best agency to give dignified and effective exploitation of that plan. If a railroad corporation desires to work out a project of extension or improvement, and votes a perfectly honest issue of securities with every intent to disburse them in good faith, the very essence of the whole transaction inspires confidence which will be widespread if some agency without the railroad organization certifies the legitimacy of the enterprise.

I introduce, therefore, entirely regardless of the objections that have been raised to the plan, the suggestion that ultimate relief will never come until the Interstate Commerce Commission passes upon the issuance of securities. Now, let us analyze this proposal.

FEDERAL SUPERVISION.

Suppose the Pennsylvania Railroad Co. desired to issue $50,000,000 in bonds—and I can not mention the Pennsylvania Railroad Co. without making this observation that out in our country we believe that its honor has never been stained [great applause]—and it prepares to issue these securities. It goes to Washington and submits in detail and specification absolutely everything connected with the project. The Government makes its investigation, finds it to be a legitimate enterprise, and it says so. It certifies the integrity and the legitimacy of that project. You then divide your securities into smaller denominations. Confidence has been procured by the Government participation, and if you give the people the opportunity to buy the securities, in 10 years' time the railroads will be owned by the people and you will have public ownership instead of Government ownership. [Great applause.]

STATE-RIGHTS OBJECTION.

I am mindful of the recommendations made by the commission appointed to investigate this plan. It proceeds from the premise of State rights. Every fair-minded student of this great subject concedes that when the States manifest no disposition to act in concert with reference to a subject, nation wide in its consequences, for the simple reason that the Federal unit of government can reach the responsibility with more efficiency and directness than the States, the general welfare of the people must be considered before the ethical rights of the States. Let me give you this illustration:

The Pennsylvania Railroad Co. operates largely in the States of New York, Pennsylvania, Ohio, Indiana, and Illinois. I think only two of these States have laws which compel governmental supervision over the issuance of securities. The company submits its project to Ohio, which has such a law, and yet this procedure by one or two States does not give the slightest aid to the investor, because the local authority is concerned only about the improvement within the State. Ohio counties used to value utilities for taxation; but it became perfectly apparent that they must surrender the task to the State in order that the valuation could be made on the corporate unit or that part of it local to the Commonwealth. The results have been so satisfactory that no one would think of restoring the old order of things.

MUST HAVE LIVING RATES.

As already indicated, I hold no brief for the railroads, but I recognize that Government, from the standpoint of morals and expediency, must permit them to have living rates. The survey should be an exhaustive one; and if it develops that while the gross receipts have increased, the net receipts are considerably diminished by the liberal policy of society, then relief ought to be granted, whether it be 1 per cent, 5 per cent, or 10 per cent that is needed. [Applause.]

There is nothing more harmful than the tendency to hold to a fetish. There is no more offensive species of standpatism than to impose a rate one year and continue it without term.

The future may develop the necessity of scaling rates downward. The inventive genius of man may contribute the means to vast economies in operation. When that comes, the public should be given a reasonable rate, based on the cost of the service; the reasonableness of the rate is the issue now and always will be. The railroads are entitled to it, and so is the shipper.

Recognizing, as we do, that there is some prejudice against the railroads, and that an increase in rate, even though suggested by every consideration of fairness, might be unpopular, our great Government has no higher function than rising to the dignity of a courageous recognition of rights, whether they be individual or corporate.

RATES ARE LOW.

Statistics would seem to show that while the Government receives 2 cents for carrying a letter from 1 to a thousand miles—a very unscientific rating, by the way—the railroads transport a ton of freight 3 miles for the price of a postage stamp. This might be an odious comparison, and yet it reduces the whole situation to a problem so simple that we can better understand it.

The question of rates is an involved one. There are so many things to consider that one develops a sympathetic attitude for the Interstate Commerce Commission. There can, of course, be nothing but a uniform rate, and yet it has its elements of unfairness. Let us analyze this:

Between Chicago and St. Paul there are six different competitive railroads, and their capitalization per mile is as follows:

	Per mile.
Chicago, Burlington & Quincy	$36,338
Minneapolis, St. Paul & Sault Ste. Marie	36,362
Chicago & Northwestern	43,900
Illinois Central—Minneapolis & St. Louis	58,000
Chicago, Milwaukee & St. Paul	58,342
Chicago Great Western	74,983

BONUSES WERE NECESSARY.

The first thought might be that the vast difference is due to varying policies of finance and construction. The question of integrity may be raised, and yet on analysis explanation may be found in considerable part in the matter of terminal values, a difference in rolling stock and roadbed—the physical characteristics of the routes might add to the cost in one instance and reduce it in another. Some of the roads may have been built when the future of railroads was uncertain and bonuses were necessary to the completion of the enterprise. We must recognize that few projects in the formative period of any industry were ever launched without common stock being given with the subscription of bonds or preferred stock. The man who took a long chance is entitled to a reward beyond his 6 per cent return. [Applause.]

EARLY OBSTACLES.

Let us not forget the difficulties railroads encountered and overcame. In our own good State, with a citizenship that has always been progressive, the early legislature was asked to prevent the construction of steam railroads on the ground that the trains would frighten the stock in the fields until it would not take on fat. It was urged that transportation by wagon would be impossible with trains running through the lands, because the oxen and horses would be frightened to the point of frenzy by the whistling of the engines. [Laughter.]

Then, as a compromise, it was proposed to allow the roads to be built and operated, provided the trains would stop within half a mile of the wagon road and some one would go ahead to notify the people along the road that the train was approaching. Nor was this during the dark ages. It was within the memory of the oldest inhabitants of the State. [Laughter.]

The first newspaper published in Ohio was established a little over a hundred years ago, and known as the Western Star. It is still operated under that name, although the western stars have moved 3,000 miles farther west. In an issue of that paper there was printed an argument against railroad construction in Ohio upon purely economic grounds. It was shown that one train would displace 50 horses; that it would draw as much freight as 25 two-horse teams. And the writer sought to show that the displacement of so many horses would tend to lower the price of grain—that the raising of grain would be unprofitable, because there would be no horses to eat it.

But every reform that has been worked out, every invention that has been launched, has had to meet this economic opposition. Christianity itself was opposed upon purely economic grounds in the beginning. One of the philosophers of Rome congratulated Nero upon his attempt to stamp out Christianity on the ground that there were so many people embracing the new teaching that it was affecting the market for fodder used to fatten cattle for heathen sacrifice. [Laughter.]

In 1818 the school board of Lancaster Township passed a resolution refusing to allow the use of the schoolhouse for a debate upon the subject of railroads and telegraphs. The resolution stated that such propositions as railroads and telegraphs were marks of infidelity and held that had the Lord intended men to talk through the air or ride at the rate of 15 miles an hour it would have been foretold in the Scripture, and that a careful search of the Scripture failed to reveal any such prophecy. [Laughter.]

CAPITALIZATION.

Attention is drawn to the vast excess of capitalization of foreign railroads per mile as compared to American lines, and the difference is impressive, as shown by the following exhibit:

Capitalization per mile of line:	
United States	$62,657
Germany	113,855
France	144,683
United Kingdom	275,156
England and Wales	328,415

Two factors must be considered in this. When steam as a motive power made railroads possible, European cities were developed in size and realty values, and terminals were expensive, while in this country the railroads and cities grew together. Furthermore, the American roads were given vast subsidies in lands and rights of way—a considerable factor in their present wealth and resource which enabled many extensions and improvements to be made without the issuance of securities.

That the rates are lower in America than abroad is but another tribute to the genius of our people, and the admission is another puncture in the fallacious doctrine that we can not produce most things in this country as cheaply as in Europe. [Laughter.]

MATTER FOR PUBLIC OPINION.

In closing, let us all dedicate ourselves to the solution of this great problem of transportation—recognizing that it concerns every community and every household. Let us be reminded that in the forum of public opinion every issue has been settled, and ultimately settled right in this our glorious country. If progress means anything, it is that prejudice can not last, and that fair dealing will be indorsed.

It is no reflection on the stability of our race that we adjust ourselves in government and commerce to the changing order of the day. It would be better never to have been lifted at all to the higher moral vision of advanced civilization if we are to retain the field glasses of yesterday. Upon every hill the goddess of progress has planted her trumpeteers, showing us the way to a greater national destiny, reminding us that life is but the march of generation, and we have our pilgrimage to cover. Let us do it with an open-mindedness that enabled our fathers to burst the restraints of prejudice and tradition, and find fuller happiness, strength, and godliness in the radiant influence of the new day. [Great and prolonged applause.]

Railway Purchases Measure General Business Prosperity.

Address by E. B. Leigh, president Chicago Railway Equipment Co., delivered at the annual meeting of the Railway Business Association, the national organization of manufacturers of railway material, equipment, and supplies, at the Waldorf-Astoria Hotel, New York, Thursday morning, December 11, 1913.

What is the matter with general business? What can be done to restore activity? There are conclusive grounds for believing that the largest single factor in the present interruption and rapidly approaching business depression was and is the enforced and continued curtailment of railway purchases. No factor which could now be introduced into the situation would do more to stimulate general business out of its present and impending condition than a vigorous resumption of railway expenditures. This conclusion, while applying to the state of affairs at this moment, is based upon a careful study and comparison covering many years, showing the relation between railway purchases and general business.

STIMULATING EFFECT OF RATE ADVANCE.

The results of this careful and detailed analysis are presented at this time in the hope that the painful experience with which the country is afflicted and further threatened may yield us at least the dividend of knowledge upon which to base future national policies. Indeed, it has an immediate and urgent bearing upon a policy which the Government is at this moment engaged in formally considering. If the conclusions drawn from past experience are correct, and if even the small advance in freight rates now asked for by the eastern railroads would enable and encourage them and other roads to make considerable outlays at once, such an outcome would directly result in a decided restoration of general business activity.

REMOVE ARTIFICIAL RESTRICTION.

It is not for a moment proposed that railways shall be permitted advances in rates in order that unnecessary purchases may temporarily benefit the railway supply industries or even the whole country. Waste never permanently benefits anybody. It is not unnecessary purchases which are under discussion. Railway facilities are insufficient to meet any considerable increase in tonnage. The proposition is not to overstimulate, but to remove an artificial restriction in the shape of rates too low.

The greatest danger at this moment is delay. It is well recognized that it requires a greater force to start from inertia than to continue a momentum already established. The sooner the commission can issue a favorable decree the more certainly will the influencing power of railway purchases be effective in the restoration of general business.

RAILWAY PROSPERITY MEANS GENERAL PROSPERITY.

Not many years ago comparatively few business men, aside from those directly selling to the railways, realized that railway prosperity meant general business prosperity.

The past few years, however, have witnessed a steadily growing recognition of this fact on the part of business men generally, until to-day it is substantially an accepted doctrine.

There is widespread confusion, however, as to what constitutes "railway prosperity," often the result of the popular error of accepting the increased earnings of some particular railway, or the naturally growing gross earnings of railways generally, as proclaimed by the public press, as being indicative of "railway prosperity." Much is now being written regarding decreased net earnings and the many other evidences that the railways generally are by no means prosperous in the true sense of the word, or as determined by the true tests applicable to all business enterprises.

RAILWAY PURCHASES "MEASURE" PROSPERITY.

It is believed that the watchword "Railway prosperity means general business prosperity" should be changed to read "Railway purchases measure general business prosperity."

Inasmuch as the railways of this country constitute its greatest industry next to that of agriculture; with but one thing to sell—transportation; the ultimate consumers of everything they buy; their purchases extending substantially throughout almost every department of business, many of them on a tremendous scale—it must be obvious how potent a factor they are in general business conditions.

As the iron and steel industry has long been recognized as being the truest index of general business conditions, and as the statement has been reliably made that the railways consume, directly and indirectly, between 40 and 50 per cent of the iron and steel production of the country, it is manifest that the expansion or restriction of railway consumption must vitally affect this barometer.

The ramifications of railway purchases make it impossible to classify them in the aggregate. But few of the more important items, such as rails, for example, are made the subject of public information and statistical compilation. However, the conditions under which rail purchases are made are not believed to be such as to reflect the railways' prosperity or their purchasing ability in a broad sense.

EQUIPMENT PURCHASES AN INDEX.

Many years of observation have led to the belief that of those items officially compiled, tabulated, and made public, perhaps no one so clearly and typically reflects the railways' general purchasing ability as that of new equipment. When the railways are buying freely of new equipment, they are generally likewise buying freely of all other articles essential to maintenance and operation. Within the past few years the purchasing of new equipment has had a greater influence upon the iron and steel industry because of the transition from wooden to steel construction.

One branch of the speaker's business being that of making and supplying a necessary article used on railway car equipment, he has been led to make a close study of the effect of railway purchases of new equipment upon general business, and long since became more than convinced that there was no one more important factor in the development of general business activity than that of the active purchasing of new equipment by the railways. He further fully believes that railway-equipment purchases, with naturally attendant influence upon the great volume of other railway purchases, not only initiate general business prosperity, but are necessary to sustain such prosperity.

RAILWAY REVIVAL ANTICIPATES GENERAL.

It has been observed for many years past that the railway supply industry has been the first to recognize and to participate in a revival of general business; likewise the first to detect the signs and feel the effects of its impending decline.

It is well known in many quarters that since 1907 railway purchases have been affected (and in large measure curtailed) by causes other than those which influenced them in preceding years, chief among these being governmental control and restrictions.

It has, however, become quite apparent that since the year 1907 "railway purchases" as a factor in general business conditions have been evidenced with increasing clearness and brought into more prominent notice by those who attempt to follow the trend of general business.

Reviewed by years and since what is known as the "money panic" of 1907, we find the following conditions:

1908 LEAN YEAR.

1908: The year 1908 was notably the leanest of business years, notwithstanding bountiful crops and plentiful money. It was likewise the year in which the smallest number of cars were ordered, namely, 62,999, and the minimum of railway purchases made for many years.

BEGINNING OF REVIVAL.

1909: The conditions of 1908 were continued well into 1909, but the last half of the year witnessed a substantial buying movement by the railways, the total cars ordered for the year aggregating 193,874, nearly 70 per cent of which, however, were ordered within the last four months, with particularly heavy orders in November and December. This gave a fairly good business year, with a heavy "carry over" to 1910.

UP AND THEN DOWN AGAIN.

1910: General business promptly followed, and with the heavy "carry over" business from 1909 referred to, coupled with fairly good buying on the part of the railways during the first six months, made the year 1910 a still better year than 1909, although the total of car purchases was only 145,085. The falling off in car orders after the middle of the year was duly reflected in the decline of business until at the end of 1910 the probabilities of 1911 were clearly foreshadowed.

DEPRESSION IN ABSENCE OF BUYING.

1911: The decline in general business, together with the falling off of railway purchases continued throughout almost the entire year; but at its close a buying movement on the part of the railways set in. The total number of cars ordered for the year were 135,740, nearly 30 per cent of which were placed at the very end of the year, and necessarily carried forward into 1912.

PURCHASES OFFSET UNCERTAINTIES.

1912: We reached a high point in railway purchases about May, 1912, continuing with normal purchases for most of the remainder of the year, again reaching a high point at the very end of the last quarter, the total car purchases being 238,400, the largest number in any year since 1906. It is here significant to note that the foregoing conditions in railway purchases were followed by a phenomenal revival of general business during the last half of 1912, this, too, in the face of a national election fraught with more uncertainties as to its outcome than any we have had for years. Business seemed to ignore these conditions, however, while the heavy purchases made by the railways filled the steel mills of the country with orders toward the close of the year, so overtaxing their capacity as to compel buyers to anticipate deliveries by orders placed four, six, and even nine months in advance of shipping dates, a condition heretofore unprecedented, while general business assumed almost the aspect of a boom.

PURCHASE DECLINE, PROSPERITY THREATENED.

1913: The heavy purchases of new equipment continued during the first three months, but sharply declined at the beginning of the second half of the year; almost immediately sinking to the lowest level reached these several years. It was here that the "danger signal" was set by this barometer; but naturally general business did not immediately feel this falling off of railway purchases at the time (because of the accumulations), nor in fact until quite recently, being sustained by the "unfilled orders" on hand, or what may properly be termed the "unspent momentum." The conditions clearly foreshadowed at the middle of the year, and accentuated every month since, are now upon us, and what have we to look forward to after January 1, 1914? If the railways do not resume purchasing on a fairly liberal scale, we are certainly facing a very depressed business situation.

It is believed that the great majority of business men have failed to recognize the real situation, and that the now noticeable decline in business is being attributed to other causes.

IMMEDIATE ADVANCE MIGHT HAVE AVERTED DEPRESSION.

Had the railways been granted the 5 per cent advance in freight rates which they sought last June, it would not only have restored great confidence in railway credit, but would undoubtedly have been followed by a buying movement which, if on but an average scale and within the limitations of money conditions, would have so far reenforced the large volume of "unfilled tonnage" as to have obscured the several now existing uncertain elements, just as these same elements (when in prospect) were practically ignored during the latter part of the year 1912 and the early part of 1913.

The illustrations given above are believed to be sufficiently significant, if not conclusive. They may be carried back over any number of years, and with the same result shown. Is it merely coincidence or is it cause and effect?

PULSE OF BUSINESS.

While financial or money conditions are essentially fundamental to "railway purchases" as well as to every business enterprise, nevertheless anything which affects "railway purchases," be it lack of money, inability to secure it on favorable terms, or unwillingness to use it, must work to the same common result.

If the iron and steel industry, heretofore broadly recognized as the great barometer of general business conditions and as basic to them, is dependent upon "railway purchases" to the extent of the absorption of 40 per cent to 50 per cent of its production, how much more really basic are "railway purchases" as the initial force in starting and sustaining the circulation of general business? Are they not manifestly the pulse of general business?

RAILWAY BUYING POWER AFFECTS EVERYBODY.

It is confidently believed that the sooner this country as a whole recognizes this basic relation of "railway purchases" the sooner we will deal intelligently with this controlling factor.

In conclusion, one prominent thought is urged, namely, that it is not the railway supply industry alone that is so vitally affected by "railway purchases," as is generally supposed. From its nature, the railway supply industry is logically the first to feel their effects, but every business interest, every business man, large and small, and all those dependent upon them, are each in turn affected, favorably or unfavorably, by the relation undoubtedly existing between "railway purchases" and "general business prosperity."

SHOULD RAILROAD RATES BE RAISED?—AN AFFIRMATIVE ANSWER.

Extract from address of William A. Hayes at annual banquet of Milwaukee Traffic Club, January 20, 1914.

Considering American railroads as a system, traffic rates are too low and ought to be substantially increased. Such an increase would prove advantageous to the general public as well as to the companies. I am not here to ask you to accept my conclusion, but to point out certain facts for the consideration of intelligent men, and to suggest inquiry as to further facts, which, taken in connection with those to be mentioned, compel the conclusion indicated.

To come to any sound conclusion in respect of the sufficiency or the insufficiency of existing rates we must take into account the larger facts touching American railroads as a whole. Governors, senators, legislatures, courts, judges, and commissions have each and all failed to deal effectively and justly with railway problems because a consideration of the subject in hand was limited either to a particular railroad or to a group of railroads without reference to its or to their relation to the other railroads of the country. There can be no fair solution of the railway problems unless we become familiar with these larger facts and comprehend the railroads of the country in their entirety.

Therefore, as preliminary to more specific remarks upon the subject of rates, I invite you briefly to consider a few facts which show that the railroads of the country constitute the greatest system of transportation on the face of the earth and the greatest piece of constructive work for the serving of the people accomplished by man since the beginning of recorded history.

There are in the country at this time 250,000 miles of line and 380,000 miles of track. There is enough line to go around the earth ten times at the equator and more than fifteen times in the latitude of Milwaukee. There is enough track to go around the earth nearly twenty-five times in the latitude of Milwaukee; enough to lay nearly 120 parallel tracks from New York to San Francisco, and all of this has been constructed within the lifetime of men still living. All of this trackage is of standard gauge, and every mile is a connected part of the whole; it penetrates every part of the 3,000,000 square miles of our public domain, and over it the products of the farm, the forest, and the mine may be and daily are shipped to the cities and the seaports of the land, and over it, in turn, are daily shipped for distribution the finished products of every foreign country and of every section of our own.

This great system is equipped with nearly 65,000 locomotives, more than 50,000 passenger cars, and more than 2,300,000 freight cars. The locomotives, if placed in a continuous line, would extend almost from Chicago to New York. The passenger cars, if placed in a continuous line, would extend nearly from Chicago to Washington, and their capacity is sufficient to house at one time all the people of the State of Wisconsin and still leave enough room to shelter from the chilling winds of winter all of the people of Montana and Nevada. There are enough freight cars to make a continuous line around the earth in the latitude of Milwaukee, to fill nearly five parallel tracks from New York to San Francisco, and their carrying capacity is sufficient to hold nearly 3,000 pounds of freight for every man, woman, and child in the United States.

This great plant is manned by about 50,000 conductors, nearly 65,000 engineers, a like number of firemen, and in all by nearly 1,700,000 men. Its activities never cease. Every *month*, every day, every hour, every second, in darkness and in daylight, in the face of fire and flood and storm and tornado, in the extreme cold of winter and the extreme heat of summer it is operated for the convenience and the comfort of the people. The products of the farm, the forest, the factory, and the mine; the wheat of the Dakotas; the corn of Iowa and Kansas; the fruits of California and Florida; the cotton of Mississippi and Texas; and the coal of Pennsylvania and West Virginia derive their value very largely from its existence and its operation. The freight carried annually, at the lowest rates in the world, is equivalent to more than 25 tons conveyed 100 miles for every man, woman, and child in the Nation, and the yearly passenger traffic is equivalent to the taking of the entire population of Wisconsin around the earth in this latitude, or to the travel of a party of more than 30 persons, going at the rate of a mile a minute, night and day, every second of the time since Christ was born.

Owned and operated by many companies, the various lines have, by reason of matters which time will not permit me to discuss, come to constitute one great system, and the process of nationalization, as it may be called, is now going on more rapidly than at any previous time. It may be said that the railroads constitute one great system of commercial highways, the activities of which are in an intricate and delicate way most vitally connected with the economic, the industrial, and the social life of the Nation. Like the arteries and nerves of the human body they penetrate and vitalize every part, and the agricultural, the manufacturing, the mining, the commercial, the financial, and the social activities of the people, as they exist to-day, would be inconceivable without them. Considered in their entirety, our railroads are

the most wholesome economic force in existence. They are the balance wheel, as it were, of production, distribution, and consumption, and next to agriculture contribute most to the prosperity and the comforts of the people. Whatever therefore affects their management and their finances affects their service, and through their finances and their service affect every other industry and all persons throughout the country.

The Interstate Commerce Commission and commissions in the several States have for some years past exercised large authority in the matter of rates, while at the same time determining to a considerable degree both the character and the extent of the service, thus reducing income and increasing expense.

Wages and the cost of materials, supplies, and taxes have been largely increased, but net earnings have not been increased accordingly, and as a result the financial condition of the railroads has been most seriously affected. There are, therefore, many good reasons why a substantial increase in traffic rates would prove beneficial generally, but I shall limit myself to a very brief discussion of three.

First. The laborer is worthy of his hire. So is the man possessed of capital, or, as it may be termed, crystallized labor, entitled to a fair return for its use, and the return upon capital now invested in the railroads of the country is too low. It is lower than the return received by many of the large life insurance companies, whose securities are of the strictly investment class, and very much lower than the return on capital invested in banking, manufacturing, and other industries generally. I am well aware that some will question the accuracy of this statement, and reply by saying that, while the interest and the dividend rates upon the bonds and the stocks of the railroads may be low, the capital as shown by the bonds and stocks is excessive, and that the rate upon the actual investment is higher than it ought to be. Indeed, it is generally assumed that the railroads of the country are grossly overcapitalized, and it is widely charged that the people are paying vast sums in the form of interest and dividends upon such overcapitalization. It is not so. The charge is contrary to the facts in so far as the facts have been ascertained. It has been made again and again by certain magazine writers and by some public men, but I care not by whom made, it can be substantiated by no one. Whenever, wherever, and by whomsoever made, it is made either in ignorance of the fact or in disregard of the fact.

The best available information at present obtainable is to the effect that the American railroads as a whole are not overcapitalized. It is not unlikely that an impartial valuation of their properties, as they exist to-day, by competent and impartial men would find such values to exceed by from 10 to 20 per cent the net face value of all of their bonds and stocks. Let us examine a few facts. A physical valuation of railway property has been made by public commissions in five States, namely, Michigan, Wisconsin, Minnesota, South Dakota, and Washington. The value of the railway property in these States, as shown at the time by their stocks and bonds, was approximately $1,210,000,000; yet the commissions found the value to aggregate a little more than $1,211,000,000, and the actual value was fixed by other competent and disinterested authorities at considerably more than the values found by the commissions.

Again, we have in the country about one-sixteenth of the world's land area and one-sixteenth of the world's population, but we have 40 per cent of the world's railway mileage, nearly all built without any guarantee of profits upon the investment other than faith in the future of the country. Yet the average capitalization per mile of railway in this country is considerably less than the average capitalization per mile of the railways of the world. It is probable that rights of way here have cost less per mile than in many of the other countries, but nowhere else in all the world has the cost of labor, the chief item in the cost of railway construction, been so high as in our own country. Another consideration is this: The average capitalization per mile is less than the average capitalization per mile of railroads now being constructed in Japan, India, and elsewhere, yet we are informed that labor in India is cheaper than in any other country of the world.

If we turn to the matter of taxation, we arrive at the same conclusion. The taxes of the railroads have been increased more than $50,000,000 a year within the last seven years, and they are now paying a tax of about $130,000 annually. If the value is in the railroads, why not the rate to pay a fair return thereon? If the value is not there, and the tax is, then it would seem that we have at least a few public officials who are violating their oaths of office and committing grand larceny in the name of the State. Is it fair treatment that one set of public officials should increase the taxes upon the theory that the capital indicated is actually invested, and that another set of public officials should refuse to permit the railroads to charge an adequate rate upon the theory that the capital is largely water? For my own part I am satisfied that the capital is invested and that the rates ought to be raised. I hope that the physical valuation to be undertaken by the Government will be promptly carried out, for, if the work should be thoroughly and fairly done, the result will remove a very erroneous idea from the public mind.

Let us approach the question of investment from another point. Let us consider for a moment the cost of what may be termed a table of accessories. There are along the railroads of the country about 325,000,000 fence posts and 2,500,000 miles of wire, and the fences have cost approximately $125,000,000. There are cattle guards, plankings, wing fences, and warning signs from 400,000 to 500,000 in number, and these have cost almost $50,000,000. There are upon the ground about 1,140,000,000 ties, which have cost from $600,000,000 to $700,000,000. There are more than 5,000,000,000 spikes and fastenings; there are enough of these to put at least three into the hands of every human being on the face of the earth; enough to give an armful of 50 to every man, woman, and child of all the 100,000,000 people in the United States, and these little things have cost nearly $60,000,000. There are more than 53,000,000 tons of rail, which have cost approximately $1,600,000,000. There are water tanks and watering plants costing nearly $100,000,000. There are roundhouses, small repair shops, and the like, costing upward of $500,000,000. There are 80,000 passenger depots and more than 100,000 depots in all, which, according to the best information at hand, have cost approximately $1,750,000,000. There are about 65,000 locomotives varying in cost from $10,000 to $50,000 apiece and having an aggregate value of nearly $1,200,000,000. There are 50,000 passenger cars that have cost upward of $600,000,000, and there are more than 2,300,000 freight cars, which have cost approximately $2,000,000,000. We have in these accessories an investment of from $8,000,000,000 to $9,000,000,000, and at a most conservative estimate such investment amounts to more than 40 per cent of the net capitalization of all of the railroads of the country. But we have not yet a railroad. We have not an acre of right of way, nor have we a shovelful of earth turned, nor a rock blasted, nor a river spanned, or a tunnel bored.

So, I repeat that, as the laborer is worthy of his hire, the men and the women of the land who have both directly and indirectly invested their savings in the railroads of the country are entitled not only to a reasonable security for such savings, but also to a fair return thereon, and in the present state of things they are not getting it. It is unjust and it is unwise from an economic viewpoint to seek to compel those who have invested their means in these great public-service undertakings to go without an adequate return. In the long run and in a large way such a policy is certain to react upon other lines and ultimately to have an adverse effect upon all of the country's industries and upon every individual.

Last year the people of this country paid only about $700,000,000 as a return upon the tremendous investment in their railroads; that is all that was paid for the use of all the vast machinery of transportation which stretches from ocean to ocean and from the Lakes to the Gulf, and upon which the prosperity and the comfort of the Nation depend. Mark it: For these purposes they paid only about $7 per capita, yet they paid almost $11 per capita to run the Federal Government alone. Senator BURTON, of Ohio, writing two weeks ago in the Saturday Evening Post, said that two-thirds of all of the appropriations made by Congress last year were on account of wars that have been or wars that may be. If this statement be true, then the people of this country paid last year less for the use of the capital invested in their splendid transportation system covering the whole country than they paid on account of war.

Second. Another reason why rates should be advanced is this: The return on existing capital is so low as to discourage further investment in railway securities, and if this situation continues the development of the country's transportation facilities is likely to be arrested to an extent certain to hinder the development of other industries. Adequate transportation facilities are indispensable to the prosperity of agriculture, manufacturing, mining, jobbing, and other industries generally. Such facilities can be secured only by improving and extending existing lines, building new lines, providing larger and more conveniently arranged terminals, warehouses, depots, and additional locomotives and cars. These require vast sums of money, and to provide them there should be a further investment within the next few years of from five to seven billions of dollars. If the railroads are to keep up with the growth of the country in other respects, and if they are to afford the farmer, the manufacturer, the jobber, and the shippers generally the facilities which these industries are demanding, and which all well-informed railroad men concede should be afforded, then the investment of additional capital must be encouraged. It is probable that there is not at present a large city in the country where the railroad facilities are sufficient to accommodate the handling of traffic as promptly and as cheaply as it ought to be handled, and this is equally harmful to the shippers and to the railroads. It means expense to the former without benefit to the latter.

Transportation facilities which keep pace with and contribute to the growth of other industries can be secured only by that fair treatment which gives confidence to those who are charged with investing the means necessary to develop such facilities. It is idle to talk of compelling. There is nothing either in law or in morals by which one man can compel another to put his means into a given enterprise for the benefit of the first without a reasonable return to the second. We must not forget that by reason of the venets of the past few years the custodians of capital have justly become cautious; that the reservoirs of capital, from which the vast amount needed to make improvements must be drawn, are the banks, the trust companies, and the insurance not forget that by reason of the events of the past few years the custodians of trust funds belonging to the millions of individuals throughout the land, and that the law as well as sound business judgment forbid their putting these funds into railroad enterprises, no matter what the need for additional facilities may be, so long as existing capital is insecure and the return thereon inadequate.

A further investment of from three to five billion dollars is required to satisfy the public demands for improvements, which, if made, would not appreciably, if at all, increase the earnings of the railroads. These demands cover the elimination of grade crossings, more commodious and more conveniently arranged passenger depots, the substitution of steel passenger cars in place of present equipment, more and better train service generally, and many other minor improvements. It may be conceded that all of these changes are desirable, but they would not materially increase the earnings. Then whence the money? Railroad managers are not magicians. Like the great mass of men in other pursuits, they can but work in "common ways with common men." If such improvements are to be made—and railroad men generally, as well as the public, would be glad to see them made—the expense must be met either by another large addition to capital or they must be paid for out of net earnings. If the expense is to be met by the first method, the net earnings must be increased sufficiently to provide the sums adequate to pay not only a reasonable return upon existing capital, but a reasonable return upon the additional capital required. If such expense is to be met by the second method, the net earnings must be correspondingly increased in order that there may be a sufficient surplus out of which the improvements may be gradually made.

There appears to be little appreciation of the extent of the demands made upon railroad companies in recent years. For instance, men talk freely about the substitution of steel cars in place of present passenger equipment, as if the matter were of no great consequence from a financial standpoint, and Members of Congress and Senators make speeches and introduce bills to compel an immediate change. They appear to think that steel equipment could be quickly provided and that it would result in a great saving in operating expense, whereas the fact is that it would require nearly 10 years for the car builders of the country to turn out sufficient cars to make the change, the expense of operating would be considerably greater than the present cost of operation, and the initial cost would be approximately $600,000,000. As a further illustration, it may be said that there are upon the railroads of the country more than 350,000 highway crossings, and that the elimination of the entire number would probably cost more than $5,000,000,000. It may truthfully be said that railroad men generally are more keenly appreciative of the importance of making the improvements about which so much is said, but they have not yet found a way to pay out two dollars where they receive but one.

Third. Another reason why the rates should be increased is this: A substantial increase is necessary to preserve the economic balance in the country generally. While the rates are insufficient to pay a reasonable return upon the present investments, not only are further investments discouraged but the development of transportation facilities

is arrested, with a consequent disastrous effect upon all other industries. There is also a serious disturbance of the finances of the country at large, for the finances of the railroads are quite as extensively interwoven with the finances of the country generally as is the physical system of tracks and terminals and cars with the several parts of the land. I know of no other single agency in all the land which so widely and so promptly returns to the pockets of the people so large a proportion of the moneys received as do the railroads.

The gross earnings at present are about $3,000,000,000 a year, and of this about $1,500,000,000 is immediately disbursed in the form of wages, $600,000,000 to $700,000,000 are paid out for materials and supplies, and about $130,000,000 is paid in taxes. For example, during the fiscal year ending June 30, 1913, the three large systems operating in Wisconsin, namely, the Chicago & Northwestern, the Chicago, Milwaukee & St. Paul, and the Minneapolis, St. Paul & Sault Ste. Marie, had gross earnings in the State of a little more than $57,000,000, and of this sum these three companies paid out to the people of the State during the same fiscal year the sum of $45,000,000 in three items, namely, for wages, materials and supplies, and taxes. It is not likely that such a showing could be made by any other industry.

What is true of the vast sums paid out for wages, materials, and *taxes is almost* equally true of the remaining $700,000,000 paid as interest and dividends. Only in a very limited sense are the stocks and the bonds the property of the few and the rich. There are from eight to nine millions of people who draw their daily sustenance from the railroads, but their are in addition to these more than a million stockholders, thus adding approximately three millions more who have a direct interest in the properties of the various companies.

But the number who have a financial interest, only slightly less direct, exceeds in number both of the classes mentioned. To illustrate: A few days ago the New York Life Insurance Co. published a statement showing more than 1,000,000 policyholders and more than three hundred millions of the company's assets invested in railroad bonds and stocks. It follows, therefore, that from twelve million to fifteen million dollars of the moneys disbursed last year in the form of interest and dividends upon the bonds and stocks of the railroads a fairly substantial part of the seven hundred millions mentioned went into the treasury of a single life insurance company for distribution among more than a million policyholders, including farmers, mechanics, and other laborers, as well as the merchants, manufacturers, bankers, and the like. Were we to trace the moneys paid as interest and dividends, we would find a very large proportion of it returning to the pockets of the thrifty men and women residing throughout the country.

This invisible connection of vast numbers of the people with the very financial resources and accumulations of capital which they are wont to attack as antagonistic to their own interests is the most strange phenomena of the age. It suggests the question, whether as a people we are not somewhat wanting in the power of analysis and in the habit of calm reflection. There are within five minutes' walk of where we now sit, in the bank vaults of the city, more than a hundred millions of assets. Next to the labor of her people, this is the most potent force in the industrial and commercial life of the city. Each little sum is without productive capacity while it remains hoarded in individual hands. On the other hand, even the single dollar to the credit of the baby in the cradle, when deposited in bank and rendered active in the productive enterprises of the community, becomes a contributing factor in moving and expanding the mighty manufactories which are the support and the pride of the city. So it is with the capital of the railroads. It belongs to the many. It is the capital of the people generally, and when the situation is rightly understood the people will see that in attacking the railroads they are attacking their own interests.

It is well to take account of these things, for they help us to think straight and to comprehend the great principles of finance which lie at the foundation of prosperity in every well-ordered state; principles which have endured and will endure, for "On the rocks primeval, hidden in the past their bases be, block by block the endeavoring ages build them up to what we see." It must be clear that any policy which affects the value of railroad securities by reducing the return thereon below what is reasonably adequate tends to disturb all of the country's industries and its entire financial system, to the detriment of all of the people.

An address by Daniel Willard, president of the Baltimore & Ohio Railroad Co., at the annual dinner of the Traffic Club of Pittsburgh, March 27, 1914, Memorial Hall, Pittsburgh, Pa.

My first definite impression of Pittsburgh as an industrial center was gained in 1899. I happened to be here on an inspection trip with Mr. John K. Cowen, who was at that time president of the Baltimore & Ohio Co., and I remember his saying that the tonnage handled by rail into and out of Pittsburgh per annum was much in excess of all the tonnage handled at that time by the Baltimore & Ohio from all of the stations on its entire line. He further said that Pittsburgh was then the greatest tonnage-producing center in the world.

Later on, when I was an officer of the Erie Railroad, Mr. Cowen's statement frequently recurred to me, and we of the Erie often deplored the fact that our rails, which went within 60 miles of Pittsburgh, fell short by that same distance of reaching the greatest tonnage center in the world. When I reentered the service of the Baltimore & Ohio Co. in 1910, the impression which I had gained 15 years before concerning Pittsburgh's industrial importance was as vivid as when first made, and it has been strengthened, if possible, by my experience during the last four years.

I understand that the total freight tonnage shipped into and out of Pittsburgh via railroads during the calendar year 1912, and not including tonnage simply passing through, amounted in the aggregate to 164,594,015 tons. The revenue tons carried by the Baltimore & Ohio Co. during the same period amounted to 69,762,098, or less than one-half the tonnage which was actually handled in this one center, showing that the condition which Mr. Cowen described in 1899 has become even more accentuated since that date. I have recently made inquiries concerning the business of other large industrial cities, and, so far as I am able to learn, Pittsburgh is still the greatest tonnage-producing center on earth.

The enormous tonnage above referred to, however, is not created in Pittsburgh. In a large sense the raw materials required are brought here from the iron mines in Minnesota, from the coal mines in Pennsylvania, Ohio, and West Virginia, and from the forests and quarries located at other places more or less remote, and after the crude material has been manufactured and put in commercial shapes it is then sent to the four corners of the earth as a market.

It is interesting to recall in this connection that Washington, when on his first trip to the headwaters of the Ohio, is said to have written in his diary while camping on the point of land between the junction of the Monongahela and Youghiogheny Rivers that "here would be a good place to build a mill"—another instance, if such were needed, of the remarkable foresight and prophetic vision of the revered Father of our Country.

With the conditions just referred to in mind, it is clear that Pittsburgh should be—and we know it is—deeply interested in transportation, using the word in its broadest sense, and it is particularly interested in that kind of transportation represented by the steam railroad. The railroads that are fortunate enough to reach this great manufacturing center with their own rails are in turn equally interested in anything that affects the success and continued development of Pittsburgh. You have doubtless listened many times, upon such occasions as this, to statements dwelling in much detail upon the varied phases of Pittsburgh's greatness, and you have no doubt been told just as often of the enormous business done by the railroads that enter your city. It is not my purpose, however, at this time to speak further concerning either of the subjects just mentioned. I desire rather to talk for a short time about certain phases of the railroad question which have been under general discussion of late, and on that account more or less in the public mind, and part of what I shall say in that connection will apply more particularly to those railroads located east of the Mississippi and north of the Ohio and Potomac Rivers and in that part of the United States which traffic men are accustomed to speak of as official classification territory.

It has gradually come about that under existing conditions the rates and charges now in effect in official classification territory do not yield sufficient revenue to properly meet the situation, and the railroads are endeavoring at the present time to obtain permission to advance their freight rates approximately 5 per cent. I shall not recite the causes which have brought about the present situation, because I assume you are already familiar with that phase of the subject. Neither is it my purpose to emphasize at this time the arguments that have been presented in the case now before the Interstate Commerce Commission, but I can not discuss my subject fully and freely unless to some extent use is made of information which has already been developed in that connection.

In the present rate case it has been shown, for instance, in statements presented to the Interstate Commerce Commission that 35 roads in official classification territory have actually added to their property investment since 1910 for additional facilities and equipment over $659,000,000, but as a result of operations in 1913, although the gross earnings of the 35 railroads were $186,775,000 greater than in 1910 the net earnings after paying operating expenses and taxes were actually $16,311,000 less than in 1910, showing that not only had these particular companies failed to earn any return whatever upon the new capital invested, but they actually had $16,311,000 less net as return upon their previous investment than was the case before the large additional amount of money had been put into the plant, and, of course, it is unnecessary to say to you as business men that no business enterprise can continue on such a basis.

It has been stated by men who have given this matter careful consideration that the growing needs of the commerce of this country will require an additional expenditure by the railroads for new equipment and facilities of upwards of a billion dollars a year for some years to come, and under existing conditions the only way in which such money can be obtained is through private enterprise, actuated, of course, by the desire for private gain. Men having money to invest will not put it in railroads unless they believe that money so invested will upon the whole bring as safe and satisfactory return as might be expected if invested in other direction, and railroad investments must be made sufficiently attractive to secure new capital, else development, which means new cars, new engines, new stations, new tracks, and other facilities, will cease, and nothing can more effectually check, if not absolutely stop the growth of commerce than insufficient transportation facilities.

How may the new capital needed be obtained? How may railroad investments be made attractive? By permitting the railroads to impose such reasonable charges for service performed as will, with economical and intelligent operation, yield sufficient net to pay fair and reasonable return upon the capital required.

The claim is frequently made, and rarely denied, that the American people are fair, and that ultimately they may be depended upon to do what is reasonable and right. Nevertheless, it sometimes appears as if they were not willing at all times to do what is fair and right toward the carriers, and the question naturally arises, why should a people of recognized fairness be unfair or feel unkind, if they do, toward the railroads?

I think this feeling was due largely to the fact that in the past the railroads did things that in the light of present-day standards ought not to have been done. I might, in this connection, if it were worth while, urge extenuating circumstances, but within the limited time at my disposal I think it would be more profitable to consider inseall the situation as it exists to-day. It is beyond doubt that there has been a more or less general feeling of hostility toward the railroads, and it was due, among other things, to the fact that the railroads exercised at times, we will say, or at least they were supposed to have done so, a control over some of the people's representatives and public officers that was not in harmony with our democratic ideas of government. They showed partiality between shippers and between communities as regards rates, passenger fares, and conditions of service. They were not sufficiently considerate of the rights of others, and, further, financial transaction of an objectionable character were suspected and disclosed in numerous instances. All this finally developed a feeling of pronounced hostility on the part of the public generally toward the railroads and those who represented them, and this feeling found expression from time to time in laws framed to correct the things complained of

The Interstate Commerce Commission, which came into existence in 1887, was the result of a nation-wide demand that certain abuses should be corrected. The things chiefly complained of at that time were, as I have suggested, the misuse of passes, the granting of rebates, the hauling of freight a longer distance for a less amount than was charged for a shorter distance, and the evils connected with the so-called pooling system, etc., all, I may say, the natural fruits of competition. The commission, then established, has been given the power to correct the things above referred to. The Interstate Commerce Commission is one of the most powerful bodies of the kind in the world, and in it the people have the strongest possible guaranty against misuse of power by the railroads in the future.

It has been frequently stated that the railroads, or at least some of them are incompetently and dishonestly managed. Men engaged in the railroad business are human and no way different from those engaged in other business undertakings. It has developed in certain instances, I regret to say, that men holding official positions with railroads have been unfaithful to their trusts; conditions of extravagance have developed in localities, and uneconomical methods have been disclosed. I suppose the same may be said concerning any other undertaking in connection with which a considerable number of men are employed, because in such cases there is always the element of human weakness to contend with. However, as matters exist to-day the railroads are obliged to keep their accounts in accordance with methods prescribed by the Interstate Commerce Commission; they are, in fact, prohibited by law from keeping them in any other way, and their books must be open at all time for inspection. Under such condtions it is practically impossible for dishonest methods to be followed for any considerable length of time without detection, and in this connection I wish to state in the strongest manner possible that in my opinion there is no more efficient, high minded or honorable body of men to be found anywhere than those who to-day constitute the official staff of the American railroads. I do not claim they are better than other men; I do assert, however, that they are just as good, and my belief is based upon an intimate knowledge of an acquaintanceship with the men in mind of more than 30 years' duration. Further, there is no incentive to wasteful or inefficient operation, but on the contrary there is the strongest possible incentive to efficient and economical operation. Those who manage the railroads are endeavoring to do so in such a way as to make them profitable to the owners, as well as satisfactory to the public. In other words, they are actuated, we will say, by the feeling of selfishness—the same feeling which actuates each one of us as individuals in all of our business undertakings. However much we may dislike the word, we must admit that as a rule the real incentive behind the farmer, the merchant, and the manufacturer is the desire for private gain or gain for self.

It should be remembered, however, that the railroads, quite unlike the ordinary manufacturing or business enterprise, extends over many miles of country, and its operations on that account are extremely difficult to supervise; and because of its public character the railroad is constantly required to sacrifice economy in the interest of safety, dispatch, or the commercial requirements of the service. All of these features make it difficult to obtain such economy and efficiency in service as might otherwise be expected. They do not make efficiency or economy impossible, but they do make both more difficult, and in any event the efficiency of American railroads has been a matter of amazement to the railroad managers and students of economies from every country in the world. It is possible that further economies will be effected in the cost of transportation. It is certain, however, that the demands of commerce, of labor, of the regulating bodies, and of the people themselves, expressed in various ways, will continue to add to the cost of operation, and it is doubtful if all the further economies possible will be sufficient to offset the increase to be expected from the causes just mentioned.

The claim is also frequently made that the capitalization outstanding against American railroads is largely in excess of their fair valuation, and it represents, in the popular language of the day, watered stock and securities. It is interesting to note in this connection, however, that the outstanding capitalization of the entire American railway system, as shown by last report, 1911, of the Interstate Commerce Commission, was $63,944 per mile, as compared with $275,354 per mile in the United Kingdom, $143,648 per mile in France, $117,837 per mile in Austria, and $113,326 per mile in Germany.

In response to a public demand, based, I believe, upon a misunderstanding of the facts, the Congress has provided for a Federal valuation of all the properties of the railroads, money has been appropriated for that purpose, and the necessary machinery set in motion. The carriers are confident that a fair valuation will show that the railroads, as they exist to-day are actually worth a sum very greatly in excess of all outstanding capitalization. It is possible this statement may need qualification concerning some individual companies, but there is no doubt in my mind that it will fairly apply to the situation as a whole.

It should be remembered in justice to those who have invested their money in railroad securities and to those who have spent their lives in the service of the railroads, that notwithstanding all that has been said in criticism of railroad methods and management, the capitalized cost per mile of the American railroads as a whole has been less than one-half the average cost of the railroads in Europe. Further, the freight rates on American railroads are, upon the average, but little more than one-half what they are in Europe, while the wages paid American railroad employees are from two to three times as high as those paid similar employees in any other country in the world, with the single exception of Canada on our north.

At the present time the railroads of the country generally are managed by men who have grown up in the service, and have been and now are devoting their best talents to that end. They appreciate the change that has come about concerning the relation of the railroad to the public; they understand thoroughly that the railroad to-day is a semipublic institution, and because of that fact the officers and employees of the railroad are semipublic servants. Further, they appreciate fully that the railroad as a semipublic institution is charged with a very important public duty to perform—that is to say, the duty of furnishing transportation of a generally satisfactory character to all who desire to make use of its facilities, but they also realize that in addition to the duties which they as semipublic officers owe to the public, they at the same time hold a very important and no less honorable position as trustee for those whose money has made the railroad possible. They know, however, that they are best performing their duties as trustees when they are operating the railroads so as to best serve the territory through which they pass. They clearly understand that the best interests of the railroad are identified with the best interests of the community which it serves.

Our country is one of magnificent distances, and no people in the world make so free a use of transportation as do the people of the United States. The latest official records show that in Germany the railroads carry 490 tons 1 mile per annum for each individual; in France, 336; in England, 292; and in Austria, 184; while in the United States as a whole the number of tons carried 1 mile for each individual is 2,800, or nearly six times as much as is carried in any of the countries just mentioned. This is due to the fact that it is our established economic policy as a nation to raise our wheat, dig our coal, and mine our ore at the place where each can be most economically produced, and then move it to the place where it is needed by the ultimate consumer, over what I venture to say is the best transportation system in the world. Without doubt this system of domestic economy has contributed largely to the wonderful development of our country; but in order that it may continue it is of prime importance that there should also continue to be an efficient transportation machine, and for that machine—unless we depart entirely from our present policy—we must depend upon private capital, and, as I have already stated, that can only be obtained by the reasonable expectation of satisfactory reward.

I do not think the necessity for increased revenue on the part of the carriers in official classification territory is seriously questioned by anyone at the present time. I shall not take your time to discuss whether the increased revenue which the carriers need should be obtained by advancing passenger fares, by increasing, if possible, the charges for carrying the mails and express, by increasing some freight rates and not increasing others, or from various other suggested sources. It is perhaps sufficient to say that those representing the carriers gave the whole subject their best thought, and concluded that the most practicable and, upon the whole, the best way to meet the situation at the present time was to advance all freight rates a small and substantially uniform amount. There is doubtless much to be said both for and against some of the other methods suggested.

I would like to say just a word before I close about the present attitude of the press toward the railroads. Four years ago when the eastern carriers endeavored to advance freight rates, the press was generally opposed to the movement; to-day, however, it is practically unanimous in support of the railroads' position, and this change of attitude has been much commented upon and much misunderstood. It has been said, for instance, in the Halls of Congress that all manner of schemes have been worked to create public sentiment favorable to the increase of railroad rates. That efforts have been made to create a sentiment favorable to the railroads in the present rate matter, I will not deny. I do assert, however, and as chairman of the presidents' committee I am in position to know, that such efforts have been confined to the very simple procedure of presenting the facts.

The railroads have been criticized in the past, and perhaps rightly so, for not taking the public into their confidence. In the present case we have tried, I have tried, others have tried, to do the thing that we have been criticized for not doing in former years. We have stated our case to the public, and we have done so because we have felt that it was a matter in which the public was largely interested and concerning which it ought to be informed; and while it is not to be presumed that the Interstate Commerce Commission will be or should be influenced by public opinion, still the commission, because it also is the servant of the public, has the right to know the public's view concerning a matter of such prime importance. If the press in a large sense truly represents public opinion—and I sincerely believe it does—then the carriers may well feel gratified by the attitude of the public in the present case.

I am glad of this opportunity to express my appreciation of the very fair and intelligent manner in which the question has been discussed in the columns of our great dailies and other publications, and I appreciate it all the more because of my belief that they truly represent the real feeling of the people.

I believe that the relations between the railroads and the public in the future, because better understood, will be more harmonious than in the past, and in that connection there is perhaps no better agency through which that better understanding may be promoted than the one represented by the gathering here this evening. The Pittsburgh Traffic Club, as would be expected, is one of the most important associations of the kind in existence. There have been many questions of difference between the railroads and the shippers of Pittsburgh in the past, and unfortunately there are some still unsettled to-day. I believe, however, that if both sides will approach the subject fairly, and with a disposition on the part of each to recognize and respect the rights and privileges of the other, that there are no existing differences which can not be amicably settled and to the mutual advantage of both.

The Necessity for an Increase of Railroad Rates in the Interest of All American Business.

An address by T. H. Symington before the Rochester Credit Men's Association, Rochester, N. Y., Wednesday, October 22, 1913.

GENTLEMEN: When your committee requested me to make an address to you to-night they stated that they wanted a change from the usual type of orator, and that you would welcome some plain thoughts from a plain business man on some topic of current interest. I accepted the invitation on these conditions, as I felt that I can guarantee some of these requirements, for I am certainly no orator and just as certainly a plain business man, and I am sure there is no current topic of more interest than "The relation of sufficient railroad rates to general prosperity," particularly as Rochester is the only city east of the Mississippi River and north of the Ohio and Potomac Rivers, which is known as official classification territory, that has not been visited by the executive traffic officer of the railroads to discuss this most important question.

Nowadays all business is so closely related, and each industry is in such close contact with every other one, that sickness or depression in one line is just as certain to spread to other lines as that one man with smallpox can spread disaster through a whole city. For this reason you and I are mutually interested in each other's welfare and in the welfare of all other men and corporations throughout our entire country. Following this idea, it is evident that the larger and more spread out any one industry is, the more damage to you and me is occasioned by sickness in that industry.

The only contagious sickness that can come to any industry is lack of prosperity, and this can never occur so long as there is a good market for its products, at good prices. We are all of us, directly or indirectly, dependent upon the prosperity of our neighbors in direct proportion as the neighbor is in big or little business and a large or small consumer.

The largest industry we have in this country is agriculture, and, incidentally, the farmers constitute the largest class of consumers of what you and I are selling, viz, money, labor, and manufactured goods. When we look back to the times when our farmers were not prosperous, just as surely do we note times when none of us were prosperous, but now, because of the advanced price of everything that the farmer has to sell, he is prosperous throughout the whole country, there is no danger of our becoming infected adversely through him, so we can turn to the next largest industry, the railroad, to see if there is any need for treatment to promote its well-being and increase its consumption of what you and I have to sell, and this is the subject that I have in mind to-night, "The needs of the railroads to put them in somewhat the same position of strength and security that our farmers now hold, and thereby remove the contagion from our business situation that I am confident is adversely affecting you and me."

The fact that the railroads are in trouble is so generally known and admitted that one might say it is hardly worth while discussing the matter, but the question is one of such vital importance to us all that I think it behooves us to go into it very carefully and do what we can to put them in a sound condition.

There is only one trouble with the railroads as a whole—their income has not a sufficient margin over their expenses to keep them in a safe and sound position. They have asked the Interstate Commerce Commission for a 5 per cent increase in rates, which question will be settled this winter.

In the summer of 1910 the railroads east of the Mississippi and north of the Ohio and Potomac Rivers tried to advance their rates, but were prevented by the Interstate Commerce Commission from putting them into operation until they could prove to the commission the reasonableness of the proposed increase. They failed, for some reason, to do this.

The interstate commerce act under which this adverse ruling was made is unfair to the railroads in its present form. They must spend a large amount of money and labor in preparing new tariffs and having them printed before they can get any standing whatever before the commission. In ninety-nine cases out of one hundred the commission suspends the proposed new tariffs for six months or more and then has a hearing, and after the hearing there are very few cases on record under the amended act where the proposed new tariffs have been approved.

Imagine the situation if, before you and I could raise the selling prices of our goods, we were compelled to print new price lists, then hold them in abeyance for six months, and then prove our case of reasonableness with all our customers on the opposition. We would never get a justified advance in price, and we would not stand for it. We would change the law to put the burden of proof of unreasonableness on our customers, which is the universal custom in trade the world over.

There are only three factors in a railroad's business, as in yours and mine, viz, income, expense, and surplus earnings, and it seemed entirely logical to the roads that an undisputed larger expenditure must be offset by a larger income to produce the same surplus, but right here the railroads lost their case on the adverse argument that there was no need for the same surplus, and that anyway the same surplus could be maintained by increased operating efficiency. It was further held by the commission that the plan proposed by the roads for an increase of revenue might be improved on, and that in any event it was hardly fair to put into effect at that time new advanced rates, when all business was depressed and railroad traffic was below normal, the idea being that the roads were not entitled to a long-term increase of revenue based on their low ebb of business, as their income would then be unreasonably large with a normal volume of traffic.

The proposed increase of rates in 1910 provided for an advance of 10 to 20 per cent in certain rates and no advance in others, which would have upset the relationship of one rate to another, which balance had been established through many years of adjustments. The roads have accepted this point of view and have now requested a straight 5 per cent increase in all rates so as not to disturb the fine balance of the present rate fabric. It is held that a 10 per cent advance is more reasonable under all the circumstances, but in asking for only 5 per cent they may have in mind the hope of a realization of the Latin proverb "Qui quito dat dis dat," which means that "Whoever gives quickly, gives twice."

While the volume of traffic in 1910 was not up to normal, certainly the traffic of the past year has been as great or greater than ever before in the history of our country, and yet the net income of most of our railroads has not been at all satisfactory.

The argument that carried a great deal of weight in 1910—that it was not up to the people to furnish a sufficient income through increased rates to pay dividends on fictitious capital—is still a good one, provided we agree on the meaning of fictitious capital, but you credit men, more I think than any other class of people, can realize to what foolish lengths this argument can be carried. I will not discuss this question from an ethical standpoint, because we all agree that a dishonest dollar of security is an abomination, but I will ask you to reflect that much that has been condemned as water in some railroad securities was as necessary to the very life of those properties as water is to men crossing the Sahara Desert.

It is needless for me to speak of the larger return an investor demands when he is taking a risk in business, because the matter is so generally understood, but you may be interested to know that whereas in 1900 the entire net capital of the railroads of the United States was divided in the proportion of 49 per cent bonds and 51 per cent stock, in 1910 the net railroad capital of some $14,000,000,000 was divided 56 per cent bonds and only 44 per cent stock. In the year 1912 industrial companies were able to market from three to four times as much stock as the railroads. The investors of the world do not want our railroad stocks, because they are not sufficiently attractive. If the investor is simply looking for a safe yield, he will buy bonds, and it is impossible to build up any industry in any country on mortgage alone. The railroads must be able to earn a sufficient surplus to insure a safe return to the stock investor, and at the same time provide means for increasing the intrinsic worth of the property through additions and improvements. It has been shown that the Pennsylvania Railroad, for example, can and does put a dollar back into its property for every dollar that it pays in dividends, and were all of our railroads able to do this now the question would not be of as paramount importance as it is.

The American policy of not capitalizing railroad improvements makes it necessary to pay for betterments out of surplus earnings. In Europe net earnings go to the stockholders and improvements are charged to capital account. The increase of capitalization per mile of railroad in England and Wales in 19 years, from 1890 to 1909, was 24 per cent more than the total capitalization per mile of all the roads in the United States in 1909. We have in this country no mysterious abilities denied to the rest of the world, and whether improvements are paid for directly out of the surplus earnings or indirectly through interest on new capital is immaterial so long as our railroad income is large enough for the purpose. The American plan is undoubtedly wiser, as it tends to prevent inflation of securities.

It is easy to show that a large amount of watered securities have been issued by some railroads, but it is not so easy to show that the original acquirement of these watered securities was improper, in view of the financial risk assumed by the investors in these properties at that time, and it is also not easy to show that the uncapitalized investment of earnings and the intangible assets of good will and franchise have not grown to such large proportions that they have caught up with the original water in just the same way that the modern method of filling in land of no value is to pump water and mud into the hole in such quantities that eventually the place becomes solid land and of equal value with contiguous land that had never been subjected to the water treatment.

There have been many improper uses of water, but I am sure that had it not been for water in a number of our railroad securities we would have no railroads in those places to-day. It has been suggested that this question of watered securities can be disposed of by taking a present valuation of railroad property and by trimming the securities to suit the valuation. This operation seems to me to be impracticable with reasonableness and fairness to all parties. These watered stocks are now in the hands of innocent people, your hands and mine, and I see no reason why I should be made to suffer because years ago some man is now thought to have been paid too much for the chance he took to build up certain property. It seems far more reasonable to me to leave matters as they are in regard to the securities of our railroads, and if in all cases we have not now in actual value dollar for dollar of securities issued, we soon will have with the ever-increasing growth of our country in population and wealth, and in this idea we can certainly be comforted by the thought that our capitalization per mile of railroad is so far below that of any other country in the world that it would seem that we have really only used water from a leak in some pipe. England's capitalization per mile is more than five times greater than ours.

I am entirely in favor of legislative regulation for the future that will adequately protect the investing public against improper issues of all kinds of securities, but I do not see how the Government can legislate retroactively without confiscating our property.

Now, then, you credit men, consider this question of surplus earnings. In the line of your business the first thing that you do in looking up the financial standing of one of your customers is to figure out his liquid surplus; dependent upon that surplus is the credit that is extended, so I maintain that the argument made in 1910—that the railroads needed no increase in income because they did not need so much surplus earnings as they had enjoyed in the past—is fundamentally wrong. I maintain that the railroads of the country need more surplus revenue to properly and adequately provide the facilities that we are constantly demanding through the Government, and which can not be bought without money to pay for them. As an instance of this, a bill has been introduced into Congress requiring all the railroads to equip themselves with steel passenger cars, at a cost of approximately $633,000,000. I think this bill is not a bit more logical than for New York State to pass a law after the big Rochester fire requiring all buildings not strictly fireproof to be pulled down and replaced with buildings of fireproof construction. This bill is typical of many laws already passed that have been brought about by public hysteria, and, while not necessary for the public welfare make large inroads on the railroad's treasury.

The railroads are entirely willing to meet the public's demand for steel passenger cars gradually, and, as a matter of fact, when this question came up no less than 97 per cent of all the passenger cars being built were of all-steel or steel-underframe construction, and the railroads were doing this without being compelled to do it by law, but simply to provide the very best and safest transportation within their knowledge.

The impression seems to prevail that steel passenger cars will prevent wrecks and the killing of people by the railroads. It hardly seems possible that the authors of this particular bill knew that in the year 1912 only 3.5 per cent of the people killed on railroads in the United States were killed in train collisions. These are interstate commerce statistics and can not be questioned.

Before any law goes into effect requiring the railroads to equip with steel passenger cars they are making splendid progress in this direction, but these cars must be paid for, and must take the place of cars that are scrapped, so that the cost must come out of surplus.

My business is to sell the railroads car equipment, so that I may be considered an interested advocate, but I know and you know that when the railroads are busy and in a healthy financial condition you are all in a similar condition. I know and you know that the railroads are such tremendously large consumers that when their purchasing power is curtailed the contagion gradually spreads to us all. Fortunately for me my business in more dependent on the railroads' gross earnings than on the net, and in this respect I am better off, I think, than you are. The railroad must handle its freight regardless of earnings, and the larger the gross earnings the more cars are required.

In reference to the argument in 1910 that the railroads' increased expense account could be met by a greater efficiency of operation: This is perfectly true and yet certainly no sane man can believe that railroad owners and managers are not trying to the best of their ability to achieve the maximum efficiency of operation. This efficiency problem is made up of facilities and men. It is easily shown that our railroad facilities are vastly superior to those of any in the world, based on the unit cost of hauling 1 ton of freight 1 mile, and it is easily shown that these facilities are increasing in efficiency by leaps and bounds in this country. We shippers get the benefit of this efficiency in having the lowest freight rates of any country in the world. England's railroads' net revenue per ton per mile is nearly five times greater than ours. Our railroads' progress in efficiency is indicated by the fact that our average freight rate per ton per mile was 23 per cent higher in 1890 than it was in 1910, and it is still decreasing. In one month in 1912 the rate reductions below the disputed tariffs of 1910 resulted in a loss of revenue of over $100,000 on the Baltimore & Ohio Railroad alone. Surely the railroads are entitled to a part of this saving occasioned by their own increase in efficiency, even though their expenses had decreased instead of increased during this period: but the increases in the wage scale alone amount to some $300,000,000, more per annum than the railroad employees would have received under the wage scale of 1899.

The man factor in efficiency, however, is not so easily controlled, for the man factor extends throughout the organization from the top to the bottom, and I state flatly that man efficiency on the average is not as great in this country to-day as it was. The tendency of all humanity to want to find an easy way to comfort and leisure has had an easy outlet in the feeling of the people that we can legislate ourselves into individual positions of security and opulence.

We have legislated our workingmen into a false position of fancied security and well-being, and automatically we have legislated them into less efficient units not only of the railroad organization, but of yours and mine as well.

In all competitive business to-day the owner who is fortunate enough to find a really able manager and build up an efficient organization is successful, and with poor management or a weak organization he can not get far ahead. Some railroad owners have been very fortunate in securing the services of very able men to lead their properties and some have not, and I can not see the fairness of demanding a higher efficiency of railroad operation than can be obtained by the average management, because the average management is the best that can be obtained.

When the cost of your production and my production goes up we raise the price of what we sell, and if we are average efficient managers we will prosper. Business would be chaotic and impossible if, to succeed, it was necessary for us to be more than average efficient.

Is it logical, then, to demand that the railroads meet their increased cost of production of transportation by more than average efficiency of operation?

Now, then, I maintain that railroad rates must be adjusted to take adequate care of the average railroad—average in operating efficiency and average in location and opportunities. Because some lines, through fortunate circumstances, do not need any increase of rates to maintain themselves in strength and security, and at the same time pay a fair return to their stockholders, is no good reason why the average road can not charge enough for what transportation it has to sell to hold its credit good before the whole world.

It has always been, and always will be, natural and proper for every man to be interested in his own welfare, as the moving force for progress in this world is enlightened self-interest, and every citizen of the United States must figure out how this advance in freight rates is going to affect him—how much is it going to increase his living expense?

A few random rates will, I think, indicate to any man that his living expense will not be appreciably affected by this proposed advance.

The freight on beef from a western packing house to New York is 4.7 mills per pound. A 5 per cent advance in the freight rate adds one-fiftieth of a cent to the cost of 1 pound of beef in New York.

The freight on a suit of clothes from Rochester, N. Y., to St. Louis is 4 cents. A 5 per cent advance in the freight rate adds one-fifth of a cent to the cost of the suit of clothes in St. Louis.

The freight on a pair of woman's shoes from Rochester to San Francisco is 5 cents. A 5 per cent advance in the freight rate will add one-fourth of a cent to the cost of the shoes in San Francisco.

The freight on a camera with tripod, from Rochester to Jacksonville, Fla., is 5.4 cents. A 5 per cent advance in the freight rate adds slightly more than one-fourth of a cent to the cost of the camera in Jacksonville.

An ax made in Pittsburgh sells for the same price in Denver as in Pittsburgh, and a Dunlap hat costs as much in Newark, where it is made, as in Los Angeles, Cal. The freight rate is such a minute part of the cost of these articles that it does not enter into the price of the retailer.

This list might be extended indefinitely to prove that the cost of the freight on what we consume is a negligible factor in our cost of living.

If you are satisfied of this, and you must be if you look into the question, your self-interest will demand that you personally do your utmost to put the railroads—the largest consumers directly or indirectly of your products—in a sound condition, and this can only be done by giving them this 5 per cent rate advance now.

We can not sit down and trust to the other fellows to do our duty to ourselves with any assurance of its being done.

It takes years to crystallize any public sentiment in this great country of ours, and the arbitrary acts of some railroad managers years ago who assumed the position "To hell with the public" ultimately worked to the great disadvantage not only of the bad railroads but of the good as well through this very same public opinion.

There has been punishment enough. I venture to say there is not a railroad man in this country to-day who does not fully realize the importance of his duties to the public as well as his duties to his stockholders.

The present favorable change of public sentiment toward the railroads that we all see everywhere will, of course, ultimately bring about the desired results for them, but meanwhile you and I are bearing the larger part of the burden.

Let us wipe the old slate clean and give our big neighbor what he is entitled to and I am convinced that we will have gone a long way toward the opening of a period of wonderful prosperity for us all. If we do not do this we will cease to make progress as a Nation, because our business can not grow without ample and sufficient transportation requiring the investment of billions of dollars of new capital; and even now we have delayed so long that we will inevitably realize the utter impossibility of the railroads handling our business long before the needed facilities can possibly be provided.

The question will be decided by the Interstate Commerce Commission, which in this case is representing the American people, and this commission can not fail, gentlemen, to be influenced by the weight of enlightened public opinion.

Address by Ivy L. Lee, executive assistant Pennsylvania Railroad Co.

To the public:

Having heard Mr. Lee make his address before the City Club in St. Louis, I resolved, as a matter of duty, to have same printed and to ask my friends to read it. If the facts related appeal to them as strongly as they did to me, I would ask that they write the Interstate Commerce Commission urging them to grant the railroads 5 per cent increase in rates in order that the railroads, as a whole, may meet the new conditions calling for such enormous expenditure of money.

The railroad is the greatest artery of commerce in the country. It has done more to build up the Nation than all other branches of commerce combined. It represents fully one-third of the purchasing power of the Nation. Any economic condition that affects the railroad is bound to reflect injury upon the State, the Nation, and all its people.

I ask a careful reading and most serious consideration of Mr. Lee's address.

Respectfully, FESTUS J. WADE.

Mr. Chairman and gentlemen, it is a source of very great satisfaction to know that business men like yourselves are willing to take a short time off in the middle of a busy day to consider a serious problem like that of transportation, which must be settled and settled aright if the prosperity of this country is to continue.

To obtain some idea of the extraordinary conditions that surround the management of railroads at the present time, consider the fact that last year there were 42 State legislatures in session. In those legislatures there were introduced 1,395 bills regulating the operation of railroads, and of that number 230 were passed. Railroad regulation is a good thing, and I should be the last to quarrel with it. But the difference between the legislator passing bills for the arbitrary regulation of railroad-operating methods and the man who is actually conducting the operation of the railroads is simply this: The railroad manager is responsible for the financial result, whereas the railroad legislator up to the present time has not recognized any such responsibility.

Railroad managers dream of double tracks, heavy ballast, steel cars, automatic signals, perfect service to shippers, and all those things which go to make up a first-class railroad. But such things are absolutely impossible without the money with which to pay for them, and the struggle of the railroad manager is to do the best he can with the funds at his disposal.

I want to call your attention to a few concrete illustrations of respects in which those who seek to manage railroads from legislative halls have thus far failed to take account of their responsibility for the financial result:

1. One of the measures which has been enacted in many States is that called the "extra crew" law, a law which seeks to make the number of cars in a train the sole determinant of the number of the crew which that train shall have, regardless of all other operating conditions. The Pennsylvania Railroad Co. has on many trains more men than are required by these "extra crew" laws, but they have also on a great number of trains men who are exacted by this law but who are not required by any consideration of safety or efficiency. The operation of "extra crew" laws in three States alone costs the Pennsylvania Railroad Co. to-day $850,000 a year; and $850,000 a year is the interest at 5 per cent on $17,000,000 of capital.

2. The Federal Congress a few years ago passed a law restricting the hours of railroad telegraphers to nine hours a day. Before that time a large number of railroad telegraphers having heavy work were not on duty more than eight hours. But the application of that law has had a curious effect. Instead of reducing accidents or contributing to that result, instead of making men more apt to take adequate rest, the actual experience has been that we have found more men asleep on duty since that law has been in effect than we did before. That law cost the Pennsylvania Railroad Co. $500,000 a year; and $500,000 a year is the annual interest at 5 per cent on $10,000,000 of capital.

These two laws—the "extra-crew" law and the railroad telegraphers law—alone represent the annual interest charge on $27,000,000 of capital; a charge which gives no increased or improved service to the public, no increased efficiency to the railroads and no increased safety to the passengers. We could spend $27,000,000 in permanent improvements for the benefit of the public service and not earn 1 cent of revenue on the improvements, and be better off, and the public much better off, than we are to-day operating under these laws without other result than the employment of unnecessary men.

3. Another respect in which public opinion and the influence of politics are increasing our difficulties without regard to the financial result is this: During the past three years there have been numerous labor arbitrations. How do these work? Before three years ago, when this procession of arbitrations started, the railroads in the territory between St. Louis and the Atlantic seaboard had within 10 years increased the wages of their men roughly about 20 per cent. The unions, however—and I am not here to make a diatribe against labor unions, for they do many excellent things—but the unions, desirous of increasing their own power and accomplishing the utmost for their men, without regard for the ultimate result on the railroads or the public, brought demands on the railroads as a whole.

The public was confronted with the possibility of an absolute stoppage of railroad traffic in this entire territory. Now, the public thinks primarily of its own convenience. The public gave unmistakable indications that it did not want and would not tolerate any stoppage of railroad operations. Those indications were given on three separate occasions with the result that, much against their judgment as to what was wise, either for the men themselves, the railroads, or for the ultimate and permanent interests of the public, the managers of the railroads agreed to submit all questions in dispute to arbitration. Experience shows that arbitrations never reduce wages but always increase them, and they increase them without consideration for how the money is to be obtained with which to meet the obligations created thereby.

On the Pennsylvania Railroad system we paid out last year some $196,000,000 in wages, the rate of payment being about 37 per cent higher than the rate prevailing in 1900. In other words, if we had paid the same rate of wages last year that we did in 1900, instead of paying out $190,000,000 we would have paid out about $120,000,000.

4. The public is constantly calling for steel cars, and every railroad officer wants all-steel cars; but to equip all the railroads in the country with all-steel passenger cars would cost about $625,000,000. A bill now pending in Washington proposes to compel the use of all-steel passenger cars by the railroads of the country just as soon as they can be built, and that bill in Washington makes no provisions for paying the cost of those steel cars.

5. The State of New Jersey has just passed a law imposing the entire cost of the removal of railroad grade crossings on the railroads themselves, no matter who is to be benefited by such removals. To remove all grade crossings on the Pennsylvania Railroad alone would cost about $600,000,000. To remove all grade crossings on all railroads in the United States would cost, at a very rough but conservative estimate, about $5,000,000,000, a sum equal to more than one-third the market value of all the railroads in the United States to-day.

Everybody recognizes that grade crossings are one of the inconveniences of progress. They must be removed as fast as conditions will permit. But in the presence of such a stupendous problem it is perfectly obvious that we must proceed with some consideration of the cost and some thought as to how to obtain the means with which to accomplish this desirable end.

6. There are in some States laws calling for automatic block signals. The State of Indiana, through its commission, has imposed upon the Pan Handle Railroad an obligation to install automatic block signals on lines of that railroad in the State of Indiana; with what result? So much of the company's available revenue has had to be paid out for this purpose in Indiana that it does not have the available money with which to make installations which are more necessary in the State of Ohio, where the traffic is much heavier.

In the midst of all these demands for improved equipment, better tracks, heavier bridges, and safer operation generally we are confronted by a disposition on the part of legislators to pass 2-cent passenger fare laws, to arbitrarily reduce freight rates, to compel railroads to supply cars to shippers whenever wanted, without regard to the average business of such shippers.

Another point: The parcel post is a very popular enterprise in the United States, and the parcel post has certainly been a great public convenience. But here again we find this same indisposition to pay the cost. The report of the Postmaster General, recently submitted to Congress, pointed with considerable pride to the fact that last year the post-office revenues showed a margin over the expenses of operating the department. The Postmaster General, however, failed to point out

that during six months of that time, when the parcel post had greatly increased the revenue of the Post Office Department, not one cent had been paid by the Post Office Department or by the Government of the United States to the railroads for carrying the increased burden of the parcel post.

It is true that on July 1, under an act of Congress, it was made optional on the part of the Postmaster General to permit an increase of payment to the railroads for carrying the parcel post, not exceeding 5 per cent, on those railroads on which the mail had not been weighed during the period from January 1 to July 1. You understand that the policy of the Post Office Department is to weigh mail once in every four years for a period of three months, taking the average weights and distances, and arriving at the compensation for the ensuing four years on the basis of the average figures for those three months.

On the railroads, which had no weighing from January 1 to July 1, last year, the Postmaster General was given permission to add not to exceed 5 per cent. But what happened on August 15? At that time the Postmaster General increased the weight limit of the parcel post from 11 to 20 pounds, and on January 1, from 20 to 50 pounds. On the Pennsylvania Railroad, the weights were taken between January 1 and July 1, and our payment for the ensuing four years, in the absence of an adjustment, is to be on the basis of those weights.

The result is that we must carry for the next four years, without any payment whatever, the increased burden of the parcel post represented by the increase of the weight limit from 11 to 50 pounds, and in the event that the Postmaster General still further increases the weight limit of the parcel post, we must carry that burden without any further remuneration. All this assuming that a fair adjustment is not made. It certainly has not been made yet.

The American citizen is fair, and I am sure that any man, conceding that my statement of these matters is correct, would agree that these are unfair methods on the part of the Government, legislators, and others. These methods would never be pursued if somehow or other legislators and men in the Government did not feel that these were appropriate and, perhaps, the only ways they had to make reprisal against the railroads for past misdeeds, the only ways whereby the public might come into its own. This feeling is not often expressed; perhaps, it is seldom analyzed, but that there is such an underlying sentiment is unmistakable.

But we are facing a practical problem, a problem which can not be solved by any orgy of indignation over past mistakes. And what is that practical problem? To sum it up, let me give you the gist of the case the railroads which are now seeking a 5 per cent increase in rates are now presenting before the Interstate Commerce Commission:

During the past three years the railroads in the territory between St. Louis and the Atlantic Seaboard have increased their property investment $660,000,000. During that same time, by using the facilities thus provided, they have increased their revenue $186,000,000. But, due to such causes, as I have indicated and to many others during that same period, their expenses have increased $203,000,000. So that, at the end of the fiscal year 1913, the railroads in that territory find themselves worse off by $17,000,000 in net revenue than they were at the end of the year 1910, before this $660,000,000 had been spent.

The figures are still more startling for the railroads between St. Louis, Pittsburgh, Chicago, and Louisville for the five months following this three-year period of declining net revenue. The latest figures show that for the five months from July 1, 1913, to December 1, 1913, the railroads in the Mississippi Valley, between St. Louis and Pittsburgh, increased their gross revenue $2,800,000, but that their expenses increased $19,000,000, so that at the end of that period, five months, the railroads in this entire territory were worse off in net revenue by $16,200,000, or 27 per cent, than they were at the end of the same five months of the preceding year.

There have been a number of reasons advanced as to why this situation should not be met by an increase in freight rates. The Interstate Commerce Commission, a few days ago, stated that the railroads were paying out about $15,000,000 for allowances to terminal railroads, of which the railroads should have the benefit. This is not the time and place to go into detailed examination of this decision. But let me point out this obvious fact to you, that these $15,000,000—conceding that this is the correct amount—is paid by the railroads to the industries and others who performed a service in transportation. The payment was based on a claim of those industries that they themselves were doing a part of the railroad's work, and, therefore, should be paid for it. Now, if the commission rules that we should cut out such payments, and there is no complaint from the railroads that the ruling is proper, is it not a practical business possibility that these terminal industries will go to the commission and ask for reduced rates, or for compensation in some form for what they are losing? The decision of the commission was sound and is in the right direction, but I suggest the possibility, at any rate, of that $15,000,000 being somewhat decreased under the influence of these demands of shippers which are certain to be made.

It is suggested that we must wait until the railroads are valued. We are cooperating with the commission in the fullest possible manner to make the Federal valuation a success. We shall probably have to bear about one-half the total cost. The probable cost of that valuation and the extent of the work involved I believe is little realized by the American people. It is likely that the railroad portion of the cost will be something between $12,000,000 and $14,000,000. It is likely that the Government portion of the cost will be equal to that amount. And when, after some five years or more, the task is completed it will have to be started all over again. Values inevitably fluctuate, and those of railroad properties are no exception to the rule.

There is a class of people who believe that railroad rates should not be increased until the Government can regulate the issue of securities. There seems to be a widespread public demand that the Interstate Commerce Commission should have the power to say whether or not railroad securities are to be issued. So far as our company is concerned, it has no objection to the Interstate Commerce Commission having this power. It is now subject to such regulation in the States of Pennsylvania and New York.

But let us consider in this effort to prevent in the future evils we think might have been prevented in the past, whether this proposed plan is the ultimate or can be the ultimate solution of the question. Suppose the Government sanctions an issue of railroad securities and the money is honestly but unwisely spent. Suppose fair earnings are not obtained upon the investment. Has not the State incurred a certain moral obligation to permit increased rates with which to permit the earning of a fair return upon this capital unwisely invested? Ought the Government to act in the position of a wet nurse for the people in making their investments? Should not the policy of the Government be to see that the game is played fairly, that the cards shall be on the table, that the people shall have all proper information? Having every opportunity to make the wise investment, should not the people be compelled to take the consequences thereof and not let the blame, in case a mistake is made, rest upon the Government itself?

You in this part of the country realize as few people can the amount of undeveloped territory which yet remains in the United States and the amount of single-track railroad which remains. There is only one double-track railroad west of the Missouri River, and you have to go on that railroad 372 miles to Julesburg, Nebr., before you reach the half-way point between New York City and San Francisco. Our country, with its 3,000,000 square miles of area, has been built up by 250,000 miles of line, which must be double tracked, four tracked, and which must have increased terminals, improved roadway, and all the other facilities which go to make up a first-class railroad machine if the people are to have proper service, if our country is to grow as it should.

The constitutional guaranty of freedom of trade between the States will be of little avail unless we can insure the normal and healthy development of this transportation machine. The cotton of the South, the manufactured products of New England, the fruit of Florida and California must be moved to where they are needed, and they must be moved quickly and cheaply.

Railroads in this country are capitalized at $60,000 a mile, against a capitalization in England of $275,000 a mile. It is perfectly obvious that the normal development of this country can not be effected by railroads with a capitalization of merely $60,000 a mile. If the increased capital is to be obtained, we must be prepared to pay for the use of it. Then, unless we are prepared to submit to the enervating, the benumbing, the debauching, results of Government ownership, we must concede the point that enterprise shall not be discouraged, that initiative shall have freedom instead of repression and restriction in which to exist. We must make it understood that if railroads are built and facilities provided fair payment will be made for the necessary capital. Insure honest management and fair treatment for all, then encourage investment and promote enterprise.

The courts have decided that they will not interfere with any restriction or burden merely because they reduce the profits of transportation companies. But you can not obtain the capital if the Government is merely to guarantee that property shall not be confiscated. You must give property an opportunity to earn something if you are going to get capital to take the risk of losses.

So the whole matter resolves itself down to people in such organizations as this exerting their influence to make it understood in legislative halls, in State capitals, in Congress, and among the people that we must have railroads, and that the railroads shall have a chance to live and prosper. The salvation of our progress depends on it.

In closing let me leave with you these lines, by Edward Everett Hale. Let me ask you to apply them to the whole railroad proposition:

"Look up, not down;
"Look out, not in;
"Look forward, not back;
"Lend a hand."

—

THE DEAN ELECTRIC CO.,
Elyria, Ohio, March 9, 1914.

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: I have read with interest the remarks of Ivy L. Lee, of the Pennsylvania Railroad Co., before the City Club, of St. Louis, Mo., in reference to the railroad company's request for a 5 per cent increase in freight rates.

The facts pointed out completely convince me of the justice of their request for the freight increase, and I want to take this opportunity of requesting you to kindly give their increase in freight rates your most earnest consideration, as it surely seems equitable.

Very truly, yours,

GEO. A. SCOVILLE, *Sales Manager.*

—

[From the Commercial and Financial Chronicle, New York, Nov. 29, 1913.]

RAILROAD INVESTMENT LOSSES AND WHO BEARS THEM.

At the present time, when the Interstate Commerce Commission is giving hearings on the petition of the eastern railroads for a moderate advance (5 per cent is all that is asked) in freight rates in order to partially compensate for the tremendous rise in expenses which has occurred within the last few years, it seems timely to pause for a moment and consider whether any class of the population can claim to be exempt from the effects of the great shrinkage in the value of railroad securities which has followed from the cause mentioned and from the generally harsh treatment to which the rail carriers have been subjected. The railroads of the United States have come to a pass where, if the margin of net income above expenses and fixed charges is not increased, they will no longer be able efficiently and satisfactorily to perform their functions as public carriers or command sufficient investment confidence to enable them to raise the new capital needed for their extension and development. Furthermore, if the tendency of the margin of profit to diminish is not arrested, the decline in security values which has been the feature of recent times will go on and the properties themselves will be heading for inevitable bankruptcy. The demand for a slight increase in freight rates is made with the serious purpose of averting such a deplorable catastrophe.

Yet the slight concession asked for is being seriously opposed by many well-meaning people who think it good policy to antagonize every effort of the railroads to improve their income standing. Unfortunately, there are still a great many persons who think the railroads, and the investment represented by them, stand in a class apart from the community itself, and that blows aimed at them can do no harm to anyone else. It seems not to be generally recognized that the people own the railroads and that any hardships to which these transportation agencies may be subjected will in the end fall upon the people themselves. A few capitalists may hold large blocks of railroad securities, but the great bulk of the securities is owned by large masses of the population. The number of shareholders of all the leading companies is steadily increasing, as is evident from the reports of these companies. As a matter of fact, however, the interest of the general public in these highways of commerce is not confined to direct investments. The indirect ownership in the properties is equally if not more important. By indirect ownership we mean ownership through savings banks, life insurance companies, and the like. Consider the huge number of depositors in savings banks and the enormous amount

of their aggregate deposits, large portions of which are invested in railroad securities. Then go a step further and contemplate the enormous shrinkage that has been experienced in railroad security values as a result of the harmful governmental policies that have been pursued. In special instances imprudent management may have served to accentuate the losses sustained, but these losses are so general, so pronounced, and so widespread, being manifest in the case of the stanchest and best administered properties as well as those not distinguished in that way, that they can be referred only to a common cause which is dragging them all down.

If it be deemed an exaggeration to say that the people themselves are the chief sufferers from the shrinkage in values that has come with the impairment of the earning capacity of the properties, we would refer to the fact that in New York State alone, according to the report of the banking department for July 1, 1913, there were over three million depositors (3,119,205), and that the aggregate deposits of these institutions at that date reached $1,724,607,279. These deposits have to be invested in interest-bearing securities, and such has been the decline in the market value of these securities that on July 1, 1913, there was a loss to the institutions from that cause in the very large sum of $71,501,584. The proof that such a loss has been endured is seen in the fact that, whereas the surplus on the investment value, or purchase price, of the securities held was $177,899,452, the surplus on the market value of the same securities was no more than $106,397,868.

Of course, not all the shrinkage has occurred in railroad investments, but a very large part of it has, and what may not be ascribed directly to the shrinkage in railroad investments may be ascribed to it indirectly. To be sure, municipal securities have likewise declined, and the savings banks hold twice as much of these as they do of railroad-mortgage bonds, but the decline in municipal bonds may be said to have followed as a consequence of the decline in railroad securities. These latter constitute the largest body of investment obligations of any single class to be found in the world. The funded indebtedness alone of the steam railroads exceeds $10,000,000,000. The decline in this great mass of investment obligations, because their position was being rendered steadily less secure, enhanced the interest return from such securities and raised the rate of return the railroads have to pay on their new borrowings. Whether these securities were high grade or merely good or indifferent, they depreciated all the same, and under this depreciation the interest return advanced. With the investment yield which could be obtained on railroad investments steadily rising from the causes mentioned, municipalities, in floating their obligations, had to follow the rising tendency—that is, had to advance the interest in their bonds, until now it is possible to buy good municipal bonds yielding 4½ to 4¾ per cent, where a decade ago 3½ to 3¾ per cent was the prevailing income yield on good municipal securities. The best grade of railroad bonds appeals to the same classes of investors, such as savings banks, life insurance companies, and other financial institutions, as the higher grade of municipal obligations; and when the rate of return on the former moved upward, the rate on municipal issues was bound to go up also; otherwise it would have been found impossible to place any considerable additional further amounts of the same.

A whole train of evils thereupon developed. As municipal bonds now could be bought to yield 4½ per cent or better the municipal bonds previously purchased by the savings banks on an interest basis of, say, only 3¾ per cent, naturally depreciated, and the large loss in the market value of the surplus has resulted from that cause. But as the shrinkage in municipal bonds came as the direct consequence of the shrinkage in railroad securities, the whole of the loss in surplus which the savings banks have sustained must be regarded as having come, directly or indirectly, from the wrong governmental policies pursued and which have proved so damaging. To these harmful policies are due the disfavor and ill repute into which railroad securities have fallen.

Some may entertain the mistaken notion that the shrinkage in the surplus has been of little consequence to the individual depositors in these institutions. But that is a serious error. It is necessary for the savings banks to maintain a certain surplus as a matter of prudence and precaution and to insure their solvency beyond peradventure. Therefore, as the existing surplus began to dwindle because of the depreciation in the market value of the securities held, it became necessary to restore by degrees the lost portion by making appropriations for the purpose out of current earnings. Such appropriations in turn diminished the amount which could be distributed in dividends to the depositors, and hence these depositors have been receiving considerably less than would otherwise have been the case. New York savings banks are all mutual institutions, the profits going entirely to the depositors, and on the basis of the current rates of return on the investments in which savings banks are allowed to employ their funds, the depositors in these institutions ought to be getting 4½ per cent per annum in dividends. As a matter of fact, there is not a single savings bank in the whole State that is paying over 4 per cent, and some of the largest institutions are paying only 3½ per cent, having had to reduce to that figure owing to the necessity of using part of their current earnings in order to make good the impairment of their surplus accounts. There are altogether 140 savings banks in the State, and of these only 71 pay dividends as high as 4 per cent, 62 pay no more than 3½ per cent, 6 pay 3¾ per cent, and 1 pays but 3 per cent. And the experience of this State in the matter of shrinkage in security values and resultant loss to the depositors has been duplicated in other States.

We have discussed this subject of the ownership of the railroads before, and in an article in our issue of September 24, 1910, dealt quite at length with the matter. Following the panic of 1907 considerable prominence was given to statistics bearing upon the point under consideration. At that time a statement was prepared which showed that in the six States chiefly distinguished for their savings deposits the aggregate of railroad securities of steam railroads owned by the savings institutions was no less than $442,354,086. The aggregate deposits in the six States then amounted to $2,177,859,256, showing that over 20 per cent of the entire total was then invested in railroad securities. There were 5,174,718 depositors in these six States at the time. In other words, over 5,000,000 persons were interested as depositors in the savings institutions in these States, and these institutions had one-fifth their entire funds out in railroad investments. The savings banks in 30 other States, according to incomplete private reports, at the same date (1907) showed $128,677,191 more of railroad securities owned, this constituting over 26 per cent of the deposits as represented by over a million depositors.

But indirect public interest in railroad investments is not confined to the holdings of the savings banks. Other points of contact exist through life insurance and fire insurance companies, though it is only too true that the public does not realize that impairing the efficiency and standard of railroad properties may be endangering the value of a fire insurance policy or reducing the income of a life insurance policy. The life insurance companies at the time of the compilation of the statistics already referred to had $668,262,896 invested in railroad bonds and railroad shares, this forming over 31 per cent of their aggregate assets of $2,128,131,253. The fire insurance companies then held $113,702,893 of railroad bonds and shares, and the accident and guarantry companies held $15,756,249. Altogether the three classes of insurance companies owned outright $797,722,038 of railway bonds and stocks and held $48,167,000 more as collateral, making no less than $845,889,038. It was also found that certain educational institutions held $47,468,327 of railroad securities, this forming a little over 33 per cent of the total endowments of such institutions. Combining the railroad investments of insurance companies and educational institutions with those of the savings banks, it was found that the aggregate of railroad securities held reached $1,464,388,642.

It would be interesting to bring these statistics down six years later to the present time, but the magnitude of the task and the difficulty in getting authentic and reliable data forbids. This much, however, can be said with entire confidence, namely, that the aggregate amount invested in this way is to-day very much larger than it was at the time the compilation from which we have been drawing was prepared. In our issue of September 24, 1910, we brought the figures for the savings banks in the six States already referred to down to the date of that article. We now go a step further and give the results for the same States at the present time. We find, as was to be expected, that the amounts of the railroad investments have very greatly increased in the interval and that the aggregate for the six States to-day stands at $641,250,504, as against $442,354,086 six years ago. The details for the different States appear in the following table. In Maine it will be observed nearly 50 per cent of the deposits are invested in railroad securities; in Connecticut over 38 per cent; in New Hampshire almost 33 per cent; while in New York, Massachusetts, and New Jersey the ratios run from 15.96 per cent to 19.61 per cent. The number of depositors, it is worth noting, in these six States now reaches over six and five-eighths millions.

State.	Number of depositors.	Deposits of savings banks.	Railroad (steam) securities owned.	Per cent of deposits.
New York	3,064,905	$1,689,453,168	$269,762,569	15.96
New Jersey	315,335	116,923,632	22,933,163	19.61
Massachusetts	2,200,917	838,635,097	154,589,906	18.48
New Hampshire	215,885	99,268,055	32,537,542	32.77
Connecticut	606,142	298,512,048	115,272,553	38.64
Maine	233,159	93,505,528	46,154,771	49.35
Total	6,636,343	3,136,297,538	641,250,504	20.44

Doubtless the investments of other classes of institutions at this date would also be larger than they were six years ago. Making a rough estimate, it will probably be no exaggeration to say that the aggregate investment of savings institutions, insurance companies, and educational institutions all over the United States must range somewhere between $1,750,000,000 and $2,000,000,000. Anything, therefore, that threatens the stability and integrity of this mass of railroad securities so held is of direct concern to the large mass of the public, which has such a vital interest in these investments. What folly, therefore, it would be to deny to the railroads the slight increase in rates which their welfare and that of the general public so imperatively demands.

Starve the Railroads and We Starve Ourselves.

[By Frank A. Munsey.]

The railroads are structurally a part of our national life—fiber of our fiber. They are the arteries of our very being through which courses the lifeblood of the Nation. We can not do them harm without doing ourselves harm. Starve them and the pinch of poverty grips us.

The railroads were built by private capital and are owned by private capital, and yet they have little of the inherent freedom of private property. Their charters constitute them common carriers, public-service concerns, and as such they are in a sense owned in common by the public and by private capital—no actual public ownership in them, dollars and cents ownership, but in the outworking the "senior-partner" influence and dominancy of the public makes it amount to about the same thing.

Such a partnership between the public and private capital, the latter putting up all the money and taking all the risks, is a soft thing for the Government, arrogating to itself, as it does, absolute control. Of course, it wasn't this way when railroads were built, when capital risked itself in these venturesome undertakings. If it had been—if the Government's attitude toward railroads had been just what it is now, the same narrow picayune policy in force—we should have no railroads to-day except Government built and Government owned.

Private capital in any measure worth while would never have gone into the upbuilding of railroads, knowing in the outset the extent to which it would be fettered and hampered and harassed, as it knows it now.

I have no fault to find with Government control as such. It is the kind of Government control we have with which I am finding fault. As a matter of fact, there is nothing else for us but Government control or outright Government ownership.

With strong, able, wise Government control—a kind of control that embodies constructive cooperation with railroads—we should have a far better railroad service than we could well hope for from Government-owned and Government-operated railroads. I don't believe there is any doubt about this.

Though capital went into railroad construction with the idea that railroads were private property, the change that has come about, putting them so completely under Government control, was inevitable. Neither the Government nor capital foresaw this change in the early days of railroad development. Indeed, it was the very vastness of this development and the incomparable power railroads had come to be that compelled public control and gave rise to the present conception of the proper relations of the railroad, common carrier that it is, to the public.

The Government, therefore, can not be charged with luring capital into railroads under former railroad freedom with the knowledge that this freedom later on would be taken away from them. Until within a little more than a decade ago there was no serious conflict of opinion between the Government and the railroads.

At the outset no one ever dreamed of the power the railroad has come to be and the part it plays in our daily lives, to say nothing of its inconceivable contribution to the opening up and development of the country.

It follows naturally that changes in our laws must be made suited to this new development—a development so vast in its power that, unchecked and uncontrolled, it would in time contest for the mastery with the very Government itself.

So Government control had to come, but in the exercise of its control it has frightfully crippled and maimed the entire railroad business of the country. Capital has lost heart, and would get out if it could do so without too great a sacrifice. Dividends on railroad shares have dwindled until they have no appeal to fresh capital. The Government stakes out the lines within which capital must work, fixes its rates of income, and then says to capital, "Give us the best railroad service in the world."

All this would be well enough if the Government's conditions were such as to make this possible, which is not the case. The fact is, the railroads can not give us the service we demand, pay the wages and taxes they are paying, and live on the income to which the Government is grudgingly holding them down.

But the chaotic condition of the railroad business is only a little worse than that of business generally throughout the country. There is no snap and go to anything, and everything is in a blue funk. In view of these conditions, what are our chances of having good times? We hear the question all the while. It is on everybody's lips. The answer is vital. It affects our entire population, 100,000,000 human souls. No one is beyond the sphere of its influence. Our expenditures, our incomes, the scope of our undertakings, the scale of our living—our necessities, our comforts, our pleasures, our luxuries, our savings, and our very future—all depend upon it.

We are a temperamental, impressionable people. When we have good times we hurl ourselves on enterprise and sweep everything before us. When we have hard times and feel the pinch of poverty and see idle cars, idle factories, and idle labor, we get a fit of the blues which makes us distrust our institutions, distrust ourselves, and look upon life as one weary grind.

We have wallowed in the slough of despond since the beginning of 1910, and to-day our securities, battered and tattered, find little favor with European investors. Every enterprise has felt the lack of confidence, the lack of courage, and has per force squared itself to that grim, ill-shapen thing—the thin pocketbook.

But human nature, and particularly American human nature, can not be kept down forever. We have had enough of the valley, with its fogs and chills, and want to get away from it all and once more look out on the world from the sun-swept heights. And, too, we want to hear the old, old story of what a wonderful country we have, of the vastness of our resources, the colossal measure of our undertakings, the bulging of values, and the song of opulence and wealth and riches—enthralling music to our ears.

Starving the railroads and hostility to capital are responsible for our business depression and industrial stagnation. The Government has overplayed its hand in humiliating capital and breaking up our big enterprises. Its obvious worry lest somebody, somewhere, somehow, might make a dollar has been overdone.

But Wall Street says good times are here. Wall Street may be right and may be wrong. Things have been deadly dull down there for so long that every one clutches at the very suggestion of hope. Hope in Wall Street is perhaps father to the wish. It looks to me as if it were in this instance. Wall Street is amazingly elastic in its conclusions. When it comes to shifting its opinions it puts a lightning-change artist out of the running.

I am not writing as a pessimist. I am an optimist through and through, but optimism must take cognizance of facts. And what are the facts on which to base the hope for business activity, with our new low tariff, unless we get a gigantic impetus from some source or other?

It is clear that with our high wage we can not get this impetus from such exports as come into competition with the products of the low wage of the rest of the world. And if not from exports, when shall we get the quickening influence? The new currency law won't bring it. The new currency law will perhaps make money easier, but money is already easier than need be, both at home and abroad.

The lower price of money will no doubt benefit the farmer and perhaps stimulate him to wider activities. This will be good in itself, and may have some effect in lowering the cost of living, and then again it may not. But cheaper money to the farmer can not and will not prove the impetus to revive business.

The lower rate of money will make it easier for borrowers, but in itself it will not be sufficient to impart activity to a dead calm, to break the grip of paralysis. Unless it so happens that the new currency bill proves to be a measure of inflation, it won't have the dynamic force to create energy, overcome inertia, and start things going. If, on the other hand, it brings about inflation we shall have a short hurrah run for our money, followed by such a reaction as will make the whole Nation cry to heaven from the very hurt.

A great international war might set business going, and so might a change in our tariff—the kind of change that gives courage and confidence to home industries. But we have just had a revision downward, so there is no probability of an immediate revision upward, and there are no instances on record where revision downward, or low tariff, or no tariff, has ever reenergized anything here at home. On the ground of precedent, therefore, we haven't much to look for from our recent tariff legislation, and we are not now at war with any nation; so just what is there in sight, when we get down to the raw, cold facts, to justify a belief in an immediate onrush of good things?

Agriculture can not bring it about; war is not likely to bring it about; our new tariff is certain not to bring it about; the iron and steel trade can not bring it about; the textile manufactories can not bring it about; mining in all its different phases can not bring it about; and all the scattered, smaller manufactories can not bring it about.

It may well be doubted if anything can bring it about, as matters stand to-day, except the railroads, and the railroads can bring it about if they are allowed freight rates and passenger rates that will enable them to do business at a rational and fair profit—such a profit as will give place and value to their securities in the markets of the world.

This is what we want at this juncture to give us good times—temporary good times, at least—and good times for a long run, if the policies of the Government with regard to business, the tariff, the currency, and in other respects are right. If these are not right it is pretty safe to assume that we, as a people, have the good sense and the patriotism, irrespective of politics and politicians, to make them right.

But just why can't agriculture give this impetus to business, and why is it that railroads alone can give this impetus to business? Briefly, the answer is this: Agriculture is a producing and selling industry. If we were growing a vast surplus beyond our own requirements and could sell it abroad, the new money flowing across the ocean would give us the impetus we need. But unfortunately we have no such surplus and are not likely to have.

The steel and iron industry, vast as it is, in the aggregate, and well concentrated as it is, can not in and of itself revitalize business. Like farming, it is a producing and selling industry. This is equally true of the countless scattered enterprises of one kind and another. Merchandizing doesn't even produce anything. It has to do merely with barter and sale. Banking, likewise, produces nothing. It is parasitic in its very nature.

The railroad, unlike these other enterprises, has nothing to sell but its service. It buys, buys, buys, and all the while buys. It is a purchasing and consuming business, which ranks next to farming in its vast scope. The wages of railroad employees have so far increased that now they call for practically one-half of the gross receipts of railroads. The sum total paid out to labor by the American railroads is greater than that paid to labor by any other enterprise in any country of all the world. The railroads hold the key to the present business situation. Give them a chance and they will set the wheels of industry going. But they can do nothing for business and nothing for themselves impoverished and starved as they are by the Government.

With a chance to live and to earn enough to make their securities safe and attractive to investors the world over they could sell them like a shot.

What we need and must have at this juncture is new money and lots of it. The railroads alone can find this new money. But it is up to the Government to decide whether they shall find it or not. So far the Government, in its nonconstructive or, if you will, destructive policy, has refused the railroads a chance for their lives.

If the Government would get back of the railroads and give them a lift the railroads would get back of business from one end of this country to the other and give it a lift—would get its great broad shoulder under business and heave it into action. Assure investors that our railroads have back of them the great American people, the good feeling and spirit of cooperation of the American people, and have back of them as well the strong, helpful hand of the Government, untold money would flow into this country from abroad and vast sums of sleepy money tucked away in odd places here at home would straightway come out of its hiding and go into railway securities.

And what wouldn't this money mean to us—all this vast aggregate of new money in the coffers of the railroads to be spent for labor, for betterment, and for new undertakings? The railroads must have new rails, new cars, new engines, new ties, new bridges, new stations, better roadbeds, and a thousand other things. They must add to their sidings, double their trackage, and extend their roads into new territory. All this means work for idle men and full envelopes on Saturday nights.

Indeed, the railroads would begin buying on so tremendous a scale that our steel mills and other concerns having to do directly and indirectly with railroad supplies would be taxed to their capacity and beyond their capacity. And the high-pressure activity in these lines would electrify the whole country and set every spindle spinning and every wheel of industry bounding into action. And there would be no idle men, no idle cars, no shuttered factories, no depression, no blues. Activity and enterprise and achievement would grip the country from ocean to ocean and from the Gulf to the northern border.

This is not an idle fancy. It is the very thing that would happen, and such a happening is the very thing we all want. And if we all want it, why shouldn't we have it? We are the Government; the Government is the thing of our creation, the servant to do our bidding.

The question, then, is this: Shall we give the railroads a square deal, or shall we continue to punish them for the sins of a former period, when the relations of railroads to the public were not understood as they are now? In the old days people held to the idea as a matter of course that railroads, owned by private capital, were private property. We didn't know much about public service concerns then. We accepted the theory as a matter of course that the biggest shippers should get the lowest rates. Wholesalers bought at lower prices than retailers, so why not wholesale rates to big shippers?

But once the public service conception was fixed in our minds we saw the railroads in an entirely different light. Naturally railroad managements fought for the independence they had always had, and doubtless fought honestly, influenced by their interests. But all this has changed now. Ten years of discussion has brought capitalists and public, the fair-minded men among each, to a common understanding of the relations of capital to the people, of trusts to the people, of the railroads to the people, and of the relation of telegraph, telephone, and all other common carriers to the people.

We ought to have, and I am satisfied that the American people demand, the best and safest railroads in the world. It is a certainty that we can not have them without paying the price—railroads with every new device, every improvement that means safety and better service. And we can well afford to pay the price when the failure to do so means inferior railroads, dangerous railroads.

Forcing railroad managements into a position where they have been compelled to squeeze paltry dividends out of half-fed, half-nourished properties that they might keep their roads out of bankruptcy is a rotten policy.

Legitimate economies are fundamentally necessary to honest, able management, and whatever the Government has accomplished in the way of cutting out waste and introducing first-rate standards of economy is, of course, very much worth while. But to starve railroads into other economies, such, for instance, as skimping on roadbeds, skimping on bridges, skimping on rails, skimping on rolling stock, skimping on safety devices, and skimping all along the line, is quite another matter. They are costly savings to the people, dearly bought savings.

I hold no brief for the railroads; I am not speaking for myself, as I hold no railroad stocks, and don't wish to hold any under present conditions. Neither am I speaking for those who do hold railroad stocks. I am speaking for idle men, speaking in the interest of better business,

speaking for a square deal for the railroads, for safe railroads, sound railroads.

For the Government to stand back of railway labor, morally sustaining it in its demands for shorter hours and better wages, as the Government has done, at the same time denying railroads the right to increase their incomes sufficiently to meet the increased cost of operation is of the nature of confiscation, and no honest citizen of this country believes in any such thing or would himself, with full realization of the facts, be a party to it.

THE INDIVIDUAL AND THE TREATMENT OF RAILROADS.

(By Civis Americanus.)

DEAR SIR: Men have a clearer vision of integrity as individuals than as representatives of the people; for if a man does a dishonest act as an individual he must accept the sole responsibility, and can not blind himself to the fact that he gets the whole profit, whereas, if he does such an act as the representative of the people, he shares the responsibility with other men, often of high standing in the community, and gives the whole profit to the people. The absence of personal gain; the sharing of responsibility; above all, the generosity to the public, all tend to obscure the clarity of vision. Therefore, if one desires to reach the morality of a nation, he must appeal not to the Government, but to the citizens. It was in this way that the Abolitionists awoke the conscience of the North.

The tendency on the part of the Government to take from the individual and give to the public has strengthened greatly in the last few years; and it brings forward with ever-increasing insistence the question, "How far, if at all, should this generosity go?"

I am taking the liberty of writing to you about one of the phases of this matter. In doing this I am writing merely as one American citizen to another, and think it is perhaps fitting therefore that I subscribe myself simply

CIVIS AMERICANUS.

A railroad company is undoubtedly under a legal obligation to carry freight and passengers at reasonable rates. It is equally true, however, that it is entitled by law to charge reasonable rates for that service. If a railroad company charges higher rates than are reasonable, it is dishonest. If the public, through their various representatives, compels a railroad company to carry at lower rates than are reasonable, the public are dishonest. The matter is not one of policy or even of generosity, complacent as that often is; it is a matter of integrity.

The questions that present themselves at the outset are, (1) what is the true basis for reasonable rates, and (2) on that basis, what are reasonable rates? These are questions which are variously answered.

The generally accepted basis for reasonable rates is not the amount of bonds and shares that the company has issued, for it may have issued far more than it ought to have issued on any basis of valuation, and it is not entitled to compel the public to pay on such excess valuation. Again, the generally accepted basis is not the amount of money that the company has put into its property, for it may have put in a good deal of money unwisely, and it is not entitled to compel the public to pay rates based on its failures; the consequences of its bad judgment must be borne not by the public but by its stockholders. The generally accepted basis for reasonable rates, it seems, is neither the bonds and shares that a railroad company has issued nor the money that it has put into the property; but instead the reproduction value of its whole property, terminals, roadbed, and equipment, as a going concern.

Upon this basis, assuming it to be correct, what rates are reasonable? Here, again, the generally accepted principle is a fair return on the risk of the investment. In the opening up of the West many years ago a railroad company could not have obtained the needed money from the public if it had offered them 10 per cent dividends if it proved successful and total loss of investment if it proved a failure. It could only obtain that money from the public by offering shares and bonds at a par value considerably in excess of the money actually invested. In that case an investor knew that he would make a large profit if the company proved successful, and that he would suffer a large loss in case the company failed. That this chance of profit was certainly not unreasonably large is shown by the number of great western railroad companies that have failed and been reorganized, with their shares wiped out completely or allowed to exist only on payment of heavy assessments.

To-day in New England, with the present attitude of the various railroad commissions a new railroad company could not possibly obtain the needed money from the public, the chance of obtaining at the best a very low return for the investment being far more than counterbalanced by the chance of a very heavy loss. Fortunately for the public no new railroad company is needed in New England.

But the Boston & Maine and the New York, New Haven & Hartford are in a different position. They are here (and they can not escape). They have opened up the country, have developed the cities, have a large and established business. What ought they be allowed to earn on their reproduction value? Men will differ about this rate. Some will put it as low as 4 per cent on par—a rate which, in connection with the risk, is so low that it would deflect money into other investments, even into Government bonds. Some will put the rate at 10 per cent or higher. For the sake of this article, let us assume that 8 per cent on the reproduction value of the property is a reasonable rate; in other words, that a railroad company is entitled to charge such rates that it will earn—if it gets the business—8 per cent on its reproduction value; and that whenever it earns more than that it must return such excess to the public in the form of lower rates or better service.

The matter of just rates is one of the utmost importance. It involves millions of money. On the one hand, it concerns travelers and shippers; on the other hand, it concerns investors—not only the men who are rich, but the men who deposit their all in savings banks investing heavily usually in railroad securities. And through these two classes of people, and indeed in other ways, it concerns very seriously the public.

The decision of these important issues by the Government officials calls in the highest degree for capacity, wisdom, courage, and a white integrity—the courage to withstand popular clamor, an integrity unsusceptible to place preferment or popularity. It calls, above all, for the impartiality of the perfect judge. Indeed, according to the newspapers a member has recently said that the power of the railroad commissions is greater in certain respects than that of the Supreme Court.

Let us apply these views to two or three matters now in the public eye, and let us begin at the top

THE GOVERNMENT.

It is generally believed that the Government compels railroad companies to carry the mail, including the parcel post, not at a reasonable profit above the cost of service, but at a heavy deficit below it. Estimates of this deficit vary. One estimate, apparently on good authority, was $15,000,000 a year. According to the newspapers, the Government boasts of the success of the parcel post, of the lower cost to the public. But what do you as an individual think of a success obtained by such methods? What do you think of a man who pays his tailor half what he knows that he honestly owes and then boasts of his financial astuteness? You would despise him, of course. But here it is not enough that you despise the act of the Government as the act of some other man. It is not the act of some other man. It is the act of your representative. It is your act. Think of the insult of it—that the citizens of this country are glad to sell their honesty for $15,000,000 a year—that is, for 16⅔ cents apiece.

Again, the Government has strongly and wisely attacked all forms of rebates whereby one competitor is given any advantage over another. Yet in establishing the parcel post it has entered into competition with the express companies, and in compelling railroad companies to carry its parcels at rates below cost it receives rebates which go far to account for the very heavy current decreases in the earnings of its rivals, the express companies. The Government has attacked both those who receive rebates and those who give them. It will hardly be consistent enough to sue itself for receiving these rebates, but perhaps it may be consistent enough to sue the railroad companies for giving them.

THE INTERSTATE COMMERCE COMMISSION.

This commission is, of course, one of very great power in passing upon rates. It should be imbued, above all things, with the spirit of judicial impartiality. Judging by the newspaper reports, this commission usually acts against the railroads in the matter of rates. Of course, it may be absolutely impartial in doing this. The very small percentage of decisions in favor of railroads is by no means conclusive evidence that the commission is biased; yet it is suggestive.

But apart from this, perhaps a doubtful question, the Interstate Commerce Commission has employed Mr. Louis D. Brandeis as its counsel in the current hearing for a 5 per cent increase in railroad rates. Now, Mr. Brandeis may be a demagogue or he may be an idealist. It matters not here. It is sufficient that he is generally considered to be a very capable lawyer and the strongest opponent in the country to any increase in railroad rates. Is the appointment of such an adviser a suitable thing for those who sit in a judicial capacity to do? Suppose that you and your neighbor should disagree about your boundary line and should go to court, and, in order to pick a flaw in your title, that the judge should employ as his personal adviser a man who is a very capable real estate lawyer and who is also your bitterest enemy. Should you think that a suitable thing to do? Would your neighbor even, if honest, think so? What would happen to the judge who should do this? I think I can answer that. He would be impeached.

I have never met the members of this commission. I have not the slightest doubt of their personal integrity. I believe that they could not be bribed any more than any other men of good standing in the community could be bribed. The trouble with the members of the Interstate Commerce Commission is not their personal honesty; the trouble is that the commission should act solely as a judge, while it does act in the double capacity of judge and of counsel opposing the railroads.

THE STATE RAILROAD COMMISSIONS.

Although endowed with less power, the typical State railroad commission takes substantially the same attitude that the Interstate Commerce Commission takes and is open to the same criticism. The members are doubtless men of a high degree of personal integrity. But they are also men who are imbued but in a slight degree with the spirit of judicial impartiality. They prove this statement practically every time they open their mouths. Here, too, the commission should act solely as a judge, while it does act in the double capacity of judge and of counsel opposing the railroads.

Let us now take up the attitude of the railroad commission of Massachusetts—the present storm center—toward the increase in rates asked by the Boston & Maine and by the New York, New Haven & Hartford. Assuming that rates should be sufficiently high to pay 8 per cent on the reproduction value of these two properties, what are those values? This is a question which men of ability, courage, and impartiality might answer with a considerable degree of variation, and yet answer in substantial accord. Assuming that the members of the Federal board to ascertain such values have these qualities, especially that of impartiality in the highest degree, they will not be able to reach their decisions apparently for several years. In the meantime some substantially accurate valuation should be obtained and used; so that, on the one hand, the public should not pay higher rates than they ought to pay; or, on the other hand, that the railroad companies should not be compelled to charge lower rates than they have the legal right to charge.

The Boston & Maine Railroad Co. has recently been estimated by a great railroad expert at a reproduction value of $250,000,000—an increase over its outstanding bonds and shares of many millions. If the company were permitted to put rates up so as to earn 8 per cent of that value, after payment of all running expenses, including proper maintenance of roadbed and equipment, it would earn very large dividends, considerably in excess of 8 per cent. It is true that this expert, Mr. Felton, was employed by the Boston & Maine; and that he may have been biased in favor of the company, or, indeed, may heve been mistaken, for such valuation calls for a very great degree of ability as well as of integrity. But his ability and integrity have not been questioned, and his valuation, in the absence of anything to the contrary, should certainly be given great weight. It is suggestive also that the capitalization of the Boston & Maine; that is, its outstanding bonds and shares, are very much less per mile than those of many of the great and prosperous railroad companies of the country.

Again, the New York, New Haven & Hartford was appraised two or three years ago at the reproduction value of more than $100,000,000 above its outstanding bonds and shares. Here again, if that company were permitted to put rates up so as to earn 8 per cent on that value, after payment of all running expenses, including proper maintenance of roadbed and equipment, it would earn very large dividends, far in excess of 8 per cent. Unlike the case of Mr. Felton, here the expert, Prof. Swain, was employed by the Railroad Commission of Massachusetts. Under such circumstances he is little likely to have been biased against the commission. Moreover, he is generally considered to be a man of capacity, integrity, and high standing in the community. Here, too, his appraisement, in the absence of anything to the contrary, should certainly be given great weight.

In refusing to grant increases of rates the members of the Railroad Commission of Massachusetts have not to my knowledge offered proof or even assertion that the reproduction values of the Boston & Maine and the New York, New Haven & Hartford are not substantially greater

than their outstanding bonds and shares. They base their refusal apparently on the following reasons:

In the first place, they say that the companies have spent money with bad judgment, and that the public ought not to pay rates on the companies' failures. Assuming that the companies have spent money unwisely, they are certainly not entitled to charge rates on such failures. But the appraisals of reproduction values by Mr. Felton and Prof. Swain estimated such failures, not at the prices paid but at the true value of the property bought. Indeed, the appraisal of Prof. Swain reduced the value of certain property from $24,000,000, the price paid, to $6,000,000.

Secondly, the commissioners say that if they permit a substantial increase in rates, they will inflict a great hardship on shippers. Assume that this is true, do the commissioners really believe that they should be guided by generosity—with other people's money—rather than by honesty? Do they really believe in robbing Peter to pay Paul? They may, but the ordinary citizen does not. Yet, although foreign to the purpose of this article, is the assumption true? Will increased rates, say of 5 per cent, inflict great hardship upon shippers individually; and in the somewhat rare cases where they do, will the shippers be unable to recoup their loss from the consumers? It is true that a shipper of national prominence is reported to have said recently that the increase of 5 per cent asked by the railroads in the East is impossible because it would add $50,000,000 a year to the cost of living in the United States. Assume that it does, what does that really mean? What will it add to the cost of 90,000,000 of people individually? It means that it will add a little less than 56 cents a year for each individual. Apparently there are people who believe that the citizens of the United States will sell their honesty for such a sum. But the ordinary citizen has a better opinion of his countrymen.

Third, the commissioners say that they do not feel sure that the Boston & Maine did not make unwise contracts with the American Epress Co. and with the Pullman Co.; and that until they are assured of the wisdom of those contracts they can not grant a substantial increase in rates. The possible overpayment in these contracts, if any, seems rather a small factor among the large ones that go to determine just rates. However, assuming that the company did make unwise contracts, the true view is that the company is entitled to a reasonable rate on its reproduction value; and receiving this, that if it makes bad contracts it simply earns so much less money for its stockholders. Of course, if the officials have made unwise contracts the stockholders can sue them; if they have made dishonest contracts—as is sometimes alleged—the Government should certainly indict them as criminals.

Fourth, instead of raising rates the commissioners are said to take the view that the Boston & Maine Railroad Co. should repudiate the contracts with its leased lines and with the holders of its notes. Repudiation is so abhorrent to an honest man that this can hardly be the well-considered opinion of the commissioners. If it is not their opinion, one does not, of course, wish to discuss it. If it is their opinion one does not need to.

So much for the reasons that the commissioners give for their refusal to increase rates. Now for the reasons that they have for granting an immediate and substantial increase:

The railroad commissioners of Massachusetts know that the railroad companies are entitled to a reasonable return on the reproduction value of their property. They know by the great weight of evidence that the companies are undercapitalized by many millions. They know that the companies have been obliged to pay much higher costs for labor and materials in the last two or three years. They know that the purchasing power of the rates actually received is much less than it was a few years ago. They know that the companies, while they continue to show about as large gross earnings as in previous years, show very heavy decreases in net earnings. They know that these decreases in net earnings are so heavy that both the New York, New Haven & Hartford and the Boston & Maine have been obliged to give up payment of dividends on their shares.

And for these reasons, for and against, the commissioners refuse to grant a substantial increase in rates. But what do we as individuals think is the right thing to do—we who have, I presume, as high a degree of personal integrity as the commissioners have? We wish to do the honest thing; we wish to brush aside all trivial and technical factors and do, and do at once, substantial justice; don't we? So the final question comes to us.

If we believe that the Government is honest toward the railroad companies, and, indeed, toward the express companies in compelling the railroads to carry the parcel post at a heavy loss; if we believe that the Interstate Commerce Commission, sitting in a judicial capacity, is doing an honorable thing in employing Mr. Brandeis as its personal counsel to act against the demand of the railroads for a 5 per cent increase of rates; if we believe that the Interstate Commerce Commission, or a State railway commission, again sitting in a judicial capacity, is honest in refusing to grant a substantial increase of rates despite the great preponderance of evidence in favor of such increase—if we believe all this, then we should surely approve their acts. But if we do not believe it; if, on the contrary, we believe that our Government officials, despite their personal integrity and their good intentions, are as our agents committing us to dishonest acts, then we should resent their action, resent it with the same indignation with which we should refuse to do a dishonest act ourselves. That is all that we need to do, for no Government can withstand a great moral demand by its citizens.

You who read this article, if such there be, may think the matter concerns only the investors in railroad securities. If you think so, you are wrong. The matter concerns the investor, yet only as a payment of his just dues. But the matter concerns you, a citizen, in a far greater degree; for it concerns your personal honor.

Again, you who chance to read these words may wonder that I do not lay stress upon the great increase in prosperity that would accrue to the poor as well as to the rich through a policy of honesty toward investors. It is true that I lay no stress upon this. Indeed, I am not concerned here with our commercial prosperity. I am concerned with something far more important than that. I am concerned with the integrity, the honor of our country.

[From Cypress Association Bulletin of December 17, 1913.]

ARE THE WAGES WE PAY THE RAILROADS HIGH ENOUGH?—A STUDY IN CYPRESS FREIGHT RATES.

Chapter 2.

When we printed, in our issue of December 3, the article on this subject we were somewhat skeptical as to how rates are made and were not satisfied in our own minds that the value of the commodity transported in reality had anything to do with the freight rates named by the railroads, although we believed the value should be considered. The belief was also expressed that class of equipment and rapidity of movement were also factors having a bearing upon this general subject.

Now, however, we are in receipt of a pamphlet entitled "Are the wages we pay the railroads high enough?" issued by a railroads' publicity bureau in Chicago, this pamphlet having been received by us on December 13 and it being based upon practically the same ideas used by us in our statement of December 3. We have made a careful study of this statement and intend quoting herewith the actual wording used by the railroads in making their case. At the top and bottom of each page are illustrations, and there is a long list in the back of the pamphlet giving a number of articles figured out upon a basis of the percentage of cost of each article paid to transportation companies in freight. The main difficulty with this whole pamphlet is that lumber is not included, and in the statement, which is herewith copied bodily from the pamphlet, we have merely added a last paragraph to cover cypress lumber. The statement is as follows:

"Railroads now carry 1 hammer a thousand miles for 1¼ cents, or 54 hammers the same distance for the price of 1 hammer—65 cents.

"Railroads now carry 1 pair of shoes 1,025 miles for 2⅜ cents, or 166 pairs of shoes the same distance for the price of 1 pair of shoes—$4.

"Railroads now carry 1 pair of socks a thousand miles for one-seventeenth of a cent, or 425 pairs of socks the same distance for the price of 1 pair of socks—25 cents.

"Railroads now carry 1 suit of clothes a thousand miles for 6⅛ cents, or 220 suits of clothes the same distance for the price of 1 suit of clothes—$15.

"Railroads now carry 1 negligee shirt a thousand miles for nine-tenths of a cent, or 111 negligee-shirts the same distance for the price of 1 negligee shirt—$1.

"Railroads now carry 1 suit of summer underwear a thousand miles for 1 cent, or 100 suits of summer underwear the same distance for the price of 1 suit of summer underwear—$1.

"Railroads now carry 1 motor cycle a thousand miles for $3.83, or 59 motor cycles the same distance for the price of 1 motor cycle—$225.

"Railroads now carry 1 set of harness a thousand miles for 43⅛ cents, or 80 sets of harness the same distance for the price of 1 set of harness—$35.

"Railroads now carry 1 winter undershirt a thousand miles for 1⅜ cents, or 107 winter undershirts the same distance for the price of 1 winter undershirt—$1.50.

"Railroads now carry 1 derby hat a thousand miles for 2 cents, or 100 derby hats the same distance for the price of 1 derby hat—$2.

"Railroads now carry 1 hammock a thousand miles for 4 cents, or 75 hammocks the same distance for the price of 1 hammock—$3.

"Railroads now carry 1 shotgun a thousand miles for 7½ cents, or 666 shotguns the same distance for the price of 1 shotgun—$50.

"Railroads now carry 1 overcoat a thousand miles for 6 cents, or 300 overcoats the same distance for the price of 1 overcoat—$18.

"Railroads now carry 1 coffeepot a thousand miles for three-fourths of a cent, or 40 coffeepots the same distance for the price of 1 coffeepot—30 cents.

"Railroads now carry 1 pair of suspenders a thousand miles for one-fifth of a cent, or 125 pairs of suspenders the same distance for the price of 1 pair of suspenders—25 cents.

"Railroads now carry 1 umbrella a thousand miles for 1 1/10 cents, or 91 umbrellas the same distance for the price of 1 umbrella—$1.

"Railroads now carry 1 typewriter a thousand miles for 45 cents, or 222 typewriters the same distance for the price of 1 typewriter—$100.

"Railroads now carry 1 saw a thousand miles for 1 1/10 cents, or 135 saws the same distance for the price of 1 saw—$1.75.

"Railroads now carry 1 pair of ice skates a thousand miles for 2½ cents, or 64 pairs of ice skates the same distance for the price of 1 pair of ice skates—$1.50.

"Railroads now carry 1 ax a thousand miles for 2½ cents, or 30 axes the same distance for the price of 1 ax—75 cents.

"Railroads now carry 1 pound of ham a thousand miles for one-third of a cent, or 54 pounds the same distance for the price of 1 pound—18 cents.

"Railroads now carry 1 rake a thousand miles for 1¾ cents, or 27 rakes the same distance for the price of 1 rake—50 cents.

"Railroads now carry 1 wringer a thousand miles for 13⅔ cents, or 44 wringers the same distance for the price of 1 wringer—$6.

"Railroads now carry 1 cigar a thousand miles for one forty-second of a cent, or 210 cigars the same distance for the price of 1 cigar—5 cents.

"Railroads now carry 1 piano a thousand miles for $6, or 42 pianos the same distance for the price of 1 piano—$250.

"Railroads now carry 1 collar 825 miles for one-eighteenth of a cent, or 225 collars the same distance for the price of 1 collar—12½ cents."

Railroads now carry $100 worth of cypress lumber a thousand miles for $26.29, or slightly less than 4,000 feet the same distance for the price of 1,000 feet.

As stated, the last paragraph, pertaining to cypress lumber, is our own and was not included in the statement issued by the railroads. Our figures on cypress lumber are based upon the rate of 29 cents, which is the rate now in effect New Orleans to Cleveland, Ohio, and the points intermediate taking the Cleveland rate (almost exactly 1,000 miles of railroad haul). The values were calculated as an average on several thousand cars and placed at $375 per carload of cypress lumber. A minimum weight of 34,000 pounds was used.

We are merely issuing this statement for the purpose of further studying actual railroad rates on cypress lumber in comparison with rates on other commodities. We can again call attention to preferred equipment, preferred movement, and salvage in case of wreck on the other articles named compared with lumber, but other than this wish to refrain from further comment.

THE PENNSYLVANIA RAILROAD CO.,
General Office, Philadelphia, March 17, 1914.

To the Stockholders of the Pennsylvania Railroad Co.:

In view of numerous requests made by stockholders and others, and in pursuance of instructions of the board of directors, the following statement made by Mr. Samuel Rea, president, at the annual meeting of the stockholders of the company on March 10, 1914, is sent you:

LEWIS NEILSON, *Secretary.*

"Before adjournment, I think it is proper to call the attention of the meeting to the report of yesterday's proceedings before the Interstate Commerce Commission on the application of the railroads for increased rates, in which the allegation is made that in effect many railroads, including the Pennsylvania Railroad Co., have technically manipulated their accounts to show increased costs of operation. We have not yet seen an official confirmation of the statement, but the

charge, so far as it relates to the Pennsylvania Railroad Co., and I am sure to other lines as well, is absolutely untrue.

"Your management is determined that, within the limits of reason, it will hereafter allow no statement to go unchallenged that reflects on the management or the integrity of its officers. Your property is honestly, economically, and efficiently operated and maintained, and in addition to the information furnished to the Interstate Commerce Commission and the State commissions, and the report published for the stockholders, any further details desired by the Interstate Commerce Commission will be at once furnished upon request. At the inception of the freight-rate hearings we promised to produce officers who will not only explain the operating expenses, but prove their necessity.

"What the commissions, the public, and the shippers have so far apparently failed to appreciate is the cumulative effect of legislative enactments and regulation, both State and Federal, dealing with almost every phase of railroad operations—increased wages, limitations affecting working conditions, extra crew laws, and other wasteful expenditures imposed upon the railroads without their consent. The result is higher maintenance and operating charges, large outlays resulting from the use of steel cars and consequently heavier trains, additional ties, better track structure throughout, more modern stations, and other facilities and appliances. Railroad costs have been very materially increased and we can not avoid them.

"In addition to maintaining this safe standard of railroad, the Pennsylvania Railroad Co. has put into its accounts a fair charge for depreciation, renewals, and obsolescence, i. e., 3 per cent on freight cars, which means a life of 33⅓ years, and 4 per cent upon passenger cars and locomotives, which means a life of 25 years, and who can say that these charges are unfair or anything but moderate?

"The truth of the situation is that the railroads as a whole have not been spending enough for maintenance. They have been operating economically, but the enforced economies due to the loss of gross revenues, and the failure to grant them the right to charge reasonable rates for the transportation service performed, force them in years of depression to reduce operating costs, but remember it is only deferred maintenance and, therefore, in the end not a real saving.

"No serious public consideration is at present being given to the investors who have furnished the capital for all the railroads, and thereby provided the most substantial foundations for the past and present progress of the country, and without the prosperity of the railroads the country can not prosper.

"What is the present situation? The railroads are prevented from charging reasonable rates; they have sustained a serious loss in revenues; they are prevented from furnishing facilities so as to be prepared to meet the reasonable transportation needs; every occasion is being used to publicly discredit them, and the result is that there must be enforced economies. If large numbers of railroad men and others depending on railroads for every character of supplies and work are out of employment, and a general loss of confidence exists, and suspicion has been engendered, no attempt must be made to place this responsibility upon the railroad management. They have issued warnings and made petition for fair dealing, but without effect. The time has come when all fair-minded men and investors as a whole must individually and collectively impress on State and Federal Senators, Representatives and Government that they are a part of the Nation entitled to at least fair consideration.

"This statement is not made to predict calamity, but it is made to prevent calamity, and because heretofore we have used our efforts to influence investors from asserting their rights, but we will no longer occupy that position while every other interest in this country petitions for their own special welfare and is having the benefits of legislative protection.

"Your company is in good condition physically and financially because for over 60 years it has regularly paid a reasonable dividend and devoted a portion of its annual surplus income to the betterment of the property and did not issue either capital stock or bonds for these expenditures, thereby conserving its capital account, and only by the continued practice of that policy, which has been commended both at home and abroad, does your management believe its prosperity can be assured.

"May I add just one word more with respect to the so-called extra crew laws? You may have seen that we have petitioned the Legislatures of New York and New Jersey for the repeal of that obnoxious and unjust law. Unfortunately the State of Pennsylvania will not convene its legislature until next winter. We propose to go before that legislature, because, under the unjust law of the Legislature of Pennsylvania, this company has paid about $500,000 a year which has been wasted. I hope when the time comes that the stockholders of this company will interest themselves so far as to find out how their representatives are going to vote on a question of that kind. Fully one-third of the stockholders of the Pennsylvania Railroad are residents of the State of Pennsylvania. This State is the home of the Pennsylvania Railroad, and it ought to be protected like other citizens of the State."

—

[Bureau of Railway News and Statistics, 1529 Railway Exchange Building, Chicago. Leaflet No. 26, July 3, 1913.]

HOW THE RATE DECISION APPEARS TO ENGLISH EYES.

The London Statist analyzes the relation of intra and inter state railway traffic as shown in the Minnesota case. Also reviews the conflict between State and Federal regulation and what constitutes "adequate compensation" as decided by the Supreme Court.

[From "The Statist," June 21, 1913.]

The decision of the Supreme Court of the United States in the Minnesota rate case not unnaturally caused a heavy drop in Wall Street, as it reversed the decision of the lower courts, which would have enabled the Great Northern and the Northern Pacific to maintain a higher scale of charges for important traffic. The Supreme Court has, in fact, decided that the State of Minnesota is entitled to reduce certain local rates, even though this reduction necessarily implies the reduction of interstate rates, which are inextricably mixed up with them; and the same line of argument has this week resulted in a similar decision in the Missouri rate cases, affecting a large number of railways in the Southwest.

Apparently even Wall Street did not understand the decision when it was first pronounced. Certainly no one in London could possibly do so from the meager reports published by our great English newspapers, which were apparently constrained by the demands of their readers to reserve many columns of space for the doings of the international polo players and their ponies at Meadowbrook. The decision is, however, so important that it deserves further explanation.

First, the geographical situation: Grand Forks and East Grand Forks, two halves of what is really one town, are—to take one instance—situated on opposite sides of the Red River. The one half is in North Dakota, the other half in Minnesota. Traffic thence reaches the steamers on the Great Lakes at one of a pair of closely adjacent towns—Superior, in Minnesota; Duluth, in Wisconsin. If the traffic starts from East Grand Forks and goes to Superior, it is local to the State of Minnesota, or "intrastate." But, if it starts from Grand Forks, whether it goes to Superior or Duluth, it goes beyond the frontier of a single State, and so becomes interstate traffic.

Secondly, the legal question involved: Everyone knows that the Constitution of the United States reserves to the Federal Government (1) the right to regulate commerce among the States, and (2) the right to interfere to prevent the confiscation of private property. The Minnesota case deals with both these points.

Speaking broadly, the Federal Government never attempted to regulate commerce among the States till it passed the interstate commerce act in the year 1887. That act left each State as before in possession of the power to regulate commerce inside its own borders. The Minnesota Legislature, or rather the Minnesota railway commission, acting under the delegated authority of the legislature, accordingly regulated—in the usual fashion of American State railway commissions, by reducing—certain intrastate rates. And that this regulation, owing to the natural economic connection between the rates on traffic wholly inside and on traffic passing beyond the frontiers of the State, substantially affected the interstate rates with which the Minnesota Legislature had no power to interfere, there is no real doubt. For there can no more exist two rates between the two halves of the same town and the world beyond than there can be two prices for the same commodity at the same time in the same market. The lower courts held, therefore, that the action of the State of Minnesota was unconstitutional.

The Supreme Court has overruled their decision. It holds that it is competent for the Federal Government to take such action as will prevent the several States from interfering by indirection with interstate commerce; but that the Federal Government has not in fact done so; and that, until it does do so, the right of the State to regulate commerce that is bona fide instrastate is not abrogated. In effect, the judgment may be said to be not only an invitation to Congress to pass legislation making it impossible in the future for States to do what Minnesota is doing at the present moment, but also an intimation that such legislation would be constitutional.

That such legislation, if passed, would be for the benefit of the railway companies, as well as for that of the public at large, may be taken for granted. At present State legislatures and railway commissions (Texas, perhaps, most conspicuously) deliberately use their control over railway rates for the purpose of giving towns within their borders an advantage over towns situated outside. Whether the Democratic Party—the traditional upholders of the rights of the State against the Federal Government—will pass such legislation remains to be seen.

The decision of the Supreme Court on the second point is nothing new. It has long been held that the prohibition against taking property without adequate compensation covers not only the actual property itself, but the income from it. In other words, a State may not reduce the rates of a railway company below the point at which they yield an adequate return on the capital involved. And there is a sort of tacit understanding that 6 per cent, at least, is the minimum of an adequate return. Now, the Great Northern and the Northern Pacific pay a 7 per cent dividend, while the Minneapolis & St. Louis is only earning about 3 per cent on its capital. Accordingly, the Supreme Court holds that it is within the power of the State of Minnesota to impose upon the two rich companies a reduction of rate which still leaves them with an adequate return; whereas the same reduction of rate in the case of the third company would amount to confiscation, and is, therefore, unconstitutional.

The president of the Minneapolis & St. Louis is, probably, asking himself to-day, of what value to him is a permission to charge rates higher than those at which his competitors are compelled to carry the traffic if offered to them? But, of course, as this question, though the really important one, is a mere practical question, and not a legal one, the Supreme Court of the United States can not be expected to concern itself with it.

—

GOVERNMENT OWNERSHIP OF RAILWAYS.

[By Samuel O. Dunn, editor of the Railway Age Gazette, author of the American Transportation Question, and lecturer on Transportation at Northwestern University.]

This book is a comprehensive discussion of the desirability of Government ownership of railways under different political and economic conditions, and especially of the desirability of Government ownership of railways under the political and economic conditions existing in the United States. It gives concisely the history of the relations between railways and the State in the leading countries of the world, and outlines the causes which have led to the adoption of Government ownership in the countries where it now prevails.

It then discusses in the order mentioned the following points:

(1) The relative economy and efficiency of public and private ownership and management.

(2) The adequacy, quality, and safety of the transportation service rendered by railways under the two policies.

(3) The policies followed and the results of rate making under public and private management.

(4) The financial results to the public of State ownership.

(5) The effects of public ownership on the condition of labor.

(6) The political effects of Government ownership.

(7) The concluding chapter summarizes the discussion in the preceding parts of the book and the conclusions reached.

The author has drawn on the experience with public and private ownership of many countries, including the United States, the United Kingdom, France, Prussia and other German States, Belgium, Italy, Spain, Austria, Hungary, Switzerland, Russia, Canada, Japan, Australia, New Zealand, India, Argentina, and so on. The work should be hardly less interesting to students of railway problems in other countries than to those in the United States.

Mr. Dunn is probably the greatest authority on railroad problems in this country not directly connected with a railway organization. The extent of his knowledge is attested by the effect of impartiality which the book gives, an effect which could not be attained by a writer who knew only a few phases of the subject.

Contents: Chapter I. The question of Government ownership in the United States. Chapter II. Relation of railways to the State. Chapter III. Relation of railways to the State (continued). Chapter IV. Causes of Government ownership. Chapter V. Cost of capital. Chapter

VI. Organization and official personnel. Chapter VII. Effects of consolidation under Government ownership on economy of management. Chapter VIII. Influence of political and labor conditions on economy of management. Chapter IX. Economy of management of State and private railways. Chapter X. Adequacy of service. Chapter XI. Quality of service. Chapter XII. Safety of service. Chapter XIII. Rate making; general considerations. Chapter XIV. Rate making; the adjustment of rates. Chapter XV. Rate making; the amount of rates. Chapter XVI. Financial results. Chapter XVII. Condition of labor. Chapter XVIII. Political effects. Chapter XIX. Conclusion. Appendices and index.

EXHIBIT B.

The daily press has for months exerted its influence to create public opinion favorable to the rate advance so that the pressure on the Interstate Commerce Commission would finally become irresistible.

The press freely admits that an extensive campaign is on to secure a favorable decision. The letters below show that the public was affected by this propaganda.

[Town Topics, New York, Jan. 15, 1914.]

The Interstate Commerce Commission is getting an avalanche of resolutions, petitions, and requests that the plea of the railways for a 5 per cent increase in freight rates shall be allowed. These come from chambers of commerce, boards of trade, industrial companies, manufacturers associations and large shippers, and the reason for the demand is "that present service for the shipper may be maintained and improved." This is the pith of the whole question at issue. Shippers demand the best possible service; railroads must have their permanent way in condition that freight trains may safely make rapid time; the rolling stock must be of a standard that insures a quick delivery of freights in good order; terminal facilities must be so elaborate and so well equipped as to insure the prompt dispatch and receipt of freights. All shippers demand these things. Thoughtlessly, without due consideration of the conditions involved, a propaganda of assault upon railway rates was begun some years ago, and was carried on with such success that Congress became largely impressed with the idea that railroad rates were too high, and beyond doubt the Interstate Commission has been strongly influenced by this unwarranted expression from the shippers. With a suddenness almost inconceivable a change of sentiment has come over the public interested in the problem, and now it is very generally urging the Interstate Commerce Commission to grant to railways the relief which is now a necessity "that present service for the shipper may be maintained and improved." After all, to what does it amount? Suppose a 5 per cent increase of rates be granted, and that under it railways may be able to accomplish necessary financing, to extend their facilities, put their roads in first-class condition, repair and increase rolling stock, elaborate and improve terminals, all of which they have been compelled to neglect for the last year, who would be harmed and to what extent? While the cost of freights is an item more or less important to commerce and different industries, its increase of 5 per cent would not be prohibitive, and would cut so small a figure in the expense of carrying on the business of the country that the effect would quickly disappear in a new adjustment of accounts and prices. On the other hand, such an increase of rates would rehabilitate the whole system of transportation, insure prosperity to railroad companies, enable them to finance needed extensions and improvements which would react advantageously to many of the industries. The people of all classes are beginning to see that the real prosperity of this wide nation depends so largely upon the railways that they will no longer tolerate inimical legislation, and urgently demand that the Interstate Commerce Commission shall promptly grant the relief asked.

The SAUNTERER.

[Financial America, New York, Jan. 14, 1914.]

DELAY IN RAILROAD CASE.

The feeling of the public relative to the reported intention of the Interstate Commerce Commission to take no definite action as to the 5 per cent advance in freight rates until the railroads have supplied most of the data called for by Mr. Brandeis' 78 questions is undoubtedly one of disappointment.

There are in the hands of the commission appeals from representative commercial organizations and from associations of purely shipping interests—the latter being the interests which will be directly affected by a rate advance—urging early if not immediate action.

Some misapprehension seems to exist, however, as to the scope of the decision which the commission will make. A New York newspaper reveals this misapprehension in the suggestion that the commission make its decision now with the provision that in cases where rates should be subsequently found unfair they should be corrected with allowance for the overcharges made to the shipper.

That the commission would attempt to fix any individual rates as to specific commodities, in connection with the pending application, is highly improbable. The decision will have to do merely with whether there shall be a horizontal advance in rates or not. It is said that if the commission attempted to consider the individual rates involved it would require several years more, at least, to complete the case.

[Philadelphia North American, Feb. 16, 1914.]

EQUITY AND RAILROAD RATES.

One basic fact is vital to a clear understanding of the rate hearings now in progress before the Interstate Commerce Commission. This is, that the application of the eastern railroads for authority to increase their freight rates 5 per cent is, in essence, a proceeding in equity.

Such may not be its strict legal character, but such is its real character. The issue is to be determined not according to the fixed rules or technicalities of law, but according to the principles of equity—the natural, reasonable rights and obligations of the railroads and the public, the two parties concerned.

This truth is supported by the history and the functions of the judicial body hearing the case. The commission was established, in response to public demand, after the people had suffered for years under unjust railroad exactions and discriminations. It has power to regulate the rates and the service of common carriers engaged in interstate transportation.

Now, it is obvious that when the Government assumes the right to regulate rates and service it necessarily, or automatically, goes far to assume the obligation of protecting honest investments in the enterprises affected. This is a matter of equity, residing in the nature of the contracts that exist between the public and the railroads.

Charter rights, conveying wide powers, are granted to a railway corporation, because it agrees to build and operate a common carrier with private capital and to give equitable service to all classes of persons and communities. And it is the very essence of such an agreement that the railroad shall be allowed to charge for its services rates adequate to pay fair dividends upon the private capital invested.

It follows that the Interstate Commerce Commission has a dual duty to perform—to protect the public from extortion or discrimination and to see that the railroads shall receive revenue sufficient to yield legitimate investment returns.

Far-sighted railroad men discerned long ago that the logical outcome of such Federal regulation would be a moral underwriting by the Government of dividends upon railroad capitalization. Those persons who believe that Federal and State regulation of privately owned railroads will provide the best solution of the perplexing problems involved feel that their judgment is about to be vindicated. On the other hand, extremists, who demand full public ownership, say the inevitable end of the policy will be the taking over of all the lines by the Government.

Regardless of these views, however, the present issue clearly rests upon the equities of the relation between the railroads and the public, as interpreted in the light of their respective covenant obligations. Therefore the demand for a 5 per cent increase in rates, to be successful, must be shown to have a foundation of unmistakable equity. And if the commission refuses the plea, it likewise must show that equity supports the decision.

There are two vital principles of equity which are familiar even to laymen. First, that he who seeks equity must come into court with "clean hands," and, second, that he who seeks equity must do equity. By these requirements, therefore, must the railroad demand be measured.

Since equity, based upon proved facts, is the governing consideration, and the issue is to be tried before a judicial tribunal really second in power only to the Supreme Court of the United States, the course pursued by the railroads has been astonishingly ill advised. For months they carried on a nation-wide campaign to create public sentiment to influence the result. Railroad employees' unions were led to indorse the companies' demands. Interviews from leaders of big business and resolutions from commercial organizations swelled the chorus. Not only financial and trade publications, but daily newspapers amenable to influence, united in appeals to the sympathies and the fears of the public.

We do not charge that the railroads directed the calamity campaign also; but it is a fact that when the air was filled with manufactured predictions of industrial disaster, the special-privilege newspaper and politicians tried to convince the public that the freight rate increase was the price of prosperity. Without any pretense of inquiry into evidence, they vociferated that the people must pay higher rates in order to revive industry and business. So impressive was this campaign that some of the highest officials in the Government were favorable to granting the railroads' demand before a line of testimony against the railroad demand had been taken.

It is curious to remark, by the way, that these efforts to incite popular clamor to influence a judicial decision were made by the interests that profess to be the guardians of the judicial ark of the covenant.

In spite of all this, the commission, proceeding in an orderly way, gave the railroads the unusual privilege of presenting their entire case without interruption or cross-examination. The newspapers printed columns of ex parte statements, which were intended to show, and really did show, the need of increased revenues.

Much to the railroads' surprise, however, the commission did not deny that more money was needed, but considered only the equities of the case. Its inquiry, directed chiefly by Louis D. Brandeis, has developed enough to show that the commission, far from rejecting the plea for additional income, intends to cooperate with the railroads in finding it.

But instead of approving off hand the exaction of higher rates from the public, the commission has undertaken the singular task of persuading the railroads to collect vast sums fairly due for services now performed free for favored shippers—amounts which, in the aggregate, expert opinion declares, approximate the increase in rates requested.

This sounds fantastic, but it is a perfectly correct statement of the case. Earnings adequate for all legitimate purposes are available to the railroads whenever they choose to collect them. In a word, the commission has uncovered another huge system of rebates and discrimination.

Secret refunds, rate-schedule "jokers," exorbitant payments to "tap" lines—these familiar devices have long been condemned and forbidden. But now the commission has revealed an abuse just as old and just as bad as any of these. That it existed was generally known, but its amazing extent was unsuspected. Let us cite a few examples from last week's evidence.

Services performed free for powerful shippers in populous centers include switching to and from private sidings; ferriage and lighterage transportation from warehouse to freight yard, saving cartage expense; special transshipment as to points on the Chicago tunnel; switching of cars on private spurs to points designated by shippers; holding of loaded cars as long as 10 days without charge; loading and unloading at the carrier's expense; and even actual payments in cash to shippers for loading, unloading, and carting their own goods.

The revenues wasted in rebates of this outrageous description reach an enormous total. Inquiry shows that at Toledo free ferry service amounted to 26 per cent of the freight paid on 50 cars selected at random; in another case, on 25 cars, it was 46 per cent. On 10 cars, at Chicago, the cost of the free service was 49 per cent of the total revenue. Instances in Toledo show that the railroads rendered free service costing from 27 to 64 per cent more than the freight collected.

Free tunnel transportation in Chicago costs the roads from 4 to 6 cents per 100 pounds; on first-class freight from New York it amounts to a refund of 8 per cent of the rate, while on consignments from nearby points it runs as high as 45 per cent. Records are given of payments of thousands of dollars to New York sugar refiners for loading and unloading their own goods from cars. On shipments to Chicago 2 cents a barrel is allowed for storage, equaling a rebate of 9½ per cent.

On 25 cars from Chicago stockyards to New York the gross freight revenue was $665.19, and the allowances for switching, weighing, yardage, and lighterage $297.10, or nearly 45 per cent. In June of last year nearly one-half of all the cars received at a New York Central station, on Manhattan, were unloaded at the company's expense. Special switching service on private sidings costs the railroads in Philadelphia

from $3 to $4 a car; and it is estimated that 40,000 cars a day are handled in this manner free of charge throughout the country.

Only a few cities have been touched in the testimony, but it is notorious that the scandalous conditions outlined prevail in large communities, including Philadelphia. This is one of the reasons why railroad influence has been so potent in the commercial organizations of this city. The free services performed for big shippers explain the inaction or indifference of many Philadelphia business men in regard to movements for increasing general transportation facilities and developing the port.

It is at the cost of giving free service, averaging 4½ cents per 100 pounds, that the Pennsylvania Railroad carries millions of tons of western freight to and from New York, which could be handled more cheaply and expeditiously here. It is free service that enables the railroads to neutralize the natural advantages of this port, which should handle the bulk of the export and import freight of a dozen States.

The demand for increased freight rates, we repeat, is in reality a proceeding in equity. And the railroads can not expect to gain their point until they can show, first, that they have "clean hands," and, second, that they perform equity. The daily revelations being made in the investigation being conducted by the Interstate Commerce Commission seem to show that the railroads have not gone into court with clean hands, and that they are not doing equity to the other party in the proceeding, which is the public.

—

[Town Topics, New York, Jan. 29, 1914.]

The Interstate Commerce Commission is now having hearings on the question of a 5 per cent increase in the freight rates as asked by the eastern railroads. It is said that many shippers will present arguments against the increase. I doubt it. A few months ago there was a general sentiment among shippers that they should have, if not lower, certainly not higher rates. There has been a remarkable change of view since then, and I do not believe that there are a baker's dozen of the big producers of freight who will raise a voice against the admitted justice of the demands of the roads for this modest increase in rates, which means to them ability to live, while it is of trifling import to the business interest of the shippers. The continued development, improvement, and prosperity of the railways of the country are vital to all its business interests. Railroads have made our vast territory possible to its enormous population and its many great industries. The public will not permit them to be strangled.

—

[St. Louis Times.]

RAILROAD FACTS AND FIGURES.

The application of the railroads in the territory east of the Mississippi and north of the Ohio and Potomac Rivers for an increase of 5 per cent in freight rates would, if granted, produce in revenue approximately $49,000,000. In this section there is a population of more than 50,000,000, so that the whole amount involved, if prorated over the population, would mean a cost of less than $1 per capita per annum.

The Interstate Commerce Commission has had under consideration an advance in the railroad freight rates in this territory since June, 1910.

After a long period of investigation the request for an increase was denied. The decision providing for further consideration of the rate question "if actual results should demonstrate our forecasts of the future is wrong."

The eastern railroads waited and economized, with the prices of supplies advancing, wages increasing, taxes growing heavier, new burdens being imposed by legislation and by commission orders, removal of grade crossings, construction of steel equipment and other unproductive requirements.

The commission assumed that business would improve and that expenses would be lessened, but in the year ending June 30, 1913, the gross earnings of these railroads were $186,775,000 higher than in 1910, while their expenses and taxes showed an increase of $203,087,000. That is to say, the companies were $16,312,000 poorer, although during this period there was $660,000,000 of additional capital put into the railroads.

The present situation is intolerable. While the conditions generally in the country as to crops are favorable to a prompt and general resumption in business now that tariff and currency legislation is out of the way, there is no substantial recovery.

Notwithstanding the statements that have been made, the industrial situation is improving very little, and the present business depression bids fair to prolong itself, all because the largest single buyer of material and supplies and the largest employer of labor is being held in check, its purchasing power annulled, its credit destroyed. The investing public realizes that the Government has control of the earning power through the medium of rate regulation, yet has no responsibility for expenses or results. Naturally, therefore, they seek other channels of investment rather than take the chance of further losses in railroad securities, which have been depreciating.

It is practically impossible at the present time to market even the securities of the highest grade railroads. In order to meet current expenses some of the largest lines recently put out bonds that have been in their treasury for years, and for expansion they have had to get the money from their present stockholders by issuing new stock.

It is safe to say that if a popular vote was taken on this question to-day there would be an overwhelming majority in favor of granting the 5 per cent increase in the rates, and doing it promptly, for, as President Wilson has stated, this is the most important thing on the docket at the present time and should be settled without further delay.

—

[St. Louis Republic.]

SUSPICIONS NOT WANTED.

Clifford Thorne, railroad commissioner of Iowa, has taken a large part in the discussion of the proposed increase in freight rates for eastern roads. In a formal statement given out in Washington he discusses the fact that the roads have discontinued many trains and that two roads have laid off about 40,000 men. If this curtailment is made with a view to influencing the Interstate Commission in its decision of the rate question, then, he says, it is a colossal exhibition of arbitrary power, a method of browbeating the commission, a policy tending to make laws regulating interstate commerce farcical. Mr. Thorne distinctly says that he does not charge any such intent to the railroads, but couples the disclaimer with the assertion that railroads have done such things before.

If Mr. Thorne were a nobody, the insinuations contained in his statement would be of no consequence, but his prominence in the controversy over the rate question and his official position make his hint more weighty than another man's assertion. The railroad situation is delicate. Labor leaders are already charging that the roads which are laying off workers are violating the rights of union men. Insinuations that those dismissals are the result of a vast and evil railroad conspiracy are certain to add to the resentment which the dismissals caused, while they can be no assistance to the orderly processes of adjudication now being carried forward by the commission. When such men as Mr. Thorne have furnished the commission such facts and figures as they have collected and have presented their arguments upon them they have done their duty. When they go beyond that and acquaint the public with their inflammatory suspicions they are mischiefmakers. What does Mr. Thorne really know?

—

[Sent to Interstate Commerce Commission. Paper unknown.]

WHY DOES THE RATE DECISION HANG FIRE?

The period of grace given the New Haven Road in which to carry out the process of separation from its subsidiaries is a healthful sign of the President's unwillingness to hit business while it is down. None the less does the continued delay of the Interstate Commerce Commission to grant the hoped-for increase in rates keep business squarely on its back.

The railroads, the shippers, and, so far as it be represented by the press, the public have all asked that the increase be given. It is needed for the railroads' temporary as well as more lasting relief. The commission has doubtless been well advised in seeking to search out economies that might reduce the heavy operating charges; and whatever of success it has attained in its search should be made good use of. But even were the present methods of railroad administration found to be so extravagant that the total wastage comes to more than would be the hoped-for gain in revenues, it by no means follows that they could be put in force at once and have at once the same psychological effect upon investors as would the assurance of those revenues by a rate increase. The methods of administration are fairly well ingrained and can not easily be changed.

The commission seems to be trying for a solution that might gradually be applied, that in 10 years or so would perhaps result in much higher net incomes. But the installation of economies, of charges for spur-track service, and the like, would not operate to enhance any railroad's immediate borrowing facilities. If all the agitation of the last two decades has had no other effect, it has at least taught us how slowly reforms move and how intangible are the first results of them.

To the roads the proposition is less one of daily receipts and expenditures than of opportunity to finance their coming needs and refinance their maturing obligations. A company with little cash can not meet with the promise of economy its short-term notes that fall due next June. The holders of those notes are only too likely to think when the money is not forthcoming that the economies should be inaugurated by receivers.

The roads are trying to deal with a practical situation. Their only means of retrenchment now is in saving on equipment and service. The curtailment of trade dependent on the roads' purchasing activities is enormous. Still more serious in its effect on general business is the natural hesitancy of capital to aid in any enterprise—which means practically all industrial and almost all commercial enterprises—that a serious setback for railroad securities would injure.

The roads, the shippers, the public, all wait on the Interstate Commerce Commission to cut the Gordian knot. The commission should feel that they do not wish to wait for its untying. They want it cut, and to grant the increase seems the only way to cut it.

—

TEXAS ROLLING MILL CO.,
Fort Worth, Tex., March 5, 1914.

Mr. JAMES S. HARLAN,
Washington, D. C.

DEAR SIR: I am taking the liberty of mailing you under separate cover copy of an article written by the president of this company, Hon. George W. Armstrong, which is self-explanatory. This article appeared in every daily newspaper in the State and is the third of a series which we hope in the end will accomplish a great good. I doubt if there is any other individual in the Southwest who creates more tonnage of freight than does Mr. Armstrong.

Yours, very truly,

TEXAS ROLLING MILL CO.,
Fort Worth, Tex., March 5, 1914.
General Manager.

—

PROPOSED ADVANCE IN RATES DISCUSSED—LETTER TO THE NEWS COMMENTS ON RAILROAD SITUATION—BELIEVES PRESIDENT WILSON FAVORS GRANTING OF APPLICATION OF CORPORATIONS FOR TARIFF INCREASE.

TO THE NEWS:

President Wilson, according to a dispatch from Washington, has conferred with the chairman of the Interstate Commerce Commission regarding the application on the part of the railroads for a 5 per cent increase in freight rates. While the report states that the President has refrained from expressing an opinion as to the merits of the application, it is clear that he regards the subject as one of far-reaching importance, which, in the interest of the general public, should be disposed of as speedily as possible. In fact, he expressly disapproves of its postponement until September, as ordered by the commission. It is apparent that he thinks the application should now be granted.

We can not have the prosperity that is due and that would naturally result from the adoption of the new banking and currency system, and the settlement of the tariff question until this problem is settled, and this has prompted the President's action. The railroads are the largest employers of labor of all our industries, and, besides, they are big buyers of iron, steel, and lumber, which in turn gives employment to hundreds of thousands of men. These industries must shut down or reduce their force when the railroads are out of the market.

The hearing so far before the Interstate Commission has developed the fact that the shipper is opposed to the proposed increase in rates, because it affects his business. But there is a larger view. From the public's standpoint the question is solely one of whether or not the increase is necessary to enable the railroads to properly handle the commerce of the country and give efficient service.

DECLARES SERVICE NOT GOOD.

We know both from observation and from experience that railroad equipment is run down and getting worse, and that the service is poor and constantly becoming more so. We know, too, that it takes money to provide equipment and that they can only get this by earning it, or borrowing, which in turn depends on their ability to earn and repay. We know also that labor, materials, and everything has advanced and from their annual reports we see that, while their gross receipts are always increasing with the increased volume of commerce, their net income is ever diminishing. It may be that they are overcapitalized, but the commission is now engaged in the valuation of the roads as a basis for making rates, which they estimate will require years to complete. In the meantime the public demands reasonably good railroad service, and it is willing to pay its reasonable worth.

There has been some prejudice and misunderstanding in the past on the part of the people toward the railroads, which is happily disappearing. The railroads have not always been considerate of the public and the public has not always been fair to them. We must remember that the railroads are our servants and that they are indispensable to us. We can not confiscate them, and we can not make them render us good service unless we pay them for it. We should not forget that when we inflict a penalty or a hardship on the railroads we only punish ourselves. We pay the freight. We pay the labor, from the section hand to the president. We pay the damage claims, the interest on their bonds, and for the graft or extravagance, if any there be, in management. They are allowed by law to earn all of the charges imposed on them and a reasonable return on the investment besides, and freight rates are prescribed accordingly. We are, therefore, interested in the railroads being capitalized at their reasonable value; in their being dealt with justly and fairly by the commissions, legislatures, and courts of the country, and in their having an efficient and economical management free from any sort of graft. When the increase is granted it should be allowed on condition that the commission is given authority to supervise the expenditure of the money. Let the commission have full power to enforce efficient and economical service.

WOULD BENEFIT SOUTHWEST.

So far as this section of the country is concerned, the increase in interstate freight rates will be of advantage to it. As long as we have a low long-haul rate and a high short-haul rate the East will continue to do our manufacturing. When the reverse becomes true, we will do it ourselves. We would now be importing most of our goods from Europe but for the tariff, which caused manufacturing to spring up in this country and enabled them to become established. The factory will not come nearer to us until there is a decided advantage to it to do so. Under present conditions the advantage is the other way. Apart from the fact that manufacturing is already established in the eastern section of our country and that there is more or less conservatism and inertia about making a change, there are many disadvantages to the manufacturer here. There is a scarcity of skilled labor and wages are higher. Credit is more limited and interest rates are higher. We have no water power and fuel is dear. The market is restricted, and the high short-haul rate and the low long-haul rate puts his powerful competitors in competition with him. There is no hope for manufacturing here except in a small and limited way until there is a readjustment of freight rates.

I have learned this in the hard school of experience. I therefore speak with authority on the subject.

GEORGE W. ARMSTRONG.

FORTH WORTH, *Tex.*

THE INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

SIRS: It is hardly possible that your commission can or will find the time to read all the communications received for and against the argument of a 5 per cent increase in freight rates.

While the writer is only in the middle class of life, I am actuated by purely patriotic motives in registering, with no uncertain voice, my opinion against any increase in freight rates being allowed to the railroad lines applying for it.

For the following general reasons mainly. In presenting them for your consideration, I do so with diffidence and hesitation, and leave out all statistics and figures which are not based on the general conditions of the country or the public need.

There can be no doubt but what there is a concerted movement of all the railroads affected toward distributing broadcast literature of their own manufacture. Certainly they are maintaining a costly advertising campaign to gain their end. Not thoroughly satisfied with this they have further attempted to impress their demands on the people by a rather wholesale discharge of employees. This eleventh-hour economy is far-fetched. Better indeed had they laid these men off five years ago. For if they can maintain the same service without the men discharged, why did they have them on their pay rolls?

The people who will be hit the hardest by a 5 per cent increase in freight rates will be those who are dependent on the railroads for short-haul freights. These are certainly high enough at the present time, without any additional burden. If the railroads want a 5 per cent increase, let them reduce their short hauls 5 per cent. This will then help the smaller towns out, who rely for their existence and that of their business in getting their products to sell from their neighboring towns.

In our own particular case, between Hagerstown and Sharpsburg, a distance of 12 miles, over the Norfolk & Western Railway, our L. C. L. freight rate on most merchandise is at the present time all the way from 18 to 35 cents. From Baltimore to Hagerstown, a distance of 87 miles, the L. C. L. freight rate, considering classifications, is less than the above in most instances. When asked for redress the roads say they can not do better. They will not even sell a round-trip passenger fare ticket between our town and Hagerstown, Md. Yet they sell the same ticket (round trip) in a reverse direction. And yet they want more freight rate increase, all of which the consumer must pay in the end. I can well imagine this is of not much interest to you gentlemen, but I can assure you it is a question of much concern to the people of this country, inasmuch as it is a deciding time for them as to what they can expect in the future. We are well aware that the prosperity of a community and that of the railroads go hand in hand. But should we always pay the burden? Should not the stronger party display the most generosity? And how this generosity has been displayed by the railroads toward the shipping and the traveling public is a matter of general record for the past 10 years and is not a matter of figures.

Yours, respectfully, HARRY J. E. THOMAS,
Sharpsburg, Md.

APRIL 11, 1914.
This communication is not for publication.

BALTIMORE, *March 24, 1914.*

Mr. JAMES S. HARLAN,
Washington, D. C.

DEAR SIR: I am a machinist out of work for nearly two months with a wife and five little ones depending upon me for their bread and butter and now our savings nearly all gone. My work much depends upon business with the railroad companies, and with thousands of others we find it impossible to get work. How much longer this is to last God only knows, but what I gather in the papers, and what I am told, it all seems to be on account of the commission holding up the railroads.

Why don't you men get together, settle this rate question, and start the wheels of progress. Any of the railroad captains that have been robbing the people, put them behind the bars, but don't make the thousands of unemployed men and their innocent children suffer the blunt. Clear the records of all past frauds and start in new, and whatever is coming to the railroads give it to them, and we will again have work and prosperity. If this thing is not settled soon, and that very soon, there will be trouble in camp, for we can not hold out much longer at the present state of conditions. With exception of three weeks lost for sickness this is the first time I have been out of a job for nearly 12 years. Those fool hypocrit lawyers and others giving you so much chin music about the poor shippers is all tommy rot. Those fellows will take either side and don't care a rap about the people or the country. I am writing you this appeal by request of many of my fellow workmen as well as for myself and hope for the good of everybody you will give it your prompt attention.

FRANK BORDINLOE.

ST. LOUIS, *April 5, 1914.*

The INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

Mr. CHAIRMAN: For fear this article may escape your notice I take the liberty of sending it to you.

I have marked a clause in the article that especially appeals to me, and while I do not wish to in anywise criticize the splendid work of your commission, may I suggest that some kind of an appeal be made to the newspapers that before publishing any statements, at this juncture, those statements be submitted to your bureau of publicity before going broadcast to the country?

The railroads have been able by such propaganda as I have recently seen to largely influence a number of people, I mean substantial business men, that their claim "for an advance in rates is theirs by right," and when I ask them why the answer invariably is, "Well, that's what the paper said and they are laying off men."

Confident that your decision in the matter of rates will be based upon fact and will be acceptable to the country, I am,

Yours, very truly,

PRICE LANE.

RAILROADS DO NOT FACE A CRISIS—SOME OF THE STATEMENTS GIVEN BY THE ROADS ARE TRULY MISLEADING.

[Special dispatch to the Globe-Democrat.]

NEW YORK, *April 4.*

Daniel Willard, president of the Baltimore & Ohio, appeared before the Interstate Commerce Commission this week as a witness for the eastern railroads in their fight for an increase of 5 per cent in freight rates. Mr. Willard was asked by his counsel whether or not, in his opinion, a crisis at the present time confronted the railroads. That question is being heard to-day on all sides. Mr. Willard's reply was that the railroads were facing a crisis; the net earnings were so small that a fair return could not be maintained, and a large number of men were being deprived of their positions, not because of the lack of need of their services, but because of the inability of employers to pay. "As I conceive it," he concluded, "all these conditions of crisis or approaching crisis are at hand in full measure to-day."

Unbiased experts who are qualified to express an opinion have reached the conclusion that an increase in freight rates is due the eastern railroads. When the engineers, firemen, and trainmen threatened to strike for higher wages, the public insisted upon arbitration. The railroads reluctantly bowed to public sentiment, and the result was victory for the employees. Again, representatives of the public added to the operative expenses of the railroads by passing the full-crew laws. There has been a substantial increase in taxes, and then the railroads have been put to a large expense in preparing information demanded by State and Federal commissions representing the public. The public is strongly in favor of regulating the railroads, and the bills accruing from such a policy should not be left unpaid. The way to pay them is to grant an increase in freight rates.

It does not follow, however, that the railroads should get all that they are asking for. All of the items mentioned above have not added $15,000,000 to the operating expenses of the railroads. If the proposed 5 per cent increase in rates is granted, the gross earnings of the companies involved will be increased $50,000,000.

A great deal of false and misleading information is being circulated by the railroads to prove that they are face to face with a crisis. That is a serious charge, but it can be substantiated. This week, for example, President Smith, of the New York Central, stated on the witness stand that 25,000 men had been discharged since last September. The facts are that every large railroad lets thousands of men go every year after the middle of September, or as soon as the season for outdoor work ends. The Erie Railroad put out a statement this week that it had discharged 17,000 men. Investigation proved that in the departments named the company employs only 22,000 men, and the number that was or will be discharged was 6,000 instead of 17,000. An Erie official laughingly admitted: "Why, if we fired all those men, there wouldn't be anybody left to run the road."

The fact that the railroads have found it necessary to lay off men by no means spells calamity. Last year the gross earnings of the railroads, with one exception, were the largest on record. A poor showing was made in net, but that is easily explained. Last spring, when the decision was reached to apply for a 5 per cent increase in freight rates, every company involved immediately began to increase its maintenance appropriations. For the last six months of 1913 the 50 roads involved showed an increase of only three-tenths of 1 per cent in gross earnings, but a gain of 7.3 per cent in maintenance appropriations. The additional outlay for upkeep of roadbed and equipment accounts for most of the falling off in net.

In October of 1913, in common with all lines of trade, gross earnings of the railroads began to show decreases. That tendency has continued, and naturally, in view of the enormous amount of extra maintenance work that was done last year, the decision was reached to lay off men.

That decision, it will be found later, will mark the end of the long period of small net earnings. When the turning point will come in gross no one can say, but it is perfectly safe to predict that it is not a great way off.

At this time in 1910 it was being predicted from the housetops that unless freight rates were increased 10 per cent all of the large companies would be forced into the hands of receivers. The proposed 10 per cent increase in rates was not granted; but, on the other hand, new high records were established for both gross and net earnings, and many dividends were increased.

It was the same in 1908. In the early spring of that year the railroads insisted upon a 10 per cent increase in rates. Instead President Roosevelt started on his campaign to give the Interstate Commerce Commission more power in regulating rates, etc. In February of that year there were 342,000 idle freight cars in the country on the sidetracks. By April the number had increased to 413,000, and they were being referred to by railroad men who advocated the rate increases as "Teddy bears." This is what the Financial Chronical, the mouthpiece of the railroads, then had to say regarding the proposed increase in freight rates:

"Remember, likewise, that while the retrenchment in industrial affairs is going on and labor is being discharged, the elections are approaching. We say that because a good many think there is no good in the suggestion for higher rates for the railroads. They tell us that Mr. Roosevelt will not allow it. There are some things that even the Almighty can not reverse. Two and two will always make four and never five. Look at the evidence at hand. Note, first, the changes in earnings. Study each recurring month's reports. There is evidently a constantly developing decline. Nearly everyone was preaching before the new year opened that there would be a turn. There has been no such reaction. Instead of that the losses in earnings have increased. There can be no turn except by a process that strikes at the root of the disease."

The railroads did not get their increase in rates, but in 1909 they did establish new high records for earnings. Those high records, however, have since been raised, and it is only a question of a short time until, with or without higher freight rates, they will again be raised to new high levels. In the meantime, as a matter of justice, the railroads should be allowed an increase of something like 2½ per cent in rates to cover increased wages, taxes, cost of complying with full-crew laws, and other burdens which have been imposed by the public. But if that increase is not granted, despite the continued calamity howling of railway presidents, the railroads will continue to enjoy higher credit than any other industry whose securities are represented on the stock exchanges of the world. To what extent the campaign of the railroads for higher freight rates has hurt general business is another story.

H. L. B.

—

356 PINE STREET,
San Francisco, April 6, 1914.

Mr. JAMES S. HARLAN,
Interstate Commerce Commission, Washington, D. C.

DEAR SIR: The subsidized press is determined to have you grant the eastern railroads the 5 per cent increase in freight rates. Of course, you know that if there was no Wall Street there would have been no such demand; consequently, the incentive for the demand is Wall Street.

Wall Street has never produced a new dollar nor added a new idea to the world—she simply lives out of the other fellow's pocket—her production is mostly watered stocks and degenerates.

The dividends on watered stocks alone amount to 25 per cent of the average yearly income of every workingman. The dividends on the Steel Trust stock alone (all water) add 10 per cent yearly rental to every occupant of class A buildings for the structural steel alone. The Reading Co. (a holding company) earned 30 per cent last year on its stock (originally all water), and yet is asking for increased freight rates for the railroad company which it owns.

Wall Street will die a natural death if nothing is done to stimulate it, as the new currency bill will keep most of the surplus funds away from Wall Street, where it is now used to float their watered stocks, or loaned on such stocks within 10 per cent of their so-called market value. If such men as Willard, of the Baltimore & Ohio; Smith, of the New York Central; and "Honest" Jim Hill would devote their time and energy to running the railroads on their merits instead of hovering over the stock ticker there would have been no necessity for increased freight rates.

They are hardly sincere in their pessimistic reports to the Interstate Commerce Commission, when at the same time they are giving out tips to their personal friends to buy the stocks.

I hope you will continue your investigations even if it takes another year, as the public are just awakening to the situation and depend on you to do them justice as well as the railroad companies.

Yours, very truly,

W. O. MANSON.

"With cheering assurances from Washington that the eastern railroads would be allowed the full 5 per cent increase in rates, it was anticipated that to-day's market would show activity and strength."

—

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: We desire to file our objections, informally, to the proposed increase of rates by the eastern railroads, and to except to the proposition that any increase whatever shall be accorded them, and assign the following reasons to sustain our protest:

First. We observe that the representative of the Erie Railroad, on March 30, 1914, importuned the sitting commissioner to speed as fast as possible the proposed advance in rates. In this connection, we call your attention to the fact that this particular railroad—the sick man of the railroad world—voluntarily filed with your honorable body a reduction in certain freight rates, which it was impelled to withdraw later on by the usual combination of railroads, who threatened a rate war unless the Erie did withdraw the voluntary rates it proposed to publish or had published. This railroad, therefore, ought not to be heard at this time to demand an increase of rates when it has heretofore voluntarily offered a reduction of rates.

Second. The American people have expended upward of $400,000,000 in the construction of the Panama Canal. The transcontinental railroads and their connections have evidently arranged to deprive the people of the benefit of the Panama Canal by increasing first the rates in eastern territory, and then in western territory, upon the principle that two bites of the cherry would be easier to put across than to swallow it whole.

Third. The evident object and purpose in advancing the idea for the repeal of the exemption provision of the Panama Canal tolls is to place as much of a handicap as these transcontinental railroads can devise against water shipments, so as to enable these to retain as much of the transcontinental business as possible, and at the same time to increase the rates on their lines on water hauls inland on both coasts.

Fourth. No agency in this country is more familiar than your honorable body with the devices by which railroads have concealed their earnings and have appropriated vast sums of money to permanent improvements, and thereafter have increased their rates by attempting to secure interest upon excess charges as so capitalized, which create the surplus so expended, upon the principle laid down by Judge Noyes of increasing returns. In other words, create excessive rates, put the profits into permanent improvements, charge the people increased rates to cover the interest in such permanent improvements, then again investing the added surplus in permanent improvements, increasing the rates to the people; and thus, by one continuous progression of charge, surplus, and charge upon surplus, these have appropriated to themselves a very material part of the entire wealth of this country. The American people can be depended upon to resent in no uncertain terms a further incursion of the sort planned. That these have remained quiescent during these investigations has not been because they will patiently submit, but has been because they believe in the integrity, ability, and fairness of the Interstate Commerce Commission, which has enjoyed, and does enjoy at this time in enviable measure, the confidence of the people, who have long been suspicious of their agencies of the Government as to their good intention to protect them, the people, from the incursions of the insatiable demands of railroads in America. The English system of requiring the capitalization of permanent improvements, and then permitting a fair return upon such capitalization, we think, should be the principle upon which railroads in this country should be conducted.

Fifth. Perhaps the most insidious methods of the railroad combination have been effected through circulars, anonymous in character, inclosed in blank envelopes, coming from persons whose relations with the railroads are not disclosed in the pamphlets or the paper itself, and who pretend to be interested only as citizens with a common interest in the masses. Among these pamphleteers are railroad representatives masquerading in the light of a freight of the people. On the 30th of March, 1914, a pamphlet appeared by a well-known magazine writer, in which he presumes to advise the people upon their best interests. He is well known by persons familiar with the subject; but the mischief in the pamphlet lies in the fact that it appears to be wholly disinterested. One can not read the pamphlet with a full knowledge of all the facts without feeling that it is not disinterested, notwithstanding that he therein protests to the contrary. This pamphlet is distributed in an envelope which in no manner indicates the interest which caused the distribution. Not only are the arguments made where they can be made, and refuted for the proposed advance in rates, but by the insidious newspaper and the pamphlet the people are led to bow their heads to a new yoke by arguments which are based upon the proposition that the country is going to destruction unless the railroads are permitted to add new burdens to those already carried. Possibly an investigation of the amount of money spent in the country in the promotion of newspaper utterances would account for a part of the expense of publicity which the railroads seem to have found necessary to advance their interests.

In conclusion, we most respectfully request your honorable body not to add new burdens to bowed shoulders unless you can read into any action of yours such justification as may convince the American people that your position is beyond question correct.

Respectfully, yours,

TUESDAY CLUB, Scranton, Pa., April 7, 1914.

D. WEBSTER EVANS, M. D., *President.*	J. ROSSO MCCORMICK, *Secretary.*
ARTHUR DUNN.	ROBT. D. TOWNE.
JOHN T. DUNN.	H. W. ALBERTSON, M. D.
W. P. BOLAND.	JOHN F. DURKAN.
E. L. BEVAN.	S. F. TOWNE.
F. R. WHEELOCK.	E. B. BUCKALEW.

EXHIBIT B2.

PRESIDENT WILSON AND THE RATE ADVANCE.

[From the Buffalo (N. Y.) Courier, December 29, 1913.]

FOREMOST QUESTION OF THE HOUR.

A special dispatch from Pass Christian, Miss., tends to confirm reports heretofore made to the effect that President Wilson believes that the Interstate Commerce Commission will act favorably upon the request of the eastern railroads for the moderate increase of freight rates, and that this action will result in the release of millions of dollars of equipment orders. The President is represented as believing that with the relief of the railroads and the new currency law in operation a wave of prosperity is near at hand.

This reassuring attitude of the President is bound to have a wholesome effect upon business conditions, especially in view of the rapidly growing belief that the freight rate question is the most important question now confronting the country.

William C. Brown, the retiring president of the New York Central lines, is abundantly justified in saying that the railroad situation is worthy of the serious consideration of every commercial, manufacturing, and agricultural interest, as well as all governmental authorities charged with the duty of regulating and conserving the transportation instrumentalities of the United States.

Mr. Brown asserts that if the moderate advance of freight rates asked for is denied, it will be impossible for the railroads to secure the funds with which to make improvements, without which expansion of the commerce of the Nation must gradually come to a halt; that in this event the demand that the Government provide funds necessary to supply adequate transportation facilities will be well-nigh irresistible.

Mr. Brown emphasizes the consideration that with income fixed by governmental authorities, with large increases in wages brought about by arbitration under Federal laws, with advancing prices and inelastic rates, the margin between income and outgo has become so slender as to make it very difficult to sell long-time securities. In 1908 the railroads found it necessary to raise money on short-term notes to the amount of $187,500,000, which was spent in permanent improvements. For the same purpose $319,000,000 was raised on one-year notes in 1909, and in 1912 the amount was increased to $368,000,000.

[From the Washington (D. C.) Post, January 21, 1914.]

SPEEDING UP JUSTICE.

President Wilson's intimation that the railroads are the sore spots, financially speaking, in this country at the present time, will have its effect upon public opinion with reference to the railroad rate cases. Already the President's words have been interpreted generally as meaning that he would not be averse to an early decision by the Interstate Commerce Commission allowing the 5 per cent increase which the roads say is essential to their development. This interpretation has brought the reassurance that the President wishes to help business, not merely in a theoretical manner, but practically.

There is no ground for criticism in the fact that President Wilson has seen fit to acknowledge the weakness of the railroads under present conditions. He knows, as do most other men, that the roads have been put to tremendous expense in recent years, with the necessity for increasing wages and spending money for new safety devices.

It is the function of the Interstate Commerce Commission to consider broad policies as well as the narrow questions of fact presented by the railroads. Even if the President had gone so far as to confer with the commissioners and give his views on the effectiveness of the proposed increase in rates, he would not have been straying outside of his province.

The exact justice of the increase of rate on each commodity can not be determined for months. The questions which have been sent out by the commission will postpone the final presentation of the case of the railroads for many months, if not a year. Evidently the President is disposed to look at the question from the standpoint of national policy and, recognizing that the railroads need more money, is inclined to speed up justice in order to secure the greatest good to the greatest number.

—

[From the Louisville (Ky.) Times, January 23, 1914.]

MR. WILSON AND THE RAILROADS.

The appeal of the eastern railroads for authority from the Interstate Commerce Commission to make an increase of 5 per cent in their freight charges is now under consideration by that body. The grounds for the appeal are: That the railroads for the past 10 years have been compelled to pay a steadily increasing price for every element that enters into the producing cost of their one commodity, transportation, and in the same period have been compelled steadily to decrease the selling cost of that commodity; that the railroads, by enforced economies, have been able so far to meet the demands of existing conditions, but that they are unprepared either to weather a panic or to meet the requirements of additional trackage, terminals, and equipment that a full return of prosperity will bring with it.

The securities of the railroads are held by individuals. When the earning power of the railroads is lessened the value of their securities is lessened, and with it the ability to borrow money to carry on the everyday work and at the same time to provide for improvements. Over the acts of the individual security holder the Government has no authority. It has already assumed a large measure of authority over the action of the roads. Manifestly this authority must be extended to its logical extreme of Government ownership, so as to eliminate the individual security holder, or there must be a halting place somewhere if the railroads are to have a sufficient voice in the management of their affairs to guarantee to their stockholders the protection necessary to avert the unloading of their securities. Manifestly, that is, if the prosperity of the railroads is to be considered inseparable from the prosperity of the country and therefore deserving of the best thought of the administration constituting the country's Government.

In the opinion of no less informed a student of affairs than Woodrow Wilson the halting place is already in sight. It will be reached when there has been vested in the Interstate Commerce Commission "the power to superintend and regulate the financial operations by which the railroads are henceforth to be supplied with the money they need for their proper development to meet the rapidly growing requirements of the country for increased and improved facilities of transportation," and Mr. Wilson adds: "We can not postpone action in this matter without leaving the railroads exposed to many serious handicaps and hazards, and the prosperity of the railroads and the prosperity of the country are inseparably connected."

It does not logically follow from Mr. Wilson's confession of faith that the eastern railroads are to get their 5 per cent increase in freight rates.

It appears, however, logically to follow that the day wherein no consideration has been given to supplying them "with the money they need for their proper development to meet the rapidly growing requirements of the country for increased and improved facilities of transportation" has passed. Against the proposal to vest in the Interstate Commerce Commission the power to superintend and regulate future issues of securities the railroads have entered no protest. They have in effect given to it their hearty assent.

The one question to be determined is the means by which the railroads shall get the money they need for improved and increased facilities of transportation. If it can be obtained in any other way than by an increase in the selling price of transportation, that way is not clear.

—

[From the Washington (D. C.) Post, March 20, 1914.]

RAIL DATA TO WILSON—PLEAS FOR HIGHER RATES RECEIVE CLOSE STUDY—KEEPS IN TOUCH WITH INTERSTATE COMMERCE COMMISSION—PRESIDENT SAYS PROPOSED INCREASE IN FREIGHT RATES IS "THE BIG THING," BUT EXPRESSES NO OPINION ON MERITS OF QUESTION—POINTS OUT THAT NEW HAVEN CASE IS PROGRESSING SATISFACTORILY.

President Wilson manifested yesterday deep interest in the financial condition of the railroads of the country, expressing a desire to help in every legitimate way to bring them relief. The President had been asked by callers if he had heard any particular complaints from the railroads about their financial condition, and remarked that he had heard what everybody was discussing—the uncertainty of their position. He let it be known that the Government was giving consideration to the general facts of the continued increase in operating expenses with the decrease in net revenues.

FREIGHT INCREASE "BIG THING."

The President revealed, too, that while he had not been consulted by the Interstate Commerce Commission as a whole, when individual members called on him he discussed everything they had brought up with frankness. Mr. Wilson considers as an important factor in the railroad situation the question of whether or not the railroads would get the proposed increase in freight rates now being argued before the Interstate Commerce Commission. He made it clear that this was "the big thing" in the situation, but did not express any opinion on the merits of the increase. No legislative action to afford relief to the railroads had been suggested to the President, according to his talks with callers.

REFERS INFORMATION TO INTERSTATE COMMERCE COMMISSION.

The President did not point out any particular way in which he could help the situation, though it is believed he intends to keep the Interstate Commerce Commission constantly informed about opinion throughout the country as it comes to him. Many letters sent to the White House about pending rate increases already have been referred to the commission for the information they contained.

During the course of his talk about railroads Mr. Wilson pointed out that the New Haven situation was proceeding satisfactorily and that he had not heard of the New Haven case influencing the financial condition of other railroads, as had been reported.

—

[From the Baltimore News, March 22, 1914.]

SHORTSIGHTED POLICY OF I. C. C. IS COSTLY—BUSINESS AND LABOR WORLD NOW IMPATIENTLY AWAITING DECISION WHICH, IT IS HOPED, WILL START THE WHEELS OF PROGRESS.

(By A. K. Darby.)

There is growing impatience in business and financial circles over the long—and what many persons consider unnecessary—delay in deciding the railroad freight case. The Interstate Commerce Commission seems to be about the only body in the United States that is not impressed with the serious consequences that further delay in disposing of this matter may bring about.

The President of the United States is awake to the harm being done to the business interests of the United States by the dilatory tactics of the commission, and his friendly attitude toward the railroads will, it is hoped, stir the commission to quick action. It is not believed for a moment, however, that the Executive will go beyond the bounds of propriety and make representations to the interstate commissioners while the latter are acting as judges in this particular case. There is, however, the best reasons for believing that the President believes that an increase in railroad revenues is necessary for the efficient conduct of the transportation facilities of the country.

The mere fact that the attitude of the Executive is becoming so well known—and there seems slight reason to doubt the accuracy of recent reports—in this respect seems to merit consideration as an important market factor. Interstate commerce commissioners are human, and it is not improbable that consciously or unconsciously they will permit the President's view to carry distinct weight in the course of their own investigations into this subject.

The appointive power in the case of commissioners lies with the President, and he may not unnaturally be expected to appoint only men with whose views he personally agrees. The same argument will, of course, apply to reappointments as to appointments.

Trade reports continue to indicate very clearly the check under which business is proceeding. The sort of encouragement, both practical and sentimental, which would be afforded by a grant of the rate increase could pretty confidently be counted upon to infuse greater life into trade.

A rate increase would mean speedy and valuable assistance to the railways, and in a broader sense would no doubt be accepted as proof that the regulatory power of Government is to be used for the protection of the railroads as well as for the protection of those who use the facilities which the railways offer.

Students of the situation agree that fundamentals are all right and that the only restraint to a forward movement in general trade is the failure of the Interstate Commerce Commission to recognize the embarrassment of the railroads and grant them the relief they ask.

The money value of the country's last crops was phenomenally large; its trade balance has up to this time been largely in its favor; from all sections come reports that conditions so far as they affect this year's crops were never better, and yet the wheels of commerce move slowly. In all cities there are armies of unemployed and some of these are marching on to Washington.

What for? They have no grievance against the President. He has done more real constructive work in his first year of service than many Presidents have done throughout their whole terms.

They have no grievance against Congress. Congress has in important matters to a greater extent than for many years, forgotten party lines in legislating in the interest of the whole people.

The tariff bill was not a radical one, and not only meets the demands of the Democraic Party, but the approval of many Republicans as well.

The currency bill was wisely handled, and, in the opinion of many of the best bankers, will put the United States in the forefront of the great banking nations of the world.

It is not Mexico which holds the country back. If we have war, it will at least open the gates to business to some extent. Peace will open them wider.

No; it is not with the executive, judicial, or the legislative branches of the country that the hungry has to look in sorrow and suffering. The people of these United States are at heart, and as a general rule, honest; they are sterling and industrious people; they have worked hard and played hard, and have built up the greatest country on the face of the earth. Suddenly, and with little warning, enterprise has stopped. Foreign purse strings have been drawn tight, prosperity has ceased, and the idle swarm our highways.

The answer: A Government-appointed board of detectives has taken charge of the house. This board of detectives is known as the Interstate Commerce Commission, and it is casting suspicions upon railroad management. They are not hurting Mr. Rae, the president of the Pennsylvania Railroad, or Mr. Willard, of the Baltimore & Ohio, or Mr. Elliott, of the New Haven, or Mr. Bush, of the Missouri Pacific, or the officers of other roads. The officers are not the railroads. The railroads are the stockholders and bondholders, and the stockholders and bondholders are men, women, and children, and the widows and orphans, the savings banks and charitable institutions of this country, located in all parts of it, and the people and institutions in foreign countries who have had confidence in us in the past and have sent their money to us. It is these who are being mercilessly injured by the Interstate Commerce Commission.

This country has never heretofore stood as breathless, waiting the result of any election or any other great question as it is standing to-day waiting the decision of the Interstate Commerce Commission.

The rich and the poor, the employed and the unemployed, are all suffering from this great crime, this taking of value from the greatest of all enterprises in our country, the railroads, impairment of credit from heretofore the most prosperous Nation under the sun. What

will the answer be? On the answer depends the welfare and prosperity at least of this generation. No compromise is going to accomplish any good.

The voice of the people will finally win, although it may take a whole generation to overcome the destructive work of the few men of the Interstate Commerce Commission and their misguided leader, Brandeis. This destruction of credit has been the great crime of our age. The question is how long will the people submit to it. If the armies of the unemployed on arriva. at Washington are looking for the cause of their suffering, they have only to go to the Interstate Commerce Commission.

—

[From the New York Sun, March 23, 1914.]

WISHES THE PRESIDENT WOULD EXERCISE HIS INFLUENCE WITH THE INTERSTATE COMMERCE COMMISSION TO SETTLE THE RAILROAD RATE QUESTION.

ATLANTA, GA., *March 21.*

To the EDITOR OF THE SUN.

SIR: I have been reading with much interest many published articles regarding the great amount of influence that President Wilson has exercised over Congress with reference to the Panama Canal tolls question. I do not agree or disagree with these articles condemning the President's views on the matter, for the reason that it is a question about which I know very little. However, there is one thing I believe I do know, and that is that the Interstate Commerce Commission is taking an awfully long time to settle the railroad rate increase of 5 per cent, which has been asked for by the railroads and approved by a great number of shippers. The business of this country is at a standstill awaiting the decision of the Interstate Commerce Commission.

Now, if our President is able to exercise such great influence over Congress, as it appears he has done in getting the tariff, currency, and tolls bills through, I think it would be wise for him to exercise some of that same influence over the Interstate Commerce Commission, and get the rate question settled, so that business may be resumed and the great army of unemployed people may secure employment. The success of the Democratic Party depends largely upon immediate action on this very important question. The currency and tariff bills may do all for the good of this country that has been predicted by the party, but neither so far has had the effect of stimulating business, and I fear it will be some time before the predicted good that is to be derived from these bills will be felt by the unemployed.

The Interstate Commerce Commission has the right to increase freight rates, and it also has the right to decrease the same; therefore it appears to me that it would be good business on the part of the President to insist upon the granting of this increase now, and later, after the physical valuations of the railroads have been completed by the Government, and it is found that the railroads can earn fair returns on the actual value of their properties, then the rate may be decreased. In view of the uncertain values that may be placed upon railroad properties by the Government and the long period of time that may be required for the United States Government to get the proper data with which to fix these values, it is impossible for the railroad companies to sell securities to make much needed improvements, and the kind of improvements that afford employment for thousands of people while they are being made, and since the situation has been made so acute by reason of the physical valuation laws that were passed by the Republican Party, it would be quite proper for our President to insist upon increased freight rates in order to afford immediate relief.

C. W. LANE.

—

[From the St. Louis Times, March 31, 1914.]

UNFAIR TO THE RAILROADS.

Notwithstanding the intimations received from Washington that President Wilson is in favor of an increase in freight rates and that it is the President's desire that the Interstate Commerce Commission should render an early decision in the matter, the commission has again postponed the date for hearing the shippers in opposition to the proposed increase. Furthermore, the commission has engaged counsel to represent it and present the case of the shippers against the railroads. Why the Interstate Commerce Commission should be prejudiced against the claims of the railroads is difficult to understand, since it was supposedly created for the purpose of righting the wrongs of the railroads.

The Interstate Commerce Commission is a quasijudicial body, and as such ought to be unprejudiced and protect the rights of all parties in all matters which may come before it. Recently the commission employed an attorney to represent the Interstate Commerce Commission and the shippers in the hearing of the petition filed by the railroads for an increase in rates.

If the railroads are to receive a fair and impartial hearing, what occasion was there for the Commerce Commission to employ an attorney? Was it to enable him, as one who seems to be in political favor with the administration, to earn an extravagant fee?

Such action on the part of the commission does not appeal to fair-minded people, and if the shippers wish counsel to represent them in opposition to the proposed freight increase, such counsel should have been employed by the shippers and not by the commission. The duty of the commission is not to employ counsel, but, as judges, to pass upon the reasonableness and fairness of the claims of the railroads for increased freight rates, and the merits, if any, of the opposing claims of the shippers.

The employment of counsel by those who are supposed to pass upon the matter is a new departure in American justice, and can not meet with popular approval. Such action on the part of the commission immediately smothers the promise of a square deal to the railroads.

The St. Louis Times believes in fair play and a square deal, and condemns the action of the Interstate Commerce Commission as dangerous and as an attack upon American justice and the spirit of our jurisprudence.

—

IX.

[From the Manufacturers' News, February 26, 1914.]

PRESIDENT WILSON DISHEARTENED.

Certain railroad officials, whose methods are suspected, may defeat the 5 per cent advance in freight rates, that many believe is needed to restore business prosperity.

President Wilson made up his mind several months ago that he would use his influence for the horizontal advance in freight rates for which the official classification territory railroads had filed requests with the Interstate Commerce Commission.

The increase meant that all the railroads in the United States would get an advance of 5 per cent, whether they were entitled to it or not, and the feeling of the President was largely shared by the business interests from one end of the country to the other, because it was believed the business situation was critical, and that the advance would help restore confidence and prevent a smash.

So far as the general public was concerned, it was willing to stand for whatever President Wilson said was the right thing to do.

President Wilson is now disgusted and disheartened because it has developed that certain large railroad interests in the country are still pursuing questionable methods, and facts, that have been brought to his attention, have caused him to hesitate as to whether he will favor the advance that has been asked.

The foregoing statements are made on the authority of a public man who has the interests of the Wilson administration at heart, and who is also in close touch with the Washington situation. He also said:

"An event is likely to occur in Chicago in the course of a few days in connection with one of the railroads that will startle the country as much as the revelations connected with the New Haven. The President regrets exceedingly that this situation has arisen, as he was in favor of an advance in freight rates because he believed that it was the best thing for the country generally, regardless of the inequities which now exist as to rates. He had thought, however, that the grafting had been eliminated and that the railroads which had been guilty of such conduct in the past had turned over a new leaf. He took the position that he would let the past be bygones and would start out with as few investigations as possible, on the theory that the railroad officials had made up their minds to do the right thing by the public He was also assured by certain financial interests in New York that the grafting on the part of the purchasing agents, railroad presidents, and others, had been eliminated, and he took these gentlemen at their word. There are certain roads that have been clean all the time. There are others in which more or less grafting did go on, but the practice has been practically eliminated. Others are carrying on their nefarious vocations more aggressively than ever before, and the wail they have made for an advance in freight rates has bumped the moon.

WHY PRESIDENT WILSON HESITATES.

"The President, I understand, has not abandoned the idea of allowing the advance, but is hesitating and wondering if it is really true that the money is needed. He wants to know. He also wants to help. He wants good business.

"The astonishing revelation which I understand is about to be made is extremely unfortunate at this time on account of the general business situation, and the President greatly deplores it. He has been doing everything he can to restore confidence. On the other hand, he feels that the public is entitled to the information, and has not put any stones in the way of taking the cover off the particular situation to which I have reference. It may be, however, that he will change his mind and conclude that it would be better to delay matters for a while. I earnestly hope so. The country needs the advance in freight rates notwithstanding the disgraceful action of certain men connected with the carriers."

—

SHIPPERS WILL FIGHT SERVICE CHARGES—ILLINOIS MANUFACTURERS' ASSOCIATION, NATIONAL TRAFFIC LEAGUE AND ASSOCIATION OF COMMERCE TAKE ACTION.

Shippers throughout the country are gradually becoming aroused to the meaning of the Harlan decision and the efforts of Louis D. Brandeis, special counsel for the Interstate Commerce Commission, to saddle on the public terminal charges which have heretofore been regarded as part of the freight rate, and an obligation of the carrier. The commission will resume its investigation at Washington tomorrow, and will no doubt hear further statements from Mr. Brandeis as to particular cases which he wishes to cite.

The plan outlined in the Harlan decision, coupled with what seems to be the new policy of the commission, means a revolution in the handling of freight on the railroad terminals at all great industrial centers. Mr. Brandeis has evidently succeeded in reversing the views of the commission, because the position which it has taken in the pending investigation is diametrically contrary to the position taken in the California case. In the latter litigation it held that the Southern Pacific and other railroads entering San Francisco and Los Angeles were wrong in charging $2.50 for spotting cars. These were th only two cities in the United States where the practice of charging for spotting cars obtained. The railroads refused to comply with the order, and the commission instituted proceedings before the Commerce Court to enforce its decision. The Commerce Court held for the railroads and the Interstate Commerce Commission appealed the case to the United States court. The matter is now pending.

DECISION ON SWITCHING CHARGES.

Saturday the commission handed down a decision in the case of the Chicago Board of Trade against the Santa Fe and other railroads, involving the absorption of switching charges on cars loaded with grain at Chicago. In the general rearrangement of switching charges a few years ago grain was not included, and the commission now holds that the railroads are not compelled to absorb the switching charges on grain at Chicago, notwithstanding they absorb the charges in cases of other commodities, and that the position of the railroads in not absorbing switching charges on grain is not a discrimination.

In connection with the controversy as to allowances the question of industrial railways again pops up. A number of short lines connected by industrial houses were in operation at the time the reform wave struck the commission several years ago. At that time they were getting a division of 20 per cent of the rate, and the Interstate Commerce Commission ruled that the division was ridiculously high. In the case before it, it ruled that $3.50 a car was sufficient to charge. When this decision was rendered, a number of industrial concerns which had not had the foresight to incorporate their switch tracks immediately did so and collected from the carriers $3.50 for every car turned over, on the ground that that amount had been established as an allowance for the industrial railroad.

—

CAR-SPOTTING CHARGES.

ILLINOIS MANUFACTURERS' ASSOCIATION OPPOSE THE BRANDEIS SCHEME.

Colin C. N. Fyffe, general counsel; Secretary John M. Glenn, and influential members of the Illinois Manufacturers' Association and other industrial organizations are in Washington to appear to-morrow before the Interstate Commerce Commission.

They will present the formal objections of the Illinois Manufacturers' Association and other prominent industrial and shippers' organizations to the proposed charge for car spotting, trap-car service, and other similar service performed by the carriers after the vehicles leave the main lines.

The position of these shippers is defined in the following resolution passed after an all-day meeting on Tuesday at the rooms of the Illinois Manufacturers' Association in the American Trust Building:

"*Resolved*, That the representatives of the associations named below oppose the proposal to permit the carriers to impose an extra charge for so-called spotting of cars for the following reasons:

"1. That this service is and always has been a part of transportation service.

"2. That it is always included in the rates.

"3. That the spotting service as defined at the hearings of the commission is not actually performed except in a very small percentage of deliveries.

"4. That if the spotting of cars is not a part of the transportation service it is a local service and the question of an imposition of any charge therefor is for the State commissions and not for the Interstate Commerce Commission.

"*Resolved*, That the trap car and similar service of carriers is a legitimate extension of their terminal facilities, open to all shippers, reciprocal among railroads, and properly included within the through-line charge, and that it should be maintained as at present.

"*Resolved*, That these resolutions be submitted to the several organizations and they each be requested to communicate their action thereon to the commission with such facts as their individual members may be able to furnish."

The resolutions were passed at a meeting of the joint committee which had been created at a conference held in Chicago, December 3, under auspices of the Illinois Manufacturers' Association. The official call stated that the meeting was held to consider united action in reference to the proposed allowances for serving the industries under the Interstate Commerce decision of January 20. Those present were:

Illinois Manufacturers' Association: Henry G. Herget, Pekin; Chas. Piez, Chicago.

Iowa State Manufacturers' Association: G. A. Wrightman and Walter Huncke, Des Moines.

Rockford Manufacturers' & Shippers' Association: A. E. Johnson and C. S. Bather.

Manufacturers' Association of Racine, Wis.: W. M. LaVenture, W. T. Harvey.

Fox River Valley Manufacturers' Association, Aurora, Ill.: C. A. Krause, R. L. Ruble, A. C. McDonald.

Tri-City Manufacturers' Association, Moline, Ill.: H. A. Jansen, secretary.

Indiana Association of Manufacture & Commerce: M. W. Mix, Mishawaka.

Also present were the traffic committee of the Illinois Manufacturers' Association: R. A. Hale, L. F. Berry, W. M. Caves.

Al. Birkenstein, S. Birkenstein & Sons, Chicago.

S. C. Hunter, Marquette Cement Manufacturing Co., La Salle.

F. A. Coapman, Whitman & Barnes Manufacturing Co., Akron, Ohio.

A. J. Byrne, Joseph M. Eisendrath Co., Chicago.

A. J. Kingsley, Oregon Manufacturers' Association, Portland, Oreg.

Mr. Piez occupied the chair.

[From the Albany Evening Journal.]

THE PRESIDENT AND BUSINESS.

It seems to be settled now that the plan to enact specific definitions of restraints of trade will be eliminated from the program for supplementary antitrust legislation, so that the United States Supreme Court's interpretation of the Sherman law according to the rule of reason will remain as the guide to decisions in all cases which may be brought into court under that law.

This is thus far the best evidence of the good faith of President Wilson's declaration that hostility between the Government and business is at an end. The proposition that a law should be passed listing all possible acts of corporations which should be unlawful under the Sherman law seemed to be in conflict with that assertion, since if the specification of such acts were made comprehensive enough to include all which might be for illegal purposes, many must be included which might as well be, and as a rule would be, for purposes entirely legitimate. It appeared inevitable, therefore, that the enactment of such supplementary legislation would place such restraints upon business as would make profitable operation exceedingly difficult, if not impossible.

This view must have been convincingly presented to the President, since otherwise he would not have consented to the withdrawal of a legislative proposition which seemed desirable to him when he recommended it in his message.

If now the President would in some way indicate his desire that the Interstate Commerce Commission should give the railroads a square deal, that would be conclusive evidence of the end of hostility between Government and business. Thus far he has carefully avoided expression of opinion as to that, on the ground that the commission is a quasi judicial body and it would be therefore improper for him to try to influence it. In fact, some time ago, when it was reported that he had expressed himself in favor of a rate advance, he hastened to make denial of it.

But he has not hesitated to influence the action of the Congress. Indeed, he has not at all tried to make a secret of what he desired it to do. Since that is not improper, and it is generally conceded that it is not, a word from him indicating his attitude toward the rate question would not be a breach of propriety.

Moreover, it would be entirely proper and in order for him to remind the Congress that it should provide for just compensation for the railroads for carrying the greatly increased parcel post tonnage.

Not accelerated from any source, progress of the commission toward decision is slow. It is still giving hearings, mostly to those who contend that the railroads should be compelled somehow to get along with inadequate compensation for service to the public. Anyone who wants to talk against a rate advance seems to be welcomed with open arms. The latest individual who was heard at length is a railroad commissioner of a western State who said he represented the commissions of eight southern and western States. One may wonder why State officials are permitted to intervene in a matter between the railroads and those whom they serve before an agency of the Federal Government.

It can not be successfully disputed that the financial embarrassment of the railroads, due to insufficient earnings, does more to check business revival than any other thing that influences industrial and commercial activity. Since that is so, the President could do great good if he would make it known that the policies of his administration, through the operation of which he hopes to restore prosperity, include relief for the railroads from the undue restraint that has been put upon their earning power.

Hostility between the Government and business will not be at an end while that restraint remains, for the railroads are a large part of American business.

IMPEACHMENT OF THE MEMBERS OF THE INTERSTATE COMMERCE COMMISSION.

[From the New York Evening Telegram, March 8, 1914.]

MR. LEVY ASKS RATE DECISION IN 30 DAYS.

Impeachment of the members of the Interstate Commerce Commission will be asked unless a decision in the so-called "Eastern railroad" rate cases is rendered within the next 30 days, according to an assertion made to-day by JEFFERSON M. LEVY, Representative from the fourteenth New York district. Charges are made by Mr. LEVY that there has been willful delay in announcing decisions reached in the last two years in rate cases affecting practically every railroad and every industry in the country.

These delays, he says, seriously hurt business and create a chaotic condition among the railroads. He declares that efforts which he has made to hasten long-delayed decisions have met with no success, although he has appealed directly to President Wilson.

The eastern railroad rate case was closed December 15 after extended hearings, during which representatives of all the great railroads east of the Mississippi River presented cause for a 5 per cent increase in the prevailing rates. On January 1, 1914, the commission sent all the railroads a list of 68 questions, involving the conduct of the business for the last 10 years, which must be answered before a decision will be announced.

"These questions are elementary," said Mr. LEVY. "They have nothing to do with the case which the railroads presented to the commission and will take years to answer, as they require an extensive search of old records. The commission itself has filed away in its archives answers to these very questions, and if the members cared to they could set clerks to work finding them.

"Louis D. Brandeis, counsel to the commission in this rate hearing, recommended the increase asked, and still, instead of decisive action, the railroads are told to answer a lot of historical questions.

"This is but an index to the manner in which the commission conducts its affairs. The men comprising this body are not men of sufficient caliber or experience to handle the great problems which come to them, and the result is a most unfortunate condition, which is seriously affecting the business of the country. I believe that politics has entered too largely into the appointment of these men."

QUESTIONS DELAY IN FREIGHT RATE CASES—REPRESENTATIVE LEVY OFFERS RESOLUTION CALLING ON PRESIDENT TO INVESTIGATE COMMERCE COMMISSION.

HERALD BUREAU,
Washington, D. C., Saturday.

Representative JEFFERSON M. LEVY, of New York, who all along has maintained that the Interstate Commerce Commission was delaying too long in deciding the application of the eastern railroads for a general increase in freight rates, offered a resolution in the House to-day calling upon the President to inform the House of the causes for this delay.

Mr. LEVY'S resolution recites that in some cases pending before the commission, in which the railroads have asked permission to increase their rates, the shippers interested have filed no objections, as is their right under the interstate-commerce law. In other cases the shippers have even indorsed the applications of the railroads. In such circumstances Mr. LEVY can not understand the reason for the delay.

Mr. LEVY had intended to ask for the impeachment of the commission, but decided that before he undertook such action it would be wiser to submit a resolution calling for a statement of the commission's reason for the delay.

House resolution 447.

IN THE HOUSE OF REPRESENTATIVES,
March 21, 1914.

Mr. LEVY submitted the following resolution, which was referred to the Committee on Interstate and Foreign Commerce and ordered to be printed:

Resolved, That the President of the United States be, and he is hereby, requested to report to the House of Representatives, for its information, the cause and reason why the Interstate Commerce Commission has failed to grant an increase in freight rates to the railroads where no objection to such an increase have been filed, and where the shippers have requested that an increase be granted on the ground that they were just and equitable.

EXHIBIT B3.

MANY EDITORIALS AND NEWS ITEMS SEEK TO INTIMIDATE CLAIM—A CRISIS IS NOW ON, AND PANIC WILL SURELY FOLLOW A DENIAL OF THE RATE ADVANCE.

THE RAILWAY CRISIS.

American railroads have reduced their forces by fully 250,000 men and have cut working hours.

And this staggering total will be seriously swelled unless conditions promptly improve.

These statements are based on signed communications the New York American has received from the presidents of our leading railroad systems.

Normally, our railways employ approximately 1,700,000 men. A 15 per cent reduction—which is under rather than over the mark—means 255,000 men.

One point emphasized by all railroad heads is that retrenchment is not a matter of this week or last, but has been in force for several months.

Also, the reduction in forces, it is pointed out, has not been equal to the falling off in net earnings.

Withdrawal of passenger trains is now engaging the attention of officers. Economy in this direction is likely to be carried a good deal further.

Among the companies already heard from, with the reduction in forces, as compared with a year ago, are the following:

Pennsylvania Railroad	38,000
New York Central	25,000
Norfolk & Western	8,000
Northern Pacific	3,660
New Haven	4,500
Lehigh Valley	3,000
Baltimore & Ohio (unofficial)	10,000
Missouri Pacific (unofficial)	12,000

—B. C. Forbes, in New York American.

THE CRISIS.

President Willard, of the Baltimore & Ohio Railroad Co., told the Interstate Commerce Commission that the railroads were facing a crisis. What else but a crisis is a rapidly decreasing margin between earnings and expenses? What else is the failure of increased investment to keep earnings up to the point formerly reached with a smaller outlay of capital? What else is the necessity for laying off vast armies of employees? We speak of this blow to labor as a crisis for the railroads, because it is always a critical thing for an employer to be compelled to disorganize his staff of workmen gradually built up and educated to a state of efficiency. The railroads will not recover in many months from the setback caused by the present period of enforced economy.

The figures with regard to earnings and operating expenses introduced by Mr. Patterson, general counsel of the Pennsylvania Railroad Co., tell how serious the crisis is. Operating revenues of eastern railroads declined $51,000,000, or 22.5 per cent, in the seven months preceding January 3, 1914, as compared with those of the corresponding seven months of the preceding year. In the same period the operating revenue of the railroads of the Central Freight Association showed a decrease of $25,000,000, or 30.7 per cent. On the three principal railroads of the East—the New York Central, the Pennsylvania, and the Baltimore & Ohio—revenue declined $26,000,000, or 24.8 per cent.

It is not only a crisis for the railroads. It is a crisis for public regulation of the railroads. The Tribune says this with reluctance, having been forced to the conclusion. This paper has long been an advocate of public regulation and has urged and defended all sensible extensions of it. But it is a serious thing that public regulation should have brought the railroads to the condition in which they are to-day and should be slow to afford relief—almost incompetent to make up its mind as to the necessity for relief. The Interstate Commerce Commission has grave responsibilities, but seems unequal to them. Its work requires great understanding, but it is full of the suspicions which beset minds that do not understand. It prescribes accounting systems, yet hesitates as if it might be deceived by what they show. It chooses strange and noisy advisers, uttering wild charges. Mares' nests possess an irresistible attraction for it. It should know, but it plainly does not know. Public regulation must do better than this.

A crisis it certainly is, however you look at it.—New York Tribune.

UNTENABLE AND RIDICULOUS.

The Interstate Commerce Commission now for the first time in many months shows a disposition to expedite the rate-advance cases.

This is well. The dilatory position of that body had become untenable and ridiculous. The petitioning railroads, in demonstration of their need, have been offering to the commission earnings and expense figures not only prepared in accordance with an elaborate system of bookkeeping prescribed by the commission, but accepted by the commission and carried on its own records as a true exhibit of traffic conditions.

The commission therefore ought to know whether the railroads are in honest need of increased rates or not. It ought to know whether or not President Willard, of the Baltimore & Ohio, talks facts when he describes the railroad situation as critical. If it does not know, it only condemns its own system of railroad reports and its own capacity to sit in such a judgment.

The delay in this case has already been carried to a farcical length. It should end at once with a decision one way or the other.—New York World.

A BILL TO PROTECT THE INTERSTATE COMMERCE COMMISSION.

Senator LA FOLLETTE aroused a great deal of curiosity by his remarks yesterday in introducing in the Senate a bill for the purpose of preventing attempts to influence the action of the Interstate Commerce Commission, "except under the rules and regulations of the commission." The Senator, it would appear, is the custodian of something in the nature of a sensation, which he is about to let loose, for he gave notice of his intention to speak to-day on the bill in these significant words:

"I desire to present some remarks upon the bill and some evidences of a hearing that is under way in this country that I believe to be the most serious in its prejudicial effect upon the work of the Interstate Commerce Commission of anything that ever has before been witnessed."

Senator LA FOLLETTE'S bill is drastic in its provisions. It would prohibit any person from attempting to influence the members of the commission by writing to them, or by "writing or sending to the commission or member thereof any letter or any written or printed communication, circular, or paper, or by writing or printing or circulating, or causing to be printed and circulated, any communication, matter, or thing addressed to the commission or any member thereof, or by communicating with the commission or any member thereof." The penalty for violation is to be fine or imprisonment, or both.

Without discussing its constitutionality, the bill may be pronounced as far-reaching. The Herald recalls publishing not so long ago an editorial on the railroad situation, intended, of course, for the consideration of all its readers, but for the sake of emphasis bearing the caption, "A word to the Interstate Commerce Commission." Clearly such publication would be unlawful and might subject the publisher and editor of the Herald to a term in jail if Senator LA FOLLETTE'S bill should become law. Happily, however, there seems little danger of such enactment in this enlightened age, given though we are to legislating copiously.

Even though the bribery laws are presumed to protect them amply, the bill indicates a lack of confidence in the stability of the commissioners' judgment, or else a desire to relieve them or their secretaries of the burden of opening and disposing of a mail that might be unduly swollen while important cases are under consideration.

[Mailed to Interstate Commerce Commission. Paper from which taken unknown.]

IT WERE WELL IT WERE DONE QUICKLY.

We publish in other columns of this issue an excerpt from the annual report of J. H. Wheelright, president of the Consolidation Coal Co.

Two years ago the Consolidation Coal Co. purchased 100,000 acres of coal land in eastern Kentucky, upon which it has built the cities of Jenkins and McRoberts. According to the report of Mr. Wheelright, the 14 mines that have been opened in Kentucky by this company have a producing capacity of approximately 3,500,000 tons of coal a year. Because of the purchase of this land, and the guaranty of the Consolidation Coal Co., which for 50 years has been one of the most successful producing coal companies in the country, the Louisville & Nashville, the Chesapeake & Ohio, the Baltimore & Ohio, and the Clinchfield & Carolina railroads have spent millions of dollars to reach the coal fields in eastern Kentucky.

The total annual output of the Consolidation Coal Co. from its various fields in Kentucky, Maryland, West Virginia, and Pennsylvania aggregated for 1913 over 11,000,000 net tons.

The part of Mr. Wheelright's report to which we wish to call special attention is his statement that—

"Notwithstanding the fact that an increase in freight rates to the carriers would in many cases fall directly upon your company, we have written the Interstate Commerce Commission, urging them to grant the increase of freight rates to the railroads, for the reason that we believe the facilities so urgently needed to be of greater importance to the future development of the country and the welfare of your company than the burden that will fall upon us by reason of increased freight rates."

There could be no more striking evidence of the imperative need for an increase in the freight rates railroads are allowed to charge than this testimony of the president of a company which ships annually over 11,000,000 tons of freight, which would be affected by that increase. But as pointed out by Mr. Wheelright, it would inure to the benefit of the company of which he is president to have the railroads able to secure the money necessary to make the extensions, to build the sidetracks, and to purchase the equipment to handle the full output of its mines, which under present circumstances the railroad companies are unable to do. It is for similar reasons that business men in every line of activity have earnestly urged and anxiously await the decision of the Interstate Commerce Commission giving to the railroads permission to increase their rates.

Upon the prosperity of the railroads depends the prosperity of the country. They are the greatest consumers of material, the greatest employers of labor. It requires millions of dollars for them to maintain their tracks and equipment so as to handle economically and expeditiously the business they now have; it requires added millions for them to extend their tracks, to build new sidings, to purchase new equipment to take care of the increased business that comes from the increase of population and the development of the natural resources of the country.

That the plea of necessity for an increase in freight rates is not fictitious the monthly reports of earnings are proof, as is their inability to provide facilities for traffic ready at their hands, as pointed out by Mr. Wheelright, additional proof. The decision rests with the Interstate Commerce Commission, and upon that commission rests the responsibility for the business of the country prospering or lagging.

The railroads can not secure money through the sale of stocks or of bonds unless the investing public are assured that the revenues of the railroads are and will remain sufficient to pay interest and dividends. With the present freight rates there is danger that many even of the strongest railroad systems will be unable to maintain their present rate of distribution to their stockholders. It is only by an increase of revenue through an increase of freight rates that the railroads can hope to persuade investors to furnish the money to make the extensions and purchase the equipment that is necessary to do the business of the country.

Every man interested in any form of business is proportionately as much interested as is Mr. Wheelright in having the Interstate Commerce Commission quickly grant that which it is inevitable it must ultimately grant, unless the railroads are to go into bankruptcy and the business of the country to become stagnant.

[From the St. Paul Pioneer Press, January 9, 1914.]

RAILWAY RATE PROBLEM.

The conviction seems to be forcing itself upon the public that the Interstate Commerce Commission will grant the request of the group of eastern railways to put in force an increase of 5 per cent in the general freight rates, and that it will do so as a necessity. It is in the air that such a course will be taken to give the carriers the additional revenue that some of them at least must have to meet actual maintenance and operation costs.

But right there comes the only difficulty which presents itself to the public mind. Where existing rates might enable one railway to meet its charges of maintenance, betterment, and operation and yield a fair return to its shareholders, they are insufficient in the cases of other systems. Where the increased rate would be justice and no more to one system, it might be a handsome gratuity to another. An efficiently managed and operated system might be able to show a fair profit under existing conditions, where another railway would show a loss chargeable wholly to faulty management, extravagance, and lack of efficiency.

Must the cost of inefficiency and all other faults expressed in bad management, as well as the dividend cost of watered stock, be taken up by the people and paid in the form of increased freight rates? Is there any avenue of escape through which a deserved increase of revenue might be given and an unmerited increase be withheld? This is a problem which even the Interstate Commerce Commission would find difficult of solution.

As a practical proposition, however, the proposed 5 per cent increase will not be the terrible burden it might be imagined. In a little brochure prepared by the railroads and entitled "Railroad Freight Primer," some striking figures are given to show the insignificant relation the proposed rate advance bears to the cost of many commodities:

"A pair of shoes now pays 2 cents and 4 mills from Boston to Chicago, and the 5 per cent increase would not bring this to 3 cents. How should that affect the average selling price of $4 per pair? The increase on a pound of sugar for 1,000 miles is $0.00015; on a barrel of flour for 1,380 miles, $0.0275; on a bushel of potatoes for 1,088 miles, 1 cent; on a dozen eggs for 1,000 miles, $0.00057. A piano carried 1,000 miles for $6; the householder may pay $5 to move one a few

blocks. A hammer is carried 1,000 miles for 1.4 cents, or 54 of them the same distance for 65 cents, the retail price of one. A suit of underwear goes 1,000 miles for a cent, or a hundred suits for a dollar, the retail cost of one. And so on; it is needless to multiply examples."

It must be remembered also that freight rates in the whole country have dropped steadily for years. In 1880 the average per ton-mile was 1¾ cents, as against three-fourths cent to-day. The recent statement will not be forgotten that "a 2-cent postage stamp pays for hauling a ton of freight 3 miles." The railways have been compelled to an increase of pay in nearly every department of labor and service, while they have stood from the public a stationary wage where they have not been called upon for a "cut." As a matter of sheer argument the railways have the better of it. But for the matter of discrimination, the inability to separate the sheep from the goats, the necessity of helping the undeserving with the deserving, there would be no room for hesitation.

—

[From the Baltimore Evening Star.]

WHY RAILROADS NEED THE RATE INCREASE.

While it appears that the press of the country and the most progressive shippers overwhelmingly favor the plea of the railroads, now pending before the Interstate Commerce Commission, for permission to increase their freight rates 5 per cent, in the majority of public references to the question the main point seems to have been missed.

It is urged that the request be granted on various grounds, most frequently that it will enable the roads to expand their territories and increase their usefulness. While this is in a measure true, the one compelling reason why the increase should be allowed is that nearly every road in the East faces an actual and growing loss due to the immensely increased costs of operation, brought about principally by the substantial additions to the pay rolls resulting from the widespread increases in pay obtained by the employees on the lines generally during the last two years. At the same time other costs—those for rails, equipment, upkeep, and the like—have likewise increased, although not proportionately.

If the roads are compelled to support an annual deficiency on the income side, trade can not fail to suffer. Adequate income is necessary to efficient operation of the railroads, without which the business of the country can not be effectively done. The need of relief is an immediate one, not one relating to future betterments. That this is realized among the well informed is shown by the fact that the Consolidation Coal Co., the largest coal shipper in the country, has indorsed the plea, and that coal dealers are widely favorable to it, although they will have to shoulder the burden under their existing contracts.

—

[From the Rochester (N. Y.) Union Advertiser, Dec. 26, 1913.]

As a presumably unprejudiced view of the application of the railways to the Interstate Commerce Commission for permission to increase their freight rates 5 per cent the opinion of a Canadian paper is of value. Here is what the Toronto Mail and Empire says: "The passing of the New Haven Railroad dividend recently following the tremendous decline in the strength of its financial position has attracted increased notice to the question of increased rates for the United States railways. At first the pressure upon the Interstate Commission for a 5 per cent increase had no effect, but events have been consistently and undeniably demonstrating that the railways must increase their earnings or gradually get into serious financial difficulties. The impairment of the New Haven standing is due principally to the Mellen attempt to get control of all New England transportation—to 'high finance,' in fact—but there is a connection between its present plight and the common railway necessity of larger traffic earnings. It may be that the Interstate Commission and the authorities at Washington will insist, as a condition of a rate increase, that the commission undertake the supervision of all security issues in order to direct the application of funds thus received. But higher costs of operating, maturing indebtedness, and the heavy decline of railway securities in public favor, making new financing much more onerous than the old was, point directly toward higher rates. Between 1901 and 1911 the gross earnings of American railroads increased 75 per cent, operating expenses 85 per cent, net earnings 56 per cent, operating expenses other than wages of labor 68 per cent, and wages of labor 98 per cent. Thus out of every dollar added to gross earnings 26 cents went to net earnings for return on capital, additions, and betterment, 25 cents for material, fuel, equipment, official salaries, and 48 cents to wages of labor. The latter is the most conspicuously oppressive of all the railway burdens. In 10 years the wages of enginemen increased 27 per cent, those of conductors 31 per cent, machinists 35 per cent, firemen 36 per cent, and trainmen 44 per cent, and while net increases have been justified from the men's standpoint they are none the less draining upon the railway exchequers when the increases can not be passed along in the form of higher rates." The question is simply one of whether the railroads need the increases or not. They do need new equipment and other things, and the commission must decide whether they can afford to purchase these things out of present earnings. The railroads must be regulated, but they must not be regulated out of existence. We can not afford to do that.

—

[From the Chicago Inter Ocean, Jan. 4, 1914.]

HIGHER FREIGHT RATES.

The directors of the Illinois Manufacturers' Association have unanimously approved the report of their special committee urging the Interstate Commerce Commission to grant the request of the railways for permission to advance freight rates in "official classification" territory, which includes, roughly speaking, all points east and south of Chicago.

The action of the Illinois manufacturers may cause surprise in some quarters, in view of their well-known activity the other way in 1908 and 1910, when they organized the shippers of the country against the advances then asked, with the result that in 1908 the railways withdrew their request and in 1910 it was denied.

The explanation is that the situation has changed and these representative leaders of Illinois industry are clear-eyed and broad-minded enough to perceive the fact and act accordingly. The essential and governing factors of the situation are succinctly stated in the following extract from the resolutions passed by the directors of the association last Friday:

"The increase in wages, in taxes, in expenditure to insure greater safety, and caused by legislation of the 'full crew' type have so increased the operating expenses of the railroads that net revenues are insufficient to provide for that rehabilitation and extension of facilities which prompt and efficient service to the shipper demands."

Under the pressure of a public sentiment which had been so aroused against the past offenses of railway management that it was often blind to the beneficial services of the railway and to the vital necessity of their efficient continuance, the railways have been so hammered and squeezed for some years past that they are approaching a condition of exhaustion and practical paralysis.

The punishment has gone so far that its possible benefits to shippers and the general public are visibly less than its growing injuries. The representative manufacturers of Illinois see what the situation has become and find upon it this verdict of enlightened self-interest and hard common sense:

Shippers can better afford to pay a uniform advance of 5 per cent than to suffer in the future any impairment of railroad service.

All the railways have to sell is their services. The cost of rendering the services has notably increased. Unless the railways are permitted to distribute a fair proportion of that increase upon the buyers of their services, the quality of the services must decline. There is no escape from the conclusion.

The Illinois Manufacturers' Association looks the facts in the face without quibbling or shirking and draws the necessary conclusion. The Interstate Commerce Commission will do well to heed the advice of this representative organization of producers and shippers.

The commission would also do well to heed the recent request of the traffic committee of the Chicago Association of Commerce for speedy action of some kind. A number of railways are virtually gasping for breath financially and relief should be speedy. Prompt action is also demanded to end the feeling of uncertainty from which all lines of business are suffering.

—

[From the Wall Street Journal, January 30, 1914.]

WHO'S AFRAID.

There appear to be two national cowards in the United States—one the railroads before the Interstate Commerce Commission, and the other the Interstate Commerce Commission before the public.

The railroads have a right to a living wage, both for their labor and their capital, and when men and supplies have been advanced 30 per cent the right of the railroads to increased rates should be undisputed. The only question is as to the amount and the distribution of the increase.

The fairest way would appear to be the granting of general or specific increases as asked for, and then the revision of any injustices or uneconomic workings as these develop.

The railroads ask for a modest general advance of 5 per cent, as compared with an increase in wages already granted of several times 5 per cent.

If the railroad managers owned the property which they operate, they would speak more loudly and more emphatically. Their appearance, however, is: "It is immaterial to us; we simply state the facts. Please kick us or our stockholders as you will. In time you will find out your error."

When the railroad Humpty Dumpty has been pulled off the financial wall that makes for safe and sound transportation, it will be found that "all the King's horses and all the King's men can not set Humpty Dumpty up again."

Railroad credit is a matter of growth over a long series of years, and the Government can frost it in a night and kill it in two or three.

Where fifteen millions are needed to repair railroad credit, the Interstate Commerce Commission comes back with questions that will require millions of expenditure and months of delay to answer and years to debate and argue with its Mr. Brandeis thereafter.

Mr. Brandeis held up one proposed rate increase with the declaration that the railroads, by scientific management, could save a million dollars a day or three hundred and fifteen millions a year.

Three years afterwards the Interstate Commerce Commission says nothing about scientific management, but has reduced the Brandeis claim from three hundred and fifteen millions to fifteen millions, and asks the railroads to recover fifteen millions for services of short lines into "various big industries."

Then the Interstate Commerce Commission says most grandiloquently the railroads must make "every service rendered by them contribute reasonably to their earnings. This having been done, the commission upon an adequate showing of the need of additional revenues will not shrink from the responsibility of sanctioning such measures, including even a general advance in rates, as may be required to bring about reasonable prosperity to the railroads."

One does not note any such shuddering of public service commissions when it comes to increasing wages. There is no talk then that the commission "will not shrink from the responsibility."

Of what is the commission afraid?

What it ought to be afraid of is the decadence of railroad credit and the rising rates of wages upon railroad money, competing with the merchant borrower and taxing him more in money rates than he will be taxed on his goods by the proposed 5 per cent increase.

Does anybody note any fear on the part of the commission that railroads may be hurt by the commission's delay or inactivity?

Is the cowardice that is manifested here by this admission of the "shrink from responsibility" moral, ethical, or political?

—

[Clipping from New York Sun March 1, 1914, sent to Commissioner Harlan.]

RAILWAY NET INCOME DROPS—FIRST SIX MONTHS OF FISCAL YEAR SHOW DECREASE OF $58,000,000:

CHICAGO, *February 28.*

The railways of the United States during the first six months of the current fiscal year, from July 1 to December 31, 1913, in order to carry a $10,000,000 greater business than in the corresponding period of the year before, were compelled to increase expenditures by $68,000,000. There was a resulting loss in net operating revenues of the railways for the half year of $58,000,000.

The figures, covering the total mileage of the country, have been compiled by the bureau of railways news and statistics. How unfavorable an outlook this offers for the entire fiscal year may be inferred from the fact that the net showing for the first six months, $510,000,000 against $568,000,000 for the year before, confronted the railways despite the fact that only two of the months showed large losses in business compared with the previous year.

October showed the total mileage of railways practically at a standstill as to gross business, though losing $12,000,000 in net. With November came a more decided slump in gross business. December brought for the entire railway mileage, slightly over 250,000 miles, a drop in gross business of $12,000,000.

[From a Boston paper.]

SHOW SPECIAL CAUSE FOR FREIGHT INCREASE—MIDDLE WESTERN ROADS HAVE PARTICULAR REASON—FIGURES COVERING 78.6 PER CENT OF MILEAGE SUBMITTED—LOSSES IN OPERATING INCOME SHOWN—COMPARISON BETWEEN 1913 AND 1908—INCREASE IN COST DUE TO TRANSPORTATION AND MAINTENANCE OF EQUIPMENT.

As part of the presentation by the railroads of the need for an increase in freight rates, the railroads of the Middle West, operating in what is known as Central Freight Association territory, have filed with the Interstate Commerce Commission elaborate statistical data covering the condition of those companies.

Figures covering 78.6 per cent of the entire mileage in the territory show that these companies enjoyed in 1913 an increase in operating revenues of $76,000,000 over 1910; nevertheless, after paying operating expenses and taxes, they suffered a loss of $12,000,000 in operating income.

This result was due to an increase in the ratio of operating expenses and taxes on gross, as between 1910 and 1913, from 72 per cent to 78.2 per cent. This showing was made despite the fact that large sums of new capital were invested in the property.

Besides the loss in net revenues for the year ended June 30, 1913, as compared with 1910, the figures for these same roads for the three months of July, August, and September, 1913, show a decrease in net operating earnings of $6,937,353, or approximately 20 per cent.

In addition to the tables covering figures for all the roads in this territory, special attention has been directed to the condition of a special group of roads which, as stated by F. A. Delano in his opening statement the previous day, were more particularly representative of the "whole situation" in Central Freight Association territory.

This group embraces 28 roads, with 23,167 miles of road, or 51.5 per cent of the entire mileage in the territory, and including such important lines as the Big Four system, Vandalia, Chicago & Eastern Illinois, Grand Trunk, Western, Grand Rapids, Illinois Central, Chicago & Alton, Nickel Plate, and Wabash railroads.

In 1913 roads in this group earned $63,000,000 more than in 1908, which is known as the panic year, and operating expenses and taxes were $62,000,000 more. Net operating revenues, after paying expenses and taxes, were only $811,000 more than in 1908.

The net corporate income of these properties was actually $8,000,000 less than in 1908, although during this five-year period $180,000,000 new capital was put into these properties.

In 1913 the roads in this group earned $36,000,000 more than in 1910; operating expenses and taxes were $45,000,000 more than in 1910; and the net, after operating expenses and taxes, decreased $9,500,000. The net corporate income decreased almost $17,000,000.

If in 1913 the railroads in this group had been able to operate at the same ratio as in 1910, their net operating revenues, after paying taxes, would have been almost $18,000,000 greater than it was in 1913.

The increase in cost is largely in two items—transportation and maintenance of equipment.

Mr. F. A. Delano, one of the receivers of the Wabash Railroad, in presenting the situation of the Middle Western railroads to the Interstate Commerce Commission, says:

"It will be obvious that a 5 per cent increase in rates will not be adequate to meet the demands of the territory. The rates in that territory, both freight and passenger, are the lowest rates prevailing in the United States, and the interests of the people of that rapidly growing and developing section of the country, to say nothing of the railroad companies, require in the near future a readjustment of the rates, both freight and passenger, to a basis which will enable that territory to have good railroads and the people to have efficient and adequate service, and to progress measurably with the other sections of the country."

—

Dr. Head wrote to the Interstate Commerce Commission as follows:

"The question of allowing the railroads of the country to increase their freight rates 5 per cent has been discussed pro and con by the railroads, the manufacturers, the jobbers or wholesalers, by the politicians of all grades and degrees, but not publicly by the ones who pay the freight, the consumers. I take the liberty of addressing your honorable body as one of the latter, and give you my reasons for wanting the request of the railroads granted. There are retarding influences affecting the roads that are very active to-day, which, if allowed to continue, will seriously affect the continued prosperity of this country, and I believe a 5 per cent increase of freight rates would immediately destroy or dispel those conditions that now threaten us.

"The tariff and the currency bills have been passed by Congress, with their attendant hopes of prosperity, but I believe that we can insure the prosperity of this country, as in no other way at the present time, by the above-mentioned increase, and am ready and willing to pay my part of the premium if you will only permit me. I have calculated the number of pounds of everything that my wife and myself eat, wear, or otherwise use in a year, and I take the present freight rates on these things from New York, Chicago, New Orleans, Kansas City, and Fort Worth, and find that the total freight paid by me in one year amounts to approximately $11.04, and an increase of 5 per cent would mean only an additional expense of 55 cents a year—an amount so small as not to affect me in the least if I paid it.

"This is a very small premium to pay to insure me an income of several thousand dollars a year and prosperity, for there would be a difference of several thousand dollars a year in my income or earnings if, through not allowing this increase in freight rates, there should be more receiverships in some of our large systems of railways and consequent disturbance of business to the extent of a panic. So why take a chance of letting this condition go on to the breaking point, when it would be too late to avert a calamity?

"There are several hundred thousand men in this country to-day out of employment. Do you suppose that one man out of all that great number would hesitate to pay 50 cents, a dollar, or $5 to insure him a job that would pay him average wages for a year? They would all be only too glad of the opportunity of doing so; and I have the honor to respectfully request that you permit me, as a consumer who pays the freight and as an American citizen who wishes to insure his own prosperity, to pay to the railroads of the country an increase of 5 per cent in freight rates on what I consume and is handled by them; and I believe I voice the views of the large majority of the consumers who pay the freight."

—

"RAILROADS YOUR ONE WEAK SPOT"—SIR GEORGE PAISH—EUROPEAN CONFIDENCE IN OUR RAILROADS HAS BEEN HARD HIT.

Sir George Paish, of London, editor of The Statist, and one of the foremost British financial authorities, declared to a reporter last week that he fully agrees with the maxim credited to the late J. P. Morgan: "The man who is a bear on the future of the United States is going broke."

The distinguished Briton added that the present outlook is excellent. Then he introduced a "But." "But the weak spot," he said, "is the situation with reference to the railroads."

And when he mentions railroads Sir George is surely qualified to speak. He won his knighthood in recognition of his work on the revision of the accounting and statistical systems of the British railroads, and has written largely on the railroads both of Great Britain and the United States.

This is his fourth visit to America, and he is now here for a tour of several weeks to study financial conditions. He has conferred with many of New York's leading financiers, and will have conferences with financiers in Boston, Philadelphia, and Washington. At the National Capital he is to see members of the Interstate Commerce Commission.

"Apart from the railroad situation," continued Sir George to the interviewer, "conditions here seem to be unusually sound. As to the railroads, they did not realize that the rate of interest on capital had risen to a higher level which was likely to be maintained at that higher level, and their desire to raise capital from the investor on the lowest possible terms induced them to put out a relatively large amount of short-term notes, which they expected to refund on favorable terms.

These notes are now maturing in a period when the rate of interest is still higher than it was when they were issued, and it is evident that some of them must be again renewed on terms less favorable than before.

"Indeed, the financial situation of American railroads is such that it is of the greatest importance to themselves and the community that a greater measure of confidence in their stability should be imparted to investors to enable the roads to refund their notes and to provide the capital which they will need to take care of the traffic of the country in the next few years.

"Apart from the general economic conditions making for higher rates of interest and increasing the difficulties of raising cheap capital for the railroads has been the fact that railroad expenses are rising more rapidly than the gross earnings, and that net income to meet increased interest charges has been declining. Such a condition, of course, does not help the sale of bonds or stocks.

"Whether or not the railroads will be able to fund their notes and issue new capital for urgent needs will, in a large measure, depend on the Interstate Commerce Commission. If the commission in the coming rate case, in which the taking of evidence will begin at the end of this month, decides that the railroads are not entitled to higher freight rates, notwithstanding the great increase in operating expenses in consequence of the rise in rate of wages, then the railroads will experience much greater difficulty in securing new capital than will be the case if the commission permits the railroads to raise their rates to such an extent as to provide in part, at any rate, for the higher wage scale.

"Of course, the commission will have before it a very much larger volume of evidence than is at the command of any individual, and its decision will be in accordance with the evidence. I am, however, hopeful that the evidence produced will satisfy the commission that the railroads are entitled to increased freight rates and that in this manner a defect in the situation will be removed through the ability of the railroads to refund their notes and to raise the capital they require."

"What will happen if the commission decides against the roads?" asked the reporter.

"In that instance I foresee very grave difficulties," said Sir George. "The railroads will be in serious stress to get the capital actually needed to carry on the transportation business of the country."

"Would an adverse decision by the commission mean a boycott against American roads by English and other European investors?" asked the reporter.

"I would not like to answer that question in that form," was the reply. "But, I will say that English and European investors are holding back to observe the course of events in the railroad situation here. Confidence of foreign investors in American railroads has been very hard hit by the fact that the commission has not yet given power to raise freight rates, and by developments regarding the Frisco, the New Haven, the Rock Island, the Illinois Central, and other roads.

"The faith of the English investor has been severely shaken by the happenings of the last few months. The same is true of the French investor and of other investors on the Continent. It may be said that it is problematical whether these investors will put any more money in American railroads should it be decided that freight rates must remain where they are. If the commission gives permission to raise rates, that fact will materially aid the railroad companies to refund their notes or renew at a lower rate of interest.

"As I have said, the American condition is otherwise sound. I think that the banking trouble of 1907 caused you to put your business in order and it has caused you to go slow for six years. You will move forward more solidly for that experience.

"There has been and is no inflation. Everyone for some time past appears to have been pursuing a cautious policy, and a setback in world prosperity and world trade would not have a serious effect upon American prosperity.

"The United States has not had the high expansion in recent years which some other parts of the world have received. Argentina, Brazil, Canada, and other lands have had intense expansion. America has not. It has not received the amount of capital other countries have, and therefore would not feel in the same way the lack of investments from abroad.

"Indeed, in that part of the country in which the cost of living has risen faster than the rate of wages, a moderate setback, attended by a lowering of the cost of commodities and a reducing of the cost of living generally, would bring in the long run increased prosperity rather than diminished prosperity. In other words, a moderate reaction in trade would probably, because of internal conditions, have a greater influence on the prosperity of the West and South of the United States than on the East. The East has, in a measure, suffered from the rise of the cost of living, whereas the farming communities of the West and South have derived very great advantage from the high prices of food, cotton, and other natural products.

"It is evident, however, that a reaction in international trade, due in part to the recent heavy war outlays in Europe and to the hoarding of money on the Continent and to the difficulties experienced in raising capital for many important works now under construction, will not be a very serious one or of long duration.

"Already gold is tending to accumulate in continental money markets. Considerable sums have returned this year from South America to

Europe. If the hoarding of money in France comes to an end next year in consequence of the issue of the various government loans awaiting a favorable money market to be placed, the stock of gold in the Bank of France will very largely increase. And it has to be borne in mind that the world will be producing nearly $500,000,000 of gold per annum at a time when the demand for gold will be relatively small. These conditions will bring about an immense accumulation of gold in all the international markets.

"In former times a great stock of gold in the banks has always brought a renewed expansion in international trade, and there is no reason for assuming that the accumulations of gold in the international markets, which is likely to occur next year and the year after, will not produce the same effect as former accumulations.

"In brief, I anticipate that the United States will not suffer seriously from the reaction in international trade, which now seems inevitable, and will, after a short interval, resume the wonderful progress that was so severely checked by the banking troubles of 1907. I have found general optimism over the long-range outlook among financial men with whom I have talked, although here and there is a man who is pessimistic because affairs are not more lively at present. You may be sure that nothing can very seriously affect the prosperity of your country."

The reporter asked Sir George whether he thought that the Mexican situation was likely to have much effect on financial conditions.

"I do not think," was the reply, "whatever may be the developments in Mexico, that financial trouble on this side will result. Indeed, whenever a country engages in a controversy with a neighboring State the feeling of patriotism strengthens confidence rather than diminishes it. Everyone is desirous of making some contribution to the success of his nation, whether it be by loans of money or by personal service.

"As to the merits of the Mexican controversy, I do not care to express any decided opinion. I find here a great many men who think that the United States would have acted wisely in recognizing Gen. Huerta, while others are equally strong in approving the policy of President Wilson. But all of them express their intention of loyally supporting any action that the President may take in the interests of the American people."

The interviewer asked Sir George how he views the labor situation in the United States.

"I don't see any serious trouble in sight," he said. "Your very prosperity has produced much of the labor unrest of which we hear. When times are good, when work is plentiful, when there are few idle men, when wages are high, labor is more exacting than when times are bad, when labor is plentiful, and when work is scarce. If there is a moderate reaction in trade the labor troubles will disappear.

"Some labor difficulties are incidental to all progress. You have progressed so much that you are bound to have labor troubles as a consequence. But I do not perceive anything ahead in this regard which need cause grave concern."

—

[Probably from the New York American.]

WHY DOES THE RATE DECISION HANG FIRE?

The period of grace given the New Haven road in which to carry out the process of separation from its subsidiaries is a healthful sign of the President's unwillingness to hit business while it is down. None the less does the continued delay of the Interstate Commerce Commission to grant the hoped-for increase in rates keep business squarely on its back.

The railroads, the shippers, and, so far as it be represented by the press, the public, have all asked that the increase be given. It is needed for the railroad's temporary as well as more lasting relief. The commission has doubtless been well advised in seeking to search out economies that might reduce the heavy operating charges; and whatever of success it has attained in its search should be made good use of. But even were the present methods of railroad administration found to be so extravagant that the total wastage comes to more than would the hoped-for gain in revenues, it by no means follows that they could be put in force at once and have at once the same psychological effect upon investors as would the assurance of those revenues by a rate increase. The methods of administration are fairly well ingrained and can not easily be changed.

The commission seems to be trying for a solution that might gradually be applied, that in 10 years or so would perhaps result in much higher net incomes. But the installation of economies, of charges for spur-track service, and the like, would not operate to enhance any railroad's immediate borrowing facilities. If all the agitation of the last two decades has had no other effect, it has at least taught us how slowly reforms move and how intangible are the first results of them.

To the roads the proposition is less one of daily receipts and expenditures than of opportunity to finance their coming needs and refinance their maturing obligations. A company with little cash can not meet with the promise of economy its short-term notes that fall due next June. The holders of those notes are only too likely to think when the money is not forthcoming that the economies should be inaugurated by receivers.

The roads are trying to deal with a practical situation. Their only means of retrenchment now is in saving on equipment and service. The curtailment of trade dependent on the roads' purchasing activities is enormous. Still more serious in its effect on general business is the natural hesitancy of capital to aid in any enterprise—which means practically all industrial and almost all commercial enterprises—that a serious setback for railroad securities would injure.

The roads, the shippers, the public, all wait on the Interstate Commerce Commission to cut the Gordian knot. The commission should feel that they do not wish to wait for its untying. They want it cut; and to grant the increase seems the only way to cut it.

—

[From the Philadelphia Record, March 29, 1914.]

HOLDING PROSPERITY IN CHECK.

It is a self-evident proposition, even to those who at first were disposed to hold tariff changes responsible for business hesitancy, that the prosperity of this country is being held in check by the financial difficulties which confront its railroads. The expense of operating the railroads has been greatly increased by regulative legislation, which at the same time prevents them from increasing their revenues to meet the added charges. Decreased earnings are forcing upon the roads a policy of radical retrenchment, the effect of which is inevitably reflected in the condition of other industries, notably those from which they buy their equipment and supplies. Thus an industrial ailment, which might be checked by the prompt application of clearly indicated treatment at its source is rapidly spreading and daily becoming more difficult to cure.

The Interstate Commerce Commission, which for several months has been pondering upon the application of the railroads for permission to meet the situation by an increase of their rates, must surely be aware of the grave consequences of its unwarrantable delay in reaching a decision. Besides the voluminous testimony it has taken, it has at its disposal a mass of significant statistical evidence in the shape of the monthly reports of railroad earnings. These reports, almost without exception, point in the same direction. They show a continuous and progressive falling off in gross earnings, and an even greater decline in net, due to the steady rise in operating expenses. What more proof does the commission need to convince it, as the country is already convinced, that the revenues of the railroads, prescribed by the Government, are inadequate to meet their growing obligations and sustain their credit? Are not these reports prepared from books in accordance with the dictates of the commission, so that there can be no room for statistical juggling?

Nero fiddled while Rome burned. But the fire was kindled at his instigation. The Interstate Commerce Commission, a nonpartisan body, can have no desire to witness an industrial conflagration. Why, then, having been called upon to render first aid to the injured, should it spend all these months in solemn deliberation upon treatment which its members must have privately determined upon long ago? Why let the patient bleed to death while gathering and digesting medical opinion from a host of experts who, if disinterested, can but agree upon the conclusion that the bleeding should be promptly stopped?

The latest word from Washington is that the Interstate Commerce Commission will hold further hearings on the subject in the latter part of April, and will subsequently invite a witness, who has already appeared, to come before it and repeat his testimony. Our senior Pennsylvania Senator, whose political fortunes are bound up with industrial depression, could wish nothing better.

Are the interstate commerce commissioners deaf, dumb, and blind? Are they oblivious to the consequences of their interminable delay in deciding a vital question? If their future usefulness to the country is not to be irretrievably impaired, the Record would advise them to buckle down to the real business before them, and render a decision on the railroads' application for a 5 per cent rate increase while there is still time to avert the approaching crisis.

—

[Mailed to Interstate Commerce Commission; paper from which taken unknown.]

A SUICIDAL POLICY.

The Brunswick Banner quotes from The Macon Telegraph the statement: "The railroads of the United States, with their 250,000 miles of track, are perhaps second only to agriculture as makers of general prosperity," and adds:

"This alone ought to incline the political powers toward sympathy for these great and now embarrassed public carriers, even if a continuation of general prosperity were not involved in the struggle of the railroads to keep out of bankruptcy."

It is justice and not sympathy that the railroads need, and that they are not getting. Even if they were prosperous they should be honestly treated, and they are not.

It is strange how people will take a prejudice against inanimate things. Railroads are inanimate things, but behind them are the men and women who own them. In some cases these same people own other things against which there is no prejudice. One man who owns stock in a railroad may own a grocery store, and another a manufacturing plant. These may charge as much as they please for their products, but every politician who seeks to convince the people that he is dead in love with them thinks it necessary to prove his love against the individuals who own the railroads, who direct their policies and make them what they are, for they are not attacked except as to their railroad investments. The prejudice seems to exist against the steel rails and wooden crossties.

But the sufferers from this prejudice are the men and women. This is not generally true of the big capitalists who own stock in them, for these are generally more heavily interested in industries whose products the railroads are required to carry at reduced rates. While they lose on their railroad earnings they gain on their industrial earnings. It is the smaller class of investors who have little except railroad property who are the first sufferers.

Then men who sell supplies to the railroads suffer. The railroads can't buy. The chief cause of financial depression in Florida to-day is the inability of the railroads to buy lumber and crossties for which Florida was one of their principal sources of supply. Sawmills are closed down, tie camps are deserted, thousands who worked at the business are unemployed, and general trade suffers because they are unable to buy. Not a State in the Union is suffering as much as Florida from the persecution of the railroads. In fact, we doubt whether the railroads themselves are suffering more. Florida's chief industry is the sawing of lumber and the cutting of crossties, nearly all bought by the railroads. While we haven't the figures, we think we are making a fair estimate when we say that in prosperous years the railroads of the country buy $15,000,000 worth of lumber and crossties from this State, and they are not buying more than one-tenth of that amount now. A stream of $13,500,000 a year which has been flowing into Florida and which ought to be flowing into the State now has, for the time, been dried up by the men who bid for popular support by denouncing the railroads.

And all the time during the last 20 years that railroad rates have been steadily forced down, the consumer has seen prices rising, and despite the decrease in charges for transportation the difference between what the consumer pays and the producer receives has been constantly widening.

EXHIBIT B4.

PROSPERITY, THE RESULT OF A RATE INCREASE, IS OFTEN PAINTED IN GLOWING TERMS.

[From the Chicago Inter Ocean, January 27, 1914.]

WHY PROSPERITY HALTS.

Why is it that prosperity, bringing peace, contentment, and happiness in its train, seems to hesitate on palsied feet when every material prospect of farm, factory, and mart is big with promise and assurance of plenty?

In every gathering where men discuss the paradoxical situation there is but one answer: "Everything is set for better times except the railroads." Like Charles Lamb's poor relations, they are the death's head at our banquet, the Mordecai in our gate, the Lazarus at our door, the lion in our path, the fly in our ointment, the hail in harvest, the ounce of sour in the pound of sweet.

To the average citizen this is vaguely known to be so. But why it is so baffles his comprehension. Every week or so he reads that the receipts of such and such a railroad have exceeded all records. He also reads that last year these gross revenues exceeded three billion, and he wonders why, with such incomprehensible earnings, all should not be well with the railroads.

From the railroad point of view the explanation is simple. The cost of railroad service has increased more rapidly than the receipts. Stated in a nutshell, the average cost of railway labor and railway capital has increased 25 per cent during the past decade, while the average freight rates have remained stationary where they have not actually declined. After paying increased wages, increased taxes, and increased interest there is not enough railway revenue left to buy adequate materials and supplies at increased prices.

Under similar conditions every other industry in the United States is free to meet increased cost of production with an advance in the price of the product. Why not the railroads?

The answer is simple—the Interstate Commerce Commission won't let them. The same situation confronted the railroads in 1910 when Mr. Louis Brandeis created a sensation by asserting that through the adoption of nebulous efficiency theories the railways could save a million dollars a day. The statement took like wildfire, although the commission in denying the advance dismissed the theory.

To-day Mr. Brandeis is special counsel for the commission. He has brought the whole inquiry to a standstill by the formulation of 78 questions in a bound volume of 9 by 12 inches, an inch thick, that will take the railroad companies months to answer at enormous expense. The answers will be so voluminous as to require freight cars to transmit them to Washington, where they can not be intelligently summarized and analyzed inside of six months.

When this is all done the result will not have any bearing on the present case. It may demonstrate that here and there the railroads might have been managed more intelligently, safely, and economically; that here and there they may have been mismanaged; that here and there a dollar might have been saved; that here and there the last word in human efficiency may have been disregarded. But no answers to this inquiry can controvert the verdict of the railroad world expressed by a high official of East Indian railways that American railway managers "have managed to do what no other country in the world has done—carry their goods traffic profitably at extraordinarily low rates, notwithstanding the fact that they pay more for their labor than any other country."

Written 10 years ago, this was coupled with the irrefutable statement that "the present prosperity of the United States of America (1903) is, to no small extent, due to the low rates charged for transportation."

The low rates of 2.006 cents per passenger mile and 7.63 mills per ton-mile in 1903 have declined to 1.995 cents and 7.43 mills, respectively, in 1912. In the meantime the average compensation to over 1,750,000 railway employees has risen from $1.97 per day to $2.44, and the rate of interest has advanced from an average of 4 per cent to the neighborhood of 5 per cent.

Therefore, it is a condition that confronts the railways which no 78 varieties of Brandeis theories can possibly cure or alleviate.

And so prosperity, like the pig in the tales of Mother Goose, balks at the stile while waiting for the Interstate Commerce Commission to plug up the holes Mr. Brandeis and other amateur economists have recklessly shot in the bucket with which the railways have been wont to nourish the haymakers of this broad land. When the commission has plugged these holes with adequate rates, whether 5 per cent, 10 per cent, or 20 per cent increase, we shall see the spectacle that rejoiced the heart of the old woman of our childhood days. The haymakers will slake their thirst, the cow will eat the hay, the cat will get her milk and begin to kill the rat, and so set in motion the whole interdependent series of events culminating with—

"The stick began to beat the dog;
The dog began to bite the pig;
The little pig in fright jumped over the stile,
And so the old woman got home to supper."

All depends on the plugging of the holes in the railway bucket by the commission. If it waits until the railways answer Mr. Brandeis's 78 varieties of questions and until it has time to analyze the tons of returns, there will be many a fireless grate and supperless table in this land, where plenty waits on adequate and profitable transportation revenues and facilities.

—

[From the Washington Post, January 15, 1914.]

THE I. C. C.'S OPPORTUNITY.

A number of important contracts for steel rails have been closed for delivery this year, and a considerable number of others are pending, but as the latter are contingent on the granting of a 5 per cent increase in carrying rates by the Interstate Commerce Commission, a period of uncertainty must prevail as to additional steel orders in the immediate future.

This hitch in the resumption of steel making is ascribed to the action of the commission in calling for a mass of new data that will take a year or more to collect and probably five years to sift out and determine as to its weight as a factor in calculating rates. Since the steel trade and railway traffic were the first of the greater enterprises to feel the ill effects of antibusiness agitation and enactment, it follows that other lines of business, many of which revolve around traffic and steel, can hardly succeed in speeding up until the leadership has been got under headway.

This state of affairs is true also of the security markets, which antedated everything else in showing the effect of the change in governmental policy. As most of the shares available for investment and speculation are railways and industrials, it is seen that the inauguration of an upward movement on the exchanges is interlocked, through traffic and steel, with the rate question. Hence it is clear that the settlement of the rate question is the key to success in giving he needed impulse to business—a powerful application of energy at the vital point that would set all the forces at work at the same time.

In the matter of fixing rates the commission is the court of last resort, and that being true, there is no reason why it should not approach the question in the spirit of the Supreme Court under like circumstances. Politics nor programs, either partisan or personal, should be permitted to sway the commission's judgment as to the merits of the case before it or the timeliness of its decision. The railroads, the shippers, and the public in general are agreeable to the rendering of the judgment of the commission without unnecessary delay.

[St. Louis Post-Dispatch, December, 1913.]

THE ROAD TO PROSPERITY.

Replying to the insistent plea of President Howard Elliott, of the New Haven system, for increased freight rates, Chairman Prouty not only indorsed the Post-Dispatch's demand for Federal regulation of railroad finances, but emphasized our statement that it would solve the problem of railroad rates. On the point of rate increase Chairman Prouty said:

"The railroads ask for increases in rates. Gentlemen, when it is no longer possible for railroads to spend money save for railroad purposes, when the railroads can not buy securities of other railroads, and when railroads can not issue any securities save with Federal supervision, then, and not until then, can you safely permit any increase in rates."

This ultimatum from the head of the Interstate Commerce Commission that the fundamental condition to an increase of rates is a guarantee through Federal regulation of railroad securities that the money will be applied to railroad purposes should awaken the Wilson administration to the importance of immediate legislation.

There is a general belief that railroad rates should be increased. There is a general desire that the railroads be put on a prosperous basis that will enable them to take care of traffic and provide for needed improvements and developments. But there is a general fear that increased rates would not mean increased efficiency, but increased source of graft for bankers, promoters, brokers, unscrupulous railroad officers, and high financiers.

The revelations of plundering methods which have brought some railroads to bankruptcy and others to the verge of it are obstacles to increases of rates, as they are barriers to further railroad investment.

President Wilson should realize the importance of clearing up the railroad situation. With the tariff and currency questions out of the way the question of railroad rates and investments overtops all others at this time.

Railroad conditions are vital factors in general business conditions. Railroad uncertainty and stagnation mean inefficient transportation and checked development. They mean industrial and commercial depression. Adequate rates and renewed confidence in railroad securities would cause a radical change in the business outlook. All wheels would begin to turn.

Railroad managers and business men should now turn their efforts to get action in Congress.

It would not be difficult to amend the interstate commerce act so that the regulation of railroad securities would be provided. Several States have admirable models of regulation acts. Long hearings and debates are unnecessary.

A pertinent message from President Wilson asking for prompt legislation would assure quick congressional action. There would be little opposition. The valuable results to be gained justify haste.

—

[From the St. Louis Times, Nov. 26, 1913.]

THE TURNING TIDE.

We are glad to note that an official commission has decided that the Boston & Maine Railroad must increase its freight and passenger rates or go broke. This commission consists of a member of the Interstate Commerce Commission, Mr. Prouty, and the railroad commissioners of Massachusetts, Vermont, New Hampshire, and Maine, a formidable body of careful experts.

The St. Louis Times is glad to note that a light is breaking. This newspaper, owning no railroad shares and having no connection with railroad shares, has consistently fought for a square deal for the roads. Until the St. Louis Times took up the cudgels on behalf of this form of fairness, it was the newspaper habit to "jump the railroads" when there was nothing else to "jump" and little else to print.

Railroad managers have been and are merely human. Some of them have lapsed. This will always be the case. There will be crooks in churches at times, but this is no reason that all churchmen should be assailed. The railroads have made possible this great country's development. Without the railroads this country would hardly be where it is. Without the railroads, the United States would be about where it was in the early part of the last century, with only the normal growth of a post-road country. The railroad builders who blazed the way through the forest, who bridged rivers, leveled mountains, and made habitable the desert, were the real fathers of the United States as we know it.

Railroad building has come close to a standstill in this country. Railroad improvement has about stopped. Maintenance is questionable. These conditions mean hard times, stagnation, and, in the last instance, danger to human life.

We are glad to note that the Boston & Maine Railroad will be allowed to receive rates that will enable it to keep what it has and maintain a policy of development in the public interest. We trust that this step will be but the first of many in a general reversal of the national policy toward our media of transportation. We have in St. Louis two receiverships—the Wabash and Frisco. There will be others here and elsewhere throughout the country if the roads are not given a chance to draw their corporate breath.

The railroads are not owned by a coterie of "big business men," as the ready writers and loose jaws would have us believe, but by the people. There is not a man who carries a dollar's worth of life insurance or who has a dollar in a bank on interest who is not concerned, because, back of his savings bank and back of his life insurance lie the bonds and stocks of railroads.

The good work begun in New England should not stop. There is room for it in every part of the land.

—

[From the Philadelphia Telegraph, January 13, 1914.]

THE RAILROAD RATE CASE.

The Interstate Commerce Commission has been deferring for many months its decision on the application of eastern railroads for an increase of 5 per cent in their freight rates; and now when a decision is looked for a new set of questions has been sent out to answer which will require months more time, if indeed some of them can be answered at all.

Doubtless a matter of so much importance as this requires time for proper consideration. But the commission has had time. The conditions should not call for much in the way of new information for a commission whose continual business it is to know all the ins and outs of the railroad situation at all times. If it had the records and the knowledge that should be kept on hand it would know without a very

great deal of argument, in addition, whether the claim for a slight increase in rates is a reasonable one or not.

The question ought to be decided without further delay. To continue holding it up is an injustice to the railroads. Their operations must be more or less hesitating while the uncertainty exists, and in some respects an adverse decision would probably be less disadvantageous than to have the matter hanging on in uncertainty. It is the uncertainty that kills. Delay also will endanger the credit and position of the commission.

The enactment of the tariff and banking bills, creating, as they do, radical changes in our economic and financial policies, has caused a hesitation in business operations of various kinds. The time has not come to know whether they are to be any benefit to the country or not. In the present condition nothing could be more immediately helpful than a decision granting the modern increase in freight rates requested by the eastern railroads. It would at once overcome some of the drawbacks of the tariff legislation, for it would arouse the railroads from hesitation to activity and the effect would be felt in many channels of business.

That is the natural law. Why should it not be applied in this instance without delay? New obligations and new expenses are constantly being imposed on the railroads, and they must meet them. So far as observation goes there is no popular opposition to the request for an increase of rates which the commission is treating in so leisurely a manner as to cause suspicion that its most recent step was an excuse for delay rather than a thirst for additional information.

For its own credit and to relieve the railroads of the uncertainty hanging over them, the commission should determine this question one way or another with promptness. Remove the suspense, and make the conditions known to which there must be an adjustment.

[From the Buffalo (N. Y.) Times, Jan. 27, 1914.]

RAILWAY FREIGHT RATES.

It is announced that the hearings begun in Washington by the Interstate Commerce Commission on the proposed 5 per cent increase in railroad freight rates will last a month or more. This will give ample time to lay the whole subject fairly before the commission. The freight rate topic is in an especially well-arranged shape for presentation. In the past few months an extensive body of data has been collected on the theme, which has also been widely canvassed by the press, and has become familiar to the public.

Thus this important matter goes to adjudication without any of the disadvantages which attach to a novel or unexplored topic. The request of the 52 eastern railroads concerned for a 5 per cent increase in freight charges has commanded an unusual degree of favorable attention, not only by the people and the business public at large, but among the shippers whose interests are affected.

It appears to be the prevalent feeling that the proposal is worthy of receptive consideration on the part of the commission, as a request, reasonable in itself, and which in the event of its being granted would give a strong impetus to general business prosperity. It would have an invigorating effect on the railway supplies industry, which by enabling the railroads to purchase new rails and rolling stock, and to extend their safety appliances, would insure continuous employment to more than a million workers, whose prosperity would be shared by tradesmen and many branches of business.

A result of such extensive benefits, direct and indirect, to so large a portion of the population can not be superficially passed over. The conditions bespeak a careful and impartial survey by the Interstate Commerce Commission, with a final decision which shall inure to the good of the community as a whole.

[From the Altoona (Pa.) Times, Friday, Nov. 14, 1913.]

SHALL FREIGHT RATES BE ADVANCED?—AN OPEN LETTER TO THE INTERSTATE COMMERCE COMMISSION.

(By W. E. Russell.)

It is perhaps a fact that every man and woman in the United States is infected with some one or more "false-economy" fads. To save 5 cents and lose a dollar in some one line of action at least, is an individual inconsistency, easily discovered by a few minutes' self-introspection.

Is there such a thing as a national "false-ecohomy" fad, made up, if you please, by an incongruous intermixture of all our silly individual "penny-wise and pound-foolish" mistakes?

Are we, as a people, losing right now hundreds of millions of dollars by "putting in our thumb and pulling out a plum" and saying what a wise boy are we, when we save a million and lose a hundred times more?

The balance of this paper, it is hoped, will prove the above two questions to be logically answerable only in the affirmative.

Wishing, however, that the matter herein be judged upon its own merits and not discounted by any prejudices concerning the motives of merits and not discounted by any prejudices concerning the motives of have been in past life, an employee or official of any railroad corporation, nor a holder of even $1 in either stocks or bonds of any railroad; again, that if the railroad freight rates are increased that I would be required to pay, from time to time, my portion on many tons of materials entering into building construction.

RAILROADS ASK INCREASE.

The various railroads of the United States, by concerted movement, are asking of your honorable body the privilege of advancing their respective freight rates 5 per cent in uniform manner. Representing as you do the entire population of this country, and having at heart their individual prosperity, the question at issue casts upon your shoulders a burden of responsibility so gigantic in its potentiality for weal or woe of this great Nation that I am justified in claming it as actually foremost among the present national issues. Tariff modifications can find adjustment if prosperity continues; the currency vessel will have smoother sailing on the placid lake of national prosperity than upon the stormy ocean of adversity.

One cent a day saved to each inhabitant of our country would be of trivial benefit to the individual, and yet the aggregate of that penny, contributed to the public welfare by our hundred million of people, would pay in one year for the Panama Canal, the greatest engineering feat and most costly national work in the world's history. That same aggregate penny would in 10 years furnish a sum of nearly $4,000,000,000, a sum ample to give magnificent public roads in every portion of the United States; would pay for all the feasible inland waterway projects and enable the Government to conserve all valuable forests. That same mighty penny in another 10 years would pay off our national debt and stop the enormous annual interest charges on that debt.

The superb advantage of such a daily penny contribution for mutual benefit, even to the hired girl, the ditch digger, and up the scale to every other inhabitant of the United States is so self-evident as to need no proof.

CAN'T "PASS HAT."

But even so, if the "hat was passed around," would that daily penny be forthcoming? Not by a long shot; for millions of people would say: "Let the other fellow do the contributing." Imagine, if you please, the result of trying to obtain municipal, county, State, and national taxes by voluntary contribution only. That result would be municipal, county, State, and national bankruptcy, culminating in national chaos and a quick slide back to savagery.

Are we not in the kindergarten stage of the knowledge of correct cooperative effort and its magnificently wonderful advantages to all of us?

Will it take another century of civilization to pierce the skulls of humanity with a "horse-sense" idea of the superbly grand mutual benefits of real mutuality in both effort and pocketbook?

Will we ever learn to avoid the absurd stolidity of "being penny-wise and pound-foolish"?

Let's give another illustration: Suppose, for some magical reason that every railroad in the United States was blotted out to-morrow; how many days would it take for universal individual and public bankruptcy to ensue? Fortunately such a magical calamity is not probable, but have we not blotted unintentionally the railroads which could have been built in the past five years; railroad extensions absolutely essential to our growth and commerce?

OVERCOMING ANTAGONISM.

Through your honorable body many excellent results have been accomplished in curbing wrong moves in railroad transactions, and no doubt there is much yet to do in a restrictive sense for the advantage of our whole Nation. The writer realizes that your body is the delegated authority for the expression of the wishes of the people, in a rational manner. Your actions, along lines of present economic wisdom, are made far more difficult through the creation in by-gone years of a sentiment of antagonism to the railroads produced, at that time, by financial jugglings and a practical disregard to the interests of the general public. Such outrageously absurd mistreatment created a boomerang of public retaliation, part of which is a legacy cast upon your shoulders for effective corrective results. Such action on your part, coupled with a common-sense change in the policy of the railroads themselves, has produced a present condition in which the retaliatory spirit ceases to be of any public advantage, but, on the contrary, is apt to be of the cut-off-the-nose spiteful character, resulting in tremendous loss in far greater degree to the people themselves than to the railroads. The general danger in all public movements of a corrective nature, even though founded on correct and just principles, is to go to extremes, and in the case of the railroads there exists, indeed, the peril of swinging the pendulum too far and killing the goose that lays an enormously large golden egg.

REPRESENTING WISDOM OF PEOPLE.

I trust that I am echoing your own sentiments concerning the dignity of your high office when I mention that upon your body devolves the responsible duty of separating the wheat from the chaff in rational action toward the railroads; that while representative of the people, such delegated power to you means to truly represent the wisdom of a vast body of people and not their foibles nor follies; in fact, to be a stanch wall guarding them against wrong moves not only upon the part of the railroads, but from ill-considered, unjust, and unwise demands on the part of the people themselves; in a word, to give equity to both to the best of your ability.

If a small mercantile corporation were to allow perishable goods to decay because of false economy in providing more delivery wagons or autotrucks for hundreds of orders which could not be filled otherwise, it would be pointed to in derision as a type of a stupidly conducted concern. Shall the United States, in itself the largest corporation in the world's history, continue to commit a similarly imbecile action, on a mammoth scale, by so handicapping the railroads as to actually prevent their enlargement now essentially necessary for the delivery of millions upon millions of dollars of products which now go to waste, or at least must be sold locally at absurdly low figures?

But how have we committed such a piece of national folly? We simply cut off our "daily penny" contribution to the railroads, and we gloried in the fact that we could each buy one more box of matches, or a 1-cent postage stamp, or a stick of candy, and "filch away from the greedy monsters of railroads" our little petty daily penny. We argue that such an insignificant saving could not hurt such enormous corporations, forgetting that in the aggregate we "filched away" $365,000,000 a year; forgetting that such a sum was ample for thousands of miles of railway extension and for thousands of cars for additional equipment.

SAVING AND LOSING.

In fact, we followed somewhat the policy of a certain farmer, as the story goes, who sought to reduce gradually the expense of feeding his mule. He reasoned out that one straw of hay withdrawn each day from the mule's feed would certainly be of no consequence, and afterwards, in narrating the result of his experiment to a neighbor he said: "Don't you know it was a grand success for several weeks, as I saved a lot of hay, but somehow or other, just as I was getting down to the point of taking the last straw away that fool mule up and died." He neglected to state, however, that he saved a dollar in hay and lost a $200 mule.

In our vociferous demand for lower, and still lower freight rates, even while material price increase and wage increase was the lovely portion thrown on the shoulders of the railroads, we most naturally hit them a solar-plexus blow in lopping off their freight-rate charges and, not satisfied with this, we gave them a straight right to the jaw when we added on higher prices all along the line in their expenses. Somehow or other, we got "agoing" and we didn't know when to stop. We were like the "wise" man who yoked himself along with the calf, and when the calf bolted down the hill at full speed the "wise" man yelled to the top of his voice: "H-e-r-e we come; h-e-r-e we come; darn our fool souls, we are running off, somebody stop us, or we'll break our consarned necks." Let us not forget that a whole nation can at times suffer from a half-way crazy spell, as did Holland during the "tulip bulb craze," which so permeated that entire land at the time that a hundred thousand dollars was given for a single tulip bulb because it was black, and other ridiculously large sums for other bulbs on account of various peculiarities. As a result, when the farcical balloon exploded, hundreds of bankruptcies ensued. In a few

years thereafter the people of that country considered their mental lapse, in wholesale degree, as some wild nightmare.

NOT FOR STOCKHOLDERS.

Why should the requested 5 per cent advance in freight rates be given to the railroads? To increase the profits of stockholders? No, indeed, it is not necessary for us to indulge in any such fantastic philanthropy with our "daily penny"; as a rule, stockholders in railroads are not "marching over the hills to the poorhouse"; not even the "poor widows and poor orphans" class of railroad investors. Why, then, should we volunteer to contribute our "daily penny"? In this answer is the kernel of the nut, and it is rather striking: To save ourselves a daily dollar, two, five, or more, to begin with, and to save thousands of us from bankruptcy and hundreds of thousands—nay, some millions of us from the distresses of being pauperized.

Very strong words. Can I prove them? Yes; most emphatically.

In order to do so we must take a brief inventory of the present status. There is a rush and crush in railroad tonnage, and this stupendous business makes profits in spite of the extraordinary increase in expenditures, due to higher prices of materials and higher wages. (And right here I pause to state that I hope the railroads will always be able to pay those higher wages, and, furthermore, I make the bold statement and dare anyone to controvert it, that our "daily penny" contribution, the 5 per cent advance in freight rates, will enable the railroads to continue the higher wages now given.)

Well there is nothing gloomy about the railroad situation so far as above stated. No, it's quite rosy. I am an optimist myself, and wish I could logically stop right here. But I happen to be a conservative optimist; I do not plunge around corners at full speed in my auto with the hope that there is no danger ahead.

THE BOND QUESTION.

If there is such a crush of business, why is there not more railroad extension of lines to take care of it? Now comes our little dark cloud. If you ask a railroad president why he didn't build more branch roads to gather in enormous tonnage waiting for him, he would almost explode with the vehemence of his earnestness. "Great Scott," he would say, "we are wild to do that very thing, and I grow sick with exasperation because we can't." Then ask him, "Why?" And another darker cloud appears in the answer: Because the railroad bond market is inactive. Ask "why" again, and the cloud darkens more and more, for we are getting closer to the real cause of danger in our present rosy condition. In fact, to be brief, the bond investor is not pleased with the railroad outlook. He is aware of the fact that the railroads can not continue to pay higher prices for materials and wages and show profits at present freight rates unless the abnormal crush of tonnage also continues. Mr. Bond Investor is also watching out for danger "around the corner."

Let us find out if possible the reason why Mr. Bond Investor believes he has a right to be cautious. Let us assume that he has no political ax to grind; that he is not endeavoring to create "hard times" for any pecuniary gain, but on the contrary is solely concerned in the future value of his railroad bond investment. Perhaps it would be wiser to let him speak for himself, as a matter of fairness.

LOOKING AT FACTS.

He says: "I look at facts, not theories. I am not concerned which political party is in power or may be in power. Prosperity of the railroads, not only at the present time but in the future, will make their bonds profitable; prosperity at present and adversity in a year or two will make the investment very risky. Therefore I am justified in taking a lesson from the past. You admit," says he, "that tariff reductions will cause all manufacturers to proceed cautiously until they can adapt themselves to the new schedules. When 25,000 manufacturers slow up, as a matter of caution, it means naturally an enormous reduction in their employees. It may mean attempted reduction of wages. The raw-material men must also slow up with corresponding reductions. The wageworkers thus thrown out of employment become hand-to-mouth consumers, thus setting in motion an adverse circle affecting the merchants, wholesalers, and manufacturers of household necessities, as well as comforts and more especially of luxuries. This, in turn, causes larger reductions of employees all along the line, and the dismal wheel of adversity takes on a faster motion. But, alas, all is not said, for the farmers commence to feel the pinch of lesser demand and lower prices, and their purchasing ability becomes depleted to a minimum, resulting in stagnation for the agricultural implement and farm-supply manufacturers, thus giving another woeful turn to the wheel of misfortune. But if to all this is added the daily increasing depression in building construction trades, affecting hundreds of thousands of employees direct and indirect, it can easily be seen that the motion of our wheel is fast approaching the panic stage, and it gains greater momentum as the banks find it necessary to curtail their loans. However, I have not yet mentioned the railroads in this dismal cycle, but they along with their hundreds of thousands of employees have suffered from the direful procession of disasters until a wage reduction becomes the only alternative for many of them to escape bankruptcy. Now, then, you can well see why I hesitate in making my bond investments at the present moment, for while I am cognizant of the present prosperity and hope it will continue, I must, as a matter of personal caution, look into the future as far as I can to see any formative clouds of adversity. Therefore, I am on the waiting bench, willing to invest when there is more certainty of a continuance of our present prosperity."

CHANGED CONDITIONS.

It is permissible, perhaps, for the writer of this article to answer in colloquial form the supposed comments made by Mr. Bond Investor.

"Eschewing for the present any political preferences, desirous only of a maintenance of our prosperity, regardless of whether the credit goes to one party or any other, I admit the logic of your illustrations, but nevertheless must contend that the conditions are far different now from what they were in the year 1892, when our prosperity was transformed soon afterwards into the panic of 1893. At that time the tariff tinkering had a brother source of disaster in the silver issue. Again, we have at the present time no similar confidence-destroying companion to cling around the neck of the tariff-reduction program.

"On the contrary, Mr. Bond Investor, we have a phenomenal opportunity to offset any tendency toward the industrial depression by placing in immediate action a very powerful counteracting agent for greatly increased prosperity. Thus we have the opportunity to apply at once a sure antidote for the poison you fear might permeate through the industrial arteries of our Nation. At no other time in the history of this Nation were we so fortunate as to have at hand an ample method of modifying downward our tariff rates without causing a severe depression in business.

IMPETUS TO PROSPERITY.

"That remedy, right now at hand, is the using of our 'daily penny' to give such a grand impetus to prosperity that the very start of any adverse movement would be nipped in the bud. I frankly confess that I am not much concerned, Mr. Bond Investor, concerning the safety or profits of your individual investments, but I believe that you yourself would frankly state that your fears would vanish for our future national prosperity if the requested 5 per cent advance in freight rates were granted at this particular time, and therefore, although unconcerned about your individual welfare, we are very much concerned that you help the wheel of prosperity to move at a rapid gait by your heavy investments in railroad securities, and especially those issued for additional construction and equipment.

"When, as a matter of fact, a single $10 bill spent at one end of a business street could easily produce in one day a thousand dollars of business by passing through a hundred hands, it is manifest that an extra $100,000,000 set loose in the channels of trade will produce results almost startling in the magnitude of resultant extra business. What, then, would our 'daily penny' to the extent of $365,000,000 yearly accomplish?

CREATING CONFIDENCE.

"If we create new confidence in a continuance of our prosperity by granting the 5 per cent advance in freight rates, we undoubtedly induce a far larger purchasing inclination upon the part of the 2,000,000 employees of the railroads, and we can conservatively estimate this increased consumption at $10 each per month, making a total of $240,000,000 of increased trade from that source alone. It would be futile to endeavor to give any close approximation of the vast increased expenditures that would be made in the coming year by the railroads themselves, but it certainly would not be less than $260,000,000 per year. Thus from the railroads and their employees we would have the grand impetus of half a billion dollars pushing our wheel of prosperity. Add to this the wonderful power of invigoration that such a sum would cause in hundreds of channels of trade, and then in turn to the farmers, and back again from them to the manufacturers; and, again, the enormous increase in building construction throughout the land, giving a tremendously enlarged business in the building trades and continuous employment to hundreds of thousands of skilled and unskilled workmen; add again the greater prosperity of the merchants, the professional men, the newspapers, and the banks and we have combined an irresistible force making our prosperity wheel hum with such a grand momentum that any slight tendency toward depression would die 'aborning.'

"Thus, Mr. Bond Investor, we would have an antidote so powerful that your supposed poison would have no chance to have injurious effect to any appreciable degree."

ANALYZING PROTESTS.

If the 5 per cent freight advance were granted there would no doubt be a "penny-wise and pound-foolish" antagonism from some who would be affected by the proposed increase. Let us for a moment analyze such protests. The wholesaler would pass the charge on to the retailer, unless competition forced him to bear a part of it, as he could well afford to do on account of his largely increased business; the retailer would endeavor to pass it on to the consumer, unless he also had to stand a small fraction by competition, which he also could well do by reason of larger business and better pay and less losses in his accounts. The great consuming class would probably have to shoulder at least half of the 5 per cent advance; would have to contribute their "daily penny" in order to have the daily dollar, two, five, or more. There is no class in our Nation that needs prosperity more than the wageworking and salaried people. To them a steady and continuous income is an actual necessity to keep the wolf from the door; to them, indeed, more than to any others, does the monster of "hard times" assume a dragonish appearance; the piteous appeals of their children who are then denied even a large portion of the actual necessities, added to the grief of the parents in being forced to deny the sobbing requests, make a combined national moan of anguish which pleads to us in advance to use our sincere endeavor to prevent such a direful calamity. Surely we should not strain at a gnat of expense and swallow a camel of woe. Foresight to avoid disaster is worth a hundred hindsights after the damage has been done.

RAILROADS' PROSPERITY.

If we needed some concrete illustration of the grand benefits ensuing from the prosperity of railroads, there could be placed in evidence the conditions existing in various towns and cities which are to a large extent dependent for sustenance almost directly upon the railroad or railroads passing through them. Perhaps no other city in the United States, of equal size, has its "sum and substance" of prosperity, in accordance with the proportional prosperity of a railroad, as has Altoona, in the State of Pennsylvania. At this point the Pennsylvania Railroad pay roll of $15,000,000 yearly becomes a boon to all the citizens; if such an amount were cut in half, or even more, by the adversity of the railroad, Altoona would swallow the dregs of severe misfortune, perhaps of serious disaster. On the other hand, if, through additional prosperity of that road, the pay roll would be increased to $18,000,000, or even $20,000,000, then Altoona would blossom in more roseate manner than even at present. No doubt, in a similar way, although perhaps to a less degree, would thousands of other towns and cities in the United States have additional prosperity through the grantal of the 5 per cent advance in freight rates.

CONSIDER THE CITIZENS.

In conclusion, gentlemen of the Interstate Commerce Commission, permit me, I beg, to suggest that your deliberations upon the gravely serious and potentially important subject at hand include due consideration of the welfare of all the citizens of the Nation, since all are benefited by prosperity, and if there should arise any protest from a comparatively small number of the people (blindly against their own real interest in the long run), to kindly remember that the greatest good to the greatest number is the foundation principle of our Government, and in this instance that the greatest number includes at least nine-tenths of our entire population.

The history of the world from time immemorial is strewn with the whitened sepulchers of "lost opportunities" due to intolerance and economic ignorance. The day is at hand when we should cast adrift from the water-logged boat of absurd faddism and board the stanch vessel of common sense. The time is ripe for a master stroke, hitting at the very foundation of national false economy, to start in immediate action a phenomenal movement, leading onward and upward, bestowing blessings upon every hand, and culminating in a far greater prosperity of our people and grander prestige throughout the world to America as a land of progress, liberty, and happiness.

[From the New York American, B. C. Forbes, business editor.]

PROSPERITY HINGES ON RAILROAD-RATE CASE, SAYS CLAFLIN—LOOKS FOR BETTER TIMES IF FREIGHT INCREASES IS GRANTED.

"I will have a good deal to say about prosperity if the railroads get the 5 per cent increase in freight rates," declared John Claflin, dry goods king, yesterday.

Asked if he believed great prosperity awaits the country if the railroads get a rate advance, Mr. Claflin said:

"I can not say anything about a period of prosperity, but I look for immediate improvement after the advance is granted."

Mr. Claflin believes practically every thinking man now sees that the country can not be prosperous unless the railroads are. He believes the merchants in general are now in favor of the advance, although at one time they were not.

—

[From the New York Times, Mar. 24, 1914.]

AMERICAN PUBLIC OPINION OUGHT TO RULE; HEED IT!—TO BRING PROSPERITY—GRANTING 5 PER CENT INCREASE TO RAILWAYS WILL DO IT, CLAFLIN SAYS.

John Claflin said yesterday that he earnestly hoped for an early decision by the Interstate Commerce Commission giving the eastern railroads the 5 per cent rate increase asked for. To a question about the outlook for prosperous business he replied:

"I would talk prosperity quickly enough if the 5 per cent case was settled in favor of the railroads."

"Would that insure a period of prosperity?" he was asked.

"I don't know about a period, but it would certainly mean an immediate improvement," said Mr. Claflin. "You know what it means to industries in this country to have the railroads' buying power curtailed. I think the merchants here are practically all in favor of the rate advance now, although they were not a few years back."

—

[From the New York Times, Mar. 24, 1914.]

RAILROAD-RATE PROBLEM.

The Interstate Commerce Commission has had before it for a long time the application of eastern railroads for a 5 per cent increase in freight rates. The delay of the commission in reaching a decision is most unfortunate. The railroads are structurally a part of our national life—fiber of our fiber. They are arteries of our very being through which courses the blood of the Nation. We can not do them harm without doing ourselves harm. Starve them and the pinch of poverty grips us. Railroads are now contending with decreased net earnings and are not spending more money than they must to meet immediate requirements.

Extensions and improvements come out of the net earnings and net earnings are being reduced to such a degree that extensions and improvements are not being made as they were when the income justified it. As a result of the halting of activities on the part of the railroads, business is halted. If the railroads are prosperous, the country usually is prosperous, too.

It is the opinion not alone of railroad men but of others engaged in widely separated lines of business that if railroads were granted the increased rates they are after it would be the means of booming general business and bringing back prosperity. The Interstate Commerce Commission ought to decide one way or the other without any more delay than is absolutely necessary the question of increased rates.

—

[From Lexington, Ky., paper unknown.]

IT WERE WELL IT WERE DONE QUICKLY.

We publish in other columns of this issue an excerpt from the annual report of J. H. Wheelright, president of the Consolidation Coal Co.

Two years ago the Consolidated Coal Co. purchased 100,000 acres of coal land in eastern Kentucky, upon which it has built the cities of Jenkins and McRoberts. According to the report of Mr. Wheelright, the 14 mines that have been opened in Kentucky by this company have a producing capacity of approximately 3,500,000 tons of coal a year. Because of the purchase of this land and the guarantee of the Consolidation Coal Co., which for 50 years has been one of the most successful producing coal companies in the country, the Louisville & Nashville, the Chesapeake & Ohio, the Baltimore & Ohio, and the Clinchfield & Carolina railroads have spent millions of dollars to reach the coal fields in eastern Kentucky.

The total annual output of the Consolidation Coal Co. from its various fields in Kentucky, Maryland, West Virginia, and Pennsylvania aggregated for 1913 over 11,000,000 net tons.

The part of Mr. Wheelright's report to which we wish to call special attention is his statement that—

"Notwithstanding the fact that an increase in freight rates to the carriers would, in many cases, fall directly upon your company, we have written the Interstate Commerce Commission urging them to grant the increase of freight rates to the railroads, for the reason that we believe the facilities so urgently needed to be of greater importance to the future development of the country and the welfare of your company than the burden that will fall upon us by reason of increased freight rates."

There could be no more striking evidence of the imperative need for an increase in the freight rates railroads are allowed to charge than this testimony of the president of a company which ships annually over 11,000,000 tons of freight which would be affected by that increase. But, as pointed out by Mr. Wheelright, it would inure to the benefit of the company of which he is president to have the railroads able to secure the money necessary to make the extensions, to build the sidetracks, and to purchase the equipment to handle the full output of its mines, which under present circumstances the railroad companies are unable to do. It is for similar reasons that business men in every line of activity have earnestly urged and anxiously await the decision of the Interstate Commerce Commission giving to the railroads permission to increase their rates.

Upon the prosperity of the railroads depends the prosperity of the country. They are the greatest consumers of material, the greatest employers of labor. It requires millions of dollars for them to maintain their tracks and equipment so as to handle economically and expeditiously the business they now have; it requires added millions for them to extend their tracks, to build new sidings, to purchase new equipment, to take care of the increased business that comes from the increase of population and the development of the natural resources of the country.

That the plea of necessity for an increase in freight rates is not fictitious the monthly reports of earnings are proof, as is their inability to provide facilities for traffic ready at their hands, as pointed out by Mr. Wheelright, additional proof. The decision rests with the Interstate Commerce Commission, and upon that commission rests the responsibility for the business of the country prospering or lagging.

The railroads can not secure money through the sale of stocks or of bonds unless the investing public are assured that the revenues of the railroads are, and will remain sufficient to pay interest and dividends. With the present freight rates there is danger that many even of the strongest railroad systems will be unable to maintain their present rate of distribution to their stockholders. It is only by an increase of revenue through an increase of freight rates that the railroads can hope to persuade investors to furnish the money to make the extensions and purchase the equipment that is necessary to do the business of the country.

Every man interested in any form of business is proportionately as much interested as is Mr. Wheelright in having the Interstate Commerce Commission quickly grant that which it is inevitable it must ultimately grant, unless the railroads are to go into bankruptcy and the business of the country to become stagnant.

EXHIBIT B5.

MANY VITRIOLIC, DEROGATORY, AND INSULTING EDITORIALS AND ARTICLES HAVE APPEARED.

A very large percentage of comments about the Interstate Commerce Commission, its members, and its employees, have been derogatory, insulting, and many times disgraceful. The commission has frequently been accused of being incompetent. Its members are represented as theoretical economists and lawyers, who have no knowledge of business and who would be incompetent to conduct any mercantile establishment, and so forth.

Sometimes they are represented as being prejudiced and unfair to railroads. It is intimated that they have already made up their minds which way to vote on the rate advance, and that they are holding up the final announcement of the decision as long as possible in order to embarrass and cripple the railroads and cut off dividends to security holders.

It is intimated that they are a political body and that their decisions are based upon political expediency with an eye toward coming elections rather than upon evidence and argument properly before the commission.

They are sometimes pictured as a ridiculous body, not deserving of the respect or notice of competent people; in short, they are a body who are unable to think or act for themselves; a body which supinely receive the harangue of any and all comers without discernment or proper understanding of the true relation of things. They are also accused of being cowards.

Some of the people even go so far as to attack in a subtle manner the integrity of the commission and of those connected with it.

It has been faintly hinted that some one close to the commission gives out advance information as to the decisions to be rendered, and that people in Washington have profited by such knowledge in their purchases on the New York Stock Exchange. The commission is also pictured as a menace, a body undemocratic, and are charged with the ideas of socialism, disrupting business, and wrecking credit.

They are also charged with gross ignorance and stupidity.

[From the New York American, Mar. 15, 1914, by B. C. Forbes, business editor.]

GRAVE BUSINESS CRISIS LAID TO GOVERNMENT FLOUNDERING—RAILROADS, IN SERIOUS STRAITS, AWAIT IMPATIENTLY LONG DELAY OF INTERSTATE COMMERCE COMMISSION IN DECIDING FREIGHT RATES—FINANCIAL WORLD DISTURBED BY MANY THREATS AND DON'T-KNOW-WHAT-TO-DO OF LAWMAKERS.

I don't like the way things are going. The trouble is under rather than on the surface.

It lies chiefly in the murderous spirit—I use that word deliberately—existing between Washington and the business world.

There is a growing danger that the upshot will be disastrous alike to labor, to investors, to employers, and to the administration.

Capital has made up its mind not to submit meekly and silently to any more governmental misrepresentation or unjust attacks.

President Rea, of the Pennsylvania Railroad, voiced the new attitude last week in a formal statement heavy with underlying significance. He warned the authorities that antagonism and burdensome legislation, if continued, might drive the country into an abyss. He spoke thus gravely, he said, "to prevent calamity."

ACUTE PERIL OF SITUATION.

With the same motive, and without the remotest desire to be sensational, I feel it a duty—a regretful duty—to state the situation in very plain terms. It is this:

There are half a dozen railroads so near the precipice of bankruptcy that if the authorities give them a few more pushes they will topple over with a crash.

Once one goes, all will go.

Already their securities are on or near a receivership basis, but those in control are striving to avert insolvency, buoyed up by the hope of a very early announcement of an increase in eastern frieght rates.

But the latest outbursts by the Interstate Commerce Commission, and the allegations against conservatively managed railroads, including the Pennsylvania, have raised acute fears in responsible circles that those in power at Washington are utterly blind to the red lights confronting the railroads and the financial community.

Developments are awaited with concern.

President Wilson and Democratic Leader Underwood are, I am told, exercised over recent events, and over the thickening uncertainties. I

understand also that Mr. Brandeis is now alive to the urgency of the situation and will not counsel any rabid antirailroad action by the commission.

COMMISSIONERS DELAY CRITICIZED.

The commission, however, has lost its strongest members. Not one of those now intrusted with the life and death of the country's railroad system has ever had business experience. The chairman was a conductor on the railway, another member was a professional theorist, and the three others were—need it be added—lawyers.

These gentlemen have been so swamped with work that their annual report for 1912—yes, 1912—has not yet been issued. Were a railroad to show similar dilatoriness, the commission would have something very pointed to say.

The current tendency is to pile more and more responsibility upon the already choked commission. That being so, it may be well to ponder the facts here printed.

The momentous rate decision is now looked for about the middle or the latter part of April.

The possibility of unearthing other sources of relief has appealed strongly to the commission and its counsel, Mr. Brandeis, but while tangible results may be achieved therefrom by and by, it is believed no immediate succor can be expected and that the commission will feel compelled to allow an advance in rates now on the understanding that if developments warrant reductions may be ordered later on.

SHORT INTEREST IN STOCKS; BE WARY.

The repeated onslaughts by Washington have been accompanied by such extensive selling of securities that frightened and pell-mell covering might be precipitated at any moment.

Everybody in the "inside" has been bearish.

The consequence is that much stock has been sold short—that is, people have sold stocks they do not own but which they figure upon being able to buy back much cheaper on the publication of bad news.

Wall Street is wicked enough to suggest that a few selling orders have come from the direction of Washington. Indeed, Wall Street—always suspicious—hints that people of higher repute than Lamar have taken advantage of advance knowledge of plans and proclamations calculated to send stocks down.

The desirability of having men above temptation on such bodies as the Interstate Commerce Commission will be apparent when it is noted that Commissioner Harlan's sensational attack upon the St. Paul immediately knocked $9,000,000 off the market value of the road's stock.

Were men susceptible to the allurements of riches ever to find a place on the commission, the opportunities for making rapid fortunes by speculation would be incalculable.

Of course the game, which in the past has been considered safe by certain Washington gentlemen, might prove dangerous, now that the New York Stock Exchange has a "police committee" which pries into members' books, for it is conceivable that something might come to the surface were questionable practices to be discovered.

BUSINESS REVIVAL IS STILL RETARDED.

The hoped-for revival in general business has not yet made satisfactory headway.

Unemployment is rife and is exciting uneasiness in certain cities.

Unfortunately, employers—particularly the railroads and the hundred and one industries affected by them—do not feel encouraged by events at Washington to adopt any conspicuously optimistic course that would help to provide additional work.

Antibusiness legislative proposals are being hashed and rehashed daily without any manifest master mind to guide the rank and file toward any definite, sensible goal.

Employers, therefore, do not yet know what to expect.

Banking interests are acting cautiously. They want, among other things, to learn the personnel of the Federal Reserve Board before assuming avoidable commercial risks.

In New York the more powerful groups are worried mainly about the railroad position and prospects in view of Washington's attitude.

Stocks, consequently, have reflected nervousness.

But brokers declare that the market is oversold to such an extent that important good news could easily start a bear stampede. To sell what you do not own is always fraught with danger. It is a game the ordinary investor had better leave alone.

My opinion is that there will be a drastic movement either up or down within the next month or more. Which direction the market will take is not at the mercy of bankers or brokers. That responsibility rests in other hands.

FACT AND COMMENT ON FINANCE AND BUSINESS.

A knowledge of current conditions and of possible dangers impels me to address the following open letter to the Interstate Commerce Commission:

GENTLEMEN OF THE INTERSTATE COMMERCE COMMISSION:

Are you aware that, partly owing to your course of action, the country is in peril of suffering an upheaval disastrous to labor, to the railroads, to investors, to industry, to the public at large, and to the administration?

Do you realize that in your hands have been placed responsibilities comparable only with those devolving upon the Supreme Court of the United States?

You have been given control of the greatest industry in the country, its system of transportation, on whose welfare depends, directly or indirectly, the welfare of every man, woman, and child in the Union.

You are responsible to Congress alone.

You are more than a quasi judicial body; there have been reposed in you administrative functions of the gravest importance.

Now, rightly or wrongly, your actions have created the very general belief that, instead of holding the scales of justice even between the railroads and shippers, you have become an antirailroad body.

In ruling—perhaps wisely—against the increase in freight rates applied for in 1910 you gave reasons which were supported by arguments and statistics embodying serious misrepresentation of facts. Your misuse of figures on that occasion raised doubts in well-informed minds of your desire, or your ability, to be strictly impartial in dealing with large railroad and financial problems.

Since then the position of our railroads has grown distinctly worse.

The confidence of investors, both in Europe and at home, has been so shaken that many roads are to-day in a parlous financial state.

During the years 1914, 1915, and 1916 maturing railroad obligations alone will call for upward of $1,000,000,000—this without providing one dollar of additional capital for any purpose whatsoever.

How debts falling due are to be met and new capital necessary to maintain solvency is to be raised are problems now exercising grave concern in the financial and railroad world.

Whether these problems can be handled without plunging the country into general disaster depends in large measure upon the course you choose to follow. The eyes of financial Europe and of thinking American citizens are upon you at this moment, anxiously awaiting announcement of your policy.

The state of mind existing to-day in the most responsible circles is not conducive to that speedy return of prosperity which the deplorable prevalence of unemployment and discontent renders so extremely desirable.

Without overstating the facts, it can be said that those who are charged with the task of directing and managing the country's railroads are in danger, if further denied the cooperation of the Government and your body, of abandoning as hopeless all efforts to overcome multiplying difficulties.

I beg you to ponder these words uttered this week by Samuel Rea, president of the Pennsylvania Railroad:

"There is more need than you, perhaps, realize for efforts to prevent calamity."

What are you gentlemen of the Interstate Commerce Commission, you guardians of the Nation's railroads, doing to prevent calamity?

One of your number has just caused to be published, in sensational manner, charges of "serious irregularities" against the Chicago, Milwaukee & St. Paul Railway, which "irregularities"—confined wholly to bookkeeping—were committed several years ago and pointed out at that time by the financial press.

Has it taken you three years to discover what the financial press discovered immediately the company issued its financial report?

If not, why is the subject treated by you so sensationally at this unfortunate juncture, when the solvency of numbers of railroads and the position of the railroads as a whole are occasioning so much concern and militating so strongly against a revival in business which, if much longer delayed, can not but lead to unhappy consequences to Government and governed alike?

Not content to aggravate the unrest by harking back at this juncture to a three-year-old incident admittedly indefensible, you add the alarming statement that "in many instances" similar irregularities have been perpetrated.

Why this vague, panic-breeding allegation?

Are you concealing wrongdoing by many other roads?

Is it your intention to explode these bombs periodically, whenever your fancy, or what you may regard as expediency, dictates?

Why single out one railroad for exposure and shield many others you know to be equally guilty?

Can you not see how disquieting is the effect of your very serious allegation?

How are investors to know that the road whose securities they hold is not one of the many who have juggled their accounts to flimflam the public?

The St. Paul's shares shrank $9,000,000 in market value on your unexpected and alarmist announcement.

Are other stocks to be forced down equal amounts from time to time, whenever you see fit to expose the many guilty companies?

Gentlemen, I ask you to consider whether the time for purposeless recrimination has not passed.

I ask you to consider whether the time has not come to cease destructive action and to concentrate upon a constructive policy.

You have before you, and have had before you for many months, an application by eastern railroads for permission to increase their freight rates 5 per cent.

The railroads have cooperated with you in supplying all needful facts to judge their case.

Can you not expedite your deliberations?

An attempt has been made of late to cite other avenues of relief, and the impression has been spread that the railroads have been "discovered" indulging in various practices calculated to unreasonably deplete their income.

You gentlemen know that these practices, one and all, have been done in accordance with established usage and under arrangements never once prohibited by you.

Yet I am not aware that you have put the public right in their conception of the position, although a statement from you would have clarified the atmosphere and tended in some degree to allay the antirailroad sentiment now so prevalent and so injurious to the whole Nation.

Abolition of these various intrenched practices can not be ordered or effected hastily. Exhaustive investigation will be necessary before overthrowing the status quo.

Hence no adequate relief can be obtained at this time from such sources, although later on substantial readjustments may be possible for the benefit of the railroads.

I would respectfully ask you to consider the advisability of granting, at the earliest possible moment after the conclusion of your present hearings, the increased rates petitioned for, supplemented, if need be, by a statement that if developments ameliorate the circumstances of the railroads the higher rates may be canceled at some future date.

A patient is beyond medical aid once he has died.

—

[From the Journal of Commerce, New York, December 30, 1913.]

The questions sent by the Interstate Commerce Commission to railroads as an incident to the discussion of the 5 per cent rate case indicate that the commission has fallen into the familiar governmental error of calling for information from sources that have already supplied all the data they possess and have nothing more to furnish. In many instances, it appears from time to time that congressional committees and administrative departments institute investigations that are totally unnecessary, and the results of these inquiries are retabulated as if they contained fresh information of a valuable kind. In this case the railroads have repeatedly supplied such data as seem to be called for, either to the commission, the Post Office Department, or other branches of the Government, and there does not seem to be good ground for the delay that will necessarily grow out of the transmission of such inquiries.

—

[From the New York Times, January 12, 1914.]

REGULATION OF REGULATORS.

The president of Stevens Institute, Dr. Alexander C. Humphreys, is reported in the Times of Saturday as making some general remarks upon the regulation of public utilities, which gain strength by application to the occurrences of the day. President Humphreys gave his opinion

that the various commissions as a rule do not know what they are about or how to do it, and that, therefore, they are not giving the corporations that instruction in their duties to the public which the commissions were created to give and which the corporations have a right to expect. The commissioners as a rule lack technical qualifications. Often they are mere politicians, guided by popularity rather than by principle either of economics or of law. He had been unable to discover any policy as guiding the commissioners of one State where he had tried to advise corporations, and neither he nor the lawyers had been able to tell their clients what they should or should not do. President Humphreys declared that he did not limit his remarks to any one State, and he expressly declared them applicable to Federal commissions.

Take, for instance, the manner in which the Interstate Commerce Commission is dealing with the application of the railways for permission to advance their rates The commission as a whole, not individually, has been regulating rates for a generation, and now for the first time it asks 78 questions such as never before were asked of any carrier. In reply the railways profess their readiness to cooperate with the commission, but deprecatingiy suggest that the commissioners do not know what a task they have given the railways. To answer these questions would require the examination of countless documents, which the railways are willing to place at the disposition of the commission for its own labors. Months would be required to formulate replies, or even years, if the task were to be done thoroughly. The remarks of President Humphreys suggest what the railways did not say—that the commission has no idea what use it would make of the replies if it had them. The decisions of the commission may be searched in vain for the formulation of any principle of rate making which should control either the railways or the commission. No sooner has the germ of a principle appeared than it has been knocked on the head by more exceptions than the rule covered cases. When rates were made in the old, unregulated way, they at least were controlled by economic considerations. But the commission is animated by a morality which applies to public utilities alone. They must do right even though they go broke. They must reduce rates though the requirement slays them. The commissioners have never shown perception that regulations and protection should walk hand in hand. They are too often blind leaders of the lame, and both are stumbling along together, nobody knows whither. Yet the commissioners are good men, meaning well, and doing their best. They simply are not as big as their jobs. It may be doubted whether any men are as big as this job.

The decision in the New Haven bond case is also an illustration of President Humphrey's point. The Massachusetts commissioners exceeded their authority when they allowed the railway to issue convertible bonds. They had only to read a statute to learn their duty, and they erred in such a simple task, although they were to instruct the railway on points incomparably more difficult. How can business be done when commissions are set to instruct railways and themselves need instructions from the courts? Since the managers of the railways have to consult the wishes of investors as well as the instructions of both courts and commissions, it must be clear that the matter is pretty well snarled up. If stock must be issued at par which can not be sold at par, why then the State will have to run the railway itself "for the account and risk" of the taxpayers, of course.

Still another example is afforded by the comparison of the new express rates with the postal parcel rates. The parcel post has no need to pay dividends nor to pay the railways. It does not offer the same service as the express companies either in gathering or delivering parcels. The parcel-post rates must be right, because enacted by infallible legislators. Yet the Interstate Commerce Commission orders the express companies to perform a superior service for less money. From New York to Chicago the postal rate for 20 pounds is $1.22. The express rate is 64 cents, of which a good part must be paid to the railways. That leaves 32 cents, with which the stockholders must pay their men at both ends of the journey and on the journey must provide a fund to pay their insured losses.

They may take what is left for their profits. It would be easy to pick out other cases in which the postal rate is less than the express rate and many in which it is much higher. Here are two authorities setting rates for a public utility which alternately are above and below each other and in which the private service is ordered to be rendered at less than is allowed to the public service, which requisitions its costs in part and in part obscures them by charging them to taxpayers. This is simply bedevilling the subject. There is neither rhyme nor reason, neither wisdom nor justice, in such methods. Is it not possible for the Government to find competent agents?

—

[From the New York Times, January 27, 1914.]

HODGE-PODGE RATE REGULATION.

The Interstate Commerce Commission began yesterday a six weeks' hearing of protests against advances of specific commodity freight rates under the railways' request for a general living wage. When the railways propose to advance commodity rates they are advised to make a general advance which will not disturb the relation of rates. That happens to be the answer made to the express companies by the commission on the same day that it begins a not altogether consistent policy with reference to the railways' 5 per cent advance all around. To the express companies the commission says it is "unwilling to consider the reasonableness of individual rates on particular commodities until after it is found how the general reduction in express rates is going to affect the express companies." Can it be that the commission does not care how the railways are affected by a rate schedule declared to be too low which they wish to raise ratably?

Also of concurrent interest is the elaborate address by Commissioner Prouty declaring that experience has led him to alter his opinions about rates. Consistency is the vice of small minds, and nobody would deny that the commissioner has had experience enough to change his mind without reproach. He used to favor elasticity of rates, he says, but now he thinks that stability of rates is better for both railways and shippers. He says that within 10 days there were 15,000 advances and 29,000 reductions of freight rates, and 60,000 advances and 86,000 reductions of passenger rates. In express tariffs there were 4,000 advances and 32,000 reductions. It seems that the commission is rather bewildered by its job, and has the feeling of the passengers on a steamship who want the captain to hold the boat still. Now Mr. Prouty admits that there must be seasonal rates, and emergency rates, and various other changes of a compulsory sort, but the great mass of rates should be of the same permanency as the laws which have made rates laws. He was not disposed then and there to argue whether it would be a physical possibility for the commission to make all the rates, but he was sure that the railways ought not to make them. There is no hope until the commission makes all rates and classifications and generally takes charge of the railways in all respects except—it may be imagined—guaranteeing the balance between their incomes and expenditures.

As much might be guessed by the commission undertaking hearings on a schedule already fixed until March and beyond. The indispensable Mr. Brandeis has responded to an invitation from Mayor-elect Curley to straighten out Boston's affairs, "that he is so engrossed with his work for the Interstate Commerce Commission that he will be unable to take on other work until November." Nobody could expect the commission to make a decision on such a difficult subject without some months' deliberation. By that time—say in 1915—it may be hoped that the railways' affairs will be so prosperous that there will be full justification for the commission's decision that the petitioned advance is not then justified. The time to have allowed it, of course, was when shippers did not care what rates they paid if only they could get transportation. Then business could have borne the added burden, and when the present lean time came it would have been possible—if elasticity rates were desirable—to reduce rates and stimulate traffic. It is evident that stability of rates is better. It saves the commission an impossible task, or a task which would be possible only when the laws exactly suit the commission. It might be as well to abandon hope that the rates will suit the railways until the laws suit the commission.

Meanwhile, if the curiosity is pardonable, it might be asked on what principles the commission would base its action when it gets the facts which Mr. Brandeis wants. There are cases where the commission's decisions have been challenged as sharing the unreason of any railway rates whatever, and suits have been brought to compel the commission to justify the reason of its rates. But that is absurd. Only the railways are held to the rule of reason. The commission is sole judge of facts and legislates rates. The duty of the railways is not to reason why, but to do or die.

—

[From the Philadelphia Ledger, April 2, 1914.]

GIRARD'S TOPICS OF THE TOWN.

What would you think of a school-teacher who should spend an entire year in examining the pupils under her control to find out if they deserved promotion?

Your wrath would impel you to take your child out of such a silly school.

All the figures relating to earnings of all the railroads are in the office of the Interstate Commerce Commission. The system of bookkeeping was devised by the commission itself. There is no escape, no evasion, no hiding of profits.

Every dollar of income and outlay is clearly set forth. Having all these facts in its office, you would think the commission might decide in one day whether or not the railroads need increased rates.

Dallying for a year to find out something it should have known 364 days ago shows what a Government bureau can do in the way of conducting business.

Under such a scheme of things we may soon all have time for 4 o'clock tea just like our British cousins.

—

[From the New York Times, April 15, 1914.]

RAILWAY REGULATION, IDEAL AND THE ACTUAL.

Nobody objects or would be heard to object to railway regulation of the sort described by those who provide it. The sort of regulation actually provided must be condemned with equal unanimity. Take yesterday's news, for example. The Supreme Court heard argument upon appeal regarding the tap-line cases. These cases, it will be remembered, cover the so-called "free services," for which the railways were to charge hereafter, and thereby collect $15,000,000 to stay their stomachs while the commission was thinking about allowing the 5 per cent advance. But that installment on account seems indefinitely distant. It is disputed before the Supreme Court that the commission has power to forbid the making of rates which it is the commission's duty to regulate when made. The commission's order was annulled by the Commerce Court, and the commission instead of submitting made as a recommendation what it did not venture to put into an order while its procedure was under an appeal. The Supreme Court's decision lies in the distant future, and the commission itself, on the day that the court heard argument, suspended a tariff filed by several leading railways in accordance with the commission's recommendation. The commission itself runs away from its own plan on the day that the Supreme Court hears it denounced.

The Interstate Commerce Commission's proposal of procedure regarding the 5 per cent advance was also published yesterday. This has been pending for several years in one form or another, but the commission always begins at the beginning, as though nothing had occurred previously. The commission's sole duty is watching the railways and telling them what to do or not to do, and it might be supposed that it had a mind of its own. On the contrary, it lets somebody else write for it 78 questions which had never occurred to the commission. The blanks necessary to answer 1 of the 78 questions weigh 15 pounds, but not all are so weighty. The answer of all the railways to all the questions would fill a freight train. The answers and the arguments must all be in by April 27. And then the railways will soon get their decision?

Not in the least. That is only on the first division of the subject. When the commission has digested these tons of information it will be in position only to say whether rates ought to be raised. It will then begin an inquiry as to how they should be raised. Under this head will come a rediscussion of the propriety of stopping expenses instead of raising rates. It is clear that if the railways spend less money upon "free services" they will not need to collect more money. By that time the commission perhaps will be clear in its own mind about allowing the railways to do what it has recommended, while the Supreme Court is hearing argument about whether the commission has the power it has assumed to exercise. No dates are set to this second division of the argument, so there can be no disappointment about it.

This is a sample of actual regulation. If the investigation and suspension files of the commission were to be searched, most of the questions now disturbing business men would be found buried there. Its indecisions and idealities are only one of the handicaps in the obstacle race which legislators have set for business men to run. If business can not go ahead it must go backward.

—

[From the New York Times, March 26, 1914.]

RAILWAY RATE CASE DELAY.

The Interstate Commerce Commission is so sorry that it was unable to hear the testimony of Clifford Thorne, regarding the application of the railways to advance their rates, that it has asked him to repeat it "in substance." If the railways desire to rebut this testimony the com-

mission will give them opportunity next month. If adjournments were what the railways wanted, how happy they ould be. They first asked for this advance some years ago. The commission refused it for reasons since shown to be bad. Months ago the railways renewed their request, and the commissioners still want to be shown how to change their minds. To assist them they employ as their counsel the counsel whose argument they should regret accepting on the first application. As a friend of the court they admit to argument Mr. Thorne, chairman of the railway commission of Iowa and authorized spokesman for the commissions of the States of Iowa, Kansas, Nebraska, North Dakota, South Dakota, Arkansas, Oklahoma, and Missouri.

The list of States sufficiently indicates the sort of decision which would result from crediting the arguments advanced by Mr. Thorne. There is a double impropriety in hearing him as the representative of State commissions. The Interstate Commerce Commission has constitutional support in advising or even in directing the State commissions, but the State commissions have no such standing before the Federal commission. The State commissions represent neither shippers nor railways, and as commissioners they have antagonized the Federal commission, presuming to reduce the rates in their States which the Federal commission has declared to be reasonable in interstate commerce. The Interstate Commerce Commission is forgetful of the proprieties, if not of the legalities of the case when it listens to such spokesmen. The Supreme Court listens to counsel representing litigants in the courts of the various States, but the Supreme Court never listens to State courts to plead in the person of its judges what the law ought to be, and particularly not to challenge the decisions of the Federal court.

The record of Mr. Thorne's original testimony ought to be available for the commission to read in its leisure, but he is asked to repeat it "in substance." Perhaps his revised version may be less insulting to the commission than his first, insisting that the records of the Federal commission were worthless. Commissioner Thorne's allegation was that the railways were padding their expense accounts. President Willard denied it on the spot. President Rea gave an indignant denial, which the Interstate Commissioners would do well to paste in the tops of their hats. This charge which the commission wants to hear repeated concerns the commission even more intimately than the railways. The country has more confidence in the Federal commission than in the State commissions, whose spokesman is asked to repeat his slurs. But the country can not defend the Interstate Commerce Commission against itself. If it wishes to be regarded as a judicial body it should act judicially, know when it is treated with contempt, and protect itself otherwise than by compliments to its traducers.

If the Interstate Commerce Commission has any confidence in itself or in its accounts of the railways' condition it is in a better position than any other authority to decide for itself forthwith, asking for no arguments. The official figures show that the commission has heretofore misjudged and acted in error upon the reports to it. That is the substance and the merit of the railways' appeal. The railways are now suffering one of the most serious reverses in their history. Their suffering is so severe that it is reflected among industrial investments. It can not be long before the country in general must suffer from the reductions of dividends in both railways and industrial corporations. The Supreme Court itself has flinched from the results of the rigor of its law, and has reconsidered judgments which were impolitic. The Interstate Commission need not fear the country's reproaches for a retreat from its untenable position that it is infallible and must refuse advances of rates because it has been accustomed to do so.

This is a case where to give quickly is to give twice. It still seems probable that an advance of rates would increase revenues, but there will come a time when the reduction of the volume of traffic will nullify an advance of rates. The time to have advanced rates was when the railways first asked. Then trade was so robust that it could have paid and not missed the money. Now trade is in a decline, and an advance of rates is burdensome. No more could be asked of the commission than that its administrative acts should be as nearly right as its judicial decisions. More than half of them resist challenge. It is a good administrator who is right half the time, provided he knows his own mind, and gives decisions with reasonable quickness after they are asked and the case is sufficiently presented. This case has been talked to death.

—

[From the Baltimore News, Mar. 31, 1914.]

BUNCOMBE EVIDENCE ON THE RATES QUESTION.

The Pennsylvania and New York Central Railroad systems announce that they have laid off or are about to lay off a total of 50,000 employees. How many more wage earners have gone off the pay rolls of other railroads we do not know; but these two lines are not standing alone in their policy of curtailment of expenses. It is a self-evident fact that with this sort of thing going on all over the United States it will not do to underestimate the gravity and significance of the movement to the entire country.

It is also a self-evident fact that the man who talks about the railroads depopulating their pay rolls in such fashion to browbeat the Interstate Commerce Commission into permitting an increase of traffic rates is talking rot far beyond the mere degree of imbecility. Great business enterprises do not shut down their machinery when there is any safe way to keep it going. A plant idle in whole or in part is the cruelest kind of investment to the capital engaged. A lot of machinery and equipment is owing interest just the same, whether it is idle or busy; and it grows old—out of date; and it rusts; and altogether, not working as it was intended to work, it is a burden of pain to the capital that carries it, just as it gives an anguish of deprivation, want, and misery to the wage earners whom it was intended to employ, but whose work and pay are gone because the plant is down and the shutters are up.

The railroad is no different from any other industrial and economic instrumentality. It is built to run full force. It can not stop running without injury to itself; and great business enterprises do not cut their own throats to "browbeat" public officials with whom they are not in accord as to what is good treatment for industry and business.

When something is very clearly and very emphatically wrong it is a fool's job for anybody to say that it has been deliberately made wrong by those who are the sufferers so as to reproach those who do not relieve the suffering. The thing to do is to find out the cause of what is wrong, how it can best be corrected, and then correct it.

Such a charge should, at most, react upon the man who makes it. In the present event unfortunately it comes in the disguise of a supposition, confessedly without basis of proof, from one whom the Interstate Commerce Commission desired especially to hear upon the question of the rate increase, and it can not but cast doubt, accordingly, upon the commission's sense of discrimination as to what class of testimony would most contribute toward a wise decision.

Mr. Thorne represents a number of State public service commissions, which should primarily be judicial bodies, just as is the interstate commission, and which should stand to it in much the same relation as do State courts to the Supreme Court of the United States. In such a controversy as this they have not the slightest stake. They are not the representatives of the people against the railroads; and except they have made such exhaustive study of the subject as is supposed to precede their decisions on local matters, their opinions on the merits of the rate question are worth neither more nor less than those of the intelligent laymen. We doubt whether the Maryland commission, with all the other subjects it handles, has had either time or incentive to qualify as experts on this one.

The interstate commission has been in conflict with the State commissions again and again, and most of these conflicts have arisen over unwise, selfish, and more or less populistic rulings by the State bodies that were found to hamper the Federal body's plans. It would seem that the interstate commission should have learned long before this the kind of gallery testimony it might expect from some of the Western State commissions. Either those expectations are justified or the commissions made a most unhappy choice in selecting Mr. Thorne to represent them.

The trouble is not that the Interstate Commerce Commission is likely to listen to his vaporizing. It is that he tends to create popular suspicion of and antagonism to the railroads at a time when popular passion should be least in evidence and that, in the face of it, it will be vastly harder for the commission to reach an unbiased decision.

—

ERIE DROPS THOUSANDS.

NEW YORK, *March 31.*

The Erie Railroad, through A. J. Stone, general manager, to-day announced the enforcement of a general retrenchment order, including a reduction in the clerical force, wage cuts, and the lessening of working hours, to aid, according to the statement, in offsetting declining revenues. About 6,000 men have been laid off since December.

"Usually at this time of the year we increase our maintenance force gradually until we get to the maximum in the middle of the summer, but we will not do that this year," Mr. Stone said. "We now have about 18,000 fewer men at work than at the height of our maintenance work last summer. Our retrenchment is shown better by the fact that we are putting on less men than in laying them off.

"While we are anxiously hoping for an increase in rates, the retrenchment in progress is due to quiet business."

—

[From a New York paper.]

PROBLEM OF THE INTERSTATE COMMERCE COMMISSION.

The probable outcome of the pending rate controversy undoubtedly leaves the Interstate Commerce Commission in a position of some difficulty and opens problems with which that body will find itself obliged seriously to reckon. Of these the broadest and most important is that of the future of the commission itself. What will be the course of its development? How has it been affected by the drift of things during the past year or two? Is it losing or gaining in strength?

Nobody can deny that the position of this commission is significant in the very largest sense, since its success or failure will have a most important and direct effect upon the question of Government ownership of railroads and all that is implied therein. If the commission proves popular and its decisions are in the main correct, the plan of Federal regulation will grow gradually into our system of Government, and a departure from private ownership will be more and more remote. This has been apparent not only to students of the situation, but also to railroad men themselves, for a good while past. It is safe to say that, barring exhibitions of selfishness based on temporary interest to which almost any element in the community is likely to be subject, there has been no large group that was more concerned than were the railroads to see the commission attain a genuine success, and none that will be more disappointed than the carriers to see it suffer failure. Effective handling of the problems presented to it, far from being a radical triumph as many suppose, is essentially a triumph of the conservative forces in the community over the elements that are constantly urging nationalization of railway property.

Of course, this makes it the more disappointing from the standpoint of the conservative factors in the community that the commission should have lost some popular prestige as the outcome of its current attitude on the railway question. In proportion as its influence falls off, there will be a disposition to look for new means of dealing with what is generally known as the railway question, and in just that degree there will be agitation and friction of the undesirable type.

That the commission has thus weakened itself all the signs now indicate. The country at large is disappointed with its delay, its dilatory tactics, and its apparent indecision as exhibited within the past few months. It is displeased with the inaptitude of many of the recent decisions; it feels that the apparent tendency toward controversial treatment of the railroad issue is unworthy of the organization, and it naturally and properly regards the drift toward a political method of handling the rate problem as something that was not to have been expected and as wholly out of harmony with the judicial quality assigned to itself by the commission and by many of its apologists. In order to regain its position in popular estimate and to reassume the status generally given to up to about four years ago, it is therefore essential that the commission should overcome the fundamental objections to the work it has been doing. This, in one word, can be accomplished only by introducing a policy of equal justice to the railroads and the public. If the commission's work is to be worth anything whatever, it can be valuable only when it inspires absolute confidence in its fairness and disinterestedness. That the decisions of the past year or two, and particularly the indisposition to deal promptly with the advanced rate application, have left the impression of political timidity and of inaccurate knowledge is undeniable, and on the whole the belief that these have been the characteristics of the commission's action is well founded.

A reaction of public opinion, caused by the evidently difficult plight of the railroads, was to be expected. The workingman finds his interest served by prosperity and ability to pay his wages regularly. The shipper is not helped if the cuts in rates are so severe as to reduce and weaken the quality of the service. The traveling public finds itself best pleased when accommodations are good and service frequent and effective. These results can not be had without revenue, and the

country at large is wise enough to see that the commission has been playing the part of a dog in the manger, since it has refused to make its position clear or to grant or deny the application for the advances. The decline in average ability on its part has never been so strikingly evident as it has become within the past two years. No one, of course, who thinks about the situation with any sincerity or care, could for a moment overlook the fact that, if the commission has really studied the data supplied it in such generous measure for many years past, it must know, without any hearings or further investigation of any sort, whether or not the roads deserve or need rate increases, or whether they can provide for themselves successfully under existing conditions. It may be that the new appointments lately made by the President will add to the capacity of the commission and so make up for the losses it has suffered.

—

[From the New York Sun, Jan. 22, 1914.]

SEES COVERED ADVANCE IN RAILROAD CHARGES.

Roger W. Babson returned yesterday to New York from a long western trip. When asked what was the most interesting thing he heard while away he replied:

"When at the annual meeting of the American Economic Association at Minneapolis last week I heard an address by one of the Interstate Commerce Commissioners, followed by an exceedingly interesting discussion led by experts on railroad rates.

"After hearing this discussion and talking later with one of the officials of our largest railroad systems, I think that the railroads will be granted increases, but it will be largely in the form of increased storage charges or switching charges and various other charges which are more or less covered. In other words, from the talk which I heard in the lobbies among the convention people I feel certain that the flat increase of 5 per cent will be refused and rather doubt if any flat increases will be granted, thus appearing to the public like a turndown for the railroads.

"On the other hand, I feel that the railroads will be fully satisfied with the award of the commission.

"The most striking information which I obtained was that the commissioners apparently consider themselves an arm of Congress and not members of a judicial body. They apparently feel that as their decisions can be reviewed by the courts their duty is to please the people. In fact, I have the best authority for believing that the commission feels at perfect liberty to change decisions or reverse decisions in accordance with changes in administrations or changes in the views of one administration. This is an interpretation of the situation which I think few men realize and was to me the most sensational development of the convention.

"As to when a decision will be issued, I don't know, but I doubt if it will come so soon as is generally expected or desired. Feeling that the administration is very anxious for good times, I should not be surprised if the decision was rendered about the time we got a line on the 1914 crops. Certainly this will be the psychological moment from a 'salesmanship' point of view."

—

[From the Utica (N. Y.) Herald Dispatch, Dec. 30, 1913.]

GOVERNMENT AND RAILROADS.

The Chicago Tribune has lately asked the officials of some of the great railroad companies what they think of the plan to increase the power of the Interstate Commerce Commission so as to include supervision of the issue of shares of stock and of bonds as well as the regulation of rates. The replies indicate that railroad men are willing to consider almost any suggestion for relief from their present ills. They say that the Government is already regulating rates and wages and is thereby fixing the income and the outgo of the companies, but that it seems to pay little attention to the income of the capital invested. If the Government should supervise the issue of new securities when new capital is needed they hope that it might feel some sense of responsibility for the conservation of this capital.

The general counsel of the St. Paul road expressed the general view very well when he said that if there is to be any regulation of railroad stock and bond issues it should be national. There is regulation already in some of the States. In Massachusetts, for example, they have a law forbidding any railroad corporation to issue shares for less than par. When it was passed, an experienced railroad man, aware of the speculative nature of the railroad business, said that this statute had put an end to railroad extension in the State. Events have justified his prophecy, for almost no new railroad track has been laid since. But if the State of Massachusetts had such power over all rates as to make it possible for it to insure the earning of dividends on new capital, even though shares were issued at $190, as was done 10 years ago under order of the State Railroad Commission, then such governmental control might be debatable.

Through all the statements of the railroad men who have been quoted by the Tribune there runs the hope that the Government will assume some responsibility for the protection of invested capital as it now assumes responsibility for the protection of the users of the railroads and for the employees who operate the trains. The Government is just about to engage in the banking business on a new plan, and it promises a regular and assured dividend of 6 per cent to the shareholders in the new banks, and it will regulate the rates charged for banking service so as to earn this dividend with a surplus for safety. Now, nothing would please railroad shareholders more than to have the Government guarantee a regular dividend of 6 per cent on their shares. Such an arrangement would insure stability where there is now uncertainty and would make it possiole to build new railroad lines much more economically than they can now be built.

But why try new remedies, asks the Philadelphia Public Ledger, when the efficacy of the old remedies has not been exhausted? When all items of outgo are increasing in price and income remains stationary, why go about racking our brains for a remedy for railroad ills, while a child just beginning the study of decimal fractions could tell you what to do? If the rates are raised and the railroads let alone for a while they would soon get well.

—

UNITED STATES EXPRESS CO. WILL DISSOLVE—DIRECTORS VOTE UNANIMOUSLY TO CARRY OUT LIQUIDATION PLAN—STOCKHOLDERS MAY GET PAR FOR STOCK—ACTION, DUE PRIMARILY TO LOWER RATES, ORDERED BY COMMERCE COMMISSION.

Directors of the United States Express Co. yesterday voted unanimously to dissolve that corporation, which has been in existence since 1854, fulfilling previous statements that they would take such action, primarily because of the reduced rates ordered in effect by the Interstate Commerce Commission on February 1. While admitting that the parcel post has been a serious competitor, President D. I. Roberts declared the loss in business resulting was not sufficient to force the company to liquidate. This is the resolution adopted by the directors at yesterday's meeting:

"*Resolved*, That pursuant to the power and authority conferred upon the board of directors of the United States Express Co. by its articles of association, the board unanimously declares that it is for the best interests of the company that the company be dissolved as soon as may be, without awaiting the expiration of its term of existence; and that its business and affairs be settled up and finally adjusted as promptly as may be done. The president is directed to inform the stockholders of the company of said action of the board."

Unless some arrangement can be made with some other express company to take over its business, the passing of the United States Express Co. will throw 15,000 out of employment, 2,000 of whom are located in this city. These employees received in salaries and wages approximately $6,000,000 a year.

The stockholders, under the plan of liquidation, the terms of which remain to be decided, will probably get more than the present market value of the stock, as the company's liquid assets are valued in excess of $8,000,000. It is believed that the shareholders will get close to par for their holdings. The stock closed yesterday at 79, a loss of 2 points compared with Thursday's closing, but a gain of about 25 points over the low figure of the last week of February, when rumors of pending liquidation began to be heard.

There are 1,556 stockholders of record, of which 740 are women and 14 estates. The largest individual block, 21,000 shares, is held by the estate of the late E. H. Harriman. The Platt holdings of 850 shares are much smaller than was generally believed. Other holders of large amounts are:

Norman L. Bates, 250 shares; L. N. Bennet, 350; Helen De Witt, 500; Brown Brothers, 3,000; Metropolitan Life Insurance Co., 1,600; William Moss, 300; I. C. Potts, 1,015; William A. Read & Co., 1,500; Catherine Thayer, 500, and Werner & Brown, 600.

The committee of stockholders which recommended to the directors that the company be liquidated consisted of Charles A. Peabody, president of the Mutual Life Insurance Co.; Moreau Delano, of Brown Brothers & Co.; William A. Read; Haley Fiske, vice president of the Metropolitan Life Insurance Co.; and William Averell Harriman.

Mr. Roberts, who went from the Delaware & Hudson Railroad to become president of the United States Express Co. on January 1, 1913, spoke feelingly yesterday of the passing from existence of that corporation.

"If the parcel post had been competing as first inaugurated," he said, "and if the reduction in rates made on February 1 last had not become effective we would have continued in business. I want it understood, however, that our action is largely based on the latter, rather than the parcel post.

"As the parcel post was originally started and intended we could compete against it, for we recognized that it filled a long-felt want that the express companies never could duplicate. For instance, we could not make rural deliveries.

"The threat made that the rates on parcel post are going to be reduced and the weights of packages increased, on top of the February reduction in rates, brought about different conditions. You can readily see that ours is a condition, not a theory.

"Then, again, many States would not allow us to inaugurate the rates of the Interstate Commerce Commission, except where they were lower than their own. Only yesterday the railroad commission of Louisiana issued such an order. We don't know where we stand. We have reduced expenses largely, but we could not continue even then under such conditions as these.

"When 16 per cent of our revenues were cut off, as happened when the Interstate Commerce Commission ordered the reduced rates last February, I believed conditions then were threatening. That meant that we would have to increase our gross business 25 per cent to break even.

"In recommending the dissolution of the United States Express Co., the directors acted in the best of good faith and after careful consideration. Certainly nobody can accuse me of making the recommendation from a selfish standpoint. Three or four months ago our stockholders were apprehensive and asked about conditions. As more than half of our shareholders are women, it was only natural that they became uneasy, and for that reason I felt I occupied a position of trustee and promised that when in my opinion the day came their interests were jeopardized and we found it necessary to draw upon the company's capital, I would recommend liquidation.

"I have recommended it in the very best of faith. I have done as I would want to be treated if I were a stockholder instead of an employee."

With the passing of the United States Express Co. the question naturally arises how long can the other package-carrying concerns fight against present conditions. The February earnings of all the companies, the first since the inauguration of the reduced rates, will be the worst in their history. For the most part big deficits will be shown, and officials openly declare that it will be foolhardy to continue business under such conditions.

—

Comments of anonymous contributor:

"Do your hearts rejoice that about 15,000 men lose their positions through the policy of your board? Keep up the good work."

—

[From the Wall Street Journal, January 30, 1914.]

REVIEW AND OUTLOOK.

WHO'S AFRAID?

There appear to be two national cowards in the United States; one the railroads before the Interstate Commerce Commission; and the other the Interstate Commerce Commission before the public.

The railroads have a right to a living wage, both for their labor and their capital, and when men and supplies have been advanced 30 per cent the right of the railroads to increased rates should be undisputed. The only question is as to the amount and the distribution of the increase.

The fairest way would appear to be the granting of general or specific increases as asked for, and then the revision of any injustices or uneconomic workings as these develop.

The railroads ask for a modest general advance of 5 per cent, as compared with an increase in wages already granted of several times 5 per cent.

If the railroad managers owned the property which they operate, they would speak more loudly and more emphatically. Their appear-

ance, however, is, "It is immaterial to us, we simply state the facts. Please kick us or our stockholders as you will. In time you will find out your error."

When the railroad Humpty Dumpty has been pulled off, the financial wall that makes for safe and sound transportation, it will be found that "all the King's horses and all the King's men can not set Humpty Dumpty up again."

Railroad credit is a matter of growth over a long series of years, and the Government can frost it in a night and kill it in two or three.

Where fifty millions are needed to repair railroad credit, the Interstate Commerce Commission comes back with questions that will require millions of expenditure and months of delay to answer and years to debate and argue with its Mr. Brandeis thereafter.

Mr. Brandeis held up one proposed rate increase with the declaration that the railroads, by scientific management, could save a million dollars a day, or three hundred and fifteen millions a year.

Three years afterward the Interstate Commerce Commission says nothing about scientific management, but has reduced the Brandeis claim from three hundred and fifteen millions to fifteen millions, and asks the railroads to recover fifteen millions for services of short lines into "various big industries."

Then the Interstate Commerce Commission says most grandiloquently the railroads must make "every service rendered by them contribute reasonably to their earnings. This having been done the commission upon an adequate showing of the need of additional revenues will not shrink from the responsibility of sanctioning such measures, including even a general advance in rates, as may be required to bring about reasonable prosperity to the railroads."

One does not note any such shuddering of public-service commissions when it comes to increasing wages. There is no talk then that the commission "will not shrink from the responsibility."

Of what is the commission afraid?

What it ought to be afraid of is the decadence of railroad credit and the rising rates of wages upon railroad money, competing with the merchant borrower and taxing him more in money rates than he will be taxed on his goods by the proposed 5 per cent increase.

Does anybody note any fear on the part of the commission that railroads may be hurt by the commission's delay or inactivity.

Is the cowardice that is manifested here by this admission of the "shrink from responsibility" moral, ethical, or political?

"Unless there are safer ways for the National Government to deal with the stock exchange than Senator Owen has devised, by denying the privileges of the mails and telegraphs, it would be much wiser to leave this issue to the State."

Under the Constitution which provides for a free press, the Wall Street Journal leaves the New York World to say it.

[From The Washington Herald, Saturday, March 14, 1914.]

HARLAN'S EPISTLE TO ST. PAUL.

Regard for the old proverb, "Honor to whom honor is due," leads us to remark that Commissioner Harlan, of the Interstate Commerce Commission, has just rendered a distinct disservice to the community. By his recent manner of promulgating a month-old report of the commission, concerning certain accounting methods of the St. Paul road, in effect at least four years ago, he has done much once more to inflame the public mind over a matter which, at most, is not vastly important. And in doing so he has helped give another blow to the confidence and prosperity in business which our administration is earnestly trying to restore.

Nobody can be found to say that the St. Paul's accounting of four years ago was undeserving of criticism. What it did was this: Instead of taking over each year the earnings of its Puget Sound subsidiary, it allowed them to accumulate, and then in 1910, when its main line earnings were very lean, it took over all the Puget Sound credits in one year. That, of course, was bad accounting practice, and we say so, emphatically. But nobody was harmed or even deceived by this particular entry. The published reports told the whole story every year. The entire figures were open as daylight to the whole world, and the suggestion that the figures were manipulated for the purpose of selling securities at a higher price was absurd.

Being the editor of a newspaper, naturally we think we can run everybody's else's business even better than we do our own. And if we had been Commissioner Harlan we should have called atention (in words as brief and unimpassioned as these) to the effect that back in 1910 the St. Paul's bookkeeping had not been in accordance with good practice or with the commission's regulations, and would the company be good enough to observe all such forms with care.

What is the use of making a stump speech to the American people about it? If mother discovers that, year before last, little Willie disobeyed one of her rules, not so that he hurt any other little boy, to be sure, but still was disobedient, she doesn't—if she is a wise mother—march him down in front of the schoolhouse and disarrange his suspenders completely so as to make her spanking a more thorough and public effort.

In public officials a sense of proportion is almost as important as intelligence, character, and good humor. Just now millions of American business men and laborers are praying that the Interstate Commerce Commission will, in addition to the last three virtues which we know they possess, cultivate that vital sense of proportion. If they fail to do so, they will surely let the patient die before they finish examining him; and they will incidentally destroy all confidence in American railroad securities by investors here, just as they have already succeeded in destroying it completely among the rich and suspicious foreign investors abroad.

[From the New York Tribune, April 13, 1914.]

REDUCING THE "WATCHFUL WAITING" FOR BUSINESS.

The decision of the administration to restrict its antitrust program to the passage of one bill—the trades commission bill—will lessen the "watchful waiting" of business. This bill is innocuous unless it contributes to the "mania of investigation," as Mr. George W. Wickersham, ex-President Taft's Attorney General, says it will. At any rate, its discussion and final passage will offer no obstacle to the commercial recovery. Nothing of a governmental nature will stand in the way of returning prosperity, now that the antitrust program has been whittled down, except the Interstate Commerce Commission's delay in relieving the strain upon the railroads. And perhaps this commission will be influenced by the New Jersey congressional election to take a more serious view of its responsibilities. The administration appears to have been.

The Panama Canal tolls question will keep the Democratic Party busy for at least a month. After it is settled the party would have little stomach left for a big antitrust program. It would be in no mood for the record Mr. Wilson set out to make. The President intended his "constitution of peace" to be the big item of this session, but circumstances disposed otherwise. The tolls-bill repeal has been the big issue, compelling the administration to put forth all its energies as no other measure yet has. It furnishes a good excuse for dropping the ill thought out and utterly superfluous antitrust program which was unwisely proposed.

The trades commission should be made something other than a bureau of corporations with a new name. It should be more than a mere investigating body It should lift some of the burden of enforcing the Sherman Act off the Department of Justice. It might give permanency to the trust policy of the Government by assisting in the disintegration of unlawful combinations and by furnishing aid and advice to companies seeking to put and to keep themselves within the law.

We have in the Interstate Commerce Commission an example of the "mania for investigation" against which Mr. Wickersham warns the framers of the new bill. The Interstate Commerce Commission never knows when to stop investigating. Mr. Brandeis can always lead it upon a new trail. It always suspects that something which will alter the whole face of things is being hidden from it in some blind alley. Decisions are difficult for a body minded as it is. Common sense with it is at a discount. Nothing will be gained from having a trades commission upon its model. And the trades commission provided for in the administration bill goes back to an earlier and worse model—to the model of the Interstate Commerce Commission and the State railroad commissions before they had any real powers except to investigate. Something better than this should be created if it is to be worth while.

[Mailed to Interstate Commerce Commission; papers from which taken unknown.]

ULTIMATE EFFECT OF "PLAYING WAR WITH THE RAILROADS"—PENNSYLVANIA'S LAYING OFF THOUSANDS OF MEN AND A SUBSIDIARY'S DIVIDENDS CUT AMONG THE LESSONS— RAILWAY RATES AND THE UNCERTAIN CONDITIONS.

Under the caption, "Playing war with the railroads," the Times says editorially:

"It was announced yesterday that the Pennsylvania Railroad had laid off 15,000 men, about a tenth of its working force. On the previous day a subsidiary of this substantial railway reduced its dividend, and the shares fell 13 points. Thus, hard conditions for the railways are transmitted through society from the humblest workman to the criminal rich, who oftentimes depend upon dividends for food, clothing, and shelter. The earnings of 143 leading railways for the past seven months have been $8,995,000 less than the previous year, and the expenses have been $48,611,000 greater.

"Little James Falcone, 6 years old, of Belleville, N. J., played war this week with his younger sister, Rosa. He took her prisoner and stood her against a wall in true Mexican fashion. Then he took a revolver and was just able with both hands to shoot his sister dead. When the police came he was rather proud and rehearsed the crime, telling how and why he did everything. He did not understand what death was.

"We are living in an economic era which has forgotten the lessons of adversity. In the new era profits were to be secured to all by law.

"Wall Street was to be made safe for the careless, speculators were to be abolished, exchanges were to be made superfluous, and to be censored by men who, being officials, could not err. The men of business who knew how things had been done and could be done were to be bowed off the stage. The reduction of costs which had resulted from large scale production and distribution was to be hastened by competition of small units, and the millennium was to dawn.

"The tragedy need not have an end. The film might even be turned backward. A railway rate is a mere price, and should alter with other prices as business conditions alter. How much it should alter, and whether it should be raised or lowered, is a matter of business judgment. No decision on the subject is any more sacred than the edict of a union about a wage, or a shopkeeper's charge for his goods. It might be different if all prices were stabilized by law, so that when one altered all should alter. But this is not the condition produced by legislatures fixing railway rates. Before long those who have vivisected business in order to keep down railway rates will find a larger price structure tumbling about their ears."

CAPITAL RATES AND THE FLIGHT OF THE RAILROADS—BANKERS' MONEY STEADILY CHEAPER—CHARGES FOR INVESTED CAPITAL KEPT UP BY INTERSTATE COMMISSION PINCHING CREDIT LIFE OUT OF RAILROADS.

The Boston News Bureau said editorially yesterday morning:

"There are two interest rates, one the rate for bankers' money on turnover, and the other the rate on invested capital.

"The rate on invested capital again divides into two classes: First, the rate for money on time investments with full security; and, second, the rate of return on investments with some business risk. Therefore, in effect, there are three kinds of money rates, and to-day the money situation is immensely interesting the world over.

"The rate for mankers' money has gone steadily down the past nine months, from a 6 to 8 per cent basis to a 2 to 4 per cent basis. Call loans are approaching 2 per cent, and commercial paper is discounted at both under and over 4 per cent.

"Rates on invested capital with business risk would be lower but for the action of the Interstate Commerce Commission, which persists in pinching the credit life out of the American railroads.

"Railroads, therefore, have now to bid high for capital, on both long and short time loans.

"Whether the Interstate Commerce Commission, a majority of whom are Republicans, is endeavoring to put the administration in a hole politically by withholding prosperity, is an open question. If Commissioner Prouty is an example of the gray matter above the Interstate Commerce Commission table, one need not go beyond the size of their hatbands to find the cause of our country's arrested development.

"With the arrest of this development the money situation in all fields becomes of more than passing interest—2 per cent for bankers' money, 6 per cent for railroad money, and 4 per cent for commercial money."

Emphasis is still further laid upon the railroad situation by the slowly declining rates on city real estate mortgages. Although 4 to 4½ per cent is the quoted rate for first-class city mortgages, a recent real estate loan was made in Boston at 3⅝ per cent.

No sharper commentary could be made upon the railroad situation.

Every Washington smash against the railroad situation, whether in New England or in Nebraska, Texas or Illinois, only raises the rate

of interest on railroad capital, and in the end the public must pay the bill.

When an individual shoemaker sits at his bench and pegs upper and sole leather together, the shoes are very poor and the country lad is healthier and happier as a bare-footed boy.

When the Shoe Machinery Co. will furnish the machines to turn out good and uniform shoes at less than 5 cents per pair average royalty, American shoes become the admiration of the world for quality, price, durability, and artistic merit.

When the sugar companies came together and eliminated the unprofitable refineries, sugar was cheapened to every consumer. When Vanderbilt built a system between the seaboard and Chicago, he made uniform railroad rates between the seacoast and the graneries of the West and cheapened the price of bread to the whole world.

Now the reaction has set in, and the machinery that has made shoes, sugar, and transportation better and cheaper is being attacked by the Government, with the demand that such machinery must be broken into pieces or small individual units.

Let the glorious process go on! In the end it will be highly educational. Losses teach us what we have or once had.

—

RAILROADS IN GENERAL MOVE TO CURTAIL THEIR EXPENSES—NEARLY ALL THE LINES EAST OF THE MISSISSIPPI AND SOME WEST OF THE RIVER REDUCE FORCES—PENNSYLVANIA EXPECTS TO LAY OFF ABOUT 25,000 MEN IN ALL AND CANCEL ABOUT 64 PASSENGER TRAINS EAST OF PITTSBURGH—CALCULATES TO SAVE $150,000 A MONTH—NEW YORK CENTRAL STUDYING THE SITUATION—OTHER ROADS.

Reduction of railroad working forces is by no means confined to the Pennsylvania Railroad, though on account of the great mileage and tonnage of that system the number of men laid off from its employ reach imposing totals.

—

A TIME TO FIGHT.

The world loves a fighter. It has little respect for the man who, when smitten on one cheek turns the other to the smiter also. One who does not resent a wrong is looked upon either as weak or cowardly. Even a bad cause wins a following, if it has a fighter at its head.

The railroads of this country have had every man's hand against them. The Interstate Commerce Commission has slapped them in the face, the Post Office Department has robbed them by adding to the weight and costs of mail transportation without extra pay, State legislatures have passed full-crew bills, imposing unnecessary burdens on the railways without right or reason, and the Attorney General's department at Washington has sought to dismember systems whose strength lay in their unity and whose dismemberment meant their ruin.

Meanwhile what have the railroads done? They have yielded meekly to abuse, to robbery and oppression. They have been so cowed by the terrific onslaught of the muckrakers and persistent hammering of the demagogues that no spirit of resistance has remained. The worm will turn. The most wholesome sign of the times is found in the militant attitude of the Pennsylvania Railroad, voiced by President Rea, at the recent annual meeting of its stockholders, when he said that hereafter the management of that company was determined to allow no statement reflecting on it or on the integrity of its officers to go unchallenged. Good!

President Rea said some other incisive things. On another page of this issue we print his remarks in full. They will be read with interest and they deserved the applause they received from the assembled stockholders.

All over this country the people are rising in resentment against the unfair treatment the railroads are receiving. The people of Connecticut, and in fact throughout New England, are determined to give the new management of the New Haven Railroad fair play. "The stockholders have suffered enough," says Ex-Lieut. Gov. Blakeslee, of New Haven. They propose to fight the Government efforts to compel the New Haven to give up the Boston & Maine and other holdings. On the Pacific coast every chamber of commerce is entering a united protest against the absurd demand of the Department of Justice that the Southern Pacific shall give up control of the Central Pacific.

Bills for the repeal of the "full-crew" laws are now being urged upon the Legislatures of New York, New Jersey, and other States, though these laws were passed only a year ago. Behind this demand stand the security holders of the railroads. Organized, they can accomplish all that they seek, for at heart the people are fair-minded. It is only necessary to expose the injustice of a situation to secure relief.

The working masses are having the real truth driven home to them by the wholesale discharge of railroad employees going on throughout the country under the compulsion placed on the railroads to cut their expenses "to the bone." President Willard, of the Baltimore & Ohio Railroad, sorrowfully states that 6,000 of the employees of that railroad have been laid off during the past year. It is estimated that 25 per cent of the workmen in the railroad shops in the East and from 10 to 15 per cent in other sections are idle. Who will care for these employees? Will the Interstate Commerce Commission? Will the Department of Justice? Will all the politicians catering to class voters in our legislatures and at the National Capital?

The people are thinking of these things. They are discovering the impressive fact that a demagogue never filled a pay envelope and never will!

—

[From the St. Louis Times, March 31, 1914.]

UNFAIR TO THE RAILROADS.

Notwithstanding the intimations received from Washington that President Wilson is in favor of an increase in freight rates and that it is the President's desire that the Interstate Commerce Commission should render an early decision in the matter, the commission has again postponed the date for hearing the shippers in opposition to the proposed increase. Furthermore, the commission has engaged counsel to represent it and present the case of the shippers against the railroads. Why the Interstate Commerce Commission should be prejudiced against the claims of the railroads is difficult to understand, since it was supposedly created for the purpose of righting the wrongs of the railroads.

The Interstate Commerce Commission is a quasi-judicial body, and as such ought to be unprejudiced and protect the rights of all parties in all matters which may come before it. Recently the commission employed an attorney to represent the Interstate Commerce Commission and the shippers in the hearing of the petition filed by the railroads for an increase in rates.

If the railroads are to receive a fair and impartial hearing, what occasion was there for the Commerce Commission to employ an attorney? Was it to enable him, as one who seems to be in political favor with the administration, to earn an extravagant fee?

Such action on the part of the commission does not appeal to fair-minded people, and if the shippers wish counsel to represent them in opposition to the proposed freight increase such counsel should have been employed by the shippers and not by the commission. The duty of the commission is not to employ counsel, but, as judges, to pass upon the reasonableness and fairness of the claims of the railroads for increased freight rates and the merits, if any, of the opposing claims of the shippers.

The employment of counsel by those who are supposed to pass upon the matter is a new departure in American justice, and can not meet with popular approval. Such action on the part of the commission immediately smothers the promise of a square deal to the railroads.

The St. Louis Times believes in fair play and a square deal, and condemns the action of the Interstate Commerce Commission as dangerous and as an attack upon American justice and the spirit of our jurisprudence.

—

[From the New York Times, March 2, 1914.]

THE BELEAGUERED RAILWAYS.

The Pennsylvania Railway is not of such a character that inferences from its condition hold good regarding the average road. On the contrary, any hints of embarrassment on the part of the Pennsylvania Co. are stronger regarding any other road whatsoever. In only one respect is the Pennsylvania representative. Its traffic is so great and diversified that neither prosperity nor adversity in the Nation escapes reflection in its earnings. It is reassuring to learn from the Pennsylvania annual report that its gross earnings are the greatest known. There can be no dullness of trade when its takings were $10,000,000 above the previous maximum. But the road is so far from sharing the prosperity which it served that the hardest work it ever did was repaid by half a million decrease in its net revenue. On the old rule of a dollar for dividends and a dollar of investment for the production of other dividends $28,000,000 would have gone into the improvement of the facilities offered shippers. The year's surplus is near that figure, but it received a beggarly addition of a half million for the year. The road is plainly living on its fat, and the lean years are approaching unless the tendencies disclosed are checked.

President Rea makes no mystery of what is eating the road's substance. The laws, State and Federal, increase expenses and prevent the increase of rates. The unions compel the raising of wages above an economic level and without giving greater service. The extra crew law alone cost $850,000, a "needless expenditure," and is burdensome on all railways. The wage arbitration added $730,000 to operating expenses of the company, and $6,000,000 to all the railways concerned. The arbitrators had no control over rates, and the Interstate Commerce Commission has no control over wages. So rates and wages are regulated in opposite directions, although the one depends upon the other. President Rea indicates what must be done if the principle of regulation is to be applied reasonably:

"It is difficult to escape the conclusion that some way must be found whereby the serious but divided responsibility of Government regulation of rates, wages, and other railway matters shall either be concentrated under one administrative branch of the Government or the results of legislative acts, orders of commissions, and awards of arbitration boards shall be recognized by rate regulatory commissions so that regulation of wages, rates, and other matters may continue without working a manifest injustice to the railroads and those who have invested in their securities."

On the same day that this one company publishes its creditable but unsatisfactory report the bureau of railway news publishes its estimate that gross earnings of all railways increased $10,000,000 for the first half of the current fiscal year, and that net operating revenue decreased $58,000,000. The December results were the worst for that period. The Financial Chronicle on Saturday published its reckoning that gross earnings increased $142,000,000 for 1913, but that net earnings decreased $33,487,100. The greatest decrease of net known was $53,371,196 in 1908, as the result of the panic of 1907. It is clear, comparing the two statements that the results of the first half alone prevented the full year showing worse results as regards the railways at a time of unexampled activity of trade than during a time of prostration. If the second half of the fiscal year should fulfill the threat of the first half, the railways will be subjected to the greatest strain they ever endured. It required several panics and the loss of billions of money to reform the currency. As yet it has occurred to nobody—at least to no patriots among the lawmakers—that it would be easier and better to cure the deadlock in the railway situation without the same desperate remedy. As yet there are more votes in ordering the strangulation of the railway arteries of commerce than in opening them to the trade which is struggling for transportation. The unions rather than the railways have the ears of the lawmakers. The country must either abide the result or remedy the conditions which threaten the result indicated.

The condition of the railways' finances can be eased either by enlarging their incomes or conserving the incomes they are allowed to receive. Increase of efficiency in the production of transportation with present expenditures is the favorite remedy. But the unions will neither work longer hours nor for less money. The final alternative is the reduction of dividends. The railways are here and can not be removed. The law compels them to keep working. Why squander the dividend funds?

There are two objections to this policy. The railways expend 92 per cent of all income. All that remains for both dividends and betterments is 8 cents on the dollar. If money is to be saved it must be saved where it is spent, and nearly half of the railway disbursements is for labor. It is usually thought that railways were regulated, as President Rea says, by the commissions and unions. The fact is that railways, commissions, and unions alike are regulated by a power above them all, and which is in full, although unobserved, operation. The forgotten, insulted, outraged investor is supreme and is taking control. In January investors took $91,874,000 less railway securities than in 1913. It is clear that if the railways can neither earn nor borrow they can not spend. In that case the blight of the railways will become general over all industry, and the signs are plain in the investment market for securities other than railway. Even yet there is time.

MEMORANDUM TO COMMISSIONER HARLAN.

DECEMBER 23, 1913.

Calling your attention to the editorial, "How do they do it," which appears in the noon edition of the Times to-day, it may be well to note also that the last two columns on the same page contain excerpts from the annual report of the commission, in which are pointed out a large number of violations of the law, nearly all of which were first turned up by the division of carriers' accounts.

CARMALT.

—

[From the Washington Times, December 23, 1913.]

HOW DO THEY DO IT?

The incident of a Harvard professor of law resigning because an investigation proved that he had been drawing $10,000 a year on the side from the New Haven Railroad treasury, opens an interesting line of inquiry. When the Dolliver-Hepburn law, with its famous "section 20," was passed, it was understood that the supervision of railway accounts by the Interstate Commerce Commission was going to stop the improper expenditure of railroad money. It seems utterly to have failed to do that.

A very large amount of Federal money is being expended each year under the provisions of that statute. Yet there is little evidence that it has served to improve railroad practices in the matter, at least, of some of the most objectionable expenditures. It turns out, under the present inquiry, that the New Haven had a long list of people secretly in its employ because of their relations to the avenues of publicity. It is not gratifying to learn that newspaper men were numerous among these. Politicians, labor organizers, and about all the classes of people who might be of use in efforts to direct the formation of public sentiment were well represented.

The inquiry which developed all these facts in a sensational way was conducted by the Massachusetts Public Service Commission. One is tempted to inquire whether the Federal law is so lax, or its administration so imperfect, that these things are unknown, and have been unknown till very recently, to the national supervision authorities. If that is the case, it is apparent that better supervision, perhaps better law, certainly more money for getting the work well done, are needed.

From the time when the Dolliver-Hepburn measure passed it has been recognized that this provision for examination of railroad accounts and understanding of their expenditures was one of the very most important features of it. There was determined opposition to its inclusion in the law, and even after that law had passed a vigorous effort was made to prevent it being effective by cutting off the appropriations to hire accountants for its administration. These efforts failed, and there has been a test of the measure's actual working, covering a period of above five years.

It would seem that if any substantial supervisorship over the inner details of railroads' finances had been established by that measure the benefits ought to have become apparent in the cases of the Frisco and the New Haven. Yet they were not made apparent at all. On the other hand, those two notable cases seem to suggest very decidedly that this law is not doing the work and producing the results that Congress expected and the public assumed would follow. There is good reason why the Interstate Commission should be asked to make a report as to changes that it may have found needed in the law or in provision for its enforcement.

—

[From the Washington Times, December 23, 1913.]

BIG BUSINESS IS RESPECTFUL NOW, SAYS INTERSTATE COMMERCE BODY.

[By Ralph A. Collins.]

Common carriers, principally the great railways of the country, "big business" in the form of great industries and corporations, are becoming more law-abiding and respectful toward the act to regulate commerce.

In some few instances this respect may have been begotten of a newly realized sense of uprightness, but, according to the annual report of the Interstate Commerce Commission the lessening number of prosecutions would seem to be the result of sentences meted out for violation in the past. The commission magnanimously says that it is probably due to a better understanding of the law by the carriers, and a realization by well-intending railroad officials and shippers of the inherent wrong involved in practices which but a few years ago were prevalent.

SIXTY-ONE INDICTED DURING LAST YEAR.

Since December 1, 1912, 61 indictments for criminal violations of the act to regulate commerce and the Elkins act have been returned, many of which are against two or more defendants jointly. Of these indictments 28 are against carriers or carriers' agents, and 33 are against shippers, passengers, or other interested parties other than carriers.

During the last year 72 prosecutions have been concluded. In 50 cases the defendants pleaded guilty. In 1 case a jury returned a verdict of guilty; in 3 cases juries returned verdicts of not guilty; in 2 cases the jury disagreed. In 16 of the cases the Government nolle prossed. In practically all of these latter cases, however, alternative indictments had been drawn, based on the same facts.

Penalties assessed ranged in amount from $100 to $20,000, the aggregate fines imposed during the year amounting to $145,400.

Summing up the year's work in prosecutions for alleged rebating and other practices, the commission says:

"The number of indictments returned and prosecutions concluded, as well as the aggregate amount of fines recovered, for violation of the act during the past year are less than for the previous year. The value of penal and criminal laws generally is to be measured by the peace, order, and security of society resulting from their observance rather than by the amount of punishment for their infraction. Tested by this standard the year's showing indicates a gratifying tendency among carriers and shippers alike to understand and conform to the law. Not only is it true that the vigorous enforcement of the Elkins and Hepburn acts have discouraged willful violations of the rights declared by these laws, but it has also called to the attention of well-intending railroad officials and shippers the inherent wrong involved in practices which were but a few years ago prevalent.

FALSE BILLING PRACTICE STILL IS IN VOGUE.

"The false billing of freight by shippers continues. During the year a large number of instances of this kind have been investigated. In cases where it appeared possible that the offending shipper was honestly mistaken as to the proper classification under which to ship his goods a warning as to the future has been resorted to rather than prosecution. In many cases, however, the misbilling or false weighing has been clearly willful, and in all such cases prosecution has been undertaken. During the year fines for these offenses amounting to $16,750 in the aggregate have been recovered.

"A large number of other instances of false billing as to kind and weight of commodities shipped by firms in New York city have been investigated, and further indictments for this offense are expected in the southern district of New York within a short time. The temptation to the dishonest shipper to commit the offense forbidden by section 10 is in many cases so strong and the injustice resulting to competitors who scrupulously observe the law is so great that it is believed these offenses can only be effectually checked by the tendency of the courts, already observable, to increase the punishment for them.

"The amendments of 1910 to section 10 of the act make it an offense for a shipper or consignee to secure transportation at less than the published rates by means of false claims for damage. Investigation disclosed that several consignees of eggs located in New York City were, as a practice, making claims against the carriers for damage to shipments of eggs much greater in amount than the actual damage suffered. These false claims were made possible by the failure of certain agents of the carriers to properly inspect shipments before delivery. It developed that the shippers in question were bribing these agents of the carriers to discriminate in their favor by thus failing properly to inspect shipments and, further, by favoring these particular shippers of eggs with expedited service. Upon the above facts, William A. Scarborough, Charles T. Adams, De Winter & Co., John C. De Winter, E. M. Garrison, H. D. Wheeler, George Miller, R. B. Shimer & Co., H. C. Shimer, Adolph Fortang, Willard P. Brown, and W. H. Sanford were indicted for obtaining transportation at less than the lawful rate by means of false claims for damage and for inducing and also for attempting to induce agents of carriers to discriminate unjustly in their favor.

FINES AMOUNTED TO $30,000 IN PERIOD.

"All of these defendants except the last one above named have pleaded guilty. In the case of H. D. Wheeler and George Miller sentence has been suspended. Fines aggregating $30,000 have been assessed against the other defendants. F. E. Harris was also indicted in the southern district of California for making false claims, and upon pleading guilty was fined $500. These cases involved an offense by shippers for which the act provided no penalties prior to 1910. The offense of securing allowances by false claims for damage so clearly arises from a fraudulent intent and results in such substantial losses to the carriers, as well as in discrimination against other shippers, that it will be vigorously prosecuted whenever detected.

"Abuses of the transit privileges accorded by carriers were formerly explained by the failure of shippers to understand the strict requirements of the law. So much publicity, however, has been given to the proper limits within which these privileges may be used that ignorance can scarcely be urged in the future as an excuse for failing to conform strictly to the tariff rules and regulations governing these privileges. In January the Michigan Central Railroad Co. pleaded guilty of granting and Crapin & Co. of receiving concession by device of substitution in transit. Each defendant was fined $5,000.

FAILED TO COLLECT DEMURRAGE CHARGES.

"Failure on the part of several carriers to collect from certain shippers the demurrage charges lawfully filed by them has been the subject of an extended investigation. This is a kind of discrimination which is difficult of detection, because it is not disclosed by the shipping papers on which the regular transportation charges are recorded. It developed, however, that such charges were not being made by the New York Central & Hudson River Railroad Co. and the Erie Railroad Co. at Buffalo and by the Michigan Central Railroad Co. at Detroit. Indictments were brought against these carriers for granting concessions and failure to observe their lawfully published charges. The New York Central & Hudson River pleaded guilty to three distinct indictments and paid fines aggregating $30,000. The Erie Railroad Co. pleaded nolo contendere and paid a fine of $20,000. The case against the Michigan Central Railroad Co. is still pending. Other instances of this practice are now the subject of investigation.

"The year's work has been made significant because of the variety of cases in which the courts have shown a disposition to so construe the Elkins Act as to make rebating and the granting of concessions punishable, however ingenious may have been the device employed to defeat the published rates. The more important of these cases are summarized below.

"Investigation disclosed the fact that in the State of Colorado it was an established practice for certain carriers to issue free passes good only within the State for the purpose of influencing the routing of interstate shipments of freight. No violations of the antipass provisions of the act to regulate commerce were involved, since the passes applied only between points within Colorado. Such passes, however, were things of value to shippers, and when granted in connection with interstate shipments they amounted to concessions or rebates from the lawful rates. As a direct result the legislature of Colorado has enacted laws restricting the issuance of free passes between points in that State within proper limits. This case and the Imperial Rice case described above establish the proposition that concessions as to State transportation, either freight or passenger, are unlawful if allowed in connection with interstate shipments.

COAL BILLED TO FICTITIOUS DESTINATIONS.

"Two important prosecutions have been undertaken against carriers for having their company coal billed to fictitious destinations on their line in order to defeat the published rates to actual destination. Investigation showed that in the case of several hundred cars the Seaboard Air Line Railway Co. had carloads of coal shipped from Briceville, Tenn., and near-by points on the Southern Railway billed to the Seaboard Air Line at Williams, Ga. These shipments were delivered by the Southern Railway to the Seaboard Air Line at its junction at Helena, Ga. Many of the shipments were consumed at that junction point and others were diverted to other points, but none of them went to Williams, Ga., as the billing directed.

"The Seaboard Air Line was indicted in the southern district of Georgia in 13 counts for receiving a concession by the above device. An early trial in this case is anticipated. Similarly, the Grand Trunk Western Railway Co. was found to be practicing this device as to shipments of its company coal. This carrier had its coal shipped from Newark, Ohio, and near-by points on the Baltimore & Ohio Railroad, billed to Battle Creek, Mich., at a joint rate of $1.60, out of which the Baltimore & Ohio received a division of $1. The coal was actually delivered, however, at South Bend, Ind., to which the lawful joint rate was $1.55, and out of which the division of the Baltimore & Ohio was $1.15. Thus the Grand Trunk Western defeated the Baltimore & Ohio

proportion of the joint rate to South Bend to the extent of 15 cents per ton. The Grand Trunk Western Railway Co. has been indicted in the southern district of Ohio and the case is now pending.

EXHIBIT BG.

The following miscellaneous articles show the many other lines of attack taken by the press of the country. Delay in making the decision, extended unemployment, need of new capital to make necessary improvements, danger of Government ownership—all these are made use of frequently.

It is impossible to determine from what newespapers many of the articles come, since they were often sent to the Interstate Commerce Commission without such information.

Some of the newspapers have been entirely impartial in their treatment of the matter. The Christian Science Monitor is a good example of this sort of newspaper.

[From the Chicago American, April 2, 1914.]

TWO HUNDRED AND FIFTY THOUSAND RAIL MEN LOSE JOBS, OFFICIALS REPORT TO B. C. FORBES.

NEW YORK, *April 2.*

American railroads have reduced their working forces by fully 250,000 men and have cut working hours.

And this staggering total will be seriously swelled unless conditions promptly improve.

These statements are based on signed communications the American has received from the presidents of our leading railroad systems.

Normally, our railways employ approximately 1,700,000 men. A 15 per cent reduction—which is under rather than over the mark—means 255,000 men.

One point emphasized by all railroad heads is that retrenchment is not a matter of this week or last, but has been in force for several months.

Also, the reduction in force, it is pointed out, has not been equal to the falling off in net earnings.

Withdrawal of passenger trains is now engaging the attention of officers. Economy in this direction is likely to be carried a good deal further.

Among the companies already heard from with the reduction in force, as compared with a year ago, are the following:

Road:	Number men.
Pennsylvania	38,000
New York Central	25,000
Norfolk & Western	8,000
Northern Pacific	3,660
New Haven	4,500
Lehigh Valley	3,000
Baltimore & Ohio (unofficial)	10,000
Missouri Pacific (unofficial)	12,000

The following statements have been received:

NEW HAVEN DROPS 4,500.

The reduction in forces on the New Haven road on account of the decrease in earnings and poor financial conditions is equivalent to about 4,500 men, compared with the forces of November.

These reductions have been mainly in stations, yards, and shop forces.

A reduction of 1,900 train-miles a day in passenger-train service was made, effective February 15.

All improvement and construction work has been stopped or postponed, except work necessary for safety or work so far along that it could not be stopped.

HOWARD ELLIOTT.

NORFOLK & WESTERN LAYS OFF 8,000.

PHILADELPHIA, *April 1.*

Your telegram has been forwarded to me here.

My policy is at all times to hold expenses to meet business conditions, and there have been constant and continuous retrenchments on the Norfolk & Western Railway since July 1, 1913.

All work possible has been retarded and a considerable amount of additions and betterments work has been suspended and will be held in suspense until business conditions are very decidedly improved.

Passenger-train services will be maintained to meet requirements.

The property will not be permitted to depreciate either as to track or equipment.

Our gross earnings have increased from July 1, 1913, to March 1, 1914, $444,000, as compared with the same period a year ago, while net earnings for the same period have decreased $1,211,000.

From November 1, 1913, to date there have been suspended and relieved from service a total of 8,000 men, in round numbers, and still further reductions will be necessary unless business revives.

L. E. JOHNSON.

ATCHISON REDUCING EXPENSES.

We have pursued our usual policy of curtailing expenses as business decreased. However, we have not succeeded in reducing our expenses as much as our earnings have fallen off.

There has been no special curtailment since January 1.

E. P. RIPLEY.

SOUTHERN PACIFIC FORCED TO RETRENCH.

Our company's heavy loss in net earnings in this fiscal year necessarily forced us to adopt a policy of retrenchment in all branches of the service.

Our future retrenchment policy differs in no respect from that outlined above, which we have always followed in the past.

JULIUS KRUTTSCHNITT.

NORTHERN PACIFIC DROPS 3,663.

ST. PAUL, *April 1.*

To meet the situation forced upon us by less business this year than last, in February we were able to reduce train mileage 166,669 miles, compared with February last year.

The number of employees in February, 1913, was 28,037; in February, 1914, 24,374, a decrease of 3,663.

In addition to the shop force laid off, we are operating about 12 per cent short time.

We do not contemplate any material change until earnings improve.

J. M. HANNAFORD.

LEHIGH VALLEY LAYS OFF FULLY 3,000.

Lehigh Valley has laid off upward of 3,000 men, and the remaining 86 per cent of its normal force of 22,800 are working only two-thirds time.

With regard to the withdrawal of trains, nothing has been done in this connection as yet.

The management is considering making application in New York and Pennsylvania for the withdrawal of certain trains ordered by the State public service commission, which have proved unprofitable during the whole period of their operation. A few other minor trains may also be withdrawn.

ST. PAUL MADE CUTS EARLY.

The St. Paul Railway made such reductions in its force early last winter as were necessary on account of the decrease in traffic.

No further reductions are in contemplation unless there should be a further shrinkage.

A. J. EARLING.

CHICAGO & NORTHWESTERN NOT CUTTING.

Chicago & Northwestern and Omaha Railway Companies will not make any reduction in hours or forces at this time. We always have smaller forces and hours, both in maintenance of way and shops April 1, and will pursue this policy, taking effect to-day.

Increase in train mileage is made when summer travel starts, and we shall follow our usual plan in this respect.

W. A. GARDNER,
President.

M., K. & T. RETRENCHING.

Frank Trumbull, chairman of the Missouri, Kansas & Texas, said yesterday that the bad crops and floods had caused the road to start retrenching last November.

BUSINESS GOOD WITH ILLINOIS CENTRAL.

Because of the large cotton crop sold at unusually high prices, business conditions in an important part of the territory served by the Illinois Central lines have been exceptionally good. Earnings have, therefore, been so satisfactory we have not as yet found it necessary to adopt drastic methods of retrenchment.

C. H. MARKHAM.

CANADIAN PACIFIC REDUCING.

MONTREAL, *April 1.*

With the shrinkage of traffic during the last few months there has naturally been a reduction of staff, but we have made no drastic curtailment nor have we such a policy in contemplation.

T. O'SHAUGHNESSY.

PENNSYLVANIA TO DROP MORE TRAINS.

PITTSBURGH, *April 1.*

Retrenchment on the Pennsylvania lines west is to be extended. Ten passenger trains are to be taken off the Pittsburgh, Fort Wayne & Chicago Railroad next Sunday, six of them suburban trains. Shop forces also are being reduced.

[From the Tribune, East Liverpool (Ohio), January 21, 1914.]

DELAY IN RAILROAD CASE.

The feeling of the public relative to the reported intention of the Interstate Commerce Commission to take no definite action as to the 5 per cent advance in freight rates until the railroads have supplied most of the data called for by Mr. Brandeis's 78 questions is undoubtedly one of disappointment.

There are in the hands of the commission appeals from representative commercial organizations and from associations of purely shipping interests—the latter being the interests which will be directly affected by a rate advance—urging early if not immediate action. Some misapprehension seems to exist, however, as to the scope of the decision which the commission will make. A New York newspaper reveals this misapprehension in the suggestion that the commission make its decision now with the provision that in cases where rates should be subsequently found unfair they should be corrected with allowance for the overcharges made to the shipper.

That the commission would attempt to fix any individual rates as to specific commodities in connection with the pending application is highly improbable. The decisions will have to do merely with whether there shall be a horizontal advance in rate or not. It is said that if the commission attempted to consider the individual rates involved it would require several years more at least to complete the case.—Financial America.

[From the Utica (N. Y.) Observer, December 29, 1913.]

RAILROAD WAGES.

One of the strong arguments made by the railroads for an increase in rates is the increasing amount of wages which they are paying to employees. The records of the New York Central show that since 1910 it has paid $10,000,000 more than it would have paid if the increases in wages had not been made. In the year ending June 30, 1913, the railroads concerned in the application before the Interstate Commerce Commission paid $506,000,000 in wages and salaries. Estimates for the 29 of the 38 eastern systems shows an increase in wages for 1913 over 1910 of $48,618,927, due to increased pay and changes in working conditions. There has been an increase of 10.62 per cent in the average rates of pay on the eastern railroads during the past three years.

[From the Joplin (Mo.) Globe, January 23, 1914.]

WAITING.

It is expected that this week the Interstate Commerce Commission will continue the hearing on the proposed 5 per cent increase of freight

rates for eastern railroads. Unquestionably, interest in the outcome of this case and anxiety to have some decision reached is constantly increasing. It is reported that President Wilson has suggested that an early ruling would be helpful, and it is presumed the commission will do all in its power to hasten its investigation.

An interesting change in sentiment is reported from New York anent the rate-raise proposition. It will be remembered some of these eastern railroads asked for permission to establish higher tariffs in 1910 and their application was turned down. A representative from the Journal of Commerce, of New York, recently interviewed a number of shippers who actively participated in the opposition to the raise at that time and discovered that most of them now believe higher rates should be allowed.

Public sentiment has changed immensely in the past few years. Says the Journal:

"Despite the fact that individual and important shippers of such commodities as petroleum, coal, cement, brick, plaster, flour, packing-house products, iron and steel articles, lumber, and other products will shortly register their objection before the Interstate Commerce Commission against the proposed rate advances upon their respective commodities, local investigation in three of these lines and other industries proves conclusively that there are many shippers who are strongly in favor of granting an immediate increase to the carriers, and express their willingness, in the interest of general trade expansion, to contribute the additional rates."

If a favorable decision on the petition of the railroads should be handed down in February or March it would be a tremendous stimulus throughout the entire business world.

—

[From the Wilmington (Del.) Journal, January 21, 1914.]

CHAMBER FAVORS INCREASED RATES.

Civic organizations, corporations, firms, and individuals in all sections of the East are going on record as being in favor of the Interstate Commerce Commission giving to the eastern railroads the right to increase freight rates 5 per cent. They take the position that it is of prime importance to the industrial and commercial interests of the country that the railroads be put on a proper financial footing, and that as the present freight rates are too low to produce revenues sufficient to meet operating expenses and depreciation and to pay adequate returns to investors in railroad securities the increase asked for should be allowed.

In view of the favorable attitude taken by many other civic organizations it is not surprising that the Wilmington Chamber of Commerce has fallen in line. Its members seem to feel that it would be better business to pay a little more for good freight service than to pay the existing rate for what ultimately would become poor service because of inadequate returns and the inability of the railroads to keep it up to the standard desired.

—

[Providence (R. I.) Journal, January 25, 1914.]

HEARINGS FOR SHIPPERS.

Shippers who object to a 5 per cent advance in freight rates are to be given six weeks for presenting their protests to the Interstate Commerce Commission, the time being divided between the dealers in different commodities—oil, ice, cement, pipe, glass, stone, leather, shoes, timber, hay, grain and other products. The presumption is that the oil men will be found willing to have higher rates on salt and that the salt merchants will offer no remonstrance against an increase on boots and shoes. Each class naturally will desire to be let alone. It will be impossible to please every interest, and the duty of the commission is to decide whether or not the railroads are justly entitled to the new revenue without reference to any particular line of industry. Probably very little testimony would be offered if the hearings were open only to dealers who have not raised their prices to correspond with the higher wage schedules and other factors which add to the cost of doing business. Shippers who have done what the railroads wish to do can not consisttently oppose a moderate increase in freight rates.

—

[From the Financial America (N. Y.), January 28, 1914.]

RAILROAD OIL RATES.

Much justice lies in the arguments of the independent oil refiners presented before the Interstate Commerce Commission relative to the effects which the general 5 per cent freight rate increase sought by the railroads would have upon their business. But it is difficult to see how the matter can be adjusted. It is the misfortune of the independent companies that they do not possess pipe-line facilities which give the Standard Oil companies such as decided advantage.

Much interest will wait upon the supplementary evidence as to this point which the railroads expect to present. There is no reason to believe that the carriers have had a discriminating purpose in the proposed tariffs as to oil, nor that the Standard Oil interests have made any effort, relative to the new schedules, to obtain an advantage.

The situation is a natural result of conditions whose causes may be found, of course, only by harking back to the earlier history of the development of the petroleum industry in this country. The fact that the price of crude oil from the Pennsylvania fields to independents has risen from $1.30 to $2.77 a barrel, according to the statements of independent refiners, in the last 20 months, with no proportionate advance in sale prices, is a matter for adjustment through other means than in connection with the present freight rate question.

It is only fair, with the railroads obtaining the privilege of entering supplementary evidence as to the relation of the new schedules to the carriage of oil products, that the independent refiners also be given the right to make other formal protest. At the same time it is to be hoped that the presentation of additional arguments will not result in delaying a decision by the Interstate Commerce Commission as to the general question for business at large is waiting impatiently upon the result.

—

[From the Philadelphia Public Ledger, Jan. 26, 1914.]

It may be just as well for the Interstate Commerce Commission, if it decides in favor of the 5 per cent increase in rates, to specify likewise that the action is not intended as an invitation to the employees to demand a sufficient increase to absorb the additional revenue of the roads. Already the temptation for college professors to become conductors is more than some of them can bear.

[From the Providence (R. I.) Journal, Jan. 24, 1914.]

ABILITY AND FAIRNESS NEEDED.

Whether or not railroad development is to be resumed may be dependent upon the President, who is required to fill two vacancies in the Interstate Commerce Commission. It is stated that three of the five members favor the 5 per cent advance and that two are disinclined to take any action which will encourage investors to put their money into railroad securities and thus insure the extensive improvements which the country needs. The importance of selecting two men of broad views and sound judgment to pass upon the rate question is obvious. The Interstate Commerce Commission is no place for demagogues. The President can not be too careful in his selections, as the rate advance is to be decided by the full board.

—

[From the New York Times, Jan. 27, 1914.]

HODGEPODGE RATE REGULATION.

The Interstate Commerce Commission began yesterday a six weeks' hearing of protests against advances of specific commodity freight rates under the railways' request for a general living wage. When the railways propose to advance commodity rates they are advised to make a general advance which will not disturb the relation of rates. That happens to be the answer made to the express companies by the commission on the same day that it begins a not altogether consistent policy with reference to the railways' 5 per cent advance all around. To the express companies the commission says it is "unwilling to consider the reasonableness of individual rates on particular commodities until after it is found how the general reduction in express rates is going to affect the express companies." Can it be that the commission does not care how the railways are affected by a rate schedule declared to be too low which they wish to raise ratably?

Also of concurrent interest is the elaborate address by Commissioner Prouty declaring that experience has led him to alter his opinions about rates. Consistency is the vice of small minds, and nobody would deny that the commissioner has had experience enough to change his mind without reproach. He used to favor elasticity of rates, he says, but now he thinks that stability of rates is better for both railways and shippers. He says that within 10 days there were 15,000 advances and 29,000 reductions of freight rates, and 60,000 advances and 86,000 reductions of passenger rates. In express tariffs there were 4,000 advances and 32,000 reductions. It seems that the commission is rather bewildered by its job, and has the feeling of the passengers on a steamship who want the captain to hold the boat still. Now Mr. Prouty admits that there must be seasonal rates and emergency rates and various other changes of a compulsory sort, but the great mass of rates should be of the same permanency as the laws which have made rates laws. He was not disposed then and there to argue whether it would be a physical possibility for the commission to make all the rates, but he was sure that the railways ought not to make them. There is no hope until the commission makes all rates and classifications and generally takes charge of the railways in all respects except—it may be imagined—guaranteeing the balance between their incomes and expenditures.

As much might be guessed by the commission undertaking hearings on a schedule already fixed until March, and beyond. The indispensable Mr. Brandeis has responded to an invitation from Mayor-elect Curley to straighten out Boston's affairs, "that he is so engrossed with his work for the Interstate Commerce Commission that he will be unable to take on other work until November." Nobody could expect the commission to make a decision on such a difficult subject without some months' deliberation. By that time—say in 1915—it may be hoped that the railways' affairs will be so prosperous that there will be full justification for the commission's decision that the petitioned advance is not then justified. The time to have allowed it, of course, was when shippers did not care what rates they paid if only they could get transportation. Then business could have borne the added burden, and when the present lean time came it would have been possible—if elasticity of rates were desirable—to reduce rates and stimulate traffic. It is evident that stability of rates is better. It saves the commission an impossible task, or a task which would be possible only when the laws exactly suit the commission. It might be as well to abandon hope that the rates will suit the railways until the laws suit the commission.

Meanwhile, if the curiosity is pardonable, it might be asked on what principles the commission would base its action when it gets the facts rates whatever, and suits have been brought to compel the commis- decisions have been challenged as sharing the unreason of any railway rates whatever, and suits have been brought to compel the commission to justify the reason of its rates. But that is absurd. Only the railways are held to the rule of reason. The commission is sole judge of facts and legislates rates. The duty of the railways it not to reason why, but to do or die.

—

[From the Indianapolis News, Jan. 10, 1914.]

THE RAILROAD OUTLOOK.

In preparing its annual financial review, the New York Evening Post called on the heads of a number of the great railroads of the country for predictions as to the new year. The consensus of opinion was that railroad business during the first part of 1914 would not be so good as that during the corresponding period of 1913, but that conditions probably would improve as the year advanced. The principal unfavorable factor is the short corn crop. Corn, according to its scarcity or plentifulness, affects first of all the live-stock market. Its minor influences are, in due time, noticeable in many lines of merchandise on the transportation of which the railroads largely depend for income.

But as to the final reckoning for 1914 no one can say. The crops of 1914 we know nothing of, except that the prospect is now good. On the year's crops depends the condition of many of the railroads. The officials interviewed by the Evening Post are, almost without exception, certain that the Interstate Commerce Commission will grant the 5 per cent increase in freight rates recently asked by the railroads operating in the territory east of the Mississippi River and north of the Ohio and Potomac Rivers. On the whole, the eastern presidents express more confidence than do those of the West. President Ripley, of the Santa Fe, is much discouraged. This is hard to understand, considering that another western road—the Missouri Pacific—does not see all things through smoked glasses.

The officials unite in predicting that Government ownership is inevitable unless the common carriers are enabled to make adequate returns on their investments. But they do not believe that Government owner-

ship will develop. Some of them—and particularly the wiser ones—point to the expressions of disapproval of Government ownership which are heard from the public in all parts of the country. A. H. Smith, who, on January 1, succeeded W. C. Brown as president of the New York Central, takes a common-sense view of the situation. As to the future he says: "Await the harvest of 1914." He believes that rate increases are imperative and observes that if the Government would regulate it also must protect. He says: "The favorable points in the railway situation appear to be that the railroads and the people, as represented by the Government, have no widely divergent opinions as to railroad regulation. The major portion of the national regulation thus far enacted has upon the whole been helpful." Mr. Smith anticipates further regulation, but he believes that this regulation will tend to do away with points of conflict. One and all, the railroad men believe that an immediate increase in rates is necessary. This is the opinion expressed by some who, while not in the railroad business, realize how necessary railroad prosperity is to general business prosperity.

—

[From the Providence (R. I.) Journal, Jan. 23, 1914.]

THE PRESIDENT AND THE RAILROADS.

President Wilson in his plan for the betterment of business conditions presented to Congress yesterday, made it clear that "the prosperity of the railroads and the prosperity of the people are inseparably connected," and that the railroads should be supplied with "the money they need for their proper development to meet the rapidly growing requirements of the country for increased and improved facilities of transportation." This may be interpreted as a suggestion to the Interstate Commerce Commission to discontinue its "policy of strangulation" and to heed the general demand for the restoration of railroad credit. The railroads have proved that investors are neglecting railroad securities because the Government cuts down their earnings and increases the cost of operation. The country, accordingly, is damaged because railroad development is checked, and the 5 per cent advance asked by no means covers the rising cost of labor and commodities and the extraordinary increases in taxation.

The Interstate Commerce Commission's program as laid out is very suggestive of delay. There is no need of reviewing ancient history in minute detail; the commission has regulated rates for many years without the statistics required by the long list of questions, and the probability is that much of the information demanded is already on file in Washington. The point is that there will be no business revival until the railroads are enabled to place large orders. The records show that expenses are becoming more and more burdensome and that net earnings are disappearing. A prompt decision on rates is necessary, and the country is not inclined to favor months of haggling by lawyers over petty details. More plain talk by the President will hasten the business improvement for which all are waiting.

—

[From the Providence (R. I.) Journal, Dec. 30, 1913.]

REVISION OF PASSENGER RATES.

Why should passengers be exempt from rate increases? Apparently the Interstate Commerce Commission and the State commissions in the Boston and Maine territory believe that passengers as well as shippers should contribute something toward paying the higher wages and taxes which are principally responsible for the financial troubles of the road. The higher levels at present appear to be permanent; and in the readjustment no class of railroad patrons should be favored. The new passenger schedules now under consideration emphasize the fact that the public which approves the jumping of wages and taxes can not in the long run escape paying its proportion of the increased cost of doing business.

—

[From the Chicago Evening Post, Dec. 30, 1913.]

Employees of the Baltimore & Ohio Railroad at Newark, Ohio, are circulating a petition to the Interstate Commerce Commission asking that the application of the eastern railroads for the increase in freight rates be granted. The petition is being circulated in business circles, shippers, merchants, jobbers, buyers, public officials, professional men and others showing a willingness to sign it. Several hundred names have been affixed to the document.

The petition is being circulated on the initiative of the railroad men themselves and has the indorsement of all classes of employees.

The communication sets forth that the application of the railroads is believed to be wholly within reason, in view of the concessions made during recent years to employees, the higher cost of material and supplies and other items of expense having to be met. It also points out that both freight and passenger rates have been raised on foreign roads, while during the same period in this country many of the rates have been reduced.

"The undersigned urgently solicit your favorable consideration of the request for an increase in freight rates," reads the petition, "in order that railroad facilities may be developed to meet the demands of constantly increasing traffic."

—

[From the St. Louis Times.]

AN IMPERATIVE NEED.

At a recent dinner given at the Lotus Club in New York City in honor of Mr. Howard Elliott, a former citizen of St. Louis, the following statement was made by one of the speakers:

"The railroads have expended in improvements, extensions, and betterments for the people within the last three years nearly $660,000,000. Their gross receipts have increased about $200,000,000, but owing to the increase in wages in 1910 and 1913, amounting to over $60,000,000, and the increase in the cost of materials, the net this year was $16,000,000 less than it was three years ago. In other owrds, the railroads have not received a dollar of return upon their investment of $660,000,000 paid out wholly for the public convenience and benefit."

The speaker had prepared his figures from the latest statistics obtainable. We have no reason to doubt that these astounding figures are correct. If they are, the St. Louis Times feels compelled to call upon every merchant and every shipper, regardless of what his business may be, to use his influence, directly and indirectly, to bring about a condition whereby the Interstate Commerce Commission, as well as the public-service commissions of the several States, will realize it is the wish of the merchant, the shipper, and the public that the railroads be granted permission to advance rates to such an extent as will enable them to earn a fair return upon the capital invested.

This newspaper has for many months advocated the cause of the railroads, and has in recent months been supported, editorially and otherwise, by many papers published throughout the State. It is a fact well known that the railroads have been and still are retrenching and cutting down expenses wherever possible, because, under existing conditions, they are unable to show a fair interest return on the capital invested. Unless the railroads are permitted to show a return on the moneys already invested, it will be impossible to obtain new capital, because moneyed men will refuse to enter an enterprise which they know in advance will bring no return.

Capital, like labor, must earn and receive a fair and honest return. We sincerely hope the business men, manufacturers, and shippers, not only of this city and State, but of the entire United States, will unite in creating and establishing a sentiment in behalf of increased rates for the railroads, and will join in taking the necessary steps to enforce a demand for such higher rates.

An alarming condition, such as above reported, not only offers food for reflection, but demands action. A failure to act will mean a halting of prosperity and may possibly mean insolvency and bankruptcy for the railroads. The St. Louis Times believes in progress and prosperity, and for that reason calls upon Missouri, and its public-service commission, to extend a helping hand to the railroads.

—

[From the Miami (Fla.) Herald, Dec. 23, 1913.]

When the bill to create the Interstate Commerce Commission was pending in 1887, Cleveland being President, the bill was "viewed with alarm" just as the Underwood tariff bill was "viewed" and as the pending currency bill is now looked upon. John S. Williams, Assistant Secretary of the United States Treasury, has recalled some of the wild prophecies which the standpat men of those days uttered in connection with this legislation which has proved most valuable to the public and to the railroads themselves. The type is probably useful as a balance wheel to progress, although at times it causes delays during which "vexation," "disaster," "fatality," "uncertainty," and other evils are visible realities.—Attica Observer.

—

[From the Washington Post, December 29, 1913.]

DELAYING ACTION ON RATES.

Can the Government afford to play fast and loose with the railroads in the matter of an advance of 5 per cent in freight rates?

The Interstate Commerce Commission a while ago called upon the railroads for a mass of information, statistical and otherwise, which, it was stated, was to be used as a basis for determining the justice of the request for an increase in earning capacity. There is no complaint of failure to comply with the commission's orders. The desired data were submitted, hearings held for presentation of testimony and argument by both shippers and carriers, the inquiry closed, and the case taken under consideration for final decision. There is no public protest in any quarter against giving the railroads the square deal as between the public service they perform and the public that is served.

Suddenly and inexplicably the case is reopened by the commission. It is given out, apologetically, that while the railroads have submitted elaborate and helpful information showing losses in net operating returns and net income, "fundamental questions" have arisen in the proceeding which, the commission now feels, call for a world of additional necessary data in order to determine "the general course carriers may pursue to meet the situation," whatever that vague and unsatisfying use of terms may mean.

If at this late day the commission discovers that it has merely scratched the surface of the rate question, and must practically begin over again, the query presses for a response as to how far into the future the commission has flung definite reply to the request of the railroads. The circular calling for exhaustive information, which admittedly goes to the heart of both physical and financial operations of railroads throughout the years of their promotion and existence, fixes upon a month, expiring January 31, as ample time for the roads to comply with the order.

Scrutiny of the bill of particulars, however, shows that the data in question virtually are in detail and bulk what the physical valuation law authorizes the Interstate Commerce Commission to collect, classify, and publish—a monumental work, which the commission itself figures will require several years to complete, at an outlay of $3,000,000 to $5,000,000 by the Government and a still larger sum by the railroads.

As outlined in the law, the stupendous task presents almost insuperable difficulties to a full accomplishment of the object sought, and the fact that the commission is devoting a year to preliminary work before entering upon the collection and preparation of historical and financial data goes to emphasize the strangeness of its action in arbitrarily limiting the roads to 4 weeks' grace.

What does this new move suggest? Does the Interstate Commerce Commission mean to delay indefinitely its response to the railroads on the rate question, or does it seek to shift the entire burden of physical valuation, both time and cost, onto the shoulders of the roads, or both?

Is it in consonance with the "constitution of peace" between Government and business thus to postpone and complicate a question affecting the entire public, and which should be speedily determined one way or the other?

—

[From the St. Louis Globe Democrat, January 21, 1914.]

HIGHER RATES URGED BY UNDERWOOD.

President Frederick D. Underwood of the Erie Railroad says: "I anticipate that the volume of business done by the railways of the country will be less this year than last, and that the net results will be smaller accordingly. Nobody can forecast the decision of the Interstate Commerce Commission as to the advance in freight rates asked by the railroads. The most conclusive argument I know of in favor of such an increase is that the railroads can not go on with the improvements necessary for the use and benefit of the public on their present net income. If the railways have no money to spend for enlargements, the damage to general business will be quickly apparent. The 5 per cent advance in rates which has been asked for will work no direct hardship upon any class of people, while it is an axiom that hard times for railways are hard times for almost everybody."

—

[From the Financial America, New York, January 14, 1914.]

LEATHER MEN FAVOR FREIGHT RATE RAISE.

At meetings of hide and leather merchants in this city resolutions were adopted favoring the 5 per cent freight rate increase desired by eastern railroads and the Interstate Commerce Commission was urged to grant the same.

[From the Reading, Pa., Telegram, January 12, 1914.]

The Interstate Commerce Commission has received hundreds of letters from shippers and mercantile associations asking that the request of the railroads for a 5 per cent increase in freight rates be granted.

—

[From the New York World, Jan. 18, 1914.]

WHERE TO BEGIN IN RAILROAD WASTE.

John Wanamaker, in his paper to the Traffic Club of Philadelphia, very properly calls attention to the fact that a 5 per cent increase in railroad freight rates would add $50,000,000 to the burden on the public and the cost of living. He is right in emphasizing the need of greater economy and efficiency in railroad operation. He is right in intimating that the Government itself might find room for work along this line. He would have been right in adding that a Government which probably wastes $300,000,000 in expending $1,000,000,000 is in a poor position to preach economy and efficiency to the railroads.

But what the roads could do in reducing expenses had they been more honestly managed and more effectively regulated in the past is one thing. What they can do now under increased labor cost forced upon them by Government arbitration and State full-crew laws, and under contract obligations needlessly and often dishonestly incurred, is another thing less easy to prove.

It is more important now to close up the gaps of public regulation against future railroad waste than prolong a quarrel over so small a rate advance as 5 per cent. No such advance can be as important against the public economy as public regulation of future security issues will be on behalf of that economy.

The Interstate Commerce Commission can revoke a rate advance if experience condemns it as needless. But there is no recalling needless capital issues after they have once been made. Congress can not too speedily enact a law giving power to the commission in regulation of interstate railroad stocks and bonds.

—

[From the Mobile (Ala.) Item, Dec. 30, 1913.]

LAW FOR RAIL SUPERVISION.

With many of the most important railroad corporations acquiescing in the proposition, Congress is waking up to the fact that this is the psychological moment for the enactment of legislation providing Government supervision of railway financing and operation.

The advocates of such an enlargement of the authority of the Interstate Commerce Commission are encouraged by a perusal of the statements of railroad officials approving the suggestion. The presentation of the views of the carriers has given impetus to the movement in Congress for the passage of this legislation and an effort is to be made to obtain consideration of the question soon after the holiday recess.

One suggestion which the Democratic leaders in the House have under advisement is that a bill be passed granting a 5 per cent increase of rates, but further providing that such advance may be enjoyed only by those railroads accepting Government supervision of their financing. This plan of coupling such legislation with a freight-rate advance has been suggested as a means of heading off railroad opposition to regulation of security issues on the ground that it is unconstitutional. The railroad-securities commission appointed by ex-President Taft expressed doubts of its constitutionality.

This proposal is abhorrent to the members of the Interstate Commission, however, who brand it as a proposed purchase of a concession by the railroads. They regard it as a bargain that is not ethical, and contend that the justification of a freight-rate advance should be decided on its merits. Many Members of Congress share this view, contending that by authorizing higher freight charges in return for acquiescence in Government regulation of securities Congress merely would be buying what it has a right to require of the railroads.

—

[From the Richmond (Va.) Journal, Jan. 10, 1914.]

TAKING ITS TIME.

The efficiency of the Interstate Commerce Commission may be questioned. Undoubtedly it is composed of able men, almost without exception, and, in the main, it has an excellent record since it was clothed with real powers by the rate act of 1906.

The criticism which properly may be made of the commission is the deliberateness with which it is proceeding in the matter of passing upon the petition of the railway companies of the East to be allowed to make a general advance of 5 per cent in freight rates. The railways say that it is imperative that the advance be allowed if the companies are to meet their obligations—that is, interest on bonds—to say nothing of reasonable dividends. We believe the majority of those who have given the subject thought realize that the railways are entirely justified in making this demand. It also is realized that the general business of the country, as well as the railway business, would benefit through the increased prosperity of the roads following the granting of the advance in rates.

Yet, despite the overshadowing importance of the subject, and the fact that the commission has had it under consideration for months, no decision has been rendered, nor is there indication that one will be forthcoming at any early day. A decision adverse to the railways would be better for all concerned than the present state of uncertainty prevailing by reason of no decision at all.

—

[From the Rochester (N. Y.) Democrat and Chronicle, Dec. 29, 1913.]

RELIEF STILL WITHHELD.

The fact that the Interstate Commerce Commission has called for a mass of additional statistics from the railroads in the eastern territory seeking to increase freight rates 5 per cent will be rather discouraging to those who had hoped for an early resumption of railroad prosperity.

The railroads have already submitted figures showing that wages for 1913 on 20 of the 38 roads under investigation have increased $48,618,972.41 over 1910, due to changes in rates of pay and working conditions. In addition, increases in wages of firemen, conductors, and trainmen since last June, when the figures were compiled, will add about $8,750,000 to this sum.

Figures have also been submitted showing that the advance in the cost of material has kept pace with the advance in wages. The Interstate Commerce Commission, however, calls for information about the financial history of the roads, the financial interests of directors, officers, and employees as parties "to transactions in which the roads also are parties," sleeping-car contracts, parlor-car contracts, and the purchase of equipment and supplies and the uses made of them.

All these things might be pertinent to an exhaustive inquiry into railroad financiering, but the demand for such information now must postpone the granting of the relief asked. It is a matter of very little importance, in connection with the present investigation, what the practice in the matter of the purchase of supplies and equipment may have been, or what the nature of the contracts with sleeping-car and parlor-car companies.

The companies have presented proof that their expenses have materially increased since the present freight rates were established. Abundant evidence is available that the net returns of the railroads have decreased, that they are obliged to borrow money at high rates of interest to carry on needed improvements, and that the only way their revenue can be increased is by raising freight rates. Mr. Brandeis, who has an old quarrel with railroad financiers, is presumably at the bottom of this move to put the railroads to enormous trouble and labor to obtain facts that have only an indirect bearing on the present situation.

—

[From the Philadelphia Bulletin, Jan. 21, 1914.]

MAKING HASTE SLOWLY.

Announcement is made that the Interstate Commerce Commission, having become impressed with the serious situation in the railroad world, will undertake to "expedite" consideration of the 5 per cent freight rate increase on the eastern trunk lines now before it, and to that end will resume hearings next week, to continue for more than a month, ostensibly to give protesting shippers a chance to be heard, although commercial organizations all over the country are signifying by individual petition and formal vote their approval of the requested increase. Four months will have elapsed Friday since the railroads made application for approval of this increase of rates, alleging that they were necessary to provide for the increased cost of operation and to afford a margin not only for the payment of fixed charges and reasonable dividends, but to enable the expenditure for maintenance and upkeep required for safety and efficiency.

Monday, the commission made public its official report of the operating income and expenditures of the railroads of the country for the month of November, showing not only an increase in operating expenditure, but a decrease in operating revenue and fully confirming all that had been asserted by the railroads in the original presentation of their case, which had been otherwise confirmed and corroborated in arguments and briefs presented to the commission.

But, in spite of the fact that all this information is, and has been, in the possession of the commission, there has just been sent out to the petitioning railroads the revised Brandeis catechism, shortened and simplified it is said, and yet calling for compilations which it is admitted by the commission will require the greater part of a month to complete, and an indefinite time thereafter to digest and to apply to the problem before them.

Granting the desire of the commission to "expedite" its proceedings it appears that the middle of March, or nearly six months after the railroads formally presented their case of need, will be the earliest possible date of decree. In the meantime the busiest season of the railroads will have passed, nearly a half year's business will have been hauled at inadequate rates, losses will have been sustained that will not be made up in the balance of the year. If Government regulation is to be of practical service it must develop greater efficiency than this. When the arbitrators on wage increases, acting under semiofficial sanction, made their recommendation of higher wages, their decree was retroactive. The railroads do not ask for such a privilege in the application of their new freight schedules, but if they are entitled justly to their increase, it should be granted with reasonable promptitude.

—

[From Providence (R. I.) Journal, Jan. 14, 1914.]

BUSINESS, NOT POLITICS.

Now it appears that railroad employees are taking an active interest in the application of the eastern roads for a 5 per cent advance in freight rates. The Interstate Commerce Commission is receiving notices that the men in all departments favor the granting of the pending petition. The wage earners on the Baltimore & Ohio are among the first to urge the necessity of the advance; and, of course, they are in a position to speak with authority as to the cuts made in earnings by repeated raises in wages under Government authority. The Baltimore & Ohio men take the ground that higher wages and constantly increasing taxes and prices of materials call for larger revenues. They appreciate the fact that the railroads can not go on for an indefinite period under present conditions and that the stopping of railroad improvements because of a lack of money is not in the interest of men who have families dependent upon them. They emphasize the fact that in foreign countries freight and passenger rates have been raised and that in this country the Interstate Commerce Commission has ordered numerous reductions despite the rising operating costs which the railroads have no means of controlling.

What effect the action of the railroad employees will have on the rate decision can not, of course, be predicted. Doubtless the Interstate Commerce Commission is full aware of the needs of the railroads, for the records in Washington show most conclusively that while gross revenue increased the net earnings decreased, the losses being largely due to the wage awards made by commissions acting under Federal laws. But the movement of the wage earners is not without significance; it proves that the policy of strangulation is not favored by that large part of the public which is directly supported by the railroads. Stagnation in the wide field of transportation caused by the unremunerative rates forced upon the common carriers is certain to check the general revival of business which all are awaiting. The halting of the activities of the country is certain to be charged to the party in power; and a refusal of the petition for reasonable freight rates would have a depressing effect upon all lines of industry. The natural result would be the concentration of the attention of idle workers upon the congressional elections; and if the thousands of railroad men suspect that their interests are not receiving due consideration they might easily be induced to vote for candidates who are opposed to the administration.

It is better, however, to keep the rate question out of politics. Many business men in different States have served formal notice of their indorsement of the proposed 5 per cent advance, believing that the restoration of railroad credit is essential to a revival of trade. The arguments for the increase are convincing. The commission is asked for justice. A prompt decision should be rendered. If the case drags along for months it may become a factor in the fall elections. It should be disposed of without delay to the end that the railroads may be enabled to provide the improvements which the people need. It is a question of business, not one of politics, although a decision which appeals to business men will not damage the administration.

[From the Chicago Inter-Ocean, Jan. 17, 1914.]

SHIPPERS ASK HIGHER RAILWAY RATES.

The directors of the National Business League of America, at their meeting in Chicago Thursday unanimously adopted resolutions asking the Interstate Commerce Commission to permit the railways to make "an immediate uniform increase of not less than 5 per cent" in freight rates.

The National Business League is a Nation-wide association of prominent business men, mostly merchants and manufacturers. That is, their interest is that of the shipper—the buyer of railway service. While many of its directors are residents in and near Chicago, these resolutions do not express merely a local opinion but also that of the affiliated organizations in 30 States, ascertained through their vice presidents of the national association.

This is probably the first time that any large number of shippers has asked that freight rates be increased. The reasons for this about-face on the part of so many representative shippers are clearly shown by the resolutions adopted, of which we present the substance:

"Sufficient and efficient transportation is necessary to the prosperity of the whole country. * * * We believe that the present net earnings of the railways are insufficient for the proper maintenance of equipment, extension of facilities, efficient service, and safety of life and property, resulting also in curtailment of purchases from dependent industries, which seriously cripples the general business of the country."

Therefore the grant of permission to increase rates is asked "as a necessary measure, imperative to the prosperity of carrier, shipper, and business interests generally."

The logic of this is conclusive. The reaching of a conclusion so logical is a gratifying sign of a renewed perception of the truth that in the long run all material interests of the American people must go up or down together, and of emergence from the delusion that it is possible to impoverish and pull down the transportation industry without all of us suffering in the end and paying for the folly.

Theoretical "railway economists," such as Louis D. Brandeis, will continue to argue, of course, that what the railways need is not higher rates but "more efficiency." Here and there a prominent business man will still insist on what is, under existing conditions, putting the cart before the horse. We note that John Wanamaker is quoted as so doing. These gentlemen seem to forget that before improvements can be made there must be means, or a good prospect of means, with which to pay for them. Efficiency must often wait for income to support it. If Mr. Wanamaker will look back he will doubtless remember days when he had to get along with poorer equipment and less competent help than he wanted, because he could not yet afford to buy better.

That is, broadly speaking, the position of the railways. Under pressure of public sentiment which too long remembered injuries and forgot benefits, they have been brought by governmental power to semi-starvation. It is absurd to ask that a half-starved man or industry show the highest efficiency.

The Interstate Commerce Commission and the Wilson administration will do well to heed the counsel of the shippers. No administration can be popular or partly retain power whose name has become a synonym for industrial depression and business paralysis.

[From the Joplin (Mo.) Globe, January 14, 1914.]

A PLEA FOR BUSINESS.

Business activity is an accurate barometer of our Nation's prosperity. When business is checked, prosperity takes wings. And business is quite easily checked. The wheels of industry are as delicate as the works of fine watches, and while, like them, they may be slowed down or brought to a full stop without being seriously or permanently injured, the blessing of their steady operation is certain to be lost to their owners. Somebody always suffers, and temporarily it makes no difference whether the mainspring of industry is actually broken or merely slipped off its pinion.

It is conceded that the new tariff and currency bills will do much toward lifting the country from the slough of business despondency into which it has fallen. But they are not enough. If to their galvanizing influence could be added favorable action by the Interstate Commerce Commission upon the application of eastern railroads for a 5 per cent increase in freight rates, we might expect an immediate immense betterment of business conditions.

A large per cent of the slack in business to-day must be laid at the door of overenthusiasm in "regulating" the railroads. State after State and the Nation itself have enacted stringent laws and rules, presumably looking toward control, but actually acting as harassment of the railroads. Rates have been lowered in many cases when good business demanded that they be kept where they were or raised. The regulation has been so persistent and continual that investors have been frightened and it is virtually impossible for roads to raise money for needed improvements.

Considering how important railroads are in our industrial world, it is not strange that hampering them should result similarly to dropping a grain of wheat into the works of a watch. When railroads quit buying steel rails, steel companies make smaller profits, lay off men, and quotations on steel stock decline in open market. Taken just by itself, the coincidental decline of two such mighty industrial stocks as railroads and steel is quite enough to "bear" the entire market, cause investors to become frightened and discouraged and sell, and thus bring about general business depression.

But the mainspring of industry is not broken; it has merely slipped its pinion. Agriculturally, the country is in better shape than ever before. If immediate official and popular recognition could be given to the fact that the well-being of the railroad industry is of tremendous importance we would have an immediate return to full prosperity. If, for instance, the 5 per cent increase in freight rates asked by the eastern roads should be authorized, it would constitute a wedge that would split the hard-times talk wide open. To this extent the Interstate Commerce Commission, and not Congress, holds the key to the present situation.

[From the Philadelphia Enquirer, January 22, 1914.]

RATE HEARING DRAGS ON.

By order of the Interstate Commerce Commission hearings of witnesses against rate increases will take place from January 26 to March 5. Thereafter we may expect testimony in rebuttal, long arguments which may take weeks, and then the commission will take the matter under advisement and render a decision when it gets good and ready. It is not likely that an answer will be given before the late spring or early summer.

Why all this delay?

Months have already elapsed since the first application was made. The commission has demanded an immense amount of statistical information which can be of no possible use to it in deciding what is after all a broad principle. The membership of the commission includes men of practical experience. It is not a court governed by any ancient laws of procedure. It is composed mostly of laymen who are supposed to have common sense, to be able to see things before their eyes.

Whether or not the railways deserve a 5 per cent increase in freight rates is not to be settled by figures in camera. Every sensible person knows that the railway industry has been suffering through many months' lack of income; that because of this lack of net income it is impossible to borrow money for needed improvements, extensions, and betterments. The railways say that they can get the money and start a thousand industries if their requests are granted. The bankers say the money can be forthcoming immediately. The manufacturers say they are waiting only for the grant to start up at high speed.

Could anything be simpler than that? Ought not men of common sense to be able to decide inside of a week whether these statements are true or false? The constant delay is an injustice to business and an injustice to the army of unemployed. It is unfair to postpone so momentous a decision. Any private business would go to ruin quickly under such management.

And what do the railways ask?

They ask the enormous increase in rates of 1 cent for carrying a ton of freight 20 to 30 miles. That is all. Can anyone believe that this will injure any individual or industry? The commission probably knows very well at present what it will do. It ought to have given its decision months ago.

[From the Chicago Daily News, Jan. 27, 1914.]

PSYCHOLOGY OF A RAIL RATE ADVANCE.

There is a disposition in some quarters to favor the request of the railroads for a 5 per cent advance in freight rates on the ground that it would have an important psychological effect beneficial to business. The argument is entitled to some consideration. Still, it is not apparent at first sight how business in general could be improved by an increase in the cost of transporting raw materials for manufacture and also in the cost of sending the finished products to market.

If, however, the railroads are entitled to the suggested increase, the act of the Federal authorities in recognizing the justice of the demand would doubtless be beneficial in its general effect. The public does not desire the railroads to do business at a loss. If the Interstate Commerce Commission after a thorough inquiry is in doubt as to what is demanded by justice, the public might not be averse to seeing the doubt resolved in favor of a reasonable advance in railroad rates.

The public wishes its agents, the railroads, to be content with the compensation received for the service rendered, just as it wishes direct agents of the Government to be treated fairly. Still, the allowance for psychological effect and for mere contentment should not be more than is actually warranted by conditions. This means, after all, that the problem confronting the commission is to discover by careful analysis just what rates are necessary to afford the railroads a fair return upon their investment.

The argument based on psychological effect clearly can not justify an advance in lake-and-rail rates between the Atlantic seaboard and western lake ports, as those rates already have been advanced several times in recent years, the total advance being much more than 5 per cent.

[From the Wichita (Kans.) Eagle, Jan. 23, 1914.]

ANOTHER ROUND OF FAIRNESS.

When eastern railroads marched en masse to the Interstate Commerce Commission and demanded 5 per cent increase of freight rates, arguing that this is imperative if they are to prosper, the Wichita Eagle promulgated the doctrine that railroads can not be kept prosperous by such a system of artificial prosperity.

We have noted that the cause of disaster to some railroads was so hideously apart from actual railroading operations that the question is largely one of high finance, and frequently has nothing to do with ton-miles.

President Ripley of the Santa Fe took issue with the Eagle. He announced the doctrine that a railroad—meaning, of course, an honestly financed and honestly administered property—has nothing to sell but transportation, and therefore prosperity or lack of prosperity can be argued on nothing but rates.

At the risk of appearing impertinent, the Eagle still held to a fact, even when the fact is challenged by such a distinguished authority as the president of one of the greatest railroad systems in the United States.

So long as railroads are the victims of high financiering it is folly to attempt to keep them prosperous by letting the public pay for the damage with higher rates. So long as high financiering is permitted to run riot to the destruction of unwary investors in railroad securities, helpless patrons of transportation facilities, and to the danger of the whole transportation system, rates can not and will not be the only barometer of railroad prosperity.

A railroad or any other business enterprise which is in competition with railroads which are run not for service but for high finance reasons suffers from that kind of competition. One would think that President Ripley and T. H. McManus, of Newton, whose letter appears in another column, would join in with the attitude which seeks to free the transportation system of buccaneers. But although they may feel that high finance hurts the whole transportation system, they resent and deplore attacks upon the viciously conducted railroads.

What Mr. Ripley apparently fears is that if public opinion is directed at the bad spots in the railroad world the public is likely to mistreat friends as well as foes. He is afraid the public will not discriminate between the honest and the dishonest railroad, if any railroads are challenged to appear and show why they need more money from the public.

Mr. Ripley's railroad is well described by Mr. McManus. It is presented as the type of an honestly conducted property. But both Mr. Ripley and the Kansas business man in presenting their fears have not budged the basic fact of the whole discussion. The fact is that if the public is responsible for the prosperity of railroads the public ought to know where its money goes and what it goes for. Railroads can not march up in a body and ask for an increase in pay on the pretense of necessity in order to maintain efficient service. We know that some roads have not farmed their revenue to render service, but have looted, or have been financed dishonestly. Hence we claim that before the public hands over more money the public must learn what it is buying.

That basic fact stands like a Rock of Gibraltar in the discussion. Two and two still make four, even in the presence of death, as the great Tolstoi remarked. The basic fact when the public must understand still stands a fact, no matter what man bumps his head on it.

No matter what authority is brought to bear against it, no matter how many yards of argument are wrapped around it, no matter how many sheets of letter paper are piled on top of it, the Rock of Gibraltar in the discussion stands right where it is and what it is. You can not pour prosperity into all of the railroads so long as some leak at the bung.

Conservative business men resent the mentioning of the most notorious examples of railroad looting because they are afraid public opinion may deduct that a great many railroads are mulcted by financiers in control. But suppose we leave out the hideous examples and observe some plain and modest facts of railroad capitaliaztion.

We find such figures as these: Union Pacific is appraised at $27,459 per main-line mile in Kansas, as ascertained by the public utilities commission of this State. The same road is capitalized, according to figures presented to the Interstate Commerce Commission, at $151,019 per mile of road for the entire system.

The Santa Fe is capitalized at $55,770 per mile of road for the entire system, while the Chicago & Alton's capitalization is about $123,000 and the Chicago, Burlington & Quincy is about $36,000 per mile of road.

These figures are part of the arsenal of facts which guards the Rock of Gibraltar in this discussion.

Can railroad prosperity be figured on nothing but rates?

—

[From the Lowell (Mass.) Courier Citizen, Jan. 28, 1914.]

It will be some time yet before the eastern railroads will hear from the Interstate Commerce Commission a decision on their petition for a 5 per cent increase in freight rates. The commission has just begun a hearing of shippers on the question and it may last well into March. Lawyer Brandeis, who works for the commission, will steer the testimony against the increases. Most shippers will probably oppose the advance, but there are others who know the roads need the money and are willing to pay it. Those who ship f. o. b. are not so much concerned one way or the other.

—

[From the San Francisco Examiner, Dec. 30, 1913.]

The news from Washington that the Interstate Commerce Commission had formulated 75 questions, which it requires the 52 eastern railroads to answer before it will consider their application for a 5 per cent increase in general freight rates, caused dismay among operators on the bull side of the market, who have been looking for a quick determination of this disturbing matter. These questions are said to cover with great detail the physical and financial operations of the roads, and a dispatch from New York yesterday stated that much time would be consumed in obtaining the necessary data to answer them fully.

—

[From the Chicago Tribune, Feb. 27, 1914.]

CHICAGO SELFISH IN RATE DISPUTE?—COMMERCE BOARD COUNSEL CONTENDS CITY SHOULD NOT SEEK DELAY OF DECISION.—WHOLE COUNTRY WAITS.—FISHER SAYS INVESTIGATION OF CONDITIONS HERE SHOULD BE MADE BEFORE RULING.

WASHINGTON, D. C., *February 27.*

The development of Chicago's railroad terminal facilities was the subject of a spirited argument before Commissioner Harlan of the Interstate Commerce Commission to-day. The hearing is on the appeal of railroads for 5 per cent increase in freight rates.

Walter L. Fisher, formerly Secretary of the Interior, represented the Chicago association of commerce, asserted the commission should indicate no policy with regard to charges for special services performed by the railroads until a special study has been given to the Chicago situation.

Louis D. Brandeis, special counsel for the commission, replied that Chicago should not insist upon delay in settling the rate advance question while the whole country is waiting for the solution of the question.

CHICAGO VITALLY CONCERNED.

"The city of Chicago is perhaps more vitally concerned than any other community in the country in this matter," Mr. Fisher said. "Chicago has 29 railroads and its terminal situation has been permitted to develop in a way detrimental to the interests of the city, the country, and the railroads as well.

"There has grown up a network of terminal railroads in such a fashion as to retard the growth of the city and the railroads. The very fact that the roads have penetrated so far into the heart of the city has enhanced the value of their property and the adjacent property to such an extent that an increase of facilities is well-nigh impossible.

"Before indicating any policy, the commission should give assurances that steps will be taken to make the kind of an examination of conditions in Chicago that will be helpful to the commission, the community, and the railroads.

SAYS MOVE WILL BE DISASTROUS.

"If the commission takes action such as recommended by Mr. Brandeis it is apt to make one of the most disastrous moves in its whole history. Mr. Brandeis doesn't know, we don't know, no one knows if the cases he has cited are illustrative of the entire condition.

"If rates are based on the value to the shipper the entire theory of railroad rate making will be destroyed and we will start a disastrous retreat all along the line. To base rates on value to the shipper is to regulate the shipper and not the railroad.

"If we adopt that theory we shall have to put the shipper in the place of the railroad and regulate him instead of the public utility. If, on the other hand, railroad rates are based on cost of service and of return to the railroad, the question arises whether you are in possession even of illustrative cases. The railroads' charges, as between themselves, have no bearing.

FURNISH ADEQUATE FACILITIES.

"The real object of a railroad is to furnish reasonably adequate terminal facilities for the condition of business and handling of freight it invites. There is nothing in the record so far to show what that costs.

"I desire such a continuation of the hearings some time in Chicago as will permit us to get an intelligent understanding of the situation and enable the commission to indicate what lines of policy should be adopted. Then we may be able to show the railroads how they can save more than has been indicated by Mr. Brandeis in former hearings.

"I believe the proper way out of the Chicago situation is to increase, not decrease, the number of spur tracks with their trap or ferry car service, and by the elimination of downtown handling of freight. If this position or theory is correct, then a charge made now would be wrong."

WHOLE COUNTRY INTERESTED.

"The assumption that Chicago is more interested than the rest of the country is undoubtedly quantitatively so," Mr. Brandeis said, "but the problem of spotting exists throughout the country. We are here to get general information as to its costs and its advantages not only in Chicago and other cities, but even in the villages. Undoubtedly the terminal congestion presents grave problems, but it will take years to work them out.

"The ferry or trap car service is a recent addition, and recently it has been extended rapidly at an extraordinary expense to the railroads and a like advantage to those who enjoy it. Shippers, cities, and railroads must cooperate with the commission."

SIDETRACKS REDUCE COST?

H. C. Barlow, traffic manager of the Chicago Association of Commerce, said that the value of sidetracks to the railroads in reducing the cost of their handling of freight offsets its value to the shippers.

He pointed out that the railroads on trap car service were saved the initial handling of the shipment and were forced to make only the redistribution. On gateway service they are saved even from the redistribution, and frequently on the trap car service they are saved rehandling by reason of a nucleus for a through car having been picked up.

In reply to a question by Mr. Fisher he said there were a number of universal freight stations in Chicago. Mr. Fisher then stated to the commissioner that it was his belief that an enlarged application of the universal freight house was one of the ways out of the terminal congestion.

—

[From the Chicago Tribune, Mar. 3, 1914.]

FREIGHT REFORM WOULD BENEFIT SMALL BUSINESS—REFUSAL OF RATE INCREASE MEANS $20,000,000 ADDED TO THE BIG FELLOWS' COST HERE—MORE MONEY FOR RAILROADS—FREE SERVICE NOW GIVEN TO LARGE SHIPPERS MAY BE CHARGED FOR AT A DOLLAR A TON—BLESSING IN DISGUISE FOR CITY?—WHERE "WE WILL" THERE'S A WAY; CHICAGO'S NEW PROVERB.

[By Henry M. Hyde.]

The decision in a case now pending before the Interstate Commerce Commission in Washington may result in adding $20,000,000 or more a year to the cost of doing business in Chicago.

It will add that amount to the net earnings of the railroads which terminate in Chicago; it will take the same amount out of the earnings of the big shippers, manufacturers, and merchants of the city; it will put the small business man for the first time on an equality with the big, so far as railroad freight rates are concerned; and it is likely to have, in the long run, a great influence in forcing the railroads and the shippers of the city to cooperate in working out better and more economical methods of collecting and distributing freight.

When it is realized that the problem of down-town congestion in Chicago is largely a railroad freight problem; that the growth and prosperity of the city depend almost entirely on freight rates, then the importance of the pending case to all Chicago people may be gathered.

The railroads all over the country have asked the Interstate Commerce Commission to allow them to boost their freight rates by 5 per cent of the present figures.

Louis D. Brandeis, special counsel for the commission, retorts that before they are permitted to raise freight rates the railroads should be compelled to stop giving big shippers an advantage over small; that if the railroads stopped giving concessions to big shippers the saving which would result would be so large as to make any general advance in rates unnecessary.

In Chicago alone such concessions are estimated to cost the railroads something like $20,000,000 a year. The matter is complicated. It is not claimed that $20,000,000 is more than a fairly well-informed guess.

Here is the way in which the big shipper gets the advantage over the small shipper in the present methods of handling freight.

If you, a private individual or a small business man, order a package sent by freight, the railroad notifies you when the shipment arrives, and you send a truck to the freight house to get the goods and haul them to your house or place of business. On the average, you pay $1 a ton for hauling, provided you are located within the central business district.

If you have goods to ship by freight, you call a truck to haul the goods to the freight station, and again you pay at the rate of $1 a ton.

But if you are a big shipper; if your place of business is located on the river, so that it is served by lighter; if it is located on the freight tunnel of the Illinois Tunnel Co. and is equipped with a tunnel-delivery system; if it is located on or near a private switch track, so that it can be reached by a trap car, then your goods are collected and delivered at your door and all the charges are paid by the railroad companies.

In other words, the small shipper and merchant actually pays from $1 to $2 a ton more for freight than does the big shipper.

A careful estimate has been made of the amount of freight collected and delivered every day in Chicago under the two systems.

When railroad men talk of package freight they call it l. c. l.—less than carload lot freight. Of l. c. l. freight about 10,000 tons come into Chicago every day, and, strangely enough, 15,000 tons go out. Fifty per cent more goes out of the city daily than comes in.

Of the incoming freight, 4,000 tons daily is hauled away from the terminal freight stations in trucks at a cost to the consignees of approximately $4,000. The rest is delivered by the railroads bringing it into the city to another railroad, which either delivers it to the consignee or sends it on to its destination outside of the city.

About 1,800 tons a day are delivered to the other railroad in so-called trap cars, 3,120 tons by team, and the rest by the Illinois tunnel. The expenses of all these three systems of deliveries is paid by the railroad which brings the freight into the city, or, as railroad men put it, the delivery expenses are "absorbed."

Of the outbound l. c. l. freight which originates in Chicago, only 28 per cent is delivered at the freight houses by teams. On all of this the shipper is forced to pay $1 a ton haulage charges. All the rest comes to the freight terminals in trap cars, on lighters, or through the tunnel, and all the expenses of collection are paid by the railroad company over the lines of which the goods are shipped.

In other words, 28 per cent of the package freight shipped out of Chicago pays from $1 to $2 a ton more in freight charges than does the remaining 72 per cent, which is collected by the railroads free of charge from the factories and plants of the larger shippers.

It is not easy to get figures which will show how much this collection and delivery service costs the railroads. A basis for a reasonable guess may be found in the fact that on a single railroad line—and that by no means one of the largest entering Chicago—the total amount of such charges during last December was $84,000. For the whole year free

delivery and collection service to big shippers cost this one railroad about $900,000.

Since there are from 25 to 30 railroads of at least equal importance which have their terminals in Chicago, it would seem that for all of them a total expense of $20,000,000 might not be wildly inaccurate.

If the decision of the Interstate Commerce Commission be that such "absorption" of collection and delivery charges are a discrimination against small shippers—and well-informed railroad men seem to agree that it will be—one of two things must happen.

Either the shippers who now send 72 per cent of outbound package freight to the stations in trap cars and other free vehicles must pay for the service at the rate of $1 or more a ton or else they must hire trucks and have their freight hauled at their own expense.

The latter alternative is really impossible. Already the streets about the freight stations are terribly congested. With the number of trucks multiplied by four traffic would become absolutely impossible.

It is more than possible that such a decision as is expected from the commission would be a blessing in disguise to Chicago and all its people, including shippers of all kinds and sizes.

There are now nearly 300 different stations in the city where freight is delivered or received. Almost all of these stations, however, receive freight destined for only a single road and distribute freight received for the same road.

Only a very few are what are called "universal" freight stations—stations where freight is received for and delivered from all the railroads entering the city.

It is believed that the establishment of a "universal" station in every little industrial center would make most of the present trucking and hauling long distances by team or motor unnecessary. Either the railroads could then offer free service to all shippers or the charge might be largely cut down below the present cost of $1 a ton.

—

[From the Newark (N. J.) Evening Star, Jan. 29, 1914.]

THE QUESTION OF RAILROAD RATE INCREASE.

There has been a strong chorus of demands in the interests of the railroads for a 5 per cent increase in freight rates for shippers to pay. The New York City press, of course, are united in these demands. Railroad representatives have testified to the Interstate Commerce Commission that the increase asked for is vital to them.

The other side of the case is now being presented. In the first place, it is shown by the commission itself that the railroads, in violation of the law, are paying rebates to plant railroads amounting to $15,000,000 annually, and there are extravagances, such as excessive salaries for principal officials, in which large economies can be made. In the second place, the shippers are to be considered, and likewise the consumers. The shippers are having their say now.

To grant the railroads a large increase of rates at the expense of the public and permit them to subsidize plant railroads, pay enormous salaries, and use the money otherwise as they please would be indefensible on the part of the commission. The railroads are nothing more than common carriers, the servants of the public, and their manifest objective is to conduct their business in ways to economize expenses, keep within the law, and make their services as cheap as possible, with a fair interest on their investments. Only under such conditions should the Interstate Commerce Commission favorably consider an increase of rates.

—

[From the Railway Review, Chicago, Jan. 31, 1914.]

THE ADVANCE RATE HEARING PROCEEDS.

Hearings in the application of the eastern railroads for 5 per cent rate increases were resumed before the Interstate Commerce Commission in Washington January 26. The sessions will continue until March 1. The commission announced the following schedule under which the testimony on the various days will be segregated by the specific commodities indicated: January 26, petroleum; January 27, ice; January 28, tile, brick, clay; January 29, boots and shoes; January 30, flour; January 31, peanuts; February 2–4, bituminous coal; February 5, linseed oil, corn oil, etc.; February 6, glucose, starch, and other corn by-products; February 7, wooden barrels, pails, tubs, etc.; February 9, sand and gravel; February 10, cement; February 11, iron and steel articles, cast-iron pipe, and raw materials entering into the manufacturing processes of same; February 12–14, Lake-and-rail rates; February 16, glass; February 17, coffee; February 18, pulp and paper; February 19, plaster; February 20–21, lumber and forest products; February 24, packing-house products; February 25, limestone; February 26, salt; February 27, fruit; February 28, stone, marble, granite; March 2, hides and leather; March 3, sugar, molasses, and sirup; March 4, truck-farm products and fish; March 5, hay and grain. George S. Patterson, general counsel for the Pennsylvania Railroad, made a statement on Monday for all the railroads interested, saying they expected to present supplementary evidence in support of the advance as the hearing proceeded. Charges that the proposed increase on petroleum would discriminate heavily against independent refineries in favor of the Standard Oil Co. were made on Monday by F. W. Boltz, traffic manager of the National Petroleum Association, an organization of forty-odd oil companies. Robert S. Few, president of the Sun Oil Co., of Toledo, was the first witness for the petroleum shippers. He testified that the proposed increases were in many instances actually greater than 5 per cent, and that to allow the petroleum advance would be to grant to the Standard Oil Co. an advantage over independents, because the Standard was shipping oil through its own pipe lines to hotly competitive districts. H. W. Bahrenburg, of Hoboken, N. J., president of the Natural Ice Association of America and head of the Mountain Ice Co., the largest individual shipper in his territory, declared that the ice business would not stand the proposed advance. He said the records showed irregular shipments, deficient equipment, and slow handling added 6 per cent of the present rates to the carrier's cost of handling. Tile, brick, and clay shippers submitted a mass of data on their business on Wednesday and presented witnesses who agreed with those of other industries previously heard that the carriers could increase their revenues more than 5 per cent by improving their service and eliminating unnecessary expenditures.

—

[From the Boston Advertiser, Jan. 31, 1914.]

A POLICY OF DELAY.

Recently what purported to be an interview with Chairman Prouty of the Interstate Commerce Commission was printed. It has been accepted by the general public as undoubtedly correct, and Mr. Prouty has certainly made no denial of its exactness, so far as we have seen. Yet if the rest of the commission feel the same way as its chairman has been talking, the prospect of relief from the burdensome and unfair conditions on American railroads must be considered decidedly remote. Reading between the lines, it may be inferred that there is no relief in prospect for the railroads this year. Mr. Brandeis, it is true, has recently intimated that he expects a decision late in the present year, but it may be that he is far too sanguine.

In the published interview, Chairman Prouty was quoted as saying that he had seriously revised his views on railway charges. He was formerly very strongly in favor of such changes in railroad rates as the actual conditions of shipments and prices from time to time might justify. If 5 cents were a fair rate to-day, and 6 cents would be a fair rate two months hence, he would formerly have favored a change. But he is inclined to believe now that this view is wrong. He seems to be ready to insist that rates shall seldom, if ever, be changed. He considers it very advisable, from the Nation's standpoint, that "rates shall be stable," as far as possible, and he intimates that it will be the policy of the commission eventually to strive to have the least possible fluctuation in passenger and freight rates.

Of course this policy, if carried out inexorably, would make things very easy for the Interstate Commerce Commission. Its members, entrenched behind their settled policy of insistence upon the status quo, could refuse to consider applications or postpone hearings indefinitely, from month to month. In vain the roads might offer to show that increases in the pay rolls and increases in the operating totals made some change in rates absolutely indispensable, unless dividends were to become a forgotten institution. The commission could point to its policy of "stability of rates" as sufficient excuse for declining to submit themselves to the tedium of so uninteresting matters as mere bookkeeping totals. Chairman Prouty says that stability in rates will be better for shippers and for the roads alike. It occurs to us that he may have forgotten to consult either party before making that statement.

Of course, under absolutely stable conditions, Chairman Prouty would be right. That is, if the expense of running the railroads of the country should be practically unchanged, from year to year, it would be the wisest policy to find the proper rates, once for all, and then to stick to those rates. The shippers would prefer such a policy, if they were sure the settled rates would always be fair and reasonable. So would the railroads prefer it, if they could be assured that the rate would suffice for the payment of all fixed charges, under an efficient and economical policy of railroad operation. So, if one could be sure that neither prices nor wages would again advance, the "suitable rates" should be the very best thing possible for the commission to maintain.

But, unfortunately, that is just the trouble. There has been no time in the past two years when the railroads have not been confronted by increased prices on the necessaries of railroad operation. There has been no time for several years during which there has been no discussion of demands from some class of employees for higher wages.

Even when this idea of fixing stable rates was not under discussion, the predictions of an ultimate decision from the Interstate Commerce Commission upon the appeal of the trunk lines for permission to raise rates 5 per cent did not foreshadow a decision until next November. It is not believed that the hearings will be finished until well on in the spring. Then briefs may be submitted and further investigations may be made, and a mass of accumulated data may be collected. This will probably bring the work up to the period of the usual vacation season for Government employees.

—

[From the American Banker, New York City, Jan. 31, 1914.]

THE 5 PER CENT FREIGHT ADVANCE.

Although on a surface and at first blush the request of the railroads east of the Mississippi and north of the Ohio for a general 5 per cent advance in freight rates seems entirely plausible, and one would hear the evidence submitted on the investigation with an open mind, still it is apparent that all is not plain sailing, and that there are facts and reasons which may be adduced in support of the contrary proposition.

At Monday's first hearing before the Interstate Commerce Commission the proceedings were confined to petroleum, and the independent oil refiners were represented by F. W. Blotz, of Cleveland, Ohio, who testified that new rates under the present and proposed tariff showed discrimination against several cities where independent refineries were located.

The railroads, he said, had made no attempt to put through a horizontal increase of 5 per cent—the degree of advance for which they were applying—but that the tariffs they were asking the commission to approve contained increases varying from 2 per cent to 19 per cent.

Mr. Blotz said that the new rates proposed by the Baltimore & Ohio would put Bruin, Pa., at a great disadvantage in competing with shipments from Oil City and Franklin, which he described as Standard Oil points.

It is the duty of the commission to look into this matter very carefully and determine the facts for itself. If the statements of Mr. Blotz are correct, then the request of the railroads should be denied. It was represented that what was wanted was a horizontal increase of 5 per cent, but if under the pretext of getting this seemingly fair concession, the eastern roads are trying to get something quite different, this design should be nipped in the bud. The Interstate Commerce Commission can not be put in the position of promoting the objects of the oil trusts. It is easily possible that there may be a large-sized applicant behind the wood pile, and the determining of this point is the first thing to which the commission should give its attention.

—

[From the St. Louis Star, Feb. 3, 1914.]

SOME REASONS WHY RAILROADS SHOULD INCREASE THEIR RATES.

A reader of the New St. Louis Star, who signs himself "Fair Play," sends us a discussion of the proposed increase in freight rates, which goes so nearly to the heart of the question that we reproduce it in full. He writes:

"Freight rates to most people are a mystery. Very few of us can tell the net cost of a freight bill. Somewhere in the vast investment and cost of maintenance of railroad equipment, the net cost of a freight bill is set. All we know about it is that legislation sets the retail price of freight while the railroad is expected to meet the cost, whatever it happens to be, and do it without lowering the efficiency of the service in any way.

"For many years the railroads have given us their service without asking for more than the opportunity to serve for the compensation that we ourselves have scheduled for them. Now they ask for an advance of 5 per cent. Are they entitled to it? The railroads give as their reason for the request the fact that they are paying more for operating essentials. The increase is not for their own pocket—it is simply to meet the extra cost of giving us their service. Let us see what they give us. They now carry a $4 pair of shoes over

a thousand miles for 2⅝ cents. A pound of ham retailing for 18 cents is hauled the same distance for one-third of a cent, and a cigar for one-forty-second of a cent.

"In the above we see how little the freight rate has to do with setting the retail price A 5 per cent advance in the freight on shoes would still leave the freight less than 3 cents; on ham and cigars the increase would not be enough to notice. Of the tens of thousands of products now carried by freight, the rate is about the same ratio all the way down the line.

"It is only natural that a request for increased compensation should come from the railroads at this time. They are paying more for labor, steel, coal, and the countless essentials to railroad equipment. It is a just request, and as such it should be considered and granted."

—

[From the Toronto (Canada) World, Jan. 30, 1914.]

UNITED STATES RAILROADS AND REBATING.

On Tuesday last the Interstate Commerce Commission of the United States handed out a decision requiring certain railroads to discontinue the making of allowances, including remission of demurrage charges, division of rates and daily claims made to the iron and steel industries. This order, it is estimated, will add $15,000,000 to the revenues of the railroads affected. While it, meantime, only extends to iron and steel industries, it will later be extended to all industries having plant railways. Among the concerns involved the hardest hit is the United States Steel Corporation, which has been enjoying the largest share of the favors now branded as illegal. The decision is regarded in Washington as only the first of a series which will materially increase the revenue of the railroads.

This action on the part of the commission has unusual importance, since it bears on the pending application of the eastern railroads for a 5 per cent increase in freight rates. In this connection the commission observes that "the very carriers that are augmenting their expense accounts and dissipating their revenues in this manner to the extent of many millions of dollars every year, for the benefit of comparatively few shippers, are now complaining that their present earnings are insufficient and, on that ground, have asked our permission to make a substantial increase in their general rate schedules." This is the latest of numerous examples revealing how large shippers have been benefited at the expense of smaller competitors and adds another to the many reasons justifying the necessity of government supervision.

—

[From the New York Call, Mar. 31, 1914.]

REBELLIOUS RAILROAD LORDS.

The big railroads of this country are controlled by a very small group of powerful financiers. It has been said that half a dozen men can quietly sit down around a table and shape our railroad policies any way it suits their interests. Here, at any rate, we have nothing like a majority rule. We have the rule of a very small but very powerful minority.

That minority, naturally enough, looks out for its own interests. It is looking for returns, the bigger the better. It applies to transportation the common law of business—profit making. It is not much troubled by the consequences to the outsiders. If outsiders have any interests of their own, let them look out for themselves.

We have been trying to do something in that line, very feebly, indeed, it must be said. We have created an Interstate Commerce Commission to look after the outsiders' interests. That commission has, among other powers, the power to regulate railroad rates. It has used that power so far very cautiously, with highest regard for sacred dividends and interest, even on watered securities.

Now, lately it has hesitated to grant the railroads an increase of 5 per cent on freight rates. The answer of the railroads was to show who is actually the master They started a campaign of discharging employees in large numbers. It is reported that the Pennsylvania has kicked out 15,000, the New York Central 25,000, other roads following suit. That action is taken at a time when the problem of unemployment is to the fore, in a way shaking the cobwebs out of many heads.

The masters of the railroads, our financial lords, think this is a good time to give us an object lesson of their power. As things are, we can not stop them.

The question is, however, whether they have chosen wisely the moment when such a lesson will produce the result desired by them. Their action may have effects of another kind.

The people may look a little farther than dividends and interest on bonds. The people may come to look into the situation from another angle. The means of transportation in the economy of a nation are like unto the channels that circulate the blood in the human body. We must see to it that they perform their task without hindrance. If obstacles are in the way, they must be removed. That is plain, very plain.

A generation ago Judge David Davis, with singular foresight, uttered this prophecy: "The Government must own the railroads, else the railroads will own the Government." The rebellious railroad lords have chosen a very critical situation to remind us of that prediction. Their insolent defi ought to have consequences unforeseen by them.

Their position is that of vested rights. A good enough position as long as it is not questioned. History shows, however, many cases of vested rights reduced to dust and ashes when such rights came in deadly conflict with the interests of the masses. Vested rights in serfs, in chattel slaves, in land monopoly, in property of the dead hand, have heretofore been abolished ruthlessly. Let the railroad rebels beware. They are playing with fire.

—

[From the New Haven Journal-Courier, July 7, 1913.]

INCREASE OF BRITISH RAILROAD RATES.

To the Editor of The Forum:

An act of Parliament, effective July 1, 1913, has enabled the railway companies of the United Kingdom to increase their rates 4 per cent.

Surely it ought not to be unreasonable for the American railways to increase their rates 5 per cent, when they have to pay increased wages, increased taxes, and increased prices for supplies.

R. R. STOCKHOLDER.

NEW HAVEN, *July 2, 1913.*

—

TRAIN ACCIDENTS.

To the Editor of The Forum:

According to a return lately issued by the board of trade, only 20 passengers and 6 employees were killed in railroad-train accidents in the United Kingdom of Great Britain and Ireland during the year 1912.

The total number of servants of railroad companies or contractors that were killed, from every cause, was 343.

In parts of England is the railway traffic the most congested in the world?

BRITISH-AMERICAN.

NEW HAVEN, *July 1, 1913.*

—

[From the Washington Post, Oct. 10, 1913.]

TO ATTACK HIGH RATES—BRANDEIS RETAINED BY I. C. C. AS CHAMPION OF SHIPPERS—INCREASE IN EAST AT STAKE—BOSTON ATTORNEY WILL OPPOSE 5 PER CENT ADVANCE IN FREIGHT CHARGES—CARRIERS EXPECTED TO ISSUE TARIFFS OCTOBER 14—I. C. C. WILL SUSPEND THEM AT ONCE AND FIGHT WILL BE ON.

Louis D. Brandeis, of Boston, has been retained by the Interstate Commerce Commission to represent the opponents of the 5 per cent increase in freight rates proposed by the eastern railroads.

Announcement of Mr. Brandeis's selection and his acceptance was made yesterday by the commission. It was made clear that Mr. Brandeis was not to be regarded as a counsel for the commission, but that he was charged with the development and adequate preparation for consideration of all the facts of the controversy.

CASE AT ISSUE NEXT WEEK.

It is expected that the railroads will file their increases, practically simultaneously, on October 14 or 15. The new rates will be suspended at once by the commission, and the case then will be at issue.

It is the purpose of Commissioner Harlan, who will have direct charge of the proceeding, to have a preliminary hearing the latter part of November or in December.

Commissioner Harlan authorized this statement:

"It must not be supposed that the commission has retained Mr. Brandeis to advance or support any special theory or preconceived notion of the commission about the case.

APPOINTMENT IS EXPLAINED.

"The carriers who have asked the rate advance will be represented at the hearing by some of the ablest attorneys in the country. They will fully develop the concrete proposition that the carriers are in need of more revenue.

"The individual shipper is ill equipped to meet such a controversy, because his interest is confined largely to rates on his particular products; therefore, unless the commission takes steps to develop the other side of the broad question, it is likely to have a one-sided record upon which to dispose of the issue."

—

[From the New York Times, Oct. 10, 1913.]

TOPICS IN WALL STREET—THE COUNTRY BANKER'S DAY.

It begins to look very much as though the country banker, on whom the Wilson administration has been counting to support a new currency bill that was supposed to be objectionable to the New York City financiers, would sound the death knell of the Owen-Glass measure in its present form. So long as the sponsors of the bill felt that they had the majority of the bankers from the interior with them they could afford to scoff at the objections raised by the National Currency Commission, which, they felt, was dictated to by the New York members. Wednesday's remarkable demonstration by the small out-of-town bankers at Boston made the opposition raised by the metropolitan bankers appear half-hearted. Some of the men from the Middle West and the Pacific coast are to stop off at Washington on their way home and will have an opportunity to repeat before the Senate committee the protests voiced at the convention.

THE RAILROADS' NEMESIS.

Announcement from Washington yesterday that Louis D. Brandeis had been named by the Interstate Commerce Commission to present the shippers' side in the approaching rate hearings weakened the hopes of the railroad managers that the increase of 5 per cent would be allowed. It was Mr. Brandeis, principally, who defeated the earlier application. His argument against the increase before the commission at the end of the hearings killed the case of the carriers, and his flank attack, in which he attempted to demonstrate that the companies have it in their power to augment net earnings by reducing expenses through the adoption of scientific economies, has caused the roads embarrassment which is not yet ended. Naturally, they hoped that if he could not be eliminated from the coming discussion, he might at least be subordinated.

BRANDEIS TO OPPOSE ROADS—WILL REPRESENT OPPONENTS TO FREIGHT INCREASE AT HEARING.

WASHINGTON, *October 9.*

Louis D. Brandeis, of Boston, has been retained by the Interstate Commerce Commission to represent the opponents of the 5 per cent increase in freight rates proposed by the Eastern railroads.

Announcement of Mr Brandeis's acceptance was made to-day by the commission. It was explained that Mr. Brandeis was not to be regarded as a counsel for the commission, but that he was charged with the development and adequate presentation for consideration of all of the facts of the controversy.

It is expected that the railroads will file, practically simultaneously, their increases on October 14 or 15. The new rates will be suspended at once by the commission, and the case then will be at issue.

It is the purpose of Commissioner Harlan, who will have direct charge of the proceeding, to have a preliminary hearing in the latter part of November or in December.

Commissioner Harlan said to-day:

"Doubtless certain protestants will have their own attorneys, but Mr. Brandeis will be the general channel through whom the views of others opposing the proposed advance may be presented of record."

—

[From the Los Angeles Examiner, Saturday, December 6, 1913.]

RELIEVE RAILROADS THAT DO RIGHT THING.

Some of the railroads ought to be allowed by the Government to increase their freight rates, and some of the railroads should be denied the right.

The hard task of separating the deserving railroad managements from the undeserving devolves upon the Interstate Commerce Commission. Not all the railroads are entitled to relief.

On the very day, for instance, that Daniel Willard, president of the Baltimore & Ohio, made his able and convincing argument before the commission of the need of higher freight rates by deserving railroads, evidence was disclosed in St Louis of the looting of the "Frisco" road

by syndicates, in which its own officials took part, of more than $7,038,000, leaving the road bankrupt.

It is idle for the railroad managers to expect the public to forget the methods that wrecked railroad after railroad, methods applied so recently that every man living along the line of the N. Y., N. H. & H. R. R. still suffers and pays a penalty.

There would be no need of higher freight rates on the New Haven road if the Morgan-Rockefeller management had not spent more than $200,000,000 of the railroad's money in buying up trolleys, steamships, wharfs and legislatures in the effort to create a monopoly. Are the people of five States to be required to pay higher rates for everything transported in New England, simply because the unhappy stockholders of this railroad left everything to Mr. Morgan and Mr. Rockefeller and permitted them to wreck the most profitable railroad property, save one, in the world?

On the other hand, it is simple justice that the railroad managers who are attending strictly to the business of operating their roads and doing it well, and who find that in spite of all that they can do the cost of operation is increasing faster than it is possible to increase earnings, should not be punished for the sins of others.

Many good railroad managers to-day are suffering unjustly for the sins of their predecessors. Railroad rebates, bullying, and bribery, easy favors for a few and injustice to the many, corruption of public officials, and incessant political intrigue with bosses—these inveterate railroad sins of the past generation are rapidly passing and must soon end forever, but having sown the wind the railroads are reaping the whirlwind.

If the effort to promote the safety and comfort of passengers and elevate the condition of railroad employees has produced a condition which makes it impossible to operate the honestly capitalized railroads at present rates save at a loss, the rates necessarily must be raised.

Not the argument, but the figures, presented by the railroad spokesmen need dissection—the argument is self-evident. Upon this question no prejudice, no rancor, bred however justly by the scandalous misconduct of railroad managers in the past, should be allowed to enter. The commission's action should not, and will not, be influenced by the very general and justified distrust of railroad financiers.

The Supreme Court, in the recent Minnesota rate decision, pointed a way for the railroad commission. The highest court set aside certain orders by the State commission in Minnesota, Wisconsin, and Nebraska on the ground that they were confiscatory as to certain railroads, but ordered the lower rates put in effect in every case where the railroad could, under the lower rate, earn a fair return on the capital actually invested in the railroad itself. Such discrimination could not, of course, be applied to two competing railroads between given points, but to apply it to roads monopolizing certain territory, and managed contrary to the public interest, would be both feasible and just.

—

[From the Evening Mail, New York, Wednesday, March 18, 1914.]

GOVERNMENT REGULATION WAS NEVER INTENDED TO MEAN GOVERNMENT STRANGULATION.

Ever since June, 1908, the necessity for an advance in railroad freight rates has been before the country. Ever since June 18, 1910, when the Congress gave the Interstate Commerce Commission power to suspend new schedules of rates, the issue raised by the 52 eastern railroads has been officially before that body. Yet this proposition, of paramount importance to the industrial and commercial life of the Nation, has remained undecided for three years and nine months.

It is only technically true that the case now pending before the commission originated last May. It began with the filing of higher tariffs by the railroads, while the amendment of the interstate commerce act was before the Congress in May and June, 1910, and it was not ended by the decision which the commission filed on February 23, 1911. That action was technically a denial of the application of the railroads, but it was in fact an adjournment or suspension of the proceedings. The decision explicitly provided for "further consideration" of the rate question "if actual results should demonstrate our forecast of the future is wrong."

This "forecast" of the commission was that increases in gross earnings would come to the railroads and that, with economy, the net earnings of the future would be found adequate.

The eastern railroads waited and economized—with the prices of supplies advancing, wages increasing, taxes growing heavier, new burdens imposed by legislation, by commission orders, and by the removal of grade crossings.

The commission's forecast was not borne out. The gross earnings of the eastern railroads in the year ended June 30, 1913, were $186,775,000 higher than in 1910, but expenses and taxes showed an increase of $203,087,000, so the companies were $16,312,000 poorer. "Actual results" worked out directly the other way.

The situation had become acute when, in April, 1913, the 52 eastern railroads renewed their application for a 5 per cent increase in freight rates.

Formally presented to the Interstate Commerce Commission on May 13, that body refused to give assurance that it would consider the case "before the summer recess."

In fact more than six months elapsed before the preliminary hearing was held on November 24, 1913.

That was nearly four months ago. The case has dragged along. The record has been piled high with evidence.

Surely, the commission ought to decide this case without further delay. Five of the eight men who considered this application in 1910 are still on the commission, and they have had 45 months in which to reach a conclusion.

Does the business of the country have to halt while these men dilly-dally over a problem that has been insistently before them during a period almost equal to the whole term of a national administration?

Does the proposed regulation and control of enterprise resolve itself into this—that business has to be hamstrung while officials ponder ponderously and go about the country making speeches or giving out interviews attacking railroad management?

In a case of life or death the jury of 12 men usually make up their minds within 24 hours.

Why, in this case, in which the business life of a nation is at stake, should 45 months of consideration be required—with a decision still two or three months off?

What sense is there in holding up the railroads, in making extensions impossible, in preventing increased efficiency, in checking betterments by keeping the freight rate issue unsettled?

Government regulation was never meant to be Government strangulation. The power to fix freight rates was never intended to be the power to delay 45 months before giving a decision.

One of the great evils of this country to-day is the killing effect of prolonged litigation in the courts. This is an abuse from which all business interests suffer. It was never designed, when the Interstate Commerce Commission was established, or when its powers were enlarged in 1910, to intensify that evil by creating another body that could hold up for an endless period questions that ought to be decided with reasonable promptness.

Forty-five months' consideration of one question is not reasonable promptness. It is simply a process of stifling railroad prosperity and preventing development and extensions.

The people are determined to have Government regulation. They are equally determined not to have Government strangulation. They want the railroads and every business enterprise to thrive and prosper. They are not in favor of having them Brandeised into profitless stagnated enterprises.

Respectfully submitted.

AN AMERICAN CITIZEN.

—

[Impossible to tell where this came from.]

Unfortunate! It is not pleasant to read that railroad shops throughout the country are running on reduced time, with a general curtailment of about 25 per cent in the East. This is the natural result of the failure of the Interstate Commerce Commission to grant the request of the railroads east of the Mississippi for permission to slightly increase freight rates. The commission has been wasting its time listening to charges from such discredited men as Lamar, the notorious "wolf of Wall Street," only to find these charges groundless. Whenever an advance in wages is demanded the question is promptly decided and an advance is granted, but when the railroads ask for action they are held up for years. The result is reflected in the startling decline in railroad earnings during the first six months of the past fiscal year of over $1,000,000 a week, while wages and the cost of material were constantly advancing. There is nothing for the railroads to do but to reduce expenses—cut off trains, working hours, and wages. Somebody must pay or bankruptcy will be invited. The plea of President Rea, of the Pennsylvania Railroad, for a regulation of wages, rates, and other matters "without working a manifest injustice to the railroads and those who have invested in their securities" is pressing. Nor should it be forgotten that President Wilson in his recent message entered his protest against postponing action. We commend his words to the consideration of the Interstate Commerce Commission. This is what the President said in his own impressive way: "The prosperity of the railroads and the prosperity of the country are inseparably connected."

"Other journals are animadvertising in the strongest terms regarding your policy. Shame! Shame!"

—

[From a New York paper evidently.]

EFFECT ABROAD OF DEPRESSION.

The Bache Review for last week has the following:

"Notwithstanding the various reasons offered for depression and dullness here, it may be, after all, that the unsettlement in foreign markets is what ultimately is at the base of our own lack of assurance. There is little doubt that if trade were actively progressing here and confidence prevailed this improvement would communicate itself to Europe. But with the plight of the railroads, artificially brought about and kept acute by delay or adverse decisions of a commission which might reasonably remedy the whole situation, business, lacking the stimulation which liberal railroad buying would bring everywhere, has become dispirited. We say artificially because, if railroads were free, as they should be, to regulate rates under the laws of trade, there would be no such railroad situation as we have, because nothing else is holding the country back, and we should be feeling the prickling current already of spring activity in business.

"We are always trying experiments in this country in deference to some political notion. If the Interstate Commerce Commission's powers had not been extended to rate making the roads would in 1910 have raised rates 10 per cent, and it may be well concluded that over three years of depressing trade conditions would have been avoided."

—

[From the Journal of Commerce and Commercial Bulletin, New York, April 2, 1914.]

WHAT FREIGHT RATE QUESTION INVOLVES—MORE THAN ORDINARY PROBLEMS FIGURE IN CASE—EFFECTS OF ACTION OF INTERSTATE COMMERCE DECISION ON INDUSTRIAL TAP LINES—INCREASED BURDENS UPON SHIPPERS BY COMPLETELY ABROGATING PRESENT ARRANGEMENTS BETWEEN RAILROADS AND INDUSTRIAL PLANTS.

The question as to whether the eastern railroads are entitled to a general increase in freight rates, which is now pending, is largely being lost sight of in the discussion of the purpose of the roads in reducing their working forces and in the speculative inquiries as to means by which the roads can be forced into so-called economies, etc. One of the propositions under discussion is to compel shippers who have built switch tracks into their plants to pay an additional sum to the roads for switching the cars into and out of the plants. This affects every owner of such a switch track throughout the eastern territory, no matter how small he is, and is not a question which is confined to the larger and more extensive industries.

In discussing the future of the situation, Attorney P. Lewis Anderson has this to say: "The action of the Interstate Commerce Commission in granting or refusing to the eastern trunk lines an increase in freight rates involves more than the ordinary questions of an increase in the tariffs, because there has been brought into the consideration of the matter the question of the practice of the roads to perform certain switching services for industries along their lines, for which services, it is now claimed, the roads should be required to make a new charge, in addition to the established rates.

"These switch tracks are commonly built by the owners of the industry in order to facilitate the receipt and delivery of freight by making such receipt and delivery at the plant instead of through the general freight yards and freight depots of the railroads and the attendant cartage to and from the plants. The practice has grown up for the carriers to place the cars on these switches at such convenient spot thereon as may be designated by the owner of the plant for his convenient loading and unloading of the cars. This service is commonly called spotting the cars and is performed generally for all plants which build the necessary switch connections, whether it be the local coal dealer or lumber yard or the large manufacturing plant with several switch tracks.

"These switch tracks are to the railroads just that much additional terminal yard, placed here and there to relieve the congestion in the general terminal yard and freight station; and the service performed is in a general way only that which the roads would otherwise perform in handling the freight through their regular channels. The custom has been practically universal; and the rates established by the

roads, under approval of the commission, have apparently been based upon the rendering of these services as a part of the transportation service for which the rates are charged.

"An investigation is now being conducted by the Interstate Commerce Commission for the purpose of ascertaining how much additional revenue might be obtained for the railroads by imposing an additional charge for these switching and spotting services, and it is probable that several million dollars may by such a course be added to the revenues of the carriers. It may be that such additional revenue would to some extent equalize the heavy expenditures which are constantly being imposed upon the carriers by legislation and commissions.

"But is that the intelligent and lawful way to meet the question as to the necessity of a general increase in freight rates in order to make them 'reasonable,' as the law requires? Such a ruling by the commission would not affect an increase in commodity rates nor an increase in class rates, but would simply be a selective increase imposed upon certain shippers.

"The proposition seems to contain a new problem in economics—that is to say, whether an increase in general rates which may be reasonable and necessary may be avoided by an increase in revenue supplied by placing an additional and unequal burden upon a certain class of shippers without regard to the recognized considerations involved in class rates and commodity rates."

—

[From the Louisville (Ky.) Post, Jan. 20, 1914.]

HELPING THE RAILROADS.

The best help for the railroads is to tell the truth about them. We have a great system, billions invested in them; but greater than the capital are the interests largely dependent upon them for necessary services.

These roads are national highways. They were chartered to occupy these highways and perform the functions that otherwise would depend upon the State.

The development of this system has been miraculous. With this rapid development came many grave abuses which the railroads confessed they were not able to rectify.

These abuses, they said, came from cut-throat competition, from undue expansion, from contests for freight, and they resulted in rates arbitrarily made regardless of service or distance; they resulted in rebates given individuals and corporations, building up large business at the expense of small business; they resulted in the abuse of the pass privilege, passes being given not for services rendered to the road, but as another form of rebate; they resulted in the railroads going into politics and staying in politics. At times such concessions seemed necessary for protection and at other times railroad politics meant aggressions against men unfavorable to their contentions.

These abuses were curtailed by the creation of the Interstate Commerce Commission. This commission, instead of impairing the value of railroads, has increased the value of this property. This increase in value is shown in the better price for stocks and bonds since the passage of this act, a greater stability of all railroad securities, less fluctuation and, therefore, less benefit to the speculators.

But all of the abuses of the railroads have not been eradicated, and the transportation lines and the shippers have not come to a proper uuderstanding. The roads are now asking the Interstate Commerce Commission for authority to increase freight rates 5 per cent. The first request comes from the eastern lines, but if it is granted there is every reason to believe that the grant will aply to the whole railroad system of the country.

Five per cent increase in the freight rates of America means an additional burden to shippers of $100,000,000. That much is to be taken from the producers or that much is to be added to the burdens of the consumers.

Mr. John Wanamaker, in a paper read before the Traffic Club, of Philadelphia, says a 5 per cent increase in railroad freight rates would add $50,000,000 to the burden of the public, this estimate being based upon the freight rates of the eastern roads.

The total revenues of the railroads from all sources is 3,000 millions of dollars. It ought to be possible, by economy, to save 3 per cent. A good part of it could be saved by securing lower prices for rails and lower prices for other products entering so largely into the consumption of the railroad companies. It could be saved by a better system of economy throughout. The greater the system the greater the waste, instead of greater the efficiency.

It is no response to this contention to say, as the New York World says, that the Government of the United States can save 300,000,000. If that be possible, it ought to be done. It is based upon the statement of Mr. Aldrich, who declared that it was perfectly feasible for the Government to save a million dolars a day without in any degree impairing the efficiency of the Government.

Now, if it is possible for the Government to save 300,000,000 on an expenditure of 1,000 millions, it ought to be possible for the railroads to save 100 millions on an income of 3,000 millions. What the World asks of the Government is an economy of 33 per cent. What is asked of the railroads is an economy of 3 per cent.

One economy would not interfere with the other. On the contrary, economy promotes economy by suggestion and by force of example.

In our judgment it is a serious matter to impose upon the industry of America a tax of $100,000,000 to meet the necessities of the railroads. If it is imperative, then it will be made, but the argument based upon statistics fails to establish the necessity. Undoubtedly it is easier to raise rates than it is to reduce expenditures, but in the long run it will prove to be more costly. It is a poor way to increase business by increasing prices.

—

[From the Boston Advertiser, Jan. 27, 1914.]

"The scheme of considering the proposed increases by separate commodities," say Louis D. Brandeis, speaking of the hearings on the request of the eastern railroads for a 5 per cent increase in freight rates, "would postpone for a time the economic question arising from the railroads' contention that, like the cost of food, there has been an advance in the cost of operating railroads."

—

[From the Springfield Republican, about Jan. 12, 1914.]

THAT U. P. "MELON"—SOME LIGHT ON THE MOST RECENT EXAMPLE OF HIGH FINANCE.

Attorney General McReynolds is said to be pleased with the plan of distribution of assets among its stockholders, announced by the Union Pacific Railroad Co. From his point of view in enforcing the anti-trust law, it is better to have the Union Pacific's holdings of Baltimore & Ohio stock scattered about among individuals than to run the risk of its sale in a block to some competitor of the Baltimore & Ohio. One can not help wondering, however, if the Interstate Commerce Commission would view the Union Pacific "melon" in the same way.

In the public statements made by the Union Pacific Co., one finds nothing to show that this extra dividend of 33 per cent to holders of the Union Pacific common stock is to be accompanied by any payment of the company's debts. How did the Union Pacific Co. happen to have in its treasury such a surplus? Surely not as the result of the earning power of the road as a common carrier. The late Mr. Harriman accumulated enormous holdings in the stocks of other railroads by purchase. And he found the money to buy with by issuing bonds—that is, by borrowing.

To acquire control of the Southern Pacific Railroad in 1901, $100,000,000 convertible bonds of the Union Pacific were marketed. The control of the Northern Pacific Railroad was then bought with the remainder of the $100,000 bond issue and the proceeds of an issue of Oregon Short Line bonds, the Oregon Short Line being a Union Pacific subsidiary. After the enforced dissolution of the Northern Securities Co. and the sale of the so-called Hill stocks held by the Union Pacific at good prices, Mr. Harriman marketed another Union Pacific bond issue of $75,000,000, and with the proceeds of the sale of the Hill stocks and the third bond issue he bought in the open market stocks costing $131,970,000.

These stocks formed the bulk of the Union Pacific profit-and-loss account, the like of which was never before known in American railroading. But the $45,000,000 Oregon Short Line bonds are still outstanding. Of the other $175,000,000 in Union Pacific bonds issued for these vast stock purchasers, all but $36,000,000 have meanwhile been exchanged for Union Pacific stock, but that stock is still outstanding and receiving the 10 per cent dividends, hereafter to be placed on an 8 per cent basis.

The recent incident of the sale of the Union Pacific's holdings of Southern Pacific stock in part, and its trade with the Pennsylvania Railroad by which Southern Pacific stock was exchanged for Baltimore & Ohio stock, in order to obey the court decree for the separation of the two Harriman lines west of the Mississippi River, requires no extended description at this time. The sale of Southern Pacific shares netted about $80,000,000 cash. On the entire transaction, sale and exchange, the Union Pacific reaped profits of some $20,000,000. Those profits, it has been urged, could be justifiably made the basis of an extra dividend. But is it the best financial policy to distribute several times these profits, or nearly $90,000,000, as the present "melon cutting" involves?

The Union Pacific Co. has had to allow for a depreciation of $50,000,000 in the market value of the bulk of its investment stocks since they were bought. It is hoped by the Union Pacific Co. that sooner or later the Central Pacific Railroad may be bought from the Southern Pacific Co.—a scheme approved already by the United States Supreme Court and the Federal Department of Justice. But the Central Pacific would cost at least $104,000,000, the price paid for it by the Southern Pacific. The money now to be given to Union Pacific shareholders would nearly buy the Central Pacific.

But is it possible to justify the distribution of nearly $90,000,000 among shareholders so long as the original loans of the Union Pacific Co., but an operation such as is announced may easily mean in a few largely uncanceled? Why should the company not retire the outstanding bonds issued for that purpose—amounting to over $80,000,000—before "cutting a 'melon'"? In some of its aspects this performance is like borrowing money to pay a stock dividend.

No one questions the sound financial condition of the Union Pacific Co., but an operation such as is announced may easily mean in a few years that shippers will be called upon to pay more in freight rates, or the shareholders will be forced to accept smaller dividends in order that the company may pay the increased interest on new security issues marketed for the purpose of making improvements or replacing equipment or possibly buying the Central Pacific. The country will soon see the Interstate Commerce Commission supervising the issuance of new railroad securities by authority of law. It is a misfortune, perhaps, that the commission is not now empowered to supervise such an important financial operation as the giving away of some $90,000,000 of a great railroad's assets—important in its bearing upon the future financing of the corporation.

—

[From the Johnstown (Pa.) Democrat, Jan. 15, 1914.]

CONCERNING FREIGHT RATES.

In view of the cry that is going up from great railroads the country over for permission to increase their freight rates, a statement of a year's operation and amazing profits realized by one of the few great systems which are not excessively overcapitalized will prove interesting. The Lackawanna Railroad, operating its main line from New York City to Buffalo, with a number of branches, with passenger and freight service unexcelled, last year earned over 41 per cent on its outstanding capital stock. With a capital of only a little over $30,000,000, it realized nearly $13,000,000 in dividends, and at the same time prosecuted gigantic cut-off construction operations which will shorten the line at several points and which will cost anywhere from ten to twelve million dollars.

The Lackawanna has paid immense dividends for many years, and consequently is one of the giltest of gilt-edge securities on the New York Stock Exchange. Little of it ever appears in open market, for there always are eager private investors to snap up any of the stock that may be offered.

But while other railroads, staggering under millions piled upon millions of overcapitalization, declare that they must be allowed to charge the American public 5 per cent more for the transportation of its freight, the Lackawana is able to pay a dividend the size of which, in proportion to its capital stock, dazes the comprehension. Here is the statement of the Lackawana's operations:

The Delaware, Lackawanna & Western Railroad Co. earned between 41 per cent and 42 per cent on its $30,144,000 outstanding stock in the calendar year 1913. This estimate is based on 11 months' income account and an allowance for some shrinkage in December earnings.

The statement furnished to the New York Stock Exchange in connection with the listing January 5 of $12,000,000 additional stock showed that Lackawanna in the 12 months ending October 31, 1913, earned a balance for dividends of $12,872,511. This was equivalent to 42.7 per cent on the outstanding stock. It compared with $11,762,768, or 39 per cent, in the year ending December 31, 1912, and with $11,832,669, or 39.2 per cent, in 1911.

In the 12 months ended October 31, 1913, Lackawanna charged income with $2,000,000 for additions and betterments, and this closely

appproximates the charge for the last calendar year. In 1912 $1,720,000 was so charged and in 1911 $2,200,000.

Surplus after dividends and additions and betterments was $4,842,274 for the year ended October 31 last, increasing final profit and loss surplus to $35,300,000. By December 31, 1913, this was increased to about $35,500,000. This yearly surplus compares with $4,013,000 in 1912 and $3,000,000 in 1911. Had the $12,000,000 new stock, which will be outstanding in 1914, been issued in 1911, 1912, and 1913, dividends of 20 per cent in addition to betterments as charged would have been earned, with a surplus annually ranging from $1,200,000 in 1911 to $2,400,000 in 1913. Thus on stock of $42,144,000 in 1914 the road can be expected to earn 20 per cent dividends, $2,000,000 additions and betterments and a handsome margin besides.

The Lackawanna is the old Sam Sloan railroad and has always been conservatively managed. When the venerable President Sloan stepped down and out about 15 years ago, and the road passed into the hands of men regarded as being of the newer school of finance, it was expected that at once there would be immense stock issues, the consequent spreading out of dividends serving to keep from the general public the fact of such tremendous earnings on approximately the actual property valuation. But President W. H. Truesdale, the new president, and his directors maintained the old policy and have sternly frowned down all attempts to water the stock of the Lackawanna; and the staggering profits have from year to year shown just what can be earned on reasonable capitalization and how little need there would be for an increase of freight rates if other great railways had not so flagrantly inflated their security issues.

—

[From Financial America, New York, Jan. 13, 1914.]

NEW HAVEN'S PROBLEM MAINLY A TERMINAL ONE—ESSENTIAL OF SITUATION AS VIEWED BY RAILROAD INTERESTS FROM OPERATING AND TRAFFIC STANDPOINT—TERMS OF AGREEMENT REGARDED FAVORABLY—LITTLE BELIEF THAT SALE OF LARGE SUBSIDIARY COMPANIES PROBABLY CAN BE AFFECTED WITHIN YEAR.

Howard Elliott arrived in New York yesterday from Washington and was engaged at his office in the Grand Central Terminal with accumulated mail and with conferences regarding the details of the agreement with the Government, which was arrived at in Washington last Saturday. There are many questions to be taken up, and it was authoritatively stated that in all probability no further announcement would be made at present. This does not mean, however, that the working out of the details will not be pushed as rapidly as possible and practical.

The general terms of the agreement, which were made public in Washington last Saturday, have been well received here and were commented upon favorably. It was pointed out that if the New Haven management had allowed the Government to bring its threatened dissolution suit, the proceedings would have lasted several years, and undoubtedly would have been much worse for the New Haven and its subsidiaries than any losses that may be incurred through carrying out the proposed disintegration plan.

It is obvious to everyone that has given any attention to the financial markets and to the position of the New Haven lines that any attempt on the part of the Government to force an actual sale of any of the New Haven subsidiaries at this time would be altogether unfair and would mean a heavy loss to the New Haven Railroad Co., particularly as it paid high prices for most of them. It is believed by those who have studied the matter that only by trusteeing the subsidiary properties can they be divorced from the New Haven Railroad Co. within the next few months.

These observers believe also that Attorney General McReynolds must have been misquoted in Washington dispatches when he was reported to have said that the time that would be allowed by the New Haven management to work out the details of the agreement would be measured by months rather than by years. No one believes that a genuine sale of any of the large subsidiary companies can be effected during the present year. It has been rumored that both the Delaware & Hudson and the Canadian Pacific were considering the purchase of the Boston & Maine. While six to eight months ago the Canadian Pacific was willing to take that property, there is excellent authority for the statement that the management does not intend to make any further acquisitions until conditions in Canada become more settled.

A prominent railroad official who has looked into the New Haven situation carefully, said yesterday:

"The New Haven Railroad proposition is essentially a big terminal proposition, from an operating and traffic point of view. If I were high in the councils of the New Haven management, I would express no regret over the demand of the Government that the trolley lines be disposed of. The New Haven can never, in my judgment, make the trolley lines in New England which it owns or controls particularly profitable. The situation is too much congested all the way from Boston to New York for the New Haven to be giving much attention to the kind of traffic that is handled by trolley lines.

"With respect to the steamship lines, I would take a very different position if I were in the New Haven management. For the very reasons that I have stated, the water lines are highly essential to the successful operation of the New Haven. As is well known, all the coal used in New England has to be hauled in from the outside. If the New Haven Railroad were to attempt to handle all this coal over its rail lines, there immediately would be a congestion over which New England shippers and patrons of the road in general would be up in arms. I believe the Interstate Commerce Commission will realize this situation and act accordingly upon the application of the New Haven, under the Panama Canal act, to retain certain of its water lines."

The opinion prevails in both railroad and banking circles that the refusal of the Supreme Court of Massachusetts to allow the New Haven to make the proposed $67,000,000 debenture bond issue will prove a blessing in disguise. A prominent international banker said yesterday that before the short term notes, which were issued by the New Haven because the debenture issue was held up, mature the money market will have improved sufficiently to enable the New Haven to get considerably better terms than it had agreed to with respect to the debentures. This, it was said, would remove much of the ground for the adverse criticism of the management in the authorization of those bonds.

Owing to dullness in business, ever since Howard Elliott took hold of the New Haven, the earnings have been disappointing and this was true for some time before he became connected with the system. Everything possible has been done to reduce expenses. It has been found, however, that the management is largely powerless in this regard, except with respect to the stopping of leaks. Any attempt to reduce allowances for maintenance would at once be opposed by the various State commissions and it is expected that reductions in passenger-train service would be opposed vigorously by the traveling public. Trainloads can not be increased until passing tracks are lengthened. Heavier power can not be used over certain bridges where it should be used because the bridges will not stand the increased weight. During recent months it has been necessary to put in ballast and lay rails that should have been attended to a year and a half before. The present management is giving the closest attention to an intensive operation of the various properties included in the system. If the trolley lines and the Boston & Main and some of the steamship lines are trusted, Mr. Elliott and Mr. Hustis will be able to give still more attention to the operation of the New Haven Railroad proper.

If the Interstate Commerce Commission grants the 5 per cent advance in freight rates that has been asked for by the eastern roads the New Haven would profit substantially. An improvement in general business in New England, particularly in the mills, would help the gross earnings materially. In recent months there has been a general falling off, which, coupled with unavoidably high operating expenses, has made the net earnings discouraging.

—

[From the Wall Street Journal (N. Y.), December 31, 1913.]

THE LATEST RAILROAD PROBE.

That the Interstate Commerce Commission appreciates the necessity of a prompt decision of the eastern advance freight rate case is indicated by the time limit set for answering its 25-page pamphlet of questions just received by the carriers party to the proceedings. It remains to be seen whether such a searching probe of railroad management as is demanded in this pamphlet and the accompanying statistical blanks can be completed by January 31, but it can not be objected that the questions are trivial or irrelevant.

Apparently the commission fully accepts the truth and accuracy of the elaborate charts offered in evidence by the carriers to show the serious impairment of their net revenues since 1903, and especially since 1910. It raises no question over the allegation that the eastern roads are paying $48,000,000 more a year for their labor than it would cost on the wage basis in effect in 1910. Summarizing the purport of the great mass of detailed information asked for, the commission raises the following issues:

1. Do the commodities which are shipped in great quantity over long distances, such as grain, coal, meat, lumber, ore, iron, steel, cement, bear their fair proportion of the cost of railroad service, and is the disparity between through and local rates only what it should be?

2. Are passenger, express and mail traffic bearing their due proportion of operating and capital expenses? To what extent has State regulations of passenger fares reduced revenues?

3. Are the carriers fully justified in making all the allowances they make shippers for lighterage, their own switching, use of "industry tracks," and in rendering all such free service as switching, loading and unloading freight, warehousing, reconsignment and milling-in-transit privileges, and special rates and train service?

4. Do the railroads purchase their supplies under competitive conditions, rigidly enforced as to quality of materials accepted, and do they employ scientific methods in testing equipment and supplies purchased?

5. To what extent are directors or officers of the carriers interested in firms or corporations selling materials or equipment to the railroads, or purchasing their securities, and what is the effect upon the railroads of such relations?

6. Should the railroads obtain more favorable terms from the Pullman Co., or could they get better financial results from operation of their own sleeping-car service?

Gathering and returning all this information will cost the railroads heavily and may prolong the investigation. But if the result should be to confirm the assertion of the companies that there is no other way out of their impossible situation than an increase in rates, it will have been well worth the time and money.

It is essential not only that the railroads increase their earnings and thereby their borrowing and serving power. It is equally essential that they quiet permanently and effectually the general suspicion, due largely to the efforts of Mr. Brandeis, that their purchasing departments are loosely governed, that they play favorites among the shippers, and that their directors have more irons in the fire than they can properly keep hot.

—

[From the Boston Post, December 28, 1913.]

STOPPING A SWINDLE.

The report that the Boston & Maine Railroad officials are to become honest in the matter of fares paid by mileage after January 1 is cheering. It shows that not only are travellers to get a square deal, but that a better idea of corporate integrity appears to have come to the management.

It has long been a scandal, which the Interstate Commerce Commission should have ended some time ago, that a passenger from Boston to Portland over the Portsmouth division has had to give up 115 mile coupons from his book when the actual distance was only 100 miles. By this operation the traveller was swindled out of six coupons, or 12 cents, whenever he took that route to Portland. To plead that the distance over the Dover route was 115 miles, and that the passenger might have gone that way at the same price, did not make the transaction any the less dishonest.

—

[From the St. Louis Globe-Democrat, December 29, 1913.]

COMING INTO COURT.

Investigation to be made by the Interstate Commerce Commission in the hearings it will have before passing upon the railroad's petition for a 5 per cent increase in freight rates will cover a wide range. Railway managers will be questioned on lines of examination calculated to bring out railway practices in the government of expenditures for operating the lines. It is expected that an increase in operating expenses will be shown, owing to large advances in wages, but the commission will endeavor to find whether this increase is not made larger than necessary through extravagance in payment of salaries, needless special services, and other items of expense charged against the operating account. It will inquire more particularly, when the fact of decreasing revenues is asserted, as to whether all of the lines are exhausting their opportunities under present rating laws. It will inquire whether the loss is not due more to the cost of special services, allowances given to shippers, discounts for mileage over privately owned tap lines (which are nothing more or less than rebates), freight handling, warehousing, payments to auxiliary corporations and unprofitable branches, the construction of overcostly terminal systems, and the maintenance of affiliated industries through interlocking directorates.

The second of these two lines of investigation we should consider the more important. We are convinced that railway managers have for some time past been retrenching in many lines of expense usually charged to cost of operation, abolishing sinecures, reducing salaries long kept at too high figures, and dispensing with the service of all but indispensable men. This has become their natural and necessary policy under the heavy advances in the wage list they have had to allow. Conceding this, there does not appear to be anything in the traffic reports showing the volume of traffic moved and moving, to explain the wide disparity between their claimed increase of 5.3 per cent in operating expenses per mile and their claimed decrease of 1.3 per cent in total operating revenues per mile. It is, of course, possible that such a disparity can be shown and clearly demonstrated to the satisfaction of the Interstate Commerce Commission. It is clear that that body is not animated by any prejudice for or against the petition for advanced freight rates. It is performing in a proper way its proper function of doing justice between the shipping and the transportation interests of the country.

Such being its function, a question arising at the very outset of such an investigation as it is about to make is whether the commission should be clothed with power needed to correct any evil conditions now existing, and to prevent their continuance or repetition. There can be no doubt that should the 5 per cent advance be granted there will be more kiting of some railway securities. This is so well understood that in view of possible developments of facts which the commission would be powerless to change as a condition precedent to allowing the higher rate, half a dozen of the leading railway managers of the country, speaking for strong, solvent, and capably managed lines, have now expressed a willingness to support congressional action clothing the commission with power to regulate railway capitalizations. They evidently see that untoward disclosures, moving a commission powerless to terminate them to an exercise of all its power to prevent their continuance, would mean a denial of the rate petition. This break in the former solidarity of the railway interests against further regulation indicates that railway men with clean hands are at last willing to come into a court of equity and leave the others outside. The fact promises much for a better understanding and better conditions.

—

[From the Louisville (Ky.) Herald, December 26, 1913.]

RAILROAD LOGIC.

The supplemental questions submitted by the Interstate Commerce Commission to railroad managers, seeking an advance in rates, go to the core of the issue of governmental regulation of railroad finances.

The questions, covering broadly all reasons for the decrease in revenues as compared with the increase in operating expenses, relate specifically to extravagances in railroad expenditures, allowances, rebates, and special privileges, and to financial relations and dealings between allied corporations and of railroad directors in corporations selling to the railroads.

It is not likely that the commission will get free confessions of illegal rebates and allowances. If it has knowledge of such transactions it should supply the Department of Justice with the facts.

The questions touching the possibility of reducing extravagant outlays and operating expenses relate to the present petition for an increase of rates. Those touching financial relations and dealings with allied corporations and railroad directors relate to the petition for rate increases, if they are to be continued.

It is conceivable that the railroads may confess to improper and costly dealings through interlocking directorates and official syndicates in the past and justly plead need for better rates now, largely on account of such looting. But the condition of the grant of increased rates should be the cessation of all improper practices by which railroad treasuries are depleted for the enrichment of favored persons inside or out of their directorates.

The inquiry leds directly to the necessity of a guaranty of the economical and efficient expenditure of railroad revenues and railroad loans for needed railroad purposes, and no other. By inference this is the commission's condition of a grant of rate increases.

The condition can be met only in one way—by rigid governmental regulation of railroad finances—the supervision of the issues of railroad securities, of the purposes for which they are issued, and of the actual expenditure of the money.

The logical conclusion of the whole matter is found in the commission's own recommendation for the regulation of railroad finances in its annual report, which has been brought to an acute issue by the Post-Dispatch's demand for prompt action in the light of the revelations of plundering practices in the New Haven and Frisco systems.

Nor need the Interstate Commerce Commission wait for further information to give weight and point to its recommendation. The history of American railroads supplies a library of information which is capped by the recent scandalous facts brought out in the Frisco and New Haven investigations.

What is needed more than anything else now is prompt congressional action in the form of an adequate amendment to the interstate commerce act giving the commission regulatory control of railroad finances. This will solve all railroad problems.

—

[From the New York Journal of Commerce, January 3, 1914.]

President Wilson had delayed his nominations to the Interstate Commerce Commission, and it is evident that he is considering the situation with great care. There has been an unusual number of unworthy or undesirable candidates, as well as a very large number of men who were incapable of doing the work well. It remains true that the necessity for early nominations, if they can be satisfactorily settled upon, is very great. Within a few days the hearings regarding the advanced rates requested by the railroads will recommence, and from that time on every day's work will be of importance toward the shaping of a final decision. In view of the fact that some time is inevitably lost in getting men to assume new duties, the urgency for the selection of the new commissioners is very materially increased. The final decision of the commission regarding the desired rates should be one that will represent the views of that body as a whole, including the men who are to be named by President Wilson.

—

[From the Newark (N. J.) Star, December 31, 1913.]

COAL COMBINE CROOKEDNESS REVEALED.

Testimony before the Interstate Commerce Commission will make a valuable appendix to the report of the Egan investigating committee to the New Jersey Legislature, showing the methods of the coal combine in this State. That rebates of 15 cents a ton have been granted for four years to two wholesale concerns in Jersey City by the Lehigh Valley Coal Co., owned entirely by the railroad of the same name, is admitted by the beneficiaries of the crooked deal. Here was 15 cents a ton virtually stolen from coal dealers not in the combination, and which had to meet the prices of their favored competitors. One of these firms demands a similar rebate, which for the four years comes to $150,000, and if the commission grants the plea it will be a very effective way of putting the coal combine out of business.

—

[From the Wall Street Journal, New York, Jan. 3, 1914.]

HELP FOR THE RAILROADS IN SIGHT.

Without putting a strained construction thereon, it may be said that the severe written examination which the Interstate Commerce Commission is putting the eastern railroads through is of good omen. If it means anything, it means that the commission is gravely impressed with the necessity of granting them relief from the strangling forces of rigid rates and uncontrollable expenses.

It does not necessarily follow that the commission will grant the general advance of 5 per cent in freight rates asked. The commission suggests, at least by implication, that the carriers may have been unduly liberal in incidental services to shippers included in the published rates; that they may have allowed certain through rates on bulk commodities to sink to an unduly low level; that they may not have enforced sufficiently competitive conditions in the purchase of equipment and supplies; that they may be obtaining too little compensation for passenger, mail, or express business; that they may have been at a disadvantage in the sale of securities through the presence on their boards of directors of interested bankers.

For the most part, the commission's inquiries touch upon handicaps from which, assuming that they exist in a substantial degree, the railroads are naturally almost powerless to relieve themselves. Incidental services to shippers, such as free switching, placing of cars on industrial tracks, and storage of freight, are part of the vigorous competition which still survives. The existing through rates on important commodities were, generally speaking, established during the era of rate competition, and perpetuated since 1910 by the law of that year, which took rates out of the control of the carriers. Passenger rates are almost wholly controlled by the States and the long-and-short-haul clause of the commerce act.

The two remaining factors—economy in the purchase of supplies, and freedom to sell securities to the highest bidder—must be admitted to lie wholly within the power of company managements. There is little doubt that most, if not all, the roads will be able to show a fairly clean record under the first head. As to the second, it should be noted that the marketing of railroad securities has all but ceased. Is it conceivable that banking houses, whether represented on railroad boards or not, would be so rapacious as to force their own best customers out of the market?

In none of the directions indicated by the commission, with the possible exception of a substantial increase in selected commodity rates, is it likely that an avenue will be found wide enough to let the eastern carriers out of their present unwholsome situation. What the railroads need is better net revenues. If these can be found in a better economy in purchasing, or a curtailment of so-called free service or of unremunerative service, made possible by the initiative and the powerful moral support of the Interstate Commerce Commission, the carriers can only welcome the alternative. In any event, the commission is in a fair way to substitute certainty for vague suspicions and irresponsible accusations.

—

[From the Tennessean, Nashville, Tenn., December 31, 1913.]

THE RECIPROCAL SWITCHING QUESTION.

The decision of the Interstate Commerce Commission in the coal-rate case for Nashville, in which was laid down the general principle relating to reciprocal privileges and rates, has obviously opened the way for proper adjustment of the whole plan and system of switching in Nashville, and the people of the community are greatly encouraged over the outlook for better conditions in the matter of switching and switching rates on all classes of freight, regardless of the conflicting interests of the various railroads that enter Nashville or have traffic arrangements with other railroads that enter this city.

The traffic bureau and the various other commercial bodies of the city have long been jointly working together to bring about an equitable arrangement in this matter, and since the decision of the Interstate Commerce Commission in the coal-rate case, which is at least favorable to a rearrangement and readjustment of the whole switching system and reciprocal or retaliatory rates, preparations are being made to take the question before the commission and ask that it be passed on and settled.

Those who have made a study of the case are confident the facts to be presented are ample to induce the commission to make a ruling that will be favorable to Nashville and our great commercial interests which have long suffered from discriminatory and extortionate charges in switching privileges. So confident are they that the prevailing inequity will be corrected that they are planning to speedily bring the case up and commence the fight at once.

After the Interstate Commerce Commission shall have passed on and settled the points in question, it will then be up to the State, through the State railroad comimsion, to meet the requirements of the situation by foreing similar concessions in rate charges and switching privileges on intrastate shipments of freight, for as it has already developed from the coal-case decision, the interstate regulation can have nothing to do with the intrastate shipments which must necessarily fall under State authority. Therefore, after the Federal authorities shall have determined what is equitable, it will then be in order for the State authorities to shape its requirements to conform with those of the Federal Government.

It seems, however, that it would be an easy matter for the State authorities to compel the desired interchange of service at reasonable rates, especially after the Interstate Commerce Commission has put into effect its orders. If the State railroad commission has not the power to accomplish what is desired, the legislature can easily clothe that body with the power, and this is what should be done. In the meantime, let nothing be left undone to meet the needs and requirements of the community in this vital matter.

—

[From the Joplin (Mo.) Globe, December 25, 1913.]

GIVE THE RAILROADS THEIR DUE.

The Interstate Commerce Commission, in its annual report submitted to Congress last week, again asks for authority to supervise and con-

trol railroad capitalization, observes the Oklahoman. It points out anew the relationship existing between the rate-making power and supervision of capitalization and calls attention to the futility of adjusting rates to an equitable basis in the absence of authority for the control of security issues.

We can conceive of no legislation more needed at the hands of Congress just now than the authority which the commission asks. The simple truth is the greater part of the railroads of the country are in a deplorably bad fix for means with which to make needed betterments and purchase needed equipment; but it is improbable that the Interstate Commerce Commission will grant authority for an increase of freight rates until it holds the power for supervising their capitalization. It is wholly justified in withholding this authority until it is empowered to supervise capitalization for the reason that it has no means of knowing, in the event that authority was granted to increase freight rates, that the additional revenue arising would not be used for exploitation purposes rather than applied to existing needs.

The railroads have sowed to the wind in the past and are now reaping the whirlwind. That is to say, they have abused the trust of both the public and security holders in order to enrich a few officers, and in consequence have reached the end of their ability to float new securities. They are also unable to earn sufficient returns upon the capital invested to meet reasonable dividends and make needed betterments or add new equipment.

But there are both efficiently and incompetently managed railroads the same as there are both good and bad men in any business calling. There are, in fact, a great many roads which have been honestly managed and efficiently conducted, and yet they are suffering from public mistrust the same as the roads which richly deserve it. They are estopped from discharging their bounden duty to the public because of their lack of funds.

It is unjust to expect the roads to spend money for improvements when they are unable to show fair earnings upon the capital already invested. It is likewise unfair upon their part to ask authority to increase freight rates when no power exists for preventing the abuses which have characterized the management of some of their number in the past.

The situation, however, demands the immediate attention of Congress. Since the power to regulate rates already rests with the Interstate Commerce Commission, no valid reason exists for withholding authority for the supervision of capitalization. In short, the assumption of authority on the one hand clearly involves the duty of accepting entire responsibility on the other.

—

[From the Philadelphia Press, December 29, 1913.]

SENTIMENT IMPROVED, BUT TRADE STILL LAGS.

There has been an improvement in sentiment during the past week. This is partly due to expressions of confidence uttered by the leading bankers of the country following the enactment of the new currency and banking law. The national banks will continue as such, which fact will minimize any bad effects that might possibly arise out of an application of the new law. The act provides that such changes as are made which will effect a shifting of funds will occur gradually. Thus one-half of subscriptions to the capital of the Federal reserve banks will be paid in installments and the balance only upon call. Shifting of reserve funds will extend over a period of three years. The extent of rediscounting of commercial paper and the issue of new circulating notes will depend largely upon business needs and the action taken by the member banks. Owing to the amendments adopted no shock to business is likely to occur in applying the new act, as existing loans need not be disturbed.

The second pacifying influence is the better understanding between the captains of industry and the Attorney General. There are possibilities for good here if the President's special message on the subject of antitrust legislation does not tend to create new apprehension among those men who are called upon to conduct the affairs of big business.

Apart from sentiment some facts are found which are favorable to progress in the business world, but unfavorable factors are still in evidence. Clearings for the week were only 1.2 per cent behind those of the corresponding week of 1912. The amount of clearings in New York City were more nearly normal because of the greater activity in the stock market last week. Gross earnings of 39 railroads reporting for the second week in December show a decrease of 8.65 per cent. The Interstate Commerce Commission has asked the railroads for additional information, which must be submitted before February. This step still further delays a decision on the question of an advance in freight rates. Idle cars continue to accumulate, the statement as of December 15 showing 101,545 idle cars, the largest in nearly two years, and an increase of 44,311 in two weeks. Commendable efforts are being made in various sections to reduce the number of unemployed men by providing employment upon public works.

Trade generally is expected to be quiet in January, when business men are taking their bearings for the new year. Improvement is noted in the security markets, due partially to the prospective disbursement of $250,000,000 to pay dividends and interest next month.

—

[From the New York Press, December 30, 1913.]

RAILROAD HONESTY, TOO.

The Interstate Commerce Commission has called upon the eastern roads for a great deal of new information, to be digested in connection with the determination of whether rates shall be advanced. It is very plain from the character of data asked this time that interests hostile to granting an increase of rates are taking an inning now and that they propose to bring out just as much as possible of evidence that some railroads have not been making the best possible use of the money now paid to them for their services.

It was, of course, inevitable that this effort would be made. The railroads are asked, for example, to tell the commission just what special interest its officials have through which they make private profits out of business with the railroads. That means, plainly enough, that some of the things that happened in the New Haven are going to be brought out into the daylight and urged as the evidence that some railroads get money enough if only they used it in the right ways.

No harm will come from an inquiry of this kind. There have been some very rank cases of private grafting off railroads. The Illinois Central presented such an exposure a few years ago. The Frisco has had another very recently. The New Haven case has given the public a severe shock. The more official publicity given to such facts the tighter will the brakes be set against the repetition of such performances. Then, there is another consideration. It is that roads honestly managed can have their day, too.

It will be well if the railroads place every possible facility at the disposal of the commission in order that the public may learn that not all railroads are conducted by grafters. There are more honest than dishonest railroad men by a long shot, and it would be a good thing, for a change, to have attention called to the honesty of the honest ones.

—

[From the New York Sun, December 28, 1913.]

MORE DATA ASKED TO AID RATE RULING—RAILROADS SEEKING TO INCREASE FREIGHT CHARGES ORDERED TO GIVE DETAILS—STRESS ON FINANCING—ECONOMY, INTERLOCKING BOARDS, AND CONTRACTS OTHER FEATURES OF INQUIRY.

WASHINGTON, *December 27.*

Railroads of the United States seeking authority to increase their freight rates on an average of 5 per cent are requested in an order issued to-day by the Interstate Commerce Commission to submit detailed information concerning their financial operations.

An inquiry into the rate case was begun several weeks ago, and the railroads told their side. The shippers who are fighting the proposed increase are yet to be heard. The commission has gone over the evidence submitted by the railroads and has asked for supplemental data.

The commission's order issued to-day does not foreshadow delay in the promulgation of a decision in the application for authority to increase railroad freight rates. It indicates that the commission does not intend to decide the case merely on the ex parte statements of railroad managers.

The new information sought by the commission covers these questions:

Revenue derived from the transportation of different commodities and the practice of the railroads in granting to shippers special service or allowance in connection with transportation service.

Economy in methods of purchasing equipment, materials, and supplies; their uses and practices in connection with various transportation operations.

Financial history and transactions of carriers.

Conflicting interests, particularly the financial interests of directors, officers, and employees in the business transactions to which the carriers are also parties.

Contracts made between the carriers and sleeping-car and parlor-car companies and the results of such contracts.

Also general information not embraced in circulars heretofore issued by the commission. The commission announced that on January 7 hearings will be begun to settle all points in controversy.

MUST ANSWER BY JANUARY 31.

Seventy-nine questions bearing on rates are submitted to the railroads. The answers must be made before January 31.

"Elaborate and helpful contributions from the carriers' accounts have been submitted by the railroads, with a view to diminishing net returns from operations and lessened net income," said the commission in an announcement explaining its inquiry. "These statements do not furnish fully the data deemed by the commission to be necessary to determine the general course to be pursued. The carriers are therefore further ordered and directed to furnish the commission, at the earliest date possible, the information called for and to verify such information under the oath of the officer under whose direction and supervision the returns are made."

The commission explains some of the various groups of questions that are asked carriers, as follows:

"Questions regarding revenues and the conservation thereof are designed to secure data concerning the possibility of increasing revenues otherwise than through a general increase of freight rates. The questions relate in part to the terminal allowances made by railroads, particularly to the larger industries, and to the free service, the legality or propriety of which has been from time to time questioned. These services and allowances include allowances to terminal railways owned by industries, free switching, lighterage, loading and unloading freight, free warehousing, reconsignment, especially favorable rates and special train service, billing in transit privileges.

"Questions relative to economy are designed to secure data concerning the possibility of increasing the net revenues through economies in operations. These include possible savings in the purchase of materials and supplies through standardization and otherwise; also possible savings in the use of materials and supplies, and particularly in the consumption of coal.

"There are also questions designed to secure further information as to the causes of increased operating costs and means of avoiding them. Certain of the questions are designed to secure data with a view of determining to what extent and under what circumstances the increase in the size and weight of equipment results in economy and greater net operating income.

QUESTIONS AS TO CAPITAL.

"The group of questions under 'Financial' is designed principally to secure data concerning the character of the capital expenditures made by railroad corporations.

"The companies are requested to show to what extent stock and bond issues have been applied to purposes other than the development of the railroad properties. In other words, it is desired to determine what part of the capitalization of the railroads represents the purchase of bonds and stocks in industrial or mining corporations or in other railroad companies, and to what extent the railroads might secure new capital for improvement and development by disposing of the bonds and stocks of other corporations so held.

"Under the group 'Conflicting interests,' it is designed to secure data to determine the extent to which the directors and officials of railroads have other financial interests in the transactions of the carriers. It is desired to determine to what extent conflicting and intertwining interests, commonly described as interlocking directorates, prevail, and what influence, if any, this practice has had in increasing railroad costs.

"It is also proposed to inquire to what extent, if any, diminishing net revenues of railroads may be attributable to inadequate passenger rates, in view of large expenditures relating specifically to passenger service."

—

[From the New York Post, December 26, 1913.]

THE INTERSTATE COMMERCE COMMISSION—WHY THIS WEEK'S APPOINTMENT WAS ANXIOUSLY AWAITED BY RAILWAY MEN.

When the freight-rate hearing began before the Interstate Commerce Commission on November 24 a feeling of uncertainty existed among railway men because three vacancies existed in the commission. John H. Marble died suddenly on November 21; Charles A. Prouty's resignation, to take charge of the work of physical valuation, had already been formally submitted; and the term of Judson C. Clements was about to expire. Besides the feeling that those vacancies might interfere with

late hearings, railroad men were afraid that three new and inexperienced members might be appointed. This week that uncertainty was dispelled somewhat by the reappointment of Clements.

The original act to regulate commerce, passed February 4, 1887, provided for a commission of five members, but the act of June 29, 1906, increased the number to seven. The term of office is seven years, the salary $10,000. Clements was first appointed in 1892. Edward E. Clark, now chairman, became a member in 1906, the same year James S. Harlan, a son of the late John M. Harlan, was appointed. B. H. Meyer and C. C. McChord took office in 1910. At least five of the seven members who will decide the freight-rate case now pending heard the testimony given by the railroads three years ago, and are therefore familiar with the subject.

Until only a few years ago the Interstate Commerce Commission was generally looked upon as a body without backbone or claims. Up to that time the powers of the commission were limited to investigations of freight rates only after complaints had been made by shippers. To-day, because of recent amendatory and supplemental enactments, the commission is recognized as a forceful organization, with broad powers.

Among the more important of these recent changes in the commerce law is the Elkins Act, passed February 19, 1903, which made rebating illegal, allowed proceedings in the courts by injunction to restrain departures from published rates, and provided that cases prosecuted under the direction of the Attorney General, in the name of the commission, be given precedence over other suits. Next came the Hepburn Act, passed February 29, 1906, giving the commission the right to investigate rates without waiting for complaint by shippers, and then the power to fix rates, which might be decided unreasonable. The Mann-Elkins law, approved June 18, 1910, gave the commission the power to suspend proposed rates pending an investigation. That law also authorized the appointment of a commission to investigate questions pertaining to the issuance of stock and bonds. The law ordering a physical valuation of the railroads, to be used on the basis of rate making, was passed March 1 last.

—

[From the Louisville (Ky.) Post, December 20, 1913.]

WHAT IS THE MATTER WITH THE RAILROADS?

In presenting their arguments to the Interstate Commerce Commission in support of the application for a subsidy of $100,000,000, great emphasis was laid on the following paragraph:

"The gross earnings of the official classification territory roads during the last fiscal year were $186,775,000 greater than in the fiscal year ending June 30, 1910; but the operating expenses and taxes during the last fiscal year were $203,087,000 greater than they were in 1910, so that the net return, after paying operating expenses and taxes, was actually $16,311,000 less in 1913 than it was in 1910."

These figures demand some explanation and deserve careful consideration. Taking the average net earnings of railroads in any large territory the cost of wages, supplies, operating expenses, and taxes is slightly less than 75 per cent. In 1910 the ratio of expenses and taxes to gross earnings was 70 per cent. Had that ratio prevailed in 1913, the profit on $186,775,000 would have been $56,000,000. In 1911 the ratio of expenses and taxes to gross earnings was 72.54 per cent. In 1912 it was 73.54 per cent.

Let us make the liberal concession that in 1913 the ratio of expenses and taxes to gross earnings was 75 per cent. That would have been most extraordinary. There would be nothing in the wages given to account for it, for they do not increase in leaps and bounds. The ratio of compensation for labor to gross earnings in 1911 was officially 43.32 per cent, while the total expenses were 72.54 per cent. The labor proportion was estimated in 1912 as 44.20 per cent, with a ratio of total expenses to gross earnings of 73.54 per cent. Let us assume that the net profits were but 25 per cent of the total receipts. Then the additional profit from this additional business would have been $47,000,000.

What became of the $47,000,000?

II. The total revenues of 224,354 miles of road in July, August, and September, 1913, were $811,000,000 in round numbers, against $781,000,000 for the corresponding quarter of 1912; $715,000,000 for the corresponding quarter of 1911; $716,000,000 for the corresponding quarter of 1910.

The total operating expenses for this quarter in 1913 were $555,000,000, against $509,000,000 in 1912 for the same quarter; $469,000,000 in 1911, and $469,000,000 in 1910.

The "maintenance of way and structures" shows for this quarter in 1913, $116,000,000 against $105,000,000 last year, $97,000,000 in 1911, and $101,000,000 in 1910.

This is a flexible item. It was $93,000,000 in 1907, $77,000,000 in 1908, $92,000,000 in 1909.

The "maintenance of equipment" cost $134,000,000 in this third quarter of 1913, against $120,000,000 in 1912; $107,000,000 in 1911; $103,000,000 in 1910.

The traffic expenses were $16,000,000, against $15,000,000 the year before; $14,000,000 in 1911; and $15,000,000 in 1910.

Transportation expenses were $270,000,000 in 1913, $251,000,000 in 1912, $232,000,000 in 1911, $233,000,000 in 1910.

General expenses were $18,000,000 in 1913, $17,000,000 in 1912, $16,000,000 in 1911, $16,000,000 in 1910.

The total operating expenses for this quarter were $555,000,000, against $509,000,000 a year ago; $469,000,000 in 1911; and $489,000,000 in 1910.

This leaves for net operating expenses in this one quarter of 1913, $255,000,000, against $272,000,000 in 1912; $246,000,000 in 1911; and $246,000,000 in 1910.

III. These are strange figures. They would indicate that at the time when the railroads were crying out concerning traffic and bad business conditions they entered upon a period of expansion. They spent for maintenance of equipment in one quarter $14,000,000 in excess of the expenditures of the same quarter the year before, and $27,000,000 compared with 1911, and $31,000,000 as compared with 1910.

If we note this same quarter for 1910 and 1911, we see that the revenue of 1910 was $716,405,000; in 1911, $715,967,000, or half a million less; whereas the operating expenses were almost identical, $469,107,000, against $496,864,000 in 1910.

Here in one quarter of the year is a net profit after paying taxes of $223,000,000, a little short of $900,000,000 for the whole year. This is $20,000,000 less than the year before, but it is $3,000,000 more than the revenues of 1911, and $2,000,000 more than the revenue of 1910.

According to the figures furnished by the Interstate Commerce Commission in its last report, the net operating income for this third quarter of 1910 was $221,000,000; in 1911 it was $220,000,000; in 1912 it was $243,000,000; and in 1913 it was $223,000,000.

But we are to note that for the maintenance of way and the maintenance of equipment, the expenditures in 1910 were but $204,000,000, they were $204,000,000 in 1911; they were $225,000,000 in 1912; they were $250,000,000 in 1913, an increase of expenditures for the "maintenance of way and structures" and "the maintenance of equipment" of $45,000,060.

It must be manifest, therefore, that if the railroads would do as other people do—spend liberally when their revenues are large and economize when their revenues fall off—there would be less necessity for increasing freight rates. Surely if these expenditures in the maintenance of way, structures, and equipment were justified, they must make the conduct of the business less expensive.

IV. These figures show that the total revenues of the railroads exceed $3,000,000,000. They show a net operating income, after providing for the expenses and taxes, of $900,000,000. In other words, taking this quarter of $223,000,000 profits on an $811,000,000 business, the surplus is not 25 per cent, but 27 per cent. That the railroads want the money, and that in a certain sense they need it, can be accepted as true; but the producers need it, the consumers need it, the farmers, the merchants, the householders need it. It is a question of doubt whether the arbitrary advance in rates would not cause a decline in traffic. Certainly if the railroads succeed in so alarming the public as to check business generally, there will be a falling off in the business that will more than offset the increase in rates.

It might be well for the railroads to consider the figures of the third quarter of 1907, when their earnings were $674,000,000. In 1908 they were only $593,000,000, and in 1909 they were $673,000,000.

The expenses of 1907 were $445,000,000. They were only $418,000,000 in 1909. In 1907 the net revenue, after paying expenses and taxes, was $212,000,000 for this third quarter, and on this same business exactly two years later it was $232,000,000. Somehow they had saved $20,000,000, or for the year $80,000,000. That is a better way of getting $100,000,000 than by increasing freight rates.

—

[From the Washington Times, December 28, 1913.]

ASKING ALL THE FACTS.

The Interstate Commerce Commission has called on the eastern roads for a great deal of new information, to be digested in connection with determination whether rates shall be advanced.

It is very plain from the character of data asked this time that interests hostile to granting an increase of rates are taking an inning now, and that they propose to bring out just as much as possible of evidence that the railroads are not making the best possible use of the money now paid to them for their services.

It was, of course, inevitable that this effort would be made. The railroads are asked, for example, to tell the commission just what interests its officials have through which they make private profits out of business with the railroads. That means plainly enough that some of the things that happened in the New Haven are going to be brought out into the daylight and urged as the evidence that the railroads get money enough, if only they used it in the right way.

No harm will come from an inquiry of this kind. There have been some very rank cases of private grafting off railroads. The Illinois Central presented such an exposure a few years ago. The Frisco has had another very recently. The New Haven case has given the public a severe shock. It will be well if the railroads place every possible facility at the disposal of the commission, in order that the public may learn that not all railroads are conducted by grafters. There are more honest than dishonest railroad men, and it would be a good thing to have attention called to the honesty of the honest ones for a change.

—

[From the Baltimore Evening News, December 29, 1913.]

ASKING ALL THE FACTS.

The Interstate Commerce Commission has called on the eastern roads for a great deal of new information, to be digested in connection with determination whether rates shall be advanced.

It is very plain from the character of data asked this time that interests hostile to granting an increase of rates are taking an inning now, and that they propose to bring out just as much as possible of evidence that the railroads are not making the best possible use of the money now paid to them for their services.

It was, of course, inevitable that this effort would be made. The railroads are asked, for example, to tell the commission just what interests its officials have through which they make private profits out of business with the railroads. That means plainly enough that some of the things that happened in the New Haven are going to be brought out into the daylight and urged as the evidence that the railroads get money enough, if only they used it in the right way.

No harm will come from an inquiry of this kind. There have been some very rank cases of private grafting off railroads. The Illinois Central presented such an exposure a few years ago. The Frisco has had another very recently. The New Haven case has given the public a severe shock. It will be well if the railroads place every possible facility at the disposal of the commission, in order that the public may learn that not all railroads are conducted by grafters. There are more honest than dishonest railroad men, and it would be a good thing to have attention called to the honesty of the honest ones for a change.

—

[From the Detroit News Tribune, January 1, 1914.]

Something not clearly understood has halted the decision of the Interstate Commerce Commission in the matter of the 5 per cent advance in freight rates asked for by the railroads in the territory east of the Mississippi. It is announced that the inquiry is to be reopened. From the how! that has gone up in some quarters it might be suspected that there was knowledge that the commission means to begin fishing in the stock and bond puddle; and if it should, there is no telling what nauseous matter it might find.

—

[From the Columbus (Ohio) Journal, January 11, 1914.]

ADVANCE TO AFFECT COMMODITIES SLIGHTLY.

Food and coal prices to the ultimate consumer may be advanced so slightly by the proposed increase in freight rates as to be hardly noticeable, according to Columbus traffic men. If the Interstate Commerce Commission grants the 5 per cent advance asked for there may be a corresponding advance of 5 cents a ton on coal, it is said. In the case of foodstuffs, however, it is said that the prices may be infinitesimally advanced, so far as the ultimate consumer is concerned.

[From the Indianapolis Star, January 16, 1914.]

Shippers will have opportunity to present to the Interstate Commerce Commission their objections to specific instances in the 5 per cent increase of freight rates proposed by the 52 eastern railroads. They will not be obliged to present objections to the increase as a whole, but may develop testimony on the cost of moving certain classes of traffic. This was decided by the commission yesterday with an announcement that the shippers would first be heard in regard to petroleum at a near date, soon to be announced. Hearings on other commodities, coal, cement, brick, plaster, flour, packing-house products, iron, steel, and lumber, will be granted as rapidly as possible. It was announced that "the commission now decides that the protestants are legally entitled to be heard before a final decision is rendered on the pending application of the railroads for permission to make a general increase in freight rates.

A. L. Trowbridge, commercial freight agent in Indianapolis for the Missouri Pacific-Iron Mountain system, has received official notice from C. A. Torrence, foreign freight agent of the road in Chicago, that a new steamship service has been arranged. The service will be from the ports of New Orleans, Galveston, Port Tampa, and Savannah, direct to the ports of call in China, Japan, the Philippines, and the Straits Settlements. The line will be known as the Atlantic-Gulf-Far East line and will be operated by way of the Suez Canal until the opening of the Panama Canal.

—

[From the Washington Post, March 4, 1914.]

"ROADS SHOULD HAVE INCREASE"—PRESIDENT OF B. & O. DEFENDS CARRIERS AT FORMER SENATOR DAVIS'S DINNER—PROSPERITY IS KEYNOTE—REPRESENTATIVE UNDERWOOD SAYS THE TARIFF LAW IS "GOOD AS FAR AS IT HAS GONE."

American railroads are entitled to the 5 per cent increase in freight rates, even if their gross revenues are greater than ever, and are entitled to it pending the inquiry, was the position taken last night by President Daniel Willard, of the Baltimore & Ohio Railroad, at a dinner given in his honor by former Senator Henry Gassaway Davis, of West Virginia, at the residence of Mrs. Stephen B. Elkins, at 1626 K Street NW.

Senator Owen, of Oklahoma, also spoke, confining his remarks to the new currency law and speaking optimistically of business prospects.

Present also were Senators and Representatives and many notable railroad men. Among them were Mr. Willard, Samuel Rea, president, Pennsylvania Railroad; J. M. Schoonmaker, president, Pittsburgh & Lake Erie Railroad; F. D. Underwood, president, Erie Railroad; George W. Stevens, president, Chesapeake & Ohio Railway; L. E. Johnson, president, Norfolk & Western Railway; W. H. White, president, Washington-Southern Railway; M. C. Kennedy, president, Cumberland Valley Railroad; W. W. Atterbury, vice president, Pennsylvania Railroad; A. W. Thompson, vice president, Baltimore & Ohio Railroad; Arthur Lee, vice president, Coal & Coke Railway; George F. Randolph, vice president, Baltimore & Ohio Railroad; James A. O'Gorman, United States Senator from New York; Robert L. Owen, United States Senator from Oklahoma; Oscar W. Underwood, Representative from Alabama; John W. Davis, Solicitor General; Alton B. Parker, formerly chief justice New York court of appeals; R. C. Kerens, formerly ambassador to Austria; C. C. Clover, president Riggs National Bank; C. J. Bell, president American Security & Trust Co.; W. D. Hoover, president National Savings & Trust Co.; Charles H. Grasty, proprietor, Baltimore Sun.

SHOULD GRANT INCREASE.

Mr. Willard declared the railroads of the country welcome any investigation the Interstate Commerce Commission may desire to make. He insisted that the commission should grant the rate increase pending its inquiry, because, he said, transportation lines are sorely in need of additional revenue for improvements and betterments demanded by the public.

Mr. Willard declared he felt satisfied that the commission would grant the increase after all the needs of carriers are considered. The real conditions of transportation lines, together with the demand for improvements, he said, are strong enough to justify the increase.

Mr. Willard said it is true that the gross earnings of the railroads are greater to-day than ever before, but that additional funds are needed for betterments, which will keep transportation lines busy for the next five years. Mr. Willard also referred to the opinion of the Interstate Commerce Commission, in which it was held that industrial lines were often used as an indirect means to give rebates to big shippers. He declared that the commission had known for years of the "industrial line" conditions.

UNDERWOOD DEFENDS TARIFF.

Representative Underwood argued in favor of the tariff. When the measure was first contemplated, he said, advocates of the bill had as a foundation upon which to work, merely a theory. This theory which they had in mind, if successful, would be of unestimable benefit to the country.

"Unquestionably," said Mr. Underwood, "this theory has proved a success as far as it has gone."

Col. John C. Schoonmaker, of the Pittsburgh & Lake Erie, a union veteran, told of his experiences in West Virginia during the war. He said he was familiar with the country where Senator Davis spent most of his life.

Introducing the next speaker, Senator Davis said:

"During the campaign of 1894 voters of the country said 'Senator Davis is too old, but we are going to vote for him because he is a running mate of that distinguished statesman, Judge Parker,' whom I now introduce to you."

SENATOR DAVIS PRAISED.

Judge Parker devoted his remarks to the 5 per cent increase now being sought by the railroads. He lauded Senator Davis and called attention to the fact that he was a member of the first committee, known as the select committee for seaboard transportation, in December, 1872, and that among his associates on that committee were Senators Windom, Conkling, and Sherman. He said Senator Davis was born almost before railroads were thought of, and that surely he was in active life before the first railroad was built in the United States.

Judge Parker declared that the sentiment of the press and the people was changing in favor of the railroads. There was a time when both the press and the people looked on the railroads with suspicion. This he said was due in a large degree to agitation stirred up by men unfamiliar with railroad conditions. To-day he said that 98 per cent of the press was with the railroads in their fight for the rate increase, whereas not long ago a poll of the papers in the country showed that only 44 per cent were favorable.

He predicted that a new era was dawning in which the people were demanding that the railroads should receive justice at the hands of Federal and State Governments.

President Rea closed the banquet with a eulogy of Senator Davis. He told of his earlier life and paid a high tribute to his services in the United States Senate.

—

[Mailed to I. C. C. Paper from which taken unknown.]

TRADE SLUMP SHOWN BY STEEL—MONTHLY STATEMENT WORSE THAN EXPECTED—LOWER WAGES PROBABLE—CORPORATION MAY BE FORCED TO CLOSE MANY MILLS.

The extent to which the depression in all lines of industrial activity has affected the steel trade is reflected in the monthly tonnage statement of the United States Steel Corporation, issued this afternoon, showing a decrease of 372,615 tons in the unfilled orders on the books of the company in March. Unfilled orders on hand March 31 were 4,653,825 tons, compared with 5,026,440 tons on February 28. A year ago the unfilled orders aggregated 7,468,956 tons.

Wall Street expected a heavy slump in the total of unfilled orders as a result of the reaction in the steel industry which began in the middle of February, but the statement showed a condition far worse than had been anticipated by the most pessimistic. Estimates placed the decrease for March at from 200,000 to 350,000 tons.

The statement means that the demand for manufactured steel goods fell off to a marked degree in March, with the natural result that the orders on the books of the billion-dollar corporation were heavily cut into. It is estimated that the company's mills are operating at the moment at 65 to 70 per cent of capacity.

The first of the current year brought a revival in the steel industry that promised well for the 12 months. Incoming orders in January picked up and averaged 50,000 tons a day. This state of affairs continued well into February, when there was a slackening of the demand. Since the middle of February the demand has continued to fall away, and it is estimated now that incoming orders are at the rate of 25,000 tons a day, less than half what they were in January. At this rate it is likely that the Steel Corporation will be compelled to shut down many of its mills and lay off more men.

In the past fortnight heads of the leading steel manufacturing corporations have shaken their heads and spoken most unfavorably of the outlook. They have reiterated that the future depended largely on the outcome of the freight rate matter. An increase in freight rates at this time, they said, would mean increased railway equipment purchases which would in turn mean an increased demand for steel products. President Schwab of the Bethlehem corporation said in the course of the week that March was the "pilot" month in the trade and what was done in that month forecasted the business for the season. If this statement is to be taken literally it means a poor year for the steel industry.

There is talk of a reduction in wages for the employees of the steel manufacturing concerns if the present conditions of prices and demand continue for long. The probability of early action on all wage schedules is indicated by a conference on the subject at Pittsburgh early this week which was attended by the presidents of the five independent companies.

—

STEEL MILL WAGES TO BE CUT, IS REPORT.

A movement by independent steel manufacturers to reduce wages is reported to be under way.

The meeting in Pittsburgh last week of the heads of five independent steel companies lends color to the report.

Views are expressed that this movement can only be stopped by early and definitely large betterment in business, such as is to be expected with a granting of the higher railroad freight rates, for a liquidation of wages is regarded as ultimately necessary under the present tariff.

Higher prices for steel are not looked for, owing to the possibilities of heavy importation of foreign steel.

Features of the iron and steel trades last week were the large increases in pig iron production in March, announced by the Iron Age.

—

[From the Baltimore Sun, March 11, 1914.]

HOW MONEY MAKES MONEY.

(By Channing Rudd.)

Evidence continues to accumulate showing that the railroads urgently need an increase in freight rates. Detailed figures are now available showing both gross and net earnings of the railroads for the full calendar year 1913.

The magnitude of the railroad business, and its importance to the country, can be seen from the fact that railroads operating 241,931 miles of road produced gross earnings for 1913 of $3,162,451,434. This large total is an increase of more than $142,000,000 over the preceding year.

Notwithstanding the decrease in gross earnings during the latter part of 1913, the total gross earnings for the year would be satisfactory were it not for the enormous increases in expenses and the consequent decrease in net earnings.

The increase of over $142,000,000 in gross earnings was offset by an augmentation in expenses of about $176,000,000, producing a decrease in net earnings of more than $33,000,000.

The above figures may be considered not only discouraging but alarming.

—

[From the New York Tribune, March 16, 1914.]

REVIEW OF THE WEEK IN FINANCE—DULL PROFESSIONAL MARKET FOR SECURITIES—TRADE, TOO, SLACKENING—RAILROAD MANAGERS ON THE DEFENSIVE—CHARGES OF IRREGULAR ACCOUNTING TO GET HIGHER RATES DENIED—BANKS LOSE CASH.

The stock market last week lapsed almost to the dull condition of last November, with trading for the most part professional and little outside buying. The bond market, too, was quieter, with a large proportion of business in the more speculative issues. The general slackening of trade has reflected itself in the absence of the public from the securities market. Similar conditions exist abroad through reasons largely political. Here the particular depressing influences continue—the menace of a Mexican crisis and uncertainty as to how the Government is to treat the corporations, especially the railroads.

Antitrust legislation at Washington has advanced little beyond reports that the prohibition of interlocking directorates will be made much less rigorous and that definition of acts prohibited by the Sherman law may possibly be abandoned. The plight of the railroads,

owing to continued discussion and repeated poor reports of current earnings, has been much in evidence, causing pressure on transportation securities on the exchange, with some pronounced declines in issues of those companies whose position is least favorable. Figures compiled from the returns to the Interstate Commerce Commission show that for 179 roads net operating revenue decreased almost $12,000,000 in January of this year.

RAILROAD NEEDS BETTER APPRECIATED.

The railroad industry of the country has been the growth of years. The great wealth it has brought to a few is insignificant compared with the part it has played in developing the whole country. The welfare of this great industry means too much to the well-being of the business life of the nation for it to be long disregarded. That there must be allowed a fair return for service rendered is apparently being more widely appreciated. President Willard of the Baltimore & Ohio has said that the public seems more willing for the roads to have relief through a small advance in rates than through depending on pay for service now given free.

The railroad managers are showing more disposition to demand fair consideration. Even the badgered New Haven has made public a statement from its bankers, J. P. Morgan & Co., showing that they had disposed of its securities for small returns instead of large, and denying the charge that they had profited in the sales of properties to the road.

Following the appeal to New Jersey that the full-crew law be rescinded, a similar petition has been made to this State. In it the railroad heads point out that they are facing the greatest financial problem in the history of the railroads. President Rea, of the Pennsylvania, told his stockholders that the railroads as a whole were operating economically and not spending enough for maintenance. Not being able to make a reasonable charge for transportation, he continued, they were forced to make unusual economies, throw men out of work and create general depression and lack of confidence. But for all this railroad management would refuse to take responsibility.

The attempt to show that bookkeeping irregularities, such as have been charged against the St. Paul, were being generally used to produce argument for higher rates through fictitious accounting met vigorous and prompt denial. President Rea, for instance, announced that hereafter no statement reflecting on the management or the integrity of the officers of the Pennsylvania would be allowed to go unchallenged.

INDUSTRIALS COMPETE FOR FUNDS.

In addition to present difficulties, it is being realized that, particularly for the last 12 years, the railroads have been subjected in their constant necessity for new capital to great competition from the industrial corporations. Investment in securities has ceased to be synonymous with railroad stocks and bonds. The industrials, when cost of materials and higher wages threaten to reduce profits, have no State or national regulating commission to prevent them from raising the price of their products, and are able to offer more attractive yield to investors. Even under favorable conditions the railroads are unable to borrow at the low rates formerly prevalent, and with such meager net earnings as are now being returned from present transportation rates it is increasingly difficult to obtain money needed even to refund old obligations.

Conditions of general business have not improved during the week. The steel industry continues to present the most favorable condition. Unfilled tonnage of the United States Steel Corporation at the end of last month had increased over 400,000 tons to 5,026,440, but the independent companies, it is reported, did not make proportional gain in unfilled orders, and buying this month has been gradually reduced. Prices for finished product, too, have not been held firm. The Steel Corporation last week was operating its steel mills at 80 per cent of capacity, with furnaces at 75 per cent.

—

EFFECT ABROAD OF DEPRESSION.

The Bache Review for last week has the following:

"Notwithstanding the various reasons offered for depression and dullness here, it may be, after all, that the unsettlement in foreign markets is what ultimately is at the base of our own lack of assurance. There is little doubt that if trade were actively progressing here and confidence prevailed, this improvement would communicate itself to Europe. But with the plight of the railroads, artificially brought about and kept acute by delay or adverse decisions of a commission which might reasonably remedy the whole situation, business, lacking the stimulation which liberal railroad buying would bring everywhere, has become dispirited. We say artificially, because if railroads were free, as they should be, to regulate rates under the laws of trade, there would be no such railroad situation as we have, because nothing else is holding the country back, and we should be feeling the prickling current already of spring activity in business.

"We are always trying experiments in this country in deference to some political notion. If the Interstate Commerce Commission's powers had not been extended to rate making, the roads would in 1910 have raised rates 10 per cent, and it may be well concluded that over three years of depressing trade conditions would have been avoided."

—

[Mailed to Interstate Commerce Commission; paper from which taken unknown.]

PHILADELPHIA MARKET.

Except for a certain amount of activity in United States Steel, much of which was due to short covering during the first hour, the Philadelphia market remained in a stagnant condition throughout most of the day. Westmoreland Coal lost the 2 points gain established yesterday on a few odd-lot transactions. Otherwise, price fluctuations were confined to minor fractions. Except for the somewhat unusual speech by President Rea regarding the railroad's situation with respect to the Government, especially as to juggling of accounts, nothing new developed at the annual meeting of the Pennsylvania Railroad Co. The stockholders approved the proposed blanket mortgage, and other suggestions of the board already discussed in these columns, and the stock itself remained quiescent. Philadelphia Electric shares hardened to 27 in the afternoon, whereas Philadelphia Company advanced a substantial fraction.

Inquiry around the brokers' offices to-day elicited the information that investment demand, so noticeable during January and the first half of February, had been pretty thoroughly satisfied. The numerous new bond issues brought out since the first of the year have about saturated the market for high-grade securities for the time being, and bond dealers are inclined to look for a period of quietude while these new securities are being assimilated. Prices, however, are well sustained, due primarily to the low existing rates for money. What demand there is for bonds appears to have drifted in the direction of public-utility issues yielding a fairly high return on the investment.

Pennsylvania Steel shares remained dormant to-day, despite the announcement that the company has just chartered a new subsidiary, under the name of the Pennsylvania Steel Co. of Delaware. The charter authorizes it to manufacture iron, steel, and other products and to engage in general construction work. Incidentally, it was stated to-day that the Reading and Pennsylvania railroads, which are the principal owners of the steel company, had advanced about $3,000,000 out of a proposed $10,000,000 for modernizing the company's plants.

Keystone Telephone shares were stagnant, although the February report of earnings was distinctly good, showing a gross increase of $4,894 and a net gain of $3,427. The surplus was $29,451, an increase of $2,142. Since January 1 the surplus was $55,918, a gain of $4,570.

—

[From the Philadelphia North American, April 5, 1914.]

SHOW BIG RAILROAD FAVORS TO SUGAR TRUST AT CHICAGO—ADMITTED TO COMMISSION THAT UNLIMITED FREE STORAGE IS GIVEN, EVEN WHEN TRANSPORTATION COMPANY MUST HIRE SPACE.

WASHINGTON, *April 4.*

Tremendous discrimination by railroads in favor of the Sugar Trust at Chicago was revealed to-day in testimony before the Interstate Commerce Commission in the hearing on lake and rail rates.

It was known that the railroads granted tremendous special privileges to the Sugar Trust in New York, privileges which reduce the earnings of the railroads, but it was not known that this favorable discrimination extended further.

Admission that the American Sugar Refining Co. is granted unlimited free storage privileges on the docks of the Erie & Western Transportation Co. at Chicago was forced from W. H. Johnson, general western agent of the company.

Competing sugar companies are unable to avail themselves of this privilege because of their inability to use the lake and rail routes to advantage.

The further admission that, if the transportation company's docks are full, it rents storage room for one month to give it free of cost to the Sugar Trust was wrung from Mr. Johnson by Rush Butler, attorney for the Chicago Association of Commerce, and Louis D. Brandeis, special attorney for the Interstate Commerce Commission.

The privileges are covered in a joker section of sugar-rate tariffs now in effect between Chicago, Philadelphia, New York, and Boston on the lake and rail routes.

These admissions were the most startling events of the day in the rate hearings before the Interstate Commerce Commission.

CARRY GOODS VIRTUALLY FREE.

Admissions by the railroad representatives to-day are thought to have made impossible any increase in the lake and rail rates, even though the commission decides that on some schedules the railroads are losing money and that these schedules should be revised.

C. C. McCain, chairman of the Trunk Line Association, testified particularly as to the practices on the "ocean and rail" and "lake and rail" hauls from New York to Chicago. The rates are virtually the same—62 cents per hundred pounds for carload lots when the lake-navigation season is on and 65 cents when only the "ocean and rail" route can be used.

Mr. Brandeis obtained from Mr. McCain the admission that on a great part of ocean and rail business from New York the Baltimore & Ohio and Norfolk & Western (a part of the Pennsylvania system) carry the goods virtually free of charge.

This is due to the fact that certain cities in the interior of New York are granted "absorption rates" and "ocean and rail" shipping privileges to Chicago.

Watertown was taken as a sample of one of these cities. The rate from Watertown to New York on first-class carload shipments is 18 cents per hundred pounds, and on less than carload shipments 42 cents per hundred pounds.

The rate from New York to Chicago on carload lots is 26 cents per hundred pounds, and on less than carload lots 65 cents in winter and 62 cents in summer.

On shipments from Watertown to Chicago by the ocean and rail route the railroads absorb the 18 cents a hundred rate from Watertown to New York on carload lots, leaving them 8 cents a hundred for hauling the freight to Chicago from New York via steamer to Baltimore, Newport News, or Norfolk, and then from one of those points to Chicago by rail. On less than carload lots the absorption is 42 cents out of a 65-cent rate in winter and a 62-cent rate in summer.

CREATES UNFAIR DISCRIMINATION.

This service not only causes a tremendous loss to the carriers in revenue, but it creates a most unfair discrimination as between shippers who have the advantage of the ocean and rail routes and those who have not, according to Mr. Brandeis.

Mr. Johnson testified that under the sugar schedules of the Erie & Western Transportation Co. 17,000 barrels of sugar can be stored for an unlimited time on the docks of this company in Chicago. If the docks are crowded, the company will hire private storage for a month in order to handle the sugar business free of cost to the shipper, the American Sugar Refining Co.

The extent of this service is as unlimited as the time allowed, however, for the company will order the sugar out, free of cost to the Sugar Trust, redistribute it for its various destination points, free of charge, and will reconsign it to new destination points if only stored on the docks waiting sale.

Not only this, but the trust is given the privilege of substitution, which means that it can place sugar, brought by rail to Chicago, on the docks of the company and then have it handled free of charge, just as though it were brought by water.

When Messrs. Brandeis and Butler attempted to get some estimate as to the value of this service, Mr. Johnson was unable to give it. In the opinion of the attorneys, it is worth many thousands of dollars annually to the Sugar Trust, and it has the effect of virtually eliminating competition.

—

SUGAR SHIPPING FAVOR IS CUT OFF BY PENNSY—ADDS NEARLY 50 PER CENT TO FREIGHT REVENUE FROM THAT TRAFFIC—GAVE BACK $18.04 ON A CAR.

While arguing for a general 5 per cent advance in freight rates, the Pennsylvania Railroad, through the simple process of cutting off one terminal allowance, has added nearly one-half to its retained revenue from a big sugar traffic out of New York. This follows the clearly expressed view of the Interstate Commerce Commission that allowances

out of freight rates to shippers for various services performed by them constitute rebates in covert form, and, hence, should be abolished.

For floating empty cars from its Jersey City terminal to the Brooklyn Eastern District Terminal the Pennsylvania Railroad Co. made an allowance equal to 1⅛ cents per hundred pounds on the sugar which such cars would bring away. Counting 100 barrels of sugar to a car, such an allowance amounted to $6.76 per car. The terminal district in effect covered American Sugar Refining Co. shipments from Brooklyn.

GAVE BACK $18.04 ON EACH SUGAR CAR.

The published freight rate on sugar from New York to Philadelphia, Baltimore, Washington, and Alexandria, Va., for illustration, is 8½ cents per hundred pounds to each place, entirely regardless of the great difference in the haul, ranging from 90 miles to 230 miles. Besides the above allowance, which has been cut off, the Pennsylvania Railroad made, and still makes, another of 3 cents per hundred pounds.

This is for floating cars loaded from Brooklyn to Jersey City. On the same load basis it amounts to $11.28 per car. Thus there were allowances of 4½ cents per 100 pounds on account of services which it is closely estimated were performed by the Sugar Trust at a maximum cost of about half that much. It left the railroad a free revenue of only 3⅞ cents out of the rate of 8½ cents.

Under that arrangement the Pennsylvania Railroad gave up to the shipper of sugar from Brooklyn to all points reached by the 8½ cents rate from New York, 56 per cent of the collected revenue from the traffic. For each carload of sugar it collected $31.95. Out of this it gave back in service allowances $18.04, and so had left only $13.91 for itself.

ADD 48 PER CENT TO REVENUE.

With one allowance cut off, the Pennsylvania Railroad, charging just the same rate on this sugar business out of New York, actually gets 1½ cents per 100 pounds more for itself. The charge for a carload of sugar is unchanged at $31.95, but instead of giving up, in allowances, $18.04, the company now hands over only $11.28. The result is a free revenue of $20.67, or 64 per cent of the tariff revenue, against 44 per cent of it previously retained.

Thus the railroad, through an act in its own power, increased its clear revenue on Brooklyn refined sugar carried to points in the 8½-cent rate territory from $13.91 to $20.67 per carload. In this way it has added 48 per cent to the revenue from an important traffic. It is in ways such as this, which only square with honest practice, that the Interstate Commerce Commission and Louis D. Brandeis point the railroads to conserve their revenues.

—

[From the Chicago Examiner, July 24, 1913.]

RAIL HEADS HERE EAGER TO STOP TAP-LINE REBATE—PRESIDENT H. U. MUDGE, OF THE ROCK ISLAND, SAYS RAILROADS WILLINGLY WILL OBEY ORDER OF INTERSTATE COMMERCE COMMISSION—CHICAGO OFFICIALS TELL OF EXACTIONS BY TRUSTS, MULCTING THE LINES OF $50,000,000 A YEAR; BRINGS RELIEF TO COMPANIES.

Heads of railroads having headquarters in Chicago, while surprised yesterday at the exclusive disclosure made in the Examiner as to the plan of the Interstate Commerce Commission to abolish rebates in the shape of allowances to industrial corporations on tap-line roads, said that the railroads would have no hesitation in obeying such order.

"Every railroad has had to make these allowances," said President Henry U. Mudge, of the Rock Island, "but it will be a relief for the companies to be forbidden to make them. The railroads will regard the commission's order much as they did the antipass law.

"When the railroads were allowed to give passes they could not refuse to hand them out. When the law forbade the giving of passes the railroads could refuse to issue them, and former 'deadheads' had to pay money for fares. The same will be true of these 'tap-line' allowances.

WILLING TO STOP PRACTICE.

"Hitherto the railroads have been obliged to make these allowances because the industrial corporations were able to exact them. Now that the railroads are to be ordered to cease making such allowances on freight carried over the tap-line roads, we will stop the practice and will be the gainer.

"It is unfortunate that the custom should have grown up of making these allowances. They were, in my opinion, unjustifiable, although there are exceptions. The International Harvester Co. has two of these industrial railroads connecting its plants with trunk lines, and these little railroads do a bona fide business. The Interstate Commerce Commission has decided that the Harvester Co. is entitled to an allowance of $3 a car for the switching work done by these tap-line railroads.

MADE BAD CONDITIONS.

"In spite of such exceptions the general fact stands out that the allowance of any sum to an industrial corporation having the effect of a rebate on freight rates to a certain extent gives the industrial corporation a club over the railroads. For that reason the railroads will be glad to see the custom abolished.

"Of course, I am not authorized to speak for the railroads, but I can not see why they should object to having the tap-line allowances abolished. These allowances have been conducive to a bad condition, and I believe their abolition will have a good effect."

"There has been nothing underhand about these tap-line allowances to industrial corporations," said President Darius Miller, of the Burlington Road. "Any division of freight rates between the trunk lines and industrial railroads has been a matter of record. Railroads have often been compelled to make such allowances, but the order of the Interstate Commerce Commission abolishing them will cause no sorrow to us. Any order made by the commission will be cheerfully obeyed."

SAYS THEY STOPPED IT.

"The order prohibiting division of freight allowances with tap-line roads owned by industrial corporations will be a good thing for the railroads," said President William A. Gardner, of the Chicago & North Western. "The North Western long ago stopped the practice of making such allowances, and I should think other railroads would be glad to be ordered to abolish it."

When asked yesterday whether, in his opinion, the estimate of $50,000,000 a year as the sum total of rebate allowances by railroads on tap-line roads was too high, Charles R. Hillyer, former counsel of the Interstate Commerce Commission, said last night:

"You would not have thought so if you had seen how bitterly the Steel Trust fought before the Interstate Commerce Committee during the hearings before Commissioner Harlan.

"Kellogg, Severance, and the whole battery of highly paid Steel Trust lawyers were on hand to defend the allowances made to the trusts on the tap lines, and it was evident from the terrific fight made by the trust that enormous sums of money were involved—enough to pay dividends on half a billion of stock.

MILLIONS IN ALLOWANCES.

"In the course of the investigation made by Commissioner Harlan it was made evident that the Harvester Trust, the Steel Trust, and the Lumber Trust were taking scores of millions of dollars from the railroads in rebates in the shape of allowances on tap-line railroads connecting their plants with trunk lines.

"It was shown that the Lumber Trust would build two tap-line roads a few hundred feet long connecting one of its plants with a trunk-line railroad and would then go to one railroad and say, 'Give us an allowance of $5 a carload and you can have our business.'

"The trust might go from one road to the other, and finally give its business to the road offering the biggest allowance on the freight.

"The testimony showed that the Steel Trust got more of a rake-off than any other industrial corporation. It offered to turn its business over to any railroad that would give it the biggest rebate in the shape of a division of the freight charges in favor of its tap lines.

NOT LEGITIMATE LINES.

"It was shown that certain lumber and brewery corporations got millions of dollars from the railroads in the shape of allowances for freight carried over tap lines. These tap lines, or industrial railroads, as they are called, are often only a few hundred feet or yards long. They are not bona fide railroads at all, but are operated solely for the purpose of bolstering up a claim upon the railroads for a division of the freight rate.

"As a result of the order of the Interstate Commerce Commission that the railroads shall discontinue making these tap-line allowances to big industrial corporations, I am convinced that something near $50,000,000 a year will be saved to the railroads; they have been paying out that much in these disguised rebates. This $50,000,000 a year will remain in the coffers of the railroads, and it will not be necessary for the railroads to make the advance in freight rates for which they have been clamoring.

"When I was engaged as counsel in the advance-rate case in 1910, and it was argued by the railroads that they must be allowed to increase their freight rates, the question was asked, 'Why do you not cease making these allowances to the trusts on their tap-line railroads?' But the railroads made no answer to this question.

NO REASON FOR INCREASE.

"There is no reason why the railroads should ask for increased freight rates while they are paying out scores of millions of dollars a year in unnecessary allowances to the trusts on tap-line roads which are merely subterfuges to obtain rebates.

"These tap lines built by the big industrial corporations are not bona fide railroads. They are used to coerce the railroads into committing a violation of the interstate commerce law. The commission found at the recent hearing that the Lumber Trust had incorporated many of these little railroads for the express purpose of getting a division of the freight allowances with the railroads."

—

[From the Chicago Examiner, Thursday, July 24, 1913.]

A SQUARE DEAL FOR RAILROADS AND PUBLIC.

Readers of the Examiner were given yesterday morning an authoritative forecast of a forthcoming decision of the Interstate Commerce Commission.

A very considerable portion of the population of the country has a direct financial interest in that decision. Millions upon millions of dollars are involved in it. Also it is a decision that will have much to do with the solution of the trust issue.

For these reasons it is one of the most important pieces of news that have been given the public in months. Therefore the Examiner takes some pride in the fact that it was given exclusively to the readers of this paper. There is a satisfaction in giving good news—and giving it first.

First, the decision denies the railroads of the country permission to increase freight rates.

Freight rates are a fixed charge upon every individual of the Nation. They are a concealed charge, to be sure. They are as insidious as the tariff, but they are also as certain a tax as the tariff is.

But that is not the most important part of the conclusion reached by the commission. That body has also determined that so-called "allowances" to concerns operating stub railroads shall hereafter be prohibited.

"Allowances," in the sense the word is used in railroad terminology, is but an euphemistic synonym for the "rebates" of other days.

An "allowance" is a division of the freight charge upon any commodity given the manufacturer if he has a stub railroad connecting his plant with a railroad. The trust has been getting its "allowances" on both material shipped in and its products shipped out under the theory that the stub railroad is a transportation company. And the "allowance" demanded by the stub line has often, in the cases where railroad competition permitted it, been half the total charge, although the stub hauled the freight but a mile or so, while the railroad hauled it hundreds of miles.

As a matter of fact, a stub line is not a railroad in any sense. It is simply a delivery system. It is to the trust just what the Missouri mule or the auto truck is to the smaller manufacturer. And the commission has come very wisely to take that view of it.

The big corporations are pretty apt to howl over the decision. It will cost them, according to the estimates of the commission, between $50,000,000 and $100,000,000 a year.

But the railroads should be pleased. It will permit them to give the increased wages their men demand and leave them several millions balance without increasing rates. And the small manufacturer and the consumer will profit, because one of the unfair advantages of the trust has been broken down.

—

RAIL HEADS HERE EAGER TO STOP TAP-LINE REBATE—PRESIDENT H. U. MUDGE OF THE ROCK ISLAND, SAYS RAILROADS WILLINGLY WILL OBEY ORDER OF INTERSTATE COMMERCE BOARD—CHICAGO OFFICIALS TELL OF EXACTIONS BY TRUSTS, MULCTING THE LINES OF $50,000,000 A YEAR; BRINGS RELIEF TO COMPANIES.

Heads of railroads having headquarters in Chicago, while surprised yesterday at the exclusive disclosure made in the Examiner as to the plan of the Interstate Commerce Commission to abolish rebates in the shape of allowances to industrial corporations on tap-line roads, said that the railroads would have no hesitation in obeying such order.

"Every railroad has had to make these allowances," said President Henry U. Mudge, of the Rock Island, "but it will be a relief for the companies to be forbidden to make them. The railroads will regard the commission's order much as they did the antipass law.

"When the railroads were allowed to give passes they could not refuse to hand them out. When the law forbade the giving of passes the railroads could refuse to issue them, and former 'deadheads' had to pay money for fares. The same will be true of these 'tap-line' allowances.

WILLING TO STOP PRACTICE.

"Hitherto the railroads have been obliged to make these allowances because the industrial corporations were able to exact them. Now that the railroads are to be ordered to cease making such allowances on freight carried over the tap-line roads, we will stop the practice and will be the gainer.

"It is unfortunate that the custom should have grown up of making these allowances. They were, in my opinion, unjustifiable, although there are exceptions. The International Harvester Co. has two of these industrial railroads connecting its plants with trunk lines, and these little railroads do a bona fide business. The Interstate Commerce Commission has decided that the Harvester Co. is entitled to an allowance of $3 a car for the switching work done by these tap-line railroads.

MADE BAD CONDITIONS.

"In spite of such exceptions the general fact stands out that the allowance of any sum to an industrial corporation having the effect of a rebate on freight rates to a certain extent gives the industrial corporation a club over the railroads. For that reason the railroads will be glad to see the custom abolished.

"Of course I am not authorized to speak for the railroads, but I can not see why they should object to having the tap-line allowances abolished. These allowances have been conducive to a bad condition, and I believe their abolition will have a good effect."

"There has been nothing underhand about these tap-line allowances to industrial corporations," said President Darius Miller of the Burlington road. "Any division of freight rates between the trunk lines and industrial railroads has been a matter of record. Railroads have often been compelled to make such allowances, but the order of the Interstate Commerce Commission abolishing them will cause no sorrow to us. Any order made by the commission will be cheerfully obeyed."

SAYS THEY STOPPED IT.

"The order prohibiting division of freight allowances with tap-line roads owned by industrial corporations will be a good thing for the railroads," said President William A. Gardner, of the Chicago & North Western. "The North Western long ago stopped the practice of making such allowances, and I should think other railroads would be glad to be ordered to abolish it."

When asked yesterday whether, in his opinion, the estimate of $50,000,000 a year as the sum total of rebate allowances by railroads on tap-line roads was too high, Charles R. Hillyer, former counsel of the Interstate Commerce Commission, said last night:

"You would not have thought so if you had seen how bitterly the Steel Trust fought before the Interstate Commerce Committee during the hearings before Commissioner Harlan.

"Kellogg, Severance, and the whole battery of highly paid Steel Trust lawyers were on hand to defend the allowances made to the trusts on the tap lines, and it was evident from the terrific fight made by the trust that enormous sums of money were involved—enough to pay dividends on half a billion of stock.

MILLIONS IN ALLOWANCES.

"In the course of the investigation made by Commissioner Harlan, it was made evident that the Harvester Trust, the Steel Trust, and the Lumber Trust were taking scores of millions of dollars from the railroads in rebates in the shape of allowances on tap-line railroads connecting their plants with trunk lines.

"It was shown that the Lumber Trust would build two tap-line roads a few hundred feet long connecting one of its plants with a trunk-line railroad and would then go to one railroad and say, 'Give us an allowance of $5 a carload and you can have our business.'

"The trust might go from one road to the other, and finally give its business to the road offering the biggest allowance on the freight.

"The testimony showed that the Steel Trust got more of a rake-off than any other industrial corporation. If offered to turn its business over to any railroad that would give it the biggest rebates in the shape of a division of the freight charges in favor of its tap lines.

NOT LEGITIMATE LINES.

"It was shown that certain lumber and brewery corporations got millions of dollars from the railroads in the shape of allowances for freight carried over tap lines. These tap lines, or industrial railroads, as they are called, are often only a few hundred feet or yards long. They are not bona fide railroads at all, but are operated solely for the purpose of bolstering up a claim upon the railroads for a division of the freight rate.

"As a result of the order of the Interstate Commerce Commission that the railroads shall discontinue making these tap-line allowances to big industrial corporations, I am convinced that something near $50,000,000 a year will be saved to the railroads; they have been paying out that much in these disguised rebates. This $50,000,000 a year will remain in the coffers of the railroads, and it will be necessary for the railroads to make the advance in freight rates for which they have been clamoring.

"When I was engaged as counsel in the advance-rate case in 1910, and it was argued by the railroads that they must be allowed to increase their freight rates, the question was asked, 'Why do you not cease making these allowances to the trusts on their tap-line railroads?' But the railroads made no answer to this question.

NO REASON FOR INCREASE.

"There is no reason why the railroads should ask for increased freight rates while they are paying out scores of millions of dollars a year in unnecessary allowances to the trusts on tap-line roads which are merely subterfuges to obtain rebates.

"These tap lines built by the big industrial corporations are not bona fide railroads. They are used to coerce the railroads into committing a violation of the interstate commerce law. The commission found at the recent hearing that the lumber trust had incorporated many of these little railroads for the express purpose of getting a division of the freight allowances with the railroads."

REBATE GIVES TRUSTS CLUB OVER RAILWAYS, DECLARES H. U. MUDGE.

Every railroad has had to make allowances for tap lines, but it will be a relief for companies to be forbidden to make them. The railroads will regard the commission's orders much as they did the antipass law. The allowance of any sum to an industrial corporation, having the effect of a rebate on freight rates, to a certain extent gives the industrial corporation a club over the railroads. For that reason the railroads will be glad to see the custom abolished.

HENRY U. MUDGE.

—

[From Chicago Examiner, July 23, 1913.]

REBATES BY ALLOWANCES ON TAP-LINE ROADS TO BE ABOLISHED—FIFTY TO ONE HUNDRED MILLION DOLLARS WILL BE ADDED TO REVENUES OF RAILROADS BY DECISION; WILL OBVIATE RATE INCREASE NECESSITY—INTERSTATE COMMERCE COMMISSION WILL REFUSE TO GRANT RAISE IN RATES; TO ISSUE ORDER THAT WILL STRIP TRUSTS OF SPECIAL FAVORS.

WASHINGTON, *July* 22.

The answer of the Interstate Commerce Commission to the application of the railroads east of the Mississippi and north of the Ohio and Potomac Rivers for permission to make a general increase of 5 per cent in freight rates will be as follows:

1. The application will be denied.
2. All railroads will be ordered to discontinue making "allowances" to certain favored big industrial combinations.

The effect of this will be to relieve the general public of the necessity of paying the additional $42,000,000 a year which the railroads in official classification territory are asking for, and to strip certain big corporations of a sum ranging between $50,000,000 and $100,000,000 annually.

MAY NOT PROSECUTE.

The necessity of such an order has been under consideration by the commission for some time. During the past few months it has secretly made an investigation to determine just the extent to which the practice of making "allowances" to industrial short-line railroads owned by manufacturing concerns is prevalent.

It is now in possession of the names of the firms that receive these allowances, or rebates, or discriminatory rates, and in addition it has the names of the railroads that pay them the amounts received by the favored industrial corporations and something of the extent to which the practice injures the competing manufacturers who are not in a position to enter into such arrangements.

In a large number of instances, it is claimed, the practice amounts to extortion. The railroads are compelled by the demands of competition to make allowances to the manufacturer for his part in transferring his product over his own insignificant trackage to the junction where the regular railroad takes up his cars.

$17,000,000 FOR INCREASE.

Where several railroads are bidding for such a manufacturer's business, the one which makes the most liberal allowance usually gets the freight.

In view mainly of this fact, it is expected that the answer which the commission will give the railroads' application will meet with their approval and cooperation and will do away with the most important of existing improper practices in the railroad business without the necessity of prosecution.

The railroads are asking for the 5 per cent increase on the ground that they must have increased revenue to pay their large operating expenses, and particularly to pay the higher wages demanded by their employees—a demand which almost precipitated a paralyzing strike a few days ago and which is now being arbitrated under a special act of Congress. In rough figures, the 5 per cent increase asked by the railroads in the territory east of Chicago would add $42,000,000 to their revenue.

The recent demands of their employees for wages equal to those paid railroad workmen in the western and southern territory would take $17,000,000 of that amount.

Under the order which the Interstate Commerce Commission will issue they will get more than $42,000,000 by simply cutting off an improper expense, and, correspondingly, the favored trusts and combinations which have been mulcting them of the amount will be deprived of it.

The railroads will be placed in a position to pay their employees the living wage they demand, the danger of a tremendous strike will be avoided, and the whole thing will be accomplished without the shippers—and through them the general public—being required to pay more for the transportation of the necessities of life.

And this means that another boost in the cost of living, which would mean hardship to millions of families, will be prevented.

A year ago Commissioner Harlan discussed the subject generally to some extent on the opinion on the tap line, which has to do specifically, however, with the lumber railroads. Incidentally Commissioner Harlan was in charge of the investigation just made into the conditions in the official classification territory.

DEFINES INDUSTRIAL LINE.

He said:

"An industrial railroad, as that phrase is now commonly used, is a short line constructed primarily to serve the particular plant or industry in the general interest of which it is owned and operated. It consists of the tracks connecting the various factories, warehouses, and other buildings of the industry with one another, and ordinarily has a connection with one or more adjacent trunk lines, by means of a track leading from the plant to the rights of way.

"It serves the industry by receiving its inbound shipments of raw materials from the trunk lines at agreed interchange points, distributing them among the various buildings according to the requirements of the manufacturing operations, and by taking its finished products from the plant of the trunk lines; it is also often in a position to effect all the necessary movements of materials and partially finished products from building to building within the plant.

OPERATED BY INDUSTRY.

"The rails, tracks, and locomotives are more frequently operated as a bureau of the industry and no pretense is made of serving outside interests. In recent years, however, a practice has grown up under which the rails, tracks, and locomotives operated and used in and around an industrial plant, when set over to a small incorporated railroad company, organized for the purpose and owned by the industry or in its interests, are thereafterwards dealt with by the regular lines as something wholly apart from the industry and as if they constituted a

common carrier, in the service of the general public, participating on an equal basis with other carriers in the transportation of the traffic of the country.

"On this theory of their status many industrial lines receive allowances out of the rates, both on the traffic of the controlling industry and upon such traffic of outside interests as they may handle.

COSTS MILLION A YEAR.

"The aggregate amount so paid by the regular lines to industrial lines throughout the country is not known. It has been estimated at not less than $100,000,000 a year. On the basis of such investigations as we have been able to make, it seems entirely conservative to say that the amount for the whole country is not less than $50,000,000 or $60,000,000 a year.

"In no small number of cases the allowances are sufficient to meet all these costs and to return handsome dividends on the entire investment of the industry in its tracks and equipment. In some cases the amount thus received by a particular industry is so large as to contribute materially to its prosperity as compared with the prosperity of a competitor in the same line of business receiving no such aid."

Commissioner Harlan also significantly intimated something of what is to happen by saying at another point in the opinion:

"In a formal investigation we are now looking into the relations between the public carriers and the industrial lines affiliated with iron and steel industries and with other manufacturing concerns located in the territory east of Chicago. A number of particular instances are also before us upon formal complaint. All these cases will be considered in due time."

SIMILAR TO LUMBER CASES.

The insidious nature of the rebating is indicated in his comment on conditions in the lumber industry, which is perfectly illustrative of conditions among other industries in the eastern territory.

"The allowances paid range from a minimum of three-quarters of a cent to 6 cents per 100 pounds," he wrote. "In the competition of carriers for the traffic allowances as high as 7 cents per 100 pounds have been paid out of a 14-cent rate, where the haul of the tap line was a matter of feet and yards, while the haul of the carrier itself approximated 400 miles."

Franklin K. Lane, now Secretary of the Interior, forecasting sweeping reforms in this direction when he wrote his opinion in the Manufacturers' Railway Co. case, said:

"I can not but believe that the solution of this question of terminal allowances for industrial delivery can only come when we have separated the line charge from the terminal charge. If the industry was sufficiently powerful in that it had a great volume of traffic it generally secured the allowances, and especially if it was in competitive territory.

"We are now coming under a system of regulation in which one universal rule must be applied to all industrial railroads which are in part plant facilities and carriers' facilities—plant facilities in that they are a substitute for horses and wagons in the carriage of goods from one part of a plant to another and in the delivery of the plant's traffic to a trunk line; carrier facilities in that they are an extension of the terminal of the trunk line to the industry.

SITUATION COMPLICATED.

"This situation is so complicated that, in my judgment, it never can be settled so as to avoid giving a rebate to the industry or discriminating against the industry until the trunk lines state in their tariffs separately and distinctly what portion of their rate is allowed for terminal service."

This case was decided before the tap-line case referred to. Nevertheless, Commissioner Harlan then was giving a good deal of thought to the subject, as is indicated in his dissenting opinion:

"The contributions thus made by carriers to various industries must, in the aggregate, amount to a very large sum annually, and the burden is laid upon the general rates, which they exact from the public at large. In some cases, I can not doubt, the financial aid thus received is sufficient to determine the prosperity of the particular industry, as compared with similar and possibly competing industries that have to get along without an allowance or have not installed plant tracks and thus have no ground upon which to base a demand for similar contributions from the carriers."

HOPKINS TELLS OF INDEPENDENTS' LONG FIGHT ON TAP LINES.

Secret favors granted by railroads to big industrial corporations in the division of freight income with "tap lines," as short railroads built by manufacturing plants are called, have long been denounced by independent shippers.

"These tap lines," said W. M. Hopkins, head of the transportation department of the Chicago Board of Trade last night, "are not real railroads at all, but are short roads built by industrial corporations to connect their plants with trunk lines. They may be anywhere from a quarter of a mile to 10 miles or 20 miles in length, but they should not be classed as railroads but as parts of the manufacturing plants which they serve.

"Yet the railroad companies, eager to grant illegal favors to big industrial corporations, have acknowledged these 'tap lines' as railroads, and have split the freight rates with them.

"They would allow the little 'tap-line' railroad $5, $10, or even $15 a ton as its share of the freight charges on immense consignments of oil, steel, tin plate, agricultural implements, or other products of the industrial corporation owning the 'tap line,' and this would be equivalent to a freight rebate granted by the big railroad company to the trust, which owns the tap line and ships the freight.

"Of course, such allowances are grossly unfair, besides being a dishonest evasion of the law against rebating, and all good citizens should rejoice that the Interstate Commerce Commission will order the practice stopped. It will be a good thing for the railroads which have been granting these unfair allowances to be compelled to cease making them, as it will put vastly increased sums into their treasuries. It also will be a good thing for the independent shipper, who has been placed at a disadvantage, owing to favors granted by the railroads to the big industrial corporations."

W. M. Hopkins is the transportation manager of the Chicago Board of Trade, a position he has occupied since 1908. Though called upon to handle many cases involving opposing elements, Mr. Hopkins by his tact and sterling honesty always has earned the respect of both the shippers and the carriers. One of his strong characteristics is his unvarying effort to equalize conditions as between competing markets.

Mr. Hopkins was born in Michigan in 1858 and entered the railway service in 1879 as freight solicitor of the Erie & North Shore Dispatch Fast Line. He occupied successively many other railway positions. Only recently he was elected president of the Traffic Club of Chicago.

COMMISSIONER HARLAN'S "TAP LINE" DECISION RELATIVE TO RAIL REBATING.

Commissioner Harlan, in charge of the rail investigation just made, some time ago discussed the subject generally in an opinion on the tap line. A part of the decision relative to the present case reads:

The allowances paid range from a minimum of three-quarters of a cent to 6 cents per 100 pounds. In the competition of carriers for the traffic allowances as high as 7 cents per 100 pounds has been paid out of a 14-cent rate, where the haul of the tap line was a matter of feet and yards, while the haul of the carrier itself approximated 400 miles.

The amount of the allowance seems not to be governed definitely by the extent or character of the service said to be performed by the tap line, but to result to some extent from the bargain made between the carrier and the lumber company. In one case a tap line operating 6 miles of main line, received allowance of 3 and 4 cents per 100 pounds, while a few miles away another tap line, operating 12 miles, received but from 1 to 2½ cents per 100 pounds, depending upon destination; in each case the public carrier performs all the service between the mill and its own tracks.

It did not appear that the controlling lumber companies, the real beneficiaries of the allowance, knew of the discriminations between them until the facts were developed in the hearing. Other instances appear on record, where incorporated tap lines are receiving allowances that are less or greater than the allowances paid to other incorporated tap lines performing a service that is substantially similar in extent and character and under like conditions.

—

[Mailed to Interstate Commerce Commission. Paper from which taken unknown. April 2, 1914.]

WILL REGULATION BE JUSTIFIED?

Pretty much everybody is agreed that the coming decision of the Interstate Commerce Commission in the application of central and eastern railroads for a freight-rate increase will show finally whether Government regulation is a measurable success or a complete failure.

This will not involve a simple finding of fact whether present conditions for the railroads are less or more endurable than was the case when a former ruling of the commission prohibited rate increases. There must be an entire change in the viewpoint of the commissioners if their decision is to benefit the country. Heretofore they have shown the disposition which has been common in the whole Government attack against railroads. They have magnified the quasi-public character of the transportation business as contrasted with its private character to such an extent as to forget that private ownership of railroads exists primarily for the purpose of making money for the capital invested in them and except as it is successful in that undertaking it can not supply the capital needed to maintain its business or do that business in a way to insure good public service. They have failed to realize, too, how completely dependent the whole industry of the country is upon the prosperity of its railroads, and how impossible it is to check railroad prosperity and discourage railroad enterprise without paralyzing to very grave degree all industrial enterprise. Starve the railroads and you pinch everybody.

If you compare the purchasing value of a dollar to-day with its purchasing value of 10 years ago, and then contrast railroad rates of to-day with those which obtained 10 years ago, you will find that existing rates are really infinitely lower than they used to be, and railroad profits discouragingly less. Wages and costs of material have increased; the difficulty of raising money has increased; every railroad undertaking is harder to carry out than it used to be—but the chance of profit from the railroad business has steadily decreased. There is no longer any broad strength or spirit to railroad development. And because this is so there is no broad strength and spirit to business development of any kind such as the country knew and enjoyed before Government saw fit to make war upon railroad profits. The circumstances of the time show plainly enough that most of our Government regulation thus far has been destructive and obstructive rather than constructive of successful railroad operation in the United States.

There is no necessary reason why this should be so. Government commissions need only to see things in their true light and relations to have a sounder basis for their orders. If their idea will be to make railroads richer instead of poorer they will begin to justify the policy which brought commissions into existence. That was not to impoverish the public but to make the public better off. And commissions can not impoverish railroads without impoverishing the public. Who owns the railroads? Thousands upon thousands of stockholders. Railroad prosperity feeds millions.

Rate increases were opposed by public opinion a few years ago. But now that public opinion favors rate increases, and favors them because convinced of their justice and expediency, if the Interstate Commerce Commission shuts its eyes to the common sense of the Nation and falls a prey to the statistical mummery of a Thorne or a Brandeis—refuses to give railroading a chance to prosper richly—railroad regulation by commission will be a failure. People will vote it such when they get the opportunity.

—

[From Philadelphia North American, March 5, 1914.]

BIG SHIPPER IS FOR FREIGHT RAISE, AT BUYER'S EXPENSE—WOULD ADD 7 CENTS TO COST OF EACH PACKAGE, MAIL ORDER HOUSE ADVOCATE OF HIGHER RATES ADMITS.

WASHINGTON, *March 4.*

Increases in freight rates increase the burdens upon the consumers far more than upon the big shippers of freight, and the latter in advocating general advances in rates as preferable to the abolition of free terminal services and special privileges to themselves demonstrate absolute indifference to the welfare of their customers.

This short sighted policy upon the part of great mercantile houses and producers was forcefully illustrated in the hearings before the Interstate Commerce Commission to-day upon free services performed by railroads for favored shippers.

J. C. Maddison, traffic manager for the great mail-order house of Montgomery & Ward, Chicago, declared that the advance in rates proposed by the railroads would add an average cost of 7 cents to every package sent out by his firm. This cost would be borne entirely by the purchaser.

He favored the advance in rates, rather than have the railroads impose a charge for services which are now performed free for his firm.

In striking contrast to this testimony was that of R. H. Forbes, traffic manager for Butler Bros., wholesale mail-order merchants of Jersey City. Mr. Butler testified as one familiar with traffic condi-

tions, and not as the representative of a particular concern. He was emphatic in declaring against the advance in rates and in favor of the abolition of all free services and special privileges.

LIGHTERAGE PROBE COMING.

He told of the lighterage service performed by railroads for New York, and suggested it was a subject that might well be investigated.

"You need not be surprised," interposed Commissioner Harlan, "if you hear an announcement of our intention to investigate that very subject."

Mr. Forbes said: "New York and Jersey City pay the same rates to Chicago, yet it costs the railroads vastly more to handle New York freight than Jersey City freight. They furnish free lighterage from Jersey City to New York, and that is the most expensive service possible. Also, it is a distinct service.

"In talking about the 5 per cent increase, I have heard much about the burden to the shipper, but in truth that burden will be passed on to the consumer. The 5 per cent raise will amount to more than 20 per cent before it reaches the consumer, in my estimation. This can be seen when you figure it will apply on raw material as well as on finished products, and on each individual distributer. Also, many local tariffs will be far in excess of 5 per cent higher under the flat-rate scheme.

"The sentiment in New York, I hear, is all in favor of the increased rate. That sentiment does not extend to Jersey City, however, and if New York shippers want to pay the railroads more, I think they should pay for the distinct and expensive services, such as lighterage, which they now receive free."

Mr. Forbes went on to show that passing the burden on to the consumers restricts business both for the merchants and for the railroads. It would be better for both, he believed, to abolish all free service. The increase in railroad revenues which would thus be contained would be far less expensive to the country than a general increase in rates.

In Mr. Maddison's testimony, the plea was made that the shippers who enjoy special privileges relieve the railroads of a great deal of work, but when questioned by Mr. Brandeis he admitted that they are themselves the chief beneficiaries, since they are relieved of all hauling and are enabled to ship at lower cost than less fortunate shippers, thereby obtaining the advantage of special privilege over competitors.

When Mr. Brandeis asked him if he had studied the proposed 5 per cent increase, he said:

"I haven't figured it out closely. It wouldn't cost us a nickel, though, for it finally would go into the cost of goods, and I am told the average shipment would cost the consumer 7 cents per purchase more than now."

Mr. Maddison said his firm handled upward of 23,000 cars annually, the cost of the freight on each being above $100. On the basis of a straight 5 per cent raise, this would be more than $100,000 additional freight charges.

As against this, Mr. Brandeis pointed out that if a spotting charge of $1 a car is levied, it would amount to only about one-fifth the increased rate cost.

WILLING TO LET CONSUMER PAY.

Here Clifford Thorne, State railroad commissioner of Iowa, asked: "You'd rather have the other fellow pay the $100,000 than to pay the $23,000 or so yourself, wouldn't you?"

"I'll have to answer that later," said Mr. Maddison.

Mr. Thorne remarked that when they felt the burden would rest on the consumer the big shippers were willing to see the railroads get the increase in rates, but now that they see a possibility of having to pay for special services performed for them, they are not only willing, but anxious, to see the line haul cover the whole thing.

Mr. Maddison said it didn't make any difference to his firm what the rates are, as the consumer ultimately would pay it all anyway, and the business would go on just as before.

Another witness who took an advanced view of the situation to-day is A. J. Earle, of the Kelly Island Lime & Transportation Co. He said the margin of profit upon lime is very small. The Kelly Island company ships 65,000 carloads per year. If a general advance in the rates on lime is made, it will decrease railroad revenues, for it would contract both the freight and the traffic, because the freight would not move.

Hearings on free terminal services in large cities were concluded for the present and the cost of free services in the coal regions was taken up.

It was shown by General Freight Traffic Manager Schriver, of the Baltimore & Ohio, that his railroad performs services free for every mining company upon its lines.

The average cost of spotting cars for the different mines, for which the railroads receive no compensation, is $1.49 per car.

[From the Joplin (Mo.) Daily Globe, February 27, 1914.]

FRISCO OFFICIALS GUESTS AT BANQUET BY BUSINESS MEN—ALL DEPARTMENTS OF ROAD REPRESENTED AT DINNER TO SHOW APPRECIATION OF INVESTMENT—FAVOR FREIGHT-RATE RAISE—RESOLUTION APPEALING TO INTERSTATE COMMERCE COMMISSION IN EASTERN SYSTEMS' BEHALF ADOPTED.

The value of friendliness and understanding between the public and the railroads, coupled with cooperation, was the keynote of every speaker, both of business men and of the railroads, in a complimentary banquet tendered by the commercial organizations of Joplin to the Frisco in the Connor Hotel last night. It was in token of appreciation and celebration of the numerous improvements made here within the last 15 months by the Frisco railroad.

Every department of the railroad system and virtually every line of industry in Joplin was represented. Homage to the railroad was paid by 175 business men and was acknowledged by 18 Frisco officials Not another person could have been accommodated in the dining room of the hostelry where the banquet was held.

FAVOR INCREASED FREIGHT RATES.

The jubilation began with a seven-course dinner, interspersed with instrumental music by Miss Alma Pitman and Miss Rhetta Hesselberg, and the song "America" in chorus. Judge David D. Hoag was toastmaster.

Following the banquet a resolution indorsing a proposed 5 per cent increase in railroad freight rates east of the Mississippi River was adopted unanimously by the 175 business men of Joplin. It recently was indorsed by the Noonday Luncheon Club. In the action last night it received the recommendation of every commercial body in the city. The resolution was read by John M. Malang. It follows:

"Whereas most of the commercial bodies and boards of trade east of the Mississippi River have, by resolution and petition, requested the Interstate Commerce Commission to grant the railroads east of the Mississippi River a 5 per cent advance in freight rates; and

"Whereas the cities of St. Louis and Kansas City of our own State and the business men of the city of Joplin attending the Noonday Luncheon Club of this city have made a similar request: Now therefore be it

"*Resolved*, That it is the sense of this meeting that the several commercial bodies here assembled indorse the action of the various commercial bodies before mentioned and the action taken at our Noonday Luncheon Club by our own citizens and business men."

TOAST TO PRESIDENT.

Those who spoke in behalf of the railroads last night were: A. Hilton, J. E. Hutchison, E. D. Levy, and C. W. Nunn. The following Joplin business men spoke: Judge David D. Hoag, T. J. Frank, O. D. Royse, and John M. Malang.

Judge Hoag began the speaking with toasts to President Wilson and to the Frisco Railroad. A. Hilton, of St. Louis, passenger traffic manager, responded in behalf of the railroad and particularly for W. B. Biddle, receiver, who could not be present.

"On January 20, last," said Judge Hoag, "the Chief Executive of this Nation sent a message to the business men of this country. It was a direct communication to every business man in Joplin, as well as to all of the business men of the Nation.

"'Peace, freedom, and prosperity in commerce and industry' were the keynotes of that message. He said: 'The antagonism between business men and the Government now is over. The prosperity of the railroads and the prosperity of the country are inseparably connected.'

"It is refreshing to read this clear-cut, straightforward message, going direct to the point. It is in marked contrast to the heavy state papers that heretofore have been delivered to statesmen and politicians, filling columns of newspapers that the average business man never reads. Therefore, at the very outset of these proceedings, I propose a toast to Woodrow Wilson, the President of the United States: 'May he succeed in his endeavors to bring about a condition where there shall be a common effort to square business methods with both public opinion and law.'

"We are gathered here to-night to celebrate the formal opening of the new Frisco Railway station. It is right and fitting that we honor the occasion.

"Our new railway station will compare favorably with any other in the United States. Some of the large cities have larger buildings, but none surpass the accommodations of our Frisco station. It is superior to, has more conveniences, is better lighted, and is much handsomer than is the Pennsylvania Railway station of Pittsburgh.

"The management of the Frisco corporation planned wisely and well when they decided to place in Joplin the finest station on the system.

"Our citizens were wise when they forgot their grievances as to freight discriminations and gave their time, their money, and their efforts to clear the ground on which this splendid building would be placed.

"Here is a splendid example of cooperation—'Cooperation,' the slogan of the Business Men's Noonday Club.

"We congratulate the railway officials who are with us to-night. We appreciate the liberality of the appropriation. We are glad to know that you recognize the importance of our city. We believe that the receipts from this passenger station will justify the expenditure. This certainly is one case where the people are with you.

"I now propose a toast:

"'To the officials of the Frisco Railway Co.—may they enjoy the good will of the people whom they serve.'

"To our own committeemen—may they continue their work for a greater Joplin.'

"America has grown by leaps and bounds along the new roads of history with a rapidity and an energy for which there is no precedent; 10, 15, 30 times in a single century has she multiplied her population, her cities, and all the wealth controlled by man.

"All this increased wealth and population has brought with it new problems—the fathers in the past wrought well, but there never was a time in the history of this country when the solution of great problems devolved upon business men—a class of men as high minded and as patriotic as any other class of men—to such a large extent as now devolves upon our own business men.

"The increasing Government supervision of business emphasizes the importance of an intelligent consideration of these problems.

"I am not a prophet, nor the son of a prophet, but if I read the signs of the times aright, the corporations of a quasi-public nature are beginning to accept the doctrine of governmental or State control and are shaping their affairs accordingly. There are indications that the Interstate Commerce Commission and the State commissions are getting away from popular clamor and are disposed to treat the subject in a fair and judicial manner.

"These tribunals should become as high and as sacred in the minds of the people as are our highest courts. Only men of known integrity, of great ability and high character will be selected for these positions.

WILL COOPERATE.

"They should be as fully equipped with competent engineers, accountants, and auditors as are the corporations whose business they shall examine and supervise. They will have the corporations respect them, treat with them, and cooperate with them, both working together for the common good of the public and the stockholder.

"Under such conditions the corporations will, I believe, meet the commissions in the spirit of fairness.

"There is a disposition to get together on both sides along lines that will be fair to the people and fair to the corporations.

"There is a community of interest between business men and the great corporations. The proper moral standard must be set and maintained, both in behalf of the corporation and its patrons. No man can justify the unconscionable methods used by upscrupulous managers for their own private gain. The time, too, has come when preferential rates and rebates will no longer be extended to favored shippers. It should be our duty, as members of our respective commercial clubs, to see that these subjects are brought before the bar of public opinion.

"Let the white light of publicity be turned on; let us give some part of ourselves and some part of our time to the solution of these problems. Then we will have done our duty, and we may rest assured that these questions will be settled and settled rightly."

In the closing address at the banquet, E. D. Levy, of Springfield, who, on March 1 becomes general manager of the system, said in part:

"The railroads and every other line of business are entering upon a new era—a clear business era. The general public and the railroads

are beginning more than ever before to understand each other and the needs of each. A friendly spirit of cooperation has sprung from what used to be that of rebellion and strife.

JOPLIN WORK MARKS ERA.

"The railroad official of to-day is a workingman. He realizes the value of getting next to the public and to serve it in the best possible way. Likewise, the construction of the new passenger station and freight depot in Joplin marks a new era in station building in this country. The day is passing when ornamentation only shall be the object in such improvement. In its place shall come that paramount object to-day in every line of business and industry—service.

"I assure Joplin of the hearty support of the Frisco railroad in every way in the future."

A tribute to the Missouri Public Service Commission was paid by Mr. Hilton for its fair treatment, both to the railroad and the public relative to railroad rates and management.

"Missouri is indeed fortunate in having a body of commissioners composed entirely of fair and reliable men," said Mr. Hilton. "I have absolute confidence that in time every difficulty will be settled pacifically and to the best interests of the public and the carriers.

"I do not believe it is a time for faultfinding or criticism by either the public or the railroads for the conditions existing to-day. It is a time for all to settle down quietly and take what comes. Nothing but good can be the result, I am confident."

Mr. Hilton also spoke of the loss sustained by the railroads for the low rates paid by the Government for hauling mail, and especially since the parcel-post law became effective. A brief review of the improvements made here also was made. He accredited T. J. Franks with the instrumentality of Joplin acquiring the new passenger station.

"The Frisco Railroad," a song, the words of which were composed by D. K. Wenrich, then was sung by the business men.

In an address, rich to overflowing with statistics relative to the railroad construction in Jasper County, Mr. Franks next spoke to the banqueters. He spent many years in the service of the railroads before coming to Joplin. His address, in part, follows:

"The Noonday Club of this city, composed of 70 of our business men, was formed for the purpose of cooperation, and has adopted and is pursuing the 'get-together' spirit for the current year. With this object in view, the chairman, as well as the members, have invited a free and full discussion of all issues—city, State, and national.

"Following this example, I will offer no apology for addressing you upon what I believe to be the paramount commercial issue of the day, or, in other words, the railroad situation in the United States. I have devoted the best part of my life to the railroad service and feel able, therefore, to approach the subject with at least some degree of familiarity.

MUCH UNJUST LEGISLATION.

"The tendency of railroad rates has been downward for the last 20 years, due, in the first place, to aggressive competition and the inevitable rate wars which followed prior to the passage of the Elkins and Hepburn Acts, constituting the present interstate commerce law. The general wave of resentment against the railroads, caused by the discussion in Congress preceding enactment of the Elkins and Hepburn Acts, has continued unabated for eight long, weary years. The national law has been supplemented by the creation of State railroad commissions in nearly every State in the Union, and the passage of innumerable State laws not only affected the rates and revenues of the railroads, but their methods of operation. Many of these laws have been severe and unjust, and many times they have been in the nature of individual laws reflecting the views of some legislator or the prejudice or supposed needs of some particular community.

"The men elected or appointed to these State commissions usually have been the valiant strikers of one political party or the other. I have in mind the personnel of a certain State commission, composed of three members, one of whom was a former cowboy, the second a potato grower, and the third a livery-stable man, who, under the laws of their State, were granted decisive powers in the regulation of the revenues and the supervision of the railroads of the State involving an investment of at least one-half billion dollars.

"It is only fair to admit that the railroads brought upon themselves much of the public condemnation to which they have been subjected, but there always is two sides to every question. No legislator was ever controlled who did not want to be controlled; no rebate was ever given which was not received, and, so far as I know, and I have had considerable experience, no pass was ever tendered which was not accepted and used. Looking over this audience I see a number of my old friends I used to call upon in my railroad days, who, if disposed, could verify this statement. I do not want any of them to become alarmed, because it is not my purpose to mention any names and, in any event, their respectability is made secure by a beneficent statute of limitations; and besides, the prosecution of any individual shipper would add nothing to the political prestige of any party.

"The fact remains, however, that the railroads have been persecuted and prosecuted for violations of the law which in days gone by were regarded by them and the beneficiaries as nothing more than conventional and usual in the prevailing moral standards of that time.

TIDE HAS TURNED.

"But these are past events. The pendulum is swinging backward. Our toastmaster already has commented upon the turn of the tide. Heretofore every national problem, commercial or otherwise, has had to pass in political review before one party or the other. We are now assured of a cessation of hostile legislation toward business and the railroads. And the railways are sadly in need of assistance.

"The revenues of the railroads of the United States for the year 1913 show an increase in gross earnings of about $14,000,000, but a decrease in net earnings of $34,000,000. The showing in the first half of the year 1913 was fairly good, but for the last six months, ending December 31, 1913, compared with the corresponding six months of 1912, the railroads actually show a decrease in net earnings of $59,508,000. It is a strange coincidence that the tremendous net decrease for the last six months of 1913 is almost identical to the total increase in wages granted by the eastern railroads to their employees since 1910.

"In this connection, I want to read to you a letter from Daniel Willard, president of the Baltimore & Ohio Railroad Co., concerning the matter of increases and pay to employees of the eastern roads:

"'Mr. T. J. FRANKS,
"'*St. Louis-Joplin Lead & Zinc Co.,*
"'*Cunningham Building, Joplin, Mo.*

"'DEAR SIR: Your letter of the 22d was received, and reply thereto was delayed until I could secure information necessary to answer your question in the matter of increases in pay of employees of the eastern railroads.

"'There are 38 railroads interested in the application for increased freight rates now pending before the Interstate Commerce Commission. Thirty of these roads have reported increases in wages for use in that case for fiscal year 1913, compared with 1910, to be $50,964,886, affecting 688,432 employees.

"'This amount does not include the increase allowed the firemen, which went into effect May 3, 1913, which is estimated for one year to be $2,757,000, only one month of which appears in the $50,964,886 mentioned above; second, increase allowed conductors and trainmen, effective October 1, 1913, estimated to be $6,000,000 annually. So that there will be a total estimated increase of $59,721,886 on a yearly basis.

"'I note particularly that the Frisco road has accorded Joplin a handsome new passenger terminal, and that the citizens, to show their appreciation, propose to tender the officers of that line a banquet some time in the near future, which I think is a very appropriate action on their part to take in that connection.

"'Yours, very truly,

"'DANIEL WILLARD.'

INCREASED EXPENSES.

"In all wage disputes between the eastern roads and their employees United States labor commissioners created under the Erdman Act have acted as mediators and arbitrators in the final settlement between the labor organizations and the railroads, and in each instance the railroad employees have been given increases corresponding to the increased cost of living; there is, therefore, one class or element in the country to whom the increased cost of living is no burden.

"I now want to call your attention to the local situation and to here make reference to the belief that seems to prevail generally that our railroads are undertaking to pay dividends upon fictitious values; in other words, that the American roads are overcapitalized. I have made up some figures with respect to the investment of the railroads in Jasper County which, I hope, will dissipate any erroneous impressions which may prevail as regards the capitalization of the Jasper County lines in comparison with the average capitalization per mile of the railroads in the United States. The following is a statement of the mileage of the different lines within the borders of Jasper County:

	Main line.	Side tracks and spurs.	Electric line mileage.
Mo. Pacific	77.49	72.65	.....
K. C. Southern	19.41	12.08	.....
Frisco	83.50	58.47	.....
M. K. & T	8.78	3.18	.....
S. W. Mo. Elec	.....	.....	73½
Pittsburg-Joplin	.....	.....	24
Total	189.18	146.38	97½

COUNTY HAS 433 MILES.

"The grand total mileage of our county, including the main lines, side tracks, and loading spurs, is 335.56 miles, or equivalent to the distance from here to St. Louis. Add to this the mileage of the electric lines in Jasper County and she has within her borders a total mileage of 433 miles. But this is not all. I am anxious to get before you some figures with respect to the investments which have been made for improvements completed in our county during the past three years:

"The Missouri Pacific has expended in ballast and in re-laying its main lines in Jasper County in the last three years $134,100. In addition to these improvements, they have made a further outlay in new tracks, yard facilities throughout the county, and a new passenger station at Carthage, making up a total of $68,400, or a total investment for that line in the last three years in this county of $202,500.

"It cost the Missouri, Kansas & Texas $148,661.67 to build from Chitwood to a connection with the tracks at the new union station, and in addition to this the road has spent an additional $1,000 for building tracks for chat loading, making a total investment for that line of $158,664.67.

"The outlay of the four lines entering the union station in real estate, depot building, platforms, roundhouse, etc., was $509,455.66. The Kansas City Southern spent in the revision of its line, grade and curve reductions in this county within the last two years, including Webb City ballast tracks and other improvements connected therewith, a total of $406,667. The proportion of the Broadway viaduct now under contract will add another expenditure to be borne by the union station lines of $36,666, and, last, but not least, is the guaranty on the investment made by the Frisco on its new passenger terminal and building and investment in freight facilities at Tenth Street, including the Ruth yards, an outlay comprehending an investment of $620,000.

"The figures above quoted were furnished me by the officers of the different lines and are absolutely correct. A grand total of these investments or expenditures made by the railroads in Jasper County during the last three years amounts to the tidy sum of $1,933,949.

"Now, just one word here about the capitalization of the railroads. The average capitalization of the railroads in the United States is $60,300 per mile of main-line track. If you will divide the amount invested by the railroads in this county in the last three years, viz: $1,933,949, by 189—the number of miles of main-line track in the county—you will find that the railroads have added $10,232 per mile of road—an actual investment.

HEAVY INVESTMENTS HERE.

"According to the last annual report to the Interstate Commerce Commission, the Frisco Railroad owns 6½ box cars to the mile; one-eighth of a passenger car per mile of road and in engines per mile of road about one-fifth; in other words, the Frisco has little more than 1 passenger coach for every 8 miles of road and 1 engine for every 5 miles of road and 6½ box cars for every mile of road. An engine is worth about $15,000. The average cost of a passenger coach will exceed $8,000, and a freight car $1,000; so if you will tabulate these figures you will find that the Frisco's investment in equipment alone is $10,324 per mile of road. Do not lose sight of the capitalization per mile, but in this connection I want to call attention to the fact that the other railroads of Jasper County own about the same number of cars, coaches, and engines per mile as the Frisco, and that if we are allotted in this county in proportion to our mileage an equal number

of cars, coaches, and engines as that required for the operation of the entire mileage of the roads, the total value of equipment required daily for the needs of this county amounts to $2,040,236.

"These improvements, excepting the grade and curve reductions of the Kansas City Southern, will bring no tangible net return to the railroads, although they have been made in the face of constantly decreasing net revenues. The facilities will in no way increase the traffic of the railroads in this county, excepting in proportion to the amount of new business which the improvements will attract, and the community will share in this increase without having invested a dollar.

"The new Union Station and terminal at Kansas City, which is nearing completion, represents an investment on the part of Kansas City railroads of $45,000,000, and I have heard upon high authority that it will cost $48,000,000 before it is completed. Now, this terminal is a Missouri institution; the outlay for operating expenses and the taxes upon it will be paid in Missouri, and it is therefore only fair to charge the additional capitalization made necessary by this investment to the railroads of Missouri. We have in Missouri 8,230 miles of railroad. The cost of this Union Station in proportion to this mileage will add to the actual investment of the roads of the State an additional $5,400 per mile.

EXCEEDS OTHERS.

"Now please fix in your minds that the investments in Jasper County in the last three years make a total per mile of road of $10,232; that the actual amount of equipment owned by our local roads is $10,324 per mile; add to this capitalization the $5,400 and you have a total per mile of main-line road of $25,956, or we will call it $26,000 for convenience in computation.

"I am anxious to get before you to-night the fact that the railroads of Jasper County represent an actual investment equal to or greater than the average capitalization per mile of roads in the United States. If, therefore, you will deduct from $60,300 the $26,000 made up of the three items I have mentioned, you will find, taking into consideration the average capitalization per mile of the roads in the country, that you have a balance of $34,300 to be applied as the remaining actual value per main-line mile of the Jasper County roads, or a total for 189 miles of $6,472,700, but if you divide this amount by 335 miles—the total mileage of our county, including main lines, side and spur tracks—you will find the result to be $19,320 per mile of road, and these figures, outside of the improvements mentioned, do not include station buildings, both freight and passenger, stockyards, coal chutes, water tanks, roundhouses, bridges, interlocking plants, and water facilities. I have no way of giving you the exact cost of the 335 miles of track above mentioned, but I do not believe that anyone would for one minute assume to argue that the 335 miles of railroad within the limits of our county could be reproduced at anything like $19,320 per mile of road.

"The railroads of Jasper County are, of course, the heaviest taxpayers. H. R. Wheeler, superintendent of the waterworks company, tells me they are the largest consumers of water. The wages paid out by the steam roads of Jasper County amounts to $530,000 per annum, and they purchase annually in this district between $60,000 and $70,000 worth of mining chats for ballast purposes.

"The commercial rating or greatness of any community is largely dependent upon its facilities for the conduct of its commerce, and by this token the future commercial greatness of Jasper County is assured.

"I want to inject here a brief history of the building of the Frisco Railroad in Missouri. The southwest branch of the Pacific Railroad Co., which had been completed to Rolla before the Civil War, was the nucleus of the great Frisco System of to-day. Between 1860 and 1870 the line was completed to Springfield by the South Pacific Railroad Co. The line west from Springfield to Peirce City was constructed and completed in the latter part of 1871 or the early part of 1872, and the line from Peirce City to Columbus, via Carthage, known as the Carthage & Northwestern, was completed in 1874. The first railroad to enter Joplin was the Joplin Railway Co., which was completed between Joplin and Girard, and the last spike was driven at Smelter Hill on August 26, 1877. The Missouri & Northwestern Railroad from Oronogo to Joplin was completed in 1879.

"It would hardly be interesting to follow up subsequent additions in railway mileage, but following the close of the Civil War railroad construction progressed at a rapid pace, until to-day we have in the United States 236,444 miles, employing 1,728,603 men, who received in wages in the year 1912, $1,268,977,272. Every twelfth male adult in the United States is actually in the railroad service. This statement may sound remarkable, but it can easily be verified from the reports of the Census Bureau and the Interstate Commerce Commission. If the men employed directly in producing coal, lumber, ties, cars, locomotives, and supplies of all kinds for the railroads were included, the number would be greatly increased.

RAILROADS SUPPORT 15,000,000.

"President J. H. Farrell, of the United States Steel Corporation, is authority for the statement that under normal conditions the railroad companies of this country take directly and indirectly 40 per cent of the total production of iron and steel products in the United States. It is easy to conceive, therefore, that the wages of between 2,500,000 and 3,000,000 men and of at least 15,000,000 of our people are dependent upon the transportation industry and its allied interests for a livelihood.

"James J. Hill, probably the greatest constructive railroad genius of his time, said in his valedictory address to the stockholders of the Great Northern Railway on his retirement from the chairmanship of the board of directors, that the security of the investments of his stockholders has been a first consideration, and that every dollar ever committed by a man or woman to that company in trust has been returned in cash or is being returned in dividends. He said further, that the future financial necessities of the property have been provided for beyond the time of any man now living.

"This indorsement should be enough to establish the belief in the minds of the most skeptical that Mr. Hill would have little or no incentive in presenting to the American people the claim that there should be expended upon the transportation facilities of this country $1,100,000,000 every year for the next five years. He has characterized the railroad terminals as the inland harbors of the country, and his greatest concern in his old age seems to be that the people of the country are not looking into the future. According to his estimate, and his insight into the future is nothing short of marvelous, the population of this country in 1950 will have reached a total of 200,000,000 people.

"Nothing, according to Mr. Hill, should be allowed to stand in the way of carrying forward the effectiveness or efficiency of the facilities upon which the country is dependent for the movement of its commerce, and his opinion in this particular respect has been voiced by many other able men.

"Judge Prouty, of the Interstate Commerce Commission, addressing the National Hay Association in Kansas City some two years ago, said, in reference to the railroad situation, that 25 years ago the danger point was, first, discrimination, and, second, unreasonable rates, but that to-day, in his opinion, neither of those reasons is to be considered, and he concluded: 'The danger point to-day, I think, is the inadequate service and inadequate facilities.' In that same address, referring to the situation in 1907 in which the railroads found themselves, he said: 'Five years ago I came to Kansas City. I came here for the purpose of investigating what was then termed the car shortage. Crops were rotting upon the ground because they could not be taken to market. A little later in the season men and women up in the Northwest were hungry and cold because the railroads of that section could not transport coal with which to cook their food and warm their houses. The panic, which stopped everything, relieved that situation, but the situation was a serious one. Now it is the apprehension and the possibility that that situation may return, which I look upon with the gravest doubt.'

"CUP OF JOY RUNNETH OVER."

"I know no community where the people are as prone to the good things of life as the citizens of Joplin. Our local pride in the Connor Hotel is excusable. The completion of the Union Station was the occasion for a public demonstration. The success which has attended the courage and enterprise of the Newmans in their undertaking is a matter of satisfaction to all of us, and with the completion of the Frisco terminals our cup 'runneth over.'

"While we probably are the best, we are not the only city on the map. The railroad files in the general offices of the Frisco in Springfield and St. Louis contain many applications and petitions for new stations and facilities at other points. This is not only true of the Frisco, but of every railroad in the United States. There is nothing that the public does not demand from the railroads in the way of standard service and conveniences. The needs of the railroads are, therefore, the needs of the people.

"The 5 per cent advance in freight rates, which the railways east of the Mississippi River have asked at the hands of the Interstate Commerce Commission, would be a smaller concession than most people imagine. This increase, which in itself is infinitesimal, is a necessity to the eastern railroads if they are to be depended upon to furnish the service which the public demands. The average freight rate per mile in this country is less than three-quarters of a cent. The Pennsylvania Railroad's rate in 1912 was 5.83 mills per ton per mile. Under a 5 per cent increase they would have earned 6.12 mills per ton per mile, or a natural increase of 0.29 mill; in other words, the actual increase which the Pennsylvania Railroad will receive, if the Interstate Commerce Commission finally concludes to grant the 5 per cent increase to the eastern railroads, will be less than one-third of a mill per ton per mile.

"Nothing would give a greater impetus to the prosperity of this country than an increase in freight rates to the railroads. The effect would be immediately felt in the iron and steel trade—the barometer by which the Joplin district is gauged. Anything in the way of prosperity in the steel and iron industry will immediately be reflected in the zinc industry.

"In conclusion, I want to make a special plea to our business men to consider this great question from a patriotic attitude. Our local situation, so far as railroad facilities are concerned, is on the whole very good, but the railroads need more cars, more engines, double tracks, block signals for the protection of life and limb, new depot and passenger facilities for thousands of towns less fortunate than ours, steel passenger equipment—and these can only follow by permitting the railroads to earn sufficient revenue to provide them.

FACILITIES UNSURPASSED.

"Joplin is a much-favored community. Our freight service is excellent; our passenger service combines all of the comforts and conveniences at the minimum of cost as compared with any other service in the world, and every citizen who arrives in Joplin over the Frisco and enters the new passenger terminal may well congratulate himself with pride and satisfaction upon the fact that he is a resident of a city and county whose transportation facilities, both freight and passenger, steam and electric, are unsurpassed by any other county in the United States."

Mr. Franks was followed by J. E. Hutchison of Springfield, general superintendent of the Frisco. He confined himself principally to comparative statistics relative to railroads in this country and in England, and of the inefficiency of the average public-service commissioners.

"The men who compose the State public-service commissions," said Mr. Hutchison, "are not unfair. But they are not schooled nor posted sufficiently to pass upon the controversies to which they are chosen to decide. They have been placed on the commissions principally for political reasons and not for their ability.

"The commissions may be valuable and a necessity in cases, but they are a tax upon the State and cause the loss of much valuable time and energy upon the part of railroad officials. The money and time that is spent by the railroad executives in testifying or appearing before the commissioners, could much more profitably be spent in other ways."

Mr. Hutchison also referred reminiscently to the defeat of the Frisco Railroad in establishing the Joplin freight yards at Tenth Street and Maiden Lane. Following the unsuccessful attempt the Frisco built the Ruth yards.

"There is nothing but friendliness now, I trust, between the railroad and the public of Joplin," said Mr. Hutchison. "The Frisco shall try to serve you in the best manner possible. It has nothing but friendship for the people of Joplin. It wants your patronage, for it needs the money."

The railroads are largely responsible for the agitation that has been waged by the public against the carriers, in the opinion of Mr. Hutchison.

The Frisco officials were welcomed in behalf of the other six steam railroads entering Joplin by C. W. Nunn, general agent of the Kansas City Southern.

A booster address for Joplin and the district was delivered by O. D. Royse. He went even further than the district in his praise, dwelling briefly upon the fertility and climate of the Ozarks. "The reason the Ozarks to-day are not the garden spot of this country is because the country has been left entirely to the 'hill Billies,'" said Mr. Royse.

An outline of the mineral wealth in the district, the early history of Joplin, its leading factories and industries and of the retail and wholesale traffic was given. "Sixty-five per cent of the goods sold over the counters of Joplin stores to-day are purchased by persons living out of Joplin," he said.

"If the past and the present are prophetic of the future, then the people of Joplin have much to look forward to," declared Mr. Royse.

"Joplin is a city of 40,000 people, the center of a rich and populous territory, ramified in every direction by steam and electric railways, interlaced with a magnificent system of macadam roadways and containing within a radius of 25 miles more than 250,000 persons.

"When Joplin was established a little more than 40 years ago it was singularly isolated from the great arteries of travel. The first railroads were built to the north and south and to the west of the Joplin district, and were induced to build into Joplin only by reason of the enormous natural tonnage which was created by her principal industry, the mining of lead and zinc, which industry, together with the other great natural wealth and advantages of the district, has caused Joplin to be made one of the greatest of the secondary railroad centers of the country.

PENETRATE RICH FIELDS.

"There now are seven railroad systems entering Joplin; terminals are ramifying in every direction into a territory rich with all the products of the earth necessary to supply the wants of mankind, except perhaps a few of the metals. Within a radius of 100 miles about Joplin are great forests of hard wood; untold wealth in coal, oil, gas, and stone, and in her fields the cotton of the south and the wheat of the north are neighbors, while the surrounding hills are famous for their small fruits and are known as the home of the big red apple.

"For many years the great lead and zinc industry predominated all of the activities of the Joplin district. It has grown by leaps and bounds to meet increasing demand, until the district's annual output of minerals now reaches between $15,000,000 and $20,000,000 and that the promise of the future is indeed bright is evidenced by the fact that the production of the zinc smelter is normally taxed to the utmost to supply the natural demand of the increasing population of the country. From 1884 to 1890 the production of zinc smelters increased more than 300 per cent; from 1890 to 1900 it increased another 100 per cent, and during each of the succeeding years the increase has been more than proportionately large, which fact proves at a glance that the zinc industry is one of the most stable of all of the country's assets and that its future prosperity is assured.

"Until a few years ago Joplin was a town of mines; then it began to take on the resemblance of a commercial community, and to-day its retail establishments would do justice to a town of twice its immediate population, and its wholesale merchants supply a very considerable proportion of the demands of a large territory, penetrated not only by its seven great steam railroads but by its interurban electric lines and a magnificent macadam roadway system which penetrates all portions of the surrounding territory.

"Joplin is fast assuming a remarkable position as a manufacturing center. It is to-day the largest manufacturer of cigars in Missouri. The great Picher Lead Works is one of the country's large institutions. A list of the manufactories already established and prospering in Joplin points to a great future, for, in addition to its wonderful transportation facilities, Joplin is the fortunate possessor of a plentiful supply of cheap power. Two great power companies, operating steam and water power generating plants, envelope the entire district with their distributing systems and are equipped to furnish enough cheap electric current to supply any demand likely to be made for many years to come.

BELIEVE IN JOPLIN.

"Aside from her natural and other physical advantages, Joplin is fortunate in the fact that her laborers are well paid and satisfied. Labor troubles are virtually unknown in the Joplin district. No city of its size in the country can boast of a larger percentage of university men in its population, and the average of intelligence among its citizens is high. The mining town of yesterday not only has been transformed into a great commercial and industrial center but at the same time it has become a city of homes and schools and churches.

"The great railway terminals recently established in the city are the tangible evidence of the fact that the men who control the seven railroads which enter her gates believe Joplin is destined to be a much greater city; that they have faith in her future; that she possesses all of the prerequisites to a material and healthful growth.

"Yesterday Joplin was a town of miners; to-day it is a town of miners and merchants; and to-morrow it will be a town of miners, merchants, and manufacturers."

John Malang, introducer of the freight-rate solution, prefaced the action by a short eulogy of the railroads in general. "The prosperity of the public is inseparable from the prosperity of the railroads," said Mr. Malang. "The cause of the apparent unfriendliness in the past between the railroads and public has been misunderstanding. With this eliminated, a better spirit of loyalty and cooperation will prevail."

THE GUEST LIST.

Frisco officials who attended the banquet are: E. D. Levy, of Springfield, who March 1 becomes general manager; A. Hilton, of St. Louis, passenger traffic manager; J. A. Middleton, of St. Louis, freight traffic manager; J. E. Hutchison, of Springfield, general superintendent; J. H. Doggerell, of Springfield, in charge of freight loss and damage claims; H. C. Conley, of Oklahoma City, assistant general freight agent; L. W. Price, general baggage agent; George F. MacGregor, of Memphis, assistant general freight agent; T. B. Coppage, of Fort Scott, Kans., who March 1 becomes superintendent of transportation, with offices in Springfield; E. C. Hoag, superintendent of farm markets, formerly division freight agent here; H. H. Brown, of Neodesha, Kans., superintendent of this division; J. C. Lovrien, of Kansas City, division passenger agent, formerly division passenger agent here; C. O. Jackson, of Oklahoma City, division passenger agent; E. E. Carter, of Wichita, assistant superintendent of this division; F. E. Clark, of Wichita, Kans., division passenger agent; D. L. Ewing, of Kansas City, assistant general freight agent; M. J. Conley, of Joplin, general agent; and Frank R. Newman, of Joplin, division passenger agent.

Local officials of the Missouri, Oklahoma & Gulf, Missouri Pacific, and the Kansas City Southern also were represented by Tracy Munson, general agent of the Missouri, Oklahoma & Gulf; B. E. Sells, commercial freight agent of the Missouri Pacific; C. W. Nunn, general agent, and L. O. Scoville, traveling freight agent of the Kansas City Southern.

Telegrams and letters of regret were read from: Carl Gray, president Great Northern Railroad; J. W. Lusk, receiver; J. W. Evans, general passenger agent; Frank Anderson, director of development; L. M. Harris, press bureau; Isaac Cook, architect and builder of the new passenger station; and F. C. Riley, of St. Louis, assistant freight traffic manager.

Others expected, but who could not attend, were: W. B. Biddle, of St. Louis, receiver; D. L. Ewing, of Kansas City, assistant general freight agent; E. T. Miller, of St. Louis, general attorney; and W. C. Nixon, of St. Louis, receiver and chief operating officer.

The visiting Frisco officials spent yesterday in viewing the several improvements that have been made recently in Joplin by the railroad. The inspection trip included a visit through the passenger station, freight depot, and the terminals. Part of the city also was visited by those officials who arrived early in the day. A majority of the officials left last night.

—

[From Minneapolis Journal, April 2, 1914.]

RAILROAD INCOME AND OUTGO.

The railroads of the country, prudently managed for the most part in the best interest of the larger public that embraces consumers of traffic and travel, security holders, with employees, have been driven at last to sacrifice the last interest to the first two.

Constrained by economic conditions to heavy increase of wage and material expense, unjustly forced in some States by political legislation to pay and carry useless trainmen, and transport commuting classes for less than cost, while denied compensating increase in charges, they are turning to a policy of drastic retrenchment that stops a hundred trains and dismisses a hundred thousand useful employees.

This is hard on workmen, but it is less harmful in the end than the policy of keeping the peace with employees while letting discipline and operation, repairs and maintenance run down, and making ends meet with reckless borrowing till the whole ends in mortal accidents and stock-market collapse.

Something must be done when a Government eggs on increased wages and cost of material and holds down compensating increase of charges for 10 years. The Interstate Commerce Commission began with the excuse that some roads were extravagantly financed and managed, and that others concealed huge earnings with false accounting. Congress could have amended this long ago.

In the meantime, income less than outgo must be paid by some one—employees or stockholders, and the public that must use demoralized roads.

Has the country one isolated industry that can do business as well and earn all that is due to it, on the wages and expenses of to-day and the charges for service of 10 years ago?

—

[From the Washington Herald, Friday, March 6, 1914.]

THE POOR RAILROADS AGAIN.

We have hitherto commented upon the vital interest which the country has, at large, in a prompt and favorable decision by the Interstate Commerce Commission of the railway freight rate question, which has now, for months past, been pending before it. Herewith we present another phase bearing upon the same general subject, namely, are our railroads to be allowed to prosper?

We hold it to be a truth that it is almost as necessary in a well-ordered state of society, erected upon permanent foundations, for means to be provided for the proper investment of money as for pure air or pure water or a sufficient supply of food.

A man or nation that is to live comfortably must save money; and if money is saved there must be a place to put the savings. The savings must be so placed that they will earn additional money, and this in turn implies that the earning power of the industry shall be reasonably constant and secure.

All of this was taught by the Saviour of mankind in the parable of the talents 1,900 years ago. It is an elementary principle of the social structure, and everybody so admits it as a matter of theory. But everybody does not so admit it as a matter of fact. In our own country it seems almost to have come to this at the present time; that no sooner does a business or industry develop sustained and reasonably permanent earning power than the people become ignorantly jealous of it and seek to destroy its earning power or at any rate greatly to reduce the rate of earnings. One of the reasons by which the existence of a national debt in a country was formerly justified was that the debt would provide an outlet for the savings investments of the people. This reasoning is no longer thought to be conclusive, because of the tendency everywhere for national debts to rise disproportionately with the increase in the wealth and population of the country, and because the rate of interest borne by this national stock is so low as to only be attractive to people who have very large sums to invest. The great mass of people who invest money want to receive more than the 2 or 3 per cent interest return given, for instance, upon United States Government bonds.

Up to a few years ago, in the history of our own country, railroad stocks and bonds were regarded as one of the choicest, if not the choicest, practical field for investment. The supply of ore in a mine could run out and almost any manufacturing or commercial industry could be so affected by changing circumstances as vastly to decline in prosperity. But a great railway, running through a prosperous country, had a solid basis in the current business of the community. The chances were overwhelming that its business would increase steadily from year to year. Its securities were easily marketable, and their general value was usually a matter of common knowledge.

But the public or political hostility to railroads has run to such a length with us, and the railway companies have been subjected to such an impairment of their earning power by continuous State and national legislation, that the people will no longer buy railway stocks for investment. There is a fear so widespread that it would be foolish to ignore it, that the railroad business will soon become so unremunerative as to be relinquished by those who now conduct it. This will force the business into the hands of the Government, and it will then have to be conducted at a national loss.

We do not desire at this time to go into a consideration of the subject in detail, but we only ask our Members of Congress and our thinking people to consider just what will be the state of affairs with us if saving and investing people as a whole get it into their heads that there is no industry in the country whose position is safe, that the country no longer affords secure fields for savings, and that our State and national legislators, having eaten of the root of some madness, are bound to reduce the earning power of every industry to a merely nominal basis, with a state of socialism as the end of it all.

In order to frame a proper answer to this question, it is only necessary, perhaps, to ask what has been the financial and economic history of every land where a fear of this kind once became paramount in the national life.

—

INCREASED RATES ARE URGENT, RAILWAY MEN TELL THE HERALD.

The Washington Herald has received from presidents and other officials of railroad companies in different parts of the country letters commending its editorial policy in pointing out the vital necessity of granting to the roads the increase in freight rates for which they are contending, and which is now under consideration by the Interstate

Commerce Commission. The letters, which follow, throw an interesting light on the situation:

Ben B. Cain, vice president and general manager Gulf, Texas & Western Railway Company:

"You correctly say there is no question confronting this country which is quite so vital as granting to the railroads an increase in freight rates. This applies not only to the eastern lines, but is more essential to the prosperity of those lines struggling for existence in the more sparsely settled sections of the country. Data compiled by the American Railway Association, which I have reason to believe is reliable, shows that 91¼ cents of every dollar earned by the steam roads of the United States has to be expended in keeping the roads going, there being only 8¾ cents with which to pay dividends and make improvements. The distribution of a dollar earned by the common carriers is as follows:

WHERE THE EARNINGS GO.

"Labor, 44.7 cents; fuel and oil, 8.93; material, supplies, and miscellaneous expense, 14.06; loss and damage, 2.20; taxes, 4.21; rents and leases, 4.41; interest on debt, 13.43; and dividends and improvements, 8.59.

"Within the past month railroads of Texas made application to the railroad commission for an increase of 15 per cent in the freight rates, but our commission refuses to even consider the application, notwithstanding it was based upon facts which, if true, undoubtedly warranted an increase.

"I quote from an appeal addressed to the people of Texas by the general managers, as follows:

APPEAL TO TEXANS.

"'Your tax commission, created by you and acting under their oaths of office, has found that the true value of the railroads of Texas is $30,000 per mile. We believe they are of greater value. According to table No. 10, page 400, of the Twenty-first Annual Report of the Railroad Commission for the year 1912, the total cost of the construction and equipment of the Texas railroads up to June 30, 1912, was $582,388,949, which shows that the roads have cost their owners a little over $38,000 per mile. But, taking $30,000 per mile, which the tax board says is the true value of the roads, as a basis, the railroads of this State for the year ended June 30, 1910, earned 4.30 per cent on that value. For the year ended June 30, 1911, they earned 4.16 per cent; for the year ended June 30, 1912, they earned 3.47 per cent; and for the year ended June 30, 1913, they earned 3.97 per cent. Out of these earnings the companies must pay the interest on their bonds and other indebtedness, and if it is not sufficient they are forced to borrow the money or default in interest payments. For the year ended June 30, 1912, the shortage amounted to a little over $3,250,000; for the year ended June 13, 1913, the shortage amounted to something over $1,600,000; and for the first five months of the year beginning July 1, 1913, the railroads are over $4,000,000 behind what they were at the end of the corresponding five months of the year beginning July 1, 1912, so that if they break even for the balance of the year their deficit for the year ended June 30, 1914, will be nearly $6,000,000. However, they can not hope to break even, because the month of December, with its disastrous floods and loss of business, has not yet been taken into account.

REDUCED TO THE LIMIT.

"'We are anxious to continue to give the people at least as good service as heretofore. In fact, we want to improve that service, but it is apparent that we can not do so unless we can obtain more money from the operation of the roads. We have reduced operating expenses all we can. Further reductions of expenses must come, if at all, by the help of the people, the legislature, the courts, and the juries.

"'The crisis has been reached where we must have more money or else be unable to give the people adequate, safe, and reasonable service. Poor service naturally gives rise to bitter complaints, and as your servants we believe you are entitled to know the true facts and the situation with which we are confronted.'

UNABLE TO HANDLE CROP.

"In the year 1912 the State of Texas made what might be called a fairly good cotton crop. The railroads found it impossible to handle the crop without delay, because of inadequate equipment and track and terminal facilities. The cotton-carrying roads of this State are now being sued for hundreds of thousands of dollars for delay in transportation of cotton crops, and this will be repeated whenever a normal crop is made, because it is impossible to give the required service under existing conditions. Improvements can not be made without credit, and credit can not be had without a better showing as to earnings. So far as I know the railroad business is the only business in the world in which its owners have practically no right which goes to the foundation of its financial status, except the one providing the funds necessary to meet its obligations. State and national commissions, together with labor organizations, completely control the policies and details of management, and it would seem that with regulation so complete there should also go the responsibility of financing the properties. The commissions seem lacking in the necessary comprehension or courage. The last hope for railroads is in the creation of an enlightened public opinion. The responsibility of such public opinion rests largely, if not entirely, on the newspapers of the country. The fact that such influential journals as your own are making a study of the question and are courageous enough to cry out against the wrong and plead for the right is the most hopeful sign of the times to the man who is struggling closest to the railroad question."

FEAR OF POLITICAL CONTROL.

J. W. Oglesby, president the Short Line Railroad Association:

"The policy of governmental control, which can only result in Government ownership, seems to be a fixture. The people who think are beginning to suspicion that political control of the railroads will perhaps result in about as much success as the southern negro who taught his horse to eat sawdust instead of corn. About the time he learned to eat it good he died. So it is with the railroad interests of this country. They are beginning to accept the broken doses of political control, but they can't see the end. However, political demagogues, back up by the ignorant masses, will push forward to Government ownership as a remedy. The end of this we know not, but likely the destruction of the Republic. I must admit these sentiments are rather pessimistic, but we know the railroad situation and the labor situation, and the fact that the Government is behind both and is the worst enemy of the railroads and of large business justifies pessimistic feelings on the part of business men."

NO GRAVER QUESTION.

C. E. Schaff, president Missouri, Kansas & Texas lines:

"I desire to tender grateful thanks for the favorable attitude which you have assumed toward railway interests and expressed with such forceful logic in your illuminating editorials. They can not fail to do good. There is no graver public question at the moment than a determination of the policy which shall be adopted with respect to railroads, and it is pure patriotism to endeavor to secure the adoption of the wise policy as you are doing."

COMMISSION OVERWORKED.

Calvert Townley, president Lackawanna & Wyoming Valley Railroad Co.:

"In general, we feel that Congress may have imposed manifold duties on the Interstate Commerce Commission without perhaps a full appreciation of the magnitude of the work thereby required, the inevitable result being an overworked commission with consequent delays in issuing rulings on matters which ought to have prompt attention."

—

THE CHRISTIAN SCIENCE MONITOR,
Boston, Mass., April 6, 1914.

Hon. EDGAR E. CLARK,
Chairman, Interstate Commerce Commission,
Washington, D. C.

MY DEAR SIR: We have been observing with much interest the large mass of news and editorial matter that has been running in the newspapers recently, dealing with the decision that is now pending in your board, and to-day have made comment on this situation in an editorial. I am taking the liberty of mailing you a copy under another cover. With best wishes, I am,

Very truly, yours,

OSCAR L. STEVENS,
Assistant Managing Editor.

—

NEW YORK, *April 8, 1914.*

CHAIRMAN INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

MY DEAR SIR: The inclosed editorial, which appeared in a recent issue of the Christian Science Monitor, deserves your careful scrutiny. I believe it reflects the opinion of all unprejudiced citizens and is sent you merely as my testimonial of the confidence we have in your committee.

Very respectfully,

M. C. WATSON.

—

[From Christian Science Monitor, April 6, 1914.]

FAIR PLAY AND THE RATE QUESTION.

Developments of the last few days in connection with the railroad hearing before the Interstate Commerce Commission make it clear that there are great classes of people in the United States who believe not only that freight rates should be increased, but that the commission should go out of its way to put the increase through with speed. Great men of the railroad world have told the commission, in effect, that rates would have to be raised quickly or they would not be responsible for what might happen to the general business of the country. Shippers have come into the newspapers with resolutions or interviews regretting that the commission has not been able to decide this important question without so much hesitation. At the same time some of the greatest railroad systems, with apparent summariness, have dropped out of their employ a number of thousands of employees. Also in notice are significant cartoons, one of which pictures the Interstate Commerce Commission as a gigantic snail blocking the path of a fast railroad train labeled "Business progress."

We do not know any reason why all these things may not have come out at this time naturally. Yet there is about their precipitation into public consciousness something cumulative, a certain timeliness, such as in other instances has been evident where artifice has been employed to produce a carefully planned effect. They certainly tend to create a public sentiment in favor of raising railroad rates, just as they tend to push the commission toward that kind of a decision. For this reason it becomes highly important, we think, that all who read this class of news at this time should weigh each item with care, and with a view to determine whether its origin is in natural conditions or in some effort that involves calculation and artifice.

In connection with this sudden dropping of thousands of railroad employees, we can not help wondering what is the nature of an organization that can get rid of so many hands in the fashion indicated by the newspaper accounts and still continue as a going business. And our wonderment is increased when we recall that for many months the great railroads have allowed themselves to be reported as using every means in their power to economize on operating expenses, since it is not so much gross earnings as net that have undergone diminution. If we are to believe that they economized as much as they could in those earlier months, it is difficult to understand the sudden opportunity for such retrenchment just now while the rate question is up. We can find no figures showing any corresponding slump in general business preceding this recent curtailment, whatever figures may be available now that the curtailment has taken place. Neither can we find any reasonable explanation in general business for the flood of elaborated news of operative reductions and related information that is rolling up against the desks of those newspaper editors who handle financial and business matters.

If those newspapers that are virtually controlled by organized business are being systematically used to develop a sense of pressure in this rate situation that would not otherwise be acute, then the same care is necessary at this time that would be taken anywhere and at any time to guard against what is known as a "stampede." It is not always easy for ordinary newspaper readers to discover when an item of print has something behind it other than the desire to convey information; and when many great newspapers of the country are suddenly found to be printing items that are essentially prejudicial to an issue that is nominally open there is need for special care if a reader is not to allow himself to be swept on to a wrong conclusion. Many well-informed newspaper readers, it may be remembered, agreed that the Spanish-American War could have been avoided if the newspapers had refrained from jingoism.

So if there is now on foot any attempt to sway public sentiment unduly or by artifice on the rate question, this is the time of times when the Interstate Commerce Commission deserves popular support. In the gradual advance toward effective public supervision of the great railroad systems in the United States, the time has come when that little

group of public servants at Washington is required to withstand great pressure in the effort to exercise fairly the wide powers with which the public has intrusted them. The railroads have an opportunity to bring great influences to bear on the situation through their highly organized control of industry. Whether or not they are taking advantage of this opportunity there is, we believe, all the more reason why public sentiment should stand unwaveringly behind the commissioners, who are at this moment the Nation's reliance, to see that no undue influences shall prevail and that the far-reaching decision as to railroad rates shall be neither stampeded nor deliberated unfairly, but adjudicated with due regard for the truth and the rights of all.

EXHIBIT B7.

THE INTENSIVE NATURE OF THE NEWSPAPER CAMPAIGN.

The above newspaper articles go to show how general and comprehensive was this campaign of the railroads, but it does not begin to show the mass of material which often issued from a single paper during the year, and more of this sort of agitation. Below is given a list of articles which appeared in the Washington Herald, Washington Evening Star, Washington Post, Washington Times, and Chicago Inter Ocean from January 1, 1914, to about April 5, 1914.

[Washington Herald, 1914.]

January 27.—2 : 3. Shippers are opposed to increased rates.
January 28.—6 : 4. Allowances to iron and steel concerns must cease.
February 9.—4 : 2. Editorial. The chastened railroads. President Harrison of the Southern, says railroads are now in difficulty due to regulation and past history.
March 4.—1 : 6. Roads should have increase. President Willard of B. & O., said, at dinner given in his honor by former Senator Henry Gassaway Davis, of West Virginia, in Washington, that railroads should have 5 per cent increase at once pending the inquiry. Many railroad presidents present; also several Members of Congress; John W. Davis, Solicitor General; Judge Alton B. Parker; and others. President Willard was sure of increase, and said that increases should be given at once. Judge Alton B. Parker said increase should be granted. He said that now 98 per cent of the papers were favorable to the railroads, while formerly only 44 per cent were favorable. Said new era had dawned in which railroads were to receive justice at hand of State and Federal Governments.
March 5.—4 : 2. Editorial. Don't delay the rescue. It would have been improper for the I. C. C. to have been present at Mr. Davis's dinner, but that if they had been there to listen to Mr. UNDERWOOD'S enthusing talk on the tariff, and then hear Mr. Willard's sad tale, "they might have been impressed with the necessity for prompt action on the question of increased rates." Increase should be granted pending investigation, and early decision should be reached. Alton B. Parker shows how the public are becoming more reasonable. Ninety-eight per cent of the papers favorable to railroads.
March 6.—4 : 2. Editorial. The poor railroads again. Though we have heretofore commented upon need of prompt and favorable decision by I. C. C., we make the same point again. The Savior 1,900 years ago taught that money ought to be invested. Regulation has knocked the bottom out of the railroad's securities business. We are drifting to Socialism. Earnings are falling off. "The end is inevitable. Unless the I. C. C. doctors give the patient some nourishment he will die."
March 6.—4 : 4. Railroads should be heard. Reprint from Houston (Tex.) Post, being a semi-tirade on valuation for rate and tax purposes. Railroads are pouring out their griefs.
March 6.—4 : 5. Increased rates are urgent railway men tell the Herald. Editorial says he has many letters commending him on his editorial policy of "pointing out the vital necessity of granting to the roads the increase in freight rates for which they are contending." Letters printed. C. E. Schaff, president Missouri, Kansas & Texas Railway, praises the editor's logic, and says "it is pure patriotism to endeavor to secure the adoption of the wise policy as you are doing." J. W. Oglesby, president of the Short Line Railroad Association, sees Socialism ahead, and says that the Government is the worst enemy of big business.
March 7.—4 : 4. Theo. N. Vail of American Telegraph & Telephone Co., commends the edtior of the Herald on his views.
March 7.—7 : 7. Interstate Commerce Commission scores Chicago, Milwaukee & St. Paul and Chicago, Milwaukee & Puget Sound Railways for juggling accounts. Overstated income.
March 11.—6 : 2. Bookkeeping blamed by Thorne for road's losses. Thorne claims all railroads asking for increase changed bookkeeping system in 1912 to show increase in maintenance. All but two roads did this, i. e., Bangor & Aroostook and Western Maryland Railroad. Present lack of prosperity is largely a matter of bookkeeping.
March 11.—14 : 4 "Roads should demand rights," says President Rea at meeting of Pennsylvania Railroad stockholders. Investors urged to insist on their rights. Country can not prosper unless railroads prosper.
March 12.—4 : 2. Editorial. President Rea's warning. Summarized Mr. Rea's speech to stockholders of Pennsylvania. Stockholders to use their influence in legitimate ways.
March 13.—Cartoon front page. "After the railroads are reduced to junk, then what?"
March 13.—4 : 3. Editorial. A nonpolitical commission. Wishes commission could be taken out of realm of politics. Commissioners should be appointed for life.
March 14.—2 : 3. Editorial. Harlan's epistle to St. Paul. Commissioner Harlan has just rendered a distinct disservice to the community by promulgating his report on the false accounting of the St. Paul and Puget Railways. His decision a blow to business confidence. The commission lacks sense of proportion or knowledge of fitness of things.
March 18.—4 : 3. Railroads on the defensive. Hard-coal lines giving testimony.
March 24.—4 : 4. An open letter to the I. C. C. by Mr. Forbes. This letter is the climax.
March 24.—4 : 3. Editorial. Speak for yourself, John. Substance is that abused railroads have never told their story to the people.
March 29.—2 : 4. Free service by roads is scored. Brandeis makes charges against Pennsylvania.
March 29.—4 : 5, 6. President Willard tells of railroads' necessities. Part of his speech to Traffic Club, of Pittsburgh, on March 27. Heavy loss net earnings. Press favorable. County grows with the railroads, etc.
March 31.—2 : 1. Carriers would hasten inquiry.
March 31.—2 : 2. Hardin, vice president New York Central, denies that dismissed men to affect rate case.
March 31.—4 : 5. Editorial. Railway persecution. Editor says throughout country papers are reflecting the changed public sentiment regarding railroads. Then reprints *long editorial* which appeared in New York Post, March 25, entitled "Harrying the railroads." Substance of editorial is that regulation is pestering the life out of the railroads. Quotes favorably from Mr. Howard Elliott's "The truth about the railroads."
March 31.—4 : 2. A badly overworked commission. Editorial. Prompt decision urged. Congress to blame for loading up commission with extra work.
April 1.—3 : 3. Crisis at hand for railroads. President Willard of Baltimore & Ohio at I. C. C. session predicts crash.
April 1.—4 : 3. An argument in figures. Editorial. Favorable comment on Mr. Willard's testimony, including that part which threatened discharge of men by railroad.
April 2.—1 : 5. New York Central in critical state. President Smith, of New York Central, shows decrease in income.
April 2.—4 : 2. A bill to protect the I. C. C. Editorial. La Follette bill discussed. Indicates lack of confidence in commissioners or is aimed to save work of opening mails for secretaries.
April 3.—3 : 1. Ruling by May 1, in freight case. Rea makes strong appeal. Improvements must be curtailed.
April 3.—4 : 3. La Follette's latest. Reprint from editorial in New York World. Sarcastic criticism of I. C. C. bill. "La Follette is supposed to have been put to sleep two years ago."
April 3.—4 : 3. The railway crisis. Reprint from editorial in New York Times. Essence is that rate case is crisis for wage earners. No raise, no jobs.
April 3.—4 : 7. Earnings decrease. February returns of railroads discouraging.
April 4.—4 : 3. Editorial. Senate wisdom prevails. Senate proved itself immune to stampede in Daniels appointment. A good job well done.
April 4.—7 : 1. I. C. C. allows carriers' plea. Side issues postponed. Commission will expedite matters.
April 5.—4 : 3. Business conditions and politics. Editorial. Editor calls attention to fact that several things are on the big toboggan. Treasury faces deficit and railroads are suffering greatly.
April 6.—4 : 2. No need to delay rate decision. Editorial. Decision will not be handed down for month, but might as well be handed down to-day, as facts must be convincing to commission. Recites fact that 100,000 men discharged, earnings fallen off, trains discontinued, etc. Blue picture.
April 6.—Cartoon. Page 1. "Starve the cow and there's no milk for the calf." Cow is railroad; calf is business.
April 7.—4 : 1. Slam at railroad valuation. Will cost $12,000,000 to $15,000,000, and will take five years to complete.
April 14.—3 : 1. Carriers denied early decision. Collateral questions instituted by commission, rebates.
April 14.—4 : 2. Editorial. Surprise from Senator Cummins. Editor much surprised that Cummins should suggest that newspapers are doing anything more than reflect public opinion. Still more surprised to see that the Senator is not converted by statements of railroad presidents.
April 14.—4 : 4. High cost of railroading. Recent figures from Lehigh Road show costs have increased in labor, cars, locomotives, and materials. Five per cent increase needed.

[Evening Star, 1914.]

January 7.—7 : 7. Plea of shippers to be heard.
January 15.—11 : 1. Will hear shippers on a freight rate raise.
January 18.—5 : 1. I. C. C. closes case in hard-coal rates. Allowances between parent and subsidiary and friendly companies brought out in evidence.
January 21.—8 : 3. Freight rate hearings to begin here Monday. Shippers to be heard.
January 19.—2 : 7. President thought to favor increase.
January 26.—1 : 3. Protest against increase in rates by independent oil producers. Charge discrimination favor of Standard Oil Co.
February 3.—1 : 2. New issue enters railway rate inquiries. $15,000,000 free service given.
February 13.—2 : 6. Cartage favors to big shippers.
February 18.—1 : 3. President confers with Chairman Clark on rate increase. Believed that President has been informed by friends of nervous condition of money market.
March 5.—2 : 6. Advance in rates opposed at hearings.
March 14.—2 : 7. All merchants asked to aid in rate fight. Cooperation desired to fight railroads.
March 24.—3 : 4. Rate advance case postponed by I. C. C.
March 24.—10 : 5. Freight rate fight to open to-morrow on behalf of Washington shippers.
March 26.—2 : 2. Rate case rested by complainants (Washington parties).
March 27.—11 : 1. Southern road announces reduced rates from Washington south.
March 31.—5 : 3. Protests against rate increase for railroads. District Consumers' League.
April 1.—2 : 6. Decision on rates expected soon. Roads are in a plight.
April 2.—2 : 4. Rea recites need of increase in rates.

[Washington Post, 1914.]

January 15.—6 : 2. The I. C. C.'s opportunity. Editorial. Orders for steel dependent on allowance of increase. Security markets also affected. Quick decision needed. It will take a year to answer questions put by I. C. C. and five years to sift out.
January 21.—6 : 1. Editorial. Speeding up justice. Wilson's conference with I. C. C. proper even though he may have intimated rates should at once be increased.
January 28.—1 : 3. Rebates a "Crime." Millions paid to big trusts illegally, says I. C. C.
February 8.—1 : 4. New railroad era. Times here for better service, said Southern's head. Working on efficiency.
February 13.—6 : 1. Physical valuation. Editorial. Chief benefit of valuation is political. Inform people, but of less value to commission.
February 16.—6 : 1. Is it worth it? Editorial. Physical valuation largely a fad and not worth the price. "Mass of statistics of doubtful value."
February 19.—1 : 4. Called in by Wilson. Chairman Clark asked for information. Did not talk rates. President said to favor rate increase.

February 22.—4:2. Editorial. Railroads and business. Slowness of decision retards coal, steel, and securities business. If increase granted by March 1, there will be no idle men in the country.
March 4.—1:3. Roads to win rate. Willard of Baltimore & Ohio sure of 5 per cent advance. Evidence before commission requires such decision.
March 4.—6:1. Editorial. Managing the railroads. Seems probable that rebates will be ordered stopped. Government should not manage roads but fix rates only. Roads need encouragement now.
March 8.—7:2. I. C. C. seek rate case light. Railroads must answer whether they give free services which amount to a rebate.
March 20.—1:7. Rail data to Wilson. Keeps in close touch with I. C. C. Rate increase is "the big thing." Letters to him regarding rate increase referred to I. C. C. for the information they contain.
March 20.—6:3. Editorial. The rate cases. I. C. C. not a court and President should be free to consult with them often as to effect of rate decision on the country.
March 31.—5:1. Roads plead haste. Brownell of the Erie testifies that roads need increase at once.
March 31.—5:2. Roads forced to cut. Rea says Pennsylvania will have to stop 62 trains and discharge 25,000 men. Legislation and wages is the trouble.
April 1.—13:1. Lines face a crisis. Willard of Baltimore & Ohio warns I. C. C. at hearing. Delano of Wabash shows vast losses.
April 2.—5:1. Rate decision haste. Crushing needs of railroads cause I. C. C. to hurry. Delano of Wabash shows big losses due to legislation and wages.
April 6.—6:2. Conditions not theories. Thorne and Brandeis theorists who never worked on a railroad. Like fortune tellers who will tell how to make a fortune on Wall Street, but have to charge a dollar to make a living themselves.

[Washington Times, 1914.]

January 27.—1:8. I. C. C. to give advice but no rate advance to big railroad lines. Point out how earnings can be increased by discontinuing rebates.
February 2.—10:8. Coal dealers fight freight rate advance.
February 3.—10:2. I. C. C. frowns on free deliveries.
February 9.—4:1. Editorial. Increase of railway rates. Brandeis to show how railroad losses can be stopped. Rebates.
February 18.—7:5. Wilson talks with I. C. C. head on rates.
February 28.—2:3. Oppose testimony of I. C. C. examiners. Attorneys for railroad want to cross-question men who fight rate increase. Want to throw out testimony of examiners.
February 28.—2:6. I. C. C. ready for delivery hearing.
March 7.—2:5. Railroads accused of padding books $5,000,000 and then asking for rate increase on those figures.
March 10.—11:1. Bad faith is charged to B. & O. expert. Thorne says operating expenses $4,000,000 in excess of year previous.
March 25.—1:3. Cheaper rates are demanded by tradesman to compensate for increased drayage cost since discontinuance of free deliveries by railroads.
March 27.—4:3. Pennsylvania road to cut off trains—retrenchment.
March 28.—2:4. Brandeis says discrimination is behind rate plea. Free service eats up profits.
April 2.—1:7. Going to the devil fast, New York Central's head informs I. C. C. Absolute necessity for raise shown. Mismanagement no longer can be urged as reason for smaller earnings.
April 2.—1:8. Big heading "Starve the railroads and we starve ourselves." Reprint from April number of Munsey's.

[Inter Ocean, 1914.]

January 1.—11, 8:1. Railroads suffer financial stress.
January 3.—7:6. Manufacturers' Association favors 5 per cent increase. Resolutions to be sent to I. C. C. Opposed increase in 1908 and 1910.
January 4.—11, 2:4. Morgan Co. withdraw directorates in hope that it will induce I. C. C. to allow 5 per cent advance.
January 4.—11, 8:2. Editorial. Favorable comment on resolutions of Illinois Manufacturers' Association. Shippers can better afford to pay 5 per cent than suffer any impairment of railroad services.
January 6.—6:2. Editorial. John V. Farwell urges rate advance. Refusal of advance raises rate on short-time loans, so people pay in the end.
January 7.—7:6. Railroads to answer list of questions for I. C. C. Complain questions involve too much detail. Brandeis permits several modifications.
January 16.—1:1. National Business League of America indorses railroad rate increase. Resolution sent to I. C. C. Thirty States represented.
January 17.—6:1. Editorial. Shippers ask higher railroad rates. Criticism of Brandeis and Wanamaker for efficiency claims. Suggests that President and I. C. C. ought to take the hint.
January 18.—9:3. Railroad net gains less.
January 20.—1:1. President favorable to rate advance in return for which railroads agree to allow I. C. C. to supervise future security issues.
January 21.—6:1. Editorial. Prosperity of railroads and prosperity of country are inseparable. Quote from Wilson's message.
January 24.—6:3. Editorial. Will Federal support of securities of railroads be relief? Conflict between United States and States.
January 25.—1:3. French roads lose $16,000,000 in 1913. Would Clifford Thone apply this system to United States railroads? Argument versus Government ownership.
January 26.—1:1. High rate fight up to-day before United States commission. Good chance.
January 26.—6:3. What Government ownership of railroads would mean. Review of B. A. Worthington's (president Chicago & Alton) article in Manufacturers' News—Government ownership bad; would lessen taxes; do away with competition. Warning railroads must have protection or Government ownership.
January 27.—6:3. "Why Prosperity Halts." Criticizes Brandeis. He is an "amateur economist": his questions to railroads will take so long to analyze that "there will be many a fireless grate and supperless table where plenty waits on adequate and profitable transportation revenues and facilities." Even quotes poetry in reflecting on great boom that would accompany the rate advance.
January 28.—1:1. Commerce body favors increase in freight rates.
January 28.—6:2. Paying for a Government ownership whistle. Jumps on Clifford Thorne's statement that Government ownership would save $400,000,000 yearly. Cites France's loss of $16,000,000 in 1913.
January 29.—6:2. Good prospects for freight advance. Says Harlan in decision on spur and trap service intimates advance is to be allowed.
January 29.—7:1. Shippers present evidence against advance.
February 3.—7:3. Coal shippers fight freight raise. Frank Lyon representing Pittsburgh Coal Co.
February 4.—6:2. Railroads favor Federal supervision tending to exclude State regulation.
February 12.—6:2. Editorial. La Follette and the Railroads. Criticism of editorial in La Follette's Weekly.
February 17.—9:6. Railroad stocks suffer on rate-case delay. Probability that railroad will lose advance. Had set hearts upon it.
February 19.—9:6. Wilson confers with Clark of I. C. C., suggesting early decision. President hopes increase will be allowed.
February 20.—9:6. Stock list wavers on rail-rate news that decision is postponed.
February 23.—7:1. Delay in freight-rate hearings may deprive railroads of excellent monetary conditions at present time.
March 1.—18:5. Editorial from Philadelphia Record. Reprint.
March 8.—16:2. Criticizes Commissioner Harlan for calling Chicago, Milwaukee & St. Paul to account for their erroneous book entries.
March 23.—7:1. Sentiment in administrative circles more favorable toward railroads than in recent years.
March 28.—6:2. I. C. C. refuses to look facts in the face and act as their logic demands, i. e., grant the increase.
March 28.—12:1. Retrenchments by railroads due to adverse legislation. Increase in wages and dull business.
March 29.—12:6. Real income loss is $80,000,000 in 7 months.
March 29.—18:1. Daniel Willard explains why railroads need the increase.
March 31.—6:2. "Should the Railroads be Bled to death?"
April 1.—12:1. Early rate ruling by I. C. C. body. Willard of B. & O. and Delano of the Wabash testified that roads face crisis.
April 2.—7:1. Railroad rate decision expected within a month. La Follette offers bill to prevent influencing proceedings, I. C. C.
April 3.—5:5. Rate raise is roads' only hope. President Rea of the Pennsylvania says refusal of 5 per cent will mean serious retrenchments.
April 4.—7:3. Railroad argument will begin April 27.

THE NEWSPAPER CAMPAIGN EXTENDED OVER A PERIOD OF MORE THAN ONE YEAR.

The following list of items from the New York Times for the period beginning January 1, 1913, and ending December 31, 1913, shows the age of the campaign and how it gathered and spread out with increased vigor following the meeting of the railroad presidents, April 30, 1913:

NEWS ITEMS AND EDITORIALS IN THE NEW YORK TIMES.

January 1, 1913.—General statements and tables of earnings.
January 3, 1913.—Part VIII, V:6. "Railroads Still Gaining." Latest returns show big leap over 1912. Ninety per cent of railroads show big improvement. A freight revenue per mile for November, 1912, 12.8 per cent over November, 1911, and passenger revenues increase 6.2 per cent per mile for same period. Net operating revenues increased from $360 to $480 for the same period. Western roads made greatest gains. Southern roads held their own.
February 2, 1913.—VIII, 5:4. "Roads Had Big Half Year." First six months of current fiscal year "well ahead" of same period 1911 and 1912. Lines together did $60,000,000 more business than in the same period of this last year. Only 3 out of 20 large roads listed did not show gains.
February 5, 1913.—12:3. "Earnings Hold Out." Late reports for December show earnings hold up. Many gains. January returns show likewise.
March 2, 1913.—VIII, 8:2. "Railroads are prospering."
Six per cent per mile increase over December of 1911.
Net per mile increase $24 over that of December, 1911.
"Northwest roads faring much better this winter than in 1912."
April 29, 1913.—12:3. Ninety per cent of railroads of the United States receive earnings considerably increased over those of February, 1912, even though one day less in February of this year.
April 30, 1913.—2:7. "Railroads to ask for better rates," i. e., roads east of Chicago.
"The presidents have been meeting to discuss other matters, and have not organized yet for the specific purpose of getting a rate increase, but the leaders are in substantial accord."
Probable that will ask 5 per cent increase.
President Willard, of the B. & O., says there is no agreement of the companies to act in concert. It was learned, however, that the situation has been canvassed and would be easy to perfect organization.
May 1, 1913.—10:1. Editorial. "The railway rate movement."
"Railroads are about to make another combined attempt to advance their rates."
Explains that labor costs, taxes, new legislation make higher rates imperative.
Says this good chance for Interstate Commerce Commission to show "that it is truly a judicious, judicial, and benevolent body."
May 4, 1913.—VIII, 14:3. B. F. Bush urges need of inquiry.
May 6, 1913.—12:7. Samuel Rea predicts an increase.
May 8, 1913.—12:5. President Willard will ask reopening of cases before Interstate Commerce Commission.
May 11, 1913.—11:3:6. President Rea gives reasons why an increase should be granted, i. e., recent legislation.
Unwilling to wait for valuation of Interstate Commerce Commission.
May 16, 1913.—10:2. Editorial. Sympathetic with railroad demands.
May 14, 1913.—2:5. Briefs filed and application for reopening cases made by eastern roads.
June 1, 1913.—VIII, 6:5. Raise favored by a business organization and students of the question.
June 15, 1913.—VIII, 6:1. President Willard, of B. & O., who heads committee of railway presidents, says that gross earnings for year ending June 30, 1913, will probably be largest in their history, but that surplusses in excess of interest and dividends are not sufficient for further capitalized expenditure.
July 6, 1913.—II, 3:4. Representative JEFFERSON M. LEVY, of New York, introduced a resolution in the House asking 2½ per cent freight increase at once, and 2½ additional if investigation shows that to be necessary.
July 20, 1913.—II, 3:6. Freight rates from the East reduced on shipments to Duluth by Interstate Commerce Commission.
July 22, 1913.—11:6. Wheat rates from New York to Minneapolis changed by Interstate Commerce Commission.
August 1, 1913.—9:8. Freight rates reduced by Interstate Commerce Commission.
August 6, 1913.—6:2. Editorial. "Scientific rate making."

Says compliance with commissioner's requirement as to publication of schedules will be ruinous to roads.
Says schedules are foolish, and the work of men with no business responsibility.
August 16, 1913.—12:4. Increase of cantaloupes suspended by Interstate Commerce Commission.
September 23, 1913.—8:3. Eastern railroads apply to Interstate Commerce Commission for 5 per cent increase.
President Willard said "he had every confidence in the outcome of the matter."
September 24, 1913.—10:1. "Railroad's great gain." Increase in revenues far ahead of increase in expenditures. For January 1–June 30, 1913, gain of $288,000,000 in operating revenues, while operating expenses increased $205,000,000. Gain of $85,000,000.
Eastern roads gained in net revenue $24,000,000.
Western roads gained in net revenue $55,000,000.
October 4, 1913.—16:2.3. Decrease in earnings.
October 7, 1913.—12:2. Editorial. "Railroad outlook."
October 8, 1913.—13:4. Statement of President Hannaford and Chairman Clough of the Northern Pacific.
October 11, 1913.—14:6. D. Willard praises the above editorial.
October 21, 1913.—12:3. European railroads allowed to increase rates.
October 23, 1913.—10:2. Editorial. "Concessions to the railroads."
October 27, 1913.—12:2. Stock market will be aided by concession of Interstate Commerce Commission.
October 30, 1913.—13:4. D. Willard says rates should be increased.
November 6, 1913.—10:8. Net loss of revenue July to September.
November 9, 1913.—VIII, 7:7. Increase necessary because of advance in operating cost.
November 10, 1913.—8:3. Advance favored by people, opposed by officials.
November 15, 1913.—14:13. Reports show stagnation of business through low rates
November 15, 1913.—10:1. Editorial. "The railroads and the commission."
November 16, 1913.—V, 12:1. Increase considered necessary by Sir George Paish.
November 16, 1913.—II, 12:1. Increase in rates will be fought by shippers.
November 19, 1913.—2:5. Intimation given by John H. Marble that commission will grant 5 per cent increase.
November 21, 1913.—8:3. Attitude of the Government toward public utilities criticized.
November 23, 1913.—III, 14:5. Bill to amend Interstate Commerce Commission act requiring decisions in rate cases in 60 days.
November 25, 1913.—10:6. Letter urging increase, by R. P. Green.
November 25, 1913.—1:3. D. Willard hints before Interstate Commerce Commission that rate advance necessary or Government ownership imminent. T. C. Spelling of the Freight Buyers' League objects to appointment of Louis D. Brandeis.
November 30, 1913.—VIII, 7:7. Report shows serious decline in profits.
December 4, 1913.—12:7. W. M. Acworth says refusal of increase will alarm European investors.
December 4, 1913.—13:2. Traffic has increased faster than railway can keep up with it, because of rate regulation.
December 11, 1913.—2:4. Charles A. Conant, C. P. Crawford, and J. G. Walker plead for rate advance.
December 12, 1913.—8:1. Increase urged by Seth Low.
December 14, 1913.—IX, 11:6. C. A. Conant testifies of decrease in purchasing power of money.
December 21, 1913.—V, 4:1. Higher rates or Government ownership, according to William C. Brown.
December 21, 1913.—VIII, 5:1. C. A. Conant gives reason for scarcity of capital throughout the world.
December 26, 1913.—3:2. Supervision of finances by Commerce Commission favored by presidents.
December 28, 1913.—II, 11:1. Questions sent eastern roads by Interstate Commerce Commission.
December 30, 1913.—12:3. Report of Interstate Commerce Commission for the year analyzed by Bureau of Railway Economics.

—

[From the New York Times (January and February, 1914, not available), March 1–31, 1914.]

March 2.—8:1. Editorial. The beleaguered railroads—going to wreck and ruin. "Even yet there is time."
March 11.—16:2. Rea denies that Pennsylvania books have been manipulated; sends telegram to Clark, of Interstate Commerce Commission, and urges security holders that they protest against State and Federal governments for fair treatment.
March 12.—8:1. Editorial. The commission and the railroads. Criticism of Thorne and Brandeis Says accounts prescribed by Interstate Commerce Commission no good, if can be juggled as Thorne says they are. Thorne says if books of Baltimore & Ohio were not padded would show 30 per cent increase, net. "Mr. Thorne may mislead the commission so ready to be misled," but can't fool the investors.
March 25.—2:8. Commission to hear railroad again on rates. Financial evidence to be received. May not delay decision.
March 25.—10:3. Editorial. Free service and cheap rates. Railroads glad to make charge for free spotting and ferrying, but cost to public will be greater than any saving to railroads.
March 26.—10:1. Railway rate case delay. Thorne, as representative of western railroad commissions, has no business there. "The list of States (Iowa, Kansas, Nebraska, North Dakota, South Dakota, Arkansas, Oklahoma, Missouri) sufficiently indicates the sort of decision which would result from crediting the argument advanced by Mr. Thorne." Commissioner Thorne's allegation was that the railroads were padding their expense accounts. President Willard denied it on the spot. President Rea gave an indignant denial, which the Interstate Commerce Commissioners would do well to paste in the tops of their hats.
March 27.—10:1. Editorial. "Playing war with the railroads." "No decision on the subject (rate fixing) is any more sacred than the edict of a union about a wage or a shopkeeper's charges for his goods." Ridicules whole regulation program, and says, "Before long those who have vivisected business in order to keep down railway rates will find a larger price structure tumbling about their ears."
March 28.—1:4 and 2:8. President Willard says income is inadequate.
March 29.—2:1. 38,000 men laid off by Pennsylvania. New York Central carried 20,000 less cars in March than March, 1913.
March 29.—4:2. Editorial. The railway readjustment. "Shippers, unionists, commuters, and legislators" all unite in pouncing on the railroads. "It concerns the country to decide whether the railways are to be left to the theorists and the politicians or are to be preserved for the country's benefit."
March 29.—9:1. Railroads dispute post-office data. Figures in mail pay wrong.
March 29. 12:1. Brandeis says free services cripple railroads.
March 30.—3:1. "Thinks rate fight cost 40,000 jobs"—Thorne. Says this is an old trick. Was practiced in West 25 years ago. Shows same attempts were made to intimidate United States Supreme Court in Northern Securities *v.* United States (191 U. S., 555), and how Judge Harlan pointed out in his decision that this was a common practice for monopolies in both the United States and England, and that panics never followed as claimed.
March 31.—10:3. "Brandeis *v.* New York." Takes Brandeis to task for his opposition to free lighterage in New York City.
March 31.—15:4. "Erie Road lays off more than 18,000." Office staffs threatened.
March 31.—15:4–5. President Rea explains Pennsylvania's cut.

EXHIBIT BS.

WEEKLY PRESS HAVE INNOCENTLY REPRINTED RAILROAD ARGUMENTS FOR THE INCREASE.

Below appears a typical article from one of the weekly newspapers. The editorial from the Troy (N. Y.) Standard comments on this practice:

[From the Madison Republic and Tribune.]

FREIGHT RATES SHOULD BE SLIGHTLY INCREASED.

The Interstate Commerce Commission, at Washington, will soon be called upon to decide whether or not the 5 per cent freight-rate increase will be granted. Many prominent public officials throughout the country have taken a most determined stand on this matter and have petitioned the Interstate Commerce Commission to grant this increase. During the past years, while the Republican Party had control of the machinery of our Federal Government, very little, if any, efforts were made to place any restraint upon the railroads in regard to their stock manipulation and their financial dealings with Wall Street. It may be that some of the railroads of this country are overcapitalized, but, be that as it may, we know that some of the business interests, and especially the interests of our home city, is suffering in consequence of the inability of the railroads to buy equipment. We believe that the nominal 5 per cent increase in the freight rates, as asked for by the railroads, will do practically no harm to any of the shippers of this country, but we do know and believe that if this increase should be granted that the railroads would then be in a position to dispose of their securities, and consequently would be able to immediately place orders for new equipment. This would mean a revival of business in Madison and the Tri-Cities. It would mean prosperity for our merchants and employment for our citizens.

We hope that any and all public officials who read this article will use all honorable means within their power to try to influence the Interstate Commerce Commission to grant this increase. We believe that the commission now has abundant evidence which would warrant them in granting the request of the railroads.

In the past 15 years the freight rates have been decreased, while the operating expenses and the cost of the equipment, due to the raising of the prices of materials and the increase of wages paid to railroad employees. It would seem from these facts that the rates should and ought to be increased.

—

[From the Troy (N. Y.) Standard, January 24, 1914.]

PRESIDENT NOT PLAYING POLITICS.

There is an amount of loose talk going the rounds of some newspapers to the effect that the President has "let up on special privilege," and that the administration, having put through the chief measures to which it was pledged, is now prepared to forgive and forget past offenses by the rich malefactors and is intending to let things drift along much as they have been permitted to do in the past.

Some of this gossip is being spread by well-intentioned persons who are letting their wishes father their thoughts. They see that the tariff and currency laws have not paralyzed the Nation, and now they are trying to whoop up the stock market and inaugurate a business boom. If this gossip were confined to newspapers who peddle and their patrons who seem to like that sort of misinformation it would do no particular harm. But unfortunately it is picked up by other well intending but poorly advised vehicles of information, notably members of the weekly press, and scattered through the country. The result is that, until they learn better, some people who elected President Wilson to end the economic injustices which they have suffered and are suffering, are likely to have the feeling that they have been deserted.

In line with this most vicious invention there is another rumor going the same rounds. It is that the President will use his influence with the Interstate Commerce Commission to have the 5 per cent increase in railroad freight rates granted. Some of the wiseacres studying the President's trust message read his comment on the intimate connection between railroad and general prosperity, and knowing that there has been a considerable influence brought to bear on Mr. Wilson to have him sanction the rate increase, made the deduction that he has yielded.

The fact is that, based on the best available authority in Washington, this rumor, like its predecessor, is absolutely false. That the President has been importuned to recede from his high position and play politics is well known. A number of Democrats, and influential Democrats, we regret to say, have urged him to take a stand in favor of the increased rates. But these men put political expediency before patriotic statesmanship. Their argument is that, whether increased rates are justified or not, to grant them will be to bring about a business boom which the Democratic Party in the campaign next fall could attribute to the tariff and currency.

But Woodrow Wilson is not that kind of a statesman. He has told his callers plainly that his legislation must stand on its own merits. As for the railroads, they must justify their request for increased rates before the commission, if they are to have their request granted. There will be no executive interference.

The President's position is simply this: If the facts are as the railroads claim, then the increased rates should be granted; but if the investigation shows that increased rates are necessary simply to pay dividends on watered stock, there is no justification for the increases. It is a question of fact for the commission.

EXHIBIT B9.

ST. LOUIS, MO., *April 30, 1914.*

Hon. ROBT. M. LA FOLLETTE,
United States Senate, Washington, D. C.:

Leslie's April 30 editorial says: "From dependable sources we learn that the Interstate Commerce Commission, which has seemingly dallied with the request of the eastern railroads for a 5 per cent increase in freight rates, has at last awakened, and that a decision favorable to the railroads may be looked for at a very early date." Should advance information be given out to a special coterie?

B. A. BECKER.

[Editorial from Leslie's Illustrated Weekly Newspaper, Mar. 5, 1914.]

LET THE THINKING PEOPLE RULE!—FAIR PLAY FOR THE RAILROADS.

Every proposed freight increase by the railroads has been uniformly and promptly suspended by the Interstate Commerce Commission without regard to its merits. Meanwhile every demand for an increase in wages has had to be satisfied. How long can this condition last? Does it mean anything that the railroad equipment manufacturing concerns, the steel-rail mills, and the other factories depending largely on the railroads for their orders are running on part time and discharging workmen? Let workmen think of this and let demagogues at Washington ponder over it. There will be another election for Congressmen next fall.

It is amazing how the public misconceives the railroad situation. The New York Herald, always alert to the public welfare, justly characterizes it as "momentous." The railroads are not owned by a few men of wealth. Their prosperity doesn't concern a hundred or a few hundred individuals. They are owned by hundreds of thousands of shareholders and bondholders. Every depositor in a savings bank and every holder of a life or fire insurance policy is interested in the prosperity of our railways. In six of our States the savings banks have over 5,000,000 depositors, and their savings are largely invested in railroad bonds. If the railroads are bankrupted, what will happen to the savings bank depositor? Already the loss to the savings banks of New York State alone, with 3,000,000 depositors, because of the decline in the market value of securities, has reached over $70,000,000.

The insurance companies invest their funds largely in railway securities, and heretofore these investments have been regarded as the safest. What will happen if the pressure upon the railroads for increased wages, increased cost of material, and heavier taxes continues and if they are not permitted to slightly increase their rates? It is said that some merchants oppose the increase, but leading commercial bodies are heartily in favor of the advance. What will the merchants do in the face of receding prosperity?

Extravagant statements are made in regard to the amount of the increase the railroads would have if the application of the eastern roads for an advance of 5 per cent in their freight schedules were granted by the Interstate Commerce Commission, but the testimony shows that this would amount to about $40,000,000. Large as this appears, it would be offset by recent increases in wages and the rise in the cost of material.

Every observant citizen fears that the country is drifting away from prosperity. This retrograde movement would be checked at once if the railroads, which constitute the second great factor in our industrial progress, were permitted to advance their rates. A good Democrat, Congressman Levy, has introduced a bill to expedite the decisions of the Interstate Commerce Commission. We hope the measure will pass. But it should be unnecessary. The exigency itself should compel immediate and favorable action.

President Wilson, in his recent message to Congress, speaking of the needs of the railroads, said: "We can not postpone action in this matter without leaving the railroads exposed to many serious handicaps and hazards." This should be a warning to the members of the Interstate Commerce Commission. If they do not act promptly, they should retire and be replaced by those who realize the need of the hour and who have the ability and the disposition to meet it.

[From Collier's Weekly, New York, January 24, 1914.]

THE BASIC SERVICE OF RAILROADING.

One of the most impressive sights of our time is that from a wagon bridge over a four-track railroad. You may be a day's walk from the nearest city, but the fact of the city's existence is plain in the endless movement of goods and people. It is plain also that the railroad is not so much a business as a gigantic underlying service. This service moves human beings and things from place to place. We get used to it, depend on it, and in time come to shape our actions very largely by what the service makes possible. It follows that the cost of this transportation becomes embedded in thousands and thousands of prices. It is desirable therefore that its cost to others be stable, so that passengers and shippers can be sure of their plans. Furthermore, the railroad must be made to feel that success depends on doing a good job rather than on taking advantage of the public's necessities. Mr. Brandeis has given this point the clearest and most dramatic of statements in his famous aphorism about the "million dollars a day" which efficiency ought to save for the railroads. Our whole accepted policy of regulation and public control hangs upon these facts. The public must have real power over rates and capitalization, over dividends, and over purchases of other lines and utilities, or else the monopoly power of the railroad will be used in many cases for private gain and to the disadvantage of the community. There have been too many instances of this.

WHAT DO WE WANT?

It is not a matter of bargaining with an independent power. It is a matter of deciding what we want to get out of a certain service. These railroad corporations are creatures of the State, and most of them realize it very clearly nowadays. It is the economic facts that are obdurate, and it is our own social purpose that is vague. Do we want to use the railroads so as to accentuate and emphasize the present dominance of the Atlantic seaboard in the business life of this country, or do we want to use the railroads so as to get a spreading of population and industry over our entire area? What towns and regions should be given a comparative advantage when rates are readjusted? There is no benefit to be had from merely throwing a bone in the shape of higher rates to those who own the railroads as property. What we must do is to strengthen and extend the railroads as a gigantic fundamental service, no matter how owned. This is the only control worth while, and to accomplish it will require the handling of the problem from the broadest standpoint of constructive industrial statesmanship. It will not be done by figuring dividends and costs. We must have a national plan. What, in the long run, do the American people want from their railroads?

[From Colliers Weekly, New York, January 24, 1914.]

THE RATE INCREASE—A MIDDLE WAY.

The railways ask permission to increase their freight rates by 5 per cent. That would add $100,000,000 to the country's freight bill, and this bill already exceeds $2,000,000,000. The increase is defended on the ground that while the general level of prices has risen 30 to 50 per cent and wages some 20 or 30 per cent, railway rates have stood still. Of course, the latter is not wholly true. In a great many ways railway rates have been considerably raised within the last 10 years. The fact that the average rate per ton-mile has stood still is due to other causes. One kind of transportation has in the United States been developed to a very high degree of efficiency. That is the transportation of commodities like coal, grain, iron ore, and so on, over long distances. These commodities are carried cheaply, because if they were not carried cheaply they could not be drawn these long distances; but because they are drawn a long way the profit is large. Rates for the short haul in this country are not low, compared with Europe. In many instances as much is charged for a short haul as for a much longer haul. The effect of this scheme of cheap long haul and dear short haul has been to build up the big cities at the expense of the country. It has produced enormous congestion of population in the great centers and sent land values in these centers to fantastic heights. It is a striking fact that the congestion of municipal centers in the United States now exceeds that in many parts of Europe. This same vicious scheme has ruined industry in many portions of the country. It has nearly ruined farming in New England and the Atlantic States. It has ruined the woolen factories in the West and often suppressed coal and iron mining where it would otherwise still yield profits.

THE RAILWAYS GET THE RECOIL.

Now this evil scheme is beginning to recoil on the railways themselves. To increase their business they must have larger and larger terminals. These terminals cost huge sums for the land alone. To pay interest and dividends on the money for the land purchased at these fantastic values the railways now ask permission to raise their rates. Where is it going to end? The greater the congestion of population they produce, the higher the land values, the greater the cost of more terminals. Land on Manhattan Island or at the mouth of the Chicago River is worth millions per acre; land on Staten Island or in New Jersey, 10 miles away, is worth hundreds of dollars per acre. At Fall River they are building bigger cotton mills, at Brockton bigger shoe factories, at Lowell bigger cotton mills; but the shoe factories in Texas, the cotton mills in Mississippi, the woolen mills in Ohio or Colorado do not flourish. And why? Because the power to fix railway rates represents the greatest power of taxation in this country, and the whole scheme of railway rates in the United States has been to enable industries which are established where they do not belong to compete with and suppress industries at the natural bases of supplies and power. And this is one big reason why food and living in America is one-third dearer than in England and one-half dearer than on the Continent of Europe generally. It ought not to be cheaper to ship hides from Texas and have them made up in Massachusetts and shipped back and sold in Texas more cheaply than they could have been manufactured there. Texas has the raw materials and the fuel close by. New England has neither. Millions of cheap horsepower is going to waste in the Far West; but industries will not move there in considerable part because railway tariffs are adverse to such a development. We believe that the time has come at last to make a beginning of the end of this purblind policy.

THE WAY TO A BEGINNING.

The railways ask for a nearly horizontal increase in all existing tariffs. They do not propose to disturb the advantage of New England or of Pittsburgh or Chicago over the rest of the country. They do not propose to touch the rates which have created the fortunes of many of their directors and which have often been dictated by the directors themselves. They purpose to keep on running the railways in the interest of the very few and the interest of a small part of the country against the interests of the many and the interests of the whole country. This is unreasonable. If it is to the interest of the whole country that railway revenues should be increased, it is not to the public interest that this increase should come from rates which build up the cities against the country. If rates must be increased, it should be the long-haul rates, and especially those between the great centers. These are the rates which, from a social and economic point of view, are too low. In general, the longer haul is with commodity freight and the shorter haul with classified freight. We believe classified rates are to be raised much more than commodity rates. This may be good railway policy from the point of view of quick dividends—it is not good public policy. With the suppression of the railways' suppression of water competition, we believe it would be entirely safe to permit the railways to raise their long-haul rates as much as they liked. They could not raise them much because such a raise would promptly check the volume of business. We believe there is here a work for the Interstate Commerce Commission of the highest economic importance. It transcends in importance the work of the new banking system because it reaches far more deeply into the social and industrial life of the Nation.

EXHIBIT B10.

TRADE JOURNALS HAVE BEEN FILLED WITH EDITORIALS AND ARTICLES IN THE INTEREST OF THE RATE ADVANCE.

[From the Manufacturers' News, January 1, 1914.]

TAKE A BOLD STAND.

Washington dispatches state that a series of interrogations has been drafted by the Interstate Commerce Commission to the railroads of official classification territory in relation to the petition for an advance of 5 per cent in freight rates. Among the questions raised are the following:

"Do the present rates of transportation yield enough revenue to common carriers by railroads operating in official classification territory?

"If not, what general course may carriers pursue to meet the situation?"

We are greatly surprised as to the Interstate Commerce Commission in sending out such a circular. We have great faith in the commission, especially in Commissioner Prouty, whom we regard as one of the most able men in this country. He would make a good man for President of the United States, because he knows a lot more about running a government than he does about running anything else. The tendency seems to be to pick out men for Government work, especially Presidents, who know nothing about the job. Commissioner Prouty is a fair man, and the decisions of the Interstate Commerce Commission show the

influence of his fair mind, but how did the commission happen to send out the circular? Has not the commission been keeping the books of the railroads for years? Has it not had an army of men running over the country checking up every item? Would the railroads with the present pressure on them be likely to ask for an increase in freight rates unless it were a ground-hog case? Everyone knows the situation as to the carriers at present. They hardly have courage left to go out of doors, let alone go through the front gate to the street. They received a rather severe whipping not long ago because they asked for an advance of practically 20 per cent in rates. Now, there is a great difference between an advance of 20 per cent and a horizontal advance of 5 per cent, and the conditions are as different from those which existed two years ago as is the difference in conditions between Labrador and Martinique. The railroad brotherhoods, through their political power, have jimmied from the carriers large sums of money. Some railroad help is overpaid and some railroad help is underpaid.

Manufacturers' News is in favor of the 5 per cent increase, but if the railroad unions start to take the money away from the carriers after the advance has been granted there is likely to be a civil war in this country. The conduct of the unions and the way they have been able to twist the railroads is absolutely ridiculous, and we believe that a continuation of the strong-arm work that has been going on will result in a general upheaval.

Everyone knows the railroads are not owned by those who operate them or by those in whose control they now rest. Most of the stock of the different railroad corporations is in the hands of manufacturers, merchants, and the business men throughout the country. Many of the bonds are held by banks, and if it were not for the system of giving proxies that has grown up in this country, for which no one seems to be responsible except the stockholders themselves and those who want the proxies, the railroads would be in the hands of other people. We do not mean by this that they would be conducted any differently from the way they are conducted now—maybe not as well—but we do know they would be conducted much better if there was not so much influence on the part of the general public. Now, one of the things the general public will find out, if it does not withhold its influence in assisting the brotherhoods in getting more money, is that the cost of transportation will be much higher, and part of it will be on the passenger rates. When passenger rates commence to go up, then the public will find out that it is carrying part of the burden.

We do not understand why it is the Interstate Commerce Commission does not know whether the carriers are making money or losing money. We have read the commission's report for several years, and we always supposed that we could tell from these reports how the carriers were getting along. Does the commission admit, in sending out the circular, that it can not tell whether the carriers are entitled to an increase in freight rates or not? That it can not tell whether the railroads are making money or losing money? Our contention has always been that it was unfair to make rates that would apply to all the roads, because the cost of the service, etc., is hardly the same in any two cases.

It is our judgment that if the Interstate Commerce Commission believes the carriers should have the 5 per cent increase it should give it to them at once and not quibble. Bold, decisive action is the kind of action that is necessary to restore the prosperity of this country, and the question of the advance in freight rates is only one feature.

—

[From the Manufacturers' News, January 8, 1914.]

SHIPPERS, ATTENTION!

Wire President Wilson, wire your Senators, wire your House Member to signal the Interstate Commerce Commission to go ahead. A 5 per cent advance in rates at this time will put business over the hill. A slow down means a rear-end collision.

The track ahead is the track to watch, not the track behind.

Call in the rear flagman and run to the next station. There is freight on the platform ahead and there are loaded cars on the sidings. The industries can not move if a danger signal is set against the carriers. Telegraph at once. Do not delay.

The directors of the Illinois Manufacturers' Association at their regular monthly meeting Friday, January 2, passed a resolution indorsing the horizontal increase of 5 per cent in freight rates and have requested the members to take the matter up at once with their Senators and Representatives.

ILLINOIS MANUFACTURERS' ASSOCIATION,
1227 American Trust Building, Chicago.

—

[From The Factory, March, 1914.]

We indorse the "raise," for reasons stated below—they need it badly.

It will improve business.

Manufacturers, a 5 per cent raise in railroad freight rates is imminent.

Increased wages, increased taxes, a greater expenditure to insure safety, etc., have so increased operating expenses of the railroads in general that a 5 per cent increase in rates is predestined to come. And many manufacturers favor it—some have put themselves on record to the effect that shippers can better afford to pay a uniform advance of 5 per cent now than suffer any future impairment of railroad service.

GRAVES SHALE PAVING BRICK CO.,
FREDERICK GUNSTER, *General Manager.*

—

[From the Manufacturers' News, January 8, 1914.]

THE ACTION OF THE ILLINOIS MANUFACTURERS' ASSOCIATION.

At the meeting of the board of directors of the Illinois Manufacturers' Association held in Chicago, Friday, January 2, the report of the special committee submitting resolutions in favor of a 5 per cent horizontal advance in freight rates was concurred in. The resolutions promulgated by the committee were unanimously adopted.

The action of the organization was somewhat unlooked for because the Illinois Manufacturers' Association took the initiative in 1908 and in 1910 in opposing the proposed advance. At that time the carriers wanted an advance of from 10 to 20 per cent. The association also opposed the advance a number of years ago of 20 per cent, which was undertaken through a shifting of the uniform bill of lading. The controversy at that time was very fierce and resulted in the adoption of a uniform bill of lading with the freight rate question eliminated. It was through the influence of the association that the Attorney General applied for and obtained the temporary injunction at Hannibal that brought the carriers up with a quick turn and astonished the entire country. The Taft administration afterwards weakened and had the injunction dismissed and an agreement was entered into with the shippers and the carriers that the matter would be thrashed out before the Interstate Commerce Commission.

Regardless of the merits of the other controversy and the attitude of the association at that time, the directors believe that this is not a time to squabble about a raise of 5 per cent. They believe a 5 per cent raise will help restore the business confidence which has been destroyed and will materially help the railroad situation if the money is properly expended in service and improvements. If the railroad unions undertake to grab the increase by demanding another increase in wages the country will be justified in starting a civil war. It is simply ridiculous the amount of wages some of the unions have forced out of the carriers while there are certain employees in the railroad service that have not been advanced in 20 years. The richest men in the railroad business to-day are the engineers. This surprising situation was demonstrated through the number that come within the jurisdiction of the income tax law.

The committee reporting the resolution to the board was composed of Charles Piez, P. A. Peterson, and John E. Wilder, probably the three most aggressive members in opposing the advance two years ago and four years ago.

MAKE BUSINESS BOOM.

Wire the President, wire your Senators, wire your Representative, to use his influence for a 5 per cent horizontal raise in freight rates in official classification territory.

Do not suggest selfish exceptions as to lake-and-rail rates. Closed plants mean idleness and suffering to the entire country. With the industries shut down all business will be at a standstill.

Act and act promptly. The Interstate Commerce Commission should be impressed with the importance of a quick decision.—From a bulletin of the Illinois Manufacturers' Association, January 3, 1914.

—

[From the Manufacturers' News, Jan. 15, 1914.]

FAVORS RATE INCREASE—JOLIET MERCHANTS' ASSOCIATION GOES ON RECORD FOR 5 PER CENT ADVANCE.

Resolutions favoring the 5 per cent increase in freight rates, asked for by the railroad systems of this country, in petitions pending before the Interstate Commerce Commission, were adopted last week, at the January meeting of the board of directors of the Merchants' Association of Joliet.

Pursuant thereto, Secretary Schager sent telegrams to Illinois Senators and to Congressman COPLEY, urging their influence in bringing about the proposed increase. A telegram also was sent to the Interstate Commerce Commission.

There was not a dissenting voice among the merchants on the proposition. F. C. Eckman, of the J. & S. Traction Co., who was one of a number urging favorable action in Joliet, was present at the meeting to explain, but no one asked for explanations.

WILL STIMULATE BUSINESS.

One Joliet merchant declared that the increase would immediately stimulate business at least 25 per cent. Another authority states that in the case of the Elgin, Joliet & Eastern belt line, which is a vital factor in the industrial activity of this city, it would benefit $666,000 in added revenues in the course of one year, through this increase, making it possible to largely augment its working force. In the same way, it is pointed out, there will be a revival of work in steel plants, due to the increased purchasing powers given the railroads, for they need material, and are merely holding off to await the decision of the commission. The Joliet News, commenting on the recent action of the Illinois Manufacturers' Association, said:

"For a number of years the Illinois Manufacturers' Association has fought these petitions for freight-rate increases, but now it is announced that the association, through a committee which has been investigating, has decided the rates are proper and should be allowed. This will be a big influence in the movement.

"Joliet, because of its large railroad and other industrial interests, has a vital interest in the outcome."

—

[From the Manufacturers' News, Feb. 12, 1914.]

RAILWAY PURCHASES MAKE BUSINESS.

What is the matter with general business? What can be done to restore activity? There are conclusive grounds for believing that the largest single factor in the present interruption and rapidly approaching business depression was and is the enforced and continued curtailment of railway purchases. No factor which could now be introduced into the situation would do more to stimulate general business out of its present and impending condition than a vigorous resumption of railway expenditures. This conclusion, while applying to the state of affairs at this moment, is based upon a careful study and comparison covering many years, showing the relation between railway purchases and general business.

If the conclusions drawn from past experience are correct, and if even the small advance in freight rates *now asked for* by the eastern railroads would enable and encourage them and other roads to make considerable outlays at once, such an outcome would directly result in a decided restoration of general business activity.

REMOVE ARTIFICIAL RESTRICTION.

It is not for a moment proposed that railways shall be permitted advances in rates in order that unnecessary purchases may temporarily benefit the railway supply industries or even the whole country. Waste never permanently benefits anybody. It is not unnecessary purchases which are under discussion. Railway facilities are insufficient to meet any considerable increase in tonnage. The proposition is not to overstimulate, but to remove an artificial restriction, in the shape of rates too low.

The greatest danger at this moment is delay. It is well recognized that it requires a greater force to start from inertia than to continue a momentum already established. The sooner the Interstate Commerce Commission can issue a favorable decree the more certainly will the influencing power of railway purchases be effective in the restoration of general business.

RAILWAY PROSPERITY MEANS GENERAL PROSPERITY.

Not many years ago, comparatively few business men, aside from those directly selling to the railways, realized that railway prosperity meant general business prosperity.

The past few years, however, have witnessed a steadily growing recognition of this fact on the part of business men generally, until to-day it is substantially an accepted doctrine.

There is widespread confusion, however, as to what constitutes "railway prosperity," often the result of the popular error of accepting the increased earnings of some particular railway, or the naturally growing gross earnings of railways generally as proclaimed by the public press, as being indicative of "railway prosperity." Much is now being written regarding decreased net earnings and the many other evidences that the railways generally are by no means prosperous in the true sense of the word, or as determined by the true tests applicable to all business enterprises.

RAILWAY PURCHASES MEASURE PROSPERITY.

It is believed that the watchword "Railway prosperity means general business prosperity" should be changed to read: "Railway purchases measure general business prosperity."

Inasmuch as the railways of this country constitute its greatest industry next to that of agriculture; with but one thing to sell—transportation—the ultimate consumer of everything they buy, their purchases extending substantially through almost every department of business, many of them on a tremendous scale, it must be obvious how potent a factor they are in general business conditions.

As the iron and steel industry has long been recognized as being the truest index of general business conditions, and as the statement has been reliably made that the railways consume, directly and indirectly, between 40 and 50 per cent of the iron and steel production of the country, it is manifest that the expansion or restriction of railway consumption must vitally affect this barometer.

The ramifications of railway purchases make it impossible to classify them in the aggregate. But few of the more important items, such as rails for example, are made the subject of public information and statistical compilation. However, the conditions under which rail purchases are made are not believed to be such as to reflect the railways' prosperity, or their purchasing ability in a broad sense.

EQUIPMENT PURCHASES AN INDEX.

Many years of observation have led to the belief that of those items officially compiled, tabulated, and made public, perhaps no one so clearly and typically reflect the railways' general purchasing ability as that of new equipment. When the railways are buying freely of new equipment, they are generally likewise buying freely of all other articles essential to maintenance and operation. Within the past few years the purchasing of new equipment has had a greater influence upon the iron and steel industry because of the transition from wooden to steel construction.

—

[From the Manufacturers' News, February 26, 1914.]

Attorney Luther M. Walter was engaged to go down to Washington and appear before the Interstate Commerce Commission to-morrow and Saturday and oppose the amazing plan of Louis D. Brandeis to make the shippers of the country pay for every item of service rendered by the railroads whenever a car of freight leaves the main lines of the carriers.

This service—car spotting, trap cars, lighterage, tunnel switching, amounting to anywhere from 50 cents to $2.50 a car handled, it was explained to the shippers—would represent an increase in freight rates amounting to much more than the 5 per cent asked by the carriers. In some instances, it was stated, it would represent an increase ranging from 10 to 20 per cent.

ADVISORY COMMITTEE OF TWENTY-FIVE.

A committee of 25 was appointed to act as advisors to Mr. Walter, and from this committee the experience of several shippers who have industrial car tracks will be selected as typical. Mr. Walter understands the situation thoroughly. He has been before the Interstate Commerce Commission in the hearings relative to the subjects that have recently been in progress as representative for the manufacturing interests of the country.

Mr. Walter attended the meeting of the National Traffic League, and he warned the shippers what the Interstate Commerce Commission, directed by Mr. Brandeis, apparently contemplated. It was quite likely, he said, that the commission intended to try out the plan of charging for service in advance of any formal freight-rate increase, "to see how it would work." The commission might easily accomplish this result against the wishes of the shippers by putting the charge for car spotting and other service without the formality of an order. It was assumed that the railroads, though they had not advanced the theories that Mr. Brandeis is endeavoring to saddle upon the shippers, would be willing to avail themselves of the tremendous increase in compensation when backed by the Interstate Commerce Commission. In the absence of a formal order, the shippers would be without the recourse of injunction proceedings.

ADVICE BY MR. WALTER.

"If you don't present some facts in support of your position and in your own protection, you'll have these service charges saddled upon you," Mr. Walter told the league members. "We should be in a position to show that the carriers have invested more in team tracks than the value of this service for which the commission proposes to charge you. Mr. Brandeis has investigators who have presented certain information, and they should be brought before the commission and submitted to cross-examination."

Hal H. Smith, attorney for the Michigan Manufacturers' Association, said that in his opinion the National Traffic League made a big mistake when it failed to go on record in support of the railroads' request for 5 per cent advance, as the Michigan Manufacturers' Association and other industrial organizations (including the Illinois Manufacturers' Association) had done.

WHERE LEAGUE MADE ITS MISTAKE.

"If this action had been taken," Mr. Smith ventured, "we would not now be confronted with this charge for special service, which in Detroit alone will amount to more than $4,000,000 a year. It would have been much better if we had all favored a railroad freight advance. Our greatest Michigan railroad is bankrupt and has not been able to secure any higher rates, and a serious condition confronts us on account of inadequate and run-down equipment. We think this charge for car service is discriminatory. Not a single shipper in Michigan objected to a 5 per cent advance in freight rates. Mr. Brandeis should be told that the 5 per cent horizontal advance is much more popular than his scheme for increasing the revenue of the railroads."

President H. T. Wilson, of the league, said he couldn't agree with Mr. Smith that the league had made a mistake. His advice had been that the league should assist in bringing out the facts as to whether or not the railroads were receiving adequate compensation. The league, he believed, should use its efforts to see that the Interstate Commerce Commission granted further time in which the shippers would be enabled to present a vast amount of evidence that the industrial tracks were not the important economic feature that had been represented. Mr. Wilson contended, and he said the courts had upheld this view, that carriers could not charge for a service that was clearly a part of transportation.

H. C. Barlow, traffic manager for the Chicago Association of Commerce, who opened the discussion, forcibly described the gravity of the situation.

H. C. BARLOW'S VIEWS.

"It is a question," said he, "whether we are prepared to add to the regular transportation rates a charge for every type of service that is performed by the carrier after the car leaves the main line. Every carrier entering this city—every station in America—is involved. It will not be limited to the shippers east of the Mississippi. Whatever is charged for here for car spotting, trap-car service, or other service, will be broad enough to include every switching service in every part of the country. This is the time for you to have something to say. If you go down to Washington and sit in the audience you simply acquiesce in this additional charge for transportation.

"The traffic committee of the Association of Commerce has employed Walter L. Fisher as its legal representative before the commerce commission, and we intend to fight."

On motion of Mr. Barlow, the members of the league present agreed to an assessment amounting to the equivalent of the annual dues, and President Wilson appointed a committee to engage an attorney. This committee, consisting of Mr. Barlow; O. F. Bell, secretary to the league; and C. A. Jannings, of the American Cotton Oil Co., went outside for a few minutes, and on their return announced that Mr. Walter had been engaged as attorney. Mr. Bell is chairman of the advisory committee appointed by Chairman Wilson.

SHIPPERS ARE WARNED—$5,000 FINE OR IMPRISONMENT FOR EVADING COMMERCE LAW.

Five thousand dollars' fine or a two-year term in the penitentiary, or both, may be imposed upon the shipper or carrier who attempts to evade the law by false billing, false classification, false weighing, or false representation of the contents of a package or the substance of property for the purpose of securing transportation of such property at less than the regular rates.

A. S. Dodge, superintendent of the Western Weighing & Inspection Bureau, calls attention to the new law, which goes into effect March 1, in a circular notice he has sent out to the shippers and railroad companies. The bureau, which has its offices in suite 1822, Transportation Building, Chicago, is charged with reporting such violations of the law to the Interstate Commerce Commission.

—

[From the Manufacturers' News, Feb. 26, 1914.]

SIXTY PER CENT USE "SPUR" TRACKS.—ILLINOIS MANUFACTURERS' ASSOCIATION TELLS INTERSTATE COMMERCE COMMISSION WHY IT OPPOSES CHARGE FOR CAR SPOTTING.

In reply to a letter from the Interstate Commerce Commission, asking for information relative to the concerns connected with railroads by private spurs or sidings, or who are furnished ferry or trap-car service, the Illinois Manufacturers' Association, under date of February 24, has stated:

"We are securing the information you desire, but owing to the wide distribution of the 1,200 industries included in the association, it will be impossible to have it in Washington by March 2.

"Sixty per cent of the membership have private spurs or sidings, consisting of one or at most two short spur tracks.

"We estimate 40 to 50 per cent of our members take advantage of the trap-car service.

"It is the evident intent of your commission to authorize the railroads to make an additional charge for services which have always been included in the freight rates. We respectfully protest against any such action, as we consider it unfair and unjust discrimination against shippers who have supplied themselves at their own expense with additional terminal facilities of which the railroads secure the benefit.

"Our protest applies particularly against the proposed charge for spotting cars. All cars, even those carrying material for industries not equipped with spur tracks, must be delivered at some point, and must be spotted whether that spotting is performed at the railroad's freight terminal, at its teaming track, or on the privately owned spur tracks within the enclosure of an industrial plant. This service is, and always has been, as much a part of the regular freight service as the actual carrying of the material in case. It is and always has been a part of the cost of the freight service, and as such is covered by the rates. To superimpose an additional charge for this service is not only unscientific but unfair. It is manifestly unfair as between two industries, one of whom has at its own expense introduced its own siding, and the other of whom employs the siding built at the railroad's expense, to make against the former a charge for spotting a car, and not to make a similar charge against the latter.

"So far as absolute justice to all is concerned, we believe that the shipper who employs the railroad's facilities at the terminal should be charged more than the shipper who has provided his own facilities, for the former certainly employs relatively more of the railroad's capital in addition to enjoying like service.

"We do not believe that such a charge as the commission proposes can be fairly made, without attacking the entire structure of rates, for there are certainly glaring inequalities, which, under a minutely accurate and fair system of rate setting, would justify widespread changes.

"For instance, in all of the industrial centers of Illinois, railroads have been compelled to abolish grade crossings, and the enormous expense involved constitutes one of the important reasons cited by the railroads for an advance in freight rates. Yet it is the universal practice to charge a shipper located outside the zone of track elevations exactly the same rate as one located in the very center. In the case of a shipment from Chicago to New York City, a shipper located at Indiana Harbor pays exactly the same rate as a shipper located in the heart of the loop district, yet the 15 miles of track from Indiana Harbor to Van Buren Street, Chicago, probably represents more of an investment than the 130 miles to Fort Wayne.

"Why should a man who receives L. C. L. shipments in an outlying and inexpensive freight house be charged as much as a man who receives shipments in a centrally located and costly freight house occupying expense ground?

"If the spotting of a car is shippers' service and not a part of the regular transportation service, then the question of imposing a charge therefore is properly a question for the Public Utilities Commission of Illinois to decide and not a question on which the Interstate Commerce Commission can rule. So far as trap car and similar service is

concerned we feel that this service is a legitimate extension of the terminal facilities of the carriers, open to all shipers, reciprocal among railroads, and that it is properly included in the through-line charge. We feel most decidedly that it should be maintained as at present.

"The Illinois Manufacturers' Association, after years of effort and through the cooperation of other organizations and railroads, succeeded in bringing about a fairly equitable arrangement as to the handling of cars in the industrial centers in Illinois. The results of these conferences has been that in Chicago probably the most intricate these conferences has been that in Chicago, probably the most intricate ing district receives the one Chicago rate, thereby removing all discrimination, and by this adjustment the carriers received a very substantial increase in their switching charges above any ever received before. This district is now operated under very satisfactory conditions, there being practically no complaint from any side. If this situation were disturbed, it would bring on a condition of contention and discord which it would be impossible to readjust without years of effort.

"Such readjustment as the commission has in mind should certainly not be made without a complete and thorough investigation of the entire *rate structure*. It would be infinitely better if the commission finds that the railroads are not receiving sufficient compensation to advance all rates horizontally than to introduce, without the most searching investigation and careful consideration, a new set of charges that may prove less equitable and more burdensome than the conditions they are intended to correct.

The letter was prepared by a committee consisting of Charles Piez, John E. Wilder, and P. A. Peterson.

"SECRETARY."

[From the Manufacturers' News, March 5, 1914.]

HANDING IT TO THE SHIPPERS.

Protests against imposing charges, amounting to many millions of dollars, upon the shippers of this country, for car "spotting" and other service that always has been included in the cost of transportation, were made before the Interstate Commerce Commission this week.

Unless the shippers become thoroughly aroused and make a mighty protest, it is the apparent intention of the commission to fasten these enormous charges upon them.

The talk in Washington is that the commission will permit the railroads to charge $1 for every car that is "spotted"—switched upon a siding.

This charge will apply to every industrial track in the country. It seems to be the intention to make an exception in favor of team tracks alone.

The fight in which Illinois and Chicago took the lead was a fight for every shipper in the United States. The service charge will be saddled upon every shipper, large and small, both urban and at crossroads junctions.

The shippers were represented by Colin C. H. Fyffe, general counsel for the Illinois Manufacturers' Association; Luther M. Walter, attorney for the National Industrial Traffic League; and Walter L. Fisher, attorney for the Chicago Association of Commerce.

Commissioner Harlan heard the complaints against the additional charge for car service whenever a car leaves the main line of a carrier, but apparently did not change his mind. In Illinois alone it is estimated that annual burden upon the consumers will represent $20,000,000 and throughout the entire country it will be equivalent to an advance in freight rates running from 10 to 20 per cent, although the railroads have asked but 5 per cent.

COMMISSION APPARENTLY UNMOVED.

Those who have attended the hearings before the commission, beginning last Friday, are of the opinion that the commissioners will allow the railroads to impose the charge for car spotting, trap cars, lighterage, and tunnel transportation.

It is believed the commission will proceed in accordance with the original plan of Louis D. Brandeis, its special counsel, which contemplates allowing the railroads to charge shippers for car service without entering a formal order that can be readily attacked in the courts by shippers. It is understood that railroads already are preparing tariff charges with this additional charge included and that the tariffs will go into effect April 1. These charges will be based upon the action taken by the railroad traffic and general managers at their meeting in Pittsburgh on February 10, when they proposed a rate of 7½ cents a ton for setting cars upon private tracks with a $2 a car minimum.

An idea of the enormous sum that will be wrung from the shippers by this extortion may be gathered from the fact that there are around 25,000 private car tracks east of the Mississippi River.

QUESTION OF PUBLIC POLICY.

It is believed in Washington that the Interstate Commerce Commission if it persists in the course that Mr. Brandeis has mapped out for it, it will run against congressional opposition which will view the imposition from the broad ground of public policy. There are at least 80 influential shippers—not counting hundreds of smaller shippers—in each of the 300 congressional districts. These shippers will make themselves heard to their Congressmen in a manner that will admit of no doubt of their earnestness and Congress can not afford to ignore them.

Mr. Fisher said that the conditions in that city were different from those in any other city in the country. He said that congestion would result if charges were assessed.

"The railroad systems of this country radiate from Chicago," he said, "and the congestion there is worse than in any other city. We must have the help of the commission, the railroads, and the shippers in solving the problem as how best to expedite shipments."

Clifford Thorne, State railroad commissioner of Iowa, spoke against any increase in rates. He presented protests from the shippers of Davenport and Cedar Rapids against "spotting" charges. Mr. Thorne, however, indorsed the position of Louis D. Brandeis that there should be no special services performed free and that there should be no favored shippers.

LINE HAUL CHARGE SUGGESTED.

E. L. Ewing, of Grand Rapids, suggested that a line haul charge from point to point be placed in the rates and graduated zone terminal charges for each particular terminal filed with the tariffs on rates, with the greater burden on shippers in congested districts.

Through J. C. Lincoln, of New York Merchants' Association, former president of the Industrial Traffic League, Mr. Fisher brought out clearly that the railroads profit by having gateway cars loaded on private sidings and that the ferry or trap car service has been developed as a substitute for freight houses in particular localities.

"There are two classes of trap-car service," Mr. Fisher said, in arguing the advantages of this service to the carrier as well as the shipper. "One is from the public station and the other from the private industry. We can easily conceive of the condition and we have it in Chicago, where the railroads find it is more economical to use trap cars on private sidings than to establish new team tracks or receiving stations for the purpose of getting business. The ferry or trap car service is but another feature in the development of competition for business.

ONE SERVICE OFFSETS ANOTHER.

"As between the railroads themselves, if the services performed by one road in hauling cars from one district equalize those of another for like service, that is merely the washing of one hand by the other.

"Also, as has been developed here, it is a distinct saving to the carriers to have a shipper load a gateway car on his private siding and then have the carrier call for it and haul it to the yard, where it is put into the through train. In such a case the service to the shipper is offset by the service to the road by the shipper."

A. B. Caswell, representing certain Milwaukee tanning interests, said the proposed increase in rates would cost his concerns from $7 to $8 a car without any return to them. On the other hand, he said, a fair spotting charge would result in increased efficiency in spotting, and more particularly in highly increased efficiency in the handling, packing, and hauling of cars.

W. G. Tompkins, representing the salt shippers of Ohio and Michigan, said he had concluded that a charge for special services would be ordered by the commission, and to prevent inequalities and discriminations he suggested that a board to consist of representatives of the Interstate Commerce Commission, shippers, and carriers should assess the charges at each terminal.

SERVICE WILL RETROGRADE.

If the rates of car service are established it is expected—formal order or no formal order—shippers will contest them in the courts and years of litigation will follow, during which service will retrograde.

The average cost of "spotting" in Chicago per car, according to Mr. Brandeis's statistics, is 44 cents. The cost on the way sidings between Chicago and Elkhart averaged 19 cents a car. At eight terminal points the cost on six roads varied as follows:

City.	Number of cars.	Average cost.	Minimum cost.	Maximum cost.
New York	25	$0.65	$0.31	$1.03
Buffalo	29	.88	.62	1.84
Baltimore	33	1.57	.86	3.29
Philadelphia	23	3.67	2.11	7.06
Detroit	38	.48	.21	1.46
Cincinnati	17	1.04	.56	2.55
Chicago	16	.44	.30	.76

The rural figures were taken from four roads and were as follows:

State.	Number of cars.	Average cost.	Minimum cost.	Maximum cost.
New York	6	$1.26	$0.45	$2.08
Pennsylvania	14	.67	.45	1.42
Maryland	3	1.88	.48	4.03
Illinois-Indiana	74	.19	.15	.38

LUNCH-COUNTER CAR.

Travelers will soon have an opportunity to witness an innovation in the manner of serving meals to passengers on the Illinois Central line between Chicago and Omaha. A lunch-counter car has been ordered and will probably be put into service between the two cities mentioned some time next month. The Pennsylvania road has been using these cars with great success for some time past, but they are a decided innovation in the West. The new type of car finds especial favor with commercial travelers. It will cost in the neighborhood of $20,000.

THAT BUSY MR. BRANDEIS—MANUFACTURERS DREAM OF DOING THEIR OWN CAR "SPOTTING."

If the "conspiracy" entered into by Louis D. Brandeis, the Interstate Commerce Commission, and some railroads get by without a shippers' revolution, we will see some strange motive devices in the railroad yards of our industries.

Mr. Brandeis wants to charge manufacturers for "spotting" or "kicking" cars around the yards.

Every time a railroad shoots a car a foot or two beyond the main line the manufacturer is asked to dig down and produce anywhere from 50 cents to $2.50 a car for the service. "There's millions in it," as Col. Sellers would say—but not for the industries.

Some big shippers were talking of the Brandeis stand-and-deliver project for turning into the treasuries of the railroads all the money in the country. They lounged in the capacious, easy leathern chairs in the Traffic Club, on the nineteenth floor of the Hotel La Salle. But they were not so easy as they looked.

"Every time we get a car from a railroad we'll have to move it ourselves," complained one shipper.

"You've described it," replied another. "Or else you'll have to pay for the service."

"I'll get an electric engine and move 'em myself," the shipper answered.

"We can 'spot' ours with a wire rope," was the hopeful observation of No. 3.

"I guess an old-fashioned crowbar would do if we didn't have to move 'em too far," said another.

"Gasoline engines might work," remarked a nervous manufacturer, biting off the end of a large cigar.

"In England," described a tile maker, who had traveled, "they use horses or mules."

"Yes; but this is not England," came a chorus of several voices.

ILLINOIS TERMINAL RAILROAD—ITS STATUS MAY AFFECT FREIGHT RATES IN ALTON DISTRICT.

Unless the Illinois Terminal Railroad, which was started as a private switch road for the Illinois Glass Co. some years ago, can prove to the satisfaction of the Interstate Commerce Commission that it is no longer an "industrial road," increased freight rates which will

affect factories in the Alton industrial district probably will go into effect April 1.

The commission recently handed down a ruling doing away with a division of rates by railroads with short lines, called "industrial roads," by which their charges must be added to the present freight rates. The manager of one Alton factory estimates the ruling will mean an additional cost of $2,000 a month in freight rates to his factory if it applies, as is threatened.

The Terminal does switching for several factories now, and operates a passenger train, and is vigorously opposing being thrown into the class of industrial lines. Examiner Bell, of the commission, is in Alton, gathering facts in the case.

CHICAGO MUST BE EASY.

Volume of commerce considered, Chicago is the most discriminated against city in the United States. I refer especially to rates which Chicago shippers must pay for goods sent westward by rail. Under the present arrangement of rates all places east of the Mississippi River must pay the same rates to Denver, San Francisco, and other western cities. Chicago has to pay the same rate to San Francisco that New York pays—and we have an interstate-commerce law that provides against unjust discriminations. But that law provides merely that the charge for the shorter distance shall not be greater than the charge for the longer distance. Thus, the commission is not specifically required to prohibit the discrimination in favor of the East and against Chicago, but if the railroads were to make rates from Chicago to trans-Mississippi points based somewhat on mileage the commission could not prevent them. The existing discrimination against Chicago—for that is really what it should be called—arose when C. P. Huntington completed the Southern Pacific to Gulf of Mexico ports. Thereupon he established a line of steamers from New York to his Gulf railroad terminals, and the roads to the northward of the Southern Pacific were compelled to adjust their transcontinental rates according to the Southern Pacific rates. The proposition to pass American coastwise trading vessels through the Panama Canal free of toll charges is another attempted discrimination against Chicago. Chicago shippers, forever angry and hot faced about small railroad shipping charges and restrictions, are deaf, dumb, and blind to the great injury that is being done to them by the present Pacific coast rates.

—

[From the Manufacturers' News, March 12, 1914.]

WILL CHARGE FOR CAR SPOTTING.

Railroads in the territory east of the Mississippi and north of the Ohio River—official classification territory—will impose a charge for car spotting, beginning April 1.

This charge will apply only, at first, to industrial or plant railroads for work "beyond a reasonably convenient point of interchange."

The tariffs, now being prepared, will establish a charge for spotting of 5½ cents per ton, with a minimum of $2 a car.

The proposed service charge will amount, it is estimated, to many millions of dollars annually. It will be equivalent to an advance in freight rates, according to many traffic experts, of not less than 20 per cent. This in spite of the fact that the railroads asked but 5 per cent advance in freight rates—an amount that the Illinois Manufacturers' Association and other industrial organizations were willing to consent to in the interest of the general prosperity of the country and avert business depression.

The purpose of the railroads to charge for car spotting beginning next month is set forth unmistakably in an official notice sent out on Monday by the Central Freight Association through its chairman, L. Morris. This notice is as follows:

CENTRAL FREIGHT ASSOCIATION,
Chicago, March 9, 1914.

Subject: Proposed charge for "spotting cars at points on industrial and plant railroads."

IMPORTANT.

To the General Freight Agents:

GENTLEMEN: Following is received from Mr. George F. Randolph, chairman executive committee:

"It has been decided to establish a charge for the work 'beyond a reasonably convenient point of interchange' on industrial railways, commonly known as 'spotting,' of 5½ cents per net ton, with a minimum of $2 per car, and in view of the cancellation of the allowances and service to such industrial railways, effective April 1, it is imperative that such tariffs become effective on that date. It will therefore be necessary to secure permission from the Interstate Commerce Commission to publish such tariffs on less than statutory notice.

"Chairman McCain, of the Trunk Line Association, has requested the carriers involved to file with him a list of industrial railroads, but it will not be possible to get these lists in time for use in applying for the permission above mentioned.

"After conference with Commissioner Harlan, and with the tariff bureau of the Interstate Commerce Commission, this morning, it has been decided that the roads involved should at once make application in the form provided on page 91 of tariff circular No. 18–A for permission to publish these tariffs on 10 days' notice, the applications all to be in the hands of the commission prior to March 14.

"It is expected that each road will cover this matter by one tariff, in which, when issued, will be specified by naming the tracks on which it will be effective.

"As these points can not be given in the space provided in the blank form, for points of origin and destination, the applicant can insert: 'For spotting cars on industrial plant railways at points on the _____ railroad, where it has been customary for the railroads to perform such service.'

"Will you please, without delay, promulgate this notice to all interested, and ask that immediate attention be given it, as haste is important?"

We take it for granted that you will act at once in conformity with the foregoing, so that it will be possible to file your tariffs to take effect April 1, as it is apparently absolutely necessary that this be done.

Yours, very truly, L. MORRIS, *Chairman.*

Before this notice had time to reach wide circulation among shippers, the impression became almost general in the West and in New York that Commissioner Harlan had signaled the railroads to go ahead with the universal car spotting charge—for every car on every kind of track—regardless of future hearings before the Interstate Commerce Commission. The Illinois Manufacturers' Association, to clear up this point, wired Commissioner James S. Harlan at Washington, as follows:

"Reported here and in New York commission has tentatively approved spotting tariffs of 5½ cents per ton with a minimum charge of $2 a car, effective April 1, notwithstanding further hearings are to be held later. Information to this effect has been disseminated by the Trunk Line Association. Please let us know if this is correct."

In reply came this message from Secretary G. B. McGinty:

"Your wire date to Commissioner Harlan. The matter of spotting charge on the ordinary private siding has been set down for further hearing March 12, and for argument March 30 and 31. It may be that the charge which you cite has reference to the service on plant railways beyond the point of interchange, the free performance of which was condemned by the commission in the Industrial Railways case."

How much further the railroads and the commission will go in the matter of charging shippers for car service is conjectural. A good many shippers apprehend they will go the limit, and that the burden will be greater than can be borne.

At the same time that the notice in regard to car spotting charges was sent out by the Central Freight Association a notice was sent out to general freight agents asking for a list of all plant railways. This notice follows:

CHICAGO, *March 9, 1914.*

Subject: Names of plant railways.

IMPORTANT.

To the General Freight Agents:

GENTLEMEN: Following is received from Mr. George F. Randolph, chairman executive committee:

"We are desirous of obtaining a list of all the plant railways served by the various railroads, parties to the application before the Interstate Commerce Commission.

"Heretofore in endeavoring to make lists of this nature difficulty has arisen on account of the differences of opinion as to what constituted a plant railway.

"It has been suggested that in such lists should be included in the class of plant railways covered by the Terminal Railway decision all those which are essential to the manufacturing process rather than merely incidental to shipments in and shipments out.

"A commissioner thinks that if we render a spotting service over rails which are made use of for an intramill service, which is a part of the operation of a plant, a charge should be made therefor.

"With this definition in mind, I think that most roads can make up a list such as is required, and which will soon be needed.

"Will you please take the necessary steps to have this information compiled by each one of the roads and sent to your office for compilation into a general statement as rapidly as possible?"

It is necessary that this matter receive your immediate attention, and you are respectfully asked to promptly send the desired information to Mr. C. C. McCain, chairman Trunk Line Association, New York City, and at the same time forward a duplicate to this office.

The information is to be furnished Chairman McCain direct, because it will be needed at the earliest possible moment.

Yours, very truly,

L. MORRIS, *Chairman.*

An idea of the type of railroads that are considered industrial may be gathered from the supplement to L. A. Lowry's tariff No. 20–E, just issued and applying to the Chicago district. This eliminates the following industrial railroads from the list of participating carriers: Calumet, Hammond & Southwestern; Chicago and Calumet River; Chicago & Illinois Western; Chicago Short Line; Chicago, West Pullman & Southern; Illinois Northern; Manufacturers' Junction; Pullman Railroad.

This means that the railroads named will be treated as sidetracks and charged a demurrage for keeping cars over 48 hours.

PRAISE TOLLS STAND—DIRECTORS OF ILLINOIS MANUFACTURERS' ASSOCIATION WIRE ASSISTANCE.

The directors of the Illinois Manufacturers' Association last week sent telegrams to President Wilson approving the administration's position on the Panama canal tolls issue and promising assistance in the effort to have the toll exemption provision repealed.

The directors urged support for the 5 per cent railroad freight advance and asked for further Interstate Commerce Commission hearings in the Middle West, so that shippers might present their arguments against the proposed charge for "spotting" cars.

The telegraph messages sent to President Wilson were as follows:

CHICAGO, *March 6, 1914.*

To the PRESIDENT, *Washington, D. C.:*

The directors of the Illinois Manufacturers' Association, at their regular monthly meeting to-day, asked me to wire you as follows: "We are opposed to a charge for spotting cars and other service which is already covered by the tariffs of the carriers and respectfully urge you to use your influence with the Interstate Commerce Commission for further hearings and that these hearings be held at some convenient point in the Middle West so that the small shippers as well as the large shippers may have an opportunity to be heard. We also respectfully urge you to use your influence with the Interstate Commerce Commission for the proposed 5 per cent advance, except in such instances where such proposed advance would seem unfair, and that the tariffs in these cases be suspended for future hearings. We believe the advance will generally improve conditions and think prompt action is desirable."

H. G. HERGET, *President.*

CHICAGO, *March 6, 1914.*

To the PRESIDENT: The directors of the Illinois Manufacturers' Association, at their regular monthly meeting to-day asked me to wire you as follows: "The Illinois Manufacturers' Association most heartily commends your position in the matter of Panama Canal tolls and assures you its influence in securing a repeal of the toll exemption provision of the Panama Canal act."

H. G. HERGET, *President.*

CONSUMER PAYS THE FREIGHT.

Manufacturers' News: Can you tell me why the Interstate Commerce Commission is trying to increase the cost of living by enormously adding to the cost of transportation, when the prices charged for most of the necessities of life are greater than they have been at any time since the Civil War? (W. D. G.)

There is considerable food for reflection in the foregoing inquiry.

It is undoubtedly true that the consumer ultimately will have to pay for the advance in the cost of transportation now contemplated by Commissioner Harlan.

Some high traffic authorities assert this increase will amount to 20 per cent. The railroads will be satisfied with a horizontal advance in freight rates amounting to 5 per cent.

This additional charge to be saddled upon the manufacturer, the grain dealer, the food merchant, the business man, big or little, as now proposed, will embrace every service performed by the railroad companies in connection with every car after it leaves the main track. It means that car spotting, which now is considered a legitimate part of transportation service—as much as the delivery of groceries is a part of the service to a household consumer—must be paid for by the industries and commercial interests.

But who will pay the bill in the end, people are asking. The consumer will, as a matter of course. It will be passed along to him as a part of the expense of production and delivery.

PASSED ALONG TO CONSUMER.

J. C. Maddison, traffic manager for the great mail-order house of Montgomery Ward & Co., made this point plain enough in his testimony last week before Commissioner Harlan. Louis D. Brandeis, attorney for the commission, asked Mr. Maddison how much more the increase in freight rates would cost his firm.

"Not one nickel," replied the traffic expert. "The whole thing would be passed along to the consumer."

It is certain this circumstance will be taken into consideration by the commission as a whole when it assembles to hear arguments on the car-spotting question on Monday and Tuesday, March 30 and 31.

The commission, it is assumed, is in harmony with the general proposition to which the national administration is committed, that the cost of living in this country should be reduced as much as possible. When every other department of the administration is seeking to whittle down the cost of living it does not seem reasonable that the Interstate Commerce Commission will saddle so great an additional burden upon the ultimate consumer.

It is by no means certain that the other six members of the commission will take the same view of the car service situation that is held by Commissioner Harlan and Mr. Brandeis.

LOS ANGELES SWITCHING CASE.

It is pointed out that the commission already has gone on record in the Los Angeles switching case, when it decided last October against a charge of $2.50 for car spotting. The Southern Pacific and Santa Fe Railroads undertook to make shippers pay this charge for switching in the yards of Los Angeles, San Francisco, and San Diego. The commission held that it had no right to impose an extra charge upon the owners of industrial spurs when it did not charge for similar service on switch tracks.

Luther M. Walter, attorney for the National Industrial Traffic League, presented figures before Commissioner Harlan in support of the contention that industrial tracks or terminals were of immense value to the railroads and that this value would more than offset the value of the service performed by the carriers in delivering cars from the main tracks to the sidetracks of the industries.

VALUE OF SWITCH TRACKS.

Mr. Walter showed that the Baltimore & Ohio Railroad had 10 team tracks in the inner zone of the Chicago terminal, and that the value of one of these team tracks was so high that the space occupied by a single car was worth $25,885. For each 10 cars the value of the space occupied amounted to $66,700, and that was equivalent to an interest charge per car of $3.25.

"This is an indication of what the railroads save by using the industrial tracks," Mr. Walter told the commission.

If the commission decides that the railroads are entitled to charge for car spotting and other transportation service, it is practically certain that the shippers will present a counterclaim for the use of their tracks.

It was brought out before Commissioner Harlan last week that the figures submitted by the investigators employed by Mr. Brandeis to secure data as to the expense of car spotting could not be relied upon implicitly. One of the instances cited by Mr. Brandeis as a "horrible example" was of a car switched to the plant of Ryerson & Son, of Chicago. The investigator had figured that the expense of spotting this car amounts to from 40 to 60 per cent of what the carrier received for the freight. It was shown by Ryerson & Son, however, that the car weighed more than the investigator stated, and that the freight rate was so much higher that this particular instance was cast into the discard.

WILL TAKE MATTER TO CONGRESS.

As stated by Manufacturers' News last week, the shippers of the country are not going to quietly acquiesce to a service charge that will boost the cost of transportation 20 per cent, even if the consumer ultimately has to pay the bills. It is a question of public policy, into which the cost of production and the cost of living enter so intimately that the whole question will be be brought before Members of the Senate and the House of Representatives, both in their individual and collective capacity.

Official notice of the future rate question hearings sent out by the commission is as follows:

"First. A further hearing on proposed charges for spotting and ferry car service will be held at Washington on Thursday, March 12, at 10 a. m., at which representatives of Philadelphia, New York, and Boston will be given special opportunity to be heard.

"Second. The hearings heretofore assigned for March 16 and 17 for oral arguments concerning spotting service have been canceled in order to afford all parties in interest further opportunity to present written statements or briefs. Such statements and briefs will be accepted at any time prior to March 24. The oral arguments will be heard by the full commission on Monday and Tuesday, March 30 and 31. These arguments will be confined to the so-called spotting service.

"Third. Further hearings to be announced later will be held concerning ferry car service, after which the date for oral argument on that question will be fixed.

"Fourth. Separate hearings will also be held later relating to the Chicago Tunnel service and to the lighterage services at New York and Chicago, the dates for which shall be fixed soon."

FLOUR TRADE WORRIED.

The Interstate Commerce Commission has thrown a bombshell into the New York flour trade in a proposition to require the railroads to reduce the free storage time of flour after arrival from 10 days to 4 days. The flour trade is a unit in declaring that it would work incalculable hardship if the reduction were ordered.

A hearing will be held on the subject in New York at an early date.

DISCRIMINATION THREATENED.

The car-spotting case now pending before the Interstate Commerce Commission presents some curious features, both in its origin and in its apparent tendency. As is well known, the railroads demanded a 5 per cent increase in their rates. In this demand there was a general acquiescence by the shippers of the country, including the Illinois Manufacturers' Association. The necessity for the increase seemed to be recognized on all sides. Then the Interstate Commerce Commission, acting through Commissioner Harlan, took a hand in the proceedings. The theory was evolved that in many directions railroads were giving gratuitous service to the shippers. This came up principally in the trap-car and ferry service and in the matter of spotting.

CAR SPOTTING ABSORBED IN RATE.

In the last-named case it might be easy to drop into error in supposing that the judgment of the commission allowing the railroads to exact pay for this service is the abolition of a discrimination. It is really very much the other way. The commission is more likely to create than to end a discrimination. As things stand now the car-spotting service is absorbed in the rate. It is granted to shippers who have built their own sidings and to those who use sidings built or paid for by the railroad company. It is quite true that another shipper may have built his industry away from any sidetrack or any railroad connection. He gets no siding service from the railroad of any kind. Such an industry has deliberately declined to use facilities which were as open to it as to any competitor. For this attitude there may have been excellent reasons. For the choice of location the character of the shipments might render the use of teams preferable to the use of a siding. Economical reasons touching the value of the property might have weight and bearing. All these things are individual matters of such complexity that no general rule could ever hope to adjust them fairly. A far better adjustment is to trust to the equilibrium which must be attained naturally without artificial action as the resultant of all the combined forces. The moment, however, a charge is made for the car-spotting privilege discriminations of a stupid, unreasoning sort will be inevitable.

NO CAUSE FOR COMPLAINT.

It is a pretty fair guess that where no complaint has been made no cause for complaint exists. The industries who have used team tracks in their shipping and receiving activities would have had their say long ago if they had been pinched by any unreasonable discrimination. If, however, an excessive tax such as $1 a car is exacted for spotting service, there will be not only a gross discrimination between the industry on the siding and the industry using team tracks, but there will be no end of unfairness as between industries using railroad connections. It is practically impossible for a particular rate to be made for each industry based on the cost of the service. Such a process would be unwieldy to the last degree; but if that is not done, and the same charge for the service is made to all without regard to cost, there will be a discrimination incomparably greater by the order of the commission than ever existed before the subject was taken up.

—

CALLS COMMISSION A MENACE.

MANUFACTURER SAYS SHIPPERS ARE NO LONGER PROTECTED BY INTERSTATE COMMERCE BOARD.

"Any merchant or manufacturer who thinks he is going to bring his rate troubles before the Interstate Commerce Commission and have them handled in a straightforward, prompt manner, in accordance with customary business methods, has another guess coming."

This bold criticism of the important official board that is supposed to mete out justice to the shippers of this country is contained in a letter to Manufacturers' News from a leading manufacturer of Chicago.

The letter was a comment upon the views expressed in relation to the "Socializing of the Interstate Commerce Commission" in an article in Manufacturers' News on February 19. Louis D. Brandeis and his revolutionary, socialistic ideas were criticized in that article. The commission was referred to as being influenced by "a combination of Socialism, paternalism, and despotism."

In a letter to the editor of Manufacturers' News the manufacturer, whose name is withheld for obvious reasons, says:

"I have been interested in reading the opinion you have formed of the efficiency of the Interstate Commerce Commission as at present constituted.

"I had wondered if anyone besides myself could have received the unfavorable impression which the recent handling of company's affairs by the commission has made upon me. I note that your views and mine practically coincide."

The manufacturer, after the statement that appears at the beginning of this article, then continues:

"This statement seems surprising in view of the high personal character and the engaging and gentlemanly bearing toward complaints of all the members of the commission, and I will leave it to some one besides myself to conjecture as to why this situation should be.

PROTECTS THE RAILROADS.

"It is the impression of most people that the commission was created in the interest of the shippers, receivers, and people generally who use or are directly or indirectly served by the transportation companies, to protect them against any form of overcharging or other injustices on the part of the transportation companies. This impression is absolutely wrong (if the present attitude of the commission means anything,) for the commission is apparently operating only to protect the railroads against themselves and to protect the railroads against the encroachments of the public and to so tangle and mix up existing commercial practices which have been the outgrowth of decades of honest and practical commercial endeavor, that the commission has become a menace to commercial free movement instead of a benefit.

"Possibly it is too much 'science' and too little common sense. At least, the muddle which was created in the milling-in-transit rate cases (in which the commission finally had to throw up its hands and acknowledge that it was way off the track and could get no further along the lines it had been following and dictating) might help toward establishing such an opinion.

"I would not be surprised, in view of my own experiences, to learn that the members of the commission and its executive subordinates get to the nearest street car by some method of triangulation, or of great circle sailing, instead of asking the office boy.

"In the interest of everybody whom the commission was formed to protect, I hope that you will continue the public agitation which you have started, for the fault lies within the commission and not with the law."

VALUE OF SWITCH TRACKS.

MANUFACTURERS PAY BIG PRICES FOR SITES NEAR RAILROAD TRACKS.

[By P. H. Combes, General Traffic Manager Prestolite Co., Indianapolis, Ind., in The Traffic World.]

There is one angle to this controversy which I have not as yet seen dwelt upon by anyone who has expressed his views, but which seems to me to be an important factor. Not in a single case have we been able to buy the ground necessary for our purposes in any one of these cities where we are located directly on railway tracks, where we have not paid a price of from 100 to 1,000 per cent more for the land because of its location where switch-track facilities could be had. This property was increased in value to the point which we were forced to pay by virtue of the existing switching arrangements which are in force by the carriers throughout the country, and the investment necessary to buy these large pieces of property represents a large amount of money, and we doubt very much the wisdom of the commission in upsetting the present switching arrangements enjoyed by industries located on switch tracks when any such action as is contemplated will destroy a very large percentage of the legitimate investment here represented.

Being personally in control of all transportation expenses of this company throughout its 35 branches, 22 auxiliary plants, and our main manufacturing plant in this city, including drayage charges, transfer charges, and, in fact, every charge arising out of the transportation of our commodity, and feeling that I am able to analyze the situation in view of my wide experience over the wide territory covered by us, I can see no sense in any argument against giving the carriers the 5 per cent increase in freight rates which they have demanded; but neither can I see any sense to any argument which will destroy tens of millions of dollars in property values of the corporations located all over the United States who have gone to tremendous expense in providing facilities with which to do business.

RAILROADS LACK SIDE TRACKS.

In the majority of cities in this country the railways have nothing like adequate freight facilities. The L. C. L freight facilities at many points are so congested that it is almost impossible to transact business through them. In many of the cities team-track facilities are just as bad, and I can say to you that I believe thoroughly that any action which would make away with trap and ferry car service and the so-called free industry switching service in the United States would not only precipitate a freight blockade, but would make it almost impossible for the smaller shipper to do business, as it is my experience that where we have not switch-track facilities, and where we have to buy drayage over the public streets, in whatever city this drayage is bought, the price which we must pay for it is governed almost entirely by the terminal railways at that point, it being almost an absolute rule that where terminal facilities are congested, the charges of the drayage companies are from two to three times what they are otherwise; for the drayage companies realize very well that the teams standing around freight house doors are losing time that costs them money. I think there is little doubt but that any action on the part of the commission that would tend to destroy the advantages of the use of private switch tracks would immediately precipitate a condition of congestion in many of the cities of this country, the effects of which will be considerably more far-reaching in the high cost of living and the high cost of commodities than even a 10 per cent increase in freight rates could be possibly held accountable for.

—

[From the Manufacturers' News, March 12, 1914.]

CONTRACTING BUSINESS—FORMER TELEGRAPH AND TELEPHONE PRESIDENT DEPLORES LEGISLATION.

Frank P. Fish, of Boston, former president of the American Telephone & Telegraph Co., appeared before the House Judiciary Committee last week and said that it has failed to see the present industrial situation in its true perspective.

The pending bills, said the witness, will open the way to a revival of cutthroat competition. He advised the committee to do nothing at the present time and asserted that business is now suffering at a 40 per cent contraction because of the club the pending legislation holds over it. Mr. Fish said that no complete monopoly exists in this country and that business attitudes have changed. He maintained that the only way business can be conducted sanely is by allowing proper trade agreements.

"I see indications that small business is to be dealt with in the same hostile way you are dealing with big business," continued Mr. Fish. "I believe the Sherman law is sufficient, although I am not sure it has ever done any good. It certainly raised the price of oil and tobacco for all time."

The witness said that business is so complicated that no general legislation can deal effectively with it. Incidentally, he asserted that the Government is financing the mail-order houses. He declared in favor of an investigation to determine what effect the parcel post, second-class mail rates, and rural free delivery are having on the gradual wiping out of the retailer, jobber, and small country merchant.

SAVING OPERATING EXPENSES.

The Chicago, Milwaukee & St. Paul Railroad Co. expects to save $2,500,000 in operating expenses this year by adding 2 tons to the load of every one of the freight cars. At the present time only a small portion of the earning capacity of a car is available, owing to inefficient loading and other causes. A loading record shows that for the year the average tonnage carried by the cars was about 60 per cent.

LAKE MARINERS HOPEFUL—LA FOLLETTE SEAMEN'S BILL PROBABLY WILL BE MODIFIED.

Owners of vessels on the Great Lakes, whose financial existence has been imperiled by Senator La Follette's seamen's bill, are hopeful that the measure will be modified materially before it is submitted to a vote in the House of Representatives.

In its present form, as passed by the Senate last October, the bill specifies that lake passenger vessels must carry sufficient lifeboats for all the passengers. This would be utterly impossible, it has been pointed out, as there would not be enough space on the largest vessels to accommodate that number of lifeboats. A boat like the Christopher Columbus that makes daily trips to Milwaukee and never out of the sight of land would be compelled to carry more than 100 lifeboats.

The bill now is being considered by House Committee on Merchant Marine and Fisheries. It is believed that the requirement of lifeboats for all passengers will be modified so that life rafts will be provided in sufficient number instead of lifeboats. This was the decision of the safety at sea congress recently held in London, and it is not considered likely that the congressional committee will be so unjust as to impose impossible burdens upon the lake steamers that have not been insisted upon in the case of seagoing vessels, where the theoretical danger is so much greater.

Congressman Alexander, of Missouri, chairman of the committee that is considering the bill, was one of the delegates appointed by President Wilson to the safety at sea congress. Lake vessel owners have faith that he will be reasonable, in view of his experience upon the larger commission.

The requirement that each lifeboat is to be manned by two able-bodied seamen probably will stand, but the qualifications of the sailors will be determined by examination and test rather than by the term of service.

President Albert W. Goodrich, of the Goodrich Transit Co., has been in Washington this week attending the final sessions of the committee at which some of the labor representatives have been heard.

WAS IT A MISTAKE?

It is a serious question whether, as a mere matter of policy, the commission should ever have undertaken what is known as I. and S. No. 333, that is, the query as to whether the revenues of the carriers are sufficient, and if not, how may they be increased. Commissioner Clements and the late Commissioner Marble, at the time the commission decided to initiate that hearing, pointed out that, in their view, it is no concern of the commission, as an initial proposition, whether the revenues of the carriers are or are not sufficient. That is for the consideration of the carriers. By their application for permission to increase rates 5 per cent they decided that the revenues were not sufficient. The only duty of the commission was then to hold hearings to determine whether the revenues might be increased by an advance in rates, without making those rates violative of the first section decreeing that rates shall be just and reasonable. The further this inquiry into the cost of spotting cars and other of the so-called free service goes, the stronger becomes the impression that the commission made a mistake in thus proposing to tear up the whole system of stating rates at a time when the carriers were asking for an early decision on the main proposition. The collateral issues are interesting, but they are not helping either the railroads or the shippers. The theory that there is a third party, small shippers who are being discriminated against, is about as untenable as anything that has been presented to the public for its consideration in recent years.—The Traffic World.

—

[From the Manufacturers' News, March 19, 1914.]

SPEAKS FOR THE RAILROADS—PRESIDENT WILLARD SAYS CARRIERS ARE NOT BACK OF PROPOSED CAR SERVICE CHARGE.

President Daniel Willard, of the Baltimore & Ohio, who is at the Congress Hotel, last Tuesday gave the Daily Railway Age-Gazette an interview regarding the eastern rate advance case, in which he urged especially the need for an early decision by the commission. Mr. Willard is chairman of the committee of presidents of eastern railroads that is handling the case of the eastern lines for a 5 per cent increase in their freight rates.

"The railways have no criticism to make regarding the course which the commission has thus far adopted," Mr. Willard said, referring in particular to the commission's course in considering together the questions of advances of rates and of extra charges for the switching of cars, etc. "The situation is simply this: We contend that we need an increase of net earnings, and we have suggested a general advance in freight rates as the best means of securing it. We have, therefore, filed tariffs that would increase our freight rates an average of 4 or 5 per cent. The commission and its attorney, Mr. Louis D. Brandeis, evidently have thought that it might be feasible and desirable for us to get the additional revenue by ceasing to pay certain allowances for switching cars and other services for which we now pay shippers, and to begin to charge for certain services which we now render to them free. As the commission thought thus it was its right, and perhaps its duty, to investigate the merits of this plan. But from the time that this plan of the commission's was suggested it has been met by the shipping public with vigorous and even bitter opposition. The shippers contend that the practices which the commission considers causing to be abolished have been in existence for many years; that entirely to change them would be very harmful to many concerns; and that, therefore, no complete change in them should be made without a comprehensive and thorough investigation.

RAILWAYS MARKING TIME.

"The railways have taken no active part either for or against the extensive changes in practices which have been suggested. If the commission shall become convinced that their adoption will be the best means of increasing the carriers' revenue the carriers will undoubtedly accept its view. From what has developed already, however, it would appear not only that the extensive changes in transportation practices which Mr. Brandeis appears to favor would meet with the most widespread and determined opposition from the shipping public, but also that there is merit in the shippers' contention that such action should be taken only after a thorough investigation. But the eastern railways should not be required to wait for an increase in their revenues until such an investigation can be made and concluded. They believe that they have introduced testimony which should convince and has convinced the commission that their financial necessities are real, immediate, and pressing. This 'being the case,' any action that may be taken to relieve those necessities should, in the interest of all, be taken at the earliest practicable date; and the longer it is deferred the more serious the consequences to the railways in particular, and to the business of the country in general, must be.

INCREASED RATE SHOULD BE GRANTED.

"It would seem, therefore, that the wise and fair course for the commission to take—the one which would be best for the business interests of the country as well as the railways—would be to grant the increases in rates which are provided for in the tariffs which the eastern roads already have on file. After this had been done the commission could go on with its investigation of transportation practices, and give the shipping interests the full hearing which they demand. If the commission's final decision regarding these practices should result in further increases in the carriers' net revenue and the commission should feel that these increases, together with those due to the advances in rates, were too great, it could, of course, make such reduction in rates as it might consider justifiable."

—

BACKED ILLINOIS GLASS CO.

"Car-spotting" charges contemplated by the Interstate Commerce Commission were discussed at a meeting of the traffic committee of the Illinois Manufacturers' Association last Friday. Traffic managers from a number of the largest industries in the State were present. It was

decided to approve officially the action brought by the Illinois Glass Co. in the Federal court in St. Louis to restrain the Wabash Railroad from filing tariffs imposing upon the shippers charges for service that always has been included in the cost of transportation.

—

[From the Manufacturers' News, March 26, 1914.]

IS MR. HARLAN THE COMMISSION?

Shippers in Illinois have appealed to the public utilities commission of Illinois for protection from the Interstate Commerce Commission, which always has been considered an impartial body. It developed at the hearing before the commission Monday that those railroads interested in the Lowrey tariff had had a private conference with Interstate Commerce Commissioner Harlan and that he had told them, according to the story, to file tariffs eliminating certain terminal railroads from participating in the rates in official classification territory. This was done, notwithstanding the fact that the rates under which these railroads are operating are fixed by the Interstate Commerce Commission.

It is our suggestion that Mr. Harlan get in harmony with the rest of the members of the commission, or to put it the other way: It would be a good thing if the majority of the members of the Interstate Commerce Commission would line up Mr. Harlan. He seems to be under the impression that he is acting for the entire commission.

The companies owning plants on the Illinois Northern Railroad filed a petition with the commission, asking protection from the injustice of eliminating the road upon which they were located from participating in the tariff. The Illinois Northern Railroad is 5 miles or so long and it collects the products of a hundred or two industries and turns them over to the other railroads. Mr. Harlan, according to the statements made before the utilities commission Monday, would abrubtly terminate the existing arrangement and force an enormous tax on the industries being served in this way. When the case was called, practically all the other industrial roads affected, as well as every association and many individual plants, intervened. At another, the meeting Wednesday, the commission suspended the Lowrey tariff.

The commission has also been asked to protect the shippers of Illinois against the cancellation of rule 10 of the official classification. This rule permits mixing of various commodities from one consignor to one consignee, taking the highest class of all the articles in the car. This rule has been in effect some 20 years. Just what the object is in canceling it at this time no one seems to know, unless it is that the classification committee is trying to see how much trouble it can make and how much annoyance it can cause the shippers.

—

[From the Manufacturers' News, March 26, 1914.]

CRITICIZES THE CAR SERVICE CHARGES—COLIN C. H. FYFFE SPEAKS BEFORE ROCKFORD MANUFACTURERS AND SHIPPERS AT THEIR ANNUAL DINNER—NEW OFFICERS ELECTED.

Rockford's interest in industrial conditions was indicated by an attendance of over 200 persons at the annual dinner of the Rockford Manufacturers and Shippers' Association at the Hotel Nelson last Saturday night.

Newly elected officers were as follows:

President, P. A. Peterson.
Vice president, C. S. Brantingham.
Treasurer, T. D. Reber.
Secretary, C. S. Bather.

Executive committee, A. S. Ruhl, G. C. Purdy, T. F. Hopkins, W. A. Brolin, George D. Roper, Charles Andrews, jr., A. T. Barnes, and H. Severson.

Colin C. H. Fyffe, general counsel for the Illinois Manufacturers' Association and Henry S. Hanchen, cashier of the State Bank, of Chicago, were the speakers.

COLIN C. H. FYFFE'S ADDRESS.

Mr. Fyffe struck a popular subject when he criticized Louis D. Brandeis for his present attitude on the railroad-rate question.

"Some time ago," said he, "Mr. Louis Brandeis was appointed special counsel for the commission to conduct some investigations on the railroad-rate questions, the railroads having demanded a 5 per cent increase. For once the majority of the shippers were with the railroads. They, too, asked that the railroad rates be raised. The association with which I am connected expressed itself strongly to the commission in favor of the raise. The belief was that the increase in rates would prove a great stimulus to business at large, that it would yank us out of the slough of despond in which we have been floundering the last two or three years.

COMMISSION ROILED THE WATERS.

"That was back in January and things at once responded. The market boomed. Even some bankers were known to smile. Then at this happy moment the Interstate Commerce Commission put its fingers in the puddle and roiled the waters. It was discovered that the railroads had been giving the shippers various services gratuitously for past years. Everybody had supposed that these were part of the transportation and ought to be absorbed in that; but the commission seemed to see a chance of taking off their own shoulders the responsibility of allowing the raise in rates. The way now suggested by Mr. Brandeis is to make the railroads charge the shippers for these services, in particular for car spotting. In other words, he advises the commission to duck and pass the buck. The thing means in the first place millions upon millions out of the pockets of the shippers every year. In the second place, it is a disruption of a state of relations between shipper and railroad with which nobody found any fault. Every shipper will be affected. The majority will have to undergo expensive alterations, if the car-spotting charge goes through. That the commission will ultimately allow itself to administer a quack remedy of this sort, I can hardly believe.

CONDITIONS IN EUROPE.

"All these things, including the administration of other commercial legislation of the last 10 or 15 years, make one see the enormous difference between the business man's situation here and abroad. I don't believe that the German or the English or the French merchants and manufacturers are any more honest or more law-abiding than ours are, but when a French or English or German business man gets to his breakfast table and looks at his paper, he can say to himself: 'Let me see, what has the good Government done to help along business for me since yesterday,' and he finds that his paternal Government has in a most paternal way aided him to beat his neighbors. When the American looks at his morning paper, he says to himself: 'I wonder what's the last crack the Government has taken at us.'

MANUFACTURERS' GOOD RECORD.

"I believe the manufacturers of the State can claim credit for the best part of the progressive laws in regard to employment which have been passed since 1907. All along the line a distinct advance has been made. The relations of the employer and employee have become much closer. Their interests have been brought into line instead of being made to separate. In some cases the action of the manufacturers as represented by their various committees and officials has been merely a watchful waiting, without any serious attempt at intervention. But in the most important cases the manufacturers of this State have been forceful in directing beneficial legislation, no matter how new or radical it might seem. The great instance of that is the workmen's compensation act. The chairman of the State commission appointed by Gov. Deneen was Mr. Piez, president of the Link Belt Co., and for two years president of the Illinois Manufacturers' Association. The result of their labors was a fair and rational piece of modern legislation, which bids fair to ameliorate wonderfully the conditions of labor; to remove friction between the workman and his employer; and last, but not least, to extinguish, extirpate, and abolish to a great extent that member of the legal profession known as the ambulance

"SAFETY FIRST" MOVEMENT.

"The greatest work, however, that you and the manufacturers of Illinois are doing to-day is what we know as 'safety first.' In that there is a really great awakening. There is in this a taking over of a burden of responsibilities which the law even does not put upon our shoulders. The effort in the safety first campaign is not merely to comply with the law in matters of protection, but to go beyond the law, to get as near absolute safety as human contrivances will permit. In this the saving to the workman, but cutting out injury and its inevitable consequences of poverty and misery, is incalculable. If the motive of the manufacturer in the safety first agitation is selfishness, then it is certainly the most enlightened selfishness that you can find.

A large number of railroad freight officials were present. Among them Ben Harris, Freight Traffic Manager Waffles, and Rockford Agent H. M. Page, of the Chicago, Milwaukee & Gary; Traveling Freight Agent Davies and Division Freight Agent Turner, of the Erie; A. S. Hinman, eastbound freight agent of the Delaware; General Agent W. C. Staley and Traveling Freight Agent Lanigan, of the Missouri Pacific and the Iron Mountain; Traveling Agent Craig and Commercial Agent E. H. George of the Wabash; J. S. Brown, general freight agent of the Illinois Central.

—

RAIL-RATE HEARINGS—APRIL 20–22 SET FOR TAKING TESTIMONY BY COMMERCE COMMISSION.

An official announcement issued Tuesday by the Interstate Commerce Commission, indicating the likelihood of the taking of additional testimony in the eastern advance-rate case as late as April 22, was accepted as making it quite certain that a decision of the case would not be expected before some time in May at the earliest, and probably not until a short time before the commission adjourns for the summer, late in June.

The railroads have requested the commission to afford them opportunity to present additional testimony as to their need of increased revenues and also to offer evidence in rebuttal of the testimony introduced by those opposed to an advance in rates. The commission announced that it would begin to take the additional testimony on March 30 and 31, and that, if necessary, the hearing would be completed on April 20, 21, and 22. As Clifford Thorne, chairman of the railroad commission of Iowa, representing eight Western States in opposition to the proposed advance, is to present his views on March 30 and 31, it is hardly possible that the hearings can be concluded until late in April.

What is regarded as one of the most important of the "special service" hearings in connection with the application for the rate increase will be held on Saturday. This hearing will take up free warehousing and free loading and unloading services performed in some of the larger cities, particularly Chicago, Philadelphia, and New York.

—

[From the Manufacturers' News, April 2, 1914.]

UNPROVEN STATEMENTS.

If Clifford Thorne, the Iowa railway commissioner, who camps in Washington most of the time, would present some figures and facts to the Interstate Commerce Commission as to the conduct of the railroads he might be of some value to some one. For a number of years he has made statements which have often been unsupported by facts and has published sensational figures in the newspapers which have never been proven and which have never taken him anywhere.

He is now industriously engaged in ridiculing the statement that the Pennsylvania Railroad has laid off 15,000 men and that the New York Central Railroad has laid off 25,000 men. Can not he read the figures the Interstate Commerce Commission gives out every month? Mr. Thorne is not in business. He is a lawyer. If he had a mill or two that was on the ragged edge or any kind of a plant that was paying out more money than it was taking in, he would not be in Washington all of the time pounding the other fellow. He is trying to make a reputation by tearing down, and it looks like he is getting away with it.

—

ROADS LAY OFF THOUSANDS.

A few months back the conductors, engineers, and trainmen of eastern railroads held up their employers at the muzzle of a strike gun and secured, through the aid of an arbitration board, several millions of dollars a year in increased pay.

Now the railroads, forced to economize by decreasing business and by the increased cost of operation caused by boosting the wages of the aristocrats of labor, as well as by the superfluous train-crew bill and other adverse legislation, have been compelled to greatly reduce their working forces.

The Pennsylvania, the New York Central, the New York, New Haven & Hartford, and other well-known railroads have laid off thousands of men in every department and put thousands of others on part time. Through trains and local trains have been eliminated from schedules and freight trains by the score. As a consequence, managers of rails, cars, and other equipment have been hard hit. In many cases their working forces have been reduced to 70 per cent.

Since the beginning of the year, it is announced, the Pennsylvania Railroad, which probably was the greatest sufferer from the superfluous crew bill—which provides that trains shall carry around extra and unnecessary trainmen, so as to give additional employment to union workmen—has been compelled to lay off 15,000 men in order to meet

changed financial conditions in the operating department. Forty thousand more, or one-third of the entire working force, have been put on part time.

The estimated number of men laid off by the New York Central is 25,000.

It looks as though the labor unions and their willing servitors, the legislatures of Eastern States, have been robbing a great many Peters to pay higher wages to a few Pauls.

—

WHY SUCH IGNORANCE?

It is announced in the newspapers that the Interstate Commerce Commission will suggest to the Pennsylvania and the New York Central Railroads and other eastern lines that, instead of laying off men, the carriers put the men to work improving the physical equipment of the roads.

Are the railroads taking in more money than they are paying out? Is there sufficient margin of difference in the receipts and expenditures to warrant retaining the men or placing the men at work improving the physical equipment of the roads? Can not the railroads produce the figures to show their financial condition? Does not the Interstate Commerce Commission know the financial condition of the roads?

It seems ridiculous that the Interstate Commerce Commission, which has had jurisdiction over the books of the carriers for a number of years, does not know the financial situation of the roads. Is it possible that the system the commission has forced upon the railroads is one that will not give the result? Is it such a complicated system that the commission itself can not tell whether the railroads are making or losing money? It is easy enough for a schooner captain to foot up his receipts in one column and his expenditures in the other after he has made a trip, and he knows whether he has lost or made money.

The railroads have claimed for some time they need a 5 per cent advance in freight rates to make both ends meet. Is it true, or is it not true—and the Interstate Commerce Commission ought to know, if it is competent and efficient, whether it is true or not, and it ought to tell the public. The commission has allowed itself to become a freight bureau for collecting claims which ought to be collected through the courts, if they are in controversy, and a machine of such detail that every time a sheaf is thrown the insides get clogged up.

—

FLOUNDERING FOR FIGURES.

At an enormous expense, the Interstate Commerce Commission maintains a statistical bureau and gives out a lot of figures about the operation of railroads and how much they are earning and how much they are losing. We have followed these figures for several years with a more or less indefinite idea as to what they meant, but we supposed, of course, that everybody else understood them. It seems now that even the Interstate Commerce Commission does not understand them. It seems that the railroads do not understand them, and the only man in the United States, so far as we have been able to figure out, that can understand them is Clifford Thorne, and he explains them his way. We do not know where he gets his knowledge as to figures, but if he knows much about finances, he is very different from the general run in his profession.

It seems a crime, after spending all the money that has been spent looking after the finances of the railroads, that the commission now has to put inexperienced, so-called "experts," like Clifford Thorne, on the stand and explain their own figures, and it also seems a crime that the railroad people can not stand up and show, in the simple method of a corner grocery-store man, whether they are making money or losing money. It looks to us as if they have too much college business in the statistical department of the commission. If the books were kept the way the people thought they were being kept, it ought to take about 10 minutes to find out which railroads are making money and which railroads are losing money.

F. A. Delano has been on the stand, and he is the last man in the United States that the railroads ought to put forward. He is receiver for the Wabash; that ought to be the best-paying railroad property in the United States. There is no railroad in the world that compares in any way with the Wabash as to the fertility of the fields it taps. It goes into the coal territory of West Virginia, and it gets it talons at the Pittsburgh district, which is the greatest tonnage producing district in the world. It taps the Great Lakes at several points, and gets a crack at the lake and rail. It also gets a haul out of the peninsular iron ore, and it goes into the great coal field of Ohio, Indiana, and Illinois. It reaches to the wheat fields of Kansas and crosses the corn belt half a dozen different ways, and enters two-thirds of the leading industrial centers of the Mississippi Valley. What was the matter with the Wabash road? What was the reason it did not bring a handsome return? We would like, in all sincerity, to ask how George Gould got so much money? Did Mr. Gould let the car contracts himself? If Mr. Delano wants to answer some questions and wants to get on the front pages of the newspapers, let him answer the foregoing.

—

[From the Manufacturers' News, April 2, 1914.]

FAULTY SPOTTING TARIFF.

The first unmistakable spotting tariff filed with the Interstate Commerce Commission is of such kind that the commission will probably have to hold it illegal without going into the merits of the question as to whether a charge for spotting is proper, says the Traffic World.

The Chesapeake & Ohio, which files the tariff, defines the spotting service proposed as the service "beyond a reasonable convenient point of interchange" between its railroad and the tracks of the shipper.

It is thought that the tariff will be held illegal because it does not definitely locate the point to which the rate named shall apply.

—

SPEEDING RATE CASES.

The Interstate Commerce Commission hastened disposition of the freight-rate case Tuesday by announcing that the railroads would be allowed to finish their evidence this week. The commission previously planned to hold further hearings from April 20 to 23 if they did not finish to-day. The roads now hope to conclude by Thursday evening, after which the last protest against the increase will be heard. It involves the part-lake and part-rail rates.

—

TAP LINES FILE BRIEF.

Protesting that Interstate Commerce Commission orders prohibiting the granting of joint rates and other concessions by interstate railroads is costing tap lines $1,500,000 annually, attorneys for these interests have filed a brief in the United States Supreme Court urging that the orders be set aside. It was asserted that railroad commissions in Louisiana, Arkansas, Alabama, and Mississippi have protested the orders.

—

[From the Manufacturers' News, April 9, 1914.]

FREIGHT-RATE ADVANCE—BELIEVE COMMERCE COMMISSION MAY COMPROMISE WITH RAILROADS.

On the possibilities in the freight-rate case the New York Journal of Commerce publishes the following:

"There is more or less general disposition in the Wall Street district generally to believe that the Interstate Commerce Commission will grant the application of the railroads in part instead of allowing the full 5 per cent advance in rates desired. If this is to be the result it will have to be secured in the form of indirection. The question before the commissioners is whether they will approve or refuse to approve certain specific rates that have been filed by the railroads for the transportation of merchandise. The prerogative of the commission is not to make the new rates in the event of those filed not being satisfactory. Therefore, if the commission believes that the advance is not fully justifiable it has no other alternative than to throw the entire schedule out.

—

200 EMPLOYEES DROPPED OUT.

At the close of the first two months of the administration of W. G. Bierd, president of the Chicago & Alton, he has placed economies in effect which will aggregate $250,000 per annum. His first action was to drop 200 employees, whose combined salaries aggregated $20,000 each month.

—

LIMIT OF ABSURDITY.

Senator LA FOLLETTE's bill to prevent outsiders from "influencing" the Interstate Commerce Commission's action represents the extreme limit of a kind of absurdity of which the Senator has been repeatedly guilty, and which is the essence of what is foolishly termed the "Wisconsin idea." This is that legislation can wholly cure or correct economic, political, and personal evils. In the case of the Commerce Commission, the attempt to "influence" that body has proceeded largely from the commission itself, which has ordered hearings both public and private in great numbers, and has repeatedly sought to get the ideas and views of shippers and railroad men alike. There was nothing reprehensible in this; on the contrary, the commission has often shown a disposition to get real data and to decide questions on their merits. The fact that many unsolicited letters have come to the commission is not one that Congress can control or ought to want to control.—(New York Journal of Commerce.)

—

[From the Manufacturers' News, Chicago, Ill., April 16, 1914.]

IOWA'S WORST HANDICAP.

Senator CUMMINS undertook to incite the Senate a few days ago by charging on the floor that a persistent and widespread campaign was being conducted to arouse public sentiment for the request of a 5 per cent advance in freight rates in eastern railroads. The Senator expressed confidence that the Interstate Commerce Commission would decide the question on its merits.

Manufacturers' News concurs in the view taken by Senator CUMMINS in his hope that the question will be decided on its merits, but Senator CUMMINS and Senator LA FOLLETTE should not take exception to the shippers writing letters to the commission and expressing their views as to conditions. The shippers are interested in the railroads only from the standpoint of service and low rates. There are some roads in this country that are managed better under receivership than they are by such families as the Goulds, for instance, and if the Interstate Commerce Commission had the courage that it ought to have, and if Senator CUMMINS had the courage he ought to have, he would demand an investigation of the causes which led up to the receivership of the Wabash road. But Senator CUMMINS has not the courage. Senator CUMMINS does not know the business situation in this country. Senator CUMMINS does not know the reason that many shippers favor the advance in freight rates is an interested one; that it is their own protection, and that in their judgment it is the best thing that can happen to save the business of this country. The are for the general good.

Senator CUMMINS should inform himself. Senator CUMMINS should examine the books of the Interstate Commerce Commission. Why does not Senator CUMMINS attack the brotherhoods that are filching so much money from the coffers of the carriers? Why does not he attack the bankers? Why does he stand up in the Senate and make a speech that contains no facts? Iowa has been going backward for 15 years and it will continue to go backward as long as it has such representatives as Senator CUMMINS and Senator KENYON.

—

[From the Manufacturers' News, Chicago, Ill.]

THERE IS PRESSURE.

There has been an insinuation or charge on the part of some of the pay roll patriots of the Senator LA FOLLETTE brand, that pressure—some diabolical, indecent pressure—was being exerted upon the Interstate Commerce Commission in an endeavor to make it raise railroad freight rates.

Undoubtedly there has been pressure.

The New York Journal of Commerce analyzes this pressure and sees it coming from the following sources:

"The demands of labor organizations, who repeatedly have indicated that the carriers should have higher returns in order that they may meet the demands of increases in wages.

"Shippers who have been convinced by the curtailment of railroad purchases, the reduction in the working forces of the railroads, and the reduction in service that the carriers are entitled to consideration.

"Government influences, chiefly parcel-post administrators who feel that if there should be no concessions to the roads managers will be more insistent upon fair pay for parcel-post service."

The more the public is informed of the kind of pressure that is being exerted and the reasonable nature of nine-tenths of it the better for the railroads, the shippers, and business.

We very much fear that it will take more than the advice of Louis D. Brandeis to make organized labor consent to introduction of efficiency methods in those shops where it can be prevented.

[From the New York Journal of Commerce.]

HURTS HIMSELF.

Senator CUMMINS has obviously hurt himself with the public by his open and unrestrained attack upon the railroads of the country in connection with the rate increase. The argument he adduces is reminiscent of the time when the roads were practically regarded as common enemies and were treated as such by legislative bodies. That time has passed by, and conditions now call for a larger statesmanship which shall not content itself with merely attacking and "regulating," but shall show some power of constructive thought sufficient to meet the needs of railroad policy to-day. The older abuses practiced by the roads have passed, and a new era has supervened in which the demand is for joint or cooperative work, enlisting the powers of the Federal Government and of the States in developing the best possible railroad service and in allowing the lines a fair compensation that will permit them to furnish the increased facilities that the public now requires.

—

[From the Steel and Metal Digest, New York, April, 1914.]

WHY IS THE RAILROAD RATE IMPORTANT?

While the cultivation of the soil is our greatest industry, that, thank goodness, is removed from legislative control, and depends on mother earth, rain and sunshine, and human industry; but our next largest industry is the railroads, the largest buyer of manufactured commodities and a buyer who does not resell anything but service, and dependent on its power to buy by its ability to pay. Affairs with the railroads have reached a crisis. We are starving ourselves by refusing the railroads the rate increase, and demoralizing not only the transportation service on which we are dependent but every other line of business which depends on normal railroad buying. Washington is not smashing our plutocrats; they saw trouble coming and hoid to-day smaller interests in railroads than any time in our history.

It is not the $50,000,000 that the rate increase is estimated would benefit the railroads; the business of the country is losing much more than this every week in paralyzed business and unemployment. It is for a settlement of the question whether the Government can hold up the natural laws of trade, in this case the right of capital to get a fair return for its investments.

NEARING A LOGICAL AND FAVORABLE DECISION.

It does not seem possible that the demands and interests of business and the entire wage-earning community outside of the farming interests can much longer be paltered with.

We are witnessing a rising flood of protest, which is now finding expression not only in the ranks of business but of labor under the lash of unemployment that will serve to make the Interstate Commerce Commission realize how imperative it is that they render an early decision in the freight rate case. A few weeks ago it seemed to be the intention to defer the decision until September, but the present outlook is that the matter will be definitely settled within one month.

OUTLOOK PORTENDS GREATER ACTIVITY.

It is because the disturbed condition of business is largely a mental one that we feel optimistic about the future. It is in the power of Washington to change this condition in almost a moment. The granting of an advance in railroad rates and the abandonment of further efforts to regulate business would result in a change in sentiment that would sweep the entire country into the greatest business activity, and there would be a rush to make up for the months of delayed enterprise. Surely it is not possible that we have delivered ourselves into the hands of servants who can not be made amenable to the will of their masters, the public, which at present is so clearly expressed.

—

[Frank A. Munsey in Munsey's Magazine for April.]

STARVE THE RAILROADS AND WE STARVE OURSELVES.

The railroads are structurally a part of our national life—fiber of our fiber. They are the arteries of our very being through which courses the life-blood of the Nation. We can not do them harm without doing ourselves harm. Starve them and the pinch of poverty grips us.

The railroads were built by private capital and are owned by private capital, and yet they have little of the inherent freedom of private property. Their charters constitute them common carriers, public service concerns, and as such they are in a sense owned in common by the public and by private capital—no actual public ownership in them, dollars and cents ownership, but in the outworking the "senior partner" influence and dominancy of the public makes it amount to about the same thing.

Such a partnership between the public and private capital, the latter putting up all the money and taking all the risks, is a soft thing for the Government, arrogating to itself, as it does, absolute control. Of course, it wasn't this way when railroads were built, when capital risked itself in these venturesome undertakings. If it had been—if the Government's attitude toward railroads had been just what it is now, the same narrow picayune policy in force—we should have no railroads to-day except Government built and Government owned.

Private capital in any measure worth while would never have gone into the upbuilding of railroads, knowing in the outset the extent to which it would be fettered and hampered and harassed, as it knows it now.

I have no fault to find with Government control as such. It is the kind of Government control we have with which I am finding fault. As a matter of fact, there is nothing else for us but Government control or outright Government ownership.

With strong, able, wise Government control—a kind of control that embodies constructive cooperation with railroads—we should have a far better railroad service than we could well hope for from Government-owned and Government-operated railroads. I don't believe there is any doubt about this.

Though capital went into railroad construction with the idea that railroads were private property, the change that has come about, putting them so completely under Government control was inevitable. Neither the Government nor capital foresaw this change in the early days of railroad development. Indeed, it was the very vastness of this development and the incomparable power railroads had come to be that compelled public control and gave rise to the present conception of the proper relations of the railroad, common carrier that it is, to the public.

The Government, therefore, can not be charged with luring capital into railroads under former railroad freedom with the knowledge that this freedom later on would be taken away from them. Until within a little more than a decade ago there was no serious conflict of opinion between the Government and the railroads.

At the outset no one ever dreamed of the power the railroad has come to be and the part it plays in our daily lives, to say nothing of its inconceivable contribution to the opening up and development of the country.

It follows naturally that changes in our laws must be made suited to this new development—a development so vast in its power that, unchecked and uncontrolled, it would in time contest for the mastery with the very Government itself.

So Government control had to come, but in the exercise of its control it has frightfully crippled and maimed the entire railroad business of the country. Capital has lost heart and would get out if it could do so without too great a sacrifice. Dividends on railroad shares have dwindled until they have no appeal to fresh capital. The Government stakes out the lines within which capital must work, fixes its rates of income, and then says to capital, "Give us the best railroad service in the world."

All this would be well enough if the Government's conditions were such as to make this possible, which is not the case. The fact is the railroads can not give us the service we demand, pay the wages and taxes they are paying, and live on the income to which the Government is grudgingly holding them down.

But the chaotic condition of the railroad business is only a little worse than that of business generally throughout the country. There is no snap and go to anything, and everything is in a blue funk. In view of these conditions, what are our chances of having good times? We hear the question all the while. It is on everybody's lips. The answer is vital. It affects our entire population—100,000,000 human souls. No one is beyond the sphere of its influence. Our expenditures, our incomes, the scope of our undertakings, the scale of our living—our necessities, our comforts, our pleasures, our luxuries, our savings, and our very future—all depend upon it.

We are a temperamental, impressionable people. When we have good times we hurl ourselves on enterprise and sweep everything before us. When we have hard times and feel the pinch of poverty and see idle cars, idle factories, and idle labor, we get a fit of the blues which makes us distrust our institutions, distrust ourselves, and look upon life as one weary grind.

We have wallowed in the slough of despond since the beginning of 1910, and to-day our securities, battered and tattered, find little favor with European investors. Every enterprise has felt the lack of confidence, the lack of courage, and has perforce squared itself to that grim, ill-shapen thing—the thin pocketbook.

But human nature, and particularly American human nature, can not be kept down forever. We have had enough of the valley, with its fogs and chills, and want to get away from it all and once more look out on the world from the sun-swept heights. And, too, we want to hear the old, old story of what a wonderful country we have, of the vastness of our resources, the colossal measure of our undertakings, the bulging of values and the song of opulence and wealth and riches—enthralling music to our ears.

Starving the railroads and hostility to capital are responsible for our business depression and industrial stagnation. The Government has overplayed its hand in humiliating capital and breaking up our big enterprises. Its obvious worry lest somebody, somewhere, somehow, might make a dollar has been overdone. Continue the policy of starving the railroads and we shall continue to starve ourselves, and shall have no good times. Let the railroads make a decent living, and the wheels of enterprise will leap into activity.

But Wall Street says good times are here. Wall Street may be right and may be wrong. Things have been deadly dull down there for so long that everyone clutches at the very suggestion of hope. Hope in Wall Street is perhaps father to the wish. It looks to me as if it were in this instance. Wall Street is amazingly elastic in its conclusions. When it comes to shifting its opinions it puts a lightning change artist out of the running.

I am not writing as a pessimist. I am an optimist through and through, but optimism must take cognizance of facts. And what are the facts on which to base the hope for business activity, with our new low tariff, unless we get a gigantic impetus from some source or other?

It is clear that with our high wage we can not get this impetus from such exports as come into competition with the products of the low wage of the rest of the world. And if not from exports, whence shall we get the quickening influence? The new currency law won't bring it. The new currency law will perhaps make money easier, but money is already easier than need be, both at home and abroad.

The lower price of money will no doubt benefit the farmer and perhaps stimulate him to wider activities. This will be good in itself, and may have some effect in lowering the cost of living, and then again it may not. But cheaper money to the farmer can not and will not prove the impetus to revive business.

The lower rate of money will make it easier for borrowers, but in itself it will not be sufficient to impart activity to a dead calm, to break the grip of paralysis. Unless it so happens that the new currency bill proves to be a measure of inflation, it won't have the dynamic force to create energy, overcome inertia, and start things going. If, on the other hand, it brings about inflation we shall have a short hurrah run for our money, followed by such a reaction as will make the whole Nation cry to heaven from the very hurt.

A great international war might set business going, and so might a change in our tariff—the kind of change that gives courage and confidence to home industries. But we have just had a revision downward, so there is no probability of an immediate revision upward; and there are no instances on record where revision downward, or low tariff, or no tariff, has ever reenergized anything here at home. On the ground of precedent, therefore, we haven't much to look for from our recent tariff legislation, and we are not now at war with any nation; so just what is there in sight, when we get down to the raw cold facts, to justify a belief in an immediate onrush of good times?

Agriculture can not bring it about; war is not likely to bring it about; our new tariff is certain not to bring it about; the iron and steel trade can not bring it about; the textile manufactories can not bring it about; mining in all its different phases can not bring it about; and all the scattered, smaller manufactories can not bring it about.

It may well be doubted if anything can bring it about, as matters stand to-day, except the railroads, and the railroads can bring it about if they are allowed freight rates and passenger rates that will enable them to do business at a rational and fair profit—such a profit as will give place and value to their securities in the markets of the world.

This is what we want at this juncture to give us good times, temporary good times at least, and good times for a long run, if the policies of the Government with regard to business, the tariff, the currency, and in other respects are right. If these are not right it is

pretty safe to assume that we, as a people, have the good sense and the patriotism, irrespective of politics and politicians, to make them right.

But just why can't agriculture give this impetus to business, and why is it that railroads alone can give this impetus to business? Briefly, the answer is this: Agriculture is a producing and selling industry. If we were growing a vast surplus beyond our own requirements and could sell it abroad, the new money flowing across the ocean would give us the impetus we need. But unfortunately we have no such surplus and are not likely to have.

The steel and iron industry, vast as it is, in the aggregate, and well concentrated as it is, can not in and of itself revitalize business. Like farming, it is a producing and selling industry. This is equally true of the countless scattered enterprises of one kind and another. Merchandizing doesn't even produce anything. It has to do merely with barter and sale. Banking, likewise, produces nothing. It is parasitic in its very nature.

THE RAILROAD HAS NOTHING TO SELL BUT SERVICE.

The railroad, unlike these others enterprises, has nothing to sell but service. It buys, buys, buys, and all the while buys. It is a purchasing and consuming business, which ranks next to farming in its vast scope. The wages of railroad employees have so far increased that now they call for practically one-half of the gross receipts of railroads. The sum total paid out to labor by the American railroads is greater than that paid to labor by any other enterprise in any country of all the world. The railroads hold the key to the present business situation. Give them a chance and they will set the wheels of industry going. But they can do nothing for business and nothing for themselves, impoverished and starved as they are by the Government.

With a chance to live and to earn enough to make their securities safe and attractive to investors the world over, they could sell them like a shot.

What we need and must have at this juncture is new money and lots of it. The railroads alone can find this new money. But it is up to the Government to decide whether they shall find it or not. So far the Government, in its nonconstructive, or if you will, destructive policy has refused the railroads a chance for their lives.

THE SPIRIT OF COOPERATION.

If the Government would get back of the railroads and give them a lift, the railroads would get back of business from one end of this country to the other and give it a lift—would get its great broad shoulder under business and heave it into action. Assure investors that our railroads have back of them the great American people, the good feeling and spirit of cooperation of the American people, and have back of them as well the strong, helpful hand of the Government, untold money would flow into this country from abroad and vast sums of sleepy money tucked away in odd places here at home would straightway come out of its hiding and go into railway securities.

And what wouldn't this money mean to us—all this vast aggregate of new money in the coffers of the railroads to be spent for labor, for betterment, and for new undertakings? The railroads must have new rails, new cars, new engines, new ties, new bridges, new stations, better roadbeds, and a thousand other things. They must add to their sidings, double their trackage, and extend their roads into new territory. All this means work for idle men and full envelopes on Saturday nights.

Indeed, the railroads would begin buying on so tremendous a scale that our steel mills and other concerns having to do directly and indirectly with railroad supplies would be taxed to their capacity and beyond their capacity, and the high pressure activity in these lines would electrify the whole country and set every spindle spinning and every wheel of industry bounding into action. And there would be no idle men, no idle cars, no shuttered factories, no depression, no blues. Activity and enterprise and achievement would grip the country from ocean to ocean and from the Gulf to the northern border.

This is not an idle fancy. It is the very thing that would happen, and such a happening is the very thing we all want. And if we all want it, why shouldn't we have it. We are the Government; the Government is the thing of our creation, the servant to do our bidding.

The question, then, is this: Shall we give the railroads a square deal, or shall we continue to punish them for the sins of a former period, when the relations of railroads to the public were not understood as they are now? In the old days people held to the idea as a matter of course that railroads, owned by private capital, were private property. We didn't know much about public-service concerns then. We accepted the theory as a matter of course that the biggest shippers should get the lowest rates. Wholesalers bought at lower prices than retailers, so why not wholesale rates to big shippers?

But once the public-service conception was fixed in our minds we saw the railroads in an entirely different light. Naturally railroad managements fought for the independence they had always had, and doubtless fought honestly, influenced by their interests. But all this has changed now. Ten years of discussion has brought capitalists and public, the fair-minded men among each, to a common understanding of the relations of capital to the people, of trusts to the people, of the railroads to the people, and of the relation of telegraph, telephone, and all other common carriers to the people.

FALSE ECONOMY.

We ought to have, and I am satisfied that the American people demand the best and safest railroads in the world. It is a certainty that we can not have them without paying the price—railroads with every new device, every improvement that means safety and better service—and we can well afford to pay the price when the failure to do so means inferior railroads, dangerous railroads.

Forcing railroad managements into a position where they have been compelled to squeeze paltry dividends out of half-fed, half-nourished properties that they might keep their roads out of bankruptcy is a rotten policy.

Legitimate economies are fundamentally necessary to honest, able management, and whatever the Government has accomplished in the way of cutting out waste and introducing first-rate standards of economy is, of course, very much worth while. But to starve railroads into other economies, such, for instance, as skimping on roadbeds, skimping on bridges, skimping on rails, skimping on rolling stock, skimping on safety devices, and skimping all along the line, is quite another matter. They are costly savings to the people, dearly bought savings.

I hold no brief for the railroads; I am not speaking for myself, as I hold no railroad stocks, and don't wish to hold any under present conditions. Neither am I speaking for those who do hold railroad stocks. I am speaking for idle men, speaking in the interest of better business, speaking for a square deal for the railroads, for safe railroads, sound railroads.

For the Government to stand back of railway labor, morally sustaining it in its demands for shorter hours and better wages, as the Government has done, at the same time denying railroads the right to increase their incomes sufficiently to meet the increased cost of operation is of the nature of confiscation, and no honest citizen of this country believes in any such thing or would himself, with full realization of the facts, be a party to it.

Let us have peace. Let this bitterness against the railroads cease. There is nothing in all this warfare for you or for me. Give the railroads a chance to prosper and we prosper with them; starve them and we starve with them.

—

[From the American Metal Market and Daily Iron and Steel Report, New York, December 19, 1913.]

THE BUSINESS SITUATION.

There are two ways for one to form an individual opinion as to the business situation and prospects, each involving the use of judgment.

One is to gather all possible facts at first hand, taking no one's opinion on anything and then reach conclusions from these facts.

The other way is to gather as many opinions as possible, from different sources, and then use judgment in appropriating the opinions.

The first method is good in proportion to the extent to which absolute facts can be gathered. As to the extent of facts, it must yield to the second, in that one can multiply the collections of facts by the number of authorities consulted. The second is open to the objection that the individuals consulted may be making errors of judgment in reaching their conclusions. The more people one consults, the less likely is he to find facts incorrectly stated, but multiplicity of counselors does not equally increase the trustworthiness of conclusions, because the judgment of each may be warped in the same manner.

We have gone through a course of investigation and study along the second line indicated and have reached some conclusions which may appear rather radical. We find that the conclusion of the majority of men consulted is that business is going to be very poor next year, in the first half at least. Inasmuch as our method was not to get a composite of the opinions, but rather to get a composite of the facts upon which the conclusions rested, in order that we might make allowance, if necessary, for any general tendency in opinion to be warped in a particular direction, we pursued our inquiries further, to get at the facts upon which these unfavorable conclusions rested. Here we were treated to an uncomfortable surprise. We found the opinions much more clearly defined than were the facts. We found men fearing the tariff who had not studied the October returns of imports, which are plain statistical facts. We found men insisting that "business can not be better until conditions are better abroad" who did not know that the latest reports from abroad are relatively favorable. We found men who insisted that the railroads ought to get their increase in rates who had not the faintest idea how railroad earnings had been running of late. They had no idea that the September gross (the latest returns available) per mile of road was the largest for any September on record, and the net the largest with two trifling exceptions. Apparently their view was based on what they had read in the suburban station. And finally, we found men who criticised the administration currency legislation, which is outlined, in the same breath with which they criticised its trust program which is not outlined, and then let out the fact that they were down on the administration because of the income tax.

We had undertaken this course of study because we wanted to get a larger collection of facts than we had, but what we found was opinions rather than facts, and strong indications that the opinions were based upon sentiments rather than upon facts.

We have not found that there is anything wrong with the country. There are 95,000,000 people. The faces one sees on the streets are those of busy, happy, and contented people. There is no impending calamity. Everything under the sun that could happen has already been predicted and the subject has been thoroughly aired. Had it been possible for the calamity to occur, it would have occurred already. Business at the moment is stagnant, relatively, though on the whole it is not as bad as it is pictured. When there is any business at all, with sentiment so unfavorable, the fact constitutes a favorable indication.

If men became convinced overnight that the country is all right, business would begin booming in the morning. If they take counsel of their fears the recovery will be relatively slow, but perforce it must come. A prevailing sentiment which is wrong, and we believe we have definite and concrete reasons for regarding the present sentiment as wrong, can not last long. It is not in human nature that it should.

—

FINANCIAL NOTES.

The Lehigh Transit Co.'s report for November and for 12 months ended November 30 shows:

Gross earnings	$191,199.01	Inc.	$6,347.04
Operating expenses	57,261.91	Inc.	3,458.51
Net earnings	133,937.10	Inc.	2,888.53
Interest, charges, taxes, etc	71,338.72	Inc.	26,056.90
Balance	62,598.38		
For 12 months ending November 30:			
Gross earnings	$1,764,997.47	Inc.	$238,220.60
Operating expenses	740,280.67	Inc.	90,201.72
Net earnings	1,024,716.80	Inc.	148,018.88
Interest, charges, taxes, etc	578,144.18	Inc.	75,888.39
Balance	446,572.62	Inc.	72,130.49

Construction and equipment expenditures for November, 1913, $37,276.72.

—

[From the Daily Traffic World and Traffic Bulletin, Chicago, February 4, 1914.]

PRIVATE TRACK SERVICE.

THE TRAFFIC SERVICE NEWS BUREAU,
Colorado Building, Washington, D. C.

In the estimation of practically all the men who heard it, the announcement of Commissioner Harlan, made on Tuesday morning at the advanced rate hearing, that the commission at an early day will hold a hearing on the propriety of carriers making reasonable charges for the service of spotting cars on private spurs and switch tracks is the most revolutionary pronouncement that has come from the regulating body in recent years. To them it seemed a notice that the commission is prepared to hear suggestions that it reverse itself on the Los Angeles

switching case, in which the industry tracks of the carrier there involved were held to to be a part of the terminal system of the railroad company. The carriers in that case undertook to impose a charge for switching cars to the industries located on what they called private spur or switch track.

This suggestion is made by way of answer to the commission's own inquiry, "What general course may carriers pursue to meet the situation?" The situation there referred to is that alleged by the carriers to exist of revenues inadequate to meet their expenses. The commissioner in his announcement said that the report in the Industrial Railways case shows that the allowances and free service made by the carriers to large industries are a fruitful source of unlawful discriminations against the small shipper and also a heavy drain upon the revenues of the carriers, estimated to be not less than $15,000,000 a year.

"Action should clearly be taken by the carriers forthwith to abolish all such illegal allowances and free services," says the statement made by Mr. Harlan. He supplemented what has been said in the Industrial Railways case by saying that the commission has also found other services performed by the carriers for the shippers which result in a large depreciation of their revenues. Among such services is the so-called tap or ferry-car service, by means of which the carriers collect and deliver the traffic of many large shippers at their store doors, saving them the expense of cartage which other shippers under the same rate must pay. Drayage to effect store-door delivery is also cited as one of the drains. The commissioner took pains to make it clear that when he mentioned them as free services he did not mean that they are unauthorized by tariffs, but only that they are available only to a relatively small number of shippers without any addition to the rate which a mass of shippers have to pay.

The announcement created a sensation among the attorneys representing the big shippers who are protesting against the 5 per cent increase, because, if the carriers are permitted to make charges for setting cars at the doors of industries a situation unlike anything now existing will be created. Many of the spur tracks were built at the expense of the industries, some at the expense of both carrier and shipper, and only a very few at the expense of the railroads. In fixing charges, therefore, for such services allowances must be made, it is believed, for these different forms of ownership.

EXHIBIT B10.

FINANCIAL JOURNALS AND OTHER FINANCIAL PUBLICATIONS HAVE STRONGLY URGED THE RATE ADVANCE.

[From the Capitalist, Boston, April 4, 1914.]

RESULTS FROM FIGHTING RAILROADS.

For years past there have been the warnings against the wild insanity of fighting the railroads. It was pointed out that as surely as two and two made four, the results must follow from the causes.

The railroad man had worked veritable miracles in building up and improving from the first crude ideas of the little carriages, with the strap-iron rails on wooden stringers to the splendid construction and equipment for freight and passenger service with the modern conveniences, and all at lower cost for the people.

To carry on the work of railroading and railroad development combinations of the original little lines were necessary and capitalization in amounts never before thought possible. But these big figures are something that small brains can not understand. Most men can count up to a thousand, but when it comes to millions and hundreds of millions the average mind is dazed.

When it is said that the capitalization (including bonds) of the railroads of the United States totals up to nearly $20,000,000,000, the amount seems so vast that the common understanding assumes there could be no limit to the paying out. Then come the demagogue politicians, yellow journals, the professors, and all who pander to ignorance, with the suggestion that as the railroads are so rich, why not soak them in every way possible?

Following this suggestion there has been a general onslaught against the railroads by Congress, State legislatures, city governments, town meetings, and in fact all kinds of Government officials from President down to constables. For the past 20 years hardly a single newspaper or a single officeseeker has dared to say a good word for the railroads or to advocate any measure that was supposed to favor the railroads.

It is one of the miracles of railroading that the railroad managers have been able to continue their progress in spite of the fact that the existing government, which was supposed to promote general welfare of all industries, including the railroads, was turned against them.

Could anything more vicious and destructive be imagined than the drastic way in which national and State railroad commissions, with a pretense of protecting the public interests, have absolutely taken the control of railroad management away from the owners, ordering vast expenditures, not warranted by the conditions, and cutting down the income by reducing the rates?

Well, the people are now getting the exact returns for their folly. The railroads have hoped against hope for returning reason, or at least lucid intervals in the official insanity, and have yielded when they should have fought, only to find that yielding encouraged more destructive attacks.

There is the mathematical certainty that percentage measure of gains or losses works exactly the same for big totals as for small amounts. A 10 per cent increase or decrease on $100 means only $10; but many do not realize that a 10 per cent reduction on $1,000,000 means $100,000. With a continued percentage of losses the billions disappear exactly the same as the hundreds. If the railroad investments of billions can not show a profit, the business must stop as surely and certainly as the business of a peanut stand with the same showing.

When the railroads protested that they were being plundered at both ends by forced increase of expenses, largely for labor, on one hand, and reduced rates on the other, the scoffing answer was that the railroads had billions and could stand it. But the billions are disappearing by percentage measures, and the values as represented by reduced dividend or nondividend paying stocks are decreasing.

Only one course remains for the railroads, since further investments which might bring increased business and increased income are practically prohibited by the commissions, even if the investors could be found. If the people, as represented by their officials, do not want railroad service and are not willing to pay for it, then the railroads must cut down the service.

Railroad enterprise has always aimed to provide facilities a little in advance of the actual demands, and have heretofore been warranted in this policy by the increased business developed for more income. But this policy has been practically condemned by the railroad commission destroyers, who have told the railroads that they should cut down their expenses or live within their income.

Well, this is just what the railroads have at last been forced to do. They can not cut wages or cost of equipment, so they must perforce reduce the service.

The Pennsylvania road is to drop 25,000 of its men, the New York Central system will do pretty much the same, and smaller roads will have to make corresponding reductions.

A New York Central official is reported as saying that falling off in the freight business had made it necessary to cut down the number of freight trains and drop hundreds of employees. "How far we must retrench we do not yet know; but it looks as if we shall have to slash tremendously if we are to keep from going heavily into debt."

The same story comes from all the roads, and is proved by the figures of receipts and expenses. It is the result that has come from stupid Government-official interference and their blundering idiocy. The railroads represent nearly 500,000 stockholders, who find their property confiscated without law, justice or reason by the Government they are taxed to support.

The policy of economy enforced on all the railroads means discharging employees. Usually the railroads employ about 1,700,000 men. A 15 per cent reduction therefore means 255,000 out of employment without earnings and a burden to be carried somehow by the other workers. The greater part of all the suffering from this condition is needless and due absolutely to the stupidity of official obstinacy and blundering.

The Roosevelt, "half savage, half child," with his Attorney General Bonaparte, led off in the war on the railroads and big business generally. Taft complacently followed with his insolent Wickersham, and President Wilson has his McReynolds, who is trying to outdo his predecessors in pulling down the "criminal rich."

And how have the common people, the wage earners, prospered under the progressive ideas which promised them so much of new freedom when the rich robbers were trimmed?

Go ask at the soup kitchens, the bread lines, the marching armies of unemployed, and at all places where men talk of business conditions.

The boy with the gun "didn't know it was loaded," but the results were none the less fatal for the victim.

What is the next great industry marked for destruction for the benefit of the dear common people and the increasing army of unemployed?

[From the Capitalist, Boston, April 4, 1914.]

BRANDEIS BENEFITS FOR SHIPPERS.

"And Satan came also." Attorney Brandeis is being paid by the Interstate Commerce Commission railroad destroyers to hunt up reasons—or rather excuses—for denying the 5 per cent advance in freight rates asked for by the railroads, and Brandeis is trying hard to earn his money as a good attorney should.

Brandeis has made a report that is a model in its way. He finds that the railroads have been trying to favor their customers at the big terminals by expediting deliveries with free services for unloading, lightering, warehouse accommodations, and sundry other practices which the saintly Brandeis says are dissipating revenues and wasting the income of the railroads.

He cites a number of examples which his Hawkshaw detective ability has discovered, showing how in some cases the estimated cost of such extra services was more than the total freight charges received. He particularly notes the methods of the Pennsylvania road which operates storage warehouses as subsidiary companies, and which allows a storage of four days with free deliveries to the consignees of package freight, while shippers of carload lots are ordinarily entitled to only two days free use of cars for unloading at their own expense.

Mr. Brandeis also reports that New York and Brooklyn are favored by getting free lighterage service at the same freight rates as for Jersey City and Weehawken, which rates, by the way, are fixed by the Interstate Commerce Commission rulings. "Why should the railroads throw away money for this extra service?" asks Mr. Brandeis, and while not specifically saying so, clearly gives the impression, from the columns of cases detailed, that if the railroads would collect for such extra service they would not need the 5 per cent increase asked for.

That is quite clever, but Brandeis evidently has some lingering qualms of conscience, for after detailing the cost for a certain shipment of 6,000 carloads of flour on which it was figured that there was nothing left for the road, he naively adds:

"Of course all transactions in New York are not as unprofitable as shipments of ex-lake flour, but they are similar in character."

Now suppose that we take the Brandeis report as he intends it should be taken, without the little obscure qualifying sentence. Suppose we admit that the railroads are giving too much free service at the terminals, what then?

The great and good, high-minded and altogether excellent Interstate Commerce Commission has as the reason for its existence the protection of shippers and consignees against railroad extortion, and Brandeis is paid to help them in the good work.

Now the brilliant Brandeis in his hatred of the railroads and his vengeful desire to slam them going and coming and on both sides, actually reports that the railroads are giving free service for the accommodation of the shippers.

According to the Brandeis double-barreled argument this must be a hundredfold worse than overcharging or the extortionate rates that the Interstate Commerce Commissioners are paid to prevent.

The railroads say they must have higher rates in order to exist.

The commissioners answer that the shippers must be protected whether the railroads exist or not. It is not their funeral.

Brandeis comes along with his plan for forcing the shippers to pay the extra cost for the terminal service now furnished free by the railroads.

Then, in the name of all that passes for common sense, where do the shippers get off?

Brandeis proves that in the cases cited the railroads get little or nothing for their freight service. If that is true, then the extra terminal service if discontinued must mean an increase of 100 per cent in the cost of the service for shippers or consignees.

The railroads ask for an increase of 5 per cent, and Brandeis, as the attorney for the commission proves (?) in the Brandeis way how the railroads can soak the shippers for 100 per cent. The wise commissioners must be so flabbergasted that they will have to take another year to figure out who Brandeis is working for or who is paying him for his last opinion.

But there you have a flashlight of the only Brandeis, his mentality, his ingenuous candor, his business acumen, his legal ability, and his common honesty.

Brandeis was more than anyone else responsible for the action of the commission in refusing the increase in rates previously asked for. He then had another kind of a fairy tale about the poor management and how a million a day could be saved in the railroad expenses by high-grade efficiency, the details of which he would not disclose.

The gullible commissioners acted on the Brandeis assumed wisdom, and the railroad conditions have been going from bad to worse ever since.

Now that Brandeis is not employed or self-appointed to represent any shippers' organizations, he turns his back on these interests and indicates how the railroads can make the shippers pay twice as much for the service.

Of course the proposals are thoroughly misleading, because only a few of the larger terminals would be affected. But Brandeis hopes that the railroads will jump at this chance and withdraw their request for the 5 per cent increase.

He assumes, also, that the railroad men lack sense enough to understand that changing their terminal service and doubling the cost would demoralize the whole system, and bring chaos or ruin to industries depending on the railroad service. He assumes further that the railroad men are silly enough to be hostile to mercantile interests on which the railroads depend for business and possible profit.

But there stands Brandeis, and there is the cold-blooded contribution for more railroad smashing and industry destroying.

—

[From the Capitalist, Boston, April 8, 1914. Reprint from American National Bank, San Francisco.]

GOVERNMENT REGULATING.

The measures now pending in Congress for the purpose of regulating commerce and trusts certainly offer little encouragement to business initiative. The prospect, for example, of an interstate trade commission, having "complete access to all records, minutes, accounts, books, and papers" of corporations doing an interstate business, is not looked upon with relish by men who might otherwise put their money into the formation of corporations—with a fair chance that subsequent legislation would give to this commission the power to fix prices of commodities. In fact, there is a widespread conviction among business men that the proper governmental function of regulating commerce comes, under modern interpretation, dangerously near being irresponsible management of other people's property Irresponsible, because the Government can not be held to account for the mistakes and losses due to the incompetence and poor judgment of its political appointees.

The railroads, and through them all lines of business, are suffering from this very condition. There is scarcely a railroad in the country whose earnings do not show a diminishing tendency because of increased costs of labor, materials, taxes, etc. While expenses are steadily rising, however, revenues are not, owing to the restriction that rates can not be changed without the consent of the Interstate Commerce Commission.

—

[From The Capitalist, Boston, April 18, 1914.]

SENATOR CUMMINS STILL FIGHTING RAILROADS.

Senator CUMMINS, of Iowa, was elected to the Senate of the United States as a Republican on a clearly defined platform of national issues.

Senator CUMMINS, however, wants to be considered progressive, which means taking up with all the fads and fancies leading up to the wild-eyed Socialist fanaticism of destroying capital and capitalists.

Senator CUMMINS is something of a Hawkshaw, the detective, for he finds out things and sees things that no one else would suspect. His latest exploit is to discover that there is a persistent and widespread campaign being carried on by the newspapers and magazines of the country to influence the public mind in favor of the railroad claims for an increase in freight rates.

But Senator CUMMINS knows a thing or two, and he asserts that the movers and managers of this vast campaign (whoever they are he does not hint) "are trying to mislead and pervert the judgment of the people. They are trying to deceive the country with exaggerated cries of suffering and distress in order to escape the control which experience has demonstrated should be imposed upon all corporations which undertake a public service.

Senator CUMMINS has much more of the same kind, showing lamentable misinformation or a perverse desire to make more trouble.

Senator CUMMINS knows that ever since the Roosevelt destroyer, with the aid of Democratic votes in Congress, succeeded in putting through his railroad-regulating measures, there has been a constant war on the railroads by the railroad commissioners, who usurped more and more authority for dictating and interfering.

In Congress to-day there is hardly a single individual who will dare to stand up and say anything in favor of railroads. It is the stock in trade of all the demagogues to slam the railroads at every opportunity, because the roads are supposed to be rich and all under the domination of that awful Wall Street.

Up to about two years ago there was hardly a publication of any kind in the United States that was not joining in the crazy chorus of damning the railroads. When Mr. Mellen, as president of the New Haven road, wanted to answer the pages of attacks on his management he had to pay for advertising space to publish his statements.

Now, because some publications are waking up to the disastrous results from railroad smashing, the smug Senator CUMMINS can see only the evidence of an extraordinary campaign for misleading the public by false pretenses.

The facts are, as Senator CUMMINS must know if he uses his powers of observation, that the 10 years' persecution of the railroads by all the powers of national and State Governments have resulted exactly as everyone with a knowledge of the conditions knew must be inevitable.

For the first time in the history of railroading in the United States there was a forced halting of progress. All investors and would-be investors in railroad property were warned in so many words that the Governments and the commissions recognized no rights for railroad owners that the Governments—national or State—were bound to respect.

At present the railroad officials are not free agents for managing the property of their stockholders in any particular except paying the bills. From issuing and selling stocks or bonds for capital needed for improvements or extensions for better service to making rates to provide income to cover expenses and give dividends, providing suitable rolling stock and road bed, signal systems, train loads, train crews, wages paid, and hours of service, down to brakemen and track walkers, there are special laws and commission regulations at every turn to hamper and obstruct all efforts for more efficient service.

For a time the railroad smashing was popular because lower rates and almost free service were promised. Then Government ownership was argued, which was taken to mean that if the railroads were owned by the people, of course the people would be free to use them without cost as free public highways.

Well, time brings its revenges. After 10 years of railroad smashing, where are the promised results?

The people are asking the questions, and what can Senator CUMMINS and his reforming destroyers answer? Instead of the great improvements shown during the preceding 40 years there has been a retrogression. Fast trains slowed down, other trains taken off, all expenses increased. Instead of planning and building for the future it is cutting down present service.

Senator CUMMINS says that the Interstate Commissioners will not be influenced by the extraordinary newspaper campaign; but he knows, and the commissioners know, for they give out the figures, that the forced increase in expenses without chance for increased income can mean nothing but bankruptcy for the railroads.

The people of the country are not all idiots though they may do idiotic things at election time. There are few so idiotic as not to know what the results must be from impairment or suspension of the railroad service. The extraordinary campaign, which Senator CUMMINS calls false pretenses, means that the people, the business interests, and the newspapers are waking up to the realities of the situation. They are realizing how they have been humbugged by the reformers.

It is the handwriting on the wall for the whole brood of pestiferous, self-canonized saints who have taken upon their shoulders the burden of instructing and regulating all business men and all business affairs. The ignorance, stupidity, and cheap demagogy of this style of reformers has been tried and found wanting.

Senator CUMMINS, like all of his kind of politicians, is 10 years behind the times. Railroad smashing won 10 years ago, so why should it not win now? But then there were promises, while now there are results; and it is a question of dollars and cents for all the people. The Roosevelt idea, as championed by Senator CUMMINS and magnified by President Wilson, to the effect that the common people and the management of all the great industrial activities of the country need guardianship and control by a lot of cheap political derelicts of the down-and-out grade, is proving to be a horrible example of misdirected zeal.

Senator CUMMINS said further:

"The railroad property devoted to the public service is more valuable at this moment than at any other moment since railroads began. We ought to understand that we are dealing with the most perfect and complete railroad system that this world has ever seen, prepared to render more and better service than it has ever rendered before, and all the declamations about railroads passing into decay and becoming unsafe or insufficient is the rankest, boldest nonsense."

Well said, and very good, and all true. But suppose that an Iowa legislature should order a gag padlock into the Senator's mouth and should confiscate his salary, what would be the effect on the usefulness of Mr. CUMMINS as a Senator?

If the railroads have shown the results as stated, why in the name of all that is honest, honorable, or sensible turn the whole control over to the self-confessed imbeciles of the Interstate Commerce Commission, who have to call on Attorney Brandeis for instructions as to the best way of beating the railroads?

For more than two years The Capitalist has been protesting against the insanity of railroad smashing, and was sneered at as being in the pay of the railroads. We simply maintained that two and two could not make six, and that results must follow from causes.

Now Senator CUMMINS finds an extraordinary campaign in newspapers and magazines, and with all his assurance he dare not intimate railroad influence because he knows that the railroad finances are in no condition to pay for such a campaign, even if the roads could come to an agreement and the publications could be bought over.

Politicians who fancy they are leaders can not understand popular movements. They fail to get the meaning of "weighed in the balance and found wanting." So Senator CUMMINS tries to support the Interstate Commerce Commission destroyers, who actually persuade themselves that smashing the railroads means benefit to all the people and all the industries that depend for existence on railroad service.

The prophet Daniel interpreted the additional writing to Belshazzar as meaning that "Thy kingdom shall be destroyed."

Would it not be well for Senator CUMMINS, President Wilson, and the Interstate Commerce Commissioners, all good politicians anxious to hold their jobs, to get some prophet Daniel (and it need not be much of a prophet) to interpret the meaning of the "extraordinary campaign" that Senator CUMMINS has discovered?

Senator CUMMINS should put his ear to the ground again, and by making another lightning change he may dodge the destruction that is coming for bogus reformers.

—

[From the Capitalist, Boston, April 25, 1914.]

HOW COMMISSIONS ARE RUINING THE RAILROADS.

The beauties of regulation of the great railroad industry, including the express company service, by a collection of experts (?) known as the Interstate Commerce Commission are well shown by a communication published in the Boston News Bureau.

It appears that a Boston merchant wrote to Chairman Clark of the commission saying that the responsibility for further delay in allowing the 5 per cent increase in freight rates asked for "is squarely up to the commission, and that they will be held to account for the disaster which is surely approaching, and which even now may be too late to avert."

Chairman Clark made a prompt reply, at length, telling of the great responsibility which rested on the commission and of the necessity of a thorough investigation to have the decision right. He said further that "we are not unaware of the propaganda which has been pursued to press us from as many quarters as possible to grant this increase."

Further he added: "Whatever the transportation charges may be, the consumers of the country in the end pay them, and we do not and can not lose sight of their interests." Then further:

"There is also an important far-reaching precedent involved. We are told, and without doubt correctly, that if this increase is granted it will be immediately followed by a like request from the railroads of the West and Southeast.

"About three years ago we considered a similar request from the railroads in the East and those in the West, and an accurate analysis of the financial conditions of the railroads, according to their own sworn reports, showed that there was not justification, and the railroad managers have frequently admitted since that time that they did not make a case that would justify granting the request."

It is stated that the Boston merchant took exceptions to the inference that his letter was the result of a "propaganda," and this called for a second reply from Chairman Clark, who, after explaining what he meant by the alleged propaganda, said:

"My attention has been called to a newspaper article a day or two since in which it was boldly stated that this question of increased rates had now been before the commission for two years. The facts are that the tariffs carrying the proposed increase of rates were filed with the commission to become effective November 15 last."

We may have been rather free in commenting on the bumptiousness and general slowness of the Interstate Commerce Commission, but we never put it quite as strong as Chairman Clark naively discloses.

The Capitalist, for one newspaper, said that this question of increased rates had been before the commission for two years, and Chairman Clark says that it was only since last November.

But he forgets or chooses to disremember his statement in the first letter, as quoted in the foregoing, that, "About three years ago we considered a similar request from the railroads of the East and those of the West." Hence the question has been before the commission for three years instead of two years.

What would you call that kind of thing? Is it prevaricating or equivocating or quibbling or a plain attempt at deceiving?

Of course, The Capitalist is not interested in this phase of the matter only in so far as the first-hand testimony as to the character and standing, the judicial pose and fairness of the chairman and his commission.

The letters in full give evidence of the open hostility of the commission against the railroads, with the pretense of devotion to the interests of the consumers. There is the narrow-minded bigotry which can not understand that the interests of the railroads, the shippers, and the consumers are identical.

How can railroads prosper if the wealth producing interests they serve can not or do not make the shipments? Conversely, how can the business interests prosper unless the railroads can furnish prompt and efficient service? The monumental obtuseness that could imagine a benefit to shippers or consumers from smashing railroads or forcing them to work at a loss is something appalling when the inevitable results are considered.

The Interstate Commerce Commission gives out figures from its own reports showing that the increased expenses of the railroads for increased wages, increased taxes and other items have cut down the margins for dividends, and in some cases caused deficits. What would any intelligent peanut peddler advise in such conditions except increasing the selling prices or the rates for more income?

But Chairman Clark, for his commission, says that:

"We have taken testimony almost continuously and we have had a large number of statistical and accounting employees at work analyzing, marshaling, and assembling the statistics and financial figures that have been filed in numerous and voluminous exhibits."

Here is more evidence of commission methods. Who pays for all these voluminous exhibits? Chairman Clark will answer that the railroads have to furnish them.

Does it cost the railroads anything? Well, rather. The New Haven road, for one, reports an increase in cost of accounting from $190,000 to $500,000 in 10 years to meet the demands of commissions. Multiply this by the number of other railroads and you get some idea of the benefits of commissions.

But who pays for it all? If the railroads do not go into the hands of receivers—and even if they do—these voluminous reports are part of the operating expenses, and, as Chairman Clark says: "The consumers of the country in the end pay them, and we do not and can not lose sight of their interests."

Oh, you dear consumers and lovely common people! How you would suffer if you did not have Chairman Clark and his commission to pile up the expenses and make you pay them! And this takes no account of all the State commissions, which must show their authority and pile on more expenses.

Chairman Clark and his Interstate Commission have set the pace by confiscating the whole express company business—that is, making rates which may or may not be ruinous. If ruinous, Chairman Clark will probably apologize and say "he didn't know it was loaded."

Merchants may lose millions because they can not get the goods they want for sale on time, but how can that interest Chairman Clark, who, as one of the rulers of the people, draws his salary from the enforced contributions of the common people as taxpayers? What are the common people for, anyway, except to jolly and make them pay?

When Chairman Clark and his commission succeed in bankrupting all the railroads of the country, as they are evidently trying to do, and destroying the railroad service, the dear common people may be content to go back to the good old ox-team service. But they may, on the other hand, rise up and send the whole industry-destroying outfit, including Chairman Clark and his commission, back to the bushes, where, with their wings clipped, they may be appreciated.

—

[From the Capitalist.]

SOME HOPE FOR THE RAILROADS.

Our legislators have been tobogganing on the down grade so long that it is a cheering indication to find a spasm of common sense. This indication comes from the United States Senate.

The New York World has been running a lot of sensational trash about the management of the New York & New Haven road, trying to make it appear that millions had been practically stolen by the directors. The chief criminal, it was clearly intimated, was the great banking house of J. P. Morgan & Co.

It appears also that a couple of western popeyed Senators read these charges and swallowed them whole, without taking the trouble to make inquiries or even to read the previously published reports. Naturally, the Senators were shocked and started in with blood-and-thunder denunciations to right the wrongs of the poor plundered New Englanders.

Senator Norris, of Nebraska, and Senator Clapp, of Minnesota, rushed to the front with resolutions calling for a special investigation and prosecution. The Attorney General was called upon to inform the Senate as to any agreements that had been made that might give immunity to officials or fiscal agents of the road from prosecution or bar suits for recovery to the stockholders for dissipation of New Haven funds.

The discussion on the resolution brought out some facts showing the gullibility of the heroic Senators. Senator Lodge, of Massachusetts, soon made it clear that the frenzy of the Senators was not warranted and that their championship was not needed, because it would only pile up more trouble for the road and the stockholders.

Senator Lodge further explained that as far as the purchase of the stock of the Boston & Maine road was concerned the transaction was lawful and authorized by special act of the Massachusetts Legislature. Also that there had been no decision or ruling of any court which would show that the purchase was in any way in conflict with the Sherman law.

It was also shown that the New Haven road had advanced large sums of money for improvements on the Boston & Maine and that much more was needed. Also that the onslaught of Government investigations had paralyzed the work and interfered with raising the money needed for finishing the improvements.

Senator Works, of California, remarked that he could not see what right the Government of the United States had to interfere with the question of trustees or management, and no other Senator could find a reason for such action.

Senator Norris read into the RECORD a telegram to him signed by William T. Haines, Mayor Curley of Boston, George P. Washburn, and others stating that 1,000 business men, representing boards of trade and chambers of commerce in New England, had assembled in Faneuil Hall, February 24, and enthusiastically indorsed the Clapp amendment.

It would appear from this that our enterprising Mayor Curley does not hesitate at exaggeration and that while working to bring industries to Boston he is willing to take a hand in railroad smashing to leave the industries without service.

Senator Lippitt quoted from Commissioner Prouty's report the opinion that the first remedy needed was "rest and opportunity for constructive work. There was much truth in the claims of the railroad management that they have been so much occupied with investigations that they have been given no fair opportunity for the operation of their properties."

—

And if anybody should ask you about the New England roads you can say with truth that they are doing the best they can under the burden of Government official prosecutions and persecutions.

Finally Senator Reed, of Missouri, Democrat, followed with a speech in which he denounced the resolution as ineffective and impertinent. If the Attorney General had power to act, he said, the Senate had no right to interfere with him. If he did not have the power his action could bind no one. The proposed action was therefore "pestiferous interference."

Senator Works moved to table the resolution, which was done by a vote of 33 to 23, and ended the farce.

It looks a little as though the tide had turned and that the flood of vicious vituperating and blackmailing had spent its force.

—

[Ticker of New York News Bureau, Apr. 6 1914.]

LOSSES IN VALUE OF RAILROAD SECURITIES.

Newman Erb to-day issued the following statement:

"Any great catastrophe that would wipe out the assessed valuation of the property of a single State would shock humanity the world over, and yet, the shrinkage in market value of railroad securities since 1906, when the Interstate Commerce Commission was vested with authority to fix dates, aggregates now upward of $3,000,000,000, an amount greater than the assessed valuation of real and personal property, including public service corporations, in the States of Mississippi, Alabama, Louisiana, Florida, Georgia, and South Carolina combined; more than the assessed valuation of all kinds of property within the States of Minnesota, North Dakota, and South Dakota, and greater than the assessed valuation of all forms of property in the States of Montana, Nebraska, Nevada, New Mexico, Utah, Wyoming, Idaho, and Colorado combined. This almost unthinkable loss has fallen upon investors, principally of this country, and the public fails to realize its important bearing upon our prosperity and further progress.

"The loss in the aggregate exceeds the entire circulating medium in gold and currency of the country. If distributed it would amount to more than $30 per capita of our population. A loss so enormous must necessarily be world-wide in its effect, and we must not expect to recover from its serious influence for years to come.

UPTOWN SENTIMENT.

"With the European markets closed and with a considerable number of local interests out of town, it was assumed this morning that tradings on the Stock Exchange would be on a very small scale, and almost entirely professional. Some members who were opposed to closing on Saturday suggested the possibility of developments that would bring about considerable activity during the two hours' session. Inasmuch as nothing out of the ordinary happened over the holiday, a continuance of the recent lack of interest in the speculative market is predicted. Those who are most disturbed because of this condition admit their inability to predict anything except the granting of an increase in freight rates that would lift the market out of its present period of lethargy.

"It is taken for granted that from now on special attention will be given to the agriculture outlook. Holders of railroad securities were cheered by the report this morning that the low temperatures had not done special damage to the winter wheat in the southwest. It is expected, however, that in some sections of the south the fruit crop has been hurt considerably. Those who are particularly interested in the crops yet to be put in the ground are attaching great importance to the unusual amount of moisture and the large acreage that was plowed last fall.

"The decrease in the unfilled orders of the United States Steel Corporation did not cause special surprise."

EXHIBIT B11.

FINANCIAL MARKET LETTERS, REVIEWS, AND FORECASTS.

Bankers and stock brokers have flooded their publications with statements, arguments, and statistics looking toward a rate advance. These printed letters, reviews, and reports have been mailed to the Interstate Commerce Commission and to the individual members at their residences to make sure apparently that they would be taken notice of and digested. Following are some typical examples:

[From the Bache Review, November 15, 1913.]

ADDED RAILROAD BURDENS—STOCKHOLDERS SHOULD ACT—MEXICO—THE GERMAN GOVERNMENT AND GERMAN BUSINESS—CURRENCY DISCUSSIONS—DEBTS AND THE COURSE OF COMMODITY PRICES—THE SITUATION.

ADDED RAILROAD BURDENS.

The arbitration board's award of an increase of 7 per cent in the wages of trainmen and conductors on the eastern railroads will add to

the expenses of these roads about $6,000,000 per annum. The amount asked for would have amounted to $18,000,000. The workers also asked for overtime pay at the rate of time and a half and double time for work on trains hauled by two or more engines. These latter requests were denied. Adding the $4,000,000 increase, which it is estimated the railroads will have to pay out in keeping full crews under recent State laws, there is added to their yearly expenses $10,000,000. Nearly 100,000 trainmen and conductors will divide up the $6,000,000 award—$60 each, or $5 per month extra—with over a month's back pay, as the award is effective from October 1. No one should envy them the pleasure they feel at receiving this advance. The award is probably just, as far as the men are concerned, however grinding upon the roads further burdens of expenditures may be.

The arbitration board had, of course, no control over freight and passenger rates, but in its report it presents an argument for increase. It says:

"At the present time a ton of freight is moved in the eastern territory more than 3 miles for the value of a 2-cent postage stamp. This is the cheapest railroad service to the shipper to be found on the face of the globe. In the face of such a fact it would be unjust to say that railroad employees must continue to be satisfied only with what can be paid from freight rates as low as this."

It also takes occasion to emphasize the necessity for increased safety, steel cars, etc., and says:

"This board wishes to call the attention of the country to its belief that railroad accidents can be reduced almost precisely in proportion to the modernizing of the railroads and the improvement in their equipment. * * * All of these things cost in the aggregate an immense sum of money. Any policy that would make it impossible for the railroads to command this money would be a profound misfortune to the whole Nation."

That policy exists and is operative. The railroads can not command this money while their credit is restricted by unjustly low charges for their services.

In view of the prospect of these increased expenses, the stock market broke several points on Monday, and the eastern roads affected showed marked effect in quotations. On that day Baltimore & Ohio could have been bought for 91, Pennsylvania for 107, New York Central for 94, New Haven for 77⅜, Chesapeake & Ohio for 55½, and Reading for 156¾. Sympathetically the western and southern roads declined—Southern Pacific to 83 and St. Paul to 96¾, etc.

STOCKHOLDERS SHOULD ACT.

Railroad stockholders have not yet organized. They should do so and bring their influence to bear upon the Interstate Commerce Commission. In the aggregate they are a great army, and their political influence would be paramount. Howard Elliott says:

"There is one force that has not yet been used to protect the railroads of the country, and that is the force of the stockholder. He has apparently been rather quiet, but his property is now being threatened, and he ought to take action and use his influence to show his member of the legislature, his Senator, his Representative, his governor, his railroad commission, that rate reduction has gone too far."

The suggestion of the arbitration board virtually, that the control of wages should be in the power of the same board which controls rates, is a logical one. One arbitration board after another increases the burdens of the railroads, while the Interstate Commerce Commission refuses to advance, and frequently reduces, their source of income. One board should have both problems to meet, as one is directly related to the other. As matters stand now, the railroads are being ground between the upper and nether millstones.

THE GERMAN GOVERNMENT AND GERMAN BUSINESS.

The attitude in the United States toward big business is the wonder of the world. One of our partners, who has recently returned from abroad, tells of conversations with prominent Germans, who expressed amazement that a country with resources like the United States and with every reason for the greatest prosperity, should have its great industries under constant attack from its legislators. In Germany, they said, everything possible to encourage business, great and small, is done by the lawmakers, and the Government itself is widely interested in industrial operations. A man of importance in the Government stated that in an interview with the Kaiser, which lasted over an hour, the one subject discussed was business and business interests, and the Kaiser would talk about nothing else. Germany has made greater industrial strides in the last 10 or 20 years than any other country in the world, and this is largely due to the substantial and helpful encouragement of their Government, which has done everything to keep its working class employed and to advance Germany industrially. In some cases, when the administration has seen it to be to the interest of the people and the country, the Government becomes a partner in the enterprise.

In this country politicians sit up nights to devise schemes to harass the railroads and to hamper successful business. The greatest industrial corporation in the world is under prosecution and every stone is being turned by the Department of Justice to obtain evidence against it which will aid in destroying its corporate existence. And yet the Steel Corporation has to its credit an undeniable record for encouraging trade conditions, has not arbitrarily shut out competition, and has done more, probably, than any other great American business organization to favor workmen's compensations and old-age pensions, to install safety devices, and otherwise to better the condition of its employees.

Five hundred representative citizens of Wheeling, W. Va., bankers, business men, professional men, and iron and steel workers, at a mass meeting this week, memorialized the Department of Justice in protest against the dissolution of the Steel Trust. If business declines materially here, and with lowering prices come lowering wages, vast numbers out of employment, and finally hard times, we shall have protests of this kind all over the country. And they will be indignant protests, filled with maledictions. Because there is no excuse for hard times in the great United States, overflowing with resources. If hard times come they will have been brought on, first, by railroad bankruptcies due to the Interstate Commerce Commission's obstinate refusal to raise rates, which has been operating adversely since 1910 and is mainly the reason why we are not now in this country unusually prosperous; and, second, by the destructive campaign of politicians against business, which has been going on for some years and which shows as yet no signs of abating.

When the workmen of America begin to feel, as they will then, the point of the knife which is being thrust into the great business body, they will rise in sullen hostility against the legislative class, which for its own selfish ends has pursued business destructively so many years.

CURRENCY DISCUSSIONS.

It was rather a superficial argument, that of Senator OWEN at the Economic Club, against this country's adopting a central bank, which had been proven by the experience and history of the whole world to be the better form. He said that while Germany had a central bank and France and England, nevertheless these were small countries, whose areas would not more than cover one of our large States; that this was a great country extending 3,000 miles across, and that, consequently, it needed divided responsibilities to meet divergent business tastes. Some one at the Economic Club dinner is said at this juncture to have asked in a low tone, "How about the Supreme Court?"—which is quite apropos. A central banking power, with branches everywhere, would fully meet the needs of the largest country in the world—much more efficiently, in fact, than a number of scattered controls; and the larger the area the greater the need in banking of unassailable strength at some head center.

Representative GLASS is a very interesting talker and his arguments the same evening were quite ingenious, but many of his premises were wrong and it is easy to reach the conclusion one wants under such circumstances.

The good work of the Senate committee in changing the House bill for the better, so suddenly halted by threat of a caucus, will not be entirely lost, as the committee is to send in two reports, and that of the Democratic side will include at least some of the improvements adopted by the committee during its enlightened progress previous to the split.

DEBTS AND THE COURSE OF COMMODITY PRICES.

The governments of the world owe $42,000,000,000. Their debts have doubled in 40 years and have increased 20 per cent in the last 10. A financial writer abroad says:

"What we are suffering from is too rapid destruction of goods—by war and by extravagance, national and individual. Debts are thereby created faster than new capital accumulates and the result is that never-ending depreciation in existing securities which puzzles and disconcerts the investor and keeps him out of the markets. When will it come to an end? Nobody can tell, only that a fall in the value of money would turn the current."

Sir George Paish thinks that the big rise in the last 20 years has helped the farmer, but not the wage earner. He looks now for a fall in prices which will reverse these benefits. He says that "many countries are experiencing great difficulty in satisfying their need for capital and very little new work is being undertaken anywhere in the world. This means that for a time, at any rate, the demand for goods and the consumption of many countries will be reduced, and there is a probability that the supply of goods will be in excess of the demand. The price of commodities will fall therefore.

"It is, however, highly improbable that prices will fall to anything like the level they reached in the nineties.

"As far as can be seen the reaction in the world's trade will be a moderate one, and the great accumulation of gold which will probably result will soon tend to restore confidence and make for expansion in trade and consumption after a relatively short period of rest and recuperation."

THE SITUATION.

The Bank of England's statement shows up stronger than ever and there is now no expectation of the rate there being raised above 5 per cent. The Bank of France shows an increasingly strong report for the week and the German position is heavily fortified. Toward the end of the year, and after December 1 is passed, money should work visibly easier. The demand for steel is declining, and in Pittsburgh men are being laid off by hundreds. The business recession is on its way. The disposition of the independents is to reduce pay, but the Steel Corporation does not favor any cut in wages. Railroad purchases are limited, as they must necessarily be, and labor is already beginning to feel the adverse influence of the stubborn refusal to advance freight rates.

As affecting the securities market important problems like the Mexican situation, the currency bill, and the effect of the tariff, have yet to be solved, and above all, the scarcity of capital throughout the world is keeping the investment movement down. All this will probably work for a continuation of an irregular market, in which we may get some sharp dips. Irrespective of this, however, prices are now very low, and we believe each of the problems mentioned is working toward favorable solution.

Accordingly, for investment, we advise buying of carefully selected securities at the present time to the extent of a part of what it is intended to finally purchase.

J. S. BACHE & Co.

—

[From the Bache Review, April 4, 1914.]

THE TOLLS CONTEST—RATE PROGRESS—THE RIGHTS OF PREFERRED STOCK—RESERVE BANKS—THE MARKET—LOCATION OF RESERVE BANKS AND BOUNDARIES OF THE DISTRICTS.

THE TOLLS CONTEST.

The success of President Wilson in carrying through the repeal of the toll bill as far as he has, marks perhaps high water thus far in the record of his achievements as Chief Executive of the Nation. The question was one which was buried in a fog of misrepresentation, and had been given, perhaps, little study by the great mass of American citizens. Consequently, the pettifogging appeals to patriotism found the minds of the people befogged and unsettled. There has never been any question about what was the right thing to do. Every consideration of national honor, and of national honesty, was on the side of living up to the letter of the treaty. President Wilson had an exceedingly difficult situation to deal with. With the weight of the Presidency upon him, his mind turned with unprejudiced view to the rights in the matter. He saw at once that there was nothing to do except to repeal the exemption. It was a peculiarly difficult situation, because the Democratic platform had been "landed" with a thoughtless voicing of what was supposed to be a popular call for the provision. He had also to face his preelection speeches of commendation of the measure. These were composed under the hurried pressure of a hot campaign. He did not hesitate when the course became clear to him to ignore both of these obstacles, and to advocate what maturer consideration made him believe to be right. That the country is with the President is shown by the passage of the bill through the House. The Senate will now take up its consideration with perhaps more deliberation, but with, it appears, and it is to be hoped, the same result.

It may do no harm now to repeat the words of the treaty, which are contained in five lines, and are direct and unmistakable. They are as follows:

"The canal shall be free and open to the vessels of commerce and war of all nations observing these rules, on terms of entire equality, so that there shall be no discrimination against any nation or its citizens or subjects in respect of the conditions or charges of traffic or otherwise. Such charges shall be just and equitable."

The United States has never before violated treaty obligations, and the repeal will help to restore us to a position where, as has heretofore been the case, the faith of other nations in our integrity will be absolute.

RATE PROGRESS.

The New York World says: "The commission could decide a case of rate reduction in 30 days. It is ridiculous to suppose that over 7 months, as now, are needed to dispose of a case of rate increase one way or the other. Government fixing of railroad rates through such a body can stand much, but it can not stand in each case, being made worse than a tariff bill in its repression of industrial activity. What the commission has been engaged upon is a diagnosis, but a diagnosis may easily be prolonged until it becomes of necessity an *inquest*."

The Interstate Commerce Commission's somewhat sudden readiness to hear the carrier's representatives can not be dismissed without the thought that they must appreciate the gravity of the general situation. The carriers have had the burden of proof on them; there is practically no dispute regarding the validity of the case as they have presented it. The increase will probably be granted in some shape, but it does not look as though the advance would be strictly horizontal, but would vary in the order of demonstrated necessity. The personnel of the Interstate Commerce Commission may be changed by the appointment of Mr. Winthrop M. Daniels as a member whose name is now before the Senate for confirmation, but the opposition of Senators LA FOLLETTE, CUMMINGS, and BRISTOW is illuminating at this juncture, because it is based upon criticism of Mr. Daniels' utterances regarding the basis of valuation of railroad properties. In a way the objections urged will indicate in a measure the sentiment in the Senate on the process of valuation. If Mr. Daniels' nomination is confirmed, it will mean substantially that a majority in the Senate does not favor the physical basis as the correct one upon which adequately to predicate railroad values.

—

[From the Bache Review, April 25, 1914.]

CAUSES OF TRADE DEPRESSION.

The events pertaining to Mexico and the decisive action at Vera Cruz have drawn attention temporarily from our own internal situation, but the Mexican entanglement, except from the humanitarian standpoint and considered only from the economic side, as far as its results can be measured, is of less importance than the distressing situation of the railroad industry. The Interstate Commerce Commission has unnecessarily spent many months deliberating whether or not to make a small increase in freight rates, and while its cogitations have produced no beneficial result, the situation of the railroads as a whole has been drifting nearer to bankruptcy for some of the roads and depression for the whole country. It is true that the condition in the steel trade indicates that an overcapacity for the manufacture of pig iron has been developing in the last year or two, and that with the present demand or lack of it this overcapacity was bound to bring reversal of prosperous conditions in the iron and steel business. The production of pig iron in the latter months of last year reached the highest figure on record, and with the railroad market practically wiped out, the natural result is following. Iron is selling below cost, and this state of things will probably continue for some time, until furnace after furnace is blown out and production once more dips to the level of demand. This may take many months, and inasmuch as the Interstate Commerce Commission's action now has been too long delayed, may take some years. In the meantime men are being discharged and the army of unemployed is growing daily. This in itself cuts down the volume of consumption and will tend to curtail all trade. While primarily this setback in business may be laid to overextension in creating iron-making capacity, its severity could have been materially lessened and possibly the whole reaction tided over if the Interstate Commerce Commission had done its plain business duty in December, when the rate hearings were over with, by raising rates and correcting any excesses thereafter, because, as has been repeatedly said, it is to the benefit of the country, and not against its best interests, to have the railroads earning large surplus amounts, which can be used in lean years for a continuation of extensions and betterments. The verity of these statements will impress itself upon business people throughout the country as time goes on, and the ill effects of the commission's action become more and more evident. In the meantime, harassed by unprofitable results in their own business, the thinking part of the country is beginning to criticize political agitation against business, and the Members of Congress are getting evidence of this from time to time.

DISCONTENT WITH POLITICS.

There is coming to be a more bitter feeling against the political control, and criticism of the legislative endeavor to harass business with further trust legislation. The effect of tariff changes, too, is being watched with considerable solicitude and any unfavorable results here would be visited upon the administration. The great good done by President Wilson in forcing through a sound banking law is being temporarily discredited by the unfortunate action of the organization board in its partition of the reserve districts, which is coming more and more to be recognized as political and not good business, as we indicated when the decision was first announced. The effects of this action, arbitrarily forcing out of place established banking channels, will find its sequence in considerable discomfort in the conduct of the banking business of the country; and while no permanent harm will follow, because the laws of trade are eminently powerful and the operations will push their way through artificial obstructions, it is still a pity that so brilliant an outlook should be marred at the start by any error of this character.

The New York Times says that the Adams Express Co. is reported to be ready to discontinue its express operations the moment it is found that under the Federal reduction in rates and the parcel-post competition the business does not pay. The Interstate Commerce Commission will then have the credit of abolishing still further facilities for business operations.

The results upon the business of the country of the operations of the Interstate Commerce Commission are demonstrating that commissions must be made up of the highest grade material, expert and efficient in the business which is intended to be controlled, or that otherwise their blundering progress will cost the country millions in money and years of depression. As it has seemed impossible thus far to have commissions appointed of this character, it would seem better if the creation of any new bodies of this kind, like the trade commission, be postponed indefinitely.

EFFECT ON LABOR.

The long-deferred liquidation of labor is now taking place, not through reduction of wages, which is the usual method, but by reduction in number of employees, making it necessary for those still holding places to do all the work. Efficiency is thus increased and an economic result is reached, the same as if wages had been reduced and the larger force retained. While other things have been liquidating in the last few years, labor has never permitted itself to take part in this by reduction of wages, but on the contrary, wherever possible, as with the railroads, has insisted even on increases. But the laws of trade are immutable and have forced the result in another way. The fact that so many are out of work has inclined those still in place to vigorously exert themselves in order to hold their positions—something that labor refuses to do in prosperous times.

A continuation, however, of the present depressed trade conditions will bring about general reduction of wages throughout the country.

The labor leaders should make an investigation of the acts of the Interstate Commerce Commission and conditions brought about thereby as they are affecting and will still further affect labor and its employment. In February the gross earnings of all the larger roads reporting to the commission fell off $22,054,000, compared with February a year ago, and the net fell off $20,275,000. Net earnings for the eight months of the current fiscal year to March 1 dropped $97,386,000.

POWERS OF THE COMMISSION SHOULD BE RESTRICTED.

This loss of nearly a hundred millions in a few months in the greatest business in the country, upon the success of which more than any other, except agriculture, all prosperity depends, should receive the thoughtful consideration of everyone. The effect upon the whole country is stunning and is proving disastrous. Let it be further reflected that the terrible responsibility for this situation rests upon a small board at Washington, composed of politicians or men inexperienced in railroading, whose failure to act is the direct cause of the railroad predicament.

Let us suppose that a commission could thus control the welfare or destruction of the great industry of agriculture. The situation would not be allowed to exist for a moment.

The fact is that too much power has been granted the Interstate Commerce Commission in allowing them to arbitrarily control rates.

Since they were accorded this power in 1906, and more especially since 1910, when the injunction against a 10 per cent raise was issued, the railroads, as a whole, have been almost steadily going backward, with resulting bad times throughout the country. The commission should be divested of this unrestricted power, and for the protection of owners of railroad property a nonpolitical advisory board appointed to hear appeals and render prompt decisions. In addition, some of the present board should be replaced by experienced business men.

All this would go far toward restoring confidence in railroad investments.

—

MIDDENDORF, WILLIAMS & CO. (INC.),
Baltimore, Md., April 4, 1914.

SENTIMENT IS MORE HOPEFUL.

Sentiment in business and financial circles was buoyed this week by the decision of the Interstate Commerce Commission to drop all other matters and concentrate its work on hearing the railroad freight case. There is no question that a crisis has been reached in the affairs of the carriers and quick action is required to avert serious consequences. Every day adds testimony to the need of the railroads for more revenues. The belief is growing that the advance in rates asked will be granted, and granted, too, without any further unreasonable delay.

DANIEL WILLARD SIZED SITUATION CORRECTLY.

As Daniel Willard, president of the Baltimore & Ohio Railroad, pointed out in his statement to the commission, the 1910 argument in favor of higher rates was based upon tendencies which were then clearly manifesting themselves, while to-day the demand for higher rates is based upon those same tendencies reduced to cold facts. So sure is it that relief will be granted that the financial community is considering scarcely at all the possibility of a refusal of the rate increase, or of the granting of only a disappointingly small part of the 5 per cent for which the railroads have asked.

RAILROADS FORCED TO CUT DOWN EXPENSES.

A study of recent earning statements, and particularly of those which have most lately come to hand removes all reasonable doubt that the railroads were under necessity to cut down their expenses. Unfortunately, this involves hardship upon a great many, and upon many, too, other than those most directly affected, for along with the laying off of men goes a reduction in the amount of supplies purchased by the railways.

The showing of the New York Central made public this week was one of the most disappointing in many years. The gross earnings for February showed a decrease of 14 per cent as compared with the same month of last year, while the net earnings showed the startling shrinkage of 82 per cent. Operating expenses reached the astonishing ratio of 86 per cent. Unless conditions improve, the outlook for the dividend is rather unfavorable, but there is a very general impression in financial circles that the railroad situation has reached its most acute stage, and the dispatches from Washington apparently confirm the belief that relief will be afforded in a substantial way before the end of the present quarter. The discouraging earnings statements for February, following on the heels of the announcement of drastic economies put in force, have disturbed business men in all lines of trade. When pay rolls shrink, the stores, next to the workers and their families, are the most immediate sufferers.

FUTURE PRESENTS MORE FAVORABLE PICTURE.

Taking a long-range view of the situation, a more favorable picture is presented, assuming, of course, the rate increase is granted. The belief that a part, perhaps a large part, of the retrenchment which the railroads are now engaged in would not have been necessary if they had some months ago been allowed an increase in rates adds very materially to the grounds for regretting the long delay which has attended the effort of the railroads to restore equilibrium in their accounts through an advance in rates.

DELAY IN FREIGHT-RATE DECISION BRINGING US NEAR A CRISIS—NOT PANIC OR STAGNATION, BUT GENERAL SLOWING DOWN ALL ALONG THE LINE FOR LACK OF IMPETUS AND A GROWING WANT OF CONFIDENCE.

UNDERLYING CONDITIONS NOT BAD.

With so much depending on the forthcoming rate decision of the Interstate Commerce Commission, it is to little purpose to urge upon investors specific issues at this time. Everyone believes, we think, that underlying conditions are sound. Nearly everyone is convinced by this time, we think, that the low tariff is not going to bring about business stagnation. In much the same way practically everyone is convinced that for the next few years, anyway, tight money is a thing we will not have to reckon with, for whatever may be the final working out of the new currency bill, it should make funds plentiful for the first few years of its operation.

DELAY BRINGING US NEAR A CRISIS.

But investors are not disposed to give much thought to these facts at this time. They do not care to look beyond the freight-rate decision, and they choose to neglect the strong points in the situation because of the dominating influence of this question. We do not wish to minimize it, for it is a big question, a big vital question, and the delay in solution has brought the country very close to a crisis. When we say crisis we do not mean in any sense of the word panic or stagnation. But we do mean a crisis in which things in general are coming to a standstill for lack of impetus and for lack of confidence, for, after all, confidence is at the bottom of everything and begets impetus.

PRESIDENT WILLARD'S DEFINITION OF A CRISIS.

Possibly it would be better to quote from the testimony before the Interstate Commerce Commission on Tuesday in order to show just what we mean by crisis. President Willard, of the Baltimore & Ohio, was on the stand, and he was asked whether he agreed with Mr. Clifford Thorne that there was no crisis in railroad affairs. Mr. Willard, with due deliberation, replied:

"I must first define what I believe a crisis to be. I should consider a crisis to exist if the carriers no longer earned a return on additional capital invested, and therefore found no longer any incentive to raise new capital to handle the business offered. It has been found necessary for the Baltimore & Ohio to spend $15,000,000 or $20,000,000 a year to provide facilities to take care of the traffic.

"If conditions should now make it unattractive or unwise to put additional money into the property, place additional facilities at the disposal of the people along the lines of the Baltimore & Ohio and the public should be deprived of needed facilities, I should say that was a crisis for the people who look to the Baltimore & Ohio to handle their traffic.

"Again, I should say a crisis was approaching when net earnings from railroad operation were so small that the ability of the companies to continue to maintain fair returns upon the properties jeopardize the future of railroad securities.

"Those who hold our securities would certainly consider that a crisis. It would also be a crisis for workingmen to be deprived of their positions, not because of the lack of need of their services, but because of employers' inability to pay.

"As I conceive it, all these conditions of crisis, or approaching crisis, are at hand in full measure to-day. Three years ago, we based our application on what we considered to be a tendency. To-day it is not a question of tendency, but a question of fact."

IF RAILROADS DO NOT GO FORWARD, THEY MUST GO BACK.

This is very brief, clear, and to the point. Mr. Willard did not use a lot of words to conceal his thoughts, which with a great many people is the chief use of words. He made a simple statement that the railroad business has come to that point where it is unattractive to new capital. Yet if we look facts squarely in the face, without new capital the railroads are helpless for reason that the railroad business in this country is still a constructive business; and if the country is to be developed as it should be developed, the great systems must spend millions each year to keep pace with the territory it serves. If the railroads were to stand still, be content with their present mileage and their present equipment and their present terminals and their present facilities, make no effort whatsoever to add to their mileage or their equipment, the result would be a slow, steady stagnation, and the country would stagnate more or less with them, for when all is said and done the great red-blooded arteries of our national system are the railroads.

A PARALLEL IN ORDINARY BUSINESS.

The railroads are up against very much the same thing that an ordinary business is up against in a like situation. We will take for instance the case of a mill or a combination of mills doing a vast interstate business in a certain manufactured article. The profits are good, and each time the mill wishes to make an extension new capital is forthcoming. But one day it so happens that the National Government steps in and prohibits any further increase in the price of the article. Well and good for the time being. The company is making a satisfactory profit and is content. But by and by wages work to a higher level in the factory, materials and supplies of all kinds work higher; the price of the selling product is the only thing that fails to go up. And, too, by and by the country needs more and more of this manufactured article and clamors for it, needs it; the factory can do no more with its present equipment and so the country can not have more. If the demand is there, why not get in fresh capital and build extensions, one naturally asks. Just there is the problem, and the same problem is the problem of the railroads to-day.

CRISIS NOT OF PANIC BUT OF STAGNATION.

The public is demanding better service all the while, more adequate facilities, better equipment, greater efficiency; all this requires expenditure of new capital and where is the capital coming from with the Interstate Commerce Commission sitting on the lid and refusing to allow the prices of the commodity that the railroads have to sell to go up as wages and material costs and everything else have gone up. This is the kind of crisis which Mr. Willard has in mind, a crisis not of panic but of stagnation. For it is the law of progress that nothing but inert, dead matter can stand still; there must be progress or there must be decay.

BONDS MUST INEVITABLY SELL ON HIGHER LEVEL.

While, as we have said, investors are not disposed at this time to enter the market, preferring to hold back until the Interstate Commerce Commission gives its final decision, at the same time we feel that we should continue to urge upon investors high-grade bonds at present prices. If we reason aright, bonds must inevitably go up, it matters not which way the cat jumps. We know that we have a currency bill, and we know the currency bill will make for low money rates. If the railroads do not get their rate increase, then general business will be hopelessly bad and funds will turn largely to the high-grade bonds which in the opinion of investors can weather virtually any storm. Should the rate increase be granted in its entirety, bonds will naturally benefit from the widespread impetus given to investment, for it can not be denied that the investment public has held aloof for some time past awaiting a return of confidence. If the rate increase is not granted, they will turn to bonds because they promise best for hard times; on the other hand, if the increase is granted, there will be heavy buying of bonds on the theory that with good times in sight and low interest rates in sight under the currency bill, bonds must necessarily sell higher in order to be on a fair parity with interest rates.

ATTRACTIVENESS OF CONVERTIBLES.

We also feel that we should continue to direct attention of investors to the convertible issues for reason that they, too, must necessarily fare well in either event, though naturally they would fare best if the rate increase were granted, for in that event, if shares make a sudden advance the convertibles would give a call on shares at a certain price thus protecting the investor against a rising market and giving him an adequate interest return on his investment at one and the same time.

—

MIDDENDORF, WILLIAMS & CO. (INC.),
Baltimore, Md., April 18, 1914.

INVESTMENT SECURITIES.

HARMFUL POLICY OF I. C. C.

Inability of the railroads to earn a fair return on the money invested in them and the dilatory policy of the Interstate Commerce Commission in deciding whether the railroads are to continue to be thus handicapped, or be permitted to increase their revenue through an advance in freight rates, overshadow everything else in fianance and business.

VARIOUS EXCUSES FOR DELAY.

The commission has seized first upon one excuse and then another to delay deciding this question, which means so much to the prosperity of the country, and the result is that the carriers are confronted with the most serious situation for many years, and progress in other directions is halted. And the worst feature of this disagreeable situation is that the commission is not consistent. It runs away from its own rulings, and confidence in the fairness of this semi-judicial body is being weakened every day.

YEARS IN DECIDING THE QUESTION.

The question of an advance in freight rates has been before the Interstate Commerce Commission in one form or another for several years. A mass of testimony pro and con has been submitted, and if the commission is unable to arrive at a decision on the data filed with it it is difficult to see how further testimony will enlighten it. The public has become sick and tired of the whole business and now demands action. If the commission doubts that its policy of delay is working havoc on interests other than the carriers, then it is because that august body is not as well informed on conditions in the business world as are the masses of the people.

ARMY OF UNEMPLOYED TELLS THE STORY.

Output of the steel industry is smaller than it has been at any time for several years. The army of unemployed is large and increasing. Industries allied with steel and iron are sending up loud complaints. And why all this unsettlement in business and railroad circles? The failure of the Interstate Commerce Commission to grant relief to the railroads which would enable them to raise additional capital to be used in increasing facilities. The railroads are out of the market for material, not because they do not need rails, cars, engines, etc., but because they are not in position to equip themselves as they should be equipped because their credit has become impaired, and their credit has become impaired because they have been used as footballs by designing politicians, labor agitators, and the Interstate Commerce Commission itself.

CHANGE WILL COME SOME DAY.

Some day the people will realize that the railroads are real factors in promoting material prosperity and will demand fair play for them. Some authorities hold to the view that the commission has been so long in deciding whether or not railroads shall advance freight rates that even if a favorable decision is handed down within six weeks the good effect will have been largely minimized. We do not subscribe to this view; on the contrary, we believe that if the full advance asked is granted the effect will be very beneficial and will quickly start the wheels of progress.

WAR SCARE FELL FLAT.

The attempt to work up a war scare on account of the tension in our relations with Mexico—a crisis now happily averted by Huerta coming off his lofty perch and agreeing to the demands of the American administration that the United States flag be saluted as reparation for repeated indignities—proved a flat failure. As a matter of fact, the Mexican situation was a negligible factor in the movements of values. The Wall Street market displayed a great deal of resiliency after each sharp attack by the raiders.

London, which had previously been very much more sensitive to Mexican developments than the New York market, was unaffected by the Tampico incident. Wall Street had expected that it would sell stocks freely, but there was practically no liquidation for the Lombard Street account.

SALE OF NEW YORK CITY BONDS.

While there was some disappointment in investment circles because the number of bids in the city of New York bond sale was less than half of that of a year ago, much satisfaction was expressed over the high average price, and the offering was generally voted a success. It was admitted that many prospective bidders had been deterred by the rather ominous character of the Mexican developments on Tuesday from sending in their subscriptions. It was said that at least two syndicates that had intended to apply for a large amount of the bonds had at the last moment decided not to assume such an important commitment at this time.

HANDSOME PROFIT FOR PRESENT.

It is estimated in bond circles that the bankers who secured the new issue of $65,000,000 New York City bonds may clear up a handsome profit. Their bid was 101.45 for all or none. At 101.45 the bonds net 4.18 per cent on the investment. That is much more than outstanding city of New York bond issues return on present market prices.

Thus the old 4½ per cents are selling at a price to net only 4.12 per cent; the 4½ per cent bonds of 1957 yield 4.14 per cent, but as they sell at a high premium they are not as marketable a security, even though they return a better income on the investment. Investors are loth to buy bonds at prices far above par.

The stability of the bond market is one of the sturdy facts in the present situation which is smoothing the way for clearing up many obligations now represented by temporary securities. Much advantage will later flow from the financing of permanent character which is made possible by the existing money situation.

OUTLOOK IN STEEL TRADE.

One of the hopeful signs of the week was the evidence of a faint improvement in certain lines of the steel trade. The Iron Age in commenting on conditions said that most steel works had been able to maintain the same rate of operation as at the beginning of the month. This was cited as an indication that the country's consumption is better than might be judged from the smallness of new orders. It is, of course, well to bear in mind that the decline in the steel trade became pronounced before the recession in other lines went very far. It would cause no surprise, therefore, if the turn for the better in the steel trade should come in advance of any widespread indication of another upswing in business at large.

LOCAL MARKET DULL.

The same influence responsible for the semistagnant condition of the New York stock market is felt on the Baltimore exchange, with the difference that there is no liquidation in progress here and holders of securities are content to await the outcome of the railroad rate case. Quotations as a rule show little change from those ruling a week ago.

INTERSTATE COMMISSION CONTINUES QUIET.

The business doctors who preside over the destinies of the Interstate Commerce Commission continue to withhold their decision as to what treatment the patients in their care should have, and meanwhile these patients are growing weaker and there is what might be termed a sympathetic suffering throughout the entire business world. First of all and as an absolute precedent condition to any general improvement in trade or commerce or industry or the security market, we must have a definite decision making known whether the railroads of the country are to be allowed to live and grow and prosper, or whether they are to be throttled by an excess of zealous governmentalism.

AWAITING THE MAGIC WORDS OF LIVE AND LET LIVE.

The country is not fundamentally in such bad shape. Only it can be said that each day conditions become slightly worse. With good crops in sight, with the time drawing near when a new currency system goes into effect, with an entire absence of anything in the nature of overproduction with our great industrials, with the railroads at the lowest possible ebb with respect to equipment—surely everything is waiting for the magic word that the Government believes in a square deal for the great transportation companies which have made this country the world's greatest market place.

THE BUSY BEE AND THE BEDBUG.

Why this decision is being delayed no one knows save those who are delaying it. But it is only necessary to look abroad to see the vast harm that is being done to the Nation's business. The patient is getting sicker and sicker, and the more vitality one loses the longer time is necessary to regain it. The sicker the patient the more the political bedside watchers howl. It is not a very delicate saying, but none the less Fra Elbertus never said a truer thing, namely, that "no good, sensible, working bee listens to the advice of a bedbug on the subject of business."

—

[Issued by The Commercial National Bank, Washington, D. C.]

Preliminary reports show railroad gross earnings for August one-tenth of 1 per cent above August, 1912. For the first eight months of the year these same roads showed an increase of 8 per cent in gross earnings. July showed a gain of 5 per cent in gross and a decrease of 5 per cent in net. The August net report, when available, will probably show a somewhat similar condition. Gross earnings continue satisfactory and idle cars are practically nil; but few of the leading lines have been able to show a proportionate gain in net earnings. The new freight schedules of the eastern roads, showing an average increase of about 5 per cent on all shipments, except coal, grain, etc., will receive consideration at the hands of the Interstate Commerce Commission during the coming month. The commission has retained the services of Mr. Brandeis, of Boston, to advise with it after hearing the arguments of counsel for the railroads. The contention of the railroads is that the cost of materials they use is higher, the average wage is higher, and freight rates lower than formerly. All of this is true, but it remains for the commission to decide whether the railroads are entitled to additional gross revenue per ton-mile, or whether the same result can be accomplished by further curtailments and economies by the railroads themselves. If these economies are to directly affect safety and service, the public will oppose them instead of opposing the increased rates which the railroads claim they need and must have in order to increase the efficiency of the service and pay the interest and dividends on their outstanding securities. In the last analysis the public at large pays all the freight and the same public owns the railroads' securities. A careful comparison of interstate rates with intrastate rates would indicate to the layman that intrastate rates are appreciably higher in proportion to the service rendered than are the rates charged on interstate shipments. A general readjustment of freight rates would benefit the entire country could it be accomplished, and would, at the same time, benefit the railroads and their owners. The railroads also insist that they are entitled to $15,000,000 more from the Government for carrying the mails than they are being paid because of the tremendous addition to mail tonnage brought about by parcel post.

—

[From Ridgely's Financial Forecasts.]

20 BROAD STREET, NEW YORK,
Thursday night, April 2, 1914.

A subscriber asks how there can be a bull market with railroad earnings so poor and getting worse all the time.

To which I will repeat for the "steenth time" that if there is one way surer than another for a speculator to lose money it is by reading the newspapers and studying conditions. Things are not what they seem. Conditions are distorted so that the public will think what insiders want them to think, which usually is opposite to the facts.

I am very much inclined to believe there is a concerted arrangement by which all the railroads are "doctoring" their books and that their statements showing poor earnings are faked for the benefit of the Interstate Commerce Commission and to gain the sympathy of the public at large. In fact, I feel quite sure of it. These faked poor earnings, backed up by throwing 100,000 or more men out of a job, is bound to have its effect. The railroads have got to get a raise. There is no help for it. The invisible government, whose capital is Wall Street, is all powerful and holds the country in ransom. The commission has got to surrender. It has no alternative.

Let it sink into your mind that 90 per cent of all you read in the newspapers is inspired by the big interests.

—

[From the weekly market letter of Hayden, Stone & Co., mailed by the Virginia Railway Co., Norfolk, Va.]

The Mexican trouble has drawn attention away from the railroad-rate question. This will be coming up again very shortly, and on the outcome depends largely whether business is really going to pick up again or continue to sag.

When the situation seems almost hopeless and it is next to impossible to interest anyone in securities, the market is apt to be near the turning point. We are inclined to think that this point is not far away. It is by no means a time to incur extended obligations. Sentiment, however, is apt to change very suddenly, and we still maintain that given a favorable rate decision many of the clouds which now seem to lower will be quickly dissipated.

* * * * * * *

DO RAILROADS NEED HIGHER RATES?

It has been intimated in certain quarters that the railroads have been padding their expense accounts in order to receive favorable treatment. While we think this contention without substantial foundation, there is one item which shows the way the wind is blowing to which no exception can be taken—dividends. No railroad management cuts its dividend rate until and unless it has to.

The latest addition to the ranks of reduced payments is Missouri, Kansas & Texas. This company has now passed its preferred stock dividend. This occasioned little or no surprise, as it was foreshadowed some time ago by the decline in the company's net earnings. Since the first of the year five large roads have found it necessary to reduce or pass their distributions to stockholders, as a result of decreasing business and increasing costs of operation.

We show below the total loss which shareholders in these companies have had to suffer through such reductions just within the last four months:

Road.	Reduction.	Stock outstanding.	Loss.
Missouri, Kansas & Texas pfd	4%—passed	$13,000,000	$520,000
St. Louis Southwestern pfd	4% to 2%	19,893,700	397,874
Nickel Plate com	4%—passed	14,000,000	560,000
Norfolk Southern	2%—passed	16,000,000	320,000
Pittsburgh, Cincinnati, Chicago & St. Louis pfd	5% to 4%	27,478,400	274,784
Pittsburgh, Cincinnati, Chicago & St. Louis com	5% to 3%	37,174,000	43,480
Total			2,815,133

Be it noted that this is a loss not of principal, but of income alone. Capitalized at 6 per cent, it represents a loss of principal of $47,000,000.

We have not included the New Haven, Boston & Maine, and St. Louis & San Francisco preferred dividend, all of which were passed in 1913, and which would add considerably to the total loss of $2,816,138.

While the roads in the above table, with the exception of the Pittsburgh, Cincinnati & St. Louis, have not a great deal of stock outstanding, and from an investment point of view have generally been ranked among the second-grade systems, the fact that they have found it necessary to resort to dividend reductions is significant of the trend of railway earnings and offers additional testimony that unless relief is afforded soon, either through an improvement in business or an advance in freight rates, some of the older and stronger companies, whose securities have long been regarded as high-grade investments, may have to follow the example of their weaker sisters.

* * * * * * *

CHICAGO GREAT WESTERN.

Some measure of strength in Chicago Great Western preferred shares, contrary to the recent tendency in other low-priced railroad stocks, is a development that appears to reflect comparatively good earnings and beginning of application of the cumulative feature on the preference for 4 per cent dividends to which these shares are entitled.

This is one of the very few roads that appears likely to show no decrease in earning power this year as compared with last. Its gross earnings have been increasing steadily, with no advance in transportation expenses, all the increase in operating expenses being in maintenance. The increase in maintenance for the first seven months of the current fiscal year amounted to $498,000, equal to over 1 per cent on the $44,137,400 preferred stock outstanding.

The cumulative provision in regard to the preferred stock will be effective beginning July 1, 1914. Earnings on the preferred stock for the year ended June 30, 1913, were equal to 3 per cent. The relatively good results secured this fiscal year to date would indicate that with larger crops and greater business activity in the year beginning July 1 next the probability of earning 4 per cent or more is favorable.

The report for the year ended June 30, 1913, showed capital expenditures for additions and betterments from September 1, 1909, when the company was reorganized, to June 30, 1913, amounting to $16,157,310. The report also stated that the property was in excellent condition and that it is now capable of the most economical management. This appears to be confirmed by the reduction in freight-train miles from 3,814,296 in 1909 to 2,973,434 in 1913, resulting in an increase of the trainload from 283 tons in 1909 to 449 tons in 1913.

The last annual report also stated that in the opinion of the board, if the gross earnings could be brought up to $15,000,000 per annum, payment of the preferred dividend would be justified. Gross earnings reached $14,000,000 for the year ended June 30, 1913, so that a year of good business conditions would probably bring gross earnings up to the amount mentioned.

EXHIBIT C.

LETTERS REFERRED BY THE PRESIDENT TO THE COMMISSION.

Nearly 200 communications addressed to President Wilson have been turned over to the Interstate Commerce Commission. Some of these were acknowledged from the White House before being sent to the commission. Most of these letters call upon the President to use his influence to secure a prompt and favorable decision, giving the railroads the 5 per cent advance asked for by them.

President WOODROW WILSON.

DEAR MR. PRESIDENT: Just a word in your busy life from one of many of your admirers (Republicans), who admire the calm and sensible way you are conducting the affairs of the country.

For the sake of the general prosperity of the country, pray help our railroads; it will help the masses as well as others. While you may not want to interfere with the Interstate Commerce Commission, at least do what you can. You are gaining warm friends and supporters from many of us.

Very truly,

HENRY E. SMITH.

[Telegram.]

ST. PAUL, MINN., *February 17, 1914.*

The PRESIDENT:

Call the Interstate Commerce Commission and pass the 5 per cent increase. It will be the crowning glory of your administration and give us the most prosperous year this country has ever known.

R. G. MACKAY.

FEDERAL TRUST CO.,
Boston, Mass., March 27, 1914.

J. P. TUMULTY, Esq.,
Washington, D. C.

MY DEAR MR. TUMULTY: Pardon me for bothering such a very busy man as you, but I know you are interested in the success of the party, and I want you to believe that I have no other object in writing. I have written Judge Clements and Secretary McAdoo, urging them to do something to hasten the case of railroad rates. In my opinion, anything would be better than nothing.

It is impossible to blink at the fact that slowly but surely business is getting to a standstill. For the first six months of the administration business was first class; for the second six month it was fair, but to-day it is dragging. One of the oldest machine shops in New England, down in Biddeford, Me., laid off 250 men; the New Haven shops at Readville have shut down, throwing 1,500 men out, and the Boston & Maine shops at Billerica, in this State, which have a capacity of employing 6,000 men, will not open. Now, these two latter may, of course, be blamed to local railroad conditions, but that is not true in the case of the Biddeford shop, nor in the case of the Pennsylvania Railroad Co., which has recently thrown out 15,000 men, 8,000 of them east of Pittsburgh. The Sturtevant Blower Works here has just let 250 men go. My information is that this is true pretty generally throughout the country.

For the past 30 years I have believed that the nub of any question in this country was the railroad situation; that when the railroads were prosperous the country was prosperous. While I admit that the railroads have done many, many things for which somebody should go to jail, I do not see why the present generation should be punished for the faults of those who have gone before. A 10 per cent increase in freight rates, as I pointed out to Judge Clements, on a case of shoes shipped from Boston to San Francisco would mean an additional cost of 1 cent per pair, but this 10 per cent increase in freight rates would mean $3 a week in the pockets of hundreds of thousands of men who would have to buy shoes, because it would give them work.

As I wrote Mr. McAdoo, I think in regard to many corporations, they ought to adopt the old Chinese custom, and when crimes are committed by corporations some heads should be lopped off and dropped into the basket—be cut close off to the shoulders. But we are facing a condition to-day, not a theory. Now, mind me, I do not own a share of railroad stock, and do not know that I ever shall, but I am writing you as one who can put in a word at the right place close up, and as you are a practical man, like myself, and know conditions as I think I know them, from practical experience, I hope that you will do your best to see that something is done, and done at once.

Should the roads not be allowed to increase their rates, then they must face bankruptcy or make a reduction in wages. I am opposed to a reduction in wages—radically and unalterably. Wages are none too good now. If it may be claimed that the railroad capitalization is excessive, I will admit it, but I do not think that the workingman, working for his day's wage, should be the one to be punished; rather give them a fair wage, a chance to live, and punish the fellows who have put the water into the road and arranged to squeeze it out. This is not a difficult thing to do, although it may take some time.

Now, I take the liberty of writing you on account of the friendly spirit you showed when I met you with Congressman MURRAY, and also because I believe you to be a practical man, who realizes, as I do, what these facts mean. Do this thing, and, in my opinion, the Republican Party need not nominate a candidate against us in 1916; do not do it, and I do not think there is the least necessity of our nominating one.

I may be in Washington some time next month, and, if so, I shall take the liberty of calling on you to say "How are you?"

With kindest regards, I am,

Yours, very truly,

J. H. O'NEIL.

BALTIMORE, MD., *April 6, 1914.*

WOODROW WILSON, Esq.,
President of the United States, Washington.

DEAR MR. PRESIDENT: Will you permit one of the "enemy" to say a word. I say one of the enemy, but that is only partially true, as I am being fast converted, if not to your party at least to the ranks of your supporters. I have come to believe that when you spoke of justice in your inaugural address, and courage later on in a speech in Pennsylvania, you were not using empty phrases. I trust sincerely that your Mexican policy will prove successful, now that you seem committed to it, but I regret that Huerta was not recognized. However, I hope that I may be wrong in my ideas thereon. You certainly deserve the thanks of the country for your expressed desire to do justice to the railroads. In this connection I wish to call your attention to the fact that the shippers are in most cases artificially aided in keeping up their prices by the tariff. Not satisfied with this, some of them (the short-sighted ones) ask that their expenses be artificially reduced by the control of freight rates. Simply another case of special privilege. It is useless to refer to the fact that the country will soon be crippled by the want of railroad facilities unless increases are allowed in freight rates such as will create confidence in investors' minds. The Interstate Commerce Commission has said more than once that investors' interests are safe in their hands, but the Interstate Commerce Commission has said many other things that have not come to pass, and many investors are now asking themselves if those statements were not and are not that form of political promise which is generally classed with Lovers' vows. That the investors (to speak plainly) no longer trusts the fairmindedness of the Interstate Commerce Commission is hardly open to doubt. The difficulty the railroads have in raising money and the high rates they must pay therefor is sufficient proof of the fact. So far it would seem that overregulation has satisfied no one. First, the public, as may be seen from the different papers, is very uneasy over the plight of the roads, affected as it is directly by the many ramifications of the matter and indirectly by fears for future facilities. Next, the investor is on a prolonged strike and full of bitterness. Then, the railroad equipment companies of all kinds are barely keeping going, with many, many thousands out of work and families suffering. Who is satisfied and who is gaining by this throttling of an industry that represents one-sixth of the total wealth of the country? Is the Interstate Commerce Commission satisfied? To judge by the tone of their occasional philippics it would not seem so. The owners of railroad securities have been fed for some years on the promises of the Interstate Commerce Commission. Now they want the facts, i. e., the execution of some of the promises. It is superfluous to remind you that if the Interstate Commerce Commission allows the process of destruction of railroad values to go much further, the power of that commission for good will be very seriously diminished. If the public's confidence in the commission is destroyed, of what value is that same commission? If things go much further, it will be only a question of time as to when many persons will think that members of the commission find it to their advantage to drive down railroad securities. Personally I do not think such is the case, but it would not be truthful for me to say that it did not frequently occur to me as a possibility. I do not desire to be offensive to anyone in so writing, but you, Mr. President, would be the last to deny that "History repeats itself," or to state our official life had been free from financial scandals. And it is only by a policy of justice that such misfortunes can be avoided. If the public arrives at a state of doubt with reference to an official, it is disastrous, even if unjustified. As I have followed closely your attitude with respect to the railroads, I believe you wish to be entirely fair, and I also appreciate the delicate position in which you are placed with reference to the Interstate Commerce Commission. Would that it were judicial, or even semi, as you must of course consider it. There is one thing you can do, and I imagine you are waiting for the opportune moment, and that is see that the roads are compensated for the parcel post. As the contracts are made by the Post Office Department, your authority is not out of place in the matter, at least in the way of recommendation. The abuse is flagrant at present, and must be offensive to that sense of justice which you have convinced me you possess by several acts of this past winter. I hope you may find time to read the inclosed editorial, especially the phrase underscored [italic]. Should you see fit to forward this letter to the Interstate Commerce Commission I would be highly pleased. I am sorry that I have not the pleasure, as have some of the family, of knowing you personally.

Very respectfully,

EDGAR R. DAWSON.

THE SMALL STOCKHOLDER.

Between the Department of Justice, the Interstate Commerce Commission, and the public-service commissions, to say nothing of the wise men in Congress and State legislatures, there will be a large shrinkage in the number of small railroad stockholders this year.

Every flaring headline based on bald assertions unsupported by facts leads more and more of them to sell out their holdings and put their money into something else.

Without in any respect attempting to condone the management of the St. Paul, if it has violated knowingly any law, the incident of last week is a case in point.

Interstate Commerce Commissioner Harlan, who reminds one so strikingly of his honored father, the late Justice Harlan, of the United States Supreme Court, the resemblance being entirely in the fact that he is so different from the elder Harlan in speech and temperament, gave out a statement in which he accused the St. Paul of juggling its figures to deceive the public and the commission.

It was not a statement from the Interstate Commerce Commission, but only from an individual member. Mr. Harlan did not claim that he spoke for the commission, but his words were taken as coming from that body. We have had such instances before in the case of Mr. Prouty.

The financial transactions and bookkeeping of St. Paul which Mr. Harlan condemned were matters of common knowledge several years ago to every one who took the trouble to look into St. Paul's position, and they were not just discovered by the Interstate Commerce Commission, unless that body knows less than the ordinary student of railroads.

This being so, the question then arises as to why they were put before the public in such a sensational way just at this time, unless it was to influence sentiment against the current petition for an increase in railroad freight rates. Had anyone less than a member of the Interstate Commerce Commission made the charges in such a way, he would have been accused of doing so for its effect on the stock market.

However, it did have its effect on the stock market. St. Paul shares broke several points on the announcement. Some one sold out at prices which could have meant nothing but a loss.

Who sold? Not the large stockholder, who knew already what trailed along down near the end of Mr. Harlan's statement, namely, that no reflection is made upon the financial condition of either the St. Paul or its subsidiary, and that the results of their operations "must be regarded as favorable."

The large stockholder knows as much or more about St. Paul than the Interstate Commerce Commission, and he knows that unless all the railroads of the country are going into a receivership St. Paul is a buy around par or below for a long pull, and so he is ready to buy the stock which the frightened smaller holder throws on the market as a result of the sensational statements of an interstate commerce commissioner which find their way into newspaper headlines.

The net result of the incident, then, is that that portion of the public which takes its cue from Brandeis is given another stone to throw at the railroads, some small stockholders have been frightened into sacrificing their shares in a property whose financial condition has not been criticized and whose results "must be regarded as favorable," the large holders of St. Paul, who know the property and also know the tactics of the Interstate Commerce Commission, have had an opportunity to add to their holdings at bargain prices, some shorts have undoubtedly covered with a good profit, and an interstate commerce commissioner has once more shown a lack of judicial temperament.

Is it at all strange that the investing public is growing more and more chary of railroad securities when members of the Interstate Commerce Commission stoop to the level of the yellow journals in arousing public sentiment against the railroads of the country?

If the St. Paul is guilty of violation of the law, it can be punished; but it is entitled to a hearing in court before its case is prejudiced by an *inflammable* statement in the public press by an official who must sit in judgment on the company.

Business men have a right to be alarmed when the President and leaders in Congress talk of a trade commission modeled on the lines of the Interstate Commerce Commission. That would be the last straw to break the back of the business of the United States.

—

CHICAGO, *April 6, 1914.*

Hon. WOODROW WILSON,
President, Washington, D. C.

MY DEAR MR. PRESIDENT: Will you be kind enough to read this letter from one who acted as the western treasurer of the Republican national committee during the last presidential election, from one whose respect and admiration you have won, because he, like most citizens, believes your sincerity? You have won a high place in the estimation of all classes. Republicans, Democrats, and Progressives have been won to your side because they like what they believe to be sincerity of purpose, combined with strength to accomplish.

There is now before the country an issue upon which most of the business world is waiting, and that is the proposed increase of freight rates asked by the railroads east of the Mississippi.

Recently I happened to meet in New York, for the first time, Mr. D. I Roberts, president of the United States Express Co., and an expected interview of five minutes lasted more than an hour. The United States Express Co., as you know, is going out of business and is to liquidate. Mr Roberts for many years was a railway rate official, and it is his firm belief, as well as that of his directors, that the express companies can not operate successfully under present rates; and thus we see a great corporation, in effect, driven from business by the Government of the United States.

The railroad companies have for many months shown a decrease of net earnings while also showing an increase in gross. The stricture of various laws under which they must operate has made it impossible for them to show profits required for success. It seems to have become a habit of all classes of legislators—National, State, county, and city—to make the railroads pay excessively for anything they may require. The railroad business is the greatest business in this country, and also of the world. We can not compare it to farming, as that is not an organized business, but an individual industry; and when the railroad business is menaced it threatens all classes of people and all kinds of commerce.

It is the impression everywhere that the Interstate Commerce Commission is not handling the situation fairly, but is, on the other hand, looking for the plaudits of the great public, with its widespread voting power.

Mr. Roberts told me that the Hon. Mr. Burleson refused to talk with the representatives of the United States Express Co., giving them no consideration and dismissing their representatives with the statement that he was "for the people." Whether or not this is correct, it brings up the question, "What is the best for the people?" Is it best for the people that the great corporations conducting the greatest business should be so restricted by legislation that the people whom they employ shall lose their positions or serve at reduced wages because of profitless operation, or is it best for those in power to fairly look at all sides of the question in order to keep business upon an even keel, thereby making all the people prosperous?

When you were in Chicago you said in your speech before the Commercial Club, after you had been elected, that you were not a business man and called upon the business men to frankly give you their views and to help you whenever possible. Remembering that and having the greatest respect and admiration for your course so far, I am induced to write you now that a grave business crisis confronts this country. Everywhere business is slow and dull, it is in a halting mood, waiting to see what will be done by the Interstate Commerce Commission. I am inclosing a few clippings, all of which happen to be from the New York Times, but when I was in the South recently I noticed editorials in papers printed in Atlanta, Augusta, and Charleston, all calling for the increased freight rates asked for by the railroad companies. I believe there is universal demand for this increase in rates, and I think it is time for a great conscientious, sincere public official like yourself to boldly insist that the situation be met in a business way, as it should be.

I shall not further undertake to criticize the Interstate Commerce Commission, because if I should attempt to recite all that I have heard about it in the past five years I would seem to be prejudiced, and I do not want to be such. I am writing from the standpoint of one who is practically uninterested and beyond the point of influence to any great extent by either good or bad business.

In respect to politics I am free to say it is best for this country to have a man like yourself continue as the head of our Government, but please don't forget that it is perhaps your duty to warn the officials under you that in using their great power they are not considering the people when they make such restrictions regarding business operations as will result in poor business and hard times for the people.

This is still a young country, the railroad business is still new to us; it is less than 20 years ago that the Government sold out, under foreclosure, the Union Pacific Railroad at public auction; meanwhile the railroad companies throughout the West have built and extended to meet the demands of the public to open up new territory to so great an extent that new business communities almost unknown a decade or two since have become thriving, prosperous, well settled, and demanding.

But nearly everyone in the railroad business is blue and discouraged and, of course, that condition of mind is reflected in business almost everywhere.

Because a man like Mellen got the big head and overreached in the case of the New Haven Railroad, and because of the Frisco financial fisaco, the great railroad business as a whole should not be misjudged or handled with a club.

But I must stop. For many months I have been thinking of writing to you, yet I dreaded to intrude upon so great, so good, and so conscientious a President. I could go on and on, but I shall close with the statement that I believe it is your public duty to use your influence with the Interstate Commerce Commission to act in this present great case in a whole-hearted way, granting the full 5 per cent asked for, and not to handle it piecemeal or in a half-hearted manner.

With my warmest personal regards, permit me, please, to remain,

Sincerely, your friend,

WALTER H. WILSON.

—

DETROIT, MICH., *November 18, 1913.*

Mr. WOODROW WILSON,
President United States of America, Washington, D. C.

DEAR SIR: Has the Interstate Commerce Commission been empowered by Congress to impose taxes upon the people of this country?

If the above question was submitted to Congress for an answer the reply would come clearly and emphatically in the negative.

The proposed 5 per cent advance in railway tolls is absolutely and essentially an additional tax upon the people which the consumer will have to pay, and when the members of the Interstate Commerce Commission undertake to give consideration to a proposition calling for a blanket advance in rates they are assuming the functions of the Government, which alone has the right to impose taxes upon the people.

The boards of commerce and kindred organizations throughout the country are not offering organized opposition to the proposed advance in rates because of the fact that it makes little difference to the shipper what tolls are charged, as the consumer must pay the additional expense, whatever it may be.

The press is either prorailway or indifferent, and the individual citizen who is vitally affected by the proposed advance in rates is unable to have his views properly placed before the people or before Congress.

In the circumstances, should not the power of the Government intervene to protect the individual against an increase in taxes which is indefensible and can not be justified.

There are railway rates that require modification, either upward or downward, but a 5 per cent blanket advance in rates is absolutely unwarranted, and the writer is ready to debate the question either publicly or privately with any railway official or officials who will undertake to defend the proposition, and I am speaking from a personal acquaintance with the business of transportation covering a period of almost 40 years.

This letter is written with the hope that the Government will see its way clear to suggest to the Interstate Commerce Commission that they are exceeding the powers conferred upon them by Congress when its members undertake to give consideration to a proposition that means an increase in taxes to the citizen.

Yours, very truly,

J. H. DUTHIE.

—

PITTSBURGH, PA., *February 24, 1914.*

Hon. WOODROW WILSON,
President of the United States.

DEAR SIR: I noticed in the paper recently that letters addressed to you are not sidetracked, and relying on this I write you this letter.

In one part of your last message you stated that "the prosperity of the railroads and the prosperity of the country are inseparably connected." You are absolutely right, and in this connection would it not be possible for you to hurry up the Interstate Commerce Commission to grant the railroads the 5 per cent increase in freight rates which they have been fighting for, and thus turn on the wheels of business progress promptly, which have been stopped all over the country and resulted in thousands of idle men everywhere and untold suffering.

According to reports the Interstate Commerce Commission will not render their decision until next fall, as they seem to doubt the testimony of the various railroad officials as to the importance and necessity of increasing freight rates to partially offset the great increases in taxes and wages which have been granted employees, and have asked the railroads to answer 78 questions, many of which are unnecessary and have no bearing whatever on the important question at issue, as you will find after reading them over for yourself.

One of the officers of the Pennsylvania lines told me that the correspondence and statements they have prepared in answer to these questions would make about 4 cubic yards and will cost the company about $60,000, and this is only one railroad. It would take a large trainload to carry the correspondence from the various other railroads in this country, and of course it would be a physical impossibility for the Interstate Commerce Commission to go through it properly and render a decision for a year or more. In the meantime business is held up waiting for the railroads, who are the largest buyers in the country to buy, for when they stop buying it affects all lines of trade, as "the prosperity of the railroads and the prosperity of the country are inseparably connected."

Many chambers of commerce and business organizations throughout the country, including the New York Chamber of Commerce, have placed themselves on record as being in favor of the railroads receiving a 5 per cent increase in freight rates, and, as stated by Mr. Samuel Rea, president of the Pennsylvania Railroad in the inclosed letter, the various organizations of business men "rightly feel that whatever tends to the betterment of the financial situation of the railroads is reflected in improved conditions generally," and the firms I as an ex-railroad man represent here also favor it, as they know it will mean a great improvement in business, and this improvement will not take effect until the railroads start to buy again. The Pennsylvania Railroad has just announced that they will take off 14 passenger trains on account of the depression in business, and other roads will no doubt take similar action.

In 1909 the railroad securities issued at the New York Stock Exchange amounted to 65 per cent of the total, while in 1912 they had dropped down to 19 per cent. A few years ago our railroads had no trouble selling their 3½ per cent bonds at par, but now they can not sell 4½ per cent bonds at par, and they are certainly not being treated in such a way as to induce new capital to seek investments in their securities. The railroads should share in the prosperity of their own making, but, as a matter of fact they only pay about 5 per cent, while the manufacturers pay an average of 12 per cent on their investments.

The earnings of the railroads in 1911 and 1912 increased $11,054,000, but the expenses and taxes increased $98,544,000, leaving a less net revenue in 1912 over 1910 of $87,490,000. The railroad taxes alone

have increased over 150 per cent since 1890, and they paid in taxes last year over $120,000,000.

Is it any wonder that the railroads want a slight increase in freight rates? They now receive an average per mile of 7½ mills for hauling freight, and less than 2 cents per mile for carrying passengers. If this could be increased 1 mill, or the price of a postage stamp for 20 miles of service, it would extricate the railroads from all their present financial troubles.

The public demand fast and luxurious passenger trains, and let the railroad officials know that they want to ride in nothing but steel coaches when traveling, and they want to be provided with suitable freight cars when shipping, which are to be moved promptly to destination, and the public also demand proper station and terminal facilities, but all these things are very expensive, and can not be furnished unless the necessary money is available.

The railroads of this country pay the highest wages of any country in the world. They haul freight cheaper than any other country. They also pay more to the support of the Government, in taxes, in proportion to the capital invested. The taxes alone paid in three years, if paid into the United States Treasury, would more than reimburse it for the entire cost of the Panama Canal.

One prominent railroad president said that the railroads of this country should spend $1,700,000,000 each year for the next five years, or a total of eight and one-half billion dollars, in replacing obsolete equipment, the elimination of grades and curves, double tracking, safety appliances, increased station and terminal facilities demanded by the public, and if allowed to spend it every mill and factory in the United States would be working on double turn, and millions of dollars which have been locked up in safety deposit vaults and banks since the panic of 1907 would be seeking new investments. Why not then grant the railroads the slight increase in freight rates which they actually need, as the great increase in business resulting therefrom would bring on such an era of good times as this country has never seen.

I would be glad to see you, Mr. President, bring what influence you can bear on the Interstate Commerce Commission to hurry up their decision; and, if favorable to the railroads, there is no question but that there will be such a wonderful revival in business all over the country, like there has been in religion here recently, which has stirred this city up as it has never been before, and all we need now is a great business revival, which you, Mr. President, can bring about by taking the matter up with the Interstate Commerce Commission, having them bear in mind that part of your last message, that "the prosperity of the railroads and the prosperity of the country are inseparably connected." The business firms everywhere who are patiently waiting for the return of prosperity would no doubt be very glad to see you corral the entire Interstate Commerce Commission crowd in your private office, and give them a heart-to-heart talk about their vacillating and dilatory manner in dealing with the railroads, and give them about 48 hours to settle this very important rate increase question.

I sincerely hope that you can bring this business revival about like we had before the panic of 1907, and you thus receive the thanks of the business men and their employes all over this country, as your policy so far has been most excellent, and I feel sure that nothing would please you better than to see a general revival in business everywhere.

Yours, very respectfully,

GEO. W. MINGUS.

—

Resolutions adopted by Scranton Central Labor Union.

To Woodrow Wilson, President of the United States, and members of the Interstate Commission:

Whereas a group of railroads known as the Eastern Railroads, through their officers, managers, legal advisers, and other factotums, have made a request for the privilege of increasing the freight rates 5 per cent on the pretense that it is necessary to charge more for the transportation of freight if the railroads continue in business and are saved from the quagmire of bankruptcy; and

Whereas it has been charged open and above board, contradiction of the allegations being challenged, that this movement for an increase in rates has been and is urged by all the special-privilege-serving crew, including subsidized periodicals, trade organizations, flunkies controlled by railroad influence, for the purpose of coercing, intimidating, and terrorizing the members of the Interstate Commerce Commission to compel them to grant the unreasonable demands despite the fact that evidence is at hand to prove that an increase in freight rates at this time can not be sustained either by fact or pursuasive argument; and

Whereas Congressmen are enlisted in the campaign of misrepresentation, some of them boldly writing to the commissioners in behalf of the railroads' plea, while trade publications, commercial associations, banks, and other organizations and associations of influence and affluence have joined in the clamor for the granting of unreasonable requests of the railroads without first permitting the members of the Commerce Commission to make a thorough and unbiased investigation of the facts for the purpose of ascertaining if the demands are just and reasonable and supportable by the conditions that exist: Therefore be it

Resolved, That we, the delegates of the Scranton Central Labor Union in convention assembled, Sunday, April 5, 1914, representing 75,000 wage earners, protest with all the power at our command against the unfair methods resorted to by the railroads and their "Friday men" in the interest of special privilege and denounce the campaign as unfair, un-American, and maliciously misrepresenting the conditions: Be it further

Resolved, That the President, Woodrow Wilson, be requested, in the name of 90,000,000 Americans, to keep his hands off the Interstate Commerce Commission, and not to urge, as has been reported, a decision before the commission has had ample time to dig out the facts which appear to have been submerged under an ocean of verbal brash and asinine drivel, so that justice may be meted out to the wealth producers of the Nation who have been robbed, exploited, and persecuted by the criminal machinations of the plunderbund in this country which seems to have gripped the Government by the throat and is striving desperately to shake tribute from an already overburdened people: Be it further

Resolved, That in view of the evidence at hand, of double dealing, alleged prostitution of the legislative halls and some of those who have been clothed with the toga of authority, that we call upon the 90,000,000 Americans, regardless of creed, color, or nationality, to arise and cooperate in this protest against the onward march of the plunderbund, and that we request the President of these United States to maintain his usual composure and not to become unnecessarily excited over the reports which have been sent out by the minions of greed who have sucked the very blood of the Nation in order that the goal that they are striving to reach may be attained through misrepresentation: Be it further

Resolved, That in view of the fact that the sick man of the railroads in this country, the Erie, which has been hobbling on crutches for the past quarter of a century, issued orders some time ago that a reduction of 5 per cent in freight rates had been decided upon, but was forced to countermand the order and recall the announcement slips when the plunderbund got after it, we are of the opinion that this company, joining in the request for the privilege of advancing the rates now, is but one of the many instances that can be cited to prove that the clamor raised in behalf of the water-soaked railroads is not sincere, and that to grant the privilege craved for would be to impose hardships upon the people of the country, who have groaned under the weight of imposition too long: Be it further

Resolved, That a copy of these resolutions be sent to the President of the United States and the members of the Interstate Commerce Commission, and that we call upon all the people of the United States who are affected by the freight rates to protest against an increase until such time as it has been shown that the conditions justify an increase. Where greed is king and special privilege the ringmaster it is necessary for the people to speak out in such tones that their plea for justice shall be heard.

OTTO E. MUSSELMAN,
Secretary Scranton Central Labor Union.

—

ROCKWELL HOUSE,
Glens Falls, N. Y., March 15, 1914.

Mr. WOODROW WILSON,
President of the United States, Washington, D. C.

MY DEAR MR. PRESIDENT: I am a Democrat, and have voted the ticket for the last 35 years, and am a great admirer of you and your administration, feeling you have accomplished more for the country at large than any Pres dent during my lifetime.

As a business man, I wish to urge upon you how important it is that the railroads should receive the 5 per cent advance in freight rates that they are now asking for from the Interstate Commerce Commission. I feel that if you could induce them to grant this request it would be the crowning triumph of your administration, and save the business of this country from continued depression. We, in this locality, are experiencing the worst business depression that we have had in the past 10 years, and an increase in freight rates would act like magic

I am inclosing you an editorial from one of the leading Albany papers—Republican—which, I think, voices the views of everyone in this locality.

I am proprietor of the largest commercial hotel in northern New York, and my patronage is mostly commercial men, and when I write as I do I voice their sentiments to a man.

Trusting you will use your good efforts to accomplish an increase in freight rates, I am,

Your obedient servant,

GEO. M. TAYLOR.

—

[Telegram.]

LA SALLE, ILL., *March 28, 1914.*

The PRESIDENT:

The Portland cement industry depends upon railroads as largest consumers; diminishing orders during last few years now stopped entirely, account financial difficulties of railroads; numerous cement mills down for lack of business, with others to follow. Other industries similarly affected. To relieve present conditions and prevent entire demoralization of business, immediate action granting of 5 per cent raise respectfully urged.

GERMAN-AMERICAN CEMENT WORKS.

—

DECEMBER 4, 1913.

Hon. WOODROW WILSON,
President of the United States, Washington, D. C.

MY DEAR SIR: I submit to your superior wisdom the query: Would it not be advisable for you to use your influence to have the Interstate Commerce Commission grant a temporary increase of 5 per cent on freight rates to railroads, to take effect at once, subject to revision and modification at the termination of the hearing on that question before the commission? Neither I nor any of my family or relatives were ever interested, financially or otherwise, directly or indirectly, in railroads to my knowledge or belief.

Such a course would give great confidence and business to the various manufacturing industries, on which the prosperity of the country largely depends.

You are aware that all hard times, especially at the present time, are laid at the door of the Democratic administration, and this has its effect even in the small town and State elections now taking place.

The great difficulty in revising the tariff, however wisely and justly done, has been the universal distrust and doubt created thereby. The difficulty has seemed to me almost insurmountable.

The greatest wisdom and the wisest discretion is necessary to prevent hard times and the inevitable revulsion of public opinion in favor of a high tariff.

I admire the various measures you have taken at the crop-moving period to prevent a stringency in the money market and the assurance that has been given by the Secretary of the Treasury that there would be no stringency at the time of the change in our currency system under the proposed law.

One thing more is inexorably required to prevent the present stagnation of business, timidity of capital, the lack of funds for improvements in the railroad situation, and to prevent paralysis of business, which naturally grows upon itself, and that is some measure to instill confidence in the money interests and in all the industries and manufactures, so that they will have courage to go on.

Every little panic produces a greater, and it increases constantly, like a run on the bank.

It seems to me that the temporary allowance of the freight increase would do more than any other measure to prevent these evils, and the whole country feels that it is up to you.

This whole letter is so bold and presumptuous that I will refrain from signing my name. Let it be weighed for what it is worth. "What I have writ is writ; would it were worthier." At least this opinion is shared by me universally with all thinking classes with whom I have talked.

Respectfully.

THE CASE FOR INCREASED RATES—SUMMARY OF THE ADDRESSES OF MR. DANIEL WILLARD AND MR. F. A. DELANO, ON BEHALF OF THE RAILROADS, BEFORE THE INTERSTATE COMMERCE COMMISSION.

WASHINGTON, D. C., *November 24, 1913.*

"The immediate and all-important question is, How shall these railroads obtain the new capital necessary if they are to provide the needed facilities and furnish the high-class service which the public demands and to which the public is properly entitled?"

In this sentence Mr. Daniel Willard, president of the Baltimore & Ohio Railroad, set forth the problem which the railroads east of the Mississippi and north of the Ohio are seeking to solve with an increase in freight rates of 5 per cent. Mr. Willard made the first address on behalf of the railroads in opening the case to-day before the Interstate Commerce Commission.

In presenting the main facts upon which the railroads will rely to prove the necessity for the increase in rates, Mr. Willard stated that during the past three years the railroads in the territory affected had spent in property investment some $600,000,000, or at the rate of $200,000,000 per year. Nevertheless, because of the fact that operating expenses had increased faster than operating revenues, these railroads earned in the year ending June 30, 1913, less by $16,311,321 than for the year ending June 30, 1910.

"These companies," said Mr. Willard, "apparently not only failed to earn any return whatever upon the new capital invested, but saved even less from gross earnings, as return upon the original property investment, than they were able to show before this large additional expenditure was made."

In this three years the Pennsylvania, New York Central, and Baltimore & Ohio systems increased their property investment over $422,537,000. While their combined gross earnings increased $109,000,000, the net operating income was $8,573,507 less in 1913 than in 1910, notwithstanding the expenditure of $422,000,000 for betterments, additional equipment, etc.

"In brief," said Mr. Willard, "it appears that the new capital invested in railroads in official classification territory during the last three years has earned little or no return; in fact, these properties generally are actually earning less net, after paying operating expenses and taxes, than they were earning at the beginning of the period and before the $600,000,000 had been spent."

Mr. Willard continued: "The result, as might be expected, of this constant tendency toward diminishing net returns has been to seriously check, if not altogether stop, the normal development of railroad facilities in the territory affected. During the 10-year period these railroads found it necessary to increase their property investment approximately $2,000,000,000, an average of about $200,000,000 per annum, and it is certain that an equal if not greater amount per annum will be necessary to meet the requirements of the future.

"While the carriers fully recognize and acknowledge their obligations to the public and are alive to the responsibilities so imposed, they are helpless to fulfill these obligations unless the financial result of their operation is such as to inspire the confidence of private capital and encourage the support of private enterprise, and the result of operation during the last three years is not such as to inspire the one or encourage the other."

In setting forth the conditions which have produced the present railroad situation, Mr. Willard pointed out that "the cost of conducting the business of the carriers has been, and is being, steadily increased by increases in capital charges, increases in wages, in taxes, by burdens imposed by legislative enactments, such as extra-crew laws, employers' liability and compensation acts, by the elimination of grade crossings, either in part or in whole at the expense of the carriers, and in various other respects."

Mr. Willard called attention to the fact that since 1910 wage payments by the railroads affected had greatly increased—largely as a result of mediation and arbitration proceedings—and that the award just announced by the arbitrators would give the conductors and trainmen $6,000,000 per annum additional. The effect of the so-called full-crew laws alone has been to increase the expenses of these carriers more than $4,000,000 per annum.

The railroads affected paid $54,494,171 in the shape of taxes for 1913, this being $11,579,187 more than for 1910. The three larger railroad systems paid in taxes $31,216,000 in 1913, this being $7,854,000 more than for 1910.

"In short, the railroads have felt the burden of the increased cost of living, like all other enterprises or individuals, but, unlike all others, have not been permitted so far to raise their prices or adjust their charges in recognition of that burden.

"The public," added Mr. Willard, "demands to-day a higher standard of service than ever before—all of which is reflected in the cost of operation. Further, the freight rates in effect in 1910 have not in the aggregate been maintained, but are in fact lower now than they were then.

"In addition to the actual reduction in rates," continued Mr. Willard, "the continuous decline in the value, that is to say the purchasing power, of money for a number of years past has had the effect of diminishing still further the burden of the rate to the shipper, while at the same time increasing the burden of the carriers. This influence, reflected in the higher cost of operations, has been world-wide, and has been recognized by rate advances recently made in England, Italy, Switzerland, Belgium, Denmark, Russia, Austria, Hungary, and other countries.

"Tendencies, which have been operating over a period of at least 10 years, have resulted in such steadily diminishing net returns that money invested in these railroads, because of the low average rates prevailing in so-called official classification territory, and for other reasons, does not earn the same return as money invested in other enterprises of similar kind or character.

"As a matter of fact money so invested during the last three years, taken as a whole, has earned no return whatever, and during the whole 10-year period under consideration has earned approximately but 2½ per cent.

"In view of all this, those responsible for the management of these properties would not be justified in continuing large expenditures of new capital for additional facilities and equipment, even if such capital were available at reasonable rates of interest.

"The problem in a broad and true sense affects all interests, and the outcome of this particular case—whichever way it is decided—will mark an epoch, because it will, in effect, very largely determine whether we shall as in the past continue to look to private capital and private enterprise for our transportation requirements, or be compelled finally to accept the only alternative possible."

Mr. Willard concluded by saying that he thought that the answer to the question of how the railroads were to obtain the new capital necessary was to be found in these words of the report of the commission in 1910, which he had already quoted:

"We should allow such rates which will yield to this capital as large a return as it could have obtained from other investment of the same grade. If rates formerly in effect have become insufficient, then higher rates should be permitted. Commerce and industry can not afford to wait on transportation facilities."

MR. DELANO'S REMARKS.

Mr. Frederick A. Delano, receiver of the Wabash Railroad, spoke for the railroads west of Pittsburgh and Buffalo, and east of the Mississippi River. He contended that the "whole situation" in the Middle West "is the fair measure of the reasonableness of rates in that territory, and calls for a very substantial increase in rates."

Mr. Delano accordingly directed particular attention to the case of a group of railroads with an aggregate mileage of 23,167 miles, among which were embraced the Big Four System, the Vandalia, the Nickel Plate, the Chicago & Eastern Illinois, Grand Trunk Western, Grand Rapids & Indiana, Pere Marquette, Chicago, Hamilton & Dayton, Illinois Central, Chicago & Alton, and Wabash. Referring to this group, Mr. Delano said:

"If this mileage is not influential in determining the reasonableness of rates, the prosperity, commerce, and development of the whole territory will be placed in jeopardy."

Mr. Delano pointed out that there were great differences in the conditions prevailing respectively in New England and also in the territory between New York and Buffalo, as contrasted with the Middle West. He stated that whereas in New England, including New York City, there were 1,389 people for each mile of railway and 889 for the territory east of Pittsburgh, but only 506 in the Middle West. The rural population in the Middle West was 46 per cent, as compared with 17 per cent in New England.

"This territory," said Mr. Delano, speaking of the Middle West, "was created largely by physical conditions and natural development and growth of population. Its numerous lakes and rivers, some of which form its boundaries, attracted to their borders the early settlements and cities, and in time came Chicago and St. Louis, its two chief centers of population. The territory is comparatively level, which facilitated railroad building, and as population increased railroads were constructed in all directions, the objective points being, naturally, lake and river cities.

"It is a well-known fact that in the development of that territory water competition has always been an important factor and that the railroads have promoted the growth of population and industrial developments by low rates. Again, railroad building at times has been in excess of the growth of the country, and caused abnormal competition, resulting in lower rates.

"This great network of railroads," continued Mr. Delano, "during the year ending June 30, 1910, earned $239,000,000, and during the year ending June 30, 1913, $275,000,000, or a gross increase of about $36,000,000; but in the former year the operating expenses and taxes were $182,000,000 and in the latter year $227,000,000, or an increase in expenses of about $45,000,000, resulting in a decrease in net revenues, after payment of taxes, of over $9,000,000, and in net corporate revenue of more than $16,000,000.

"These same roads during the year ending June 30, 1908 (which will be remembered as a panic year), earned $212,000,000, and during the year ending June 30, 1913, $275,000,000, or an increase of $63,000,000; but during the year ending June 30, 1908, the operating expenses and taxes were $165,000,000, and the year ending June 30, 1913, $227,000,000, an increase of about $62,000,000.

"Now, despite the fact that during that same period more than $175,000,000 were put into additions and betterments, the net income, after deducting operating expenses and taxes, showed an increase of only $800,000, while the net corporate income actually decreased about $8,000,000."

The figures for the first two months of the present fiscal year were even less encouraging, Mr. Delano said. The roads, too, were now confronted with the necessity of expending millions of dollars in the near future in the mere separation of grades in various cities, on which they will receive no adequate return.

"This circumstance, in view of the present conditions of the roads, presents a serious situation, which calls for prompt relief.

"It will be obvious from the evidence," Mr. Delano concluded, "that a 5 per cent increase in rates will not be adequate to meet the demands of the territory. As I have said, the rates in that territory, both freight and passenger, are the lowest rates prevailing in the United States, and the interests of the people of that rapidly growing and developing section of the country, to say nothing of the railroad companies, require in the near future a readjustment of the rates, both freight and passenger, to a basis which will enable that territory to have good railroads and the people to have efficient and adequate service and to progress measurably with the other sections of the country."

NEW YORK, *February 18, 1914.*

DEAR PRESIDENT WILSON: The business of the whole country is hanging in a balance waiting for its cue from the security market, which in turn is looking to the Interstate Commerce Commission to increase freight rates on the eastern railroads and thereby help to restore the credit of the latter which has been so greatly impaired. The railroads have a lot of notes to meet presently and a decision by the commission six months hence might as well be six years. Speedy action is necessary and a favorable decision most important and will be popular. Capital is very timid, but came out from its hiding very fast last month after your fine message. This month has witnessed a retreat, due to unnecessary hot-airing by one or two of the commissioners. Is it expedient for them to quibble with a few small shippers over minor details when the majority are waiting for relief? A favorable and prompt decision would start business booming, and if you can bring it about, you will make an awful hit. Until a decision is rendered business will continue in a state of lethargy.

Very truly, yours,

H. PRESERVED SMITH,
Republican, Montclair, ex-shareholder in New Haven, but a Wilson-Democrat Rooter.

OKLAHOMA CITY, *March 21, 1914.*

Hon. WOODROW WILSON,
President, White House, Washington, D. C.

TO THE PRESIDENT: I am writing you this letter in behalf of the steam railroads. Judging from all the financial journals, and also the commission's journals, it is time that the steam railroads of the United States got some attention in the way of an increase in freight rates. I believe that every interest, even including the shippers, would be benefited, for as soon as this is done confidence will return to the investors that must furnish money to the railroads, and that will simply mean that all the industries that are dependent on the railroads will be benefited, for the railroads must have money to get new equipment and sufficient money for betterments. I am satisfied that by and by this matter will receive attention and that the commission is satisfied that this increase should be made; but why do they hesitate? And I, among others, feel that it is up to you to make a suggestion that this matter receive early attention.

I am writing this letter strictly on my own initiative, and I do not own a single dollar's worth of steam railway securities, either stocks or bonds, but I write this letter simply to do what little I can to get this matter settled.

With best wishes for your success and the success of your administration, I am,

Yours, respectfully,

ANTON H. CLASSEN.

—

CHICAGO, ILL., *February 24, 1914.*

Hon. WOODROW WILSON,
President of the United States, Washington, D. C.

MR. PRESIDENT: In his talk here yesterday before the Union League Club, Secretary Daniels said that the people believed in you because your policies were right. There's no doubt about that, because they are more and more realizing the truth of that statement. But won't you keep up the good work and agitate with the Interstate Commerce Commission an immediate decision with regard to freight rates, please? As I see it, no other one thing means more to the prosperity of this country at this time. Besides, think of the tremendous number of people, employees, who are directly affected. The lawmakers can not continue to run the railroads as they should be run to best benefit the people, but the business men can. Give them the necessary breathing space and they'll make things hum.

Yours, truly,

F. J. MAXEY.

—

THE HARTFORD TRUST CO.,
Hartford, Conn., December 10, 1913.

Hon. WOODROW WILSON,
President of the United States, Washington, D. C.

MY DEAR SIR: You have doubtless forgotten the writer, but nevertheless we dined together, when you addressed the Twentieth Century Club in this city some years ago, at the time you were about to install a system of special tutors at Princeton, and we listened with great interest to your plans as you outlined them.

Just now the exigencies of the railroad situation in New England urge me to write you, calling attention to the critical state of affairs on behalf of the small investors, who are frightened at the outlook for their railroad investments and the business situation generally speaking, and are really selling their railroad stocks at great sacrifice because of what is considered to be the unjust attitude of the Interstate Commerce Commission toward the railroads. Urged to raise wages in order to avoid threatened strikes, and with promise of relief to be afforded by a slight increase in freight rates, they have been repeatedly disappointed and now face a situation desperate indeed.

It was hoped that your message to Congress might have contained some allusion to the crying need of the railroads in the East; but while it was a very scholarly production and gave a clear idea of your policy as regards Mexico, your opinion of the currency question, and some other important matters we looked in vain for a reference to the serious railroad rate problem which is so vital just now all over the country and especially in New England.

Almost without exception every important estate which has come into the trust companies hereabouts has contained some of what have been considered "first-class" investment railroad stocks, and in some cases trusts have been established with the distinct provision that these stocks must be held, if possible, until the termination of the trust. The result is that beneficiaries, in many cases widows, are suffering greatly reduced incomes, causing real hardship for people of no earning power. For many years such stocks have been held closely in families, and have been regarded by them as their choicest asset.

At present the railroads seem to be between the upper millstone of increased wages, which they have been forced to grant, and the lower millstone of the requirements of the Interstate Commerce Commission in reference to maintenance of equipment, improved signal devices, steel cars, enlarged terminal facilities, upkeep of roadbed, all properly for the safety and comfort of the public, but without permitting the railroads to obtain the necessary money to pay for these required improvements by a small advance in freight rates. This would be no hardship to the general public in view of the advantages gained, and would at the same time afford the investor a reasonable return on his money to which he is in equity entitled.

We have entered a period of business depression. A recession of the prosperity we have enjoyed is quite apparent, and, as a student of history, you must know that in the past the first impulse toward a better state of business in the whole country has been the resumption of the purchasing in volume of all sorts of needed supplies by the railroads. At the moment their lessened net receipts deprives them absolutely of the power to carry out the demands of the Interstate Commerce Commission, and has taken away their large purchasing power. The situation is, indeed, serious.

It seems to me that it is distinctly up to you, Mr. President, to urge the Interstate Commerce Commission to promptly grant relief before it is too late; and this may be the only thing which will prevent widespread and serious disaster in New England.

Will you not pardon this letter, which is of a personal character? And can we not hope for some sort of relief from your initiative in the matter which I have ventured to bring to your attention?

With sincere regard, and hoping you will be so good as to give me a personal reply, believe me,

Very truly, yours,

RALPH W. CUTLER.

NEW YORK, *March 25, 1914.*

Hon. WOODROW WILSON, *President.*

DEAR SIR: As an old New York merchant, retired from business, a lifelong Democrat, and supporter of the present administration, although taking no active part in politics, it seems to me not unfitting that I should write you in regard to the present condition of business. As I spend a good deal of time in traveling for pleasure, I come in contact and have opportunities for conversation with men in nearly all branches of business, and have a fair knowledge of the general condition. The New York Herald and other newspapers, prompted, doubtless, by patriotic motives, are endeavoring to create the impression that business at the present time is prosperous and satisfactory. This is true in some instances, but they are exceptional. There are, of course, some concerns that are prosperous even in dull times, and others that are unfortunate even when prosperity is general, and the aggregation of these cases and ignoring of all others makes a strong but misleading showing for the optimist or pessimist, whichever he may be. Now, the fact is that at the present time general business is very dull and unsatisfactory. Honest men differ as to the cause of this, radical protectionists attributing it to the reduction in the tariff, financial monopolists to the new banking bill, and business men almost unanimously to the nonaction of the Interstate Commerce Commission on the railroad-rate question. It seems to me that the latter view is the correct one, and, if I have correctly understood the published statements, your view is in the same direction. The basic conditions of the country are sound. The new tariff is in force, the new banking bill soon will be, and the country and business will quickly adapt themselves to the new conditions; but it is reasonable that merchants should hesitate about placing orders for large quantities of goods while the important question remains open, as to whether the railroads, with whose prosperity the general prosperity is so closely connected, shall be allowed to make reasonable profits I believe that you have the power and sincere desire to correct the existing evil which, if it continues much longer, will certainly result in serious disaster. A word from you will do it. The wheels of manufacture and commerce will be started on a new era of prosperity, and a Democratic President and a Democratic Congress will receive the credit that they will deserve.

It may be proper for me to add that my holding of railroad stock is too small to be of any consequence to me.

Yours, truly,

HENRY MARTIN.

14 WEST TWELFTH STREET.

—

THE PIEDMONT,
ATLANTA, GA., *March 7, 1914.*

HON. WOODROW WILSON,
President, Washington, D. C.

DEAR SIR: As an ardent admirer of our broad-gauged, liberal-minded President, who knows no East, West, North, or South, but one country, I am dropping him a line or two gathered by a very close-observing traveling man on the present railroad situation. My chief piece of information is that an impression is rapidly forming among traveling men, especially those who know the railroad business, that our Interstate Commerce Commission, if not checked, will bankrupt every railroad company in the United States, and along with them every company making railroad equipment. This commission is given credit for being honest, but it mistakes entirely the object of its creation, and honesty without ability where such vast interests are concerned is little better than ability and a disposition to graft. Ninety per cent of our deep-thinking, patriotic population favor the very best service in this country that it is possible to furnish in any other country, to both freight and passenger patrons, and they also emphatically favor increased rates to prevent our railroads from suffering in this respect by comparison with these in other countries, for since the organization of this above commission we have been going back rapidly. It is also a fact that Bull Moose and G. O. P. adherents are gleefully watching the balking, dilatory, narrow-minded actions and views of this above-mentioned body.

Yours, very truly, M. W. PRATT.

—

Mr. J. P. TUMULTY,
Secretary to the President, Washington.

MY DEAR SIR: Please accept my thanks for your very courteous letter of February 20. I also beg to inclose editorial from to-day's Commercial taking same position I did in my letter published February 19, which I send you, and my later one regarding "high cost of living" in issue February 21, copy inclosed.

My object in bringing this to the President's attention is twofold. Apparently no one has spoken for the railway employees, and the point I make, which is indorsed by editor of New York Commercial, is that cost of service and a reasonable profit to railways must be granted, not only in justice to the railways as well as employees, but because public service needs good and increasing facilities, which must be paid for out of earnings.

As the President is known to be striving for equity in all things and the railway interests only ask for this, I hoped my presentment of case might appeal to his sense of equity.

A few of my former contributions to press will show that I have always been trying to do public good, as he was and is doing. We railway men feel that we ought to be on an even keel with any others who are in public service.

Respectfully, H. S. HEYDON.

—

THE CHAZY MARBLE LIME CO.,
Chazy, N. Y., February 25, 1914.

Secretary TUMULTY,
Washington, D. C.

DEAR SIR: I beg leave to call your attention to the inclosed copy of letter written the New York Tribune to-day in reference to the rate question and the action of the Interstate Commerce Commission. If you will be good enough to say to President Wilson that the shippers are very much in earnest as to not allowing the railroads to increase their rates, I would be obliged to you.

As proof positive that the stock exchange and what they stand for are the parties most interested, you only have to glance at what happened there yesterday when it was supposed that the President had allied himself with the railroads in their demands for an increase in rates. The incomes from the carriers have been diverted to other uses

than revenues, and we do not believe it is necessary for their further income to have more money to divert, which they will of course do. There never will be an end to asking for more, and an increase of rates has been an annual thing up to 1911 for many years, and this increase now they ask they do not treat in a candid way, but come out with tariffs advancing from 5 per cent to 17 and ask them to be allowed. Higher cost of living must be the outcome of an increase in freight rates, and to have the speculative world dictate this is not right. Business that produces should have the first and last say. Actual facts as to rates are not brought out to the public as they should be. Newspapers pervert the actual facts. They should not be allowed to influence.

Yours, respectfully,

C. H. JONES.

—

CHAZY, N. Y., *February 19, 1914.*

EDITOR NEW YORK TRIBUNE,
New York.

DEAR SIR: I notice your editorial in the Tribune of the 17th, in which you seem to rant over the fact that the Interstate Commerce Commission has acted in good faith with the shippers and further suspended a lot of tariffs that the carriers wished to advance.

You do not mention that a number of tariffs that the carriers did wish to change, and been so allowed. Were you in error in this, or was it intentional to mislead your readers?

If you do not have the list of these tariffs, you can get them by applying to Secretary George B. McGinty, and you will find that, with few exceptions, that every road has been allowed a number of changes. The New York Central, for instance, has seven tariffs which they desired to change allowed, and so on.

The New York, New Haven & Hartford has none, for the very obvious reasons, no doubt, that they now have the highest rates per mile of any railroad in the East; so much so that their rates are ridiculous as compared with other roads.

I do not believe you should place before your readers statements unless you give both sides, and if there are any roads that need more revenue, why not say revenue, and why not ask the people to stand for an advance in passenger rates? The freight business has been advanced and advanced, and it is time business was let alone and allowed to settle down. Bankers, and also brokers, are asking for advances in rates, as they are peculiarly interested. Do you want to see higher prices? If you do, say so, and then you give a reason for the advance in rates of freight.

Just be fair and give the news as it comes out of the mill—all of it.

Respectfully,

C. H. JONES.

—

MARKS TAILORING CO.,
CHICAGO., *November 26, 1913.*

The President the Hon. WOODROW WILSON,
Executive Mansion, Washington, D. C.

DEAR SIR: I beg to submit the inclosed copy of a letter forwarded to the Interstate Commerce Commission. The writer is and has been a traveling salesman for the past 18 years and has never found business so stagnant as it is at present. Every merchant that I call on tells me that business would at once pick up if the railroads were allowed a raise in freight rates. Every citizen from the smallest country village to the greatest city profits when the railroads are prosperous, and they suffer when the railroads retrench. I pray you to use your influence in giving the railroads what they want; a 10 per cent increase would not be too much.

I can clearly show in a hundred different ways that it is the shipper who is robbing the consumer and certainly not the railroads; on the contrary, the latter are the greatest friend the consumer and the farmers have. Remove the railroad tracks from the farmer, and his cattle and farm produce and his land are worthless. I cite some cases in point in the inclosed copy.

A thousand thanks in advance for any considerations, I have the honor to remain,

Yours, truly,

SIG. NIEDERBERGER.

—

CHICAGO., *November 25, 1913.*

The honorable the INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: I wish to call to the attention of your honorable body the importance of granting the railroads a substantial increase in freight rates. This country is at present suffering the greatest kind of a setback due to the fact that the railroads, which are the great upbuilders of the country, are being discouraged and stifled by your constant refusal in permitting them to raise their rates. If it were not that our railroads are managed by the greatest brains the United States possesses, they would all be bankrupt long before this. No business could ever withstand such hardships and such constant increase of expense caused by arbitrary legislation without being permitted to raise the only merchandise they sell, namely, transportation. If a wholesale concern advances the price of a suit of clothes 50 cents per suit, being forced to do so through paying more for labor, or rent, or taxes, or any other item (but never on account of freight rates as they are the very least to be considered) the retail merchant at once raises the price of that same suit $2; mind you, the latter is already making from 50 to 100 per cent not counting the $2 raise in addition, yet the freight charge does not enter into this at all, as he does not pay it, i. e., in the city of Chicago there are some of the greatest wholesale and retail establishments in the world; the retail merchant receives his merchandise delivered from the wholesale house in said city without freight or even cartage charges, yet he marks the price according to the attractiveness of the style and pattern, not even thinking of the freight charge, as it is too infinitesimal. Come with me and visit the largest retail establishments which made a net profit of $17,000,000 last year, and I will demonstrate to you that some of their merchandise is sold at a hundred per cent profit where no freight or even cartage enters into the transaction. I will take you into the wholesale houses incognito and we can follow the merchandise right into the retail establishment in the same city on almost every commodity where the latter pay no freight or even cartage charges, yet they charge just as much or even more for the merchandise. I quote these instances solely for the purpose of showing that the freight charges play no part whatever so far as the consumer is concerned and the innocent are forced to suffer through a misunderstanding of the other.

Railroad employees are, on an average, the best paid in the country, and the railroads are willing that this should be the case, but they can not maintain this standard of wages much longer unless they be permitted to raise their rates in order to keep up with every other demand made upon them. It has been proven that the very retail concern which made a net profit of $17,000,000 last year has grown-up persons in its employ at $4.50 per week. I dare anyone to discover such an appalling poorly paid person of a similar age and class employed by the railroads.

What about the investors, the thousands of the investing public who furnish the money with which to build the railroads and who have every right to expect a reasonable return on their investment—say, 7 per cent per annum? Some of the private mercantile companies make from 33 to 400 per cent, and they are of no benefit to the country whatever. We could get along without the merchant, if we had to, but we could not get along without the railroads; yet the merchant is allowed to charge what he pleases, while the other, the railroads, are driven to pay the advance on everything they use and are prohibited from raising their rates. When the railroads are prosperous everybody is prosperous, from the humblest section hand up to the richest citizen, and that embraces the entire American people; but when the railroads are hit everybody along the line is hit with them.

The railroads promise new stations, better roadbeds, heavier rails, double tracking, special safety devices, paying their employees higher wages and giving them shorter hours, steel cars, additional trains, electric-lighted trains, and the investor might receive some benefit through increased dividends, and all these expenditures find their way back directly to the laboring classes. They will be the greatest beneficiaries if the increase in freight rates is granted. Do you find any such promises from the shippers? No; not a single one; they promise nothing. Why, then, stifle the wheels of progress so beneficial to every rank and file and allow the shippers to have things their own way, which is detrimental, from the humblest to the highest, who promise nothing in return. I therefore petition your honorable body to at once grant a substantial increase to the railroads, thus restoring prosperity for all time to come and give the railroads a fresh start in life. You will quickly see the rest of the business houses will benefit greatly through the railroads' prosperity.

Most respectfully submitted.

S. NIEDERBERGER.

—

CLAY, ROBINSON & CO.,
Chicago, January 16, 1914.

President WOODROW WILSON, *Washington, D. C.*

DEAR SIR: I have met a great many people, including bankers and stockmen from all over the western country, during the past three months. Of course, as you are aware, our connection with bankers and stockmen all over the country gives us a chance to get in touch with a great many people, and while I have met a few that are in favor of holding the railroads down as much as possible, a great many of the leading bankers and business men have expressed themselves as saying that they thought the railroads should have a show. As you are aware, they build up the country and give employment to thousands of men. If the railroads are throttled, we all know what that means, and as you know, we can not very well do without them.

We are not interested in railroads, and the object of my letter is to place before you as far as I know the actual facts.

In the past railroads have had very little show with the Interstate Commerce Commission. Everything they have asked for has been sidetracked. Personally I believe that they have been treated very badly.

Most of the gentlemen I have talked to are highly pleased with your administration and believe that you are going to serve the people well. Of course, as you know, I hear many things that would never reach your ears, and have taken the liberty of sending you this letter for your personal consideration.

We have about 25 houses and banks scattered all over the West, and, as said above, are in a very fair position to feel the pulse of the people.

Just the other day I was in the Chicago Club, which is one of the leading clubs, and heard some very complimentary remarks about you which pleased me very much.

Hoping the new year will bring you and yours much happiness and continued prosperity, and with kind personal regards, I am,

Yours, truly,

CHARLES O. ROBINSON.

—

DEEMER STEEL CASTING CO.,
New Castle, Del., January 21, 1914.

Hon. WOODROW WILSON,
President of the United States, Washington, D. C.

DEAR SIR: In the interest of idle humanity, I take pleasure in writing you to use your personal influence to secure an increased rate for the benefit of our railroads.

I feel confident that they should be allowed at least 7 per cent increase to enable them to improve and equip their roads as necessity demands. Now that they can not float water and blue sky, they should be allowed to legitimately charge sufficient to meet their coming requirements.

Their roadbeds are in deplorable condition. They need thousands of tons of new tracks and other necessary supplies.

Their freight cars in a great many instances are fit for the scrap pile; railroad ties, even along their main lines, are so rotten that the spikes will not hold, and it is only due to Providence that we do not have more serious wrecks.

For your information I attach actual data, showing the working condition of a few steel-casting plants located between Harrisburg, Pa., and New Castle, Del. This condition exists due to the falling off of railroad-equipment orders.

From this comparison you can readily see that it is only a matter of time, unless conditions change, which is impossible until the railroads begin to place orders, and when they do you will see, inside of three months, spasmodic jumps, and all metal industries, north, south, east, and west, will be hustling again, and other lines will naturally follow suit, and Democracy will be given credit that is due.

Thanking you in advance for careful consideration,

Very truly, yours,

S. S. DEEMER.

Steel castings orders received.

Name of plant	American.		Baldt.		Bethlehem.		Birdsboro.		Deemer.		Penn.		Pennsylvania.		Reading & Bayonne.		Total.	
Weekly capacity	425		237		175		150		30		263		100		150		1,530	
	Tons.	Per cent.	Tons.	Per cent.	Tons.	Per cent.	Tons.	Per cent.	Tons.	Per cent.	Tons.	Per cent.	Tons.	Per cent.	Tons.	Per cent.	Tons.	Per cent.
Received week ending—																		
Nov. 27, 1913	68	16	68	29	91	52	50	33	15	50	87	33	21	21	83	55	483	32
Dec. 4, 1913	48	11	76	32	133	76	42	28	8	27	90	34	7	7	60	40	464	30
Dec. 11, 1913	162	38	89	38	151	86	25	17	13	43	107	41	13	13	97	64	657	43
Dec. 18, 1913	112	26	51	21	98	56	52	35	6	20	105	40	6	6	117	78	547	36
Dec. 25, 1913	54	13	16	7	45	26	60	40	14	47	203	77	2	2	112	77	506	33
Jan. 1, 1914	79	19	36	15	35	20	43	29	15	50	81	31	12	12	101	68	402	26
Jan. 8, 1914	149	35	15	6	101	58	30	20	4	13	588	224	6	6	48	32	941	62
Jan. 15, 1914	58	14	23	10	89	51	47	31	17	57	161	61	6	6	108	72	509	33
Total for 8 weeks	730	21	374	20	743	53	349	29	92	38	1,422	68	73	9	726	61	4,509	37
Total for 8 weeks at full capacity	3,400	.....	1,896	.....	1,400	.....	1,200	.....	240	.....	2,104	.....	800	.....	1,200	.....	12,240	.....

ORANGE COUNTY, N. Y., *January 6, 1914.*

MR. TUMULTY.

DEAR SIR: You being a man of sense, may I ask you to call the President's attention to the slowness of Interstate Commission in regard to the request of the railroads in regard to allowing the railroads to charge 5 per cent more on freight. They really should be allowed 10, as the increased cost of all they have to buy and increased wages of their men is more than that. If not acted on soon, some of the roads will have to go into the hands of receivers. That will create a very bad state of things, if not a panic, and won't be any credit to the administration. The present commissioners are fossils, and I hope the President will find a way to get rid of them. I am not interested financially in the railroads, but as a decent citizen want to see justice done, as I go on the roads often and see their needs. Every business man I meet agrees with the above, and please read this to the President soon as he gets back to Washington. I am an old Democrat.

Yours, truly,

AYMAR VAN BUREN.

—

CHICAGO, *January 6, 1914.*

Hon. WOODROW WILSON, *Washington, D. C.*

MY DEAR SIR: As a business man I wish to congratulate you on the recent legislation, namely, the tariff bill and currency bill.

On the assumption that the views of business men all over the United States will be of assistance to you, I take the liberty of expressing the hope that you will continue the good work, and as speedily as possible assist in granting the railroad companies a reasonable advance in rates. Such action will tend to start things moving more rapidly than anything else which could occur.

The railroads are certainly entitled to some consideration, and a 5 per cent advance over present rates will not tend, in my opinion, to work a hardship upon anyone, nor should it tend to increase the cost of living, as the actual increase in the value of any article, due to a small advance in freight rates, will be so slight that it should not affect the present selling price to the consumer. The manufacturer, jobber, or retail dealer can absorb the slight difference in freights without feeling it or affecting the selling price at all if they will do so.

On the other hand, a 5 per cent increase would enable the railroads to purchase equipment which is necessary and to better maintain their present equipment and lines.

All that is now needed in the business world is to "set the wheels moving," and this will accomplish it, as I have before stated, in my opinion, more rapidly than anything else. I also believe this is in accordance with your policy.

Before closing I desire to say frankly that I am a Republican and always have been, and I am equally frank in saying that the conservative course and policy which you have inaugurated is highly satisfactory to the majority of business men, whether Republicans or Democrats; in fact, I have heard any number of "dyed-in-the-wool" Republicans express the statement that if there was an election to-morrow you would have their support.

Thanking you in advance for your consideration and apologizing for having taken up so much of your valuable time, I am,

Yours, very respectfully.

NORTH WESTERN EXPANDED METAL CO.,
HOWARD W. FOOTE, *General Manager.*

—

DENVER, COLO., *February 12, 1914.*

His Excellency President WILSON.

MY DEAR SIR: As owner of 15 shares of New Haven Railroad I receive no dividend. As I understand it, this is because the Interstate Commerce Commission will not let the road increase its freight rates.

I notice Commissioner Prouty, with the Massachusetts railroad commission, did not grant the Boston & Maine Railroad but a part of the increase of rates they found it needed.

I consider the settlement, by Government direction, of the Delaware & Hudson strike a disgrace to the United States.

As a citizen, taxpayer, and voter I very respectfully demand that my rights as a small investor be protected along with unionism by appointment of men who have guts to enforce as well as brains to see. I ask that freight rates be increased.

Very respectfully,

ROBERT W. JOHNSON.

—

[Telegram.]

CHICAGO, ILL., *January 10–11, 1914.*

The PRESIDENT:

We respectfully ask that you use your influence in securing prompt and favorable action by the Interstate Commerce Commission on the subject of increase in railroad rates now before that body. By granting this increase railroads can start the work of rehabilitation of their properties, which will restore conditions of activity in all industries where dullness and absolute shutdowns are existing to-day.

SELLERS MANUFACTURING CO.

(Normally employing 450 men per day, operated November and December 20 per cent.)

—

[Telegram.]

CHICAGO, ILL., *January 12, 1914.*

The PRESIDENT:

Respectfully urge that you use your influence toward accomplishing early action by the Interstate Commerce Commission favoring a uniform advance of 5 per cent on all railroad rates in order that the urgently required program of rehabilitating railroad properties may be undertaken and activity in all industries thereby stimulated. We normally employ at our Chicago Heights (Ill.) plant 675 men. We are now employing at reduced hours 550 men.

EDGAR ALLEN AMERICAN MANGANESE STEEL CO.

—

[Telegram.]

CHICAGO, ILL., *January 10–11, 1914.*

The PRESIDENT:

Most respectfully urge that you use your kind influence in bringing about an early action by the Interstate Commerce Commission in favor of an advance of all railroad rates uniformly 5 per cent so that the much-needed work of rehabilitation of the railroad properties can be undertaken and restore conditions of activity in all industries where now dullness and increasing recessions exist. Normally employing 400 men fifty hours per week, now working 230 forty hours per week.

AJAX FORGE CO.

—

[Telegram.]

NEWCASTLE, DEL., *January 12, 1914.*

The PRESIDENT, *Washington, D. C.:*

Respectfully urge that you use your influence toward accomplishing early action by the Interstate Commerce Commission favoring a uniform advance of 5 per cent on all railroad rates in order that the urgently required program of rehabilitating railroad properties may be undertaken and activity in all industries thereby stimulated. We nominally employ at our Newcastle (Del.) plant 270 men. We are now employing at reduced hours 160.

EDGAR ALLEN AMERICAN MANGANESE STEEL CO.

—

[Telegram.]

ELGIN, ILL., *January 13, 1914.*

The PRESIDENT, *Washington, D. C.:*

The Elgin Commercial Club, with a membership of nearly 500, and representing the manufacturing and mercantile interests of Elgin, Ill., by a unanimous vote of its board of control, indorses the proposed uniform advance of 5 per cent on business originating or destined to points in official classification.

E. D. HOWELL,
Secretary of Elgin Commercial Club.

—

NEW YORK, *February 15, 1914.*

To the Hon. WOODROW WILSON,
President, Washington.

SIR: I take the liberty of suggesting that while Federal commissioners haggle with the railroads over an insignificant advance, which even the shippers admit is justified, and ex-commissioners defend a useless waste of public funds almost equal to the sum the commission is quibbling over, the United States is drawing toward a crisis in its transportation affairs.

It would seem that nothing short of our President's strong hand can correct in time the small-caliber procrastination which must sooner or later spell untold discomfort and losses to his constituents, who are all patrons of the emaciated railroads.

Our Federal Government, including the Interstate Commission itself, is still far from perfect; but would any sane man suggest the holding up of necessary appropriations until perfection is reached?

Respectfully, yours,

JOHN A. HULL.

—

BRIDGEPORT, CONN., *March 22, 1914.*

President WILSON, *Washington, D. C.*

DEAR SIR: Mr. B. C. Forbes, in the Sunday American of 22d, as much as says that his words have influenced you to the extent that

you now favor, or, rather, will exert your influence with the Interstate Commerce Commissioners in behalf of the railroad companies to permit the increase of rates as per their request.

Now, Mr. President, I do not believe everything I see in the newspapers; however, the statement has been made several times in the past that you have taken this attitude.

No doubt a great deal of influence is being brought to bear to influence you in favor of the railroads, while we who will have to bear this extra burden at this time have no one to speak for us. We exerted what influence we had, the past national election, hoping that the same would be sufficient to prevent further gouging by the large corporations in favor of their stockholders.

The railroads complain that they will not be able to pay dividends. But the man in the street is damn glad if he can meet living expenses.

Yours, truly,

F. A. POST.

—

LEESPORT FURNACE CO.,
Philadelphia, February 16, 1914.

Hon. WOODROW WILSON,
President of the United States, Washington, D. C.

MY DEAR SIR: We hear this a. m. that the Interstate Commission has put off the consideration of an increase on freights to the railways until next September. While the iron furnaces have to pay freight on 5 to 6 tons of material for every ton of iron we make, we are willing to pay an advance in freights, for there will be no resumption of business unless railways have relief in the way of income. You or the Interstate Commerce Commission or any of your Cabinet can buy our furnace at 50 cents on the dollar for what it costs to build, if railways do not get immediate relief.

Yours, respectfully,

LEESPORT FURNACE CO.,
P. W. KIEFABER, *President.*

—

OGDENSBURG, N. Y., *February 17, 1914.*

WOODROW WILSON,
President, Executive Office, Washington, D. C.

DEAR PRESIDENT: As a delegate to the Baltimore convention I did what I could at the proper time to bring about your nomination. Subsequently I joined the committee of which Mr. Morgenthau was at the head, and during the canvass paid my share of the expenses and gave such time as I could toward bringing about your election. This is no more than any good citizen or Democrat should do, and I merely mention it in this letter to indicate to you that I do not feel I am impertinent in writing this communication to you.

I am very glad to be able to inform you that the people of northern New York, irrespective of party, are well satisfied with your administration, and that the Democrats unanimously commend your action in the great work of enacting into law the tariff and currency bills. There is no doubt but that such legislation caused considerable uneasiness in the commercial world and I believe business has slowed down to some extent. It is clear to my mind that if the Interstate Commerce Commission would grant the petition of the railroads and allow them to raise freight rates the wheels of industry would be humming and prosperity would set in at once. They cover the entire continent and everybody knows that the greatly increased cost of labor and material of one kind and another which it is necessary for them to use, has caused many of them to extend their credit to the limit. I feel that just at this time a little encouragement should be given, and even if it should turn out later on that here and there freights should be cut down, it is very easy to accomplish what is right in that direction. What we want now is to remove the hesitation which exists, and in my opinion 24 hours after an order is made allowing them to increase their freight rates thousands of orders would go forth to the various manufacturing houses of the country. I sincerely hope you may be able to bring about this much needed action.

Hoping you may soon recover from your severe cold, I am,

Very truly, yours,

THOMAS SPRATT.

—

PITTSBURGH, PA., *February 18, 1914.*

Hon. WOODROW WILSON,
President United States, Washington, D. C.

MR. PRESIDENT: Again, may I, an old, life-long Republican, congratulate you on the stand which you have taken in regard to hastening decision on freight rates, and I do hope that you will urge the granting of an advance, for while I do not wish to defend the railroads, their stocks have gotten into the hands of widows and orphans, and it does not seem fair to have their income so depleted.

In time the law will no doubt reach some of the rascals, but I think the higher law of their own feelings will hasten many a crooked financier's death, and I think we have enough safeguards to feel that the future financing of the railroads will be done on a just and honest basis.

I am frank to say, with a great many other Republicans, we hope you will keep your splendid work up, and that we may have the honor of voting for you at the next election.

Again wishing you every success in straightening this dear, old country of ours out and getting it on a good basis, I have the honor to remain,

Very truly, yours,

C. A. PAINTER.

—

CHICAGO, *February 18, 1914.*

To the PRESIDENT, *Washington, D. C.*

I am simply writing to you as an humble voter in the Democratic Party and as one who has long been one of your ardent supporters since you first drew public interest and attention as president of Princeton University.

I have no influence whatsoever, save in my group of young men friends and acquaintances (am a young man myself of 29 years), and am no politician, but am anxious indeed to see you and your administration succeed and continue your brilliant record of constructive work which has marked your first year as President.

I think you will agree with me that the first thing vitally necessary is to hasten the return of prosperity, which has already started to return, and the thing which will hasten that return more than anything else at present is the granting of the increase in freight rates to the railroads. Millions of people and workers were given a bitter jolt yesterday in the announcement of the postponement of the commission's decision until September 12. Now, I take it that either the railroads should have the increase or they should not, and the quicker they and the country know the fate of this rate case, the quicker all business will adjust itself to conditions, be the decision for or against. If the railroads are not to have the increase, for goodness sake tell them so soon, for nothing hurts business like uncertainty.

What is to be gained by a postponement of the decision? In fact, yesterday's announcement of same is already working damage to business.

The country and public opinion is with you, Mr. President, and I am sure that the country hopes and expects that the railroads may be given this increase, small as it is.

We want to see you have another term as President, and I hope that you will not commit yourself as accepting the one term plank in the party's platform. A platform is not binding.

As soon as you can, don't you think you had better make a few trips out West and let the people see you? Chicago was greatly disappointed on hearing yesterday that you are not coming here next Monday and have declined the Union League's invitation. I think it would have been to your interest to have come.

With best wishes for your success in everything, and with the hope that you will take a hand in this freight-rate question.

Respectfully,

E. V. COMRAY.

—

WARRENTON, VA., *March 21, 1914.*

To His Excellency WOODROW WILSON,
President of the United States of America,
Executive Mansion, Washington, D. C.

MR. PRESIDENT: I have been a Democrat all my life and have been active on the firing line for 40 years; always in every battle in the front rank; and I have never taken the liberty before to write to a President on any question, but I do consider conditions are such that I am justified in writing you now.

I wish to urge upon you the necessity and demand from a business standpoint that the 5 per cent increase in freight be allowed the eastern railroads as soon as it can be done. I think they are entitled to it, and I think people at large, eliminating a few fanatics and some laboring people, will be very glad to see the rate granted.

I am not a railroad attorney, and never have been; I have never owned a railroad bond or a share of railroad stock in my life; I am hardly ever out of a case of some sort against the railroad; I am under no obligations of any kind to any railroad on earth or any corporations, or anybody else, as for that; but I believe in fairness and justice, and I think railroad corporations are entitled to it as much as anybody else, and a great deal more than some of these confounded labor unions, which are gotten up for the purpose of holding up corporations.

Recall the strike or threatened strike of the engineers and conductors of western railroads last fall. These men get from $200 to $300 per month, according to work done, and yet they demanded 20 per cent increase in wages, saying they could not live unless they had it; and when the railroads ask that this increase of 5 per cent or something similar be presented at the same time to the board of arbitration, they objected, and the objection was sustained.

Now, the idea that the conductors and engineers could not live on the $2,500 or $3,000 is not true, and it is a plain case of holdup, and same was granted.

The bricklayer, the plasterer, the carpenter, the painter all get from $5 to $8 per day, according to their ability, yet they have the audacity and cheek to go on a strike demanding increase of wages upon the ground that they need it. It is not true.

Now, in this contest between labor and capital, representing about 30 per cent of the United States, no consideration is ever given to us, the 70 per cent of population, which is known as the middle class and conservative. We catch it both ways. Take the coal operator, for example; he strikes for higher wages. It is granted. The coal-mine owner raises the price of coal to meet the increase of wages of the coal miner, but we, the middleman, representing 70 per cent of the population, have to pay for this increase without any increase in our wages.

Now, as one of the middle and conservative voters of the United States, I ask that this 5 per cent increase in freight rates be granted the eastern railroads. I know I am voicing a large per cent of the conservative people in this country (not radicals). It is upon those people that you have got to depend upon and look to to protect the Constitution and preserve what is right and proper and high and honorable. In my opinion the radical is a fanatic, practically crazy, just as I think the real old ironside standpatter is a fossil and imbecile.

I am a conservative progressive. I am a Wilson Democrat, because he is always guided by high and honorable motives and with the love and the interest of his people at heart and in view.

I came out for you as President in November, 1910, just after you were nominated for governor of New Jersey and elected, but before you took office, and I have been for you ever since. I write this so that you may see that I am not trying to curry favor with you.

This letter may not be given any weight by you, as you may not know who I am, but if you wish to know, Hon. Gov. Henry C. Stuart, Senator T. S. MARTIN, Hon. CARTER GLASS, Hon C. C. CARLIN, in fact, any man in the State of Virginia over 45 years old knows me and knows who I am.

I preceded you at the University of Virginia just two years. I left there in 1876, and I think you went there in 1878. My college mates and friends were Gov. Stuart; Hon. Thomas Nelson Page; Charles Dabney, president of the Cincinnati University; Alfred P. Thom, general counsel for the Southern Railway Co.; Armistead C. Gordon, of Staunton; and a host of others, and they are all still my intimate friends.

Respectfully,

GRENVILLE GAINES.

—

THE L. B. SOUTHWICK CO.,
Boston, Mass., March 20, 1914.

Secretary TUMULTY, *Washington, D. C.*

DEAR SIR: I hope it will meet your approval to allow President Wilson to receive the inclosed.

Have talked with many business men, and they all allow that if anything costs more you have got to get more for it or go out of business, and there is no question about the cost of running a railroad at the present time.

Yours, very truly,

M. C. HALLETT.

THE L. B. SOUTHWICK CO.,
Boston, Mass., March 20, 1914.

President WILSON, *Washington, D. C.*

HONORED SIR: Inclosed letter, received by me, expresses the opinion of all thinking business men.

Railroads have all been paying more for equipment, salaries, supplies, and for general expenses, and their income is no larger, owing to the fact that they are not allowed to charge more for freight. They should be allowed at once to have the privilege of at least a 5 per cent increase—this to apply to all roads.

The above increase in freight rates would change the entire complexion of business conditions in this country and put to work hundreds of thousands of idle men.

The tariff and currency bills were of great value to the country, but this allowing the railroads a just advance in freight rates will do more good than both the others.

Yours, very respectfully, M. C. HALLETT.

—

PICTORIAL REVIEW,
New York, February 19, 1914.

Hon. WOODROW WILSON,
President of the United States, Washington, D. C.

YOUR EXCELLENCY: I take the liberty of inclosing herewith the editorial page of Leslie's Illustrated Weekly of the 19th instant, and respectfully call your attention to the article entitled "Can it last?"

In my opinion, the substance of this article is gospel truth. Personally I am not interested in railroads or in their management or control, but as a publisher and business man, and with a knowledge of present business conditions throughout the country and in touch constantly with nearly 10,000 merchants, am firmly convinced that unless the much sought for relief is granted the railroads by the Interstate Commerce Commission, and that without further delay, a business crisis is inevitable.

I know and feel that the commercial world have faith in your good judgment and sincerity of purpose; yet they demand that you should compel prompt action.

This commission can determine the question now as later. You are earnestly asked to lend your influence toward a speedy settlement of a question that involves not alone the railroads but the industrial corporations as well. With highest esteem,

Yours, very truly, WM. P. AHNELT.

CAN IT LAST?

We are a hopeful Nation, but "can it last?" The army of the unemployed grows larger every day. The murmurs of discontent increase. Every report of the reopening of a factory is hailed with joy. Business drags in every line of industry, excepting in our legislative halls, where demagogues are working overtime. The splendid optimism of the American people sustains them in this trying hour.

The Federal Government has taken possession of the railroads. It fixes their tariffs, it decides what appliances they must use, and what wages they must pay. State public-service commissions pass upon the securities that can be issued, so that the stockholders have nothing to do excepting to elect the directors and foot the losses.

Everybody knows that the halt in the iron industry and allied branches of trade is due to the lack of orders customarily received from the railroads. The increase in the cost of labor and material, coupled with the slackening in business, has crippled the railroads everywhere. Dividends are being passed or reduced, economies of the strictest kind are being enforced, yet net earnings continue to show an alarming decline. In this crisis the failure of the Interstate Commerce Commission to act is an outrage that capital and labor should resent at once.

The railroads ought to spend, and would spend, $3,000,000 a day for new rails, cars, and other equipment if they had the money. They should spend a billion dollars a year for the next five years. Three-quarters of this would go to labor. Do the workingmen of this country realize what this would mean to them? Do shopkeepers realize it? Do our manufacturers comprehend it? If the Interstate Commerce Commission will not act, let us have a commission that will. The exigency is urgent. The country demands it. Let President Wilson act.

The railroads have been brought to the verge of bankruptcy. Must they repeat the painful experience of 1893, when three-fourths of them went into the hands of receivers? Worse still, the politicians and demagogues who are responsible for this crisis in the affairs of the railroads now propose to try the same tactics on the industrial corporations.

We repeat, "We are a hopeful Nation, but can it last?"

—

NEW YORK, *March 22, 1914.*

The PRESIDENT OF THE UNITED STATES,
White House, Washington, D. C.

Mr. PRESIDENT: The continued depression in business is making the opportunity for the dangerous elements in our large cities to draw into their ranks great numbers of the "employable unemployed," who are becoming desperate.

I understand that in all the large cities there is increasing activity among the would-be overthrowers of the Government, their numbers becoming greatly augmented.

The imperative need of the situation suggests that as the pressing needs of the railroads are the greatest present deterrent force to the prosperity of the country, the 5 per cent increase asked for be granted without further parley or delay.

If later consideration, when all conditions favor it, shows that revenues can be adequately increased from other sources, let the commission then reduce the rate.

Very respectfully, yours,

J. GRANT PEASE.

N. B.—I inclose a clipping from to-day's New York Times.

—

ANARCHISTS SPREAD ALARM IN FIFTH AVENUE—ONE THOUSAND STRONG, THEY MARCH UP THAT THOROUGHFARE SINGING THE "MARSEILLAISE"—CURSE HOMES OF THE RICH—CARRY A BLACK FLAG INSCRIBED "DEMOLITIONE," STOP TRAFFIC, AND JOSTLE SHOPPERS—NO ARRESTS.

With a black banner waving at the head of their column a thousand anarchists, men and women, marched up Fifth Avenue from Madison Square to One hundred and seventh Street late yesterday afternoon. Alexander Berkman, who served a prison term for attempting to kill Henry C. Frick in Pittsburgh some years ago, led the march with a woman on each arm. Behind him came Emma Goldman, Carlo Tresca of the I. W. W., and others, who had aroused their followers to frenzy by attacks on law and order at an open-air meeting in Union Square.

Flaming red letters on the black banner spelled the Italian Anarchists' slogan, "Demolitione." From this word, which expresses the spirit of destructive revolution, the anarchist marchers took their cue. Keeping in a compact mass they jostled all other pedestrians from the sidewalk on the east side of Fifth Avenue, sending shoppers, club members, and other afternoon walkers on Fifth Avenue scurrying into doorways or into the street.

They defied the traffic regulations at important crosstown streets, pressing forward through lines of trolley cars, automobiles, and trucks. At Forty-second Street Berkman and some of those with him stepped directly in front of a trolley car to whose motorman a traffic policeman had given the order to proceed, and held it back, shouting threats at the motorman. The whole line of anarchists, more than a block long, passed before traffic could be resumed. At Eighty-fourth Street a motor car turned east from Fifth Avenue. Berkman barred its way, and one of the women with him spat three times at one of the women in its tonneau. Men and women in the marching column jeered at those in the automobile as they passed.

CURSED THE HOMES OF THE RICH.

As they marched the anarchists sang revolutionary songs. These were punctuated with maledictions upon the homes of the rich that they passed. Their wild cries alarmed servants who had gathered in the windows of Fifth Avenue mansions, including those of ex-Senator W. A. Clark of Montana and Andrew Carnegie, two of the most conspicuous homes fronting on Central Park.

Just ahead of the column, watching for some outbreak of violence which would call for police action, marched Detectives Gildea and Gegan, who had been keeping the revolutionary elements under surveillance since the beginning of the Tannenbaum demonstrations against the city's churches. At Sixtieth Street the detectives learned that the marchers were on their way to the quarters of the Francisco Ferrer Association, at 63 East One hundred and seventh Street, and then telephoned to police headquarters to have a cordon of police waiting for them there.

The mob had gathered in Union Square early in the afternoon. A park policeman, to whom they applied for permission to use the square for holding a meeting, asked Berkman and Miss Goldman for their permit. When they could show him none, he ordered them out of the square.

Lincoln Steffens, a magazine writer and president of the Free Speech League of America, interceded for them, and the policeman finally said he could not interfere if the meeting were held north of the curb line at the uptown end of the square. Steffens then left and the speaking began.

EMMA GOLDMAN STIRS THEM UP.

Miss Goldman not only outdid her own reputation as an incendiary speaker but went further than the I. W. W. agitators in urging her hearers to take what they needed for a living. The hoarse yells of men mingled with the shrill screams of women as she declaimed:

"Your toil made the wealth of the Nation. It belongs to you. The rich are keeping it from you. The officials do nothing to help you.

"March down to the mayor. March down to the police. March down to the other city officials. Make them tell you what they are going to do to give you food and shelter.

"Go to the churches, go to the hotels and restaurants, go to the bakeshops and tell them they must give you something to keep you from starving."

Tresca and Berkman spoke along similar lines, and worked the crowd up to a high pitch of excitement.

Although they had no permit to parade the anarchist leaders called on their hearers to fall in line behind them and march to the rooms of the Ferrer Association, where they would receive food on the proceeds of a collection which some of the agitators had taken up from passersby. The paraders started up on the east sidewalk on Broadway, elbowing the home-going crowds out of their way, and at Twenty-third Street Berkman led them into Fifth Avenue.

"MARSEILLAISE" IN MANY TONGUES.

Up to that time the crowd had been singing and shouting in a half hysterical strain, but when, at Thirtieth Street, a man stepped up to the head of the column and unfurled the black banner pandemonium began. The straggling column, which had been reinforced by benchwarmers in Madison Square Park, gathered itself compactly together, locking arms and driving all other persons from the sidewalk. A woman started to sing the "Marseillaise" in a high key. Other women took it up. The men joined in, singing the words in half a dozen foreign languages. From then on the column never ceased singing or shouting.

When the marchers arrived at the Ferrer Association they found a dozen policemen from the East One hundred and fourth Street station awaiting them. They filed in and soon the Ferrer Association attendants spread a meal for them. In addition to food, the Ferrer management passed out beer, cigars, and cigarettes. The association announced that 250 of the party would be sheltered in the building over night. The overflow moved away from the association quarters in groups of 10 to 20 during the evening.

Max Appel, Percy Marmor, and other I. W. W. lieutenants of Frank Tannenbaum, who have been holding nightly meetings in Rutgers Square since their leader's arrest for invading St. Alphonsus's Roman Catholic Church, were with the marchers. They said that the anarchistic demonstration had not been organized by them and that few of their followers were in the column which had marched up Fifth Avenue. During the parade a number of the Ferrer Association workers distributed anarchistic literature.

Detective Gegan said: "It is evident that the men downtown do not recognize the seriousness of this movement. We who follow them from day to day see that they are gaining strength, and unless they are checked serious consequences may result."

—

NEW YORK, *March 30, 1914.*

Hon. WOODROW WILSON,
President United States of America,
Washington, D. C.

DEAR SIR: It is very comfortable to be able to believe that because things have gone along in a certain way for many years they are likely to go on in the same way for many years more, or for so long as anybody need look ahead, and that it is better so than to bother with change. Thus we are continually counseled to compromise with things as they are. But there is an end at last to compromise. Things as they are become intolerable; they can not go on any longer in the old way. Correction follows.

We are now in that corrective period, and, among other things, the railroad situation has got to be corrected. First was the Interstate Commerce Commission, created expressly to represent the people against the railroads and to regulate rates, and, of course, to regulate rates by keeping them down. That was what the people wanted. The railroads protested; and it was awkward for them, because the regulation of rates began at a point where rates, by reason of excessive competition, were already very low. But they protested in vain. Then they made the best of it; that was in the spirit of compromise.

Then the public declared itself a third party to every dispute between the railroads and their employees over wages, and said strikes should not occur. A law was passed to provide for arbitration. Railroad strikes did cease, but at the same time the railroads lost control of the most important single factor of cost in the production of transportation, namely, the labor cost. Every threat of the employees to strike for higher pay brought about a call for arbitration under the auspices of the Government, and arbitration in every case meant "something for the men." The railroads protested, but again in vain, and went on making the best of it. That was again in the spirit of compromise.

Obviously two diverging lines must run ever farther and farther apart. It was impossible for one arm of the Government to continue keeping rates down and another arm of the Government to continue putting wages up without bringing the railroads face to face with a crisis in which compromise would be no longer possible. Everybody who does not employ labor wishes to see wages rise, thinking it makes for prosperity; everybody who does not own railroad shares wishes freight rates to stay low. In between are the railroads, unable to control their costs, their service, or the selling price of their product. It is for them a desperate situation.

Nobody at any time wishes to see a "liquidation of labor," either by wage reductions or unemployment. It is the one commodity of all that has not yet been touched by liquidation. However, it now is clear that one of three things must happen. Either the Interstate Commerce Commission must allow the railroads to raise their rates, or the railroads must liquidate labor, or the Government must take over the railroads at last and tax the people to support them. They are not now self-supporting.

Unable to wait for the Interstate Commerce Commission to finish its deliberations, the railroads have begun to do the only thing left for them to do; they have begun to liquidate labor, not by reducing wages, but by cutting down forces. The New York Central and the Pennsylvania Railroad lines have reduced their forces more than 50,000 men in four months. Some of this unemployment, of course, is owing to the reduced amount of tonnage to be hauled, which has nothing to do with rates; but a great deal of it is directly owing to the fact that the railroads have not, on their present margin of profit, enough borrowing power to engage new capital for new works. It is the correction least to be desired, because unemployment converts just so many men from productive units into social liabilities; but there was no other way to meet the situation. If it does not convince the Interstate Commerce Commission, then we shall be compelled to say that the final solution will be for the railroads to sell out to the Government. The alternative is bankruptcy for many of them, and that is simply unthinkable.

Yours, faithfully,

A. A. HOUSMAN & CO.

—

THE PICTORAL REVIEW CO.,
New York, March 9, 1914.

Hon. WOODROW WILSON,
President of the United States, Washington, D. C.

HONORED SIR: I take the liberty of inclosing editorial from Leslie's Illustrated Weekly Newspaper under date of March 5, 1914, relative to the action of the Interstate Commerce Commission.

Your recent message to Congress, in which you are reported as stating "that we can not postpone action in this matter without leaving the railroads exposed to many serious handicaps and hazards," has struck a universal chord, and echoes the sentiments of thousands of our small investors in railroad securities.

Permit me, Mr. President, to say that it is the duty of the present administration to aid the present forward movement toward prosperity. Delay in the decision on the part of the Interstate Commerce Commission as regards the proposed freight increase by the railroads is causing the public to become pessimistic as regards the condition of the country, and is causing business in general to become stagnated, and causing a lack of confidence in the present administration.

May I, on the behalf of thousands similarly situated as myself—small investors—request that you lend your best efforts toward expediting the determination of the Interstate Commerce Commission?

With highest regards,

Yours, respectfully,

CHAS. W. NELSON.

—

[Telegram.]

HOOPESTOWN, ILL., *January 7, 1914.*

Hon. WOODROW WILSON:

Would respectfully request that you use your influence for a 5 per cent horizontal raise in freight rates in official classification territory.

THE ILLINOIS CANNING CO.

—

[Telegram.]

LA SALLE, ILL., *January 6, 1914.*

The PRESIDENT, *Washington, D. C.:*

We respectfully urge you to use your influence toward obtaining a 5 per cent horizontal raise in freight rates in official classification territory, impressing upon the Interstate Commerce Commission the importance to act promptly.

GERMAN-AMERICAN PORTLAND CEMENT CO.

—

[Telegram.]

CHICAGO, ILL., *January 5, 1914.*

The PRESIDENT:

We believe that to serve the best interests of all the people in this country the railroads should have the 5 per cent horizontal advance in freight rates which they ask, and trust you will kindly use your influence toward that end.

GUTTMAN & CO.

THE HOLT MANUFACTURING CO.,
New York, N. Y., December 12, 1913.

Hon. WOODROW WILSON,
President of the United States, Washington, D. C.

DEAR SIR: Don't you consider that the moral effect of an announcement from you at this particular time that you are in favor of and recommend granting the railroads a 5 per cent increase in freight rates in consideration of the advanced cost of labor and increased expenses that they have had to meet would do more to benefit the poorer classes, who are the ones who do the real hard work, than anything else at this time?

It is a simple stimulus and easily injected, resulting in great good to the most people.

Railroads and industries affected by the railroads' activities are laying off men in the face of a cold, hard winter, due to the fact that many heavy interests are apparently taking advantage of the situation to "whip" you over the defenseless shoulders of those who are unable to protect themselves.

Those who pay the freight charges can afford the slight advance, and the immediate effect of an announcement of this kind from you would be that railroad securities would instantly be marketable and railroad extension and improvements would commence in every direction, which starts the steel industries to work, and when steel moves everything else follows suit.

I wrote a friend of mine, who is a heavy producer of leather, explaining my opinion that the real demand would within the next six months regulate industrial conditions, and I absolutely believe it to be a fact, but the period of six months is the serious point to be considered. I quote you my friend's opinion, as follows:

"I agree with you perfectly the real demand will expose the manipulators, and there is no question about the fact, in my mind, that certain markets have been and are being manipulated. About the only industry in our State that is appreciably dull at the present time is the brass and copper industry, which, as you know, is very large in the Housatonic Valley. Their mills are running three to four days a week, but I believe it is solely for the purpose of affecting the price of copper. I think they have orders enough in hand to run full time if they cared to; certainly by the accumulation of a very moderate stock they could run full time, but my theory is that they feel by curtailing all they possibly can, even if they do make their customers wait for deliveries, they will affect the price of their raw material, which is copper.

"We none of us place any orders in December if we can help it, particularly those of us who inventory 1st of January, and I do not think that so far as our business is concerned that the falling off is any greater at this time than it is usually."

You are, in my opinion, moving in the right direction, and as soon as enough time elapses for the effect in real good worth to be felt the country with its currency reform and tariff reduction a settled, definite fact and operative we will commence upon a new era of lasting prosperity that will not be attended by the pitfalls in the past.

This is merely a suggestion, due to my observations in different parts of the United States during the last six months and is an effort to try and influence you to urge the Interstate Commerce Commission to act promptly on the proposed 5 per cent advance in freight rates, the effect of which will benefit those who can not protect themselves, and the strong should protect the weak.

Won't you, Mr. Wilson, do the one thing that will do the most good at this particular time for the greatest number of people? Help restore confidence by reassuring the people in this simple way. General conditions can not be very bad on top of good crops.

Yours, very truly,

BEN. C. HOLT.

—

GREEN ORCHARD,
Winchester, Va., March 14, 1914.

President WILSON, *Washington, D. C.*

DEAR SIR: The conscience of the country is waking up to the fact that the United States Government is acting dishonestly in making the railroads carry the parcel post without paying them a just recompense for it. As one of your sincere admirers, I urge you to do your best to see that this scandal is stopped.

Also, it is certainly clear that the Interstate Commerce Commission should grant the 5 per cent increase in rates asked by the roads. The demand certainly seems a just and moderate one. Its granting will be followed by great business prosperity. Its refusal will produce such a depression as this country has not seen since Cleveland's day. It is needless to say what the result would be to the Democratic Party. But it is a bigger question than that. It is one of right and wrong, and the railroads have right on their side. If the present commission is made up of men so prejudiced or so small in caliber that they can not do justice to the railroads, why, then, the commission should be remade.

I urge you to act to the best of your ability to see that both justice and the prosperity of the country are served by doing justice to the railroads in both the above matters.

Also push the law giving the commission complete power over the issue of all securities by the railroads. Push a law providing for compulsory arbitration in railroad labor disputes under supervision of the commission.

Lastly, and most of all, as you love our country, oppose all extension of Government ownership in the continental United States to railroads, telephones, or telegraphs. When we start on general Government ownership in this country it will mark the beginning of the end of our beloved country.

Yours, very respectfully,

MELVIN GREEN.

—

ORANGE COUNTY, N. Y., *March 13, 1914.*

President WILSON.

DEAR SIR: Allow me to urge you to push on the Interstate Commerce Commission to do justice at once to railroads in regard to freight rates and also as to parcel post. In the latter case the Government has taken a dishonorable course and is setting a bad example, making railroads carry double what was agreed on in way of mail. Let me add that the parcel post is a fake; letters are the important thing, and mail now is delayed by parcel post. Let us get back to common sense and check this craze for changing old, common-sense ways. Radicalism and socialism are ruining our country, which is sadly in need of rest and justice to the railroads.

Yours, sincerely,

AYMAR VAN BUREN.

BELLEVILLE, ILL., *March 19, 1914.*

Hon. WOODROW WILSON,
President of United States, Washington, D. C.

In re spotting cars.

DEAR SIR: Members of the Manufacturers' Association of this city, as well as the individual manufacturers, are opposed to the charge of "spotting cars" by railroad companies, or any other service already covered by their tariffs, and respectfully urge you to use your influence with the Interstate Commerce Commission to grant further hearings, and that such hearings be held at some convenient point in the Middle West, enabling the small as well as large shipper to be present and be heard.

We further respectfully ask your influence with the commission to grant the proposed 5 per cent advance in freight rates, except where such proposed advance seems unfair, and that the tariffs in such cases be suspended for further hearing.

We believe the advance will generally improve business conditions, but think prompt action desirable.

Thanking you in anticipation of an early reply to this letter, we remain,

Yours, very truly,

MANUFACTURERS' ASSOCIATION,
C. T. MULLEN, *Secretary.*

—

SAN FRANCISCO, *April 7, 1914.*

President WOODROW WILSON,
Washington, D. C.

MY DEAR PROFESSOR: It is to be hoped that the inclosed clipping is not true, as the demand for the increased freight rates is solely for Wall Street or those associated with Wall Street. Honest and efficient management of the railroads does not require any increase in freight rates.

You surely know the country is growing and the increased traffic alone would more than offset any increased cost of operation. The decline in such stocks as Rock Island and Wabash was only natural. Those stocks cost nothing and they are only seeking their level like many other stocks will do. The sincerity of some of the presidents of some of the larger railroads, who lately have given very pessimistic reports before the Interstate Commerce Commission, should be questioned, as personally I know some of those same gentlemen hover over the stock ticker, and even in the last 60 days, they have issued very strong personal tips to their personal friends to buy the stocks. This is evidenced again by the fact that their stocks are up from 10 to 20 per cent.

To saddle the public with an extra 50 or 100 million dollars yearly now would be an extra addition to the high cost of living. You probably know the dividends on Wall Street's watered stocks alone added to the cost of living 18 per cent for 1912.

Yours, very truly,

W. O. MANSON.

"President Wilson made an informal statement recently, virtually declaring in favor of the proposed advance in freight rates."

—

NEW YORK, *March 16, 1914.*

Hon. WOODROW WILSON, *Washington, D. C.*

DEAR SIR: It is very evident that Messrs. Harlan and Brandeis are retarding the progress of this country by the attitude they have assumed in the "rate case." The writer has talked with more than 100 business men in this city on the subject, and all are substantially of this opinion.

The commission has done good work, but there is such a thing as overdoing. Can not something be done to show Messrs. Harlan and Brandeis their error? Will you not kindly use your influence in the matter?

Very truly,

ANDREW A. RUSSELL.

—

ERIE, PA., *April 13, 1914.*

Hon. WOODROW WILSON.

DEAR PRESIDENT: In 1907 the big banking interests caused a panic out of a clear sky. They would of done so again had you not issued your warning to them.

Now, the present depression in business is being caused by this same bunch of pirates in another way—discharging men. They have two objects in view, one is to make the voters believe it is due to the Democratic administration; the other, to get a 5 per cent raise in freight rates. If these roads had been built by their money, there might be some legitimate excuse for the raise. But the present owners of our railroads have been built and paid for by those who are not now the owners. These roads have been thrown into the receivers' hands time after time, and bought in by the Wall Street exploiters at one-fourth their value, after which these money pirates opened up their money bags to business and reaped in return millions in the rise of stock values. Then they began selling watered stock for a living. The only proper thing to do is to find out just what the present owners have paid for those roads, and then establish rates accordingly, or the Government to buy or build parallel lines. I believe in that old saying, "Either the Government must own the railroads or the railroads will own the Government." Which will it be?

Sincerely, yours,

E. B. WILLIS.

—

LETTERS FROM HERALD READERS.

[The Herald invites letters from its readers on current topics. The letters should be short and to the point, and free from offensive personalities. The proper name and address of the writer must accompany each letter, but will not be printed if publicity is not desired.]

TOLLS AND FREIGHT RATES.

Editor of HERALD:

In a recent speech Walter Wood, iron manufacturer, says free tolls through the Panama Canal would not reduce freight rates to manufacturing industry, and contends that vessels of any nation doing a coastwise trade should be allowed free tolls. He says in that way only will freight rates be reduced. He reasons that American vessel owners would combine to establish rates to suit themselves. Granting that is sound logic, then if we let all vessels doing a coastwise trade through free and freight rates should be reduced, is there anything to stop the association of manufacturers who would have a monopoly on the coastwise trade from doing the same thing he charges the American vessel owners would do, namely, "Combine on prices." Certainly not. The best and fairest competition would result in all vessels paying the same tolls. Not only would vessel owners be treated fairly, but the great public, which is bonded to build, pay for, and maintain it, be treated fairly. This is everybody's canal, and everybody should receive the same treatment who use it or who benefit by its usage. This free-toll business is a subsidy for a few, very few, men engaged in water transportation, which, if allowed, could only result in direct benefit to them. Such favoritism should not be thought of by any fair-minded person. Casting aside that international treaty on the tolls question, the only just and sane solution is "Equal rights to all and favors to none." Let's have it.

E. B. WILLIS.

—

ALBANY, N. Y., *March 28, 1914.*

SECRETARY TO PRESIDENT WOODROW WILSON.

DEAR SIR: Please pardon me for taking your time.

I am anxious that business be revived, and wish to ask if the Interstate Commerce Commission can or has power to grant the railroads their requests for a period of one or two years as trial to see what they will do.

This time will give the said commissioners ample time—needs for further and complete investigation, without further retarding business.

Surely business needs stimulating, and the Interstate Commerce Commission can start it.

I thank you for your time, and trust you will place this idea, if you deem advisable.

Truly,

E. J. WEEKS.

—

HOW MUCH LONGER?

When, a few days ago, the New York Times demanded to know who was holding up the business of the country and intimated that the information might be found at Washington, where more antitrust legislation is pending, the Evening Journal called attention to a few causes tending to produce business depression which the Times had neglected to suggest. Among them is mentioned the Interstate Commerce Commission's attitude toward the railroads.

Yesterday the Times made up for that omission with an article in which it subjected the commission to somewhat severe criticism. In particular there was censure for the commission's eager willingness to hear a representative of railroad commissions of Western States, who came to argue against the granting of a rate advance. Here is part of the article, in which our Democratic contemporary in part answers its question, Who is holding up the business of the country?

"If the Interstate Commerce Commission has any confidence in itself, or in its accounts of the railways' condition, it is in a better position than any other authority to decide for itself forthwith, asking for no arguments. The official figures show that the commission has heretofore misjudged and acted in error upon the reports to it. That is the substance and the merit of the railways' appeal. The railways now are suffering one of the most serious reverses in their history. Their suffering is so severe that it is reflected among industrial investments. It can not be long before the country in general must suffer from the reduction of dividends in both railways and industrial corporations. The Supreme Court itself has flinched from the results of the rigor of its law, and has reconsidered judgments which were impolitic. The Interstate Commerce Commission need not fear the country's reproaches for a retreat from its untenable position that it is infallible, and must refuse advances of rates because it has been accustomed to do so."

"Just now new evidences have appeared of the serious reverse that afflicts the railroads. On Wednesday a subsidiary of the Pennsylvania system had to reduce its dividends. Yesterday it was made known that the Pennsylvania has been compelled to lay off 15,000 employees. And that system is conceded to be well managed. Reports from the steel and iron trade tell of almost complete stoppage of orders.

"It can not be long before the country in general must suffer," says the Times. The country is already suffering.

How much longer will the Interstate Commerce Commission persist in withholding from the railroads the necessary means of sustenance?

Do its members really believe that for such destructive work it was created?

—

PITTSBURGH, PA., *March 27, 1914.*

Hon. WOODROW WILSON,
President United States, Washington, D. C.

MR. PRESIDENT: With general business all over the country waiting for the decision of the Interstate Commerce Commission, can not something be done to hurry this body along and get them to grant the increase in freight rates? Otherwise I am afraid we will see dull, hard times in your administration. I know you have worked with this end in view, and only hope that possibly a little extra effort may bring us the desired end, and thus hope you can.

Wishing your administration every success, and hoping that this will be a most prosperous year for the country, I have the honor to remain,

Very truly, yours,

C. A. PAINTER.

—

PICTORIAL REVIEW,
New York, March 27, 1914.

His Excellency WOODROW WILSON,
President of the United States,
White House, Washington, D. C.

SIR: Might I venture to call your attention to an editorial in the New York Times of March 26 on the railroad-rate situation? Can not something be done for the good of the country at large to expedite that decision, so that business, large and small, may see some light ahead? I do not know of a single enterprise that does any considerable shipping business that is not in favor of an increase in rates. Why, therefore, this killing delay upon the part of the commission?

Believe me,

Respectfully, yours,

ARTHUR T. VANCE.

—

[Telegram.]

NEW YORK, *March 27, 1914.*

The PRESIDENT:

Won't you please say or do something to stop the suspension of railroad employees before it spreads, or we will be out of employment all summer?

F. H. JOHNSON.

SOCIETY OF AMERICAN DRAMATISTS AND COMPOSERS,
New York, March 24, 1914.

DEAR MR. PRESIDENT: The theatrical world, like the commercial world, ask you to do what you can to help the railroads, not only for sake of the roads but it will help the general prosperity of the country, as per clipping herewith from to-day's New York Herald.

That Interstate Commerce Commission are really holding back this great country in a way that no small body of men should have the power to do.

If a vote of the masses were taken, the great majority—a very great majority—would surely say, "Grant the increase." As the clipping says, "Every thinking man" is in favor of helping the railroads.

The theatrical world ask it of you, and we will thank you.

Respectfully,

H. E. SMITH.

PROSPERITY AWAITS RATES—JOHN CLAFLIN SAYS IMPROVEMENT WILL FOLLOW GRANTING OF ADVANCE TO RAILROADS.

John Claflin, president of the United Dry Goods Cos., when asked his opinion of the business outlook yesterday, said:

"I'll have a good deal to say about prosperity if the railroads get the 5 per cent increase in freight rates for which they have asked. *If they obtain* that advance, there will be immediate improvement in business."

Asked if he thought the merchants of this city generally were supporting the request of the railroads for higher freight rates, Mr. Claflin replied:

"Yes; I think they are doing so now. Practically every thinking man now realizes that the country can not be prosperous if the railroads are not."

—

AMERICAN GYPSUM CO.,
Rochester, N. Y., April 3, 1914.

Hon. WOODROW WILSON,
President, Washington, D. C.

DEAR SIR: Recently the Rochester Chamber of Commerce voted 491 for an increase of 5 per cent in railroad freight rates and only 37 voted against it. This shows how public opinion is running in behalf of the railroads.

There is no question but that this country is suffering hard times, newspapers to the contrary notwithstanding. At this time of year there should be no idle labor, yet there are thousands of men out of employment.

Notwithstanding the fact that you have passed laws you thought were for the best interest of the people, if those laws bring on hard times or you fail to pass others which will restore good times, then your administration has not been a success.

Trusting the railroads will get fair treatment and a justifiable increase, I remain,

Very respectfully, yours, HARRY C. NOBLES.

—

ENSLEY, ALA., *April 3, 1914.*

Hon. WOODROW WILSON,
White House, Washington, D. C.

DEAR SIR: From such statements as I have seen in the press about the information you have been receiving regarding business conditions in this country I am led to feel that the facts in the matter have not been brought to your attention, but I believe that you are interested to learn the actual conditions and that it would be desirable to get the information first hand, hence I am writing you what I know about the matter.

There has been a marked falling off in railroad and industrial business within the past few months, and a more rapid decline within the past few weeks, which has intensified the unfavorable sentiment of business interests, and there is a hesitation on all sides and a doubtful feeling about the ultimate outcome. Continued legislation and agitation toward business interests, including the action of the Interstate Commerce Commission in deciding the railroad-rate question is undoubtedly accountable for this, and the only hope of relieving the unfavorable conditions, I believe, is a favorable action on the part of the Interstate Commerce Commission to the railroads and discontinued legislation to give us an opportunity of working out the new laws that have been enacted, and I earnestly request your consideration of these matters.

Respectfully, yours,

A. F. HILLEKE.

—

APRIL 1, 1914.

DEAR PRESIDENT WILSON: Although this letter may never reach your hands I am taking the liberty of addressing you personally, as I had the pleasure of knowing you while at Princeton, and spent one of my most pleasant hours with you at Prospect, when you autographed one of your photographs for me.

The purpose of this letter is to endeavor to call the attention of the administration to the unwarranted persecution of the railroads of this country by such bodies as the Interstate Commerce Commission and the Parcel Post System.

I have never speculated, but have invested all my hard-earned capital in supposedly standard railroads, among others New York, New Haven & Hartford, New York Central, and the Pennsylvania Railroad. On these three railroads alone I have lost thousands of dollars.

While I believe in reforms in railroads, the stock exchange, etc., I feel the prosperity of the country is being greatly impaired by the cut-throat legislation enacted in the last decade against the railroads.

The administration will be blamed, as it always is, for any mistakes happening during its régime. As just one of those who constitute the people, I appeal to your well-known sense of justice and regard for the welfare of the country to aid in the agitation now on foot for an increase in the railroad freight rates.

Trusting that you will pardon any intrusion this letter may seem, and assuring you that it is not written in any spirit of faultfinding, but one in which I felt it my duty to try to express to you and your associates the feelings of the people on this subject, I am, with greatest confidence and sincerity,

Most sincerely, yours,

HAROLD FLAMMER,
Class of 1911, Princeton University.

E. M. GERSTEL & CO.,
Chicago, Ill., March 5, 1914.

To the Hon. WOODROW WILSON,
President of the United States.

DEAR SIR: Possibly you are not aware of the awful conditions in this great steel district and mills. The working classes have passed through the hardest winter they have ever been called upon to endure, and the signs portend to the worse, if anything. Why, is not altogether hard to tell. The railroads and others have not furnished the mills with any work. We contend that if they are unable to do so it is up to the Interstate Commerce Commission to help them out. I know for one that the shippers are all willing to pay an increase if it will help the classes and all others indirectly concerned in this neighboring country. Therefore we pray that you will see the way clear to be of great help to all.

Certainly it will benefit you and your administration; of that there can be no doubt. I beg to remain, honorable sir,

Your very obedient servant,

E. M. GERSTEL,
President and Secretary.

—

CLEVELAND, OHIO, *March 26, 1914.*

The Hon. WOODROW WILSON,
White House, Washington, D. C.

DEAR PRESIDENT WILSON: As a Princeton man, class of 1896, living here in Cleveland, superintendent of Semet-Solvay Co. (by-product coke-oven plant), I am taking the liberty of writing you personally.

I am in daily contact with many business men connected directly and indirectly with the iron and steel industries, the majority of whom feel a lack of confidence in the general business of the country because of the uncertainty of congressional legislation. Personally, I feel that the 5 per cent rate increase, if allowed now by the Interstate Commerce Commisison, to the railroads will bring about a quick and healthy return of business, such as has not been seen in the United States since the summer of 1907.

The prospects are that the winter wheat crop will be a good one. Apparently there are no signs of trouble for industry or commerce which can be attributed to the weather or its consequences.

Trusting that you will accept this from one of your old pupils in the true Princeton spirit, and with very best wishes for your success now as always,

Yours, sincerely,

TALBOT E. PIERCE.

—

LITTLE ROCK, *November 26, 1913.*

Hon. WOODROW WILSON,
President United States.

UNITED STATES RAILROAD COMMISSION.

GENTLEMEN: I have watched with interest the fight that has been and is at the present time being waged against our railroads, and it is plain to be seen what is awaiting us in the future, unless such antagonistic legislation is stopped. I say antagonistic, because some of our State legislatures are enacting laws that are just simply killing the railroad industry; and I do not know of another one industry that is at present or have in the past proven themselves to be more beneficial to our country than our railroads. Illustrations of the benefits of the railroad are numerous. One only has to cast a glance over our country and see the many different ways the railroads have been an essential factor in bringing it up from a wilderness to a Nation of wealth, dotted with thousands of cities and towns, and farms without end. Lands that at one time, being so remote from markets, were of small value have increased in value as if by magic, caused by the opportunities afforded them by our railroads building into them and giving them an outlet to the markets of the world. And we have a great lot of territory yet to be opened up and put in a state of usefulness.

As much benefit as our railroads have been to our farmers, merchants, manufacturers, laborers, our people and country in general, I can not see why it is our State legislatures want to be continually legislating against them. I do not see why it would not be a better and wiser policy to give our railroads encouragement and inducement to build and improve, instead of entirely throttling them.

The one fight that is being waged now against our railroads and doing more injury than all else is the freight-rate case. This fight when sifted down will be found to be agitated by a combine that are proving themselves every day to be the most powerful trust we have, a combine that is at the present day more detrimental to our people and the future safety of our Republic than any other corporation or trust within its boundaries, and they are urging this kind of legislation for their own profit.

By illustrating the case as it is in my State I hope to make plain to you that such is a fact. The combination I have reference to is the wholesale merchants', retail merchants', and manufacturers' associations, more especially the wholesale and retail merchants.

I do not take sides with the railroads from any interest I have in them, for I have none; am just a plain, everyday laboring man. But from an interest every taxpayer should have, and also everyone should have at heart—a prosperous, peaceable future for our country—I do not think it is right to appropriate people's money to fight a legal battle between trusts or corporations and to use our money by appropriations to assist a corporation that is as detrimental to us as the merchants' association and against one that so much good can be said of and benefit derived from as the railroad corporation. We have good combines, and we have bad ones. I consider our railroad the most beneficial corporation we have, and the wholesale and retail merchants the most detrimental to the future welfare of our country and its people.

Who wants to see our country, that has in the past flourished quietly and peaceably, now be driven to strikes and turmoil, as some of our European countries have been.

Our State legislators and railroad commissioners probably have not looked far enough ahead into the future and seen the end they are bringing things to, and to whose gain?

Just and fair legislation to all alike is essential, but partial and antagonistic legislation is detrimental, and when it is against an industry as necessary to all of us as our railroads it is detrimental to all of us; and, likewise, what is detrimental to all of our people is detrimental to our country.

Useless and antagonistic legislation by our States, unjust decisions by our supreme courts, should be retracted before our whole United States

is paralyzed by results of it, and the course our legislatures, etc., are pursuing is surely going to do it.

The two great factors in the freight-rate agitation being fought in our supreme courts and legislatures is one we all know, the railroads, and one that have kept themselves in the dark, that are standing in the background, urging things on, getting the people's money appropriated to fight their battle, and, as has been the case in this State, stand ready to receive all profits derived from it. This is the wholesale and retail merchants' association.

The railroads, trying to protect their investment and make some profit, which is due everyone on their investment, whether it be labor or money, and the merchants' combine, in an underhanded way, their attorneys, using the word "consumers" to get State appropriations to take rate cases to the supreme courts, to get the railroad revenue cut and apply it to their own profit.

Mr. President Wilson, now let's see if that is not a fact, and also which is the most essential to the building up of our country. Let's compare the two. Let's see if the freight rates we had in the past hurt the "consumer." I use the word "consumer" because Judge Joseph W. Hill, in his plea to our Gov. Donaghey and last State legislature, to get the people's money appropriated, used the word "consumer," making the assertion he would save an enormous amount of money to the consumer if they would make this appropriation for him to take rate cases to supreme court. State legislature would have no right to make an appropriation to take a case to the supreme court for the merchants, hence the word "consumer." And now, then, this appropriation was made, cases were taken to supreme courts, rates were cut, merchants are now claiming millions of dollars' rebate from the railroad companies, and we, the "consumers" Mr. Hill referred to, have been left entirely out of consideration by the merchants. There has not been one cent cut on any article, and on some the price has increased.

To further prove the uselessness of such legislation, so far as the consumer was concerned, before the freight rates were cut a great many of our people formed clubs and bought from mail-order houses in Chicago, New York, and St. Louis. Why? Because they found they could buy there and pay the freight our railroad companies were charging and save a third of what it would cost out of a store here—pay the freight charges.

Farmers out through the country could do the same. Is not that proof the freight rates were not hurting us? And did not the merchants in 1910 or 1911 try in our State legislature to get a bill passed making it unlawful for mail-order houses to do business in Arkansas? And is not it a fact they were buying in eastern markets in wholesale lots and enjoying really better rates than we who were buying in small quantities?

Mr. President, when our new tariff becomes effective I feel in doubt as to the consumer receiving or sharing in the good that should come from it if the merchants' association is allowed to go on unmolested.

I hold to my opinion, based on the past and the present, that the railroads are doing their duty to our country and our people, but our merchants are not. We, the "consumer" Mr. Hill referred to, are paying more for some articles and less on none. Our money appropriated to fight the railroads and for a merchants' battle, and not a cent saved to us, the merchant putting that much more in his pocket.

And now, Mr. President, let us see who he is taking it from and what is going to be the end of such a course as is being now pursued.

You know, as all of us do, railroad companies are paying their employees good standard of wages. The representation of labor employed by our railroads runs into many, many thousands. We have noted in the past constant demands by laboring classes for higher wages. Railroad companies have always met their demands with increases in pay, and which they will continue to do so long as it is possible for them to do it.

Now, then, if we allow our railroad revenue to be cut, so they can not pay a price for labor that is required by our wholesalers and retailers to live, what is going to happen? Or, in other words, if we allow our State legislatures and supreme courts, railroad commissions, etc., to cut off the many thousands of laboring men's source of revenue, whereby they make their living, and let the merchants' association, who are bleeding the whole country, go unmolested, come up and take from the laboring men the last increase in wages they can possibly get, such a course, if pursued, will undoubtedly end disastrously to our country.

This wholesale and retail merchants' association is a great factor in our high prices and cost of living. They are making many millions out of it.

They are not satisfied with the big profits they have been making off our people. They are now getting the railroads' revenue cut to make more, and by so doing they are not only injuring our railroad industry but also hundreds of thousands of laboring men.

I do not want to see strikes, but unless the wholesale and retail merchants' associations are either broken up, or their business placed under surveillance of our Government, and then made to sell at a reasonable profit, they are going to force our labor classes and country into such a condition.

They are dealers in interstate commerce. They are engaged in a business whereby they become a public-service corporation, and why should not our Government have a right to investigate their business and see they do not exact enormous profits?

Why should we antagonize a corporation who are making 4 or 6 per cent on their investment, that pay the highest of wages, that are improving and opening up our country, that send right back into our States and put in circulation for improvements, labor, material, etc., a great portion of their proceeds; that are causing new towns and cities to be built, thereby increasing the value of our land. Why should we antagonize them, that so much good can be said of, and let a corporation like the merchants go unmolested, who are robbing the people by big profits, and even assist them in increasing their profits by cutting our railroads' revenue.

Everyone knows what our merchants are, and none better than the laboring class. They pay the lowest of wages, they have the poorest working conditions, they take all the money they can get out of circulation. And it is a plain case of freight rates cut being to no one's interest only theirs.

I hope to see the heads of our labor organizations instead of asking for any more increases of wages, with which to meet the demands of our merchants for a living, and which could only in the future meet with a refusal by railroads on account of them having gone to the limit, and their revenues being cut so they could not grant it, thus resulting in a strike and a general tie up of everything. Before things come to this status I hope to see our labor organizations place their representation behind intelligent representatives to our Government and lend their strength and assistance toward breaking up the merchants' association, holding on to the standard of wages they are getting now, and getting rid of the merchants' combine or force them to a reasonable profit, will be far greater than any raise in wages they can get. Raising wages, allowing at the same time merchants to conduct their business as they have in past, is that much nearer strikes and lockouts.

I think it is the duty of every taxpayer and everyone interested in the welfare of our country to raise an objection to the unjust legislation that is being enforced on our railroad industry. Kill the railroad industry and we kill the country.

What we need is more railroads and better railroads. It takes money to build, improve, and operate railroads, and when we allow our money to be appropriated to throttle that industry at the expense of the future of our country and our laboring classes and the benefit of the merchant, it will end up in very bad conditions. If reduction in freight rates injured no one and the benefit of it went to the consumer, of which the laboring class is in the majority, it would be a different state of affairs, but such is not the case. The reductions have never got past the merchant; he is making that much more as profit. And, Mr. President, I am afraid they will take advantage of the benefits of your tariff measure same as they have the railroads.

Very respectfully,

B. M. DEVITT.

[Telegram.]

CHICAGO, ILL., *January 15, 1914.*

The PRESIDENT, *Washington, D. C.*

As shippers of freight amounting to 6,500 carloads annually and believing an advance in freight rates is necessary on account of increased operating expenses and needed rehabilitations and extensions of facilities, we urge your favorable consideration of the request of the railroads for a uniform advance of 5 per cent in freight rates.

WESTINGHOUSE CHURCH KERR & Co.

[Telegram.]

GRANITE CITY, ILL., *January 16, 1914.*

The PRESIDENT, *Washington, D. C.*

We indorse the proposed 5 per cent horizontal raise in freight rates in the official classification territory.

Respectfully, yours,

GRANITE CITY COMMERCIAL CLUB.
W. J. COUDY, *President.*

OTTAWA, ILL., *January 24, 1914.*

President WOODROW WILSON,
Washington, D. C.

RIGHT HONORABLE PRESIDENT: It is our best judgment that the railroad companies, in what is known as official classification territory, should be permitted to advance their rates.

We know in the conduct of our own business the last two or three years there has been an increase in wages, in taxes, insurance, particularly liability, and all items of overhead expense. This increase has made advance in prices a necessity.

We believe the railroad companies need an increase in their rates to enable them to make proper repairs and extension facilities, so that the present service to the shipper may at least be maintained.

We therefore hope you will use your influence for the proposed 5 per cent horizontal increase in freight rates in the territory above described.

It is our judgment that the quicker the Interstate Commerce Commission shall make a decision on this question the better it will be for the business interests throughout the territory which would be affected by such a change.

We remain,
Yours, very truly,

SANDERS BROS. MFG. Co.

MOROCCO MANUFACTURERS' NATIONAL ASSOCIATION,
Philadelphia, Pa., U. S. A., March 20, 1914.

Hon. WOODROW WILSON,
President of the United States, Washington, D. C.

DEAR SIR: In accordance with unanimous action at the annual meeting of the Morocco Manufacturers' National Association, held in Philadelphia, March 12, 1914, I have the honor to transmit to you for your consideration a resolution, referring to plea of the eastern railroads to the Interstate Commerce Commission, asking to be permitted an advance in freight rates.

Respectfully, yours,

LAIRD H. SIMONS, *Secretary.*

Resolved, That the Morocco Manufacturers' National Association, in meeting assembled at the Bellevue-Stratford Hotel, Philadelphia, Pa., on March 12, 1914, are in favor of paying an acquiesce in the freight rate advance asked for by the eastern railroads, and feel that until such time as a decision is rendered by the Interstate Commerce Commission that business will continue in a depressed state; and therefore be it

Resolved, That the Morocco Manufacturers' National Association hereby acquiesces in the advance in rates if found necessary by the Interstate Commerce Commission, in order to provide business with efficient service and restore general confidence; and further be it

Resolved, That the Morocco Manufacturers' National Association particularly urge the members of the Interstate Commerce Commission to decide with the least possible delay the vital question before them, so that if they see fit to grant the increase asked for, general business may speedily have the stimulating influence of vigorous railway purchases and thereby stimulate all lines of manufacturing and commercial business, and likewise give opportunity to the manufacturing interests at large to reemploy a large percentage of the labor which they have been compelled to dismiss on account of the unsatisfactory condition referred to.

MASSACHUSETTS MUTUAL LIFE INSURANCE CO.,
Springfield, Mass., June 4, 1913.

Hon. WOODROW WILSON,
President, Washington. D, C.

DEAR MR. PRESIDENT: Excepting the special interests the country seems to approve your efforts to push the tariff and currency matters through quickly.

But in the meantime the financial situation has become clouded. So far the liquidation has done little damage and some good by squeezing out the water. But the country now approaches a critical condition. If this liquidation continue it will run into disaster, for the law seems to be that if liquidation once pass a certain point it can not be stopped until a business crisis develops.

When I took the liberty of writing you early in May I did not know the railroads were about to formulate their demand for that 5 per cent increase in freight rates. Conditions pointed to its necessity.

The interstate commission apparently thinks a decision several months hence will be sufficient. That will be too late, for by that time business will have so contracted that an increase in rates will not benefit the railroads to any extent. Whatever is done should be done at once.

The members of the Interstate Commerce Commission are familiar with the facts and need no extended arguments. The shippers are not opposing this increase as they did in 1910. In fact most of them are approving this increase, requiring only that it be uniform.

If this increase be granted at once, as it should be, it will restore the credit of the railroads so that they will be able to get the necessary funds. This will react on all lines of business and stop the progress of an unfortunate want of confidence that is developing. As you know, business is largely done on credit, which is the creature of confidence.

Underlying conditions are sound, and business can easily adjust itself to the tariff law if given a fair chance. But the situation in regard to credits is critical. I hope you can see your way to bring this matter before the Interstate Commerce Commission so as to get quick action.

Respectfully, yours,

WM. BOSWELL.

—

ST. LOUIS, MO., *January 28, 1914.*

To the PRESIDENT,
Executive Mansion, Washington, D. C.

MR. PRESIDENT: It may look like presumption on my part to address you on this subject, as I am only a plain business man, with 45 years' experience and still active, but one who is deeply interested in the future prosperity of this country, and therefore take the liberty to say that the pending decision of the Interstate Commerce Commission in the matter of the 5 per cent advance in freight rates asked for by the railroads is of great importance at this time. Its delay is causing a hesitation in the forward movement of legitimate business, which started right after the first of the year. I am a shipper myself and have talked with many very large shippers—none of them stockholders in railroads—all of whom believe that this advance should be granted by all means.

I attach herewith a clipping from the Wall Street Journal, which explains itself.

The railroads have had many troubles during the past 10 years with labor advances, higher cost of operating, and big advances in price of supplies, especially iron and steel, and they have gotten to a point now where nothing but deficits stare them in the face.

Trusting that you will give this matter at least a casual consideration, I am,

Your obedient servant,

WILLIAM BUBG.

[Inclosure.]

RAILROAD RATE QUESTION RESTS WITH THE PRESIDENT—RESULT APPEARS TO DEPEND ON THE TWO SELECTIONS TO FILL VACANCIES IN THE INTERSTATE COMMISSION—A FULL BOARD DECISION DESIRED.

The question of whether the eastern railroads will receive a freight-rate advance this spring or not may rest in the hands of President Wilson through his appointive power.

There are at present but five members of the Interstate Commerce Commission, which will decide on the petition of the railroads for a 5 per cent freight-rate increase. Three of these members are generally said to be favorable to a rate advance and two traditionally opposed thereto.

President Wilson will appoint two commissioners, one to succeed Mr. Marble, deceased, and one, Mr. Prouty, who is engaged in the direction of the physical valuation work. If the commission is divided as it is reported to be, the balance of power in the decision will rest with the two men appointed. It is planned that the decision will be handed down by the full board. The importance of the matter makes undesirable its decision by a board of five.

Railroad men, Wall Street, and the business interests of the country wait on the appointment by the President of the two new Interstate Commerce Commissioners. Their selection is considered in official quarters the most critical case of the exercise of appointive power that the President will have to face, with the possible exception of the Federal Reserve Board appointments.

—

BROOKLYN, *January 28, 1914.*

Hon. WOODROW WILSON,
President, Washington, D. C.

SIR: If other voters feel as provoked and angry as I do over the slow "mañana" style in which the Interstate Railroad Commission handle the business of doing justice to the railroads by raising their freight rates, your majority in Congress votes will melt at the fall elections like ice in the hot July sun. Business will slump back into inactivity if those fellows dawdle and fool away their time.

There were two small manufacturers here to-day from Canton and Orrville, Ohio, respectively. Both have to pay freight to New York on all they sell out of their pockets. Yet these men fairly cursed those commissioners.

Said one, "I'd rather run my factory and pay even 10 per cent more for freight than close it. Those damned fools ought to have their blocks knocked off."

I merely mention this to illustrate how small manufacturers feel. The same feeling is expressed wherever I go. Railroad prosperity means general prosperity. The people are sick of those Untermeyer and Brandeis theories. Bread and butter has to be earned. Both of these fellows are millionaires and can afford to talk their heads off.

But most of us need better times, not theories. Raise the railroad rates.

Very respectfully,

JERALD KNAPP,
Hardware Sales Agent.

CINCINNATI, *April 3, 1914.*

To the honorable the PRESIDENT OF THE UNITED STATES,
Washington, D. C.

DEAR SIR: We urgently petition you to grant immediate compliance with the request of the railroads of the United States for a horizontal increase in rates for freight shipments.

As shippers we realize that the increase so granted would make an additional charge upon our cost of operation and production, but it would be a burden distributed on all shippers alike without discriminating or yielding of unfair advantage.

While there have been unquestionably serious abuses in railway development and operation in the past, and while some such abuses may still exist, arising from conditions for which the Government and all the people, as well as the railroads are responsible, we believe that the revenue to be derived from the proposed increase in rates is absolutely necessary to reasonably maintain the credit of the railroads, to permit them to make the repairs and betterments necessary, to adequately provide for the growing demands of service and facilities, and to stop the enormous losses now affecting the business of the entire country.

We protest that, in our judgment, the alternative plan proposed for providing additional revenue for the railroads through the imposition of special charges for "ferry," "trap car," and "spotting" service would result in still further unsettling business conditions, and in application would bring about disastrous inequalities and discrimination among and between shippers.

We submit that the present rates, as a whole, have been based upon long-established shipping customs, and that arbitrary changes in switching and car-placing regulations would be confusing and harmful in many ways and of doubtful benefit to the carriers. The abuses which may have arisen in connection with switching and car-placing service—and we do not doubt that there are instances of this sort—can be eliminated upon investigation and order without involving all shipping interests.

Therefore we protest against any arbitrary withdrawal of switching or car-placing services, or the institution of special charges therefor, holding, as we do, that these services are wholly compensated in the building and maintaining by shippers of individual tracks, loading stations, and appliances, which greatly facilitate the transportation of all classes of freight, wherever or by whomever shipped, and prevent the congesting of traffic and storage.

The substitution of such a change would work a great hardship upon shippers, would necessitate increased prices to consumers, and would not greatly or uniformly benefit the railroads, nor give the relief for which they and we pray.

We believe that the granting of a horizontal rate increase without delay will result in the immediate stimulation of business in all lines of productive endeavor and that it will not entail serious loss or injury to any person or persons, firms, or corporations. With the losses of roadbeds, tracks, bridges, rolling stock, and equipment in the unparalleled floods of the past year, with revenues depleted by loss of business, with operation controlled by legislative enactment and exactions, and hampered by new regulations and requirements, already unable to meet the demands of shippers for adequate service even at a time of partial depression, facing the absolute necessity for rebuilding and extensions, there is no doubt—there can be no question—that the railroads need the relief prayed for and need it now; and neither is there question that a large majority of the shippers of the United States realize these conditions and join in this prayer.

Respectfully submitted.

THE ROBERT MITCHELL FURNITURE CO.,
Per W. H. MITCHELL, *Vice President.*

—

THE OHIO HARDWARE ASSOCIATION,
Dayton, Ohio, March 5, 1914.

Hon. WOODROW WILSON,
President of the United States, Washington, D. C.

DEAR SIR: Please find inclosed copy of resolution adopted by the Ohio Hardware Association during their convention in Toledo, Ohio, February 24–26, 1914.

Yours, very truly,

JAMES B. CARSON, *Secretary.*

—

TOLEDO, OHIO, *February 26, 1914.*

Whereas the Ohio Hardware Association in convention assembled, with a membership of 1,000, representing the 1,800 dealers in Ohio, have learned that the Interstate Commerce Commission is now in session In Washington, D. C.; and

Whereas the railroads have given forceful reasons showing that they are now operating on a margin insufficient to permit them to meet the demands of the business public: Therefore be it

Resolved, That this body, the oldest association of retail hardware dealers in the United States, in its twentieth annual session, respectfully request the Interstate Commerce Commission to allow this advance of 5 per cent; and, further, we believe that prompt action will speedily result in a general business expansion.

Resolved, That a copy of this preamble and resolutions be sent to His Excellency Woodrow Wilson, President of the United States, and also to the Interstate Commerce Commission.

ALBERT ZETTLER,
H. F. AUFDERHEIDE,
W. D. JONES,
W. L. STOCKLIN,
Committee on Resolutions.

—

[Telegram.]

CHICAGO, ILL., *March 6, 1914.*

The PRESIDENT, *Washington, D. C.:*

The directors of the Illinois Manufacturers' Association, at their regular monthly meeting to-day, asked me to wire you as follows:

"We are opposed to a charge for spotting cars and other service which is already covered by the tariffs of the carriers and respectfully urge you to use your influence with the commission for further hearings, and that these hearings be held at some convenient point in the Middle West, so that the small shippers as well as the large shippers may have an opportunity to be heard. We also respectfully urge you to use your influence with the Interstate Commerce Com-

mission for the proposed 5 per cent advance, except in such instances where such advance would seem unfair, and that the tariffs in these cases be suspended for future hearing. We believe the advance will generally improve business conditions, and think prompt action is desirable."

H. G. HERGET, *President.*

—

MOLINE, ILL., *March 12, 1914.*

Hon. WOODROW WILSON,
President of the United States, Washington, D. C.

DEAR SIR: I wish to join with other members of the Illinois Manufacturers' Association voicing the belief that some increase in freight rates is desirable. It seems that the prosperity of the railroads is dependent on it, and the prosperity of the country indirectly.

I am very strongly opposed, however, to making special charges for setting cars or spotting cars It is a very great annoyance to have these continual accessory charges added on for every little thing that is done. The placing of cars is a part of the regular business of the railroads. I do not pretend to understand all the ins and outs of this question, but in our own business here it is absolutely necessary for cars to be placed where our heavy machinery can be loaded on them. We have an electric crane, and load the machines ourselves directly onto the car without any expense to the railroad companies. It is as great a convenience to the railroad companies as it is to us to have the cars suitably placed so that they can be loaded by us.

I hope you will give courteous and thoughtful attention to these suggestions.

Very truly, yours,

WILLIAMS, WHITE & Co.,
H. AINSWORTH,
Vice President.

—

CHICAGO, *March 12, 1914.*

Hon. WOODROW WILSON,
President, Washington, D. C.

DEAR SIR: We telegraphed you to-day as per copy inclosed, which we beg to confirm herewith.

Truly, yours,

GLASER, CRANDELL CO.,
By R. P. BRANK,
Secretary.

—

CHICAGO, ILL., *March 12, 1914.*

Hon. WOODROW WILSON,
President, Washington, D. C.:

We do not believe that the proposed charge for spotting cars and other service which is now covered by the tariffs of the transportation companies is fair, and would kindly ask you to use your influence with the Interstate Commerce Commission to have another hearing held in Chicago, if possible, so that we small shippers may have an opportunity to state our side of the case. We further believe that the proposed 5 per cent advance in freight rates is equitable.

GLASER, CRANDELL CO.

—

[Telegram.]

CHICAGO, ILL., *March 12, 1914.*

The PRESIDENT:

We do not believe that the proposed charge for spotting cars and other service which is now covered by the tariffs of the transportation companies is fair, and would kindly ask you to use your influence with the Interstate Commerce Commission to have another hearing held in Chicago, if possible, so that we small shippers may have an opportunity to state our side of the case. We further believe that the proposed 5 per cent advance in freight rates is equitable.

GLASER, CRANDELL CO.

—

[Telegram.]

AURORA, ILL., *March 12, 1914.*

The PRESIDENT:

The executive committee of the Fox River Valley Manufacturers' Association, representing 45 factories, are opposed to a charge for spotting cars and other service which is already covered by the tariffs of the carriers, and respectfully urge you to use your influence with the Interstate Commerce Commission for further hearing, and that the hearing be held at some convenient point in the Middle West, so that the small shippers as well as the large shippers may have an opportunity. We also respectfully urge you to use your influence with the commission for the proposed 5 per cent advance in freight rates, except in such instances where such proposed advance seems unfair, and that the tariffs in the case be suspended for future hearing. We believe the advance will generally improve business conditions and think prompt action desirable.

M. D. CHAPMAN,
Chairman Executive Committee
Fox River Valley Manufacturers' Association.

—

AURORA, ILL., *March 12, 1914.*

President WOODROW WILSON,
Washington, D. C.

ESTEEMED SIR: We have just wired you as per inclosed copy of telegram.

We hope same will reach you by to-morrow morning and be effective.

Thanking you for your consideration, we remain,

Very truly, yours,

THE AMERICAN WELL WORKS,
E. W. DUNTON.

—

MARCH 12, 1914.

President WILSON, *Washington, D. C.:*

The executive committee of the Fox River Valley Manufacturers' Association, representing 45 factories, are opposed to a charge for spotting cars and other service which is already covered by the tariffs of the carriers, and respectfully urge you to use your influence with the Interstate Commerce Commission for further hearing, and that the hearing be held at some convenient point in the Middle West, so that the small shippers as well as the large shippers may have an opportunity. We also respectfully urge you to use your influence with the commission for the proposed 5 per cent advance in freight rates, except in such instances where such proposed advance seems unfair, and that the tariffs in the case be suspended for future hearing.

We believe the advance will generally improve business conditions and think prompt action desirable.

CHAIRMAN EXECUTIVE COMMITTEE
FOX RIVER VALLEY MANUFACTURERS' ASSOCIATION.

—

CHICAGO, *March 12, 1914.*

Hon. WOODROW WILSON, *Washington, D. C.*

DEAR SIR: We are opposed to a charge for spotting cars and other service which is already covered by the tariffs of the carriers, and respectfully urge you to use your influence with the Interstate Commerce Commission for further hearings, and that the hearings be held at some convenient point in the Middle West, so that the small shippers as well as the large shippers may have an opportunity to be heard. We also respectfully urge you to use your influence with the commission for the proposed 5 per cent advance in freight rates, except in such instances where such proposed advance seems unfair, and that the tariffs in these cases be suspended for future hearings. We believe the advance will generally improve business conditions and think prompt action desirable.

Yours, truly,

MAX LEVY & Co.

—

[Telegram.]

CHICAGO, ILL., *March 12, 1914.*

The PRESIDENT:

We are opposed to charge for spotting cars and other service already covered by tariffs, and respectfully urge your influence with Interstate Commerce Commission for further hearings; that hearings be held in the Middle West, so small shippers may have opportunity to be heard. We also respectfully urge your influence with commission for proposed 5 per cent advance in freight rates, except in such instances where proposed advance seems unfair, and that the tariffs in these cases be suspended for further hearings. We believe the advance will generally improve business conditions and think prompt action desirable.

MILLER & HART.

—

MARCH 12, 1914.

Mr. WOODROW WILSON,
President United States of America, Washington, D. C.

DEAR SIR: With the thought that you like to hear from the people, may I inflict on you a few of my views on some public questions?

I may preface my remarks with the statement that I am a man of modest means: that for years I have had to study securities in order to try to make my small investments bear decent interest rates and still be safe. I have not always succeeded. The pathetic thing in our economic life is the loss of principal of those who can least afford such loss through injudicious purchase of securities.

I think it a very general axiom in business life that a concern, to be safe, can only pay in dividends one-half of its net earnings, the surplus to be held for contingencies or unprofitable work or experiment. I think it was Mr. Cassatt, former president of the Pennsylvania Railroad, who once offered a very cogent argument on the necessity for this rule with respect to railroads, for the railroad especially is called upon to make vast unproductive improvements, e. g., track raising, elimination of grade crossings, etc. But the tendency of some of our legislators is to deny the justice of this idea, and the trend seems to be toward restricting earnings to legal interest rates only. This would mean that all improvements (unproductive as well as productive) be capitalized.

I understand that such a plan has been followed by some of the English railroads until they have a terrific burden of capitalization, necessitating high freight rates.

I respectfully submit my opinion that an increase of freight rates is justified (I hold some railroad stock).

I would make a similar argument with respect to the express companies (I own a little express stock). I believe if the parcel-post business is being done at a loss, as some have claimed, that this constitutes unfair competition, and that an economic wrong is being committed. If the express companies are forced out of business in consequence, it will work unjust loss on many small shareholders.

One thing more: I think magazines should be required to pay cost for postal service and that we should have 1-cent first-class postage. Why should one postal class be required to meet the losses of another?

I do not know your personal views on any of the subjects I have discussed—I simply know you are for truth and justice at all times. So you will please understand that no attempt at criticism is intended.

Very respectfully, yours,

ALFRED COCHRAN,
559 Madison Street, Brooklyn, New York City.

I inclose clippings from New York Times of March 12, 1914.

THE EXPRESS COMPANIES.

The way of Congress and the relation of the parcel post to the express companies is too thorough for the Merchants' Association of this city. It wanted the express business reformed, not ruined. Now that there is talk of the liquidation of the express companies, the association recalls how excellent was the service they rendered and how inferior, comparatively, is the commercial service of the parcel post. The express companies collect their business, give receipts for what they collect, pay indemnity for losses, with special security against them, prevent damage in transit—whereas the post office does damage in examination of parcels—and do business through a wider range of classes. These are not only the affirmative excellences of the express companies, they also are the defects of the parcel post. To the extent that one of the two services cripples the other, and to the extent that the express companies retire from the unequal competition, the field is abandoned altogether, for the law disqualifies the postal parcel service from doing what the express companies do. It is the formal opinion of the association that the postal parcel service can not be extended so as to be a satisfactory substitute for the express companies.

Congress and the Interstate Commerce Commission are racing each other in the authorization of destructive and unfair rates to please the people, and the people are not pleased with the results, after all. Those who get anything for less than its cost and worth always want more, and never can be satisfied with anything short of all there is. It is so with the I. W. W. and, it would seem, with the people themselves. They are willing to accept the Postal Service, although it is established over the prostrate forms of the express companies and supplied on Robin Hood principles. The Post Office requisitions the services of the

railways in the manner of Villa, although amid profound peace. The Post Office submits to the protest of its own staff that it is overworked and underpaid. And then Representative LEWIS in his place in the Capitol says this unpaid-for accommodation to the people "has turned a deficit in the postal revenues of $7,000,000 to an $8,000,000 or $10,000,000 surplus in the first year of its operation." The first year is not yet over, and the bills have not yet been presented or paid.

PARCEL POST DRIVES U. S. EXPRESS OUT—PROSPEROUS FOR 60 YEARS, THE COMPANY WILL LIQUIDATE NOW TO SAVE ITS ASSETS—I. C. C. RATE ORDER HURT IT—THAT FORCED A 16 PER CENT REDUCTION IN CHARGES—STOCK MOVES UP—OWNERS MAY GET PAR FOR IT.

The United States Express Co. has decided, after 60 years of continuous operation over leading railway lines of the country, to give up the fight for business with the parcel post. Impressed by the fact that profits were declining rapidly, with every indication of falling further as the facilities of the Government service were increased, prominent stockholders decided a few days ago to dissolve the company. The plans have not actually been completed, but it was admitted yesterday that the preliminary work had been done, and that as soon as the attorneys and accountants had made a final report the company would be liquidated.

All the big express companies have found the parcel post was a serious competitor in the package-delivery field, especially since express rates were lowered 16 per cent by the Interstate Commerce Commission. The United States Express Co., however, was the worst sufferer from the start, and the record of recent business told the tale of dwindling profits. The report submitted to the Interstate Commerce Commission for November, the latest month accounted for, showed revenue from tariff of $1,700,000, a decrease from the corresponding month of 1912 of $285,000. By exercising the most rigid economies the company was able to cut down operating costs to the extent of only $7,200; and operating income for the month showed a deficit of $32,000. For the five months of the current fiscal year so far reported, gross revenues of the company fell behind the same period of the preceding year to the extent of $567,000, while net income declined $185,000.

I. C. C. ORDER A HARD BLOW.

The lower rates went into effect on February 1, and income was so adversely affected by them that at the close of February the small surplus shown by the company on December 1, it was said, had been converted into a large deficit. Owing to the Christmas business, December was supposed to have made a better showing than January and February combined.

When the drift of the express business was clearly defined toward the end of last year, it is understood some of the largest shareholders of the United States Express proposed to liquidate the company without waiting for the parcel-post competition to consume the company's assets. Other shareholders thought that more favorable contracts might be obtained from the railroads, and were anxious to wait and see. In accordance with the desire of these stockowners, the plan was held in abeyance for a while.

It was soon discovered that the railroads were too uncertain about their own prospects for a general increase of freight rates to grant lower rates to the express companies, and when this situation developed most of the objecting stockholders agreed that business could not be carried on profitably, and that to continue it would mean a gradual dissipation of the company's assets.

The proposed action of the shareholding interests was first reflected in the stock market on March 2. On comparatively light transactions that day an advance from 65 to 71 occurred in the price of United States Express Co. shares, and in succeeding sessions the shares rose steadily until the highest price of 84 was touched in yesterday's market. Last year the shares sold as low as 38, and their best price was 66. In March, 1910, the shares sold as high as 131.

There are only 100,000 shares of United States Express Co. stock, and these are not widely distributed. E. H. Harriman took over 22,028 shares from the American and Adams Express Cos. several years ago at a cost of $2,250,000, and this large block, representing a quarter of the capitalization, has been added to since that time. Three of the six members of the present board of directors represent the Harriman holdings. They are Joseph W. Harriman, C. C. Tegethoff, who is Mrs. E. H. Harriman's confidential agent, and William H. Averill, a brother of Mrs. Harriman. The Harriman estate also holds a large interest in Wells, Fargo & Co., and it is expected that the latter company may arrange to take over some of the routes of the United States Express Co. when dissolution has been completed.

COMPANY LONG DOMINATED BY PLATT.

The Platt interests have been more prominent in United States Express affairs during its long history than those of the Harriman family. The late Senator Thomas Collier Platt dominated the concern for many years through a personal block of stock amounting to only about 400 shares. He was backed by relatives and business associates whose holdings aggregated something like 20,000 shares.

Until he dropped out of active business Senator Platt's name was almost as intimately connected with activities of the United States Express Co. as with national politics. He dominated the express company as he dominated the Republican politics of New York State, and it has been said that in his office as president of the express company Theodore Roosevelt was first agreed upon for governor of the State and later, much against his will, for Vice President of the United States.

The United States Express Co. is an incorporated joint-stock association. For more than 50 years a meeting of stockholders has not been held. The fight waged several years ago by minority shareholders to have a meeting called is well remembered in the financial district, a fight that was won by Senator Platt and his adherents because the by-laws called for a petition signed by 60 per cent of the stockowners and the signatures of this percentage could not be got for the petition.

The United States Express Co. at one time had contracts over 33,000 miles of railroad lines. Some of these have been invalidated by the passage of new laws and the failure of roads to turn over to it sufficient business.

—

NEW YORK, *April 13, 1914.*

Hon. WOODROW WILSON,
President, White House, Washington, D. C.

ESTEEMED SIR: As an enthusiastic and true well-wisher of your administration, I can not help expressing my regrets that your so excellent intentions regarding renewed prosperity are miscarrying.

It is indeed a fact, as far as my own experience goes, that all the hopeful signs of business improvement and renewed confidence so evident a few weeks ago have given place to discouragement and inactivity.

As the entire cause of this change is everywhere I go placed to the debit of the Interstate Traffic Commission in not promptly recognizing the urgent needs of the railroads, it seems a remedy should be found to improve present conditions. I remain,

Very respectfully,

J. NASSAUER.

—

THE SOUTH PUEBLO HOMESTEAD & BUILDING ASSOCIATION,
Pueblo, Colo., April 11, 1914.

Hon. WOODROW WILSON,
President United States of America, Washington, D. C.

DEAR SIR: From information I gather from the daily press I am led to believe the advice or information you are receiving in regard to business conditions is hardly borne out by the facts. If I may be permitted, I would like to call your attention to industrial conditions in Colorado, and I believe the same is true of all the mountain States.

There has been a tremendous falling off in railroad business for some time, more especially the past month; all other industries are correspondingly affected. There seems to be a hesitancy and doubtful feeling about the ultimate outcome of new legislation by Congress. Continued agitation toward business interests is having a bad effect on industrial conditions. Fair treatment on the part of the Interstate Commerce Commission to the railroads would very materially improve conditions.

Very respectfully,

J. K. DEMPSEY,
103 East C Street, Pueblo.

—

NEW YORK, *April 11, 1914.*

His Excellency the President, Hon. WOODROW WILSON,
Washington, D. C.

HONORABLE DEAR SIR: You will, we trust, indulge us in again expressing the hope that immediate decision be made relative to the granting of a 5 per cent increase in freight rates for the eastern railroads.

With a proper realization of the difficulties involved and the necessity for full and intelligent deliberation upon which to base a sound conclusion, we feel that we but reflect the overwhelmingly prevailing sentiment of the piano trades and manufacturers generally in stating that the suave and apparently unconcerned judicial ease which seems to characterize the efforts of the gentlemen having the matter in charge is a generous contribution in the havoc wrought among business in general.

We do not speak for ourselves alone when we state that conditions have never been worse than since 1893, and that this is due to the uncertainty of such matters as this freight-rate decision is so clear as to be unquestioned in business circles. It may be well for the Department of Commerce and Labor to state that there are comparatively few men out of work, but that does not take cognizance of the fact that there are thousands whose employment has been reduced to such a status that they are unable to support their families. Three days of work per week, even of skilled labor, may not be lack of employment, but it is so close to it that those who have to live on it can not appreciate the pretty refinements that statistical experts are able to make. To be perfectly frank, we feel degraded in offering men of intelligence and skill who have spent years with us the slender pittances that are made necessary through inability to operate because of the uncertainties and misgivings introduced into trade by policies that may be meritorious but are deprived of their value through delays and prognostications.

This is not a lone complaint, but it is one that the writer is sanguine, from personal investigation, is heartily indorsed alike by business and by labor.

Respectfully,

BEHNING PIANO CO.,
HENRY BEHNING, *President.*

—

PHILADELPHIA, *August 11, 1913.*

Mr. JOSEPH P. TUMULTY,
Secretary to the President, Washington, D. C.

MY DEAR MR. TUMULTY: Am sending you page taken from the Saturday Evening Post of last week on the question of railroads and overcapitalization by Alba B. Johnson, president of the Baldwin Locomotive Works. Mr. Johnson is in Europe at the present time and will not return to Philadelphia until the latter part of September. My interest in the matter is that Mr. Johnson is very much in favor of the building of our terminal to take care of the Panama and South American traffic which will follow the passage of the Wilson tariff bill. These facts are prepared in such a manner that they may be easily appreciated and understood, and I agree with Mr. Johnson that the best interests of the people of the country would be served by the Interstate Commerce Commission acting on the advance asked for by the eastern railroads in the matter of freight rates. As you are well aware, the Pennsylvania Railroad Co. will have to spend millions in New Jersey to comply with your laws and the abolition of grade crossings, etc.; and in our State of Pennsylvania the legislature which just adjourned passed a semi-monthly pay bill and a full-crew bill and a public-utilities act. Knowing your relations with the President on the matters of public policy, and wishing the national administration every success, I feel that this matter is one worthy of serious attention by reason of the good that will be done to the public.

Sincerely, yours,

PETER J. HUGHES.

—

ARE AMERICAN RAILROADS OVERCAPITALIZED?

[By Alba B. Johnson, president of the Baldwin Locomotive Works.]

Next to agriculture, transportation constitutes the largest industry of the country. Therefore the prosperity of the country depends, after abundant crops, upon the prosperity of the railroads. After the Civil War the country set about developing its great unsettled western country. For this development first railroads and then population were necessary. So great was the need for the first that extraordinary inducements were held out to capitalists to invest in railroad construction. These inducements were offered by the National Government, by States, by counties, and by individual cities and towns. Rates of interest were high and the details of capitalization were scrutinized only by the investor, for at that time there was no public authority having jurisdiction over such matters. At that time the public at large was glad to have railroads on any terms. Now, however, a careful review is being made by economists and Government bureaus, of these details of railroad finance, to determine their effect upon present-day problems.

If those who believe American railways are seriously overcapitalized would study thoroughly certain facts, it is probable that most of them would conclude that they have attached too much importance to capitalization and would feel readier to cooperate for invigoration of railway credit through reinforcing railway revenue. The certainty of increased earnings for the railroads would do more for a restoration of national prosperity than any other factor conceivable. To start the roads into robust enlargement of facilities would feed many mouths, bless many regions, do much to steady business, postpone and minimize depressions, and carry forward the widening of every man's selling area. This beneficent result is obstructed by the general delusion as to capitalization.

While President Brown, of the New York Central, was before the Interstate Commerce Commission in 1910, testifying for higher freight rates, an attorney of the shippers, Mr. James, was about to ask the witness his opinion of a statement in a book when Mr. Brown inquired, "What is that book?" Mr. James replied that it was Chapters of Erie, by Charles Francis Adams, written in 1871, the statement referred to being the passage on stock watering. Chairman (since Judge) Knapp leaned forward and remarked in surprise:

"Do you mean seriously to intimate that the New York Central is overcapitalized?"

OBSOLETE RAILWAY TESTIMONY.

Sundry railway counsel, not appreciating the obstinacy with which the Adams fiber refuses to wither, and not knowing that this identical Adams, grandson of the sixth President and great-grandson of the second, was at that moment in the prime of maturity at 75, and capable of accepting summons and holding his own with any generation of interrogators whatever, jested on the point whether counsel would "produce Mr. Adams for cross-examination," and whether he should be sought "above or below." So far back the lawyer had gone to find any competent authority to support his contention that the New York Central was overcapitalized.

The tradition of water securities is kept alive by a few classic instances. One earnest hydrophobe, who had heard that story about the New York Central, observed: "Please call Mr. Adams and ask him about ———," naming a railway company celebrated in recent times for stock jobbing.

Nothing is to be gained by issuing a clean bill of health to all roads since the discovery of the steam engine. If we are asked, "Have American railway companies issued stock as a bonus with bonds?" The answer is "Yes; because it was then necessary to attract investors and was consistent with the business standards of the time; the practice was once general. Moreover, in some consolidations securities were issued to a par value greater than that of the combined issues previously outstanding; also, directors have been known to operate construction companies and to issue stock to buy property from themselves."

Facts are facts, and converts are not to be won by denying them. Charles P. Neill, until recently Government mediator in railway labor disputes, says that whenever he found the employer indignant, with reason, and reluctant to arbitrate, he began the acquaintance by acknowledging that it was "an outrage." The belligerent was at once his friend, and inquired, "What do you advise me to do?" "Yield!" said the mediator, and compromise or arbitration followed. A frank admission of what has been done in the past with regard to capitalization, leaving judgment upon it to individual temperament and to Heaven, is the first step toward getting together and seeing what, if anything, should now be done about it.

If, then, as viewed by some, construction companies ought not to have been employed, or employed on other terms, and the stock bonuses ought not to have been given, and the consolidations should have been accomplished, if at all, without increase of capital obligations, how serious have been the results?

Receiverships have wiped out millions of the original capitalization. There were many receiverships and many drastic reorganizations of railroads prior to 1894, but during that year 210 railroads, or 20 per cent of all the railroads in the United States, were in the hands of receivers and their reorganization was later effected by the wholesale scaling down of their original capitalization. There are no statistics available to show whether in the aggregate this was equivalent to squeezing out all the water originally contained; but many of the best-informed statisticians believe this to have been the case.

AN ILLUMINATING COMPARISON.

Earnings which could have been paid to stockholders, as is the custom in some other countries, have on American roads been put into the property without increase of capitalization. The old rule of the Pennsylvania Railroad Co. was a dollar expended for improvements for each dollar disbursed in dividends to stockholders, and for years this practice was emulated by many of the most prosperous and conservative roads. In the 20 years, 1891–1910, the amount expended for terminal improvements and charged to income account aggregated no less than $459,839,061. The rigid accounting system of the Interstate Commerce Commission was not put into effect until the fiscal year 1908, and in the years before that large sums were expended on the property and charged to operating expenses which now are required to be assigned to capital account.

Stock again, instead of being given as a bonus "representing nothing but blue sky," has to a large amount been sold for cash above par. The economist, Floyd W. Mundy, cites three cases—the New York Central, Baltimore & Ohio, and Pennsylvania—which, in 1913, he estimates had a total capital stock of $934,242,088. Of this, $547,770,653 was issued since 1900, upon which the cash realized was $620,788,035. Three of our largest roads, he means, got an average of more than 8 per cent premium on at least 61 per cent of their total stock now outstanding. Among other effects of this policy it has served in the case of these companies to wipe out, many times over, any increases of capitalization through unearned stock dividends.

As a result of these two sets of forces—the sins of the fathers and the penance of the sons—is the burden of interest and dividends sufficiently excessive to require a readjustment of that situation before the matter of reinforcing railway credit and reinvigorating railway progress is undertaken?

Let us seek an answer by sweeping away the cobwebs of par value and per mile of line, which may mean anything or nothing, and applying a test, perhaps rarely used, but a test fundamental, comprehensive, and conclusive. Let us ask, Are payments to capital excessive? There happens to be one foreign country—Great Britain—which has a considerable railway system, privately owned and operated, and yielding statistics comparable with those for the United States. How does our burden of payments to stockholders and bondholders compare with the British? What share of the receipts goes into dividends and interest on funded debt? The figures are as follows:

Railway receipts and payments to capital.

UNITED KINGDOM, 1911.

Receipts (returns to British Board of Trade, p. 19)	£127,199,570
Total capital (returns to British Board of Trade, p. 24)	£1,324,018,361
Average rate interest and dividends (returns to British Board of Trade, p. 27)—per cent	3.59
Amount of interest and dividends (computed from above)	£47,532,259

UNITED STATES, 1910.

Operating revenue (Interstate Commerce Commission Statistics of Railways, p. 70)	$2,750,067,435
Net revenue from outside operations (Interstate Commerce Commission Statistics of Railways, p. 70)	2,225,455
Total receipts	2,752,892,890
Net interest (Interstate Commerce Commission Statistics of Railways, p. 69)	370,092,222
Net dividends (Interstate Commerce Commission Statistics of Railways, p. 69)	293,836,863
Interest and dividends	663,929,085

COMPARISON OF INTEREST AND DIVIDENDS PERCENTAGE OF RECEIPTS.

United Kingdom	37.3
United States	24.1

If capital had received from American railways the British proportion of total receipts, 37.3 per cent, instead of 24.1 per cent, as was the fact, the American distribution of interest and dividends in 1910 would have been $364,772,072 more than it actually was.

Does this test of whether capitalization is or is not excessive afford an overwhelming motive for staying railroad progress in this country, while returns to owners and creditors of our roads are being scaled down?

To many, like the attorney above mentioned who wanted to call Mr. Adams and ask him about a specific road, averages for all the lines of each country compared may not be conclusive. To these, perhaps, one fact in the hand is worth two in the bush. Average statistics is the bush, and the particular instance known to him is the bird in the hand. How can we tell but that a considerable number of the principal American lines are carrying too heavy a burden of interest and dividend disbursements? Let us examine for his benefit an eastern and a western road which have been most criticized—Alton and Erie. What are the figures? Here they are:

Net dividend and interest percentage of receipts.

United Kingdom (1911)	37.3
United States (1910)	24.1
Alton (1910)	25.8
Erie (1910)	17.3

These figures do not excuse wrongdoing, if wrongdoing there has been, but on the other hand, do they furnish reason for blocking American railway leadership as a whole in the development of American industry, commerce, agriculture, and territory?

Par value of capitalization should be mentioned, lest the omission be misinterpreted. Par value affords no secure basis of comparison. The usual method is to assign capital per mile of line. This is faulty, because it leaves unanswered the question, What is a mile of line? A mile of line on an average in Texas has only 58.7 per cent as many lines of track as has a mile of line in the statistical group situated in New York, New Jersey, Pennsylvania, Delaware, and Maryland, only 23.2 per cent as many locomotives and only 15.7 per cent as many cars. So of terminal cost figures; the per-mile-of-line basis means little unless we know how many miles of line there are per terminal. If two roads have each two terminals, worth $1,000,000 apiece, and one is 1,000 miles long, while the other is but 500, then the 1,000-mile line has capitalization charged to its two terminals of $2,000,000, or $2,000 per mile of line, while the 500-mile road has a capitalization charged to its two terminals of $2,000,000, or $4,000 per mile of line. Cost of road construction again may be as low as $20,000 a mile on the prairie and as high as $250,000 a mile through the mountains, or $1,000,000 a mile through the city. For this and other reasons comparison of capitalization is unsatisfactory. The facts, however, for what they are worth, are creditable to American railways by such a margin as fairly to raise the question whether any conceivable allowance for difference in conditions would offset it.

The Interstate Commerce Commission, by eliminating duplications, finds as the average net capitalization outstanding in the hands of the public a figure which is given in Statistics of Railways for 1910, page 52, as $62,657 per mile of line. This compares as follows with capitalization in the principal foreign countries, the reduction to terms of American money, in view of the amounts involved, being figured on the precise bases laid down by the United States Bureau of Standards—$4.8665 to the pound sterling, 19.3 cents to the franc, 23.8 cents to the mark—and reckoning 0.62137 mile to the kilometer:

Capitalization per mile of line.

	Amount.	Excess over United States.
		Per cent.
United States, 1910 (Interstate Commerce Commission Statistics of Railways, p. 52)	$62,657	.....
Germany, 1911 (Statistik der Im Betriebe Befindlichen Eisenbahnen Deutschlands, p. 13)	113,855	81.7
France, 1910 (Statistique des Chemins de Fer Français, pp. 334, 335)	144,083	130.9
United Kingdom, 1911 (Returns to British Board of Trade, p. 24)	275,156	339.1
England and Wales, 1911 (Returns to British Board of Trade, p. 24)	328,415	424.1

These figures, showing an excess over American capitalization ranging from 81.7 per cent in Germany to 424.1 per cent in England and Wales, are averages for all roads. "Net capitalization," on the basis used by the Interstate Commerce Commission for all the roads consolidated in one account, is not easy to compute for individual American roads,

owing to the interweaving network of subsidiary corporations. To deduct from the total for the given road the securities of other roads held in its treasury still leaves a sum higher than the "net" actually is, because there would remain to be deducted the securities held in the treasury of every subsidiary, and so on in an all but endless chain. But consider the primary elimination, deducting from the total for the parent corporation only those securities of other companies directly held by it. This shows that there is no American road of considerable size which is not capitalized at less than the British average. Of American roads 200 or more miles long, that having the highest gross capitalization per mile is the Erie. Its net figure, after making the partial deduction above defined, is $239,573. The United Kingdom shows an average for all lines 14.9 per cent higher than the Erie; England and Wales 37.1 per cent higher. The Alton net, thus figured, stands at $129,413. The French average for all roads shows 11.7 per cent higher than the Alton; United Kingdom 112.6 per cent, England and Wales 153.7 per cent higher than the Alton.

THE SHOE ON THE OTHER FOOT.

Suppose it were the railways of the United States instead of the European lines which showed excess of capitalization per mile of line 81.7, 130.9, 339.1, 424.1 per cent; would not the country visit condemnation upon our roads in good round terms? It is not good form in the United States to applaud railways. I would not suggest the indecorum of Americans throwing up hats over their impressive accomplishment in keeping down the capitalization charges on transportation; but may not one reasonably ask whether "overcapitalization," according to world standards, has really been so flagrant in the United States as to constitute a national emergency? To meet it, ought the replenishment of equipment and the building of terminals for the accommodation of freight to wait?

Is the question of capitalization, then, as related to actual investment, to be ignored and railway managers left foot-free? The problem is receiving assiduous attention. Railways operating 500 miles or more of lines which pass through States having statutes for the regulation of railway securities aggregate 198,854 miles, which is 94.6 per cent of the total in the 500-mile class. The Interstate Commerce Commission is at this moment, under mandate of Congress, inquiring into railway capitalization.

Is capitalization, in view of these elaborate and concerted efforts to regulate it, a problem which absolutely must be solved as a condition precedent to revision of freight rates, stiffening of railway credit, and provision for handling the expanding business of a great and growing country?

Even when instrumentalities for the regulation of security issues shall have been perfected, how certain is it that capitalization, or the return thereon, has very much to do with freight rates or can be made to have? The Baltimore & Ohio, the Pennsylvania, the Erie, and the New York Central operate for the most part under a rate structure the basis of which is the through rate between New York and Chicago, identical for all four. This rate was fixed by competition, but once established it has been accepted as a standard of reasonableness, and rates between points where there is no competition are automatically influenced by that rate through custom and through the long-and-short-haul clause of the interstate-commerce act. The whole population served by these roads is therefore paying for its transportation at what may be termed the same rates. Assuming that the valuation now under way shall provide a means of judging accurately the cost of the properties, what prospect is there that these roads will prove to be "worth" even approximately the same? One has enormously expensive terminals in Chicago and New York, another not; one passes through many large cities where land is valuable and where elevated, depressed, tunnel, and other costly structures have been frequent, another less so; one had to be carried over or under mountains, another traverses mainly a level country. Measuring the actual cost of the roads to the public by the sure test of the percentage of receipts paid to owners and creditors we find that the New York Central distributed in 1910 in net interest on funded debt and in dividends 11.2 per cent of receipts; Erie, 17.3 per cent; Pennsylvania, 13 per cent; and Baltimore & Ohio, 23 per cent. What, in the light of these figures, can capitalization have to do with freight rates?

JUSTICE TO RAILROADS.

The Interstate Commerce Commission, as it observed in the Eastern Trunk Line Rate Advance case, handed down through Commissioner Prouty, "is called upon to deal with rates as they exist, and in so doing we ordinarily consider them, not from the revenue standpoint, but rather from the commercial and traffic standpoint." He went on to declare, discussing the Baltimore & Ohio, Pennsylvania, and New York Central: "Under rates reasonable for these three systems there may be lines whose earnings will be extravagant, but that is their good fortune. There may be lines which can not make sufficient earnings, but that is their misfortune." The need of the average road was adopted by the commission as the test. Anxious citizens, who come to see that poverty for their railway means a handicap to those it serves, may inquire what an average road is. They will at least want the door left open for making the rate level adequate for the particular road on which they depend.

Possibly we have been splitting hairs. A new railway question confronts us requiring statesmanship for its solution. When it becomes clear to enough people that the railroads have before them, in enlargement of facilities and provision for safety, a task which must be done, and which can not be done with money now available, the Interstate Commerce Commission will have before it the demand that this work be accomplished and that conditions be made such that the roads can obtain the capital. No single adjustment for one territory or for one year will suffice. What is required is a permanent policy of protection to railway revenues.

It is to be hoped this may become a national policy. To this end business men may well study the question of capitalization for themselves. Should they perceive that it is largely irrelevant to freight rates let them frankly admit it, they and their representatives in the legislative councils of States and Nation.

—

KNOXVILLE, TENN., *March 26, 1914.*

President WOODROW WILSON,
White House, Washington.

DEAR MR. PRESIDENT: Herewith I hand you clipping from columns of New York World of recent issue, which will express the feelings of a great, great many southerners.

Sincerely, your friend,

FRANK MCBEE.

RAILROAD RATES—TIME TO DECIDE THE QUESTION.

ATLANTA, GA., *March 20.*

To the EDITOR OF THE WORLD:

The Interstate Commerce Commission is taking an awfully long time to settle the rate increase of 5 per cent, which has been asked for by the railroads and approved by a great number of shippers. The business of this country is at a standstill awaiting the decision of the Interstate Commerce Commission.

Now, if our President is able to exercise such great influence over Congress as it appears he has done in getting the tariff, currency, and tolls bills through, I think it would be wise for him to exercise some of that same influence over the Interstate Commerce Commission and get the rate question settled, so that business may be resumed and the great army of unemployed people may secure employment. The success of the Democratic Party depends largely upon immediate action on this very important question. The currency and tariff bills may do all for the good of this country that has been predicted by the party, but neither so far has had the effect of stimulating business, and I fear it will be quite some time before the predicted good that is to be derived from these bills will be felt by the unemployed.

The Interstate Commerce Commission has the right to increase freight rates, and it also has the right to decrease the same; therefore it appears to me that it would be good business on the part of the President to insist upon the granting of this increase now; and later, after the physical valuations of the railroads have been completed by the Government and it is found that the railroads can earn fair returns on the actual value of their properties, the rate may be decreased.

C. W. LANE.

—

[Telegram.]

SANTA BARBARA, CAL., *March 2, 1914.*

The PRESIDENT.

Having been a very large shipper for past 30 years and am yet, and never having received any favors or passes from any of the railroads, still I am heartily in favor of the railroads getting the advances they are asking for in the way rates. In my opinion the withholding of them at this time is doing more to check business than almost all other causes combined.

W. D. DAVIS.

—

MARIETTA, OHIO, *March 6, 1914.*

Hon. WOODROW WILSON,
Washington, D. C.

MY DEAR PRESIDENT: Being interested in your welfare and that of the Democratic Party and our country as well, I take the liberty of addressing you. Having been engaged in business for the past 25 years and a Democrat all my life, I am more than anxious to see prosperous times under our administration. And, with the best interests of the working class, and in fact all classes, in view, I believe that more good to every one can be accomplished through an increase in railroad-freight rates than in any other way.

Trusting that our good Lord will spare your life and give you the good health and strength with which to carry on to completion the good work you have started, I am,

Very respectfully, yours,

J. W. BOYERS.

—

NEW YORK, *December 20, 1913.*

His Excellency the President, Hon. WOODROW WILSON,
Washington, D. C.

HONORABLE DEAR SIR: As makers of a product peculiarly susceptible to influences affecting economic and industrial conditions, we presume to express an appreciation, which we feel is shared by other industrial enterprises as well, of the policy of your administration and of your own personal efforts with respect to the subject matter and passage of the currency bill, about to be enacted.

It is our belief, based on the reports of our salesmen, who are in constant touch with the largest piano houses in the country, as well as on the writer's own personal familiarity with the sentiment of manufacturers in this city, that this measure will have a most efficacious bearing on the restoration of financial confidence and a wholesome effect on the business world generally, which of late years has, through pecuniary mediums, been so potently dominated by inimically inclined interests.

Another matter which is pleasing to us and, we know, to business interests in general is the spirit of forbearance shown by you in regard to the advisability of granting a 5 per cent increase in railroad rates. While a short time ago all piano houses, as well as other similar interests, noted with pleasure the decreasing of transit freight tariffs, the sentiment is now thoroughly in favor of yielding the advance of 5 per cent desired by the carriers, for it now seems apparent that the enthusiasm incident to a passing expression of public opinion caused by the wrongs inflicted by the railroads has really resulted in the zeal for rectitude being borne to an extreme so dangerous as to defeat its good purposes. Prevailing conditions, of which we ourselves have lately felt the bad effect, indicate that too great harassment of the railroads is productive of ills that extend to every part of the financial world; indirectly exertive of effects that rob business in general of confidence and creative of an apprehension destructive of the growth of enterprise and the consequent stagnation of commercial activities. This condition now exists, and it may, in a sense, be said to be incipient. From personal investigation, as well as from the apparently unanimously obtaining ideas of piano dealers as a whole, the one stroke that will rehabilitate confidence and, especially in conjunction with the currency bill, cause an immediate and complete resumption of national commercial energies is the yielding to the desires of the transportation lines for the small advance sought. We and all other manufacturers and, we feel assured, the majority of the piano houses throughout the country are in favor of this, so long as the rates apply uniformly and no discrimination is practiced. This is because we are confident that an impetus will thus be given business that will prove the wisdom of your policies and their beneficent effects, not only in noncommercial but also in industrial spheres.

This letter is written simply as an expression of a business house that is face to face with the problems with which you are grappling, with the solving of which we are directly affected, as an indication of our confidence in your efforts and in the hope that your own judgment may confirm the feeling permeating business sentiments everywhere

throughout the country, recommendatory of what appears to be a just concession to the railroads in this matter of rates, and one strongly justified on the ground of sound, broad public policy at this time.

Respectfully,

BEHNING PIANO CO.,
HENRY BEHNING, *President.*

—

MASSACHUSETTS MUTUAL LIFE INSURANCE CO.,
Cincinnati Agency, December 27, 1913.

Hon. WOODROW WILSON,
President, Pass Christian, Miss.

DEAR MR. PRESIDENT: Will you pardon my breaking in on your hard-earned vacation with a suggestion that you might like to think over at your leisure.

Shortly after I took the liberty of writing you, drawing your attention to the necessity of allowing the railroads to increase their rates, some of the railroads asked the Interstate Commerce Commission to allow an increase of 5 per cent. It looks as though that increase may be granted, and it should go only to improve facilities.

But there is a quiet movement among railroad employees, looking to a demand for another increase in their wages, should the railroads get the increase in rates. The railroad unions are the strongest in the country. It is in their power to tie up traffic on any road. No railroad is in a position to altogether reject their demands, however unreasonable.

The recent practice has been to refer such matters to arbitration; the result is always a compromise with a large increase in wages.

It is very desirable that a bill be put through placing the matter of railroad wages under the control of the Interstate Commerce Commission. The railroads will not oppose this, and the employees will come to see protection in such a law.

The bill would be better if there should also be a clause providing that no interstate railroad could issue securities without the previous approval of the commission. This would stop buying up undesirable additions, as well as protect investors.

Conditions all over the world indicate trouble next year. Under your steady hand it may be hoped that this country will not suffer as much as others from the liquidation which seems inevitable, and which will, by those who do not think, be blamed on your administration.

Respectfully, yours,

WM. BOSWELL.

—

BEAVER, PA., *December 19, 1913.*

To the PRESIDENT, *Washington, D. C.*

MY DEAR SIR: Being interested in the success of your administration and of the welfare of the country in general, the writer begs to call your attention to some conditions which it seems to him should have immediate attention. The Interstate Commerce Commission, you are no doubt aware, has postponed their decision on the application of the railroads of the East for a 5 per cent raise in freight rates. The time set now for handing down this decision is March 15, 1914. It would seem to the writer that this matter should be disposed of at the earliest possible moment, say, not later than January 15, 1914.

There has been a lull in business, especially in the steel trade, and it would seem that the railroads are now taking advantage of this to raise the greatest possible business disturbance. They use directly and indirectly about 50 to 60 per cent of the steel products of the country. They have been cutting down their orders to bare necessities, and I have been informed to-day that the Pennsylvania Railroad has issued instructions canceling all unfilled orders of every character. The trade reports show that there are only 20 per cent of the rail orders on the steel companies' books that there were one year ago. A large tube manufacturer advises me that their continuous large tube orders from the railroads have been cut off entirely.

The railroads were never in better shape to make advance purchases. They have had the best business year in their history. Why all this retrenchment? It is absolutely uncalled for, except for vicious purposes. The rate question should be decided at once, one way or the other, so that the railroads would know where they stand in this respect.

It is the writer's opinion that the large business boom through which we have passed was started primarily by the railroads immediately following the decision of the Interstate Commerce Commission refusing to allow increase in rates east of the Mississippi.

They had held up orders for many months preceeding, trying to influence legislation and the commission, but when they failed and were forced to place large renewal orders, there was started the biggest boom in the steel business this country has ever seen.

There are many inquiries in the steel line, but people are waiting now to see what is going to happen. Trusting that I am not intruding and that the above statements will interest you, I am,

Yours, with greatest wishes for your success,

J. A. MCEWEN,
Member Woodrow Wilson College Men's Club.

—

RAILWAY BUSINESS ASSOCIATION,
New York, December 31, 1913.

Hon. WOODROW WILSON,
President of the United States,
The White House, Washington, D. C.

DEAR SIR: Your attention is respectfully invited to certain utterances which were made at the annual meeting of the Railway Business Association on December 11, 1913, with regard to the importance of as prompt a decision as can justly be reached in the matter of the proposed general advance in eastern freight rates.

George A. Post, president of the association, in his opening address at the morning session, said:

"If relief is to be had it should be prompt. In the past the roads have been told in hard times that they ought not to raise rates, and in good times that they do not need to. This is battledore and shuttlecock, which may never come to an end. No pains should be spared to assure the commission that the public will approve any degree of expedition compatible with justice to all concerned."

E. B. Leigh, president of the Chicago Railway Equipment Co., in an address at the same session said that "no factor which could now be introduced into the situation would do more to stimulate general business out of its present and impending condition than a vigorous resumption of railway expenditures. This conclusion, while applying to the state of affairs at this moment, is based upon a careful study and comparison covering many years, showing the relation between railway purchases and general business." Mr. Leigh's address, "Railway purchases measure general business prosperity," illustrated by a chart, and presenting statistical proof of his conclusion, is herewith inclosed. Please note on page 3 the following:

"It is not for a moment proposed that railways shall be permitted advances in rates in order that unnecessary purchases may temporarily benefit the railway supply industries or even the whole country. Waste never permanently benefits anybody. It is not unnecessary purchases which are under discussion. Railway facilities are insufficient to meet any considerable increase in tonnage. The proposition is not to overstimulate but to remove an artificial restriction in the shape of rates too low. The greatest danger at this moment is delay. It is well recognized that it requires a greater force to start from inertia than to continue a momentum already established. The sooner the commission can issue a favorable decree the more certainly will the influencing power of railway purchases be effective in the restoration of general business."

The association adopted the following resolution:

"We believe that if the Interstate Commerce Commission finds as a result of its inquiry that the railways need more revenue to enable them to provide railway service adequate to the growing needs of the public and will grant an increase in transportation rates, the effect will be to promote an immediate improvement in all lines of business. We request the president of our association to publish Mr. Leigh's address and place copies in the hands of the Interstate Commerce Commissioners and State railroad commissioners."

The rate-advance cases were also discussed in two addresses at the association dinner by Howard Elliott, chairman of the New England lines, and James M. Cox, governor of Ohio. Copies of these speeches are inclosed.

Mr. Elliot, on page 5, says:

"A continued improvement of the railways will stimulate trade, give a general steadiness to business, and minimize depression. The money the railways would spend in expanding their facilities as they should be expanded to keep pace with the growth of business in the country would percolate into every conceivable artery of trade. Can it be doubted that this would impart that wholesome stimulus to business that is so anxiously awaited at the present time?"

Gov. Cox, on page 5, says: "The development of the country makes a call on the railroads for extensions and equipment, which finds an enforced feeble response. They could advantageously to the public use hundreds of millions of dollars right now." On page 7: "We might just as well recognize at the outset that a puritanical severity with stockholders who honestly acquired their securities is not going to do any good. The thing to do is to restore the patient and then prescribe and enforce a diet and behavior which will prevent recurrent illness." On page 8. "Regulation must proceed on the theory that what society imposes on the railroads, society itself must pay for. * * * If we expect the railroads to draw from their earnings to meet the changed and developing conditions of the day, they must receive the same consideration shown to other business enterprises, or the result with them will be the same—disaster." And on page 9: "If it develops that while the gross receipts have increased, the net receipts are considerably diminished by the liberal policy of society, then relief ought to be granted, whether it be 1 per cent, 5 per cent, or 10 per cent that is needed."

With high respect, very truly yours,

FRANK W. NOXON, *Secretary.*

—

AMERICAN CAR SCREEN CO.,
Pittsburgh, Pa., January 16, 1914.

To the PRESIDENT, *Washington, D. C.*

YOUR EXCELLENCY: In justice toward all of us engaged in business which is more or less affected by railroad purchases, I desire to call your attention to a very serious condition existing at present, and more than likely to increase in seriousness if permitted to continue in an unsettled stage such as it now is.

This condition relates to the matter of "increased freight rates" now before the Interstate Commerce Committee.

All good and wise business men of this day and generation know quite well that the natural demand for supplies in all lines should not decrease as long as the Nation's population increases, for upon the increase of population depends the increase of demand. If the Nation's population was annually decreasing, naturally, the demand would follow in the same direction. As this is not the case, the question of present demand is, then, a settled fact, and those who are engaged in supplying this demand know this fact, and can not help but feel that it is only conditions that are directly responsible for a lull in this demand at the present time which undoubtedly exists.

As before stated, the freight rate increase seems to be the paramount cause, and at the same time it seems to be the general opinion that if this was once settled the present lull in demand would cease.

Now, Mr. President, why does the Interstate Commerce Commission persist in waiting until the middle of next March before rendering its decision? This is a hard, cold winter, and likely to be an extended one, and the laborer needs work worse right now than after March 1. It seems almost criminal to permit the adjustment of such a vital question to remain unsettled for no apparent good reason.

The Interstate Commerce Committee has certainly been in existence long enough to be perfectly familiar with all conditions relating to such matters to be able to render its decision not next March, but now.

Its decision will have to come finally, either for or against this rate increase, so why not settle it now one way or the other? If favorable to the railroads, then the cause for withholding their orders for structural materials and equipment will be eliminated, and should it be reverse to the roads, and they still withhold their business, then the shutting down of our mills will be up to them.

I desire to place myself on record as being heartily in accord with the policies adopted by your able administration toward good and sound business principles, and firmly believe they are right and will ultimately result in success; but "procrastination is the thief of time," and the slowness with which these policies are put into action is deplorable.

If a remedy for an ailment is considered effective, why not apply it instanter? Or, if in doubt, why not try it and watch results?

I feel quite confident that if this rate question is disposed of at once the present element of uncertainty temporarily existing will be quickly removed.

Can not this honorable commission be induced to act in this matter now, Mr. President, and let us keep our mills going at a time when work is most needed?

Respectfully,

W. A. SCOTT, jr., *President.*

LOUISVILLE, KY., *January 16, 1914.*

Hon. WOODROW WILSON,
President, Washington, D. C.

SIR: I am heartily in favor of increasing the revenue of the railroad companies by granting them an increase for carrying freight. There have been so many burdens put upon them by the Interstate Commerce Commission, in order to protect human life and property, that it is necessary for them to have money with which to do that. You can pass all the laws you want to, and they would not be lived up to unless you give them the means by which it can be done. We are very large shippers and payers of freight, and so is my brother's company, and we are both anxious to see your administration successful, and we think you should do something to offset the apparent injustice done to the railroad companies by compelling them to do something that they can not do without money to do it with. I am simply giving you my opinion as a manufacturer; it is worth whatever it is worth, and no more; but I feel called upon to give you my opinion, although no one has asked me to write you. Our company has $4,000,000 capital, and my brother's company has $2,000,000, and we do a large business, and own no railroad stocks.

Yours, truly,

MENGEL BOX CO.,
C. C. MENGEL, *President.*

AURORA, ILL., *January 17, 1914.*

WOODROW WILSON,
President the United States of America, Washington, D. C.

DEAR SIR: Referring to the controversy between the public and the railroads of the United States, would suggest that the Fox River Valley Manufacturers' Association is heartily in favor of allowing the general advance of 5 per cent on the present rates on all of the railway lines of the United States.

Faithfully,

FOX RIVER VALLEY MANUFACTURERS' ASSOCIATION.
M. C. CHAPMAN, *President.*

THE NATIONAL BUSINESS LEAGUE OF AMERICA,
Chicago, U. S. A., January 20, 1914.

THE PRESIDENT,
The White House, Washington, D. C.

DEAR MR. PRESIDENT: For your information, and by order of the president and board of directors, I inclose herewith a copy of a preamble and resolutions, recommending a nation-wide uniform advance in railway rates, unanimously adopted by the board on the 15th instant. Certified copies have also been forwarded to the members of the Interstate Commerce Commission.

Yours, very truly,

A. A. BURNHAM,
General Secretary.

[From the Inter Ocean, Chicago, Saturday, January 17, 1914.]

SHIPPERS ASK HIGHER RAILWAY RATES.

The directors of the National Business League of America, at their meeting in Chicago Thursday, unanimously adopted resolutions asking the Interstate Commerce Commission to permit the railways to make "an immediate uniform increase of not less than 5 per cent" in freight rates.

The National Business League is a nation-wide association of prominent business men, mostly merchants and manufacturers. That is, their interest is that of the shipper—the buyer of railway service. While many of its directors are residents in and near Chicago, these resolutions do not express merely a local opinion, but also that of the affiliated organizations in 30 States, ascertained through their vice presidents of the national association.

This is probably the first time that any large number of shippers has asked that freight rates be increased. The reasons for this about face on the part of so many representative shippers are clearly shown by the resolutions adopted, of which we present the substance:

"Sufficient and efficient transportation is necessary to the prosperity of the whole country. * * * We believe that the present net earnings of the railways are insufficient for the proper maintenance of equipment, extension of facilities, efficient service, and safety of life and property, resulting also in curtailment of purchases from dependent industries, which seriously cripples the general business of the country.

"Therefore the grant of permission to increase rates is asked 'as a necessary measure, imperative to the prosperity of carrier, shipper, and business interests generally.'"

The logic of this is conclusive. The reaching of a conclusion so logical is a gratifying sign of a renewed perception of the truth that in the long run all material interests of the American people must go up or down together, and of emergence from the delusion that it is possible to impoverish and pull down the transportation industry without all of us suffering in the end and paying for the folly.

Theoretical "railway economists," such as Louis D. Brandeis, will continue to argue, of course, that what the railways need is not higher rates but "more efficiency." Here and there a prominent business man will still insist on what is, under existing conditions, putting the cart before the horse. We note that John Wanamaker is quoted as so doing.

These gentlemen seem to forget that before improvements can be made there must be means, or a good prospect of means, with which to pay for them. Efficiency must often wait for income to support it. If Mr. Wanamaker will look back he will doubtless remember days when he had to get along with poorer equipment and less competent help than he wanted, because he could not yet afford to buy better.

FOR REASONABLE RAILWAY RATES.

Resolutions adopted by the board of directors of the National Business League of America, at the Hotel La Salle, Chicago, United States of America, Thursday, January 15, 1914:

Whereas the resolutions committee of the National Business Congress, held under the auspices of the National Business League of America, in the platform adopted June 27, 1912, declared that "sufficient and efficient transportation is necessary to the prosperity of the whole country," and "depending upon transportation regulation as an established fact, we believe it important that in providing regulations due consideration be given to the question of securing transportation net earnings sufficient to meet all necessary costs of maintenance and operation, and to provide all facilities required by the growth of every community;" and

Whereas we believe that the present net earnings of the railways are insufficient for the proper maintenance of equipment, extension of facilities, efficient service, and safety of life and property, resulting also in the curtailment of purchases from dependent industries, which seriously cripples the general business of the country: Therefore be it

Resolved by the board of directors of the National Business League of America, That, as a necessary measure, imperative to the prosperity of carrier, shipper, and business interests generally, an immediate uniform increase of not less than 5 per cent transportation rate be granted the railway interests: And be it further

Resolved, That copies of this preamble and resolution be presented to the members of the Interstate Commerce Commission and to the public press.

PHILITUS W. GATES,
[SEAL.] *President.*
A. A. B. MAHANY,
General Secretary.

THE CHICAGO TRANSPORTATION ASSOCIATION,
Chicago, January 20, 1914.

Hon. WOODROW WILSON,
President United States of America, Washington, D. C.

DEAR SIR:

Whereas the railroads east of the Illinois-Indiana State line have petitioned the Interstate Commerce Commission for an advance of 5 per cent in their freight rates; and

Whereas we feel that the immediate granting of this said advance would restore the confidence of trade, spur business on to greater prosperity in this country, improve commercial conditions generally; and

Whereas everything has had an advance in its price in recent years, especially labor, material, etc., which directly affect the railroads, and railroad freight rates have remained practically unchanged, the railroads therefore being entitled to this advance;

We, the Chicago Transportation Association, an association of more than 1,200 railroad and industrial representatives in the city of Chicago, have resolved, at a meeting held to-day, to impress upon you and the Interstate Commerce Commission the importance of the granting of this 5 per cent advance in freight rates, and place ourselves on record as indorsing the petition of the railroads for the good of business, for the good of the railroads, for the good of the country generally.

Yours, very truly,

C. H. SCHNIGLAU, *President.*

NATIONAL BOOT & SHOE MANUFACTURERS' ASSOCIATION OF THE UNITED STATES,
OFFICE OF THE SECRETARY,
Rochester, N. Y., January 21, 1914.

Hon. WOODROW WILSON,
President of United States, Washington, D. C.

MY DEAR SIR: At the convention of our association held at New York City January 14 the following resolution was unanimously adopted:

"Whereas the transportation system of the country is developing at a retarded pace and the consequent depression in the basic iron, steel, and other industries has become a leading, if not the determining, factor in the general business recession; and

"Whereas the eastern railroads have asked the Interstate Commerce Commission for permission to advance their rates and have made a very impressive showing of their need of additional revenue: Therefore be it

"*Resolved*, That the National Boot & Shoe Manufacturers' Association believes that railway facilities should be developed in anticipation of traffic demands, that no artificial restriction in the form of inadequate rates should be placed upon railway growth, and that the business men of the country will acquiesce without prejudice in an advance in rates if found necessary by the commission in order to provide business with efficient service.

"*Resolved*, That we urge the commission to decide the case with all reasonable celerity, so that if the advance is to be granted general business may speedily have the stimulating influence of vigorous railway purchases."

Believing that you wish to keep in touch with the sentiment of the people upon all subjects affecting the general good, I was instructed to communicate the action of our association.

Respectfully,

SOL WILE.

The following is a translation of a letter written in German, dated at Frankfurt, January 22, 1914, and signed by Henry Hoyd:

JANUARY 22, 1914.

Henry Hoyd, Frankfurt, Germany, writes to the President in behalf of many German citizens to thank him a thousand times for his action in regard to the United States Steel Trust, and also asks him to show himself favorable to the American railroads, such as the Western Pacific, Missouri Pacific, and Denver & Rio Grande, and give them higher freight rates. This will benefit entire humanity and trade in the United States will increase again. He also suggests that he should act as a real favoring genius to the hard-pressed Huerta, as the United States may be glad to have a good neighbor sometimes.

[Telegram.]

BLOOMINGTON, ILL., *January 5, 1914.*

The PRESIDENT:

This company favors the 5 per cent increase asked for by the railroads in official classification territory.

PAUL F. BEICH CO.

CHAMBER OF COMMERCE OF THE STATE OF NEW YORK,
New York, January 9, 1914.

To the PRESIDENT,
White House, Washington, D. C.

DEAR MR. PRESIDENT: On behalf of the Chamber of Commerce of the State of New York, I beg to call your earnest attention to the inclosed copy of a resolution unanimously adopted by the chamber at a largely

attended meeting held January 8, expressing its gratification that the Interstate Commerce Commission had taken up for consideration the question of sanctioning an advance in railroad rates, and also expressing the belief that the shippers of the country are prepared for this action as an act of justice to the railroads and beneficial to the business of the United States.

This resolution was presented to the chamber by its committee on internal trade and improvements, composed of Messrs. Samuel W. Fairchild, chairman; William Jay Schieffelin, Cornelius N. Bliss, jr., Harman B. Vanderhoef, Charles E. Peck, Edward O. Stanley, and Burns D. Caldwell, all but one of whom are prominent in the mercantile trade of this city; and it was also approved by the executive committee of the chamber before its adoption at an open meeting of the chamber.

Yours, very respectfully,

SERENO S. PRATT, *Secretary.*

CHAMBER OF COMMERCE OF THE STATE OF NEW YORK.

DEAR SIR: At a meeting of the Chamber of Commerce of the State of New York, held January 8, 1914, the following report presented by the committee on internal trade and improvements was unanimously adopted:

"Whereas the Interstate Commerce Commission is now considering the question of permitting the railroads of the United States to advance their rates, in order to cover the increased cost of labor and other growing financial burdens, without further depletion of net income and thus enable them to obtain the additional credit necessary to provide the increased facilities needful for the expanding traffic of the country; and

"Whereas in April, 1912, the chamber adopted a report urging, in the interests of shippers and of the well-being of the country as a whole, that any necessary readjustments of freight rates should be accomplished without further curtailing the revenue of the railways, upon which their borrowing capacity depends, bearing in mind, as stated by the railroad securities commission, that 'a reasonable return is one which, under honest accounting and responsible management, will attract the amount of investors' money needed for the development of our railroad facilities'; and

"Whereas since that report was adopted the financial burden of the railroads has been increased by further advances in the wages of labor and in the cost of materials, repairs, and supplies, so that their net income is now declining: Therefore, be it

"*Resolved*, That the Chamber of Commerce of the State of New York expresses its gratification that the Interstate Commerce Commission has taken up for consideration and decision the question of sanctioning an advance in railroad rates; and the chamber believes that the shippers of the country, many of the largest of whom are represented in its membership, now feel that a prompt advance would be not only an act of justice to the railroads but also beneficial to the entire business of the United States; and be it further

"*Resolved*, That copies of this action be transmitted to the Interstate Commerce Commission and to the President of the United States."

SAMUEL W. FAIRCHILD,
WM. JAY SCHIEFFELIN,
CORNELIUS N. BLISS, Jr.,
HARMAN B. VANDERHOEF,
CHARLES E. PECK,
EDWARD O. STANLEY,
BURNS D. CALDWELL,
Committee on Internal Trade and Improvements.

Attest:

JOHN CLAFLIN, *President.*
SERENO S. PRATT, *Secretary.*

NEW YORK, *January 9, 1914.*

THURMONT, MD., *February 19, 1914.*

President WOODROW WILSON,
Washington, D. C.

MY DEAR SIR: Being geographically situated where we have much felt the long-drawn-out question of increased freight rate, we do hereby appeal to your honor to give this question your very capable support. Thousands of unemployed men are idle, due to this pending question. Some definite conclusion—immediate action—would be a great relief to the situation. From a business and political standpoint we feel your action would be a great relief to the situation as well as a great boomerang, to which we of your party are interested. We beg to remain,

Sincerely, yours, for relief,

F. W. FRALEY.

NEW YORK, *February 19, 1914.*

His Excellency the President, Hon. WOODROW WILSON,
Washington, D. C.

HONORABLE DEAR SIR: Noting from reports from Washington that you are exerting your influence to the end of expediting the decision of the Interstate Commerce Commission with respect to an increase of 5 per cent in freight rates for the eastern railroads, we take the liberty to express our appreciation of anything you may effect in this way.

As is undoubtedly well apparent to you, and certainly is the prevailing conviction among all classes of commercial people, the uncertainty incident to the deferring of definite action in this matter is the most important element at this moment, maintaining a spirit of apprehension in business circles. When this cause is removed there is every reason to believe that the restoration of certainty flowing from a definite knowledge of a matter so intimately connected with commercial activities will result in an immediate resumption of business energies and add to the confidence which is generally felt in the wisdom of your administration.

Perhaps we can speak most authoritatively for our ownselves and our own trade, and our case is typical of the conditions existing in practically all of the piano factories, except that some of them are in a worse plight. Whereas at the same time last year we were seeking extra help and unable to fill orders with ordinary promptitude, our factory, which gives employment under normal circumstances to upward of 200 high-priced skilled men, is now and has been for some time reduced to a three or four day per week schedule. This is one of the few instances in the history of this company that we have reached that status, the last being in 1893. This year to date our business is but 40 per cent of what it was for the same months in 1913, indicating the practical bad effect of the uncertainties contributed to by the delays in these matters. As our case is not an isolated one, but, on the contrary, illustrative of the general situation in the piano trade, an accurate knowledge of which the writer possesses, you will undoubtedly appreciate our intense desire to see the freight-rate case settled at the earliest practicable moment. We are hoping the commission may see fit to grant an advance, but in any event a definite position should be taken.

For these reasons we feel justified in expressing our gratitude for your reported efforts in facilitating matters, which we trust will be attended with the success which we feel assured will follow the putting into effect of the admirable legislation for which you have been responsible in the form of so splendid a currency bill.

Respectfully,

BEHNING PIANO CO.,
HENRY BEHNING, *President.*

BALTIMORE, *March 20, 1914.*

To the honorable the PRESIDENT OF THE UNITED STATES,
White House, Washington, D. C.

MY DEAR MR. PRESIDENT: The practical and baneful effects of the dilatory tactics of the Interstate Commerce Commission at this time toward the railroads' application for increase in rates forms a very striking parallel to the conditions which prevailed in 1893 under the attempt by Congress to repeal the law for the free coinage of silver. It will be well remembered by men of all classes who were in business at that time that the special session of Congress, which was assembled at the call of President Cleveland on the 7th of August, was for the purpose of repealing the law requiring the coinage of $4,500,000 per month of silver, and stamping such silver dollars as of the same value as a dollar of gold, and that the actual and only question before that body was the repeal of the law and the repudiation of the fiat dollar. The most persistent argument against the repeal was by the comparatively small interests from the silver-producing districts; of course, a pleading prompted entirely by selfish motives. The passage of the repeal was on the 1st day of November, 1893, which shows a consideration of 86 days before the final action. In the meanwhile what happened? Bank after bank in the country failed; private bankers in large numbers failed, and many merchants, contractors, and other active business men were pushed to insolvency by the mere reason of the dilatory action of the Congress and Senate. Can anyone say why the delay was so great? Can any man justify the delay? The question before the honorable bodies was a very simple and direct one, and at the time of its passage had not changed one iota from the question at the date of the calling together of the two branches of Government legislators. It would be impossible to state in precise amounts the terrible wreckage of all the businesses which were affected by this unnecessary delay, and people look back and wonder how any conscientious and clear-headed body of men could have with patience allowed the troubles to swell and accumulate and burst with the terrible reckoning in so many cases. A few very wealthy people stood ready to reap the benefit in the collapse of values by buying what was thrown to the purchase of such men as could buy, and there was never a justification for the cruelty of the situation.

Now, let us come to the parallel in the present phase of the delay by the Interstate Commerce Commission in coming to the assistance of the railroads in their application for permission to charge the very reasonable increase of 5 per cent for their services to the public.

What is the position of the railroads? First of all, they are the arteries of primary development for the entire commerce of this country; secondly, they have been administered as one continuous and improving facility for the benefit of every interest coming to their uses, and all their relations to the public are perpetual answerings to the demands by individuals, legislatures, and laws enacted by legislatures, and by the State commissioners appointed in all parts of the country, together with the final supervisory board in Washington under the title of the Interstate Commerce Commission.

The efficiency of all the roads is an ever-increasing one, and the cost of efficiency is likewise an ever-increasing one. The roads have distributed increased wages almost without exception from the Atlantic to the Pacific. They have also been obliged to meet higher taxes every year of their existence, and all of their financing has been by necessity at high rates of interest and upon short terms of time and renewals. They have answered well the requirements, also some very arbitrary conditions which have been forced upon them; but truly they can not go on much further without relief. Most of the large interests of the country are wondering at the delay on the part of the Interstate Commerce Commission in deciding and granting the requests of the eastern railroads which have been laid before them.

The unanswered question and the unknown action is bringing very disturbing conjectures and halting business determinations to some of the most industrious men of our country, and there is very little objection by the large mass of people who take the broad view of the requirement, actual necessity, for an allowance of the increased compensation to the roads. It is really the broad question that the Interstate Commerce Commission should consider.

The plan of provision for efficiency and facility carries a scope that affects the whole country, and there are very few individual instances in which a hardship would be entailed that would not be greatly offset by the impetus to business and by the quick and wide-spreading confidence that would flow should the definite announcement be made that the allowance will be granted.

The present situation enforces a very locked-up state of mind on the part of the authoritative officers of the roads as to what they can undertake to inaugurate, construct, or maintain. The bankers, who must look to their security in financing the roads, are equally barred by their inability to see or prove a calculation which insures principal and interest alike for the supply of the moneys required. This also, of course, operates in a very sensitive way upon the minds of foreign bankers as to future financing and to foreign holders of American securities already purchased and for which our corporations are their debtors.

It would certainly seem that the problem calls for a very prompt solution, and the solution is to admit that the railroads have done more than their share and have not come into their own at the hands of the public. It is not as if the increased compensation to the roads would simply be a pouring into their treasuries an additional fund to distribute to their stockholders, for this is not in the least the case. The public will very quickly share in the distribution of business through increased activities brought about by an improvement in the general industrial conditions; moreover, the public will receive in concrete form the quid pro quo by the better service in all directions which would be given to them by the carriers.

The delay at Washington is not only holding up the efficiency of the roads and confronting them with anxious fears as to their future financial position, but it is bringing a very great fear throughout the country of a business paralysis by reason of the continued uncertainly

as to any permanent move forward. It is hard to understand that the gravity of the many phases of the situation should not force itself upon the judgment of the Interstate Commerce Commissioners. Let us hope that they will come to a point of view common to the railroads, bankers, commercial interests, and the big business minds of this country, and that their favorable decision may not be so far off as is feared by many who can merely view from the outside and are not advised of their private considerations and conclusions.

Allow me to conclude with sincere expression of my kindest regards, and believe me,

Most sincerely, yours,

JOHN REDWOOD.

—

RAUCHTOWN, PA., *March 21, 1914.*

Hon. WOODROW WILSON,
President of United States.

DEAR MR. PRESIDENT: I don't want to add to your burdens, but isn't it in your power, acting with Congress, to compel the Interstate Commerce Commission to act in a crisis like the present? In our little town of Jersey Shore, near here, about 300 men have been put out of work by the New York Central Railroad. This is but one case of one railroad. You know the railroads ask 5 per cent increase in rates. Isn't the Interstate Commerce Commission playing the tyrant? Five per cent would hurt no one, and if it put thousands of men to work what a blessing.

Yours, to treat the railroads right.

G. A. BROSIUS.

—

MISSOURI MALLEABLE IRON CO.,
East St. Louis, Ill., January 9, 1914.

Hon. WOODROW WILSON.
Washington, D. C.

DEAR SIR: We are writing to ask you to use your influence with the Interstate Commerce Commission, urging them to grant the 5 per cent advance which has been asked for by the railroads in official classification territory, and urging that a decision upon this important question be given at as early a date as they consistently can.

Business men all over the country seem to be a unit in the opinion that a liberal advance in freight rates is absolutely necessary to again reestablish railroad credit, in order to permit them to purchase the necessary equipment and make the necessary extensions to handle the rapidly growing commerce of our country.

The lack of purchasing power of the railroads is almost entirely responsible for the present business depression which exists, and this depression is growing from day to day more serious. Iron and steel plants are working at half capacity or less; our large cities are full of unemployed labor; and conditions are being made worse by the heavy tide of immigration into the country, for which there would be a demand under normal conditions but for which at present we can find no employment.

Trusting that you will see fit to use your good offices in the directions suggested, we beg to remain,

Yours, truly,

F. E. NULSEN,
President and General Manager.

—

PLYMOUTH FOUNDRY,
Plymouth, Mass., December 20, 1913.

Hon. WOODROW WILSON,
White House, Washington, D. C.

MR. PRESIDENT: Inclosed please find pamphlet which I intended to read at the Plymouth Commercial Club.

Same deals with the railroad efficiency. Seeing through the papers that you are at present interested in same, I am sending it for your use.

The suggestion contained therein might help for the present to restore the confidence of the people in the railroads of this country if an increase of 10 cents per ton on freight will be granted to them for handling same, and if an increase of 5 per cent which the railroads ask will be given for the revenue only, in my opinion, it would not help very much unless the service would be improved.

I would be very happy if this pamphlet would be whatever good to you it may.

Yours, respectfully,

BERNARD FELDMAN,
Chief Engineer.

—

Mr. Chairman and gentlemen, if it may please you, I shall endeavor to talk about the railroad efficiency. We are all interested in this subject. Business men of this club have certainly read in the daily papers about the case of shippers fighting all the railroads of the United States. It was Mr. L. D. Brandeis, of Boston, who, not single handed but with the help of all the interested business men of the country, waged a bitter fight against the condition of all the railroads, and Mr. Brandeis won. The increase in freight rates was defeated. A trifle of $27,000,000 every year will remain in the pockets of the shippers. I had the pleasure to help Mr. Brandeis somewhat in personally giving him some details about railroad efficiency. These details I will submit to your judgment, and you can think for yourself if the shippers have a right to fight the railroads or to consider them their best friends. It is a fact that New England or any part of the United States would be very much behind civilization if it was not for the existing railroads. They make life worth living. They put us in contact with the outside world. Through them we can exchange our ideas and our products with other States, which has made us as we are to-day—prominent in all our undertakings. But this absolute necessity has its limits. If this commodity of transportation exceeds or reduces our profits to a dangerous degree, then the railroads become the enemies of the Commonwealth. This was the reason of the shippers' fight, and the railroads had the occasion to hear arguments which if put in practice would save them millions of dollars every day. Yes; I repeat, millions of dollars could be saved every day if they would put in practice the principle of efficiency.

BREAKAGE.

I will consider first the largest waste, and that is breakage. It is surprising to know that the railroads of the United States pay every year over $50,000,000 for broken or damaged goods. What is the reason of this? Why do they pay such a sum for breakage? It is very simple. The railroads of the United States still have in use the old-fashioned system of dividing cars with the engine. In Europe a more scientific, more practical system is employed, and that is the system of gravity. The loaded or unloaded cars are divided on an incline by their own force of gravity. One switchman can operate a train of 50 cars in half the time it takes by the system employed here. Suppose a train with 50 cars leave New York for Boston and has to switch in Bridgeport, New Haven, New London, Providence, Middleboro, and Boston. In these six points of switching, if the time required would be one-half an hour with the engine, or three hours for the whole route, with the gravity system only one and one-half hours would be needed. Time is money. Instead of having the cars loaded for a longer time, you have them ready for immediate service and therefore increase the efficiency of the rolling stock. Why don't the railroads adopt such a system? It costs about $10,000 for each important switch yard, and they think it is money wasted. I think they would rather spend their money in politics and see if they can get more money for less commodities. In Europe the gravity system was not put in practice very easily. It was a bitter fight of the business men at large, and especially the freight handlers. In Europe the majority of the railroads do not handle the freight themselves. This is a special job, handled by the boss freight handler. A business man puts up a bond in proportion to the traffic of his station and he employs the labor to handle the incoming and outgoing freight. If business requires they employ more help; if it is slack the help is reduced. The boss freight handlers are responsible for the breakage and for the men. With this responsibility for every breakage and damage thrown on their shoulders, you can be assured, gentlemen, that the same freight-boss handlers have forced the railroads to employ the gravity system. It is safer, cheaper, and does very little damage to breakable goods. The freight handlers are not paid by the railroads but by the shippers. For each ton a legal fee of 10 cents is paid by the shipper, and for less-than-ton lots a fee of 5 cents is paid. They are getting some revenue from the passenger stations also. Each passenger is allowed his valise or baggage up to the door of the station. There a porter takes charge of it. He weighs same, puts on the label for destination, and gets a 5-cent fee. It means that freight rates are only from one station to another, and same does not include handling. The shippers gladly pay the small expense for handling their freight when they are assured of less liability of breakage and quick delivery of merchandise. Sometimes we ship a carload of ranges from here to Boston, and there is not one exception where part of the ranges do not get broken. Although we crate the car with heavy lumber and the freight agent is satisfied that the car is well crated, yet the handling of this freight without some breakage is impossible with the switching done in this country. They break the goods and find all sorts of excuses in paying the damage, and finally the railroads think that stove manufacturers shall not exist. They contemplate to force the foundries to crate the ranges, and also contemplate increasing freight charges on stoves. All these hardships would be all right if they would deliver the goods without damage; but you understand that if you accept a crate and sign for same the responsibility of the railroad ceases, no matter if the goods are damaged in the crate, where they could not have been seen when signing for the goods. What will this mean? The whole industry of stoves will have to put an enormous price on the goods to include the damages of crating and transportation.

Now, let us do some figuring. Suppose that the New York, New Haven & Hartford Railroad has about 5,000 stations and employs about 150,000 to 200,000 freight handlers at $2 per day. This shows a waste of $300,000 to $400,000 a day for one railroad. If you include all the railroads this will figure up in the millions. This change alone will save millions to the railroads and give better service. I put this same principle up to Mr. Byrnes, vice president of the New York, New Haven & Hartford Railroad. His letter in reply admits that it is a good idea, but in order to do this they would have to revolutionize the entire system. If it is right and efficient, why not have the revolution now and not later, when the shippers will be disgusted and ruined?

UNIFORMITY OF RAILS AND CARS.

The second important waste of railroads is the different types of rails and cars. One railroad buys a 75-pound-per-foot rail, the other a 100-pound-per-foot rail. The same is true with the type of cars. It is reasonable to admit if all the railroads would combine and have a central bureau of research and adopt the same type of rails or rolling stock they could buy these necessities much cheaper. It costs less to make only 100-pound rails or have only one set of patterns for cars. The manufacturers could stock up and sell lower. But it is easily understood that Mr. Morgan and allies are directors in the Steel Trust and in the railroads, therefore the railroads pay the combination price. Furthermore, I don't think they employ civil engineers to inspect the rails when delivered, to throw out the defective ones. I conclude this from the number of accidents which are caused by defective rails. Why, life is cheap in the United States; a few thousand killed per year more or less is of no importance. Money will settle all these unfortunate accidents. The authorities do not find fault with the railroads in case of accident. Tell a district attorney after an accident has been investigated that a defective rail was the reason, and that will settle the question. The attorney might fight the railroads to pay the damages on life. If the directors would be sentenced to jail in such cases, you would certainly hear of less accidents. But what is the use of arguing with the railroads; their strongest reply is, The trade unions are to blame. Apparently they are right. As soon as business is brisk there will be a strike of one union or another. Whatever surplus they will accumulate it will finally go to labor. I am very sorry to admit this is so, not only with the railroads but with every industry employing union labor. This labor problem is one of the greatest to take care of. In Europe they have succeeded somewhat as to the easiest way to handle labor. They have created schools for railroad employees and their children. In these schools a thorough education on railroad construction and management is given. Children of employees have preference, and when they graduate employment is provided for them by the railroads. Besides this education they are trained like soldiers. In fact, they constitute the officers of militia in case of war. For this reason the Government is supervising these schools and an army officer is training the boys and the Government shares half the expenses with the railroads for maintaining these schools.

The benefit is manifold. They educate the coming generation with practical knowledge in their profession. They train them in military discipline and thereby educate the laboring class. Besides the railroads grant pensions to every employee over 30 or 40 years in active service. Such labor will not strike. Their future is guaranteed. Their children's future is assured and there is no reason to strike. The Government gets the benefit of an educated class of citizens and gets trained officers in case of war and the entire community is satisfied. Here in the United States any man willing to work is em-

ployed by the railroads. No care is taken for their future or their children's future and there is nothing else to expect but what the men will strike any time if possible to better their position to provide for their families in case of accident. In case of war the United States has to pay good money for soldiers, and besides they can not get them when wanted, or they send to war a number of untrained men who hardly understand the principle of a rifle or the game of war. Why don't the railroads of the United States combine their efforts and together with the Government establish such schools? Why don't they make and operate jointly shops for training their skilled workingmen? A common primary course is not enough. A half-educated man is worse than an ignorant one. When the people want to educate themselves higher they have no chance unless they are rich enough to go to college. How about the mechanic? Where can he get an education? They are getting same now incomplete, working as apprentices with union men and learn hardly a part of the trade. But they learn quick to strike, to drink, and therefore the trade unions are the misfortune of the railroads and the country. The railroads have not enough competent educated men. Their traction management is wrong. The maintenance of their roads are not modern and when new constructions are contemplated they have to hire outside help. When the Pennsylvania Railroad wanted to make the New York Terminal they paid millions of dollars to McKim, Mead & White, architects. They paid millions to Westinghouse, Church, Kerr, engineers. I was employed by the latter named as engineer detailing some of the structural steel. Finally that great work of the Pennsylvania Terminal was completed and nearly $100,000,000 spent. It was shocking to me when I saw this magnificent structure without any cement footing on the steel columns. When an electric train speeds through these steel columns there is always a vacuum created between the wheels and the third rail. The electric spark passing through a vacuum is nothing else but the X ray. If these X rays are penetrating freely the footing of the steel columns the cohesion of molecules are destroyed. The resistance of the column is changed and an accident may happen like it happened in the Paris subway a few years ago. A few hundred barrels of cement with linseed oil would protect these columns, but it has been omitted. If an accident will happen, what a waste of life and how many millions of dollars will the Pennsylvania Railroad have to stand for?

Gentlemen, I believe Mr. Brandeis was right that the railroads of this country ought to employ scientific management, for their own benefit as well as for the benefit of the citizens of the United States.

B. FELDEMAN,
Civil Engineer, Manager of the Plymouth Foundry.

CHICAGO, ILL., *February 20, 1914.*

Mr. WOODROW WILSON,
President United States of America.

DEAR SIR: Reading of the request of all railroads east of Chicago asking for an increase in freight rates, beg to advise you, means an awful more expense for the poorer class of people. As soon as this request is granted it means that the merchant will raise the price of everything, so the purchaser pays for the freight rate. It would be advisable, however, if this request is granted, to request the railroad companies to increase the wages of all of their employees whose salary does not exceed $200 per month 20 per cent. I am a railroad man and I know I am not getting enough money for the work I am doing, such as fireman, and you know how hard we fought last year for a small increase in wages, and I do really believe this will settle all difficulty between railroads and their employees if such an agreement can be reached. Trusting you will be interested in same and govern yourself accordingly, I beg to remain,

Yours, very truly,

C. H. EHRMANN.

SALINA CRUZ, *January 12, 1914.*

Hon. WOODROW WILSON,
President United States of America, Washington, D. C.

DEAR SIR: Ever a Republican, yet an admirer of you and your progressive methods, I am writing making a plea for the people and their right of Government protection in the struggle now being waged between public-utilities corporations and the people. The subject under consideration and to which I would call attention is the request of railways for permission to increase rates 5 per cent. Every argument possible is being made, pressure brought to bear, and the highest talent available secured, or paid for with the people's money, with the sole object in view of adding increased burdens to a people already taxed to the limit. I've been mixed up in this game for years, and am free to say I see no reason why the railways' prayer for more money should not be refused. I really believe some departments of the service require a greater percentage of the gross receipts than is now assigned that department; at the same time think it merely requires a readjustment of affairs, which can be secured by applying what I would term commercial methods to the business in hand. I realize this is a factor railway managers are sidestepping. To do this means readjustment all along the lines; it means the officials paid with moneys contributed by those who pay the freight and the passenger must conserve and use those funds in the interest of the people; that their time and energies must be extended in making an effort to produce net results for the people, and not expend the available assets in promotion of the bond and stock holders' interests, with a total disregard for the welfare of the public. True it is enormous sums of the people's money is being used solely that the interests may subvert the will of the people. Stop, I say, this plundering of the public-utilities' treasuries for the purpose of nullifying the expressed wish of the people. Legislative representatives will talk of the labor organizations as one of the principal factors in the game that has brought about conditions which call for heavy increase in the salaries of men. Admit it. It is a fact unions have secured a just increase in salaries of the rank and file all along the line. No one denies this. On the other hand, does anyone stop for one minute to think of the improved conditions brought about by these same organizations? Were it possible to figure it out in dollars and cents, I believe it could be readily proven labor organizations are a very valuable asset. A revenue-producing instead of a destroying factor in the operations of railways, they are continually educating their members to a higher state of morality, excellence and skill in their calling, thereby making safer the lives of those traveling for either business or pleasure; hence conserving the interests of the public, at the same time reducing the losses through care and conservation of the interests intrusted to their care. Any railway manager will, if he speaks truthfully, tell you that the percentage of accidents and property destroyed through what may be termed carelessness or neglect of union men is decreasing every year. Are not our unions entitled to some consideration for this, and does one ever hear of their receiving this credit as an offset against salary increases? Now for the railway side of the question. Do they ever mention the enormous increases of officials' salaries, expense accounts, incidentals, special cars, etc.? Did labor unions cause these additional costs of operation—the increase in officialdom—a percentage basis far greater than the rank and file? Now, let us reason together and say to the railway representatives praying for this increase of rates, furnish us an itemized statement of expenditures for, say, three years; show us just how much of the people's money contributed for freight and fares has been diverted for legislative promotion, for the sole purpose of subverting the people's expressed wishes as indicated by them to those selected to represent their interests at Washington. There are hundreds, aye thousands, of reasons why this increase should not be granted. The masses should be told this, and also told the proper methods to be applied that will produce net results; surplus, not deficits; prosperity, not receiverships.

Some Senator said a brilliant attorney would tell the people where railways were expending one million per day more than necessary. Did he do so? I've often wondered what influence brought to bear to prevent this. In conclusion, beg you to keep on in the good work, save the people's assets for a future generation. Our crop of deficits is already overwhelming in a way, hence the high cost of living. Keeping up the capitalizing of the destructible means an unbearable burden for the future.

Trusting I've not bored you, I am,

Yours, faithfully,

W. S. PAGE.

HOTEL TERMINAL,
Salina Cruz, Estado Oaxaca, Mexico.

WAUWATOSA, WIS., *February 23, 1914.*

Mr. WOODROW WILSON,
President of the United States, Washington, D. C.

DEAR SIR: I have noticed in the papers that Congress is going to set aside $90,000 for an investigating committee. It seems to me all this time and money can be saved, and to bring on good times there is just one thing—to give the railroads a chance to live; give them a chance to build new lines; also the 5 per cent increase on freight rates; then we will have good times at once, because when the railroads start in a lot of new construction work, they employ thousands of men in every branch of business, and if the railroads do not do any work we will have thousands of men unemployed, which is bound to bring on hard times, and if we have good times the President of the United States is given credit for it, and good times is what we all want to see. The country is in good condition, and there seems to be plenty of money, and I can not see why we can not have good times.

I am speaking of 30 years' experience. Hoping this will meet with your approval, I am,

Respectfully, yours,

F. J. MANN.

CHARLESTON, S. C., *February 19, 1914.*

DEAR MR. PRESIDENT: I was glad to read in the papers last night and this morning that you were about to take a hand in causing a speedy decision in the freight-rate decision now before the Interstate Commerce Commission. Business here is good and improving, and the only cloud now hanging over business, from what I can gather from business men here, is the delay in giving the decision above named. All business men I have talked with desire the increase given the railroads, and as soon as possible.

Many think the Interstate Commerce Commission must be playing into the hands of the Republican Party or a favorable decision would have been rendered ere this. I was much interested in your election, and put in some good work for you in the West, especially, in 1912.

On my return home there was a long interview with me in the News and Courier, a copy of which I sent to you, and received an acknowledgment of its reception by your secretary. I am truly glad your administration, so far, is a complete success. You have accomplished wonders; not a mistake has been made.

This is the verdict given by hundreds of business men whom I have talked with in almost every kind of business. I travel a great deal, and there is no doubt about the correctness of the statements herein. Mrs. Morgan and myself stopped over a day and night in Washington about the 1st of June last year and had the pleasure of meeting you. I am a Princeton graduate of 1878, just a year before you. I have given the above facts, thinking that they might be of some interest to you.

I trust the calamity howlers will soon be routed and that your administration throughout will be a howling success.

Yours, truly,

FRANK T. MORGAN.

CAMDEN, N. J., *March 20, 1914.*

WOODROW WILSON, *President.*

DEAR SIR: The question of increase in freight rates seem to have caused a great deal of confusion. In dealing with a matter of this kind, in order to protect the interests of the people as well as the interests of the railroads, it is essential to know the facts properly. The object of the present tariff is to benefit the people's interests. The fear of foreign competition, the average price of the iron and steel products produced by the United States trust amounts to $7.50 per ton in a production of 1,000,000 tons per month. This means $90,000,000 less for this concern's products than last year. This is only one concern. The American Locomotive and Baldwin American Car Foundry, the spring steel concerns, and the endless number of other concerns that manufacture supplies for railroads have all been compelled to make reductions. The reduction in cost of supplies amounts to more than the increase in freight rates probably. Is it just the railroads should have the benefits from increased rates and reductions in the cost of supplies? This would be one of the greatest crimes committed against the interests of the people in the history of this country. Examine into the financial conditions of the various corporations that manufacture supplies for railroads and you will find that these concerns have millions of surpluses after earning dividends on securities that represent no value. The railroads, a great many of them, are suffering from these conditions. This condition of affairs has done more to injure the financial standing of the railroads than most any other

cause. The remedy seems to have been the tariff. The interests of the people should have the benefit of these conditions, and should be considered in their interest.

Yours, truly,

WM. J. MCCAUSLAND.

—

OFFICE OF HIGHWAY COMMISSIONER,
Renton, Wash., November 30, 1913.

Hon. WOODROW WILSON,
President of the United States, Washington, D. C.

DEAR MR. PRESIDENT: The railroad question seems to have forged to the front once more, and it is to give you the views of a western man on this situation that I am writing this, as railroads means more to us than tariff or currency. We are not suffering so much from the railroads we have as we are from the railroads we have not. The present transcontinental lines have reached such proportions that the heads of them feel and realize that they have all they can attend to, and this results in stagnation to the rest of the country. For instance, the Chicago & North Western Railway, one of the best western systems: Their stock is nearly always quoted at 130 to 140. They have for years had as their western terminus a little town in the sagebrush in Wyoming. They know they are doing well and are content, and to handle their coast business they have secured trackage rights and freight agreements with existing roads, instead of building through and opening up a new section of the country. The disastrous feature of the unsettled country is this: The railroads will not build branch lines or extensions until they get ready, while at the same time their control of all terminal facilities in the large cities and trade centers effectually blocks the development of a new road.

Again, where a road is collecting a 4-cent passenger fare per mile because it operates less than 100 miles of line in this State, it will refuse to extend the mileage beyond this distance, as it would then have to reclassify some of the tariffs. I could cite an instance where the railroad ties were removed from the grade to cut down the mileage below the 100-mile limit. We are now practically at a standstill in regard to new construction; there has been some new work undertaken, but, compared with the needs of the country, very little has been done. I tried to interest the governors of Washington and Oregon in an effort to make the banks of the Columbia River neutral and open to any railroad that needed to connect with them, as the Columbia River is the only water grade through the coast range, but had no success. The railroads are our greatest problem, but it seems to me as private corporations they will always be a day's march ahead of Government regulation. Since rebates, pools, water stock, etc., have become taboo with them the inside ring have been able to obtain the same financial results by paying large sums for small and imaginary competing lines. The story of the New Haven and the testimony of the bankrupt Frisco system show that the same method was pursued. Neither of these lines lost a cent on their main-line traffic. The deficit has been shown to be all in these side deals.

Mr. Samuel Untermyer, speaking at Springfield, Mass., a few days ago, thinks legislative investigation ought to cease. He admits we might uncover a great deal more rascality, but says "the evidence would be cumulative only"; then, with the innocence of a child, continues: "Let us wipe the slate clean and begin the work of so reframing and strengthening our laws that there can be no repetition of the past without the certainty of prompt detection and punishment."

In the beginning of his speech he said, "A halt should be called upon further governmental investigation into the past crimes in the looting of corporations." Perhaps Mr. Untermyer can inform us how we are to frame a law to prevent the repetition of past crimes without investigating to find out what that past crime is. His long list of suggestions is practically void, as every remedy is for external use only. The railroads know far better than we do which acts of theirs are against the public good. If they are sincere and want peace and the public confidence, let them originate a few of these reforms themselves. When they act honestly they will be treated with the fairness due honesty. The benefit of a zone system of rates would compel greater efficiency on the part of managers.

Railroads to-day are the most inefficiently run of any of the great commercial corporations and the larger the system the more true is this of them. They enjoy a monopoly and are thus able to keep going. There is a widespread clamor to raise the rates; they have big shippers like Claflin and Simmons speaking for them. It is nothing to the big shippers what the rates are, as the consumer pays the freight. I do not know just what good, or what it will lead to, this valuation of common carriers—volume of traffic and not value determines rates. Keeping the railroad up to its capacity is where the money is made.

I noticed that when I desired to take an examination for senior civil engineer on this work that railroad references were necessary. Perhaps that is well, and to an extent could not be otherwise, but it is rather a delicate question to ask a man to put his "O. K." on you to value his property.

Mr. President, there is a lot of agitation against your policy in this matter, but I hope and trust that you will stand fast. The railroads are all crying about regulation, that they can't get money for new lines, etc. The investing public are with you. The reason the railroads can not get money is because they have in many instances proven themselves unfit to be trusted, the thinking man with $50,000 to invest has read about the "New Haven" and has also seen a railroad issue notes—the Frisco 90 days before it went into bankruptcy.

People are not going to trust their money with thieves simply because they are masquerading under the names of railroad officials. They should not be allowed the 5 per cent raise at this time, but compelled to do business more along business lines. They do not need it—Union Pacific with millions of dollars of pure water is quoted at 151; the Delaware & Hudson, an eastern road, at 149; Lehigh Valley, 146. But far more serious and of more importance to us, is how are we going to build the new railroads necessary to this country; can we finance them by State or Goverment aid? I am trying to figure on that problem but see no solution at present. If any of these suggestions should prove useful, or better still, with your different viewpoint and larger store of information, suggest a train of thought to you, I will be more than repaid. This letter and article is for your personal use and information alone, if you can not use it in any way please consign it to waste. That is my only request in this matter. I know that we are pleased out here with your efforts along the lines of reform; I know that I am, and I trust that your health and strength will continue to hold up under your heavy duties.

Believe me to be with sincere regards and respect.

Yours, very sincerely,

FRANCIS W. HARRIS.

EXHIBIT C2.

LETTERS SENT COMMISSION BY MEMBERS OF THE CABINET.

NEW YORK, *April 11, 1914.*

SECRETARY INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

DEAR SIR: President Wilson ought to take a rest. He has put the country in a fine box.

"Prosperity is where? Up in a flue."

It is up to the railroads to bring prosperity here. They are the ones to start the wheels of prosperity. If they get the 5 per cent advance on the freight rate as they are asking of you, prosperity, etc., will begin to return.

I am out of a position, as many more are. No prosperity, no business, no work.

Please give the railroads the 5 per cent raise this month.

JOSEPH DANIELS.

—

MEMBERS OF THE CABINET HAVE FORWARDED A FEW LETTERS TO THE INTERSTATE COMMERCE COMMISSION.

POST OFFICE DEPARTMENT,
SECOND ASSISTANT POSTMASTER GENERAL,
Washington, March 28, 1914.

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: There is transmitted herewith a communication received from Mr. Melvin Green, of Winchester, Va., addressed to the Secretary of State and referred by him to this department. That part of the communication relating to compensation to the railroads for carrying parcel-post matter has been answered.

Very respectfully,

JOSEPH STEWART,
Second Assistant Postmaster General.

—

GREEN ORCHARD,
Winchester, Va., March 14, 1914.

Secretary of State BRYAN,
Washington, D. C.

MY DEAR MR. SECRETARY: The conscience of the country is waking up to the fact that the United States Government is acting dishonestly in making the railroads carry that parcel post without paying them a just recompense for it. I urge you to exert your great power and influence to see that this scandal is stopped. The Government must be honest first of all.

Also it is certainly clear that the Interstate Commerce Commission should grant the 5 per cent increase in rates asked by the roads. The demand certainly seems a just and moderate one. Its granting will be followed by great business prosperity. Its refusal will produce such a depression as this country has not seen since Cleveland's day. It is needless to say what the result would be to the Democratic Party. But it is a bigger question than that. It is one of right and wrong, and the railroads have the right on their side. If the present commission is made up of men so prejudiced or so small in caliber that they can not do justice to the railroads, why, then the commission should be remade.

I urge you to act to the best of your ability to see that both justice and the prosperity of the country are served by doing justice to the railroads in both the above matters.

Also push the law now up giving the commission complete power over the issuing of all securities by the railroads. Push a law providing for compulsory arbitration in all railroad labor disputes under supervision of the commission.

Lastly and most of all, as you love our country, oppose all extension of Government ownership in the continental United States, both as to railroads, telephones, telegraphs, or anything else. When we start on General Government ownership in this country it will mark the beginning of the end of our beloved country.

Yours, most earnestly,

MELVIN GREEN.

—

CHICAGO, *February 18, 1914.*

To the Hon. WILLIAM J. BRYAN,
Washington, D. C.

DEAR SIR: Believing in the sagacity and sincerity of your statesmanship, and having met you years ago, when you spoke to a Norwegian-American assembly at the Auditorium, again in 1908 at Brands Park, when you so kindly presented me with a copy of your beautiful lecture, the "Prince of Peace," which I had heard; again meeting you on the train at Townsend, Mont., while you were campaigning for President Wilson's election.

Therefore I take the liberty of addressing a few lines to you on my own behalf and on behalf of two other Wilson Republicans. We all voted for Roosevelt last election, but we are Wilson Republicans now. One of them is a merchant tailor, Dick Hanson, Great Northern Building, and the other is Carl T. Newgard, teacher in an engineering school, Athenæum Building, Chicago.

We wish to respectfully request you, if it seems consistent to you, to use your influence to get the Interstate Commerce Commission to grant the increase of 5 per cent in freight rates.

Times are not very good here at present, and though none of us has anything whatever to do with any railroad, we believe that such an evidence of good will on the part of the administration would have an encouraging effect of far greater consequence in bettering things than the relatively small increase in freight charges, which certainly could not fall as a burden on the "common people" of our country.

Respectfully,

BIRGER OSLAND.

—

THE SECRETARY OF THE INTERIOR,
Washington, June 5, 1913.

Hon. JOHN H. MARBLE,
Interstate Commerce Commission,
Washington, D. C.

DEAR MR. COMMISSIONER: Permit me to invite your attention to the inclosed letter from Mr. W. D. Taylor, of Cleveland, Ohio, relative to the proposed advance of 5 per cent in freight rates on certain railroads. I have advised Mr. Taylor that his letter has been referred to you for consideration.

Cordially, yours,

FRANKLIN K. LANE.

CLEVELAND, *June 3, 1913.*

FRANKLIN K. LANE,
Secretary of Interior, Washington, D. C.

DEAR SIR: The traffic commissioner of the Cleveland Chamber of Commerce transportation department, Mr. D. F. Hurd, invited the members of the chamber to meet at the Commerce Hall and listen to a committee representing the Central Freight Association present their views in support of the 5 per cent advance in freight rates.

The writer attended this meeting yesterday afternoon, representing our company, and listened to the statements made by the committee representing the railroads. Their chairman or spokesman was Mr. Hodgson, traffic manager of the Pennsylvania lines west of Pittsburgh. The other gentlemen of the committee were one of the traffic managers of the Erie Railroad, the Lake Shore, the Nickel Plate, and all other lines that are operated in our territory.

Their principal argument was there had been so many burdens placed upon the railroads by the Government with reference to safety appliances, elimination of grade crossings, and the large advance in labor it was absolutely necessary for them to get this 5 per cent advance on all rates now in force to continue their business and make anything for their stockholders and give reasonable service to the people of the country who have to depend upon the railroads for transportation.

The writer was called upon by the chairman for his views on this subject, and we stated as far as our company was concerned we would not object to a reasonable advance if the railroads would give us better service in handling our freight.

We stated the railroads in our city had not kept pace with the growth of Cleveland with facilities for handling the freight. We told him in the case of the Lake Shore that there had practically been no change or improvement for the past 15 years. We called attention to the fact that a few years ago when private exchanges were first established, at the Lake Shore depot they had no private exchange, and if you wished to get into telephone connection with them it took from one to two hours, as the line was always busy. When talking with their freight agent on this subject we asked him why they did not install such a system and thus do away with these long-time waits which we had to make before we could get in touch with them? To this he replied he had been trying to get this improvement for over a year and wished the writer would take it up with their office and write him a strong letter and then take it up with the main office, which at that time was in Cleveland, and see if they could not do something for us. We did this, and after some work on his part succeeded in getting a private exchange, which was several years after they had been installed in business houses.

We also stated that 5 per cent seemed to us a rather large amount to advance, that in the jobbing hardware business if we could make 3 per cent net on our sales we could declare a satisfactory dividend to our stockholders and carry a portion for undivided profits, with which to take care of the betterments we have to put in to take care of our increasing business. We, however, stated there was no water in our stock.

We would like to ask, if you care to go into this matter, whether in your mind the amount asked for, namely, 5 per cent on all rates now in force, is necessary to help the railroads out. We feel whatever is necessary we are perfectly willing to pay, so they can do the business and declare a fair dividend upon the actual money invested and make the necessary improvements. It is a fact, as we said, that there has been a good deal of water in some of the railroads, and if we were compelled to pay freight rates that would pay dividends on watered stock, we would object to it.

If you care to send us an answer along these lines, we shall consider it a great favor, as we feel no one is better posted on the railroad situation than yourself.

With kind personal regards, we remain,

Yours, very truly,

THE GEO. WORTHINGTON CO.,
Per W. D. TAYLOR, *President.*

DEPARTMENT OF COMMERCE,
OFFICE OF THE SECRETARY,
Washington, April 8, 1914.

Hon. E. E. CLARK,
Chairman Interstate Commerce Commission,
Washington, D. C.

MY DEAR SIR: I hand you without comment a circular issued by F. A. Schirmer & Co., 79 Milk Street, Boston, which relates to certain matters under the care of your commission.

Yours, very truly,

WILLIAM C. REDFIELD.

BOSTON, MASS., *March 20, 1914.*

THE CRISIS IN AMERICAN RAILROADS.

It is becoming increasingly evident to the business man that if he would live and prosper he must protect himself with every available means from the application of the unbalanced theories of the political demagogue and from the malicious, insidious, and malevolent scheming and chicanery of the professional agitator and muckraker. The busines man, big and little, the investor, the capitalist, and the wage earner, to such a pass has half-baked, ill-considered legislation come, should make haste to exercise the privileges of their franchise with greater and still greater fervor if this country is to continue in the years to come what it has been in the past, namely, God's country for those willing to work and plan and struggle. Not only should this work of organization and combination be felt at the polls, but the business man should speak through his local chamber of commerce, and the investor and security holder should organize into a league which should comprise the millions of holders of American stocks and bonds. Not until this is done will the country find relief from the operations of those whose mainspring of political action is the attack on and the crippling of business and enterprise; in short, capital asks but fair treatment, failing which, it will depart in due course of time to lands and laws where its rights are respected.

Recklessness of statement and demagogy in high places are all too common, and it is this feature which the business man must fight and resist, for, after all is said and done, the present administration in Washington represents, to a greater extent than any other in our history, those whose personal stake in the country is small, and of whom too many are apt to view with a suspicious and jaundiced eye success and fortune in commerce and industry. President Wilson is able and clear-sighted, having indubitably shown that he has the best interests of the country at heart, regardless of party or politics, but may it not be said that a part at least of his official family is more of a burden than assistance?

That the country is facing a crisis which should make every business man and investor raise his voice and make himself heard at Washington is certain; it is a crisis which has been deliberately brought on by the authorities at Washington, and which can alone be composed or settled by them. We refer to the request of the eastern railroads to be allowed to increase their rates by 5 per cent. Some four years ago, these railroad companies made a similar plea to the Interstate Commerce Commission, which was denied them. Since then, with diminished credit, declining earnings, advancing wages, and advancing costs of everything which enters into transportation, they have been reduced to a position where once again they have been forced to appeal to the commission for relief. This appeal by the carriers has now been before the commission for over a year, and yet in spite of the great urgency of the case there has been no decision handed down. It does not matter that during the past year these same roads have been obliged to raise the wages of their employees (the second time in two years); to raise new capital at ruinous rates by means of the short-term note, for improvements demanded by the public, and to restrict their expenditures wherever possible for new equipment and facilities.

The crisis of free silver which the country faced in 1896 was not more serious or more far-reaching in its ramifications than the one which now confronts us in connection with our railroads, and we believe it to be the duty of every chamber of commerce in the land to petition the Interstate Commerce Commission that the prayer of the eastern roads not only be granted, but that the decision granting them relief be handed down with all possible dispatch. If free silver had prevailed in 1896, we should have had the most devastating panic in history; it would have meant national repudiation. If the eastern carriers are again denied relief, we shall witness a cataclysm in this country which will shock the world. Railroad credit will be paralyzed; roads now in smooth water will be forced upon the rocks of bankruptcy; suspicion will seize hold not only of the man with liquid funds, but of the man with good securities; the former will hide his capital or put it to work in Canada, and the latter will rush to market to sell at ruinous prices. To state the unqualified truth, every day of delay is bringing the situation to a more serious condition, increasing the number of unemployed throughout the country, who might easily grow desperate, and causing a suspension of credit; in short, the case of the railroads has been allowed to reach that stage where the alternative is increased rates or panic and paralysis of credit. Fortunately, the railroads have a good case, as expenses for wages, equipment, materials, etc., have risen much faster than earnings. No one knows better than the Interstate Commerce Commission that the only commodity which the railroad has to sell, namely, transportation, has remained stationary during the past 10 years, while everything it must buy has advanced from 20 to 80 per cent.

The investor in industrial companies, the merchant, the manufacturer, the wage earner, and the day laborer, should not lightly dismiss this crisis of the railroads as having no bearing on their own fortunes, for inextricably bound up with the railroads is the prosperity of the entire country. Not a city, or a village, or a hamlet but will feel the prosperity or the poverty of the railroad, they being the largest employers of labor, the largest buyers of manufactured materials, and the greatest factors in the development of the resources of the Nation.

Let us all get busy, then, through our chambers of commerce; let the business man and the investor realize to its fullest extent what this crisis of our railroads means to us. Act now, resolutely and decisively, and help restore prosperity and good times to these United States.

The turning point is very near: the burden to confidence and credit grows heavier each day: there is a limit which it would be dangerous to reach. The responsibility of the Interstate Commerce Commission for what may ensue is tremendous. Stop and think what would be the conditions in this country with poor crops this year coming on top of a refusal to grant the railroads increased rates. The mere thought is hideous in the extreme.

F. A. SCHIRMER & Co.

CLARKSBURG, W. VA., *January 3, 1914.*

Hon. WILLIAM C. REDFIELD,
Secretary of Commerce, Washington, D. C.

DEAR SIR: From the information that I can obtain there seems to be a concerted action on the part of the railroad companies to lay off all the help possible when there is, apparently, no necessity for it, and in fact, it is endangering both life and property in transportation. There was a gentleman in my office this week whose son is one of the foremen at the machine shops of the Baltimore & Ohio Railroad Co. in Cumberland, Md., and he tells me that his son, in effect, says that the railroad company has laid off so many of the car repair men that he has to don his overalls and help do the work himself; that there is plenty of work for the men that are laid off, but for some reason the company has not kept them employed. And last week there was a young man here, who is a brakeman on the Pennsylvania Railroad, that has a repair division at Pitcairn, near Pittsburgh, Pa., and he informs me that the Pennsylvania Railroad Co. has laid off the repair hands at that yard, and that the yard is full of disabled cars, and that the instructions were to take out every car that would possibly run, although it may be in part disabled. And that those repair hands are laid off, not for want of work to be done, but for some other reason. And from the best information that I can get there appears to be a concerted action of the railroad companies to discredit the policy of the United States Government, and, if possible, to change the attitude of the President and the Interstate Commerce Commission toward these companies. And I trust that you may be able to get the inside information and prick this bubble of the railroad companies in a way that will let the public see just why the directors of the different railroad companies are acting in unison and undertaking to control the governmental policy by throwing men out of employment, and if possible check the prosperity of our country.

I believe that the large financiers that control the railroad companies and all the other large corporations have an understanding among themselves, and that they are endeavoring to thwart the purposes of President Wilson and this administration, and if you can expose them as Secretary McAdoo did the bankers that were trying to talk panic last May and also trying to depreciate the United States Government bonds, and also trying to make money tight when the crops from the South and West were needed to be moved, you will have done another very great service for the common people of this country and also for the President.

I believe the presidents of the railroads are as helpless as President Mellen was, of the New Haven & Hartford and other roads of which he was president. That back of them are the cold-blooded moneyed men who have an inordinate desire to have money control this country instead of the people, and that they are against popular government. Nearly every railroad official that talks at this time undertakes to cast a direful shadow on the future.

Can you not prick this bubble that is filled with the hot-air of these men who see things in the wrong light and are still "blubbering" as they go down?

Very truly, yours,

MILLARD F. SNIDER.

EXHIBIT C3.

FEW LETTERS SENT TO THE COMMISSION BY MEMBERS OF CONGRESS.

SCHENECTADY, N. Y., *November 21, 1913.*

Hon. B. H. MEYER,
Interstate Commerce Commission, Washington, D. C.

MY DEAR SIR: I inclose you a clipping from the New York Times relative to the freight rates now granted the railroads of the United States. It is self-evident that an increase of freight rates is necessary in the interest and welfare of our country. The various securities of the railroads, both stock and bond securities, are held by millions of *people, many* of whom are widows and orphans who are dependent for a livelihood upon the dividends of the railroads; in fact, all business interests of the country are affected by the prosperity or adversity of railway interests. The railways are constantly being called upon for better equipment, better safety devices, higher wages for their employees, and every little town and hamlet in this great Commonwealth are gradually increasing their tax rates so that it is absolutely necessary for the railroads to have an increase in freight rates, and unless they are soon granted an increase many of the most important railways in the country will be in the hands of the receiver, which can not help but result in causing the most disastrous panic this country has ever seen. For that reason I trust that your honorable body will see your way clear to grant a fair increase in freight rates, for the future prosperity of the country demands it.

Most respectfully, yours,

H. S. DE FOREST.

—

[The New York Times, New York, Saturday, November 15, 1913.]

THE RAILROADS AND THE COMMISSION.

A condition confronts the Interstate Commerce Commission, the condition of the railroads, perfectly well known to all men. Is the commission still enslaved to its own theory that permission to the railroads to increase their rates would be unpopular?

In granting an increase of $6,000,000 in the pay of the trainmen of the eastern district the arbitrators pointed out that in this eastern territory at the present time a ton of freight is moved "more than 3 miles for the value of a 2-cent postage stamp," and that this is the cheapest railroad service on the face of the globe. The arbitrators held it to be unjust to say that employees must continue to be satisfied with what can be paid from freight rates as low as this. Moreover, the board of arbitration felt it to be its duty to call to the attention of the Interstate Commerce Commission the imperative need of better provision for the safety of the public, through the substitution of steel for wooden cars, air brakes, improved signal systems, double-tracking, and the increase of facilities. "All of these things cost in the aggregate an immense sum of money," say the arbitrators. "Any policy that would make it impossible for the railroads to command this sum would be a profound misfortune to the whole Nation." The money needed for these improvements can be had only from the rates paid to the railroads by the public for the service it enjoys.

To the increase of $6,000,000 a year in wages must be added an increased expenditure of $4,000,000 in the same district made obligatory by the full-crew law. For the entire country this increase is $13,000,000. More than a year ago we pointed out that for the 10-month period ended April 30, 1912, the railroad business of the country, though showing an increase of $32,000,000 in gross, showed also a loss in net exceeding $10,000,000. In this period the increase in taxes levied upon the railroads by the States was $9,666,827. This picture of increasing business and diminishing profits has been often repeated in subsequent periods. It is all summed up in President Willard's statement before the council of the Merchants' Association a few days ago, when he pointed out that in the fiscal years ending with the month of June, from 1908 to 1911, inclusive, the railroads of the country increased their actual capital invested by over $2,000,000,000, and yet the operations for the fiscal year ending June 30, 1911, showed an actual loss in net from operation of $8,750,000 and compared with the year 1907. The case of the Baltimore & Ohio road is typical. With a property investment increased by over $55,000,000 in the last three fiscal years, its total operating earnings available for return upon the investment were $751,000 less than the earnings prior to the $55,000,000 outlay.

If the Interstate Commerce Commission is not aware that public opinion has undergone a change in regard to the railroads, its powers of observation must be defective. The action of chambers of commerce, of merchants, and of shippers in their conferences shows that the grant of living rates to the railroads will no longer be made a subject of complaint or of resistance. It was said of some leaders and Senators of the Republican Party, who were blind to the evidences of change and of progress, unconquerable in their adherence to things as they were, that they had overstayed their time. The Interstate Commerce Commission, which has suspended for four months the proposed increase in rates in the eastern territory, may easily overstay its time in dalliance with theories of popular opinion and of public interest which are no longer true.

—

HOUSE OF REPRESENTATIVES,
Washington, March 30, 1914.

The INTERSTATE COMMERCE COMMISSION.

GENTLEMEN: In the present consideration by the commission of the petition of the eastern railroads for permission to increase rates by 5 per cent, a material consideration, of course, is the attitude of shippers, and I assume that the commission is interested to know of any action on the subject taken by shippers.

The executive committee of the Worcester Chamber of Commerce, a body which includes all of the many large shipping manufacturing establishments of Worcester County, Mass., on March 27, 1914, adopted the following resolution unanimously:

"Voted, That the Worcester Chamber of Commerce, representing as it does the business interests not only of this city, but of the 59 cities and towns covering Worcester County, go on record as in favor of granting an immediate increase to the railroads in official classification territory of the 5 per cent increase in freight rates asked for by them."

In any record of the consideration of the petition I hope this resolution will be entered and, if possible, read at a hearing.

Very truly, yours,

SAMUEL E. WINSLOW.

—

HOUSE OF REPRESENTATIVES,
Washington, D. C., March 24, 1914.

To the honorable the CHAIRMAN OF THE
INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

DEAR SIR: Inclosed you will please find a letter from a constituent of mine and an open letter to your honorable body which recently appeared in one of the metropolitan papers, and which I trust you will consider very carefully, answer, and return.

Respectfully,

M. F. CONRY.

—

NEW YORK, *March 21, 1914.*

Hon. MICHAEL F. CONRY,
House of Representatives, Washington, D. C.

DEAR SIR: May I, as one of several hundred thousand small railroad-stock investors, ask you to kindly peruse the inclosed open letter published in the New York American, addressed to the Interstate Commerce Commission, and which is sent you for the purpose of asking your best and earnest efforts in behalf of the small investor, to urge an early determination by this commission of the question now before it as to permitting the railroads in our section of the country to increase the freight rates 5 per cent.

It is generally conceded that the prosperity of the railroads of our country is conducive to general prosperity. It is needless for me to argue, and you as the representative of the leading commercial city of the world, know that the expenditures of the railroad for operating expenses, repairs, and maintenance involve millions yearly, resulting in giving employment to hundreds of thousands throughout the land, and from personal knowledge know that the shippers would cheerfully increase their expense of transportation, feeling it is but a trifle, and that it would inure to the general welfare of all concerned.

We are approaching prosperous times in the manufacturing interests throughout the country, but are being harassed and annoyed by legislation having no valuable purpose, in addition to having the Interstate Commerce Commission delay their determination of questions of vital importance, and by so doing retarding and preventing the growth and prosperity of the country.

Won't you, as one of the Representatives of this State, do something to bring about the much desired result?

Yours, respectfully,

LEON LEWIN.

—

FACT AND COMMENT ON FINANCE AND BUSINESS.

[By B. C. Forbes, business editor.]

A knowledge of current conditions and of possible dangers impels me to address the following open letter to the Interstate Commerce Commission:

Gentlemen of the Interstate Commerce Commission:

Are you aware that, partly owing to your course of action, the country is in peril of suffering an upheaval disastrous to labor, to the railroads, to investors, to industry, to the public at large, and to the administration?

Do you realize that in your hands have been placed responsibilities comparable only with those devolving upon the Supreme Court of the United States?

You have been given control of the greatest industry in the country, its system of transportation, on whose welfare depends, directly or indirectly, the welfare of every man, woman, and child in the Union.

You are responsible to Congress alone.

You are more than a quasi judicial body; there have been reposed in you administrative functions of the gravest importance.

Now, rightly or wrongly, your actions have created the very general belief that, instead of holding the scales of justice even between the railroads and shippers, you have become an antirailroad body.

In ruling—perhaps wisely—against the increase in freight rates applied for in 1910, you gave reasons which were supported by arguments and statistics embodying serious misrepresentation of facts. Your misuse of figures on that occasion raised doubts in well-informed minds of your desire—or your ability—to be strictly impartial in dealing with large railroad and financial problems.

Since then the position of our railroads has grown distinctly worse.

The confidence of investors, both in Europe and at home, has been so shaken that many roads are to-day in a parlous financial state.

During the years 1914, 1915, and 1916, maturing railroad obligations alone will call for upward of $1,000,000,000—this without providing one dollar of additional capital for any purpose whatsoever.

How debts falling due are to be met and new capital necessary to maintain solvency is to be raised are problems now exercising grave concern in the financial and railroad world.

Whether these problems can be handled without plunging the country into general disaster depends in large measure upon the course you choose to follow. The eyes of financial Europe and of thinking American citizens are upon you at this moment, anxiously awaiting announcement of your policy.

The state of mind existing to-day in the most responsible circles is not conducive to that speedy return of prosperity which the deplorable prevalence of unemployment and discontent renders so extremely desirable.

Without overstating the facts, it can be said that those who are charged with the task of directing and managing the country's railroads are in danger, if further denied the cooperation of the Government and your body, of abandoning as hopeless all efforts to overcome multiplying difficulties.

I beg you to ponder these words uttered this week by Samuel Rea, president of the Pennsylvania Railroad:

"This statement is not made to predict calamity, but it is made to prevent calamity."

There is more need than you, perhaps, realize, for efforts "to prevent calamity."

What are you gentlemen of the Interstate Commerce Commission, you guardians of the Nation's railroads, doing to prevent calamity?

One of your number has just caused to be published, in sensational manner, charges of "serious irregularities" against the Chicago, Milwaukee & St. Paul Railway, which "irregularities"—confined wholly to bookkeeping—were committed several years ago and pointed out at that time by the financial press.

Has it taken you three years to discover what the financial press discovered immediately the company issued its annual report?

If not, why is the subject treated by you so sensationally at this unfortunate juncture, when the solvency of numbers of railroads and the position of the railroads as a whole are occasioning so much concern and militating so strongly against a revival in business which, if much longer delayed, can not but lead to unhappy consequences to Government and governed alike?

Not content to aggravate the unrest by harking back at this juncture to a 3-year-old incident admittedly indefensible, you add the alarming statement that "in many instances" similar irregularities have been perpetrated.

Why this vague, panic-breeding allegation?

Are you concealing wrongdoing by many other roads?

Is 't your intention to explode these bombs periodically, whenever your fancy, or what you may regard as expediency, dictates?

Why single out one railroad for exposure and shield many others you know to be equally guilty?

Can you not see how disquieting is the effect of your very serious allegation?

How are investors to know that the road whose securities they hold is not one of the many who have juggled their accounts to flimflam the public?

The St. Paul's shares shrank $9,000,000 in market value on your unexpected and alarmist announcement.

Are other stocks to be forced down equal amounts from time to time, whenever you see fit to expose the many guilty companies?

Gentlemen, I ask you to consider whether the time for purposeless recrimination has not passed.

I ask you to consider whether the time has not come to cease destructive action and to concentrate upon a constructive policy.

You have before you, and have had before you for many months, an application by eastern railroads for permission to increase their freight rates 5 per cent.

The railroads have cooperated with you in supplying all needful facts to judge their case.

Can you not expedite your deliberations?

An attempt has been made of late to cite other avenues of relief and the impression has been spread that the railroads have been "discovered" indulging in various practices calculated to unreasonably deplete their income.

You gentlemen know that these practices, one and all, have been done in accordance with established usage and under arrangements never once prohibited by you.

Yet I am not aware that you have put the public right in their conception of the position, although a statement from you would have clarified the atmosphere and tended in some degree to allay the antirailroad sentiment now so prevalent and so injurious to the whole Nation.

Abolition of these various entrenched practices can not be ordered or effected hastily. Exhaustive investigation will be necessary before overthrowing the status quo.

Hence no adequate relief can be obtained at this time from such sources, although later on substantial readjustments may be possible for the benefit of the railroads.

I would respectfully ask you to consider the advisability of granting, at the earliest possible moment after the conclusion of your present hearings, the increased rates petitioned for, supplemented, if need be, by a statement that if developments ameliorate the circumstances of the railroads the higher rates may be canceled at some future date.

A patient is beyond medical aid once he has died.

—

HOUSE OF REPRESENTATIVES OF THE UNITED STATES,
Washington, D. C., March 24, 1914.

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: Permit me to hand you herewith letter from the secretary of the Manufacturers' Association of Belleville, Ill., in my congressional district, with reference to spotting cars, etc.

May I ask that your attention be given to his communication.

Very respectfully,

W. N. BALTZ.

—

BELLEVILLE, ILL., *March 19, 1914.*

Hon. WILLIAM BALTZ, M. C.,
Washington, D. C.

IN RE SPOTTING CARS.

DEAR SIR: Members of the Manufacturers' Association, of this city, as well as the individual manufacturers, are opposed to the charge of "spotting cars" by railroad companies or any other service already covered by their tariffs, and respectfully urge you to use your influence with the Interstate Commerce Commission to grant further hearings, and that such hearing be held at some convenient point in the Middle West, enabling the small as well as large shipper to be present and be heard.

We further respectfully ask your influence with the commission to grant the proposed 5 per cent advance in freight rates, except where such proposed advance seems unfair, and that the tariff in such cases be suspended for further hearing.

We believe the advance will generally improve business conditions, but think prompt action desirable.

Thanking you in anticipation of an early reply to this letter, we remain,

Yours, very truly,

MANUFACTURERS' ASSOCIATION,
C. T. MULLEN, *Secretary.*

—

HOUSE OF REPRESENTATIVES,
Washington, March 28, 1914.

INTERSTATE COMMERCE COMMISSION,
City.

DEAR SIRS: I am inclosing herewith petition signed by shippers, merchants, investors, and citizens of Essex County, N. J., requesting your honorable body to hasten action in granting relief to the railroads in the matter of increasing transportation rates to conform to the higher cost of everything entering into railroad transportation, which I trust will receive your careful consideration.

Yours, very truly,

E. F. KINKEAD.

—

NEWARK, N. J., *March 16, 1914.*

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.:

The undersigned, shippers, merchants, investors, and citizens of all classes, respectfully petition your honorable body to hasten its action in granting relief to the railroads in the matter of increasing transportation rates to conform to the higher cost of everything entering into railroad transportation. We desire particularly to call your attention to the fact that prompt action at this time, even thought it would not grant all the roads asked for, would be of immeasurable benefit to the country at large.

As investors in railroad securities, we view with apprehension the continued decline in railroad securities and credit, due largely to the uncertainty caused by the long delay in reaching a decision on the rate question, together with continued baiting of railroad companies by State and National legislators of high and low degree.

We believe your honorable body recognizes that the interests of the great railroads of the United States are inseparably bound up with the interest of the people at large.

This petition is not initiated and has no connection with any railroad corporation, directly or indirectly.

Again urging prompt action, we are,

Yours, respectfully,

Louis A. Gartz, Elizabeth, N. J.; H. B. Bowers, Newark, N. J.; H. V. Downel, South Orange, N. J.; J. W. Katz, Newark, N. J.; Geo. L. Gilery, Elizabeth, N. J.; Edward C. Reusch, Philip Stone, Benj. Meyer, Chas. A. Olmsted, Jos. E. Meyer, Leopold Meyer, American Undergarment Co., N. B. Meyers, president, Andrew W. McCahey, Newark, N. J.; Geo. F. James, East Orange, N. J.; S. Harrison, Newark, N. J.; J. G. Reichcard, Allentown, Pa.; Frank Nye, W. F. Muth, jr., G. M. Hammell, Nathan Fisher, G. E. Winans, Newark, N. J.; Joseph H. Bissell, East Orange, N. J.; Harry A. Hatry, P. B. Bear, Harry Herschfield, Edward Fries, Newark, N. J.; James M. Doremus, Pompton Plains, N. J.; J. Henry Wolf, David Verrie, Francis Schiffmayer, Henry W. Tillard, Jos. C. Pfister, John V. Koll, David Katz, Chas. E. Maillard, B. S. Lauderbach, jr., Albert H. Meigs, E. L. Knapp, Newark, N. J.; H. B. Dunham, Glen Gardner, N. J.; C. W. Lentz, Newark, N. J.; Richard A. Streit, Maplewood, N. J.; P. J. Lynch, New York City; Franch Ricigliano, W. H. Parry, J. W. Avery, Arthur Harrison, G. W. Donaldson, C. E. Baldwin, Edwin G. Fisher, Herman Roenler, Wm. W. Winward, Geo. J. Schindel, E. E. Burkhard, J. B. Reger, Newark, N. J.; T. Clyde Amiss, Montclair, N. J.; Jacob Krenrich, Henry C. Harkins, William Ruther, Chas. A. Kopf, F. H. Hurlbut, R. C. Poinsette, C. M. Hammer, M. J. Wakefield, jr., A. L. Phillips, Newark, N. J.; John Valentine, Orange, N. J.; Ira Waldron, Belleville, N. J.; R. W. Minthorne, C. A. Gribbie, Albert J. McGuire, Newark, N. J.; P. V. D. Van Dorn, East Millstone, N. J.; John M. Miller, P. C. Downing, Henry P. Sommer, Chas. B. Francis, S. B. Harrison, Roy A. Kirch, B. F. Strauss, Joseph Berger, Meyer & Bush Co., M. Megbaur (Inc.), W. E. Davis, E. F. Millar, L. C. Haskell, H. Schneider, G. H. Shuckeeter, A. W. Kranich, H. M. Biggin, F. L. Boppe, Newark, N. J.; F. C. Heiles, East Orange, N. J.; Henry Wolf, R. W. Bates, W. D. Mills, William F. King, F. M. Fowler, W. R. Gordon, J. B. Neu, Wm. V. Simpson, Newark, N. J.; Gordon Bennett Duke, 14 Wall Street, New York; W. T. Reynolds, E. P. Williamson, Frank Davis, E. R. Petty, Henry C. Martine, J. B. Wood, Wm. Pollard, W. M. Crane, John B. Foster, John Verner, E. C. Thompson, Newark, N. J.; Geo. E. Briggs, 136 South Eleventh Street; Geo. O. Totten, 6 North Ninth Street, Newark, N. J.; Franklin S. De Vausney, 276 Park Avenue; H. C. Strobell, 783 Broad Street; William Freeman, 44 North Broad Street; Robert W. Graether, 35 Nairn Place; Carl French, 26 Mulberry Place; Louis Sternrich, 107 Barclay Street; Charles Brantigam, 586 Hunterdon Street; Edwin E. Brantigam, 200 Plane Street; F. S. Grover, 158 Plane Street; Frank O'Neir, 190 Amherst Street; Clarence R. Crigin, 54 Sherman Avenue; Wm. J. Klomack, 1034 South Randolph; Leo E. Crigin, 228 Bank Street; John Jeff, 98 Mrythe Avenue, Irvinton, N. J.; Lorenz Eberle, jr., 45 Magazine Street; Frederick H. Adam, 47 Camp Street; Robert Lindsly, 58 Nelson Place; John T. Malone, 27 Center Market; B. Van Cleefs, jr., 20 Center Market; Frederick W. Gartz, 8 West Park Street, Newark, N. J.; Abraham Alter, 193 West Kennedy Street; Stone Fish Co., Newark, N. J.; E. Lowenfeld & Co., 785 Broad Street; L. J. Abrams, 785 Broad Street; J. S. Jarvis, jr., Glen Ridge, N. J.; John M. McDonough, J. H. Superior, Newark, N. J.; Chas. Oppel, Rahway, N. J.; W. W. Ruther, 742 Broad Street, Newark, N. J.; M. E. Shaw, Delmas Photo Co., Newark, N. J.; F. H. Cooley, Elizabeth, N. J.; J. S. Rofpel, Oscar Bloch, Newark, N. J.; F. A. Leibhaum, New York, N. Y.; Robt. MacConners, Wm. J. Squire, jr., W. J. Coogan, Matthias Plum, Wm. F. Muth, Newark, N. J.

—

HOUSE OF REPRESENTATIVES,
Washington, May 24, 1913.

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: Inclosed you will find communication received by me from Mr. George Brereton, 8 Baldwin Place, New Haven, Conn., in regard to application of the Pennsylvania Railroad to be given permission to increase its freight rates, which I respectfully refer to you for consideration.

Yours, respectfully,

THOS. L. REILLY.

NEW HAVEN, CONN., *May 21, 1913.*

Hon. THOMAS L. REILLY,
Member of Congress for Connecticut.

SIR: Pursuant to my own advice in the attached letter to appeal to the Government through the Representatives at Washington, I now beg leave to do so, and to point out the facts therein for consideration, as I am the writer of the letter.

I have been told that the high rate charged by Adams Express Co. is sometimes paid by merchants to get goods on quickly; therefore the small advance of 5 per cent, or 5 cents per ton, would not be felt by the shippers and the general public. Please note the two letters herewith and kindly return them. I presume that overanxiety and overstrain let President McCreg in the grave.

I am, very truly, yours,

G. BRERETON.

—

PENNSYLVANIA RAILROAD STOCKHOLDERS.

NEW HAVEN, *May 16, 1913.*

[To the editor of The Forum.]

On May 5 the number of Pennsylvania Railroad stockholders was 78,747, which is 3,288 more than on February 5 last.

Nearly half of these stockholders are women, and many of the men are old, or infirm, and depending on what they receive quarterly from this well-managed company; therefore the Government has a right to consider these and many other such stockholders and not force the railroads to reduce their dividends, which would work hardship on many who are owners of a few shares.

The increased cost of supplies and labor makes it reasonable for the railroads to want to make a small increase in freight rates of even 5 cents per ton which the general public would not feel, and which would enable the railroads to keep up their working plants, and to keep up their dividends and not cause distress to a multitude of poor stockholders who are now in dread of their small incomes from dividends being reduced, and who ought to speak their mind on the subject now and not wait until harm might be done.

These stockholders have their Representatives in Washington, through whom they can speak to the Government, and they are as worthy of consideration as the large shippers who are objecting to the small advance of 5 cents per ton that the railroads ask.

STOCKHOLDER.

—

HOUSE OF REPRESENTATIVES, UNITED STATES,
COMMITTEE ON EXPENDITURES IN THE STATE DEPARTMENT,
Washington, D. C., April 6, 1914.

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: Inclosed please find a copy of preamble and resolution adopted by the executive committee of the Sedalia Boosters' Club, Sedalia, Mo.

I have been requested to file this with you. Will you kindly acknowledge receipt of this?

Very truly, yours,

C. W. HAMLIN.

[Inclosure.]

SEDALIA, MO.

To the INTERSTATE COMMERCE COMMISSION:

The following preamble and resolution, adopted by the executive committee of the Sedalia Boosters' Club, are respectfully submitted for your consideration:

Whereas for the past several months the managements of most of the prominent systems of steam railways throughout this country have been reducing their working forces and shortening the working hours of the men retained in their employ, thus imposing a hardship on those employees and their dependents and at the same time seriously lessening the business of all classes of tradesmen; and

Whereas the managements of the railways insistently contend that because of the enhanced cost of labor and every item of material entering into the construction, maintenance, and operation of railways renders it impossible to pay interest on their indebtedness and any profit to their stockholders without the most rigid economy and a retrenchment of operating expenses, and that in the face of existing conditions with enhancing costs and diminishing revenues, unless permitted to increase freight rates so as to yield additional revenue, they will be compelled to still further lessen their working forces: Therefore be it

Resolved by the executive committee of the Sedalia Boosters' Club (an organization representing all classes of commercial, professional, industrial, and agricultural callings, in session on this 2d day of April, 1914), That we favor the granting by your honorable commission of the privilege requested by railroad managements for a 5 per cent increase in existing freight rates, believing that such increase will not impose a hardship on any citizen of this country, and that the resultant increased revenue will enable the railroad managements to maintain efficiency and afford employment to a larger working force.

—

COMMITTEE ON EXPENDITURES ON PUBLIC BUILDINGS,
HOUSE OF REPRESENTATIVES OF THE UNITED STATES,
Washington, D. C., February 9, 1914.

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

SIRS: I am asked to transmit the inclosed communication to your honorable commission for consideration.

Very respectfully,

CYRUS CLINE.

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

DEAR SIRS: Garrett, Ind., is a railroad town depending on the Baltimore & Ohio Railroad for its welfare and prosperity, and any conditions that affect the railroad touches Garrett.

At a mass meeting of the Business Men's Assocation held recently it was resolved to petition your honorable body to grant the railroads' request for the 5 per cent increase in freight rates. We have a splendid opportunity here to observe the continued increase in wages and other advances that serve to make the operating expenditures higher, and indicate that the railroads are justified in the endeavor to offset the increased expense.

Very truly, yours,

GARRETT BUSINESS MEN'S ASSOCIATION,
MONTE L. GREEN, *President.*

HOUSE OF REPRESENTATIVES OF THE UNITED STATES,
Washington, D. C., January 24, 1914.

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: By direction of the board of directors of the chamber of commerce of Oil City, Pa., I herewith present for your consideration a resolution passed by the board in favor of the 5 per cent increase in freight rates.

Sincerely, yours,

WILLIS J. HULINGS.

[Extracts from minutes of a meeting of the board of directors of the chamber of commerce of Oil City, Pa., held on January 6, 1914.]

Resolved, That the sentiment of this board favors the Interstate Commerce Commission granting the application of the railroads for a 5 per cent increase in freight rates, and that, if necessary, a representative of the chamber of commerce go to Washington to testify to that fact.

IRA L. WALES.

—

HOUSE OF REPRESENTATIVES,
Washington, March 23, 1914.

Honorable INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: Permit me to hand you herewith letter from the secretary of the Beech-Nut Packing Co., of Canajoharie, N. Y., in my congressional district, relative to switching charges on private sidings by railroad companies. Mr. Barbour is a gentleman well qualified by experience and training to speak on this subject, and I therefore bespeak for his communication your attention.

With thanks and great respect, I am,

Very truly, yours,

SAMUEL WALLIN.

[Inclosure.]

BEECH-NUT PACKING CO.,
Canajoharie, N. Y., March 21, 1914.

Hon. SAMUEL WALLIN,
House of Representatives, Washington, D. C.

DEAR SIR: We understand that a proposition is now before the Interstate Commerce Commission which will permit the railroads to charge an extra amount of $2 per car for "spotting" cars or switching them onto private sidings. This would be in addition to the regular rate, and our belief is that this is already contemplated and provided for in the rates, and always has been since the inauguration of railroad service in the United States.

While we have no objection to the general advance of 5 per cent in all railroad rates applying throughout the United States, we do object to an additional tax of $2 per car for switching onto private sidings.

The Interstate Commerce Commission should not lose sight of the fact that the shipper or consignee using a private siding loads and unloads his own cars at no expense to the railroad company, thus saving them the labor charge for this work, which ordinarily would take place at the freight house.

We ask your consideration of this question, and when it comes before you we trust you will find it consistent to object to this extra switching charge.

Yours, very truly,

BEECH-NUT PACKING CO.,
F. E. BARBOUR.

—

NEW YORK, *March 21, 1914.*

Hon. HENRY BRUCKNER,
House of Representatives, Washington, D. C.

DEAR SIR: May I, as one of several hundred thousand small railroad stock investors, ask you to kindly peruse the inclosed open letter published in the New York American, addressed to the Interstate Commerce Commission, and which is sent you for the purpose of asking your best and earnest efforts in behalf of the small investor, to urge an early determination by this commission of the question now before it as to permitting the railroads in our section of the country to increase the freight rates 5 per cent?

It is generally conceded that the prosperity of the railroads of our country is conducive to general prosperity. It is needless for me to argue, and you, as the representative of the leading commercial city of the world, know that the expenditures of the railroads for operating expenses, repairs, and maintenance involve millions yearly, resulting in giving employment to hundreds of thousands throughout the land; and from personal knowledge you know that the shippers would cheerfully increase their expense of transportation, feeling it is but a trifle, and that it would enure to the general welfare of all concerned.

We are approaching prosperous times in the manufacturing interests throughout the country, but are being harassed and annoyed by legislation having no valuable purpose, in addition to having the Interstate Commerce Commission delay their determination of questions of vital importance, and by so doing retarding and preventing the growth and prosperity of the country.

Won't you, as one of the Representatives of this State, do something to bring about the much desired result?

Yours, respectfully,

LEON LEWIN.

—

HOUSE OF REPRESENTATIVES OF THE UNITED STATES,
Washington, D. C., February 2, 1914.

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: Within please find telegram from L. H. Collett, representing Locomotive Engineers' and Conductors' Protective Association, living in Bakersfield, Cal.—in my district.

Yours, very truly,

D. S. CHURCH, *Member of Congress.*

BAKERSFIELD, CAL., *January 25, 1914.*

Hon. DENVER S. CHURCH,
United States Congressman, Washington, D. C.:

In behalf of the railroad men that I represent throughout the United States, and principally in California, we urge upon you to take up with the Interstate Commerce Commission the proposed increase of freight rates of the eastern roads. That said increase be granted. From the number of railroad men coming from the East out of position, and

the number taken out in California is reaching appalling figures. Construction work is being closed down at many points.

L. H. COLLETT,
Representing Locomotive Engineers and Conductors' Protective Association.

—

HOUSE OF REPRESENTATIVES,
COMMITTEE ON EDUCATION,
Washington, April 25, 1914.

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: The inclosed communication is respectfully referred to the Interstate Commerce Commission.

Very truly,

S. D. FESS.

LEBANON, OHIO, *April 22, 1914.*

To Hon. S. D. FESS,
Washington, D. C.

DEAR SIR: The "Men of Lebanon," in executive session, passed the following resolution:

Whereas the railroads operating in the United States are petitioning the Interstate Commerce Commission for permission to increase the rates on freight transportation not to exceed 5 per cent; and

Whereas the profitable operation of the Nation's transportation facilities is being seriously retarded by reason of the railroads not receiving such rates for freight transportation as would insure the profitable operation of the railroads of the country; and

Whereas the railroads of the Nation are the highways of commerce, and when such highways of commerce are burdened by unprofitable operation the effect is felt in every line of commercial endeavor: Therefore be it

Resolved, That the executive committee of the "Men of Lebanon," organized for the purpose of promoting, protecting, and fostering mercantile interests in the village of Lebanon, Ohio, and surrounding territory, do hereby indorse and recommend that the petition for the increased rates be granted.

EXECUTIVE COMMITTEE OF MEN OF LEBANON,
By GEO. O. MARCH, *Chairman.*
O. K. BROWN, *Secretary.*

—

UNITED STATES SENATE,
COMMITTEE ON THE CENSUS,
Washington, March 23, 1914.

The INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: I beg leave to inclose for your consideration a letter from Messrs. Hagen, Ratcliff & Co., which I have recently received.

Very respectfully,

W. E. CHILTON.

—

HUNTINGTON, W. VA., *March 11, 1914.*

Senator W. E. CHILTON, *Washington, D. C.*

DEAR SIR: You are doubtless familiar with the proceedings of the Interstate Commerce Commission regarding suggestion which has been made by certain parties that railroads charge for certain services for which no charge is now made. This service refers to spotting of cars, trap service, etc. Our chamber of commerce, as well as similar bodies all over the country, is protesting against this proposition, and we trust that you will use your good offices in opposing such charges.

The chamber of commerce here, as well as all business interests, has gone on record as being favorable to the 5 per cent increase in the freight rates, but we would be just as heartily opposed to this charge as suggested as a substitute for the increase.

Your usual attention is earnestly asked in this direction.

Yours, very truly,

HAGEN, RATCLIFF & CO.

—

HOUSE OF REPRESENTATIVES,
Washington, D. C., April 26, 1914.

The INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: I have the honor to transmit herewith a letter from Mr. Herb Lewis, of Gravette, together with a letter from Mr. W. E. Rogers, a former railroad employee, giving his views and making certain suggestions in regard to the proposed raise in freight rates. I respectfully refer the same to you for such consideration as you deem it entitled to, without any suggestion as to the merits or demerits of suggestions proposed by Mr. Rogers.

Yours, respectfully,

J. C. FLOYD.

—

THE GRAVETTE NEWS HERALD,
Gravette, Ark., April 20, 1914.

Hon. J. C. FLOYD, *Washington, D. C.*

DEAR SIR AND FRIEND MR. FLOYD: It is my pleasure to commend to you most sincerely Mr. W. E. Rogers, and I certainly voice his sentiments and am inclined to believe he is offering a splendid solution to one of the most serious problems now before the American people, especially the millions out of work.

Do anything you consistently can along this line. I know your heart is right, from your antilobby bill—hope it passes.

Yours, sincerely,

HERB LEWIS.

—

GRAVETTE, ARK., *April 20, 1914.*

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: After reading so much agitation of late, both pro and con, in regard to allowing the railroads an increase of freight rates, I thought I would write you and make a few suggestions on the subject. While I know that my views won't have much weight either way, I do know there will have to be something done right away to give the idle men of this country work, and it seems to me that it could be settled and every idle man in the country put to work in 10 days if you would adopt a standard for every department of railroading.

Say that a first-class road should have first-class track; state just how much ballast should be put under it and just how many ties should be used under each rail, and the condition the line and surface of it should be kept in; also what per cent of wear should make a rail unfit for first class; then class all bridges and rolling stock, such as passenger coaches and engines, and all depots, and condition they should be kept in; and when a road comes up to this standard allow them the increase (or first-class rate) asked for; and when they fall, say, 10 per cent below the standard, cut their rates 10 per cent; if they fall 20 or 50 per cent below the standard, cut the rates 20 or 50 per cent.

If you will do that, you will see every road in the United States putting men to work, and it is nothing but right that it should be done. I know a certain road in this country that is only a little over 700 miles long; one of the officials on it told me yesterday that it cleared $1,000,000 in the month of March this year. I will state right here that I ran a steam shovel for this road 13 years, up to 18 months ago, when that work was suspended for lack of funds (so claimed). They have never done any more work since, only just enough to hold it together. Their road is in an awful condition—ties rotten, track all out of surface, and line rails in most places with the ball worn into the web of rail. I have seen the section men pulling the spikes and gauging the rails in to keep the wheels from dropping in between the rails on account of the rails being so badly worn. Their passenger trains are dirty—even filthy. I rode about 50 miles on it a few days ago and couldn't even get standing room in the coaches; there were women sitting on their suit cases in the vestibules between the coaches on account of the crowded condition of the coaches. This doesn't look like poor business, does it? Now, if you were to walk over about 10 miles of their track you would never ride over it, even in a solid steel car. This road is doing the biggest business in the history of the road. Why allow them to charge as much as some other road that has good track and furnishes good accommodations for the traveling public? It is just as reasonable to say that it is as good to travel in an ox wagon as it is in an automobile. And this particular road is not by itself—nine out of every ten are just as bad, and there are millions of idle men in the country to-day, looking for work and begging for bread. It is not their fault—it is the fault of those railroads now trying to get an increase of freight rates and trying to make you believe that they are not earning anything. I say, for God's sake, allow to them, if for no other reason than to put these men to work; but don't allow it until they come up to your standard. I sat on my doorstep yesterday, in a little town of about 800 population, and counted five men in less than an hour "hitting back doors" for something to eat; they are called "hoboes"; but what is a hobo? Nothing more nor less than an American citizen out of a job, tramping the country looking for work. I don't know whether you gentlemen ever experienced it or not, but it is an awful hard job to be patriotic on an empty stomach. I have had 5 months' work in the past 18 months, and have a family to support; and if I couldn't get credit at the stores we would all suffer; and I couldn't blame the merchants to stop my credit any day, as I can't tell them when I will be able to pay them, as I don't know when I will get work—and there are millions in my fix, and I only mention my case as an example—and the merchants can not stand it much longer; they have got to pay for their goods, and how are they going to do it unless we pay them?

Things are getting serious with the working man; there are only two things open to him—he can steal or starve to death.

I don't believe that one shipper out of fifty would object to increased rates if the idle men were put to work, as their business would increase in proportion to the number of men put to work; and if you don't allow them the increase they will cut the wages—can do it any day they see fit, for they now have the men starved to it. I would be glad of a job to-day at one-half the wages I got two years ago.

Another thing to which I want to call your attention is the practice of some railroad officials employing Italians, Greeks, and all kinds of foreign laborers and taking $1 per month for each of them for their jobs. They hire American laborers as long as this is permitted; and one American is worth as much as three "Dagoes."

I would suggest, if my plans could be adopted, that the Interstate Commerce Commission appoint inspectors and have them walk, not ride, over every mile of railroad in the United States at least every 90 days and make a report to the commission of the condition of every mile walked over and make the railroads pay for this service. Use practical men, and not office men that don't know a bad piece of track when they see it.

To you gentlemen this may all seem foolish, but it is a very serious matter to myself and thousands of others that have no employment and starvation staring us in the face; it makes us sometimes feel like going to Mexico and taking out citizenship papers; and it is not because there is no work to be done, but because the moneyed interests or railroads want to force you to grant an increase of the freight rates or starve the labor to where they will be compelled to accept whatever the railroads see fit to pay them.

I would also suggest that they be required to keep their machinery in first-class condition. One inspector that knows his business can get over several hundred miles every 90 days and have time to make his reports.

When the railroads fail to furnish passengers with seats, the road should be compelled to refund one-third of the fare. I believe in giving them all that is due them, but, at the same time, let the roads give the public the worth of their money and give the idle men employment in keeping the roads up to your standard, which would mean "safety first" for the people as well, and I am sure there will result a vastly different condition of affairs in America.

If I can do you any good in any way in helping to work out such a standard, I will be indeed glad to do so to the utmost of my ability. I have been in the railroad business for 30 years, having had experience in different departments of railroading.

Trusting that my suggestions may have a fair consideration, gentleman, I desire to subscribe myself,

Very truly, W. E. ROGERS.

MY DEAR MR. FLOYD: I am asking you to give this matter your consideration and, if thought worthy, use your influence for such before the commission.

Sincerely, W. E. ROGERS.

—

HOUSE OF REPRESENTATIVES UNITED STATES,
Washington, D. C., March 16, 1914.

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: The Langeland Manufacturing Co., of Muskegon, Mich., engaged in the lumber business, writes as follows in regard to proposed change of railroad freight rates and of reclassification of lumber by which that commodity is advanced to the sixth class:

"We have technically consented that a 5 per cent advance in freight rates will be agreeable, as we feel that railroads are entitled to a small raise as well as manufacturers on account of the higher cost of operating, labor, etc.; but when they began to figure to advance lumber to the sixth class, we realized that this would mean a much greater advance than 5 per cent on shipments from some points, particularly upper Michigan. This caused the lumbermen of Michigan to protest against this proposed raise, with the result that they succeeded in having the effective date of the proposed advance suspended for 45 days. It now appears that the entire matter of canceling the commodity rate on lumber and advancing it to the sixth class is up to the Interstate Commerce Commission, which is to have a hearing regarding the matter on March 17 in Washington.

"It came to the writer's mind this morning that possibly you might be in Washington and could attend this hearing. Our main point of protest is that upper Michigan hardwood lumber is of an inferior grade; in fact, where we operated last year our cut was about 60 per cent No. 3 common hardwood, which is the lowest grade possible. The rates in effect to points in the Pittsburgh district range from 18 to 21 cents, and if the commodity rate on lumber is advanced to sixth class, it will average an advance of about 15 per cent, while the railroads are asking a 5 per cent horizontal advance. If the measure goes through and the Interstate Commerce Commission consents to put lumber in sixth-class rate, it will simply put us out of business in shipping lumber from upper Michigan, where we have considerable holdings. This year we have contracted for about 4,000,000 feet, which means about 300 carloads. You can, therefore, see that we are vitally interested not to allow the railroads to disturb the commodity rates."

Inclosed herewith is also a letter to the Langeland Manufacturing Co. from the Michigan Railroad Commission in relation to this matter.

Very truly, yours,

J. C. MCLAUGHLIN.

—

HOUSE OF REPRESENTATIVES, UNITED STATES,
Washington, D. C., March 16, 1914.

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: I am inclosing you herewith communication in re increased freight rates, placing of cars on industrial tracks, etc., for which I urge your careful consideration.

In this connection, I want to express to the commission my personal view, that the commission should consider carefully the effect of granting an increase of 5 per cent, or any other rate, in the freight rates of the railways of this country. In my view of it, an order of that kind by the Interstate Commerce Commission will have the effect of placing the Government's stamp of approval upon all of the wildcat stocks and bonds which are now floating about the several market places in this country.

In the last analysis, a bond issue upon any public utility is an obligation of the people served by the utility and which is issued without their knowledge, consent, or approval, and in many instances without any reasonable excuse whatever. This fact is beautifully illustrated by the bond issue which is now being carried by the Chicago & Alton Railroad Co., and which is such a burden to the property as to seriously embarrass the efficiency of that railroad in the performance of its public duty.

Yours, respectfully,

LOUIS FITZHENRY.

—

HOUSE OF REPRESENTATIVES,
Washington, November 4, 1913.

The INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

DEAR SIRS: Inclosed please find a letter and a copy of resolutions passed by the Southern Hardwood Traffic Bureau. These resolutions explain themselves. I am not prepared to express an opinion about it. I am content to back up your views and action. With much respect, I am,

Very truly, yours,

K. D. MCKELLAR.

—

SOUTHERN HARDWOOD TRAFFIC BUREAU.
Memphis, Tenn., November 1, 1913.

Hon. K. D. MCKELLAR,
House of Representatives, Washington, D. C.

DEAR SIR: For your information, I am inclosing herewith copy of resolutions adopted by the members of this bureau.

Respectfully, yours,

J. H. TOWNSHEND,
Secretary and Manager.

Resolutions presented by special committee of the Southern Hardwood Traffic Bureau.

Whereas the railroads operating north of the Ohio River have filed with the Interstate Commerce Commission tariff naming 5 per cent increase on practically all freight rates and such increase portends similar advances throughout the United States, based on the assumption that it is imperative that additional revenue be raised to meet their increased operating expenses and cost of labor, it seems proper for the Southern Hardwood Traffic Bureau, the largest lumber traffic organization in the United States, whose members handle in the aggregate over 80,000 cars of hardwood products annually, to express collectively its views on the subject, which is vitally connected with the success and prosperity of the lumber industry.

It is a well-known fact that railroad rates of this country have not been constructed, as a rule, upon any scientific basis. Traffic officials who have established these rates have generally done so without any special inquiry as to the total amount of revenue which ought to be produced or as to the part of that burden which a particular commodity should bear or discriminations between different localities, and we maintain that the rates charged on lumber are now higher and out of proportion with rates assessed on certain other commodities. Recognizing this fact, especially as regards rates on lumber and forest products, we maintain that existing inequalities should be eliminated through readjustment of freight rates on a scientific basis, making each class of freight and each commodity stand its proper proportionate rate, based on distance transported and the conditions governing the transportation. We also recognize the broad principle that carriers are entitled to a reasonable return on their investment above cost of operation and maintenance, and we believe that the necessity for readjustment in rates should not be permitted to prevent the carriers from increasing their revenue through change in present rates, provided there is an actual necessity for such increase: Therefore be it

Resolved, That the Southern Hardwood Traffic Bureau's attitude toward the 5 per cent horizontal increase in freight rates, as proposed, is not in opposition nor approval, but one of open-mindedness; that the question whether or not the carriers need the forty-two millions of additional revenue, which they claim will be produced by this advance, more than the general public needs it is, of course, a question which can only be determined by a scientific inquiry, such as we feel confident the Interstate Commerce Commission will make; and that we are willing to adopt its decision in the matter and to furnish to that important body such information as we can which will enable them to arrive at a just decision; be it further

Resolved, That we reserve the right to make protest against any inequalities in freight rates which now exist or which may arise affecting our interests; and be it further

Resolved, That a copy of these resolutions be sent to the Secretary of the Interstate Commerce Commission for their information.

—

UNITED STATES SENATE,
COMMITTEE ON EXPENDITURES IN THE WAR DEPARTMENT,
Washington, January 16, 1914.

Hon. E. E. CLARK,
Chairman Interstate Commerce Commission, Washington, D. C.

DEAR SIR: Inclosed find copy of letter just received from Mr. E. P. Triol, 1033 Henry Building, Seattle, Wash., suggesting that the holdings of the railroads in the stocks of other railroads, and the distribution of the same among stockholders or otherwise, should be taken into account in connection with the application of railroads for permission to increase rates.

Very truly, yours,

MILES POINDEXTER.

—

SEATTLE, WASH., *January 9, 1914.*

Hon. MILES POINDEXTER,
Washington, D. C.

DEAR SENATOR: Referring to the large amount of Baltimore & Ohio Railway stock held by the Union Pacific Railway Co., who are now trying to divide the same among their stockholders, why should this be permissible when the railroads are all trying to secure advanced freight rates, because of their inability, so claimed, to make proper returns from rates now in force? If the Union Pacific Co. were to apply these holdings against outstanding indebtedness, instead of being allowed to divide to the stockholders, and thereby permanently reduce their debts as well as carrying charges, why would it not be the right and only thing to be allowed?

Has not the Government a right to intervene and require that stock holdings like these should be given first call against outstanding obligations, rather than for stockholders' dividends? The public is interested, because the railroads want to assess higher freight rates than now exist, and this, in the face of a contemplated division of the assets of a railroad system like the Union Pacific, does not look to be an action that the Government should allow.

Respectfully, yours,

E. P. TRIOL.

EXHIBIT C4.

DEROGATORY AND ABUSIVE LETTERS RECEIVED BY THE INTERSTATE COMMERCE COMMISSION.

Many derogatory letters and communications have been received by the commission. Some of the worst of these are anoymous. Other letters, while not abusive, are, to say the least, unmindful of the duty of the Interstate Commerce Commission to decide the present controversy on evidence submitted, and not on the grounds of political expediency.

DENVER, *February 18, 1914.*

Chairman HARLAN,
Interstate Commerce Commission, Washington, D. C.:

Kindly decide rate increase promptly or resign; your delay killing business.

R. W. JOHNSON.

—

ALTOONA, PA., *December 4, 1913.*

The INTERSTATE COMMERCE COMMISSION,
Care Hon. James S. Harlan, Interstate Commerce Commissioner,
Washington, D. C.

GENTLEMEN: The roof of the Nation's prosperity building is now burning, as you well know. Permit me, I beg, to suggest an immediate method for the extinguishing of the fire. The necessity of the moment is a restoration of public confidence. It would seem to be a serious trifling with the fate of our Nation's prosperity for the next six years to allow the hundred-ton rock of adversity to obtain more momentum in its roll down the hill toward the miserable goal of a panic. Under such circumstances I earnestly appeal, in behalf of the citizens of this section and the country in general, that your honorable body waive the merit and demerit of all discussions for the time being, and save our burning home. To that end I beg to suggest that a grantal of the 5 per cent freight advance could be made, with the understanding that the few exceptions among shippers who had real grievance could be taken up and adjudicated separately by your honorable body in such manner. If your decision is given immediately in favor of the 5 per cent advance, you would undoubtedly restore the confidence now so essential to ward off serious national financial disaster, and at the same time grant a desired boon to tens of thousands of manufacturers who see the wisdom of the said freight advance under all the present economic conditions.

It is to be hoped that your honorable body can find such action consistent with your wish to serve the best interests of the great body of the people of our Nation. I beg to state, as published heretofore in my article of November 14 in the Altoona Times, copies of which were sent to your body, that your petitioner is not nor has been official nor employee nor security holder of any railroad, and this appeal is made for the interest of the people, so as to permit the railroads to issue immediate orders for the needed rolling stock and extensions and other large expenditures necessarily held up by the suspense as to the future.

Kindly permit me to say that the present rush of holiday traffic, even in prosperous times, is succeeded by a slump in freight business at the commencement of the new year. Such a slump, if January or February

of 1914, means a cruel onrush toward a panic stage, with all its horrors; and to defer until after the holidays the action requested herein is allowing the fire to gain such a headway that extinguishing would be practically impossible.

Respectfully submitted.

A. E. RUSSELL.

HUDSON TERMINAL STATION,
New York, March 14, 1914.

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.:

Now that you have put the United States Express Co. out of business and made another 15,000 men idle, why not again "knock" the railways? You can do a whole lot of work if you will, but how old man Wilson will "get it" in the end.

SOAK'EM.

MERCANTILE TRUST CO.,
St. Louis, March 9, 1914.

Hon. B. H. MEYER,
Interstate Commerce Commission, Washington, D. C.

DEAR SIR: Your rather unique reply to my letter of the 3d received. I do not want you to follow "sentiment" and certainly (least of all) do not want you to closely follow "statistics and reports," as they will break any business concern, whether it be commercial, industrial, or financial. The old doctrine commonly known as "horse sense" seems more necessary to apply now.

I expect to be in Washington shortly, and shall do myself the honor of calling upon you.

Yours, very truly, FESTUS J. WADE.

THE STEIN DRY GOODS CO.,
East Liverpool, Ohio, April 3, 1914.

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: As a merchant and one who is in favor of paying the increase in freight, I desire to file my protest against your board for dillydallying with such a serious question.

As to the railroad's demand, are you gentlemen looking after the interests of our country or are you blind to the situation? Can not you see that the country demands that you act and act promptly in your decision? Is it better for the public, for the railroads to retrench and curtail the purchasing power by not buying equipments or laying off thousands of men for economy's sake? We certainly should be anxious to help any enterprise that employs labor and be in favor of assisting them when they show a decrease in earnings and are not able to earn fixed charges.

It is our duty as loyal citizens to encourage every industry and not antagonize. It is better for the community and the public at large to have the railroads prosper. As an individual I have a right to express my opinion and I think you are making a mistake by holding the railroads up. In fact every industry and every business man feels that the railroads should have an increase in rates. Have you stopped to consider that if the railroads continue to lay off thousands of men it will be a hardship to these people? Have you figured what will become of the unemployed? Are you trying to find a way whereby these people can get work elsewhere? For no doubt they have families depending on them.

If you want this country to have a boom and feel that everybody should have work here, all you have to do is allow the railroads to have a 5 per cent increase and you will find conditions better than ever before.

Very truly, yours, JACOB STEIN.

MILLBROOK, N. Y., *April 4, 1914.*

INTERSTATE COMMERCE COMMISSION:

GENTLEMEN: When are you going to let up your strangle hold on the railroads?

With thousands of men being laid off, needed repairs and improvements delayed or prevented, prosperity put off because men and railroads can not buy what they can not pay for, railroads compelled to do extra work on parcel post with insufficient pay, wages and supplies costing more, stockholders and employees on short time or wages and dividends and you continue the cheeseparing and it seems to me short-sighted and almost cruel policy of refusal of the little advance which is asked.

I have almost no railroad stock and am a shipper, but it seems to me their request is too little rather than too much, and I earnestly hope you will grant it quickly.

Yours, truly, HENRY H. SWIFT.

THE RICHMOND MICA CO.,
Richmond, Va., December 20, 1913.

Hon. C. C. MCCHORD,
Interstate Commerce Commission, Washington, D. C.

DEAR SIR: As large shippers of freight we desire to call your attention to the absolute necessity of the railroads being granted a good increase in freight rates.

It is of far greater importance for us to receive orders and keep our business going at full blast than it is for us to be able to continue shipping and receiving our goods at low freight rates.

You will readily recognize that the railroads are the largest buyers of material and employers of labor in the United States, outside of the farmers.

This country will not only go forward, but, on the contrary, it will go into a serious depression unless the railroads can secure a good increase in freight rates.

Ten per cent would not be excessive.

To quote one of the largest payers of freight in the United States, we would call your attention to a statement issued recently by Mr. John Chaflin, of the United Dry Goods Co., in which he says:

"It is hard to tell much about the future. It all depends on Washington. If they permit the railroads to advance their freight rates a little everything will be all right. There is no trouble with the money situation at present."

We would call your attention to the following facts in regard to the recent application to your commission for an increase of 5 per cent in freight rates:

There is no let-up in the increase of taxes our railroads are compelled to pay. The taxes of 49 railroads now petitioning for an increase in freight rates increased 111.43 per cent from 1903 to 1913, in the face of an increase of only 40.5 per cent in net operating revenue. From 1910 to 1913 gross earnings of these roads increased only 15 per cent, net earnings fell off seven-tenths of 1 per cent, but notwithstanding this the companies had to bear an increase in taxes of 26.9 per cent, or at the rate of $3,800,000 per annum. A large part of the lifeblood of our Government bodies is contributed by the railroads. In the face of an expenditure of $659,000,000 for additions and improvements since 1910, the expenses and taxes increased to such extent ($203,000,000) that there was a falling off in net income, from which ultimately the increased interest on the capital invested had to come, of $16,311,000.

Above petitioning railroads, to effect more economical operation, have been constantly increasing the size of locomotives; average tractive power per locomotive increased nearly 34 per cent between 1903 and 1912. Average capacity per freight car increased 28 per cent between 1903 and 1912. The average trainload increased 30 per cent. Railway revenues per unit of service rendered decreased. Average receipts per ton-mile decreased from 5.5 per cent from 1903 to 1912. Aggregate compensation to employees—excluding general officers—increased from $364,000,000 in 1903 to $567,000,000 in 1912, or 56 per cent.

Even the newspapers are now commencing to see a great light, and recognize that the campaign against the railroads has gone entirely too far. The conclusive array of figures presented by the railroads and clearly illustrating the process of starvation to which they have been subjected in recent years, can not fail to impress every fair-minded judge. "We may gratefully appreciate," to quote a prominent journal, "that a change is visible in the temper of the people toward the servant, capital. They have begun to realize that under perpetual beating or starving it is sure to sulk or to soldier or be unable to work efficiently. The railroads, for example, are being accorded a juster recognition both for their service and for their needs. The demagogues who would exult in their misfortunes are now fewer; corporation baiting is more generally recognized as a boomerang sport. That the gravity of the transportation problem is more commonly appreciated and that the problem of railway relief has been brought to a head is in itself a negative blessing." As one judge of the situation said some time ago: "The public wants better service, we are trying to give it, but they refuse to pay for it."

We believe you will be doing your country a great service in granting all of the railroads in the United States at least a 10 per cent increase in freight rates.

Our company can much better afford to live and pay a 10 per cent increase in freight rates than it can afford to go out of business, and we are satisfied that a tremendous number of concerns in the United States will go out of business or become absolutely idle within the next 12 months unless the railroads are immediately granted a large increase in rates.

The locomotive works here are now employing about 110 men instead of 3,000 employed when they run full blast. This is due to low freight rates.

It is no good to me to have low rates if I only run half blast as a result of low rates.

Yours, respectfully,

L. M. WILLIAMS,
Secretary and Treasurer.

THE RICHMOND MICA CO.,
Richmond, Va., December 20, 1913.

Hon. JAMES S. HARLAN,
Interstate Commerce Commission,
Washington, D. C.

DEAR SIR: As large shippers of freight we desire to call your attention to the absolute necessity of the railroads being granted a good increase in freight rates.

It is of far greater importance for us to receive orders and keep our business going at full blast than it is for us to be able to continue shipping and receiving our goods at low freight rates.

You will readily recognize that the railroads are the largest buyers of material and employers of labor in the United States outside of the farmers.

This country will not only not go forward, but, on the contrary, it will go into a serious depression unless the railroads can secure a good increase in freight rates.

Ten per cent would not be excessive.

To quote one of the largest payers of freight in the United States we would call your attention to a statement issued recently by Mr. John Chaflin, of the United Dry Goods Co., in which he says:

"It is hard to tell much about the future. It all depends on Washington. If they permit the railroads to advance their freight rates a little, everything will be all right. There is no trouble with the money situation at present."

We would call your attention to the following facts in regard to the recent application to your commission for an increase of 5 per cent in freight rates.

There is no let-up in the increase of taxes our railroads are compelled to pay. The taxes of 49 railroads now petitioning for an increase in freight rates increased 111.43 per cent from 1903 to 1913 in the face of an increase of only 40.5 per cent in net operating revenue. From 1910 to 1913 gross earnings of these roads increased only 15 per cent, net earnings fell off 0.7 per cent, but, notwithstanding this, the companies had to bear an increase in taxes of 26.9 per cent, or at the rate of $3,800,000 per annum. A large part of the lifeblood of our governmental bodies is contributed by the railroads. In the face of an expenditure of $659,000,000 for additions and improvements since 1910 the expenses and taxes increased to such extent ($203,000,000) that there was a falling off in net income, from which ultimately the increased interest on the capital invested had to come, of $16,311,000.

Above petitioning railroads, to effect more economical operation, have been constantly increasing the size of locomotives. Average tractive power per locomotive increased nearly 34 per cent between 1903 and 1912. Average capacity per freight car increased 28 per cent between 1903 and 1912. The average trainload increased 30 per cent. Railway revenues per unit of service rendered decreased. Average receipts per ton-mile decreased 5.5 per cent from 1903 to 1912. Aggregate compensation to employees (excluding general officers) increased from $364,000,000 in 1903 to $567,000,000 in 1912, or 56 per cent.

Even the newspapers are now commencing to see a great light and recognize that the campaign against the railroads has gone entirely too far. The conclusive array of figures presented by the railroads and

clearly illustrating the process of starvation to which they have been subjected in recent years can not fail to impress every fair-minded judge. "We may gratefully appreciate," to quote a prominent journal, "that change is visible in the temper of the people toward the servant, capital. They have begun to realize that under perpetual beating or starving it is sure to sulk or to soldier or be unable to work efficiently. The railroads, for example, are being accorded a juster recognition, both for their service and for their needs. The demagogues who would exult in their misfortunes are now fewer; corporation baiting is more generally recognized as a boomerang sport. That the gravity of the transportation problem is more commonly appreciated, and that the problem of railway relief has been brought to a head is in itself a negative blessing." As one judge of the situation said some time ago: "The public wants better service, we are trying to give it, but they refuse to pay for it."

We believe you will be doing your country a great service in granting all of the railroads in the United States at least a 10 per cent increase in freight rates.

Our company can much better afford to live and pay a 10 per cent increase in freight rates than it can afford to go out of business, and we are satisfied that a tremendous number of concerns in the United States will go out of business or become absolutely idle within the next 12 months unless the railroads are immediately granted a large increase in rates.

The locomotive works here are now employing only about 110 men instead of 1,000 employed when they run full blast. This is due to low freight rates.

It is no good to me to have low rates if I only run half blast as a result of law rates.

Yours, respectfully,

L. M. WILLIAMS, *Secretary-Treasurer.*

—

THE RICHMOND MICA CO.,
Richmond, Va., December 22, 1913.

Hon. B. H. MEYER,
Interstate Commerce Commission, Washington, D. C.

DEAR SIR: As large shippers of freight, we desire to call your attention to the absolute necessity of the railroads being granted a good increase in freight rates.

It is of far greater importance for us to receive orders and keep our business going at full blast than it is for us to be able to continue shipping and receiving our goods at low freight rates.

You will readily recognize that the railroads are the largest buyers of material and employers of labor in the United States outside of the farmers.

This country will not only not go forward, but, on the contrary, it will go into a serious depression unless the railroads can secure a good increase in freight rates.

Ten per cent would not be excessive.

To quote one of the largest payers of freight in the United States, we would call your attention to a statement issued recently by Mr. John Chaflin, of the United Dry Goods Co., in which he says:

"It is hard to tell much about the future. It all depends on Washington. If they permit the railroads to advance their freight rates a little everything will be all right. There is no trouble with the money situation at present."

We would call your attention to the following facts in regard to the recent application to your commission for an increase of 5 per cent in freight rates.

There is no let-up in the increase of taxes our railroads are compelled to pay. The taxes of 49 railroads now petitioning for an increase in freight rates increased 111.43 per cent from 1903 to 1913 in the face of an increase of only 40.5 per cent in net operating revenue. From 1910 to 1913 gross earnings of these roads increased only 15 per cent, net earnings fell off 0.7 per cent. But notwithstanding this the companies had to bear an increase in taxes of 26.9 per cent, or at the rate of $3,800,000 per annum. A large part of the lifeblood of our governmental bodies is contributed by the railroads. In the face of an expenditure of $659,000,000 for additions and improvements since 1910, the expenses and taxes increased to such extent ($203,000,000) that there was a falling off in net income, from which ultimately the increased interest on the capital invested had to come, of $16,311,000.

Above petitioning railroads, to affect more economical operation, have been constantly increasing the size of locomotives. Average tractive power per locomotive increased nearly 34 per cent between 1903 and 1912. Average capacity per freight car increased 28 per cent between 1903 and 1912. The average trainload increased 30 per cent. Railway revenues per unit of service rendered decreased. Average receipts per ton-mile decreased from 5.5 per cent from 1903 to 1912. Aggregate compensation to employees (excluding general officers) increased from $364,000,000 in 1903 to $567,000,000 in 1912, or 56 per cent.

Even the newspapers are now commencing to see a great light and recognize that the campaign against the railroads has gone entirely too far. The conclusive array of figures presented by the railroads and clearly illustrating the process of starvation to which they have been subjected in recent years can not fail to impresse every fair-minded judge. "We may gratefully appreciate," to quote a prominent journal, "that change is visible in the temper of the people toward the servant, capital. They have begun to realize that under perpetual beating or starving it is sure to sulk or to soldier or be unable to work efficiently. The railroads, for example, are being accorded a juster recognition, both for their service and for their needs. The demagogues who would exult in their misfortunes are now fewer; corporation baiting is more generally recognized as a boomerang sport. That the gravity of the transportation problem is more commonly appreciated and that the problem of railway relief has been brought to a head is in itself a negative blessing." As one judge of the situation said some time ago: The public wants better service; we are trying to give it, but they refuse to pay for it.

We believe you will be doing your country a great service in granting all of the railroads in the United States at least a 10 per cent increase in freight rates.

Our company can much better afford to live and pay a 10 per cent increase in freight rates than it can afford to go out of business, and we are satisfied that a tremendous number of concerns in the United States will go out of business or become absolutely idle within the next 12 months unless the railroads are immediately granted a large increase in rates.

The locomotive works here are now employing only about 110 men instead of 3,000 employed when they run full blast. This is due to low freight rates.

It is no good to me to have low rates if I only run half blast as a result of low rates.

Yours, respectfully,

L. M. WILLIAMS,
Secretary and Treasurer.

—

THE RICHMOND MICA CO.,
Richmond, Va., December 23, 1913.

Hon. E. E. CLARK,
Chairman Interstate Commerce Commission,
Washington, D. C.

DEAR SIR: Your letter of the 23d instant received. We are justified in calling your attention to this freight-rate matter, as we are large shippers and receivers of freight. Some of our raw material we bring from as far west as Nebraska, as far north as the mountains of New Hampshire, and as far south as the mountains of North Carolina, and we ship east as far as Berlin. So you will see that we know something about freight rates.

Yours, very truly,

L. M. WILLIAMS,
Secretary and Treasurer.

—

THE RICHMOND MICA CO.,
Richmond, Va., December 26, 1913.

Hon. JUDSON C. CLEMENTS,
Interstate Commerce Commission,
Washington, D. C.

DEAR SIR: Your letter of the 23d instant received. We are justified in calling your attention to this freight-rate matter, as we are large shippers and receivers of freight. Some of our raw material we bring from as far west as Nebraska, as far north as the mountains of New Hampshire, and as far south as the mountains of North Carolina, and we ship east as far as Berlin. So you will see that we know something about freight rates.

Yours, very truly,

L. M. WILLIAMS,
Secretary and Treasurer.

—

THE RICHMOND MICA CO.,
Richmond, Va., January 14, 1914.

M. B. H. MEYER,
Commissioner, Interstate Commerce Commission,
Washington, D. C.

DEAR SIR: Your letter of 26th ultimo received, in which you say: "You doubtless realize that the question of freight rates is primarily one of testimony and investigation. If you desire your letter to be construed as an application for opportunity to take the witness stand, I apprehend there will be little difficulty in making arrangements with that end in view."

I inclose herewith a memorandum in regard to the industrial depression, showing over 1,000,000 men idle. Right here in Richmond we have the Richmond Locomotive Works, who, under normal conditions, employ about 3,000 men or more, but to-day I am informed that there are about 150 men only at work, owing to inability to get orders, and this condition has existed for some time past. In my opinion it is almost solely due to the inability on the part of the railroads to get the rates raised in the past year or two, whilst the price of conducting transportation in almost every detail of the business has largely increased.

In your suggestion that you can arrange for me an opportunity to appear before your commission to give testimony why railroad rates should be raised, I am reminded of the story of Lazarus and Dives. You have received the overwhelming evidence of Mr. Daniel Willard and others, and I inclose herewith memorandum of certain statements made by Mr. Willard, cut from a paper-trade journal. Our company sells our product largely to the paper manufacturers.

Now, you will recall that when Dives reached hell and petitioned for a cup of cold water for himself, and it was denied to him, he asked that some messenger be sent to his brothers on earth that they might avoid coming to hell. Dives then received the reply that if his brothers on earth were not willing to hear Moses and the prophets, neither would they be persuaded, "though one arose from the dead." Now, if you and your associates are not convinced by such a learned operator as Mr. Willard and others, neither can you be persuaded, though an ordinary layman, like myself, appeared before you.

You well know that any factory can produce goods much cheaper running continuously every day in the year than running one-half or three-fourths time. Now, you can't have general prosperity in this country when our largest industry outside of agriculture is prostrated or paralyzed by a hidebound low-freight-rate scheme that does not permit this railroad industry to expand with the expanding country.

Tens of thousands of people in this country are to-day begging for an opportunity to work for their daily bread, and it is denied them because the Interstate Commerce Commission has not permitted the railroads to have a fair, reasonable, and living rate on their freight and passenger business.

Yours, truly,

LANGBOURNE M. WILLIAMS.

P. S.—You commissioners are standing this depression far better than those whom your acts have thrown out of employment, and you are taking your leisure whilst the idle unemployed are increasing.

L. M. W.

(Mr. L. M. Williams is treasurer of Halifax Paper Co.)

—

MILLION METAL MEN IDLE—CLEVELAND TRADE JOURNAL FIGURES 270,000 MINERS ALSO OUT OF WORK.

(Special to the New York Times.)

CLEVELAND, *January 9.*

One million workingmen of the metal trades are idle in the United States to-day. The wage loss, due to unemployment and short time, is estimated at $50,000,000 a month. Two hundred and seventy thousand miners are also idle. The wage loss to these is computed at $12,000,000 a month.

According to figures given in the Daily Iron Trade, 123 blast furnaces are idle. These have an annual capacity for producing 12,958,000 tons of pig iron. On March 11, 1913, 306 blast furnaces were in active operation. To-day only 183 furnaces are active.

The Steel Corporation plants are working at 50 per cent of capacity, and have laid off 40,000 to 50,000 employees. In the Pittsburgh district 75,000 have been laid off by Steel Trust and independent plants.

In trades allied to metal industries the Daily Iron Trade figures that reduction of shop forces has probably thrown out of employment or put into effect reduced time to the equivalent of another 1,000,000 men.

DAILY MARKET LETTERS.

RICHMOND, VA., *January 12, 1914.*

Stocks: The overnight news was favorable and the market responded by a general advance, with Steel the feature. Elsewhere the advance was quite orderly, except in some specialties like Texas oil, which rose some 7 points. The market after the opening moved within narrow limits, showing a generally strong tone, but buyers refused to follow prices up. New York Central was an exception, and declined to the lowest price touched on this move. The decline was helped by reports from Washington of a proposed investigation into the interlocking directorates of the New York Central and controlled lines. Actual trade conditions are bad. There are 1,200,000 men out of work in the iron and steel trades alone. Railroads are laying men off daily and railroad net earnings are decreasing with alarming rapidity. The hopeful part of the situation is that these conditions most maintain before things can get better, and always mark the approach of the end of a cycle. The first evidence of financial improvement is in the bond market, which is now with us and can not be denied. Another is the superabundance of funds owing to business contraction. In a word, the outlook seems to favor better and not worse financial conditions.

—

THE RICHMOND MICA CO.,
Richmond, Va., February 19, 1914.

Hon. B. H. MEYER,
Interstate Commerce Commission, Washington.

DEAR SIR: I have your notice, dated February 4, 1914, suspending the increase in rates on certain articles in certain sections until September 12, 1914.

With all proper respect to your commission, I want to say that you are doing this whole country a very serious and large injustice in prohibiting the railroads from advancing rates. People are out of employment and begging for an opportunity to make an honest living because your commission is calling for unusual and unnecessary information.

Our company has recently stood an increase in freight rates by the Southern Railway and others, from Asheville to Richmond, from 18 cents per hundredweight to 22 cents per hundredweight on crude mica, or about 25 per cent increase over what we have been paying for years past; and yet we have not entered any protest, because we believe the railroads are entitled to a larger rate, and we are willing to pay our portion of the increased burden in order to see the whole country go into an era of prosperity.

When you consider that in face of an expenditure of $659,000,000 for additions and improvements since 1910 the expenses and taxes have increased to such an extent—say, $203,000,000—that there was a falling off in net income, from which the interest on capital invested has to come, of $16,311,000, the people of this country are justified in expecting your commission to increase the rates of the railroads in order to permit this country to move forward.

The time for action has arrived, and, as you will readily recognize, it is very much easier to keep this country moving and increase the speed of industrial activity while there is some motion to it than it would be to start such activity up again after it has come to a severe standstill through unusual and unnecessary burdens put upon the railroads simultaneously with the refusal of your commission to give them a chance to extricate themselves by increasing freight rates.

Your commission appears to be willing to put upon others burdens which they themselves are not willing to stand one second.

You are well aware that there is not a man in your commission who would undertake to haul freight at as cheap rates as those which you are compelling the railroads to receive, and a continuation of these low rates by your commission is, in my humble opinion, nothing more nor less than the seizure by the Government of private property representing the ownership of railroad securities and the distribution of same among the large shippers.

Yours, very truly,

L. M. WILLIAMS.

—

THE RICHMOND MICA CO.,
Richmond, Va., March 24, 1914.

Hon. JAMES S. HARLAN,
Interstate Commerce Commissioner, Washington, D. C.

DEAR SIR: I inclose copy of my letters, dated January 14 and February 19, to Mr. B. H. Meyer, which kindly do me the favor to read, and oblige,

Yours, very truly,

L. M. WILLIAMS,
Secretary-Treasurer.

—

RICHMOND, VA., *January 14, 1914.*

Mr. B. H. MEYER,
Commissioner, Interstate Commerce Commission,
Washington, D. C.

DEAR SIR: Your letter 26th ultimo received, in which you say:

"You doubtless realize that the question of freight rates is primarily one of testimony and investigation. If you desire your letter to be construed as an application for opportunity to take the witness stand, I apprehend there will be little difficulty in making arrangements with that end in view."

I inclose herewith a memorandum in regard to the industrial depression, showing over 1,000,000 men idle. Right here in Richmond we have the Richmond Locomotive Works, who under normal conditions employ about 3,000 men or more; but to-day I am informed that there are about 150 men only at work, owing to inability to get orders, and this condition has existed for some time past. In my opinion, it is almost solely due to the inability on the part of the railroads to get the rates raised in the past year or two, whilst the price of conducting transportation in almost every detail of the business has largely increased.

In your suggestion that you can arrange for me an opportunity to appear before your commission to give testimony why railroad rates should be raised, I am reminded of the story of Lazarus and Dives. You have received the overwhelming evidence of Mr. Daniel Willard, and I inclose herewith memorandum of certain statements made by Mr. Willard, cut from a paper trade journal. Our company sells our product largely to the paper manufacturers. L. M. Williams is treasurer of the Halifax Paper Co.

Now, you will recall that when Dives reached hell and petitioned for a cup of cold water for himself, and it was denied to him, he asked that some messenger be sent to his brothers on earth, that they might avoid coming to hell. Dives then received the reply that if his brothers on earth were not willing to hear Moses and the prophets, neither would they be persuaded though one arose from the dead. Now, if you and your associates are not convinced by such a learned operator as Mr. Willard and others, neither can you be persuaded, though an ordinary layman like myself appeared before you.

You well know that any factory can produce goods much cheaper running continuously every day in the year than running one-half or three-fourths time. Now, you can't have general prosperity in this country when our largest industry outside of agriculture is prostrated or paralyzed by a hidebound low freight-rate scheme, that does not permit this railroad industry to expand with the expanding country.

Tens of thousands of people in this country are to-day begging for an opportunity to work for their daily bread; and it is denied them, because the Interstate Commerce Commission has not permitted the railroads to have a fair, reasonable, and living rate on their freight and passenger business.

Yours, truly,

L. M. WILLIAMS.

P. S.—You commissioners are standing this depression far better than those whom your acts have thrown out of employment, and you are taking your leisure whilst the idle unemployed are increasing.

—

RICHMOND, VA., *February 19, 1914.*

Hon. B. H. MEYER,
Interstate Commerce Commission, Washington.

DEAR SIR: I have your notice, dated February 4, 1914, suspending the increase in rates on certain articles in certain sections until September 12, 1914.

With all proper respect to your commission, I want to say that you are doing this whole country a very serious and large injustice in prohibiting the railroads from advancing rates. People are out of employment and begging for an opportunity to make an honest living because your commission is calling for unusual and unnecessary information.

Our company has recently stood an increase in freight rates by the Southern Railway and others from Asheville to Richmond from 18 cents per hundredweight to 22 cents per hundredweight on crude mica, or about 25 per cent increase over what we have been paying for years past, and yet we have not entered any protest, because we believe the railroads are entitled to a larger increase, and we are willing to pay our portion of the increased burden in order to see the whole country go into an era of prosperity.

When you consider that in face of an expenditure of $659,000,000 for additions and improvements since 1910 the expenses and taxes have increased to such an extent, say, $203,000,000, that there was a falling off in net income—from which the rate of capital invested has to come—of $16,311,000, the people of this country are justified in expecting your commission to increase the rates of the railroads in order to permit this country to move forward.

The time for action has arrived; and as you will readily recognize, it is very much easier to keep this country moving and increase the speed of industrial activity while there is some motion to it than it would be to start such activities up again after it has come to a severe standstill through unusual and unnecessary burdens put upon the railroads simultaneously with the refusal of your commission to give them a chance to extricate themselves by increasing freight rates.

Your commission appears to be willing to put upon others burdens which they themselves are not willing to stand one second.

You are well aware that there is not a man in your commission who would undertake to haul freight at as cheap rates as those which you are compelling the railroads to receive, and a continuation of these low rates by your commission is, in my humble opinion, nothing more nor less than the seizure by the Government of private property, representing the ownership of railroad securities and the distribution of same among the large shippers.

Yours, very truly,

L. M. WILLIAMS.

—

HALIFAX PAPER CORPORATION,
Richmond, Va., April 28, 1914.

Hon. JUDSON C. CLEMENTS,
Washington.

DEAR SIR: I am treasurer of the Halifax Paper Corporation, which ships over $300,000 worth of paper per annum in ordinary normal times, and our freight bills amount to over $62,000 per annum.

I am also treasurer of the Richmond Mica Co., which buys material as far West as Nebraska and South Dakota, and ships the finished material as far East as Berlin, Germany.

I am also president of the Southern Investment Co., having extensive lumber interests as far South as about 80 miles south of Tampa, Fla., and some of my companies buy material from a point as far North as New Hampshire.

I am also an official of the Kingsdale Lumber Corporation of North Carolina and a member of the directory of the Richmond Trust & Savings Co. (capital $1,000,000); hence I am in very sensitive touch with the manufacturing and construction interests of this country.

I desire to say to you and to each member of the Interstate Commerce Commission that, in my opinion, your commission appears to be exercising the power of strangulation rather than the right of regulation of the railroads of this country.

'Tis excellent to have giant's strength, but it is tyrranous to use it like a giant.

Several industries in which I am interested are suffering severely to-day because the railroads have not sufficient revenue to justify them in carrying on any liberal scheme of maintenance or development, consequently the railroads are not buying any more lumber and crossties than they can avoid buying—resulting in the shutting down of lumber mills throughout the country, thereby throwing out of employment a large number of laborers, who they are prevented from buying goods from the stores; and the country storekeeper, being unable to sell his goods, stops ordering additional goods, and the credit of the country storekeeper becomes weakened and he is unable to pay his bank, and the bank being unable to collect its money from the storekeeper ceases to make new loans to other parties in his community, and then business is absolutely stagnant, and the railroads are further afflicted by a heavy shrinkage in volume of business.

This is about the present condition of the country, due, in my opinion, almost entirely to your commission having refused to grant the railroads a 10 per cent increase in rates about two years ago, when you were advised by the railroads that if you did not grant them the 10 per cent increase asked at that time that there would be trouble.

This trouble is now upon this country and you are asked to make a small increase of 5 per cent; and although a very large number of the largest merchants and shippers in this country have indicated a willingness to pay a larger freight rate in order to have the industries of this country revived and put into full operation, yet your commission has so far persistently neglected to grant any material increase in rates, and have employed a lawyer from New England, thoroughly prejudiced against the railroads, to argue before you "Why the railroads should not receive an increase in rates."

It seems to me that this was grossly unfair treatment to the railroads, and your commission, which is supposed to occupy a somewhat judicial or neutral position, would have been just as much justified in employing the attorney of the New York Central Railway to represent the Government in this rate matter, as you were justified in employing Mr. Brandeis, who has shown by his whole course before the public in the last three years the most violent prejudice against the railroads.

I seriously doubt whether Mr. Brandeis has ever constructed or built an *industry*, either manufacturing or transportation line, that is to-day giving employment to 50 men, but he appears to be using these attacks on the railroads as a text or means to advertise himself.

I firmly believe that if each one of you gentlemen, who may have the real, true welfare of the country at heart, should be in actual touch with the conditions existing in the manufacturing, mining, lumbering, and railroad situation you would immediately grant not only the 5 per cent increase in freight rates but a 10 per cent increase in freight rates.

The industries which I am actively engaged in operating, and which are paying freight on goods moving from Florida and from New England and from South Dakota to a point as far East as Berlin, Germany, would be only too glad to pay a 10 per cent increase in freight rates, for then they would have the opportunity of running full blast 12 months in the year.

Yours, very respectfully,

L. M. WILLIAMS, *Treasurer.*

HALIFAX PAPER CORPORATION,
Richmond, Va., April 28, 1914.

Hon. C. C. MCCHORD, *Washington.*

DEAR SIR: I am treasurer of the Halifax Paper Corporation, which ships over $300,000 worth of paper per annum in ordinary normal times, and our freight bills amount to over $62,000 per annum.

I am also treasurer of the Richmond Mica Co., which buys material as far west as Nebraska and South Dakota, and ships the finished material as far east as Berlin, Germany.

I am also president of the Southern Investment Co., having extensive lumber interests as far south as about 80 miles south of Tampa, Fla., and some of my companies buy material from a point as far north as New Hampshire.

I am also an official of the Kingsdale Lumber Corporation of North Carolina and a member of the directory of the Richmond Trust & Savings Co. (capital, $1,000,000), hence I am in very sensitive touch with the manufacturing and construction interests of this country.

I desire to say to you and to each member of the Interstate Commerce Commission that, in my opinion, your commission appears to be exercising the power of strangulation rather than the right of regulation of the railroads of this country.

"'Tis excellent to have giant's strength, but it is tyrannous to use it like a giant."

Several industries in which I am interested are suffering severely to-day because the railroads have not sufficient revenue to justify them in carrying on any liberal scheme of maintenance or development, consequently the railroads are not buying any more lumber and cross ties than they can avoid buying; resulting in the shutting down of lumber mills throughout the country, thereby throwing out of employment a large number of laborers who then are prevented from buying goods from the stores, and the country storekeeper, being unable to sell his goods, stops ordering additional goods and the credit of the country storekeeper becomes weakened and he is unable to pay his bank and the bank, being unable to collect its money from the storekeeper, ceases to make new loans to other parties in his community and then business is absolutely stagnant and the railroads are further afflicted by a heavy shrinkage in volume of business.

This is about the present condition of the country, due, in my opinion, almost entirely to your commission having refused to grant the railroads a 10 per cent increase in rates about two years ago, when you were advised by the railroads that if you did not grant them the 10 per cent increased asked at that time, that there would be trouble.

This trouble is now upon this country, and you are asked to make a small increase of 5 per cent; and, although a very large number of the largest merchants and shippers in this country have indicated a willingness to pay a larger freight rate in order to have the industries of this country revived and put into full operation, yet your commission has so far persistently neglected to grant any material increase in rates and have employed a lawyer from New England, thoroughly prejudiced against the railroads, to argue before you "why the railroads should not receive an increase in rates."

It seems to me that this was grossly unfair treatment to the railroads, and your commission, which is supposed to occupy a somewhat judicial or neutral position, would have been just as much justified in employing the attorney of the New York Central Railway to represent the Government in this rate matter as you were justified in employing Mr. Brandeis, who has shown, by his whole course before the public in the last three years, the most violent prejudice against the railroads.

I seriously doubt whether Mr. Brandeis has ever constructed or built an industry, either manufacturing or transportation line, that is to-day giving employment to fifty men, but he appears to be using these attacks on the railroads as a text or means to advertise himself.

I firmly believe that if each one of you gentlemen who may have the real, true welfare of the country at heart should be in actual touch with the conditions existing in the manufacturing, mining, lumbering, and railroad situation you would immediately grant not only the 5 per cent increase in freight rates, but a 10 per cent increase in freight rates.

The industries which I am actively engaged in operating and which are paying freight on goods moving from Florida and from New England and from South Dakota to a point as far east as Berlin, Germany, would be only too glad to pay a 10 per cent increase in freight rates. For then they would have the opportunity of running full blast 12 months in the year.

Yours, very respectfully,

L. W. WILLIAMS, *Treasurer.*

HALIFAX PAPER CORPORATION,
Richmond, Va., April 28, 1914.

Hon. HENRY C. HALL, *Washington.*

DEAR SIR: I am treasurer of the Halifax Paper Corporation, which ships over $300,000 worth of paper per annum in ordinary normal times, and our freight bills amount to over $62,000 per annum.

I am also treasurer of the Richmond Mica Co., which buys material as far west as Nebraska and South Dakota, and ships the finished material as far east as Berlin, Germany.

I am also president of the Southern Investment Co., having extensive lumber interests as far south as about 80 miles south of Tampa, Fla., and some of my companies buy material from a point as far north as New Hampshire.

I am also an official of the Kingsdale Lumber Corporation, of North Carolina, and a member of the directory of the Richmond Trust & Savings Co. (capital, $1,000,000), hence I am in very sensitive touch with the manufacturing and construction interests of this country.

I desire to say to you and to each member of the Interstate Commerce Commission that, in my opinion, your commission appears to be exercising the power of strangulation rather than the right of regulation of the railroads of this country.

'Tis excellent to have giant strength, but it is tyrannous to use it like a giant.

Several industries in which I am interested are suffering severely to-day because the railroads have not sufficient revenue to justify them in carrying on any liberal scheme of maintenance or development, consequently the railroads are not buying any more lumber and crossties than they can avoid buying, resulting in the shutting down of lumber mills throughout the country, thereby throwing out of employment a large number of laborers who, then, are prevented from buying goods from the stores; and the country storekeeper, being unable to sell his goods, stops ordering additional goods, and the credit of the country storekeeper becomes weakened, and he is unable to pay his bank, and the bank, being unable to collect its money from the storekeeper, ceases to make new loans to other parties in his community, and then business is absolutely stagnant, and the railroads are further afflicted by a heavy shrinkage in volume of business.

This is about the present condition of the country, due, in my opinion, almost entirely to your commission having refused to grant the railroads a 10 per cent increase in rates about two years ago, when you were advised by the railroad that if you did not grant the 10 per cent increase asked at that time that there would be trouble.

This trouble is now upon this country; and you are asked to make a small increase of 5 per cent; and, although a very large number of the largest merchants and shippers in this country have indicated a willingness to pay a larger freight rate in order to have the industries of this country revived and put into full operation, yet your commission has so far persistently neglected to grant any material increase in rates, and have employed a lawyer from New England thoroughly prejudiced against the railroads to argue before you "why the railroads should not receive an increase in rates."

It seems to me that this was grossly unfair treatment to the railroads, and your commission, which is supposed to occupy a somewhat judicial or neutral position, would have been just as much justified in employing the attorney of the New York Central Railway to represent the Government in this rate matter as you were justified in employing Mr. Brandeis, who has shown by his whole course before the public in the last three years the most violent prejudice against the railroads.

I seriously doubt whether Mr. Brandeis has ever constructed or built an industry, either manufacturing or transportation line, that is to-day giving employment to 50 men, but he appears to be using these attacks on the railroads as a text or means to advertise himself.

I firmly believe that if each one of you gentlemen who may have the real, true welfare of the country at heart should be in actual touch with the conditions existing in the manufacturing, mining, lumbering, and railroad situation, you would immediately grant not only the 5 per cent increase in freight rates, but a 10 per cent increase in freight rates.

The industries which I am actively engaged in operating, and which are paying freight on goods moving from Florida and from New England and from South Dakota to a point as far east as Berlin, Germany, would be only too glad to pay a 10 per cent increase in freight rates, for then they would have the opportunity of running full blast 12 months in the year.

Yours, very respectfully,

L. M. WILLIAMS, *Treasurer.*

Mr. CLARK:

For goodness' sake read this and do not spend so much time listening to such beings as Brandeis and David Lamar.

J. S.

[From the New York Times, New York, Thursday, March 26, 1914.]

RAILWAY RATE CASE DELAY.

The Interstate Commerce Commission is so sorry that it was unable to hear the testimony of Clifford Thorne regarding the application of the railways to advance their rates that it has asked him to repeat it "in substance." If the railways desire to rebut this testimony the commission will give them opportunity next month. If adjournments were what the railways wanted, how happy they would be. They first asked for this advance some years ago. The commission refused it for reasons since shown to be bad. Months ago the railways renewed their request, and the commissioners still want to be shown how to change their minds. To assist them they employ as their counsel the counsel whose argument they should regret accepting on the first application. As a friend of the court they admit to argument Mr. Thorne, chairman of the Railway Commission of Iowa and authorized spokesman for the commissions of the States of Iowa, Kansas, Nebraska, North Dakota, South Dakota, Arkansas, Oklahoma, and Missouri.

The list of States sufficiently indicates the sort of decision which would result from crediting the arguments advanced by Mr. Thorne. There is a double impropriety in hearing him as the representative of State commissions. The Interstate Commerce Commission has constitutional support in advising or even directing the State commissions, but the State commissions have no such standing before the Federal commission. The State commissions represent neither shippers nor railways, and as commissioners they have antagonized the Federal commission, presuming to reduce the rates in their States which the Federal commission has declared to be reasonable in interstate commerce. The Interstate Commerce Commission is forgetful of the proprieties if not of the legalities of the case when it listens to such spokesmen. The Supreme Court listens to counsel representing liti-

gants in the courts of the various States, but the Supreme Court never listens to State courts to plead in the person of its judges what the law ought to be, and particularly not to challenge the decisions of the Federal court.

The record of Mr. Thorne's original testimony ought to be available for the commission to read in its leisure, but he is asked to repeat it "in substance." Perhaps his revised version may be less insulting to the commission than his first insisting that the records of the Federal commission were worthless. Commissioner Thorne's allegation was that the railways were padding their expense accounts. President Willard denied it on the spot. President Rea gave an indignant denial, which the interstate commissioners would do well to paste in the tops of their hats. This charge which the commission wants to hear repeated concerns the commission even more intimately than the railways. The country has more confidence in the Federal commission than in the State commissions, whose spokesman is asked to repeat his slurs. But the country can not defend the Interstate Commerce Commission against itself. If it wishes to be regarded as a judicial body it should act judicially, know when it is treated with contempt, and protect itself otherwise than by compliments to its traducers.

If the Interstate Commerce Commission has any confidence in itself, or in its accounts of the railways' condition, it is in a better position than any other authority to decide for itself forthwith, asking for no arguments. The official figures show that the commission has heretofore misjudged and acted in error upon the reports to it. That is the substance and the merit of the railways' appeal. The railways now are suffering one of the most serious reverses in their history. Their suffering is so severe that it is reflected among industrial investments. It can not be long before the country in general must suffer from the reductions of dividends in both railways and industrial corporations. The Supreme Court itself has flinched from the results of the rigor of its law, and has reconsidered judgments which were impolitic. The interstate commission need not fear the country's reproaches for a retreat from its untenable position that it is infallible, and must refuse advances of rates because it has been accustomed to do so.

This is a case where to give quickly is to give twice. It still seems probable that an advance of rates would increase revenues, but there will come a time when the reduction of the volume of traffic will nullify an advance of rates. The time to have advanced rates was when the railways first asked. Then trade was so robust that it could have paid and not missed the money. Now trade is in a decline, and an advance of rates is burdensome. No more could be asked of the commission than that its administrative acts should be as nearly right as its judicial decisions. More than half of them resist challenge. It is a good administrator who is right half the time, provided he knows his own mind, and gives decisions with reasonable quickness after they are asked and the case is sufficiently presented. This case has been talked to death.

—

[From the New York Sun.]

HARD TIMES AND THE CASE OF THE RAILROADS.

Next to agriculture the greatest industry in the United States is railroading. In the country's transportation system, with 250,000 miles of track and an investment of fully $18,000,000,000 of capital, is most strikingly expressed the American genius for economic expansion. Railroad development has been the peculiar contribution of the United States to the material progress of the race. Nowhere else in the world have the science and art of moving passengers and goods by rail been carried to such a pitch of perfection.

Next also to agriculture railroad enterprise has been the greatest single factor in American prosperity. Indeed, it is not too much to say that railroad extension has transcended every other influence in its stimulus to prosperous activity. Yet to-day there is an appalling public indifference to the danger which threatens the whole business fabric of the United States as the result of an overloaded political tendency to subject the railroads to an oppressive degree of governmental regulation which practically constitutes denial of the right of private capital to a living wage.

Very recently there have been hopeful signs of a public awakening to the disaster which impends if the railroad factor in American prosperity is eliminated, but it is a question if there is an adequate public appreciation of the real crisis. Do American citizens understand what is meant by the accounts which are being published daily of reduction of working forces on the railroads and curtailment of train service?

Statements of falling earnings may seem only a matter of bookkeeping concern to stockholders—commonly thought of as rich persons who can afford a decrease of income. How about the 40,000 employees who have been laid off on the New York Central and Pennsylvania lines alone in the last four months, with every certainty that in a few weeks the number will be increased? How about the trains which have been dropped from schedules?

Are not these facts which strike home the truth that hard times have come again in the United States and that they have come to stay a long while unless the railroad situation is relieved in the manner asked by the eastern carriers in their supplication to the Interstate Commerce Commission for permission to make an average advance of 5 per cent in their freight rates? Is the lesson of hard times going to be needed before it is understood what issues of economic life and death are involved in this matter of freight-rate advances? Do the American people court disaster or do they fail to comprehend the situation?

It has been shown to the Interstate Commerce Commission that 35 railroads—the principal petitioners in the eastern rate case—have since 1910 added $659,000,000 to their property investment. Last year, after paying operating expenses and taxes, their net earnings were $16,311,000 less than in 1910, although their gross earnings were $186,775,000 greater. They not only earned nothing on the new capital sunk in the three-year period, which at a reasonable rate of return should have yielded about $32,500,000 last year, but they obtained a diminished return on their investment as it was in 1910. How long can it be supposed that private capital will go into the railroads under such circumstances? How long will it stay there?

Who wants to put money into a losing venture? The railroads are to-day a losing venture, unless their future contains more assurance of profit than politics has been willing to vouchsafe in recent years. Where is the money to come from to build the 100,000 additional miles of track which will be needed in the next generation? Not only must there be more mileage, with its incidental increase of labor and equipment, but the whole railroad system has to be rebuilt and replaced every so often. Where is the money coming from to do it?

In the eastern rate case it has been shown that railroad dividends of late years have averaged a small fraction over 5 per cent. Returns on capital invested in manufacturing enterprise of corresponding importance have been more than twice that. Something like $9,000,000,000 of investment is represented in the bonds, notes, and stock of the eastern lines. This money came from the public. How much more will come from the public if investors can see ahead of them only shrinking returns and an increasing certainty that the railroads will not be permitted to earn adequate wages on invested capital? There is tremendous competition all over the world to-day for capital, and the railroads have to obtain their share in a more highly competitive market than the world has ever known.

It is conceded that the railroads must make money enough for all necessary purposes. It has been demonstrated—and only the fatuous deny it—that they are not making enough money. Why should there be hesitation in the circumstances? No consideration of past mistakes and abuses by the railroads and no effort to redress them will make any difference in the consequences of starving them now. The country is not confronted by a matter of history but by a present fact, and so far as history goes it can be dismissed from the reckoning anyway.

How little the public has to fear from a repetition of the evils of the past is strikingly and even alarmingly illustrated by the state of terrorism which exists in railroad circles. Railroad executives will not say publicly what they say privately about the desperate prospect which looms before the transportation system if the courses of politics are not speedily changed. This is one of the special features of menace in the present situation. It is akin to the menace which offered a year ago, when fear spread through the whole banking community on account of the demagogic uproar politically excited against bankers. Railroad officers of the new order have done their best to establish friendly relation with the people, but experience with all political contact has taught them that every measure of railroad management is likely to be misrepresented. The eastern railroads have been wildly accused of padding their expense accounts in order to strengthen their case, and nothing which the railroads do seems to save them from the unreasoning suspicions of political campaigners who have been living for years off the capitalization of hostility to the railroads, for which there is no longer a shadow of excuse.

Argument is made that the railroad conditions denoted by heavy declines in earnings, reduced and passed dividends, defaulted interest, diminished employment for labor, curtailed train service and the like, are largely the result of general business impairment. This is true; but how much of the depression of general business has been caused by compelling the railroads to engage in a struggle for their very existence?

There are 1,700,000 employees on American railroad pay rolls, who, with their families, represent about 7½ per cent of the country's population. The buying and consuming power which the railroads create by their disbursements throughout the land is enormous. Direct purchases of materials by the railroads themselves make a vast contribution to the country's total volume of business. Nor is railroading a millionaire enterprise.

On the contrary, millionaire interest therein has been steadily dwindling, judging from the steady lengthening of stockholders' lists and the steady lowering of the average of shares held—conclusive proof that large holdings have been in process of liquidation. In the Pennsylvania Railroad system alone there are 100,000 stockholders. Never have the railroads been so popularly owned as now. The reserves of life insurance companies and the funds of savings banks are heavily invested in them, and thereby millions of individuals are directly concerned with the welfare of the railroads without realizing it, because they own no railroad securities themselves.

And what is the railroad system which has been brought to its present evil pass? It pays the highest wages in the world and pays more taxes in proportion to invested capital than the railroads of any other land. It not only does more work on its capital, but it does this work upon less capital than any other railroad system. One of the favorite charges of politicians against the railroads is that they are inefficient. How have they manifested this inefficiency?

They have increased enormously their train schedules, enlarged terminals, and built commodious stations. They have increased the hauling power of locomotives and the carrying capacity of cars. They have steadily increased trainloads and have relaid tracks with ever heavier rails. They have steadily reduced grades, straightened lines, and built stronger bridges. It is a question if there is any industry in any land which has given such an exhibition of progressive efficiency as the American railroad system. The wonder is that with all their improvement in methods and service, at a steadily decreasing cost to the public and a steadily diminishing return to themselves, the railroads have not already gone into bankruptcy instead of being at the verge of it.

A great question has been asked in the eastern rate case. If a wrong answer is given the signs of hard times in the United States to-day are only a foretaste of what is in store.

—

BROOKLYN, N. Y., *April 2, 1914*.

Hon. JAS. S. HARLAN.

DEAR SIR: If there are any on the Interstate Commerce Commission that have brains enough to understand this clipping, pass it on to them.

If three or four that I know of that are doing so much talking in Washington would only die overnight, it would be a godsend to the laboring men, also to all business men, and I do not think their homes would miss them. I hope over 500,000 more are thrown out of employment during the next 30 days, but even that would not furnish brains to some that have a "presidential bee" in their head.

UNSIGNED.

A GIANT RAILROAD HOBBLED.

We know no figure that so well fits the struggle of the Pennsylvania Railroad against untoward conditions as the conception of Gulliver tied up and for a time at the mercy of the Lilliputians. The Pennsylvania is a giant railroad. Pigmies are the demagogues who are paralyzing its activities. Slender is each of the cords used, but altogether their number gives effectiveness. State supervision by politicians, national supervision by politicians, refusal of rate increases, new wage demands from the unions, temporary depression of commerce in many lines, refusal of the Government to pay honestly for the carrying work of its Parcel Post System, high prices for material and labor on improvements that can not be erratically abandoned—all have conspired to bind and hobble the giant.

The Pennsylvania's showing for February is a loss of 13 per cent of gross operating revenue, a loss of 75 per cent net operating revenue. From passengers and freight, $24,310,208 came in on all lines. For operating costs, $23,464,941 was paid out, or 97 per cent of all. If

the proportionate losses were to be shown for all the year, about $5,000,000 would have to be saved on dividends or on improvement appropriations to make both ends meet. It is not a good thing for the public when dividends are cut on a widely distributed stock. It is not a good thing for the public to have improvements checked. And it is a very bad thing for the community to have such enterprise as the Pennsylvania has shown rebuked, slapped in the face, by unjust use of Government powers. It puts the notion of the ingratitude of republics in a new and concrete form.

The sooner nagging stops, the sooner justice is done; the sooner demagogy is compelled to take a back seat, the better it will be for industry and commerce, for labor, and for capital. The cords of the Lilliputians must be cut or loosened, or the vast usefulness of a kindly and beneficent giant will be lost to a Lilliputian community.

—

HOTEL METROPOLE,
Fargo, N. Dak., April 3, 1914.

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

DEAR SIRS: Why the American people will stand for their greatest business being attacked—the railroads—by demagogues and politicians, who make this their chief stock in trade. I do not believe they will stand it much longer. They are fast finding out who is to be believed—the demagogues and politicians or the railroads, who are wisely and able managed, more so than any other railroads under the sun. Of course, it would be fine to have them managed by politicians, and unless the rates are raised I think the public might as well demand the abolishment of the Interstate Commission as having failed to grasp the situation from all sides. No large, fair-minded man can say that the railroads do not need an increase in rates to pay the increased cost of material and labor to make extensions and improvements. I am not a railroad man, never had a railroad job in my life, but I see ruin for the country and the railroads if rates are not allowed to advance.

Wishing you success and hoping you may be guided wisely in your task, I am,

Respectfully, yours, CHAS. MCCARTHY.
512 West Twenty-second Street, Minneapolis, Minn.

—

["Read, ponder, and inwardly digest" the inclosed leader from the Democratic New York Times.]

HOW LONG, O LORD! HOW LONG?

RAILWAY REGULATION—IDEAL AND THE ACTUAL.

Nobody objects, or would be heard to object, to railway regulation of the sort described by those who provide it. The sort of regulation actually provided must be condemned with equal unanimity. Take yesterday's news, for example. The Supreme Court heard argument upon appeal regarding the tap-line cases. These cases, it will be remembered, cover the so-called "free services," for which the railways were to charge hereafter, and thereby collect $15,000,000 to stay their stomachs while the commission was thinking about allowing the 5 per cent advance. But that installment on account seems indefinitely distant. It is disputed before the Supreme Court that the commission has power to forbid the making of rates which it is the commission's duty to regulate when made. The commission's order was annulled by the Commerce Court, and the commission, instead of submitting, made as a recommendation what it did not venture to put into an order while its procedure was under an appeal. The Supreme Court's decision lies in the distant future, and the commission itself, on the day that the court heard argument, suspended a tariff filed by several leading railways in accordance with the commission's recommendation. The commission itself runs away from its own plan on the day that the Supreme Court hears it denounced.

The Interstate Commerce Commission's proposal of procedure regarding the 5 per cent advance was also published yesterday. This has been pending for several years, in one form or another, but the commission always begins at the beginning, as though nothing had occurred previously. The commission's sole duty is watching the railways and telling them what to do or not to do, and it might be supposed that it had a mind of its own. On the contrary, it lets somebody else write for it 78 questions which had never occurred to the commission. The blanks necessary to answer one of the 78 questions weigh 15 pounds, but not all are so weighty. The answer of all the railways to all the questions would fill a freight train. The answers and the arguments must all be in by April 27. And then the railways will soon get their decision.

Not in the least. That is only on the first division of the subject. When the commission has digested these tons of information it will be in position only to say whether rates ought to be raised. It will then begin an inquiry as to how they should be raised. Under this head will come a rediscussion of the propriety of stopping expenses instead of raising rates. It is clear that if the railways spend less money upon "free services" they will not need to collect more money. By that time the commission perhaps will be clear in its own mind about allowing the railways to do what it has recommended, while the Supreme Court is hearing argument about whether the commission has the power it has assumed to exercise. No dates are set to this second division of the argument, so there can be no disappointment about it.

This is a sample of actual regulation. If the investigation and suspension files of the commission were to be searched most of the questions now disturbing business men would be found buried there. Its indecisions and idealities are only one of the handicaps in the obstacle race which legislators have set for business men to run. If business can not go ahead, it must go backward.

—

SCHENECTADY, N. Y., *March 29, 1914.*

LOUIS L. BRANDEIS:

I was reading in to-day's paper that you claimed the railroads gave service free. That is none of your business; it is their own property they are giving, not yours. The best element of American population wants the railroads and all other industries treated fairly. We do not propose to permit to let a gang of foreign criminals run this country.

They have done it long enough. It matters less if the whole populations pays a few cents more for their living than if half the population starve for want of employment.

I suppose you are giving strict attention to the European bums who are howling of the wealth they created in New York City. That wealth was there before the idiots were born.

If you politicians had one grain of common sense you would know that the labor union has no more right to destroy their employer's property or run his business than the employer has to go into the employee's home and destroy said employee's personal property.

It is no wonder the women are fighting for the votes, as the present generation of men have not a grain of common sense.

All you are thinking of is a fat salary. You do not care that millions of honest people's money is involved and many poor men's little savings would go in the crash if our industries are driven into bankruptcy by your idiotic policy.

If you want to lower the cost of living, put the labor unions out of business. It is the extortion of the labor union that is increasing the cost of production, and you have not brains to see it, or if you do see it, are too cowardly to place the blame where it belongs and are trying to drive business men into bankruptcy.

The Government has not paid the railroads one cent for carrying the parcel post, and the railroads are compelled to lay off men by the thousands to cut down expenses because a gang of political fools allowed that gang of extortioners an increase of wages they did not need and another band of idiots at Albany and other State capitals passed full-crew bills to make travel safe when it is that same gang of labor-union bandits who are making travel unsafe. The engineers have been known to run by three danger signals in succession, then the railroads are blamed for the wrecks when they have not the right to discharge a drunken engineer after he has caused a wreck.

Extortion is illegal, and you have not sense enough to put a stop to it.

You permit that drunken rabble that calls itself the labor union to tie up their employer's business and destroy his property, and dare not stop it.

You are a brave lot to be the head of a government. You are not fit to be at the head of a band of street cleaners.

HELEN HUNTINGTON.

—

NEW YORK, *April 4, 1914.*

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

DEAR SIRS: The cartoon in this morning's New York Herald, which I inclose herewith, represents the opinion of all fair-minded and thinking people.

The only suggestion that I have is that the artist should have added longer whiskers to it.

Compliments.

THE PICTORIAL REVIEW CO.,
W. PALMER, *President.*

(Cartoon pictures Interstate Commerce Commission as blind engine driver running the railroads of America into danger. "The blind engine driver." "There may be danger ahead, but what recks he?")

—

NEW YORK YACHT CLUB.

Knowing, as your commission must, that the general prosperity of our country is waiting on your decision to allow an increase of rates to railroads, why delay?

The poor as well as the rich need it and ask for it—not only for the railroads, but for our general prosperity.

—

[From the New York Herald.]

H. C. FRICK SAYS 5 PER CENT INCREASE WILL ADD TO PROSPERITY—STEEL OUTLOOK BRIGHT—IN PITTSBURGH INTERVIEW CAPITALIST TELLS OF IMPROVED OUTLOOK ALSO FOR COKE AND COAL.

(Special dispatch to the Herald).

PITTSBURGH, PA., *Friday.*

If the Interstate Commerce Commission will grant the railroads an increase in freight rates there will be still more prosperity the country over, according to Henry Clay Frick, who is spending a few days in this city closing up several big real estate and coal-land deals.

"Do you believe that the railroads should get an increase of 5 per cent in rates?" Mr. Frick was asked to-day.

"That would undoubtedly help greatly, but it should be more than that," he replied. "An advance at this time certainly would help business materially, and the railroads are entitled to it. The steel trade shows signs of improvement, as also does the coke and coal trade, but if the railroads are allowed to advance their rates it will help general conditions very materially.

"Business and financial conditions with the railroads certainly justify such an advance. When it is taken into consideration that wages have steadily increased during the last years and other necessary expenditures also have advanced without the roads being allowed to raise their rates, the justice of the demand can be readily understood. Unless there is some provision made in the way of increased rates to offset the steadily increasing expenditures, the roads ultimately will be forced into a policy of retrenchment that is bound to affect their service and efficiency.

"With the granting of a 5 per cent increase in rates, practically all the big railroad systems in the country will be able to see their way clear to go ahead with contemplated improvements and the purchase of rolling stock and other equipment, which will mean much to industrial and business conditions."

—

THE UNION LEAGUE CLUB,
New York.

IF WE HAVE WAR.

The probability of Government financing will make it more difficult for the railroads to obtain their capital requirements. Here is an added reason for an increase of rates. Will the Interstate Commerce Commission consider it? It should do so.

Pray cease your quibbling and give the railroads what every sensible man knows they ought to have—an increase.

ANOTHER RAILROAD FORCED TO PASS DIVIDEND ON STOCK—POOR EARNINGS AND HEAVY OPERATING EXPENSES WERE THE REASONS THAT INFLUENCED DIRECTORS OF MISSOURI, KANSAS & TEXAS TO OMIT PAYMENT.

EMPHASIZES POVERTY OF RAILROADS.

That officials of railroads operating in the southwest have the same problem on their hands as have those operating in the East and other parts of the country is indicated by the action of the board of directors of the Missouri, Kansas & Texas Railroad in passing the dividend on the company's $13,000,000 preferred stock outstanding.

HEAVY SHRINKAGE IN EARNINGS.

The action of the board was not unexpected, as business in the section of the country in which the road operates has been known to have been bad for a long time, and as the property had suffered severely from floods, but the fact that it was necessary to omit the payment of the dividend emphasizes the poverty of railroads throughout the country, for it follows similar action by other companies, and the underlying cause is the same in all cases, inability of the carriers to provide for their needs under the restrictions imposed by the Interstate Commerce Commission.

DIVIDEND JUST ABOUT EARNED.

Up to April 14 the Missouri, Kansas & Texas Railroad reported a shrinkage in gross earnings of $561,926. In the eight months ended February 28 the company's expenses exceeded those of the corresponding period a year ago by $800,000. For the six months ended December 31 the surplus after charges was $913,000, or $393,000 in excess of the dividend requirements of 4 per cent on the $13,000,000 preferred stock for the entire year. In January and February the fixed charges were not earned, but this is not unusual, as the company ordinarily depends largely upon the results of the first half of the year for its final surplus over all charges. In the second six months of the last fiscal year, which was an excellent one from a traffic standpoint, the road failed to earn charges by approximately $330,000.

Since December 31, Missouri, Kansas & Texas gross earnings have decreased $213,784. January was a good month, but February showed a shrinkage; March gross fell off $159,000, and in the first two weeks of April gross was $25,000 less than last year. At the beginning of January the company had a surplus of $393,000 in excess of the full year's dividends. It is likely that most of this will be absorbed in the remaining four months, and that the dividend of $520,000 will just about be earned, but if so it will be by the narrowest of margins.

The company's financial position is not one of great strength, and it is natural the directors preferred to conserve resources rather than risk the probability of using all of the present year's income for dividends, and perhaps even having to call upon profit and loss to make up the payment.

On May 1, 1915, there are $19,000,000 notes maturing, and while the meeting of that obligation is over a year away still its existence will need consideration. Obviously the stronger the system's position the better chance there will be for taking care of the maturities on favorable terms.

BLAME PUT ON INTERSTATE COMMERCE COMMISSION.

While the southwestern railroads are not parties to the petition now being considered by the Interstate Commerce Commission for an advance of 5 per cent in freight rates in eastern territory, the delay of the commission in acting favorably on that request has undoubtedly affected business in the part of the country they traverse as it has in the East, and the railroads, of course, suffer along with other interests. The question of higher freight rates has been pending in one form or another for so long and has been so thoroughly thrashed out that it would seem it could have been decided months ago.

DELAY HAS BEEN COSTLY.

Had the commission measured up to the emergency the business of the country would not be in the depressed state it is; there would have been no occasion for able-bodied men walking the streets for want of employment; instead of closed mills and factories we would be witnessing industrial activity; confidence would have been strengthened and enterprise would have had incentive to move forward; railroads would have an abundance of tonnage at profitable rates, be in position to raise needed capital at reasonable rates, and business of every description would be sharing in the era of prosperity which would have swept the land following the enactment of the law providing for an adequate currency system, but the commission was deaf to these considerations.

BUSINESS HALTS WHILE COMMISSION TAKES ITS OWN TIME.

It took and continues to take its own time in putting an end to a condition that is halting business and causing want and misery to hundreds of thousands of men, women, and children who are denied the right to make a living because that autocratic body can not or will not see that its course more than anything else is responsible for holding back enterprise.

HANDS OF RAILROADS ARE TIED.

The hands of the railroads are tied. They can not retrench further without impairing their service and dismissing more employees. They can not raise capital through the sale of stock or bonds except at a sacrifice. Carriers have only one commodity to sell—transportation—and if they are prevented from realizing a reasonable price for that commodity, as they are now, then they must resort to the drastic course of taking off trains and reducing wages of those fortunate enough to be still retained in service. It is a serious matter for the whole country, for railroads can not be made to suffer without the whole country suffering too. It is high time for the commission to stop quibbling and order the advance in freight rates.

THE PENNSYLVANIA RAILROAD STOCK AND BONDHOLDERS' PROTECTIVE ASSOCIATION OF BROOKLYN, N. Y.,
February 28, 1914.

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: On November 24, 1913, Mr. C. M. Bunting, comptroller of the Pennsylvania Railroad Co., stated before your commission that the Pennsylvania system had increased the amount of wages about $36,000,000 since 1910, approximately $15,000,000 of which was due to increased rates of pay. The return on the property investment of the Pennsylvania system showed a declining tendency since 1903, and a steady decline since 1910. Between 1903 and 1913, said Mr. Bunting, there has been an increase in property investment account of $530,750,073, and an increase in net operating income of $11,860,533, or only 2.23 per cent on the increased property investment. Indeed, between 1910 and 1913 there was an increase of $207,186,919 in the property investment of the Pennsylvania, and a decrease in the net operating income of $11,485,511. In other words, the Pennsylvania system was $11,485,511 short of even receiving 1 cent additional return on its enlarged investment.

No thoughtful investor in the securities of this railroad can read the above statement without experiencing serious misgivings in regard to the future stability of his investment under present conditions, nor can he fail to recognize that the continued lessening of the gap between the gross and the net earnings will eventually deprive him of his dividends. This railroad claims that the Government has aided and abetted in fixing on the road enormous new charges for wages, material, equipment, and taxes, and that your commission refuses to allow it an increase in income to offset these burdens. The members of this association are common everyday men and women security holders of the Pennsylvania, who realize that much of the past mismanagement of railroads is due to the proverbial apathy of the average stockholder. We are trying to find the light, believing that now is the time for frankness and truth in the matter. We desire a square deal for labor, the Government, the security holder, and the railroad, but we will energetically protest against oppression of any one interest over the other. We want your commission to frankly tell us why you do not allow the Pennsylvania to increase its freight rates. We do not want an answer dealing in generalities, but we want you to point out specific instances, if any, in the management of this railroad upon which you base your refusal. This we claim you should do, not only in justice to us but also to those who may be contemplating investing in the property. Without any intentional discourtesy to you, gentlemen of the commission, whom as far as we know may be actuated in this matter by a lofty patriotism and a sincere desire to be just to all, still it seems to us the deferring of your decision from time to time gives the impression that you are not sure of your ground. If there is uncertainty in the minds of you gentlemen as to whether this railroad is entitled to what it asks, you should give it the benefit of the doubt and not ruin its credit in order to secure time to complete your studies. There is a vast number of people directly and indirectly depending upon the prosperity of this railroad for their living, and the crippling of their purchasing power is surely not going to help the business of the great body of tradesmen. The so-called shippers who are daily appearing before you to protest against an increase in rates we believe are pursuing a short-sighted policy, inasmuch as they will lose a hundred times any possible saving in freight by loss of trade. The saving of a cent or two on a package of freight will avail the shipper little when the price of his goods drops 10 per cent. Although your commission has given numerous hearings to railroads and shippers on the rate question, we have never heard it express any desire to hear from the actual owners of the roads—the stockholder.

THOMAS DIXON, *President.*

ATLANTIC HOTEL,
Bridgeport, Conn., February 10, 1914.

INTERSTATE RAILROAD COMMISSION.

GENTLEMEN: Keep up the good work. Do not allow any increase in freight rates. Force all the railroads into hands of receivers. Then the Government can buy them cheap and put needy politicians in office.

WELL WISHER.

INTERSTATE COMMERCE COMMISSION.

GENTLEMEN: Keep up the good work. N. Y. C. & H. R. R. Co. will soon pass or reduce their dividends. Pennsylvania Railroad—death. Force the railroad companies into hands of receivers. New Haven Railroad will soon be there—in receivers' hands.

Give no increase in railroad rates. Send stockholders and bondholders to the poorhouse and place professional politicians in charge of railroads under Government ownership.

WELL WISHER.

MANSFIELD CENTER, CONN., *March 31, 1914.*

INTERSTATE COMMERCE COMMISSION.

DEAR SIRS: Please read clipping from Hartford Courant. You see what should be on your conscience—your refusal of allowing the railroads a 5 per cent or more advance of rates. It seems strange to me that you, two or three men, can block a needed advance of rates and oblige railroads to throw out thousands of men they employ to starve.

Men and railroads know their own needs best. Don't you best know your own needs?

Very truly,

CHAS. H. LEARNED.

PENNSYLVANIA ROAD LAYS OFF 15,000 MEN.

PHILADELPHIA, *March 26.*

Confirmation was had from the office of the Pennsylvania Railroad to-day on the report that the company within the last three months had laid off about 15,000 employees on the lines east of Pittsburgh, in carrying out its policy of general retrenchment. It is said that about 40,000 of the remaining 125,000 employees have been put on short time. Two hundred clerks in the general offices in this city have been laid off within a day of two.

BALTIMORE, *March 27, 1914.*

Say, Brandeis, it looks like you are doing your level best to put the country and the workingmen on the bum. I am a workman in one of the largest steel mills in this country, with a wife and seven children to support. This is the first time out of a job for 12 years, and all on account of your hypocrisy before the Interstate Commerce Commission. Posing as a friend to the people, when really you are an enemy to the people and to the working people, you and your confederates must have that bunch you are giving so much chin music to hypnotized, or they are a lot of fools; else they would do the right thing to the railroads and give work to the many thousands out of work. Many of my fellow workmen are now close on to their last dollar, with their innocent children depending on them for their bread and

butter. But look out, Brandeis, your time with the other fellow will come yet, and that soon if you don't soon have that rate case settled. Our work depends much on railroad work. We don't care a snap how it is fixed up, just so we are back on our jobs.

FRANK BORDENLOCH.

EXHIBIT C5.

AGITATION BY BANKERS FOR THE RATE INCREASE.

White & Kemble, 56 Pine Street, New York, sent a lengthy communication to the Interstate Commerce Commission. This letter was printed and mailed out to banking houses. They, in turn, addressed the commission, asking for the rate increase. These letters appear below.

NEW YORK, *February 10, 1914.*

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: The reports for the year 1912 of the savings-bank commissioners of the States of New York, Massachusetts, and Connecticut show that the savings banks of those three States at that time had 5,871,964 *open* accounts, and that their total deposits were $2,826,600,515.49, and that the value of the railroad securities at that time held for investments was $539,625,029.75.

In 1904 the New York Savings Bank Association employed us to assist in revising the laws of the State in relation to the investments of savings banks. The present laws of the State are the results of that labor.

On February 14, 1905, we addressed a letter to the chairman of the executive committee of the association, from which the following is a quotation:

"According to your request, we have the honor to submit herewith our opinion of the proposed amendment and the application thereof to the banking laws relating to the railroad securities in which deposits of savings banks may be invested.

"In our opinion, there are two points to be considered in framing such a law: First, what is a savings bank? Is it a corporation created for the purpose of making money for those that intrust their savings to its care? If so, then such a corporation would be justified in taking ordinary business risks in making their investments. Or is it a corporation created by the State for the sole purpose of receiving and caring for the hard-earned savings of the people that are by the force of circumstances unable to take care of such savings themselves? The latter, in our judgment, was the intention of the State in authorizing these corporations, and this should be constantly kept in mind in legalizing investments in which such savings may be invested.

"Second. Are railroad bonds as safe an investment as a bond and mortgage on productive real property? We think they are, if the same rule is applied to a railroad mortgage bond as that applied to bond and mortgage on unencumbered productive property, in determining the value of the property securing the investment. The value of productive real property is determined largely upon its rental value (gross earnings) and, in our opinion, the same is the case with railroad property.

"The first principle of the proposed amendment is that the corporation issuing, assuming, or guaranteeing the bonds made legal shall have maintained a certain standard for at least five years.

"The standard is as follows:

"First. That the corporation shall not own less than 500 miles of standard-gauge railway, exclusive of sidings.

"Second. That the total amount of all debts of such corporation shall not exceed three times the outstanding capital stock.

"Third. That such corporation shall for the past five years have punctually paid at maturity the principal and interest of all their mortgage indebtedness and also paid in dividends to their stockholders each year during said five years an amount at least equal to 4 per cent upon all their outstanding capital stock.

"Fourth. That during said five years the gross earnings of such corporation each year, including therein the gross earnings of all railroads leased and operated or controlled and operated, shall not have been less in amount than five times the amount necessary to pay the interest payable during that year upon the entire outstanding indebtedness and rentals for said year of all leased lines.

"This standard, in our opinion, makes a basis upon which the value of the property of a railroad corporation may be determined. The principal feature that determines this valuation is that of gross earnings, required by this standard to be five times the interest charges and rentals. This, we presume, is adopted for the convenience of more readily computing a more scientific method.

	Per cent.
Gross earnings	100
Operating expenses and taxes	70
Interest and rentals	20
Dividends	4
Surplus	6
	100

"It will be seen from the following example that it makes no difference what amount the mortgage indebtedness of a corporation is, as the basis of arriving at the value of the property of such corporation compels it to show gross earnings equal to an amount that will make the value of its property sufficient to justify such mortgage indebtedness.

"Take a corporation that has a mortgage indebtedness that averages $20,000 per mile; this, at 4 per cent, would be $800 interest; and that its rentals of leased lines, interest on bonds, and dividends on stock at 4 per cent averaged $30,000 per mile. This would be $1,200 rental. Therefore the gross earnings of such a corporation should be each year five times $800 and $1,200, or $10,000. Dividing this, we have the following:

Gross earnings, 100 per cent	$10,000
Operating expenses and taxes, 70 per cent	7,000
Interest and rentals, 20 per cent	2,000
Dividends, 4 per cent	400
Surplus, 6 per cent	600
Total	10,000

From the foregoing analysis it can be seen that the mortgage bonds of a corporation that acquires this standard and maintains the same for five years deserves the credit to justify their bonds to be considered a safe investment for the funds in question.

In 1908 we were employed by the Massachusetts savings-bank commissioner to revise the laws of that State, and the result was the passing of the present law, which adopted the above standard.

In 1911 the State of Vermont revised their laws and also adopted the above standard, and last year, at the request of the Savings Bank Association of the State of Connecticut, we assisted in amending the savings-bank laws of that State, and the present laws are based on that standard.

Under the above circumstances we consider ourselves justified in stating that we were instrumental in the adoption of this standard by the above-mentioned States. Therefore we feel it our duty to call the attention of your honorable association to the following facts, especially (as stated above) as the 5,871,964 depositors of the savings banks had invested in railroad securities, $539,625,029.75, their legality as investments depending upon the railroads maintaining the standard established.

Prior to the adoption of this standard by the State of New York in 1905 the operating expenses and taxes of only two of the principal railroads of the United States equaled or exceeded 70 per cent of their gross earnings, and it was due to this fact that the basis of the standard was adopted.

Since then the operating expenses and taxes of all the railroads that had complied with the standard have steadily increased, so that for 1912 and 1913 they exceed the 70 per cent, as shown by the figures of the three leading eastern railroads that are now before your honorable association asking for the authority to advance rates.

NEW YORK, *February 10, 1914.*

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

Pennsylvania Railroad Co.

DECEMBER 31, 1901.

	Actual.	Per cent of gross.	Standard.	Per cent of gross.	Margin of safety.
Gross earnings	$101,329,795		$101,329,795		
Operating expenses and taxes	66,734,150	65.8	70,930,857	70	+ 4.2
Balance	34,595,645	34.2	30,398,938	30	+ 4.2
Interest and rentals	19,261,045	19	20,265,959	20	+ 1
Balance	15,334,600	15.1	10,132,979	10	+ 5.1

DECEMBER 31, 1912.

Gross earnings	$181,023,693		$181,023,693		
Operating expenses and taxes	141,330,560	78.1	126,716,585	70	− 8.1
Balance	39,693,133	21.9	54,307,108	30	− 8.1
Interest and rentals	15,710,778	8.6	36,204,739	20	+11.4
Balance	23,982,355	13.3	18,102,369	10	+ 3.3

Machinery.	1901	1912
Miles of road	3,672.29	3,814.19
Miles of track	7,668.77	9,716.54
Locomotives	2,016	3,532
Passenger cars	1,832	2,704
Freight cars	86,321	141,040
Company's cars	3,248	2,062
Floating equipment	270	303
Total units of machinery	101,355.77	159,357.54

Service performed.	1901	1912
Tons of freight carried 1 mile	12,713,626,489	22,021,067,753
Passengers carried 1 mile	1,050,463,693	1,838,352,119
Total units of services	13,764,090,182	23,859,419,872
Services per unit of machinery	135,799	149,723
Net earnings per unit of services	$0.0025	$0.0016
Net earnings per unit of machinery	$341	$249
Value of each unit of machinery based on net earnings on 4 per cent basis	$8,525	$6,225

New York Central & Hudson River Railroad Co.

JUNE 30, 1901.

	Actual.	Per cent of gross.	Standard.	Per cent of gross.	Margin of safety.
Gross earnings	$66,333,111		$66,333,111		
Operating expenses and taxes	45,849,055	69.1	46,433,178	70	+0.9
Balance	20,484,056	30.9	19,899,933	30	+ .9
Interest and rentals	13,133,948	19.8	13,266,622	20	+ .2
Balance	7,350,108	11.1	6,633,311	10	+1.1

New York Central and Hudson River Railroad Co.—Continued.

DECEMBER 31, 1912.

	Actual.	Per cent of gross.	Standard.	Per cent of gross.	Margin of safety.
Gross earnings	$115,479,097		$115,479,097		
Operating expenses and taxes	92,468,731	80.1	80,835,368	70	−10.1
Balance	23,010,366	19.9	34,643,729	30	−10.1
Interest and rentals	18,242,566	15.8	23,095,819	20	+ 4.2
Balance	4,767,800	4.1	11,547,910	10	− 5.9

Machinery.	1901	1912
Miles of road	3,357.37	3,790.65
Miles of track	7,137.48	9,227.36
Locomotives	1,602	2,543
Passenger cars	2,058	2,341
Freight cars	61,962	72,671
Company's cars	1,822	4,542
Floating equipment	194	280
Total units of machinery	74,775.48	91,604.36

Service performed.	1901	1912
Tons of freight carried 1 mile	6,606,890,325	10,395,676,370
Passengers carried 1 mile	1,145,721,536	1,876,025,020
Total units of service	7,752,611,861	12,271,701,390
Services per unit of machinery	103,678	133,964
Net earnings per unit of services	$0.0026	$0.0018
Net earnings per unit of machinery	$274	$251
Value of each unit of machinery based on net earnings on 4 per cent basis	$6,850	$6,275

Baltimore & Ohio Railroad Co.

JUNE 30, 1901.

	Actual.	Per cent of gross.	Standard.	Per cent of gross.	Margin of safety.
Gross earnings	$47,114,430		$47,114,430		
Operating expenses and taxes	32,016,734	67.9	32,980,101	70	+2.1
Balance	15,097,696	32.1	14,134,329	30	+2.1
Interest and rentals	8,316,878	17.7	9,422,886	20	+2.3
Balance	6,780,818	14.4	4,711,443	10	+4.4

JUNE 30, 1913.

Gross earnings	$103,329,992		$103,329,992		
Operating expenses and taxes	79,388,714	76.8	72,330,995	70	−6.8
Balance	23,941,278	23.2	30,998,997	30	−6.8
Interest and rentals	14,125,233	13.7	20,665,998	20	+6.3
Balance	9,816,045	9.5	10,332,999	10	− .5

Machinery.	1901	1913
Miles of road	3,220.76	4,456.33
Miles of track	5,521.60	8,875.45
Locomotives	1,361	2,217
Passenger cars	910	1,212
Freight cars	62,367	89,701
Company's cars	1,249	3,452
Floating equipment	139	152
Total units of machinery	71,547.60	105,609.45

Service performed.	1901	1913
Tons of freight carried 1 mile	7,140,897,000	14,313,128,233
Passengers carried 1 mile	458,294,750	805,206,527
Total units of service	7,599,191,750	15,118,334,760
Services per unit of machinery	105,211	143,153
Net earnings per unit of services	$0.0019	$0.0016
Net earnings per unit of machinery	$211	$228
Value of each unit of machinery based on net earnings on 4 per cent basis	$5,275	$5,700

Summary of the three roads, No. 1.

1901.

	Actual.	Per cent of gross.	Standard.	Per cent of gross.	Margin of safety.
Gross earnings	$214,777,336		$214,777,336		
Operating expenses and taxes	144,599,939	67.3	150,344,136	70	+2.7
Balance	70,177,397	32.7	64,433,200	30	+2.7
Interest and rentals	40,711,871	19.0	42,955,467	20	+1
Balance	29,465,526	13.7	21,477,733	10	+3.7

1912–13.

Gross earnings	$399,832,782		$399,832,782		
Operating expenses and taxes	313,188,005	78.3	279,882,948	70	−8.3
Balance	86,644,777	21.7	119,949,834	30	−8.3
Interest and rentals	48,078,577	12.0	79,966,556	20	+8.0
Balance	38,566,200	9.7	39,983,278	10	− .3

Summary of the three roads, No. 2.

Machinery.	1901	1912–13
Miles of road	10,250.42	12,061.17
Miles of track	20,327.85	27,819.35
Locomotives	4,979	8,292
Passenger cars	4,800	6,257
Freight cars	210,650	303,412
Company's cars	6,319	10,056
Floating equipment	603	735
Total units of machinery	247,678.85	356,571.35

Service performed.	1901	1912–13
Tons of freight carried 1 mile	26,461,413,814	46,729,872,356
Passengers carried 1 mile	2,654,479,979	4,519,583,666
Total units of service	29,115,893,793	51,249,456,022
Services per unit of machinery	117,555	143,728
Net earnings per unit of services	$0.0024	$0.0017
Net earnings per unit of machinery	$283	$243
Value of each unit of machinery based on net earnings on 4 per cent basis	$7,075	$6,075

Summary No. 1 of the three roads shows that the margin of safety for the period has declined from plus 3.7 per cent to minus 0.3 per cent, due to the fact that operating expenses and taxes for that period have increased from plus 2.7 per cent to minus 8.3 per cent, not to the increase of interest and rentals, as that item shows an increase in the margin of safety from plus 1 per cent to plus 8 per cent. Summary No. 2 of the three roads shows that although the amount of services performed per unit of machinery has increased from 117,555 to 143,728, or 22 per cent, the net amount received per unit of services has decreased from 0.0021 to 0.0017, or 19 per cent. Net earnings per unit of machinery has decreased from $283 to $243, and the value of each unit of machinery, based on net eanings on 4 per cent basis, has decreased from $7,075 to $6,075.

This margin of safety can be restored in but two ways—either by reducing the percentage of operating expenses and taxes, or by increasing the amount received for performing the same amount of services. It is evident from the above that an increase of service, with no increase in the price, will not restore the margin of safety. The above figures do not show the effect of the advance of wages granted to the trainmen by the late arbitration commission.

Feeling as we do that this tendency, unless checked, will become serious in endangering the safety of this class of securities for savings-bank funds, we feel it our duty to take the liberty of addressing this communication to you.

Any other information that we can supply in relation to the savings-bank laws of the above-mentioned States we will very gladly furnish.

Very truly, yours,

WHITE & KEMBLE.

—

LONG ISLAND CITY, *February 18, 1914.*

We fully indorse the facts and figures presented in this statement, and earnestly request your honorable body to give this matter your serious consideration.

Most respectfully, yours,

WM. J. BURNETT, *President.*
[SEAL.] J. H. SMEDLEY, *Secretary.*

—

THE NEW CANAAN SAVINGS BANK,
New Canaan, Conn., February 18, 1914.

INTERSTATE COMMERCE COMMISSION.

GENTLEMEN: We have read a letter of White & Kemble, of New York, date of February 10, 1914, in relation to railroad bonds as savings bank investments.

We agree with the sense of the letter and trust your honorable board will keep before you the thought of the savings of the poor but thrifty people so largely invested in railroad securities.

Yours, truly,

G. F. LOCKWOOD, *Treasurer.*

WINSTED, CONN., *February 18, 1914.*

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: We have seen a copy of letter dated February 10, from White & Kemble, New York, to you, in re "Increase of earnings of railroads."

We are a purely mutual savings bank and owners of the bonds of many railroads and we thoroughly agree with White & Kemble in their presentation of the matter.

Yours, respectfully,

MECHANICS' SAVINGS BANK,
CHAS. S. JOPP, *Treasurer.*

—

CITIZENS' SAVINGS BANK,
Stamford, Conn., February 18, 1914.

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

DEAR SIRS: I have read with approval a letter of White & Kemble addressed to your honorable body. As a savings bank officer, I bespeak for the savings banks consideration of the White & Kemble letter and also the need of the railroads for a rate increase.

Yours, very truly,

WALTER E. HOUGHTON, *Treasurer.*

—

BROOKLYN, *February 18, 1914.*

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: My attention has been called to a letter addressed to your commission by Messrs. White & Kemble, of New York, regarding the condition of railroads and their earnings and the effect of the decreased earning power of the roads upon the security of the many millions of bonds held by the savings banks of this and other States.

As a former officer, and now a trustee, of one of the large savings bank of this city, I am concerned about the security behind these bonds, which is undoubtedly very seriously affected by the roads' earnings.

It is hardly necessary for me to request a most careful consideration of this phase of the subject of railroad rates in this connection, as I am sure it will receive most careful attention at your hands.

Very respectfully, yours,

E. P. MAYNARD.

—

THE MARINERS' SAVINGS BANK,
New London, Conn., February 18, 1914.

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: We wish to indorse the letter sent to you under date of February 10 by Messrs. White & Kemble, of No. 56 Pine Street, New York. Messrs. White & Kemble are attorneys for the Savings Banks' Association in this State and assisted in drafting our present laws relating to investments and railroad securities. We believe that their position is such that their opinion would be carefully considered by you.

Respectfully, yours,

P. LE ROY HARWOOD,
Treasurer Savings Banks' Association of Connecticut.

—

UNION TRUST CO. OF NEW YORK,
New York, February 18, 1914.

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: As a trustee of the Greenwich Savings Bank, of this city, I have received from Messrs. White & Kemble a copy of a letter which they have addressed to you under date of February 10, 1914.

The Greenwich Savings Bank on January 1, 1914, had more than 98,000 depositors, with total deposits of over $67,000,000. Of these deposits more than $15,000,000 were invested in railroad mortgage bonds.

The Union Trust Co. of New York, of which I am president, holds as trustee for a large number of widows and orphans many millions of railroad bonds, and while the number of people affected is small in comparison with the large number of wage earners who have deposited their money in the savings bank, the sufferings of this class of people would be keen and far-reaching in case of any general disaster to railroads due to restrictions of their earning power, and might in turn have almost as undesirable an effect upon the wage earners as would the shrinkage in the securities held by the savings bank.

The Greenwich Savings Bank is merely a typical instance of the conditions so clearly shown in Messrs. White & Kemble's letter, and I beg to indorse most heartily the position that they have taken in this matter, which I hope will commend itself to your honorable body.

Very truly, yours,

EDWIN G. MERRILL, *President.*

—

CONNECTICUT TRUST & SAFE DEPOSIT CO.,
OFFICE OF THE PRESIDENT,
Hartford, Conn., February 18, 1914.

The honorable INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: As an interested person, or rather in the interest of clients of this company who are the beneficiaries of funds held in trust, I take the liberty to commend to your special consideration the letter addressed to you under date of February 10, 1914, by Messrs. White & Kemble, of 56 Pine Street, New York City. In the State of Connecticut the investment of trust funds is limited to and concurrent with the legal investment of the funds of savings banks. To a considerable extent these consist of railroad funded securities. And as stated and explained by Messrs. White & Kemble in the letter above referred to, these securities have suffered a very serious decline in their quoted market value. The effect of this has been exceedingly detrimental to the interests of savings depositors and of the beneficiaries of trust funds; and it would appear that the causes of such detriment and decline in market value has been considerably for the reasons stated in their letter—increase in operating expenses and taxes, and wages of employees as granted by the late arbitration commission.

We desire to remind you that as to savings banks in the New England States and in New York State, and possibly some others, that they are mutual institutions, without capital stock, and whose profits, less necessary expenses of management, are divided among the depositors, who are practically the stockholders. Many of these institutions showed a decline in market value of securities during the past year to such an extent as to considerably wipe out their surplus, and to reduce their estimated value of their assets below their amount of deposits. This reduction in value has been so serious that in several cases the commissioners have been obliged to prohibit the savings banks from paying a dividend until their assets are restored to an equal value with their deposits. This is also true of funds held in trust by trust companies and also by private trustees. And the situation occasioned undoubtedly by the action of various commissions appointed by the Government has become almost intolerable.

The effects of these reductions in values is also apparent in most other lines of business, as, for instance, the investment in railroad securities by insurance companies. In the city of Hartford alone the depreciation in the market value of securities in several of the life insurance companies amount to many millions of dollars. And the same is true of the fire insurance companies.

And it further affects, of course, the fortunes of innocent stockholders, whether of large or small amount. And there are many small stockholders whose entire little fortune is locked up in these railroad investments, upon which they pin their faith as being capable of producing a reasonable income.

In view of all these facts, I take the extreme liberty of again urging upon your attention the suggestions contained in the letter which Messrs. White & Kemble, already quoted, and in view of the fact that under present conditions that it seems almost impossible to reduce operating expenses, and that there is little hope of a decrease in taxes, that the only method of restoring reasonable value to railroad securities, which are legitimately issued, is by approving a reasonable advance in railroad rates, which should in some sense correspond with the increase in taxation and with the arbitrary increase in wages.

Yours, respectfully,

MEIGS H. WHAPLES, *President.*

—

THE OSWEGO COUNTY SAVINGS BANK,
Oswego, N. Y., February 18, 1914.

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: Referring to a letter addressed to you by Messrs. White & Kemble, New York, dated February 14, 1914, we beg to state to you that we heartily concur in the ideas therein expressed.

We believe that the railroads are entitled to have your permission to increase their rates to shippers, and as we are large holders of railroad bonds, we feel that we are entitled to some consideration.

Thanking you for giving your favorable consideration to the request of the railroads to increase their rates, we are,

Yours, very truly,

W. B. COUCH, *President.*

—

THE SOUTH BROOKLYN SAVINGS INSTITUTION,
Brooklyn, N. Y., February 18, 1914.

SECRETARY INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

DEAR SIR: Our attention has been called to a letter addressed to you under date of February 10 by White & Kemble, of 56 Pine Street, in relation to the necessity of permission being given to railroads throughout the country to increase their rate of compensation for services rendered.

As the president of a savings bank having deposits of over 36,000 poor people I have, of course, a very large interest that the bonds of the railroads in which we have, under the laws governing bank presidents, placed over $4,000,000 of our funds shall be allowed every reasonable opportunity to not only pay the interest on those bonds, but to pay their dividends to stockholders, as a decrease in dividends of course decreases the value of the bonds.

It can not be denied that the expense of conducting all business, including railroads, has within the last few years enormously increased, and in private enterprises that increase in expense has been met by increased profits. I know no good reason why railroads should be put upon a different footing.

I was at one time Government director of the Union Pacific Railroad, and in that capacity collected $125,000,000 due the Government from various continental railroads. In the performance of that duty I became familiar with the operations of railroads and their necessities, therefore I do not speak without some practical knowledge.

Any embarrassment to the railroads of the country which would lead to insufficient transportation facilities would effect the country more seriously than any other cause.

I am sure that public sentiment would warrant any action on the part of the commission which would relieve the burden of anxiety now weighing so heavily upon institutions of this kind which have invested in their bonds.

Very truly, yours,

WILLIAM J. COOMBS,
President.

P. S.—You will see by the inclosed statement that this institution holds, at par value, first-class railroad bonds amounting to $4,382,500, which cost us $4,645,664.45, on which market value on the 1st of January, 1914, was only $3,911,182.50. The loss we have had to deduct from our earnings previous to making our dividends to our depositors, showing a decline in market value of 15.81 per cent.

—

THE STAMFORD SAVINGS BANK,
Stamford, Conn., February 24, 1914.

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: Our attention has been called to a letter of Messrs. White & Kemble, of 56 Pine Street, New York City, to your honorable commission, pursuant to the present tendency of decline in the net earnings in relation to the gross earnings of many of the railroads of the United States. We have read this letter very carefully, and beg to express our hearty approval of same.

In the above-mentioned letter, in regard to the deposits and number of accounts in savings banks, it refers to the States of New York, Massachusetts, and Connecticut. Without in any way wishing to intrude or burden with voluminous data, we would like to supplement the information contained therein by acquainting your honorable commission with the conditions as they exist in the United States as a whole.

We learn from a reliable source that the total number of savings banks in 1912 was estimated at 2,000, and the amount on deposit four and one-quarter billions, and the number of depositors 9,800,000,

or practically 10 per cent of the entire population of the United States. These four and a quarter billions of dollars of savings banks deposits were distributed as follows:

Six New England States	$1,375,000,000
Eastern States, New York, Pennsylvania, and New Jersey	1,980,000,000
Southern States	95,000,000
Middle West States	360,000,000
Western States	15,000,000
Pacific States	395,000,000
Total	4,220,000,000

These statistics show that 80 per cent of all the deposits are in the eastern banks and 20 per cent scattered over a vast territory. The savings banks of the country legitimately hold many millions of railroad securities for investment, and it is a question whether the Government will better serve the very best interests of its subjects by not permitting increases in the rates of many deserving railroads and thereby lessen materially the security of the savings bank depositors, who represent 10 per cent of the population and are the bone and sinew of the Government.

We believe if the Interstate Commerce Commission fails to allow many of the railroads to increase their rates it will jeopardize the best interests of practically all the savings banks of the country. In a spirit of justice, therefore, to the 9,196 depositors of this institution, the majority of whom we believe are humble toilers, whose hard-earned savings, as well as the funds of the frugal depositor who resists temptation to indulgences, we beg your thoughtful consideration of the foregoing.

With the hope that your honorable commission can consistently allow many of the railroads an increase in rates, we beg to remain,

Very truly, yours,

THE STAMFORD SAVINGS BANK,
By J. H. BOGARDUS, *Treasurer.*

THE DERBY SAVINGS BANK,
Derby, Conn., February 24, 1914.

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: We have at hand a copy of a letter written by White & Kemble, of No. 56 Pine Street, New York City, dated February 10, 1914, addressed to the Interstate Commerce Commission, in which that firm submits for the consideration of your honorable body an argument favoring the proposed advance in railroad-freight rates. This argument we heartily indorse, because, looking at the matter from the viewpoint of the savings banks, we feel that a reasonable advance in freight rates would prove of incalculable value primarily to the savings banks and through them to the people at large. The main purpose for which all savings banks are organized, as you may well know, is to take care of and invest the savings of that majority of our people known as the "horny-handed wage earners," who, by force of circumstances, are unable to properly look after the investing of their own funds. Consequently, the healthy financial condition of a savings bank means the healthy financial condition of the vast majority of our people. It is a fact that 30 per cent or more of the deposits of Connecticut savings banks are invested in railroad securities, for the reason that this class of securities pays a higher rate of interest than other securities which they are permitted by law to invest in. Should the financial condition of the railroads become further impaired, which would seem inevitable if the present condition of affairs is allowed to exist for a much longer period, a greater depreciation in their securities seems reasonably sure to take place. We urge that in considering this matter you make all other points secondary to the consideration of the good of the people. As matters stand, the prosperity of the railroad means the prosperity of the savings banks, and the prosperity of the savings banks means the prosperity of the general public.

Very respectfully, THOS. S. BIRDSEYE, *Treasurer.*

BRIDGEPORT SAVINGS BANK,
Bridgeport, Conn., February 25, 1914.

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: We wish to express our approval of the letter written to your honorable body by Messrs. White & Kemble relative to the importance of a favorable decision regarding increased rates for the railroads.

The welfare of the depositors in the mutual savings banks is largely dependent upon the solvency and prosperity of the railroads.

In the interests of these depositors we wish to respectfully urge an early decision and one favorable to the railroads asking this small increase.

Respectfully, yours, SAMUEL M. HAWLEY,
Treasurer.

ERIE COUNTY SAVINGS BANK,
Buffalo, N. Y., February 25, 1914.

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: I am the president of the Erie County Savings Bank, of Buffalo, N. Y. This bank is organized under the laws of this State providing for the organization of savings institutions. It has no capital stock. It is permitted to receive deposits not exceeding over $3,000 from any one depositor, and the entire earnings of the bank are returned to the depositors in the way of interest on their deposits, after deducting the actual expenses of running the bank and a reasonable sum set aside as a surplus fund to guard against possible losses. The securities in which the bank can invest are strictly limited by law.

The bank is under the control of a board of 15 directors, who serve without pay and are self-perpetuating; upon the death or resignation of any director the balance of the board selecting his successor. In fact, this bank in every sense is a charitable institution, being intended to provide a place where poor people can deposit their small savings and have them perfectly safe. The trustees are men of the highest character and standing here, who are proud to serve upon the board, just as they would be glad to serve on any hospital or other charitable board, because they feel that thereby they are performing a service of value to the community.

The Erie County Savings Bank on January 1 of this year had on deposit $54,113,000. The number of depositors was 91,131, and the average deposit was $593.80. The total number of savings-bank deposits in the county of Erie, in which county our bank is located, is at the present time about 50 per cent greater than the entire number of votes cast in said county. The aggregate deposits in the savings banks of this State (all being banks similar to the Erie County Savings Bank) is about $1,500,000,000, representing over 3,000,000 depositors, the average deposit being about $500. The population of the State is about 9,000,000, so that the number of savings-bank deposits is equal to about one-third of the entire population of the State.

Until about the year 1898 the laws of this State were very strict in regulating the securities which savings banks could purchase in investing the funds so deposited with them. Up to that time they were limited to United States bonds, State bonds, city and county bonds, village and town bonds, and bonds secured by mortgage on real estate. About the year 1898 the State adopted the policy of allowing the savings banks to invest in certain classes of first-mortgage bonds of railroad corporations. Pursuant to the laws of the State permitting such class of investment, the Erie County Savings Bank has now invested in various classes of securities about $54,000,000, and of this sum $10,175,000 is invested in railroad mortgage bonds.

On January 1, 1913 (that being the last published report of the banking department of the State of New York), the savings banks of the State had investments in securities aggregating about $1,685,000,000, of which $269,000,000 was invested in railroad bonds.

It will be seen from the above figures that the financial soundness of the railroads in whose bonds these savings bank deposits are invested is a matter of the gravest importance to the masses of the people and even to the very poor people of this State. There are in other States savings institutions with similar charters that have also invested in railroad bonds; hence the financial welfare of the masses of the people in other States is also largely dependent upon the welfare of the railroads of the country.

I consider it my duty as president of this bank to call your particular attention to these facts as a most potent factor to be considered by you upon the present application of the railroads for permission to increase their freight rates, and I therefore take the liberty of sending this communication to your honorable body, and trust that it will receive the serious consideration which the importance of the subject merits.

Respectfully, yours, R. S. DONALDSON.

WATERBURY SAVINGS BANK,
Waterbury, Conn., February 26, 1914.

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

DEAR SIRS: Messrs. White & Kemble, of New York City, have sent me a copy of the statement submitted by them to your commission. I write to say that said statement meets with my hearty approval. I believe it to be a very moderate statement of the situation in which the savings banks now are. In this State the savings banks have over a hundred million dollars invested in railroad bonds, and consequently our 600,000 depositors are also interested. For a considerable time it has been a source of considerable anxiety to the managing officers of our savings banks to observe the constantly increasing operating expenses of the railroads, which, united with their inability to increase their rates, has been year after year making our investments less secure.

As far as my observation has gone, the investor seems to have been very little heard from at Washington. It seems to me that it is high time that more consideration should be given to the interests of that very large portion of our population which by thrift and economy has accumulated enough money to have investments in the savings bank or perhaps in some security. A very slight charge on the general public which enjoys the railroad facilities will make a very great difference to the investor.

The feeling at the present time is very strong that investments in railroad securities should be avoided if any other good investment can be found. Little stress in the past seems to have been laid on the fact that railroads have made very large expenditures in recent years for the improvement of the service to the public.

Here in Connecticut very large and necessary expenditures have been made during the last 10 years by the New Haven Railroad to improve the facilities, all for the benefit of the public, and yet that railroad has not been allowed to increase its rates to meet these large additional charges. Whatever may be the fact about the managing of that railroad, there can be no doubt that these expenditures for such purposes are a very large element contributing to its present condition—an element which should be given adequate consideration, which, it seems to me, has not been done heretofore.

I believe that an increase of the rates on the New Haven Railroad would meet with thorough approval in this State. If it is to be done, I hope it will not be done in such a halfway and reluctant manner as to leave many of our railroads still in a doubtful position. I do not believe that the interests of the general public can be advanced by hazarding the investments of the thrifty.

Yours, very respectfully, EDWIN S. HUNT.

THE SAVINGS BANK OF NEW LONDON, CONN.,
New London, February 19, 1914.

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: We have before us a letter under date of February 10, 1914, addressed to you at Washington, and we wish to express our entire approval of its contents.

The mutual savings banks of New England, New York, and New Jersey are, to a certain extent, eleemosynary institutions. They were originally solely for the benefit of the depositor, intending to provide for the person whose earnings were somewhat scanty a safe investment, where their money could be easily withdrawn if needed, and where a fair amount of interest could be paid. That was the original intent and is the chief reason for their existence to-day.

All legislation should tend to enhance the safety of the deposits and the readiness with which they can be withdrawn when needed. The officers should watch with a zealous eye anything that tends to lower the limit of safety or threaten the payment of deposits on demand, and it is for these reasons that we find ourselves thoroughly in accord

with the letter which has been addressed to you by Messrs. White & Kemble.

Yours, very truly, WALTER LEARNED, *Treasurer.*

—

THE SCHENECTADY SAVINGS BANK,
Schenectady, N. Y., February 19, 1914.

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

DEAR SIRS: We are impressed with the reasonable request of Messrs. White & Kemble, 59 Pine Street, New York, in their letter to you, a copy of which we have seen, in regard to sustaining the standard of railroad securities in which under the present laws the savings banks of New York State have invested for the past few years.

While this bank holds comparatively few of railroad bonds, yet we can readily see the bad effects which would fall to the mutual savings banks of this State should actual depreciation to any great extent occur in railroad securities.

We are by no means advocates of estimated market values for determining surplus of savings banks, but believe the securities of savings banks should be valued by the amortized or investment value.

Very truly, yours,

ALLEN W. JOHNSTON, *Treasurer.*

—

GERMAN SAVINGS BANK OF BROOKLYN,
Brooklyn, N. Y., February 19, 1914.

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: A copy of the letter presented to your honorable body by Messrs. White & Kemble, dated February 14, 1914, in reference to the laws of our State covering investments by savings banks in railroad bonds has been submitted to us, and we most heartily indorse the statements contained therein. Furthermore, we would direct the attention of your commission to the necessity of permitting the railroads to increase their earnings, so as to bring about a proper margin of safety in order to protect the deposits of the inhabitants of our State, whose savings are so largely invested in railroad bonds.

Unless the railroads are permitted to increase their rates, we feel that the safety of this class of securities will be seriously endangered.

Very truly, yours,

CHARLES FROEB, *President.*
HENRY STUMPF, *Cashier.*

—

THE POUGHKEEPSIE SAVINGS BANK,
Poughkeepsie, N. Y., February 19, 1914.

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: We, with the majority of savings banks, are holders of railway mortgages. The depreciation in the case of this bank has been from a cost price of $2,786,000 and over to the market value to-day of $1,667,635, showing a difference of $411,000.

As a savings bank can only invest in such railroad mortgages as are declared legal by the superintendent of banks of this State, and as their special purpose is to conserve the earnings of the poor, we think it only reasonable to ask that the commission allow the railroads to increase their rates, so they may be able to meet the many increases in wages granted their employees and the enormous outlays demanded by the present-day needs of transportation, and by doing this put the securities back on a fair business basis.

Yours, very truly,

F. M. JOHNSTON, *President.*

—

THE CHESTER SAVINGS BANK,
Chester, Conn., February 19, 1914.

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: We desire to express our approval of the position taken by White & Kemble in their letter to you, dated February 10, 1914, regarding the earnings of railroads and the effect of same upon the value of railroad bonds.

Yours, truly, CHAS. E. SMITH, *Treasurer.*

—

THE LITCHFIELD SAVINGS SOCIETY,
Litchfield, Conn., February 19, 1914.

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: I have read with a good deal of care White & Kemble's letter to you, dated February 10, 1914, and beg to say that I entirely agree with its contents.

Possibly some information about our own institution would be of interest to you in this connection. I inclose herewith some figures comparing our condition October 1, 1909, with our condition January 1, 1914.

Between October 1, 1909, and January 1, 1914, we have, fortunately, decreased our bond holdings about $200,000, and have increased our deposits about $200,000. This increase of $400,000 has been largely invested in real estate loans and other loans on demand.

Very respectfully, yours,

CHARLES H. COIT, *Treasurer.*

—

October 1, 1909.

	Par value.	Excess market value over book value.
Municipal bonds	$410,000	$11,290
Railroad bonds	477,000	28,860
Bank stocks	88,300	26,113
Net excess		66,263

January 1, 1914.

	Par value.	Excess market value over book value.
Municipal bonds	$303,000	$2,010
Railroad bonds	385,000	[1]25,125
Bank stocks	94,500	27,559
Net excess		4,444

[1] Deficit.

THE NORWICH SAVINGS SOCIETY,
Norwich, Conn., February 19, 1914.

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: Referring to communication of Messrs. White & Kemble, of 56 Pine Street, New York, to you under date of February 10, 1914, we beg to say:

It has the fullest indorsement of this society, having been referred to our board of directors for that purpose. It would be in the highest degree presuming were I to go into further discussion of the matter, inasmuch as without doubt every argument in the case has already been submitted to you.

Very truly, yours,

COSTELLO LIPPITT,
Treasurer and Member of New England Governors' Commission.

—

THE LEICESTER SAVINGS BANK,
Leicester, Mass., February 19, 1914.

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

DEAR SIRS: I am in receipt this morning of a letter from White & Kemble, 56 Pine Street, New York, inclosing a copy of their letter dated February 10, 1914, to your board.

I wish to state that I am very much in accord with the sentiments expressed in this letter, and certainly hope that your board will take under consideration its contents and do something to preserve the value of these railroad bonds in which the savings banks, "the depositories of the people's money," have so much invested.

This can be done in a large measure, I feel assured, by allowing them in most cases to raise their rates.

Very truly, yours,

ALONZO B. DAVIDSON, *President.*

—

ESSEX SAVINGS BANK,
Lawrence, Mass., February 20, 1914.

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: As the representative of a Massachusetts savings bank, I take the liberty of addressing your honorable board on the subject of allowing the railroads the privilege of increasing their rates, a matter of vital importance to the savings banks, as they are large holders of railroad bonds.

I have before me a copy of a communication addressed to your board by Messrs. White & Kemble, of New York, under date of February 10, 1914. I have carefully read the letter, and I believe their argument is a valid one, and I am heartily in accord with their conclusions. I would respectfully urge upon your honorable board an early and favorable consideration of the communication, to the end that the desired, and, I believe, merited relief, may be afforded the railroads in the interest of a multitude of innocent depositors in our savings banks.

The institution which I represent, the Essex Savings Bank, of Lawrence, Mass., situated as it is in a manufacturing city, is typical to a marked degree of the purpose for which the savings bank was originally founded, namely, to care for the savings of the small wage earners, who by the very nature of their occupation and environment are not competent to invest their earnings safely and profitably themselves. It has always been assumed that our State legislation regulating savings bank investments has been friendly to the depositors, and has been prompted by a desire to safeguard their interests. For this reason our savings institutions have become holders of railroad bonds, as allowed by law, to an enormous amount. The present condition of such securities is therefore alarming.

The figures contained in the letter above referred to show that operating expenses of the railroads have increased vastly out of proportion to the increase in gross income. The summary shows an increase, from 1901 to 1912, inclusive, of 86 per cent in gross income, and an increase of 117 per cent in operating expenses, and the margin of safety has become a minus quantity.

During all these years the purchasing power of the dollar has been steadily declining, or rather the thing purchased has been steadily increasing in price wherever it has been in the power of the seller to so fix the price of his product as to cover the increase in the cost of its production; and in all fairness it would seem that the railroads, whose labor costs have increased so enormously, should be given the right to so adjust their rates as to reimburse themselves for such increase in cost.

The prosperity of our railroads and the general prosperity of our country go hand in hand. We can not expect a prosperous country while the railroads serving our most populous districts are on the verge of bankruptcy.

In the interests of the depositors in our savings banks, I would respectfully urge favorable action without undue delay.

Very truly, yours,

ALBERT I. COUCH, *Treasurer.*

—

SOUTH BOSTON SAVINGS BANK,
Boston, February 20, 1914.

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: We write in approval of the letter of February 10, 1914, from Messrs. White & Kemble, of New York, to your good selves

relating to the investment of savings banks in railroad securities and trust that it may receive your favorable consideration.

Yours, truly,

GEORGE A. TYLER,
President.

—

WOODBURY, CONN., *February 21, 1914.*

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: Relative to the letter sent your commissioner by White & Kemble, of New York, on the 10th instant regarding the decrease in earning of the railroads of the United States, this is to give our hearty approval of the ideas therein set forth.

Yours, truly,

The WOODBURY SAVINGS BANK,
By S. C. MORRISON,
Assistant Treasurer.

—

THE BOSTON HARNESS CO.,
Concord Junction, Mass., February 21, 1914.

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

DEAR SIRS: As president of the Middlesex Institution for Savings, of Concord, Mass., I approve of purpose of letter of February 10, instant, of White & Kemble, of New York City, in such action as will safeguard large investments of our institution.

Very truly, yours,

HARVEY WHEELER.

—

THE OTTAUQUECHEE SAVINGS BANK,
Woodstock, Vt., February 21, 1914.

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: Allow me to most emphatically indorse letter addressed to you by Messrs. White & Kemble on the 10th instant.

The situation is such as to give grave concern to all investors. I trust it may have your attention.

Very truly, yours,

F. S. MACKENZIE, *President.*

—

HAVERHILL SAVINGS BANK,
Haverhill, Mass., February 24, 1914.

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: Copy of a letter addressed to the Interstate Commerce Commission and signed by White & Kemble, of New York, has fallen under my notice.

The Haverhill (Mass.) Savings Bank, of which I have the honor to be president, as well as chairman of the investment committee, is a considerable holder of railroad bands, and the present low market values of these bonds is a matter of grave concern.

We believe it to be a matter of first importance that the net income of the railroads of this section of the country be largely increased, and we are of the opinion that this improvement can be secured only by increased rates for freight and passenger service, although we believe also that large economies are practicable in many cases in current management.

Hoping that the necessity for higher rates may become fully evident to your honorable body, I am,

Very respectfully, yours,

W. W. SPAULDING.

EXHIBIT C6.

RAILWAY JOURNALS WERE DRAFTED INTO THE CAMPAIGN.

The Railway Record, a leading railway journal published in Chicago, issued a special "Raise the rates" edition on January 24, 1914. The following circular letter shows the real purpose of the special edition:

THE RAILWAY RECORD CO.,
Chicago, January 16, 1914.

INTERNATIONAL HARVESTER CO.,
Chicago, Ill.

DEAR SIR: At its present pace the Interstate Commerce Commission will be a long time in granting or refusing the 5 per cent freight-rate increase asked by roads in official classification territory.

Meanwhile your business is suffering. Relief will only come when the rates question is settled and the railroads are adjusted to the situation and ready to buy much-needed supplies. Therefore anything that can be done to hasten a decision in the matter will be greatly to your advantage.

The Railway Record proposes to issue a powerful special "Raise the rates" edition January 24. It will be sent to every railroad commissioner, State and national; to Members of both Houses of Congress; to hundreds of newspapers; and to thousands of influential men. It will recapitulate the needs of the railroads, emphasize the necessity of a prompt decision from the Interstate Commerce Commission, and start an irresistible wave of opinion in favor of increased rates, favorable legislation, and fair treatment for the railroads.

This will mean a lot to you, and the better it is done the more it will mean. We are doing our level best. We expect editorial cooperation from scores of railroad presidents, editors, railroad economists, etc. We must have business cooperation from the railroad advertisers. Whether or not you advertise with us regularly or ever intend to, we earnestly ask your support in this instance; help us to help you. The way to do it is to hand this over to your advertising man with a notation to supply us with copy for an ad of one-sixteenth page at $5, one-eighth page at $8.50, one-fourth page at $15, one-half page at $27.50, or one page at $50; back cover page, $100. (Four columns, 2¼ by 14 inches, to the page.)

We should like to have your early and favorable reply, including a statement for publication of your views on the railroad situation.

Very truly, yours,

F. JUSTICE, *Manager.*

[From the Railway Record, Chicago, Saturday, January 24, 1914.]

RAISE THE RATES.

THE RAILWAY RECORD:

To deny the railroad a living rate would be like clipping a carrier's wings and then tying on its neck a peace message to Huerta.

CY WARMAN.

—

RAISE THE RATES.

So general is the feeling that there should be no unnecessary delay in granting the eastern roads a 5 per cent increase in freight rates that the Record feels that it is well justified in gathering together some of the more striking evidence of favorable public opinion and offering it for the perusal of members of the Interstate Commerce Commission and other interested persons.

There is a true old saying that sometimes one "can not see the forest for the trees." So, perhaps, surrounded on all sides by statistics it may be that the men in whose hands the decision rests have been unable to ascertain the state of public opinion. For while the railways themselves have been trying by every means in their power to convince the commission that a raise is justified, the case has been on trial on the editorial pages of thousands of newspapers, in churches, in schools, in clubs, in forums—everywhere that men congregate and discuss the public weal. And the verdict has been:

"Grant the 5 per cent increase in freight rates. The railroads need it; business asks it; prosperity depends upon it."

It is to call the attention of the Interstate Commerce Commission to the verdict of the people that this issue of the Record is devoted so largely to the question of increasing the freight rates. While the sentiment of the newspapers all over the country has been overwhelmingly "proincrease," yet by reason of their varied constituency no one of them could devote an entire issue to a summing up of public opinion. This, by reason of its frankly "railway character," The Railway Record upon this occasion does, despite the feeling of some that the most effective medium for the publication of such material would be a general and not a class journal. In fact, the president of one of the largest of the eastern roads involved wrote the Record, on hearing of its plans that he was "not in favor of putting the case of the railroads before the people" through the Record. "The matter of an advance in rates is a public question, not altogether a railroad one," he wrote. "Your plan makes it a railroad issue, which, in my opinion, is not a good method of procedure."

Admitting that the Record is "prorailroad," yet no one can deny that the facts it herewith presents do honestly reflect the attitude of the general public as well as of railway men toward the rate question. When chambers of commerce, commercial clubs, traffic leagues, and like organizations of the men who "pay the freight" favor the increase; when Democratic, Republican, Progressive, and Socialistic newspapers come out for it; when no one, not even Mr. Brandeis, can make statistics, notorious fickle, espouse anything but the railway side of the question—then it would be strange indeed for a railway newspaper to attempt to steer a difficult course through neutral waters.

Nor can anyone be neutral who is in possession of the facts and of a disposition to be fair.

The net operating income of eastern railroads for 1913 was $16,311,000 less than in 1910, despite the fact that additional investments to the extent of over $650,000,000 had been put into railroads in the years between. And in the interval, too, the railroads had been practicing unheard of economies and were being operated with the greatest possible efficiency. The discrepancy in net revenue was due to the constant growth of the demands of labor for increased wages and of the public for increased facilities and more safeguards. The Journal of Political Economy said that it was evident that the contest would narrow down to an analysis of railroad revenue and its adequacy to maintain existing obligations and dividends. It has; and the justice of the railways' position has been convincingly established. It is for the Interstate Commerce Commission to accede at once to reason, evidence, and the judgment of the people by granting the proposed increase.

—

AMERICAN RAILROADS NEED RATE INCREASE—EXPERT SEES RIGHT ON SIDE OF RAIL CARRIERS.

(By Francis A. Bonner, associate director Bureau of Railway News and Statistics.)

American railways, a portion of them, for the second time are before a Government tribunal asking permission to make slight advances in their freight rates, having failed in one request through popular deafness to their plea. For their present success happily the subsidence of public agitation augurs well. So general is the claim, in fact, that the Government tribunal, to insure a jealous scrutiny of its petitioners' claims, has retained for itself legal talent formerly engaged by erstwhile belligerent shippers for themselves. Yet readjustment of tariffs in a limited portion of the East and for the first time in a generation of persistently receding rates is not to be a solution for all space and all time. Conditions change; attendant circumstances must follow.

In our judgment of these railways, placed like all of us at the mercy of fickle economic surroundings, are we to be content with human achievement?

If not, and we would exact of them what, as can be shown, no railways the world over have been able to accomplish, may we chafe at disappointment? Perhaps the fault lies not in the wool but in our yardstick.

One hardly need recall these accusations heaped upon our railways with such reiterated finality in explanation of their ills; overcapitalization; dividends on water stock; mismanagement; waste in operation; lack of efficiency. Such always has been, such probably always will be, the cry among a goodly portion of the populace.

WORLD FACES SAME PROBLEM.

The fence along our coast line is too high for our vision. Beyond our confines we fail to see the railways, great and small, public and private, from Canada to South America, from Great Britain and France across Europe, struggling with the selfsame rise in cost of labor and materials which cuts ever farther into the unit revenue for performing a unit service; which spares even smaller moieties for the net which must pay ever-advancing interest rates and yet attract new capital for vital growth.

Despite occasional taunts at the provincialism of the "tight little island," few people, perhaps, more than the American are blessed with a stubborn inability to peer beyond the borders of their own land. Perhaps the vastness of the Nation's resources aids in fostering this

self-centered sufficiency. Akin in its provincial haziness on "Weltpolitik" is this placid disregard of world-wide railway conditions.

It would be interesting to understand upon what theory American railway managers are exalted far above the rest of mankind, that practically impossible achievement is expected from them. Is it not like conjuring the capacities of supermen if we deny additional revenue when economic conditions have changed and call upon our own railways alone in all the world for an omnipotence in combating without the aid of higher freight rates that universal advance in costs of production which has respected no national boundaries.

WASTES ARE INEVITABLE.

We can not with reason condemn the railway for those inevitable wastes which attend all human effort, while taking them for granted elsewhere. With much less reason can we condemn it for inability to cope with rising expenses, when other nations everywhere under lower wages, lower costs, and already higher railway rates have assisted their carriers over the same shoals. To blame the situation solely on American railways as self-inflicted is to be blind to universal experience.

Having thus through broadened vision discovered that nothing inherently diabolical in the American railroad per se entails that suffering from economic maladjustment from which it is asking relief, it will require little further elevation to remove us completely from that nose-to-the-grindstone attitude in which, in our reaction from the abuses of a past ethical code, we have been dealing with the railway question. Great as may be one's respect for the impartiality, the judicial abstraction of our railway commissions, being Government bodies they must reflect the popular state of mind. Given a people seething with hostility toward railways, we shall have legislatures busily harassing them and in the end even appointive judicial bodies whose province is determination of fact alone leaning with the attraction of popular prejudice.

POPULAR VIEWS CHANGING.

Until now popular opinion has been hostile. It has been reflected in laws and in the application of laws by constant additions to expense of railway operation, by constant paring of revenues from railway operation through reductions of rates. Rates first were attacked and reduced for their own sake; more recently they have been whittled, not because of opposition to them in and of themselves, but because of dissatisfaction over relationships with others applying to competing communities. It has been but a logical step further in this progress toward an era of better feeling toward the railways to arrive at such a happy condition as now is discovered in the Eastern States, where shippers, almost with unanimity, have expressed themselves favorable to a general advance in freight rates, provided only present relationships between competitive centers are not disturbed.—(Investment News.)

—

[Editorials from other pens.]

Let the Government by all means supervise the issue of securities. That will help investors as well as patrons, for such supervision will make the securities sounder and safer. Practically all the railroads, we believe, would be glad of the governmental O. K. on their securities. But an important corollary of this policy is that the roads must be permitted to establish such rates as will insure their own prosperity under proper restrictive conditions. For not otherwise can the prosperity of the country be assurred.—(Minneapolis Journal.)

—

Cheap demagogues that capitalized the hatred for railway corporations are discovering that this no longer works. The railways generally have also discovered that it is not necessary to pay vast sums to lobbyists, sometimes euphemistically styled attorneys, to represent them in an improper way before legislatures. There is hardly a legislature of any State whose committees will not give fair hearings to responsible officials of any railway, whether in support or opposition of pending legislation. The newspapers have gladly welcomed the change in attitude of railway companies, and there has never been a time when both sides of any disputed matter affecting railways have been given more space in the news columns or treated more fairly in editorial comment. The practical unanimity of the press in favor of permitting such increase of railroad rates as the Interstate Commerce Commission deems justifiable could not have been secured under the old "public-be-damned" attitude. The only jarring note has arisen not from the operation of the railways, but from the revelations of financial juggling concerning the extent of which there is still much doubt.—(St. Louis Globe-Democrat.)

—

Many engineers of note are confident that electricity will take the place of steam as the motive power on all railroads where the traffic is dense. Once the feasibility and economy of electric traction is fully proven, public sentiment will demand the abolition of the steam locomotive, because it is noisy, dirty, and more dangerous than electric motors would be. Even the best locomotives are liable to throw out sparks and set fire to adjacent property, and the smoke and cinders they emit are a nuisance to passengers and a detriment to all residential and business property within a considerable distance of the tracks. If the English railroads were compelled to electrify their lines to-day, most of them would be thrown into bankruptcy.

American railroads are in much better shape, and were the test made it is probable that their credit would prove to be better than that of the old country lines, though the talk about overcapitalization heard to-day would lead the unthinking to a different conclusion. At the same time a well-advised and well-administered law to regulate capitalization might improve the credit of the railroads and make it easier for them to gain additional capital. Bonds and stocks, sold with the approval of the Interstate Commerce Commission, would have to be taken into account in years to come when readjusting transportation rates. Like the price of wheat, the cost of railroad transportation never will be permanently settled. It must fluctuate in accordance with economic laws.—(New York Commercial.)

—

Interlocking directorates became customary in the United States when the whole country was prostrated in 1896, at the time of the railway receiverships and when over $1,000,000,000 worth of railway securities was in the custody of receivers. The whole country then was under the oppression of widely broken credit, thousands of firms having failed in the three years previous, beginning with 1893. This was the situation when the leaders in finance, looking around for some method of reviving the stricken industry of the country, were compelled to place their own credit back of the dead properties in order to give them a going value. Bankers naturally were the strongest element in the community, and only the strongest forces could be effectual in that time of widespread prostration. So the bankers were placed in control of the companies whose securities they must bring out and back up in a strenuous endeavor to interest investors to the extent that they would risk their conservatively held funds in rehabilitating the broken properties. And so it came that the directorates of railroads were filled up with such strong names, and as the lateral and depending companies must also be placed upon their feet, and there were not enough of these strong names to go around more than once, the same names were placed in the lists of directors of these other companies and the era of interlocking directorates began. The effort was a success and soon the country once more was running on new wheels, becoming more and more accelerated toward prosperity. A vast amount of good was done in this way, because the country was lifted out of the swamps of destruction. In the process, and as a part of the process, there came also some evils, such as the turning over of contracts, without competition, to the allied companies, all with the same directors. It was the operation in another way of the same principle of tariff protection to build up infant industries, which also had its bad results, but the good ones at the time far outweighed the others.

The time came at last to remake the tariff, whch had created enormous fortunes, and now also has come, apparently, the time to separate controls, or at any rate the public thinks so, and from now on the process of disintegration in this direction, which has begun at the head, will go on. Laws may or may not be made to make the process obligatory, but no law is so strong as public opinion.

Credits, it is true, especially railroad credits, need boosting now, not as much as in 1896, but the incentive to railroad investments must now come, not from the names in the directorates, but through the ability of the roads themselves to show earnings sufficient as a margin of safety to assure the investor that his dividends will be regular and that the action of directors' meetings need not be watched for fear of reduction, because earnings will be ample to make certain this regularity.—(The Bache Review.)

—

RAILOGRAMS.

"No matter how a railroad on this continent manages its finances, it is bound to displease some element in the community."

—

Funny, isn't it, that the Iowan (we forget his name) who threw sand in the gear box when the railroads were asking a much-needed raise in rates in 1908 should bob up right now with his populistic views when the freight-rate increase question is again getting attention?

—

Valuation of the railroads has actually started; engineers are in the field and the real facts are going to be brought out. All of which will bring nothing but joy to 90 per cent of the railroads in the United States, for they are only too anxious to be judged and regulated by the real facts.

—

A reader sends a clipping describing the Christmas "feed" given 700 homeless men at Portland, Oreg., by the O. W. R. & N., and suggesting that we make the incident the theme of an editorial on "The heart of a corporation." In time we will; meanwhile we are waiting for some paper to discover an ulterior motive on the part of the railroad.

—

STRAWS SHOWING HOW THE WIND BLOWS.

The railroads should be permitted to earn upon their investment a return that will be fair and that will enable them to serve without handicap or delay the needs of the country's expanding traffic.—(Atlanta Journal.)

—

FAVOR RATE INCREASE.

Ten thousand circulars are being distributed by John M. Glenn, secretary of the Illinois Manufacturers' Association, among shippers throughout Illinois urging them to wire President Wilson, both Senators, and all Congressmen from this State, to use their influence in favor of the 5 per cent advance in freight rates that is being sought by railroads operating in eastern territory.

"Make business boom," says the circular. "Do not suggest selfish exceptions as to lake and rail rates. Closed plants mean idleness and suffering to the entire country. With the industries shut down all business will be at a standstill. Act and act promptly. The Interstate Commerce Commission should be impressed with the importance of a quick decision."

"Hundreds of telegrams already have been sent in conformity with this report," said Mr. Glenn. "Many hundreds of others, I expect, will be forwarded soon. Public opinion in matters of this kind has a powerful influence."

—

Shoe manufacturers from all over the country gathered at the annual convention of the National Boot and Shoe Manufacturers' Association, at New York City, January 14, adopted a resolution in favor of increased freight rates for railroads.

—

The New York Chamber of Commerce favors the proposed increase in freight rates on eastern roads.

—

The Traffic Club, of St. Louis, went on record in favor of a 5 per cent increase in railroad rates recently, after Charles Nagel, formerly Secretary of Commerce and Labor, had urged an equitable compensation for common carriers at a banquet of the club.

—

Increased railroad freight rates are favored by the National Business League of America. A special meeting of the board of directors of the league was held at the Hotel La Salle, Chicago, January 15, and resolutions calling upon the Interstate Commerce Commission to permit an increase of not less than 5 per cent were adopted.

—

"It is true that some roads do not need higher freight rates to insure prosperity," says the Baltimore News, "but it is unquestionably true that the great majority of them do need help, and if it is not forthcoming they will be unable to provide the increased facilities so necessary to promote the material prosperity of the country."

—

We strongly believe that the most important step of all toward immediate business prosperity is the granting of the request of the railroads for increased freight rates.—(Baltimore Sun.)

—

ADVANCE OF 5 PER CENT WOULD HELP SOME.

"You ask me for a summary of my reasons why freight rates should be advanced," writes Slason Thompson, director of the bureau of railway news and statistics, in a letter to the Record. "My reasons are

embodied in the following table of the ratio of expenses and taxes to the gross earnings of the railways of the United States during the period it covers:

	Coefficient.
1902	67.81
1903	69.20
1904	70.91
1905	69.82
1906	69.29
1907	70.63
1908	73.20
1909	69.86
1910	70.06
1911	72.54
1912	73.54
1913	73.49

"The difference of 5.68 per cent in the ratios of 1902 and 1913 would account for a loss of $180,000,000 on the net revenues of 1913. Of this $150,000,000 was due to the increase in the proportion of wages paid out of gross earnings. A decrease of fourteen one-thousandths of a cent in average freight rates contributed $36,000,000 to putting the railways to the bad in 1913.

"Under the present system of accounting that excludes many items for betterments and improvements formerly included in expenses, the margin of safety is reached, about 69 per cent. An advance of 5 per cent in average freight receipts would not overtake the advance in wages and general expenses during the past decade, but it would help some materially and more sentimentally."

—

HEAVY EXPENSES CUT NOVEMBER NET.

In five months ended with November, 1913, 182 of the most important railways of the United States reporting to the Interstate Commerce Commission, in spite of a gain in gross revenues amounting to more than $17,000,000, lost in net more than $44,000,000. The showing was the result of a rise of $61,000,000 in expenses required to do the business.

What havoc is being played with railway operating returns as a result of steadily climbing expenses in the face of now decreasing transportation revenues is thus shown in figures for November just published by the Interstate Commerce Commission, which are analyzed by the bureau of railway news and statistics. The figures are based on reports received from 182 railways with annual revenues of $1,000,000 or more, operating this year over 224,000 miles of line.

Though this mileage for November represented a gain of more than 2,000 miles over the same month the year before, gross operating revenues for the month fell almost $9,000,000, or from $270,124,786 to $261,299,074. In the same time expenses of carrying on the lessened volume of business rose over $5,000,000, from $179,460,948 to $185,084,834, leaving a drop in the remaining net from $90,663,838 to $76,214,240, or over $14,000,000.

How "earnings may come and earnings may go but expense climbs on forever" is best shown by a three-year comparison on a per mile of line basis which these latest figures make possible. Taking the month of November in each of the last three years the comparison is as follows:

Per mile.	1911	1912	1913
Earnings	$1,093	$1,218	$1,165
Expenses	734	809	825
Net	359	409	340

While earnings per mile rose in 1912 and then fell in 1913 to a net gain of only $72, expenses climbed steadily in both years to a total gain of $91, so that net per mile, after a temporary gain in 1912, was $19 below November, 1911.

Similarly for five months:

Per mile.	1911	1912	1913
Earnings	$5,545	$6,081	$6,085
Expenses	3,630	3,592	4,178
Net	1,915	2,129	1,907

Five months' earnings per mile thus have shown a continued, though slackened, gain of $540. In the same time corresponding expenses, however, have risen $548, so that the losses of the more recent months bring about a net loss for the series of $8 per mile.

Reports thus far received from only 37 roads for December show a contraction in gross earnings of some $3,000,000, compared with the November loss for 182 reads of $9,000,000.

—

RESULTS OF OPERATIONS IN CENTRAL WEST.

To set forth the needs of the railroads in the Central West, in the application for advanced freight rates, J. L. Minnis, attorney for the Central Freight Association lines, has just filed with the Interstate Commerce Commission a digest of the evidence submitted by W. C. Maxwell, on behalf of the Central Freight Association companies.

Quotations from the digest prepared by Mr. Minnis follow:

"The date therefore covers a total mileage of 34,866 miles, arranged in groups.

"Group 1 contains the mileage of 38 companies aggregating 31,937 miles—28,186 miles, or 78.6 per cent of the total mileage in the territory, and the 3,751 'outside mileage'—and includes all the mileage in the territory except 13.8 per cent of the mileage of the territory; and except also, the mileage of 46 short roads owned by 46 companies, aggregating 2,729 miles, or 7.6 per cent of the total mileage in the territory, whose aggregate gross revenue for the year 1911 was less than $8,000,000.

"(a) Prior to the fiscal year 1911 the carriers were free to promulgate their interstate rates and substantially the body of their intrastate rates, and to adjust them from time to time to ever-changing conditions, and were, in a practical sense, unhampered in the management of their properties.

"(b) The ratio of operating expenses and taxes to operating revenues of Central Freight Association territory lines reached the low point of a descending period in 1910, and began to ascend in 1911—for instance, the ratio of group 1 was:

	Per cent.
1908	75.11
1909	73.28
1910	72.40
1911	76.49
1912	77.25
1913	78.56

"(c) Beginning with the year 1911, the power of the carriers to promulgate their interstate rates and substantially the body of their intrastate rates was placed under the supervision of the National and State Governments, so they could not adjust their rates to the increasing ratio of expenses and taxes to earnings; and other governmental regulatory laws have been enacted affecting the management, expenses, and revenues of the carriers.

"The lines of group 1 increased their mileage, 1913 over 1910, first main track owned 684 miles, operated 828; all tracks owned 3,320 miles, operated 3,568; and increased their property investment $225,503,220.

"Operating revenue, 1913 over 1910, increased $71,398,933; operating expenses and taxes increased $84,934,336; operating revenue, after deducting operating expenses and taxes, decreased $13,535,403; or, after deducting operating expenses, taxes, and rentals, decreased $13,893,910; or, after deducting operating expenses, taxes, and hire of equipment, decreased $15,133,257; or, after deducting operating expenses, taxes, rentals, and hire of equipment, decreased $15,491,764. The decrease in net corporate income was $23,207,414.

"The increase in operating revenue, $71,398,933, measures an additional service rendered the public—increase, 1913 over 1910, in tons carried 1 mile, approximately 10,000,000,000, or an increase of 16.43 per cent; and in passengers carried 1 mile, 400,000,000, or an increase of 7.32 per cent.

"Notwithstanding the much larger volume of business enjoyed in 1913 over 1910 the power of the carriers to earn a return on their property declined substantially.

"While the showing of group 1 indicates that the carriers as a whole in the territory are rapidly approaching financial disaster, it is believed the showing of that group is far above the average railroad situation in the territory.

"Group 3 embraces 28 companies which operate 19,416 miles, or 54.1 per cent, of the entire mileage of the territory. It includes all the mileage in the territory except that of the "four main trunk-line connections,' the 'coal and ore roads,' the '46 short roads,' and the 'excluded mileage' (the Baltimore & Ohio and Erie, Chilago, Burlington & Quincy, etc.), and embraces all the mileage which serves generally the people of the territory, and whose prosperity is dependent upon the territory.

"Obviously, the reasonable needs of the lines embraced in group 3—54.1 per cent of the entire mileage of the territory, to say nothing of the 46 short roads—must control in determining the reasonableness of rates in the territory, if the people in that section are to have adequate transportation facilities and prosper measurably with other sections of the country.

"The lines in group 3 increased their mileage, 1913 over 1910—of first main track owned, 543 miles; operated, 604 miles; of all track owned, 2,020 miles; operated, 2,106 miles; and increased their property investment $99,570,844.

"Operating revenue, 1913 over 1910, increased $33,025,190, but the operating expenses and taxes increased $43,724,956, resulting in a decrease in operating revenue, after expenses and taxes, of $10,699,766; or a decrease in operating revenue, after operating expenses and taxes and rentals, of $10,271,473; or a decrease in operating revenue, after operating expenses and taxes and hire of equipment, of $13,526,961; or a decrease in operating revenue, after operating expenses and taxes, rentals and hire of equipment, of $13,098,668; and a decrease in net corporate income of $15,987,445.

"The increase in operating revenue of $33,025,190 measures an increase, 1913 over 1910, in tons carried 1 mile of four and one-half billion; passengers carried 1 mile, one hundred and forty-five million.

"It will be observed that after swelling the volume of business by this increased traffic and increasing the property investment approximately $100,000,000, group 3 had remaining, after deducting operating expenses and taxes, above $10,000,000 less money than in 1910.

"Dividends paid by the lines in group 3 decreased, 1913 as compared with 1910, $5,943,035. The companies paying dividends in 1910 include the Grand Rapids & Indiana—which has not paid subsequent dividends—and the Chicago & Alton and Toledo, St. Louis & Western, who ceased paying dividends in 1913. In 1911 four companies reduced their dividends; in 1912 five companies reduced their dividends; and in 1913 six companies reduced their dividends.

"Only nine companies out of the 28 in group 3 paid dividends in 1913."

—

INTER OCEAN FAVORABLE.

In a letter to the Record H. H. Kohlsaat, editor of the Inter Ocean, Chicago, January 17 gives this paper permission to reprint an editorial, as follows:

The directors of the National Business League of America at their meeting in Chicago Thursday unanimously adopted resolutions asking the Interstate Commerce Commission to permit the railways to make "an immediate uniform increase of not less than 5 per cent" in freight rates.

The National Business League is a nation-wide association of prominent business men, mostly merchants and manufacturers. That is, their interest is that of the shipper—the buyer of railway service. While many of its directors are residents in and near Chicago these resolutions do not express merely a local opinion, but also that of the affiliated organizations in 30 States, ascertained through their vice presidents of the national association.

This is probably the first time that any large number of shippers has asked that freight rates be increased. The reasons for this about face on the part of so many representative shippers are clearly shown by the resolutions adopted, of which we present the substance:

"Sufficient and efficient transportation is necessary to the prosperity of the whole country. * * * We believe that the present net earnings of the railways are insufficient for the proper maintenance of equipment, extension of facilities, efficient service, and safety of life and property, resulting also in curtailment of purchases from dependent industries, which seriously cripples the general business of the country."

Therefore, the grant of permission to increase rates is asked "as a necessary measure, imperative to the prosperity of carrier, shipper, and business interests generally."

The logic of this is conclusive. The reaching of a conclusion so logical is a gratifying sign of a renewed perception of the truth that in the long run all material interests of the American people must go up or down together, and of emergence from the delusion that it is possible to impoverish and pull down the transportation industry without all of us suffering in the end and paying for the folly.

Theoretical "railway economists," such as Louis D. Brandeis, will continue to argue, of course, that what the railways need is not higher rates but "more efficiency." Here and there a prominent business man will still insist on what is, under existing conditions, putting the cart before the horse. We note that John Wanamaker is quoted as so doing.

These gentlemen seem to forget that before improvements can be made there must be means, or a good prospect of means, with which to pay for them. Efficiency must often wait for income to support it. If Mr. Wanamaker will look back, he will doubtless remember days when he had to get along with poorer equipment and less competent help than he wanted, because he could not yet afford to buy better.

That is, broadly speaking, the position of the railways. Under pressure of public sentiment which too long remembered injuries and forgot benefits they have been brought by governmental power to semistarvation. It is absurd to ask that a half-starved man or industry show the highest efficiency.

The Interstate Commerce Commission and the Wilson administration will do well to heed the counsel of the shippers. No administration can be popular or party retain power whose name has become a synonym for industrial depression and business paralysis.

—

CHICAGO TRANSPORTATION ASSOCIATION RESOLUTIONS.

In a letter to President Wilson under date of January 20 the Chicago Transportation Association transmitted the following resolutions:

"Whereas the railroads east of the Illinois-Indiana State line have petitioned the Interstate Commerce Commission for an advance of 5 per cent in their freight rates; and

"Whereas we feel that the immediate granting of this said advance would restore the confidence of trade, spur business on to greater prosperity in this country, improve commercial conditions generally; and

"Whereas everything has had an advance in its price in recent years, especially labor, material, etc., which directly affects the railroads, and railroad freight rates have remained practically unchanged, the railroads therefore being entitled to this advance, we, the Chicago Transportation Association, an association of more than 1,200 railroad and industrial representatives in the city of Chicago, have

"*Resolved*, at a meeting held to-day, to impress upon you and the Interstate Commerce Commission the importance of the granting of this 5 per cent advance in freight rates, and place ourselves on record as indorsing the petition of the railroads for the good of business, for the good of the railroads, for the good of the country generally."

—

A RAILROAD EXECUTIVE'S REASONS WHY RATES SHOULD BE ADVANCED.

[By James F. Holden, vice president Kansas City Southern Ry.]

There are so many reasons why the railroads should receive greater remuneration for the handing of freight that I hardly know where to start, the principal ones occurring to me now being:

FIRST—INCREASE IN WAGES.

Wages paid railroad employees in the United States for the year ended June 30, 1912, as compared with June 30, 1902, increased $567,085,580, or 87 per cent. The number of employees during the same period increased 509,903, or 43 per cent; in other words, wages paid employees increased double the amount of the increase in the number of employees, with freight rates going down.

SECOND—TAXES.

For the year ended June 30, 1912, from compilations made by the Interstate Commerce Commission as compared with the fiscal year ending June 30, 1902, the taxes of the railroads of the United States have increased $58,657,072, or 107 per cent.

THIRD—DEMAND OF THE PUBLIC FOR INCREASED FACILITIES AND SERVICE.

It is not to be denied that the public generally are clamoring for faster time and better service, which costs the railroads a large amount annually to furnish.

FOURTH—THE NATURAL INCREASE IN BUSINESS OFFERING REQUIRES EXTENSIVE IMPROVEMENTS AND LARGE INVESTMENTS TO PROVIDE FACILITIES FOR TAKING CARE OF.

FIFTH—STATE AND FEDERAL LEGISLATION.

Heavy expenditures have been necessary, owing to the large number of different laws gotten up by State and Federal Governments with respect to different matters in connection with the operation of railroads, such as the full-crew bill and matters of a similar nature.

SIXTH—THE PRICE OF SUPPLIES, FUEL, EQUIPMENT, ETC., HAS CONSTANTLY BEEN INCREASING, REQUIRING HEAVY ADDITIONAL OUTLAYS TO TAKE CARE OF.

I read a short story not long ago, entitled "Keeping up With Lizzie." Lizzie had just returned home from college, and had ideas far in advance of her father's pocketbook. The father, being indulgent, endeavored to gratify his daughter's every wish. The neighbors in the little town in which Lizzie lived attempted to "keep up" with Lizzie, with the result that not only did Lizzie's father "go broke," but a large part of the community of that town as well, but finally Lizzie settled down and started life anew in keeping with her financial station. This is just what is happening to the railroads to-day. They are working on a frail and unstaple basis. The roads are ordered to do things they can ill afford, and the result, unless more funds are brought into the treasuries, will be the same as in the case of Lizzie and her neighbors, although much more far-reaching, for the reason that there are in the United States 1,699,218 persons employed by railroads, or about 1.8 per cent of our total population, according to the last census, who received $1,243,113,172, which represents 44.17 per cent of the gross earnings of the railways for 1912. However, counting families of employees, I should say fully 5,000,000 people are dependent on the railroads for support.

Unless revenues are increased commensurate with expenditures made, forces will of necessity have to be reduced, which means not only the throwing out of employment of a large number of men, but untold suffering on the part of families of those men dependent upon the railroads for their livelihood. I think some one should come forward with an unrefutable argument as to why the railroads should not be granted an increase in freight rates—certainly those that are the heavy shippers and who use the railroads the most are not the ones that are contending the railroads should not receive more revenue for their service, and those that are opposing the increases asked for are not now and will not be the ones to administer to the needs of the unemployed should the railroads be compelled to reduce forces.

—

EDITOR FAVORS ADVANCE.

The editor of the Baltimore Sun, in a telegram to the Record, thus gives his chief reason why freight rates should be advanced:

"Figures show that money invested in railways in the last three years has not earned a fair rate of interest, that under these conditions railroads can not get money for needed extensions and betterments, and that until they do get that money the public will suffer."

—

Officials close to the White House assert their belief that ere long President Wilson will express himself as favoring the proposed increase in freight rates.

—

W. D. Baldwin, of the Otis Elevator Co., New York City, declares that the increase in freight rates is needed to restore normal conditions of prosperity in this country.

—

In response to many requests, the members of the Central Passenger Association have decided to restore homeseekers' rates.

—

THE RAILWAY RECORD:

This important question of "raising freight rates," a short phrase of three words, means considerably more to the railroads than is generally surmised at a glance; in fact, much more to them than the high cost of living does to each individual employee. The continuous clamor for increase in salary by all classes of railroad employees, the thousands of losses occasioned by careless employees, and an inconsiderate general public, and the steady rise of interest on money that the railroads must have to tide them over difficulties or to enable them to undertake new propositions, will soon make increased rates an absolute necessity.

It is with pleasure that I look upon articles in the Record telling that the New York Chamber of Commerce and the National Boot & Shoe Manufacturers' Association favor the proposed increase in freight rates, and with regret and disgust upon the numerous cancellations of tariffs that were to have brought us an increase in freight rates this month. But, like many other important proposals, the increase question is confronted with barriers in form of men, many of whom know little or absolutely nothing about the railroads and who do not stop to consider the other fellow's side of the story. I sincerely hope that the proposed increase in freight rates will be granted.

J. B. JISKRA, Jr.,
Agent Chicago & Alton Railroad.

Coal City, Ill., January 21, 1914.

—

A DIVISION FREIGHT AGENT GIVES HIS VIEWS ON THE RATE QUESTION.

[By R. M. Bacheller, division freight agent, A., T. & S. F. Ry., St. Joseph, Mo.]

"A change comes o'er the spirit of our dreams."

A wise man from the east has waved his wand and worked wondrous changes in our political economy. The American manufacturers and business men have quickly adjusted themselves to these sudden changes—some of which are of a fundamental nature.

In no country in the world, and certainly never before in our own history, has such adjustment been so rapid.

It takes no prophet nor son of a prophet to predict that soon every obstacle to progress of business will have been removed, and then nothing can stop the most wonderful expansion of business except a poor system of distribution of our natural and manufactured products.

A poor circulation in the individual, a poor system of circulation of our currency, goes to the heart of matters and cripples our energies. When the great arteries of trade are clogged and congested by improper facilities our industrial progress is halted.

It is a waste of time to dwell on the unfair treatment meted out to the transportation lines.

For instance, suppose it may be admitted that a few railroads have done some things they ought not to have done and left undone some things they should have done, the guilty ones have suffered severely, but why punish all the railroads for the acts of the few.

Laws safeguarding the public against similar acts of commission or omission have been passed or are in process of passage, so that the time has arrived for making it possible for the carriers to secure money with which to extend and improve, so that when the big rush of business comes (and it is nearly in sight) they may be able to handle it with reasonable dispatch and not be compelled to put a crimp in business.

If this is not done speedily I have vision of factory products all over this country piled high in the back yards; of wheat and corn and hay left adjacent to the railroad track, all waiting for transportation; of fruit rotting on the trees and of delays to meat and provisions sufficient to cause famine and distress in some isolated communities.

Where will the responsibility rest? Who will be blamed?

"A change comes o'er the spirit of our dreams," and I can see some States offering every possible encouragement for extensions and improvements of railroad facilities.

They will realize only too late that slight raises in rates affects nobody appreciably, but it will take time to make the needed changes and then the mistakes will loom big upon the horizon.

EXHIBIT C7.

AGITATION BY BUSINESS ASSOCIATIONS, BOARDS OF TRADE.

Various business associations and boards of trade have been very active in spurring on their members to action. The Illinois Manufacturers' Association is a very good example. The Greater Dayton Association, of Dayton, Ohio, was also active in this kind of work, and following this sheet is a letter from that association to the Interstate Commerce Commission inclosing au-

swers which they had received from members of their organization with reference to the 5 per cent rate advance. There are many examples like this which might be cited, but this is a typical illustration.

DAYTON, OHIO, *February 17, 1914.*

RE 5 PER CENT ADVANCE IN FREIGHT RATES.

Mr. GEORGE B. MCGINTY,
Secretary Interstate Commerce Commission,
Washington, D. C.

DEAR SIR: The application on the part of the carriers in official classification territory for permission to advance their rates horizontally 5 per cent has been the subject of much thought by a number of our members. Some seem to be of the opinion that the association should go on record as favoring the advance; others incline to the opinion that as an association this should not be done; and as a solution of the matter and to secure some definite information as to the general sentiment toward the proposed 5 per cent advance, 56 letters were addressed to as many of our local interests representing the various lines of trade. In our inquiry we stated that, inasmuch as Dayton parties had not applied to the commission for leave to appear at any of the hearings, the Interstate Commerce Commission might be pleased to know what this particular industrial community thought of the situation.

To the 56 letters we received but 17 replies, 13 of which approved of the advance, 2 opposed it, setting forth their reasons, and 1 is noncommittal. These replies are submitted in the original for such use as the commission may deem fit and proper.

Very truly, yours,

THE GREATER DAYTON ASSOCIATION,
R. M. ROBINSON, *Traffic Manager.*

—

PIQUA, OHIO, *February 9, 1914.*

Mr. R. M. ROBINSON,
Dayton, Ohio.

DEAR SIR: Replying to your circular letter of January 28, regarding 5 per cent advance in freight rates, we are free to admit that in a great many cases the railroads are entitled to the 5 per cent advance in rates, but on the other hand, we also feel that there should be some readjustment of classifications, and this stands out very prominently in our business, for the reason that hardwood logs and hardwood lumber come under the same classification, yet there is a vast difference in the value, and, as an illustration, we might say, in shipping a carload of walnut or mahogany lumber the value is such that the sixth-class rate does not work any hardship on us, while, on the other hand, when we ship a carload of small, rough walnut logs and have to pay the same sixth-class rate it is quite a hardship, and in a great many cases makes it prohibitive for us to do business in certain localities, so we should say that we really favor revisions in classifications, on some commodities up and on others down, so as to put the business on a more equal basis.

Yours, truly,

GEO W. HARTZELL,
Per J. C. RODAHAFFER,
Sales Manager.

—

DAYTON, OHIO, *January 31, 1914.*

The GREATER DAYTON ASSOCIATION,
Traffic Department, Dayton, Ohio.

GENTLEMEN: We have your letter of the 28th, referring to an advance in freight rates. We are absolutely opposed to any advance in freight rates. We believe the railroads can earn a fair return on actual investments and still have money left to make needed improvements. If we are mistaken in this, we believe it is up to the railroads to show us where we are wrong. If this 5 per cent increase is granted, what guarantee have we that the interest charges of the roads will not be increased by some method of high finance?

If any industrial concern wants to borrow money, they usually produce a statement showing their actual assets and liabilities. About all anyone can get from the railroad is a statement of their outstanding obligations in shape of stocks and bonds and other indebtedness.

If any railroad is so water-logged that it can not pay operating expenses, we think a receivership would be better in the long run than to merely put off the day of reckoning by increasing freight rates.

Very truly, yours,

THE CAPPEL FURNITURE CO.,
H. F. CAPPEL, *Secretary.*

—

DAYTON, OHIO, *January 29, 1914.*

Mr. R. M. ROBINSON,
Traffic Manager, Greater Dayton Association, Dayton, Ohio.

DEAR SIR: We have your favor of the 28th instant referring to the 5 per cent advance in freight rates in certain territory now under consideration by the Interstate Commerce Commission and asking for expressions from members of your department on the subject.

In view of the recent change in the classification of bicycles, which amounts to practically a 5 per cent advance in cost of transportation over the previous classification, a further advance of 5 per cent on the freight rate of this commodity, which represents quite a large proportion of our outgoing shipments, would virtually place upon us a burden of a 10 per cent advance on this part of our business, and on this account we are naturally strongly opposed to the increase.

In our sewing-machine business we are forced by competition to very small margins, and are compelled to make deliveries to customers on a large percentage of our sales. If our margins should be cut by a further increase of 5 per cent on the cost of such deliveries, and, in addition, the same increase must be paid by us on all our incoming shipments of raw materials, etc., the effect will be serious. We have no means of protecting ourselves or increasing our profits to cover such advances and have already used all possible means for reduction of the production cost, so that it seems to be out of the question to expect that we will be able to make any changes in that direction that will assist in taking care of this advance.

We feel, therefore, that instead of the railroads being permitted by the Interstate Commerce Commission to make a horizontal advance in all freight rates, and thus imposing a serious burden upon manufacturers who are situated as we are, the railroads should be required to deal with the problem which it is claimed they have to meet by inaugurating methods of greater economy and efficiency, and thereby restore their working profits to the proper point where this condition does not now exist.

We believe that a comparison between the efficiency and economical operation of the American railroads with those of other countries shows that there is great opportunity for improvements in these respects and that it is entirely within the power of the railroads themselves to obtain an increase in their net earnings fully equal to the amount that would be represented by the recent increase asked for without imposing a further burden upon manufacturers and shippers.

Very truly, yours,

THE DAVIS SEWING MACHINE CO.,
J. B. PARMELEE, *Secretary.*

—

DAYTON, OHIO, *February 7, 1914.*

The GREATER DAYTON ASSOCIATION,
Dayton, Ohio.

GENTLEMEN: Re 5 per cent advance in freight rates, the writer is optimistic at all times, but it can not be denied that when the railroads cease buying a depression of business exists throughout the country.

That this condition exists now goes without saying. The railroads are not buying, and while many of them need new and additional equipment, it is evident they are playing a waiting game. In the meantime many concerns are suffering for business, and while an increase in freight rates will no doubt work a hardship on some, the writer can not see how it will greatly affect the manufacturer and merchant in general.

It appears to be the general opinion that business will start booming the minute the 5 per cent advance takes place, and unless the Interstate Commerce Commission can find good and a sufficient number of reasons why the request should not be met, we heartily indorse the advance and will cheerfully pay the increase.

Yours, very truly,

THE GRAVES & MARSHALL CO.,
Per GEO. W. MARSHALL,
Secretary and Treasurer.

—

DAYTON, OHIO, *February 4, 1914.*

R. M. ROBINSON,
Traffic Manager, The Greater Dayton Association,
Dayton, Ohio.

DEAR SIR: Re 5 per cent advance in freight rates, in view of the demands that are being made on the railroads, both from a legislative and service standpoint—in view of the increased cost of labor—we are of the opinion that the application made by the steam carriers operating in the territory east of the Mississippi and north of the Ohio for permission to make a 5 per cent advance in freight rates, should receive not only the indorsement of the Interstate Commerce Commission but also of the shippers.

In so doing the railroads will be warranted to make the improvements which they have underway, to complete those which they have started, to improve their facilities and likewise their service, and by so doing the public will be directly benefited.

While it may be true that it will in some instances create a hardship on the part of some shippers, yet by the large majority it will not be felt, while to the railroads it will prove of wonderful assistance.

Briefly, we are in favor of giving the railroads permission which they seek in the above request.

Yours, very truly,

THE EGRY REGISTER CO.,
MILTON STERN,
General Manager.

—

DAYTON, OHIO, *January 31, 1914.*

Mr. R. M. ROBINSON,
Traffic Manager the Greater Dayton Association, City.

DEAR SIR: Your favor of January 28, relative to the 5 per cent increase in official classification rates. We would not object so much to the increase if the service was improved accordingly. We have the misfortune to be located on the Cincinnati, Hamilton & Dayton tracks, which is enough to leave a question in our minds if the world is really growing better.

Yours, truly,

THE W. P. CALLAHAN CO.,
S. V. HOLMES.

—

DAYTON, OHIO., *January 30, 1914.*

Mr. R. M. ROBINSON,
Traffic Manager the Greater Dayton Association,
Dayton, Ohio.

DEAR SIR: Acknowledging your communication of the 28th with regard to the 5 per cent advance in freight rates, we beg to state that from our viewpoint we are heartily in favor of this increase. It is true it is 5 per cent, and 5 per cent counts for something, but distributed, as it will be, to ever so many different industries, it surely can not work a hardship on anyone, and may afford the railroad companies much needed relief. We must admit that material costs have advanced, that labor costs have advanced, and the construction of proper terminals in large cities is an expensive proposition, and this slight increase can only help them to bear this increased burden.

We must, therefore, lend our indorsement in this direction.

Yours, very truly,

THE COMPUTING SCALE CO.,
GEO. W. KEPLER,
General Manager.

—

DAYTON, OHIO, *Friday, January 30, 1914.*

The TRAFFIC DEPARTMENT.
GREATER DAYTON ASSOCIATION,
Dayton, Ohio.

GENTLEMEN: Your letter of the 28th is received, and in reply would say that it is our conviction that the railroad companies are entitled to an advance of 5 per cent as asked for.

We feel that the railroad companies are entitled to the same consideration that other interests enjoy, and that they should be permitted to keep abreast of the continued advance of all kinds of commodities and the advanced cost of labor, in the same manner as any manufacturer is obliged to do.

The country should encourage the investment of money in railroad securities at a reasonable return. Unless there is a profit, railroad support would be withdrawn, and we feel that this would be a serious calamity to all lines of business in the United States.

Yours, truly,

THE DAYTON LUMBER & MFG. CO.

—

DAYTON, OHIO, *January 29, 1914.*

TRAFFIC DEPARTMENT, GREATER DAYTON ASSOCIATION,
Dayton, Ohio.

GENTLEMEN: Answering your letter of January 28, 1914, in reference to the application of the railroads to the Interstate Commerce Commission for an increase in freight rates, will say that while we appreciate all that may be said concerning extravagance and overcapitalization of the railroads, we believe that after taking all arguments and phases of the proposition into consideration that this increase should be granted. At the same time the rate of increase is granted there should be regulations enacted absolutely eliminating watering of stock and overcapitalization. Also regulations so that we may have no recurrence of acquisitions of subproperties at inflated prices, as in the case of the Frisco Railroad.

Very truly,

THE RIKE-KUMLER CO.,
F. H. RIKE, *President.*

—

FIVE PER CENT ADVANCE IN FREIGHT RATES.

DAYTON, OHIO, *January 29, 1914.*

R. M. ROBINSON,
Traffic Manager Greater Dayton Association, Dayton, Ohio.

DEAR SIR: We are heartily in favor of this advance, believing that if this advance would go into effect it would encourage the railroads, and they would place large orders for material, thus stimulating the trade of the whole country. We believe they are entitled to this advance, and believe the association should go on record at an early date favoring same.

Yours, very truly,

BUCKEYE IRON & BRASS WORKS,
W. B. ANDERSON, *Secretary.*

—

DAYTON, OHIO, *January 29, 1914.*

The GREATER DAYTON ASSOCIATION,
Mr. R. M. Robinson, Traffic Manager, Dayton, Ohio.

GENTLEMEN: Answering your letter of the 28th instant in reference to the 5 per cent advance in freight rates asked by steam carriers, we wish to go on record as being in favor of this advance and sincerely hope that it will be granted by the Interstate Commerce Commission at a very early date.

It is our belief that if this concession is granted the railroads it will have a most desirable effect on business and the money market.

Trusting this information is satisfactory, we are,

Yours, very truly,

THE BROWNELL CO.,
L. C. ALCOKE, *Treasurer.*

—

DAYTON, OHIO, *January 29, 1914.*

R. M. ROBINSON,
Traffic Manager, Greater Dayton Association,
Dayton, Ohio.

DEAR SIR: We have your circular letter of the 28th and note its contents, and in reply will say, we think that the transportation companies should be allowed to advance their rate in the district specified in your communication 5 per cent, as they have been compelled to advance the compensation to their laborers, trainmen, engineers, and firemen, and we believe it is no more than right that they should be made this slight difference in rate of freight in order to even up for their extra expense as stated above.

Very truly,

THE FLETCHER MANUFACTURING CO.

—

DAYTON, OHIO, *January 29, 1914.*

R. M. ROBINSON,
Traffic Manager, Greater Dayton Association,
Dayton, Ohio.

DEAR SIR: Answering your circular letter of the 28th instant, will say that the Dayton Spice Mills Co. is heartily in favor of an advance of 5 per cent in freight rates, as they believe that the railroads need it. We do not go into any extended explanation of our position at this time, as we suppose that a brief expression is all you desire.

Very truly,

THE DAYTON SPICE MILLS CO.,
F. W. DYE, *Secretary-Treasurer and General Manager.*

—

DAYTON, OHIO, *January 29, 1914.*

Mr. R. M. ROBINSON,
Traffic Manager, Greater Dayton Association, City.

DEAR SIR: Increase in price on Hocking, West Virginia, and Pocahontas coal from summer to winter prices is from 25 to 75 cents per net ton, very largely caused from scarcity of cars at mines.

If the 5 per cent advance in freight rates will put cars and motive power on a 100 per cent basis we are in favor of it.

Very truly, yours,

THE OTIS F. LAKE COAL & ICE CO.

—

ADVANCE IN FREIGHT RATES.

DAYTON, OHIO, *January 29, 1914.*

Mr. R. M. ROBINSON,
Traffic Manager, Greater Dayton Association,
Dayton, Ohio.

DEAR SIR: Yours 28th. We are not sufficiently well informed upon the subject. We know, of course, there has been more or less agitation, but have paid little attention.

We have no information concerning the railways' side of the question—the reasons for an advance—except their contention that the cost of transportation is much greater than when the present schedules went into effect.

Upon general principles, and particularly at this time, when business of all kinds is much below normal, we would not favor advances of any kind.

Yours, very truly,

THE CRAWFORD MCGREGOR & CANBY CO.,
W. J. BLAKENEY, *Secretary-Treasurer.*

EXHIBIT C8.

LABOR ORGANIZATIONS ALSO PETITIONED FOR THE RATE INCREASE.

Several petitions were received from labor organizations dependent directly or indirectly upon the railroads for employment. This sort of agitation is not so pronounced as was to be expected, considering frequent press reports as to the hundreds of thousands out of employment.

GALETON, POTTER COUNTY, PA., *December 8, 1913.*

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: I am inclosing you a petition of the employees of the Buffalo & Susquehanna Railroad, praying that this railroad be allowed to increase their freight rates.

Hoping that our petition may be granted,

Yours, very truly,

E. P. WALKER,
Sec.-Treas. B. & S. System Federation.

We, the undersigned employees of the Buffalo & Susquehanna Railroad shops at Galeton, Pa., do most earnestly petition the Interstate Commerce Commission that the Buffalo & Susquehanna Railroad, H. I. Miller, receiver, be allowed to increase the local freight and class rates, also rates on coal and coke. We do this of our own volition and with the hope that our petition may be granted.

Arthur Seal, C. G. Ambrose, L. Davis, Thomas A. Casey, Thomas Pearson, John F. Lyons, E. P. Walker, Geo. F. Avery, Fred Hagmann, D. C. Parry, George Fowler, W. E. Jones, R. G. Brownell, B. G. Larkham, James B. Harper, Wm. Head, Wm. Stimson, Chas. Reanck, W. C. Weir, C. W. Moyer, O. G. Packer, A. Bittner, John Kehrle, Wallace Thiele, Frank Carlson, George Paull, Wm. Richas, James Cole, Ben Fuhrer, Thomas Carroll, Carl Mosch, Albert Mosch, G. J. Spoor, Frank Mossmann, Geo. Schuhmocher, T. M. Garrity, Earl W. Playfoot, Robt. Linan, Roy Lockwood, F. H. Ingraham, Morris Richar, C. Daucaugilo, Wm. Hichar, B. H. Rutherford, C. Joslin, John Yardlay, Thomas Gratton, Gus Damiano, Searl Holmes, John Merz, Angelo Dandrea, Robert Eyler, David Yardlay, Tony Dandrea, Maurice Damiano, Arthur Laberger, B. R. Laighedge, Adam Lut, F. N. Casey, John McIntyre, Simon McIntyre, Dan Goodurn, Frank Goodurn, Louis Prosser, D. B. Shine, C. H. Bartlett, G. A. McIntosh, O. L. Inseho, Jacob Vronch, jr., Basil L. Rose, Ralph Crippen, A. Richardson, Thos. Lyons, Harry Spiegel, Thomas Loucks, Wm. Turner, John Parker, Peter Crosetto, Leon Hemmer, H. M. Kester, Ray Hill, Don. Near, B. F. Knowles, Chas. Near, Chas. Stetz, William Fuhrer, George Kohler, Chas. Grattan, Chas. Imrolonrg, C. K. Lattwep, Emil Echr, John Goerg, Chas. Kekriey, Paul H. Kester, E. D. Davis, J. A. Lind, Geo. Cady.

—

APRIL 16, 1914.

To the honorable INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: The following organizations, representing the industries in the printing trades in the city of Chicago and vicinity—

Typographical Union No. 16;
Pressmen's Union No. 3;
Franklin Union, No. 4, I. P. & A. U.;
Photo Engravers' Union No. 5;
Blank Book Binders' and Paper Cutters' Union No. 25;
Electrotypers' Union No. 3—

in joint conference assembled, respectfully submit to your honorable body that—

"Whereas an unprecedented depression has thrown out of employment large numbers of workers in the printing industry here, which represents 22,300 wage earners, and has otherwise depressed the printing trade; and

"Whereas this depression is directly traceable to the restriction in railway service, due, it is declared, to the inability of the railroads to maintain their normal service under present freight rates; and

"Whereas individual physical suffering on the part of a large number of wage earners and mental anxiety, due to uncertainty of the future, demands immediate relief: It is, therefore,

"*Resolved*, That we, as wage earners, respectfully represent to you the honorable Interstate Commerce Commission the loss and suffering entailed by withholding the authorization for increase in freight rates requested by the railroads is destructive and demoralizing, and that whatever causes may have urged the withholding of the authorization to advance railroad rates 5 per cent, the burden now falls heavily upon the printing industry workers in this city and among the vast number of workers in other industries, and earnestly urge relief from distresses from which we and the workers in other industries are suffering."

Respectfully submitted,

Typographical Union No. 16, Walter W. Barrett, president; Michael Colbert, secretary; Pressmen's Union No. 3, Chas. E. Sangwin, president; Franklin Union, No. 4; I. P. & A. U., Harry Muss, jr., president; L. S. Mills, secretary; Photo Engravers' Union No. 5, Rudolph Clemens, president; J. H. Schussler, secretary; Blank Book Binders' and Paper Cutters' Union No. 25, John R. Fitzgibbon, president; C. J. Pickthall, secretary; Electrotypers' Union No. 3, Henry D. Frank, president.

—

ALBANY, N. Y., *January 30, 1914.*

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: The following resolutions were adopted at the twenty-fifth annual session of the Congress of the Knights of Labor, held at

Albany, N. Y., January 13, 14, and 15, 1914, and a copy thereof ordered transmitted to your commission:

"Whereas through the operation of full-crew laws, the recent decision of the arbitration board, and the increase awarded the engineers and firemen in 1913 has increased railroad expenses more than $10,000,000 annually; and

"Whereas it is impossible for the railroads to increase freight and passenger rates without the authority of the Interstate Commerce Commission or of the railroad commissions of the various States; and

"Whereas to meet increased expenses the railroads must have more money, and they can get that only through earning it, and they can not earn it unless they are permitted to advance rates: Therefore be it

"*Resolved*, That we believe the Interstate Commerce Commission should treat the railroads fairly, and that the 5 per cent freight rate increase asked for by the railroads is fair and should be granted.

"*Resolved*, That the secretary be, and he is hereby, directed to transmit a copy of these resolutions to the Interstate Commerce Commission."

Respectfully, yours,

THE CONGRESS OF THE KNIGHTS OF LABOR.
[SEAL.] J. R. MANSION, *Secretary-Treasurer.*

EXHIBIT D.

BOARDS OF TRADE, CHAMBERS OF COMMERCE, MANUFACTURERS' ASSOCIATIONS, AND SIMILAR BODIES SENT HUNDREDS OF RESOLUTIONS SEEKING TO INFLUENCE THE INTERSTATE COMMERCE COMMISSION IN THESE CASES.

Most of the resolutions which I now present express a clear and emphatic desire for the rate advance, and present a series of arguments why the signers should be allowed to pay increased freight rates. These arguments are merely a repetition of those advanced by the railroad officials and publicity bureaus. Most of these resolutions come from bodies which will be able to shift the advance rates to the consuming public and which now receive much free service from the railroads. In many cases copies of the resolutions were sent to each member of the commission to make sure of their influence being felt.

ILLINOIS MANUFACTURERS' ASSOCIATION,
Chicago, January 3, 1914.

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: Your attention is respectfully called to the action of the directors of the Illinois Manufacturers' Association taken at the regular monthly meeting held in Chicago January 2. Inclosed is a copy of the preamble and resolutions adopted at the meeting.

Very truly, yours,

JOHN M. GLENN, *Secretary.*

Resolutions.

Whereas the Interstate Commerce Commission is now giving consideration to the request of the railroads in official-classification territory that they be permitted to advance their rates uniformly 5 per cent;

Whereas your committee has given very careful consideration to the attitude which the Illinois Manufacturers' Association should adopt respecting this request;

Whereas your committee has after thorough investigation found: First, that conditions with the railroads have changed materially since our association successfully opposed the request for an advance in 1910; second, that the increase in wages granted through arbitration, the increase in taxes, the increased expenditure to insure greater safety to both the men and the public, and the increase caused by legislation of the full-crew type have so increased the operating expenses of the railroads in general that the net revenues are insufficient to provide for that degree of rehabilitation and extension of facilities which prompt and efficient service to the shipper demands; and

Whereas your committee is convinced that shippers can better afford to pay a uniform advance of 5 per cent than suffer in the future any impairment of railroad service: Now therefore be it

Resolved, That the Illinois Manufacturers' Association, through its board of directors, declare themselves in favor of granting the request for a uniform increase of 5 per cent of all rates in official-classification territory.

Resolved, That this increase be applied not to further wage advances, but to the rehabilitation and extension of facilities so that the present service to the shipper be maintained and improved.

Resolved, That a copy of these resolutions be sent to the members of the Interstate Commerce Commission, and that it be requested to reach a final determination of the question as speedily as possible.

ILLINOIS MANUFACTURERS' ASSOCIATION,
Chicago, January 3, 1914.

Hon. EDGAR E. CLARK,
Interstate Commerce Commission, Washington, D. C.

DEAR SIR: Your attention is respectfully called to the action of the directors of the Illinois Manufacturers' Association taken at the regular monthly meeting held in Chicago, January 2. Inclosed is a copy of the preamble and resolutions adopted at the meeting.

Very truly, yours,

JOHN M. GLENN, *Secretary.*

Resolutions.

Whereas the Interstate Commerce Commission is now giving consideration to the request of the railroads in official classification territory that they be permitted to advance their rates uniformly 5 per cent;

Whereas your committee has given very careful consideration to the attitude which the Illinois Manufacturers' Association should adopt respecting this request;

Whereas your committee has, after thorough investigation, found, first, that conditions with the railroads have changed materially since our association successfully opposed the request for an advance in 1910; second, that the increase in wages granted through arbitration, the increase in taxes, the increased expenditure to insure greater safety to both the men and the public, and the increase caused by legislation of the full-crew type have so increased the operating expenses of the railroads in general that the net revenues are insufficient to provide for that degree of rehabilitation and extension of facilities which prompt and efficient service to the shipper demands; and

Whereas your committee is convinced that shippers can better afford to pay a uniform advance of 5 per cent than suffer in the future any impairment of railroad service: Now, therefore, be it

Resolved, That the Illinois Manufacturers' Association, through its board of directors, declare themselves in favor of granting the request for a uniform increase of 5 per cent of all rates in official classification territory

Resolved, That this increase be applied not to further wage advances, but to the rehabilitation and extension of facilities so that the present service to the shipper be maintained and improved.

Resolved, That a copy of these resolutions be sent to the members of the Interstate Commerce Commission, and that it be requested to reach a final determination of the question as speedily as possible.

ILLINOIS MANUFACTURERS' ASSOCIATION,
Chicago, January 3, 1914.

Hon. JAMES S. HARLAN,
Interstate Commerce Commission, Washington, D. C.

DEAR SIR: Your attention is respectfully called to the action of the directors of the Illinois Manufacturers' Association taken at the regular monthly meeting held in Chicago January 2. Inclosed is a copy of the preamble and resolutions adopted at the meeting.

Very truly, yours,

JOHN W. GLENN, *Secretary.*

Resolutions.

Whereas the Interstate Commerce Commission is now giving consideration to the request of the railroads in official classification territory that they be permitted to advance their rates uniformly 5 per cent;

Whereas your committee has given very careful consideration to the attitude which the Illinois Manufacturers' Association should adopt respecting this request;

Whereas your committee has after thorough investigation found, first, that conditions with the railroads have changed materially since our association successfully opposed the request for an advance in 1910; second, that the increase in wages granted through arbitration, the increase in taxes, the increased expenditure to insure greater safety to both the men and the public, and the increase caused by legislation of the full-crew type have so increased the operating expenses of the railroads in general that the net revenues are insufficient to provide for that degree of rehabilitation and extension of facilities which prompt and efficient service to the shipper demands; and

Whereas your committee is convinced that shippers can better afford to pay a uniform advance of 5 per cent than suffer in the future any impairment of railroad service: Now, therefore, be it

Resolved, That the Illinois Manufacturers' Association, through its board of directors, declare themselves in favor of granting the request for a uniform increase of 5 per cent of all rates in official classification territory.

Resolved, That this increase be applied not to further wage advances, but to the rehabilitation and extension of facilities so that the present service to the shipper be maintained and improved.

Resolved, That a copy of these resolutions be sent to the members of the Interstate Commerce Commission and that it be requested to reach a final determination of the question as speedily as possible.

ILLINOIS MANUFACTURERS' ASSOCIATION,
Chicago, January 3, 1914.

Hon. CHARLES A. PROUTY,
Interstate Commerce Commission, Washington, D. C.

DEAR SIR: Your attention is respectfully called to the action of the directors of the Illinois Manufacturers' Association taken at the regular monthly meeting held in Chicago January 2. Inclosed is a copy of the preamble and resolutions adopted at the meeting.

Very truly, yours,

JOHN M. GLENN, *Secretary.*

Resolutions.

Whereas the Interstate Commerce Commission is now giving consideration to the request of the railroads in official classification territory that they be permitted to advance their rates uniformly 5 per cent;

Whereas your committee has given very careful consideration to the attitude which the Illinois Manufacturers' Association should adopt respecting this request;

Whereas your committee has, after thorough investigation, found, first, that conditions with the railroads have changed materially since our association successfully opposed the request for an advance in 1910; second, that the increase in wages granted through arbitration, the increase in taxes, the increased expenditure to insure greater safety to both the men and the public, and the increase caused by legislation of the full-crew type have so increased the operating expenses of the railroads in general that the net revenues are insufficient to provide for that degree of rehabilitation and extension of facilities which prompt and efficient service to the shipper demands, and

Whereas your committee is convinced that shippers can better afford to pay a uniform advance of 5 per cent than suffer in the future any impairment of railroad service. Now, therefore, be it

Resolved, That the Illinois Manufacturers' Association, through its board of directors, declare themselves in favor of granting the request for a uniform increase of 5 per cent of all rates in official classification territory;

Resolved, That this increase be applied not to further wage advances, but to the rehabilitation and extension of facilities so that the present service to the shipper be maintained and improved;

Resolved, That a copy of these resolutions be sent to the members of the Interstate Commerce Commission and that it be requested to reach a final determination of the question as speedily as possible.

ILLINOIS MANUFACTURERS' ASSOCIATION,
Chicago, January 3, 1914.

Hon. CHARLES C. MCCHORD,
Interstate Commerce Commission,
Washington, D. C.

DEAR SIR: Your attention is respectfully called to the action of the directors of the Illinois Manufacturers' Association, taken at the regu-

lar monthly meeting held in Chicago January 2. Inclosed is a copy of the preamble and resolutions adopted at the meeting.

Very truly, yours,

JOHN M. GLENN, *Secretary.*

Resolutions.

Whereas the Interstate Commerce Commission is now giving consideration to the request of the railroads in official classification territory that they be permitted to advance their rates uniformly 5 per cent;
Whereas your committee has given very careful consideration to the attitude which the Illinois Manufacturers' Association should adopt respecting this request;
Whereas your committee has, after thorough investigation, found, first, that conditions with the railroads have changed materially since our association successfully opposed the request for an advance in 1910; second, that the increase in wages granted through arbitration, the increase in taxes, the increased expenditure to insure greater safety to both the men and the public, and the increase caused by legislation of the full-crew type have so increased the operating expenses of the railroads in general that the net revenues are insufficient to provide for that degree of rehabilitation and extension of facilities which prompt and efficient service to the shipper demands; and
Whereas your committee is convinced that shippers can better afford to pay a uniform advance of 5 per cent than suffer in the future any impairment of railroad service: Now, therefore, be it

Resolved, That the Illinois Manufacturers' Association, through its board of directors, declare themselves in favor of granting the request for a uniform increase of 5 per cent of all rates in official classification territory;

Resolved, That this increase be applied not to further wage advances, but to the rehabilitation and extension of facilities, so that the present service to the shipper be maintained and improved;

Resolved, That a copy of these resolutions be sent to the members of the Interstate Commerce Commission, and that it be requested to reach a final determination of the question as speedily as possible.

—

ILLINOIS MANUFACTURERS' ASSOCIATION,
Chicago, January 3, 1914.

Hon. JUDSON C. CLEMENTS,
Interstate Commerce Commission, Washington, D. C.

DEAR SIR: Your attention is respectfully called to the action of the directors of the Illinois Manufacturers' Association, taken at the regular monthly meeting held in Chicago January 2. Inclosed is a copy of the preamble and resolutions adopted at the meeting.

Very truly, yours,

JOHN M. GLENN, *Secretary.*

Resolutions.

Whereas the Interstate Commerce Commission is now giving consideration to the request of the railroads in official classification territory that they be permitted to advance their rates uniformly 5 per cent;
Whereas your committee has given very careful consideration to the attitude which the Illinois Manufacturers' Association should adopt respecting this request;
Whereas your committee has, after thorough investigation, found, first, that conditions with the railroads have changed materially since our association successfully opposed the request for an advance in 1910; second, that the increase in wages granted through arbitration, the increase in taxes, the increased expenditure to insure greater safety to both the men and the public, and the increase caused by legislation of the full-crew type have so increased the operating expenses of the railroads in general that the net revenues are insufficient to provide for that degree of rehabilitation and extension of facilities which prompt and efficient service to the shipper demands; and
Whereas your committee is convinced that shippers can better afford to pay a uniform advance of 5 per cent than suffer in the future any impairment of railroad service: Now therefore be it

Resolved, That the Illinois Manufacturers' Association, through its board of directors, declare themselves in favor of granting the request for a uniform increase of 5 per cent of all rates in official classification territory.

Resolved, That this increase be applied not to further wage advances, but to the rehabilitation and extension of facilities, so that the present service to the shipper be maintained and improved.

Resolved, That a copy of these resolutions be sent to the members of the Interstate Commerce Commission, and that it be requested to reach a final determination of the question as speedily as possible.

—

ILLINOIS MANUFACTURERS' ASSOCIATION,
Chicago, January 3, 1914.

Hon. BALTHASAR H. MEYER,
Interstate Commerce Commission, Washington, D. C.

DEAR SIR: Your attention is respectfully called to the action of the directors of the Illinois Manufacturers' Association taken at the regular monthly meeting held in Chicago January 2. Inclosed is a copy of the preamble and resolutions adopted at the meeting.

Very truly, yours,

JOHN M. GLENN, *Secretary.*

Resolutions.

Whereas the Interstate Commerce Commission is now giving consideration to the request of the railroads in official classification territory that they be permitted to advance their rates uniformly 5 per cent;
Whereas your committee has given very careful consideration to the attitude which the Illinois Manufacturers' Association should adopt respecting this request;
Whereas your committee has after thorough investigation found; first, that conditions with the railroads have changed materially since our association successfully opposed the request for an advance in 1910; second, that the increase in wages granted through arbitration, the increase in taxes, the increased expenditure to insure greater safety to both the men and the public, and the increase caused by legislation of the full-crew type have so increased the operating expenses of the railroads in general that the net revenues are insufficient to provide for that degree of rehabilitation and extension of facilities which prompt and efficient service to the shipper demands; and
Whereas your committee is convinced that shippers can better afford to pay a uniform advance of 5 per cent than suffer in the future any impairment of railroad service: Now therefore be it

Resolved, That the Illinois Manufacturers' Association, through its board of directors, declare themselves in favor of granting the request for a uniform increase of 5 per cent of all rates in official classification territory.

Resolved, That this increase be applied, not to further wage advances but to the rehabilitation and extension of facilities so that the present service to the shipper be maintained and improved.

Resolved, That a copy of these resolutions be sent to the members of the Interstate Commerce Commission, and that it be requested to reach a final determination of the question as speedily as possible.

—

CHAMBER OF COMMERCE,
Birmingham, Ala., January 3, 1914.

Mr. G. B. MCGINTY,
Secretary Interstate Commerce Commission,
Washington, D. C.

MY DEAR SIR: Inclosed is a resolution adopted by the directors of the Birmingham Chamber of Commerce.

You will note that this resolution asks the Interstate Commerce Commission to grant the proposed increase in railroad freight rates in eastern territory.

Will you kindly see that this resolution is brought before the commission?

Thanking you, I am,
Sincerely, yours,

WM. C. RADCLIFFE,
General Secretary.

INCREASE IN RAILROAD FREIGHT RATES.

A resolution adopted by the directors of the Chamber of Commerce of Birmingham, Ala., December, 1913.

Whereas the railroads are the largest employers of labor and the largest purchasers of material in this country; and
Whereas the price of labor and material has been steadily advancing, and in all apparent probability will continue to advance; and
Whereas the demands of the public and the necessities of commerce are constantly calling for additional facilities and extensions, as well as the construction of new lines into undeveloped territory; and
Whereas the margin of profit has been steadily decreasing, owing to the causes above enumerated; and
Whereas the eastern railroads have united in a request for an increase in freight rates of 5 per cent; and
Whereas we believe that this request is reasonable and warranted, and that the granting of the request will greatly revive and stimulate trade and commerce and will at the same time give additional credit to the railroad interests, so that they will be able to adequately finance contemplated betterments and extensions: Now therefore be it

Resolved by the board of directors of the Chamber of Commerce of the city of Birmingham, Ala., That we do respectfully petition and recommend to the Interstate Commerce Commission that the pending petition for an increase in railroad freight rates be granted.

—

THE LIMA PROGRESSIVE ASSOCIATION,
Lima, Ohio, January 3, 1914.

Hon. E. E. CLARK,
Chairman Interstate Commerce Commission,
Washington, D. C.

DEAR SIR: At the regular meeting of this organization, held last evening, the following resolution was adopted:

"*Resolved*, That the Lima Progressive Association, of Lima, Ohio, wishes to be placed on record as in favor of a reasonable increase of railroad freight rates, same being warranted by the increased cost of operation, and advisable because it will result in more railroad construction, better accommodation, and safer transportation."

Yours, very respectfully,

W. M. COONEY, *Secretary.*

—

BOARD OF TRADE OF THE CITY OF CHICAGO,
Chicago, January 14, 1914.

Hon. E. E. CLARK,
Chairman Interstate Commerce Commission,
Washington, D. C.

MY DEAR MR. CLARK: Inclosed please find a copy of resolution adopted by the directory of this board at its regular meeting held yesterday.

It was voted that the secretary mail a copy of the same to the Interstate Commerce Commission.

Respectfully, J. C. F. MERRILL, *Secretary.*

The following action was taken by the board of directors of the Board of Trade of the city of Chicago at its meeting held on January 13, 1914:

The transportation committee unanimously recommends to the honorable board of directors the adoption of the following resolution and its transmission to the honorable Interstate Commerce Commission:
Whereas this committee recommend that the carriers be allowed a uniform advance of 5 per cent in rates for the purpose of furnishing increased transportation facilities and more adequate service; and
Whereas the honorable board of directors adopted such resolutions on November 25, 1913, and transmitted same to the honorable Interstate Commerce Commission: Therefore be it

Resolved, That this committee now recommend to the honorable board of directors that it invite the attention of the honorable Interstate Commerce Commission to the resolutions hereinbefore referred to and respectfully urge that a decision of the question be rendered at the earliest possible date, because the uncertainty has the effect of unsettling business, and an early determination of this question will remove the uncertainty and aid the resumption of normal business conditions.

—

BOARD OF TRADE,
Lancaster, N. Y., January 14, 1914.

Hon. E. F. CLARK,
Chairman Interstate Commerce Commission,
Washington, D. C.

DEAR SIR: The following resolution was adopted at the meeting of the Lancaster Board of Trade held January 13, 1914:

"*Resolved*, That the Lancaster Board of Trade records itself as in favor of the application of the railroads for a reasonable increase of freight rates; that in our opinion such increase is necessary on ac-

count of business conditions and increased cost of operation, and that it is advisable because it will result in better railroad accommodations, more railroad construction, and safer transportation."

Yours, very truly,

E. GURSELL, *Secretary.*

—

ROANOKE, VA., *January 14, 1914.*

SECRETARY OF INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

DEAR SIR: At a regular meeting of the Retail Merchants' Association of Roanoke, Va., January 13, 1914, the inclosed resolution, which explains itself, was unanimously passed.

Yours, respectfully,

M. M. RAMSEY,
President Retail Merchants' Association.

Whereas the public are demanding, and should demand, of railroads the highest standard of efficiency and safety for both passenger and freight traffic by adding the very latest appliances and providing modern equipment for the comfort and convenience of the public; and

Whereas there has been in the past few years a general advance in the prices of all commodities, including materials, labor, etc., used in the operation and maintenance of said railroads: Therefore be it

Resolved by the Retail Merchants' Association of the city of Roanoke in meeting assembled, That it is our opinion that the railroads should be permitted to advance rates 5 per cent in official classification territory, as asked for, and that we believe it would be to the mutual advantage of both the carriers and the public.

Resolved further, That a copy of this resolution be given to the public press and the Interstate Commerce Commission, Washington, D. C.

—

ROANOKE, VA., *January 15, 1914.*

SECRETARY OF INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

DEAR SIR: The undersigned has been directed to transmit to you a copy of the inclosed resolution, which we trust will receive due consideration at the hands of the commission.

Yours, very truly,

JOBBERS AND MFRS. ASSOCIATION,
By JAS. F. LEE, *President.*

Whereas railroads must maintain a high state of efficiency for the safety of both passenger and freight traffic by adding appliances and improved equipment; and

Whereas there has been in the past few years a general advance in the price of all commodities, including material, labor, etc., used in the operation and maintenance of said railroads: Therefore be it

Resolved by the Jobbers and Manufacturers' Association of Roanoke, Va., That the petition of the carriers in official classification territory to advance freight rates 5 per cent be granted, and that a copy of this resolution be given the public press, as well as sent to the secretary of the Interstate Commerce Commission at Washington.

JOBBERS AND MFRS. ASS'N OF ROANOKE, VA.,
By JAS. F. LEE, *President.*

—

CHAMBER OF COMMERCE,
Lynchburg, Va., January 16, 1914.

Secretary INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

DEAR SIR: Beg to attach herewith copy of a resolution unanimously adopted by the chamber of commerce of this city at the last meeting of the board of directors, held Tuesday, January 13, for your information.

Yours, very truly, ERNEST WILLIAMS, *President.*

Realizing fully the great importance of having the railroads of the country operating on a basis consistent with sound business principles, and feeling that the request made by the railroads of the country for a 5 per cent advance in freight rates to be fair and just, in consideration of existing conditions, the board of directors of the chamber of commerce, after a full discussion of the matter in a recent meeting, passed unanimously the following resolution:

"Whereas railroads must maintain a high state of efficiency for the safety of both passenger and freight traffic by adding appliances and improved equipment; and

"Whereas there has been a general advance in the price of all commodities and an increase in the cost of raw materials; and

"Whereas the advanced wage scale demanded has been granted to various employees: Therefore, be it

"Resolved by the board of directors of the Lynchburg Chamber of Commerce, That the petition of the carriers in official classification territory to advance freight rates 5 per cent be granted, and that a copy of this resolution be given the public press, as well as sent to the secretary of the Interstate Commerce Commission at Washington."

—

LA FAYETTE, IND., *January 16, 1914.*

INTERSTATE COMMERCE COMMISSION, *Washington, D. C.*

GENTLEMEN: At a meeting of the board of directors of the La Fayette Chamber of Commerce, Wednesday, January 14, the following resolution was unanimously adopted:

"Resolved, That the La Fayette Chamber of Commerce respectfully petitions the Interstate Commerce Commission to grant the request of the railroads for a 5 per cent increase in freight rates during such time as will, in the judgment of the commission, enable the railroads to make their necessary improvements, thereby contributing greatly to the welfare of the country. It is the sense of this chamber of commerce that the increase in freight rates will not place a burden of any appreciable extent on any customer, and that the granting of the request will give a stimulus not only to the railroads but to its allied industries and the country at large."

Very truly, yours,

LA FAYETTE CHAMBER OF COMMERCE,
ALBERT V. WEIGEL, *Secretary.*

—

NEW YORK, *January 19, 1914.*

To the INTERSTATE COMMERCE COMMISSION.

GENTLEMEN: Immersed in very absorbing investigations, perhaps, it has not occurred to you that at the moment your nonaction in the 5 per cent case is the one great obstacle to the continuance of the growing financial millennium.

Perhaps it has not occurred to you that an announcement something like the following would be hailed with almost universal approval:

Whereas it is quite evident that railroad-operating expenses are increasing much more rapidly than gross income; and

Whereas an increase in rates will probably increase general business to such an extent that the rate increase will be unfelt; and

Whereas many shippers are heartily in favor of said increase: Therefore be it

Resolved, That the railroads petitioning are hereby allowed to increase said rates — per cent temporarily, the actual formal award to be made at the close of the present investigation.

The action of your commission in selecting one Brandies as your counsel has given your investigation the appearance rather of a prosecution, and has earned for your commission much criticism. Any action similar to that indicated above would go far to win what everyone desires—public approval.

Yours, truly,

JOHN W. BELCHER.

—

NEW YORK, *January 20, 1914.*

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: At a meeting of the Hide and Leather Association of New York and Vicinity, held in the city of New York, January 13, 1914, the following resolution was unanimously adopted:

Whereas the value of the Nation's farm products during the year 1913 reached unparalled totals and the export trade of the United States in those staples touched figures never before attained, and further, the balance of trade in favor of this country is a large one, we are nevertheless at the beginning of the year 1914 facing an unusual condition where, in accordance with statements of the Department of Commerce and Labor, the percentage of unemployed labor is the greatest that it has been in seventeen years, and business in general throughout the United States is in a depressed condition; and

Whereas the money resources of this country are greater than they have been heretofore nevertheless all manufacturing industries are lagging, brought about by a lack of confidence and the fear that the railroad systems will not be in a position of keeping up their properties to the highest state of efficiency; and

Whereas, furthermore, the Hide and Leather Association of New York and Vicinity represents solely and purely commercial interests that pay freight to the railroads for carrying their goods, the members of said association are heartily in favor of paying and acquiescing in the advance asked for by the eastern railroads and feel that until such time as a decision is reached that business will continue in a depressed state and that the percentage of unemployed labor will constantly increase: Therefore be it

Resolved, That the Hide and Leather Association of New York and Vicinity and the members thereof acquiesce without prejudice in the advance in rates if found necessary by the commission in order to provide business with efficient service, and furthermore, be it

Resolved, That the Hide and Leather Association of New York and Vicinity urges the members of the Interstate Commerce Commission to decide the case before them with the least possible delay so that if they see fit to grant the increase asked for general business may speedily have the stimulating influence of vigorous railway purchases, and that the percentage of unemployed may be quickly thereby decreased.

Respectfully, yours,

HIDE AND LEATHER ASSOCIATION OF NEW YORK AND VICINITY,
CHAS. A. SCHIEREN, Jr., *President.*
HARRY S. AARON, *Secretary.*

—

KANE, PA., *January 20, 1914.*

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: At a meeting of the Kane Board of Trade, January 9, 1914, the following resolution was presented and adopted.

"Resolved, That the Kane Board of Trade of Kane, Pa., representing 7,000 persons whose shipments, inbound and outbound, amount to 1,000 tons daily, favor the granting of the increase of 5 per cent in freight rates asked for by the railroads of the eastern district."

Respectfully, yours,

KANE BOARD OF TRADE,
W. W. MCDADE, *Secretary.*

—

WELLSVILLE BUSINESS MEN'S ASSOCIATION,
Wellsville, N. Y., January 20, 1914.

Hon. E. E. CLARK,
Chairman Interstate Commerce Commission,
Washington, D. C.

DEAR SIR: At a meeting this morning of the directors of our business men's association, in conjunction with the leaders in our manufacturing and mercantile community, the following resolution was unanimously adopted:

"Resolved, That it is our judgment that the application of the railroad companies for a reasonable increase of freight rates in consistent and fair; that in our opinion the increase in cost of operation entirely justifies the slight increase for which your body are asked to grant permission."

We believe the granting of such application will be entirely reasonable, and that it is directly in the interest of the business prosperity of our entire country.

Yours, very truly,

GEO. C. ROSA,
Vice President.
THOS. O'CONNOR,
Secretary.

—

CHAMBER OF COMMERCE,
Roanoke, Va., January 21, 1914.

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: We beg to inclose herewith copies of resolutions passed by the Chamber of Commerce and the Jobbers and Manufacturers' As-

sociation, of Roanoke, Va., with regard to the proposed 5 per cent increase in freight rates by the railroads.

Very truly, yours, JOHN WOOD, *Secretary.*

Whereas railroads must maintain a high state of efficiency for the safety of both passenger and freight traffic by adding appliances and improved equipment, and

Whereas there has been a general advance in the price of all commodities and an increase in the cost of raw materials, and

Whereas the advanced wage scale demanded has been granted to various employees: Therefore be it

Resolved by the Chamber of Commerce of Roanoke, Va., That the petition of the carriers of official classification territory to advance freight rates 5 per cent be granted, and that a copy of this resolution be given the public press as well as sent to the Secretary of the Interstate Commerce Commission at Washington.

CHAMBER OF COMMERCE OF ROANOKE, VA.
By JOHN WOOD, *Secretary.*

—

NATIONAL BOOT AND SHOE MANUFACTURERS ASSOCIATION OF THE UNITED STATES,
New York, January 21, 1914.

Mr. G. B. MCGINTY,
Secretary Interstate Commerce Commission,
Washington, D. C.

DEAR SIR: At the convention of our association held at the Hotel Astor, New York City, January 14, the inclosed resolution was unanimously adopted, and I was instructed to communicate the same to your honorable body, believing that you desire to keep in touch with public sentiment upon matters that come within your jurisdiction.

Cordially,

SOL WILE.

Whereas the transportation system of the country is developing at a retarded pace, and the consequent depression in the basic iron, steel, and other industries has become a leading, if not the determining, factor in the general business recession; and

Whereas the eastern railroads have asked the Interstate Commerce Commission for permission to advance their rates and have made a very impressive showing of their need of additional revenue: Therefore be it

Resolved, That the National Boot and Shoe Manufacturers' Association believes that railway facilities should be developed in anticipation of traffic demands, that no artificial restriction in the form of inadequate rates should be placed upon railway growth, and that the business men of the country will acquiesce without prejudice in an advance in rates if found necessary by the commission in order to provide business with efficient service.

Resolved, That we urge the commission to decide the case with all reasonable celerity, so that if the advance is to be granted general business may speedily have the stimulating influence of vigorous railway purchases.

—

BOARD OF TRADE,
Passaic, N. J., January 22, 1914.

Mr. CHARLES C. MCCHORD,
Interstate Commerce Commission, Washington, D. C.

DEAR SIR: As a result of a referendum held recently among the members of the Passaic Board of Trade, on the question of the increase of freight rates in official classification territory, 214 votes were cast in favor of the increase and only 9 against.

It seems evident from this very decided sentiment on the part of manufacturers and business men of Passaic that the necessity for the increase in rates is recognized, and that, so far as Passaic is concerned at least, public opinion is with the railroads.

In order that you may see in just what manner our vote was taken, I inclose herewith a copy of our referendum.

Very truly, yours,

R. E. LENT, *Secretary.*

—

BOARD OF TRADE,
Passaic, N. J., January 6, 1914.

To MEMBERS OF THE BOARD OF TRADE.

DEAR SIR: In order to determine the sentiment of the business men of Passaic on important matters affecting their interests, the directors of the board of trade have decided to inaugurate a system of referendum among the board members.

The first subject to be put to referendum, as decided at a meeting on December 18, is the matter of increased freight rates. This subject is one of very vital importance to every business man in the country. The prosperity of almost every business is related either directly or indirectly to the railroads. If the railroads are prosperous, business throughout the country is apt to be good; if the railroads are not prosperous, business throughout the country is apt to be poor. It is the claim of the railroads that an increase in rates is absolutely necessary to their continued prosperity.

When the Interstate Commerce Commission hands down its decision it will unquestionably be guided to a very large extent by public opinion. It is therefore imperative that we of Passaic should go on record either as opposing or recommending the increase.

The board of trade's committee on manufacturing has carefully considered the arguments pro and con, and is of the belief that the increase should be granted. A statement in brief of the principal arguments considered is inclosed herewith. A postal, which will serve as a ballot, is also inclosed. Please indicate whether you wish your vote recorded in favor of the recommendation of the committee—i. e., in favor of the increase in rates—or opposed to the recommendation of the committee. Mail the postal, as soon as possible, to R. E. Lent, secretary of the board of trade. No vote will be counted unless received within seven days from date.

Very truly, yours,

F. WILCKES,
Chairman of Committee on Manufacturing.

—

Passaic Board of Trade.

REFERENDUM NO. 1.

STATEMENT OF QUESTION.

The railroads of the United States are appealing to the Interstate Commerce Commission, which has absolute rate-making power over all railroads in this country, to allow a general 5 per cent increase in freight rates.

In the petition for the increase provision is made for reasonable minima and for modifications necessary to preserve differential relations.

ARGUMENTS FOR INCREASE.

INCREASED EXPENSES.

The railroads claim that they, like all other corporations or individuals, have felt the burden of the increased cost of living, but unlike all others have not been permitted, so far, to raise their prices or to adjust their charges to offset this burden. The cost of materials—steel rails, cars, construction supplies, coal, in fact, practically every commodity essential to the operation of a railroad—has increased. Wages, because of the initiative of the roads themselves or because of strike settlements, have taken a decided advance. In 1910, $1,143,725,306, or 41.58 per cent of the railroad's earnings, were distributed in wages and salaries; in 1911, $1,208,466,470, or 43.32 per cent; and in 1912, $1,243,113,172, or 43.97 per cent. The tax increase has been enormous. On the eastern roads alone this increase amounted to over $11,579,000 in three years.

INCREASED BUSINESS AND DECREASED EARNINGS.

Despite general increase in business, it is claimed that the actual earnings of the various railroads is decreasing. For example, in the case of the eastern roads the gross earnings increased $187,000,000 from 1910 to 1913, while operating expenses and taxes increased $201,000,000. There was an actual decrease in the net operating income of these roads of $16,311,000. In 1913 the roads earned in gross $1,424,000,000; their net operating income was $336,754,000, and after payment of interest on funded debt and other obligatory charges, there was left $206,600,000. The dividends paid out of this amounted to $130,000,000, which was 5.10 per cent on the capital stock outstanding. This was $19,000,000 less than the dividends paid in 1912 and $7,000,000 less than the dividends paid in 1910.

ADDITIONAL BURDENS.

Together with increases of costs in materials, in wages, and in taxes, the railroads claim that legislative enactments are adding further burdens. Such are the extra-crew laws, employers' liability, compensation acts, and grade-crossing laws.

NECESSITY OF GROWTH AND IMPROVEMENTS.

It is necessary for the railroads to furnish facilities for the enormous growth of business from year to year. The public is demanding better service, not only in the handling of freight, but in the handling of passenger business. A coach built three years ago is out of date to-day. The public demands steel coaches, faster engines must be provided, enormously expensive terminals and station facilities, better means for protecting life, etc.

OTHER ARGUMENTS.

In order to make the improvements which the public demands increased capital is needed. Yet, with decreased dividends, the difficulty of interesting further capital in railroad investments is becoming greater and greater.

Other countries are recognizing the world-wide increase in operating costs of the railroads. In the past decade, advances in rates have been effected in England, Italy, Switzerland, Belgium, Denmark, Prussia, Austria, Hungary, and other countries.

ARGUMENTS AGAINST INCREASE.

The principal argument against the increase of freight rates is the plea for greater efficiency. It is claimed that the methods of the railroads have been wasteful. Ever since Louis Brandeis, a Boston lawyer, made his startling statement that he could effect a saving of $1,000,000 per diem to the railroads, if he were allowed to apply methods of scientific management, startling revelations of waste and extravagance have been claimed. It is thought that an adverse decision on the part of the Interstate Commerce Commission would force the railroads to greater efficiency.

INCREASED BUSINESS *v.* INCREASED DIVIDENDS.

It is further claimed that if the railroads could pay dividends averaging approximately 6 per cent on a gross business of $1,237,344,000 in 1910, that they should be able to pay at least equal dividends in 1914 on the enormous increase in business.

INCREASES COST OF LIVING.

It is further claimed that an increase in rates would add to the cost of living, since the burden of the increase would necessarily fall on the ultimate consumer.

The following analysis gives some idea of the effect of the increase: "The railroads now get 2⅞ cents for carrying a pair of shoes from Boston to Chicago. If the rate were increased 5 per cent, the freight would still be less than 3 cents per pair between points mentioned. Should this affect the average selling price of shoes at $4 per pair? Between the same points the increased freight on 1 pound of sugar would be fifteen thousandths of a cent ($0.00015); on a barrel of flour, 2⅞ cents ($0.0275); on 1 pound of butter, thirty-eight thousandths of a cent ($0.00038); on 1 pound of coffee, sixteen thousandths of a cent ($0.00016); on 1 bushel of potatoes, 1 cent ($0.01); on 1 dozen eggs, fifty-seven thousandths of a cent ($0.00057); on 1 pound of dressed beef, twenty-five thousandths of a cent ($0.00025)."

—

HARDWARE MERCHANTS' & MANUFACTURERS' ASSOCIATION,
Philadelphia, January 22, 1914.

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: At a meeting of the Hardware Merchants' & Manufacturers' Association, held on Tuesday last, the following resolution was adopted:

Resolved, That the Hardware Merchants' & Manufacturers' Association recommend to the Interstate Commerce Commission the advisability of granting to the railroads east of the Mississippi River an increase in their present freight rates.

The membership of this association is composed of the largest hardware manufacturers and wholesale distributors in Philadelphia.

Very truly, yours,

ARTHUR K. LIVERIGHT,
Chairman Freight Committee.

—

HAMBURG BUSINESS MEN'S CLUB,
Hamburg, N. Y., January 22, 1914.

Resolved, That the Hamburgh Business Men's Club records itself as in favor of the application of the railroads for a reasonable increase of freight rates; that in our opinion such increase is necessary on account of business conditions and increased cost of operation, and that it is advisable because we hope it will result in better railroad accom-

modations, more railroad construction, and safer transportation, and that the secretary be directed to communicate this resolution to our Congressman and to the Hon. E. E. Clark, chairman Interstate Commerce Commission.

W. M. SEEGER, *Secretary.*

—

CLINTON, IOWA, *January 22, 1914.*

Hon. E. E. CLARK,
Chairman Interstate Commerce Commission,
Washington, D. C.

DEAR SIR: We herewith inclose you petition to Interstate Commerce Commission regarding railroad rates, signed by representative shippers of Clinton, Iowa.

Very truly, yours, ELLIS & McCOY.

To the honorable INTERSTATE COMMERCE COMMISSION,
Washington, D. C.:

Your petitioners are business men and shippers residing in the city of Clinton, State of Iowa, and we respectfully submit for the consideration of your honorable body, in the matter of the investigation that is now in progress looking to the readjustment of railroad rates, that efficiency and safety in the conduct of the transportation business of the country by the railroads is essential to general prosperity.

The attitude of the signers of this memorial is as follows: We are in sympathy with the work of the commission investigating this question of readjusting rates of the carriers, to the end that such carriers shall be permitted to receive just compensation for the respective services rendered and remuneration which will enable them to give efficient and safe service, to pay all reasonable expense, and a fair profit, and to restore and maintain the credit of the carriers to the end that they may be able to maintain their properties and improve and better them.

Respectfully submitted.

Clinton Commercial Club, by G. W. Dulang, jr., chairman railway committee; Clinton Bridge Works, G. E. Wilson, jr., secretary; C. Lamb & Sons, by E. A. Schult, secretary; Clinton Street Rwy. Co., by A. L. Schindry, secretary; Smith & Oakes, Alden Liner Co., H. Smith, secretary; Moeszinger-Marquis Hardware Co., L. C. Moeszinger, president; Arlen & Ingwersen, Eclipse Lumber Co., per G. W. Dulang, jr., vice president and treasurer; Curtis Bros. & Co., by F. S. Combs, vice president; Clinton Paper Co., Wm. M. Smith, secretary; S. Shounp & Arnold, R. J. Arnold, secretary and treasurer; United Lumber Co., by E. O. Gabriel, president; Gabriel Lumber & Fuel Co., E. O. Gabriel; Iowa Machine Works, W. J. Keefe, president; John D. Van Allen & Son, (Inc.), by G. H. Van Allen, secretary; Towle & Myer Co., per H. S. Towle, secretary and treasurer; L. Iten & Sons, F. J. Iten; Clinton Brewing Co., per Louis P. Toitschly, president; Anderson & Winter Mfg. Co., by G. W. Christy, president; M. A. Disbrow & Co., by A. O. Cole, secretary; C. E. Armstrong & Sons, by C. E. Armstrong; T. M. Gobble Co., T. M. Gobble, president; Peterson, Bell & Co., by James Peterson; B. M. Jacobson, W. B. Ebunberg, Cummings & Co., Geo. Kendall & Co., E. M. Woodbury Co., Fenlow & Fowler, Jas. Leslie Co., John E. Mooney, Geo. N. Chalker; Lagomarcino-Grupe Co., per J. A. Haugh, manager.; Clinton Grocer Co., by F. Chetts, manager; Schall-Hutchinson Co., per F. J. Kimbell, treasurer; Chas. F. Feiner, H. U. Crockett, Hemingway Furniture Co., W. E. Hemingway, president and treasurer; J. A. Kelly & Bros., by J. A. Kelly, president; Kelly, Sorensen Furniture Co., by J. A. Kelly; The Collis Co., O. D. Collis, secretary and treasurer; Allen Printing Co., per L. P. Allen, president; Federation Overall Co., by Frederick T. Anheark; Clinton Saddlery Co., D. Thompson, secretary; Hansen & Dieckmann Furniture Co., by W. L. Dieckmann, secretary and treasurer; Tucker Fruniture & Carpet Co., C. F. Tucker, secretary; Clinton Sand & Gravel Co., by E. A. Schultz, secretary; Mississippi Electric Co., by J. W. Hardy, president; Clinton Fruit & Produce Co., John Wolters, president.

—

CHESTER, PA., *January 22, 1914.*

Mr. E. E. CLARK,
Chairman Interstate Commerce Commission,
Washington, D. C.

DEAR SIR: At the annual meeting of the Board of Trade of Chester and vicinity held last Tuesday night a resolution, copy of which is herewith inclosed, was adopted in which the board of trade goes on record as favoring the 5 per cent increase in freight rates requested by the transportation companies.

I trust that you will see fit to lay this resolution before the commission at your earliest convenience, and oblige,

Yours, very truly,

BOARD OF TRADE OF CHESTER,
NEIL B. SINCLAIR, *Secretary.*

Whereas it has been brought to the attention of the Board of Trade of Chester and vicinity that the transportation companies have applied to the Interstate Commerce Commission for an advance of 5 per cent in freight rates; and

Whereas the Board of Trade of Chester and vicinity believes that the granting of the proposed 5 per cent increase to the transportation companies would be a source of stimulation to the business interests of the country, and particularly to those of Chester and vicinity; and

Whereas the Board of Trade of Chester and vicinity is firmly convinced that railroad prosperity and national prosperity go hand in hand; and

Whereas the Board of Trade of Chester and vicinity believes that in granting the 5 per cent advance in freight rates the small increase requested is not sufficiently heavy to work a hardship or place a burden upon any of the business interests of the country, and particularly those of Chester and vicinity, and also that the smaller retail merchants will not have cause for lament if the increase is granted; and

Whereas the Board of Trade of Chester and vicinity recognize the fact that the transportation companies are and have been for some time put to considerable extra expense in every department by reason of recent legislation, necessitating their supplying themselves with more expensive equipment and modern safety appliances, and that the demands for increased remuneration are constantly growing more insistent: Therefore be it

Resolved, That the Board of Trade of Chester and vicinity do and hereby does heartily and cordially indorse the action of the transportation companies in requesting the increased freight rate of 5 per cent made to the Interstate Commerce Commission; and be it further

Resolved, That this resolution be adopted and spread upon the minutes and that copies of this resolution be properly attested and certified and forwarded to the chairman of the Interstate Commerce Commission; Mr. Charles Bye, secretary of the Charles Warner Co., Wilmington, Del.; Senator William C. Sproul, Chester, Pa.; and Mr. E. G. Ward, president of the Railway World, Philadelphia, Pa.

[SEAL.] SAMUEL D. CLYDE, *President.*

Attest:
A true copy.

NEIL B. SINCLAIR, *Secretary.*

—

CHAMBER OF COMMERCE OF THE STATE OF NEW YORK,
New York, January 9, 1914.

HON. JAMES S. HARLAN,
Interstate Commerce Commission,
Washington, D. C.

DEAR SIR: On behalf of the Chamber of Commerce of the State of New York, I beg to call your earnest attention to the inclosed copy of a resolution unanimously adopted by the chamber at a largely attended meeting held January 8, 1914, expressing its gratification that the Interstate Commerce Commission had taken up for consideration the question of sanctioning an advance in railroad rates, and also expressing the belief that the shippers of the country are prepared for this action as an act of justice to the railroads and beneficial to the business of the United States.

This resolution was presented to the chamber by its committee on internal trade and improvements, composed of Messrs. Samuel W. Fairchild, chairman; Wm. Jay Schieffelin, Cornelius N. Bliss, jr., Harman B. Vanderhoef, Charles E Peck, Edward O. Stanley, and Burns D. Caldwell, all but one of whom are prominent in the mercantile trade in this city; and it was also approved by the executive committee of the chamber before its adoption at an open meeting of the chamber.

Yours, respectfully,

SERENO S. PRATT, *Secretary.*

CHAMBER OF COMMERCE OF THE STATE OF NEW YORK,
New York, January 9, 1914.

DEAR SIR: At a meeting of the Chamber of Commerce of the State of New York, held January 8, 1914, the following report, presented by the committee on internal trade and improvements, was unanimously adopted:

"Whereas the Interstate Commerce Commission is now considering the question of permitting the railroads of the United States to advance their rates, in order to cover the increased cost of labor and other growing financial burdens, without further depletion of net income, and thus enable them to obtain the additional credit necessary to provide the increased facilities needful for the expanding traffic of the country; and

"Whereas in April, 1912, the chamber adopted a report urging in the interests of shippers and of the well-being of the country as a whole, that any necessary readjustments of freight rates should be accomplished without further curtailing the revenue of the railways upon which their borrowing capacity depends, bearing in mind, as stated by the railroad securities commission, that 'a reasonable return is one which, under honest accounting and responsible management, will attract the amount of investors' money needed for the development of our railroad facilities;' and

"Whereas since that report was adopted the financial burden of the railroads has been increased by further advances in the wages of labor and in the cost of materials, repairs, and supplies, so that their net income is now declining: Therefore be it

"*Resolved*, That the Chamber of Commerce of the State of New York expresses its gratification that the Interstate Commerce Commission has taken up for consideration and decision the question of sanctioning an advance in railroad rates; and the chamber believes that the shippers of the country, many of the largest of whom are represented in its membership, now feel that a prompt advance would be not only an act of justice to the railroads but also beneficial to the entire business of the United States; and be it further

"*Resolved*, That copies of this action be transmitted to the Interstate Commerce Commission and to the President of the United States.

"SAMUEL W. FAIRCHILD,
"WM. JAY SCHIEFFELIN,
"CORNELIUS N. BLISS, JR.,
"HARMAN B. VANDERHOEF,
"CHARLES E. PECK,
"EDWARD O. STANLEY,
"BURNS D. CALDWELL,
"Committee on Internal Trade and Improvements."

Attest:

JOHN CLAFLIN, *President.*
SERENO S. PRATT, *Secretary.*

—

CHAMBER OF COMMERCE OF THE STATE OF NEW YORK,
New York, January 9, 1914.

HON. GEORGE B. MCGINTY,
Secretary Interstate Commerce Commission,
Washington, D. C.

DEAR SIR: On behalf of the Chamber of Commerce of the State of New York, I beg to call your earnest attention to the inclosed copy of a resolution unanimously adopted by the chamber at a largely attended meeting held January 8, 1914, expressing its gratification that the Interstate Commerce Commission had taken up for consideration the question of sanctioning an advance in railroad rates, and also expressing the belief that the shippers of the country are prepared for this action as an act of justice to the railroads and beneficial to the business of the United States.

This resolution was presented to the chamber by its committee on internal trade and improvements, composed of Messrs. Samuel W. Fairchild, chairman; Cornelius N. Bliss, jr., William Jay Schieffelin, Harman B. Vanderhoef, Charles E. Peck, Edward O. Stanley, and Burns D. Cald-

well, all but one of whom are prominent in the mercantile trade in this city; and it was also approved by the executive committee of the chamber before its adoption at an open meeting of the chamber.

Yours, respectfully,

SERENO S. PRATT, *Secretary.*

CHAMBER OF COMMERCE OF THE STATE OF NEW YORK,
New York, January 9, 1914.

DEAR SIR: At a meeting of the Chamber of Commerce of the State of New York, held January 8, 1914, the following report presented by the committee on internal trade and improvements was unanimously adopted:

"Whereas the Interstate Commerce Commission is now considering the question of permitting the railroads of the United States to advance their rates, in order to cover the increased cost of labor and other growing financial burdens, without further depletion of net income and thus enable them to obtain the additional credit necessary to provide the increased facilities needful for the expanding traffic of the country; and

"Whereas in April, 1912, the chamber adopted a report urging in the interests of shippers and of the well-being of the country as a whole that any necessary readjustments of freight rates should be accomplished without further curtailing the revenue of the *railways* upon which their borrowing capacity depends, bearing in mind, as stated by the railroad securities commission, that 'a reasonable return is one which, under honest accounting and responsible management, will attract the amount of investors' money needed for the development of our railroad facilities'; and

"Whereas since that report was adopted the financial burden of the railroads has been increased by further advances in the wages of labor and in the cost of materials, repairs, and supplies, so that their net income is now declining: Therefore be it

"*Resolved*, That the Chamber of Commerce of the State of New York expresses its gratification that the Interstate Commerce Commission has taken up for consideration and decision the question of sanctioning an advance in railroad rates; and the chamber believes that the shippers of the country, many of the largest of whom are represented in its membership, now feel that a prompt advance would be not only an act of justice to the railroads but also beneficial to the entire business of the United States; and be it further

"*Resolved*, That copies of this action be transmitted to the Interstate Commerce Commission and to the President of the United States.

"SAMUEL W. FAIRCHILD,
"WM. JAY SCHIEFFELIN,
"CORNELIUS N. BLISS, Jr.,
"HARMAN B. VANDERHOEF,
"CHARLES E. PECK,
"EDWARD O. STANLEY,
"BURNS D. CALDWELL,
"*Committee on Internal Trade and Improvements.*"

Attest:

JOHN CLAFLIN, *President.*
SERENO S. PRATT, *Secretary.*

CHAMBER OF COMMERCE OF THE STATE OF NEW YORK,
New York, January 9, 1914.

Hon. EDGAR E. CLARK,
Chairman Interstate Commerce Commission,
Washington, D. C.

DEAR SIR: On behalf of the Chamber of Commerce of the State of New York, I beg to call your earnest attention to the inclosed copy of a resolution unanimously adopted by the chamber at a largely attended meeting held January 8, expressing its gratification that the Interstate Commerce Commission had taken up for consideration the question of sanctioning an advance in railroad rates, and also expressing the belief that the shippers of the country are prepared for this action as an act of justice to the railroads and beneficial to the business of the United States.

This resolution was presented to the chamber by its committee on internal trade and improvements, composed of Messrs. Samuel W. Fairchild, chairman; Wm. Jay Schieffelin, Cornelius N. Bliss, jr., Harman B. Vanderhoef, Charles E. Peck, Edward O. Stanley, and Burns D. Caldwell, all but one of whom are prominent in the mercantile trade in this city; and it was also approved by the executive committee of the chamber before its adoption at an open meeting of the chamber.

Yours, respectfully,

SERENO S. PRATT, *Secretary.*

CHAMBER OF COMMERCE OF THE STATE OF NEW YORK,
New York, January 9, 1914.

DEAR SIR: At a meeting of the Chamber of Commerce of the State of New York, held January 8, 1914, the following report presented by the committee on internal trade and improvements was unanimously adopted:

"Whereas the Interstate Commerce Commission is now considering the question of permitting the railroads of the United States to advance their rates, in order to cover the increased cost of labor and other growing financial burdens, without further depletion of net income, and thus enable them to obtain the additional credit necessary to provide the increased facilities needful for the expanding traffic of the country; and

"Whereas in April, 1912, the chamber adopted a report urging in the interests of shippers, and of the well-being of the country as a whole, that any necessary readjustments of freight rates should be accomplished without further curtailing the revenue of the railways, upon which their borrowing capacity depends, bearing in mind, as stated by the railroad securities commission, that 'a reasonable return is one which, under honest accounting and responsible management, will attract the amount of investors' money needed for the development of our railroad facilities'; and

"Whereas since that report was adopted the financial burden of the railroads has been increased by further advances in the wages of labor and in the cost of materials, repairs, and supplies, so that their net income is now declining: Therefore be it

"*Resolved*, That the Chamber of Commerce of the State of New York expresses its gratification that the Interstate Commerce Commission has taken up for consideration and decision the question of sanctioning an advance in railroad rates; and the chamber believes that the shippers of the country, many of the largest of whom are represented in its membership, now feel that a prompt advance would be not only an act of justice to the railroads but also beneficial to the entire business of the United States; and be it further

"*Resolved*, That copies of this action be transmitted to the Interstate Commerce Commission and to the President of the United States.

"SAMUEL W. FAIRCHILD,
"WM. JAY SCHIEFFELIN,
"CORNELIUS N. BLISS, Jr.,
"HARMAN B. VANDERHOEF,
"CHARLES E. PECK,
"EDWARD O. STANLEY,
"BURNS D. CALDWELL,
"*Committee on Internal Trade and Improvements.*"

Attest:

JOHN CLAFLIN, *President.*
SERENO S. PRATT, *Secretary.*

CHAMBER OF COMMERCE OF THE STATE OF NEW YORK,
New York, January 9, 1914.

Hon. JUDSON C. CLEMENTS,
Interstate Commerce Commission, Washington, D. C.

DEAR SIR: On behalf of the Chamber of Commerce of the State of New York I beg to call your earnest attention to the inclosed copy of a resolution unanimously adopted by the chamber at a largely attended meeting held January 8, expressing its gratification that the Interstate Commerce Commission had taken up for consideration the question of sanctioning an advance in railroad rates, and also expressing the belief that the shippers of the country are prepared for this action as an act of justice to the railroads and beneficial to the business of the United States.

This resolution was presented to the chamber by its committee on internal trade and improvements, composed of Messrs. Samuel W. Fairchild (chairman), William Jay Schieffelin, Cornelius N. Bliss, jr., Harman B. Vanderhoef, Charles E. Peck, Edward O. Stanley, and Burns D. Caldwell, all but one of whom are prominent in the mercantile trade in this city, and it was also approved by the executive committee of the chamber before its adoption at an open meeting of the chamber.

Yours, respectfully,

SERENO S. PRATT, *Secretary.*

CHAMBER OF COMMERCE OF THE STATE OF NEW YORK.

DEAR SIR: At a meeting of the Chamber of Commerce of the State of New York, held January 8, 1914, the following report presented by the committee on internal trade and improvements was unanimously adopted:

"Whereas the Interstate Commerce Commission is now considering the question of permitting the railroads of the United States to advance their rates, in order to cover the increased cost of labor and other growing financial burdens without further depletion of net income, and thus enable them to obtain the additional credit necessary to provide the increased facilities needful for the expanding traffic of the country; and

"Whereas, in April, 1912, the chamber adopted a report urging in the interests of shippers and of the well-being of the country as a whole that any necessary readjustments of freight rates should be accomplished without further curtailing the revenue of the railways, upon which their borrowing capacity depends, bearing in mind, as stated by the Railroad Securities Commission, that 'a reasonable return is one which, under honest accounting and responsible management, will attract the amount of investors' money needed for the development of our railroad facilities;' and

"Whereas since that report was adopted the financial burden of the railroads has been increased by further advances in the wages of labor and in the cost of materials, repairs and supplies, so that their net income is now declining: Therefore be it

"*Resolved*, That the Chamber of Commerce of the State of New York expresses its gratification that the Interstate Commerce Commission has taken up for consideration and decision the question of sanctioning an advance in railroad rates; and the chamber believes that the shippers of the country, many of the largest of whom are represented in its membership, now feel that a prompt advance would be not only an act of justice to the railroads but also beneficial to the entire business of the United States; and be it further

"*Resolved*, That copies of this action be transmited to the Interstate Commerce Commission and to the President of the United States.

"SAMUEL W. FAIRCHILD,
"WM. JAY SCHIEFFELIN,
"CORNELIUS N. BLISS, Jr.,
"HARMAN B. VANDERHOEF,
"CHARLES E. PECK,
"EDWARD O. STANLEY,
"BURNS D. CALDWELL,
"*Committee on Internal Trade and Improvements.*"

Attest:

JOHN CLAFLIN, *President.*
SERENO S. PRATT, *Secretary.*

NEW YORK, *January 9, 1914.*

CHAMBER OF COMMERCE OF THE STATE OF NEW YORK,
New York, January 9, 1914.

Hon. BALTHASAR H. MEYER,
Interstate Commerce Commission, Washington, D. C.

DEAR SIR: On behalf of the Chamber of Commerce of the State of New York I beg to call your earnest attention to the inclosed copy of a resolution unanimously adopted by the chamber at a largely attended meeting held January 8, 1914, expressing its gratification that the Interstate Commerce Commission had taken up for consideration the question of sanctioning an advance in railroad rates, and also expressing the belief that the shippers of the country are prepared for this action as an act of justice to the railroads and beneficial to the business of the United States.

This resolution was presented to the chamber by its committee on internal trade and improvements, composed of Messrs. Samuel W. Fairchild (chairman), William Jay Schieffelin, Cornelius N. Bliss, jr., Har-

man B. Vanderhoef, Charles E. Peck, Edward O. Stanley, and Burns D. Caldwell, all but one of whom are prominent in the mercantile trade in this city, and it was also approved by the executive committee of the chamber before its adoption at an open meeting of the chamber.

Yours, respectfully,

SERENO S. PRATT, *Secretary.*

CHAMBER OF COMMERCE OF THE STATE OF NEW YORK.

DEAR SIR: At a meeting of the Chamber of Commerce of the State of New York, held January 8, 1914, the following report presented by the committee on internal trade and improvements was unanimously adopted:

"Whereas the Interstate Commerce Commission is now considering the question of permitting the railroads of the United States to advance their rates, in order to cover the increased cost of labor and other growing financial burdens without further depletion of net income, and thus enable them to obtain the additional credit necessary to provide the increased facilities needful for the expanding traffic of the country; and

"Whereas in April, 1912, the chamber adopted a report urging in the interests of shippers and of the well-being of the country as a whole that any necessary readjustments of freight rates should be accomplished without further curtailing the revenue of the railways, upon which their borrowing capacity depends, bearing in mind, as stated by the railroad securities commission, that 'a reasonable return is one which, under honest accounting and responsible management, will attract the amount of investors' money needed for the development of our railroad facilities'; and

"Whereas since that report was adopted the financial burden of the railroads has been increased by further advances in the wages of labor and in the cost of materials, repairs, and supplies, so that their net income is now declining: Therefore be it

"*Resolved*, That the Chamber of Commerce of the State of New York expresses its gratification that the Interstate Commerce Commission has taken up for consideration and decision the question of sanctioning an advance in railroad rates; and the chamber believes that the shippers of the country, many of the largest of whom are represented in its membership, now feel that a prompt advance would be not only an act of justice to the railroads but also beneficial to the entire business of the United States; and be it further

"*Resolved*, That copies of this action be transmitted to the Interstate Commerce Commission and to the President of the United States.

"SAMUEL W. FAIRCHILD,
"WM. JAY SCHIEFFELIN,
"CORNELIUS N. BLISS, Jr.,
"HARMAN B. VANDERHOEF,
"CHARLES E. PECK,
"EDWARD O. STANLEY,
"BURNS D. CALDWELL,
"*Committee on Internal Trade and Improvements.*"

Attest:

JOHN CLAFLIN, *President.*
SERENO S. PRATT, *Secretary.*

NEW YORK, *January 9, 1914.*

—

CHAMBER OF COMMERCE OF THE STATE OF NEW YORK,
New York, January 9, 1914.

Hon. CHARLES A. PROUTY,
Interstate Commerce Commission, Washington, D. C.

DEAR SIR: On behalf of the Chamber of Commerce of the State of New York I beg to call your earnest attention to the inclosed copy of a resolution unanimously adopted by the chamber at a largely attended meeting held January 8, 1914, expressing its gratification that the Interstate Commerce Commission had taken up for consideration the question of sanctioning an advance in railroad rates, and also expressing the belief that the shippers of the country are prepared for this action as an act of justice to the railroads and beneficial to the business of the United States.

This resolution was presented to the chamber by its committee on internal trade and improvements, composed of Messrs. Samuel W. Fairchild (chairman), William Jay Schieffelin, Cornelius N. Bliss, jr., Harman B. Vanderhoef, Charles E. Peck, Edward O. Stanley, and Burns D. Caldwell, all but one of whom are prominent in the mercantile trade in this city, and it was also approved by the executive committee of the chamber before its adoption at an open meeting of the chamber.

Yours, respectfully,

SERENO S. PRATT, *Secretary.*

CHAMBER OF COMMERCE OF THE STATE OF NEW YORK.

DEAR SIR: At a meeting of the Chamber of Commerce of the State of New York, held January 8, 1914, the following report presented by the committee on internal trade and improvements was unanimously adopted:

"Whereas the Interstate Commerce Commission is now considering the question of permitting the railroads of the United States to advance their rates, in order to cover the increased cost of labor and other growing financial burdens without further depletion of net income, and thus enable them to obtain the additional credit necessary to provide the increased facilities needful for the expanding traffic of the country; and

"Whereas, in April, 1912, the chamber adopted a report urging in the interests of shippers and of the well-being of the country as a whole that any necessary readjustments of freight rates should be accomplished without further curtailing the revenues of the railways, upon which their borrowing capacity depends, bearing in mind, as stated by the Railroad Securities Commission, that 'a reasonable return is one which, under honest accounting and responsible management, will attract the amount of investors' money needed for the development of our railroad facilities;' and

"Whereas since that report was adopted the financial burden of the railroads has been increased by further advances in the wages of labor and in the cost of materials, repairs and supplies, so that their net income is now declining: Therefore be it

"*Resolved*, That the Chamber of Commerce of the State of New York expresses its gratification that the Interstate Commerce Commission has taken up for consideration and decision the question of sanctioning an advance in railroad rates; and the chamber believes that the shippers of the country, many of the largest of whom are represented in its membership, now feel that a prompt advance would be not only an act of justice to the railroads but also beneficial to the entire business of the United States; and be it further

"*Resolved*, That copies of this action be transmitted to the Interstate Commerce Commission and to the President of the United States."

"SAMUEL W. FAIRCHILD,
"WM. JAY SCHIEFFELIN,
"CORNELIUS N. BLISS, Jr.,
"HARMAN B. VANDERHOEF,
"CHARLES E. PECK,
"EDWARD O. STANLEY,
"BURNS D. CALDWELL,
"*Committee on Internal Trade and Improvements.*"

Attest:

JOHN CLAFLIN, *President.*
SERENO S. PRATT, *Secretary.*

NEW YORK, *January 9, 1914.*

—

AUBURN, N. Y., *January 23, 1914.*

CHAIRMAN INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

DEAR SIR: As secretary of a meeting of the citizens of Auburn held at the courthouse in said city on the evening of January 22, 1914, pursuant to newspaper call, I am instructed to forward to your commission the resolution herewith inclosed, which resolution was adopted by unanimous vote of such meeting after favorable remarks made by prominent manufacturers and merchants of the city.

Very truly, yours,

GEO. K. VAN SICKLE,
Secretary.

Resolution.

We, citizens of Auburn, in a public meeting assembled,

Resolved, That we desire that the railroads east of the Mississippi and north of the Ohio and Potomac be given an increase in freight rates, because the interrelations of the people and railroads are so complete as to cause the quality of business of both to be the same; and we desire that the railroads be more able financially to make improvements for the benefit of the public.

We instruct our secretary to send to the Interstate Commerce Commission this resolution.

—

THE COMMERCIAL CLUB OF
INDIANA HARBOR AND EAST CHICAGO,
Indiana Harbor, Ind., January 22, 1914.

INTERSTATE COMMERCE COMMISSION,
Indianapolis, Ind.

GENTLEMEN: At a meeting of this club on Wednesday evening it was decided to notify your honorable body that it is the sense of this organization that the application by common carriers for a 5 per cent increase in freight rates now pending before you be granted.

Our organization represents all classes of shippers, from steel manufacturers to the smallest retailer.

Yours, very truly,

M. E. CRITES.

—

BUSINESS MEN'S ASSOCIATION,
Auburn, N. Y., January 23, 1914.

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: The following resolutions were adopted unanimously by the board of directors of the Business Men's Association at a meeting held this last week. I am sending you a copy for your perusal and files.

Yours, very truly,

C. G. ADAMS, *Secretary.*

Whereas an application is now pending before the Interstate Commerce Commission in behalf of the eastern railroads for a 5 per cent increase in freight rates; and

Whereas while the gross revenue of said railroads has generally increased the net revenue has decreased, owing to the rise in wages and the growing cost of material; and

Whereas the railroads have suffered and are suffering from inability to obtain funds for the proper development of facilities to handle increased business, said inability to obtain funds being caused by the continued decrease in net revenue: Now, therefore, be it

Resolved, That the Auburn Business Men's Association approve the granting of said moderate increase in freight rates, in itself fair and equitable, and with the belief that increased prosperity of the railroads will stimulate and help business in general.

—

CHAMBER OF COMMERCE,
Union City, Pa., January 23, 1914.

Resolved, That the Union City Chamber of Commerce records itself as in favor of the application of the railroads for a reasonable increase of freight rates; that, in our opinion, such increase is necessary on account of business conditions and increased cost of operation; and that it is advisable, because it will result in better railroad accommodations, more railroad construction, and safer transportation; and that the secretary be directed to communicate this resolution to our Congressman and to the Hon. E. E. Clark, Chairman Interstate Commerce Commission.

J. H. OTTAWAY, *Secretary.*

—

SHARON CIVIC ASSOCIATION,
Sharon, Pa., January 5, 1914.

Resolved, That the Sharon Civic Association is heartily in favor of favorable action by the Interstate Commerce Commission on the application of the railroads of the central and eastern classification territory for an increase of rates, and we believe it would be advantageous to the country if such favorable action could be taken with the least possible delay.

We believe the proposed advances are justified and are necessary in order to provide sufficient revenues for the proper maintenance of and additions to tracks and equipment, to the end that the railroads may be sufficiently and properly equipped to render better service to meet the increasing demands of commerce in a manner that is now impossible, and to safeguard human life of both passengers and employees,

and to enable them to maintain, if possible, the rates of compensation to their employees which have so materially advanced in recent years.

That the secretary of this association be instructed to forward a copy of this resolution to our Representative in Congress, to the Senator from the western end of the State, and Mr. E. E. Clark, Chairman of the Interstate Commerce Commission.

J. T. HULSE, *Secretary.*

—

THE NATIONAL BUSINESS LEAGUE OF AMERICA,
Chicago, January 17, 1914.

Hon. CHARLES A. PROUTY,
Commissioner Interstate Commerce Commission,
Washington, D. C.

DEAR SIR: Pursuant to instructions of the board of directors of this league, I inclose copy of a preamble and resolution recommending a uniform increase of railway rates, adopted by the board at a special meeting, in Chicago, on the 15th instant.

Yours, very truly,

A. A. BURNHAM, *General Secretary.*

FOR REASONABLE RAILWAY RATES.

Resolutions adopted by the board of directors of the National Business League of America, at the Hotel La Salle, Chicago, United States of America, Thursday, January 15, 1914.

Whereas the resolutions committee of the National Business Congress, held under the auspices of the National Business League of America, in the platform adopted June 27, 1912, declared that "sufficient and efficient transportation is necessary to the prosperity of the whole country," and "depending upon transportation regulation as an established fact, we believe it important that in providing regulations due consideration be given to the question of securing transportation net earnings sufficient to meet all necessary costs of maintenance and operation, and to provide all facilities required by the growth of every community; and

Whereas we believe that the present net earnings of the railways are insufficient for the proper maintenance of equipment, extension of facilities, efficient service, and safety of life and property; resulting also in the curtailment of purchases from dependent industries, which seriously cripples the general business of the country: Therefore be it

Resolved by the board of directors of the National Business League of America, That as a necessary measure, imperative to the prosperity of carrier, shipper, and business interests generally, an immediate uniform increase of not less than 5 per cent transportation rate be granted the railway interests: and be it further

Resolved, That copies of this preamble and resolution be presented to the members of the Interstate Commerce Commission and to the public press.

PHILETUS W. GATES, *President.*
AUSTIN A. BURNHAM, *General Secretary.*

—

THE NATIONAL BUSINESS LEAGUE OF AMERICA,
Chicago, January 17, 1914.

Hon. BALTHASAR H. MEYER,
Commissioner Interstate Commerce Commission,
Washington, D. C.

DEAR SIR: Pursuant to instructions of the board of directors of this league, I inclose copy of a preamble and resolution recommending a uniform increase of railway rates, adopted by the board at a special meeting, in Chicago, on the 15th instant.

Yours, very truly,

A. A. BURNHAM, *General Secretary.*

FOR REASONABLE RAILWAY RATES.

Resolutions adopted by the board of directors of the National Business League of America, at the Hotel La Salle, Chicago, United States of America, Thursday, January 15, 1914.

Whereas the resolutions committee of the National Business Congress, held under the auspices of the National Business League of America, in the platform adopted June 27, 1912, declared that "sufficient and efficient transportation is necessary to the prosperity of the whole country," and "depending upon transportation regulation as an established fact, we believe it important that in providing regulations due consideration be given to the question of securing transportation net earnings sufficient to meet all necessary costs of maintenance and operation, and to provide all facilities required by the growth of every community; and

Whereas we believe that the present net earnings of the railways are insufficient for the proper maintenance of equipment, extension of facilities, efficient service, and safety of life and property; resulting also in the curtailment of purchases from dependent industries, which seriously cripples the general business of the country: Therefore be it

Resolved by the board of directors of the National Business League of America, That as a necessary measure, imperative to the prosperity of carrier, shipper, and business interests generally, an immediate uniform increase of not less than 5 per cent transportation rate be granted the railway interests; and be it further

Resolved, That copies of this preamble and resolution be presented to the members of the Interstate Commerce Commission and to the public press.

PHILETUS W. GATES, *President.*
AUSTIN A. BURNHAM, *General Secretary.*

—

THE NATIONAL BUSINESS LEAGUE OF AMERICA,
Chicago, January 19, 1914.

Hon. JAMES S. HARLAN,
Commissioner, Interstate Commerce Commission,
Washington, D. C.

DEAR SIR: Pursuant to instructions of the board of directors of this league, I inclose copy of a preamble and resolution recommending a uniform increase of railway rates adopted by the board at a special meeting in Chicago on the 15th instant.

Yours, very truly,

A. A. BURNHAM, *General Secretary.*

FOR REASONABLE RAILWAY RATES.

Resolutions adopted by the board of directors of the National Business League of America at the Hotel La Salle, Chicago, U. S. A., Thursday, January 15, 1914.

Whereas the resolutions committee of the National Business Congress, held under the auspices of the National Business League of America, in the platform adopted June 27, 1912, declared that "sufficient and efficient transportation is necessary to the prosperity of the whole country," and "depending upon transportation regulation as an established fact, we believe it important that in providing regulations due consideration be given to the question of securing transportation net earnings sufficient to meet all necessary costs of maintenance and operation and to provide all facilities required by the growth of every community"; and

Whereas we believe that the present net earnings of the railways are insufficient for the proper maintenance of equipment, extension of facilities, efficient service, and safety of life and property, resulting also in the curtailment of purchases from dependent industries, which seriously cripples the general business of the country: Therefore be it

Resolved by the board of directors of the National Business League of America, That, as a necessary measure, imperative to the prosperity of carrier, shipper, and business interests generally, an immediate uniform increase of not less than 5 per cent transportation rate be granted the railway interests; and be it further

Resolved, That copies of this preamble and resolution be presented to the members of the Interstate Commerce Commission and to the public press.

PHILETUS W. GATES, *President.*
AUSTIN A. BURNHAM, *General Secretary.*

—

THE NATIONAL BUSINESS LEAGUE OF AMERICA,
Chicago, January 17, 1914.

Hon. EDGAR E. CLARK,
Chairman Interstate Commerce Commission,
Washington, D. C.

DEAR SIR: Pursuant to instructions of the board of directors of this league, I inclose copy of a preamble and resolution recommending a uniform increase of railway rates adopted by the board at a special meeting in Chicago on the 15th instant.

Yours, very truly,

A. A. BURNHAM, *General Secretary.*

FOR REASONABLE RAILWAY RATES.

Resolutions adopted by the board of directors of the National Business League of America at the Hotel La Salle, Chicago, U. S. A., Thursday, January 15, 1914.

Whereas the resolutions committee of the National Business Congress, held under the auspices of the National Business League of America, in the platform adopted June 27, 1912, declared that "sufficient and efficient transportation is necessary to the prosperity of the whole country," and "depending upon transportation regulation as an established fact, we believe it important that in providing regulations due consideration be given to the question of securing transportation net earnings sufficient to meet all necessary costs of maintenance and operation and to provide all facilities required by the growth of every community"; and

Whereas we believe that the present net earnings of the railways are insufficient for the proper maintenance of equipment, extension of facilities, efficient service, and safety of life and property, resulting also in the curtailment of purchases from dependent industries, which seriously cripples the general business of the country: Therefore be it

Resolved by the board of directors of the National Business League of America, That, as a necessary measure, imperative to the prosperity of carrier, shipper, and business interests generally, an immediate uniform increase of not less than 5 per cent transportation rate be granted the railway interests; and be it further

Resolved, That copies of this preamble and resolution be presented to the members of the Interstate Commerce Commission and to the public press.

PHILETUS W. GATES, *President.*
AUSTIN A. BURNHAM, *General Secretary.*

—

THE NATIONAL BUSINESS LEAGUE OF AMERICA,
Chicago, January 17, 1914.

Hon. JUDSON C. CLEMENTS,
Commissioner, Interstate Commerce Commission,
Washington, D. C.

DEAR SIR: Pursuant to instructions of the board of directors of this league, I inclose copy of a preamble and resolution recommending a uniform increase of railway rates, adopted by the board at a special meeting in Chicago on the 15th instant.

Yours, very truly,

A. A. BURNHAM,
General Secretary.

FOR REASONABLE RAILWAY RATES.

Resolutions adopted by the board of directors of the National Business League of America, at the Hotel La Salle, Chicago, U. S. A., Thursday, January 15, 1914.

Whereas the resolutions committee of the National Business Congress, held under the auspices of the National Business League of America, in the platform adopted June 27, 1912, declared that "Sufficient and efficient transportation is necessary to the prosperity of the whole country," and "Depending upon transportation regulation as an established fact, we believe it important that in providing regulations due consideration be given to the question of securing transportation, net earnings sufficient to meet all necessary costs of maintenance and operation, and to provide all facilities required by the growth of every community"; and

Whereas we believe that the present net earnings of the railways are insufficient for the proper maintenance of equipment, extension of facilities, efficient service, and safety of life and property, resulting also in the curtailment of purchases from dependent industries, which seriously cripples the general business of the country: Therefore be it

Resolved by the board of directors of the National Business League of America, That, as a necessary measure, imperative to the prosperity of carrier, shipper, and business interests generally, an immediate uni-

form increase of not less than 5 per cent transportation rate be granted the railway interests; and be it further

Resolved, That copies of this preamble and resolution be presented to the members of the Interstate Commerce Commission and to the public press.

PHILETUS W. GATES, *President.*
AUSTIN A. BURNHAM, *General Secretary.*

—

THE NATIONAL BUSINESS LEAGUE OF AMERICA,
Chicago, January 17, 1914.

Hon. CHARLES C. MCCHORD,
Commissioner, Interstate Commerce Commission,
Washington, D. C.

DEAR SIR: Pursuant to instructions of the board of directors of this league, I inclose copy of a preamble and resolution recommending a uniform increase of railway rates, adopted by the board at a special meeting in Chicago on the 15th instant.

Yours, very truly,

A. A. BURNHAM,
General Secretary.

FOR REASONABLE RAILWAY RATES.

Resolutions adopted by the board of directors of the National Business League of America, at the Hotel La Salle, Chicago, U. S. A., Thursday, January 15, 1914.

Whereas the resolutions committee of the National Business Congress, held under the auspices of the National Business League of America, in the platform adopted June 27, 1912, declared that "Sufficient and efficient transportation is necessary to the prosperity of the whole country," and "Depending upon transportation regulation as an established fact, we believe it important that in providing regulations due consideration be given to the question of securing transportation, net earnings sufficient to meet all necessary costs of maintenance and operation, and to provide all facilities required by the growth of every community"; and

Whereas we believe that the present net earnings of the railways are insufficient for the proper maintenance of equipment, extension of facilities, efficient service, and safety of life and property, resulting also in the curtailment of purchases from dependent industries, which seriously cripples the general business of the country: Therefore be it

Resolved by the board of directors of the National Business League of America, That, as a necessary measure, imperative to the prosperity of carrier, shipper, and business interests generally, an immediate uniform increase of not less than 5 per cent transportation rate be granted the railway interests; and be it further

Resolved, That copies of this preamble and resolution be presented to the members of the Interstate Commerce Commission and to the public press.

PHILETUS W. GATES, *President.*
AUSTIN A. BURNHAM, *General Secretary.*

—

THE TRAVELERS' PROTECTIVE ASSOCIATION OF AMERICA,
POST A, WEST VIRGINIA DIVISION,
Martinsburg, W. Va., January 23, 1914.

"Whereas present conditions demand increased facilities and better safeguarding of life on the part of railroads; and

"Whereas railroad revenues have been reduced in various ways in recent years, and to enable them to provide such additional facilities and equipment: Be it

"*Resolved by Post A, West Virginia Division of the Travelers' Protective Association of America*, That the Interstate Commerce Commission be requested to favorably consider a reasonable increase in freight rates for the purpose; and be it further

"*Resolved*, That a copy of these resolutions be mailed to that governing body and to the proper officials of those railroads adjacent to this territory."

A true extract from the minutes of January 23, 1914.

MAX ROBINSON, *President.*
D. F. DENNIS, *Secretary.*

For your information copies of these resolutions are being mailed to the following: M. C. Kennedey, president Cumberland Valley Railroad Co., Chambersburg, Pa.; Daniel Willard, president Baltimore & Ohio Railroad Co., Baltimore, Md.; A. W. Thompson, vice president Baltimore & Ohio Railroad Co., Baltimore, Md.; Interstate Commerce Commission, Washington, D. C.; J. M. Fitzgerald, president Western Maryland Railroad Co., Baltimore, Md.; Paul H. Stewart, secretary T. P. A., Baltimore, Md.; George D. Dixon, vice president Pennsylvania Railroad Co., Philadelphia, Pa.

—

WATERTOWN, N. Y., *January 9, 1914.*

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: At a regular meeting of the board of directors of the Watertown Chamber of Commerce (Inc.) held last evening, the matter of the proposed increase in freight rates was given consideration.

By a unanimous vote the board recorded itself in favor of the proposed increase, and the writer was directed to formally address your body and petition, "in justice to the railroad companies and in the interest of general business," that an increase in rates be granted.

Yours, very truly,

WATERTOWN CHAMBER OF COMMERCE (INC.),
F. H. LAMON, *Secretary.*

—

JOLIET, ILL., *January 9, 1914.*

Hon. EDGAR E. CLARK,
Chairman Interstate Commerce Commission,
Washington, D. C.:

The Commercial Club, an organization of business men of this city, are convinced that the business conditions of the country would be benefited if the railroads are granted the right to increase their freight rates, and are unanimous in favor of and recommend that the increase of 5 per cent in rates asked for by the railroads be granted.

JOLIET COMMERCIAL CLUB.
J. R. BLACKHALL, *Secretary.*

JOLIET, ILL., *January 9, 1914.*

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.:

Executive board favors speedy action favoring uniform 5 per cent increase in freight rates in official classification territory.

MERCHANTS' ASSOCIATION OF JOLIET.
JOS. F. NACHBOUR, *President.*
ANTON SCHAGER, *Secretary.*

—

CHAMBER OF COMMERCE OF WAVERLY, N. Y.,
January 9, 1914.

Resolved, That the Waverly Chamber of Commerce records itself as in favor of the application of the railroads for a reasonable increase of freight rates; that in our opinion such increase is necessary on account of business conditions and increased cost of operation, and that it is advisable because it will result in better railroad accommodations, more railroad construction, and safer transportation; and that the secretary be directed to communicate this resolution to our Congessman and to the Hon. E. F. Clark, chairman Interstate Commerce Commission.

BYRAM L. WINTERS, *President.*
J. H. MURRAY, *Secretary.*

—

KENTON, OHIO, *January 9, 1914.*

Hon. E. E. CLARK,
Washington, D. C.

SIR: The members of the Kenton Commercial Club would be glad for the Interstate Commerce Commission to grant permission to the railroads to increase the freight rates 5 per cent.

We have seriously felt the discharging of so many railroad employees living in Kenton, and feel that the shippers will be more than benefited indirectly when the roads hire their normal forces.

And it will not be felt by anyone in particular if the 5 per cent increase is allowed.

We hope you will not ponder long over the 79 questions you have requested the railroads to answer by the 31st of this month. But, for the good of the country, grant the increase.

Respectfully,

THE KENTON COMMERCIAL CLUB,
By H. L. HOPWOOD, *Secretary.*

—

MERCHANTS AND MANUFACTURERS' ASSOCIATION,
Baltimore, January 19, 1914.

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: Inclosed please find copy of a resolution adopted at the December general meeting of this association, which I am sending to you for your information.

Very truly, yours, ROBERT J. BEACHAM, *Secretary.*

Resolved, That the Merchants and Manufacturers' Association of Baltimore congratulates the country and the administration upon the passage of a banking and currency law, which is being a great step in advance of old legislation, will inspire confidence in the future, and, in doing so, greatly assist in the recovery and further development of general business.

Resolved, That this association ventures also to express the hope that as the result of the investigation now in progress by the Interstate Commerce Commission the commission, with the approval of the administration, will feel warranted in permitting transportation companies to increase their charges for freight service 5 per cent of the amount of such charges as now fixed, in order that the railroads, in reaping fair profits, may be permitted, in introducing needed improvements in equipment, to again enter the market for both labor and material to the further benefit of the entire country.

—

FAIRMONT CHAMBER OF COMMERCE,
Fairmont, W. Va., January 10, 1914.

INTERSTATE COMMERCE COMMISSION,
Washington D. C.

GENTLEMEN: I am inclosing herewith a series of resolutions unanimously adopted by the Fairmont Chamber of Commerce at a meeting held January 6, 1914, setting forth the attitude of the business men of Fairmont and vicinity on the question of granting the railroads the privilege of making the 5 per cent increase in freight rates, which matter is now before you.

We hope that it may have your favorable consideration, and that the railroads may be granted their request.

Yours, truly.

CHAS. W. EVANS, *Secretary.*

Resolutions unanimously adopted by the Fairmont Chamber of Commerce Tuesday, January 6, 1914.

Believing that the railroads of the United States constitute one of the most important factors determining her prosperity; and

Believing that additional requirements by law and public opinion in the matter of more efficient equipment, increased wages, and increased operating expenses generally necessitate additional income; and

Believing, further, that the proper development and maintenance of the business of the country depending on the railroads will be seriously retarded should the companies fail to secure from the Interstate Commerce Commission the privilege of making the 5 per cent advance in freight rates which they feel is necessary to meet increased demands in operating and other expenses; and

Believing, further, that it is proper in a matter of such vital importance as this that the people, through their civic and business organizations, be permitted to express their views as to the manner in which such action will affect them: Therefore be it

Resolved, That the Fairmont Chamber of Commerce, through its board of directors, hereby appeals to the Interstate Commerce Commission to favorably consider the petition of the railroads for the advanced freight rates which they ask to compensate them for increased operating and other expenses, and permit the adoption of freight schedules which will restore railroad activities and stimulate the business of the country, to the advantage of every section and every form of industrial enterprise.

BOARD OF DIRECTORS FAIRMONT CHAMBER OF COMMERCE,
By R. T. CUNNINGHAM, *President.*

Attest:

CHAS. U. EVANS, *Secretary.*

TERRE HAUTE, IND., *January 13, 1914.*

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: The following resolution, which is self-explanatory, has been adopted by our organization:

"Whereas the railroads in the so-called official classification territory have filed with the Interstate Commerce Commission a proposal for a general advance of 5 per cent in freight rates; and

"Whereas the question is now up for hearing before the Interstate Commerce Commission; and

"Whereas long-continued uncertainty as to the final outcome will be detrimental to the commercial activities of the country: Now, therefore, be it

"*Resolved*, That the board of directors of the Terre Haute Chamber of Commerce favors a horizontal increase of freight rates in official classification territory, but opposes the proposed increase of one-fourth cent per 100 pounds, minimum, or 5 cents per ton; and be it further

"*Resolved*, That a copy of these resolutions be sent to the Interstate Commerce Commission."

Very truly, yours,

TERRE HAUTE CHAMBER OF COMMERCE,
By H. R. IRHIE, *Secretary.*

TRAFFIC—ADVANCE IN FREIGHT RATES.

CINCINNATI CHAMBER OF COMMERCE
AND MERCHANTS' EXCHANGE,
Cincinnati, March 20, 1914.

Honorable INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: Inclosed please find copy of resolution unanimously adopted by the board of directors of the Cincinnati Chamber of Commerce at a meeting held on March 19, 1914.

Yours, very truly,

W. C. CULKINS, *Executive Secretary.*

Resolution adopted by the board of directors of the Cincinnati Chamber of Commerce March 19, 1914.

"Whereas the railroads in official classification territory have applied to the Interstate Commerce Commission for permission to advance their freight rates generally 5 per cent, for the purpose of improving their equipment and for developing terminals and other facilities necessary for the prompt and safe transportation of freight and passengers; and

"Whereas we believe that the necessities of the carriers north of the Ohio River require that this advance in freight rates be granted and that the business conditions of the country are being adversely affected by the inability of these railroads to extend their facilities:

"*Resolved*, That the board of directors of the Cincinnati Chamber of Commerce unanimously advocate the advance, and hereby earnestly petition the honorable Interstate Commerce Commission to act favorably upon the proposed increase in freight rates, and to authorize said advance as soon as it is feasible so to do."

The foregoing resolution was unanimously adopted by the board of directors of the Cincinnati Chamber of Commerce at a meeting held March 19, 1914.

W. C. CULKINS, *Executive Secretary.*

PHILADELPHIA, PA., *March 20, 1914.*

Honorable INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: The tariffs presented by the 52 railroads in eastern classification territory for an increase of 5 per cent in freight rates are suspended by the commission pending the examination as to justness and fairness of these increased rates upon a 5 per cent horizontal increased basis, the object being in lieu thereof to assess a charge per car for so-called spotting, or placing a car at an industrial plant for loading, and also a similar charge for placing the same car at the consignee's private track for unloading. This charge to be in addition to the present freight rate.

It is our belief that if the commission would grant the 5 per cent increase in freight rates immediately to the railroads it would solve the problem confronting the business interests to-day to a very large degree. The 5 per cent increase will furnish the revenue desired, at the same time does not disturb the conditions upon which freight rates and business have been built for years. It leaves every manufacturer, as far as we can analyze conditions, in practically the same relative position he has always enjoyed. The competitive and the economical factors are disturbed decidedly less than by any other method of raising money by assessing for a spot charge on one particular branch of industries simply those owning their own sidetracks.

Every manufacturer or every shipper—can be definitely presumed, at least—would in case his particular business was menaced in every way from unjust advance in rate, any inequality as compared with his competitors manufacturing like materials, or manufacturing similar materials affecting his interest in competitive markets, will, as heretofore, endeavor to adjust these inequalities with the railroad officials who are directly interested in his particular problem, and it is safe to assume that 65 per cent of such inequalities or unfair rates would be corrected by the railroad company in accordance with the actual conditions. In case of failure to get what the industrial felt was fair and equitable rates from his railroad, he has recourse to the Interstate Commerce Commission. This simply means, as heretofore, any injustices are taken up and handled in a fair, just, equitable way, and facts ascertained through the power of the commission and conclusions reached which are fair and just.

We believe, therefore, if the commission would at once permit the railroad to make effective the suspended tariffs, there is sufficient power within the Interstate Commerce Commission to give the public and the railroads a fair deal without disturbing business conditions; without unsettling established competitive markets for various materials; without discriminating against one particular class; without discriminating in favor of another particular class; without obliging the railroads to provide new expensive facilities excepting as they are actually needed.

We furthermore believe that this transportation question has been and is to-day the most important factor that has entered into the business situation to retard its natural advancement; that this particular factor and the continuation of the hearing and investigation have obliged the railroads to economize in every possible way and from every standpoint. The industrial world knows exactly what this means; a large percentage of the products manufactured go into the railroad operation in some way or other. Industries manufacturing and supplying these commodities are suffering through loss of business, and will suffer still further. It further means that the railroad companies will be obliged to cut down their working hours and their shops, reduce train service, throwing out of employment the men necessary to operate those trains, and further economize in every way in their power.

We therefore petition your honorable body to give these facts serious consideration, and in our judgment it is necessary to put the tariff in effect first, start the wheels of progress going, and adjust the inequalities as they arise from time to time.

Yours, very truly,

EASTERN PENNA. BUILDERS' SUPPLY ASSOC.,
GEORGE A. SINN, *President.*
JOS. W. CAMPBELL, *Secretary.*

BOSTON, MASS., *March 20, 1914.*

The crisis in American railroads.

It is becoming increasingly evident to the business man that if he would live and prosper he must protect himself with every available means from the application of the unbalanced theories of the political demagogue and from the malicious, insidious, and malevolent scheming and chicanery of the professional agitator and muckraker. The business man, big and little, the investor, the capitalist, and the wage earner—to such a pass has half-baked, ill-considered legislation come—should make haste to exercise the privileges of their franchise with greater and still greater fervor if this country is to continue in the years to come what it has been in the past, namely, God's country, for those willing to work and plan and struggle. Not only should this work of organization and combination be felt at the polls, but the business man should speak through his local chamber of commerce and the investor and security holder should organize into a league, which should comprise the millions of holders of American stocks and bonds. Not until this is done will the country find relief from the operations of those whose mainspring of political action is the attack on and the crippling of business and enterprise; in short, capital asks but fair treatment, failing which it will depart in due course of time to lands and laws where its rights are respected.

Recklessness of statement and demagogy in high places are all too common, and it is this feature which the business man must fight and resist, for after all is said and done the present administration at Washington represents to a greater extent than any other in our history those whose personal stake in the country is small and of whom too many are apt to view with a suspicious and jaundiced eye success and fortune in commerce and industry. President Wilson is able and clear-sighted, having indubitably shown that he has the best interests of the country at heart, regardless of party or politics, but may it not be said that a part, at least, of his official family is more of a burden than assistance?

That the country is facing a crisis which should make every business man and investor raise his voice and make himself heard at Washington is certain. It is a crisis which has been deliberately brought on by the authorities at Washington and which can alone be composed or settled by them. We refer to the request of the eastern railroads to be allowed to increase their rates by 5 per cent. Some four years ago these railroad companies made a similar plea to the Interstate Commerce Commission, which was denied them. Since then, with diminished credit, declining earnings, advancing wages, and advancing costs of everything which enters into transportation, they have been reduced to a position where once again they have been forced to appeal to the commission for relief. This appeal by the carriers has now been before the commission for over a year; and yet, in spite of the great urgency of the case, there has been no decision handed down. It does not matter that during the past year these same roads have been obliged to raise the wages of their employees (the second time in two years), to raise new capital at ruinous rates, by means of the short-term note, for improvements demanded by the public, and to restrict their expenditures wherever possible for new equipment and facilities.

The crisis of free silver which the country faced in 1896 was not more serious or more far-reaching in its ramifications than the one which now confronts us in connection with our railroads, and we believe it to be the duty of every chamber of commerce in the land to petition the Interstate Commerce Commission that the prayer of the eastern roads not only be granted, but that the decision granting them relief be handed down with all possible dispatch. If free silver had prevailed in 1896, we should have had the most devastating panic in history; it would have meant national repudiation. If the eastern carriers are again denied relief, we shall witness a cataclysm in this country which will shock the world. Railroad credit will be paralyzed; roads now in smooth water will be forced upon the rocks of bankruptcy; suspicion will seize hold not only of the man with liquid funds, but of the man with good securities; the former will hide his capital or put it to work in Canada and the latter will rush to market to sell at ruinous prices. To state the unqualified truth, every day of delay is bringing the situation to a more serious condition, increasing the number of unemployed throughout the country, who might easily grow desperate, and causing a suspension of credit. In short, the case of the railroads has been allowed to reach that stage where the alternative is increased rates or panic and paralysis of credit. Fortunately, the railroads have a good case, as expenses for wages, equipment, materials, etc., have risen much faster than earnings. No one knows better than the Interstate Commerce Commission that the only commodity which the railroad has to sell, namely, transportation, has remained stationary during the past 10 years, while everything it must buy has advanced from 20 to 80 per cent.

The investor in industrial companies, the merchant, the manufacturer, the wage earner, and the day laborer should not lightly dismiss this crisis of the railroads as having no bearing on their own fortunes, for inextricably bound up with the railroads is the prosperity of the entire country. Not a city or a village or a hamlet but will feel the prosperity or the poverty of the railroads, they being the largest employers of labor, the largest buyers of manufactured materials, and the greatest factors in the development of the resources of the Nation.

Let us all get busy, then, through our chambers of commerce; let the business man and the investor realize to its fullest extent what this crisis of our railroads means to us. Act now resolutely, and decisively, and help restore prosperity and good times to these United States.

The turning point is very near; the burden to confidence and credit grows heavier each day: there is a limit which it would be dangerous to reach. The responsibility of the Interstate Commerce Commission for what may ensue is tremendous. Stop and think what would be the conditions in this country with poor crops this year coming on top of

a refusal to grant the railroads increased rates. The mere thought is hideous in the extreme.

F. A. SCHIRMER & CO.

—

LOCKPORT BOARD OF TRADE,
Lockport, N. Y., March 23, 1914.

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: The directors of the Lockport Board of Trade have given consideration to the request for a 5 per cent increase in freight rates to railroads and also for making a charge for spotting cars. The directors oppose any increase in freight rates and also oppose for charge for placing cars on privately owned switches, such as exist in this city, for the reason that private switches are a convenience to the railroads, as they would have to have more yard area, whereas the expense of the private switch is borne by the owner with the exception of the rails.

Yours, very truly,

WM. A. DICKENSON, *Secretary.*

—

NORTHEAST WASHINGTON CITIZENS' ASSOCIATION,
Washington, D. C., March 23, 1914.

The INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

DEAR SIRS: At the last meeting of the association, held Monday evening, March 9, 1914, the following resolution was adopted:

Resolution.

Whereas the railroads are pressing for an increase in freight rates; and
Whereas the existing cost of living in the United States is so high as to constitute a menace to the comfort and welfare of the people: Therefore be it

Resolved, That this association earnestly protests against any and all increases in freight rates which might in any manner or degree operate to increase the cost of living of the people at large; and

Resolved, That a copy of these resolutions be transmitted to the Interstate Commerce Commission.

Respectfully, ROSCOE JENKINS, *Secretary.*

Attest:

EVAN H. TUCKER, *President.*

—

CHICAGO, *April 24, 1914.*

To the honorable the INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: At a meeting of the Chicago Brass Manufacturers' Association, of Chicago, it was resolved that in the opinion of the members of this association, an organization comprising 62 lines of kindred trades, all of whom are both receivers and shippers of freight, some larger and some smaller, that your honorable body be petitioned to grant the concession in freight rates, amounting to 5 per cent over the present rates, to the railroad companies now asking it. The resolution we beg to submit to you herewith and ask for your concurrence:

Resolved, That the Chicago Brass Manufacturers' Association, of Chicago, in monthly meeting assembled, respectfully ask that in the matter of the request made by the railroads of the country for an increase of 5 per cent in freight rates, the request be granted as being highly conducive to a better and greatly improved business condition throughout the country, the railroads being the largest purchasers of supplies of every sort from the merchants and manufacturers of this country; and it is further

Resolved, That, in the unanimous opinion of this organization, no one measure more beneficial or of greater financial value to the country could be adopted than the granting of the concession asked by the railroad companies, believing that they should have adequate income to provide proper equipment, to make necessary extensions, and render efficient service, and guarantee safety of life and property; and we are of the further belief that the armies of the idle at the present time are largely due to the fact that the railroads are unable to give them employment, owing to diminished revenues.

Respectfully submitted.

J. F. BOWERS (*Chairman*),
W. W. WILLITTS,
C. W. STIGER,
J. S. DUNCAN,
A. D. CURTIS,
W. D. ALLEN,
A. R. BRUNKER,
Committee.
WILLIAM M. WEBSTER,
Commissioner.

—

AMERICAN HOTEL PROTECTIVE ASSOCIATION
OF THE UNITED STATES AND CANADA,
Auditorium Tower, Chicago, April 23, 1914.

To the SECRETARY OF THE PRESIDENT OF THE UNITED STATES,
White House, Washington, D. C.

SIR: I have the honor to send you herewith resolution passed at a recent meeting of the American Hotel Protective Association of the United States and Canada, with the request that you bring it to the notice of the President of the United States at your earliest convenience.

Yours, respectfully,

J. K. BLATCHFORD, *Secretary.*

Resolutions unanimously adopted at the meeting of the American Hotel Protective Association of United States and Canada held at the Waldorf-Astoria Hotel, New York City, April 14, 1914. Moved by George C. Boldt, New York City; seconded by Charles C. Horton, Waterloo, Iowa; and carried unanimously.

Whereas there has been presented to the Interstate Commerce Commission the question of permitting the railroads of the United States to advance their rates in order to cover their increasing burden of maintenance and operating charges by reason of the increased and increasing cost of labor, materials, repairs, supplies, and other growing financial burdens, and in order that there may not be further depletion of the net income of such railroads; and
Whereas it is believed that such advance is absolutely necessary and that the increased revenue derived therefrom will be equitably applied to the enlargement and development of terminals, additional equipment, and to improved and increased facilities commensurate with the expanding traffic of the country; and
Whereas, to meet the needs of such expanding traffic, it is absolutely essential that the net income of the railroads of the country should not be further depleted, as this would result in increasing difficulty in obtaining credit necessary to provide for the increased facilities now so sorely needed; and
Whereas the prosperity of the country is in large measure dependent upon the ability of its railroads to adequately meet the growing demands for transportation facilities: Now be it

Resolved, That the American Hotel Protective Association of the United States and Canada, an organization having upward of 900 members, coming from all sections of the country, in convention assembled, desires to express its gratification that the Interstate Commerce Commission has taken up for consideration and decision the question of sanctioning an advance in the railroad rates; and this association desires to give expression to its belief that a prompt advance in such rates would be not only an act of justice to the railroads but also of large benefit to the entire business of the United States; and be it further

Resolved, That copies of these resolutions be transmitted to the Interstate Commerce Commission and to the President of the United States.

[SEAL.] J. F. BLATCHFORD, *Secretary.*

—

ROME, GA., *April 23, 1914.*

Hon. JUDSON C. CLEMENTS
(Care Interstate Commerce Commission),
Washington, D. C.:

The board of directors of the Rome Chamber of Commerce has passed resolutions memorializing Interstate Commerce Commission to grant the request of railroads in matter of increase in freight rates, and I beg you to communicate this resolution to the commission. The Rome Chamber of Commerce believes that it would be to the commercial advantage of the country at large for the railroads to be granted authority to increase their rates as prayed for.

WRIGHT WILLINGHAM,
President Rome Chamber of Commerce.

—

ST. LOUIS, MO., *December 1, 1913.*

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: Inclosed please find resolutions passed at the national convention of the International Association of Electrotypers at New Orleans October 21–23, 1913.

Yours, truly,

INTERNATIONAL ASSOCIATION OF ELECTROTYPERS,
WM. B. JONES, *Secretary.*

Whereas under our present system of society it is inevitable that the prosperous condition of business, and the people generally, is dependent largely on the efficiency of our methods of distribution; and
Whereas the railroads are the chief factors in our distributive machinery; and
Whereas the railroads present forceful reasons showing that at the prevailing freight rates they can not hope to raise the money necessary to provide equipment to properly meet the business necessities of the Nation; and
Whereas railroad officials have presented arguments demonstrating that a 5 per cent increase in freight rates is needed to meet the exigencies of the case; and
Whereas we believe it is of the utmost importance that the railroads should not be hampered in their work: Therefore be it

Resolved by the International Employing Electrotypers' Convention, held at New Orleans, October 21–23, 1913, That it hereby requests the proper authorities to use all legitimate expedition in considering and deciding the application of the railroads for an advance in freight rates; and be it also

Resolved, That the officers of the convention are hereby instructed to forward a copy of these resolutions to the Interstate Commerce Commission at Washington.

—

OFFICE OF THE BOARD OF TRADE,
Martinsburg, W. Va., December 16, 1913.

"Whereas existing conditions demand readjustment of values in all lines of commerce and transportation: Therefore be it

"*Resolved*, as the sense of this meeting that the railroads are justly entitled to their proportion by some equitable increase in freight rates to enable them to provide adequate facilities and to further safeguard the lives of those they transport and employ; and

"That a copy of this resolution be mailed to the Interstate Commerce Commission and to those lines entering Martinsburg."

A true extract from the minutes of the executive committee of the Martinsburg Board of Trade unanimously adopted December 15, 1913.

MAX ROBINSON,
Acting Secretary.

—

NEW ORLEANS, LA., *December 16, 1913.*

At a regular meeting of the Turpentine Operators of Texas, Louisiana, and west Mississippi, in convention assembled, the following resolution was introduced by W. B. Gillican and adopted by the convention:

"Whereas the Interstate Commerce Commission has under consideration the matter of freight rates; and

"Whereas it is the sense of this association that the railroads should be allowed reasonable and equitable compensation for their services: Therefore be it

"*Resolved by the Turpentine Operators, composing the New Orleans Association*, That it memoralizes said Interstate Commerce Commission to allow the railroads to increase their rates to a point where their revenues will be sufficient to meet operating expenses, fixed charges, pay reasonable dividends on money invested, and provide a sufficient amount for maintenance and improvements."

A. PRIDGEN, *President.*
A. B. MARSTON, *Secretary.*

—

HUNTINGTON, W. VA., *December 13, 1913.*

MR. GEO. B. MCGINTY,
Secretary Interstate Commerce Commission,
Washington, D. C.

DEAR SIR: I have the honor of handing you a copy of a resolution passed at a recent meeting of our organization, and we trust that your

honorable body will grant the request of the carriers for a 5 per cent increase in their freight rates.

The adoption of this resolution was unanimous, and was passed at a regular monthly meeting, duly advertised according to our by-laws, and was attended by more than the usual number of members.

Very respectfully,

HUNTINGTON CHAMBER OF COMMERCE.
H. E. MATHEWS, *Secretary.*

—

Resolution adopted at the regular December meeting of the Huntington Chamber of Commerce, December 11, 1913.

Whereas railroads must maintain a high state of efficiency for the safety of both passengers and freight, by adding new appliances and improved equipment; and

Whereas there has been a general advance in the price of all commodities and an increase in the cost of raw material; and

Whereas the advanced wage scale demanded has been granted to various employees: Therefore be it

Resolved by the Huntington Chamber of Commerce, That the petition of the carriers in official classification territory to advance freight rates 5 per cent be granted, and that a copy of this resolution be given the public press, as well as sent to the secretary of the Interstate Commerce Commission at Washington.

—

BUFFALO CHAMBER OF COMMERCE,
December 13, 1913.

To the honorable INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: In the matter of advance in rates in official classification territory (I. and S. Docket 333), I am submitting for your careful consideration and deliberation resolution adopted by the Buffalo Chamber of Commerce, relative to proposed advance of 5 per cent in rates by the lines in official classification territory.

Yours, very truly,

RICHARD C. O'KEEFE, *General Secretary.*

Resolution adopted by the board of directors of the Buffalo Chamber of Commerce Tuesday, December 9, 1913.

Whereas carriers in official classification territory have filed petition with the Interstate Commerce Commission for rehearing in Docket No. 3400, In the matter of advance in rates, asking for general increase of 5 per cent in all freight rates, praying that the case may be reopened and further considered, owing to increased cost of operation of various kinds set out in their petition, the net return no longer being sufficient; and the commission being of the opinion, from a consideration of the allegations of that petition, the need of, and justification for the additional revenue should be further examined by it at the present time; and

Whereas the commission thinks that such examination can be made more satisfactorily and more comprehensively in a general proceeding of investigation, instituted by the commission upon its own motion, than by a further consideration of this particular record, and further have denied the petition for a rehearing; and

Whereas the Buffalo Chamber of Commerce has given considerable thought to this subject respecting their attitude in the matter, which they recognize as of great importance to the members of the Buffalo Chamber of Commerce, the carriers as well as the public at large: Now, therefore be it

Resolved, That the Buffalo Chamber of Commerce is in cordial sympathy with the purpose of granting railroads such rates as will permit them to properly operate and maintain their properties, and pay a reasonable return on the money invested, and is in sympathy with the Interstate Commerce Commission in making a thorough investigation of the need of and justification for additional revenue, that body to determine from the facts the necessity for said proposed advance, and the reasonableness of the rates to be established thereby, consideration being given to certain localities where the rates are now excessive and unreasonable.

—

CLEVELAND, OHIO, *December 12, 1913.*

Mr. EDGAR E. CLARK,
Chairman Interstate Commerce Commission, Washington, D. C.

DEAR SIR: Our attention has just been called to a communication, under date of December 9, 1913, to the Interstate Commerce Commission from the Pittsburg Vein Operators of Ohio, a copy of which communication is inclosed herewith.

While our company is a member of the Pittsburg Vein Operators' Association of Ohio, we were not represented at the meeting referred to and desire to have it distinctly understood that the communication of December 9, 1913, does not in any way embody our views. Had we been present at the meeting mentioned we would have voted emphatically against the resolution contained in this letter. We believe that the proposed advance asked for by the railroads on all classes of freight, including coal, should be granted. The granting of this advance will not only bring much-needed additional revenue to railroad operators and a much-needed improvement and extension of railroad facilities, but also will establish a new confidence of the investing public in railroad securities and an extension of business activity which will inure to the benefit of all business throughout the country.

The time is most opportune to add this needed touch of assurance.

We take this occasion, therefore, to assure you that we are not in sympathy with the move taken at the meeting of the Pittsburg Vein Operators of Ohio and that we do not join in the protest therein expressed.

Very truly, yours,

THE WHEELING & LAKE ERIE COAL MINING CO.,
By M. ANDREWS, *Vice President.*

—

CLEVELAND, OHIO, *December 9, 1913.*

The INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: The Pittsburg Vein Operators' Association of Ohio, a voluntary organization of coal operators, desire to hereby enter its formal protest against the advances in rates on coal shipped from mines belonging to corporations connected with the said association in eastern Ohio to lower Lake ports and local points, as provided for in I. C. C. No. 31.

In filing this protest it is upon the basis of the knowledge that the existing freight rates on coal shipments from this district are more than fairly remunerative for the services rendered, and by comparison much higher than the freight rates on coal shipments from other competitive districts.

In this connection we desire to call the commission's attention to its opinion No. 1947, in the case of the above association against the Pennsylvania Co. et al., in which the rate to the lower Lake ports from this district was established at 75 cents, and that this opinion was handed down after a careful and exhaustive study of the situation by the commission at this investigation, and in the opinion the tremendous difference in transportation charges per mile between the coal shipped from this district and the coal from competitive States was shown in detail.

We see no reason why the coal from this district should bear more than its proportionate share of the burden of transportation.

We also desire to call the attention of the commission to its finding in the Boileau case, to which reference is frequently made in opinion No. 1947, in which it was inferred that the rate established from Pittsburgh was high compared with the services performed.

We desire to further call the attention of the commission to the fact that at the time the decisions were handed down in the Boileau case and in the case of this association against the Pennsylvania Co., that carriers operating from West Virginia voluntarily reduced their rates to lower Lake ports.

In filing this protest it must not be construed as a protest against an advance in any rates other than the rates herein specified.

This protest is filed pursuant to a resolution authorizing the same passed at a meeting of the association at the Hollenden Hotel, Cleveland, Ohio, December 9, 1913.

PITTSBURG VEIN OPERATORS OF OHIO,
JOHN ZELENKA, *Secretary.*

—

BOARD OF TRADE OF THE CITY OF CHICAGO,
SECRETARY'S OFFICE,
Chicago, November 26, 1913.

Hon. EDWARD E. CLARK,
Chairman Interstate Commerce Commission,
Washington, D. C.

DEAR SIR: Inclosed please find copy of resolution adopted by the directors of the Board of Trade of the City of Chicago at its stated meeting held yesterday.

Very truly, yours,

J. C. F. MERRILL,
Secretary Board of Trade of the City of Chicago.

The following preamble and resolution were adopted by the directors of the Board of Trade of the City of Chicago at their meeting held on November 25, 1913:

Whereas the railroads in the so-called official classification territory filed a petition with the Interstate Commerce Commission to reopen the so-called general rate advance case (heard and decided adversely to the carriers about two years ago), to the end that the carriers in said territory be permitted to advance all interstate rates 5 per cent; and

Whereas said petition having been denied, tariffs were filed proposing advances in some cases of 5 per cent and in other cases more than 5 per cent to provide funds for increased expenses and additional transportation facilities required, and the commission having suspended said tariffs will proceed to a general inquiry into the subject; and

Whereas advances of more than 5 per cent are proposed in ex-Lake rates:

Therefore this committee recommends to the honorable board of directors the adoption of the following resolution:

Resolved, That inasmuch as the commercial interests of the country require increased transportation facilities and more adequate service, which facilities apparently can only be secured by an increase in the revenue of the carriers, therefore the Board of Trade of the City of Chicago favors a uniform advance of 5 per cent in all rail rates, thereby furnishing the means to provide additional transportation facilities required.

Inasmuch, however, as the necessities of the carriers for more revenue have been anticipated in the so-called ex-Lake rates, which have been subject to successive increases averaging about 40 per cent without a corresponding increase in the all-rail rates, we protest against further advances in such rates, as they are at the present time too high.

—

CHICAGO, ILL., *November 26, 1913.*

Honorable CHAIRMAN INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

DEAR SIR: At the twenty-seventh annual convention of the United Typothetæ and Franklin Clubs of America, held at New Orleans, the following resolution was passed, and in accordance with the recommendations made therein I am submitting same to you:

Whereas there appears to be a decided feeling of unrest and uncertainty among the general business public regarding the present railroad situation, which uncertainty vitally affects the printing industry; and

Whereas the railroads claim that with the tendency of the last several years toward reduced rates and increased operating costs, owing to higher wage rates and higher costs of materials and additional requirements of recent legislation: Be it

Resolved by the United Typothetæ of America assembled in its twenty-seventh annual convention, That we earnestly urge upon the honorable Interstate Commerce Commission the necessity of giving thorough consideration at the earliest possible date to the application recently filed by the railroads for permission to increase freight rates; and be it further

Resolved, That a copy of these preambles and resolutions be forwarded to the chairman of the Interstate Commerce Commission.

Yours, very truly,

UNITED TYPOTHETÆ AND FRANKLIN CLUBS OF AMERICA,
S. EVANS CLARK, *Secretary.*

—

ST. LOUIS, *December 4, 1913.*

Mr. GEORGE B. MCGINTY,
Secretary Interstate Commerce Commission,
Washington, D. C.

DEAR SIR: On Tuesday evening, December 2, at the sixth annual meeting of the Traffic Club of St. Louis, which is composed of the traffic officials of all the industrial, manufacturing, commercial, and shipping interests of this community, as well as the traffic officials of

the railroads, a resolution was presented by a representative of one of the largest shippers in the United States. It was seconded by another large shipper, and was approved by unanimous vote. The resolution follows:

Whereas it appears that the railroads of the country are unable under existing conditions to perform service adequate to the needs of the shipping public; and

Whereas certain railroads have sought permission to advance their rates uniformly by 5 per cent: Now, therefore, be it

Resolved, That the Traffic Club of St. Louis favor such increase as necessary for the greatest good to the greatest number of the people of the United States, and that the secretary of the club be directed to forward to the Interstate Commerce Commission a request that such increase be granted to all the railroads in the United States as will permit them to render service adequate to the needs of the public.

Yours, very truly,

THE TRAFFIC CLUB OF ST. LOUIS,
W. S. CRILLY, *Secretary-Treasurer.*

—

MOROCCO MANUFACTURERS' NATIONAL ASSOCIATION,
Philadelphia, Pa., March 20, 1914.

Mr. CHARLES A. PROUTY,
Interstate Commerce Commissioner,
Washington, D. C.

DEAR SIR: In accordance with unanimous action at the annual meeting of the Morocco Manufacturers' National Association, held in Philadelphia March 12, 1914, I have the honor to transmit to you for your consideration a resolution, referring to plea of the eastern railroads to the Interstate Commerce Commission, asking to be permitted an advance in freight rates.

Yours, respectfully, LAIRD H. SIMONS, *Secretary.*

Resolved, That the Morocco Manufacturers' National Association, in meeting assembled at the Bellevue-Stratford Hotel, Philadelphia, March 12, 1914, are in favor of paying an acquiesce in the freight rate advance asked for by the eastern railroads, and feel that until such time as a decision is rendered by the Interstate Commerce Commission that business will continue in a depressed state; and therefore be it

Resolved, That the Morocco Manufacturers' National Association hereby acquiesce in the advance in rates, if found necessary by the Interstate Commerce Commission, in order to provide business with efficient service and restore general confidence; and further be it

Resolved, That the Morocco Manufacturers' National Association particularly urges the members of the Interstate Commerce Commission to decide with the least possible delay the vital question before them, so that if they see fit to grant the increase asked for, general business may speedily have the stimulating influence of vigorous railway purchases and thereby stimulate all lines of manufacturing and commercial business, and thereby give opportunity to the manufacturing interests at large to reemploy a large percentage of the labor which they have been compelled to dismiss on account of the unsatisfactory condition referred to.

—

MOROCCO MANUFACTURERS' NATIONAL ASSOCIATION,
Philadelphia, Pa., March 20, 1914.

Mr. JAMES S. HARLAN,
Chairman Interstate Commerce Commission,
Washington, D. C.

DEAR SIR: In accordance with unanimous action at the annual meeting of the Morocco Manufacturers' National Association, held in Philadelphia March 12, 1914, I have the honor to transmit to you for your consideration a resolution, referring to plea of the eastern railroads to the Interstate Commerce Commission, asking to be permitted an advance in freight rates.

Yours, respectfully, LAIRD H. SIMONS, *Secretary.*

Resolved, That the Morocco Manufacturers' National Association, in meeting assembled at the Bellevue-Stratford Hotel, Philadelphia, March 12, 1914, are in favor of paying an acquiesce in the freight rate advanee asked for by the eastern railroads, and feel that until such time as a decision is rendered by the Interstate Commerce Commission that business will continue in a depressed state; and therefore be it

Resolved, That the Morocco Manufacturers' National Association hereby acquiesce in the advance in rates, if found necessary by the Interstate Commerce Commission, in order to provide business with efficient service and restore general confidence; and further be it

Resolved, That the Morocco Manufacturers' National Association particularly urges the members of the Interstate Commerce Commission to decide with the least possible delay the vital question before them, so that if they see fit to grant the increase asked for, general business may speedily have the stimulating influence of vigorous railway purchases and thereby stimulate all lines of manufacturing and commercial business, and likewise give opportunity to the manufacturing interests at large to reemploy a large percentage of the labor which they have been compelled to dismiss on account of the unsatisfactory condition referred to.

—

MOROCCO MANUFACTURERS' NATIONAL ASSOCIATION,
Philadelphia, Pa. March 20, 1914.

Mr. BALTHASAR H. MEYER,
Interstate Commerce Commissioner, Washington, D. C.

DEAR SIR: In accordance with unanimous action at the annual meeting of the Morocco Manufacturers' National Association, held in Philadelphia March 12, 1914, I have the honor to transmit to you for your consideration a resolution referring to plea of the eastern railroads to the Interstate Commerce Commission, asking to be permitted an advance in freight rates.

Respectfully, yours,

LAIRD H. SIMONS, *Secretary.*

Resolved, That the Morocco Manufacturers' National Association, in meeting assembled at the Bellevue-Stratford Hotel, Philadelphia, Pa., on March 12, 1914, are in favor of paying and acquiesce in the freight-rate advance asked for by the eastern railroads, and feel that until such time as a decision is rendered by the Interstate Commerce Commission that business will continue in a depressed state; and therefore be it

Resolved, That the Morocco Manufacturers' National Association hereby acquiesces in the advance in rates, if found necessary by the Interstate Commerce Commission in order to provide business with efficient service and restore general confidence; and further be it

Resolved, That the Morocco Manufacturers' National Association particularly urges the members of the Interstate Commerce Commission to decide with the least possible delay the vital question before them, so that if they see fit to grant the increase asked for general business may speedily have the stimulating influence of vigorous railway purchases and thereby stimulate all lines of manufacturing and commercial business, and likewise give opportunity to the manufacturing interests at large to reemploy a large percentage of the labor which they have been compelled to dismiss on account of the unsatisfactory condition referred to.

—

MOROCCO MANUFACTURERS' NATIONAL ASSOCIATION,
Philadelphia, Pa., March 20, 1914.

Mr. E. E. CLARK,
Interstate Commerce Commissioner, Washington, D. C.

DEAR SIR: In accordance with unanimous action at the annual meeting of the Morocco Manufacturers' National Association, held in Philadelphia March 12, 1914, I have the honor to transmit to you for your consideration a resolution referring to plea of the eastern railroads to the Interstate Commerce Commission, asking to be permitted an advance in freight rates.

Respectfully, yours,

LAIRD H. SIMONS, *Secretary.*

Resolved, That the Morocco Manufacturers' National Association, in meeting assembled at the Bellevue-Stratford Hotel, Philadelphia, Pa., on March 12, 1914, are in favor of paying and acquiesce in the freight-rate advance asked for by the eastern railroads, and feel that until such time as a decision is rendered by the Interstate Commerce Commission that business will continue in a depressed state; and therefore be it

Resolved, That the Morocco Manufacturers' National Association hereby acquiesces in the advance in rates, if found necessary by the Interstate Commerce Commission in order to provide business with efficient service and restore general confidence; and further be it

Resolved, That the Morocco Manufacturers' National Association particularly urges the members of the Interstate Commerce Commission to decide with the least possible delay the vital question before them, so that if they see fit to grant the increase asked for general business may speedily have the stimulating influence of vigorous railway purchases and thereby stimulate all lines of manufacturing and commercial business, and likewise give opportunity to the manufacturing interests at large to reemploy a large percentage of the labor which they have been compelled to dismiss on account of the unsatisfactory condition referred to.

—

DES MOINES, IOWA, *December 15, 1913.*

Hon. E. E. CLARK,
Chairman of the Interstate Commerce Committee,
Washington, D. C.

MY DEAR MR. CLARK: Under separate cover I am sending you a memorial signed by practically every jobber and distributor of the city of Des Moines.

We feel that improved service for Des Moines is necessary, in order that the growing traffic of the city be handled satisfactorily to the jobbers and large shippers.

The memorial itself will explain our attitude.

Yours, with great respect,

BROWN-CAMP HARDWARE CO.,
W. S. BROWN, *President.*

BEFORE THE INTERSTATE COMMERCE COMMISSION.

Your petitioners are business men and shippers, residing in the city of Des Moines, in the State of Iowa, and we respectfully submit for the consideration of your honorable body that in the investigation which is now in progress, looking into the propriety of the proposed readjustments of railway rates, that the relative equity of the rates, as compared with each other, should be considered, also that efficiency and safety in the conduct of the transportation business of the country by the railroads is essential to general prosperity.

The attitude of the signers of this memorial is as follows: We are in sympathy with the work of the commission investigating and adjudicating this question of readjusting and modernizing the rates of the carriers, to the end that such carriers shall be permitted to receive just compensation for the respective services rendered and remuneration which will enable them to give efficient and safe service, to pay all reasonable expenses and a fair profit, and to restore and maintain the credit of the carriers, to the end that they may be able to maintain their properties and to improve and better them.

Dated at Des Moines, Iowa, December 5, 1913.

Respectfully submitted.

W. F. Cram, C. L. Herring, J. M. Callander, C. S. Walker, A. H. Junkins, E. J. Davidson, John A. Baal, members of committee; Des Moines Chamber of Commerce, by jobbers' committee, F. J. Camp, chairman; Meyer Brody, Gers Botsforder, secretary; Brown-Camp Hardware Co., F. J. Camp, secretary; Herring Motor Co., C. L. Herring; Tone Bros, by J. M. Callander, secretary; Kratzer Carriage Co., by C. S. Walker, president; Davidson Bros. Co., by E. J. Davidson, president; Carr & Adams Co., by John A. Baal, secretary; Des Moines Stove Repair Co., J. B. Green, proprietor; Iowa Drug Co., W. F. Cram, secretary; Warfield-Pratt-Howell Co., J. W. Howell, secretary; Waterbury Chemical Co., by E. W. Waterbury, secretary; Crane Co., by G. A. Bothwell, local manager; Globe Machinery Supply Co., by F. W. Swanson, manager; Walter Boyt Saddlery Co., by Walter Boyt, president; Green Bay Lumber Co., by K. E. Jewett, secretary; F. Brady & Sons Co., by Meyer Brady; C. C. Prouty Co., by W. R. Prouty; Langan Bros. Co., per W. H. Langan; C. C. Taft Co., per C. C. Taft; Lederer Sloanss & Co., per M. Samish Voprat; Des Moines Saddlery Co., A. H. Mabis, treasurer and manager; Charles Hewitt & Sons Co., by Edwin Hewitt, secretary; Harris Emery Co. (Inc.), by N. Funkel, vice president; Wilkins Bros. Co., E. J. Wilkins, president; Younker Bros. (Inc.), by N. M. Wilchinski, secretary; Jansen Haines, president Des Moines Gas Co.; J. Mandelbaum & Sons., by M. Mandelbaum, vice president; Pratt Paper Co., by R. J. Pratt; Pease Hay Commission Co., by R. M. Galbraith, president; Schmitt & Henry Manufacturing Co., Phil Schmitt, president; L. N. Carbach Sons Co., L. N. Carbach, president; Wheeler Lumber, Bridge & Supply Co., E. C. McClain, secretary; Des Moines Water Co., by Charles S. Denman, general manager;

Century Lumber Co., by Edward Wertz, secretary; Todd & Kraft Co., A. H. Todd; Carpenter Paper Co.; Jewett Lumber Co., by D. L. Jewett, secretary; E. G. Wylie, freight commissioner, Great Des Moines Committee (Inc.); Harrah & Stewart Manufacturing Co., by J. P. Sharpnack, secretary-treasurer; J. H. Queal & Co.; Des Moines City Railway Co., by Emil G. Schmidt, president.

—

THE CHAMBER OF COMMERCE,
Steubenville, Ohio, December 6, 1913.

PRESIDENT OF THE INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

DEAR SIR: The inclosed resolutions favoring the 5 per cent increase in freight rates asked by the railroads was adopted at a meeting of the *board of* directors of our chamber of commerce last night.

Very truly, yours,

F. P. CHAFFEE, *Secretary.*

Resolutions offered by ways and means committee of chamber of commerce December 3, 1913, and referred to the board of directors with favorable indorsement.

Whereas the cost of labor and materials of all kinds and rigid restriction have advanced very decidedly in recent years; and

Whereas the freight rates on the various railroads are claimed to be too low for the proper financing and equipping of such means of transportation; and

Whereas it is of utmost importance to the shippers to get a quicker handling of freights than is now admissible with the restricted equipment furnished by the various trunk-line railroads; and

Whereas the Steubenville district handles probably as large a freight tonnage as any district of similar size in the country; and

Whereas we believe that a reasonable increase in freight rates is just and would encourage better equipment and secure better service from the railroads in the handling of freights: Therefore be it

Resolved by the Chamber of Commerce of Steubenville, Ohio, That the request of the various railroads to be allowed to put on a 5 per cent increase in freight rates is a just one, and that we recommend to the Interstate Commerce Commission that the same be granted.

Resolved further, That a copy of these resolutions be sent to the president of the Interstate Commerce Commission, the chairman of the Central Railroad Association, our Senators and Representatives in Congress, the secretary of the Chamber of Commerce of the United States, the proper officials of the railroads entering Steubenville, and given the local press.

—

PHILADELPHIA BOARD OF TRADE,
Philadelphia, December 9, 1913.

To the honorable the INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

SIRS: At the meeting of the Philadelphia Board of Trade held on May 19, 1913, the committee on inland transportation presented a report favoring an advance in the rates of freight under the petition then before your honorable body.

I have the honor to forward you herewith copy of the report mentioned, together with the resolution then adopted, and would ask for this action your favorable consideration, being authorized to forward same to you under instructions of the committee having charge of the subject.

Respectfully, yours, W. R. TUCKER, *Secretary.*

PROPOSED 5 PER CENT FREIGHT RATE ADVANCE.

The railroads covering the eastern trunk line territory have filed an appeal with the Interstate Commerce Commission for permission to advance freight rates 5 per cent. This territory produces an annual freight revenue of about $800,000,000 so that an increase of 5 per cent would mean an increased revenue to the railroads of about $40,000,000.

President Rea, of the Pennsylvania Railroad, in an open letter, claims that on that system east of Pittsburgh new legislation in five and a half years has cost his company $11,000,000; that the New Jersey grade-crossing law will cost his company, in that State alone, $60,000,000; whilst full-crew laws, railroad-valuation laws, etc., will cost untold millions more.

Other railroad systems have been similiarly affected in proportion to their extent.

Engineers and firemen have had their wages raised, conductors and trainmen are demanding increased pay; the public demands safety appliances and improved facilities with comforts and conveniences, all of which become added costs to the railroads, but unproductive in the way of revenue.

Legislation and prosecution by the Federal Government and legislation and prosecutions by the various State governments do not diminish, and it is becoming apparent that the natural timidity of capital is being affected by all these things in combination, and that world-wide investors are drawing their purse strings to see what will happen.

The letter of Mr. Rea breathes such a spirit of tolerance, along with acquiescence in and intended obedience to law, as induces a suggestion that all members of our board should give it careful reading and consideration. It should further be borne in mind that the great railroad systems of this country are such tremendous consumers of mill, foundry, and factory productions that when their purchasing power is reduced it reacts on the people, curtails employment, reduces consumption, thus affecting the masses and those least able to bear it.

On the other side of increased freight rates is the question as to what effect it may have on particular sections or on particular commodities, and to what extent some railroads have been improvidently capitalized and imprudently managed, and so not rightfully entitled to the relief an increased earning power would bring.

Your committee is of the belief that the conditions of the transportation systems of the country must be put into shape to handle freely and promptly the trade and commerce of the Nation; that the prosperity of the people is absolutely dependent on the prosperity and ability of the transportation companies to care for them and their business; and your committee, therefore, believing that the greater good will inure to the greater number by permitting the railroads to increase their rates on freights to the extent of 5 per cent, recommends that the executive officers of the board of trade be empowered to address the Interstate Commerce Commission to the effect that they see no reason for objecting to such advance.

On motion the report was accepted and the following was adopted:

"*Resolved,* That the Philadelphia Board of Trade favors such action on part of the Interstate Commerce Commission as will permit an increase of freight rates by the railroads of the country through a fair and equitable adjustment."

True copy.

W. R. TUCKER,
Secretary Philadelphia Board of Trade.

—

INVESTMENT BANKERS' ASSOCIATION,
New York, November 22, 1913.

EDGAR E. CLARK,
Chairman Interstate Commerce Commission, Washington, D. C.

DEAR SIR: As acting chairman of the committee on railroad bonds and equipment notes of the American Bankers' Association, I respectfully call the attention of your commission to the rapidly rising transportation costs to which most American railroads are subject, and to the rapidly declining ratio of net earnings to gross during the year 1913. For your convenience I am inclosing some sheets showing at a glance how radically conditions in this respect have changed during the past year as compared with conditions when the commission decided pro tempore not to grant the requests of the railroads for increases in rates. (Charts not printed.)

Our committee and the Investment Bankers' Association as a whole have no greater interest in the welfare of the railroads than we have in the welfare of the general public. The public must inevitably suffer as much as the railroads if the equity in earning power, which in the last analysis is the basic security for the bonds of the railroads, is to be imperiled by rising costs of operation without corresponding increases in gross earnings.

I also inclose another sheet showing at a glance the gradual but steady decline of prices in the better grade of railroad bonds for the past five years. The committee appreciates that other influences besides decreasing equities have been at work effecting this decline, but submits that if the railroads should be permitted to increase transportation tariffs commensurately with the general increase in the cost of labor and materials during recent years a distinctly forward step would be taken in relieving the present financial situation, and especially in enabling the railroads to refund at a resonable cost the many millions of dollars of obligations maturing in the near future. (Chart not printed.)

Yours, very truly,

LAWRENCE CHAMBERLAIN,
Acting Chairman Committee on Railroad Bonds and Equipment Trusts.

—

THE BUSINESS MEN'S LEAGUE,
St. Louis, December 1, 1913.

Mr. L. D. BRANDEIS,
Interstate Commerce Commission, Washington, D. C.

MY DEAR MR. BRANDEIS: It was my pleasure to attend the hearing before the Interstate Commerce Commission in the advance-rate case in eastern territory November 24 and 25, and I at that time filed appearance for our league.

I am inclosing herewith copy of resolution adopted by the executive committee of the league June 7, 1913.

Evidently the carriers are endeavoring to present their case to the commission practically along the lines suggested. However, I was instructed to-day by the board of managers of this bureau to communicate with you to the effect that it is not our purpose to attack any particular feature of the proposed advance so long as it is shown to be substantially universally 5 per cent, but that we are prepared and will be glad to assist you in any way we can in developing any facts or features pertinent to the case as may be deemed advisable by you consistent with the attitude of the league as expressed by the resolution of the executive committee.

Command us accordingly at your pleasure.

Yours, truly,

P. W. COYLE, *Traffic Commissioner.*

JUNE 7, 1913.

Whereas certain railroads in what is known as official-classification territory have in effect requested from the Interstate Commerce Commission permission to advance their freight rates uniformly 5 per cent; and

Whereas we believe that the railroads are not now receiving sufficient revenue to enable them to perform, under present conditions, service adequate to the needs of the commerce of the country: Therefore be it

Resolved, That the Business Men's League of St. Louis, by its duly authorized officers and executive committee and in accordance with the unanimous recommendation of its traffic bureau, hereby request the Interstate Commerce Commission to grant to those railroads, as promptly as circumstances will permit, permission to advance freight rates in the uniform manner set forth in their recent petition upon presentation by the representatives of the railroads of such facts and figures to the Interstate Commerce Commission as will prove the necessity of such increase in revenue in order to provide adequate service to the shipping public.

—

ALTOONA, PA., *November 23, 1913.*

Hon. JAMES S. HARLAN,
Interstate Commerce Commissioner, Washington, D. C.:

Please wire me at my expense the probable date at which the Interstate Commerce Commission would be apt to close its hearings on the 5 per cent freight rate advance matter. There is a movement on foot covering large portion of Pennsylvania from citizens only and not officials of any railroad, delegating me to be the bearer of a monster petition to your honorable body, with the request that you will allow me a half hour to deliver an address in advocacy of the 5 per cent freight rate advance. Wishing to be present before hearing is closed, and have also as much time before for signatures to the petition, I beg to thank you in advance for the courtesy of information requested.

W. E. RUSSELL.

BOARD OF TRADE,
Passaic, N. J., January 22, 1914.

Mr. JAMES S. HARLAN,
Mr. EDGAR E. CLARK,
Mr. CHARLES A. PROUTY,
Mr. JUDSON C. CLEMENTS,
Mr. B. H. MEYER,
Interstate Commerce Commission, Washington, D. C.

GENTLEMEN: As a result of a referendum held recently among the members of the Passaic Board of Trade on the question of the increase of freight rates in official classification territory, 214 votes were cast in favor of the increase and only 9 against.

It seems evident from this very decided sentiment on the part of manufacturers and business men of Passaic that the necessity for the increase in rates is recognized, and that so far as Passaic is concerned at least, public opinion is with the railroads.

In order that you may see in just what manner our vote was taken, I inclose herewith a copy of our referendum.

Very truly, yours,

R. E. LENT, *Secretary.*

—

GEORGIA-FLORIDA SAW MILL ASSOCIATION,
Jacksonville, Fla., December 17, 1913.

THE HONORABLE INTERSTATE COMMERCE COMMISSION,
Hon. EDGAR E. CLARK, *Chairman,*
Hon. JUDSON C. CLEMENTS,
Hon. CHARLES A. PROUTY,
Hon. JAMES S. HARLAN,
Hon. CHARLES C. MCCHORD,
Hon. BALTHASAR H. MEYER,
Washington, D. C.

GENTLEMEN: I am inclosing herewith certified copy of resolutions that were adopted at a meeting of this association held in this city on Saturday, November 29.

Yours, very truly,

E. C. HARRELL, *Secretary.*

Whereas it is the opinion of this association that the conditions prevailing to-day in the lumber market is, to a great extent, due to the withdrawal of the railroads from the market, which withdrawal is largely due to the railroads' inability to finance much-needed improvements; and

Whereas the inability to so finance is unquestionably due to the fact that the revenue they derive under the present rates is insufficient to enable them to meet the increased operating expenses and at the same time carry forward the said improvements: Therefore be it

Resolved, That this association go on record as favoring the proposed increase of 5 per cent on all classes and commodities now being considered by the Interstate Commerce Commission, and that the secretary be instructed to convey in such a manner as deemed most advisable the position of this association to the members of the Interstate Commerce Commission and to our Congressmen, requesting their assistance in behalf of the increase. That the secretary also be instructed to consult with the National Lumber Manufacturers Association and through it, with the affiliated members of that association, looking toward creating a sentiment favorable to said increase.

I hereby certify that the above is a true and correct copy of resolution adopted at the meeting of the Georgia-Florida Saw Mill Association held in Jacksonville, Fla., Saturday, November 29, 1913.

E. C. HARRELL, *Secretary.*

—

NEW YORK, *December 19, 1913.*

Mr. CHARLES A. PROUTY,
Chairman Interstate Commerce Commission,
Washington, D. C.

MY DEAR SIR: At a duly constituted meeting of the board of directors of our association the question of the advance in freight rates, which the railroads are seeking, was thoroughly discussed and it was deemed appropriate to address your honorable body on the subject.

We beg to respectfully submit that, in our opinion, it is advisable at this time, in the interests of the railroads and business in general, that a reasonable advance in rates should receive the sanction of the Interstate Commerce Commission.

The rates that prevail at present have obtained for a number of years. During this period operating expenses have materially increased and earnings in many instances have as a consequence gradually diminished. Many roads are experiencing difficulty in financing and can not therefore suitably maintain their properties and secure a fair return on their invested capital, and unless relief be promptly given, it will, in our judgment, result in consequences of a disastrous nature.

The success of the railroads and the success of business in general is closely interdependent; the growth of one can not become stunted without detriment to the other. We are passing through a period of business depression which, in our opinion, is apt to assume serious proportions; railroads are reducing their working forces; many mills and factories are curtailing their operations; and it is therefore highly essential that the business interests of the country receive stimulus and encouragement. We believe there is no surer means to bring about this end than to give the transportation companies, which are the dominant factor in our industrial activity, a much-needed opportunity to expand and progress.

We do not wish to constitute ourselves champions of the railroads; we have, in fact, in the past successfully opposed advances in rates proposed by the official classification committee of the eastern roads, but we believe that existing circumstances justify favorable action on the subject on the part of your commission and that such action will have a wholesome effect upon business in general and do much to augment national prosperity.

Yours, very truly,

EASTERN MILLINERY ASSOCIATION (INC.),
M. W. AMBERG, *President.*

—

THE MARION CLUB CO.,
Marion, Ohio, December 26, 1913.

Hon. E. E. CLARK
Chairman Interstate Commerce Commission,
Washington, D. C.

DEAR SIR: By direction of The Marion Club I am inclosing herewith a copy of a resolution passed by its members approving the application of railroads for a reasonable increase of freight rates, and in presenting the same to you I express the hope of the business men of this community that this application will receive favorable consideration by the Interstate Commerce Commission.

Respectfully submitted,

J. A. SCHRODER,
President The Marion Club.

RESOLUTION.

Be it resolved by the members of The Marion Club, representing every branch of the business interests of Marion, Ohio, That we cordially favor the application of the railroads for such reasonable increase of freight rates as may be necessary to cover the increased cost of operation brought about by the numerous demands on the railroads; that such increase is expedient and desirable, in that it will enable the railroads to enter upon the making of betterments for the accommodation of the public in the transportation of freight and passengers, and in that it will restore confidence in the fairness of our citizenship, which will inspire and encourage further railroad construction, all to the end that prosperity and good feeling may be fastered and strengthened for the common good and welfare.

Be it further resolved, That this resolution be suitably engrossed and that copies of the same be transmitted to Hon. JOHN A. KEY, Representative, and Hon. ATLEE POMERENE and Hon. THEODORE E. BURTON, Senators, our representatives in Congress, for their consideration, and a copy to the Interstate Commerce Commission for its information.

THE MARION CLUB,
By J. A. SCHRODER,
Its President.

—

MEADVILLE, PA., *December 26, 1913.*

To the honorable INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

DEAR SIRS: The Meadville Chamber of Commerce, of Meadville, Pa., representing the manufacturing and business interests of this city, recognize the fact that the eastern railway lines have had to materially increase their expenses in the matter of increase in wages to employees, as well as improvement in equipment for the benefit of the public at large, and we earnestly recommend that the 5 per cent advance which the railroad lines have asked for of your honorable body be granted to them.

We believe that the railroad rates are lower than conditions warrant, and the 5 per cent advance amounts to very little to the individual, but means a great deal to the railway lines, and we recognize the fact that their prosperity means a great deal to the general business interests of the country.

Yours, very truly,

[SEAL.] THE MEADVILLE CHAMBER OF COMMERCE.
E. P. CULLUM, *President.*
E. W. LAWRENCE, *Secretary.*

—

MEADVILLE, PA., *December 27, 1913.*

Honorable INTERSTATE COMMERCE COMMISION,
Washington, D. C.

GENTLEMEN: The Industrial Fund Association, of Meadville, Pa., composed of members of the chamber of commerce, business men's exchange, and the four banks of the city, together with the mayor, an institution formed for the purpose of fostering and encouraging the industrial life of this city, in recognition of the fact that the railroad lines in the East have had their expenses materially increased, because of the higher wages to employees, better equipment, etc., recommend that the 5 per cent advance which the eastern railroads have asked of your body be granted.

Undoubtedly the conditions to-day warrant an increase in railroad rates, as from present indications their income is not sufficient to maintain their present efficiency and increase as business conditions demand.

Very truly, yours,

MEADVILLE INDUSTRIAL FUND ASSOCIATION.
JOHN E. REYNOLDS, *President.*
C. FRED CAMPBELL, *Secretary.*

—

MEADVILLE BUSINESS MEN'S ASSOCIATION,
Meadville, Pa., December 27, 1913.

To the honorable INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

DEAR SIRS: At a meeting of the Business Men's Exchange held at their rooms December 26, 1913, the following resolution was unanimously adopted:

"*Resolved*, That it is the sense of the business men of Meadville, Pa., that the increase of freight rates asked for by the railroads of the eastern section is fair and equitable and ought to be allowed by your honorable body.

"*Resolved*, That the Secretary of the Business Men's Exchange send a copy of the above to the Interstate Commerce Commission, Washington, D. C."

Very respectfully, yours,

M. H. LONGWILL, *Secretary.*

—

THE CHICAGO ASSOCIATION OF COMMERCE,
Chicago, December 26, 1913.

Hon. E. E. CLARK,
Chairman Interstate Commerce Commission, Chicago, Ill.

DEAR SIR: Inclosed please find copy of preamble and resolutions adopted by the freight-traffic committee of this association Tuesday, December 23, 1913, in respect to the proposed general advance of 5 per cent in freight rates in so-called official classification territory.

Yours, very truly,

H. C. BARLAW, *Traffic Director.*

Preamble and resolutions adopted by the freight-traffic committee of the Chicago Association of Commerce at their meeting held in the city of Chicago, Tuesday, December 23, 1913.

Whereas the freight-traffic committee of the Chicago Association of Commerce did on the 9th day of October, 1913, adopt certain resolutions touching upon the question of the pending investigation upon the part of the Interstate Commerce Commission into the proposed general advance of 5 per cent in freight rates in so-called official classification territory; and

Whereas said committee in their resolutions have not opposed and do not oppose the suggested advance in the all-rail interstate rates; and

Whereas long continued uncertainty as to the final outcome, in the judgment of this committee, will be detrimental to the commercial activities of the country: Now, therefore, be it

Resolved, This committee respectfully urge upon the Interstate Commerce Commission the propriety of causing all parties to the case to proceed with all possible dispatch to the end that a speedy determination of the question may be reached; be it further

Resolved, That a copy of these resolutions be sent to the members of the Interstate Commerce Commission.

—

INDIANA BITUMINOUS COAL OPERATORS' ASSOCIATION,
Terre Haute, Ind., December 31, 1913.

Mr. GEORGE B. MCGINTY,
Secretary Interstate Commerce Commission,
Washington, D. C.

DEAR SIR: A meeting of the Indiana Bituminous Coal Operators' Association held yesterday indorsed the inclosed resolution nd ordered the same forwarded to you.

Yours, truly,
P. H. PENNA.

TERRE HAUTE, IND., *December 30, 1913.*

To the Interstate Commerce Commission:

Whereas during the past few years the net earnings of the railroads of this country have been gradually decreased to the point where the margin over operating expenses is unsafe, which condition has been brought about by heavily increased operating expenses, both in wages and in complying with various new statutory requirements, while at the same time the gross earnings have not increased in nearly the same ratio; and

Whereas this situation has made it impossible for the railroads to make necessary improvements and buy additional equipment that the industries of the country demand, or even to properly maintain their present equipment and other property; and

Whereas we, the Indiana Bituminous Coal Operators' Association, feel that the welfare of our own industry, together with the welfare of the country as a whole, is closely dependent upon the prosperity of the railroads: Now, therefore, be it

Resolved, That we strongly urge the Interstate Commerce Commission to grant to the railroads an increase in freight rates on all commodities, including coal, feeling assured that such favorable action is necessary and that it will tend to immediately restore a feeling of confidence and prosperity, not only to the railroads, but to industry as a whole in this country.

Respectfully submitted.

BITUMINOUS COAL OPERATORS' ASSN.

—

NATIONAL LEAGUE OF COMMISSION MERCHANTS
OF THE UNITED STATES,
MINNEAPOLIS BRANCH,
Minneapolis, Minn., December 20, 1913.

The honorable the INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: With respect to the request of various railroad lines for an advance in rates, which matter we believe is now before your honorable body, it is our desire to call to your attention the situation which confronts us as shippers and receivers of perishable products with reference to the time schedule now in force by various railroads operating into this city from the following eastern and southern gateways, viz, Chicago, Omaha, Kansas City, and St. Louis.

Some time since the railroads operating from points mentioned lengthened their freight schedule so that car-lot shipments coming to this city reached us one day later than under the former schedule which had been in effect a number of years and which was highly satisfactory to ourselves.

It was stated by the railroads at the time that the schedule was lengthened that this action was made necessary by reason of the need for economy in operation, and that faster schedule could not be maintained at the rates then in force.

The change in schedule worked very much to our disadvantage as we were deprived of the advantage given in receiving fresh supplies from southern and eastern shipping points.

It is very essential in this line of business that we have expeditious time service. Generally the equipment furnished is satisfactory and the maintaining of the previous schedule would permit us to handle a greater volume of supplies and thus work to the advantage of both producers and consumers.

It seems entirely reasonable to us to ask that the railroads be compelled to resume their former schedule, especially if relief be granted them through an increase of rates.

We pass this to the consideration of your honorable body with the hope that our position may be appreciated, and the matter given careful consideration.

Yours, very truly,
S. G. PALMER,
President Minneapolis Branch.

—

HORNELL CHAMBER OF COMMERCE,
Hornell, N. Y., December 22, 1913.

Hon. E. E. CLARK,
Chairman Interstate Commerce Commission,
Washington, D. C.

DEAR SIR: Please find inclosed copy of resolution unanimously adopted at a meeting of Hornell Chamber of Commerce held December 22, 1913.

Respectfully, yours,
JAY H. STEVENS, *Secretary.*

Resolved, That the Hornell Chamber of Commerce records itself as in favor of the application of the railroads for a reasonable increase of freight rates; that in our opinion such increase is necessary on account of business conditions and increased cost of operation, and that it is advisable because it will result in better railroad accommodations, more railroad construction, and safer transportation; and that the secretary be directed to communicate this resolution to our Congressman and to E. E. Clark, chairman Interstate Commerce Commission.

JAY H. STEVENS, *Secretary.*

OHIO SHIPPERS' ASSOCIATION,
OFFICE OF THE SECRETARY,
Columbus, Ohio, January 5, 1914.

Mr. GEORGE B. MCGINTY,
Secretary Interstate Commerce Commission,
Washington, D. C.

DEAR SIR: We beg to hand you herewith statement for presentation to the commission, setting forth the position of the Ohio Shippers' Association with respect to proposed advance in freight rates as provided in tariffs filed by carriers in official classification territory and which are under suspension (I. & S. 333).

Kindly advise when you have placed this before the commission.

Thanking you in advance for your attention and reply, I am,

Yours, very truly,
J. N. MCCORD, *Secretary.*

Before the Interstate Commerce Commission. In the matter of tariffs filed by the carriers in official classification territory and suspended by order of the commission. I. & S. 333.

STATEMENT OF THE OHIO SHIPPERS' ASSOCIATION.

The Ohio Shippers' Association, an organization whose membership is composed of shippers located at practically all of the shipping points in Ohio, respectfully submits to the commission the following statement of its position with respect to the proposed advance of freight rates as provided in the tariffs now under suspension and being investigated by the commission. We do this with some hesitancy, for the reason that we are fully aware that the views of any body of shippers or of any individual shipper in official classification territory, with respect to the proposed advance of rates, could have no weight whatever in the determination of the matter, not being in any sense evidence, even in a remote degree.

We simply desire to express to the commission the confidence of the entire membership of this association in the ability of the commission and its counsel to develop every fact in support of the contention of the carriers that the proposed increase is reasonable and is necessary in order that they may secure sufficient revenue to properly maintain their properties, render prompt and efficient service to their patrons, and still have remaining sufficient money to pay a reasonable percentage of profit on their investment; also every fact which may show, or tend to show, that the rates provided in the tariffs already in force and sought to be increased will produce adequate revenue, with proper and economical management and operation of their properties. And that with such evidential facts before it, the commission will be able to weigh all of the evidence and determine beyond question on which side the preponderance lies.

A large majority of the officers and members of the executive committee of the Ohio Shippers' Association, all of whom are shippers or direct representatives of shippers, believe that the carriers parties to this proceeding should be permitted to put in force the tariffs herein suspended, because from their point of view said carriers, under the present tariffs, are not realizing sufficient funds to enable them to render the best possible service and at the same time pay a reasonable percentage of profit on the investment; while on the other hand, quite a large number of the membership of the association take the contrary view.

However, we respectfully bring to the attention of the commission the fact that it is the desire of every member of the association, without exception, that the proposed increase may be permitted, if the preponderance of the evidence shall, in the opinion of the commission, show that said increase is necessary in order to produce sufficient funds to cover the cost of efficient and economical management and operation of their properties and in addition a reasonable percentage of profit on their investment. If, on the other hand, the preponderance of the evidence shall fail to show such necessity, they are opposed to the proposed advance.

In other words, this association is unanimously in favor of the carriers having what is fair, equitable, and just in the way of freight rates—no more, no less. And when the question has been fully investigated and weighed by the commission and final decision rendered, the shippers of Ohio will know beyond question that the result is in accordance with right and justice as determined by men able and experienced in all matters pertaining to transportation, acting officially as a body, for the common good of the carriers, the shippers, and the general public.

Respectfully submitted.

THE OHIO SHIPPERS' ASSOCIATION,
Per J. W. MCCORD, *Secretary.*
J. L. RONEY, *President.*
H. S. GRIMES,
Chairman Executive Committee.

—

THE RETAIL MERCHANTS' ASSOCIATION OF LYNCHBURG, VA.,
Lynchburg, Va., January 29, 1914.

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

DEAR SIRS: I am instructed by my association to forward you the inclosed resolutions passed at a meeting held on January 27. We commend this resolution to your knd attention and earnestly hope the railroads may be granted this increase in rate they ask for.

Yours, very truly,
D. B. RYLAND, *President.*

Whereas the railroads in eastern territory are petitioning the Interstate Commerce Commission for an increase of 5 per cent in freight rates; and

Whereas it is the unanimous view of this association that the general welfare of the railroads, manufacturers, jobbers, retailers, and every other class and occupation are indisputably related: Therefore be it

Resolved, First, that the Retail Merchants' Association of Lynchburg, Va., in meeting assembled, do hereby go on record as heartily favoring this rate increase of 5 per cent for the eastern railroads; and

Resolved, Second, that a copy of this resolution be made and signed by the president and attested by the secretary of this association and forwarded at once to the Interstate Commerce Commission at Washington.

D. B. RYLAND, *President.*
By PAUL T. WILLIS, *Secretary.*

CLEVELAND, OHIO, *December 11, 1913.*

To the CHAIRMAN INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

DEAR SIR: Referring to a communication of the 9th instant, sent you by the Pittsburgh Vein Operators' Association of Ohio (a copy of which is herewith attached), entering formal protest against the advances in rates on coal shipped from mines belonging to corporations connected with the said association in eastern Ohio.

The Provident Coal Co. is a member of the Pittsburgh Vein Operators' Association of Ohio, but was not represented at the meeting referred to in its communication to you of the 9th instant. Had our company been represented at the meeting we would not have been in sympathy with the resolution that was passed, but would have voted against it.

On the other hand, we are entirely in sympathy with the 5 per cent advance in rates on all commodities asked by the railroads, for the reason that our understanding is that if this 5 per cent were granted it would include every commodity and apply to every railroad in the United States, and therefore would in no way prevent taking up the question of comparative freight rates on coal shipments from other competitive districts at any time.

We strongly believe that if the 5 per cent advance asked by the railroads is granted it would greatly help to restore confidence to the investor, and would altogether be the best thing that could happen present business conditions. Furthermore, we venture to express our conviction that in view of the greatly increased cost of the railroad companies' labor and supplies of all kinds they are entitled to and really absolutely need some increase in rates.

Yours, very truly,

THE PROVIDENT COAL CO.
By W. P. MURRAY, *President.*

CLEVELAND, OHIO, *December 9, 1913.*

The INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: The Pittsburgh Vein Operators' Association of Ohio, a voluntary organization of coal operators, desire to hereby enter its formal protest against the advances in rates on coal shipped from mines belonging to corporations connected with the said association in eastern Ohio to lower lake ports and local points as provided for in I. C. C. No. 31.

In filing this protest it is upon the basis of the knowledge that the existing freight rates on coal shipments from this district are more than fairly remunerative for the services rendered and by comparison much higher than the freight rates on coal shipments from other competitive districts.

In this connection we desire to call the commission's attention to its Opinion No. 1947, in the case of the above association versus the Pennsylvania Co. et al., in which the rate to the lower lake ports from this district was established at 75 cents, and that this opinion was handed down after a careful and exhaustive study of the situation by the commission at this investigation; and in the opinion the tremendous difference in transportation charges per mile between the coal shipped from this district and the coal from competitive States was shown in detail.

We see no reason why the coal from this district should bear more than its proportionate share of the burden of transportation.

We also desire to call the attention of the commission to its finding in the Bolleau case, to which reference is frequently made in Opinion No. 1947, in which it was inferred that the rate established from Pittsburgh was high compared with the services performed.

We desire to further call the attention of the commission to the fact that at the time the decisions were handed down in the Bolleau case and in the case of this association versus the Pennsylvania Co. that carriers operating from West Virginia voluntarily reduced their rates to lower lake ports.

In filing this protest it must not be construed as a protest against an advance in any rates other than the rates herein specified.

This protest is filed pursuant to a resolution authorizing the same, passed at a meeting of the association at the Hollenden Hotel, Cleveland, Ohio, December 9, 1913.

PITTSBURGH VEIN OPERATORS OF OHIO,
JOHN ZELENKA, *Secretary.*

WICHITA, KANS., *March 20, 1914.*

Hon. JAMES S. HARLAN,
Chairman Interstate Commerce Commission,
Washington, D. C.

DEAR SIR: Inclosed please find a resolution passed at the annual meeting of the Southwestern Millers' League, in Kansas City, Mo., Wednesday, March 18.

The Southwestern Millers' League is composed of the principal milling interests in the States of Kansas, Oklahoma, Texas, Colorado, Nebraska, and Missouri, and it is our opinion that a charge for "spotting cars" would lead to innumerable irregularities, and that the reasonable charge for the spotting of one car would be unreasonable for another.

The enormous increase or burden of such a move, if allowed, and the tension of feeling existing between railroads, shippers, and receivers would be strained, and that it would be a detriment to the railroads and the supposed benefits derived would result detrimentally rather than being beneficial.

We are of the opinion that if it is found necessary for the railroads to have an increased earning that an equal distribution such as the 5 per cent increase would be more favorably looked upon than a charge for spotting cars. In the case of the 5 per cent increase, it would be divided equally among all people, but in the case of the spotting of cars the burden would fall upon the few.

We feel that this is such an important matter that we suggest and urge that hearings be held throughout the country, and that all parties be given a chance to testify in this matter.

Hoping that you will give due consideration to this request, we are,

Yours, very truly,

THE SOUTHWESTERN MILLERS' LEAGUE.
C. V. TOPPING, *Secretary.*

CHARLESTON CHAMBER OF COMMERCE,
Charleston, W. Va., February 28, 1914.

Mr. GEORGE B. MCGINTY,
Secretary Interstate Commerce Commission,
Washington, D. C.

DEAR SIR: I beg to announce that at the regular monthly meeting of the Charleston Chamber of Commerce, held February 27, the following resolution was unanimously passed by the chamber and the secretary instructed to transmit a record of our action to you for the information of the Interstate Commerce Commission:

"Whereas, on account of a large increase in wages, cost of equipment, safety appliances, taxes, etc., the net revenues of the railroad companies have been continually decreasing, as shown by monthly reports; and

"Whereas the best interests of the public demand that transportation facilities be steadily improved and kept up to date, requiring a constant increasing of expenditures: Therefore be it

"*Resolved*, That this body respectfully request the Interstate Commerce Commission to put into effect such rules and regulations as will raise sufficient funds to enable the railroads to keep their plant and equipment in a high state of efficiency, also returning a fair income on moneys actually invested; and be it further

"*Resolved*, That said increase in revenue be obtained, first, by preventing any forms of rebate or by giving undue privileges to any special class; second, by suggesting economies in operation, construction, and financing; and, third, if necessary, by granting an increase in trunk-line freight rates, not to exceed 5 per cent, such increase to apply equally on all trunk lines carrying competitive commodities; or any other change or modification that in the judgment of said commission may seem best after a careful investigation of present conditions and causes leading thereto."

Very truly, yours,

S. P. PUFFER, *General Secretary.*

BAY CITY BOARD OF COMMERCE,
Bay City, Mich., February 28, 1914.

The INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: At the annual meeting of the Bay City (Mich.) Board of Commerce held on February 11, the inclosed resolution was unanimously adopted, and I was instructed to send copy of same to your commission.

Very respectfully,

JUSTIN A. RUNYAN, *Secretary.*

Resolution adopted by the Bay City (Mich.) Board of Commerce, February 11, 1914.

Resolved by the Bay City (Mich.) Board of Commerce in open session, after a full and careful investigation of the freight rates now being paid, That we believe it would be safe, on an average, to allow the railroads to increase rates 5 per cent, and we are in favor of same being done, provided an equalization of rates between larger and smaller communities would be assured, and that the same equalization shall be maintained between the large and small shipper.

JOPLIN, MO., *February 27, 1914.*

SECRETARY OF INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

DEAR SIR: Inclosed herewith please find copy of a resolution passed by the commercial organizations of this city at a dinner given by the business men of our city at the formal opening of the Frisco Railway Station.

The inclosed clipping of the proceedings may be of interest to you.

Yours, truly,

COMMERCIAL CLUB OF JOPLIN,
F. L. YALE, *Secretary.*

Resolution passed by the commercial organizations in the city of Joplin, Mo., February 26, 1914.

Whereas most of the commercial bodies and boards of trade east of the Mississippi River have, by resolution and petition, requested the Interstate Commerce Commission to grant the railroads east of the Mississippi River a 5 per cent advance in freight rates; and

Whereas the cities of St. Louis and Kansas City of our own State, and the business men of the city of Joplin, attending the Noonday Luncheon Club of this city have made a similar request: Therefore be it

Resolved, That it is the sense of this meeting that the several commercial bodies here assembled indorse the action of the various commercial bodies before mentioned and the action taken at our Noonday Luncheon Club by our own citizens and business men.

EAST ST. LOUIS, ILL., *March 7, 1914.*

Mr. G. B. MCGINTY,
Secretary Interstate Commerce Commission, Washington, D. C.

DEAR SIR: I inclose a copy of the resolution adopted by the board of directors of the East St. Louis Industrial League for your files.

Yours, very truly,

EAST ST. LOUIS INDUSTRIAL LEAGUE,
W. N. AUBUCHON, Jr., *Manager.*

At a meeting of the board of directors of the East St. Louis Industrial League, held at its offices in the Arcade Building, East St. Louis, Ill., on the 2d day of March, A. D. 1914, Henry D. Sexton offered the following resolution and moved its adoption:

"Whereas there is now pending before the Interstate Commerce Commission of the United States an application upon the part of the railroads for a general increase of freight rates on all traffic subject to the official classification in central freight and trunk line territories; and

"Whereas the East St. Louis Industrial League is largely composed of owners of manufacturing and industrial plants in the city of East St. Louis, Ill.; and

"Whereas it is believed that the railroad companies are entitled to an increase in freight rates on account of the increased cost of operation, and that if given the increase now asked they will be better able to make necessary improvements, and in this manner will be better able to serve the public: Therefore be it

"*Resolved*, That the East St. Louis Industrial League favors the increase in freight rates asked by the railroad companies in the application now pending before the Interstate Commerce Commission for a 5 per cent increase in freight rates on all traffic subject to the official classification in central freight and trunk line territories; be it further

"*Resolved*, That a copy of these resolutions be mailed to the secretary of the Interstate Commerce Commission, with the request that they be presented to the commission."

Which motion was seconded by C. M. Horner and duly carried. Whereupon the chair declared said resolution duly adopted.

I, R. W. Sikking, secretary of the East St. Louis Industrial League, do hereby certify that the above and foregoing is a true and correct

copy of a resolution duly passed at a regular meeting of the East St. Louis Industrial League held at its offices, in the Arcade Building, in the city of East St. Louis, Ill., on the 2d day of March, A. D. 1914.

R. W. SIKKING, *Secretary.*

—

THE OHIO HARDWARE ASSOCIATION,
Dayton, Ohio, March 5, 1914.

To the INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: Please find inclosed copy of resolution adopted by the Ohio Hardware Association during their convention in Toledo, Ohio, February 24–26, 1914.

Yours, very truly,

JAMES B. CARSON, *Secretary.*

TOLEDO, OHIO, *February 26, 1914.*

Whereas the Ohio Hardware Association in convention assembled, with a membership of 1,000, representing the 1,800 dealers in Ohio, have learned that the Interstate Commerce Commission is now in session in Washington, D. C.; and

Whereas the railroads have given forceful reasons showing that they are now operating on a margin insufficient to permit them to meet the demands of the business public: Therefore be it

Resolved, That this body, the oldest association of retail hardware dealers in the United States, in its twentieth annual session, respectfully request the Interstate Commerce Commission to allow this advance of 5 per cent; and, further, we believe that prompt action will speedily result in a general business expansion.

Resolved, That a copy of this preamble and resolutions be sent to His Excellency Woodrow Wilson, President of the United States, and also to the Interstate Commerce Commission.

ALBERT ZETTLER,
H. F. AUFDERHEIDE,
W. D. JONES,
W. L. STOCKLIN,
Committee on Resolutions.

—

COLUMBUS, OHIO, *March 30, 1914.*

G. B. MCGINTY,
Secretary of Interstate Commerce Commission,
Washington, D. C.

DEAR SIR: Our chamber of commerce has requested that we write you our views in regard to the 5 per cent advance in freight rates for the eastern railroads, and also their charge of a minimum of $2 to be assessed for placing cars on private sidetracks.

The majority of our business is with the railroad companies. Our service has not been of the best for the last year from some cause. The cars seem to be too long en route, and after they reach the yards the time in placing them seems to be unreasonable.

If service depends upon the advance, we are heartily in favor of the 5 per cent advance, should your commission find that they are in any way entitled to it. But we think they should be satisfied with this advance without an extra charge for placing cars. We figure the railroad companies receive more benefit from the private sidings than the owner. The owner is required to build and maintain his siding; the railroad company reserves the right to use it, not only for the owner's cars but for the railroad company's switching, and oftentimes fill it with empties that are in no way connected with the owner of the private track. This prevents their yard from being blocked to the amount of the cars that can be handled on private tracks. We have been unable to get any service that we do not get on their own siding; therefore we think the $2 charge would be an unjust one, even; they should not be granted the 5 per cent increase.

Yours, very truly,

THE BAZLER TRANSFER & STORAGE CO.,
G. E. BAZLER, *President.*

—

SOCIETY OF AMERICAN DRAMATISTS AND COMPOSERS,
New York, March 30, 1914.

INTERSTATE COMMERCE COMMISSION.

DEAR SIRS: The Theatrical World, representing many thousands of people, implores you for the sake of general business to help the railroads, for unless they prosper we can not; unless general prosperity exists we all suffer. Clipping from New York Times herewith:

"RAILROAD EARNINGS SHOW BIG DECLINES—DISCHARGING EMPLOYEES REFLECTS CONTINUED RETREAT OF GROSS REVENUES.

"The necessity of railroad retrenchment, as displayed in the discharge of 15,000 men by the Pennsylvania and of 25,000 by the New York Central lines in the past few months, is reflected in the decline of gross earnings the country over. In many cases operating costs have been reduced, as compared with the corresponding periods of the preceding year, but not to a degree sufficient to keep profits from falling below the parity of 1913.

"According to statistics prepared by the Financial Chronicle on 92,300 miles of road in the United States, with four Canadian lines included, gross earnings in February were $60,934,916, as compared with $67,400,056 in February of last year, a decrease of $6,465,140, or 9.61 per cent. The reaction in trade was largely responsible for the shrinkage of traffic, and the grain-carrying roads of the Northwest and Middle West were affected by bad weather, as well as by the fact that last year's crops were not as great as in other recent years, particularly the corn yield. Added to these factors were increased wages and extra expense caused by snowstorms and washouts in districts where the winter weather was especially severe.

"Some of the leading carriers to report large decreases in gross revenues were the Great Northern, with a decline of $683,087; the Louisville & Nashville, $368,794; the Illinois Central, $327,131; the Missouri Pacific, $407,600; and the Denver & Rio Grande, $175,300. The Union Pacific system reported gross income of $5,909,570, a falling off of $565,300 from the preceding February, while the Southern Pacific had a gross return of $9,850,724, as compared with $10,453,543. Gross revenue of the Chicago & North Western was $6,226,499, against $6,658,696 in February, 1913.

"In the first week of March 39 roads had aggregate receipts of $12,041,222, as compared with $13,077,596 in the same week of 1913. In the second week 40 companies reported gross amounting to $12,983,752, a recession of $615,241, and in the third week 24 roads totaled $10,246,764, a falling off of $680,122.

"A summary of operations on 225,510 miles of steam road, as prepared by the bureau of railway economics, showed operating revenues in January of $226,618,120. This amount included revenues from freight and passenger traffic, from carrying mail and express packages, and from miscellaneous sources connected with rail operation. Compared with January of the preceding year this total represented a decrease of $16,457,067. Operating receipts per mile of line displayed a decline of $82, or 7.5 per cent a mile. There was a decrease of 9.9 per cent in freight revenue per mile and of 1.2 per cent in income from passenger traffic.

"Operating expenses, including all the costs of maintaining track and equipment, operating trains, securing traffic, and administration, amounted to $175,067,091. This was $4,464,388 less than in the preceding January. These costs per mile of line averaged $776, as compared with $802 the year before, a decrease of $26 per mile. Net operating revenue amounted to $51,551,029, a recession of $11,992,679 from the record of January, 1913. This was a falling off of $56 per mile, or 19.3 per cent. Taxes were, in the aggregate, $11,178,828, or $50 per mile, a gain of 10.2 per cent.

"The railways of the eastern district showed a decrease in total operating revenues per mile of line, as compared with January, 1913, of 11.2 per cent. In the southern district the decline was 0.4 per cent, and the lines of the western district displayed a decrease of 6 per cent. Operating income per mile declined 48.2 per cent in the East, declined 9.7 per cent in the South, and 9.7 per cent in the West.

"A comparison of returns for seven months of the current fiscal year with those of the same months last year revealed a decline of 1.5 per cent per mile in total operating revenues, an increase of 3.8 per cent in operating expenses, and a falling off in net operating revenue of 12 per cent for every mile of road in operation. In this period net operating revenue fell away 19.3 per cent per mile in the East, increased 1.2 per cent in the South, and decreased 9 per cent in the West."

Respectfully,

H. E. SMITH.

Pray, help the whole country.

—

THE CHAMBER OF COMMERCE OF ALTOONA,
Altoona, Pa., March 30, 1914.

The INTERSTATE COMMERCE COMMISSION, *Washington, D. C.*

GENTLEMEN: The Chamber of Commerce of Altoona, which includes in its membership 515 of the representative citizens of Altoona and vicinity, through its duly authorized board of directors, begs leave to submit the following resolution:

We believe that the eastern railroads are entitled to an increase in freight rates, which request is now being considered by your honorable body.

We are convinced that not only will the best interests of the entire country be conserved by the granting of such increase, but an early announcement of such a decision not only will restore public confidence and normal business conditions but will avert greater hardships to thousands of workmen now out of employment.

Therefore we wish to record the expression of this organization, which we believe reflects the prevailing sentiment of the greater Altoona industrial district of more than 100,000 population.

Very respectfully,

[SEAL.]

BOARD OF DIRECTORS,
By W. C. WESTFALL, *President.*
H. J. SEADS, *Secretary.*

—

CONCORDIA, KANS., *April 1, 1914.*

Hon. C. B. MCGINTY,
Secretary Interstate Commerce Commission, Washington, D. C.

DEAR SIR: At a meeting of this association held to-day the following resolution was unanimously adopted:

"Resolved, That this association favors granting to the railroads the 5 per cent horizontal increase in rates asked for in official classification territory."

We feel that this advance is essential to the prosperity of the roads, that they may be able to serve the growing needs of the country in transportation matters.

Yours, truly,

THE JOBBERS & MANUFACTURERS' ASSOCIATION,
By O. E. CURRAN, *Secretary.*

—

KENOSHA, WIS., *April 2, 1914.*

INTERSTATE COMMERCE COMMISSION, *Washington, D. C.*

GENTLEMEN: At a meeting of the Manufacturers' Association of Kenosha, Wis., the following resolution was passed unanimously:

"Resolved, That the manufacturers and shippers represented by this association are in favor of a horizontal advance of 5 per cent on all freight rates, without discrimination in favor of any class of shippers or any community.

"That, after this has been accomplished, we are in favor of such adjustments as will 'iron out' any inequalities that may exist before or after the advance.

"That we are in favor of the readjustment of the rates and tariffs of so-called industrial railways down to the point where the division of the tariff returns to the individual, partnership, company, or corporation which owns said industrial railway a return equal to the service which the carrier would render if the carrier owned the tracks on easements.

"That we are not in favor of charging individuals, partnerships, companies, or corporations a spotting charge, believing that a charge of this kind would be a step backward as well as a discrimination. The use of private tracks should be encouraged as much as possible. To the extent that this can be done it would relieve the already congested terminals and would be the means of more prompt loading and discharging of freight, which would be a gain to everyone, in that more nearly the maximum carrying capacity of the railway equipment could be utilized. During normal times in the fall of the year there is generally a scarcity of equipment. Steps should be taken to relieve this condition rather than to increase it."

Yours, very truly,

MANUFACTURERS' ASSOCIATION OF KENOSHA,
GEORGE H. ALLEN, *President.*
CONRAD SHEARER, *Secretary.*

—

THE HERSHEY-RICE MANUFACTURING CO.,
Columbus, Ohio, April 3, 1914.

The INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: At the meeting held by the Manufacturers and Jobbers' Association of our city in the department of our chamber of com-

merce, of which the writer is chairman, and in speaking our views on the matter of freight rates and the increase of 5 per cent which the railroad companies have been asking for, we as a firm and 90 per cent of the members of our association are in favor of your Commerce Commission to grant the railroad companies the increase of 5 per cent.

We all believe they are entitled to this, due to the various conditions and obstacles that they have had to meet within the past several years, and the little increase of freight that we are to pay on the various classes of merchandise we do not believe we would miss or that it would cause any inconvenience or advance of merchandise to the consumer, but our association and our firm do not approve of the minimum charge of $2 for placing cars in carload lots on tracks or private tracks; and we believe if the railroad companies get their 5 per cent this additional charge of setting cars would be eliminated.

Also, we believe that an increase of freight rates with the railroad companies would help stimulate business throughout the United States, and we would soon be repaid in the volume of business that we would receive by the stimulation of business throughout the country.

Respectfully, yours,

A. W. HERSHEY.

THE CHAMBER OF COMMERCE,
Steubenville, Ohio, April 3, 1914.

PRESIDENT OF THE INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

DEAR SIR: We beg to inclose herewith copy of the resolutions adopted by our chamber of commerce on the 2d instant, and ask your serious consideration of the same.

Very truly, yours,

CHAMBER OF COMMERCE,
F. P. CHAFFEE, *Secretary.*

Resolutions adopted by the Chamber of Commerce of Stubenville, Ohio, at a regular meeting of its board of directors, on April 2, 1914.

Whereas the Chamber of Commerce of Steubenville, with a membership of over 400 of the leading business men and manufacturers of this city, at a previous meeting adopted resolutions favoring the granting of the railroads the 5 per cent increase in freight rates; and

Whereas the Steubenville district handles as large a freight tonnage as any district of similar size in the country; and

Whereas a charge for placing and spotting freight cars would involve a very large and almost prohibitive expense to many small industries in this district that are now struggling for existence; and

Whereas the present unsettled condition of railroad affairs in this district, due to the delay in settling the question of freight-rate increase, is seriously detrimental to the business interests of Steubenville and the Steubenville district: Be it

Resolved, That we earnestly protest against the railroads being required to charge for the placing and spotting of cars; and be it

Resolved further, That we respectfully urge the Interstate Commerce Commission to give its decision as to the matter of the 5 per cent freight raise asked by the railroads at the earliest possible date, in order that business conditions may become readjusted and the movement of freight return to normal conditions; be it further

Resolved, That a copy of these resolutions be sent to the President of the Interstate Commerce Commission.

ZANESVILLE MERCHANTS' ASSOCIATION,
Zanesville, Ohio, March 24, 1914.

PRESIDENT INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

SIR: I have the honor of presenting to you the formal action of the executive board of the Zanesville Merchants' Association, in reference to the request of the railroads of the Nation for an increase of freight rates.

Very truly, yours,

H. SERKOWICH, *Secretary.*

Whereas the railroads operating in the United States are petitioning the Interstate Commerce Commission for permission to increase the rates on freight transportation not to exceed 5 per cent; and

Whereas the profitable operation of the Nations' transportation facilities is being seriously retarded by reason of the railroads not receiving such rates for freight transportation as would insure the profitable operation of the railroads of the country; and

Whereas the railroads of the Nation are the highways of commerce, and when such highways of commerce are burdened by unprofitable operation, the effect is felt in every line of commercial endeavor: Therefore be it

Resolved, That the executive board of the Zanesville (Ohio) Merchants' Association, organized for the purpose of promoting, protecting, and fostering mercantile interests in the city of Zanesville, Ohio, and surrounding territory, do hereby indorse and recommend that the petition for the increased rates be granted.

EXECUTIVE BOARD MERCHANTS' ASSOCIATION,
By M. M. DUNCAN, *President.*

Attest:

H. SERKOWICH, *Secretary.*

MARCH 24, 1914, A. D.
Zanesville, Ohio.

COLUMBUS, OHIO, *March 25, 1914.*

To the honorable the INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: We beg to transmit to you the following statement of the attitude of this association upon matters now pending before your honorable body, such action being taken upon a referendum vote of the membership of this association.

Very respectfully,

OHIO MANUFACTURERS' ASSOCIATION,
By MALCOLM JENNINGS, *Secretary.*

COLUMBUS, OHIO, *March 25, 1914.*

To the honorable the INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: The Ohio Manufacturers' Association, representing the second largest industry in Ohio, urgently petitions your honorable body to grant immediate compliance with the request of the railroads of the United States for a horizontal increase in rates for freight shipments.

As shippers, we realize that the increase so granted would make an additional charge upon our cost of operation and production, but it would be a burden distributed upon all shippers alike, without discrimination or yielding of unfair advantage.

While there have been, unquestionably, serious abuses in the railway development and operation in the past, and while some such abuses may still exist, arising from conditions for which the Government and all the people, as well as the railroads, are responsible, we believe that the revenue to be derived from the proposed increase in rates is absolutely necessary to reasonably maintain the credit of the railroads, to permit them to make the repairs and betterments necessary, to adequately provide for the growing demands of service and facilities, and to stop the enormous losses now affecting the business of the entire country.

We protest that in our judgment the alternative plan proposed for providing additional revenues for the railroads, through the imposition of special charges for "ferry," "trap car," and "spotting car" service, would result in still further unsettling business conditions and, in application, would bring about disastrous inequalities and discrimination among and between shippers.

We submit that the present rates, as a whole, have been based upon long-established shipping customs, and that arbitrary changes in switching and car-placing regulations would be confusing and harmful in many ways and of doubtful benefit to the carriers. The abuses which may have arisen in connection with switching and car-placing service, and we do not doubt that there are instances of this sort, can be eliminated upon investigation and order, without involving all shipping interests.

Therefore, we protest against any arbitrary withdrawal of switching or car-placing services, or the institution of special charges therefor, holding as we do, that these services are wholly compensated in the building and maintaining, by shippers, of individual tracks, loading stations and appliances, which greatly fecilitate the transportation of all classes of freight, wherever or by whomever shipped, and prevent the congesting of traffic and storage.

The substitution of such a change would work a great hardship upon shippers, would necessitate increased prices to the consumers, and would not greatly or uniformly benefit the railroads nor give the relief for which they and we pray.

We believe that the granting of a horizontal rate increase without delay will result in the immediate stimulation of business in all lines of productive endeavor and that it will not entail serious loss or injury to any person or persons, firms, or corporations. With the losses of roadbeds, tracks, bridges, rolling stock, and equipment in the unparalleled floods of the past year, with revenues depleted by loss of business, with operation controlled by legislative enactment and exactions and hampered by new regulations and requirements, already unable to meet the demands of shippers for adequate service even at a time of partial depression, facing the absolute necessity for rebuilding and extensions, there is no doubt—there can be no question—that the railroads need the relief prayed for, and need it now; and neither is there question that a large majority of the shippers of the United States realize these conditions and join in this prayer.

Respectfully submitted, by order of executive committee.

OHIO MANUFACTURERS' ASSOCIATION,
S. P. BUSH, *President.*

COLUMBUS, OHIO, *March 26, 1914.*

RATE INCREASE IN OFFICIAL CLASSIFICATION TERRITORY—SUPPLEMENTAL STATEMENT OF THE COLUMBUS CHAMBER OF COMMERCE.

Before the Interstate Commerce Commission. Docket No. 5860. I. S. Docket No. 333.

The Columbus Chamber of Commerce begs leave to submit to the commission the following supplemental statement in the matter of the petition of carriers in official classification territory to be permitted to increase their revenues by increasing freight rates, and the question which has been raised in connection with the proposed rate-advance proposition as to the carriers assessing charges for so-called special services, such as spotting cars, trap-car service, etc., long recognized as being elements or parts of transportation service, the cost of the same being practically all included in the transportation charge.

It was our intention in the former statement to make clear to the commission that the Columbus Chamber of Commerce is opposed to and protests against the carriers being permitted to make any change in the method which has been in force for more than 40 years and to now assess charges for any such special services, and we briefly stated our reasons therefor.

Now, in addition to what we said in our former statement, we desire to say that in the event it is shown to the satisfaction of the commission that the carriers are entitled to an increase of revenue, it is our belief that the plan of permitting a horizontal advance in freight rates would be preferable to that of permitting the carriers to assess charges for the so-called special services. Indeed, we confidently believe that if the latter method were adopted it would result in confusion, injustice, and discrimination, and at the same time fail to yield to the carriers the necessary amount of increased revenues.

Respectfully submitted.

THE TRAFFIC DEPARTMENT OF THE
COLUMBUS CHAMBER OF COMMERCE,
J. C. MILLER, *Chairman.*
F. H. HYSELL, *Manager.*

BAYONNE, N. J., *March 27, 1914.*

To the honorable the INTERSTATE COMMERCE COMMISSION,
Washington, D. C

GENTLEMEN: The manufacturers' committee of the Chamber of Commerce of the City of Bayonne, representing practically all the large shippers of this city, the commerce of which is in excess of 3,000,000 tons annually, under authority of the chamber, made a canvass of such shippers and found they were almost unanimous in believing that it was in their interest that the railroad companies operating in official classification territory be granted the advance in freight rates that they are seeking to secure through the Interstate Commerce Commission.

When the manufacturers' committee reported to the chamber of commerce, the chamber adopted the following resolution:

"Whereas this chamber has discussed the question of increased freight rates after the manufacturers' committee, at its request, had carefully considered it and recommended in its favor; and

"Whereas this chamber believes that the petition of the railroad companies is just and reasonable, and that confidence and increased business prosperity will follow a favorable consideration of said petition:

"Therefore this chamber resolves that presentation of these views be made to the Interstate Commerce Commission, urging a decision on the application favorably to the railroad companies as soon as possible."

All of which is respectfully submitted.

CHAMBER OF COMMERCE OF THE CITY OF BAYONNE,
DE WITT VAN BUSKIRK, *President.*
HAROLD C. STEVENS, *Secretary.*

—

BAYONNE, N. J., *March 27, 1914.*

To the honorable the PRESIDENT OF THE UNITED STATES.
The White House, Washington, D. C.

HONORABLE SIR: The manufacturers' committee of the Chamber of Commerce of the city of Bayonne, representing practically all the large shippers of this city, the commerce of which is in excess of 3,000,000 tons annually, under authority of the chamber, made a canvass of such shippers and found that they were almost unanimous in believing that it was in their interest that the railroads operating in official classification territory be granted the advance in freight rates that they are seeking to secure through the Interstate Commerce Commission.

When the manufacturers' committee reported to the chamber of commerce, the chamber adopted the following resolution:

"Whereas this chamber has discussed the question of increased freight rates after the manufacturers' committee, at its request, had carefully considered it and recommended in its favor; and

"Whereas this chamber believes that the petition of the railroad companies is just and reasonable, and that confidence and increased business prosperity will follow a favorable consideration of said petition.

"Therefore this chamber resolves that presentation of these views be made to the Interstate Commerce Commission, urging a decision on the application of the railroad companies favorably and as soon as possible."

All of which is respectfully submitted.

CHAMBER OF COMMERCE OF THE CITY OF BAYONNE.
DEWITT VAN BUSKIRK, *President.*
HAROLD C. STEVENS, *Secretary.*

—

MASSACHUSETTS REAL ESTATE EXCHANGE,
Boston, Mass., May 6, 1913.

Hon. WARD PROUTY,
Interstate Commerce Commission, Washington, D. C.

DEAR SIR: President John J. Martin instructs me to forward to you the inclosed resolution with regard to the present railroad situation.

It was our intention to have this presented during the hearing recently held in Boston, but have thought it best to forward it direct to your commission at Washington.

Very truly, yours,

CHAS. E. LEWIS, *Secretary.*

—

The INTERSTATE COMMERCE COMMISSION.

GENTLEMEN: The following resolution was adapted at a meeting of the committee held at the exchange rooms, Tuesday, April 15, 1913:

"Whereas the growth and welfare of our community is largely dependent upon proper transportation facilities, and the cost of furnishing transportation depends largely on the cost of its principal constituent elements of labor and materials, and the cost of performing services at their increased cast has been, as shown by statistical records, greater in proportion than the increase of population and of business: Now, therefore

"*Resolved*, That in the opinion of the special committee appointed by the board of directors of the Massachusetts Real Estate Exchange with power to act, it is in the public interest that if a railroad is honestly capitalized and honestly and ably run the road should be allowed to earn from its traffic an income reasonably adequate to meet the requirements of its increasing business and sufficient to make a safe and profitable return on the investment reasonably necessary for the purpose; and that therefore the Interstate Commerce Commission be requested to permit under the law such reasonable advances in railroad rates as may be necessary and proper to furnish proper transportation facilities and to insure the safe investment of any additional capital necessary for the purpose; and that the Massachusetts Railroad Commissioners be requested to do all acts and things necessary or proper under the law to cooperate to this end."

The special committee is made up as follows: President, John J. Martin; chairman, Hon. Wm. H. Gove; Edmund D. Codman, Hon. Wm. B. Lawrence, William Minot, Elbridge R. Anderson, and Col. Peter H. Corr.

MASSACHUSETTS REAL ESTATE EXCHANGE.

Attest:

CHAS. E. LEWIS, *Secretary.*

—

THE MERCHANTS AND MANUFACTURERS' ASSOCIATION OF CINCINNATI,
Cincinnati, June 5, 1913.

Mr. E. E. CLARK,
Chairman Interstate Commerce Commission,
Washington, D. C.

DEAR SIR: At meeting of the executive committee of this association yesterday the subject of 5 per cent increase in freight rates proposed by the railroads was discussed and resolution favoring the increase adopted, copy of which I attach hereto, and will appreciate it very much indeed if you will present same at the next meeting of the commission.

I sincerely hope that the request of the railway companies will be given favorable consideration.

Yours, very truly, JNO. W. IRVINE, *Secretary.*

The following preamble and resolution was adopted at a meeting of the executive committee of the Merchants and Manufacturers' Association, held June 4, 1913, 215 Provident Bank Building, Cincinnati, Ohio:

"Whereas from the statements made by the railroad representatives at meeting held at the Business Men's Club May 22, 1913, regarding the 5 per cent advance in rail rates, it is believed that the increase is an absolute necessity, and if granted the amount derived therefrom will be equitably applied to the purchase of additional equipment, enlargement and development of terminals, also increased and improved facilities, and that the advance will not result in undue discrimination against localities or commodities.

"*Resolved*, That we approve of the proposed advance and respectfully recommend to the Interstate Commerce Commission that they grant the request of the carriers for authority to increase the rail freight rates 5 per cent on all commodities in the territory east of the Mississippi and north of the Ohio and Potomac Rivers."

(Extracted from the minutes.)

STEWART SHILLITO,
Chairman of the Meeting.
JNO. W. IRVINE,
Secretary of the Meeting.

—

THE BUSINESS MEN'S LEAGUE OF ST. LOUIS,
June 7, 1913.

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: I am directed by the executive committee of the Business Men's League to hand you herewith the attached resolution, which was unanimously adopted by this executive committee at its regular meeting June 6, 1913, the secretary being directed to forward the resolution to your honorable body. I am, with great respect,

Your obedient servant,

W. F. SAUNDERS,
Secretary and General Manager.

Whereas certain railroads in what is known as official classification territory have in effect requested from the Interstate Commerce Commission permission to advance their freight rates uniformly 5 per cent; and

Whereas we believe that the railroads are not now receiving sufficient revenue to enable them to perform, under present conditions, service adequate to the needs of the commerce of the country: Therefore be it

Resolved, That the Business Men's League of St. Louis, by its duly authorized officers and executive committee, and in accordance with the unanimous recommendation of its traffic bureau, hereby request the Interstate Commerce Commission to grant to those railroads, as promptly as circumstances will permit, permission to advance freight rates in the uniform manner set forth in their recent petition, upon presentation by the representatives of the railroads of such facts and figures to the Interstate Commerce Commission as will prove the necessity of such increase in revenue in order to provide adequate service to the shipping public.

JUNE 14, 1913.

Mr. WILLIAM F. SAUNDERS,
Secretary and General Manager
The Business Men's League of St. Louis, St. Louis, Mo.

DEAR SIR: This will acknowledge receipt of your letter of June 7 inclosing a copy of a resolution adopted by the executive committee of the Business Men's League of St. Louis, concerning increase in freight rates.

A copy of the petition filed by carriers in official classification territory, requesting a hearing upon the question of their right to a general advance of 5 per cent in freight rates, is inclosed.

The commission has made no announcement of its action with respect to this petition.

Respectfully, ——— ———, *Acting Secretary.*

—

INDIANAPOLIS, IND., *June 18, 1913.*

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: We inclose herewith copy of communication addressed to Mr. G. H. Ingalls, chairman of committee representing Central Freight Association carriers, along with copy of resolution adopted by this body Thursday, June 5, both of which are self-explanatory.

This information is respectfully submitted for your consideration.

Yours, very truly,

INDIANAPOLIS CHAMBER OF COMMERCE,
L. H. LEWIS, *General Secretary.*

—

NEW JERSEY STATE CHAMBER OF COMMERCE,
Jersey City, July 18, 1913.

Hon. EDGAR E. CLARK,
Washington, D. C.

DEAR SIR: For your information the secretary takes pleasure in inclosing herewith copy of communication being forwarded to-day to the Interstate Commerce Commission.

Respectfully,

MARCUS A. BEEMAN, *Secretary.*

—

NEW JERSEY STATE CHAMBER OF COMMERCE,
Jersey City, July 18, 1913.

To the INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: On June 11, 1913, the transportation committee of the New Jersey State Chamber of Commerce submitted to a referendum vote its proposal to support a movement which might tend to increase the earnings of the railroad systems of the country.

As membership in this chamber is individual and not held by local organizations or corporations, it was possible to secure the views of its members without delay. As a result of this referendum vote it was ascertained that 98 per cent of our members approved the proposal of the transportation committee.

It is the belief of the New Jersey State Chamber of Commerce that there are many apparent reasons favoring the contention of the railroads of this country that they should be allowed a larger margin of earnings in order to insure proper service and maintenance, and that this would result in a general business expansion. The chamber further believes that the restoration of financial credit and the opportunity thus afforded to grow and expand would work a benefit to every industrial city in the United States.

The chamber does not advocate a specific increase for any or all railroads, but believes that this is a matter for most exhaustive investigation. It is of the opinion that in some instances the railroads have suffered from radical legislation, while in others the question of financial management should be considered; and that all of these factors come solely within the jurisdiction of the Interstate Commerce Commission.

Respectfully submitted.

WM. C. HEPPENHEIMER,
President.
ERNEST BIARDOT,
Chairman Transportation Committee.

INVESTMENT BANKERS' ASSOCIATION OF AMERICA,
OFFICE OF THE SECRETARY,
111 West Monroe Street, Chicago, November 1, 1913.

Mr. JOHN H. MARBLE,
Secretary Interstate Commerce Commission, Washington, D. C.

DEAR SIR: The Investment Bankers' Association of America, comprising 400 of the leading investment banking houses of the United States and Canada, have just closed their second annual convention which was held in this city.

During one of the sessions of our recent meeting a resolution was passed and instructions were given me to submit a copy to yourself.

In compliance with my instructions, therefore, I take pleasure in handing you herewith exact copy of the resolution.

Very truly, yours,

F. R. FENTON, *Secretary.*

Resolution.

To the INTERSTATE COMMERCE COMMISSION:

The Investment Bankers' Association of America is an organization whose membership comprises most of the prominent dealers in investment securities doing business in this country. It represent through its membership a great army of investors holding hundreds of millions of dollars of railroad securities. The association is therefore intimately concerned with the prosperity of the railroads and the value of their securities.

For the past decade there has been a constant and large increase in the expenses of the railroads, especially in the items of cost of materials and the cost of labor. There has also been an ever-increasing demand for better equipment and more complete installation of safety devices designed to protect the traveling public.

With these increased expenses has come little or no increase in the compensation received for the transportation of freight or passengers, and the surplus earnings of the roads are in few cases sufficient to provide funds for making the improvements which have been demanded.

The supply of liquid capital throughout the world has been during the last few years decidedly limited, and it has been increasingly difficult for the railroads to make sales of securities to provide additional funds. Holders of railroad securities at the present time are receiving only fair returns on the funds so invested, and yet a reduction in this return seems imminent unless the railroads can in some way increase their earning capacity. In view of these facts, it seems to this association that an increase in rates should be approved by your commission, and we earnestly hope that this question will receive careful consideration from you from the standpoint of the investor as well as from the standpoint of the shipper.

—

NORRISTOWN CHAMBER OF COMMERCE,
Norristown, Pa., April 6, 1914.

Mr. G. B. MCGINTY,
Secretary Interstate Commerce Commission,
Washington, D. C.

DEAR SIR: We as a chamber of commerce, representing the business interests of this town and vicinity, desire to, and do hereby, enter a formal protest against the proposed charge for "spotting," or placing of cars on private sidings.

We are firmly convinced that this will prove detrimental to the interests of the shippers of this town, as well as to the shippers in general, and we do not believe that it will prove of any great benefit to the railroads.

We are in favor of some action by your esteemed body whereby the revenues of the railroads may be increased and thereby bring greater prosperity to our country, and we believe this can best be done by allowing them to increase rates, as proposed by the railroads and which you are now considering.

The whole country is awaiting your decision in this most important matter, and we trust that your honorable body will be able to grant this increase in freight rates at an early date.

SAMUEL ROBERTS,
Vice President.
JOHN A. LONGACRE,
Chairman Transportation Committee.
THEODORE HEYSHAM,
Secretary.

—

WHITE RATS ACTORS' UNION OF AMERICA,
New York City, April 6, 1914.

INTERSTATE COMMERCE COMMISSION.

GENTLEMEN: Have we actors got to risk our lives traveling on weak bridges? You gentlemen ought to give the roads plenty of money to keep the roads safe. Lives are too precious to risk when you gentlemen can stop it.

Unless the railroads are safe the country goes to ruin.

Be more than generous to the roads.

There are over 50,000 of us actors.

Respectfully,

L. F. GRAVES, *Actor.*

—

HOUSTON, TEX., *April 9, 1914.*

CHAIRMAN INTERSTATE COMMERCE COMMISSION,
Washington, D. C.:

Southern Supply and Machinery Dealers' Association, in convention assembled to-day in this city, greet you and express their implicit confidence in your ultimate decision in the freight-rate cases, but urge you to make a speedy decision.

I. F. YOUNG, *President.*

—

NORTHWESTERN RETAIL COAL DEALERS' ASSOCIATION,
Minneapolis, Minn., March 17, 1914.

Important information.

As you probably are aware, the Interstate Commerce Commission has up for consideration the advancement of rates on all classes and commodities of freight in tariffs filed by the carriers throughout the country. Two questions are before the commission:

(a) Are the present revenues of the carriers adequate?

(b) If not, how may they be supplemented?

The carriers have prepared tariffs for filing with the commission in which a charge of 7½ cents per ton, with a minimum of $2 per car, has been agreed upon. This, of course, would mean that the minimum charge of $2 a car would be collected for setting cars on any sidetrack belonging to any coal or lumber company, grain elevators, etc. This extra amount has heretofore been regarded as part of the rate, and if made effective it means a practical slap at economy and benefits only the strong lines.

If the Interstate Commerce Commission are of the belief that the carriers should be granted an advance in rates after hearing all of the testimony offered on the part of receivers and shippers of freight throughout the country, then the only fair thing to do is to grant the advance on all classes and commodities. Will you therefore write to the commission, protesting against the adoption of any plan charging for spotting of cars, the service of which is already included in the freight rate which you pay?

Kindly give the matter your prompt attention, addressing your letter to Hon. C. B. McGinty, secretary Interstate Commerce Commission, Washington, D. C.

Yours, very truly,

H. L. LAIRD, *Secretary-Treasurer.*

—

THE ST. ANTHONY & DAKOTA ELEVATOR CO.,
Minneapolis, Minn., April 9, 1914.

Hon. G. B. MCGINTY,
Secretary Interstate Commerce Commission,
Washington, D. C.

DEAR SIR: We are advised by the secretary of the Retail Coal Dealers' Association that your commission has up for consideration an advancement of rates on all classes and commodities of freight in tariffs filed by carriers throughout the country; that the carriers have prepared tariffs for filing with the commission in which a charge of 7½ cents per ton, with a minimum of $2 per car, has been agreed upon for setting cars in on any sidetrack for loading or unloading.

This company operates a large number of grain elevators, coal and lumber yards, and, as interested parties, we desire to protest against any charge for switching to and from our elevators, coal and lumber yards, especially where the trackage on which we are located belongs to the carrier. We would very much prefer not to complicate matters by making an extra charge of this kind for switching service. If in the opinion of the commission the carriers are entitled to a larger compensation for hauling freight, we are perfectly willing that the commission should grant such additional compensation for such purpose as in its judgment may be adequate, but we protest against a multiplicity of charges for the same service. The tariff rate should be made high enough to cover the service now rendered by carriers along this line. Our business is large enough so that it requires under present conditions a special department to check tariffs and freight charges, and, with a multiplicity of charges of this kind for different parts of the same service, it would be annoying in the extreme and expensive also to take care of the complications that would arise on account of the separate and extra charge. In our opinion there is no reason why the regular tariff should not be made large enough to cover the service rendered and to increase the income of carriers to such an extent as the commission deems proper.

Kindly bear in mind that we do not protest against an increase in the freight tariff, but only against creating a multiplicity of charges where it is wholly unnecessary and would only result in complicating matters that are already complicated enough.

I am inclosing circular letter of Mr. Laird, of the Northwestern Retail Coal Dealers' Association, calling our attention to the point in question.

Yours, very truly,

E. G. FLINN, *Manager Lumber Department.*

—

[Telegram.]

LIMA, OHIO, *April 10, 1914.*

Mr. JAMES S. HARLAN,
Chairman Interstate Commerce Commission, Washington, D. C.

The Transportation Club of Lima represents more than 100 shippers and receivers of freight. At a recent meeting the club went on record unanimously favoring granting the railroads in Central Freight Association territory a 5 per cent increase in rates. We earnestly urge this for the public welfare.

O. C. ROBINSON, *President.*

—

FURNITURE MANUFACTURERS' ASSOCIATION
OF GRAND RAPIDS, MICH.,
April 11, 1914.

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: In accordance with the instructions of our association, I beg to inclose herewith copy of a resolution passed at a full meeting of our association on April 7.

For your information, I beg to advise that members of our association employ between 8,000 and 10,000 men and have an annual product of from $12,000,000 to $15,000,000.

Yours, very truly,

ROBERT W. IRWIN, *President.*

Whereas the members of the Furniture Manufacturers' Association of Grand Rapids market a large product, which, as raw material and a finished product, is dependent for its movement on the railroads; and

Whereas there is now pending before the Interstate Commerce Commission a petition of the railroads in official classification territories for increases in freight rates, under titles, "Investigation and suspension, docket No. 333," and "Interstate Commerce Commission, docket No. 5860," combined; and

Whereas we, as manufacturers, realize that the cost of operation in all branches of industry and transportation have greatly increased in the past five years; and

Whereas, further, it is the belief of this association that an increase in freight rates will enable the railroads to so improve their equipment and service as to make them adequate to the increased demands for equipment and service: Therefore be it

Resolved, That it is the judgment of the Furniture Manufacturers' Association of Grand Rapids that the aforesaid petition of the railroads should be granted, and that they should at an early date be permitted to establish a horizontal increase of 5 per cent in freight rates; be it.

Resolved further, That the proper officers of this association transmit a copy of this resolution to the Interstate Commerce Commission.

APRIL 7, 1914.

OHIO SHOE TRAVELERS' ASSOCIATION,
Columbus, Ohio, April 11, 1914.

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: The Ohio Shoe Travelers' Association of Columbus, Ohio, at their meeting April 11 passed the inclosed resolutions, which I beg to lay before your honorable body.

Yours, very truly,

J. J. KALTENBRUN, *Secretary.*

APRIL 11, 1914.

Whereas we believe that the present net earnings of the railways are insufficient for the proper maintenance of equipment, extension of facilities, efficient service, and safety of life and property, resulting also in the curtailment of purchases from dependent industries which seriously cripples the general business of the country: Therefore be it

Resolved by the Ohio Shoe Travelers' Association, That as a necessary measure, imperative to the prosperity of carrier-shipper and business interests generally, an immediate uniform increase of not lesss than 5 per cent in freight transportation rates to be granted the railway interests; be it further

Resolved, That a copy of these resolutions be sent to the Interstate Commerce Commission, also to the affiliated associations of the National Shoe Travelers' Association, at Boston.

—

THE HARDWOOD MANUFACTURERS ASSOCIATION,
Cincinnati, Ohio, April 11, 1914.

CHAIRMAN INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

DEAR SIR: On Saturday, the 4th instant, this association sent you a telegram, which read as follows:

"At its meeting here to-day it is the unanimous sense of the executive board of the Hardwood Manufacturers' Association that freight rates on lumber are proportionately higher than on any other commodity. We realize, however, it is necessary for the railroads to have a reasonable advance in freight rates at this time, and therefore favor the same, providing that a readjustment will be made later placing lumber on a fair basis as compared with other commodities."

The executive board in instructing that this message be sent had in mind that if an advance were made in freight rates, it would be general, but if any exception were made it should be lumber, which, as stated in the message, carries proportionately higher rates than other commodities.

The executive board now confirms this message with the request that if the advance is not general, or if later on an adjustment of rates is to be made, we be given an opportunity to appear before you with the view of having lumber placed on a fair basis with other commodities.

Very truly, yours,

W. H. WELLER, *Secretary.*

—

CHAMBER OF COMMERCE,
Troy, N. Y., April 13, 1914.

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: At the last regular monthly meeting of the officers and board of directors of the Chamber of Commerce the following was adopted by a rising vote of all the directors present excepting two:

"Whereas the increasing commerce of our country is constantly demanding more railroad equipment and larger terminals for its movements; and

"Whereas under the present unsatisfactory totals of railroad net earnings they are unable to borrow money for urgent improvements at a moderate rate of interest; and

"Whereas the railways have been unable to adapt their charges as have other industries to the change in the purchasing power of money; and

"Whereas the cost of living has increased with the railways commensurate with the increased cost of living for other industries; and

"Whereas they have continued to sell their service for an amount which has remained comparatively fixed in money, but has declined greatly in purchasing power: Now

"Therefore, we, the directors of the Troy Chamber of Commerce, most respectfully request the Interstate Commerce Commission to grant an application of the railways for a 5 per cent increase in freight rates."

Respectfully, yours,

SAMUEL E. HUTTON, *Secretary.*

—

GRAND RAPIDS ASSOCIATION OF COMMERCE,
Grand Rapids, Mich., April 15, 1914.

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: Permit me to advise you that the retail department of the Grand Rapids Association of Commerce at a meeting held yesterday adopted the following resolution:

"*Resolved*, That we are heartily in favor of the 5 per cent increase in freight rates asked for by the eastern railroads."

I was instructed to convey this information to you, and in this connection I might add that this department of our association is composed of all the leading retailers of this city.

Yours, very truly,

LEE H. BIERCE,
Assistant Secretary.

—

HAMILTON, OHIO, *April 18, 1914.*

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: I beg to advise you that the attached resolution was adopted by unanimous vote of the board of trustees of the Hamilton Chamber of Commerce on April 17, 1914.

Pursuant to the spirit and the purpose of this resolution we have the honor to most respectfully request your favorable consideration of the application of the railroads for a moderate increase in freight rates, which is now pending before the Interstate Commerce Commission of the United States.

Very respectfully,

HAMILTON CHAMBER OF COMMERCE.
C. R. GREEN, *Secretary.*

Resolution.

Resolved by the board of trustees of the Chamber of Commerce of Hamilton, Ohio, That it is the sense of this chamber that the prosperity of the United States and the welfare of the people of the country will be subserved by the granting of the application of the railroads for the increase in freight rates of not to exceed 5 per cent by the Interstate Commerce Commission of the United States; and further

Resolved, That the secretary be, and is hereby, instructed to mail a copy of this resolution to the Interstate Commerce Commission, to the Congressman from the third Ohio district, and to the Senators from the State of Ohio.

BOARD OF TRUSTEES, HAMILTON CHAMBER OF COMMERCE,
By C. E. MASON, *President.*

Attest:

C. R. GREER, *Secretary.*

—

BOARD OF TRADE, OFFICE OF SECRETARY,
Passaic, N. J., April 21, 1914.

Mr. JAMES S. HARLAN,
Interstate Commerce Commission, Washington, D. C.

DEAR SIR: At a meeting of the directors of the Passaic Board of Trade, held on April 17, a resolution was passed strongly opposing the proposal of the Interstate Commerce Commission to make an extra charge to shippers using freight sidings. Shippers who avail themselves of these facilities have supplied themselves at their own expense with these facilities, and in using them are assisting in the handling of the railroads' traffic.

The Passaic Board of Trade, as the result of a referendum held in January, went on record as favoring a horizontal increase of 5 per cent in freight rates. The board is of the belief that such an increase is justified, and that the burden of increasing the revenue of the carriers would be far more equitably distributed by such an increase than by the introduction of a new set of charges, which would place the burden on one class of shipper alone.

R. E. LENT, *Secretary.*

—

BOARD OF TRADE, OFFICE OF SECRETARY,
Passaic, N. J., April 21, 1914.

Mr. CHARLES C. MCCHORD,
Interstate Commerce Commission, Washington, D. C.

DEAR SIR: At a meeting of the directors of the Passaic Board of Trade, held on April 17, a resolution was passed strongly opposing the proposal of the Interstate Commerce Commission to make an extra charge to shippers using freight sidings. Shippers who avail themselves of these facilities have supplied themselves at their own expense with these facilities, and in using them are assisting in the handling of the railroads' traffic.

The Passaic Board of Trade, as a result of a referendum held in January, went on record as favoring a horizontal increase of 5 per cent in freight rates. The board is of the belief that such an increase is justified, and that the burden of increasing the revenue of the carriers would be far more equitably distributed by such an increase than by the introduction of a new set of charges, which would place the burden on one class of shipper alone.

Very truly, yours,

R. E. LENT, *Secretary.*

—

ST. LOUIS REAL ESTATE EXCHANGE,
St. Louis, March 10, 1914.

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: At the last meeting of the board of directors the following resolution was adopted:

"Whereas the board of directors of the St. Louis Real Estate Exchange believe that the increase of rates asked for by the railroads of this country would be a great help to them, and that the granting of said increase would have a material effect upon business conditions of this country: Therefore be it

"*Resolved*, That it is the sense of this meeting that we respectfully urge and request your honorable body to take speedy action upon this matter and grant said increase."

Yours, very truly,

E. A. HILDENBRANDT,
President.

—

CHAMBER OF COMMERCE OF IRONTON, OHIO,
March 11, 1914.

To the honorable COMMISSIONERS OF THE
INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: The Chamber of Commerce of Ironton, Ohio, desires to be on record as favoring the application of the railroads for 5 per cent advance in their tariff rates.

But this chamber of commerce also wishes to be on record with your honorable body as emphatically protecting against the charge proposed to be made for placing cars for loading or unloading on siding serving industries; in other words, "spotting cars."

By order of the Ironton (Ohio) Chamber of Commerce.

Respectfully submitted.

W. G. WARD, *President.*
EARLE STEWART, *Secretary.*

—

THE ROCHESTER CHAMBER OF COMMERCE,
March 16, 1914.

Mr. E. E. CLARK,
Chairman Interstate Commerce Commission,
Washington, D. C.

MY DEAR SIR: I have been informed that you were born at Lima, N. Y. If so, may I identify you as the son of Mrs. Henry Clark, whose family I remember well? My wife was Louise Bigelow, who lived, when attending the Genesee Wesleyan Seminary, next door to your mother's residence. We have been living in Rochester about 30 years, and this year I am the president of the Rochester Chamber of Commerce.

I congratulate you upon the position of very great responsibility that you hold, and I want to say that your commission have it in their power to do more to stimulate business and bring prosperity to the Nation than any agency in existence. The business men of the Nation

are profoundly of the conviction that your commission should, as speedily as possible, grant the application of the railroads for an increase in rates. They have reached this conviction from studying the reports of the railroads to your commission showing constantly lessened net earnings that alarms investors and renders it difficult and well-nigh impossible for the railroads to get the capital to furnish the facilities that a rapidly developing Nation needs and must have if we would make the progress that we all wish to see.

We have in this chamber of commerce 1,350 members, and recently we sent out a referendum on the question of advance in freight rates, and over 95 per cent of answers received were "Yes." This organization is made up almost wholly of manufacturers and merchants. There are any number of men in every community that are waiting only to hear your commission's answer on this important question. A favorable action would be of enormous benefit sentimentally to all business, because every intelligent business man knows that the prosperity of the railways or otherwise affects the prosperity of the whole people.

I beg of your commission, therefore, very earnestly, representing this organization of American business men, to grant this request, believing as we do that it is in the interest of the whole American people.

With great respect, I am,

Yours, very truly,

GEO. W. THAYER, *President.*

THE EVANSVILLE BUSINESS ASSOCIATION,
Evansville, Ind., March 14, 1914.

Hon. GEORGE B. MCGINTY,
Secretary Interstate Commerce Commission,
Washington, D. C.

DEAR SIR: Charge for switching, placing, or delivering of cars for loading or unloading on industrial sidetracks, etc.

At a meeting of the board of directors of the Evansville Business Association, Wednesday, March 11, 1914, consideration was given to the proposed charge of the carriers in official classification territory for the so-called spotting of cars, or to be more explicit, the switching, placing, or delivering of cars for loading or unloading on industrial sidetracks privately owned or owned by the railroads, and Evansville being a very large manufacturing center, and the majority of our manufacturers are located on industrial sidetracks, some of which are privately owned, and others owned by the railroads, it was the consensus of opinion that the charge, if imposed, would be unjust, and instead of having the effect desired by those concerned, viz, of adding to the revenues of the carriers, it would result in the need of more freight-house and team-track facilities to adequately care for the great volume of traffic that would be delivered there instead of being handled at the industry with a sidetrack or switch, as at present.

To provide these improvements in facilities would necessitate a great outlay of money on the part of the carriers, and it undoubtedly would require considerable time for the carriers to be reimbursed for the money thus expended. Furthermore, it stands to reason that many of the large manufacturers and shippers rather than pay whatever charge might be assessed for the spotting, trap, or ferry car, or other service for which the charge might be made, would prefer to load and unload at the freight house or on the team track of the carrier, and there is no doubt but that this would result in a continuous and serious blockade or congestion of teams and traffic at the terminals of the various carriers, and we doubt, therefore, that the end would justify the means employed to add to the revenue of the carriers. We believe that in some quarters the idea has been advanced that the present system of spotting cars and giving shippers located on sidetracks the benefit of the trap car or ferry service is discriminatory to the small shipper not located on a sidetrack who must load or unload his freight at the freight house or on the team track. The foregoing statement as to the congestion or blockade of traffic at terminals, which undoubtedly is undeniable, especially at large manufacturing and jobbing centers, should be given serious consideration in connection with this matter, and if that is done, surely it can be readily seen that the small shipper will gain nothing other than the selfish satisfaction that the large shipper located on a sidetrack or switch is deprived of the advantage of the privilege of which he could not avail himself. For many years, as is well known, the shippers in official classification territory have enjoyed the advantage that it is now sought to charge for, and it is the universal opinion that the service is taken care of in the published freight rates, and that the carriers have received full compensation thereby for the work done by them in the placing of cars for loading or unloading at industries with sidetracks, and a departure from this practice requiring the carrier to add to the present freight rate a separate charge for the service will deprive the shipper of the value of his investment in terminal facilities and transfer it to the carrier.

Already the Evansville Manufacturers' Association, through the medium of the National Industrial Traffic League, is on record with your honorable body as being opposed to the imposition of a charge for the various switching services performed by the carriers, which inspires this letter, and in conclusion, we will say also that both the Evansville Business Association and Evansville Manufacturers' Association are also on record with the commission as favoring the 5 per cent advance in freight rates in official classification territory, and we earnestly trust that the evidence that is presented in the 5 per cent advance matter will prove to the commission the justification of it being necessary to the successful and profitable operation of the roads in the territory involved in the question, and accordingly authorized it. Likewise, it is our earnest hope that such evidence will be introduced against the imposition of a charge for spotting cars and furnishing trap-car service, as will prove conclusively to your body that it will do more harm than good, and that the salutary effect that it is hoped to have will not be forthcoming, and that the proper manner in which the revenue of the carriers can be conserved is through the 5 per cent advance in freight rates in official classification territory and not by charging for switching service performed at industries located on sidetracks, etc.

Yours, very truly,

J. C. KELLER, *Secretary.*

THE BUSINESS MEN'S CLUB OF NYACK,
March 17, 1914.

To the INTERSTATE COMMERCE COMMISSION,
Washington, D. C.:

At a regular meeting of the Business Men's Club of Nyack, held March 5, 1914, the following was unanimously adopted:

"Resolved, That the Business Men's Club of Nyack is in favor of granting to railroads the small increase in rates requested by them.

"Resolved, That the prosperity and welfare of the country is so intimately bound up with and dependent upon the prosperity of the railroads, that any unnecessary delay in granting such increase should be discouraged.

"Resolved, That taxpayers, stockholders, and employers should cooperate in opposing any amendment to the Sherman antitrust law exempting labor unions and farmers' combinations from the application of that act."

The secretary was directed to send a copy of above resolutions to the Senator and Congressman from this district, the Interstate Commerce Commission, the Railway Age, and the United States Chamber of Commerce at Washington, D. C.

R. J. BONNER, *Secretary.*

IMPORTANT INFORMATION.

NORTHWESTERN RETAIL COAL DEALERS' ASSOCIATION,
Minneapolis, Minn., March 17, 1914.

As you probably are aware, the Interstate Commerce Commission has up for consideration the advancement of rates on all classes and commodities of freight in tariffs filed by the carriers throughout the country. Two questions are before the commission:

(a) Are the present revenues of the carriers adequate?

(b) If not, how may they be supplemented?

The carriers have prepared tariffs for filing with the commission in which a charge of 7½ cents per ton with a minimum of $2 per car has been agreed upon. This, of course, would mean that the minimum charge of $2 a car would be collected for setting cars on any sidetrack belonging to any coal or lumber company, grain elevators, etc. This extra amount has heretofore been regarded as part of the rate, and if made effective it means a practical slap at economy and benefits only the strong lines.

If the Interstate Commerce Commission are of the belief that the carriers should be granted an advance in rates after hearing all of the testimony offered on the part of receivers and shippers of freight throughout the country, then the only fair thing to do is to grant the advance on all classes and commodities. Will you therefore write to the commission protesting against the adoption of any plan charging for spotting of cars, the service of which is already included in the freight rate which you pay?

Kindly give the matter your prompt attention, addressing your letter to Hon. C. B. McGinty, Secretary Interstate Commerce Commission, Washington, D. C.

Yours, very truly,

H. L. LAIRD,
Secretary-Treasurer.

SIOUX FALLS, S. DAK., *March 24, 1914.*

I would much prefer paying a higher rate, if this would insure more efficient service and better equipment, for both of these are rotten now; that is, referring to the freight equipment and service.

G. H. PERRY.

HUNTINGTON, N. Y., *March 13, 1914.*

Hon. LATHROP BROWN, M. C.,
Capitol, Washington.

DEAR SIR: We understand the question is being considered of allowing the railroads to make a charge of 50 cents to $2.50 per car for placing cars on private sidings. These sidings in this section are paid for and maintained by the owner all at his expense, and by his maintenance of this private siding he relieves the railroad of congestion which would occur on the public siding, if the railroad could not place the cars on the private siding.

Furthermore, the individual consumer can unload cars on the private siding at no extra expense, while the retail dealer who carries stock and often caters to the same trade must pay this extra charge.

If it is deemed best to allow the railroads a general advance in freight rates, we would be perfectly satisfied; but think this is not fair to the retailer, who has his capital invested and carries a stock to supply the wants of the consumer.

Trusting you will interest yourself in this matter, we are,

Very truly, yours,

W. WILTON WOOD.

NORTHAMPTON, MASS., *March 18, 1914.*

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: I inclose for your consideration a statement of how the so-called "spotting" charge looks to us.

We are in favor of making a charge on every carload shipment in and out, regardless of placement, rather than the proposed plan, if it is decided that any charge is to be made, thus giving the railroads a decided increase in revenue without showing the discrimination that we claim.

As a matter of fact, from our point of view, public track deliveries deserve an extra charge far more than the delivery to coal dealers' siding.

Respectfully submitted.

NEW ENGLAND COAL DEALERS' ASSOCIATION,
By W. A. CLARK, *President.*

"Terminal service charge or a charge by the railroad for placing cars on side tracks other than public team tracks. A question that is now before the Interstate Commerce Commission. How it affects the retail coal dealer and what it will cost, based on a rate of $1 per car. From the point of view of the New England coal trade, as represented by the New England Coal Dealers' Association, through its president, W. A. Clark, of Northampton, Mass."

Any such charge will be discrimination against the merchant who is in business all the year round, who invests in a plant, either through a lease for rental or by actual ownership—discrimination in favor of the itinerant who is a competitor without proper facilities for furnishing goods at all times, who enters into the business, generally, at a time when all business is dull and conducts his affairs without any investment in plant or equipment, thus having no overhead charges as an expense or contributing to the upkeep of his town by paying taxes; relying upon the railroad for free side-track facilities where he may unload his cars, thus depriving the railroad not alone of their limited team-track space, but entailing upon the railroad additional costs from per diem charges on the cars in question.

It is said that a freight car averages to earn $2.60 per day. If this is true, the following figures prove that the regular or equipped coal dealer is the man for the railroad to do business with rather than the one who does side-track or stock-on-hand business. For example, a 40-ton car arrives at destination in the night, March 15, is placed on coal dealers' trestle at 9 a. m., March 16; railroad removes it p. m., and car starts return journey at night, 16th. Rental of car 45 cents

(i. e., P. D. charge) plus $2.60, one day's possible earnings. A 40-ton car placed on public team track for itinerant does extremely well if he gets it unloaded the third day—goes out empty night of 19th. This cost per diem—three days, at 45 cents, $1.35; three days' lost service, average $2.60, $7.80; car earns no demurrage because it was placed after 7 a. m. the 16th. Total cost to roads interested $7.80 plus $1.35 equals $9.15 on this car as against 45 cents plus $2.60 equals $3.05 on the car that was handled by the regular dealer—$6.10 in favor of regular equipped coal dealer from railroad point of view.

The properly equipped coal yard averages to release cars within the first 24 hours after arrival, while the itinerant is notorious in delay and demurrage. The average coal yard in New England is so situated that the actual expense for placing cars is no greater than upon public team tracks; in many cases it is less. Further the railroad is not liable for cars while upon private tracks; for the upkeep of the tracks, yards, or trestles. The railroad is distinctly liable for accident—fire and otherwise—on public team tracks, including up-keep of tracks and roadway leading to same. The railroads leading to New England from the anthracite mines of Pennsylvania have asked for no increase in anthracite coal rates, thereby implying the rates were sufficient. If a charge is imposed for placement of cars upon other than team tracks by order of the Interstate Commerce Commission, it will mean an advance in rates that was not intended or asked for. The existing tariff rates on anthracite coal are apparently based on delivery of cars to consignees' sidings; all coal is unloaded by consignees without expense to the railroad, and the railroads recognize in their tariffs that they are charging a rate that includes delivery to consignees' sidings by including the demurrage rules as part of the tariff.

The Interstate Commerce Commission has accepted this by taking jurisdiction on demurrage charges as part of interstate rate contract.

"What a charge of $1 per car will mean to the coal trade of New England, based on a tonnage of 9,000,000 tons."

Say one-half reaches New England via the several all-rail routes, 4,500,000 tons, loaded on cars that will average 40 tons per car, 112,500 cars; $1 at loading point and $1 at destination, $225,000. Five cents per ton; add that to the 10 cents that the Pennsylvania State tax has added to the retailers' costs since July 1, 1913, and you have 15 cents that must be paid by the consumer in 1914, no part of which has been paid in 1913. (There are but few places where the retailer added this 10 cents tax increase.) So much for the all-rail coal. How about the coal routed rail and water, and that routed rail, water, and again rail?

First, say 3,500,000 tons, rail and water: $1 at the mines or loading point and $1 where cars are unloaded to vessels; again 5 cents per ton. The million tons that we estimate is reshipped from boats to cars will get two additional charges, $1 when taken from boat to car and the charge at final destination. This latter class will probably average more than 5 cents because of the average smaller car in the service, possibly making the price per ton equal another cent, or 11 cents in all. Here we have 5 cents per ton on all but the 1,000,000 tons coming rail, water, and rail, on this 11 cents, or a total of $510,000 additional cost for anthracite over and above present prices to coal dealers in New England, added to the 2½ per cent State tax of Pennsylvania, put on July 1, 1913.

If this charge is imposed it will mean a most chaotic condition, and lead to further and most pronounced agitation against our New England roads. It will mean the attention of the railroad officials and the Interstate Commerce Commission constantly endeavoring to explain and interpret the tariff. If this spotting charge is ordered to apply on private tracks only, let the order specify beyond dispute what a private track is; the figures given here are based on a charge to everything except public team tracks.

For instance, at one place in Hartford, Conn., a coal car placed on a private delivery track for unloading into a dealer's yard will be entitled to a charge of $1, while a car of coal placed at the same spot to be unloaded into wagons on the opposite side of the car, would be entitled to no spotting charge. There are hundreds of such places in New England.

The railroads are entitled to an increase in revenue and should be allowed to have it, not by a 5 per cent or 5 cent increase on every rate now existing, but on certain classes or commodities that will bring in sufficiently increased income to enable the management to continue to operate. Make the rate increase hit everyone and not be discriminative in character, as this proposed terminal or placement charge certainly is.

—

BELLEVILLE, ILL., *March 19, 1914.*

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: The members of the manufacturers' association of this city, see list appended, as well as individual manufacturers emphatically protest against the proposed charge of "spotting cars" by the railroad companies, a charge that is already taken care of by their tariffs.

We believe that a general advance of 5 per cent in freight rates granted to the railroad companies (except in such cases where the advance would seem unfair) is much more preferable and desirable to the shipping interests, and that much good would be the prompt result on general business conditions by the granting of such increase, and at the same time eliminating any possible resemblance to discrimination against the shipper.

We further believe that more hearings should be held and at some convenient point in the Middle West, which would be only just to the small as well as large shipper, and perhaps insuring greater attendance.

We understand that a further hearing is set for the 24th, and we respectfully urge your earnest consideration on this all-important subject before date named and to be advised to that effect.

Thanking you in anticipation of an early reply, we remain,

Yours, very truly,

MANUFACTURERS' ASSOCIATION,
C. T. MULLEN, *Secretary.*

Members: Belleville Water Supply Co., Belleville Brick Co., Belleville Stove & Range Co., Baker Stove Works, Crown Foundry Co., Eagle Foundry Co., Excelsior Foundry Co., Enterprise Foundry Co., Hartman Hay & Reis Co., Harrison Machine Works, Hertzler & Henninger Works, Imbs Milling Co., Oakland Foundry Co., Orbona Stove & Range Co., Quality Stove & Range Co., St. Clair Foundry Co., Geo. W. Stanley Co., St. Clair County Gas & Electric Co., J. C. Born Machine Co., Safety Gas Machine Co.

ROME, N. Y., *February 28, 1914.*

SECRETARY INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

SIR: We understand that you are collecting data relative to services extended to shippers and receivers of freight, with particular reference to ferry-car service.

We therefore give below answers to the three questions you ask in this connection:

(a) There are 85 concerns represented in our organization.
(b) Of these 27 are connected by sidings to the railroads.
(c) The number availing themselves of ferry-car service at the present time is 7.

We wish to state that the sense of our organization is against the idea of charging for this service.

We wish to point out that over 90 per cent of the outgoing and incoming freight is shipped by or consigned to those concerns who are connected by sidings; that most of the articles shipped or received by those who are not connected are of such intrinsic value that the freight is not such a consideration as it is in the case of those having sidings; that we do not see the justice in penalizing the 90 per cent in order to extend a doubtful benefit to the 10 per cent.

We believe that in view of the difference in rates on carload and less-than-carload shipments it might easily work out as a detriment to the small purchaser were still another charge added; that there is a convenience to the railroad as well as to the shipper in the arrangement; and that it works to the benefit of such concerns as have less than carload shipments, yet who have not enough to warrant an expensive automobile or like equipment to haul goods to and from the freight station.

We also wish to state that we are not favorable to the charge for spotting cars except in extreme cases. We believe that the rate charged should include the service rendered; that the charge would operate unfavorably to the small manufacturer or shipper of products upon which the freight is a large proportion of the value.

Some time ago we put this organization on record as favoring the so-called 5 per cent increase of rates, which we wish to state is our present idea of the most equitable solution of the question.

Trusting that this communication may have your valued consideration, we remain,

Very truly, yours,

ROME CHAMBER OF COMMERCE,
WESTON JENKINS, Jr.,
Chairman Transportation Committee.

—

CHAMBER OF COMMERCE,
Wilmington, Del., February 18, 1914.

Mr. E. E. CLARK,
Chairman Interstate Commerce Commission,
Washington, D. C.

DEAR SIR: In accordance with one of the provisions of a resolution passed by the Chamber of Commerce of Wilmington yesterday, I now beg to transmit to you herewith a copy of the said resolution, with the request that it be laid before the commission at the proper time.

Very truly, yours,

NEIL B. SINCLAIR,
General Secretary.

This is to certify that at a meeting of the chamber of commerce, held upon this date, the following resolutions was unanimously adopted:

"Whereas the Interstate Commerce Commission now has under suspension tariffs providing for a uniform increase of freight rates by the 42 eastern railroads; and

"Whereas it has been found necessary for the railroads to increase their rates by reason of the advanced cost of operation, due to increased price of materials, labor, safety appliances, equipment, and extension of facilities to take care of increased business and safeguard life and property, resulting in a decrease in net revenues since 1910, as set forth in statements presented by the said railroads to said commission: Therefore be it

"Resolved, That this organization, through its members, representing the manufacturing, industrial, and commercial interests of Wilmington, Del., and vicinity, do fully cooperate with the railroads in their efforts to secure the relief which they ask from said commission, for the reason that, in the judgment of this organization, the existing modern conditions surrounding the business of transportation by steam railroads make the approval of such increase in freight rates just and equitable to all concerned; and be it further

Resolved, That this resolution be spread upon the minutes and that a copy of same be forwarded to the chairman of the Interstate Commerce Commission at Washington, with the request that it be submitted to the commission when it shall consider the question of the proposed 5 per cent advance in freight rates."

Attest:

JOSIAH MARVEL, *President.*
NEIL B. SINCLAIR, *Secretary.*

—

RETAIL DRY GOODS ASSOCIATION,
New York, February 13, 1914.

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: The membership of the Retail Dry Goods Association is made up of the proprietors of large retail stores in the city of New York.

At a meeting of the directors, held on February 10, 1914, the following preambles and resolution were authorized to be sent to you:

"Whereas an application is now pending before the Interstate Commerce Commission for an advance of 5 per cent in the freight rates of the railroads; and

"Whereas we are convinced that such advance, while it would impose no hardship on the consuming public, would enable the railroads to undertake betterments of various kinds, giving employment to many classes of labor and thus contribute to greater commercial activity in all lines of industry; and

"Whereas we believe it essential that favorable action on the proposed increase be taken at once: Therefore be it

"Resolved, That the members of the Retail Dry Goods Association of the City of New York urge the Interstate Commerce Commission to grant to the railroads permission to advance rates as above noted, and that such permission be granted without delay."

Very truly, yours,

WM. J. DUNN, Jr., *Secretary.*

THE NATIONAL ASSOCIATION OF THE
GRANITE INDUSTRIES OF THE UNITED STATES,
Boston, Mass., February 11, 1914.

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

DEAR SIRS: At the annual meeting of our association February 3, 1914, the proposed increase of 5 per cent on freight rates was discussed at considerable length and the conclusion reached that we present no formal protest to the advance, although it will prove quite a burden on our industry.

Our view of the matter is that to a great extent the apparent need of additional revenue is not the result of natural forces, but the outcome of lax methods and lack of economy; and if it were not for the fact that confidence must be restored and commercial activity preserved, we should be unalterably opposed to the advancement of rates.

In the belief that it may be public policy to rectify the situation in the manner proposed, we feel we have the right to say that any increase of revenue should be accompanied by sound policies and strict economies that will, with the opportunity for adjustment, in due time give to the shipper a return in the form of increased facilities and better service; and it is with the expectation of that being brought about in due course that we contemplate assuming the burden of a 5 per cent increase.

Respectfully,

THE NATIONAL ASSOCIATION OF THE
GRANITE INDUSTRIES OF THE UNITED STATES,
ROBERT D. SMITH, *Secretary.*

ROTARY CLUB,
Louisville, February 11, 1914.

TO INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: At a meeting of the Rotary Club last night the resolutions hereto attached were adopted.

This is for your information.

Yours, sincerely,

C. H. HAMILTON,
Secretary-Treasurer.

Whereas certain railroads in what is known as official classification territory have requested from the Interstate Commerce Commission permission to advance their freight rates uniformly 5 per cent; and

Whereas conditions with the railroads have materially changed since their request made a year or two ago for an advance; that the increase of wages granted through arbitration, the increase in taxes, the increased expenditure to insure greater safety to both the men and the public, and the increase caused by legislation of the full-crew type, have so increased the operating expenses of the railroads in general that their net revenues seem to be insufficient to provide for that degree of rehabilitation and extension of facilities necessary to enable them to render service adequate to the needs of the commerce of the country; and

Whereas the Rotary Club, of Louisville, Ky., is of the opinion that shippers can better afford to pay a uniform advance of 5 per cent, or whatever proportion thereof the railroads may actually need, than suffer in the future any impairment of railroad services: Now, therefore, it be

Resolved, That the Rotary Club, of Louisville, Ky., hereby request the Interstate Commerce Commission to grant to these railroads, as promptly as circumstances will permit, permission to advance freight rates in the uniform manner set forth in their recent petition upon presentation by the representatives of the railroad of such facts and figures to the Interstate Commerce Commission as will prove the necessity of such increases in revenue, in order to provide prompt and efficient service to the shipping public. And also be it

Resolved, That if the above permission is given to the railroads that same shall not be applied to further wage advances, but to the rehabilitation and extension of facilities, so that the present service to the shippers be maintained and improved.

Resolved, That a copy of these resolutions be sent to the members of the Interstate Commerce Commission and that it be requested to reach a final determination of the question as speedily as possible.

Adopted, February 10, 1914.

C. H. HAMILTON, *Secretary.*

GREENVILLE, PA., *February 10, 1914.*

Hon. E. E. CLARK,
Chairman Interstate Commerce Commission, Washington, D. C.:

At a regular meeting of Board of Trade of Greenville last evening following resolution was unanimously adopted after full discussion that the president be directed to wire Hon. E. E. Clark, chairman Interstate Commerce Commission, it would be to the immediate industrial benefit of this community and to the country at large if the railway rate advance application was settled by allowing the railroads to increase their rates not to exceed 5 per cent, and we respectfully urge such action by the commission.

W. M. JOHNSON, Jr.,
President Board of Trade.

NEW YORK, *February 10, 1914.*

The CHAIRMAN OF THE INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

DEAR SIR: At the January meeting of the board of directors of this association held in this office on January 28 last, the subject of the request of the eastern railroads for permission to advance their rates 5 per cent, now pending before your body, was discussed and it was decided:

That in the opinion of the board the railroads have made a very impressive showing of their need of additional revenue, and that no artificial restriction in the form of inadequate rates should be placed upon railway growth; that railway facilities should be developed in anticipation of traffic demands; and that the business men of the country would probably acquiesce without prejudice in an advance in rates if found necessary by your commission, in order to provide business with efficient service; also,

That the opinions as expressed above should be conveyed to you as representing the views of this association, together with the hope that your commission might decide the case with all reasonable celerity, so that the stimulating influence of vigorous railway business might speedily be brought to bear upon the country in general.

Yours, very truly,

AMERICAN MANUFACTURERS EXPORT ASSOCIATION,
E. V. DOUGLASS, *Secretary*

INDIAN REFINING CO. (INC.),
New York, February 4, 1914.

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

SIRS: At a meeting of the board of directors of the Indian Refining Co. held in New York on Friday, January 30, 1914, at which all of the directors were present, it was unanimously resolved that the executive committee be instructed to prepare a suitable resolution for presentation to the Interstate Commerce Commission, to the effect that the Indian Refining Co. does not oppose the application of the railroad companies east of the Mississippi River for an advance in freight rates now being considered by the commission.

At a meeting of the executive committee of the Indian Refining Co. held on Tuesday, February 3, 1914, the following preambles and resolutions were unanimously adopted:

Whereas Indian Refining Co. is a corporation organized under the laws of the State of Maine and doing business in petroleum products in various States of the United States, but chiefly in those States lying north of the Ohio and Potomac Rivers and east of the Mississippi River; and

Whereas Indian Refining Co. is entirely independent of any other company doing a general business in petroleum products; and

Whereas 49 railroad companies operating in what is commonly referred to as Central Freight Association and Trunk Line Territory, are participating in an application to the Interstate Commerce Commission for an increase in freight rates to an amount of 5 per cent; and

Whereas Indian Refining Co. during the year 1913 paid in freight rates an amount, approximately, $650,000; and

Whereas Indian Refining Co. sells a large amount of its product to manufacturing companies, the volume of sales being chiefly dependent upon general business conditions; and

Whereas many of the industries upon which Indian Refining Co. is dependent for a market for its product have been operated for a considerable time past at much less than their normal capacity, due to a general slackening of business, thus resulting in a decrease in their consumption of fuel: Therefore be it,

Resolved, That Indian Refining Co. does not oppose the present application of the said railroad companies for an increase in freight rates as desired by the said railroad companies, even though, should such an increase be granted, it would involve an increase to the expenses of the company; and be it further

Resolved, That in the opinion of the directors of Indian Refining Co. the railroad companies are entitled to this additional compensation for their services, and in their opinion the good effect upon general business conditions would more than offset the additional cost of shipping their product.

Yours, truly,

INDIAN REFINING CO.,
P. B. CLEMPLER,
Chairman of Board of Directors.
THEO. Z. POMMY, *President.*
GOFFREY KONTA, *Secretary.*

TACOMA, WASH., *February 3, 1914.*

EDGAR E. CLARK,
Chairman Interstate Commerce Commission,
Washington, D. C.:

The business world awaits with great interest and anxiety decision of the Interstate Commerce Commission on matter of railroad rate advance. Many important and necessary railroad and industrial improvements are being delayed from month to month pending definite announcement on this matter. We therefore respectfully urge that decision be reached and announced as promptly as may be consistent with the duty and convenience of the commission. We believe that worthy investments honestly managed are entitled to reasonable earning opportunity. Beyond question the matter is so regarded by a great majority of the people and there is every confidence that the commission in dealing with the question of rate advance will consider its close relation to the commercial and industrial prosperity of the Nation.

TACOMA COMMERCIAL CLUB AND CHAMBER OF COMMERCE.

NATIONAL LIME MANUFACTURERS' ASSOCIATION,
Riverton, Va., January 31, 1914.

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: By a submitted vote, 85 per cent of the members of the National Lime Manufacturers' Association assenting and 15 per cent dissenting, the following preamble and resolution was adopted, and in accordance with instructions I am laying it before your honorable body.

Very respectfully,

WILLIAM E. CARSON, *President.*

Whereas in view of the increasing freight traffic and the necessities arising therefrom it is imperative the railroads should increase their rolling-stock equipment, betterments, and additions; and

Whereas it is shown in the face of a greatly increased volume of business there is such a contraction in net profits, due to increased cost in operating expenses, the railroads can not successfully finance their securities or lay aside sufficient funds to carry forward needed improvements, thereby facilitating passenger service, freight traffic, and property safeguarding life: Be it

Resolved, That we believe it would be for the best interest of not only the lime business, but every other business, that the request of the railroads to the Interstate Commerce Commission for an increase in freight rates of 5 per cent on all classes and commodities be granted, and the president of this association is instructed to lay this resolution before the Interstate Commerce Commission that they may know the sentiment that exists among lime manufacturers on this important matter.

MERCHANDISE BROKERS' ASSOCIATION,
Lynchburg, Va., January 29, 1914.

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: Referring to the proposed advance in rates of 5 per cent asked for by the railroads, this association takes pleasure in saying that they view this advance favorably and trust that your commission will see fit to permit the railroads a general advance of 5 per cent, believing that increased cost of labor, maintenance, and supplies justify them in asking for this increase.

Very truly, yours,

MERCHANDISE BROKERS' ASSOCIATION,
By JOHN T. OWEN, *Secretary and Treasurer.*

THE MERCHANTS' PROTECTIVE ASSOCIATION
OF PITTSTON AND VICINITY,
Pittston, Pa., January 24, 1914.

Hon. E. F. CLARK,
Chairman Interstate Commerce Commission,
Washington, D. C.

DEAR SIR: Please find inclosed resolution adopted by this association on January 19, 1914.

Respectfully, yours,

E. T. MESSICK, *Secretary.*

Resolved, That the Merchants' Protective Association of Pittston, Pa., records itself as in favor of the application of the railroads for a reasonable increase of freight rates; that in our opinion such increase is necessary on account of business conditions and increased cost of operation; and that it is advisable because it will result in better railroad accommodations, more railroad construction, and safer transportation; and that the secretary be directed to communicate this resolution to our Congressman and to the Hon. E. E. Clark, chairman Interstate Commerce Commission.

E. T. MESSICK, *Secretary.*

THE NORTH CAROLINA PINE ASSOCIATION,
Norfolk, Va., January 26, 1914.

Mr. G. B. MCGINTY,
Secretary Interstate Commerce Commission,
Washington, D. C.

DEAR SIR: Herewith inclosed find resolution adopted at the meeting of our association held here on the 22d instant relative to the request of the railroads for permission to advance their rates 5 per cent. A committee was appointed at the same time to personally appear before your commission in advocacy of this course of action. They will be in Washington on February 20, the date set for hearing the lumber interests.

Yours, truly,

W. B. ROPER, *Secretary-Treasurer.*

Resolution adopted at the regular monthly meeting of the North Carolina Pine Association held in Norfolk, Va., January 22, 1914:

Whereas it is the opinion of this association that the conditions prevailing to-day in the lumber market is to a great extent due to the withdrawal of the railroads from the market, which withdrawal is largely due to the railroads' inability to finance much-needed improvements; and

Whereas the inability to so finance is unquestionably due to the fact that the revenue they derive under the present rate is insufficient to enable them to meet the increased operating expenses and at the same time carry forward the said improvements: Therefore be it

Resolved, That this association go on record as favoring the proposed increase of 5 per cent on all classes and commodities now being considered by the Interstate Commerce Commission, and that the secretary be instructed to convey in such a manner as deemed most advisable the position of this association to the members of the Interstate Commerce Commission and to our Congressmen, requesting their assistance in behalf of the increase. That the secretary also be instructed to consult with the National Lumber Manufacturers' Association and through it with the affiliated members of that association, looking toward creating a sentiment favorable to the said increase.

AKRON, OHIO, *January 26, 1914.*

To the Hon. E. E. CLARK,
Chairman Interstate Commerce Commission,
Washington, D. C.

HONORABLE SIR: Referring to the hearings of shippers before your honorable body on specific commodities under the 5 per cent advance rate case, we notice January 28, 1914, has been set for the hearings on tile, brick, and clay.

These are commodities we are interested in.

Our company is incorporated with a capital stock of $7,000,000, all issued and outstanding.

We manufacture principally sewer pipe and some allied products, and we believe that our shipments fully equal those of any other company in the United States. During the year 1913 we shipped 15,111 cars of clay products.

The attached affidavit of our assistant secretary and treasurer confirms the facts above stated.

We are greatly interested in having adequate railroad service for the distribution of our products and we desire to express ourselves in favor of the 5 per cent general advance by the railroads for the reason that we believe it will enable the railroads to better meet the demands for service and will, under all existing conditions, tend to the general prosperity.

We are not in any way influenced in making this request by the railroads from a business standpoint, as our sales to them do not amount to over 50 carloads per year.

Respectfully submitting the above.

Yours, truly,

AMERICAN SEWER PIPE CO.,
ROSS W. SMITH,
Traffic Manager.

STATE OF OHIO, *County of Summit, ss:*

W. R. Anderson, being first duly sworn, deposes and says that he is assistant secretary of the American Sewer Pipe Co., a corporation duly incorporated under the laws of the State of New Jersey, and incorporated thereunder on the 5th day of March, 1900, with a capital stock of $7,000,000, all of which is issued and outstanding; that he, as such officer, has full charge of the books and accounting department of said company, and according to the records in his office said company has shipped during the year 1913 a total of 15,111 cars of clay products. And further this deponent says that the above facts are true as he verily believes.

W. K. ANDERSON.

Sworn to before me and subscribed in my presence this 26th day of January, 1914.

[SEAL.] R. H. NESBITT, *Notary Public.*

AMERICAN WOOD PRESERVERS' ASSOCIATION,
Baltimore, Md., January 27, 1914.

Mr. EDWARD E. CLARK, *Chairman,*
Mr. JUDSON C. CLEMENTS,
Mr. CHARLES A. PROUTY,
Mr. JAMES S. HARLAN,
Mr. CHARLES C. MCCHORD,
Mr. BALTHASAR H. MEYER,
Interstate Commerce Commission.
Mr. GEORGE B. MCGINTY, *Secretary.*

GENTLEMEN: I take pleasure in advising you that at the tenth annual convention of the American Wood Preservers' Association, at New Orleans, January 20 to 22, a resolution was unanimously adopted favoring an increase in railroad freight rates as a necessary factor in maintaining the prosperity of our great industries that are dependent upon rail transportation from source of production to point of consumption.

This resolution, a copy of which I attach, is the result of a careful analysis of the railroad situation by members of the American Wood Preservers' Association, who are not only identified with the railroad industry, but are also affiliated with important commercial enterprises, who recognize the need of higher freight rates to meet the obligations of the railroads and improve their operation for the benefit of the general public.

The purpose of the American Wood Preservers' Association is to conserve our timber supply by lengthening life of the timber in use by preservative treatment, and incidentally to encourage all enterprises whose fundamental principles are the welfare of the public at large.

It is in this spirit that the accompanying resolution is respectfully submitted to the honorable members of the Interstate Commerce Commission, and we hope that it will receive the fair consideration which is accorded by the commission to matters of like importance.

Yours, very truly,

F. J. ANGIER, *Secretary-Treasurer.*

Resolution adopted by the American Wood Preservers' Association at its tenth annual convention, held in New Orleans, La., January 20–22, 1914.

Whereas the Interstate Commerce Commission is now giving consideration to an increase in the rates of freight charged by railroads; and

Whereas the use of treated material is one of the fundamental features of economic railroad maintenance:

Resolved, That the American Wood Preservers' Association favors such an increase in rates as will enable the railroads to carry out their plans for improved service; and

Resolved further, That a copy of this resolution be forwarded to the Interstate Commerce Commission by the secretary.

M. K. TRUMBULL.
E. A. STERLING.
J. H. WATERMAN.
JOHN FOLEY.

WASHINGTON, D. C., *April 24, 1914.*

To the INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: At a representative meeting of railroad employees held in the city of Indianapolis, Ind., April 9, 1914, the following resolutions were unanimously adopted:

RESOLUTIONS.

"Whereas the cost of all commodities and of every class of service has, during recent years, been very greatly increased, and the cost of the operation of every industry has been proportionately advanced, and under these conditions railroad freight rates, being regulated by law, have remained stationary; and

"Whereas it is unfair, under such conditions, to prohibit railroad companies raising the cost of their service so as to permit of their meeting the demands of the increased cost of operation; and

"Whereas, with a view to this end, the railroads of the United States have petitioned the Interstate Commerce Commission for the privilege of very slightly increasing their freight rates, and these demands of the railroad companies being gradually recognized as fair, just, and reasonable:

"*Resolved*, That this convention, representing railroad employees, do hereby earnestly request and urge upon the Interstate Commerce Commission to accede to this request of the railroad companies in this particular, and thus permit them to maintain the railroad industry of the country up to a proper standard of efficiency.

"*Resolved further*, That recognizing that the railroads of the United States are the best in the world, while freight rates in this country are the lowest in the world, we believe that the best economy in this connection requires that the railroads be maintained to their present high standard, and that this condition to so maintaining them should not be withheld.

"*Resolved further*, That a committee representing the railroad employees be appointed to present our views in this matter to the Interstate Commerce Commission."

Replying to your telegram of the 16th instant, we, the committee, beg leave to submit the following brief, and we sincerely trust that it will be treated in a spirit of fairness and in the interest of the men we have the honor to represent, and that the ultimate outcome of this great question that has brought about serious conditions throughout the country may be settled satisfactorily to all concerned.

The conditions that prevail throughout the railway centers of this country at the present time, and which is becoming more serious day by day, brought about this gathering of representative men who believe, and from personal knowledge know, that we are passing the gravest crisis ever encountered by railway employees, and that the situation existing in the railroad centers at the present time is very embarrassing to the general public and to the employees who are handling and transporting a large part of the commerce of the Nation,

During the past few months thousands of men in all departments of the great railroads of this country have been laid off, and engineers and conductors, who had been running engines and trains for 9 or 10 years regularly have been set back to firemen and trainmen.

Many regular schedule trains have been discontinued, telegraph offices have been closed, men in charge of pumping stations have been laid off and the work doubled on men now employed, hours have been reduced of the men working at present in the shops and in offices.

Many employees have been dismissed from the service and retrenchment is general in all departments, and in many instances wages have been cut anywhere from 10 to 20 per cent and the hours of thousands of employees reduced.

There is a cause for this condition. We will not attempt to go into detail or submit figures regarding the earnings of the railroad companies, because we feel that enough has already been submitted to the commission upon this subject.

We feel that we have a right to present to you our views and opinions upon this important question, which involves the welfare of almost 3,000,000 wage earners, and we desire to state that we are not endeavoring to exaggerate this, for the commission must take into consideration that every man and woman working for industries that furnish supplies to railroad companies are directly interested in this rate question.

It has been said by eminent men that many petitions have been presented to the commission and Members of Congress praying for an increase of rates which upon their face show that men higher up in the railroad movement have had something to do in the framing of such petitions. However, we desire to inform the commission that no official directly or indirectly connected with a railroad company has ever approached us upon this subject. We have represented respective organizations in legislative matters and have promulgated and put into effect through legislation many laws beneficial to railway employees and the public in general, and we realize the great necessity of more legislation for their protection and safety.

We feel that our opinion upon this great question deserves the most careful consideration by the commission, because we are in a position to know that the earning capacity of the railroads have been decreased to a large extent by the enactment of legislation that has compelled them to provide for safer operation of trains.

This subject was taken up with the administration officials several months ago, and we believe the policy of the administration is to deal with fairness and justice upon all matters which pertain to the general welfare of all people.

We realize the judicial jurisdiction of this rate-making question lies wholly with the Interstate Commerce Commission, and in our conference with administration officials upon this subject we suggested that the commission take up with the presidents of the great railway systems this question and ascertain from them the real cause of present conditions, and if they contended that their revenue was insufficient and that the depreciation of business was due to this fact that they be granted an increase pending the investigation, and if found after the commission had made a thorough investigation that such was not the case that the railroads be punished for bringing about the present deplorable conditions.

We realize that there is a fictitious value on many things, even on the land which produces everything, and it is undoubtedly true that many railroads have a fictitious value upon their stock, and we presume that this will be properly taken care of by the commission, which is now considering the physical valuation of the railroads.

There are at the present time about 3,000,000 people directly interested in this rate question, and we feel that we can truthfully say that one-half million of these people are at present out of work; figuring their average daily pay at the rate of $2 per day will mean $1,000,000 a day, or $30,000,000 a month, which is being taken away from the employees and their families. These employees would receive $360,000,000 in one year. Put them to work, let them earn this money and put it into circulation, and we are sure that it will stimulate business to a great extent.

We feel that the rates could be equalized—for instance, a sliding scale could be inaugurated wherein a higher rate could be charged for perishable commodities, which are almost exclusively used by the rich. However, we do not desire to enter into this phase of the question, for we have confidence in the commission's judgment upon these matters.

What the railroad men who constitute a large part of the working people of America want at this time is results; in other words, they want work.

At the present time engines are laying in the shops for repairs, thousands of cars are stored, rolling stock has been run down, the laws upon the statute books of the Federal and State Governments are being constantly violated, and these men who have nothing to do and can not secure employment elsewhere are getting tired of investigations; what they want and desire is results. We feel that the shippers may have a grievance; we will not attempt to dispute their claim, but we do know that the small business men of the country, together with the farmers, would much rather be assessed a little more in the shipment of their products and the consumer would be satisfied to pay more for his goods in order that he might see the thousands of men now out of employment back to work and the country prosperous than to see existing conditions.

President Wilson in his speech of acceptance at Seagirt, N. J., August 7, 1912, speaking of wage earners, said:

"The welfare, the happiness, the energy, and spirit of the men and women who do the daily work in our mines and factories, on our railroads, in our offices and marts of trade, on our farms, and on the sea, is of the essence of our national life. There can be nothing wholesome unless their life is wholesome; there can be no contentment unless they are contented. Their physical welfare affects the soundness of the whole Nation."

Shortly after the present administration assumed control of the Government Secretary of Commerce and Labor Redfield delivered several speeches, which were given wide circulation by the newspapers, in which he expressed the views of the administration. Representative UNDERWOOD, speaking for the party, stated upon the floor of the House, in substance, "that if big business proceeded to shut down their industries for the purpose of throwing men out of employment that an investigation would be made at once, and, if found that they were trying to embarrass the administration, drastic action would follow and the men responsible would be punished.

This procedure could be followed by the commission. The investigation of freight rates has been going on for a long time, and we attribute the present conditions of this country to a large degree due to the fact that the railroads have not received sufficient revenue to transact their business legitimately.

The railroad employees as well as the people in general are vitally concerned in the future prosperity of our country, and we are sure that they feel that President Wilson has made good, taking into consideration the great problems that he has had to handle. We think that quick action upon this matter by the commission is of vital importance to the present administration.

In presenting this information we desire to inform you as American citizens representing in this instance a certain class of men of which 414 gave up their lives and 171,400 were injured while transporting a large part of the Nation's commerce during the fiscal year ending June 30, 1913.

These men constitute a great moral force among the wage earners of America, and our only aim and desire is to try and convince you that this commission is in a position where they can relieve the distressing conditions which are confronting many people of this country.

We sincerely trust that you will accept this brief in a spirit of fairness and honesty and that you will give it earnest and careful consideration, for thousands of people are awaiting with great anxiety the result of your decision.

Very truly, yours,

FRED L. FEICK, *Chairman*,
JOHN O'MARA, *Secretary*.
Committee.

—

MOROCCO MANUFACTURERS' NATIONAL ASSOCIATION,
Philadelphia, Pa., March 20, 1914.

Mr. JUDSON C. CLEMENTS,
Interstate Commerce Commissioner, Washington, D. C.

DEAR SIR: In accordance with unanimous action at the annual meeting of the Morocco Manufacturers' National Association, held in Philadelphia March 12, 1914, I have the honor to transmit to you for your consideration a resolution referring to plea of the eastern railroads to the Interstate Commerce Commission, asking to be permitted an advance in freight rates.

Respectfully, yours, LAIRD H. SIMONS, *Secretary.*

—

MARCH 23, 1914.

Mr. LAIRD H. SIMONS,
Secretary Morocco Manufacturers' National Association, Philadelphia, Pa.

MY DEAR SIR: This will acknowledge receipt of yours of the 20th instant, inclosing copy of resolution passed by your organization at its recent meeting, referring to the investigation pending before this commission concerning proposed advance in freight rates by carriers in official classification territory.

In all cases of this kind this commission is required under the law to act only after full hearing, which implies that it shall be thoroughly informed by investigation as to all the facts, circumstances, and conditions pertinent to the question of whether or not the rates involved are reasonable and just for the service performed.

The commission is proceeding with this inquiry as expeditiously as possible, having in view all the requirements of the law, and will dispose of the question involved as soon as practicable.

Yours, very truly,

JUDSON C. CLEMENTS,
Commissioner.

—

HOUSE OF REPRESENTATIVES,
Washington, April 27, 1914.

CHAIRMAN INTERSTATE COMMERCE COMMISSION,
Local.

SIR: I beg to hand you herewith copy of resolution adopted by the Chamber of Commerce of Fremont, Ohio, urging the increase of rates on freight transportation, which question is now before your commission. This organization consists of 450 members, and I trust it will receive your careful attention.

Sincerely, yours, JNO. A. KEY.

Whereas the railroads operating in the United States are petitioning the Interstate Commerce Commission for permission to increase the rates on freight transportation not to exceed 5 per cent; and

Whereas the profitable operation of the Nation's transportation facilities is being seriously retarded by reason of the railroads not receiving such rates for freight transportation as would insure the profitable operation of the railroads of the country; and

Whereas the railroads of the Nation are the highways of commerce, and when such highways of commerce are burdened by unprofitable operation the effect is felt in every line of commercial endeavor: Therefore be it

Resolved, That the Fremont Chamber of Commerce does hereby indorse and recommend that the petition for the increased rates be granted.

—

APRIL 16, 1914.

To the honorable INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: The following organizations representing the industries in the printing trades in the city of Chicago and vicinity—Typographical Union, No. 16; Pressmen's Union, No. 3; Franklin Union, No. 4, I. P. & A. U.; Photo-Engravers' Union, No. 5; Blank-Book Binders and Paper Cutters' Union, No. 25; Electrotypers' Union, No. 3, in joint conference assembled, respectfully submit to your honorable body that:

Whereas an unprecedented depression has thrown out of employment large numbers of workers in the printing industry here, which represents 22,300 wage earners, and has otherwise depressed the printing trade; and

Whereas this depression is directly traceable to the restriction in railway service due, it is declared, to the inability of the railroads to maintain their normal service under present freight rates; and

Whereas individual physical suffering on the part of a large number of wage earners, and mental anxiety due to uncertainty of the future demands immediate relief: It is therefore

Resolved, That we as wage earners respectfully represent to you, the honorable Interstate Commerce Commission, the loss and suffering entailed by withholding the authorization for increase in freight rates requested by the railroads is destructive and demoralizing, and that whatever causes may have urged the withholding of the authorization to advance railroad rates 5 per cent the burden now falls heavily upon the printing-industry workers in this city and among the vast number

of workers in other industries, and earnestly urge relief from distresses from which we and the workers in other industries are suffering.

Respectfully submitted.

Typographical Union, No. 16, Walter W. Barrett, president; Michael Colbert, secretary. Pressmen's Union, No. 3, Chas. E. Sanguin, president. Franklin Union, No. 4, I. P. & A. U., Harry Muss, president; L. S. Mills, secretary. Photo-Engravers' Union, No. 5, Rudolph Clemens, president; J. H. Schussler, secretary. Blank-Book Binders and Paper Cutters' Union, No. 25, John R. Fitzgibbon, president; C. J. Pickthall, secretary. Electrotypers' Union, No. 3, Henry D. Frank, president.

EXHIBIT E.

CORPORATIONS, FIRMS, AND INDIVIDUALS SOUGHT TO PERSUADE THE INTERSTATE COMMERCE COMMISSION TO GRANT THE INCREASE.

Several hundred letters and telegrams were received from corporations, firms, and individuals, asking for freight-rate advances. These for the most part consist of the same stock arguments of the railroads. Many of the petitioners sell supplies to the railroads, some are security holders, and still others receive free services from the railroads and are therefore naturally favorable to the rate advance. Some writers doubtless believe that national prosperity is dependent upon the rate increase, as has been continually urged by the railroads. The public at large seems to have had little to say, though they must ultimately pay the freight.

DENVER, COLO., *February 12, 1914.*

To the CHAIRMAN INTERSTATE COMMERCE COMMISSION.

MY DEAR SIR: As owner of 15 shares New Haven Railroad I receive no dividend. As I understand it, this is because you will not allow the railroad to increase its rates.

I notice your Mr. Prouty, together with the Massachusetts Railroad Commission, did not grant the Boston & Maine Railroad the increase they decided it ought to have.

I consider the settlement of the Delaware & Hudson strike a disgrace to the United States.

As a citizen, voter, and taxpayer, I respectfully demand that my rights as a small investor be protected along with unionism, and that you grant the railroads an increase in rates without undue delay.

Very respectfully,

ROBERT W. JOHNSON.

—

BELKNAP HARDWARE & MFG. CO.,
Louisville, Ky., January 23, 1914.

Hon. CHARLES A. PROUTY,
Commissioner, Interstate Commerce Commission,
Washington, D. C.

ADVANCES IN RAILROAD RATES.

MY DEAR SIR: We desire to respectfully indorse the request of certain railroads doing business in eastern territory for a general increase of 5 per cent in their freight rates.

We receive very large quantities of freight from the district affected, and naturally make this indorsement with full understanding of the burden that it will put upon us in the payment of this increase in rates. Our reasons for indorsing the request, however, outweigh, in our opinion, the importance of the consideration of additional freight that we will have to pay.

It is our belief that the increase cost of operating railroads militates against the quality of service, and if continued without a corresponding increase in freight rates would result in the service becoming inefficient and dangerous.

We further believe that the increase proposed, while not a serious handicap on any industries, will result in large purchases by the railroads of many products purchased by industries now in a great state of depression and which would be greatly benefited by such purchases.

We furthermore believe that such a change would result in a better market for railroad securities essential to enable at least some of the railroads affected to make provisions for improvements, betterments, extensions, and sidings necessary for the service they must render to the public.

Respectfully submitted.

WM. HEYBURN, *President.*

—

COLUMBUS, OHIO, *April 2, 1914.*

To the honorable the INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: The officers of the subscribing company, being trustees for some 3,500 stockholders, voicing these stockholders and the almost unanimous wish of the entire population in this vicinity and State, beg your honorable body to grant the request of the railroads for a horizontal increase of freight rates.

We further beg that this increase be granted immediately. The condition of the business of the entire country, we feel, is dependent upon the compliance of your honorable body to their request.

It is the one item now necessary to stimulate business and furnish employment to the rapidly growing multitude of unemployed.

Arguments have been placed before you so thoroughly by representatives of the people that we make no arguments at this time, but we do feel the grave responsibility resting upon you for your action in this matter, affecting the entire population of the United States.

Yours, respectfully,

THE RALSTON STEEL CAR COMPANY,
F. A. MILLER,
Secretary and Treasurer.

—

COLUMBUS, OHIO, *March 31, 1914.*

Mr. GEO. B. MCGINTY,
Secretary Interstate Commerce Commission,
Washington, D. C.

DEAR SIR: As a member of the chamber of commerce in the city of Columbus we are writing you with reference to the proposed increase of freight rates, which we believe should be granted at the earliest possible date. There seems to be no question about the need of this advance, and the present condition of the country in a business way indicates that if it is to be granted it should be done promptly in order to set the wheels of business moving.

Very respectfully, yours,

THE COLUMBUS OIL CLOTH CO.,
By C. L. DICKEY, *President.*

—

CLEVELAND, OHIO, *December 31, 1913.*

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: Harboring the honest opinion and belief that the railroads of the country are in absolute need of and entitled to an increase in rates, and with the hope that the arguments made by them in your opinion are reasonable, we plead and hope that you can see your way clear to grant the rates asked for.

Very truly, yours,

THE CLEVELAND BOX CO.,
GEO. A. MARTIN.

—

THE WILLYS-OVERLAND CO.,
Toledo, Ohio, December 31, 1913.

Hon. CHAIRMAN INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

DEAR SIR: After considering from every angle the matter now before your honorable body pertaining to the general increase in rates, I am constrained to write and express to you my belief in the advisability of such action. I am convinced that conditions warrant it, and that carriers are entitled to a larger revenue for the service they perform.

So I would respectfully ask to be placed on record as not only not objecting to the increase, but as strictly advocating it, notwithstanding the fact that it will mean a large increase in the expenses of my company.

I might add that the Willys-Overland Co. and the several companies owned by it and myself making parts for Overland cars are, as you are doubtless aware, heavy shippers. The Willys-Overland Co. alone ships and receives approximately 16,000 carloads per annum and pays freight charges on inbound carload shipments, exclusive of coal, oil, and lumber, considerably over $200,000 per annum.

Yours, very truly,

J. N. WILLYS, *President.*

—

THE AUTHORS' CLUB,
New York, March 31, 1914.

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.:

We, makers of books to teach and educate the people, want to say that unless the railroads are not only treated fairly but liberally we can not prosper. Surely the whole people want it and beg for it, from ocean to ocean.

Respectfully,

H. E. SMITH.

—

CLEVELAND, OHIO, *April 3, 1914.*

INTERSTATE COMMERCE COMMISSON,
Washington, D. C.

GENTLEMEN: We beg to submit to you the following statement of this company's attitude upon matters now pending before your honorable body:

We respectfully urge and petition your honorable body to grant immediate compliance with the request of the railroads of the United States for a horizontal increase in rates for freight shipments.

We realize that such increase would augment our cost of operation and production, but believe that there would be an equitable distribution of the burden upon all shippers alike without discrimination or yielding of unfair advantage.

We believe that such an increase is absolutely necessary to maintain the credit of the railroads, permit them to make the necessary repairs, betterments, and renewals; to adequately provide for the growing demand of service and facilities and stop the enormous losses now affecting the entire country.

We protest against the imposition of special charges for "ferry," "trap car," and "spotting" service, believing that such a plan could only result in disastrous inequalities and discrimination among and between the shippers and further unsettle business conditions.

We believe that arbitrary changes in the regulations of switching and placing of cars would be confusing and harmful to shippers and of doubtful benefit to carriers, and wish to go on record as being opposed to any arbitrary changes in the regulations above referred to.

The granting of a horizontal rate increase without delay will, we believe, result in the immediate stimulation of business throughout the country and entail no serious loss or injury to anyone.

Unparalleled floods during the past year, increased rates in wages paid to trainmen, the depletion of revenues by loss of business, and operation controlled by legislative enactment and exactions have combined to work great hardships on the carriers. At the present time of partial depression they are unable to meet the demands of shippers for adequate service; and facing the necessity of rebuilding and extensions, there is no doubt that the railroads need the relief they pray for, and beg leave of your honorable body to join in their prayer.

Very respectfully,

THE UPSON NUT CO.
H. A. FULLER, *President.*

—

CINCINNATI, *April 3, 1914.*

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: We urgently petition your honorable body to grant immediate compliance with the request of the railroads of the United States for a horizontal increase in rates for freight shipments.

As shippers, we realize that the increase so granted would make an additional charge upon our cost of operation and production, but it would be a burden distributed upon all shippers alike, without discrimination or yielding of unfair advantage.

While there have been, unquestionably, serious abuses in railway development and operation in the past, and while some such abuses may still exist, arising from conditions for which the Government and all the people as well as the railroads are responsible, we believe that the revenue to be derived from the proposed increase in rates is absolutely necessary to reasonably maintain the credit of the railroads, to permit

them to make the repairs and betterments necessary, to adequately provide for the growing demands of service and facilities, and to stop the enormous losses now affecting the business of the entire country.

We protest that, in our judgment, the alternative plan proposed for providing additional revenue for the railroads through the imposition of special charges for "ferry," "trap car," and "spotting car" service would result in still further unsettling business conditions and, in application, would bring about disastrous inequalities and discrimination among and between shippers.

We submit that the present rates, as a whole, have been based upon long-established shipping customs and that arbitrary changes in switching and car-placing regulations would be confusing and harmful in many ways and of doubtful benefit to the carriers. The abuses which may have arisen in connection with switching and car-placing service—and we do not doubt that there are instances of this sort—can be eliminated upon investigation and order without involving all shipping interests.

Therefore we protest against any arbitrary withdrawal of switching or car-placing services or the institution of special charges therefor, holding, as we do, that these services are wholly compensated in the building and maintaining by shippers of individual tracks, loading stations, and appliances which greatly facilitate the transportation of all classes of freight, wherever or by whomever shipped, and prevent the congesting of traffic and storage.

The substitution of such a change would work a great hardship upon shippers, would necessitate increased prices to consumers, and would not greatly or uniformly benefit the railroads nor give the relief for which they and we pray.

We believe that the granting of a horizontal rate increase without delay will result in the immediate stimulation of business in all lines of productive endeavor and that it will not entail serious loss or injury to any person or persons, firms, or corporations. With the losses of roadbeds, tracks, bridges, rolling stock, and equipment in the unparalleled floods of the past year, with revenues depleted by loss of business, with operation controlled by legislative enactment and exactions, and hampered by new regulations and requirements, already unable to meet the demands of shippers for adequate service, even at a time of partial depression, facing the absolute necessity for rebuilding and extensions, there is no doubt—there can be no question—that the railroads need the relief prayed for, and need it now; and neither is there question that a large majority of the shippers of the United States realize these conditions and join in this prayer.

Respectfully submitted.

THE ROBERT MITCHELL FURNITURE CO.,
Per R. H. MITCHELL, *Vice President.*

—

SPRINGFIELD, OHIO, *April 2, 1914.*

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: If there is any one thing more than the recent tariff legislation that is and for a long time has been disastrously affecting the business of the entire country it is the failure of your honorable body to grant the request of the railroads of this country for a horizontal increase in freight rates.

The enormous losses now affecting the business of this great country, and that have already been sustained by reason of the delay to sanction the reasonable request of the railroads, would pay the increase asked for more than 10 years.

It certainly never was contemplated by creating the Interstate Commerce Commission with unlimited powers that it should be used as an instrument to indefinitely hamstring the greatest and most important industry of this country.

We respectfully urge immediate compliance with the request of the railroads for a horizontal increase in freight rates.

Very respectfully,

THE FAIRBANKS CO.,
By N. H. FAIRBANK.

—

MIDDLETOWN, OHIO, *April 2, 1914.*

To the honorable the INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: We wish to add our urgent request to that of the many others that you must have received that your honorable body grant, as quickly as possible, the request of the railroads of the United States for a horizontal increase in freight rates.

As large shippers, we believe that all shippers and the public generally will be equally benefited by this concession to the railroads through the improvement in business that we feel certain must follow.

The railroads are to the business and the prosperity of the country as are the arteries to the human system. They must be in first-class working condition or serious consequences will follow.

In addition to increased expenses from many sources, they are unquestionably in a run-down condition, and the needs of the general public demand that large sums be spent for maintenance, motive power, and rolling stock.

The railroads are apparently to-day as a patient who is convalescent—they need stimulant and nourishment, and they need it quickly. After they have regained their normal strength they may be able to stand further diet without injury.

We believe that the business of the country is losing hundreds of thousands of dollars every day that the settlement of this important matter is delayed, and where business loses, labor must lose proportionately.

We sincerely trust that you can see your way clear to take favorable action on this matter immediately in the interests of the country at large.

Yours, very truly,

THE AMERICAN ROLLING MILL CO.
GEO. M. VERITY, *President.*

—

BARNESVILLE, OHIO, *March 26, 1914.*

INTERSTATE COMMERCE COMMITTEE,
Mr. GEO. B. MCGINTY, *Secretary,*
Washington, D. C.

DEAR SIR: Referring to the case now in hearing before your honorable body wherein the common carriers of the country are asking for permission to make an advance in the rates of 5 per cent, and also an alternate proposition in lieu of an advance in freight rates to impose an extra charge on shippers and receivers of freight for switching or spotting cars for loading or unloading, the undersigned would much prefer and herein ask your honorable body if they find it necessary to grant to the common carriers an increase in their revenue, that it may be done on a percentage increase in the existing freight rates; and that conditions relating to switching or spotting cars for loading or unloading remain the same as they are at present.

Yours, very truly,

THE WATT MINING CAR WHEEL CO.,
Per P. H. LAUGHLIN, *General Manager.*

—

AGOSTA, OHIO, *March 28, 1914.*

SECRETARY OF THE INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

DEAR SIR: I read in the press and trade papers that your body has about decided to order the carriers, in lieu of their request to advance freight rates 5 per cent, to make charges for the service of placing cars at stations at other points than public team tracks. I am the owner of two country grain elevators, both of which will be affected by such a ruling as this, provided I have the correct understanding of the matter, viz, that all cars placed at special points at stations (other than ordinary team track) will carry a special-service charge. I have a great deal of money invested in plants at these points to provide especially for the economical and prompt handling of out shipments of grain and in shipments of cement, coal, fertilizers, feed, flour, and building material, and I handle over a hundred cars per year in the manner above indicated. If this ruling goes into effect I will be compelled to pay switching charges amounting to several hundred dollars per year, while parties loading one or a few cars will escape this charge. The profits of our business are now all but wiped out by expenses of conducting it, not the least of which is our almost inability to collect claims for shortage and damage—principally the former—on account of the present bill of lading under the terms of which we are compelled to make our shipments, and which makes it all but impossible to collect a claim. Country shippers will also be compelled to stand these switching charges at terminal markets, as receivers will charge them up against our accounts, the same as they now do with car service, etc. Thus we will get a double dose of it, and there will be no way to get out from under this expense, as those shippers who have no facilities and who usually ship to parties who have none will be enabled to use the carriers' equipment for warehousing purposes at both ends and also escape this switching charge at both ends. I would much prefer that the carriers be allowed to increase their revenue by a straight advance of rates of the 5 per cent, as they have requested, as that would give everybody a chance to contribute without discrimination. Kindly lay this matter before the commission and see if this matter can not be arranged so as to give us the rate advance in preference to the switching charge, as proposed.

Thanking you in advance, I am,

Very truly, yours,

C. O. BARNTHOUSE.

—

COLUMBUS, OHIO, *March 28, 1914.*

Mr. GEORGE B. MCGINTY,
Secretary Interstate Commerce Commission,
Washington, D. C.

DEAR SIR: As shippers of goods in carload quantities, we want to protest against the allowance of any compensation to the railroads for spotting service.

We believe, because of the severe financial losses that the railroads have sustained, especially in this section during the past 18 months, that their request for an advance of 5 per cent in rates is not an unreasonable one.

This advance of 5 per cent, however, will doubtless increase their revenue to the point where operation of the line will continue to be profitable and satisfactory to the stockholders thereof.

Yours, very truly,

THE COLUMBUS PIANO CO.

—

NORTHWEST TRUST & SAFE DEPOSIT CO.,
Seattle, May 27, 1913.

The INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: I venture to suggest that your commission give the closest consideration to the request of the railroads, that they be permitted to make a general increase in railroad rates.

Statistics show conclusively that the operating expenses of the railroads have increased very largely and out of proportion to the increase in rates during the past few years. This increase in expenses has very largely arisen through legislation and through the action of labor unions. The consequence is that investors have become nervous regarding the net income of railroads, and are, as is well known, evincing more hesitation in buying railroad securities, whether bonds or stocks, than for very many years.

Yours, truly,

E. SHORROCK, *President.*

—

THE NATIONAL HAY ASSOCIATION,
Toledo, Ohio, October 14, 1913.

Mr. GEORGE B. MCGINTY,
Secretary Interstate Commerce Commission,
Washington, D. C.

DEAR SIR: We understand that the railroads throughout the official classification territory are going to ask for a 5 per cent increase in freight rates, which we think would be to the best interests of all concerned, as at this time the railroads seem to be unable to provide sufficient funds for the maintenance of equipment and terminal facilities, owing to the increased cost of labor and material.

Now, the National Hay Association feel that while they are bearing more than their share of the burden with hay in fifth class, that for the best interests of the country in general it would be advisable to allow this increase of freight rates on all commodities, and as chairman of the transportation committee I have been authorized to advise you of their decision.

Yours, very truly,

H. H. DRIGGS,
Chairman of Transportation Committee.

—

MARIETTA, OHIO, *April 7, 1914.*

To the honorable the INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: We sincerely trust that in the interests of general business in this country that you will see fit to grant the railroads the

5 per cent horizontal increase in freight rates for which they have been praying for some little time.

It is not for us to judge whether they are entitled to this percentage or to an increase of any sort, but we do know this: That there has been a condition of mind created throughout this country to the effect that were the increase which the railroad companies are asking for granted, business conditions would very materially loosen up. We are sure that while this reason is not the only one to be considered, it is of sufficient weight to merit your earnest consideration. General business conditions in this country are certainly not good, and we believe that when the country at large regards that the increase under consideration will relieve the situation, that it is your duty to look most favorably upon this proposition.

We have no interest in any railroad, either by stockholding or otherwise.

Yours, very truly,

THE SAFE-CABINET CO.,
By R. P. DICK,
Secretary-General Manager.

—

SANDUSKY, OHIO, *April 7, 1914.*

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: In common with thousands of American manufacturers, this company has made extensive outlay in providing itself with railway track facilities, thus directly benefiting the railroads by free expansion of their terminals and relief of yard congestion.

Having in mind a proposition, now before your honorable body, to augment railway revenues by the assessment of certain so-called "trap car" and "spotting" charges, we can not fail to see that such charges would constitute a tax upon private track owners for service which is in good part performed for the convenience of the carriers, and which must of necessity be very generally rendered free to those who, having made no investment in railway facilities, depend entirely upon the public deliveries provided by the carriers at their own expense.

This company therefore begs to submit its respectful protest against the assessment of such special charges, which it holds to be unjust and discriminatory; and recognizing as it does the right of the carriers to fair remuneration for transportation service and the justice of rates which conform in some measure to the present advanced costs and prices in all lines of production and effort, this company respectfully prays your honorably body to authorize a general increase of freight rates amounting to 5 per cent of the present scheduled rates.

Such an increase seems to us to be indicated alike by justice and by public policy; its burden would be distributed with absolute equality, and no shipper or consumer can in fairness object thereto.

Respectfully submitted.

THE HINDE & DAUCH PAPER COMPANY,
J. J. DAUCH, *President.*

—

WINCHESTER, IND., *April 8, 1914.*

Mr. GEORGE B. MCGINTY,
Secretary Interstate Commerce Commission,
Washington, D. C.

DEAR SIR: We have noticed in the daily press that the Interstate Commerce Commission is considering the proposition of ordering the transportation companies to discontinue the practice of rebilling grain in transit or stopping grain to be handled through a transfer house unless a charge is made for such service, and that no grain can be rehandled en route unless the railroad company charge for service of stopping, rebilling, etc.

Now, the writer is not a lawyer, and can not express himself as well as he would like to on this matter. But we feel if this order is issued it would handicap the smaller markets in the country and work a hardship to the handlers of actual grain that would be almost irreparable.

We can readily see where it would be an advantage to Chicago and other large terminal markets, which are the terminus of transportation lines and where lake and rail grain would meet, as they would get all the service that the intermediate markets would pay for without any charge.

It has been the policy of the railroad companies in the past few years—and we think it very wise—to foster the smaller grain markets and give them exactly the same service that the larger markets have enjoyed. This certainly has been a benefit to the producers and handlers of grain as well as to the consumers.

There is no large market in the country that has ample railroad facility, and they can not very well have on account of the enormous value of property that would have to be acquired to secure ample facilities. But in smaller markets real estate is cheaper and they have more abundant trackage and these numerous transfer and cleaning elevators have been built and have been accorded all the privileges that gateway and terminal market elevators have enjoyed.

This has tended to divert a great deal of grain from the congested centers and also scatter the holders of grain so the market could not be so easily manipulated and has given the producers of grain its full value, while at the same time it gives the consumer a lower price than had the grain, as it was a few years ago, all been held in a few terminal markets.

It has only been in the past few years that Peoria, Indianapolis, Fort Wayne, and a number of cities and smaller towns in Ohio that now have transferring and storage facilities were entirely without plants of this character.

We know it is not the purpose or desire of the commission to in any way hamper the free movement of grain or do anything that will add to the present cost of handling grain.

But, in our honest opinion, if the interior shippers were compelled to pay for the reconsigning of grain, it would add an expense to the business that would simply handicap them so they could not compete at all.

Grain is handled on such a small margin by country shippers and smaller transfer houses that the charge that might seem reasonable to the commission would put them out of business.

We do believe that the transportation companies are entitled to an increase in rates, and no doubt grain and other farm products should pay their share of the increase.

In 1897 we paid 16 cents a hundred pounds freight on 20-cent corn from this point to Baltimore. For the past few years we have paid 15 cents a hundred pounds for hauling 50-cent to 75-cent corn from this point to Baltimore. Either the rate then was much too high or is now entirely too low.

We beg to remain,

Yours, very truly,

GOODRICH BROS. HAY & GRAIN CO.

—

LIMA, OHIO, *April 9, 1914.*

INTERSTATE COMMERCE COMMISSION,
Mr. JAMES HARLAN,
Chairman, Washington, D. C.:

We handle four to six hundred cars of grain per year. We have considerable trouble getting good equipment and urge that the railroads be granted 5 per cent increase effective on publication that they may purchase equipment and serve the best interests of the general public.

ROBINSON & CO.

—

LIMA, OHIO, *April 9, 1914.*

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.:

Feeling that the general prosperity of the country is being halted awaiting your honorable commission's decision in the railroad rate advance case, we, as shippers and receivers of freight, ask that all diligence be used in settling the case. We are heartily in favor of the increase.

THE GRAMM BERNSTEIN CO.

—

LIMA, OHIO, *April 9, 1914.*

INTERSTATE COMMERCE COMMISSION, *Washington, D. C.:*

Do not delay in rate decision. We are heartily in favor of proposed advance.

POWER MANUFACTURING CO.

—

LIMA, OHIO, *April 9, 1914.*

INTERSTATE COMMERCE COMMISSION, *Washington, D. C.:*

The prosperity of the country in general, we believe, depends largely upon your early decision in favor of the 5 per cent increase in freight rates. We are heartily in favor of this increase.

LIMA LOCOMOTIVE CORPORATION.

—

LIMA, OHIO, *April 9, 1914.*

INTERSTATE COMMERCE COMMISSION, *Washington, D. C.:*

As the most extensive carload receivers and shippers of fruit and produce in northwestern Ohio, we firmly believe railroads should have the 5 per cent increase in freight charges as petitioned for through your honorable body. We believe it is necessary, so they can pay the increased salaries demanded, improve their lines, replace worn-out rolling stock and motive power, eliminate grade crossings, and pay off the millions of dollars in claims pending against them—many through unjust local legislation, prejudiced jury findings, much through pilferage, negligence, wanton waste, and destruction. By according railroads this advance all industries, labor, and business in general will be benefited and the present financial depression throughout the country alleviated. We believe railroad managers understand their business and would not appeal for advance in rates at this time if not fairly entitled.

ALTSCHUL BROS. CO.

—

LIMA, OHIO, *April 9, 1914.*

INTERSTATE COMMERCE COMMISSION, *Washington, D. C.:*

We earnestly request that you grant railroads 5 per cent advance in rates, as asked by them, and believe the country at large will be benefited. Our shipments exceed 9,000 cars annually.

THE BLUFFTON STONE CO.,
ALLEN PATTERSON, *President.*

—

PIQUA, OHIO, *April 9, 1914.*

The INTERSTATE COMMERCE COMMISSION, *Washington, D. C.:*

GENTLEMEN: We beg to call your attention to the necessity of an immediate action in the matter of granting or not granting the increase rate demanded by railroads throughout the country.

Our company would favor and recommend the 5 per cent increase, but we would rather forego our preference than to have the matter delay to the undoubted detriment of general business conditions.

We wish to protest against the plan provided for by railroads for additional charge in the matter of "spotting-car" service.

We make this appeal to your honorable body, hoping that it may add a mite toward helping the present deplorable situation in business which the writer feels sure results from lack of action in Washington.

Very sincerely, yours,

THE IMPERIAL UNDERWEAR CO.,
Per A. D. HANCE.

—

DAYTON, OHIO, *April 9, 1914.*

To the honorable the INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: We urgently petition your honorable body to grant compliance with the request of the railroads of the United States for a horizontal increase in rates for freight shipments.

As shippers and receivers, we appreciate the increase so granted will make an additional charge upon costs, but the burden will be distributed upon all shippers and receivers alike, without discrimination or unfair advantage.

We think an action of this kind may encourage the railroads to carry on their betterments, extend their lines, more fully equip, and give employment to a vast number of former employees. We hope this may be one of the means of stopping the enormous losses now affecting the business of the entire country.

We protest against the proposed plan for providing additional revenue through special charges for spotting-car service, etc. Services of this kind are wholly compensated in the maintenance by many shippers of individual tracks, appliances, etc.

It seems to us that the granting of a horizontal rate increase immediately will result in the stimulation of business in all lines of endeavor, and will not entail a serious loss to any persons, firms, or corporations.

The foregoing is respectfully submitted.

Yours, very truly,

THE CRAWFORD, MCGREGOR & CANBY CO.,
W. J. BLAKENEY, *Secretary-Treasurer.*

LIMA, OHIO, *April 10, 1914.*

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.:

As a shipper and receiver of freight, I am in favor of an advance in freight rates.

H. S. MOULTON.

LIMA, OHIO, *April 10, 1914.*

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.:

As shippers and receivers of freight, we request that the 5 per cent measure asked by the railroad companies be granted at once, in order to start the wheels of the country a moving.

WHITE MOUNTAIN CREAMERY CO.

LIMA, OHIO, *April 10, 1914.*

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.:

Do not delay in rate decision. We are heartily in favor of proposed advance.

CRUCIBLE STEEL CASTINGS CO.

LIMA, OHIO, *April 10, 1914.*

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.:

We heartily favor a grant of 5 per cent increase in freight rates, and urge immediate action as conducive to the business interests of the country.

FIRST NATIONAL BANK.

LIMA, OHIO, *April 10, 1914.*

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.:

As manufacturers and shippers, we think the railroads are entitled to the increase in rates they ask for.

Hoping you will grant them the increase,

SCHULTHEIS BROS.

LIMA, OHIO, *April 10, 1914.*

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.:

We urgently request that you grant the proposed increase of 5 per cent in freight rates. We are sure that it would greatly stimulate business and be the best for all concerned.

THE J. M. SEALTS CO.

LIMA, OHIO, *April 10, 1914.*

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.:

We heartily indorse the move to increase the existing freight rates by 5 per cent. Such a move, we believe, would further the best interests of the country.

THE F. J. BANTA CO.

LIMA, OHIO, *April 10, 1914.*

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.:

We heartily recommend that you grant the 5 per cent advance freight rates. We are extensive shippers of crushed stone, and feel that the advance will enable the railroad companies to give our customers, as well as ourselves, enough better service to warrant same.

THE GOETSCHIUS STONE CO.,
M. P. GOETSCHIUS, *President.*

LIMA, OHIO, *April 10, 1914.*

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.:

As shipers of over 4,000 cars per year we are heartily in favor of the proposed 5 per cent increase in freight rates for the prosperity of the entire country. We would recommend that increase be granted at once.

THE LIMA STONE CO.,
By E. W. HINER, *President.*

LIMA, OHIO, *April 10, 1914.*

The INTERSTATE COMMERCE COMMISSION,
Washington, D. C.:

We favor an advance of 5 per cent in freight rates, and recommend immediate action on your part.

STAR IRON WORKS.
G. S. VICARY, *President.*

LIMA, OHIO, *April 10, 1914.*

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

We very much favor the 5 per cent increase in freight rates. We believe it would greatly benefit business generally.

THE R. L. GRAHAM CO.

LIMA, OHIO, *April 10, 1914.*

Washington, D. C.:
Washington, D. C.

GENTLEMEN: We do a business of $500,000 a year and are willing to allow the railroad to charge us 5 per cent more freight rate. We think this will benefit us enough in business that we will more than make back the extra 5 per cent that they want.

We think you will do a very unwise thing for the country if you do not allow the railroad this extra 5 per cent. Jobbers and manufacturers we have talked to think the same as we do, so hope you can see your way clear to allow the railroad this extra 5 per cent.

Yours, very sincerely,

THE F. J. BANTA & SON CO.

LIMA, OHIO, *April 10, 1914.*

The INTERSTATE COMMERCE COMMISSION,
Washington, D. C.:

As heavy shippers of coal, we are heartily in favor of the proposed 5 per cent increase in freight rates for railroads.

THE CRYSTAL ICE AND COAL CO.,
Per H. W. KESLER, *Secretary.*

LIMA, OHIO, *April 11, 1914.*

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.:

We favor advancing freight rates 5 per cent; believe it to be for the best interests of the country.

THE LIMA PACKING CO.,
B. F. THOMAS, *President.*

LIMA, OHIO, *April 11, 1914.*

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.:

I believe it is advisable to grant proposed advance in rates to railroads and heartily favor same.

F. E. HARMAN.

LIMA, OHIO, *April 11, 1914.*

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.:

I would be pleased to see the railroads' request of 5 per cent addition on freight rates granted.

G. E. BLUEN.

LIMA, OHIO, *April 11, 1914.*

Hon. JAMES S. HARLAN,
Chairman Interstate Commerce Commission, Washington, D. C.:

We believe that the railroads are justified in asking for an increase in freight rates, and if granted will be of material aid in reviving business. We therefore respectfully urge that the increase be granted.

THE SOLAR REFINING CO.

LIMA, OHIO, *April 11, 1914.*

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

DEAR SIRS: We, being shippers, are in favor of the 5 per cent increase in freight rate, and believe it will have a tendency to bring about a better condition throughout the whole country.

Yours, very truly,

THE LIMA BREWING CO.,
FRANK SIEBER, *President.*
E. W. C.

LIMA, OHIO, *April 11, 1914.*

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: There is something wrong with business. Steel plants are operating about 50 per cent of their capacity.

In our opinion this is due to the fact that the railroad companies are not buying material pending the settlement of the railroad-rate question now before your honorable commission. On account of the large increases they have made in wages in the last few years and the higher standard of service they are required to give, we believe they are entitled to higher rates; and as a shipper whose freight bill amounts to $80,000 a year, we are willing to pay at the very least 5 per cent more on all freight we receive and ship.

Yours, very truly,

THE OHIO STEEL FOUNDRY CO.,
J. E. GALIM, *Vice President.*

LIMA, OHIO, *April 13, 1914.*

The INTERSTATE COMMERCE COMMISSION,
Washington, D. C.:

We are heartily in favor of the proposed 5 per cent increase in freight rates, and same should be put into effect at once.

HOFELLER & HIATT.

LIMA, OHIO, *April 13, 1914.*

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.:

Conference held in Lima March 27, representing 350 millers and elevator operators of northwestern Ohio, northeastern Indiana, and southern Michigan, marketing 35,000 cars of grain annually, unanimously adopted resolution favoring granting the proposed 5 per cent freight-rate advance.

T. P. RIDDLE.

LIMA, OHIO, *April 13, 1914.*

The INTERSTATE COMMERCE COMMISSION,
Washington, D. C.:

As one of the largest shippers of teas, coffees, groceries, specialties, and furniture, we are in favor of the proposed 5 per cent increase in freight rates.

LIMA TEA CO.,
By I. R. RICKOFF, *President.*

LIMA, OHIO, *April 13, 1914.*

The INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: As shippers and receivers of extensive tonnage of freight, we most heartily recommend the proposed 5 per cent increase in freight rates. From present conditions, we would judge that this act would materially increase and improve the business conditions of the country.

Very truly, yours,

THE EMERSON PRICE CO.

LIMA, OHIO, *April 13, 1914.*

The INTERSTATE COMMERCE COMMISSION,
Washington, D. C.:

We recommend the increase of freight rates, and would like same to take effect at once.

THE MOORE BROS. CO.,
R. O. BIGELOW, *President and Manager.*

—

LIMA, OHIO, *April 13, 1914.*

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.:

In our judgment the 5 per cent advance in freight rates is justified and will benefit present depressed business conditions.

THE DEISEL WEMMER CO.

—

LIMA, OHIO, *April 13, 1914.*

The INTERSTATE COMMERCE COMMISSION,
Washington, D. C.:

As receivers of probably 500 cars of freight per year we are in favor of the proposed 5 per cent increase in freight rates, and we recommend the increase be granted at once for the welfare of business generally.

THE FIDELITY COAL & SUPPLY CO.,
By E. C. MACKENZIE, *Manager.*

—

LIMA, OHIO, *April 13, 1914.*

The INTERSTATE COMMERCE COMMISSION,
Washington, D. C.:

As a large shipper and receiver of freight am in favor of the proposed 5 per cent increase in freight rates. Your early action in this matter will be a great advantage to the business interests of the entire country, which at present is at a standstill.

JNO. R. LEE.

—

LIMA, OHIO, *April 13, 1914.*

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.:

I am a receiver and shipper of a large amount of freight, and am very much in favor of the proposed 5 per cent increase in freight rates. I think this increase to be fair to all concerned, and to be to the best interests of the country.

WALTER P. BLOOM.

—

LIMA, OHIO, *April 13, 1914.*

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.:

As shippers and receivers of an extensive tonnage of freight we are strongly in favor of the proposed 5 per cent increase in freight rates. We think this increase will be to the interest of the entire country.

THE EAST IRON & MACHINE CO.

—

LIMA, OHIO, *April 14, 1914.*

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.:

As receivers of much freight every year we are willing to stand the 5 per cent increase in freight rates. The general prosperity of the country necessitates and makes such an increase imperative.

J. W. ROWLANDS.

—

LIMA, OHIO, *April 14, 1914.*

The INTERSTATE COMMERCE COMMISSION,
Washington, D. C.:

As shippers and receivers for 17 stores in Ohio, Indiana, and Michigan, we are heartily in favor of the 5 per cent increase in freight rates, feeling satisfied that this increase would stimulate the prosperity of our country and would recommend its prompt application.

THE HOOVER BOND CO.,
By V. W. BOND, *Secretary and Treasurer.*

—

LIMA, OHIO, *April 15, 1914.*

The INTERSTATE COMMERCE COMMISSION,
Washington, D. C.:

We are in favor of proposed advance of 5 per cent in freight rates and ask that you take immediate action for the good of the entire country.

NELSON & HERBST.

—

LIMA, OHIO, *April 15, 1914.*

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.:

As receivers and shippers we heartily indorse the 5 per cent increase of freight rates asked for by railroads.

THE LIMA TRUCK & STORAGE CO.

—

SANDUSKY, OHIO, *April 13, 1914.*

To the honorable the INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: As is the case with thousands of American manufacturers, this company has been to considerable outlay in providing itself with railway track facilities, thus directly benefiting the railroads by free expansion of their terminals and relief of yard congestion.

Referring to a proposition now before your honorable body to augment railway revenues by the assessment of certain so-called "trap car" and "spotting" charges, we can not fail to see that such charges would constitute a tax upon private track owners for service which is in good part performed for the convenience of the carriers and which must of necessity be very generally rendered free of those who having made no investment in railway facilities depend entirely upon the public deliveries provided by the carriers at their own expense.

This company, therefore, begs to submit its respectful protest against the assessment of such special charges, which it holds to be unjust and discriminatory; and, recognizing as it does the right of the carriers to fair remuneration for transportation service and the justice of rates which conform in some lines of production and effort, this company respectfully prays your honorable body to authorize a general increase of freight rates amounting to 5 per cent of the present scheduled rates.

Such an increase seems to us to be indicated alike by justice and by public policy; its burden would be distributed with absolute equality, and no shipper or consumer can in fairness object thereto.

Respectfully submitted.

SANDUSKY TOOL CO.,
MOZART GALLUP, *President.*

—

MASSILLON STONE & FIRE BRICK CO.,
Pittsburgh, Pa., and Massillon, Ohio, March 13, 1914.

The Hon. E. E. CLARK,
Chairman Interstate Commerce Commission, Washington, D. C.

DEAR SIR: Referring to the question of charges for spotting cars on private siding, Interstate Commerce Commission Docket 5860, I. & S. Docket 333, would say:

The Massillon Stone & Fire Brick Co. works are located near Massillon, Ohio, with headquarter offices at Pittsburgh, Pa.

Our works are located on the Pennsylvania lines. No other connections.

Our siding is about 1,500 feet. We use no motive power of our own. The railroad company will spot cars in and haul out shipments.

We receive and ship about 4,000 tons per month.

It would be manifestly unjust to charge for services performed, for the reason that the cost to the railroad company is very light compared to the revenue received in handling the tonnage we provide. It would be much better for the railroad company to receive the 5 per cent advance in freight rates asked for, which would be borne by the general public, rather than that this burden should be borne by manufacturers.

Sincerely trusting that present conditions may continue, we remain, with great respect,

Very sincerely, yours,

E. A. KITZMILLER,
Treasurer.

—

VINCENNES, IND., *April 17, 1914.*

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: Believing that the business prospects in this country rest largely with the railroads, the directors of this company instructed the writer to communicate with your honored body for the purpose of recommending that the 5 per cent increase in freight rates be granted at the earliest moment, feeling that such an increase would indirectly benefit every man, woman, and child in the country.

Such action would give new life to the business situation at this time, and would hereafter build up strong protective interests around business.

We consider that this would be a master stroke for the administration, and without this advance the administration must go to pieces very rapidly.

Yours, truly,

NATIONAL ROLLING MILL CO.,
By J. H. JONES.

—

CLEVELAND, OHIO, *December 29, 1913.*

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: We firmly believe that the railroads of the country in general are entitled to an increase in rates and hope their arguments made before you will show to your satisfaction the justice of their requests, as we believe that with an increase in revenue from this source the railroads will at once begin buying supplies for betterments, etc., which will result in doing more to liven up business than any other one thing we know of.

Hoping the matter may have your favorable consideration, we remain,

Very truly, yours,

THE MILLS-CARLETON CO.

—

CLEVELAND, OHIO, *December 29, 1913.*

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: We believe that the railroads in general are in actual need and entitled to the increase of 5 per cent in rates, and we hope that you can see your way clear to give them this increase, as we believe if the same is granted the benefits will be much greater than any injustice that might be done.

Yours, very truly,

THE FISHER & WILSON CO.

—

TOLEDO, OHIO, *December 29, 1913.*

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: It is our belief that the railroads of the country, in general, are in need of and entitled to an increase in rates, and if the arguments made by them in your opinion are reasonable, we hope you can see your way clear to grant the increase asked for.

If granted, we fully believe that the benefits, as a whole, will be very much greater than any injustice it might do.

Yours, very truly,

KELSEY & FREEMAN.

—

MANSFIELD, OHIO, *November 25, 1913.*

E. E. CLARK,
Chairman Interstate Commerce Commission,
Washington, D. C.

DEAR SIR: As small manufacturers and shippers of textile lines it is our belief that the railroad companies have been legislated against too strongly, and that they are perhaps entitled to a slight increase in freight rates to offset their increased operating expenses.

We do believe, however, that when any decided changes are made in the way of increased rates the minimum weights should be reduced from 100 pounds to perhaps 50 pounds, or thereabouts. At the present time a 50-pound case of our goods costs us about $3 to send by freight to San Francisco, and while we have the privilege of sending 100 pounds for the same price, it doesn't help us any when we have a

50-pound case, and express charges on long hauls are out of the question.

We do believe the railroad companies must surely make a big profit on first or second class shipments, considering the fact that it is largely this class of goods that are so often shipped in smaller quantities than 100 pounds, and we think the minimum weights on small shipments should be 50 pounds instead of 100 pounds as at present.

Yours, very truly,

THE OHIO SUSPENDER CO.,
D. L. ZAHNISER, *Treasurer.*

THE KENTON COMMERCIAL CLUB,
Kenton, Ohio, February 28, 1914.

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: Replying to your letter of the 17th, question A, the present rates of the railroads must be inadequate, or they would not appear before the commission asking for an increase, and ready to substantiate their claims. This is the best proof.

B. According to the present laws and arrangements, there is no other course for the railroads to pursue than their application for an increase from the commission.

There are 100 or more concerns in our organization.

Two companies have private spur or siding; both enjoy trap-car service.

Hope you can conscientiously allow the 5 per cent increase.

Respectfully,

H. L. HOPWOOD, *Secretary.*

THE MERCHANTS AND MANUFACTURERS ASSOCIATION,
Cincinnati, March 2, 1914.

Mr. GEO. B. MCGINTY,
Secretary Interstate Commerce Commission,
Washington, D. C.

DEAR SIR: Yours of the 17th ultimo, relative to our resolution advocating the general advance in freight rates, and your request for answers to questions contained in your letter.

"A." In view of the inability of the railway companies to meet the requirements necessitated by the constantly increasing business of our merchants and manufacturers, i. e., provide adequate terminal facilities, motive power, etc., and this condition is due to the lack of capital and inability to secure proper loans, it would seem to us that the present rates of transportation do not yield adequate revenues in the official classification territory.

"B." By increasing freight rates so as to enable them to keep abreast of the times, it being understood that the revenue derived from the increase shall be used for the increase of terminals and facilities for the prompt handling of the freight.

Private tracks:

1. We have 100 members.
2. Two members have private spur or siding.
3. One member makes some trap or ferry cars.

Yours, very truly,

JNO. W. IRVINE,
Secretary-Treasurer.

BELKNAP HARDWARE & MFG. CO.,
Louisville, Ky., March 5, 1914.

CHAIRMAN INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

DEAR SIR: My attention was called this morning to a monthly trade letter issued by the Union National Bank of this city. I am inclosing a clipping which will doubtless be of interest to you.

Practically all of the business interests here, so far as I am able to judge, are favoring the granting of increase in freight rates asked by the railroads, and I am strongly convinced that something must be done, and promptly, to give encouragement to the business interests of the country and put the railroads in position to come into the market again for steel products.

Whenever we can get a good market for steel, it seems to inspire confidence in all branches of industry; and we will not get that market until the railroads are able to do more buying than they are at present. Our sales of products in steel to the railroad companies have decreased about 60 per cent as compared with the previous year.

Can't we make some forward movement that will stimulate trade and afford employment to the great masses? If something is not done, in our judgment, we will be confronted with a problem more serious than car shortage; that is, a great army of unemployed men.

"BUSINESS.

"General business is slow to develop the volume that was hoped for following the decided improvement in sentiment and confidence, and the decreased volume is reflected in railroad earnings. Complete returns for December from 479 roads are in, showing a decrease in gross earnings of $12,000,000 and a decrease in net of nearly $14,000,000, or 16⅔ per cent. Sentiment is growing stronger daily that the railroads, if they are expected to maintain the present wage scale, must be afforded some relief in the way of increased freight rates asked for.

"January bank clearings were $33,000,000 less than January, 1913.

"On February 1, 1913, there were 37,260 idle cars, and on February 1, 1914, 209,678.

"We hope our statesmen at Washington are studying these figures.

"UNION NATIONAL BANK,
"*Louisville, Ky.*"

Yours, very truly,

JNO. W. PRICE,
First Vice President.

TOLEDO, OHIO, *March 30, 1914.*

Mr. GEORGE B. MCGINTY,
Secretary Interstate Commerce Commission,
Washington, D. C.

DEAR SIR: I have kept in close touch with this proposition, and from the standpoint of a grain dealer and shipper I believe that the most equitable plan for distributing the burden contributing to the apparent needs of every railroad company in official classification territory would be to permit a horizontal advance of 5 per cent in freight rates. The proposition of securing additional revenue by the imposition of charges for so-called special service would not meet the situation, and would only afford relief to a comparatively small number of the carriers.

Speaking for the country elevator operator and grain dealer, he is now contributing at a very great expense to himself, instrumentalities for the handling and shipping of grain that really should be borne altogether or in great part by the carriers, and it would be an injustice and an imposition upon this class of shippers to charge for "special" service when, in the performance of that special service by the carrier, it has saved to itself a much greater expenditure than would have been incurred had the instrumentality not been afforded by the shipper.

Summing it up, I am therefore in favor, from a standpoint of justice, of allowing the carriers to increase their freight revenue by assessing a horizontal advance on all freight tariffs in such an amount as, in the opinion of your honorable commission, is found necessary to yield sufficient and adequate revenue.

Respectfully submitted.

J. W. LONG.

COLUMBUS, OHIO, *March 30, 1914.*

Mr. GEO. B. MCGINTY,
Secretary Interstate Commerce Commission,
Washington, D. C.

DEAR SIR: We have had brought to our attention in many ways over the past few months the attempt of the railroads in the eastern territory to increase their freight rates 5 per cent on all classes of freight; also, the proposition that a charge be made for placing cars on private switches and for trap cars. The most of our unloading is done from a public teaming track near our factory and we represent only the rank and file of manufacturers, but from the knowledge obtained, chiefly by reading, the officers of this company advocate the advance of 5 per cent in freight rates and that no change be made in the present method of placing cars on industrial side tracks and the placing of trap cars to be loaded without going freight. We may further add that we hope whatever is done may be done very speedily, as we feel that the concessions will have a beneficial effect in increasing the present volume of business in the iron and steel line, in which we are chiefly interested. Not since 1908 have we suffered the depression that we are now experiencing.

Respectfully submitted.

COLUMBUS BOLT WORKS,
W. K. LANMAN.

COLUMBUS, OHIO, *March 30, 1914.*

Mr. GEORGE B. MCGINTY,
Secretary Interstate Commerce Commission,
Washington, D. C.

DEAR SIR: At the suggestion of Mr. H. T. Hysell, manager of traffic department of the chamber of commerce of this city, I am writing you in regard to the proposed railroad rate advance.

In my opinion the railroads should have the 5 per cent increase in freight rates. I am not at all in favor of allowing them to make a charge for the spotting of cars and work necessary to make the car available for loading. The latter plan would cause a great amount of hardship and confusion to the shipper. Furthermore, I think that the 5 per cent increase should be spent for the betterment in the way of equipment and terminal improvement.

Yours, respectfully,

H. A. KEENER.

COLUMBUS, OHIO, *March 30, 1914.*

Mr. GEO. B. MCGINTY,
Secretary Interstate Commerce Commission, Washington, D. C.

DEAR SIR: We wish to express our opinion in favor of the proposed advance of 5 per cent in freight rates and against the proposed charges for special service, such as placing cars on private or industrial sidetracks, either for loading or unloading.

We believe that the proposed general advance of 5 per cent in freight rates will be much more equitable and cause much less confusion than the proposed special charges.

Yours, very truly,

THE KAUFFMAN-LATTIMER CO.,
GEO. W. LATTIMER, *Treasurer.*

COLUMBUS, OHIO, *March 31, 1914.*

Mr. GEORGE B. MCGINTY,
Secretary Interstate Commerce Commission,
Washington, D. C.

DEAR SIR: Referring to the possible increase in freight rates now before the commission, will you permit us to express, as our own opinion, that an advance which would amount to 5 per cent uniformly and no more will be fair to the railroads and their patrons, but the new tariffs should be scanned closely to prevent a greater increase on any classes. For placing cars on strictly private tracks a nominal charge would not be unreasonable, but no such charge should be made for placing cars on switches owned by the railroads and located on their property or in streets and alleys of a city. We will add, however, that if the 5 per cent advance in rates is granted, there should be no necessity for the charge for placing cars, and as the owners of private tracks are undoubtedly traffic producers to the benefit of the railroads, no placing charge should be made except as a last resort. We are,

Respectfully, yours,

THE THROOP-MARTIN CO.

COLUMBUS, OHIO, *March 31, 1914.*

GEORGE W. MCGINTY,
Secretary Interstate Commerce Commission,
Washington, D. C.

DEAR SIR: We consider an increase of 5 per cent in the freight rates justifiable when you consider the great increase in the cost of operating expenses during the last few years.

The increase of 5 per cent in the freight in our particular line of business would be so small that it would not affect the consumer.

We believe that the railroads' petition to assess charges for special services would result in confusion and discrimination.

Yours, truly,

THE OUTFIT STORE.

COLUMBUS, OHIO, *March 31, 1914.*

GEORGE B. MCGINTY,
Secretary Interstate Commerce Commission, Washington, D. C.

DEAR SIR: Referring to the subject now before your commission, relative to the proposed increase of 5 per cent in freight rates. We

notice from the newspaper reports that in lieu of these increased rates, it is proposed that the carriers be permitted to charge for placing cars for loading and unloading on industrial switches. It would appear to us that this latter proposition would cause no end of trouble and dissatisfaction between carriers and shippers, and the view of this company is that it would be far better to advance the freight tariffs instead. From our observation, it would appear that the railroads are entitled to this latter extra compensation, and this company wishes to be placed on record as favoring such increase.

Very truly, yours,

THE KEEVER STARCH CO.
CHARLES A. SUYDAM, *Treasurer.*

—

SPRINGFIELD, OHIO, *April 1, 1914.*

GEORGE B. MCGINTY,
Secretary Interstate Commerce Commission,
Washington, D. C.

DEAR SIR: We have a communication from the Ohio Shippers' Association in reference to increase of charges of transportation companies for special service, such as switching and spotting cars, either at original point of shipment or at destination, requesting us to express our opinion of same to you.

We believe the railways should have some increased revenue to enable them to buy new and repair old equipment and roadbed, after which, of course, we will expect better service; but we do not believe that the additional revenue should be obtained through so-called special-service collections, as we do not believe it would be either fair or equitable to make a charge for what is obviously not a complete transaction until the car is placed on the siding for unloading; furthermore, it seems unfair to place the burden of increasing the revenue on carload business where the shipper or consignee have private sidings. It appears to us as discrimination in favor of the shipper or receiver who uses the public team track, and in many cases, where the carloads are to be hauled to industries, it would force us to order such cars to the public team tracks rather than pay 5½ cents per ton, causing a congestion of the railway team tracks.

The writer also wishes to state that in many years' experience as a railroad agent he was convinced that there was a less net revenue from less-carload business than in carloads; in addition to the increased cost of loading and unloading, there were vastly more damage claims on small shipments. We also wish to state that we have three sidings, with a capacity of 10 cars each, with coal bins and sheds alongside, and that many cars are released in less than a day by unloading into bins and sheds, thereby putting cars back in service more quickly than when unloaded from team tracks.

Yours, very truly,

THE BECKLEY & MYERS ICE & FUEL CO.,
By A. J. BECKLEY.

—

COLUMBUS, OHIO, *April 2, 1914.*

Mr. GEORGE B. MCGINTY,
Secretary Interstate Commerce Commission,
Washington, D. C.

DEAR SIR: In the matter of freight-rate increase in official classification territory, and in the matter of the proposed charge for spotting, trap, and ferry car service now before the commission, we beg leave, on behalf of ourselves as heavy shippers and receivers of freight, to file protest against these proposed charges covered alleged free service and to urge upon the commission the desirability of granting to the railroads their request for a horizontal increase in rates of 5 per cent, and we herewith summarize our views as follows:

1. Spotting is not a free service, but is an integral part of the entire transportation service, and the cost is included in the rate. If the freight rates for the entire service are now inadequate, this evil should be remedied not by setting up separate charges for terminal services, but by proper increases in the rates themselves.

2. Delivery and spotting on industrial or private tracks costs the carrier no more than delivery upon the team tracks, which latter delivery the carrier is obligated to make and for which no additional terminal charge is suggested.

3. The industrial spur is not a mere plant facility, but is of inestimable value to the carrier and to the shipping public at large, including the team-track shipper.

4. Delivery and spotting on industrial tracks does not constitute unjust discrimination against team-track shippers, and the latter class of shippers make no such complaint.

5. Spotting service for larger industries having several tracks and handling a large number of cars containing different kinds of commodities is relatively neither more expensive nor complex than the service rendered the smaller shipper.

6. If additional revenues are needed, it is manifestly unfair to attempt to assess a separate terminal charge on part or all of the carload and heavy or low-grade traffic if, as claimed by prominent railroad officials, such traffic is already paying, as compared with L. C. L. and high-grade traffic, its full share or more of the transportation expense.

7. Additional revenues derived from spotting charge would accrue principally to the stronger and more prosperous roads.

8. If a spotting charge is allowed, discrimination will result between different classes of shippers using industrial spurs, and the revenues from the spotting charge will be much less than is now anticipated.

9. Protest is against a spotting charge for the initial placing of cars for loading or unloading. Second spotting or strictly intraplant movements should be and now are paid for.

We urge that this protest be brought to the attention of the commission promptly.

Yours, very respectfully,

THE COLUMBUS IRON & STEEL CO.,
By J. C. MILLER, *Secretary.*

—

COLUMBUS, OHIO, *April 2, 1914.*

Mr. GEO. B. MCGINTY,
Secretary Interstate Commerce Commission,
Washington, D. C.

DEAR SIR: There has been quite a great deal of agitation regarding the 5 per cent advance on all class of freight. We feel frankly that the railroads are entitled to this advance. There is no question but what the advance in equipment, supplies, and labor during the past 5 or 10 years has far surpassed the advance in rates or over the volume of business.

The railroads have practiced a great deal of extravagance which the commission can no doubt show them and enable them to save considerable in this way.

We are not in favor of charging in the ordinary sense of the word for spotting cars. This would work the greatest hardship; in fact, would so demoralize business and, in fact, the smaller concerns, who would have no switch engines or other traction equipment with which to move their cars, that it would result in a large number of small concerns absolutely going broke.

The business, as handled to-day, must be handled quickly and in the most economical and efficient manner possible. If smaller concerns were not able to get to their cars quickly it would tie up their investment longer, lose their customers to their larger competitors who are able to afford some better method of handling these cars after set on their switches.

We believe this is a part of the delivery service which the railroad should perform. We don't believe there should be any discrimination shown, and we believe that if the railroad performs a special service, which is of special benefit to one of their customers, goes out of their way to do it and it costs them money to make this special delivery or do this special service, the railroad should charge them for it, going on the basis that it actually saves this concern money over and above its competitors.

We think there is a point of equity, and we believe your commission is well enough informed on the various methods used by some concerns, as well as the methods operative on the railroads, to prevent some plan which would show such discrimination, hence we will close by saying we are in favor of 5 per cent advance and are against charging for spotting cars, except on special conditions, and we feel there are many cases where a charge should be made.

Yours, truly,

THE H. D. BRASHER LUMBER CO.

—

CINCINNATI, OHIO, *April 2, 1914.*

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: We urgently petition your honorable body to grant immediate compliance with request of railroads of the United States for a horizontal increase in rates for freight shipments.

We realize that the increase so granted would make an additional charge upon our cost of operation and production, but it would be a burden distributed among all shippers alike without discrimination or yielding of unfair advantages to any shippers.

Our judgment is that the alternative plan proposed for providing additional revenue for the railroads through the imposition of special charges for ferry, trap car, and spotting car service would result in still further unsettling business conditions and in application would bring about disastrous inequalities and discrimination among and between shippers.

We protest against any arbitrary withdrawal of switching or car-placing service or the institution of special charges therefor, holding, as we do, that these services are wholly compensated in the building and maintaining by shippers of individual tracks, loading stations, and appliances which greatly facilitate the transportation of all classes of freight and prevent the congesting of traffic and storage.

The substitution of such a change would work a great hardship among shippers and general business community and would necessitate increased prices to consumers, and would not greatly or uniformly benefit the railroads nor give the relief for which they and we ask for.

We wish to say that we are heartily in favor of your commission granting the railroad companies' request for horizontal increase in rates, believing that such action taken by your commission will be beneficial to interests of the individual as well as business interests.

Yours, very truly,

THE HUENEFELD CO.,
Per C. E. PFAN, *Secretary.*

—

HAMILTON, OHIO, *April 3, 1914.*

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: We are heartily in accord with the argument contained in the statement sent to you under date of March 25, 1914, by the Ohio Manufacturers' Association, and trust that you will conclude to grant the railroads of this country the 5 per cent horizontal freight-rate increase asked for by them without delay.

Very respectfully,

SCHULER & BENNINGHOFEN.

—

PIQUA, OHIO, *April 3, 1914.*

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: We most respectfully urge the immediate compliance of your honorable body with the request of the railroads for a 5 per cent increase in freight rates, and we wish to enter an emphatic protest against the special charge for spotting-car service.

We feel that the interests of the country at large are quite dependent on an early adjustment of these rates, and as each railroad has shown pretty thoroughly that an increase is justifiable we trust your body will see the wisdom of granting it at the earliest possible time.

Very respectfully,

THE SUPERIOR UNDERWEAR CO.,
J. L. BLACK.

—

BELLEVUE, OHIO, *March 24, 1914.*

Hon. GEORGE B. MCGINTY,
Secretary Interstate Commerce Commission,
Washington, D. C.

DEAR SIR: We presume that about all of the reasons against charges being imposed for switching, spotting of cars, and so on, have already been filed with you; but we could not resist writing, suggesting one thing that seems to us to be very unfair.

We, after years of hard work, have been able to erect, for instance, hay-transfer houses and grain elevators at several country points. These buildings are all necessarily small, the volume of business at these towns is small, and therefore the profits are not large, yet any of our competitors who do not have a house to work with and are in the beginning able to, perhaps, handle these cars at less expense than we by having these cars spotted for loading on the loading track of the car-

rier and would be put to no expense, while we, to have these cars brought to our houses, which have already been provided, must pay the switching charges, and it hardly seems fair to us nor equitable.

We merely offer this to you, hoping that the commission will not find it necessary to impose this switching charge.

We are heartily, instead, in favor of the 5 per cent increase, should your commission see their way clear to grant it, as this would make, then, the cost of everything the same to everyone.

Thanking you for any consideration you may give this letter, we remain,

Yours, very truly,

THE IRVIN T. FANGBONER CO.,
IRVIN T. FANGBONER, *President.*

THE OHIO & WESTERN LIME CO.,
Huntington, Ind., March 19, 1914.

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: We understand there is a movement on foot by which the railroad companies are to receive $2 per car for spotting or shifting them on private sidings. This would mean a great loss to the shipper, especially to the small shipper who has not enough business to keep an engine there to do his own spotting and shifting.

We have many plants from which we ship from 3 to 4 and 5 cars per day, the total number of cars shipped from these plants being about 40 or 50 cars daily. These plants are located in various counties and towns, and are all of such a small nature that we can not afford to keep a switch engine to do the spotting of our cars at any of the plants. Would this not be discriminating against the small shipper and a man who has plants of the character as mentioned heretofore?

The large shipper, who has plants in one locality and who ships from 20 to 40 cars per day, can afford to keep a switch engine and, therefore, would have the advantage over the small producer.

The earnings of these plants are very small now, and this switching charge could not be added to the consumer, therefore it would cripple and handicap many of the small producers who should be taken care of and who have their plants at various points. Furthermore, it also discriminates against the manufacturers of a cheap article as compared to those that manufacture an expensive article, as one might realize 20 times as much out of one carload as the other and still the one manufacturing the cheaper article would have to pay 20 times as much for spotting or shifting cars, or the same price.

We have private sidings at all our little plants. You will see where they are located by looking at our letterhead. All plants average three or four cars per day, besides the crushed stone we are shipping, which is a very cheap commodity, and the man who ships a high-priced commodity where the revenue from 1 car would be as much as from 20 cars of crushed stone or lime would have to pay about the same price per car.

If the railroads can not get along without a change—of which we are unaware—we feel they should add a certain per cent to the present freight rates—2 per cent, 3 per cent, or 4 per cent, whatever it may be. The railroad companies are not the only people to be taken care of. All manufacturers and people who have worked their lifetime to get their business started, especially in our business, which now pays a very small interest on our money, as prices are very low, would suffer greatly. We therefore render a serious protest against the movement as heretofore stated.

Hoping this letter will have your due consideration, I am,

Very respectfully, yours,

PETER MARTIN.

DAYTON, *Ohio, January 30, 1914.*

GENTLEMEN: Referring to your letter of January 28, concerning our feeling regarding the 5 per cent increase on tariff rates asked for by the railroad companies, we personally believe that they are entitled to it.

Yours, very truly,

THE A. A. SIMONDS & SON CO.
Per H. R. S.

LOUISVILLE, KY., *January 16, 1914.*

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

DEAR SIR: I think the time has come for you to recommend an increase in the amount of money to be paid to the railroad companies for hauling goods. We are large shippers. Our company has $4,000,000 capital invested and the lumber company has $2,000,000 more, making $6,000,000 all told. We are both in favor of giving the railroad companies an advance, although none of our directors or officers hold any stock whatever in any railroad company. You have recently made a great many suggestions pertaining to the protection of human life, and which are commendable, but they should be given the money with which to carry your suggestions into effect. Give them the money with which to reduce the grades, better the roadbeds, and double-track wherever it is necessary, put in sidings, and all that kind of thing, then your work will be well done. No one has asked me to write you this letter, but I can see that the railroads are getting the rough end of it, and, in my opinion, something should be done to relieve them somewhat.

MENGEL BOX CO.,
C. C. MENGEL, *President.*

CLEVELAND, *January 20, 1914.*

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: The delay in settling the question of advanced rates is likely to hurt railroad clerks more than any others, for the roads are now considering reduction of salaries paid clerks.

It appears to some of us that no matter if the proposed advance is allowed it will come too late, and that we will have borne the brunt and with no likelihood of later restoration of what is taken from us.

Yours, truly,

M. B. SHORE.

SANDUSKY, OHIO, *January 3, 1914.*

The INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: It is our belief that the railroads of the country in general are in need of and entitled to an increase in freight rates, and if the arguments they have presented in your opinion are reasonable, we trust you can see your way clear to grant them the increase they have asked for or may require.

If granted we are confident that the benefits as a whole will be considerably greater than any injustice it might cause.

Yours, truly,

THE SANDUSKY LUMBER & BOX CO.,
By C. A. ZULZKE, *Treasurer.*

THE PREST-O-LITE CO. (INC.),
Indianapolis, March 20, 1914.

The honorable the INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

SIRS: We are advised that there is at this time before your honorable body a resolution passed by the Indianapolis Chamber of Commerce against a 5 per cent increase in freight rates, which is being prayed for by the railways.

This company desires to go on record before your honorable body as being opposed to the principles laid down in this resolution of the Indianapolis Chamber of Commerce, and while we are one of the largest manufacturers and shippers in Indianapolis, if not the largest manufacturer and shipper located at this point, we feel that the petition of the railways for the proposed 5 per cent advance in freight rates is justified, and ask favorable consideration in behalf of the roads.

It might interest you to know that this company is operating fifty-two (52) branch stores and plants located in the principal cities of the United States, from the Atlantic to the Pacific and from the Great Lakes to the Gulf of Mexico, and that the present freight traffic of this company is costing us over a quarter million dollars per annum.

Respectfully, yours,

JAMES A. ALLISON,
Vice President.
R. H. COMB.
General Traffic Manager.

PIQUA, OHIO, *March 21, 1914.*

Mr. GEO. B. MCGINTY,
Secretary Interstate Commerce Commission,
Washington D. C.

DEAR SIR: We are aware that your commission has before them at the present time the subject of an advance in freight rates in the interest of the railroads of the country. We are also aware of the fact that many large manufacturers who manufacture goods for which the railroads are their largest clients are urging upon your body the necessity of allowing this increase.

The manufacturers of the United States seem to have had an inning through legislation, both in Washington and State legislatures and senates. They for some time past have been laying heavy burdens upon them.

We appreciate that the labor costs and legislation have also imposed burdens on the railroads, and no doubt while they are entitled to a great deal of the blame in their efforts to make dividends on inflated bond and stock issues, at the same time we believe that manufacturers generally are willing to accept a slight advance all along the line in rates. Other charges by railroads are continually being added to their instructions, which is not only a burden on the manufacturer but merchants and shippers of all products generally.

We therefore desire to protest against allowing them consideration for special service, such as switching, spotting of cars, transit privileges, trap-car service, and any other services which are absolutely necessary as transportation companies, to receive and deliver cars and merchandise to their customers.

We believe that if this 5 per cent rate advance is given to the roads all other charges should be considered on a basis of strictly road haul.

The burdens on the manufacturing industries of the United States are becoming so heavy that it is a very serious matter, and we trust may have your consideration in the interest of a fair deal as between the shipper and the railroad companies.

Yours, very truly,

THE WOOD SHOVEL & TOOL CO.,
H. K. WOOD, *President.*

CANAL DOVER, OHIO, *March 23, 1914.*

GEORGE B. MCGINTY,
Secretary Interstate Commerce Commission,
Washington, D. C.

DEAR SIR: Regarding the matter of 5 per cent increase in freight rates asked by the railroads of our country, and which is being held in abeyance, we think, unnecessarily, we believe that the railroads should be permitted to have this increase at the earliest possible moment, for two good reasons, viz:

First. If permission for the increase is not granted, the railroads will be compelled to impose extra charges for spotting cars and for other so-called "special service," which charges will be paid wholly by the manufacturers and wholesalers of this great country.

Second. There is no question that if this 5 per cent increase be permitted the transportion services by the railroads will be at least 20 per cent better, and it will immediately start up the iron industries all over the country by reason of heavy orders for rolling stock and improvements on nearly all railroads in this country—which improvements, we believe, they can not afford under present conditions, as there is no doubt that the rates charged at this time are not in accordance with the increased cost of operation and maintenance within the last few years.

The limiation clause in bills-of-lading contract, requiring claims to be filed within four months, is wholly wrong and should be extended at least one year, as in many instances the claims do not develop within the present four months' limitation of time.

Respectfully submitted.

THE DEIS-FERTIG CO.,
GEO. E. FERTIG,
President and General Manager.

CLEVELAND, OHIO, *December 11, 1913.*

The INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: At a meeting of the Pittsburgh Vein Operators' Association of Ohio, of which we are members, held in the Hollenden Hotel, Cleveland, Ohio, Friday, December 5, a resolution was passed opposing the granting of an increase in freight rates to the railroads on Ohio coal.

We opposed this resolution for the reason that we are heartily in favor of this increase being granted the railroads, feeling, as we do, that their expenses have been increased very largely in the last few years and they are justly entitled to the moderate advance in rates which they are asking.

Verq truly, yours,

THE PURSGLOVE-MAHER COAL CO.,
By JOSEPH PURSGLOVE, *President.*

CLEVELAND, OHIO, *December 12, 1913.*

CHAIRMAN OF THE INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

DEAR SIR: At a meeting of the Pittsburgh Vein Operators' Association of Ohio, of which we are members, held in the Hollenden Hotel, Cleveland, Ohio, December 5, a resolution was passed opposing the granting of the 5 per cent advance in rates to the railroads. The writer was absent at the time of this meeting, hence I take this occasion to protest against this resolution.

I wish to state that both personally and our company are heartily in favor of the railroad companies getting an increase of at least 5 per cent. There is no question in my mind—taking into consideration the heavy expenses that the railroad are at, the increase of wages of recent years, and the increase of taxes, together with the enormous depreciation going on at all times—that the 5 per cent asked for is not only just and equitable, but that the public should demand it in order to enable the railroads to keep up their facilities and give the public the service that it demands.

We ship considerable coal, and we know from our close relationship with the railroads that we have suffered for the want of both service and cars during this last year, and unless something is done to permit the railroad companies to purchase more equipment and keep up service it is bound to work disastrously to the general business throughout the country.

Very truly, yours,

THE VALLEY CAMP COAL CO.,
J. A. PAISLEY, *President.*

THE CAMBRIDGE COLLIERIES CO.,
Cleveland, Ohio, December 19, 1913.

Hon. EDGAR E. CLARK,
Chairman Interstate Commerce Commission,
Washington, D. C.

DEAR SIR: We understand there is opposition from some coal interests against the proposed advance in freight rates asked by the railroads on all classes of freight.

In these days, when the question of good service is constantly before us and demanded by the consumer, it seems to us that a refusal to meet the railroads in a fair spirit in the matter of a reasonable increase in rates would be unfair and destructive of our interests.

As far as we are concerned, we prefer to see the railroad where our properties are located prosperous and in a position to supply equipment and service to the highest degree of efficiency.

This will not only be profitable to the railroad and ourselves, but will likewise be a great advantage to the consumer, to whom this small advance, in comparison, will be of no consequence, whereas at this time it means so much to the railroads and their activities. We are therefore absolutely and positively in favor of this advance.

Yours, truly,

A. A. AUGUSTUS, *President.*

CLEVELAND, *December 17, 1913.*

The INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: Referring to the matter of a general increase in railroad freight rates, which is now being investigated by your commission, we wish to state that we are heartily in accord with the railroads in their movement to secure same.

We believe that their operating expenses have increased in the same ratio as ours, and that an increase in their freight rates is imperative with them if they are to keep themselves out of the sheriff's hands.

Believing that they will receive fair treatment at your hands and trusting that you will grant the increase asked for, we are

Yours, very truly,

J. H. SOMERS & CO.,
By C. W. SOMERS.

CLEVELAND, OHIO, *December 18, 1913.*

To the INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: Pending an investigation of competitive tariffs, this association, on December 10, 1913, filed with your body a protest against the proposed advances in coal rates from the No. 8 field of Ohio.

Having since more fully investigated the tariffs as filed by you, and being convinced that no discriminatory action is contemplated against the interests of this field, we hereby withdraw the protest and enter our hearty approval of the proposed general advances, feeling that the railroad interests and the general welfare of the country need the encouragement your favorable action would give.

Yours, very truly,

PITTSBURG VEIN OPERATORS OF OHIO.
C. E. MAURER, *President.*
JOHN ZELENKA, *Secretary.*

NEW YORK, *January 21, 1914.*

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.:

Referring to the complaint of a number of manufacturers of cement having plants in the territory commonly known as the Lehigh Valley cement region, executed on the 9th day of November, 1913, addressed to your honorable body, we desire to say that we are the largest manufacturers and shippers of Portland cement in the district.

While it is true there is dissatisfaction existing with certain rates on cement from that district, in our opinion the adjustment of these rates should not be interjected into the matter covered by I. & S. Docket 333, in the matter of the so-called general increase of 5 per cent in freight rates.

It is our view that the general interests of the country are so largely dependent upon the transportation facilities of the railroads that it is the part of wisdom at the present time to grant the general increase of 5 per cent, even though it includes some rates that are not in themselves exactly fair and reasonable, and then, in a specific complaint, take up before your honorable body, if necessary, the subject of readjusting the rates of which complaint is made.

We sincerely hope that the general interests will appeal so strongly to your sense of justice that you will grant permission for the increase asked for by the railroads in the official classification territory, at the earliest possible moment, with the proviso that it shall not be a bar to any later inquiries as to the propriety of any of the rates embodied in the tariffs that have been filed with you.

ATLAS PORTLAND CEMENT CO.,
By JOHN R. MORRIS, *President.*

CHICAGO, *January 15, 1914.*

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.:

As shippers of freight amounting to 6,500 carloads annually, and believing an advance in freight rates is necessary on account of increased operating expenses and needed rehabilitations and extensions of facilities, we urge your favorable consideration of the request of the railroads for a uniform advance of 5 per cent in freight rates.

WESTINGHOUSE, CHURCH, KERR & CO.

DULUTH, MINN., *January 2, 1914.*

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: After reviewing the situation very thoroughly for several months, it occurs to us that the demands of the railroads of this country for increased freight rates are most reasonable indeed. The railroads, to furnish efficient service, will be obliged to secure modern and up-to-date equipment, and besides, the cost of operation of a railroad business has increased correspondingly with the cost of conducting all other lines of business in this country.

We fully believe that a moderate increase in rates is due to the carriers and will result in great benefits to all lines of trade and industry.

Yours, very truly,

RUST-PARKER-MARTIN CO.,
By C. R. RUST, *President.*

STARK BROS. NURSERIES & ORCHARDS CO.,
Louisiana, Mo., January 15, 1914.

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: Owing to the increased value of all material used by the railroads, and the continual call for increase in wages from the various employes, and the demand from shippers for better service, we believe the carriers are entitled to the increase of 5 per cent for which they are asking, and do not believe it will work a hardship on anyone.

When the matter comes up for final decision, we would like for this letter, which was not solicited in any way, to go on record as being in favor of the increase.

Truly,

E. W. STARK, *President.*

LOUISIANA, MO., *January 15, 1913.*

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: The writer believes the railroads in eastern territory are justified in asking permission to advance their rates 5 per cent, as practically everything now used by them has greatly advanced in price, besides they are very seldom free from calls for advance in wages and, in addition to this, shippers expect better transportation facilities than in former years, all of which add to their increased expenses.

The 5 per cent should not work a hardship on anyone and while slight it will no doubt mean a great deal to the railroads and result in their placing additional orders for material, etc., which would in a large measure restore confidence and prosperity.

Kindly consider this as being in favor of the increase and place on file for reference.

Truly,

CHAS. SIZEMORE.

GREENSBORO, N. C., *January 20, 1914.*

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: Allow me to say that many of us here are in favor of a moderate increase in railway-freight rates while at the same time we would advocate better protection to investors. We believe, however, that the latter consideration is having proper attention by the Government, so far.

Yours, very truly,

J. H. FARISS.

HOMESTEAD BRICK CO.,
Homestead, Pa., January 21, 1914.

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: While we are only one small drop making the great ocean of commerce handled by the 49 railways now asking your honorable body to grant them the privilege of increasing their freight rate 5 per cent, it is the small corporations, companies, and individuals that form the backbone and strength of this great Nation.

As president and manager of one of these small corporations, I am convinced the railways are justified in their request at this time.

With reference to increase in freight tonnage and popular double tracking, side tracking, etc., in the last decade, you should have sufficient data, and it is therefore needless for me to state figures.

The grounds for my conviction and the reasons for asking you to grant the railway companies' request are these:

The railways buy more than one-half the iron and steel manufactured in this country, and at the present time they are only buying what they must have and can not get along without, for the reason,

as their reports show, they can not afford to invest in materials, except for immediate use, and on account of the present tight and unsettled condition of the money market they have curtailed all purchases.

As the territory covered by these railroads is the center of the iron and steel industries of our own country, I believe if their request was granted they would immediately place their orders for supplies, etc., and mills now being closed down would have to start. This would restore confidence and all other lines of business would improve to the extent that would make 1914 the greatest year for business in general that this country has ever known.

I would much rather pay a few cents more freight and be busy and get an increased price for our product than be closed down with overhead expenses eating up what profit we have made.

The consumer can and will gladly pay the increased freight rate when times are good and work available.

These are my convictions from my experience, and I trust your honorable body will grant the request of the railway companies, and that my prophecy will come true.

Most respectfully, J. B. COEN, *President.*

—

PERKASIE, PA., *January 21, 1914.*

INTERSTATE COMMERCE COMMISSION.

GENTLEMEN: In answer to your query will say what we want is quick, sharp decision, so that we may earn our daily bread. An elaborate decision later on will answer—but what we want is positive, quick relief, now.

Yours, truly, W. C. ERWIN.

—

SAGINAW, MICH., *January 22, 1914.*

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: This association filed a complaint before your commission in the matter of the 5 per cent advance, with a view of having a thorough investigation of this advance and also to prevent the canceling of commodity rates on lumber which the various railroads had planned to take effect the same date as the 5 per cent advance. Our members are now of the opinion that a flat increase of 5 per cent over present class and commodity rates would not be opposed by this association if your commission, after the careful investigation you are now making, deemed it advisable to grant such advance to the railroads.

Very truly, yours,
SAGINAW VALLEY LUMBER DEALERS ASSOCIATION,
R. V. COOPER,
Secretary.

—

TIDEWATER OIL CO.,
New York, January 22, 1914.

Mr. GEO. B. MCGINTY, *Secretary,*
Interstate Commerce Commission, Washington, D. C.

DEAR SIR: We have your notice of the several hearings for the taking of testimony from protestants regarding an increase in railroad rates on various commodities, among which we note that the hearing on petroleum is to be held January 26, 1914.

The Tide Water Oil Co. will not be represented at this hearing, for the reason that we believe the railroads are entitled to a general increase of 5 per cent in their rates, for which they are asking.

We think that prosperity of the railroads adds more to the general prosperity of the country than any other one factor, and we hope the commission will grant their petition.

Yours, very truly, R. D. BENSON,
President.

—

NEW YORK, *January 22, 1914.*

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

DEAR SIRS: We pay the railroads in freights each year about $500,000. We are not large sellers to the railroads, for they are not large consumers of the products which we manufacture. We wish to state to you that in our judgment conditions justify the 5 per cent increase in freight rates requested by the railroads, and it is only fair that this advance should be granted. This is the opinion of all business men with whom we have come in contact, regardless of direct interest in railroad development. We are writing you in the belief that it will be acceptable to you to have an expression of opinion from manufacturers on this important matter.

We have not been asked to write this letter by anyone.

Yours, very truly,
THE CENTRAL FOUNDRY CO.,
WADDILL CATCHINGS,
President.

—

HOLLIDAYSBURG, PA., *January 22, 1914.*

To the INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: We desire to go upon record as favoring the 5 per cent increase in freight rates as asked for by the railroads.

We do not have any intimate knowledge of the intricate questions involved, but our belief is that common equity requires that where burdens have been placed upon the shoulders of the railroads through wage increases and other increased expenses due to the supervision of the peoples' agents—your body—the public should be asked to share a large portion of them.

We do not share the contention that the railroads have been abused in any manner, rather holding that such abuses as exist are largely the results of the acts of the railroads themselves, but we believe that there is a standard of fairness which is favored by shippers and carriers alike and that the consensus of opinion, particularly amongst small shippers, of whom we are one, is that the increase should be granted.

We furthermore desire to go upon record as in hearty accord with the past action of your body; it has justified its existence in every particular and it enjoys the confidence of the trading public to the utmost.

We believe the railroads themselves are in intimate sympathy with a controlling commission and that they will in the future, as they have evidenced in the immediate past, conduct their business along lines in accord with public opinion.

Yours, very truly,
E. R. BALDRIGE & CO.,
W. L. BALDRIGE,
General Manager.

—

NORTH TONAWANDA, N. Y., *January 2, 1913.*

INTERSTATE COMMERCE COMMITTEE,
Washington, D. C.

GENTLEMEN: We believe that the railroads of the country, all things considered, are entitled to an advance in rates. We have given the matter careful consideration and have arrived at this conclusion. After giving the matter thorough consideration, we earnestly hope and believe that you will arrive at the same conclusion that we do.

Respectfully, yours,
BRADY BROS.

—

JANUARY 5, 1914.

To the INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

DEAR SIRS: It is noted that in considering the application of the railroads for an increase of freight rates and to conserve the interests of the opponents of this application, the shippers, in passing upon the merits of the questions at issue, your body has determined to call for information relative to the disbursements of income for supplies, etc., and other facts seeking to establish a proper economic administration of finances.

May I ask if the deliberations of your honorable body have included the clerical force of the railroads, whose number is considerable, and who have had to meet the constantly increasing cost of living with practically no increase of salary?

Owing to this same "increase of living" experienced by the railroads reducing their income to a very appreciable degree, and which has been further depleted by the award to the trainmen made by arbitration in accordance with United States laws, there is no prospect of a voluntary advance of wages by the roads to this class of employees, unless the request for higher freight rates is granted.

It is not a very salutary commentary upon justice to see a class as represented by the shippers, who on the plea of increased expenses, have advanced the price of their products from 15 to 33 or 40 per cent or more, opposing an application that would entail an increase of an infinitesimal fraction of 1 per cent upon their output and on such grounds depriving another class of some additional compensation to meet their imposed burden of higher prices.

This action could hardly be characterized as one of entire disinterestedness, but would rather savor of an unjust discrimination against a class.

It is not necessary to append a signature to this, as the facts presented can very easily be verified, and you may wish to look into the points involved.

Respectfully, ONE AFFECTED.

—

CHICAGO, *January 5, 1914.*

Hon. WOODROW WILSON,
President of the United States,
Washington, D. C.

DEAR SIR: We believe that a 5 per cent horizontal raise in freight rates in official classification territory would be equitable and beneficial.

Very respectfully,
FELT & TARRANT MANUFACTURING CO.,
D. E. FELT.

—

CHICAGO, *January 6, 1914.*

Hon. EDGAR E. CLARK, *Chairman,*
Interstate Commerce Commission, Washington, D. C.

GENTLEMEN: Give the railways the increase of 5 per cent which they ask. Their request is only fair in view of the added expense they have been compelled to assume for the greater safety of the public et al.

The manufacturer grits his teeth at the suggestion of any increase in the cost of his product, but the thoughtful man sees the justice of this demand and approves it. Please act promptly.

Very respectfully, yours,
CHICAGO VARNISH CO.,
W. S. POTWIN, *Vice President.*

—

ELGIN, ILL., *January 6, 1914.*

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: We have watched with interest the agitation pro and con in regard to the request of the railroads to advance their freight rates 5 per cent on all hauls. At first we were very much opposed to it, believing it was unnecessary and simply a request of the carriers. We are now convinced, however, that in order to render the shippers and consumers the necessary prompt and efficient service that the freight rate must be advanced, but on a uniform basis and proportion all rates on all lines, long or short. We would urge you to consider their request of making a uniform advance of 5 per cent.

We are writing you of our own volition without any knowledge of or request by the railroads or their agents or attorneys. The shippers require prompt and efficient service. With the advance of labor and various arbitrary State laws we are satisfied the railroad companies will be crippled unless the Federal Government gives them release. We would urge our representatives to grant their request. We would object seriously, however, to any exceptions or privileges. All rates of all natures east and west, north and south, long and short, should be advanced alike. If there were still discriminations they could be adjusted on the new rate as well as now.

Yours, truly,
THE D. E. WOOD BUTTER CO.,
M. C. JOCELYN.

—

ELGIN, ILL., *January 6, 1914.*

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: There has been a long and serious agitation throughout the United States, first started by the railroad companies for the purpose of advancing the freight rates by a uniform 5 per cent basis,

Naturally, the shippers objected because this additional cost would either hit the manufacturer or the consumer, which would be quite an item. I am writing you, however, as a manufacturer to say that I think the time has come when the advance should be allowed. I want to place on record with you a request that you seriously consider it, and if it comes before you I hope you will allow it.

We believe the efficiency of transportation now depends upon an increased freight rate. We want to urge, however, that you allow an increase, if it comes before you, on a strictly uniform and parallel basis; that there be no exemption or favors on account of short hauls or long hauls, lake service or canal tributaries. A uniform advance will not greater affect present competition, but will rehabilitate the railroads.

Yours, truly,

B. S. PEARSALL.

—

ALBANY, N. Y., *January 6, 1914.*

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: We would earnestly suggest that you allow the railways of the country a revision of rates whereby their freight charges may be materially increased.

A large part of the material of our business is either received or delivered by rail, and any increase would of course affect us at both ends. At the same time, we are confident that a general increase of railway rates would improve the business of the country to such an extent that the increased freights we would be required to pay would be more than offset by general improvement.

In making such an increase, we would also earnestly suggest that the increase be made largely on the long-haul rates, which are so low that they necessarily mean a loss to the railways and are beneficial only to manufacturers and producers in very remote regions; whereas, manufacturers and producers of similar materials in local regions are charged such high rates that their business is frequently not profitable; the result being that the people in the consuming region are actually required to pay for the developments of far-away regions, instead of being given the opportunity to develop industries near home which would give work and money to a great many. If you would like specific examples of this, we would be very glad to send them to you.

Yours, very truly,

ARNOLD & CO.

—

CHICAGO, *January 6, 1914.*

Hon. GEORGE B. MCGINTY,
Secretary Interstate Commerce Commission,
Washington, D. C.

GENTLEMEN: Give the railways the increase of 5 per cent which they ask. Their request is only fair in view of the added expense they have been compelled to assume for the greater safety of the public et al.

The manufacturer grits his teeth at the suggestion of any increase in the cost of his product, but the thoughtful man sees the justice of this demand and approves it. Please act promptly.

Very respectfully, yours,

CHICAGO VARNISH CO.,
W. S. POTWIN,
Vice President.

—

DULUTH, *January 7, 1914.*

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: We desire to place before your honorable body an expression that it is our belief that an advance in rates would not be a bad concession to the railroads, provided such an advance in some way be spent in bettering service and bettering equipment. We believe that the present day's demands upon the railroad are so great that increased rates should be considered for the betterment of their service and their equipment. We believe in the long run it would be of advantage to the country as a whole, and not a detriment.

We would say, however, at this time, that we are quite opposed to any advance in the Lake rates. The present Lake rates are quite sufficient, but that the proposed 5 per cent advance to railroads would, as we say, be a benefit as a whole, and much more of a benefit than an injustice, providing this advance in rates could, as we have said, better the equipment of the country and the service.

Beg to remain,
Very truly, yours,

STONE ORDEAN WELLS CO.,
R. A. HORR,
Treasurer and Manager.

—

NEW YORK, *January 7, 1914.*

Hon. EDGAR E. CLARK,
Chairman the Interstate Commerce Commission,
Washington, D. C.

DEAR SIR: The writer notes by the papers this morning that the Illinois Association of Manufacturers have signified their belief that the prayer of the railroads for a 5 per cent increase in freight rates, to meet the ever-increasing demands of increases in wages of labor which have been granted, and the high prices of all other commodities which they use, should be allowed.

It is also our belief that the time has come when the proper increase of freight rates should be allowed to the railroads to meet the actual conditions which exist.

It also seems to us that the granting of these increases should not be too long delayed, so that the prosperity which other conditions which obtain seem to promise may be fulfilled.

Yours, truly,

E. W. MCCLAVE & SON (INC.),
ROWLAND MCCLAVE,
President.

—

BAY CITY, MICH., *January 7, 1914.*

The INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: It is our belief that the railroads of the country in general are in need of and entitled to an increase in rate, and if the arguments made by them, in your opinion, are reasonable, we hope you may see your way clear to grant them the increase they desire, provided such increase in rate is made throughout all territory so that all of the markets may be on an equal basis.

If granted, we fully believe that the benefit as a whole will be very much greater than any injustice it might add.

Very truly, yours,

BRADLEY-MILLER & CO.

—

CHICAGO, *January 6, 1914.*

Hon. BALTHASAR H. MEYER,
Interstate Commerce Commission,
Washington, D. C.

GENTLEMEN: Give the railways the increase of 5 per cent which they ask. Their request is only fair in view of the added expense they have been compelled to assume for the greater safety of the public et al.

The manufacturer grits his teeth at the suggestion of any increase in the cost of his product, but the thoughtful man sees the justice of this demand and approves it. Please act promptly.

Very respectfully, yours,

CHICAGO VARNISH CO.,
W. S. POTWIN, *Vice President.*

—

CHICAGO, *January 6, 1914.*

Hon. CHARLES C. MCCHORD,
Interstate Commerce Commission,
Washington, D. C.

GENTLEMEN: Give the railways the increase of 5 per cent which they ask. Their request is only fair in view of the added expense they have been compelled to assume for the greater safety of the public et al.

The manufacturer grits his teeth at the suggestion of any increase in the cost of his product, but the thoughtful man sees the justice of this demand and approves it. Please act promptly.

Very respectfully, yours,

CHICAGO VARNISH CO.,
W. S. POTWIN, *Vice President.*

—

CHICAGO, *January 6, 1914.*

Hon. JAMES S. HARLAN,
Interstate Commerce Commission,
Washington, D. C.

GENTLEMEN: Give the railways the increase of 5 per cent which they ask. Their request is only fair in view of the added expense they have been compelled to assume for the greater safety of the public et al.

The manufacturer grits his teeth at the suggestion of any increase in the cost of his product, but the thoughtful man sees the justice of this demand and approves it. Please act promptly.

Very respectfully, yours,

CHICAGO VARNISH CO.,
W. S. POTWIN, *Vice President.*

—

CHICAGO, *January 6, 1914.*

Hon. JUDSON C. CLEMENTS,
Interstate Commerce Commission,
Washington, D. C.

GENTLEMEN: Give the railways the increase of 5 per cent which they ask. Their request is only fair in view of the added expense they have been compelled to assume for the greater safety of the public et al.

The manufacturer grits his teeth at the suggestion of any increase in the cost of his product, but the thoughtful man sees the justice of this demand and approves it. Please act promptly.

Very respectfully, yours,

CHICAGO VARNISH CO.,
W. S. POTWIN, *Vice President.*

—

CHICAGO, *January 6, 1914.*

Hon. CHARLES A. PROUTY,
Interstate Commerce Commission,
Washington, D. C.

GENTLEMEN: Give the railways the increase of 5 per cent which they ask. Their request is only fair in view of the added expense they have been compelled to assume for the greater safety of the public et al.

The manufacturer grits his teeth at the suggestion of any increase in the cost of his product, but the thoughtful man sees the justice of this demand and approves it. Please act promptly.

Very respectfully, yours,

CHICAGO VARNISH CO.,
W. S. POTWIN, *Vice President.*

—

BUFFALO, N. Y., *January 5, 1914.*

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: We presume you welcome an expression from different trades as to the advance in freight rates which the railroads are asking for. Our belief is that they are entitled to it.

Yours, very truly,

MONTGOMERY BROS. & CO.

—

DULUTH, *January 14, 1914.*

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: Am a grocer of this city; have been here 26 years and grown gray in the service. Am of sound mind and average intelligence. I make this prelude to demand proper attention to my words. Just want to dwell for a line on my subject. The railroads are entitled to a 5 per cent increase in freight rates. That is brief and to the point; my reasons are those of 90 per cent of humanity.

Yours, truly,

M. M. GASSER.

—

FIRST NATIONAL BANK OF COMMERCE,
Hattiesburg, Miss., January 15, 1914.

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: In my judgment something substantial should be done for the railroads, and I beg to so express myself. I am aware of the fact that it has been said that the railroads have been reckless in the matter of financing themselves, and that they did not obtain value received for large quantities of stocks and bonds, and that they should not be permitted to charge so as to be enabled to pay customary re-

turns on such securities. In my opinion it will be a great mistake to listen to such talk at this late day and time. These securities for the most part, if not entirely, have reached the hands of people who were not parties to the original acts, and who are innocent purchasers of same. They have become incorporated in the affairs of the Nation, and are now part and parcel of us, and whatever bad judgment and misfortunes may be covered up in them should be absorbed by the business public, if it has not already been done, as a matter of business policy.

Railroad building has always been hazardous, and due allowance should be made for same. We have the railroads; they are a great blessing to us regardless of how they were constructed, and it is not likely that they could have been built and developed to their present high efficiency by any other methods than those employed.

The best interests of the public demand that the railroads do even a great deal more in the way of providing additional facilities and conveniences for the accommodation of business and travel. The railroads should be placed in position to commence providing these facilities without delay, and if your honorable body will so view the question and act accordingly, good results will flow therefrom to the public.

The same reasoning applies to all railroads and fair concessions should be made to them all regardless of geographical location.

Yours, very truly,

F. W. FOOTE, *Vice President.*

—

18 BROADWAY, NEW YORK CITY, *January 8, 1914.*

Hon. EDGAR E. CLARK,
Chairman Interstate Commerce Commission,
Washington, D. C.

SIR: In common with most of the business men we come in contact with, we are in hopes that your honorable commission will render a decision in favor of the increase in freight rates asked for by the eastern railroads. We believe that this time the railroads' plea for assistance is a just one. We also think that such favorable action on your part will do more to improve the general business conditions in the United States than anything else.

Yours, respectfully,

E. H. LEWIS LUMBER CO.,
E. H. LEWIS.

—

NEWARK, N. J., *January 8, 1914.*

To the CHAIRMAN OF THE INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

DEAR SIR: We, as shippers of leather to the West, are awaiting with interest the decision of your committee on the request of the railroads for an increase of 5 per cent in rates.

It is very important that there should be no shrinkage in the general business of the country, and we are quite positive in our belief that should the railroads not get their rates advanced all business will be dealt a severe blow.

The slight advance requested by the railroads we would gladly pay to stop this widespread depression, and we therefore urge upon your honorable body the importance of granting at as early a date as possible the advance requested, which we believe will materially help the interests of all.

Very truly, yours,

HUDSON LEATHER CO.,
J. H. WALSH,
Secretary.

—

CHICAGO, *January 8, 1914.*

Hon. JUDSON C. CLEMENTS,
Interstate Commerce Commission, Washington, D. C.

DEAR MR. COMMISSIONER: The question of most vital importance to our country now is the 5 per cent horizontal raise in freight rates. Business is at a standstill, awaiting the early decision on this vital subject by your honorable body. The business of our company is greatly affected, and I believe that the vast majority of shippers are in favor of granting the railroads this small advance in rates. Should action be deferred, receivership proceedings will undoubtedly result for several of our western railway systems. At no time has the public been so thoroughly aroused in favor of aiding the railroads as in this instance. Will you not relieve the present business crisis by deciding in favor of the increase?

Please pardon my encroachment on your valuable time; however, 1914 will not be a year of prosperity unless the railroads are given this increase.

Thanking you for your kind consideration, and with all good wishes, I am,

Most sincerely, yours, GEORGE R. CARR.

—

CHICAGO, *January 8, 1914.*

Hon. CHARLES A. PROUTY,
Interstate Commerce Commission, Washington, D. C.

DEAR MR. COMMISSIONER: The question of most vital importance to our country now is the 5 per cent horizontal raise in freight rates. Business is at a standstill, awaiting the early decision on this vital subject by your honorable body. The business of our company is greatly affected, and I believe that the vast majority of shippers are in favor of granting the railroads this small advance in rates. Should action be deferred, receivership proceedings will undoubtedly result for several of our western railway systems. At no time has the public been so thoroughly aroused in favor of aiding the railroads as in this instance. Will you not relieve the present business crisis by deciding in favor of the increase?

Please pardon my encroachment on your valuable time; however, 1914 will not be a year of prosperity unless the railroads are given this increase.

Thanking you for your kind consideration, and with all good wishes, I am,

Most sincerely, yours, GEORGE R. CARR.

—

CHICAGO, *January 8, 1914.*

Hon. EDGAR E. CLARK,
Interstate Commerce Commission, Washington, D. C.

DEAR MR. COMMISSIONER: The question of most vital importance to our country now is the 5 per cent horizontal raise in freight rates. Business is at a standstill, awaiting the early decision on this vital subject by your honorable body. The business of our company is greatly affected, and I believe that the vast majority of shippers are in favor of granting the railroads this small advance in rates. Should action be deferred, receivership proceedings will undoubtedly result for several of our western railway systems. At no time has the public been so thoroughly aroused in favor of aiding the railroads as in this instance. Will you not relieve the present business crisis by deciding in favor of the increase?

Please pardon my encroachment on your valuable time; however, 1914 will not be a year of prosperity unless the railroads are given this increase.

Thanking you for your kind consideration, and with all good wishes, I am,

Most sincerely, yours, GEORGE R. CARR.

—

MISSOURI MALLEABLE IRON CO.,
East St. Louis, Ill., January 8, 1914.

Mr. E. E. CLARK,
Chairman Interstate Commerce Commission,
Washington, D. C.

DEAR SIR: We desire to express not only the hope that the Interstate Commerce Commission, of which you are chairman, will see fit to grant to the railroads the 5 per cent advance which they have asked for in Official Classification Territory but to further express the hope that action upon this important matter may be taken at the very earliest possible date.

The purchasing power of the railroads has been curtailed to such an extent that they are placing practically no orders at all for equipment and supplies, with a result that the slowing down in all industrial lines has reached the point where the situation is actually becoming serious. Iron and steel plants throughout the country are working at about half capacity or less, and a great deal of distress already exists among the laboring classes, with chances of its becoming materially worse as the winter advances, particularly on account of the unusually heavy tide of immigration into the country.

It looks to us as though the question for the Interstate Commerce Commission to determine at this time is not so much as to what is an equitable rate, but what action, upon the part of the commission, would be necessary to again induce capital to invest in railroad securities, to the end that the railroad companies might be able to finance the improvements and betterments in their facilities without which the country can no longer progress.

In passing upon this question, we trust your worthy body may not only decide to grant the advance in full, but trust that a word of warning will be sounded to legislators, both State and National, municipalities as well, not to go on putting unjust burdens upon the railroads. If they have been guilty of sins in the past, the severe disciplining they have been getting in the last decade has, it seems, gone too far, and if persisted in will act as a boomerang upon the general public.

Again hoping that speedy and favorable action will be taken, we beg to remain,

Respectfully, yours, F. E. NULSEN.

—

CHICAGO, *January 9, 1914.*

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: As manufacturers and shippers, we desire, individually, as well as in our corporate sense, to approve the increase of 5 per cent horizontal raise in freight rates in the official classification territory, which subject is now before your honorable body.

Yours, respectfully,

DRAKE RAILWAY AUTOMOTRICE CO.,
F. E. DRAKE, *President.*

—

BERNET, CRAFT & KAUFFMAN MILLING CO.,
St. Louis, Mo., January 9, 1914.

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: I refer to appended clipping.

There has been a constant reducing of rates with a similar clamor for improved facilities, which, in the nature of things, can not run together for any long period without disaster to some one, and for this reason I desire to go on record as favoring the increased rates.

Without entering into a general discussion of any other reasons I may have, I respectfully submit the following:

The present financial conditions of many of the transportation lines have been built largely during the past, because of the inefficiency of our laws in many instances, and the laxity of their application in other cases. The fact remains that the conditions exist.

Securities are held largely by the public. The question for solution is: Are present rates ample to take care of the obligations of the railroads and enable them to increase their facilities to take care of the increased commerce in the country? It is not sufficient that rates shall take care of simply present conditions. Increased facilities are necessary, and the demand will continue even should the advance be allowed. The country is growing. It is impractical and unjust to take the income from the security holders to buy increased facilities to take care of the increased commerce. There is only one way to do that, and that is to increase the income, and that can only be done by increasing rates.

The Government may be able to suggest a more rigid economy in the conduct of the transportation business and thus relieve the necessity for an advance as much as 5 per cent, but we respectfully submit that it is not fair to punish the shipping interests of the present day for the past sins of the transportation lines in waterlogging their properties, where that has really occurred.

I think all fair-minded, right-thinking merchants and manufacturers must admit that the prosperity of the country is so closely linked with the prosperity and efficiency of our transportation facilities that the former can not grow without a corresponding growth of the latter.

The Government should allow an increase in rates and see that the revenue therefrom is properly applied to the benefit of both the railroads and the public, but not as a basis for increased capitalization.

Respectfully submitted.

F. E. KAUFFMAN.

RAILROADS.

EASTERN RATE ADVANCE—COMMISSION TO DECIDE NEXT WEEK UPON A HEARING FOR SHIPPERS.

WASHINGTON, *January 7.*

The shippers' opportunity to be heard on the 5 per cent increase in freight rates proposed by the 52 eastern railroads will be passed upon next week by the Interstate Commerce Commission. Commissioner Harlan so announced to-day at a hearing arranged for the railroad officials asking for modifications of questions the commission asked to have answered before February 1.

Attorneys for the railroads told Commissioner Harlan that, in some instances, it would require a year to furnish the information the commission wanted in a month. Louis D. Brandeis, representing the commission and shippers in opposition to the increase, consented to several modifications. George Stuart Patterson, general counsel for the Pennsylvania, and Daniel Willard, president of the Baltimore & Ohio, headed the delegation which had been selected to speak for all the railroads.

For the New York Central it was represented that to answer the commission's questions about lighterage at New York would cost $75,000 in clerk hire and require one year. Louis D. Brandeis suggested that a representative month be selected, and that an answer be prepared on that basis. The railroad officials seemed to approve the idea.

To answer the commission's question about contracts for material, it was said on behalf of the Baltimore & Ohio that it would involve 13,000 pages of copying and a review of 100,000 transactions. The railroad offered to submit originals of any contracts the commission might wish to inspect. Mr. Brandeis readily agreed to that.

Commissioner Harlan said there was no doubt as to the right of shippers to be heard as to particular rates, but that he intended to ask the entire commission, next week, to pass upon the question whether hearings on particular rates should be incorporated into the hearing of the general question of increased rates or reduction of expenses, or whether shippers should be given an opportunity, after those questions were decided, to present their position.

—

ST. PAUL, MINN., *March 20, 1914.*

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: We make thousands of shipments all over the United States, and still agree with the inclosed circular, that transportation companies are entitled to increased freight rates, owing to the increased cost of operation.

Yours, truly,

B. T. GOLDMAN.

THE RAILROADS.

UNITED STATES RAILROADS MAKE POOR SHOWING FOR LAST HALF YEAR.

Railways of the United States during the first six months of the calendar year, from July 1 to December 31, 1913, in order to carry a $10,000,000 greater business than in the corresponding period of the year before, had an increased expenditure of $68,600,000. There was a resulting loss in net operating revenues of the railways for the half year of $58,000,000. How unfavorable an outlook this offers for the entire fiscal year may be deduced from the fact that the unfavorable net showing from the first six months—$510,000,000 against $568,000,000 the year before—confronted the railways, despite the fact that only two of the months showed large losses in business compared with the previous year. July, August, and September enjoyed large expansions in gross, though all lost in net. October showed the total mileage of railways practically at a standstill as to gross business, though losing $12,000,000 in net. With November came a more decided slump in gross business, with resulting larger loss in net; and the figures for December, now available to complete the half year, intensify the unfavorable showing.

SOME OF OUR RAILROADS ARE BECOMING THIN AND EMACIATED.

(By Alfred H. Smith, president New York Central Railroad.)

As a general proposition, the railroads of this country are physically strong. It has been stated they carry high-class freight at the rate of 1 ton 3 miles for the value of a 2-cent postage stamp; that they carry 1 ton of dead freight 4 miles for 1 cent. Not all of them are making money at these rates. Some of them are getting thin and emaciated.

There is criticism afoot that the railroads have not used their money judiciously. It is hard to indict the whole country or industry representative thereof. The efficiency and integrity of these railroads must be judged by facts palpable to all—their strength in heavy steel rails, good ballast, steel cars, modern signal systems, and other appurtenances that constitute a safe transportation machine whose efficiency is proved by paying the highest wages for services rendered by its employees and furnishing transportation at the lowest cost.

This is a simple problem. Those who confuse it and complicate it serve only to hide the truth. In establishing the commissions the people have provided a means of searching out the facts and truth of the matter in order that they (the people) may do justice and right. The railroads have hope and confidence in these bodies in this work. By their efforts to learn and speak the whole truth of these railroads, they are bound to perpetuate and enhance the confidence of the people in these great properties, to the end that they may grow and be more and more serviceable to the Nation and its people.

—

THE PENNSYLVANIA RAILROAD COMPANY,
GENERAL OFFICE,
Philadelphia, March 17, 1914.

To the stockholders of the Pennsylvania Railroad Co.:

In view of numerous requests made by stockholders and others, and in pursuance of instructions of the board of directors, the following statement made by Mr. Samuel Rea, president, at the annual meeting of the stockholders of the company on March 10, 1914, is sent you:

LEWIS NEILSON, *Secretary.*

"Before adjournment I think it is proper to call the attention of the meeting to the report of yesterday's proceedings before the Interstate Commerce Commission on the application of the railroads for increased rates, in which the allegation is made that in effect many railroads, including the Pennsylvania Railroad Co., have technically manipulated their accounts to show increased costs of operation. We have not yet seen an official confirmation of the statement, but the charge, so far as it relates to the Pennsylvania Railroad Co., and I am sure to other lines as well, is absolutely untrue.

"Your management is determined that, within the limits of reason, it will hereafter allow no statement to go unchallenged that reflects on the management or the integrity of its officers. Your property is honestly, economically, and efficiently operated and maintained, and in addition to the information furnished to the Interstate Commerce Commission and the State commissions, and the report published for the stockholders, any further details desired by the Interstate Commerce Commission will be at once furnished upon request. At the inception of the freight rate hearings we promised to produce officers who will not only explain the operating expenses, but prove their necessity.

"What the commissions, the public, and the shippers have so far apparently failed to appreciate is the cumulative effect of legislative enactments and regulations, both State and Federal, dealing with almost every phase of railroad operations—increased wages, limitations affecting working conditions, extra crew laws, and other wasteful expenditures imposed upon the railroads without their consent. The result is higher maintenance and operating charges; large outlays resulting from the use of steel cars and consequently heavier trains; additional ties; better track structure throughout; more modern stations and other facilities and appliances. Railroad costs have been very materially increased and we can not avoid them.

"In addition to maintaining this safe standard of railroad, the Pennsylvania Railroad Co. has put into its accounts a fair charge for depreciation, renewals, and obsolescence, i. e., 3 per cent on freight cars, which means a life of 33⅓ years, and 4 per cent upon passenger cars and locomotives, which means a life of 25 years, and who can say that these charges are unfair, or anything but moderate?

"The truth of the situation is that the railroads as a whole have not been spending enough for maintenance. They have been operating economically, but the enforced economies due to the loss of gross revenues and the failure to grant them the right to charge reasonable rates for the transportation service performed force them in years of depression to reduce operating costs, but remember it is only deferred maintenance, and therefore in the end not a real saving.

"No serious public consideration is at present being given to the investors who have furnished the capital for all the railroads, and thereby provided the most substantial foundations for the past and present progress of the country, and without the prosperity of the railroads the country can not prosper.

"What is the present situation? The railroads are prevented from charging reasonable rates; they have sustained a serious loss in revenues; they are prevented from furnishing facilities so as to be prepared to meet the reasonable transportation needs; every occasion is being used to publicly discredit them; and the result is that there must be enforced economies. If large numbers of railroad men and others depending on railroads for every character of supplies and work are out of employment, and a general loss of confidence exists, and suspicion has been engendered, no attempt must be made to place this responsibility upon the railroad management. They have issued warnings and made petitions for fair dealing, but without effect. The time has come when all fair-minded men, and investors as a whole, must individually and collectively impress on State and Federal Senators, Representatives, and Government that they are a part of the Nation entitled to at least fair consideration.

"This statement is not made to predict calamity, but it is made to prevent calamity, and because heretofore we have used our efforts to influence investors from asserting their rights, but we will no longer occupy that position while every other interest in this country petitions for their own special welfare and is having the benefits of legislative protection.

"Your company is in good condition physically and financially because for over 60 years it has regularly paid a reasonable dividend and devoted a portion of its annual surplus income to the betterment of the property, and did not issue either capital stock or bonds for these expenditures, thereby conserving its capital account; and only by the continued practice of that policy, which has been commended both at home and abroad, does your management believe its prosperity can be assured.

"May I add just one word more with respect to the so-called extra-crew laws? You may have seen that we have petitioned the Legislatures of New York and New Jersey for the repeal of that obnoxious and unjust law. Unfortunately, the State of Pennsylvania will not convene its legislature until next winter. We propose to go before that legislature, because, under that unjust law of the Legislature of Pennsylvania, this company has paid about $500,000 a year, which has been wasted. I hope when the time comes that the stockholders of this company will interest themselves so far as to find out how their representatives are going to vote on a question of that kind. Fully one-third of the stockholders of the Pennsylvania Railroad are residents of the State of Pennsylvania. This State is the home of the Pennsylvania Railroad, and it ought to be protected like other citizens of the State."

—

WATSONTOWN, PA., *March 20, 1914.*

CHAIRMAN HARLAN,
Interstate Commerce Commission,
Washington, D. C.

DEAR SIR: We wish to be placed on record as being in favor of some revision in freight rates, as we feel that the railroad companies are justly entitled to this, owing to the increased cost of operating expenses and equipment, and we feel that this should be granted in preference to making a charge for trap cars.

We feel that a great injustice would be done to all corporations owning private switches if this system was adopted. We presume that all people having private switches have been put to a great expense in having their sidings built. In our case alone we were compelled to spend over $1,000 on our private switch, and if we are not to have any privilege on account of the switch without paying for it we certainly would be losing to a great extent, and many other corporations would be much heavier losers than we would be, and we therefore feel that we should have the use of our siding for switching purposes without any charge, as it would not take them any longer to switch a car to our siding than it does to switch it to some other siding to be unloaded.

The railroad companies all over the country would not be in a position to handle all this extra loading and unloading of their private sidings at their warehouses, and if they would it would require a great deal of extra help at such places and the chances are that the expense of extra labor and warehouse room would more than eat up the cost of switching cars to private sidings. It would also mean that in times of car shortage that the cars would be held up longer than they ever would on a private siding, as freight all going to one central point would congest everything to such an extent that cars could not be

loaded and unloaded promptly, while on our sidings cars are unloaded within one day, and the same time is consumed in loading cars to go out, so they are not held any length of time and they can be used promptly for other purposes.

If we should deliver all our goods for shipment to the depot at this place, along with the rest of the shippers in town, their warehouses would be so congested that they could not possibly handle the goods with any degree of promptness, and our shipments would be delayed and in many cases would be the means of our losing trade, and it would be impossible for us to handle the same amount of goods in this manner as we could by having the privilege of loading cars on our own siding. We do not think that you would find the railroad company at any point that would have the facilities for handling everything through their depot, and the charges that would be made for trap cars would be offset many times by the additional help and warehouse room required to handle the business at their stations, and we feel that when we are relieving the railroad company of handling all this material at their depots that we should not have to pay for the privilege of loading goods at our sidings, and we feel that we are practically saving them a considerable amount of money under the present system, and we certainly should not be charged for saving them dollars and cents.

We therefore wish to protest against any charge for trap cars, and we would ask that you give this your fair and just consideration.

Yours, truly,

WATSONTOWN TABLE & FURNITURE CO.,
H. W. ROMBACH, *Treasurer.*

—

SCULLIN-GALLAGHER IRON & STEEL CO.,
OFFICE OF THE PRESIDENT,
St. Louis, March 20, 1914.

Hon. JAMES S. HARLAN,
Chairman, Interstate Commerce Commission,
Washington, D. C.

DEAR SIR: Every day in conversation with men of affairs, with whom the necessity of my business brings me in contact, I hear the question, "What is wrong with business conditions in this country?" and almost invariably the answer is—"The lack of ability of the railroads to obtain money to make necessary betterments and improvements of their properties, etc."

I am, therefore, appealing to your commission, combined and each of you, asking you to grant the request of the railroads for a 5 per cent increase in rates. I ask this as one of the largest shippers in the western country; I ask this as one, who having to pay this increase, will be vitally affected; but, I know from my investigations and observations that this increase is absolutely and vitally necessary to the railroads and what is their necessity is essentially necesasry for the good of this country.

The railroads of the United States have made it possible for this to become the greatest producing country of the world; they have built lines through country absolutely untilled and desolate, which would have remained so without the necessary facilities for bringing the people to settle these lands and allowing them to market their products. This has been done at a tremendous initial cost to the railroads and for years was in most cases productive of practically no revenue.

The railroads for some unknown reason have been attacked on all sides and absolutely discredited. Financial men fear to assist them, as the constant delay in granting them any relief is apparently a warning conveying the idea that further attacks are premeditated. These attacks may all be made in good faith, but the fact remains that a very small percentage of any of the railroads operating in the United States are making even a meager living. Relief must come to them or it means their financial ruin, and any thinking man can see at once that that means catastrope to the business interests of this country, as the business of the United States is absolutely dependent upon the ability of the railroads to give prompt and efficient service.

Our State, Missouri, has four railroads in the hands of receivers, and the indications point very strongly that unless relief comes there will be others in the same predicament.

It is so often urged that the railroads are not operated in an economic manner. This is a broad, general, assertion and hardly bears the stamp of facts. The great majority of the railroads in the United States are managed by capable and intelligent men, who are as capable of economic management as are the heads of other industries. We must all admit there have been cases of mismanagement, and perhaps even criminal mismanagement, but surely the isolated case will not be allowed to condemn the entire railroad fraternity.

This matter of a rate increase has been before your honorable commission for a very long time and it has been delayed and postponed until doubt as to the ultimate result has been born in all quarters. The railroads at present, when they are able to obtain financial aid, are compelled to pay from 1½ to 2 per cent more for money than commercial establishments.

Your commission has a very great and solemn duty to perform and one that is fraught with serious consequences if not performed in the proper manner.

I am sure from my very wide inquries that the majority of the thinking and substantial people in this country are a unit in the feeling that this increase should be granted to the railroads. I sincerely trust and hope that your commission may be guided by this general desire and that you may act promptly and give the railroads the relief which they must have to save them from absolute ruin.

I again earnestly beg of your commission, one and collectively, that you may grant this increase and that your action may be taken very promptly, and I am sure you will be proud of your decision in the splendid business impetus that you will see in this country.

Very truly, yours,

HARRY SCULLIN, *President.*

—

SPOTTING OF CARS—REVENUE OF CARRIERS, ETC.

WINONA, MINN., *March 20, 1914.*

Hon. JAMES HARLAN,
Chairman Interstate Commerce Commission.
Washington, D. C.

GENTLEMEN: From our observation, taking into account the changed conditions in the past 20 years wherein there have been reductions in freight rates versus added cost of operating expenses to railroads in the way of increased salaries to train men—in fact, all employees—we would consider that they were entitled to increased freight rates on all commodities. The only stipulation that we would suggest is that such advance should be equally distributed as to commodities and all territories treated the same.

We do not consider in our particular case, or industries similarly situated, that there should be any change in the methods which have existed for many years in the placing of cars to our plant for unloading and loading, since it requires special equipment to unload cars as well as load cars, which we supply, thus relieving the transportation lines of equipping themselves with facilities for handling our carload freight.

The side tracks adjacent to our property are owned by the C. & N. W., C. B. & O., and C. M. & St. P. R. R. Cos., and within two blocks of the local freight stations and team track yards of the two first mentioned companies

In other words, throughout the Northwest the method of unloading wheat and loading flour is an enormous saving to the carriers—not only in the matter of lessened terminal facilities, but in the item of labor.

Trusting that this matter will receive careful diagnosis, we are

Yours, truly,

BAY STATE MILLING CO.,
H. C. GARVIN,
Secretary and Manager.

—

ORANGE, TEX., *March 21, 1914.*

The INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: As a citizen and voter of Texas I feel it my duty to favor an increase in freight rates for the railroads of the country and oppose all drastic legislation that would work hardships, directly or indirectly, on the railroads and other corporations, as you are aware no doubt the thousands of employees of these corporations would be the innocent sufferers. This is the sentiment of the writer and 50 others to my knowledge in this community.

Yours, truly,

B. C. NELMS.

—

ILLINOIS MANUFACTURERS' ASSOCIATION,
Chicago, March 20, 1914.

Mr. RICHARD T. EDDY,
Secretary to the Chairman,
Interstate Commerce Commission,
Washington, D. C.

DEAR SIR: I beg to acknowledge receipt of your letter of March 18. I take it from your letter that the commission has heard both sides and now has the matter under advisement. Am I correct?

We sincerely hope the commission will use its influence to stop this continual harassing of the shippers on the part of the carriers. Most shippers are willing to conform themselves to rules that are fair, but to constantly change and shift is unprofitable, unjust, and annoying.

Please bring this letter to Mr. Harlan's attention.

Very truly, yours,

JOHN M. GLENN, *Secretary.*

—

BROOKLYN, N. Y., *March 23, 1914.*

GENTLEMEN: Please have the courage to show the country that you are not the prejudiced board they all accuse you to be against the railroads.

As an insignificant citizen I indorse the inclosed editorial as being fair. Public opinion must be served or the Interstate Commerce Commission is doomed. Everyone will say that your regulation is valueless when, as a matter of fact, it has been very beneficial. Make it still more beneficial by giving them a full 10 per cent increase. Nothing less.

Yours, very truly,

FRANK F. STARINS.

"AN OVERWORKED COMMISSION.

"If railroad rates are to be regulated by Federal authority, action should be prompt as well as just. The most elaborate system of bookkeeping ever devised has been imposed upon American railroads by our interstate-commerce laws. To many corporations the cost is a serious item. Data supplied in this way should be almost instantly at hand when questions of rate increases or decreases are under consideration.

"The Interstate Commerce Commission was asked as long ago as last May to grant eastern railroads an increase of 5 per cent in their freight rates. It was thought that a decision one way or the other would be quickly reached, but now after many delays it appears that the facts in the case can not be collected and assimilated before April or May, next. While dilatoriness is always characteristic of Government, it becomes doubly a hardship when great business interests wait on it.

"In this case it is to be said in behalf of the commission that it is overloaded with investigations undertaken at the request of Congress which ought to have been instituted elsewhere. The question of rates is one which that body alone can settle, whereas inquiries may be carried on by many other official agencies, including committees of Congress.

"The commission has brought criticism upon itself and upon the whole idea of Federal regulation by its inability to meet this issue with reasonable celerity. A wiser policy henceforth would be to attend to its legitimate business first. This would serve to compel Congress to pursue the investigations which are part of its duties."

—

THE RAILWAYS AND THEIR RATES.

Two classes of persons are bothered by no doubts as to the action with regard to freight rates.

The first is composed of those of the belief that anything withheld from the railways is necessarily a gain for the public. To them the railways represent a malign and deleterious influence to be pounded and repressed. They do not take the trouble to examine the facts filed in support of the pending application. They are against any and all rate increases on general principles. Railway owners are to them men with mutton-chop whiskers and plethoric pockets that it is a positive virtue to despoil.

The other class is equally averse to an examination of the facts and takes similar short cuts to a desired conclusion. Its members are for rate increases under any and all circumstances. They are fixed in the conviction that it reveals demagogy and an anarchistic mind to hesitate. If the railways did not need more money, railway managers would not ask for it—so runs the easy reasoning. The ratiocination is as simple as that of the Illinois justice of the peace who always found for the plaintiff, saying that if the defendant did not owe the money the plaintiff would not have sued him.

Happily, there is reason for thinking that neither President Wilson nor the members of the Interstate Commerce Commission fall into either of these classes. The indirect statement emanating yesterday from the White House shows that the case of the railways is being considered on its merits.

If the railways are able to establish the case whose general features have been laid before the public, and it is not shown that their allegations of fact rest on doctored books and deliberate misrepresentation, there is not much question concerning the decision. It inexorably flows from the proof offered of practically stationary gross incomes, rising expenses, and a higher interest rate for the new money that must be invested in railway enterprises if the public is to be well served.

Three years ago the Interstate Commerce Commission rejected the application of the railways for permission to raise rates. The commission acted justly and wisely, as subsequent events have shown. At the time the decision was rendered the rates were high enough to pay the railway owners of this country a reasonable return on the value of the property devoted to the public's service. The railways in 1910 did not make out a case.

But judging the present income of the railways by the standards applied in 1910, it appears, assuming that the sworn reports to the Interstate Commerce Commission are accurate, it is difficult, if not impossible, to avoid the conclusion that the railways are entitled to substantially the increase for which they now ask. The gross earnings of so representative a system as the Pennsylvania were $316,476,822 for the 11 months ended November 30, 1910, and its net after taxes was $75,198,334. For the 11 months ended November 30 the gross income of the Pennsylvania was $360,288,038, and its net after taxes was $66,719,250. Gross income was up $44,000,000, but net income was down $8,000,000. Out of the decreased net income it was necessary to pay the charges on the $100,000,000 of new money invested on the property; so the return to the owners of the Pennsylvania was something like $13,000,000 less in the 11 months of 1913 than during the 11 months of 1910. It is obvious that the deficit must not decrease if the Pennsylvania is to have money for improvements and is to serve the public as it wishes to be served.

The exhibit in regard to the Pennsylvania is representative of the exhibit of practically every eastern railway. The returns tell stories of falling net returns on an enlarged investment. The water has been squeezed out of railway stocks. The railways could not be reproduced for anything like the present market value of their securities. It follows that either there must be an increase in rates or the public must prepare itself for poorer service and a shock to our most important industrial interest that it will take years to recover from.

—

VINTON COLLIERY CO.,
New York, December 11, 1913.

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: Our management has given considerable thought to the request of the eastern railways for an increase in their freight rates. We have come to the conclusion that it will be very much to the advantage of the consuming public, the shippers, the railroads, and practically everyone, to have these increases granted.

It seems too bad that the prosperity of this country should be held up, due to the fear on the part of all who have had a chance to save a little money that railroad investments are unsafe. This feeling about American railroads must exist in Europe as well as in this country.

The railroads have had a hard time recently, and unless they are prosperous we all suffer. They have been compelled to raise wages, which, of course, at times is only fair and just, and as the tendency of conditions in this country is to have the cost of living go up—necessitating raising of wages—then the railroads should be allowed to charge more for what they have to sell.

Our company is quite a large miner of coal, say 500,000 tons per year, and we make about 80,000 tons of coke, and we would rather have the extra burden thrown on our industry occasioned by the raise in freight rates, to help the general good, than to have conditions remain as they are.

If the increases are granted we think that the United States will enter upon a period of great prosperity; and, if they are not granted, we think it will be great hardship for most of us for some years to come, though it will fall most heavily upon the men working for day's wages and upon those dependent upon them.

From our standpoint, we do not think the extra revenue that the railroads should get will help nearly as much from the money standpoint alone, as the fact that confidence will be restored both in this country and abroad, among people who have been fearful to invest in railroad securities. The restoration of the railroads' credit will give them an opportunity to make much-needed improvements, build extensions, and buy needed cars.

Yours, very truly,
C. M. SCHWERIN,
General Manager.

—

NEW YORK, *December 11, 1913.*

Hon. EDGAR CLARK,
Chairman Interstate Commerce Commission,
Washington, D. C.

DEAR SIR: My firm, H. Hentz & Co., has been longer in the cotton trade than any other house in this country, having commenced business in 1856, and we are now past our fifty-seventh year. I am still active in business generally. I am a former vice president of our chamber of commerce, and its second oldest member, and am one of the oldest directors of the Farmers Loan & Trust Co. and the Mechanics & Metals National Bank, two of our important banking institutions. I mention this, hoping it may attract your attention to what I write, namely, that I trust your commission will allow the increase of 5 per cent in freight rates asked for by our railroads.

I inclose pages 1544, 1545, and 1546 of the Financial Chronicle (of the 29th ultimo), of this city, which is my financial bible. This article gives very strong reasons, to which very little can be added, why this increase should be granted, and I sincerely hope your commission will not decide against the railroads without reading this interesting and truthful article. No paper in the world stands higher in character and ability than the Chronicle. If anything, it has really underestimated the situation, as it does not include the railroad stocks and bonds which are held by the various banks and trust companies of this country.

We are drifting into a panicky state, and it can only be arrested by your commission acting favorably toward the railroads. This is the feeling here.

Very respectfully, yours,
HENRY HENTZ.

NEW YORK, *November 29, 1913.*

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

SIRS: In view of the proceedings pending before your commission as to the advance in freight rates on eastern lines, we beg to give you our views on this subject, feeling justified as shippers of over 150,000 tons of commodities per annum to say a word on the question.

The freight rates eastbound are low, and business in all lines would not suffer if rates from Chicago or St. Louis or similar points over the trunk lines were increased 5 per cent. How low these rates are is probably not generally appreciated; but if you compare our freight rates on most of our commodities like copper, lead, and spelter—from Chicago to New York of $2.70 per net ton, with freight rates which we are paying to Europe of from $3 to $4 per net ton—it will become immediately apparent that our railroad rates are reasonable, in view of the fact that water transportation is so much cheaper. The business of this country, and especially in the eastern part of the country, would most decidedly be benefited if a reasonable advance in the eastern freight rates was allowed, because industrial activity is at low ebb at this time owing to lack of orders from the railroads.

At the same time, and while adjusting the eastbound rates, the commission might look into the question of westbound rates over the same lines. These rates are considerably higher than eastbound rates, and the high rates prevailing for shipment from tidewater to the Middle West frequently stand in the way of business. While some argument can be made in favor of higher westbound rates than eastbound, the difference is too large and not justifiable.

Respectfully submitted.

Yours, very truly,
L. VOGELSTEIN & Co.

—

WOODBROOK, MD., *November 12, 1913.*

To the INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

DEAR SIRS: Inclosed herewith is a timely editorial from the New York Herald, which I think will be of interest to you, as I realize how important and essential to the well-being of every citizen of our country it is to give the railroads a fair deal, which they are not now getting.

Yours, respectfully,
FRANK N. SANDS.

[From the New York Herald, Wednesday, November 12, 1913.]

RAILWAY "ARTERIOSCLEROSIS."

The award of the arbitrators granting the trainmen and conductors of the eastern railways advances in wages amounting to $6,000,000 a year, following the previous advances in the wages of engine drivers and firemen, serves to emphasize the position of the railways as "between the devil and the deep sea."

With the great increase in expenditure for supplies and for higher wages "the cost of living" has increased for railways as for individuals; but while individuals—and especially those serving the railways—have obtained greater incomes, the Interstate Commerce Commission has refused to permit any increase in the charges for transportation to offset the greater cost of the service.

This condition of the great arteries of the body economic the Herald has compared to the state known as arteriosclerosis in the human system—the state in which they are dried up and ready to break under any increased pressure. The commission at the hearing fixed for one week from next Monday must grant the request of the eastern roads for an increase of 5 per cent or incur the odium of deliberately trying to ruin the great transportation systems, upon the well-being of which is dependent the whole country's prosperity.

—

BALTIMORE, MD., *November 12, 1913.*

Hon. JOHN WALTER SMITH,
United States Senate, Washington, D. C.

DEAR SIR: You know of the decision of the board of arbitrators which granted eastern railway men an increase in pay amounting to 7 per cent.

Yesterday I had an interview with President Willard, of the Baltimore & Ohio Railroad, in relation to a most necessary physical improvement at their terminals at Locust Point, involving an expenditure of about $500,000. Mr. Willard stated that no future expenditures for the improvement of the property could be made under existing conditions; in fact, unless prompt relief arrived by permission of the Interstate Commerce Commission to grant to the railroads additional income for freight service, it was a most serious question with not only his road, but other roads, how they could continue to meet the legitimate requirements as to transportation and service for the future; that the Baltimore & Ohio Railroad Co. had completed the expenditure of the fifty millions borrowed for physical betterments. Much of this work having been completed for several years, they were in position to know the economic results of these expenditures, but that, owing to the increase of wages made necessary by the awards of the different arbitrations, all of the economies that were obtained by those improvements had been offset by the increase in wages of their employees. Further, that natural wear and tear of the equipment resulted in the annual retirement as useless of 50 to 60 locomotives and 6,000 freight cars, and that the accumulated increases obtained by labor through arbitration have now brought the company to the point where they must consider the retirement of all labor not imperatively necessary for the movement of traffic, and that the railroads are not in financial position to replace their motive power or their equipment under existing rate and financial conditions.

You can see, Senator, that this means absence of orders to manufacturers in all directions. It means a stoppage of the heretofore enormous purchasing power of our transportation companies, and this stoppage will be most unfortunately and disastrously reflected in many lines of trade. We all know that the good judgment and spirit of fairness of the American people will not long permit the present conditions to exist, as public sentiment has already crystallized in this rate matter by recognizing the economic absurdity of on one hand requiring the transportation companies to increase the pay of employees and on the other hand withholding from them the power to increase the freight rates in order to equalize the situation. The people of this country are also insistent that the railroads must not stop, that there should be no interruption to the flow of traffic, and they are equally insistent that ample and efficient service be given to all communities and localities. The danger in the situation lies in the possibility of a delay in the relief necessary, which relief can only be granted by the Interstate Commerce Commission through its order permitting increased revenue to the railroads.

It will not do to allow this already sick patient to become so emaciated from lack of nourishment through fair rates of freight that the patient be so weak as to be beyond resuscitation; and a few receiverships would result in the utter demoralization of railroad credit. Without credit and the ability to borrow money in large sums to meet the increasing demands for transportation in our country our railroads and our people will be disastrously affected.

You understand this situation thoroughly. No one can so forcibly present present and prospective conditions. I write to ask that if your good judgment permits that this situation be brought by you to the attention of our good President that he be impressed with the necessity of prompt relief through the Interstate Commerce Commission. Delay is dangerous.

With kind regards,

Yours, very truly,

LOUIS MÜLLER CO.,
By JOHN M. DENNIS, *President.*

—

CHICAGO, *November 17, 1913.*

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: This acknowledges yours of the 8th relative to the meeting on the 24th of this month to consider the increase in freight rates to the eastern roads. We will be glad to see the railroads get an increase in rates, as we believe they need it, because it seems that they are unable to keep pace with the enormous increase in business and the ever-increasing expenses. Surely they are entitled to do this, and at the same time pay a reasonable return to their stockholders.

Yours, very truly,

WAHL ADDING MACHINE CO.,
C. S. ROBERTS, *President.*

—

THE JACKSON HEALTH RESORT,
Dansville, N. Y., November 18, 1913.

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: At a meeting of the Dansville Board of Trade held last night, the following resolution was passed, and the writer was instructed to transmit the same to you: "*Resolved*, That the Dansville Board of Trade approve and indorse the movement to permit the railroads to increase their freight rates 5 per cent, believing that the increased expenses to which they are subjected warrants this action."

Very truly, yours,

J. ARTHUR JACKSON,
Chairman Transportation Committee,
Dansville Board of Trade.

—

HUNTINGTON, W. VA., *November 18, 1913.*

GEO. B. MCGINTY,
Secretary Interstate Commerce Commission,
Washington, D. C.

DEAR SIR: Referring to the question of the proposed blanket advance of 5 per cent, as shown in the tariffs published by the lines in the Central Freight Association and Trunk Line territory, effective November 15, 1913.

In view of the increased expense in the cost of raw material, the advanced wage scale demanded and granted to various employees, and the additional hardships imposed upon the carriers by both national and State legislation, whereby they are compelled, for the safety of both passengers and freight, to add new appliances and improved equipment, we would recommend that the 5 per cent advance mentioned above receive the approval of your honorable commission and that the tariffs as published by the various railroads and filed with your commission be permitted to become effective on November 15, or the earliest date possible thereafter.

Yours, very truly,

BANKS SUPPLY CO.,
By THOS. F. BAILEY, Jr.,
General Manager.

—

HUNTINGTON, W. VA., *December 12, 1913.*

Mr. GEO. B. MCGINTY,
Secretary Interstate Commerce Commission,
Washington, D. C.

DEAR SIR: Referring to the question of the proposed blanket advance of 5 per cent, as shown in tariff published by lines in the Central Freight Association and Trunk Line territory, effective November 15, 1913.

In view of the increased expense in the cost of raw materials, the advanced wage scale demanded and granted to various employees, and the additional hardships imposed upon the carriers by both national and State legislation, whereby they are compelled, for the safety of both passengers and freight, to add new appliances and improved equipment, and the general advance in the price of all commodities, we would recommend that the advance of 5 per cent mentioned above receive the approval of your honorable commission and that the tariffs as published by the various railroads and filed with your commission be permitted to become effective on November 15, or the earliest date possible thereafter.

Yours, truly,

WEST VIRGINIA BREWING CO.,
By J. J. KEARNEY, *Manager.*

—

ST. LOUIS, *December 10, 1913.*

Hon. EDGAR E. CLARK,
Member Interstate Commerce Commission, Washington, D. C.

MY DEAR MR. CLARK: In a book recently published by Mr. Howard Elliott, chairman of the board of the New England railroad systems, it is stated that "out of 92 million people relatively few in the regular course of their lives and business come closely enough into contact with the railroads to know railroad officers or understand their business."

While there have been certain abuses in the past, the public should not seek revenge, and itself become wrong, but should seek that basis of right and justice which will best safeguard this vital public utility, the welfare of which is more important than any other single internal interest of the Nation.

Those who like yourself understand the problems confronting the railroads recognize that the "one thing needful" is to get the facts before the general public; for if the public realized the actual conditions surrounding the railroads there is no doubt but what their attitude toward them would be greatly changed, because, when acquainted with the facts, the American public is very fair. The public, however, does not realize the great expenses which the railroads have had to incur, and are incurring each day, to keep pace with the growth of this great expanding country of ours, where it is necessary to steadily increase terminal facilities to take care of the growing business. This one item alone requires a large expenditure of money.

With the growth of the country the railroads have been largely extended; taxes have been greatly increased; the cost of labor and materials have increased and other burdens have been placed upon the railroads, such as the introduction of steel cars. The general clamor for the immediate replacement of wood cars with all-steel cars would mean the expenditure of $650,000,000 and require more than 10 years' time at the present full capacity of all the car works in the country, and with the present revenue of the railroads it is impossible to finance this replacement even if it were practicable. However, much of this would be obviated if the public knew what has been accomplished by some of the great railroad systems and the Pullman Co. by not discarding their good wooden cars but reinforcing them with steel underframing, steel ends, and outside steel sheathing, which make the car structurally stronger than an all-steel car because it has practically the same underframe as an all-steel car, in addition to the strong wood underframing. A car thus reinforced will give the public all it demands in an all-steel car.

The railroads are finding it constantly more difficult to interest new capital, and in view of all the foregoing conditions confronting the railroads it would seem inevitable that if the public desires all these improvements and expects the railroads to render efficient service they must permit and encourage the increasing of rates to an adequate basis.

The increase in rates needed by the railroads is so small that it amounts to practically nothing to the individual, and while in the aggregate it will not provide the improvements required by the public, it will enable them to interest sufficient capital to finance all proper improvements and maintain their properties in first-class manner.

If Mr. Elliott's book "The Truth about the Railroads" (a copy of which I am pleased to send you), could be placed in the hands of each thinking man in the country, it would undoubtedly do a great deal toward informing the public and causing them to see in a true light the railroad situation. It will be appreciated by men in all walks of life, for it is written from a broad standpoint. It has so appealed to me that I have had a special edition published for the purpose of distribution, feeling it is my duty as a citizen and large shipper to, as far as possible, bring before the people of this country the true situation with regard to railroads.

Sincerely, yours,

CLARENCE H. HOWARD.

—

CHICAGO, *November 25, 1913.*

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: I wish to call to the attention of your honorable body the importance of granting the railroads a substantial increase in freight rates. This country is at present suffering the greatest kind of a setback, due to the fact that the railroads, which are the great upbuilders of the country, are being discouraged and stifled by your constant refusal in permitting them to raise their rates. If it were not that our railroads are managed by the greatest brains the United States possesses, they would all be bankrupt long before this. No business could ever withstand such hardships and such constant increase of expense caused by arbitrary legislation without being permitted to raise the only merchandise they sell, namely, transportation. If a wholesale concern advances the price of a suit of clothes 50 cents per suit, being forced to do so through paying more for labor, or rent, or taxes, or any other item (but never on account of freight rates, as they are the very least to be considered) the retail merchant at once raises the price of that same suit $2; mind you, the latter is already making from 50 to 100 per cent not counting the $2 raise in addition, yet the freight charge does not enter into this at all, as he does not pay it; i. e., in the city of Chicago there are some of the greatest wholesale and retail establishments in the world. The retail merchant receives his merchandise delivered from the wholesale house in said city without freight or even cartage charges, yet he marks the price according to the attractiveness of the style and pattern, not even thinking of the freight charge, as it is too infinitesimal. Come with me and visit the largest retail establishments which made a net profit of $17,000,000 last year and I will demonstrate to you that some of their merchandise is sold at 100 per cent profit where no freight or even cartage enters into the transaction. I will take you into the wholesale houses incognito and we can follow the merchandise right into the retail establishment in the same city on almost every commodity where the latter pay no freight or even cartage charges, yet they charge just as much or even more for the merchandise. I quote these instances solely for the purpose of showing that the freight charges play no part whatever so far as the consumer is concerned, and the innocent are forced to suffer through a misunderstanding of the other.

Railroad employees are on an average the best paid in the country, and the railroads are willing that this should be the case, but they can not maintain this standard of wages much longer unless they be permitted to raise their rates in order to keep up with every other demand made upon them. It has been proven that the very retail concern which made a net profit of $17,000,000 last year has grown-up persons in its employ at $4.50 per week. I dare anyone to discover such an appallingly poorly paid person of a similar age and class employed by the railroads.

What about the investors, the thousands of the investing public who furnish the money with which to build the railroads and who have every right to expect a reasonable return on their investment, say, 7 per cent per annum? Some of the private mercantile companies make from 33 to 400 per cent and they are of no benefit to the country whatever. We could get along without the merchant, if we had to, but we could not get along without the railroads; yet the merchant is allowed to charge what he pleases while the other—the railroads—are driven to pay the advance on everything they use and are prohibited from raising their rates. When the railroads are prosperous everybody is prosperous—from the humblest section hand up to the richest citizen, and that embraces the entire American people—but when the railroads are hit everybody along the line is hit with them.

The railroads promise new stations, better roadbeds, heavier rails, double tracking, special safety devices, paying their employees higher wages and giving them shorter hours, steel cars, additional trains, electric lighted trains, and the investor might receive some benefit through increased dividends and all these expenditures find their way back

directly to the laboring classes. They will be the greatest beneficiaries if the increase in freight rates is granted. Do you find any such promises from the shippers? No, not a single one—they promise nothing. Why, then, stifle the wheels of progress so beneficial to every rank and file and allow the shippers to have things their own way, which is detrimental from the humblest to the highest, who promise nothing in return? I therefore petition your honorable body to at once grant a substantial increase to the railroads, thus restoring prosperity for all time to come and give the railroads a fresh start in life. You will quickly see the rest of the business houses will benefit greatly through the railroads' prosperity.

Most respectfully submitted.

S. NIEDERBERGER,
3001 Michigan Avenue, Chicago, Ill.

—

FELIX ROTHSCHILD & CO.,
Chicago, November 26, 1913.

CHAIRMAN INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

MY DEAR SIR: As a business man and looking to the welfare of everyone, I can not see the injustice of allowing the railroad companies to advance rates 5 per cent. It will hurt no one and help many. As long as we business men do not object I can not see why your commission should. I care nothing about the harvester company. They are paying 10 per cent on watered stock while us business men are perfectly satisfied to earn 7 per cent on actual money invested. Give the railroads a chance and quit fighting them. It makes a difference to me of 3 cents a hundred, and if I can stand it the harvester company, with its 100 per cent, can stand it, too. Make the railroads prosperous and it will help all of us. Do what is right.

With kindest regards, I remain,

Yours, truly,

FELIX ROTHSCHILD.

—

PHILADELPHIA, PA., *November 26, 1913.*

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: I am interested in a number of companies who are large shippers. We give the railroads, on the average, a full train for a big locomotive each day, loading approximately from 70 to 80 cars.

Up to this time we have been opposed to the granting of an increase in freight rates, but now believe it would be a matter of good business to allow the railroad companies to increase their freights the 5 per cent which they are asking. There are two reasons why we are of this opinion.

First. Because we believe, with the latest increase of wages, that the railroads are entitled to an increase to the extent now asked.

Second (and more important to the business of the country). We believe that the psychological effect of granting the 5 per cent, and thus have the railroads get the income they think they should have, and the certainty that they will not only express their satisfaction but also publish the same, and the opportunity it will give them of obtaining money, at fair rates, which they need for improvements and additions (about which they have been talking for so long), will tend to change the entire business outlook of the country, with the result of making business men optimistic instead of doubtful, as they are at the present time.

We are fully convinced that success is largely a matter of optimistic opinion as to what business will be, and could we get the general business opinion changed from one of doubt (as it now is) to one of optimism we are sure that business would greatly pick up and be equal to any business situation we have ever had.

To secure this result, however, prompt action should be had and the hearing that you are now undertaking should be short and quick. A favorable decision promptly rendered would be much more effective in its result than a hearing long drawn out with a decision much delayed.

Having the opportunity of meeting many business men and large shippers, I feel sure of my position in this matter.

Thanking you for your attention, I am,

Yours, respectfully,

E. C. HARGRAVE,
Shearer Building, Bay City, Mich.

—

PITTSBURGH, PA., *December 3, 1913.*

Hon. E. E. CLARK,
Chairman Interstate Commerce Commission,
Washington, D. C.

DEAR SIR: In our humble opinion the railroad companies of this country are entitled to the 5 per cent advance in freight rates which they are asking, and we would like to go on record as being one shipper that would be glad if your honorable commission would grant this concession.

Yours, very respectfully,

HEPPENSTALL FORGE & KNIFE CO.,
W. HEPPENSTALL,
Treasurer and General Manager.

—

RIDGWAY, PA., *December 3, 1913.*

The INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: We beg the privilege of addressing you on the question covering the proposed increase of 5 per cent on the part of the railroad companies, for which they are now petitioning your body. The increase of wages, taxes, cost of capital, etc., without doubt are causing serious embarrassment to all railroads, and their only recourse under present conditions will be an increase in both passenger and freight rates, particularly the latter.

Viewing the question from this standpoint, we beg to respectfully say that we are in full accord with the petitions of the railroads, and hope your body can see itself clear to grant the proposed increase, fully realizing that the prosperity and business of the country depend entirely upon the prosperity of the railroads.

Very respectfully,

RIDGWAY SAND & STONE CO.,
A. URMANN.

NEW YORK, *November 26, 1913.*

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

DEAR SIRS: We take liberty in addressing you on the subject of the increase of freight rates by the railroads of the eastern division.

We are interested in the coal rates and would favor an increase of 5 per cent so as to assist the railroads to furnish a more efficient service by the acquirement of a more adequate equipment. We have been very much handicapped in working our mines at Nanty Glo, Cambria County, Pa., by the everlasting shortage of cars, and it is our unbiased opinion that if the railroads could be made to guarantee a better service in this respect, they ought to be assisted in that.

We would like to be placed on record to that effect and remain,

Very truly, yours,

LINCOLN COAL CO.,
W. A. MARSHALL, *President.*

—

IN REGARD TO THE RATE-INCREASE INVESTIGATION.

NEW YORK, *November 26, 1913.*

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

DEAR SIRS: Acting as buyers and sellers of bituminous coal, it is our desire to express in connection with your present investigation our opinion that we would be benefited by your granting to the railroad companies the increase of 5 per cent in freight rates for which they have made application, and our request is that this advance be granted.

This opinion and request is based upon the assumption that the railroad companies will act in good faith and so fit themselves as to render better service than heretofore toward the public. Under existing conditions and by reason of the shortage of railroad equipment, which occurs virtually every fall and winter, we invariably encounter inflated conditions in the coal market which inures to the disadvantage and loss to coal shippers and consumers alike. It has been necessary for coal shippers to make their contracts subject to car supply. On the other hand, there is a moral obligation to take care of consumers' requirements, and to do this during a period of car shortage many of the shippers are compelled to enter the market and buy coal at exorbitant prices in order to fulfill their obligations. Even so, many of the consumers are unable to get their coal requirements on contract and are compelled to purchase coal at abnormally high figures during such periods of shortage. We contend that if the railroad companies could furnish a full supply of equipment at all times that the coal market would become stable with a reasonable profit to the handlers of coal and a reasonable and steady price to the consumer.

In addition, we believe that the confidence of the business community requires it.

Yours, very truly,

W. A. MARSHALL & CO.,
W. A. MARSHALL, *President.*

—

MANSFIELD CENTER, CONN., *November 26, 1913.*

INTERSTATE COMMERCE COMMISSION.

DEAR SIRS: Kindly read the inclosed to-day's clippings from Norwich Bulletin. The railroads, so needed to bring prosperity to our country, should be prized and helped—they know best their needs—and not to be forced to "slow starvation." Two ways of killing—You kill the railroads, and you help kill me and the stockholders. Seventy-one years old; I want my dividends for the future.

Very truly, yours.

CHAS. H. LEARNED.

[From the Norwich Bulletin, Nov. 26, 1913.]

BOSTON & MAINE IN SERIOUS STATE—BIG DECREASE IN NET RETURNS OF THE ROAD—ELLIOTT'S STATEMENT—NEW HAVEN'S CHAIRMAN SAYS INCREASED RATES MUST BE THE REMEDY—DISCUSSES NEW HAVEN'S REORGANIZATION.

BOSTON, *November 25.*

The Boston & Maine Railroad's financial condition was characterized to-night as "very serious" by Howard Elliott, chairman of the board of directors of the New York, New Haven & Hartford Railroad, in an address before the New England Dry Goods Association. "The Boston & Maine has suffered a decrease of $1,221,000 in net returns during the first four months of the present fiscal year," Chairman Elliott said.

He added:

"Unless this decrease can be wiped out in the remaining eight months, the company will have failed to earn enough to pay its obligations. So the situation, you see, is very serious."

NEW HAVEN'S REORGANIZATION.

The remedy, he, said, was to be found in an increase in rates.

Referring to the Government's demand for a reorganization of the New Haven system to conform to the requirements of the Sherman antitrust law, he said:

"The Government, either rightly or wrongly, thinks that some of the acts by the officials of the road were not according to law. The Attorney General feels that some of that road's relations are unlawful, and may move to bring about dissolution of the property. I don't think we ought to be brought into litigation at this time. We ought to work the matter out in a practical way. We are doing what we can to make matters right."

LARGE EXPENDITURES NECESSARY.

Chairman Elliott here interjected a story of a western horse rancher's method of training a horse.

"Bill Yoakum brought his horse into a corral and rode him and worked on him until he had him trained. Then he found that the horse was stone dead. I think," the speaker said, "that is a good simile for the Government's attempt to regulate the railroads."

"The northern New England situation, in a way, is more critical than the New Haven situation," said Mr. Elliott, in taking up consideration of the Boston & Maine's affairs. "To bring about a condition of the road physically that would make for the standard desired by officials of the company and the public alike, would require the expenditure of a large amount of money."

B. & M. WORTH MORE THAN PAR.

Regarding the examination of the road's property by Samuel M. Felton, president of the Chicago Great Western Railroad, Chairman Elliott explained that Mr. Felton found many instances in which considerable economy in the operation of the road was possible, but only at great initial expense.

"The Boston & Maine now," he said, "is worth more than the par of its capitalization."

[From the Norwich Bulletin, Nov. 26, 1913.]

RAILROADS SUFFERING FROM SLOW STARVATION—ASSERTION OF PRESIDENT OF WABASH ROAD AT HEARING.

WASHINGTON, *November 25.*

Preliminary hearing before the Interstate Commerce Commission on the application of the railroads in eastern "classification territory" for an advancement of 5 per cent in all freight rates were concluded late to-day. An adjournment was taken until December 10 in order to afford the commission and the opposing counsel time to analyze the mass of statements, testimony, and statistics submitted by the attorneys for the roads.

The figures offered to-day tended to prove that while the roads generally are enjoying an increased business, the returns from operations continuously are decreasing until, as Vice President Maxwell of the Wabash declared:

"The situation is becoming daily more serious. We are suffering from slow starvation."

—

ST. MARYS, PA., *November 28, 1913.*

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

HONORED SIRS: We have read considerable of the discussions concerning the request of the railroad companies for an increase in their rates to the extent of about 5 per cent, and we wish to go on record as saying we believe that the railroads are entitled to due consideration on this matter. We feel that the improved service they are continually giving the public in better equipment of all kinds and in the installation of safety appliances should merit due recompense in the way of earnings to the their stockholders.

We wish to say that so far as we are concerned, we are heartily in favor of the advance of 5 per cent on the commodities we purchase and on the material we ship. We do not feel that this will be a hardship on us or our customers, but will certainly enable the railroads to keep on improving the service in passenger and freight traffic.

We also feel that the manufacturers of this country require vast development of latent properties to find a market for the immense production of the mills, and unless the railroads are enabled to assist in this development the country certainly will not grow as it should.

We do not write this letter as an argument on the matter, but simply place ourselves on record as strongly in favor of the increase.

Yours, very truly,

ELK FIRE BRICK CO.,
J. D. RAMSAY, *President.*

—

NOVEMBER 28, 1913.

To INTERSTATE COMMERCE COMMISSIONERS.

GENTLEMEN: I cut this, inclosed, out of Baltimore Sun and send you, asking if this is true. If so, I want to urge upon you to allow all the railroads are asking for, believing such an allowance would be just. Besides, I have noticed where railroads are doing lots of work the country is prosperous and the people get it back anyway.

Yours, very respectfully,

R. E. ESTEY.

HOW MONEY MAKES MONEY.

(By Channing Rudd.)

"Are the wages we pay the railroads high enough?" is the title of a primer on railroad rates now in course of preparation by eastern railroads as part of their educational campaign for an increase of 5 per cent in freight rates. Some quotations from the primer are:

Freight rates in the whole country have steadily dropped from 1¼ cents per ton mile in 1880 to three-fourths of a cent for several years past.

Railroads get 2⅞ cents for carrying a pair of shoes from Boston to Chicago. If the rates were increased 5 per cent the freight would still be less than 3 cents a pair. Should this affect the average selling price—$4 a pair?

The railroads now carry a piano 1,000 miles for $6. It costs the average householder $5 to get one moved across the street.

A 2-cent stamp will pay the freight on 1 ton of coal over 6 miles. Railroads carry a suit of clothes 1,000 miles for 6⅔ cents; a derby hat 1,000 miles for 2 cents; an overcoat 1,000 miles for 6 cents; a typewriter machine 1,000 miles for 45 cents.

The average reader may not think he is interested in this, but nearly everything he has or wears or uses comes to him by railroad and he is interested in maintaining the efficiency of the service. To be efficient the railroads must be fairly paid for their services.

—

BOSTON, *November 27, 1913.*

CHAIRMAN INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

DEAR SIR: As an unbiased observer of the present situation in railroad affairs, I don't see where an adjustment of 5 per cent or even 7 per cent increase of freight rates is going to hurt anybody, and it would only be a square deal to a class of business in the United States which has made this country what it is to-day. How many millions each year are stolen from transporation companies through fraudulent classification? Are not the equipment and service far superior to what they were years ago when they were permitted to enforce their own rate schedules. It would be a good idea to allow this increase to all roads whose passenger rate does not exceed 2½ cents per mile.

Yours, respectfully,

R. J. BLANCHARD.

—

F. L. SMIDTH & CO.,
New York, December 17, 1913.

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: This is just to put before you the view of one shipper regarding the advance in rail freight rates.

There is no doubt about the increase in operating expenses through the increase in cost of materials and in wages.

We all know there has been no corresponding increase in returns to the railroads for transportation.

If it has not been the practice of the railroads to pad their operating expenses with legitimate investment charges, then they are undoubtedly entitled to an advance in the rates.

Shippers have not been unfair in resenting the old practice to charge all the traffic would bear, more especially since the true values of railroad properties were unknown, and it was not possible to estimate how much more than a fair rate was being charged. Most of the managers of the "all-the-traffic-will-bear" class have disappeared from control or have reformed. It is consequently in my opinion unfair for the public under the present conditions to continue resentment against the railroads.

I am for an advance in rates, provided the operating expenses have been fairly charged.

Yours, very truly,

GEO. M. NEWCOMER.

—

CLEVELAND LUMBER & MANUFACTURING CO.,
Cleveland, Tenn., December 18, 1913.

President WOODROW WILSON,
Washington, D. C.

DEAR MR. PRESIDENT: You do not often find a shipper requesting higher freight rates. However, we think the roads are entitled to some consideration, as their cost of operation has more than doubled. Business is at a standstill. Roads won't buy anything—have nothing to buy with—when the roads are not buying lumber about one-half the sawmills in the South are closed down. Lumber is being sold below cost of production, and thousands of men are out of work in the South. As far as lumber is concerned it is as bad as 1908.

The people have no confidence in securities. It seems to us that the roads should be allowed to advance rates, and we would then see the greatest prosperity the United States have ever known. In politics we are Democrats—sons of Confederate soldiers.

Yours, truly,

B. M. WEBB.

No reply expected.

—

MILLERVILLE, PA., *December 5, 1913.*

INTERSTATE COMMERCE COMMISSION.

SIRS: Please may I ask why dilatory tactics are used in your decision of the proposed 5 per cent increase in freight rates.

I am directly or personally interested in it, but that would be selfish if I were to ask for a favorable decision for my personal benefit alone, but I am asking for justice for the railroads and its stockholders in general and for the future progress and development of this country. If railroads do not prosper in times of heavy traffic as now is the case and under curtailment of expenses with the exception of employee's wages, which wages are forced to be paid by the railroads through arbitration boards, there must be something radically wrong with the rates and something must be done in order to give a square deal to the investor and that immediately. Railroads have to pay more now for money, material, to their employees, for safety appliances, elimination of grade crossings and numerous other things for the safety of the public. Why should they not receive now an increase of rates instead of waiting, waiting, and waiting, when gross receipts are increasing and net gains are decreasing. Is it any wonder that the business and financial world and the spokes of industry are wavering and hesitating?

I am also deeply interested in the complete success of this administration. Social justice is meted out to labor, but why not to capital as well, particularly to those of the railroad world? Your commission receives a report from the railroads monthly and you should be fully cognizant of the vast difference of the gross receipts and the net earnings. Why wait and wait to "investigate" when you should have been investigating right along in the right and sincere performance of your duties? Is it any wonder that one interested in the transportation system of this country loses patience in the procrastination of his equal and just rights? Don't you think living expenses have gone up for the railroads also? And yet in the face of all these facts you want to "investigate" and render a decision in the sweet by and by. Why render a decision when expenses have eaten up nearly all or all of their earnings and on the verge of bankruptcy? It is like a man who locks up his stable after the horse is stolen.

It is now that the railroad and business world needs your help and wise judgment, and not later when confidence is destroyed and the roads are deeper and deeper in their deficit.

I hope that this letter will be read by members of the commission themselves, instead of only subordinates and clerks to the commission, as I presume is usually the case.

I hope that the railroads throughout the entire country will receive the increase, not because they want it, but because it is due them and due them now.

I am no capitalist, neither the son of one. I am a workingman saving what little I can, but I believe in justice and fair play to all, not next year, but this year as well.

Wishing you well in your ardous work and hoping for immediate results, I am,

Yours, respectfully, TITUS F. FELTY.

P. S.—May I receive an answer at your convenience?

T. F. F.

—

NEW YORK, *November 25, 1913.*

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

DEAR SIRS: As operators of bituminous coal mined in the State of Pennsylvania, we write with the purpose of expressing our desire that the rate increase requested by the eastern railroads be granted.

Under existing conditions we have great difficulty in holding our labor supply and in getting over our contracts due to the unreliability of car supply and the erratic manner in which we are furnished with equipment. This results in heavy losses to us during every fall and winter, during which period coal is in heavy demand and at good values.

We feel that the increase should be granted upon the condition, however, that unless the railroad companies act in good faith and furnish high-class service that complaint can be made and a reduction in freights requested by shippers on the ground of poor service.

Yours, very truly,

MAPLE RIDGE COAL CO.,
DAVID L. MORRISON, *President.*

—

CHICAGO, *November 19, 1913.*

Mr. EDGAR E. CLARK,
Chairman Interstate Commerce Commission,
Washington, D. C.

DEAR SIR: We understand that your hearing of the eastern railroads' application for freight rate advance begins on Monday next, and feeling as strongly as we do on the subject, we are presuming to advise you of our opinion, as well as to give you a few of the reasons for same.

To our knowledge in years past the railroads have been required to spend enormous sums of money in the improvement of their track, in track elevation, greatly improved and enlarged terminal facilities, as well as being required to adopt numerous devices in car and locomotive construction. The result is that to-day the railroads are operating in a more efficient manner and with much less risk to life and property than ever in the past.

They also, as you know, have increased the wages of all of their employees a number of times, latterly so frequently and to such an extent that the percentage of wages to operation is larger than ever before.

All of these changes, as you know, have taken place without, we might say, any additional compensation to the railroads, and in a great many instances with very much reduced revenue.

The increases which are requested by the eastern lines are such that the per capita expense, if the increases are allowed, are insignificant, while the result to the railroads is such as will enable them to live and make not more, we think, than a very reasonable profit.

We also think that nothing is more disastrous to a country than to have any of its important interests crippled by enforced unprofitable operation, and where the most important interest is threatened, not only with impairment of profit, but with the loss, practically, of all profit, and some of the less fortunate ones with insolvency, we feel that too careful consideration can not be given before any adverse ruling is had.

We ourselves are very much larger shippers than the recipients of business from railroads, and write this letter after having given the matter very careful consideration not only from the standpoint of right and justice, but of the broad proposition of the country's progress and a normal business.

We feel that if the railroads are required to operate in the highly efficient manner now extant, and with the wage scales which are now effective, that unless they are given the right to increase their revenue, the future holds out but little encouragement for the return of activity and prosperity.

Thanking you for such consideration as you may give this letter, we remain,

Yours, very truly, CHARLES A. RIDGELY & Co.

—

CLAYSVILLE, PA., *December 27, 1913.*

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: I believe there is no one thing that will do as much toward making a boom in business and in turn help us alike as to allow the railroad companies to raise the freight rates. While I pay out over $4,000 per year for freight charges, and of course it will cause me to pay out more money, yet for the good of the country I am willing to do so. The railroads are not making enough money, they are not buying enough steel, are not making enough improvements, they need more money. The States have fixed their passenger rates in many States, the States and National Government have caused them to pay out much more expenses than some years ago, shorter hours, etc., and the fact of the matter is the railroad companies are in bad shape; they should earn more money and they should be allowed to increase their freight rates at least 5 per cent. I have changed my mind in regard to the railroad companies. I formerly thought it all right to hit them right and left, but I see it will not do. The prosperity of the whole country depends largely upon the railroads. I am a plain business man, a Democrat, rather progressive, but feel that we want business booming, and no one thing will cause more prosperity than the railroad companies prospering. I have no stock in any railroad, directly or indirectly.

Very respectfully, GEO. B. SPROWLS.

—

CHICAGO, *January 2, 1914.*

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: We understand the railroad companies are about to make or have made an application on your commission for an advance of 5 per cent in freight rates. If it is consistent with your policy after hearing the argument, we think it would be no more than right that the advance be granted them.

Yours, very truly,

THORNTON-CLANEY LUMBER CO.,
By JOHN CLANEY, *President.*

—

FREDERICK, MD., *December 18, 1913.*

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN. At a meeting of the Frederick Board of Trade held last Friday, December 12, and attended by numerous Frederick shippers, the resolution was passed indorsing the request of the railroads to be permitted to advance rates horizontally 5 per cent. We trust this expression of opinion from the shipping public of Frederick will be given some consideration by your honorable body and result, as we have no doubt it will, in a fair adjudication of this question.

Very truly, yours,

FREDERICK BOARD OF TRADE,
S. L. MOTTER, *President.*

—

SPEYER & CO.,
New York, December 18, 1913.

Hon. CHARLES A. PROUTY,
Chairman, Interstate Commerce Commission,
Washington, D. C.

MY DEAR JUDGE PROUTY: I was very glad to have had the long talk with you yesterday, and I send you herewith a statement of the short-time notes that mature during the next year and thereafter.

I am satisfied that unless confidence is restored in railroad investments very shortly it will be difficult or more correctly, impossible for several of these railroads to meet their maturing obligations, and naturally they will not be able to raise any funds for improvements, betterments, equipment, etc. This will retard, in my opinion, the return of general prosperity in the country and in fact will make the labor situation worse. If this condition and bankruptcies of railroad companies is to be avoided, it can only be done by restoring confidence in railroad investments immediately, and the most effective step to do that is for the Interstate Commerce Commission to grant an increase in rates. I myself believe that 5 per cent asked for the eastern roads is moderate. This can be granted quickly, if the commission so desires, while any rearrangement or raising of individual rates would take considerable time.

I take the liberty of writing these lines, not only because we and our clients are largely interested in railroad securities, but also as a citizen of the United States who is desirous of seeing the country prosperous.

Sincerely, yours,

JAMES SPEYER.

Bonds and notes maturing up to and including Aug. 1, 1914.

Month.	Value.	Railroad.	Month.	Value.	Industrial, public service, etc.
Jan. 1	$3,000,000	Western Maryland Ry. 6's.	Jan. 1	$1,960,000	Interborough-Met. Co. 6's.
Feb. 1	2,500,000	At. Top. & S. Fe. Serial Deb. 4's.	Feb. 1	2,607,000	Hudson Companies 5's.
1	10,000,000	Boston & Maine 5's.	1	8,000,000	Puget Sound Trac. Lt. & P. Co. 5's.
1	3,000,000	Minneapolis & St. Louis R. R. 6's.	2	27,000,000	State of New York 5's.
1	5,000,000	N. Y., N. H. & H. R. R. 4's.	25	15,000,000	Consolidated Gas Co. 6's.
	20,500,000			52,607,000	
Mar. 1	12,000,000	Lake Shore & Mich. So. Ry. 4½'s.	Mar. 1	3,500,000	Gas Securities Co. 6's.
1	4,000,000	Michigan Central R. R. 4½'s.			
1	30,000,000	N. Y. Cent. & Hud. R. R. R. 4½'s.			
	46,000,000			3,500,000	
Apr. 1	2,000,000	Maine Central R. R. 4's.	Apr. 1	2,500,000	Denver Gas & Elec. Co. 6's.
21	20,000,000	N. Y. Cent. & H. R. R. R. 5's.	1	1,000,000	Gas Traction Co. 6's.
			1	1,000,000	Pope Manufacturing Co. 6's.
	22,000,000			4,500,000	
May 1	1,494,000	Chi., R. I. & Pac. Ry. 4's.	May 1	1,000,000	Northern Texas Elec. Co. 5's.
1	10,000,000	Lake Shore & Mich. So. Ry.	1	2,500,000	Pacific Lt. & Power Corp. 6's.
1	15,000,000	N. Y. Cent. & H. R. R. R. 4½'s.	1	1,400,000	Philadelphia Co. 5's.
15	2,000,000	N. Y. Cent. & H. R. R.	1	5,000,000	Portland Ry. L. & Power Co. 5's.
			1	2,000,000	Cambria Steel Co. 5's.
			1	1,000,000	Fifth Ave. Building Co. 6's.
	28,494,000			12,900,000	
June 1	17,000,000	Boston & Maine R. R. 6's.	June 1	1,972,500	Braden Copper Mines Co. 7's.
1	25,000,000	Chesapeake & Ohio 4½'s.	1	3,060,000	Nipe Bay Co. 6's.
1	2,000,000	Connecticut River R. R. 5's.			
1	24,976,000	Missouri Pacific Ry. 5's.			
1	2,500,000	Pitts. & Shawmut R. R. 6's.			
15	20,000,000	Southern Pacific Co. 5's.			
	91,476,000			5,032,500	
July 1	20,000,000	Baltimore & Ohio 5's.	July 1	9,200,000	State of Tennessee 5's.
1	4,000,000	C. & E. I. Recs C Certs. 6's.	1	30,000,000	Chicago Elevated Rys. 5's.
1	15,000,000	Ill. Cent. R. R. Co. 4½'s.	1	1,000,000	Columbus Elec. Co 5's.
1	2,500,000	Kan. City, Mex. & Or. R. Certs. 5's.	1	1,500,000	Lehigh Coal & Nav. Co. 5's.
9	10,000,000	Northern Pacific 6's.	1	2,500,000	Sealshipt Oyster System 5's.
	51,500,000			44,200,000	
Aug. 1	12,500,000	Erie R. R. 6's	Aug. 1	1,000,000	Deere & Co. 5's.
1	11,000,000	International & Gt. Nor. Ry. 5's.	1	4,000,000	U. S. Smelt. R. & Mining 5's.
	23,500,000			5,000,000	

	Railroad.	Industrial public service, etc.
Maturities first 2 months, 1914	$23,500,000	$54,567,000
Maturities first 3 months, 1914	69,500,000	58,067,000
Maturities first 4 months, 1914	91,500,000	62,567,000
Maturities first 5 months, 1914	119,994,000	75,467,000
Maturities first 6 months, 1914	211,470,000	80,499,500
Maturities first 7 months, 1914	262,970,000	124,699,500
Maturities first 8 months, 1914	286,470,000	129,699,500
Total maturities 8 months		416,169,500

This compilation only takes account of $1,000,000 and larger maturities.

THREE YEARS' MATURITIES ABOUT $1,000,000,000—BONDS AND NOTES DUE BEFORE 1917 REACH $953,206,011—OF THIS AMOUNT $45,897,000 IS TO BE MET IN 1913—SHORT-TERM ISSUES LARGELY IN EXCESS OF BOND FLOTATIONS—PENNSYLVANIA RAILROAD HAS DEBT OF $86,827,000 TO LIQUIDATE IN 1915.

The outstanding bond and note obligations of the leading railroad and industrial corporations of the United States which mature and must be paid or renewed before the end of 1916 amount to nearly a billion dollars—to be exact, $953,206,011. Of this total, $45,897,000 must be met before the end of the current calendar year, while the remainder is distributed over the next three years, as follows: 1914, $474,583,381; 1915, $318,758,400; 1916, $113,967,230. In appraising these figures it should be borne in mind that the short-term financing to be reckoned with for the years 1915 and 1916 has not reached anything like the volume it will unquestionably finally assume, for there is no telling what amount of one or two year notes may be issued in the interim.

It will be observed that the aggregate of maturing note issues is considerably larger than that of bond maturities, illustrating how extensively corporations have resorted within the past few years to short-term flotations in preference to bonded debts of longer maturities because of the refusal of capital to undertake long-term commitments. A striking example of this tendency is in the case of industrial maturities for 1916, the bonds amounting to only $850,000, while the note issues aggregate $22,387,000.

Investments in short-term notes have become a form of American hoarding. Money is timid; it will not invest in enterprise that means national progress; it will take no risks and seeks employment where the principal must be repaid within a year or so.

The outstanding maturities are distributed over the next three calendar years as follows:

	1914	1915	1916
Railroad bonds	$24,951,000	$124,603,000	$45,864,500
Railroad notes	310,022,548	95,203,400	21,612,730
Traction bonds	9,845,000	10,089,000	20,553,000
Traction notes	52,840,000	8,048,000	2,700,000
Industrial bonds	24,669,333	16,834,000	850,000
Industrial notes	52,255,500	63,981,000	22,387,000
Total	474,583,381	318,758,400	113,967,230

The maturities for December, 1913, compare with similar figures for the previous month and for December of last year, as follows:

Summary of maturities.

	Dec., 1913.	Nov., 1913.	Dec., 1912.
Railroad bonds	$3,262,000	$3,073,000	$3,000,000
Railroad notes	42,285,000	21,660,500	1,800,000
Industrial bonds	----------	328,000	470,000
Industrial notes	350,000	----------	214,000
Total	45,897,000	25,061,500	5,484,000

The largest single amount falling due next month is an issue of $40,000,000 notes of the New Haven system. Other issues in large amounts are $1,817,000 Interborough-Metropolitan notes and $1,800,000 United Railroads of San Francisco bonds. Following are the December maturities in detail:

RAILROAD BONDS.

Bangor & Aroostook	$45,000
Central Vermont	15,000
Cincinnati, Hamilton & Dayton	116,000
Minneapolis, St. Paul & Sault Ste. Marie	51,000
Missouri Pacific	323,000
Norfolk & Western	100,000
Seaboard Air Line	216,000
Southern	367,000
Texas & Pacific	185,000
United Railroads of San Francisco	1,800,000
Wabash	44,000
Total	3,262,000

RAILROAD NOTES.

Carolina, Clinchfield & Ohio	$130,000
Chicago & Alton	113,000
Interborough-Metropolitan	1,817,000
New York, New Haven & Hartford	40,000,000
New York, Ontario & Western	200,000
Toledo & Ohio Central (Zanesville & Western)	25,000
Total	42,285,000

INDUSTRIAL NOTES.

T. H. Symington Co	$350,000

Conspicuous among the maturities of the ensuing three-year period are $86,827,000 bonds of the Pennsylvania Railroad falling due in October, 1915; $30,000,000 New York Central notes maturing in March, 1914, and a like amount of Chicago Elevated notes due in July, 1914. The subjoined table shows the maturing issues (in amounts of $200,000 or over) of the leading corporations, together with the date of maturity in each case:

RAILROADS.

Ala., Tenn. & Nor. notes, May, 1916	$1,000,000
Ann Arbor notes, May, 1914	750,000
Atchison (Chi. & St. L.) bonds, March, 1915	1,500,000
Atchison bonds, Feb., 1914	200,000
Atl., Birm. & Atl. notes, May, 1915	5,936,800
Atlantic Coast Line (Richmond & Petersburg) bonds, May, 1915	340,500
Baltimore & Ohio notes, July, 1914	20,000,000
Birm. & N'west'n notes, March, 1916	450,000
Boston & Lowell bonds, March, 1915	$500,000
Boston & Lowell bonds, July, 1916	750,000
Boston & Maine notes, Feb., 1914	10,000,000
Boston & Maine notes, June, 1914	17,000,000
Brinson Ry. notes, Aug., 1915	1,250,000
Cal. W. R. R. & N. bonds, Jan., 1915	600,000
Catskill Mountain bonds, Aug., 1915	277,000
Chesa. & Ohio (Kineon Coal) bonds, Oct., 1915	200,000
Chesa. & Ohio notes, June, 1914	28,500,000
Chi. & E. Ill rec. cert., July, 1914	4,000,000
Chi., Mil. & St. P. bonds, July, 1914	4,748,000
Chi., Mil. & St. P. (Dak. & G. Sou.) bonds, Jan., 1916	2,856,000
Chicago & N'western bonds, Feb., 1915	12,832,000
Chicago & N'western (Ced. R. & Mo. Riv.) bonds, May, 1916	2,332,000
Chicago & N'western (Winona & St. Peter) bonds, Dec., 1916	4,038,500
Chi. & W. Indiana notes, Sept., 1915	10,000,000
Cleve., Cin., Chi. & St. L. (Clev., Col., Cin. & Ind.) bonds, June, 1914	4,138,000
Combination Bridge (Sioux City) bonds, July, 1915	500,000
Concord & Claremont bonds, Jan., 1914	500,000
Connecticut River notes, June, 1914	2,000,000
Cumberland Corp'n notes, June, 1915	5,000,000
Delaware & Hudson bonds, June, 1916	13,973,000
Det., Tol. & Ironton notes, June, 1915	1,656,000
Det., Tol. & Ironton notes, Oct., 1915	2,500,000
Duluth & Iron Range bonds, Jan., 1916	5,000,000
Dul., Winn. & Pac. bonds, Jan., 1916	2,000,000
Erie (Buf., N. Y. & Erie) bonds, June, 1916	2,380,000
Erie notes, April, 1914	12,500,000
Erie notes, Oct., 1914	4,550,000
Erie notes, April, 1915	10,000,000
Fort St. Union Depot bonds, July, 1915	312,000
Gainesville Midland notes, Oct., 1916	325,000
Harriman & N'east'n bonds, Jan., 1916	300,000
Hudson Cos. notes, Feb., 1914	2,697,000
Idaho & Wash. Nor. notes, Dec., 1915	1,200,000
Idaho Southern notes, May, 1914	250,000
Illinois Central notes, July, 1914	15,000,000
Interborough-Met. notes, Jan., 1914	2,039,520
Interborough-Met. notes, Jan., 1915	4,000,000
Int. & Gt. Nor. notes, Aug., 1914	11,000,000
Kan. City Term. notes, July, 1916	7,366,500
Lake S. & Mich. So. notes, March, 1914	12,000,000
Lake S. & Mich. So. notes, May, 1914	12,043,930
Laramie Hahn's P. & P. notes, Jan., 1915	1,450,000
Lehigh Valley (Elmira, Cort. & Nor.) bonds, April, 1914	2,000,000
Louisville & Nash. bonds, March, 1916	617,000
Maine Central notes, April, 1914	2,000,000
Manhattan El. Ry. bonds, March, 1916	1,000,000
Michigan Central notes, March, 1914	4,000,000
Michigan Central notes, Aug., 1914	2,000,000
Minn. & St. Louis notes, Feb., 1914	3,000,000
Minnesota Transfer bonds, Aug., 1916	1,980,000
Mo., Kan. & Tex. notes, May, 1915	19,000,000
Mo. & N. Ark. rec. cert., May, 1915	1,250,000
Missouri Pacific notes, June, 1914	24,976,000
Missouri Pacific (L. Rock Junc.) bonds, April, 1916	435,000
Morris & Essex bonds, May, 1914	5,000,000
Morris & Essex bonds, June, 1915	11,677,000
Muscatine Nor. & Sou. notes, Oct., 1914	425,000
N. Orleans & N'eas'n bonds, Nov., 1915	1,320,000
N. Y. Central (Oswego & Rome) bonds, May, 1915	750,000
N. Y. Central notes, March, 1914	30,000,000
N. Y. Central notes, May, 1915	20,000,000
N. Y. Central notes, April, 1914	20,000,000
N. Y. Central notes, May, 1914	2,000,000
N. Y. Central notes, Sept., 1914	5,000,000
N. Y., N. H. & H. notes, Feb., 1914	5,009,000
Northern Pacific notes, July, 1914	10,000,000
Northern Pacific (Taylor's F. & L. Sup.) bonds, Jan., 1914	210,000
Northern Pacific (Duluth S. L.) bonds, Sept., 1916	500,000
Northwestern Pacific (Eel River & Eureka) bonds, Oct., 1914	313,000
Ocean Shore R. R. bonds, Dec., 1916	700,000
Oklahoma Cent. rec. cert., Nov., 1914	556,000
Pennsylvania R. R. bonds, Oct., 1915	86,827,000
Pennsylvania R. R. bonds, Sept., 1914	2,338,000
Pennsylvania Co., bonds, Nov., 1916	4,002,000
Pere Marquette rec. cert., April, 1914	605,000
Pere Marquette notes, April, 1916	206,230
Pitts., Cin. Chi. & St. L. (Steuben & Indiana) bonds, Jan., 1914	3,000,000
Pitts. & Shawmut notes, June, 1914	2,500,000
Pitts., Shawmut & No. rec. cert., Aug., 1915	1,500,000
Pitts., Shawmut & No. rec. cert., March, 1916	875,000
St. L. & San Fran. notes, Sept., 1914	2,600,000
St. L. & San Fran. notes, July, 1916	390,000
Salt Lake & Los Ang. bonds, Jan., 1916	300,000
Seab'd Air Line notes, March, 1916	6,000,000
Southern Pacific notes, June, 1914	20,000,000
Southern Railway notes, Feb., 1916	5,000,000
Southern Railway (Col. & Green.) bonds, Jan., 1916	1,925,000
Southern Railway (Rich. & Danv.) bonds, Jan., 1915	4,722,000
Southern Railway (West. N. Caro.) bonds, July, 1916	2,414,000
Tavarres & Gulf bonds, July, 1915	299,000
Tenn. Cent. rec. cert., Feb., 1914	350,000
Tioga R. R. bonds, Nov., 1915	239,500
Vicksb., Shrevep. & Pac. bonds, Nov., 1915	1,323,000
Wabash Pitts. Term. rec. cert., Feb., 1914	973,000
Wabash Pitts. Term. rec. cert., March, 1914	433,772
Wabash Pitts. Term. rec. cert. June, 1914	969,326
Wabash R. R. rec. cert., Aug., 1914	14,000,000
W. Jersey & Seashore notes, July, 1914	1,394,000
Western Maryland notes, July, 1915	10,000,000
Western Maryland notes, Jan., 1914	3,000,000
Wheel. & L. E. rec. cert., Feb., 1915	460,000
Winona Bridge bonds, Sept., 1915	384,000
Wisconsin Central (Chi., Wis. & Minn.) bonds, March, 1916	776,000

TRACTIONS.

No. Ohio Trac. & Lgt. (Ak., Bed. & Clev.), bonds, Sept., 1915	$300,000
Union Traction of Indiana (Marion City) bonds, May, 1915	338,000
United Rys. & Elec. notes, July, 1914	840,000
United Rys. & Elec. (Balt., Cat. & Ell. Mills) bonds, July, 1916	500,000
Bos. Elev. (W. End) bonds, March, 1914	2,000,000
Bos. Elev. (W. End) bonds, May, 1916	815,000
Bos. Elev. (W. End) bonds, Aug., 1915	4,743,000
Mass. Elec. Cos. (Taunton St. Ry.) bonds, Jan., 1914	350,000
Mass. Elec. Cos. (Taunton St. Ry.) bonds, March, 1914	200,000
Bklyn. Rap. Trans. (Sea Beach Ry.) bonds, Sept., 1916	650,000
Bklyn. Rap. Trans. (C. Isl. & Bklyn.) notes, Jan., 1914	500,000
Illinois Traction (Cent. Ry., Peoria), bonds, April, 1915	570,000
Aurora, Elgin & Chi. (Elgin, Aurora & Southern) bonds, June, 1916	2,000,000
Chicago Elevated notes, July, 1914	30,000,000
Suburban R. R., Chicago, bonds, March, 1916	1,250,000
Cleve., S'west'n & Columbus (Cleve. & Elyria), May, 1915	200,000
Cleve., Paines. & E. bonds, April, 1916	500,000
Lake Shore Electric (Lorain St. R. R.) bonds, Jan., 1915	200,000
Columbus (Ga.) Elec. notes, July, 1914	1,000,000
Columbus (O.) Ry. & Lgt. notes, June, 1914	600,000
Ohio Elec. Ry. (Lima Elec. Ry.) bonds, July, 1916	260,000
Ohio Elec. Ry. (Dayton Trac.) bonds, July, 1916	250,000
Texas Traction Co. bonds, April, 1916	400,000
Dan. & Bethel St. Ry. bonds, May, 1914	200,000
Detroit Un. Ry. (Det. Elec.) bonds, June, 1916	1,050,000
Detroit. Un. Ry. (Rapid Ry.) bonds, May, 1915	300,000
Detroit Un. Ry. (Rapid Ry.) bonds, May, 1916	300,000
East St. Louis & Suburban (Alton R. & Illum) bonds, Oct., 1915	250,000
North Texas Electric (Ft. Worth Sou. Trac.) notes, May, 1914	1,000,000
Galv.-Houston Elec. notes, April, 1914	600,000
Commonwealth Pow., Ry. & Lgt. (Gr'd Rapids Ry.) bonds, June, 1916	3,210,000
Commonwealth Pow., Ry., & Lgt. (Sag. City Gas) bonds, May, 1916	750,000
Commonwealth Pow., Ry. & Lgt. (G. Rap. Ed. Co.) bonds, May, 1916	802,000
Hagerstown Ry. bonds, May, 1916	200,000
Holyoke St. Ry. bonds, April, 1915	250,000
Los Angeles Trac. bonds, May, 1915	250,000
Memphis St. Ry. bonds, Jan., 1916	906,000
Montgomery Lgt. & Trac. notes, April, 1914	650,000
Pub. Serv. Corp'n of N. J. (N. Hud. Co. Ry.) bonds, Jan., 1914	620,000
Pub. Serv. Corp'n of N. J. (Patterson Ry.) bonds, Oct., 1914	300,000
Union St. Ry. (New Bedford, Mass.) bonds, Jan., 1914	500,000
Connecticut Co. (N. Haven St. Ry.) bonds, June, 1914	250,000
N. Y. Rys. Co. (Eighth Ave.) bonds, Feb., 1914	750,000
N. Y. Rys. Co. (B'way & Seventh Ave.) bonds, July, 1914	500,000
Third Ave. Ry. (N. Y.) (Dry Dock E. B. & B.) notes, Feb., 1914	1,100,000
Un. Gas & Elec. notes, April, 1915	5,500,000
Un. Gas & Elec. (Rich. L., H. & P.) bonds, Jan., 1914	200,000
Un. Gas & Elec. (Rich. L., H. & P.) notes, March, 1914	500,000
Un. Gas & Elec. (West Side R. R., Elmira) bonds, Oct., 1914	355,000
Un. Prop. Co. of Cal. (Un. Lgt. & Pow.) notes, Dec., 1914	2,150,000
Oklahoma Ry. bonds, Dec., 1915	400,000
Omaha St. Ry. bonds, May, 1914	1,870,000
Pensacola Elec. notes, March, 1916	250,000
Wilmington & Phila. Trac. (Chester Trac.) bonds, May, 1914	250,000
Philadelphia Co. notes, May, 1914	1,400,000
Philadelphia Co. (East End Elec.) bonds, Feb., 1915	488,000
Cumberland County Pow. & Lgt. (Portland & Cape Eliz.) bonds, Nov., 1915	400,000
Cumberland County Pow. & Lgt. (Portland R. R.) notes, Dec., 1916	450,000
Portland Ry., Lgt. & Pow. notes, May, 1914	5,000,000
Un. Rys. of St. Louis (South. Elec.) bonds, May, 1915	500,000
Un. Rys. of St. Louis (South. Elec.) bonds, Aug., 1916	200,000
Un. Rys. of St. Louis (St. L. & Sub.) bonds, Nov., 1914	600,000
Un. Rys. of St. Louis (St. L. & Sub.) bonds, May, 1916	1,000,000
Pacific Gas & Elec. (Oakland Gas. Lgt. & Ht.) bonds, March, 1916	1,000,000
California St. Cable bonds, Jan., 1915	900,000
Un. Rys. Investment (Park & Ocean) bonds, Jan., 1914	250,000
Un. Rys. Investment (Ferries & Cliff H.) bonds, March, 1914	650,000
Puget Sd. Tr. Lt. & P. notes, Feb., 1914	7,500,000
Roch., Syr. & East. notes, Feb., 1915	998,000
Auburn & Syracuse notes, Feb., 1915	300,000
W. Va. Trac. & Elec. notes, July, 1915	1,250,000
Repub. Ry. & Lgt. notes, Jan., 1916	2,000,000
Repub. Ry. & Lgt. (Mah. & Shen. R. & L.) bonds, Jan., 1916	4,510,000

INDUSTRIALS.

Amal. Copper notes, March, 1915	12,500,000
Am. Bank Note Co. notes, March, 1916	1,000,000
Am. Coal Products notes, July, 1916	2,000,000
Am. Locomotive notes, Oct., 1914	2,000,000
Am. Cotton Oil bonds, Nov., 1915	5,000,000
Am. Malt Co. bonds., July, 1914	2,834,000
Am. Pow. & Lgt. notes, July, 1914	3,000,000
Appalachian Power notes, Nov., 1914	500,000
Consolidated Gas notes, Feb., 1914	15,000,000
Denver Union Water bonds, July, 1914	8,000,000
Denver Gas & Elec. notes, April, 1914	2,500,000
Distillers Sec. Corp'n (Am. Spirits Mfg.) bonds, Sept., 1915	1,472,000
Fed. Sugar Ref'g notes, Nov., 1914	2,500,000
Gen. Baking Co. notes, March, 1915	400,000
Gen. Electric notes, April, 1914	8,000,000
Gen. Motors notes, Oct., 1915	9,899,000
Int. Harv. of N. J. notes, Feb., 1915	15,000,000
Lackawanna Steel notes, March, 1915	$9,994,000
Lehigh Coal & Nav. bonds, July, 1914	5,000,000
Lehigh Coal & Nav. bonds, April, 1914	1,992,833
Lehigh Coal & Nav. bonds, June, 1914	1,842,500
Lehigh Coal & Nav. notes, July, 1914	1,500,000
Middle West Utilities notes, June, 1916	3,500,000
Mitchell-Lewis Motor notes, Aug., 1914	1,500,000
Niag. Lock & Ont. Pow. notes, Oct., 1914	900,000
Nor. Calif. Pow. notes, Feb., 1915	800,000
Pacific Lgt. & Pow. Corp'n notes, July, 1915	2,388,000
Pacific Lgt. & Pow. Corp'n notes, May, 1914	2,500,000
People's Gas Lgt. & Coke bonds, July, 1915	300,000
Pope Mfg. Co. notes, April, 1914	1,000,000
Pub. Serv. of Nor. Ill. notes, July, 1916	2,500,000
Repub. Iron & Steel notes, June, 1914	1,500,000
Remington Typew'r notes, Jan., 1916	3,755,000
Rumely (M.) Co. notes, March, 1915	9,750,000
Sou. Calif. Edison notes, April, 1916	332,000
Sulzberger & Sons Co. notes, June, 1916	9,300,000
Swift & Co. bonds., July 1914	5,000,000
U. S. Rubber (Gen'l Rubber) bonds, July, 1915	9,000,000
U. S. Sm., Ref'g & M'g notes, Aug., 1914	4,000,000
U. S. Steel Corp'n (Pittsburg S. S.) bonds, Jan., 1915	562,000
Western Union Teleg. (Gold & Stock Teleg.) bonds, May, 1915	500,000
Westinghouse Elec. & Mfg. notes, June, 1914	1,250,000
Westinghouse Elec. & Mfg. notes, Aug., 1915	3,250,000
Westinghouse Elec. & Mfg. (Walker Co.) bonds, Jan., 1916	850,000
Westinghouse Machine notes, Jan., 1914	4,605,500

—

NORTH TONAWANDA, N. Y., *December 29, 1913.*

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: We are convinced that the railroads of the country, in general, are entitled to an increase in rates, and we trust that the arguments and briefs presented by them will receive favorable consideration from you. If the increase is granted, we believe it will result in better freight service; also stimulate general business. We pay the freight on 92 per cent of our shipments, therefore are not actuated by selfish motives, but rather for the general good.

Very truly, yours,

A. WESTON & SON.
L. S. DEGRAFF.

—

CHICAGO, ILL., *December 29, 1913.*

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: It is our belief that the return of prosperous conditions is largely dependent upon the decision which will be made as applies to granting the 5 per cent increase in freight rates to the railroad companies.

Owing to the unfortunate conditions which are prevailing at the present time, as applies to the large number of people out of employment, etc., we earnestly hope that decision will be made along the basis of equity and fairness at as early a date as possible.

Yours, very truly,

HERMAN H. HETTLER LUMBER CO.
H. H. HETTLER.

—

WHITE, GRATWICK & MITCHELL (INC.),
North Tonawanda, N. Y., December 29, 1913.

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: It is our opinion that the railroads of the country in general are, under the circumstances, entitled to the increase in rates they have asked for, and we trust that it will be granted.

We think that the railroads need the increase and that the granting of same to them will be one of the best things that can be done for general business conditions.

Very truly, yours,

G. A. MITCHELL,
President.

—

DULUTH, MINN., *December 27, 1913.*

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: It is our belief that the railroads of the country in general are in need of, and entitled to, an increase in rates, and if the arguments made by them, in your opinion, are reasonable, we hope you can see your way clear to grant them the increase asked for.

If granted, we fully believe that the benefits, as a whole, will be very much greater than any injustice it might do.

Very truly, yours,

ALGER, SMITH & CO.

—

NORTH TONAWANDA, *N. Y., December 29, 1913.*

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: We are not interested in railroads nor have we been requested by the railroads to write this letter, but, as large shippers of lumber, we desire to say that we believe the railroads are entitled to an increase in rates, and that business will be greatly benefited by an early and favorable decision on the part of your honorable body.

Very truly, yours,

THE R. T. JONES LUMBER CO.,
R. T. JONES.

—

FAIR-VIEW FARM,
Winthrop, Me., December 29, 1913.

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: I am nothing but a plain farmer, but I believe the railroads should have the 5 per cent increase in rates which they ask. They are giving us good service and treating us fairly in every respect here in New England, and in order to continue they must have more money. My neighbors all feel the same as I do. Please give the roads

a fair show, and we believe it will help sentiment and business as well.

Very truly, yours,

A. L. BRANN.

—

NORTH TONAWANDA, N. Y., *December 29, 1913.*

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: We are convinced that the request of the railroad companies east of the Mississippi River and north of the Ohio for an increase in their rates is justified, and that not only their interests but the interests of the whole country require that an increase should be granted them. If, therefore, in your opinion, the arguments they present warrant your granting the increase we trust you will do so. We appreciate there are sound arguments on both sides of the question; still we are of the firm opinion that the best interests of all concerned will be met by the advance in rates asked for.

Yours, very truly,

HAINES LUMBER CO.,
By M. E. PREISCH,
President.

—

DULUTH, MINN., *December 30, 1913.*

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: Having carefully studied and considered railroad rates, we are of the opinion that the railroads of our country, in general, are entitled to an increase in rates, and if the data submitted by them to your honorable body, in your opinion, seems sufficiently reasonable, we trust that you will not hesitate in granting to them a reasonable increase in rates. We, ourselves, are large shippers, and are convinced that the benefits accruing from such advance will be much greater than any injustice that might be done.

Yours, truly,

MULLERY-MCDONALD LUMBER CO.,
Per J. P. MCDONALD,
Secretary and General Manager.

—

MINNEAPOLIS, MINN., *December 30, 1913.*

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: It is our belief that the railroads of the country, in general, are in need of and entitled to an increase in rates, and if the arguments used by them, in your opinion, are reasonable, we hope you can see your way clear to grant them the increase asked for.

If granted, we fully believe that the benefits, as a whole, will be very much greater than any injustice it might do.

Yours, very truly,

WEBSTER LUMBER CO.,
By H. WEBSTER.

—

MANSFIELD CENTER, CONN., *December 30, 1914.*

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

DEAR SIRS: Kindly read this printed clipping.

Very truly, yours,

CHAS. H. LEARNED.

GIVE THE RAILROADS A LIVING CHANCE.

[New York Journal of Commerce.]

The cure for all this is not a further advance in the wrong direction or toward greater Government control. The wrong step of 1910, taken in a time of special excitement on the question, should be allowed to frame their own schedules of rates and file them, subject to subsequent correction where they can be shown to be excessive, ill-adjusted, or in any way unjust or unreasonable. It is for the interest of the railroads to make them favorable to the industrial and business activity of the country, and they can be held accountable for discrimination or injustice without being bound hand and foot and held down by an inert body of officials with an intolerable load on their shoulders. The railroads have had their lesson and are suffering their penalty. What they need now is more freedom of action within legal limits and under rational supervision, and not further bondage or absolute death, with politicians waiting to seize the carcass.

P. S.—As a man of 71 years, I am interested in old-age R. R. dividends.

C. H. L.

—

MARSHALL-WELLS HARDWARE CO.,
Duluth, December 31, 1913.

INTERSTATE COMMERCE COMMISSION,
United States of America, Washington, D. C.

MY DEAR SIRS: From our knowledge of the railroad situation we believe the railroads in general should have an increase of rates. If, in submitting their argument, you find their demands reasonable, we trust you will see your way clear to grant the increase they ask for, believing as we do that the country as a whole will be benefited and no great injustice done to any shipper.

Our company is among the large shippers of the Northwest, having distributing houses at Duluth, Spokane, and Portland, moving a large tonnage, and we are very much interested in the rates of freight, yet we can not but feel, from our observations, that an increase of earnings is needed by the railroads, and, if given, it would be to the advantage of all interests. We do not see how general business can prosper unless the railroads are put on a remunerative basis, and we believe if some relief is not soon afforded them that the country at large is going to suffer.

Yours, very truly,

A. M. MARSHALL, *President.*

—

NEW YORK, *December 31, 1913.*

G. B. MCGINTY, Esq.,
Secretary Interstate Commerce Commission,
Washington, D. C.

DEAR SIR: Your letter of the 27th instant, having reference to ours of the 20th, addressed to the President, relative to the propriety of granting the 5 per cent advance in freight rates involved in the consideration of eastern rate advance case, Docket No. 5860, received.

We desire to say in this connection that this letter was written to the President solely as an expression of opinion as held by ourselves, as a party immediately affected, and as reflective, we believe, of the unanimous feeling now prevailing, not only among piano dealers and manufacturers throughout the country, but in business circles generally also. Neither the writer nor anyone connected with this company holds any railroad stocks or is in any way thus directly interested. It is certainly apparent, however, that these great institutions exert a tremendous influence on general business and economic conditions and that that influence has been of a deleterious character, under the unfriendly character of legislation directed against them of late. That uncertain financial and apprehensive commercial feeling has been the result is only a matter of current history.

Naturally, as a house seriously affected by this and as bespeaking precisely the same state of affairs as respects our fellow piano manufacturers and the dealers all over the country that share our interests, we are vitally concerned in a revival of enterprise and the restoration of normal conditions. And while a short time ago we rejoiced at decisions quite the contrary—in fact, within the last six months—we must confess that our satisfaction would be much greater now were the desired increase of 5 per cent made to the railroads affected. It is our sincere belief, based on the writer's own personal canvass of the generally prevailing sentiment of manufacturers and dealers, that this concession just at this time would supply just the needed impetus to halting business to once more inspire confidence, induce expansion, and insure a full and vigorous resumption of national enterprise.

As explained in our letter to the President, this expression is made simply because we, like, as we believe, the majority, if not all, of the other heavy shippers who will be principally concerned in the rate advance in question, desire to make known our lack of hostility to it. And we indulge the hope that some consideration may be given that phase of the matter by your honorable body, and that this element, in union with what would seem to be the general expediency of the situation, may be of weight in contributing to a favorable determination to the increase petitioned for.

Respectfully,

BEHNING PIANO CO.,
By HENRY BEHNING, *President.*

—

RAILWAY BUSINESS ASSOCIATION,
New York, December 31, 1913.

Hon. JAMES S. HARLAN,
Interstate Commerce Commissioner,
Washington, D. C.

DEAR SIR: Your attention is respectfully invited to certain utterances which were made at the annual meeting of the Railway Business Association on December 11, 1913, with regard to the importance of as prompt a decision as can justly be reached in the matter of the proposed general advance in eastern freight rates.

Geo. A. Post, president of the association, in his opening address at the morning session, said:

"If relief is to be had it should be prompt. In the past the roads have been told in hard times that they ought not to raise rates and in good times that they do not need to. This is battledore and shuttlecock which may never come to an end. No pains should be spared to assure the commission that the public will approve any degree of expedition compatible with justice to all concerned."

E. B. Leigh, president of the Chicago Railway Equipment Co., in an address at the same session, said that "no factor which could now be introduced into the situation would do more to stimulate general business out of its present and impending condition than a vigorous resumption of railway expenditures. This conclusion, while applying to the state of affairs at this moment, is based upon a careful study and comparison covering many years, showing the relation between railway purchases and general business." Mr. Leigh's address, "Railway purchases measure general business prosperity," illustrated by a chart and presenting statistical proof of his conclusion, is herewith inclosed. Please note on page 3 the following:

"It is not for a moment proposed that railways shall be permitted advances in rates in order that unnecessary purchases may temporarily benefit the railway supply industries or even the whole country. Waste never permanently benefits anybody. It is not unnecessary purchases which are under discussion. Railway facilities are insufficient to meet any considerable increase in tonnage. The proposition is not to overstimulate but to remove an artificial restriction in the shape of rates too low. It is well recognized that it requires a greater force to start from inertia than to continue a momentum already established. The sooner the commission can issue a favorable decree the more certainly will the influencing power of railway purchases be effective in the restoration of general business."

The association adopted the following resolution:

"We believe that if the Interstate Commerce Commission finds as a result of its inquiry that the railways need more revenue to enable them to provide railway service adequate to the growing needs of the public and will grant an increase in transportation rates, the effect will be to promote an immediate improvement in all lines of business. We request the president of our association to publish Mr. Leigh's address and place copies in the hands of the Interstate Commerce Commissioners and State railroad commissioners.

The rate advance case was also discussed in two addresses at the association dinner by Howard Elliott, chairman of the New England lines, and James M. Cox, governor of Ohio. Copies of these speeches are inclosed.

Mr. Elliott, on page 5, says: "A continued improvement of the railways will stimulate trade, give a general steadiness to business, and minimize depression. The money the railways would spend in expanding their facilities, as they should be expanded to keep pace with the growth of business in the country, would percolate into every conceivable artery of trade. Can it be doubted that this would impart that wholesome stimulus to business that is so anxiously awaited at the present time?"

Gov. Cox, on page 5, says: "The development of the country makes a call on the railroads for extensions and equipment, which finds an enforced feeble response. They could advantageously to the public use hundreds of millions of dollars right now;" on page 7, "We might just as well recognize at the outset that a puritanical severity with stockholders who honestly acquired their securities is not going to do any good. The thing to do is to restore the patient and then prescribe and enforce a diet and behavior which will prevent recurrent illness;" on page 8, "Regulation must proceed on the theory that what society imposes on the railroads, society itself must pay for * * *. If we expect the railroads to draw from their earnings to meet the changed and developing conditions of the day, they must receive the same consideration shown to other business enterprises,

or the result with them will be the same—disaster;" and on page 9, "If it develops that while the gross receipts have increased the net receipts are considerably diminished by the liberal policy of society, then relief ought to be granted whether it be 1, 5, or 10 per cent that is needed."

With high respect,
Very truly, yours,

FRANK W. NOXON, *Secretary.*

—

MILWAUKEE, *December 31, 1913.*

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: It is our belief that the railroads of the country, in general, are in need of and entitled to an increase in rates, and if the arguments used by them, in your opinion, are reasonable, we hope you can see your way clear to grant them the increase asked for.

If granted, we fully believe that the benefits, as a whole, will be very much greater than any injustice it might do.

Yours, very truly,

M. HILTY LUMBER CO.

—

SAGINAW, MICH., *December 31, 1913.*

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: It is our belief that the railroads of the country in general are entitled to the 5 per cent increase in rates which they are asking for, and if the arguments made by them, in your opinion, are reasonable, we hope that you can see your way clear to grant the increase asked for, which increase we believe will be a great benefit to the country in general.

Yours, truly,

BOOTH & BOYD LUMBER CO.,
R. M. BOYD, *Secretary.*

—

BAY CITY, MICH., *December 31, 1913.*

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: We feel that you should have an expression from the business men of the country regarding the granting of an increase of rates to the railroads of the country.

We understand that they have from time to time increased salaries of their employees, and are also paying large increased sums for materials, etc., and in fairness to all concerned we would be glad to see an increase allowed, providing the testimony taken will warrant same. We know, however, you will be fair in the matter.

Yours, very truly,

HANDY BROTHERS.
THOS. L. HANDY,
President.

—

RAILWAY BUSINESS ASSOCIATION,
New York, December 31, 1913.

Hon. EDGAR E. CLARK, *Chairman,*
Interstate Commerce Commission, Washington, D. C.

DEAR SIR: Your attention is respectfully invited to certain utterances which were made at the annual meeting of the Railway Business Association on December 11, 1913, with regard to the importance of as prompt a decision as can justly be reached in the matter of the proposed general advance in eastern freight rates.

George A. Post, president of the association, in his opening address at the morning session, said:

"If relief is to be had it should be prompt. In the past the roads have been told in hard times that they ought not to raise rates and in good times that they do not need to. This is battledore and shuttlecock which may never come to an end. No pains should be spared to assure the commission that the public will approve any degree of expedition compatible with justice to all concerned."

E. B. Leigh, president of the Chicago Railway Equipment Co., in an address at the same session, said that "No factor which could be introduced into the situation would do more to stimulate general business out of its present and impending condition than a vigorous resumption of railway expenditures. This conclusion, while applying to the state of affairs at this moment, is based upon a careful study and comparison covering many years, showing the relation between railway purchases and general business." Mr. Leigh's address, "Railway purchases measure general business prosperity," illustrated by a chart and presenting statistical proof of his conclusion, is herewith inclosed. Please note, on page 3, the following:

"It is not for a moment proposed that railways shall be permitted advances in rates in order that unnecessary purchases may temporarily benefit the railway supply industries or even the whole country. Waste never permanently benefits anybody. It is not unnecessary purchases which are under discussion. Railway facilities are insufficient to meet any considerable increase in tonnage. The proposition is not to overstimulate but to remove an artificial restriction in the shape of rates too low. The greatest danger at this moment is delay. It is well recognized that it requires a greater force to start from inertia than to continue a momentum already established. The sooner the commission can issue a favorable decree the more certainly will the influencing power of railway purchases be effective in the restoration of general business."

The association adopted the following resolution:

"We believe that if the Interstate Commerce Commission finds as a result of its inquiry that the railways need more revenue to enable them to provide railway service adequate to the growing needs of the public and will grant an increase in transportation rates, the effect will be to promote an immediate improvement in all lines of business. We request the president of our association to publish Mr. Leigh's address and place copies in the hands of the Interstate Commerce Commissioners and State railroad commissioners."

The rate advance case was also discussed in two addresses at the association dinner by Howard Elliott, chairman of the New England lines, and James M. Cox, governor of Ohio. Copies of these speeches are inclosed.

Mr. Elliott, on page 5, says: "A continued improvement of the railways will stimulate trade, give a general steadiness to business, and minimize depression. The money the railways would spend in expanding their facilitites as they should be expanded, to keep pace with the growth of business in the country, would percolate into every conceivable artery of trade. Can it be doubted that this would impart that wholesome stimulus to business that is so anxiously awaited at the present time?"

Gov. Cox, on page 5, says: "The development of the country makes a call on the railroads for extensions and equipment, which finds an enforced feeble response. They could advantageously to the public use hundreds of millions of dollars right now." On page 7: "We might just as well recognize at the outset that a puritanical severity with stockholders who honestly acquired their securities is not going to do any good. The thing to do is to restore the patient and then prescribe and enforce a diet and behavior which will prevent recurrent illness." On page 8: "Regulation must proceed on the theory that what society imposes on the railroads, society itself must pay for. * * * If we expect the railroads to draw from their earnings to meet the changed and developing conditions of the day, they must receive the same consideration shown to other business enterprises, or the result with them will be the same—disaster." And on page 9: "If it develops that while the gross receipts have increased, the net receipts are considerably diminished by the liberal policy of society, then relief ought to be granted, whether it be 1 per cent, 5 per cent, or 10 per cent that is needed."

With high respect,
Very truly, yours,

FRANK W. NOXON, *Secretary.*

—

CHAS. M. BETTS & CO.,
Buffalo, N. Y., December 31, 1913.

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: We are decidedly of the opinion that the railroads of the country are entitled to an increase in their rates, and that by your giving them such permission it will result in quickly relieving the present acute business depression and benefit a very much larger number of our people than it would injure.

Soliciting your favorable action, we are,
Very truly,

CHAS. M. BETTS & CO.

—

DETROIT, MICH., *December 31, 1913.*

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: In view of the extraordinary high cost of living, it is conceded that the railways are obliged to pay a higher schedule of wages than ever heretofore.

The operating expenses, as disclosed from time to time in the reports of the leading railway corporations, show the cost to have greatly increased per ton-mile.

In our opinion, we believe the railways to be entitled to a reasonable increased freight tariff; that it should also be so graduated as to distribute the burden over all commodities, with readjustments as to long and short haul clauses where the same are manifestly in order. We believe that if they were permitted to have this increase it would be to the best interests of all lines of commerce, and we respectfully pray that the same may be granted to them.

Yours, respectfully,

DETROIT LUMBER CO.,
By E. L. THOMPSON, *President.*

—

THE RICHMOND MICA CO.,
Richmond, Va., December 20, 1913.

Hon. JUDSON C. CLEMENTS,
Interstate Commerce Commission, Washington, D. C.

DEAR SIR: As large shippers of freight we desire to call your attention to the absolute necessity of the railroads being granted a good increase in freight rates.

It is of far greater importance for us to receive orders and keep our business going at full blast than it is for us to be able to continue shipping and receiving our goods at low freight rates.

You will readily recognize that the railroads are the largest buyers of material and employers of labor in the United States outside of the farmers.

This country will not only not go forward but, on the contrary, it will go into a serious depression unless the railroads can secure a good increase in freight rates.

Ten per cent (10 per cent) would not be excessive.

To quote one of the largest payers of freight in the United States, we would call your attention to a statement issued recently by Mr. John Claflin, of the United Dry Goods Co., in which he says:

"It is hard to tell much about the future. It all depends on Washington. If they permit the railroads to advance their freight rates a little everything will be all right. There is no trouble with the money situation at present."

We would call your attention to the following facts in regard to the recent application to your commission for an increase of 5 per cent in freight rates:

There is no let up in the increase of taxes our railroads are compelled to pay. The taxes of 49 railroads now petitioning for an increase in freight rates increased 111.43 per cent from 1903 to 1913, in the face of an increase of only 40.5 per cent in net operating revenue. From 1910 to 1913 gross earnings of these roads increased only 15 per cent, net earnings fell off 0.7 per cent, but notwithstanding this the companies had to bear an increase in taxes of 26.9 per cent, or at the rate of $3,800,000 per annum. A large part of the life blood of our governmental bodies is contributed by the railroads. In the face of an expenditure of $659,000,000 for additions and improvements since 1910 the expenses and taxes increased to such extent ($203,000,000) that there was a falling off in net income, from which ultimately the increased interest on the capital invested had to come, of $16,311,000.

Above-petitioning railroads, to affect more economical operation, have been constantly increasing the size of locomotives. Average tractive power per locomotive increased nearly 34 per cent between 1903 and 1912. Average capacity per freight car increased 28 per cent between 1903 and 1912. The average trainload increased 30 per cent, railway revenues per unit of service rendered decreased. Average receipts per ton-mile decreased from 5.5 per cent from 1903 to 1912. Aggregate compensation to employees (excluding general officers) increased from $364,000,000 in 1903 to $567,000,000 in 1912, or 56 per cent.

Even the newspapers are now commencing to see a great light and recognize that the campaign against the railroads has gone entirely too far. The conclusive array of figures presented by the railroads and clearly illustrating the process of starvation to which they have been subjected in recent years can not fail to impress every fair-minded judge. "We may gratefully appreciate," to quote a promi-

nent journal, "that change is visible in the temper of the people toward the servant, capital. They have begun to realize that under perpetual beating or starving it is sure to sulk or to soldier or be unable to work sufficiently. The railroads, for example, are being accorded a juster recognition, both for their service and for their needs. The demagogues who would exult in their misfortunes are now fewer; corporation baiting is more generally recognized as a boomerang sport. That the gravity of the transportation problem is more commonly appreciated, and that the problem of railway relief has been brought to a head is in itself a negative blessing." As one judge of the situation said sometime ago: "the public wants better service, we are trying to give it, but they refuse to pay for it."

We believe you will be doing your country a great service in granting all of the railroads in the United States at least a 10 per cent increase in freight rates.

Our company can much better afford to live and pay a 10 per cent increase in freight rates than it can afford to go out of business, and we are satisfied that a tremendous number of concerns in the United States will go out of business or become absolutely idle within the next 12 months unless the railroads are immediately granted a large increase in rates.

Yours, respectfully,

L. M. WILLIAMS,
Secretary and Treasurer.

—

MERCHANTS' UNION TRUST CO.,
Philadelphia, October 30, 1913.

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: Great interest exists in the procedure looking toward a possible slight increase (5 per cent) in freight transportation rates on our eastern railways.

From all that we can learn there seems to be a continuously heavy increase in railway expenditure incident to the wage rate, cost of supplies, interest on new capital, and other items of expenditure of these companies, and it appears that the credit of the railroads has been very seriously affected by the continuance of low rates for transportation at a time when expenses have so largely increased.

Though there has been a very heavy demand for capital throughout the world, yet in making comparison with the prices of English railway securities it seems that there has been nothing like the equivalent decline in that country in railroad securities that, with the adoption of a liberal policy as regards rates (as far as consistent with justice to the public), the interest cost on the new obligations required by the transportation companies will again be reduced to the ultimate advantage of general business interests. Another feature of this subject is the stimulus to general trade produced by restoring a better credit to these companies, thus enabled to make placement of the permanent obligations and share capital necessary to provide for betterments and extensions on their several systems.

I feel that this whole subject will be thoroughly presented to your honorable body from its various standpoints, but desire herein to add our own viewpoint in the matter.

Yours, very truly,

JOHN S. BIOREN, *President.*

—

DULUTH, MINN., *January 14, 1914.*

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: It is our belief that the railroads of the country in general are in need of and entitled to an increase in rates, and if the arguments made by them, in your opinion, are sound, we hope you can see your way clear to grant them the request asked for.

If granted we fully believe the benefits derived as a whole will be very much greater than any injustice which it might do.

Yours, very truly,

HEIMBACH LUMBER CO.
By W. P. HEIMBACH, *President.*

—

HIGH BRIDGE, N. J., *January 27, 1914.*

Mr. G. B. MCGINTY, *Secretary,*
Interstate Commerce Commission, Washington, D. C.

DEAR SIR: We are manufacturers and shippers of iron and steel products at all our plants.

Regarding the petition of the railroads in the official classification territory for an advance in freight rates, we are in sympathy with the plan of having that question decided by the Interstate Commerce Commission, that body to determine from the facts presented the necessity for said proposed advance and the reasonableness of the rates to be established thereby.

We therefore desire to go on record as not being opposed to the advance referred to, if found justifiable by your commission.

Yours, very truly,

TAYLOR-WHARTON IRON & STEEL CO.,
WM. H. FREDERICK, *Traffic Manager.*

—

F. BLUMENTHAL CO.,
New York, January 28, 1914.

EDGAR E. CLARK, Esq.,
Chairman, Interstate Commerce Commission,
Washington, D. C.

DEAR SIR: I have been informed that up to and including March 5 assignment has been made to different lines of industry for argument before the Interstate Commerce Commission regarding the advance in freight rates asked for by the eastern railroads, and that the date of March 2 is assigned for hides and leather.

I am under the impression that those appearing before your honorable body desire to argue against the advisability of allowing the increase asked for. I beg to say that the corporation of which I am first vice president feels favorably disposed toward an allowance of increased freight rates, and I therefore take the liberty of asking whether you would consider it advisable for me to appear before your commission on March 2 with the intention of presenting my arguments for the allowance of an increase.

I look forward to your esteemed reply, and believe me,

Respectfully, yours,

J. STEVENS ULMAN.

PHILADELPHIA BOARD OF TRADE,
Philadelphia, February 27, 1914.

Mr. GEORGE B. MCGINTY,
Secretary, Interstate Commerce Commission,
Washington, D. C.

DEAR SIR: Referring to the questions covered by Commissioner Harlan, under date of February 19, 1914, but more particularly as to "private spur and switch tracks," and the existence of some 25,000 such in the territory east of the Mississippi, it is probably fair to assume that about 20,000 of these connect the smaller industrial, warehouse, coal, and lumber yard operators.

It is the belief of this board of trade that it would become a material hardship to all of these smaller concerns to have to pay any switching charge for the placing or drawing out of cars, which would become closely equivalent to a cartage charge, to get away from the cost of which thousands of these concerns have invested extra capital for locations on railroad tracks, and so to keep down the cost of hauling or production. Any switching charge assessed per car means an increase of freight cost, regardless of whether the railroad haul be 10 miles or 1,000 miles, and freight charge $10 or $100 per car. All connections that can properly or reasonably be described as "private spur or switch tracks" should not be assessed with switching charges, if the little fellow is to be allowed to exist.

If the present revenues of the carriers "are not adequate" then supplement them by allowing a commodity rate increase that will bear equally on all, both large and small, without discrimination.

By order of the

COMMITTEE ON INLAND TRANSPORTATION,
W. R. TUCKER, *Secretary.*

—

NEW YORK, *February 28, 1914.*

Mr. GEORGE B. MCGINTY,
Secretary, Interstate Commerce Commission,
Washington, D. C.

DEAR SIR: We beg to reply to your communication of February 17.

Our organization has a membership of 175 and represents an annual volume of business of approximately $140,000,000.

None of our members are connected with any railroad by a private spur or siding.

None of our members enjoy ferry or trap car service.

Our reasons for advocating a reasonable advance in freight rates have been set forth in our communication of December 19, 1913. They represent the views of our board of directors, and have been unanimously confirmed by our membership assembled in convention on January 15, 1914.

The advance in transportation charges which the carriers desire to make would involve but a very slight increase in the cost of merchandise to the recipient. For instance, the average weight of a case of millinery merchandise is about 125 pounds. The average value of contents about $200. The freight rate from New York to Baltimore, for example, is 33 cents; from New York to Boston, 45 cents. The additional charge under a 5 per cent increase would be about 2 cents, and the added cost of merchandise to the consignee would be about one-hundredth part of 1 per cent. This, with reasonable variation, is illustrative of the manner in which the advance will affect many distributors of textile products. Yet an advance in freight rates which will have an insignificant effect upon many merchants will, we respectfully submit, prove of considerable benefit to the carriers, and a stimulus to business in general.

We sincerely trust that the subject will receive favorable consideration at the hands of your honorable body.

Very truly, yours,

EASTERN MILLINERY ASSOCIATION,
M. W. AMBERG, *President.*

—

CHICAGO, *March 3, 1914.*

Mr. GEO. B. MCGINTY,
Secretary Interstate Commerce Commission,
Washington, D. C.

DEAR SIR: In reference to the agitation stirred up through the eastern lines not being granted an increase of 5 per cent in freight rates, we would ask you to kindly consider this as our protest against what we consider unreasonable expense on our part if the trunk lines will now be obliged to assess a charge for spotting cars on a private siding.

When you take into consideration the way it will affect us, you will no doubt agree with us that the spotting charge places us at a very serious disadvantage. Our plant is located on the Illinois Northern Railway, which is probably considered as an industrial road, serving the International Harvester Co., but it is generally overlooked the Illinois Northern serves a number of industries who have no connection with the International Harvester Co. whatever. These industries, as well as ourselves, have within the last few years located on the Illinois Northern Line on account of the transportation facilities and in order to get away from congestion of the freight houses and team tracks of the so-called "Loop District" of Chicago.

Should it come to pass that free spotting will be eliminated, we figure that by taking into consideration the time required to bring a car from the trunk lines into our siding it would cost us most anywhere from $9 to $17 per car. This charge, understand, would be in addition to that compiled on the Chicago freight rate and will accrue in about this way.

We are citing one instance:

M. C. car No. 28615, which the Michigan Central turned over to the Chicago junction for the Illinois Northern to place on our siding. The car contained three blocks of marble from Taber & Co., which was forwarded from New York, N. Y., on the 13th ultimo via the New York Central & Hudson River Railroad, Blue Line, care of the Illinois Northern. It took six days to get this car on our siding after it had been delivered to the Chicago junction by the Michigan Central. Out of these six days we were allowed two days' free time, which would make $4 car service on this car before it reached us. It necessarily will take one day to unload the car, which would make the car service $5, and an additional four days to return the car to the Michigan Central, or $9 car service, on top of which we would be assessed $2 for the trunk line spotting it on the Chicago junction tracks, $2 for the Illinois Northern to spot it on our siding, making a $4 spotting charge, plus the Illinois Northern line charge, which no doubt would amount to $5, making a total of $18 additional, besides the freight which we pay to the trunk line for their service.

We give you this merely as an illustration of what it cost us to get a car from trunk line to out siding, and no doubt you will agree with

us that the condition which will be brought about through this spotting proposition will be extremely unfair to a great many industries who are now unfortunate enough to be located upon a siding, especially those who are on roads similarly classed as the Illinois Northern and more so situated as we are 7 or 8 miles from any trunk line team track or freight house.

While the proposition is up we might add that we have always looked favorably upon a general increase of freight rates of 5 per cent, or possibly slightly greater, because it looks reasonable to us, and it would not affect any individual person, body of persons, or industries.

Yours, truly.

THE LIQUID CABONIC CO.,
O. A. KENBARTH, *Traffic Manager.*

—

ASSOCIATED MORTGAGE INVESTORS,
Rochester, N. Y., March 4, 1914.

CHAIRMAN INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

DEAR SIR: May I be permitted, as a citizen, to express my personal feeling that the railroads should be granted an increase in rates which they ask for, and my conviction that this feeling is shared by a majority of the business men with whom I come in contact? Many business acquaintances, as well as myself, must base such a conclusion on general principles and not on specific data, necessarily, but it may aid your board in determining the equities of the case to have an expression of public opinion.

I think that business men generally recognize that whereas in past years there have been flagrant instances of railroad mismanagement, either from motives of selfishness or on account of incapacity, nevertheless the railroads which are properly managed are in need of assistance, and that the just should not suffer on account of the sins of the unjust.

It is probably true also that the revelations of the last few years are serving to convince an increasing number of business men that the man who conducts his business properly can not allow his responsibility to end there, but must take such steps as he can to see that his competitors do not injure him and others who are doing business in a reputable way by violating the rules of that business both by dishonesty or inefficiency. The injury to the general credit of the business is sufficient warrant for this attitude, if no higher motive were present; and perhaps no class of business men realize this more keenly than railroad men.

I think that the attitude of business men on this point is well expressed in the propaganda of recently organized associations in different classes of business. In my own business (that of securities) the investment bankers have formed an association, one of the chief objects of which is to eliminate unreliable dealers and to eliminate methods of business which are not conducive to the welfare of the business in the long run. The mortgage bankers are planning an organization for the same purpose.

Attention is called to the above facts in support of my contention that public sentiment is in favor of giving the railroads every possible chance to improve their condition, because it is realized that the prosperity of the country in general depends so vitally on the ability of the railroads to serve the country; and I think the public feels that if the railroads show themselves incapable of appreciating the opportunity given them then is the time for the Government to take even more radical steps than before to regulate their scheme of business.

Thanking you for the opportunity to present my views, I am,

Respectfully, yours,

KINGMAN N. ROBINS.

—

PHILADELPHIA, *March 11, 1914.*

GEORGE B. MCGINTY,
Secretary Interstate Commerce Commission,
Washington, D. C.

DEAR SIR: I acknowledge with thanks the various data which you have been sending me relative to the demand by the railroad companies for an increase of 5 per cent in their freight rates.

After careful consideration I am of the opinion that at least a portion of this should be granted, not only to safeguard the investors' interests who have placed their capital in railroad securities, but to allow the railroads to carry out the extensive improvements which they need and those which are demanded under State and Federal regulation, and also in order to help the general prosperity of the country, which undoubtedly is largely affected by the prosperity or adversity of the railroads which serve their sections.

Yours, very truly, E. LOWBER STOKES.

—

ERIE COUNTY SAVINGS BANK,
Buffalo, N. Y., February 19, 1914.

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: You have doubtless received the letter of White & Kemble, No. 56 Pine Street, New York City, under date of February 10, 1914, in reference to investments on the part of savings institutions in our country in railroad mortgage bonds.

I do not think there is anything more that I can say to you than what they have stated, only I would strongly emphasize the position they have taken and I trust you can see your way clear to assist the railroads and thereby maintain the security of their bonded indebtedness.

Yours, very truly, R. S. DONALDSON,
President.

—

CHICAGO, *November 25, 1913.*

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: I wish to call to the attention of your honorable body the importance of granting the railroads a substantial increase in freight rates. This country is at present suffering the greatest kind of a setback due to the fact that the railroads, which are the great upbuilders of the country, are being discouraged and stifled by your constant refusal in permitting them to raise their rates. If it were not that our railroads are managed by the greatest brains the United States possesses they would all be bankrupt long before this. No business could ever withstand such handships and such constant increase of expense caused by arbitrary legislation without being permitted to raise the only merchandise they sell; namely, transportation. If a wholesale concern advances the price of a suit of clothes 50 cents per suit, being forced to do so through paying more for labor, or rent, or taxes, or any other item (but never on account of freight rates, as they are the very least to be considered) the retail merchant at once raises the price of that same suit $2; mind you, the latter is already making from 50 to 100 per cent not counting the $2 raise in addition, yet the freight charge does not enter into this at all, as he does not pay it; i. e., in the city of Chicago there are some of the greatest wholesale and retail establishments in the world; the retail merchant receives his merchandise delivered from the wholesale house in said city without freight or even cartage charges, yet he marks the price according to the attractiveness of the style and pattern, not even thinking of the freight charge, as it is too infinitesimal. Come with me and visit the largest retail establishments which made a net profit of $17,000,000 last year and I will demonstrate to you that some of their merchandise is sold at a hundred per cent profit where no freight or even cartage enters into the transaction. I will take you into the wholesale houses incognito and we can follow the merchandise right into the retail establishment in the same city on almost every commodity where the latter pay no freight or even cartage charges, yet they charge just as much or even more for the merchandise. I quote these instances solely for the purpose of showing that the freight charges play no part whatever so far as the consumer is concerned and the innocent are forced to suffer through a misunderstanding of the other.

Railroad employees are on an average the best paid in the country and the railroads are willing that this should be the case, but they can not maintain this standard of wages much longer unless they be permitted to raise their rates in order to keep up with every other demand made upon them. It has been proven that the very retail concern which made a net profit of $17,000,000 last year has grown-up persons in its employ at $4.50 per week. I dare anyone to discover such an appallingly poorly paid person of a similar age and class employed by the railroads.

What about the investors, the thousands of the investing public who furnish the money with which to build the railroads and who have every right to expect a reasonable return on their investment, say 7 per cent per annum? Some of the private mercantile companies make from 33 to 400 per cent and they are of no benefit to the country whatever. We could get along without the merchant, if we had to, but we could not get along without the railroads; yet the merchant is allowed to charge what he pleases, while the other—the railroads—are driven to pay the advance on everything they use and are prohibited from raising their rates. When the railroads are prosperous everybody is prosperous—from the humblest section hand up to the richest citizen, and that embraces the entire American people; but when the railroads are hit everybody along the line is hit with them.

The railroads promise new stations, better roadbeds, heavier rails, double tracking, special safety devices, paying their employees higher wages and giving them shorter hours, steel cars, additional trains, electric lighted trains, and the investor might receive some benefit through increased dividends and all these expenditures find their way back directly to the laboring classes. They will be the greatest beneficiaries if the increase in freight rates is granted. Do you find any such promises from the shippers? No, not a single one—they promise nothing. Why then stifle the wheels of progress so beneficial to every rank and file and allow the shippers to have things their own way, which is detrimental from the humbiest to the highest who promise nothing in return. I therefore petition your honorable body to at once grant a substantial increase to the railroads, thus restoring prosperity for all time to come and give the railroads a fresh start in life. You will quickly see the rest of the business houses will benefit greatly through the railroads' prosperity.

Most respectfully submitted.

S. HIEDERBERGER,
3001 Michigan Avenue, Chicago, Ill.

—

NEW YORK, *December 16, 1913.*

CHAIRMAN INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

DEAR SIR: Knowing that you are opposed to the increased railroad freight rate, we beg to send you the following comparative figures of the difference in freight between European railroads and those in America.

We are large importers of steel from Kladno, Austria, which we ship by way of Bremen. The distance from Kladno to Bremen is approximately 400 miles, and our contract with the railroads there, which you know are owned by the State, is as follows:

STEEL BARS AND STEEL FORGINGS.

Boxed or otherwise, in less than carload lots, 57 cents per 100 pounds.
In half carload lots, 37 cents per 100 pounds.
In carload lots, 15 cents per 100 pounds.

STEEL BILLETS.

In less than carload lots, 57 cents per 100 pounds.
In half carload lots, 37 cents per 100 pounds.
In carload lots, 14½ cents per 100 pounds.

You will of course bear in mind that in making comparison with American freight rates that the above figures are for carriage of 400 miles. We are shipping some of this material—for instance, the billets—in carload lots through to Detroit, about 700 miles, for less than 16 cents, and shipping broken carloads of steel in boxes to Buffalo for 19 cents, which is 440 miles, compared with 57 cents or 37 cents, according to the quantity, on the same material for a similar distance.

Taking into consideration that the employees on foreign railroads receive less than half the pay that they do on the American railroads, we feel that the increase in railroad rate is justified.

Hoping that this information may be of value to you, we beg to remain,

Yours, very truly,

PETER A. FRASSE & CO. (INC.),
A. E. BRION, *President.*

—

BOSTON, *February 24, 1914.*

The INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: I understand there is some agitation in regard to advancing freight and establishing charges for spotting cars on sidetracks; also increasing charges for holding and diverting cars at different junctions.

While I feel that the railroad companies need more revenue, there is a difference of opinion how this should be obtained. It seems almost a universal opinion that the increased revenue be obtained from an increase in through rates; also in local rate where the latter is practical.

But I do not feel it would be advisable to make any charge for spotting cars.

In regards to holding and diverting cars, I feel that I am paying all that it costs the railroads, and the privileges are not worth any greater expense than we are now paying. The necessity of holding and diverting foodstuffs is a great convenience to the public, and almost a necessity on account of the uneven movement of cars.

Yours, truly,

C. P. WASHBURN.

CHICAGO, *February 28, 1914.*

The INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: We are in receipt of advice from several associations of which we are members, putting several questions to us and asking us to make answer to your commission on or before March 1, 1914.

A. From the meager information which we have it is impossible to tell whether carriers are obtaining sufficient revenue. At the same time the matter has been agitated so much that we believe a general advance of 5 per cent is desirable and would be generally beneficial to the prosperity of the country.

B. We believe that the classification should be revised. Many commodities and other items are transported at much less than cost, and we think a general revision of the classification would make to the ultimate good of the present situation.

We believe that a special charge should be made by the railroads for all privileges, private spurs, sidings, trap car service; in fact, there should be no discrimination of any kind allowed as between a large and small shipper.

Yours, very respectfully,

THE FLORSHEIM SHOE CO.,
By MILTON S. FLORSHEIM.

UNION SQUARE SAVINGS BANK,
FORMERLY INSTITUTION FOR THE
SAVINGS OF MERCHANTS' CLERKS,
New York, February 20, 1914.

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: This bank—a mutual savings bank having no stockholders and whose earnings accrue entirely to its depositors, who are mainly persons in moderate circumstances—deems it proper to strongly urge upon your honorable body the granting of such an increase in rates to the railroads as will enable them to make net earnings sufficient to meet the increased cost for advance in wages, extra service, equipment, etc., some of which is made mandatory through legislation.

Representing over 15,000 depositors who are interested in an investment through this bank of nearly two and one-half millions of dollars in railway bonds, it is felt that the financial security of this investment will be endangered without an increase in rates to the railroads.

Yours, very truly,

WM. H. ROCKWOOD, *President.*

THE SIMMONS MANUFACTURING COMPANY,
Kenosha, Wis., February 19, 1914.

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: I notice in the consideration of the advance rate case that some attention is being given to the service rendered by the carriers, for which they apparently receive no revenue.

The Simmons Manufacturing Company wishes to go on record here and now as being most emphatically in favor of the rate advance as requested by the railroads in trunk-line territory, on the ground that the carriers are entitled to earning a fair return on the investment.

We feel that in a majority of cases this is not now possible; due to the fact that their expenses have steadily advanced from causes largely beyond their control, while their revenues have been steadily reduced, which condition they are apparently just as powerless to remedy.

We feel a general advance in rates to be the best possible solution of the problem, inasmuch as it will go a long way toward relieving the situation, and the fact that it is of the nature of a general remedy, and will be borne by the public at large, will therefore be as devoid of discrimination as possible.

Considering the miscellaneous services rendered by carriers, the business of this country to-day is more dependent on railroad service and facilities than ever before in its history. We feel, therefore, that it is of the gravest importance that nothing be done that will in any way result in a restriction of this service or facilities.

Practically speaking, the manufacturing business of the country is handled in plants that have their own sidetrack; in fact, it could not be handled otherwise for reasons that must be apparent to you. Team track facilities are totally inadequate to-day to take care of the miscellaneous business that of necessity seeks this means of distribution, and the constant switching team tracks, I think any carrier will tell you, costs that carrier more money per car to handle than cars placed on industrial sidings.

This argument is borne out by the fact that a carrier will construct a siding almost anywhere in reason, providing the shipper pays for it, in order to get the business into a specific channel, which enables them in that manner to reduce the cost of handling.

Relatively, I think you will find very few cases where there is a reasonable demand for sidetrack that some means is not effected to provide it. This is further evidenced by the fact that in former years the western roads at least put in sidetracks almost indiscriminately, even at local stations, and at their own expense, to develop the business and reduce the expense of handling.

From my experience, I believe it is safe to say that the average yard car is handled five times, while a car going to an industrial track, goes in loaded and comes out empty, or vice versa, and in many cases goes in loaded and comes out loaded with the one handling.

The fact that conditions are so varied, locations and demands are different, it would seem to me absolutely impossible to make a charge that would not be discriminatory, and we respectfully request that nothing whatever be allowed to interfere with the placement of cars free of charge to legitimate sidetracks.

Yours, truly,

F. H. TRUAX, *Traffic Manager.*

DETROIT, MICH., *March 20, 1914.*

CHAIRMAN OF THE INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: Relative to the proposition for the spotting of cars on the side tracks, would state that we are decidedly opposed to this and consider it unjust.

However, we believe that the railroads are entitled to an increase in freight rates and urge upon your honorable body that they be permitted to increase their rates 5 per cent, as suggested, but that they be refused permission to charge for spotting cars, as they desire. In a great many cases this would be impracticable, for private sidings are used for the storage of empty freight cars by the railroads.

We understand that these spotting-of-cars tariffs have been suspended for the present, and we write you to urge upon you that this suspension be permanent and that at the same time the railroads be permitted to increase the freight charges 5 per cent.

Yours, very truly,

BRIGGS-DETROITER CO.,
By E. D. MOESSNER, *Secretary-Treasurer.*

MARQUETTE CEMENT MANUFACTURING CO.,
Chicago, March 20, 1914.

Hon. JAMES MCANDREWS,
House of Representatives, Washington, D. C.

DEAR SIR: I have noted Secretary McGinty's letter to you of March 12, which is attached hereto.

No doubt there is confusion in the minds of shippers as to the attitude of the Interstate Commerce Commission, but it is common knowledge that the commission has suggested to the carriers that some charge should be made in placing cars on sidings for loading. The traffic journals and the newspapers for the past few weeks have many times referred to the fact that some of the carriers contemplate making a charge of 7½ cents per ton, with a minimum of $2 per car, for placing, for loading, and unloading on ordinary private sidings.

In common with many other shippers, we understood that some of these tariffs making these charges are already filed with the commission. I understand now the commission will listen to arguments on both sides on March 30 and 31 and hope you will urge that no such action be permitted.

The carriers, if this arrangement was permitted, would receive an increase much greater than the 5 per cent ordinarily asked for. The advance would be discriminatory, in that it would only apply to industries and not to the general public. Any expense in connection with this service has heretofore been included in the line-haul rate. The carriers have asked permission to advance rates 5 per cent. We are not opposing this, but we are opposed to any scheme that will enable the carriers to advance their rates from 20 per cent to 40 per cent, which is what would happen to us should a charge be made for switching cars to and from private sidings.

Respectfully, yours,

GOLD WILLIAMS,
Sales Manager.

IN THE MATTER OF PROPOSED CHARGE FOR SPOTTING CARS.

SAGINAW, MICH., *March 20, 1914.*

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: We wish to file a protest with your honorable body against the advisability of allowing the railroads to make a charge for spotting cars on private sidings. Such a charge as proposed would be unjust and illegal, basing our protest from the fact that the published tariffs sufficiently repay the railroad companies for these privileges. If your honorable body allow the railroad companies this privilege the hardships imposed would be so severe that it would effect the lumber industry to a large extent. The charge would not be consistent, owing to the fact that a good many large consuming territories are port towns and can receive their lumber via vessel and distribute their entire output in a retail way, thereby giving them an advantage over their competitors should this contemplated charge be allowed the railroad companies.

We favor the proposed increase of 5 per cent in freight rates and hope your honorable body will not consider the proposed charge for spotting cars.

Yours, truly,

BOOTH & BOYD LUMBER CO.,
Per H. W. ZAHNOW.

SAGINAW, MICH., *March 16, 1914.*

Mr. R. S. COOPER,
Secretary Saginaw Valley Lumber Dealers' Association,
Saginaw, Mich.

DEAR SIR: Referring to the matter now before the Interstate Commerce Commission of allowing the railroad companies to make a charge for spotting cars in lieu of the 5 per cent advance asked by the railroads, beg to state that our company would vigorously oppose any such charge, which would be an extra burden, which the profits of the white-pine lumber business will not stand.

On the basis of our business for last year, a minimum charge of $2 per car would mean an extra tax on our business of approximately $5,000, as we handle in and out approximately 2,500 cars during the year.

Our company has gone on record as expressing itself in favor of allowing the railroad companies to advance their freight rates 5 per cent, but we will strongly oppose in lieu of this a charge for spotting cars which, in our opinion, would be a great hardship and a very unjust discrimination against the lumber shippers.

Very truly, yours,

MERSHON, EDDY, PARKER CO.,
Per F. E. PARKER, *President.*

WEIRTON, W. VA., *March 24, 1914.*

Hon. GEO. B. MCGINTY,
Secretary, Interstate Commerce Commission,
Washington, D. C.

DEAR SIR: A proposition is now before your commission which would permit the railroads to charge an extra amount of $2 per car for "spotting" or switching on to private tracks. This would be in addition to the regular rate, and it is our contention that this service is

already contemplated and provided for in the rate and always has been since the establishment of railroads in the United States. This is a seriously radical departure from well-established and strictly maintained principles.

This intended "spotting" charge is, in our humble opinion, discrimination and makes a comparatively few carry a burden which should be stood by all. We believe the railroads in question should be put in a position to increase their revenue through legitimate advances in their tariff rates and that no deviation should be made from the regular custom in spotting cars.

No doubt you have already given this matter considerable thought and very likely have had protests from a great many industries in different parts of the country, and we hope you will use all your influence against the passage of any laws or rules that will make effective revenue from the placing of railroad equipment.

Yours, very truly,

PHILLIPS SHEET & TIN PLATE CO.,
——— ———, *Vice President.*

—

ST. LOUIS, *February 28, 1914.*

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: For your information we present to you the following facts:

This concern ships about 12,000 tons of malleable iron cooking ranges each year. We ship into 42 of the 48 States. Up to about six months ago we had not had a complaint that amounted to anything relative to the nonreceipt of goods or their being delayed on the road, but within the last few months, over certain roads, we have had a great many complaints.

On investigating we found that as a rule the trouble was a broken-down car or an accident due to inefficient equipment. The rates from St. Louis to all sections where we sell goods have always been satisfactory to the merchant who bought the goods and paid the freight bills, and a 5 per cent advance (if service is given commensurate with the advance) would, we believe, be hailed with joy by every concern and person with whom we do business. It is getting to be a mater of "service" more than anything else. That is what the people want. Of course, they do not want excessive rates, but if it takes an advance of 5 per cent or 10 per cent on rates to keep the railroads going the people who receive the goods are generally satisfied that it is the best way the money could possibly be spent.

We sincerely hope that the small amount asked for—an increase of say, 5 per cent—may be granted to the railroads of this country.

Yours, very truly,

MAJESTIC MANFG. CO.
R. H. STOCKTON, *President.*

—

CHARLOTTE, N. Y., *February 28, 1914.*

To the honorable INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: It goes without saying that the people generally are highly pleased with their Interstate Commerce Commission. I myself feel that it is one of the most useful organizations, but whereas I am much pleased to have the railroads held well in hand, I must confess that I also think you should deal liberally with them in their application for slight increases in freight rates. I realize that you have the matter well in hand, but merely suggest that a small advance could not possibly harm general prosperity, whereas the adoption of the opposite course would, in my opinion, precipitate very dire results. I also wish to voice my opinion as opposed to the suit for the divorce of the Southern Pacific and Central Pacific systems. This suit ought to be stopped at once. Where, oh where, is there any demand for such a suit? It seems ridiculous.

Respectfully, yours,

FRANK S. UPTON.

—

UNIONTOWN, PA., *February 27, 1914.*

Mr. G. B. MCGINTY.
Secretary Interstate Commerce Commission,
Washington, D. C.

DEAR SIR: Owing to change in conditions which existed at the time our letter of October 28, 1913, was written, in which protest against the contemplated advance of 5 per cent in the rates published by the Baltimore & Ohio Railroad Co. on lumber and forest products was made, we beg to respectfully withdraw the objections set forth in the letter referred to above.

Yours, very truly,

PALMER & SEMANS LUMBER CO.,
By J.D. SMITH.

—

ST. LOUIS, MO., *February 27, 1914.*

Honorable INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: We have just taken the liberty of writing you as per confirmation herewith, believing that you will have no objections to a communication direct from interested shippers.

In the first place, we have no objections to an increase of 5 per cent in freight rates, as we feel something should be done to help the railroads in their present difficulties. But on the other hand, we feel that a spotting charge is absolutely a discrimination against those shippers who happen to have a switch on their own ground for which they have had to spend considerable money. Take the case of this company, for instance, which is similar to that of many others.

First. In most instances the railroads are not provided with sufficient team track yards and switching facilities to take care of more than a small percentage of the business they handle.

Second. Therefore manufacturers have had to provide their own facilities in order to carry on their own business.

Third. To provide these switches requires, first, capital lay out, and then maintenance and depreciation charges. In the case of this company the maintenance charges alone on a $2,500 switch is $1,500 per annum.

In 1913 we handled 1,800 cars, 600 of which were outbound, 1,200 inbound. A $2 spotting charge would be an additional expense of $3,600.

We paid approximately $30,000 on incoming freight, therefore a spotting charge in this case would have increased our incoming freight charges approximately 10 per cent.

We have located near us two or three small team tracks, maintained by the railroad companies at their own expense. They are not sufficient to take care of the local business, but in spite of this it is not proposed to make any spotting charge for cars placed on these tracks.

Only yesterday we gave the Independent Bakery Co., one of our neighbors, permission to unload a car of flour on our switch. Under the proposed rules there would have been a spotting charge of $2 on this car, whereas if the car had been placed on a public team track no spotting charge would have been made. Therefore we feel that a spotting charge for cars placed on private switches is a discrimination.

Roughly speaking, it will cost the railroad companies the same amount of money to place cars at one of their own expensive freight depots for loading or unloading as it would to place the same cars on our switch for loading or unloading. Therefore, if a charge is made for placing cars on a private switch, it should also be made when the cars are spotted in a railroad freight terminal.

Respectfully submitted.

CURTIS & CO. MANUFACTURING CO.,
J. H. STEEDMAN.

—

NATIONAL LIGHT & POWER CO.,
St. Louis, February 27, 1914.

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: May the writer, as representing several concerns who are large shippers of freight, venture to suggest that in our opinion the increase in freight rates for which the railroads of the country are asking would be beneficial to the country as a whole by making it possible for the railroads to extend and improve their service and help in this way to stimulate general business and give employment to more men.

Yours, very respectfully,

JUDSON H. BOUGHTON.

—

CHICAGO, *January 20, 1914.*

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: The general opinion seems to be that the railroads should be granted a 5 per cent advance in rates.

If this is done, would it not be possible to exempt wheat? It hardly seems right to add to the farmers' burdens.

Yours, truly,

MARY L. SMITH.

—

MULKEY SALT CO.,
Detroit, Mich., March 9, 1914.

Mr. JAMES S. HARLAN,
Commissioner Interstate Commerce Commission,
Washington, D. C.

DEAR SIR: You will recognize in my name one that has been before the commission on several occasions with complaints against certain railway and water transportation companies. This time I am writing to you without any instigation from any source, but to simply voice my opinion that there is now something due the railway people, and due quickly.

I have had some experience the last 10 or 12 years in the construction and operation of electric lines and know something of the conditions surrounding that branch of the railroad business. I know that wages and material have gradually been going up all the time, without any chance for an increase in passenger and freight rates. I have had labor organizations walk in and demand increase in wages, and when told the road would not stand it without receivership, was informed that they would just as soon work for receivership as for me. It is a question of wages with them entirely, and I know this is the experience of all the steam road companies in this country; consequently their operating expenses have gone up at a fearful rate, and I can not see how they are to live unless they have an advance in freight rates. I know that the steam roads have many sins to answer for; but, for all that, the conditions that confront us now are serious, and ought to be remedied as soon as possible.

I think you are right in forcing a show-down from all these roads in your effort to bring about economies and proper financing; but this will have to be done gradually, and not put them all in the hands of receivers at once. In fact, the railroad situation, to my mind, now is the one thing in the way of general prosperity; and if its screws can be lightened a little bit, I think it would be for the benefit of the entire country. I believe the consensus of opinion now of all citizens is that the roads are entitled to the 5 per cent advance they ask for; and, for the country to get full benefit, it should be done promptly, so they may commence their improvements as early in the year as possible.

Very truly, yours,

J. M. MULKEY.

—

HAGERSTOWN, MD., *March 9, 1914.*

Hon. E. E. CLARK,
Chairman Interstate Commerce Commission, Washington, D. C.

Brother CLARK: I address you thus, as I suppose you are still an honorary member of the Order Railway Conductors, and I am not going to take up any of your valuable time in a long-winded argument, nor am I going to make use of any of the vast amount of so-called facts and figures that you are being constantly supplied with; but I am going to say that in the opinion of all thinking Order Railway Conductors men your honorable commission is doing its members (Order Railway Conductors) a great injury and are making it most difficult to keep the (all too few) concessions that conductors have gotten, and that men and committees feel that some consideration is due them at the hands of the Interstate Commerce Commission. Neither do I say these things in the belief that you do not already know them, but rather to assure you that the men are most vitally interested in the so-called rate-increase case; and no one with whom I have discussed this matter but is of the opinion that the increase should be granted. The writer has been a member of the Order Railway Conductors since 1900, and is writing solely, as he believes, in the interest of his brethren and in hopes of it being some benefit to his country at large.

Briefly, the increase should be granted, and with as little delay as possible.

Trust you will accept this in the same spirit it is intended.

Am also taking the liberty to "Personal" the letter.

I am, most sincerely, yours,

J. R. HEIMBAUGH,
Hagerstown, Md.

General delegate member Division 151, Order Railway Conductors, Monnett, Mo.

CHICAGO, *March 9, 1914.*

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

DEAR SIRS: I have your notice of March 5, for which I wish to thank you, but I can not understand the necessity of continued further investigation, for the business of the country is being ruined by the delay.

Why not grant the 5 per cent increase at once? The railroads surely are entitled to it and it will mean wonders for the prosperity of the whole United States.

If you keep the question open a thousand years there will still be selfish interests to satisfy.

What the business interests, as a whole, need is quick action. The commission can then rectify any serious errors that may develop later.

Sincerely hoping for an early decision in favor of the railroads, I beg to remain,

Yours, very truly, W. R. BETHAM.

P. S.—Brandeis's quibbling does not feed the hungry nor employ the idle, whose numbers everywhere is rapidly increasing.

—

NEW YORK CITY, *March 9, 1914.*

The Hon. EDGAR E. CLARK.

MY DEAR SIR: I venture to state to you my earnest hope that the Interstate Commerce Commission will grant the 5 per cent increase in rates the railways ask. My reason is partly selfish and partly altruistic. I am a clergyman, over 60 years of age, and have been for 36 years the minister of a church of plain people in this city. My inheritance of about $50,000 is invested in the stocks of the Delaware, Lackawanna & Western, the New York, New Haven & Hartford Railroad, the New York Central & Hudson River Railroad, and the Pennsylvania Railroad. The dividends have permitted me to turn back a nominal salary so as to assist people in trouble. To lose this income will entail a great hardship. But I have had to be the advisor of over a hundred men and women in regard to investments. Most of these have, at my suggestion, invested their hard-won earnings in the railway stocks I have named and own from 10 to 30 shares each. It is their only capital. To lose the income from this and to note its market depreciation unfits them for their duties through loss of hope.

I have reason to believe that the classes I refer to are very large. Therefore, in the interest of their well-being I beg of you to regard my plea. I am,

Yours, sincerely, JOSEPH R. DURYEE.

—

NEW YORK, *March 9, 1914.*

CHAIRMAN INTERSTATE COMMERCE COMMISSION.

DEAR SIR: Doubtless an individual opinion carries little weight, but I can not refrain from expressing the conviction that in view of the evident distress of our great railroad systems, due to compulsory increase of expenses without permission to obtain additional income, it is your duty to allow the rate increases asked for at as early a date as possible and that this should be done not only in justice to the railway companies, but because of the fact that delay in this matter is seriously affecting the prosperity of the whole business community.

Yours, very truly,

EDWARD P. SWIFT.

—

BENTON HARBOR, MICH., *March 7, 1914.*

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: In re petition of the Mamer Brick Co. The above petition was made against the discriminations contained in the tariff of the Michigan Central Railway, the Pere Marquette Railway, and the Cleveland, Cincinnati, Chicago & St. Louis Railway, relative to hauling brick. They do not protest against the general 5 per cent increase so long as the rates are uniform.

Can you advise them when a hearing will probably be had as to the charge of discrimination?

Very truly, yours, H. S. GRAY.

—

FORT WORTH, TEX., *March 5, 1914.*

Mr. JUDSON C. CLEMENTS,
Washington, D. C.

DEAR SIR: I am taking the liberty of mailing you, under separate cover, copy of an article written by the president of this company, Hon. Geo. W. Armstrong, which is self-explanatory. This article appeared in every daily newspaper in the State, and is the third of a series which we hope in the end will accomplish a great good. I doubt if there is any other individual in the Southwest who creates more tonnage of freight than does Mr. Armstrong.

Yours, very truly,

TEXAS ROLLING MILL CO.,
Per BARNEY SMITH,
General Manager.

PROPOSED ADVANCE IN RATES DISCUSSED—LETTER TO THE NEWS COMMENTS ON RAILROAD SITUATION—BELIEVES PRESIDENT WILSON FAVORS GRANTING OF APPLICATION OF CORPORATIONS FOR TARIFF INCREASE.

To THE NEWS:

President Wilson, according to a dispatch from Washington, has conferred with the Chairman of the Interstate Commerce Commission regarding the application on the part of the railroads for a 5 per cent increase in freight rates. While the report states that the President has refrained from expressing an opinion as to the merits of the application, it is clear that he regards the subject as one of far-reaching importance which, in the interest of the general public, should be disposed of as speedily as possible. In fact, he expressly disapproves of its postponement until September, as ordered by the commission. It is apparent that he thinks the application should now be granted.

We can not have the prosperity that is due and that would naturally result from the adoption of the new banking and currency system and the settlement of the tariff question until this problem is settled, and this has prompted the President's action. The railroads are the largest employers of labor of all our industries and, besides, they are big buyers of iron, steel, and lumber, which in turn gives employment to hundreds of thousands of men. These industries must shut down or reduce their force when the railroads are out of the market.

The hearing so far before the Interstate Commerce Commission has developed the fact that the shipper is opposed to the proposed increase in rates, because it affects his business. But there is a larger view. From the public's standpoint, the question is solely one of whether or not the increase is necessary to enable the railroads to properly handle the commerce of the country and give efficient service.

DECLARES SERVICE NOT GOOD.

We know, both from observation and from experience, that railroad equipment is run down and getting worse, and that the service is poor and constantly becoming more so. We know, too, that it takes money to provide equipment and that they can only get this by earning it or borrowing, which in turn depends on their ability to earn and repay. We know also that labor, materials, and everything has advanced, and from their annual reports we see that while their gross receipts are always increasing with the increased volume of commerce, their net income is ever diminishing. It may be that they are overcapitalized, but the commission is now engaged in the valuation of the roads as a basis for making rates, which they estimate will require years to complete. In the meantime the public demands reasonably good railroad service, and it is willing to pay its reasonable worth.

There has been some prejudice and misunderstanding in the past on the part of the people toward the railroads, which is happily disappearing. The railroads have not always been considerate of the public and the public has not always been fair to them. We must remember that the railroads are our servants and that they are indispensable to us. We can not confiscate them, and we can not make them render us good service unless we pay them for it. We should not forget that when we inflict a penalty or a hardship on the railroads we only punish ourselves. We pay the freight. We pay the labor from the section hand to the president. We pay the damage claims, the interest on their bonds, and for the graft or extravagance, if any there be, in management. They are allowed by law to earn all of the charges imposed on them and a reasonable return on the investment besides, and freight rates are prescribed accordingly. We are, therefore, interested in the railroads being capitalized at their reasonable value; in their being dealt with justly and fairly by the commissions, legislatures, and courts of the country, and in their having an efficient and economical management, free from any sort of graft. When the increase is granted it should be allowed on condition that the commission is given authority to supervise the expenditure of the money. Let the commission have full power to enforce efficient and economical service.

WOULD BENEFIT SOUTHWEST.

So far as this section of the country is concerned, the increase in interstate freight rates will be of advantage to it. As long as we have a low long-haul rate and a high short-haul rate the East will continue to do our manufacturing. When the reverse becomes true, we will do it ourselves. We would now be importing most of our goods from Europe but for the tariff, which caused manufactures to spring up in this country and enabled them to become established. The factory will not come nearer to us until there is a decided advantage to it to do so. Under present conditions the advantage is the other way. Apart from the fact that manufacturing is already established in the eastern section of our country and that there is more or less conservatism and inertia about making a change, there are many disadvantages to the manufacturer here. There is a scarcity of skilled labor and wages are higher. Credit is more limited and interest rates are higher. We have no water power and fuel is dear. The market is restricted, and the high short-haul rate and the low long-haul rate puts his powerful competitors in competition with him. There is no hope for manufacturing here except in a small and limited way until there is a readjustment of freight rates.

I have learned this in the hard school of experience. I, therefore, speak with authority on the subject.

GEORGE W. ARMSTRONG.

FORT WORTH, TEX.

—

THE NORTHWESTERN MUTUAL LIFE INSURANCE COMPANY OF MILWAUKEE, WIS.,
St. Louis, Mo., March 3, 1914.

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: Permit me to place myself on record before your honorable body as an ardent advocate of the proposed increase in freight rates which your commission has under consideration at this time.

I would remind you that the railroad bonds held by the various life insurance companies are materially affected, as well as the whole commerce of the country.

Trusting that this increase will be granted, I am,

Respectfully, yours,

E. B. STINDE.

—

THE DIME SAVINGS BANK,
Norwich, Conn., March 3, 1914.

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: At a meeting of our directors held on Monday, March 2, the treasurer was unanimously instructed to urge you to grant the application of the railroads for permission to increase transportation rates.

This action was taken because this is a purely mutual savings bank, belonging to small depositors for whom the directors act as trustees without compensation; and because more than one-third of our deposits is invested in railroad bonds.

We have therefore viewed with alarm, the tremendous decrease in gross income and the very large increase in operating expenses, with a corresponding shrinkage in the market value of this class of savings-bank investments which has wiped out the sulplus of some banks and made it impossible for them at present to pay depositors in full.

The only practicable way of saving the railroads, and of protecting the savings banks and other security holders, seems to be the desired increase in rates; and the consensus of opinion, so far as we have heard, among all classes, including shippers, is that the request of the railroads is reasonable and ought to be granted.

Yours, respectfully,

F. L. WOODARD,
Treasurer.

—

MERCANTILE TRUST COMPANY,
St. Louis, March 3, 1914.

Hon. BALTHASAR H. MEYER,
Washington, D. C.

DEAR SIR: I was invited to listen to an address of Mr. Ivy L. Lee, of the Pennsylvania Railroad, before the City Club of Saint Louis. I was so impressed with the simplicity of his language and the forceful-

ness of his argument that I concluded to do all in my power to aid the railroads in general, and thereby aid the entire country and its people.

I am therefore appealing to you to grant the request of the railroads for a 5 per cent increase in rates.

Upon consideration, I concluded that a good way to bring about the desired result would be to publish Mr. Lee's address, which I did entirely upon my own initiative and without the slightest suggestion from Mr. Lee, or any one else. I mailed the pamphlet (copy of which I inclose) to a number of my personal friends and acquaintances, and in their responses I have been amazed to find such unanimous expression of opinion that the railroads should be granted the privilege of increasing rates as asked. It is my deliberate opinion that unless the railroads are permitted to increase their rates, financial ruin will follow the railroad situation generally, and injury to the greatest artery of commerce of the nation is bound to affect the whole nation and its people.

Hundreds of thousands of people in this country and Europe own bonds and stocks in the railroads of this nation. They were largely induced to make such investments owing to the fact that the railroads were subsidized to attract capital to build them. It was never dreamed that the railroads would not be permitted to charge an adequate rate for traffic to develop and support them and to pay interest to the security holders. The security holders are not only of the rich class, but also people of moderate means.

The delay in action upon the part of your commission has excited fear among railroad security holders. Many have thrown their stocks and bonds upon the market at a great sacrifice. Your delay to grant the increase is a notice to financial institutions that danger is brewing, and I firmly believe that disaster will follow unless the increased rates be granted.

As a consequence, and as a further hardship to railroads, interest rates to them have increased until today they have to pay from 1½ per cent to 2 per cent more for the use of money than commercial establishments.

There are four railroads running into Missouri now in the hands of receivers, with the prospect of many others being in this condition unless you act promptly.

There is no body of men in this country with a more solemn duty to perform than your commission, and I am quite certain, if the thinking people of the United States could be consulted, they would advise you to immediately grant the roads the increased rates without further delay.

Very respectfully, yours,

FESTUS J. WADE.

P. S.—I am sending a copy of this to each member of the commission.

—

FARMERS & MECHANICS SAVINGS BANK,
Middletown, Conn., Tuesday, March 3, 1914.

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: We wish to advise you that we heartily approve of the letter sent your commission by White & Kemble, of New York City, under date of February 10, 1914.

As one of the mutual savings banks of New England, we are vitally interested in the action taken by you in the matter of providing some way so that the railroad corporations may increase their net earnings sufficiently to provide for their proper maintenance and their fixed charges.

This institution, having about $5,000,000 in assets, has invested in railroad bonds approximately $1,500,000, which, in percentage to assets, is much smaller than a great many other similar institutions, a number holding from 33⅓ to 50 per cent of their assets in these securities, and some as high as 75 per cent.

While a few years ago it was possible for mutual savings banks to show a big margin in the market value of railroad securities over the book value, these corporations have been so hampered by labor organizations and by legislation that if a large percentage of the banks were forced to liquidate to-day they could not possibly pay 100 cents on the dollar, and the working classes of New England, who largely constitute the depositors of these various institutions, would be the losers.

We seriously implore you to give to these railroad corporations the power, in some way, to raise the necessary net earnings so that their securities may once more be considered the same high-class investment that they have been during the years past, and that the market values may, in some measure, reach the figures which this class of securities commanded before having their troubles.

Yours, very truly,

C. H. LEACH,
Treasurer.

—

HARDWARE MERCHANTS' & MANUFACTURERS' ASSOCIATION,
Philadelphia, March 3, 1914.

Mr. GEORGE B. MCGINTY,
Secretary Interstate Commerce Commission,
Washington, D. C.

DEAR SIR: Referring to yours of February 17, permit me to answer as follows:

A. We do not believe that the present rates of transportation yield adequate revenues for common carriers.

B. We believe that it is only just that the 5 per cent increase asked for should be conceded.

1. This association has in its membership 80 large shippers of hardware and kindred products.

2. About 25 per cent of these are connected with one or more railroads by a private spur or siding.

3. Nearly all of these enjoy ferry or trap-car service.

They feel that inasmuch as, at a large expense, they have been compelled to erect their own sidings, and inasmuch as thereby the railroad companies are saved considerable money for storage at terminals, and that by reason of the ferry service the number of clerks and freight handlers at terminals is greatly reduced, there should be no extra charge made for this service.

Yours, truly,

T. J. FERNLEY,
Secretary-Treasurer.

—

MERCANTILE TRUST CO.,
St. Louis, March 3, 1914.

Hon. EDGAR E. CLARK, *Washington, D. C.*

DEAR SIR: I was invited to listen to an address of Mr. Ivy L. Lee, of the Pennsylvania Railroad, before the City Club of St. Louis. I was so impressed with the simplicity of his language and the forcefulness

of his argument that I concluded to do all in my power to aid the railroads in general, and thereby aid the entire country and its people.

I am therefore appealing to you to grant the request of the railroads for a 5 per cent increase in rates.

Upon consideration, I concluded that a good way to bring about the desired result would be to publish Mr. Lee's address, which I did entirely upon my own initiative and without the slightest suggestion from Mr. Lee or anyone else. I mailed the pamphlet (copy of which I inclose) to a number of my personal friends and acquaintances, and in their responses I have been amazed to find such unanimous expression of opinion that the railroads should be granted the privilege of increasing rates as asked. It is my deliberate opinion that unless the railroads are permitted to increase their rates, financial ruin will follow the railroad situation generally, and injury to the greatest artery of commerce of the Nation is bound to affect the whole Nation and its people.

Hundreds of thousands of people in this country and Europe own bonds and stocks in the railroads of this Nation. They were largely induced to make such investment owing to the fact that the railroads were subsidized to attract capital to build them. It was never dreamed that the railroads would not be permitted to charge an adequate rate for traffic to develop and support them and to pay interest to the security holders. The security holders are not only of the rich class, but also people of moderate means.

The delay in action upon the part of your commission has excited fear among railroad security holders. Many have thrown their stocks and bonds upon the market at a great sacrifice. Your delay to grant the increase is a notice to financial institutions that danger is brewing, and I firmly believe that disaster will follow unless the increased rates be granted.

As a consequence, and as a further hardship to railroads, interest rates to them have increased until to-day they have to pay from 1½ per cent to 2 per cent more for the use of money than commercial establishments.

There are four railroads runing into Missouri now in the hands of receivers, with the prospect of many others being in this condition unless you act promptly.

There is no body of men in this country with a more solemn duty to perform than your commission, and I am quite certain if the thinking people of the United States could be consulted, they would advise you to immediately grant the roads the increased rates without further delay.

Very respectfully, yours,

FESTUS J. WADE.

P. S.—I am sending a copy of this to each member of the commission.

—

NEW YORK, *March 2, 1914.*

CHAIRMAN INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

DEAR SIR: A month or so ago my mother came to me and asked me to sell some of her P. R. R. stock. I asked her why. She stated that a woman friend of hers had said that her husband had told her that the Government would not allow the roads to raise their rates and that a reduction of dividends was sure. I told her that I thought the Government would be fair in the matter. After reading the editorial in the Times this morning and the one in the Commercial and Financial Chronicle of Saturday, I am wondering if I gave good advice. I hated to see the stock go, because half of it was bought by my grandfather 80 or more years ago and the other half by my father at various times during the last 40 years.

Why don't you let them raise their rates? Suppose they do make a little extra. Isn't Hon. Wm. J. Bryan, Secretary of State, working at night to make a little extra? I am trying all the time to make a little extra, and I don't believe you gentlemen would be averse to making a little extra.

I personally would not care to invest in any more railway securities, because if I can not specify what wages I will pay or what I will charge for the service rendered I am in a pretty fix.

Hoping and believing you gentlemen will do the right thing in this matter, I am,

Very truly, yours,

JAMES R. MAGOFFIN.

—

ONVILLE, LA., *March 2, 1914.*

Mr. GEO. B. MCGINTY,
Secretary, Interstate Commerce Commission,
Washington, D. C.

DEAR SIR: Our attention has just been called to a letter from you under date of February 17, 1914, addressed to New Orleans Association of Turpentine Operators, saying that the above association advocated a general advance in freight rates.

The Covington Naval Stores Co., Ltd., hereby wishes to protest against any advance in freight rates, as the present rate is all that they are able to stand.

The writer was not present at this meeting when the subject was discussed or would have objected to such a measure at that time.

Ninety-five per cent of the turpentine operators operated at a heavy loss the past year, and from the outlook for the coming season they can not hope to make any profit this year. If freight rates are increased, we will have to take less for the product at the stills, thereby shouldering additional loss for this year. The naval stores business is not in position to stand any additional loss.

Trusting that you will use your influence against any increase in freight rates for the present, we are,

Yours, very truly,

COVINGTON NAVAL STORES CO., LTD.,
W. A. HOOD, *Vice President.*

—

ST. LOUIS, *March 2, 1914.*

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: We will certainly appreciate your acting favorably on the 5 per cent rate increase asked by the railroads. We believe that the granting of this increase of 5 per cent is necessary and will prove to be a benefit to the entire country.

We haven't much sympathy with the railroads, on account of their methods of doing business, but we do believe that at the present time they actually need this increase in order to enable them to properly equip and operate their freight and passenger service.

Trusting that you may see fit to grant them this request, we beg to remain,

Yours, truly,

LINTON & SCOTT.
BEN B. LINTON.

RUTLAND, VT., *March 2, 1914.*

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: As this bank holds among its assets railroad bonds to the amount of over $80,000, we wish to express our approval of the statements set forth in the letter of the Messrs. White & Kemble, of 55 Pine Street, New York City, which was addressed to your honorable body under date of February 10, relating to the proposed increase in railroad rates.

Very, truly yours,

THE MARBLE SAVINGS BANK,
By JOHN J. MURPHY, *Treasurer.*

BALTIMORE, *March 2, 1914.*

CHAIRMAN INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

DEAR SIR: I hope you will see your way clear to give the railroads the advance in freight rates they are asking for. If you have any idea that the business people of the country do not favor this advance send some one through the South and I assure you that you will find 90 per cent of the business men there in favor of giving them the increase.

Personally, I have practically no interests in the railroads, but I would like to see our country prosperous and the unemployed put to work. There is no doubt that something will have to be done, as in my humble opinion the way things are at present the railroads are slowly bleeding to death.

Yours, very respectfully, R. WALTER GRAHAM.

HAFNER MANUFACTURING CO.,
St. Louis, Mo., March 4, 1914.

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: It is a matter of regret to the writer that your body has seen fit to defer the matter of passing definitely upon the request of the eastern railroads for a 5 per cent advance in rates.

I do not for a moment assume to find fault with your action in this matter, but it occurs to the writer that this matter should be disposed of as quickly as possible, in order that the business interests of the country may have the benefit of your decision.

It is the opinion of the writer and of a large number of business men of this city, with whom he is constantly coming in contact, that the advance of rates for the railroads is essential, and that the advance would redound to the benefit of the entire business interests of the Nation.

I sincerely hope that the desired decision will not be longer delayed.

Respectfully, C. S. HAFNER, *President.*

BRISTOL SAVINGS BANK,
Bristol, Conn., March 4, 1913.

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: We have read considerable in the papers with regard to petitions or requests that are before you with reference to increasing rates for railroad corporations.

About 25 per cent of our deposits are invested in railroad bonds. Our savings bank laws have allowed these for us, and we have considered them, as other savings banks have, we think, as among the best investments we could buy, considering their return and considering the facility with which they could usually be turned into cash.

For the last few years we see that the net earnings of the railroads are in many cases decreasing, while we know that their expenses, especially for labor, have been increasing. It seems to us that the railroads are entitled to increased remuneration for services which they render, and that they have got to have such increased remuneration if their expenses continue to increase, or they will soon be in bankruptcy. Some of them are there now. Some of them seem to be approaching there fast, and even those who are in a somewhat better condition can not go on for many years without a change for the better.

We have thought it perhaps not inappropriate to write as we have to suggest to you one line, that is, that the savings banks and savings bank depositors, who are greatly interested in the questions before you, are hoping that you may take such action as will tend to give, in the next few years, the railroads a living chance.

Yours, very truly, MILES LEWIS PECK,
Treasurer.

BALTIMORE, *March 4, 1914.*

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: We have been studying the trend of events very closely for the past year and we believe that the tariff, currency, and income bills are the best pieces of legislature that were ever enacted in such a short time.

We believe that only two things remain to make the coming decade the most prosperous and profitable this country has ever seen—Mexico and railroad rates. The former we are frank to admit we do not know just what is the best to do, but we do feel that the eastern railroads should be granted the 5 per cent increase they are asking for, and thereby restore confidence in them and permit them to keep up their improvements and service and thus minimize the danger in travel both to the public and employees, for they seem to be retrenching from every side.

Hoping you will see the rate end of this communication as we see it, we remain,

Yours, very truly. H. E. HOUCK & Co.

THE H. A. FITZJARRELL CO.,
Baltimore, Md., March 4, 1914.

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: We, as a firm trading under the above name, request that the advance in freight rates, as requested by the various eastern railroad lines, be granted, as we feel that they are entitled to it and under the present status of affairs business has been very much stagnated.

When we figure that the Pennsylvania and the Baltimore & Ohio Railroads, as two lines employ at least 130,000 men on which rest the support of 500,000 persons and that quite a large percentage of their men are idle, it greatly affects the general business, and we feel that they are entitled to some redress, and we, as business people, are willing to stand our pro rata share of the increased freight rate, as we feel that the increase in business will fully justify it.

Trusting that you will give this your serious consideration, we beg to remain,

Yours, very truly,

THE H. A. FITZJARRELL CO.
D. FRED SOUDERS, JR.,
Vice President.

ALBANY, N. Y.

To CHAIRMAN INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

[Editorial of Albany Evening Journal, Mar. 3, 1914.]

"Statistics of railway expenses and earnings for the first six months of the fiscal year which began on July 1, last, show that the former increased $68,000,000 in that period, while the net operating revenues decreased $58,000,000. These results were from a business greater by $10,000,000 than that for the corresponding period of the previous year.

"As net earnings for the first half of the previous fiscal year were $568,000,000, the loss for the six months ended December 31, last, was only a little less than 10 per cent.

"But the Interstate Commerce Commission, disregarding the impressive showing made by such figures, is still cross-questioning the railroads while it holds in abeyance its decision upon their request that they be permitted to increase freight rates 5 per cent."

Please cut off all rebates of all kinds, includings the post office rebates.

Please give decision quickly on 5 per cent increase in freight rates.

Respectfully, C. P. BRATE.

ST. LOUIS, *March 3, 1914.*

To the INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: I have read the plea of Mr. Ivy L. Lee in behalf of the railroads, and I think he has presented very strong reasons why their request for an increase of freight rates should be granted. The increase they are asking for is very small and the difference to the ultimate consumer on what he buys would be infinitesimal. The people require prompt and ample service, and the railroads must be enabled to perform it. With the compensation they are now receiving it is not possible to make such improvements and additions as the constantly increasing business of the country demands. Corporations and firms engaged in other lines of business than railroad transportation receive a much larger return on their investments than railroad corporations, even if the increase now asked for is granted. Profits come out of the people in one case as in the other, and why should this country discriminate to such an extent between enterprises of its own people? That nearly all railroads need the increase asked for is, in my opinion, not debatable, and I think the Interstate Commerce Commission's investigation will show it. Unless the request of the railroads is granted I firmly believe many of them will have to go into the hands of receivers, and many other lines of business will suffer as a result. This country certainly does not want any more receiverships or business failures than it now has.

Yours, truly,

M. KOTANY.

CHICAGO, ILL., *March 30, 1914.*

Hon. JAS. S. HARLAN,
Chairman Interstate Commerce Commission, Washington, D. C.:

We believe the important factors operating against the revival of business have all been removed, with one exception—a decision in the so-called 5 per cent freight rate increase case. The opinion here is generally, almost universally, held that with this matter concluded the way will have been cleared for a real revival of general business, in view of the importance of which may we all hope for an early decision in this case?

BUTLER BROS.,
H. A. STILLWELL,
Vice President.

WINONA, MINN., *March 30, 1914.*

Hon. G. B. MCGINTY,
Secretary Interstate Commerce Commission, Washington, D. C.

DEAR SIR: We are informed that tariffs are preparing or have been prepared for filing with the commission, the effect of which will be a specific charge of $2 or more per car for setting cars on any sidetrack. This, presumably, is for the purpose of affording an additional source of revenue to the railroads, in pursuance of suggestions made in the hearing before the commission on the question of permitting the eastern railroads to make an advance of 5 per cent in certain rates.

Without entering into the merits of that question, though it is our opinion that such increase should be granted, we wish to protest as strongly as possible against the adoption of any such subterfuge plan as would be the effect of a specific charge for spotting cars on private sidetracks.

If, as we believe true, railroads are not in many cases receiving adequate rates let the rates themselves be advanced, instead of making an additional and specific charge for a service that in all fairness is inclusive in the commodity or class rates. We believe it can be conclusively shown that private sidetracks, as a class, and the switching service pertaining thereto, are a positive element of saving to the railroads. Imagine the situation, particularly in the larger towns and cities, were all private sidetracks eliminated and the railroads necessarily obliged to furnish terminal facilities and team tracks for the loading and unloading of all commodities now handled on private sidetracks. The cost of such additional terminals would be enormous, and the resulting congestion, we believe, would materially increase rather than decrease the cost of switching service.

In conclusion, we repeat that, as a company paying a large freight revenue to the railroads annually, we protest against the proposed charge and much prefer a straightforward advance in rates.

Yours, very truly,

STANDARD LUMBER CO.,
By ROSCOE HORTON, *President.*

CHARLES E. MERRILL CO.,
Auburn, Pa., March 30, 1914.

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: The few thousand dollars I saved from my labors are all invested in railroad securities. My investments are in the Minneapolis & St. Louis R. R., B. & O. R R., and the Lehigh Valley R. R.

The Minneapolis & St. Louis did not pay any dividends on its stock for years. The B. & O. will probably have to reduce theirs unless they are allowed an increase in the freight rates. Even the Lehigh Valley had such reduced earnings for the last six months that the dividend will have to be reduced. Between the labor organizations on the one side and the Government supervision on the other these railroads must pay big wages to their employees and are not allowed to increase their rates so that they can meet this additional outlay. These roads should be permitted at once to increase their rates sufficiently to meet this extra cost for labor and material, and if you do not want to do that then recommend that the Government take over the railroads and leave us poor men out of it with at least 80 per cent of our money.

Stocks and bonds have been going down until now the average holder of stocks or bonds is daily losing more than the interest amounts to. These security holders have rights, too, which this commission should consider carefully.

These people are entitled to reasonable returns for their investments. If they are to have nothing for the money they have thus given to construct and equip these railroads, then we are ready to let the labor organizations or the Government put their money in railroads and get no returns for it.

In the Lehigh Valley R. R. I hold one of the general consolidated mortgage bonds, which I bought at 98, and it is now selling for less than 90, and yet this bond only yields 4 per cent interest. I think of all parties interested in the construction and operation of a railroad the men who furnish the money should have the first consideration.

As it is the newspapers and the Government run the railroads, and the directors and officials might just as well go on a vacation.

I hope you can see your way clear at an early date to give these railroads the privilege to increase their freight rates at least 5 per cent. Even with that increase some will have plenty of trouble to meet all their just obligations.

Truly, yours,

C. A. RITTER.

—

PITTSBURGH, PA., *March 30, 1914.*

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: We are manufacturers and shippers of lime in carload lots exclusively, handling approximately 3,500 cars per year, and desire to enter a protest against the proposed charge for spotting cars, because such a charge would be unjust and unfair for the following reasons:

First. Lime being a low-priced product, the proposed charge would interfere with our business, due to the fact that same would have to be borne by ourselves, because the price of lime will not stand an added charge of $2 per car, and as there are comparatively few shippers of our product the burden would fall upon a few instead of being distributed among many.

Second. It is manifestly unfair to make the same spotting charge for all classes of freight, because the higher classes of freight are better able to stand an increase than sixth class.

Third. Our local conditions, with regard to spur tracks and sidings, are such that several spottings of the same car is sometimes necessary, and it would therefore be unjust to make several charges for the same car.

Fourth. We believe that all freight charges should be paid by the consignee rather than the consignor, thereby making a more equitable distribution of the proposed additional revenue to the railroads concerned in this case.

The above are just a few of the reasons why a spotting charge of $2 per car would work a hardship to our business, and we would respectfully ask that the increase of 5 per cent in freight rates be adopted instead.

Respectfully, yours,

NATIONAL MORTAR & SUPPLY CO.,
A. H. LAUMAN, *President and Manager.*

—

ROANOKE, VA., *March 30, 1914.*

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

Subject: PROPOSED INCREASE IN FREIGHT RATES.

GENTLEMEN: As we handle a goodly number of automobiles and pay considerable freight, we would like to be heard on the subject of the proposed 5 per cent increase in freight rates asked by the eastern railroads.

We believe that automobiles pay proportionately larger freight than almost any other commodity, our freight rate being from two and one-half to three times first-class freight rates. In the face of this fact, we trust that you will see your way clear to grant the railroads the proposed 5 per cent increase; in fact, on our part, we would rather pay 10 per cent increase in freight than for the petition of the railroads to be refused.

Yours, very truly,

VIRGINIA MOTOR CAR CO. (INC.),
By JAMES FRANTZ, *Secretary.*

—

TYRONE, PA., *March 30, 1914.*

The INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: At a meeting of our company this day it was decided that we would file a protest on the proposed charge for spotting cars, for the following reasons:

First. It would place the burden of the proposed increase on a few insteading of dividing it among a greater number.

Second. Lime is a low-price product, and the additional charges made to the manufacturers can not be added to the selling price and would seriously cripple the business.

Third. It makes the same charge on all classes of freight, which is unjust and unfair, as first and second class freight is better able to stand an increase than sixth class.

Fourth. We believe it would be difficult to make a just and satisfactory regulation to cover the car-spotting charge, owing to the varying lengths of spur tracks, the number of cars placed at a time, and number of switching operations necessary.

Fifth. We believe all freight charges should be placed at the receiving instead of the shipping end. We believe that a 5 per cent increase in freight rates would better preserve the proper relations between long and short hauls than a spotting-car charge.

This company handles approximately 7,000 cars per year. We would therefore protest against any charge for car spotting on private sidings and ask that the increase of 5 per cent to the freight rates be adopted instead.

Yours, respectfully,

AMERICAN LIME & STONE CO.,
By J. KING MCLANAHAN, Jr.,
Secretary and Treasurer.

—

ESMONT, VA., *March 30, 1914.*

SECRETARY INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

DEAR SIR: Apropos of the 5 per cent advance in freight rates sought by the railroads—

I am heartily in favor of such an advance in interstate rates, but I would like to make it contingent upon the establishment of adequate intrastate rates.

In Virginia our locals are too high in every instance, and practically prohibitive in many cases, and particularly where they touch the farmers' supplies and products. A single instance will suffice: I wanted to ship a carload of hay to Christiansburg from my station, a trifle over 200 miles. Rate is 25 cents per 100 pounds ($5 per ton!), whereas the through rate on hay Detroit, Mich., to Richmond, Va. (800 or 900 miles), is 20½ cents per 100 pounds. My station to Richmond (about 90 miles), 11 cents per 100 pounds ($2.20 per ton).

I have seen no reference to this side of the rate question in any reports touching the matter now under consideration.

With consistent local freight rates, a 10 or 20 per cent advance in most staples in interstate shipments would work no perceptible hardship on the average consumer. It is the confiscatory locals that hurt.

Respectfully submitted.

Very truly, yours,

EDWIN EARLE.

—

NEW YORK, *March 30, 1914.*

Hon. B. H. MEYER,
Interstate Commerce Commission, Washington, D. C.

DEAR SIR: It is very comfortable to be able to believe that because things have gone along in a certain way for many years they are likely to go on in the same way for many years more, or for so long as anybody need look ahead; and that it is better so than to bother with change. Thus, we are continually counseled to compromise with things as they are. But there is an end at last to compromise. Things as they are become intolerable; they can not go on any longer in the old way. Correction follows.

We are now in that corrective period, and, among other things, the railroad situation has got to be corrected. First was the Interstate Commerce Commission, created expressly to represent the people against the railroads and to regulate rates, and, of course, to regulate rates by keeping them down. That was what the people wanted. The railroads protested; and it was awkward for them, because the regulation of rates began at a point where rates, by reason of excessive competition, were already very low. But they protested in vain. Then they made the best of it; that was in the spirit of compromise.

Then the public declared itself a third party to every dispute between the railroads and their employees over wages, and said strikes should not occur. A law was passed to provide for arbitration. Railroad strikes did cease, but at the same time the railroads lost control of the most important single factor of cost in the production of transportation, namely, the labor cost. Every threat of the employees to strike for higher pay brought about a call for arbitration under the auspices of the Government, and arbitration in every case meant "something for the men." The railroads protested, but again in vain, and went on making the best of it. That was again in the spirit of compromise.

Obviously two diverging lines must run ever farther and farther apart. It was impossible for one arm of the Government to continue keeping rates down, and another arm of the Government to continue putting wages up, without bringing the railroads face to face with a crisis in which compromise would be no longer possible. Everybody who does not employ labor wishes to see wages rise, thinking it makes for prosperity; everybody who does not own railroad shares wishes freight rates to stay low. In between are the railroads, unable to control their costs, their service, or the selling price of their product. It is for them a desperate situation.

Nobody at any time wishes to see "liquidation of labor," either by wage reductions or unemployment. It is the one commodity of all that has not yet been touched by liquidation. However, it is now clear that one of three things must happen. Either the Interstate Commerce Commission must allow the railroads to raise their rates, or the railroads must liquidate labor, or the Government must take over the railroads at last and tax the people to support them. They are not now self-supporting.

Unable to wait for the Interstate Commerce Commission to finish its deliberations, the railroads have begun to do the only thing left for them to do; they have begun to liquidate labor, not by reducing wages, but by cutting down forces. The New York Central and the Pennsylvania Railroad lines have reduced their forces more than 50,000 men in four months. Some of this unemployment, of course, is owing to the reduced amount of tonnage to be hauled, which has nothing to do with rates; but a great deal of it is directly owing to the fact that the railroads have not, on their present margin of profit, enough borrowing power to engage new capital for new works. It is the correction least to be desired, because unemployment converts just so many men from productive units into social liabilities; but there was no other way to meet the situation. If it does not convince the Interstate Commerce Commission, then we shall be compelled to say that the final solution will be for the railroads to sell out to the Government. The alternative is bankruptcy for many of them, and that is simply unthinkable.

Faithfully, yours,

A. A. HOUSMAN & COMPANY.

—

SHEFFIELD, MASS., *March 30, 1914.*

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: Although we have, in conjunction with other lime manufacturers in this vicinity, entered our protest against allowing

the railroad companies to charge a switching or spotting expense for placing cars for loading and unloading on private sidings, we deem the matter of such great importance as affecting our interests that we conclude, individually, to address you in relation to the matter. While we admit that the railroad companies may and probably do require some additional revenue to enable them to meet increased cost of operating, we do not consider that carload shippers should be discriminated against in affording them the necessary assistance; in fact, we feel that such an action would, in the mildest terms, be unfair and positively inequitable, and we respectfully suggest and recommend that the railroads be allowed the 5 per cent increase in rates; then the burden will be generally distributed and will have no disturbing influence in business.

Yours, very respectfully,

BERKSHIRE HILLS COMPANY.
SOLON R. WRIGHT, *Treasurer.*

—

NEW YORK, *March 30, 1914.*

Hon. EDGAR E. CLARK,
Interstate Commerce Commission, Washington, D. C.

DEAR SIR: It is very comfortable to be able to believe that because things have gone along in a certain way for many years they are likely to go on in the same way for many years more, or for so long as anybody need look ahead, and that it is better so than to bother with change. Thus, we are continually counseled to compromise with things as they are. But there is an end at last to compromise. Things as they are become intolerable; they can not go on any longer in the old way. Correction follows.

We are now in that corrective period, and among other things, the railroad situation has got to be corrected. First was the Interstate Commerce Commission, created expressly to represent the people against the railroads, to regulate rates, and, of course, to regulate rates by keeping them down. That was what the people wanted. The railroads protested, and it was awkward for them, because the regulation of rates began at a point where rates—by reason of excessive competition—were already very low. But they protested in vain. Then they made the best of it; that was in the spirit of compromise.

Then the public declared itself a third party to every dispute between the railroads and their employees over wages, and said strikes should not occur. A law was passed to provide for arbitration. Railroad strikes did cease, but at the same time the railroads lost control of the most important single factor of cost in the production of transportation, namely, the labor cost. Every threat of the employees to strike for higher pay brought about a call for arbitration under the auspices of the Government, and arbitration in every case meant "something for the men." The railroads protested, but again in vain, and went on making the best of it. That was again in the spirit of compromise.

Obviously two diverging lines must run ever farther and farther apart. It was impossible for one arm of the Government to continue keeping rates down and another arm of the Government to continue putting wages up without bringing the railroads face to face with a crisis in which compromise would be no longer possible. Everybody who does not employ labor wishes to see wages rise, thinking that it makes for prosperity; everybody who does not own railroad shares wishes freight rates to stay low. In between are the railroads, unable to control their costs, their service, or the selling price of their product. It is for them a desperate situation.

Nobody at any time wishes to see "liquidation of labor," either by wage reductions or unemployment. It is the one commodity of all that has not yet been touched by liquidation. However, it is now clear that one of three things must happen. Either the Interstate Commerce Commission must allow the railroads to raise their rates, or the railroads must liquidate labor, or the Government must take over the railroads at last and tax the people to support them. They are not now self-supporting.

Unable to wait for the Interstate Commerce Commission to finish its deliberations, the railroads have begun to do the only thing left for them to do; they have begun to liquidate labor, not by reducing wages, but by cutting down forces. The New York Central and the Pennsylvania Railroad lines have reduced their forces by more than 50,000 men in four months. Some of this unemployment, of course, is owing to the reduced amount of tonnage to be hauled, which has nothing to do with rates; but a great deal of it is directly owing to the fact that the railroads have not, on their present margin of profit, enough borrowing power to engage new capital for new works. It is the correction least to be desired, because unemployment converts just so many men from productive units into social liabilities; but there was no other way to meet the situation. If it does not convince the Interstate Commerce Commission, then we shall be compelled to say that the final solution will be for the railroads to sell out to the Government. The alternative is bankruptcy for many of them, and that is simply unthinkable.

Faithfully,

A. A. HOUSMAN & Co.

—

ZABRISKIE, MURRAY, SAGE & KERR,
New York.

To the MEMBERS OF THE INTERSTATE COMMERCE COMMISSION.

GENTLEMEN: I feel it my duty as a citizen to state my views on the application of the carriers for increase in their rates. I believe that this increase should be speedily and unqualifiedly granted, and I find that this is the view of every fair-minded and disinterested thoughtful person whom I have met in the last six months.

Although I own a few shares of railroad stock, the amount is very small, and I believe that I can truthfully say that my views are unbiased by this fact. Nor does my firm represent in any way any railroad or railroad interest.

I greatly appreciate the toilsome and public-spirited work which your committee is doing in this matter, but feel that, if my personal experiences and associations are at all representative, so many thoughtful and patriotic men of affairs in all parts of the country, and in all walks of life, can not be wrong in their common conviction that this increase is demanded by necessity and that the question of further increases is an open one.

I trust that you will pardon my liberty in addressing you, but understand that the opinions of disinterested men are desired by your body.

Very respectfully, ALBERT B. KERR.

RICHWOOD, W. VA., *March 31, 1914.*

INTERSTATE COMMERCE COMMISSION.

GENTLEMEN: After due consideration as to the 5 per cent increase in freight rates, I wish to withdraw my protest, as I believe they, the railroads, are entitled to an increase in rates.

Very truly, yours. C. B. CROPP.

—

ALTOONA, PA., *March 31, 1914.*

Hon. JAMES S. HARLAN,
Interstate Commerce Commission, Washington, D. C.

Regardless of motives or causes, the retrenchment policy of the railroads will positively lead to a serious panic before May unless checked immediately. This statement is based on exhaustive expert investigation of panic of 1893, having its crucial momentum started in May. Each day, each hour, right now, is fraught with potent germs of geometrically increasing disaster of tragic proportions. In behalf of the masses of the people of our country, I appeal to your honorable body that Wednesday and Thursday may be given for conclusion of the railroad officials' testimony. Kindly read again my telegram of December 4. The prognostications therein proven true by events should give weight to predictions herein respectfully submitted.

W. E. RUSS.

—

ROCKVILLE, MD., *March 31, 1914.*

The INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: The most important case to the greatest number of people before your commission at the present time is the petition of the eastern railroads for a 5 per cent increase in freight rates. I can see no reason why the commission should allow less important cases prevent the prompt consideration of this petition. The prosperity of the country seems to await and depend to a considerable extent upon your action. The railroads and the people are anxiously awaiting the decision, and in the meantime thousands of people are losing employment. When the regulation of rates was intrusted to your commission it was not intended that the railroads should not be allowed to make a fair profit, but merely that they should not be allowed to impose upon the people and grant special favors to some and not to others. It seems to be the general opinion in this part of the country at least that the railroads are entitled to this increase. If the commission does not promote the taking of such testimony as may be necessary and give such decision as may be indicated thereby promptly and with reasons therefor, it will lose the confidence of the public, as all other reactionary bodies who have held out against popular thought and sentiment have done.

The petition has already been pending long enough apparently to have gotten in all the evidence and given it such consideration as may be necessary.

I trust there is no feeling or hope among the commission of discrediting the administration by your delay.

Yours, very truly, J. ALBY HENDERSON.

—

AMERICAN PNEUMATIC SERVICE CO.,
Boston, March 31, 1914.

CHAIRMAN, INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

SIR: I take the liberty of calling your attention to a circular addressed to the stockholders of the Pennsylvania Railroad, copy of which I inclose herewith, containing statements of the president of that railroad company regarding the restrictions which make it increasingly difficult for the company to maintain its dividends and keep up its property. My interest is that of a stockholder.

You must realize that to refuse a request of the railroads to increase their rates, when an increase is necessary in order to enable them to pay fair dividends and maintain their property, is not fair treatment to the stockholders, nor to a large portion of the public whose welfare depends, to a large extent, upon the prosperity of the railroads.

A 6 per cent dividend is only a fair return to the stockholders, when the risk of smaller dividends is taken into consideration. Less than this will cause people to invest their money in bonds, and there will be no capital available to take the stock of railroad companies. The net earnings of a railroad should, in my opinion, be sufficient, not only to pay 6 per cent dividends on its capital stock, but to provide a sufficient sum for all betterments, so that the property can not only be maintained, but improved without drawing upon its capital account. When the earnings under efficient and economical management are not sufficient to do this, then the railroad company should be allowed to increase its rates.

You must bear in mind that it is impossible for a railroad company to adjust its expenses at all times to its traffic. During periods of prosperity the traffic becomes very large, and the companies must increase their facilities to take care of it, not only for their own interest, but for the interest of the public. When period of business depression follows the companies can reduce their expenses somewhat by reducing the number of their employees, but they can not reduce their plant and equipment, which were created for the conditions existing in the period of prosperity. In other words, they can not reduce expenses in proportion to the reduction of traffic. The freight and passenger rates, therefore, should be sufficiently high to carry the companies over periods of depression. If they are only able to earn 6 per cent dividends during periods of prosperity they will not be able to maintain that average at all times, the investing public will lose confidence, and the whole country will suffer.

It is apparent to me, as a casual observer, that the railroad companies are being too much restricted and that their requests for increased freight rates should be granted.

Respectfully, B. C. BATCHELLER.

—

HOTEL MULTNOMAH,
Portland, Oreg., April 1, 1914.

The Hon. EDGAR E. CLARK,
Chairman Interstate Commerce Commission,
Washington, D. C.

DEAR SIR: The honorable secretary's notice of March 11, in reference to the 5 per cent increase in carriers' rates has been forwarded here.

I would be greatly in favor of giving the railroads a 10 per cent increase instead of 5. This would mean an instant return to great prosperity. At present there are over a million sturdy men out of work. I

happened to be in Sacramento, Cal., when the unemployed army were there and took the trouble to investigate what class of men these are and found a good many of them engineers, firemen, brakemen, switchmen, track layers, section hands, all willing and ready to go to work. A good many had two to four people depending on them for support, so there are really in the neighborhood of 4,000,000 people slowly starving.

The railroads promise to put most of these men back to work as soon as they hear something encouraging from Washington. This is my seventeenth year on the road selling goods, but never before have I found business so stagnant as now. All my customers tell me that they have no hope of business picking up until the railroads are allowed to increase their rates, and all these merchants would welcome such an increase, for the reason that it would quickly stimulate trade. The railroads, instead of taking trains off and laying off men, would put men to work, would start improvements, and a resumption of extensions, ordering new equipment, etc. All this would mean activity toward prosperity. No such hope from the shippers' side. They are not the kind able to do anything tending toward prosperity. What the country needs at present is prosperity, not a revolution. The greatest calamity would *befall this nation* if the decision goes against the railroads. Instantly another half a million men would be thrown out of work.

A question for Mr. Brandeis to answer: A Victor talking machine manufactured at Camden, N. J., can be purchased in Portland, Seattle, San Francisco, Chicago, New York, Boston, or anywhere else in the United States at exactly the same price that it is sold in Camden, where no freight has to be paid, and in some cases the freight charges are about $6 on each machine; yet the merchants close to Camden are filching the same price that the merchant in Portland is forced to sell for, so you see it is Mr. Brandeis's clients who are getting the graft and not the railroads. Give the railroads a big increase in rates all along the line from A to Z. Everyone knows that the railroads in the past four years have suffered all kinds of reverses. It is high time that they be given considerable sunshine. The faster the increase is allowed and announced the faster prosperity will set in; no hope otherwise.

The controlling of issuing stocks and bonds is quite a different matter. By all means this should be the case with the railroads. Nothing but good could result from such a move, that the Government should see that no such high-financing scandal should ever be perpetrated again like the 'Frisco deal. I am certainly in favor of that. But the increase of pay for labor and all sorts of material, taxes, and a million other items that the roads are forced to bear without being permitted to sell their merchandise, which is transportation, to offset these increases is certainly un-American, unbusinesslike, and a thousand other items too numerous to mention.

I shudder at the calamity that will befall this country should it be decided against the railroads, but it will mean great prosperity if it is favorable to them.

Most respectfully submitted.

Yours, very truly,

S. NIEDERBERGER,
A Chicago Traveling Salesman.

—

ST. PAUL, *March 31, 1914.*

Chairman HARLAN,
Of the Interstate Commerce Commission,
Washington, D. C.

DEAR SIR: As a patriotic citizen of this country and as a "booster" for its prosperity I desire to enter my petition for the quick decision of the Interstate Commerce Commission granting the increased freight rates to the railroads. I am constantly among the larger business interests of the United States and find a universal feeling among business men that business can not go ahead until the rate case is decided and in favor of the railroads.

I realize the insignificance of my appeal, but just the same it represents the expression of thousands of my business constituents and their one voice for the granting of the increased freight rates by your commission essential for the prosperity of the country.

Yours, truly,

A. T. HARKNESS.

—

MINNEAPOLIS, MINN., *March 31, 1914.*

Hon. G. B. MCGINTY,
Secretary Interstate Commerce Commission.

DEAR SIR: In reference to the railroad companies raising the rates on the shipment of coal, which is now being considered before the Interstate Commerce Commission, wish to say: In my opinion, Mr. W. A. Clark, of Northampton, Mass., has mapped out the proposition as I see it. It simply would be, in my opinion, discrimination if the commission were to allow the rates asked for by the railroad company in regard to an additional charge for spotting cars.

Please read Mr. Clark's protest in the Black Diamond, March 28, 1914, and I believe you will take care of this matter in the way it should be taken care of.

Yours, very truly,

THE SULLIVAN COAL CO.,
F. K. SULLIVAN,
Proprietor.

—

BOSTON, *April 1, 1914.*

CHAIRMAN OF THE INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

DEAR SIR: The writer has read the address of the executive assistant of the Pennsylvania Railroad Co. before the City Club of St. Louis, which has been copied in pamphlet form, and if the facts and figures which Mr. Lee has used in this address are correct, as it is fair to assume that they would be from a man of his standing, it seems as though the railroad situation in general should be relieved or the depression must necessarily follow throughout the whole system of interstate commerce.

We have had locally a very good example of frenzied finance in railroading, but it is not to be assumed that this is a fair sample of railroad finance in general. There seems to be a persistent trend on the part of all of the State legislatures to thrust upon the railroad companies untold burdens without a thought as to the effect of such legislation, either upon the dividends of the railroads affected or apparently without serious thought as to where the fund with which to comply with such legislation may spring from, unseen as it were.

We would like to add our little mite in favor of less drastic legislation or relief to the railroads in the way of a percentage of advance to be allowed them in their rates. We hope that the voice of the business world may be such as to warrant some such procedure or sanction on your part as mentioned.

Respectfully, yours,

H. E. HOLBROOK CO.,
H. E. HOLBROOK,
President.

—

NATIONAL LIGHT & POWER CO.,
St. Louis, April 1, 1914.

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: This is just a note to respectfully urge that prompt and favorable action should be taken on the application of the eastern railroads for 5 per cent increase in freight rates.

General business conditions have been very unsatisfactory throughout the past year and there is every indication that the situation will not improve until the railroads are given some relief. Favorable action on the rate increase will do much to reestablish normal business conditions.

Yours, respectfully,

W. C. MOREHEAD,
First Vice President.

—

MONARCH METAL WEATHER STRIP CO.,
Detroit, Mich., April 1, 1914.

CHAIRMAN OF INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

DEAR SIR: Have been a shipper for some years over the Wabash and other roads, and as a shipper have taken considerable interest in many of the legislative movements toward regulating railroad service, etc.

To be brief, I hope that your committee will find it possible to grant the railroads an increase of 5 per cent over present freight rates, as I feel that this will make it possible for them to finance certain improvements, which are absolutely necessary for the betterment of the service.

There is much room for this improvement, and from the standpoint of a shipper am more than willing to pay the increase asked for, if it will result in better transportation conditions.

Very truly, yours,

G. E. SHERMAN.

—

CONCORD, N. H., *April 1, 1914.*

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: We understand that your commission is considering the advisability of making a switching charge for putting in and taking out cars for loading and unloading on the sidetracks of industrial concerns. We wish to protest against a proceeding of this kind for the following reasons:

First, because we own our own sidetrack, and keep it in repair. Therefore, the Boston & Maine Railroad has not been put to any expense for providing a sidetrack on which we load approximately 1,000 cars a year.

Second, since we provide our own sidetrack, the Boston & Maine Railroad is not obliged to maintain team tracks for the cars we load, nor have any money invested in such tracks.

Third, most of our shipments are carload shipments, so that the railroad gets a maximum benefit for the use of their cars.

Fourth, the small amount of less carload shipments which we have could easily be transported to the railroad freight house by auto truck, in which case we believe it would cost the railroad more to handle our heavy granite by hand in the freight house than it would cost them to put in and take out a car from our siding for such freight.

We believe that the railroads of this country, with the enormous investments they represent, and being so vital to the business of our country, should be allowed freight rates and passenger rates sufficiently large to earn a reasonable return on their legitimate investments. We presume the only manner in which it can be determined whether the investments by the railroads in the past have been wise or unwise is the physical valuation of the railroad properties. We realize that it will be some time before a physical valuation can be put on these properties, but in the meantime, if it can be proven that the railroads, generally or individually, are going to show real assets in excess of their capitalization and bonded indebtedness, we believe that the proportional increase in the freight and passenger rates should be granted previous to the final work of the physical valuation committee.

However, we do not believe in the proposed scheme to add to the railroad's revenues by charging for placing and withdrawing cars on industrial companies' sidetracks. We believe that the freight rates for transportation by the railroads should cover this item. If this proposition is put into effect, we are of the opinion that the railroads will be obliged to maintain sidetracks at industrial plants, and to also increase materially their freight terminal facilities. It will add to the bookkeeping and auditing departments of the railroads in collecting the charges for placing and withdrawing cars from sidetracks, which must mean an expense to the railroads, and will also add expense to similar departments in all industrial companies. We believe this scheme is a roundabout way of obtaining revenue for the railroads, which can just as well be secured directly by sufficient freight rates.

Yours, very truly,

THE JOHN SWENSON GRANITE CO.,
OMAR S. SWENSON.

—

MERCANTILE TRUST CO.,
St. Louis, April 1, 1914.

Hon. JAMES S. HARLAN,
Interstate Commerce Commission, Washington, D. C.

MY DEAR MR. HARLAN: The more I study and investigate the railroad situation, the more thoroughly convinced I am that every day your commission delays decision on the railroad rate cases, the country is being brought nearer to a panic.

I fully realize you are confronted with many difficulties; that the law requires you to have hearings; but unless you arrive at a speedy conclusion and announce a favorable decision, granting increased rates, you will surely bring on a panic, primarily because of the shaken confidence of the investing public throughout the world in railroad securities.

I base this assertion upon the following:

1. The railroads representing more than one-third of the commerce of the Nation, anything that threatens their prosperity is naturally reflected in every line of human endeavor.

2. Purchases by railroads of all commodities being so much greater than any other industry, when the railroads are hampered there is necessarily a falling off of business in all lines.

3. Large investors are very much alarmed at the demands for increased wages, safety appliances, better equipment—steel cars—elimination of grade crossings, and the honest and dishonest whims of legislatures of various States.

4. National and State banks, and particularly savings banks and insurance companies of the country, are groaning under heavy investments in railroad bonds on a declining market, subjecting these respective institutions to criticism by bank and insurance commissioners in the various States, thereby creating aversion to further investment in railroad securities.

5. It is clearly evident European investors are frightened and withdrawing their money from this country, selling back our railroad bonds and declining to increase their holdings.

6. It will be only a question of a short time until the small investor (who, after all, is the most important to the railroads) will likewise fear to invest in railroad bonds, thereby withdrawing this important power and influence in the building up of the Nation's greatest artery of commerce.

7. The banker who formerly carried railroad bonds as a subsidiary reserve, to meet sudden demands upon his exchequer, has found in the last seven years that they can not be relied upon as a subsidiary reserve, a constant loss being created by a diminution in market value.

8. To show you the weakened financial condition from the standpoint of the investor, I attach list of bonds, giving name of road, market price of the bonds on December 1, 1906, December 1, 1907 (being the most acute stage of the panic of that year), and March 1, 1914. You will note, in many instances, the bonds are selling lower in 1914 than in the midst of the panic. The difference in market value in 1906 and 1914 on the same securities shows a depreciation of about 10 per cent all along the line. I do not know how I can more forcefully place before you the alarm the investor feels about the present situation.

Respectfully, yours,

FESTUS J. WADE.

—

ALBANY, N. Y., *April 2, 1914.*

GENTLEMEN OF THE INTERSTATE COMMERCE COMMISSION: As I have read that Senator LA FOLLETTE has introduced a bill whose purpose seems to be to deprive the people of the United States of their constitutional right of petition, I hasten, before the blow may fall, to add my little appeal for fair play for the railroads.

Isn't it axiomatic that because they must pay more for everything they should be permitted to earn more? They have not the magician's gift of ability to grab dollars out of the atmosphere.

I am not a conspirator; I am only one of the many who, holding a few railroad securities, see their small possessions dwindling in value because the Government is trying to establish public ownership at private expense and at the same time seems determined to withhold the money necessary to meet the expense.

There are such people, you know, even though they have been little considered—I mean holders of railroad bonds and stocks.

ARTHUR LUCAS.

—

ROCHESTER, N. Y., *April 2, 1914.*

Hon. JAMES S. HARLAN,
Interstate Commerce Commission, Washington D. C.:

We are in favor of an immediate increase of 5 per cent for the railroads in the United States. March 30, Rochester Chamber of Commerce voted 491 for increase, 37 against; which is a fair average of how public opinion is running favoring railroad assistance.

AMERICAN GYPSUM CO.

—

ROCHESTER, N. Y., *April 2, 1914.*

Hon. JAMES HARLAN,
Chairman of Interstate Commerce Commission,
Washington, D. C.:

We believe a 5 per cent increase in freight rates would be justifiable and furthermore that the railroads should be assisted.

GENESEE VALLEY MILK PRODUCTS CO.

—

ROCHESTER, N. Y., *April 2, 1914.*

Hon. JAMES HARLAN,
Chairman of Interstate Commerce Commission,
Washington, D. C.:

We are in favor of a justifiable 5 per cent increase in freight rates, and further believe that the railroads should be assisted instead of persecuted.

LIGHTNING LETTER OPENER CO. (INC.).

—

ST. LOUIS, *April 2, 1914.*

Mr. J. HARLAN, *Washington, D. C.*

DEAR SIR: The attached editorial, cut from the St. Louis Times of March 31, indicates that the press of our city is awakening to a proper interest in the situation, and in turn the general public is being aroused to the fact that it is their problem, and it is for them to carefully watch to see that every phase of the matter is treated in purest justice and that nothing shall stand in the way of progress.

You may have seen this clipping, but for fear you have not, I take much pleasure in sending it to you, and hope that by a united effort we shall be able some time to eliminate discriminations and unjust legislation and work as a unit to bring out results that are beneficial and helpful to all.

Sincerely, yours,

CLARENCE H. HOWARD.

UNFAIR TO THE RAILROADS.

Notwithstanding the intimations received from Washington that President Wilson is in favor of an increase in freight rates and that it is the President's desire that the Interstate Commerce Commission should render an early decision in the matter, the commission has again postponed the date for hearing the shippers in opposition to the proposed increase. Furthermore, the commission has engaged counsel to represent it and present the case of the shippers against the railroads. Why the Interstate Commerce Commission should be prejudiced against the claims of the railroads is difficult to understand, since it was supposedly created for the purpose of righting the wrongs of the railroads.

The Interstate Commerce Commission is a quasi-judicial body, and as such ought to be unprejudiced and protect the rights of all parties in all matters which may come before it. Recently the commission employed an attorney to represent the Interstate Commerce Commission and the shippers in the hearing of the petition filed by the railroads for an increase in rates.

If the railroads are to receive a fair and impartial hearing, what occasion was there for the commerce commission to employ an attorney? Was it to enable him, as one who seems to be in political favor with the administration, to earn an extravagant fee?

Such action on the part of the commission does not appeal to fair-minded people, and if the shippers wish counsel to represent them in opposition to the proposed freight increase, such counsel should have been employed by the shippers and not by the commission. The duty of the commission is not to employ counsel, but, as judges, to pass upon the reasonableness and fairness of the claims of the railroads for increased freight rates, and the merits, if any, of the opposing claims of the shippers.

The employment of counsel by those who are supposed to pass upon the matter is a new departure in American justice, and can not meet with popular approval. Such action on the part of the commission immediately smothers the promise of a square deal to the railroads.

The St. Louis Times believes in fair play and a square deal, and condemns the action of the Interstate Commerce Commission as dangerous and as an attack upon American justice and the spirit of our jurisprudence.

—

ST. LOUIS, *April 2, 1914.*

Mr. E. E. CLARK,
Washington, D. C.

DEAR SIR: The attached editorial cut from the St. Louis Times of March 31 indicates that the press in our city is awakening to a proper interest in the situation, and in turn the general public is being aroused to the fact that it is their problem and it is for them to carefully watch to see that every phase of the matter is treated in purest justice, and that nothing shall stand in the way of progress.

You may have seen this clipping, but for fear you have not, I take much pleasure in sending it to you, and hope that by a united effort we shall be able some time to eliminate discriminations and unjust legislation and work as a unit to bring out results that are beneficial and helpful to all.

Sincerely, yours,

CLARENCE H. HOWARD.

—

PIEDMONT, MO., *April 2, 1914.*

Mr. JAMES S. HARLAN,
Chairman Interstate Commerce Commission,
Washington, D. C.

MY DEAR SIR: Please permit a plain, ordinary farmer to ask a speedy and favorable decision for the railroads in their request for advance in rates.

I own none of their stocks or bonds and want none, but I believe their claims just, and do not understand how any reasonable man can object.

Had it been possible to have rendered a favorable decision on January 1, I believe labor would now be well employed and general business on a solid and improving basis instead of the present unstable conditions which are daily growing worse, and which affect us adversely even away out here.

Respectfully,

W. S. COOKE.

—

ROCHESTER, N. Y., *April 2, 1914.*

Mr. JAS. S. HARLIN,
Chairman Interstate Commerce Commission,
Washington, D. C.

DEAR SIR: In reference to the proposed increase of 5 per cent on freight rates requested by the railroads, please note that we are in favor of granting same.

Yours, very truly,

M. B. S. BUTTON CO.,
Per M. B. SHANTZ.

—

LAKE HOMES INCORPORATED,
Minneapolis, Minn., April 3, 1914.

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: In behalf of the members of the above company, of which I am secretary, I would petition you to grant the American railways the 5 per cent increase in freight rates which they not only need, but must have before they can branch out and make improvements which are necessary. In this part of the country, as is the case all over the United States, we are prosperous to a large degree in proportion to the prosperity of the railways. When the railroads are making extensive enlargements and improvements all lines of business seem to get the benefit. At the present time business conditions here are not what they should be. Reports from all lines of trade show a falling off of from 10 to 40 per cent from a year ago, and the prospects in the Northwest are anything but bright for the coming year.

It seems to us that the quickest and surest way to put the country on the right basis would be to grant the petition of the railroads at the earliest possible moment.

Hoping that this letter will reach the members of the commission, I remain,

Respectfully, yours,

F. E. LASLEY.

—

NEW YORK, *April 3, 1914.*

Hon. JAMES S. HARLAN,
Chairman Interstate Commerce Commission,
Washington, D. C.

DEAR SIR: I beg to inclose clipping from this morning's New York Sun, which I trust may prove of interest to you. Believe me,

Very respectfully, yours,

J. STEVENS ULMAN.

—

[From the Sun, Friday, Apr. 3, 1914.]

BIG SHIPPERS FAVOR INCREASE IN RATES—CHAMBER OF COMMERCE PASSES RESOLUTION FAVORABLE TO RAILROADS—STRAIGHT ADVANCE URGED—J. STEVENS ULMAN AND JOHN CLAFLIN TELL OF BENEFITS TO ALL INTERESTS.

Members of the Chamber of Commerce showed yesterday that they are in sympathy with the railroads in their efforts to get an increase in freight rates by passing a favorable resolution offered by J. Stevens Ulman. They also approved of the remarks of President John Claflin that the shippers would find the gains greater than the amount they would pay the roads under a higher tariff.

The chamber also unanimously supported the resolution offered by Samuel W. Fairchild for the creation of State police. In speaking of freight rates Mr. Ulman said:

"It is regrettable that the Interstate Commerce Commission has not yet seen fit to render a decision in this important matter, affecting not alone the railways themselves but directly and indirectly all lines of business throughout the country, and what is seemingly causing the delay is so many complex questions arising daily."

He added that in considering the matter of freight rates an alternative had been suggested which would authorize the railroads to make a charge for the service of "placing, removing, and spotting" of cars on private lines. This charge, he said, would probably not be less than $2 per car. Mr. Ulman pointed out that the shippers owning private lines or spurs were entitled to some reduction because in possessing such spur tracks they did not use the terminals of the railway companies.

"The carriers have the right to adjust their rates upon a basis of making a separate and distinct charge for the road haul and for delivery service, but until the carriers are ready to revolutionize the whole system of making rates, fixing separately the charge for road haul and station or track receipt or delivery, it would be obviously unfair to make an additional charge for the delivery on a private sidetrack when such service is already embraced, under the present method of making rates, in the through rate covering the entire service.

"It would further seem to me that industrial plants adjacent to railway lines were compelled to pay more for property than they would had not the lines been so located, and that by placing a charge for "spotting" of cars the value of the land of such plants is depreciated. I hardly believe that it is the intention of the commission to penalize shippers in any way.

"In granting a horizontal advance, such as the railways request, the commission places itself in a simple position for making reduction on appeals thereafter; and that in attempting to give a differing advance for different reasons they make the present confusion still worse."

Commenting on the resolution offered by Mr. Ulman, Mr. Claflin said:

"That is a proposition that is not complex and not difficult. Every one of us who is a large shipper, while he may feel that there would be imposed upon him some additional burdens, yet if he considers the effect on the community of some allowance to the railroads he will be certain that in the first place the community will be greatly benefited, and in the second place the gain to him personally will be far greater than the amount he will be called upon to pay the railroads."

Mortimer L. Schiff, chairman of the committee on commercial education, reported it was making progress and that the city and the stock exchange had shown willingness to cooperate with its efforts. Negotiations are being carried on toward the establishment of a college of commerce and administration and a museum of commerce and civics made possible by the pledge of $700,000 by one of the chamber's members.

Resolutions were passed voicing disapproval of the Maier bill now awaiting Gov. Glynn's signature. A resolution of Judge Charles F. McLean that the city of New York contribute $5,000,000 of the actual cost of improving the harbor facilities was amended and referred to the harbor and shipping committee.

The following were elected as members of the nominating committee: Augustus D. Juilliard, A. Barton Hepburn, Isaac N. Seligman, Philip A. S. Franklin, William A. Nash, Cornelius N. Bliss, Jr., and William Jay Schieffelin.

AMERICAN GYPSUM CO.,
Rochester, N. Y., April 3, 1914.

Hon. JAMES S. HARLAN,
Chairman Interstate Commerce Commission, Washington, D. C.

DEAR SIR: We wish to confirm telegram sent you yesterday as follows:

"We are in favor of an immediate increase of 5 per cent for the railroads in the United States. March 30, Rochester Chamber of Commerce voted 491 for increase, 37 against, which is fair average of how public opinion is running favoring railroad assistance."

The invariable opinion of everyone I have seen, without exception, is that the railroads should have an increase in freight rates; that they should not be persecuted, but should receive a fair deal.

A year ago now it was hard work for us to care for our business, but now it is the smallest it has been in years.

Why not give the railroads an increase, and then, after a thorough investigation, if they are not entitled to all of it, cut it down to whatever they are entitled to.

Trusting that they will secure the increase, I remain

Very truly, yours,

H. C. NOBLES.

TWIN CITY BOILER WORKS (INC.),
Bristol, Va., April 4, 1914.

Honorable SECRETARY INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

DEAR SIR: We are informed that the railroad companies have a proposition pending before your commission to allow them to make a charge for placing empty and loaded cars on private sidings. As a business concern receiving shipments over the railroads leading into Bristol we wish to enter our protest against allowing the railroads to make any charges for placing cars on private sidings. This would result in a serious handicap to manufacturing enterprises as well as other concerns receiving shipments and making shipments.

We will say in this connection that we are not enemies of the railroad companies, and we are in favor of allowing them 5 per cent increase in freight rates, for which they are at present asking, and which proposition is now pending before your body of commissioners and hope that this increase in freight charges be allowed.

Yours very truly,

TWIN CITY BOILER & SHEET IRON WORKS (INC.),
By J. G. TILLEY, *General Manager.*

NORTHERN HEMLOCK AND HARDWOOD MANUFACTURERS ASSOCIATION,
Wausau, Wis., April 4, 1914.

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: The Northern Hemlock and Hardwood Manufacturers Association, consisting of 82 members in the State of Wisconsin and the upper peninsula of Michigan, with an annual production of over 800,000,000 feet of lumber, has had no opportunity, as a body, of discussing docket No. 5860, relative to the authorization of spotting charges, but we herewith submit, through our secretary, a brief statement of the conditions under which our members are carrying on their business, so far as these conditions can be covered by a general statement.

In our large membership the members are carrying on their business under many varied and peculiar conditions. Some operate their sawmills in cities or large towns more than 200 miles from their timber; others operate their mills in small towns within a few miles of their timber, and still others operate on their own logging railroads in their own timber. Some of our members are so located that they receive a portion of their logs by driving streams, and some are so located so that a considerable portion of their shipments of finished product are by water. Such a diversity of conditions implies a similar diversity of effects resulting from tariff changes that should be given careful consideration.

While the question of the 5 per cent advance has never been voted by our members, many of them feel that for the general welfare of the country the railroads are entitled to increased revenues to offset added expenses during recent years because of higher wages, and the installation of many safety devices, including steel cars, etc., that have been ordered by the Interstate Commerce Commission and various State commissions. Although for these reasons our association has not opposed the 5 per cent general advance in rates we want it distinctly understood that this shall not operate against us shall we later find it necessary to ask for reductions in lumber rates, because the lumber manufacturers of this section are thoroughly convinced that the rates they are charged are relatively higher than those upon a large number of other commodities, many of which compete most strongly with lumber.

The spotting charge at origin or delivery, or both, added to the existing rates on all commodities would favor long-haul as against short-haul shipments, and this in itself would affect some sawmills favorably and others unfavorably.

A spotting charge at origin or delivery assessed only against shippers from private tracks would, so far as the members of this association are concerned, lay on them a greater relative burden on the average than on shippers of other commodities.

The cost of the original construction and the cost of maintaining private tracks in lumber yards of shippers and receivers has been a matter of contract—formal or implied—between shipper and carrier, and were a spotting charge now authorized it would violate these agreements in such a way as to affect the earning of our vested capital and might, were no special remedies offered, in some cases amount to confiscation of property.

A discrimination in switching charges on private and public tracks would require many readjustments and alterations in the layout of our plants to escape undue penalization.

A spotting charge of a flat rate per car would discriminate against the small-capacity cars often supplied by the railroad companies when large cars are ordered, thereby giving the carriers power to make a virtual discrimination in rates by supplying one shipper with large cars and another shipper with small cars.

On the other hand, there exist free switching arrangements over private tracks of the shippers and over public tracks of carriers built for and used by single shippers on which the expense per car to the carriers is out of proportion to the revenue obtained under the published tariffs. There are situations where switching charges should be made, and it is at least theoretically fair and advisable for the commission to require future agreements made between shippers and carriers as to the construction, maintenance, and operation of cars over private tracks to be authorized by the commission.

We present the foregoing facts relative to the effect upon our membership of establishing switching charges on private tracks, but we recommend no specific action, feeling that the commission in its fuller knowledge and broader vision will not take any action that will impose an unjust burden on the lumber industry as a whole or upon any individual operator.

The foregoing statement is authorized by R. B. Goodman, president, and George H. Chapman, chairman of the railroad committee of the Northern Hemlock and Hardwood Manufacturers' Association.

Very respectfully,

R. S. KELLOGG,
Secretary.

NATCHEZ, MISS., *April 4, 1914.*

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

DEAR SIRS: We note through the press that you are considering the petition of railroads for increase in rates.

We are heartily in favor of such an increase, as we believe it would not only help the railroads but be beneficial to all the citizens of the United States in enabling the railroads to improve their roads and give better service. It will also undoubtedly be very beneficial to business in general.

Yours, very truly,

I. LOWENBURG CO.,
By E. SAMUELS,
Vice President.

PHILADELPHIA, *April 4, 1914.*

CHAIRMAN INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

MY DEAR SIR: As a stockholder in several railroads in the eastern territory, I desire to enter my protest against your continued inaction in the rates case now before you. Your commission is seriously impairing and threatening my investments, and if your final decision is against the railroads my investments will be ultimately destroyed.

The members of your commission are the servants of the people and are bound to follow the public opinion. If you have your ears to the ground you can not have failed to know that the people desire an increase in the freight rates.

I beg to remain,

Respectfully,

L. ALBERT GRAY.

BOSTON, *March 24, 1914.*

Mr. HARLAN,
Chairman Interstate Commerce Commission, Washington, D. C.

DEAR SIR: Perhaps the fact that I am a physician, and not a business man, a class with which you come in close touch, warrants me in writing you as I do.

The existing railroad situation seems to me alarming. Owing to good luck, rather than wisdom, I happened to hold no railroad stocks at the time when the clouds, which are now so thick over the railroad sky, began to gather. This fact, perhaps, enables me to speak with less prejudice than I could if I owned railroad stocks, either in New England or elsewhere. It is almost the last kind of security I should think of investing in as things look now.

If the railroads do not prosper the country can not prosper, and the railroads can not prosper if, while the Government, labor unions, and the public demand constantly increasing facilities of all kinds, the railroads, almost alone in the country, are not allowed to receive a compensation adequate to the service rendered. More than this, any private individual who behaved as the Government is behaving in the parcel-post matter would be called a swindler. Cavour is quoted as having said: "If we did for ourselves what we are doing for the country we should be great rascals."

The pith of all this, of course, is that, in my feeble judgment, the railroads should be allowed a substantial increase in rates with the least possible delay. If this be allowed I shall cheerfully pay whatever proportion of said increase may fall upon me, apart from the conviction that I shall be a sharer in the increased prosperity which will ensue to the country at large through said increase.

I remain, yours, truly,

F. C. SHATTUCK.

—

CHICAGO, ILL., *March 24, 1914.*

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

Subject: Advocate advance in freight rates.

GENTLEMEN: Our attention has been called to the change in sentiment of the public regarding advance in freight rates to the railroads, and as heavy shippers and manufacturers of materials used by the railroads, we wish to ask your most favorable consideration at an early date of this important subject, believing that business interests of our country and the welfare of the people can not be better served than granting the railroads the 5 per cent increase in freight rates requested.

Trusting that same will receive your favorable action at an early date, we remain,

Respectfully, yours,

THE ASHTON VALVE CO.,
J. W. MOTHERWELL,
Vice President.

—

THE GLENWOOD COMPANY, *Albany, N. Y.*

Chairman HARLAN,
Interstate Commerce Commission.

DEAR SIR: Our business this season is unusually dull. We haven't had such a depression in 10 years. We are sure if the railroads were allowed to raise their rates somewhat confidence would be restored and business would expand. The small advance asked by the railroads is so small that the effect would not be noticeable to the jobber and retailer, but would at once stimulate the investing interests, hence the reaction in the wholesale and retail trade.

Hoping for a favorable expression in the very near future.

Give business a boost.

Yours, truly,

VENDOME W. BATES.

—

BALTIMORE, MD., *March 25, 1914.*

CHAIRMAN OF THE INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

DEAR SIR: I fear that I have no standing before your commission, as I simply represent the plain citizen, the taxpayer, a hard-working man who during many years of constant work has been engaged in the endeavor to educate his children and to make some provision for them after his death.

I find myself to-day in the position that what money I have been able to lay by and invest in railroad securties is jeopardized, and that my life-insurance policies are in the same category, through the action of your honorable body in constantly reducing the tariffs of the different railroads, and practically taking the control of the transportation business from the owners thereof.

For many years the cost of transportation has been constantly increasing, owing to the advance of all material used in the construction and repairs of the railroad, and more especially to the periodical demands of labor for higher and still higher wages, which are always of necessity granted.

All these are, of course, to you a thrice-told tale, and nothing that I can say can make the facts more patent, or throw any new lights upon them to you and your associates.

You have only to examine the annual reports of the railroads to see that the cost of transportation has been constantly increasing, that the burden of taxation year by year has become more onerous, so that they are in the position of being forced by State and national laws to contribute more and more largely to the support of the community, while through the action of your commission their charges for service rendered have been constantly reduced from the time that your commission was organized down to the present.

The point, however, to which I wish to draw your attention is the manifest blunder from a poltical standpoint that the bankruptcy of the transportation system of this country would be to the Government itself.

When you remember the vast number of people, women and children, small investors, who hold the obligations of the transportation companies, that every man who has a life insurance policy or a deposit in a savings bank is being cruelly injured by your action, and that the day must come when you will be held to account for the disaster which you are bringing upon this vast army of people, it seems to me but a matter of prudence and common sense to awake to the fact that all these people are looking to you to see what your action is going to be, and that already there is throughout the United States a most deep-seated dissatisfaction at what you have already done.

I believe I have truthfully stated the attitude to-day of all people who hold the securities of or are interested in the transportation system of this country, either directly or through life-insurance policies or deposits in savings banks.

You can easily, I fancy, imagine the feeling of the people who are on the verge of starvation, having been discharged by the different railroads from inability to pay them, every railroad in the country being forced to curtail expenses in every possible direction.

The Baltimore & Ohio alone have had to discharge 6,000 men.

This one instance is sufficient to show you the gravity of the situation.

Every one of these men see daily in the papers that the solvency of the railroads is imperiled by the Interstate Commerce Commission.

Apart from the awful responsibility of wrecking the vast transportation system of this country, and checking all development and business enterprises, I should think the reflection that you are held responsible by all the unemployed for their misery, would be enough to shake nerves of iron.

Please do not think that I want to say anything that is rude or discourteous, but unfortunately there seems to me an atmosphere in Washington which prevents people from coming out of the clouds and getting their feet upon the firm ground of actual conditions and incontestable facts.

Yours, very faithfully,

CLARENCE C. WHITING.

—

CHESHIRE LIME MFG. CO.,
Cheshire, Mass., March 25, 1914.

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: At a meeting of the Lime Manufacturers of Massachusetts, representing all in the State, and who handle approximately 10,000 cars per year, it was unanimously decided that the proposed charge for spotting cars would be unjust and unfair to them for the following reasons:

1st. It would place the burden of the proposed increase on a few instead of dividing it among a greater number.

2d. Lime is a low-priced product and the additional charges made to the manufacturers can not be added to the selling price and would seriously cripple the business.

3d. It makes the same charge on all classes of freight, which is unjust and unfair as first and second class freight is better able to stand an increase than sixth class.

4th. We believe it would be difficult to make a just and satisfactory regulation to cover the car-spotting charge owing to the varying lengths of our tracks, the number of cars placed at a time, and number of switching operations necessary.

5th. We believe all freight charges should be placed at the receiving instead of the shipping end.

6th. We believe that a 5 per cent increase in freight rates would better preserve the proper relations between long and short hauls than a spotting-car charge.

We would therefore protest against any charge for car spotting on private sidings, and ask that the increase of 5 per cent to freight rates be adopted instead.

Respectfully, yours,

WILLIAM FLAHERTY,
Secretary, representing the following manufacturers: New England Lime Co., Lee Lime Co., Hoosac Valley Lime Co., Cheshire Lime Mfg. Co., Farnam Cheshire Lime Co., West Stockbridge Lime Co., Berkshire Hills Lime Co.

—

ST. LOUIS, *March 25, 1914.*

CHAIRMAN INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

DEAR SIR: We are firmly convinced of the fairness and advisability of allowing the railroads of this country the 5 per cent increase in rates which they are asking for.

The cost of conducting the railroad transportation of this country has increased so rapidly that the railroads are not able to make sufficient earnings to finance themselves, thus holding up many improvements which are urgently needed in order to properly serve the public.

We hope that when this question comes to you for final decision that your commission will agree with our position and grant the proper increases.

Very truly, yours,

MONARCH METAL WEATHER STRIP CO.,
GEO. OLIVER CARPENTER, Jr.,
Vice President and Treasurer.

—

CHICAGO, *March 25, 1914.*

CHAIRMAN INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

HONORABLE SIR: We are extensive shippers throughout the country generally and our freight bills are equally large. At least 75 per cent of our sales are with manufacturing industries and construction companies; the balance, 25 per cent, are with the railroads.

We simply wish to voice our sentiments as being enthusiastically in favor of the Interstate Commerce Commission granting the increase in freight rates as petitioned by the railroads.

We not only believe that they are honestly entitled to this increase, but we can impartially say that our best judgment is that the general business interests of the country not only are in favor of the increase being granted, but our general prosperity absolutely depends upon the granting of same. We speak, as we do, with all conscientiousness and impartiality.

There are very few of us who in any accurate measure comprehend the wonderful consuming power of an individual railroad system and consequently have not an intelligent conception as to how much the general interests of the country are dependent on the general prosperity of the railroads of the land.

We are pleased to submit our sentiments on this subject to you and sincerely trust the petition of the railroads will receive your favorable consideration.

Respectfully submitted.

A. C. TORBERT EQUIPMENT CO.,
By A. C. TORBERT, *President.*

—

MILL SHOALS, ILL., *March 25, 1914.*

The INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: Now, to make a long story short, I am writing you and asking that, for the best of the whole people, you should grant to the railroads the 5 per cent increase in freight rates that they are asking. On account of increased taxation, floods, increased wages, laws requiring better and expensive equipment, increased cost of material, and especially all kinds of timber, and other things too numerous to mention, their profits surely have been greatly reduced. On account

of this I know that my business is suffering to a very large extent, and of course that finally lands back on the laboring man who cuts the timber from the stump at a small salary, which is at the best only a scant livelihood. I think that if the increase was granted business would at once get back to its normal stage, so why keep business stagnated any longer? Now, hoping that your honorable body will soon do something that will relieve the situation,

Yours, truly, OSCAR NEEDHAM.

—

MILL SHOALS, ILL., *March 25, 1914.*

The INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: Business conditions in this community have been greatly affected the past few months from some cause. We have reason to believe that at least a part of it is caused by the necessitated retrenchment by the railroads, which to a great extent has brought to a standstill some of our best industries, viz, the lumber and timber business. Now, this directly reverts back to the day laborer who, with conditions normal, *barely* makes a decent living for his family by his labors. Now, we are in position to know that it has struck us a hard lick in this immediate community. Now, we think that on account of increased taxation and other hardships caused by recent legislation, that the railroads have without a doubt had their earnings greatly reduced. If we expect the moneyed men of our country to let loose of their money and put it into our great industries of our Nation, they must have a reasonable return for the same. Now, we believe that the interest of the whole people would be greatly benefited in the end if your honorable body would see fit to at once grant the 5 per cent increase that the railroads are asking, and we believe that by that action conditions would soon adjust themselves back to a normal condition.

Yours, truly,

BANK OF MILL SHOALS,
By H. L. FILES, *Cashier.*

—

F. BLUMENTHAL CO.,
NEW YORK, *March 26, 1914.*

Hon. JAMES S. HARLAN,
Chairman Interstate Commerce Commission,
Washington, D. C.

HONORABLE SIR: I take the liberty of calling your attention to inclosed clipping, taken from the editorial column of the New York Times of March 25, and which I thought might prove of interest to you.

I trust when your commission finally sees fit to render a decision in the matter of the eastern freight rate advance case that they will see their way clear to make a general increase in freight rates, in accordance with the increased cost of upkeep of the railways instead of making a specific increase for the spotting of cars.

It would seem to me that industrial plants situated on railway lines and having their own tracks and for which privilege, when they erected the plants, were compelled to pay so much more for the property than they would have if the same had not been adjacent to railway lines, that it is a poor argument that such plants which are receiving spotting of cars free to-day have an advantage over those plants which are not adjacent to railway lines and have to cart their merchandise, and which plants not so advantageously situated were able to secure land at a much lower cost. Furthermore, by a charge for the spotting of cars you depreciate the value of land of such plants which are adjacent to railway lines, and I should judge it is not the intention of your commission to penalize the shippers in any way.

You have suggested in one of your previous letters to me that it was your thought that a brief of my views would be of assistance to the commission. I have been considering the advisability of drawing up such a brief, but I feel perfectly sure that your commission is so very thorough in its investigation of this question and are so thoroughly versed in regard to every phase attending it that a brief of my views could hardly be of value to you.

You are well aware of the fact that I have appeared before a great number of industrial bodies and chambers of commerce as well as before the Manhattan and Republican Clubs on this question, and your commission has received resolutions from these different bodies stating that they favor a rate increase asked for by the railroads, and above all things a desire was shown in all these resolutions that a decision be rendered as soon as your honorable commission could see their way clear to do so, and that such a decision would to a very great extent relieve the general business situation throughout the country of the state of uncertainty under which it is laboring. What is required to arouse general business from its present state of lassitude is a horizontal freight rate increase. The burden of such increase would then be spread over the widest area with the least possible pressure on the consumer.

It would seem to me in granting a horizontal advance the commission places itself in a simple position for making reductions on appeals afterwards. In attempting to give a differing advance for different reasons you make the present confusion still worse.

A point furthermore which I wish to call to your attention is that unless a horizontal freight increase be allowed that it will be almost impossible to refinance those railroad systems that are now in receivers' hands or hovering on the brink of bankruptcy.

If you are still of the opinion that it would be wise for me to formulate my ideas into a different sort of document, I wish to say that I am entirely at your command.

Referring to what I have stated about the different organizations I have appeared before on this rate question I certainly have come in contact during the past few months with diversified interests, and the general consensus of opinion has been that a revival of business in this country depends upon the decision to be rendered by your commission, and furthermore I have found that shippers generally concede that the railways should receive a recognition of their increased cost of operation by a general advance of freight rates.

Believe me,

Very respectfully, yours, J. STEVENS ULLMAN.

"FREE SERVICE" AND CHEAP FREIGHTS.

The railways have been prompt to take advantage of the Interstate Commerce Commission's advice to make a charge for services which the commission described as "free." The shippers who have been receiving for nothing the services estimated by the commission at $15,000,000 are equally prompt to begin their opposition. As a result the commission is now investigating the facts about the advice which it hesitated to put into an order. There is a pretty struggle ahead before the railways put that $15,000,000 into their treasuries and the chance is good that if the railways ever get it the cost to those using the railways will be several times the railways' receipts.

The basis for the prophecy is the Lehigh Valley's statement that whereas the railway gets less than 5 cents on vegetables for a haul of 344 miles, drayage within city limits is 15 cents. The railways' alleged "free service" is largely "spotting" and ferrying cars—that is, putting them into positions reducing the cost of team hauling. If shippers and consignees will not pay for free spotting and ferrying, the railways will deliver their goods upon the team tracks and wagons will replace the work done by locomotives. New York receivers may have to go to Jersey City for their goods, and deliveries on team tracks where there are any within the greater city will be managed with all the ease and celerity which accompanies haulage along West Street, where the teamsters wait longer hours than they drive.

The virtue of the 5 per cent advance in rates is that if the goods are carried the receipts are enlarged. The disadvantage of the attempt to collect $15,000,000 for free services is that the services were not considered to be free, that the payment for that sort of service is grudging, and that the attempt to evade the payment will add to the cost of the service and to the price of the goods more than the railways will receive. No doubt the railways are becomingly grateful even for the smallest favors and nobody but those who would have to pay the $15,000,000 would be sorry to see the railways get that installment of their deserts. But to get $15,000,000 for the railways at the cost of, say, $30,000,000 to shippers and perhaps another $15,000,000 for consumers of shippers' products would be a costly way of doing good to the railways.

—

WINCHESTER, VA., *March 26, 1914.*

Chairman HARLAN and MEMBERS
INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

SIRS: If you have time to hear Mr. Thorne, you also have time to read the inclosed editorial, which represents the common-sense business view of the rate cases now before you. Please read it.

I have for years put my savings into good railroad stocks. In so doing I have been depending fully on the supervision which the commission has over the railroads. I have believed this supervision to protect me. In justice to me and to many hundred thousands like me you should allow the full advance asked. We depend on our dividends. We have been first producers, then savers, and there is no element in the country more worthy of consideration, if I do say it.

I firmly believe if you refuse this advance there will be first very hard times and prolonged depression, and eventually Government ownership and the downfall of the Republic.

I firmly believe if you grant the full advance your wisdom and large view will be amply demonstrated before the country within a few months.

Yours, truly,

MELVIN GREEN.

—

[From The New York Times, Thursday, Mar. 26, 1914.]

RAILWAY-RATE CASE DELAY.

The Interstate Commerce Commission is so sorry that it was unable to hear the testimony of Clifford Thorne, regarding the application of the railways to advance their rates that it has asked him to repeat it "in substance." If the railways desire to rebut this testimony, the commission will give them opportunity next month. If adjournments were what the railways wanted, how happy they would be. They first asked for this advance some years ago. The commission refused it for reasons since shown to be bad. Months ago the railways renewed their request, and the commissioners still want to be shown how to change their minds. To assist them they employ as their counsel the counsel whose argument they should regret accepting on the first application. As a friend of the court they admit to argument Mr. Thorne, chairman of the Railway Commission of Iowa and authorized spokesman for the commissions of the States of Iowa, Kansas, Nebraska, North Dakota, South Dakota, Arkansas, Oklahoma, and Missouri.

The list of States sufficiently indicates the sort of decision which would result from crediting the arguments advanced by Mr. Thorne. There is a double impropriety in hearing him as the representative of State commissions. The Interstate Commerce Commission has constitutional support in advising or even in directing the State commissions, but the State commissions have no such standing before the Federal commission. The State commissions represent neither shippers nor railways, and as commissioners they have antagonized the Federal commission, presuming to reduce the rates in their States which the Federal commission has declared to be reasonable in interstate commerce. The Interstate Commerce Commission is forgetful of the proprieties, if not of the legalities, of the case when it listens to such spokesmen. The Supreme Court listens to counsel representing litigants in the courts of the various States, but the Supreme Court never listens to State courts to plead in the person of its judges what the law ought to be, and particularly not to challenge the decisions of the Federal court.

The record of Mr. Thorne's original testimony ought to be available for the commission to read in its leisure, but he is asked to repeat it "in substance." Perhaps his revised version may be less insulting to the commission than his first, insisting that the records of the Federal commission were worthless. Commissioner Thorne's allegation was that the railways were padding their expense accounts. President Willard denied it on the spot. President Rea gave an indignant denial, which the Interstate commissioners would do well to paste in the tops of their hats. This charge which the commission wants to hear repeated concerns the commission even more intimately than the railways. The country has more confidence in the Federal commission than in the State commissions, whose spokesman is asked to repeat his slurs. But the country can not defend the Interstate Commerce Commission against itself. If it wishes to be regarded as a judicial body, it should act judicially, know when it is treated with contempt, and protect itself otherwise than by compliments to its traducers.

If the Interstate Commerce Commission has any confidence in itself, or in its accounts of the railways' condition, it is in a better position than any other authority to decide for itself forthwith, asking for no arguments. The official figures show that the commission has heretofore misjudged and acted in error upon the reports to it. That is the substance and the merit of the railways' appeal. The railways now are suffering one of the most serious reverses in their history. Their suffering is so severe that it is reflected among industrial investments. It can not be long before the country in general must suffer from the reductions of dividends in both railways and industrial

corporations. The Supreme Court itself has flinched from the results of the rigor of its law, and has reconsidered judgments which were impolitic. The Interstate Commission need not fear the country's reproaches for a retreat from its untenable position that it is infallible and must refuse advances of rates because it has been accustomed to do so.

This is a case where to give quickly is to give twice. It still seems probable that an advance of rates would increase revenues, but there will come a time when the reduction of the volume of traffic will nullify an advance of rates. The time to have advanced rates was when the railways first asked. Then trade was so robust that it could have paid and not missed the money. Now trade is in a decline, and an advance of rates is burdensome. No more could be asked of the commission than that its administrative acts should be as nearly right as its judicial decisions. More than half of them resist challenge. It is a good administrator who is right half the time, provided he knows his own mind and gives decisions with reasonable quickness after they are asked and the case is sufficiently presented. This case has been talked to death.

—

TOWNSEND GRACE CO.,
Baltimore, March 26, 1914.

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: Holding some stocks and bonds in railroads and being a large shipper by freight, I write to ask that you give relief to the railroads by granting their request for higher rates, and as soon as possible.

The railroads do not hoard money, but spend it when they have credit enough to get it. They are now in an embarrassing position, some with large amounts of money close to maturity and no credit to secure it, except on almost prohibitory terms. The railroad interest is probably second only to agriculture, and even big crops would be of little value if we did not have the railroads to haul them.

The granting of the small increase they ask for would practically and sentimentally have a good effect, for it would demonstrate that the railroads are at least going to have fair play. Their credit should immediately get in better shape and they would have the heart and courage to order at least necessary supplies to go ahead with necessary improvements which would benefit an army of people.

I fully recognize the good the commission has done by stopping rebating and discrimination. They now have the chance of doing nearly as good a thing by allowing the railroads to do their business at a reasonable profit, and the time to do it is now.

Yours, very truly,

WM. S. TOWNSEND.

—

BOSTON, MASS., *March 26, 1914.*

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

As a resident of California, temporarily visiting in Massachusetts, I beg to protest at the commission's delay in settling the eastern freight-rate question. The prosperity of the whole country is bound up in your quick action in the matter. While I believe in the Government ownership of the roads, the writer sincerely believes in meeting the present contingency with a just increase of traffic rates and wishes to add his little mite to the general protest at the hostile and dilatory attitude of the board. Take over the roads in time, but don't send the country to smash beforehand. Thirty days hence may be too late.

I will willingly pay my share of any increased rates laid down by the Interstate Commerce Commission.

Yours, respectfully,

GEORGE MORRILL,
17 Hastings Street, West Roxbury, Mass.

—

SPRECKLES, CAL., *March 26, 1914.*

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: As a voter, a wage earner, and a consumer I urge upon you the strong advisability of granting an increase in railroad freight rates. My income is not received from any such employer, so that I do not speak from policy or instruction.

I have property in towns where railroad improvements have been started but not carried on, because of the pressure of immediate needs and the uncertainty of future developments. And I believe this experience may be met with in innumerable places.

The consuming public can be benefited in two ways: By decreasing its expenses and increasing its income. Both have their merits. But if by enabling them to cut down the disbursements you indirectly force them to accept a lessened wage or a reduced dividend, what has been accomplished? Something has been added to the top of the coverlet by shortening the bottom.

I know that on everything we wear and much that we eat there is a burden of transportation charge. But to increase it 5 per cent would be negligible, the increase would not be detected. Furthermore, if by granting this right to earn a fair return for service rendered I may enjoy my share of a new park at the railroad station, or may rent my house to a railroad employee, then the gains in acquisition will probably please me more than the infinitisimal freight increase will give pain.

I am closely concerned with a corporation depending for success on a fair protection accorded its product. The salary I receive from it looks larger than what I give it when purchasing its mildly taxed output. Likewise I am sufficiently familiar with one railroad to know that the useless expense it is compelled to bear because of unnecessary and inapplicable legislation and its lessened revenue through unwise rate restriction are enormous and should be eliminated. There are two sides to even the consumer's view.

Very truly,

L. L. PUTNAM.

—

ROCKWELL HOUSE,
Glens Falls, N. Y., March 27, 1914.

Mr. E. E. CLARK,
Chairman Interstate Commerce Commission,
Washington, D. C.

DEAR SIR: As an active business man, and proprietor of one of the largest commercial hotels in northern New York, I take the liberty of writing to you to urge upon you and the Interstate Commerce Commission the importance of giving to the railroads the advance of freight rates they are now asking for. By doing so at once I feel that it would restore confidence and relieve the business situation.

We are, and have been for the past few months, struggling with the poorest business that I have seen in this locality in a number of years, and if we do not get relief very soon I fear for the results.

My business is made up principally of commercial salesmen who sell goods directly to the trade, and there is but one opinion among them, and that is, if your honorable committee would grant the desired increase they are asking for it would do wonders to start the business.

I hardly think that your committee realize how bad business is. As an illustration: One year ago now we were averaging 100 guests a night, while at the present time we rarely have over 25, which means a great loss to us; and the same holds good with all other business places in our section. It is one universal complaint by every business house in our city that Washington must do something to relieve the situation.

I am inclosing you an editorial from the New York Times, and if you have not read it I trust that you will take the time to do so, as I think it is a very fair plain statement of the facts.

Trusting that you will take no offense at what I have written and treat what I have said in the same spirit that I intended it, I am,

Very truly, yours,

GEO. M. TAYLOR.

—

MUSCATINE, IOWA, *March 27, 1914.*

Hon. G. B. MCGINTY,
Secretary Interstate Commerce Commission, Washington, D. C.

DEAR SIR: We understand that your honorable body have up for consideration the adjustment of the present revenues of the railroads, and it has been called to our attention that the railroads contemplate preparing a tariff for switching at terminals. It is our opinion that this would work a hardship upon anyone who owned a sidetrack, and would be in a measure discriminating against them.

In our opinion it is quite apparent that the revenues of the railroads at this time are inadequate, but we believe the equitable basis of adjustment would be an increase of rates on all commodities.

Yours, very truly,

W. G. BLOCK CO.,
F. O. BLOCK, *Secretary.*

—

LA SALLE, ILL., *March 28, 1914.*

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.:

The Portland cement industry depends upon railroads as largest consumers. Diminishing orders during last few years now stopped entirely account financial difficulties of railroads. Numerous cement mills down for lack of business, with others to follow. Other industries similarly affected. To relieve present conditions and prevent entire demoralization of business, immediate action granting of 5 per cent raise respectfully urged.

GERMAN-AMERICAN CEMENT WORKS.

—

CITY OF BALTIMORE WATER BOARD,
Baltimore, Md., March 28, 1914.

Hon. Mr. CHAIRMAN,
Interstate Commerce Commission,
Washington, D. C.

GENTLEMEN: I am aware that some people on the outside of important "boards" ask foolish questions, but I would like your committee to read the inclosed clippings. I, for one, would not put out $1 of capital in any enterprise with the present condition of affairs in this country. Something should be done at once by your honorable party.

Yours, very truly,

TELFAIR W. MARRIOT.

—

EAST ORANGE, *March 29, 1914.*

J. S. HARLAN.

DEAR SIR: It may be that in the mass of facts concerning the request for increased railway rates some things have escaped your notice or have not occurred to you.

Mr. Brandeis is evidently taking the stand that since there exists waste in the case of the roads there should be no increase. Was the same ground taken in regard to the increase of pay of the railway employees? Were they wasting some of their pay, so that if so they might not need the increase?

Should the taxpayers of the country refuse to pay so much and be right in so refusing because a great deal of their money is wasted by the Federal and municipal governments? It surely is wasted. There is bound to be some in all large organizations. Does the commission ever waste time or money? Not purposely, of course, but it is there just the same.

In regard to "spotting charges," I venture to say that the new order will result in all the large plants doing their own spotting and only the small ones, who handle less than 15 or 20 cars per day, will pay the roads for such service. If you know anything about spotting costs you will see that a plant which handles 100 cars a day can save a lot of money by doing its own spotting—some $6,000 a month, I figure. In such case, where would the roads receive much of an increase?

As one who is interested only in seeing the roads treated fairly, I hope they are allowed all they ask for. It certainly would do no harm and it very probably would do a great deal of good. I, for one, would like to see the matter treated in a broad-mined way, remembering that railways are probably not as wasteful as shippers or other business men and that they are of more benefit to the country at large.

Very truly,

W. H. UNDERHILL,
14 Harvard Street, East Orange, N. J.

P. S.—I suppose you have so much business on hand that you can hardly pay attention to outsiders, but I feel constrained to write because of the general feeling among business men I know in favor of the roads being granted what they ask for.

—

THE MILLIKIN NATIONAL BANK,
Decatur, Ill., May 21, 1914.

CHAIRMAN INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

SIR: We wish to urge the necessity of giving some relief in the way of increased rates to the railroads of this country. They have been compelled, as you are aware, to advance wages paid to employees, and unless they are allowed to increase their rates, will soon become bankrupt, and their stockholders, who are distributed all over the country, will suffer from this disaster.

Respectfully,

O. B. GORIN, *President.*

BOSTON, *May 22, 1913.*

GEO. B. MCGINTY, Esq.,
Secretary Interstate Commerce Commission,
Washington, D. C.

DEAR SIR: As a manufacturer of textile fabrics for distribution all over this country, I am interested that the railroads be in a position to handle my output with dispatch and with safety, and therefore I feel, with all existing conditions, the higher prices for labor and the higher cost of everything that goes into the operation of railroads in the way of materials, etc., that they are entitled to charge higher rates for their transportation, the same as I would expect my customers to pay when I have to pay higher rates for my labor and for the wool which I use in making my fabrics.

I therefore earnestly request that your honorable commission will give the subject of an advance in rates to the railroads very serious consideration and allow them to charge such increase in rates as will enable them to keep their lines in condition for efficient operation and to return a sufficiently fair amount of dividend to their stockholders, so that *they* can continue to get increased capital for their extensions and improvements.

HAMILTON WOOLEN CO.,
By C. A. COLEMAN, *Treasurer.*

—

FIRST NATIONAL BANK,
Wichita Falls, Tex., May 22, 1913.

CHAIRMAN INTERSTATE COMMERCIAL RAILWAY COMMISSION,
Washington, D. C.

DEAR SIR: I understand that the railway companies of the United States, or a greater portion of them, are asking for the approval of the Interstate Railway Commission for a raise in interstate rates of an average of 5 per cent.

At present, while the price of all railway material appears to be advanced and while the demands upon the companies for increase of wages is being urged by every one of the railway organizations and most of our State legislatures are imposing additional burdens upon the railway companies in some respect by requirements for better service, more cars, and other like things, which, while possible, yet are frequently beyond the ability of the railway companies to grant, I am very much inclined to think that the prayer of the companies should be granted and that they should be given some additional revenues, and as one citizen will say that I would be glad for your honorable body to grant that prayer if, in your judgment, the reasons for it advanced by them, on proper hearing, appears sound.

Yours, respectfully,

R. E. HUFF, *President.*

—

[Personal.]

NEW PLANTERS HOTEL,
Augusta, Ga., May 22, 1913.

President WOODROW WILSON,
Washington, D. C.

DEAR SIR: For the interest and welfare of the United States of America, I wish to call your attention to an unjust sentiment which prevails against corporations, especially railroads, as is well known, has existed for quite a while. It's a disgrace and paralyzation to our civilized Republic. We now have railroad commissioners to settle, as I say, only against railroads, for nearly always they do; and these commissioners have been born with such spirit hereditary or instilled into them, for either they or their forefathers have gotten about $45 for a little poor bull calf which just a few days previous to the railroad killing him they would have tried their utmost to sell to a neighbor for $8. And for another example of the "live and not let live" spirit existing against railroads is: Nearly every time employees demand an increase of wages they get it, or some increase, and when a reduction of freight or passenger rates are asked of the commissioners they are reduced. On the other hand, if the railroads ask to be allowed to increase their rates they are denied. In short, the railroads have the brunt to bear; they have no protection in an employee liability bill. It should be plainly seen if you keep the railroad's "nose on the grind rock," "just ebbing the tide," by such unfair treatment, then I say you are killing people, for if such were not grinding them so unjustly they could keep their tracks in good condition and have better all around equipment; then wrecks would be rare.

I am, most respectfully,

C. SMITH,
A Traveling Salesman.

—

THE SOUTHERN ILLINOIS NATIONAL BANK,
East St. Louis, Ill., May 23, 1913.

CHAIRMAN INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

MY DEAR SIR: East St. Louis is the second city (70,000 population) in the State of Illinois, and is the termini of 21 railroads.

We are directly interested in the welfare and future prosperity of our railroads. To us the railroads are the life of our community, and it is all important to us that they should be afforded that which is necessary to their existence.

We heartily approve of their request for a horizontal raise of 5 per cent in their rates, and beg of you that their request be granted.

To us it is a serious question and the welfare of our community is directly affected. Prosperity with the railroads means prosperity with us. The reduction in wages means a stifling of conditions here, and I do trust that your commission will give due consideration to what this question means, not only to our community, but to all other communities depending upon railroads, as we are.

Yours, very truly,

H. D. SEXTON,
President.

—

THE CITIZENS' BANK,
Portland, Oreg., May 24, 1913.

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: I cannot help but feel that it is time that something was done about the railroad rates. There seems to be a general depression all over the country and the railroads are unable to raise funds, and considering all the labor troubles, I believe the railroads should be allowed to make a reasonable increase in their rates to offset the increasing demands of all railroad men. I believe that every citizen should take a hand in this matter and lend some little encouragement to the railroads to offset the prejudice which exists among so many people in this country. So I heartily indorse the increase of 5 per cent and believe it will be of material benefit to the country at large.

Yours, truly,

N. U. CARPENTER,
President.

—

PITTSBURGH, PA., *May 27, 1913.*

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: Referring to the proposed rate advances on eastern railroads, as a manufacturer of the Pittsburgh district, we write to express our approval of a moderate increase in freight rates.

We believe the time has arrived when this action might well be taken in justification of the railroads' position, and that it would work no hardship on the shipping interests. As we read railway statements the net operating income has been steadily decreasing during the last few years while expenditures have been constantly growing, due to increased cost of labor and materials, as well as to the operations of certain laws calling for the employment of additional men to perform a specific duty previously carried out by a lesser number. Our judgment is that if the net income of railroads continues to show a shrinkage their borrowing power will be so impaired as to seriously interfere with the securing of credit on a basis to justify the continuance of a policy of improvement and expansion so necessary to the country's general good.

We trust, therefore, it may be the pleasure of the commission to grant a slight increase in freight rates on the present occasion.

Very truly, yours,

FORT PITT MALLEABLE IRON CO.,
FRANK J. LANAHAN, *President.*

—

NOWATA, OKLA., *May 30, 1913.*

Hon. EDGAR E. CLARK,
Chairman Interstate Commerce Commission,
Washington, D. C.

DEAR SIR: It occurs to me that the petition of the railroads for a flat raise on all freight duties would be correct, and that the courts would be justified in granting this order in view of the fact that railroad building is now to a very great extent stifled and we are not having the necessary development of the country that we should have. If the granting of this order would stimulate railroad building, especially in the Southwest, I believe that your honorable body would be justified in granting their request.

Yours, very truly,

W. A. CHASE.

—

ASH GROVE, MO.

To the INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: We are writing you to urge upon you the need, as we believe, of permitting the railroads of the United States to raise their rates 5 per cent as desired by them. I will say to you gentlemen that we are merchants carrying a stock of $30,000 to $35,000, and of course not going to personally profit by increased freight rates, but knowing how our own expenses of doing business have increased in recent years, and knowing how much has been demanded of the railroads in the way of improved service, and equipment for their safety and that of their employees, and of the increased wages to the employees, etc., and without claiming any very intimate knowledge of the railroad business, we feel convinced of the justice of their contention, and that we are on safe ground and acting intelligently in urging that the railroads be permitted means of meeting increased costs that we are all aware of.

Yours, truly.

W. T. CHANDLER & SONS STORE CO.,
Per W. T. CHANDLER, *President.*

—

BROOKLYN, N. Y., *May 30, 1913.*

Hon. CHAS. A. PROUTY.

DEAR SIR: Please read the inclosed slips. If there had been railroad men on the Interstate Commerce Commission, men that had seen 25 to 30 years' service in the railroad business instead of lawyers, you would not see the San Francisco Railroad in its present condition today. I knew this would come last fall when I wrote you. There are others just like it. Ten per cent advance in rates would not hurt any family of six more than $2, and save the savings banks of this country and estates. What conditions will some of these banks be in when they mark down the price of their bonds on July 1? But few of them will be able to pay 2½ per cent unless they have ship carpenters on their board of directors—some should pay none. I hope something will be done at once before some in Boston get the credit of putting some more roads in the hands of a receiver.

Very respectfully,

CHARLES HART,
908 Lincoln Place.

Railroads can not advance pay 10 per cent and then 7 per cent and 15 per cent on this high cost of living and pay more for their supplies, and when that has been done compel them to reduce rates instead of telling them to advance same moderately; 5 per cent east and west would prevent a crash within a few months; 10 per cent would save them forever.

—

PITTSBURGH, PA., *June 4, 1913.*

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: The writer believes that at the present time it would be for the welfare of the country if the proposed rate advance on eastern railroads were allowed. We believe that it would work very little hardship on the shipping interests if the increase is moderate.

From the railway statements we read, we note that the net operating income has gradually decreased during the last few years, and the expenditures due to the increased cost of labor and materials and the necessity of employing additional men to perform the duty formerly carried on by fewer numbers has steadily increased the operating costs.

This seems to have shrunken the net income of the railroads to such an extent that soon their borrowing power will be so impaired as to interfere with their securing credit on a basis to justify them in continuing their improvements and expansions necessary to the country's general good. We hope therefore it will be the pleasure of the com-

mission to grant a moderate increase in the freight rates on this occasion.

Yours, very truly,

M. B. SUYDUM CO.,
R. S. SUYDUM, *President.*

—

CHICAGO, *June 7, 1912.*

Hon. C. A. PROUTY,
Washington, D. C.

MY DEAR SIR: For two years I have felt like writing and giving you my views as to freight rates. I never have owned railroad stocks, which if sold, would pay our average freight charges for one week here and at Montpelier, but it has seemed to me that the best interest of the country generally, leaving alone the railroad interest, required an increase in the rates charged for handling freight, which would enable the roads to provide equipment, track, and terminal facilities to meet the increasing business of the country.

Only an exceptionally mild winter prevented great loss and inconvenience the past season, and it does not seem that the business of the country can anticipate adequate accommodation until the roads are allowed to collect more money for the service. As I say this has been my belief for the last two years, and it is all the while being confirmed.

This letter is not being written at the suggestion or with the knowledge of any one living, and I simply give it to you as my judgment and conviction as a man and handler of grain.

Yours, truly,

E. W. BAILEY.

—

PITTSBURGH, PA., *June 9, 1913.*

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

DEAR SIRS: We understand that you wish to know the opinion of manufacturers regarding the increase of rates asked by the railroads.

We employ about 700 men and have about 70,000 tons of freight per year, counting what we ship out and receive, and we believe that if you grant the railroads the increase asked for by them it will be good for our business.

Respectfully, yours,

UNION SPRING MFG. CO.,
LEONARD G. WOODS, *President.*

—

BOSTON, *June 10, 1913.*

Hon. GEORGE B. MCGINTY,
Secretary Interstate Commerce Commission, Washington, D. C.

DEAR SIR: We write to urge upon you the advisability of allowing the Boston & Maine Railroad and other New England roads to advance their carrying charges on freight so as to correspond with their increased outlay for maintenance and higher wages they have been compelled to pay in order to operate their roads.

We are large shippers and receivers of freight over the Boston & Maine Railroad and other New England lines. We do not object in the slightest degree if we have to pay a little advance in our transportation charges, and we are sure our customers feel the same. The enforced economies which are now necessary for the transportation companies to put in practice in order to keep out of bankruptcy is only done at the cost of poorer service. We are very certain that nobody carrying on any kind of business can give something without an added return.

Kindly do what you can in this direction, and greatly oblige,

Yours, very truly,

STONE, TIMLOW & CO. (INC.),
SHENK-ADAMS CO.,
By ALBERT H. STONE, *President.*

—

BALTIMORE, *June 18, 1913.*

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: As large shippers who prepay all their freight, and are hence vitally interested in freight rates, we feel it the duty of your honorable body at this most trying time in the history of railroads, when disaster portends and shipping facilities are in danger of being curtailed, due to lack of ability to raise money to make necessary repairs and provide for needed facilities, to grant the railroads the 5 per cent increase they ask. Our railroads are the backbone of commerce, and to endanger their growth and normal development spells danger for the shipper. Every item of expense of the railroads has been increased by law and by pressure of public opinion, while their income has been curtailed by the same elements. There can only be one result of such tendencies, and that is receivership and reduction of facilities, both disastrous to shippers. Business is still good, although curtailment has been evident for some months, and if threatened attacks upon business by the Government, together with tariff uncertainties, is augmented by continued attacks upon common carriers, business contraction and loss of confidence, followed by hoarding, will inevitably ensue and conditions akin to 1893 will be most likely. The sense of all people we have come in contact with is in favor of granting railroads the increase asked for.

Yours, very truly,

SHARP & DOHME.

—

SENECA FALLS, N. Y., *June 18, 1913.*

The INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: We are manufacturers and shippers and appeal to you that you allow the railroads of the country to advance their freight rates. The credit of the railroads is gradually dwindling, and we believe if you do not grant them an increase in freight rates they must face a crisis.

It seems to us there are two great factors which count for prosperity in our country. One of these is the agricultural crops, the other is the success of the railroads. We had large crops last year, and if the railroads had an increased revenue we would now be enjoying unbounded prosperity in this country.

The railroads are the backbone of good business. They have been handicapped by restrictive legislation, they have been compelled again and again to raise wages, the cost of equipment has advanced, they have suffered flood losses, crew bills have been passed, and they have been prohibited from advancing their rates, although they are expected to improve their service. It seems as though the limit has been reached. If our railroads are to continue to do a profitable business they should be allowed to place upon the public, through higher rates, some of this additional burden they have been compelled to assume.

The business condition of the railroads affects many other lines, and they have been largely curtailed for a long time. We have had so much "trust busting," "tariff tinkering," and "railroad smashing" it would seem as though all this should be discontinued and give business a chance.

If our legislators and those in authority only knew what was in the hearts and minds of the business men of our country and would act accordingly a brighter day would dawn for the American people. We hope for your favorable consideration.

Yours, respectfully,

H. W. KNIGHT & SON.

—

CHICAGO, *June 19, 1913.*

To the CHAIRMAN INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

DEAR SIR: While our company is not a shipper of heavy tonnage, we are greatly interested in the prosperity of the entire country, and believe that the country can not have great prosperity unless the railroads prosper, and many of them are not now in a prosperous condition, not because of a lack of tonnage, but because of the many increases in wages and the high cost of materials which they have to buy.

We therefore hope that the increase in rates asked for by the railroads will be granted by your commission.

We in the West believe that fair crops this year and an increase in rates granted to the railroad companies will almost insure continued prosperity for the entire country.

Yours, very truly,

WAHL ADDING MACHINE CO.,
C. S. ROBERTS, *President.*

—

THE CITIZENS NATIONAL BANK OF CORINTH,
Corinth, Miss., June 24, 1913.

The SECRETARY INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

DEAR SIR: Please pardon me for calling your attention to the request of the railroads for permission to make a horizontal raise of 5 per cent in their rates, which I believe is entirely reasonable, and I believe the request should be granted, for if our railroads are not permitted to operate on a profitable basis the business and commerce of our country generally would be very much corrupted.

Very respectfully,

JNO. F. OSBORNE, *President.*

—

BIG STONE GAP, VA., *July 22, 1913.*

Hon. C. C. MCCHORD,
Interstate Commerce Commissioner,
Washington, D. C.

MY DEAR SIR: I am not, as you probably know, a railroad attorney; my chief clients are shippers, mining and manufacturing companies, yet I take the liberty of writing to you as a member of the commission to say that I believe under present conditions the railroads of the country, certainly the eastern roads, ought to be allowed to make a reasonably uniform increase of rates. So long as the increase is uniform no particular industry or shipper can complain of discrimination. The price of practically everything else, including money, has advanced, and common justice to the railroads seems to demand that they should be allowed to make an increase. I have had occasion to discuss this subject frequently of late with my friends, who represent many interests and shades of opinion, and I think the sentiment is pretty nearly universal among thinking and reasonable men that the railroads ought to have some relief.

At the suggestion of some of these friends I take the liberty of writing this to you, believing that you gentlemen of the commission want to know, and are entitled to know, public sentiment gathered from many sources.

I may repeat here what I said to you in person in a recent conversation in Washington, that your commission is the biggest single force, with the possible exception of the Supreme Court, in our national life to-day, for good or bad, to the mass and to the average man.

My interest in the subject and my belief in the fairness and the rectitude of the commission is my excuse for writing you.

With highest personal regards, I remain,

Very sincerely, yours,

R. T. IRVINE.

—

BOSTON, MASS., *August 27, 1913.*

INTERSTATE COMMERCE COMMISSIONERS,
Washington, D. C.

GENTLEMEN: I respectfully pray that your board authorize the New York, New Haven & Hartford Railroad Co. to increase the rate it may charge for freight and passenger service.

A few years ago, relying upon the assurance of the Commonwealth of Massachusetts that the stock was worth substantially more than $125 a share, my wife and I paid $2,500 for the right to subscribe to 100 shares of New York, New Haven & Hartford stock at $125 a share, so that our stock cost us $150 a share. The income from this stock amounted to $800 a year, which we have relied upon to pay for the education and support of our children.

As you know, the New York, New Haven & Hartford Railroad Co. has already cut is dividend to 6 per cent, and it appears as if it will have to cut its dividend to 4 per cent per annum. The railroad is doing a good business, but your board will not allow it to increase the charges for services proportional to the increased expense for labor, material, and borrowed money required to carry on the business.

In a recent statement I understood that your board advised the stockholders not to worry about the value of the New York, New Haven & Hartford stock. If the stockholders are to be relieved from worry and from actual loss, your board can at least do its share by authorizing reasonable increases in rates.

I respectfully point out to your honorable board that the question as to whether the officers of the railroad company may have made mistakes in the past or not has absolutely no bearing on the fact that the railroad and everybody else has to pay more for materials, labor, and borrowed money now than used to have to pay. Also, that I did not rely upon any statements of the officers of the road when I bought the stock, but relied upon the implied guaranty of the Commonwealth of Massachusetts that at $125 a share the stock was a perfectly safe and sure investment.

I hereby make a personal appeal to the members of your board to sweep away technicalities and act with fairness and common sense for the benefit of myself and other stockholders whose savings have been invested in the New York, New Haven & Hartford Railroad Co. stock at prices of $150 or more per share, with the belief that the Govern-

ment authorities would protect their interests to the extent of permitting the railroad company to earn $8 dividends per share per annum.

I respectfully call your attention to the fact that immediate action is necessary if you intend to adequately protect the interests of the stockholders.

Respectfully, GILES TAINTOR.

—

PITTSBURGH, PA., *September 13, 1913.*

EDGAR E. CLARK,
Chairman Interstate Commerce Commission, Washington, D. C.

DEAR SIR: In regard to the 5 per cent increase in freight rates, for which the railroads east of the Mississippi River are petitioning you, we would say, as large shippers over the various railroads (our shipments of coal and coke during 1912 amounting to approximately 3,000,000 tons) that we believe that the railroads are entitled to and should be granted the increase asked for, and when this matter comes up before you, we trust that it may have your favorable consideration.

Yours, very truly,

J. H. HILLMAN & SONS CO.
J. H. HILLMAN, Jr.,
President.

—

PHILADELPHIA, *September 24, 1913.*

Mr. EDGAR E. CLARK,
Chairman Interstate Commerce Commission, Washington, D. C.

DEAR SIR: We understand that the railroads east of Chicago are endeavoring to secure your commission's approval of a 5 per cent advance in freight rates.

As sellers and shippers over some of these railroads of a large tonnage of bituminous coal, we are naturally greatly interested in rates of transportation, but, as business men, we can not see any wisdom or justice in a policy or practice either of legislation or administration, the natural if not the necessary result of which is not only to prevent healthy and hearty development of a great industry, but to handicap it in an illiberal way so that a condition of prosperity grows insecure and vitality becomes endangered.

The railroads of this country constitute a great industry and a very beneficent one.

We think we are expressing the belief of most of the men who conduct successful enterprises in this section of the country when we state that we believe the railroads east of Chicago need this advance, and that they should be permitted to make it.

We share with many others the belief of the solidarity of business interests—no one of them can suffer long without the others ultimately suffering, and with them the interests of the people. Railroads, in our judgment, should be allowed to exact liberal rates for transportation in order that there should be the greatest freedom of growth and development, if this results in better service to the country, with better facilities, and with better results for all.

Yours, very truly, J. H. WEAVER & CO.

—

THE CONSOLIDATION COAL CO.,
Baltimore, September 25, 1913.

Hon. EDGAR E. CLARK,
Chairman Interstate Commerce Commission,
Washington, D. C.

DEAR SIR: This company being among the largest miners and shippers of coal in the United States, I am taking the liberty of writing you in connection with the petition of the eastern railroads, requesting your honorable body to grant them an increase of 5 per cent on all rates.

The Consolidation Coal Co. produces and ships about 12,000,000 tons of coal per annum. We have in operation 12 mines in Somerset County, Pa., and 43 mines in the Fairmont region, West Virginia, both of these fields depending entirely upon the Baltimore & Ohio Railroad Co. for transportation facilities; 11 mines in the Georges Creek region, Maryland, depending upon the Cumberland & Pennsylvania Railroad Co., which connects with the Baltimore & Ohio Railroad Co., Western Maryland Railroad Co. and Pennsylvania Railroad Co.; 4 mines in the Millers Creek region, Johnson County, Ky., which depend upon the Chesapeake & Ohio Railroad for their transportation facilities; 14 mines in the Elkhorn coal field in Eastern Kentucky, 8 of which depend upon the Sandy Valley & Elkhorn Railway (the Baltimore & Ohio Railroad) and 6 upon the Lexington & Eastern Railway (Louisville & Nashville Railroad).

The markets for these coals are the industries located in the Eastern States, England, Egypt, Mediterranean ports, South America, Mexico; also St. Louis and the great Middle West, and via the Great Lakes to our large storage ports at the head of the Lakes, where the coal is distributed during the winter months throughout the Northwest; therefore, with this variety of markets and the number of fields widely separated, we can view the situation more generally perhaps than an industry which is more local in the disposition of its product.

In 1907 for the first eight months we mined in our Fairmont field 4,247,333 tons; at that time we had 41 mines in operation, since which time we have spent in equipment and opening additional mines $1,019,542.75; for the first eight months of 1913 we have produced in our Fairmont field 3,439,255 tons, showing a decrease in face of all these expenditures and additional mines of nearly one million tons.

In 1907 there was no question of marketing coal if it could be produced. The same condition has absolutely prevailed in 1913, and as the physical capacity of our mines has largely increased in the last six years, the reason for this decrease must be sought elsewhere, and I think we can make this clear to your mind.

In 1907 in the Fairmont region we had 41 mines, and the total number of mines in the region was 68; since that time there has been a large increase in numbers and physical capacity of mines, so there are now 135 mines in operation in this region, and, therefore, while the total amount of coal produced in the Fairmont field has increased, yet owing to the inability of the carrier, the Baltimore & Ohio Railroad Co., to furnish us with equipment to load the product of our mines, our tonnage has steadily decreased.

As the industrial development of that region increased and expanded, the equipment of the Baltimore & Ohio Railroad Co. was required by law to be distributed pro rata, and notwithstanding the fact that in the last three years President Daniel Willard, of the Baltimore & Ohio Railroad Co., has expended on rebuilding the line and furnishing equipment nearly one hundred millions of dollars, with the exception of Mondays we hardly ever receive sufficient cars at all of our mines in the Fairmont region to have a full day's run, and on many days at least half of our mines are shut down for want of cars.

At the present time on our lake obligations, which have to go forward before the close of navigation, we are behind 700,000 tons, and the car shortage, week by week, is becoming worse instead of improving.

Most of the railroads have failed to furnish the equipment that is absolutely essential for the coal operators to be in position to give steady employment to their men and fulfill their contract requirements to the consumers.

It is claimed by the railroads and it seems to me with reason, that unless their rates are advanced they will be unable to make even an attempt to furnish the necessary equipment and transportation facilities along their lines, and the fact stares us in the face that if this is not done that the industries which ship large volumes of freight must look with fear into the future. For this reason we feel that their petition should be granted, and while it applies on coal as well as on other commodities, we think that this increase will be justified by enabling the railroads to provide transportation facilities to their shippers, which is absolutely essential not only for the shippers' welfare, but for the welfare of the general community.

A large amount of the increase of freight rates on coal from, and other commodities into, the regions in which this company's operations are located, will fall on this company, and as an illustration the 5 per cent advance will, at least, cost this company $75,000 per annum on its Lake coal alone. As we have done, and are doing, a large export business and have sent in the past hundreds of thousands of tons of coal to the Mediterranean and other foreign ports, in this case will it also be, in the future, a direct loss to this company, as the price on such shipments is a delivered one, and therefore the higher the freight rate the more the price of coal at the mines must be decreased to meet with the competition from England and other countries, and the same applies, as I have stated before, to the coal which goes via the Great Lakes during the season of open navigation.

Undoubtedly there are, in our opinion, several unfair and unjust differentials between the regions existing under the present tariffs, but these can be taken up in the future with the commission after a general increase is granted practically as well as before an increase is granted, and it is our intention, unless some fair adjustment is made between the railroads in this connection, to take up some of the questions in the future with your honorable body.

The coal operators, to get the production of their mines to the market must have something more than a freight rate—they must have transportation facilities, and if the railroad companies are unable on the present rates to obtain sufficient funds, (and it will require large sums) to provide themselves with ample cars to perform their public duty, which is to provide each and every shipper along their lines with ample transportation facilities, then we think that the general freight rate increase should be granted, even if it does increase the cost of transportation to ourselves and others.

Very respectfully, yours, J. W. WHEELWRIGHT,
President.

—

TOWER HILL CONNELLSVILLE COKE CO.,
Uniontown, Pa., October 1, 1913.

Hon. E. E. CLARK,
Interstate Commerce Commission, Washington, D. C.

DEAR SIR: On the question of the general advancement of 5 per cent on freight rates which is before your commission, the Tower Hill Connellsville Coke Co. is in hopes that the Interstate Commerce Commission may see the advantages that will come to the various business interests of the country by granting the increase asked for in freights. We are of the opinion that there has been great improvement made in matters of transportation, brought about by the Interstate Commerce Commission, which has benefited the railroads as well as the shippers.

The difficult problems which have come before you, and the wisdom with which they have been solved, is appreciated, I believe, by a vast majority of shippers. Some evils and, as in the Coke case, some discriminations, still exist, but we believe these can be more easily corrected when the total revenue received by the railroads is sufficient, in the opinion of the commissioners, to allow such corrections to be made.

Respectfully submitted.

L. W. FOGG, *General Manager.*

—

PERKASIE, PA., *October 1, 1913.*

INTERSTATE COMMERCE COMMISSION.

GENTLEMEN: I am a commercial traveler and desire to state that the business men of the country express themselves as in favor of advance in freight rates to insure dividends on the investments in railroad stocks. It is a plain, simple proposition, "more profit or failure."

Yours, truly,

W. C. ERWIN.

—

BERWIND-WHITE COAL MINING CO.,
New York, October 8, 1913.

Mr. EDGAR E. CLARK,
Chairman Interstate Commerce Commission,
Washington, D. C.

DEAR SIR: The urgent application of the railroads east of Chicago for your commission's approval of a 5 per cent advance in freight rates is a matter of common knowledge.

Companies in which I am greatly concerned are sellers and shippers over some of these railroads of a very large tonnage of bituminous coal, and, as business men, we are naturally deeply interested in railroad rates, facilities, and methods upon which depend economical and efficient transportation and distribution. It is quite natural that those who are daily brought face to face, in a practical way, with the varied problems that confront those engaged in the large industries consequent upon the growth and development of our country should look at the matter of transportation rates differently from those whose environment and activities are such as either to narrow the scope of view or to make the consideration of the matter theoretic, philosophic, or academic. But it would seem that clear-thinking men in this country should find it difficult to justify any policy of legislation or administration that tends to prevent healthy development of important and beneficent industries or that treats them in such a way as to shake the foundations of their prosperity and menace the continuity of healthy and hearty life.

Perhaps no industry has contributed more to the material advancement and prosperity of our people—at large and otherwise—than the railroad industry. The railroads have not only sought to keep pace with progress and development; they have most frequently been the leaders in and instigators of progress and development.

It is my judgment that they should be treated in a liberal and not an illiberal way; that they should be allowed liberal rates for transportation, and that they should not be cribbed, cabined, and confined by vexatious restrictions that deprive them of the means of free and healthy growth and development and fetter their best efforts to render satisfactory service with increased facilities and adequate accommodations.

It is my belief that the railroads east of Chicago need the advance requested; that no good end will be subserved by withholding from them the privilege of making it; and that good to all—shippers included—will be the result of the increased earnings to come from such advance.

Yours, very truly,

EDWARD J. BERWIND, *President.*

—

CARBON STEEL CO.,
Pittsburgh, Pa., October 10, 1913.

To the CHAIRMAN INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

DEAR SIR: I will say, in regard to the Carbon Steel Co. and also several other enterprises in which I am interested, including the Western Coke Co. and the Pittsburgh Iron & Steel Foundries Co., all of Pittsburgh, that we are not opposed in any way to the advance of 5 per cent which is asked for by the railroads of the country.

I believe that it is in the interests of general business that the railroads should have this advance, as they have been cut down so in their rates and the cost of labor has increased so in the last few years that I do not think it possible that they can continue to do business without some increase of rates or heavy reduction in expenses.

As all business depends more or less on the railroads for their business, I believe it is nothing but right that they should be given enough revenue to pay a fair interest on their investments and also sufficient income, in addition, to insure their credit, which has been very largely impaired in the last two or three years.

Very truly, yours,

CHARLES MCKNIGHT, *President.*

—

CHICAGO, *October 11, 1913.*

INTERSTATE COMMERCE COMMISSION.

GENTLEMEN: I wish to know if there is a possibility of a rate increase for the railroads in the near future. The heavy increase in operating expenses seems to be the cause of the railroads' inability to pay dividends to stockholders and in some cases they have a hard time to raise enough money to even pay operating expenses. I am a stockholder in the Rock Island Co., and upon investigation find the cause of their financial difficulties seems to be in the reduction of freight and passenger rates from 3 cents to 2 cents a mile and the heavy increase in expenses. What is left for the stockholder? I invested all I have in Rock Island and would hate to lose all my earnings, and what relief is in sight for the stockholders of railroads in like condition? Are we not entitled to a fair interest on our investment?

Any information would be greatly appreciated, and thanking you in advance, I am,

Very truly, yours,

OLIVE BUTTSBACK,
526 Unity Building, Chicago.

—

PITTSBURGH STEEL FOUNDRY CO.,
Pittsburgh, Pa., October 15, 1913.

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

DEAR SIRS: We understand there has been an effort made by the eastern railroads to have 5 per cent increase in freight rates.

This question has not been brought up to me in any shape or form by the railroads, but we are fully of the belief that they are entitled to it, and as shippers of a considerable quantity of material we are willing that they should have it. We believe they are justified in asking for it and we wish to be regarded as in favor of their request.

Yours, very truly,

PITTSBURGH STEEL FOUNDRY CO.,
STEWART JOHNSTON, *President.*

—

1064 WILLOUGHBY AVENUE,
Brooklyn, N. Y., October 16, 1913.

Honorable CHAIRMAN INTERSTATE COMMERCE COMMISSION.

DEAR SIR: I have been tempted to address you, hardly knowing whether there is any sense or propriety in it, hoping that any ignorance on my part, of the subject, will be kindly excused.

As I understand it your honorable board was appointed to look after the interests of all concerned in railroad affairs. I am but one of thousands of men and women of modest means who, for lack of larger capital or time to devote to other interests, have invested their savings in railroad stocks. I have been for a long time in the unhappy position of seeing a continual depreciation and loss of return on my investment. It appears to me that the present and future welfare of those in my position have not received due consideration; and that our injury, vast in the aggregate, must be ultimately shared by the country in general.

If the laws so limit the railroads that they can barely earn expenses, then our lot will be hard indeed. Surely it is to be hoped that your commission of well-intentioned and honorable men will find a means to overcome this condition of distrust and anxiety overhanging those interested in the welfare of railroads.

Respectfully, yours,

F. W. WEAVER.

—

THE MCCONWAY & TORLEY CO.,
Pittsburgh, Pa., October 16, 1913.

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: We understand that your commission will soon have before it for consideration the question of allowing the eastern railroads to make an advance of 5 per cent in the present freight rates, and inasmuch as we are shippers and payers of freight to the extent of approximately $80,000 per year, it occurs to us that we have a right to be heard on the question, and we therefore take the liberty to address you this communication in regard to the matter.

When we take into consideration the requirements that have been imposed upon the railroads of the country in relation to the adoption and maintenance of safety appliances, with the largely increased pay rolls as the result of compulsory advances in the rates of wages of all classes of their employees, and the compulsory requirement of additional employees, which from the operators' standpoint of the railroads were unnecessary, and then consider that the railroads have not been allowed to make any increase in their rate of charges to meet these increased expenditures, the condition presented is one without a parallel in any other known line of business or commercial activities.

In our manufacturing operations we have found during a period of the last two years that our average rate of wages has been increased practically 33 per cent, and this taken in connection with advances in the prices of all raw materials entering into our products have compelled us to make advances in the prices of our goods, and had we, as manufacturers, been debarred from making any advances in the prices of our products we should simply have had to shut up our shop and go out of business; but looking these conditions squarely in the face, and without any desire to increase our costs of manufacture, we are most heartily in favor and would most strongly urge that the allowance in freight rate which the railroads are asking be given your favorable consideration and granted. The question is one of vital interest to us, since if the railroads are denied the sought-for relief, and in consequence are compelled to adopt a policy of retrenchment and of cutting down of expenditures to the lowest limit with a curtailment of orders for equipment, the condition thereby created will be a most serious one for us and for every other manufacturer of anything in the railroad line or for any line of manufacture that is in any way contingent upon the prosperous operation of the railroad systems.

The steady falling off in business in our line, not only at our own plant, but in the plants of many others in the same lines of business during the last two months, seems to indicate to us the approachment of a considerable period of very lean and unsatisfactory business, and unless something is done to counteract this tendency the only possible result will be a largely decreased operation, with reductions in the number of working force as well as reductions in the rates of compensation, so in the final analysis it is plainly seen that the people who suffer the most will be those who lose their jobs and have their rates of wages reduced.

We fully believe that the rate of increase which the railroads are asking is entirely warranted by the increased costs of operation to which we have referred, and again we say that we most strongly urge that the relief they seek shall be allowed.

In closing it may not be out of place to say that we are writing this letter entirely on our own initiative and without any suggestion or request from anyone connected with the railroad industry.

Yours, truly,

THE MCCONWAY & TORLEY CO.,
STEPHEN C. MASON, *Secretary.*

—

UNION STEEL CASTING CO.,
Pittsburgh, Pa., October 16, 1913.

Hon. EDGAR E. CLARK,
Chairman Interstate Commerce Commission,
Washington, D. C.

DEAR SIR: Our shop is employed almost exclusively in furnishing castings for steam locomotives and until recently ran to full capacity. We are now running only 35 to 40 per cent of our capacity and can only furnish employment for about one-half of our 1,200 employees.

We are informed that one of the reasons why purchases by the railway companies have greatly decreased during the past few months is the increased expense to the railroads because of increased cost of labor, etc., without corresponding increase in revenue. We know that labor has increased materially, as well as other items of expense, and we would like to urge that the eastern railroads be granted the 5 per cent increase in freight rates for which they have asked.

We are large shippers, but wish to be fair with the railroad companies and are especially anxious to keep our own shop going and furnish employment for our men.

Yours, respectfully,

UNION STEEL CASTING CO.,
C. C. SMITH, *President.*

—

PENN STEEL CASTINGS & MACHINE CO.,
Chester, Pa., October 17, 1913.

To the MEMBERS OF THE INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: The present lull in the steel-casting business has prompted us to analyze the cause of same, and our conclusions compel us to write you in defense of the railroads. We believe the railroads are the only business corporations to-day who, regardless of their investments, cost of operation, upkeep, etc., do not have the power to fix a price on the service they afford their customers, no matter what the necessities of the business indicate.

Public sentiment and outside demands have increased the rate of wages of their employees from time to time which, without a corresponding increase in income, has necessarily reduced the earning power of the railroads. As a result renewals and repairs of rolling stock and equipment have been retrenched upon to such an appalling magnitude that if a stop is not presently effected actual danger will confront the public through inefficient equipment.

At this writing this retrenchment has seriously decreased the business of locomotive and car builders and, needless to add, as these industries are a barometer on steel foundry products, has resulted in a flatness in our business which is worse than we have encountered for years.

This condition appears to be becoming general with all lines of manufacture connected or affiliated with the production of materials used by the railroads, and we want to put ourselves on record as heartily advocating the granting to the railroads of the privilege of increasing their rates as the exigencies of their business demand.

We thank you for your kind consideration of the above matter and beg to remain,

Yours, very truly,

PENN STEEL CASTINGS & MACHINE CO.,
W. S. BICKLEY,
President and General Manager.

ROBERT G. DAVISSON,
221 Jefferson Avenue, Brooklyn, N. Y., October 20, 1913.

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: I am the owner of a few shares of railroad securities for which I depend almost entirely for my subsistence. I was formerly in the mercantile business, but having become totally blind I was compelled to give it up. Noting from time to time the additional charges put upon the railroad companies and fearing that the time may soon come if these additional charges continue that there will be a reduction in the dividends made by the companies, to the injury of those like myself who are holding securities, I write to ask you that if the companies request from you the privilege of advancing their rates that you will treat them fairly, thus enabling them to continue the dividends they have been recently paying and prevent inconvenience to those holding their securities. As to my identity and responsibility, I would refer you to George W. MacIbeary, connected with the house of Henry Clews & Co., corner of Broad and Wall Streets, New York.

Thanking you in advance for what you may do in this direction, I am,
Sincerely,

R. G. DAVISSON.

—

EDWARD LOWBER STOKES,
104 South Fifth Street, Philadelphia, October 21, 1913.

The INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

DEAR SIRS: It is my opinion that the railroad companies of the United States are justified in demanding an increase in freight rates. This opinion is shared by almost every normal business man that I have seen.

While I do not own a single share of stock in any railroad company, I believe that it is most important for the welfare of this country that this matter should be adjusted satisfactorily to the railroads; otherwise the only alternative would seem to be a stiff reduction in the cost of labor.

Yours, very truly,

LOWBER STOKES.

—

PENNSYLVANIA COAL & COKE CORPORATION,
New York, October 22, 1913.

Hon. EDGAR E. CLARK,
Chairman Interstate Commerce Commission,
Washington, D. C.

DEAR SIR: At the request of the New York Central officials, we beg leave to put before the members of the Interstate Commerce Commission our impression regarding the request of the eastern railroads to be permitted by your commission to make a general advance of 5 per cent on freight rates. We understand that their request includes an advance in the rates on bituminous coal.

Our corporation is a miner and shipper of approximately 3,000,000 tons of bituminous coal annually—about 1,200,000 tons over the Pennsylvania Railroad lines and about 1,800,000 tons over the New York Central lines. We operate 32 mines—22 in Cambria County, 5 in Indiana County, 3 in Clearfield County, and 1 in Blair County. Practically all of this tonnage is marketed in the eastern, New England, and tidewater markets.

Our observation is that the Pennsylvania and New York Central lines have not provided, in the way of equipment, additional tracks and terminal facilities for the business they are called upon to handle in our line. The gradual increase in the business that is constantly taking place is making their lack of equipment and facilities felt in our business in a very direct and costly manner.

We believe the railroads should be equipped with the necessary facilities to meet a reasonable maximum demand. As an illustration, the demand for a full allotment of cars and the working of our mines to their capacity usually begins about the 1st of September and lasts until about the 1st of April, and it is at that particular period of the year that we suffer.

The result of the above conditions is that operating costs at the mines are largely increased, and there is unquestionably a great economic waste in the method of producing our coal resulting therefrom. Another important point in this connection we believe to be the fact that on some railroad lines, particularly on the lines of the Pennsylvania Railroad, there is a large percentage of the coal cars that are owned and operated by coal operators. Our company operates 700 private cars. While these cars are operated by us at an actual loss, they are necessary under present conditions in helping to run our operations more steadily. We believe this practice has resulted in great harm to those operators who are not in a position to furnish their own equipment. Some coal companies own or control sufficient cars to run their operations exclusively with them. The result of some operations running steadily, while others are working intermittently, is that labor naturally drifts to the steady working operations, and the labor remaining at the other operations has good reason for dissatisfaction with its earnings. The result is constant unrest. The railroads should own all of the equipment operating on their lines. It would be much better for the average operator and the labor he employs if such were the case.

We agree with some of the arguments that are made on behalf of the railroads, and believe your commission would be justified in permitting the advance they request. In order that no new and additional complications in the rate situation be introduced, we believe the increased rate should apply to all of the railroads operating from the coal regions. It seems quite apparent that the railroads have had a large and legitimate increase in their operating costs due to the increased rates paid for labor and higher costs of the general material used in railroad work, together with the large increase in local, State, and national taxes. For some time the railroads have been unable to sell their securities at the rates for money prevailing for so many years. The increased cost of their money is a large and additional factor of expense, and they should have sufficiently remunerative rates for the traffic they carry to be enabled to pay current rates for money, all in order that they may do their financing when the legitimate needs of their business require additional expenditure. We believe a general advance in the railroad rates would not adversely affect the business interests of the country, and that the time is now here when such an advance would not only be beneficial to the railroads and their credit, but that the effect of such an advance would lend greater stability to the capital invested in railroads, and enable them to so handle their business as to improve the welfare of the people generally.

Yours, very truly,

T. H. WATKINS, *President.*

—

THE 100% RAIL JOINT CO.,
Philadelphia, October 23, 1913.

Hon. E. E. CLARK,
Chairman Interstate Commerce Commission,
Washington, D. C.

DEAR SIR: I respectfully urge that, in determining the railroad-rate question, your honorable body may give most serious consideration to that phase of the question which touches most intimately the interests of a body of manufacturers so large that the measure of their prosperity may truthfully be said to be an accurate index of the industrial condition of our country. The industries to which I refer are so closely related to the activities of our railways that any physical, economic, or legislative influence which is detrimental to the welfare of railways as a whole invariably reacts in almost identically the same measure upon our industries.

The very serious question, which you have under consideration, therefore concerns us so keenly because it is of such vital import to the railways. I believed this firmly three months ago, but now, after having just returned from a trip of nearly 10,000 miles, on which I have come in contact with the highest executive officials of many of our largest railway systems, I am still more firmly convinced that if you do not extend some assistance to the railways, in the way of a reasonable freight rate increase, there will be many of them who will find themselves shortly in such serious straits that they will be forced into the hands of receivers, in spite of the exercise of such rigid economies as are in themselves a detriment to the physical good of the properties.

Undoubtedly, there are rich railway systems which could weather the adverse effect of your refusal to grant any increase, but in any event our allied industries are bound to be in precisely the same category; some will continue to prosper to a lesser extent than formerly, others will find it hard to derive a net income upon investment, and still others, constituting a very large number of worthy industries, will not find it practicable to make ends meet.

Such disastrous consequences must not be measured by you in terms alone of the actual amount of the increase which you are asked to grant. They must be measured in the effect which this amount of increase will have upon the continuance of activity, meaning the employment of labor and the circulation of money on the part of such industries as would otherwise be compelled to greatly curtail or entirely discontinue such activity.

Industry must be kept on the move, and I respectfully urge that the most fallacious argument which has been advanced against increase is that which says that the reason that many industries do not prosper to a greater extent than they do is because of wasteful or antiquated methods used in the prosecution of the business. This is only half the truth; but, even granting that it might be so, is that any justification for throttling the industry without any attempt to apply a remedy which would put it on a sounder basis? Present conditions require something a little more moderate than a death sentence.

Trusting that these comments may be of some use to you, I beg to remain,

Respectfully, yours, W. PATON THOMSON, *President.*

—

THE CROSBY FRISCIAN FUR CO.,
Rochester, N. Y., October 25, 1913.

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.:

Time was when we thought the railroad companies were robbers, and we think they were to some extent, because they had everything their own way; but railroads that do an interstate business—and they all do—come under your regulations.

Our freight bills are a considerable item, and taking a hard-headed business view of it, we are not anxious to have them increased more than necessary, but we believe the railroads are entitled to consideration in asking for increased freight rates when we take into consideration their increased expenses in several directions.

We are willing to have our freight rates increased if it will tend to keep the railroads in good, healthy condition, for the country depends on transportation. If transportation breaks down, business will be crippled beyond redemption. We think the railroads are extremely modest in their request for advanced rates.

THE CROSBY FRISCIAN FUR CO.,
G. N. CROSBY, *President.*

—

WM. WATERALL & CO.,
Camden, N. J., October 28, 1913.

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: A sense of justice and a desire to discharge my duty as an American citizen, interested in the rights of all the people, prompt me to write you expressing my personal views in favor of granting a reasonable increase of rates to the great eastern railroad systems, which, with their vitalizing forces extending over the whole country, have become a necessity for its commercial, industrial, and agricultural interests.

After 54 years of business experience, I can personally appreciate the conditions that confront the railroad companies, with their increased operating costs and difficulty of maintaining efficiency of equipment, especially in securing capital, unless they can show satisfactory earning capacity, as it seems to be inevitable that the people, through their Government, will demand physical valuations of the railroads. It would seem to be the fitting time to readjust on an equitable basis the rights of both parties concerned in the matter of rates of public carriers, who use the highways of the Nation under charters granted by the people.

My sincere hope is that the railroads and general business interests of the country, with the assistance of the Government, will soon be traveling in harmony toward justice and prosperity.

Very respectfully, yours,

WM. WATERALL.

THE WEST VIRGINIA RAIL CO.,
Huntington, W. Va., November 1, 1913.

Mr. GEORGE B. MCGINTY,
Secretary Interstate Commerce Commission,
Washington, D. C.

DEAR SIR: Referring to the question of the proposed blanket advance of 5 per cent, as shown in tariffs published by lines in the Central Freight Association and trunk line territory, effective November 15, 1913: In view of the increased expense in the cost of raw material, the advanced wage scale demanded and granted to various employees, and the additional hardships imposed upon the carriers by both National and State legislation, whereby they are compelled for the safety of both passengers and freight to add new appliances and improved equipment, and the general advance in the price of all commodities, we would recommend that the advance of 5 per cent mentioned above receive the approval of your honorable commission and that the tariffs as published by the various railroads and filed with your commission be permitted to become effective on November 15 or the earliest date possible thereafter.

Very truly, yours,

THE WEST VIRGINIA RAIL CO.,
H. A. ZELLER, *General Manager.*

THE MILLER SUPPLY CO.,
Huntington, W. Va., November 1, 1913.

GEORGE B. MCGINTY,
Secretary Interstate Commerce Commission,
Washington, D. C.

DEAR SIR: Referring to the question of the proposed blanket advance of 5 per cent, as shown in the tariffs published by the lines in the Central Freight Association and trunk line territory, effective November 15, 1913: In view of the increased expense in the cost of raw material, the advanced wage scale demanded and granted to various employees, and the additional hardships imposed upon the carriers by both National and State legislation, whereby they are compelled to add for the safety of both passengers and freight, new appliances and improved equipment, we would recommend that the 5 per cent advance above mentioned receive the approval of your honorable commission and that the tariffs as published by the various railroads and filed with your commission be permitted to become effective on November 15 or the earliest date possible thereafter.

Yours, truly,

THE MILLER SUPPLY CO.
WM. J. HARVIE, *Secretary.*

NOVEMBER 2, 1913

INTERSTATE COMMERCE COMMISSION.

GENTLEMEN: We earnestly hope that the increase asked for by the railroads will be granted, because we have come to the conclusion, as many others in our locality have done, that said request is perfectly fair and just.

Yours, very respectfully,

R. E. ESTEP.
C. E. DAVIS.
DR. THOS. S. DAVIS.
RAY GARDNER.

NORVELL-CHAMBERS SHOE CO.,
Huntington, W. Va., November 3, 1913.

Mr. GEORGE B. MCGINTY,
Secretary Interstate Commerce Commission,
Washington, D. C.

DEAR SIR: Referring to the question of the proposed blanket advance of 5 per cent as shown in the tariffs published by the lines in the Central Freight Association and Trunk Line territory, effective November 15, 1913. In view of the increased expense in the cost of raw material, the advanced wage scale demanded and granted to various employees, and the additional hardships imposed upon the carriers by both national and State legislation, whereby they are compelled for the safety of both passengers and freight to add new appliances and improved equipment, we would recommend that the advance of 5 per cent above referred to receive the approval of your honorable commission, and that the tariffs as published by the various railroads and filed with your commission be permitted to become effective on November 15, or the earliest date possible thereafter.

Yours, truly,

NORVELL-CHAMBERS SHOE CO.,
JNO. E. NORVELL, *President.*

KENOVA LUMBER & SUPPLY CO.,
Kenova, W. Va., November 3, 1913.

Mr. GEORGE B. MCGINTY,
Secretary Interstate Commerce Commission,
Washington, D. C.

DEAR SIR: Referring to the matter of the proposed increase in freight rates by the lines in the Central Freight Association and Trunk Line territory, effective November 15, 1813, beg to say that in view of the increased expense in the cost of raw material, the advanced wage scale demanded and granted to various employees, and the additional hardships imposed upon the carriers by both national and State legislation, whereby they are compelled to add for the safety of both passengers and freight, new appliances and improved equipment, we would recommend that the 5 per cent advance above mentioned receive the approval of your honorable commission, and that the tariffs as published by the various railroads and filed with your commission be permitted to become effective on November 15, or the earliest date possible thereafter.

We beg to remain, yours, very truly,

W. E. MINTER, *General Manager.*

HAGEN, RATCLIFF & CO.,
Huntington, W. Va., November 4, 1913.

Mr. GEORGE B. MCGINTY,
Secretary Interstate Commerce Commission,
Washington, D. C.

DEAR SIR: Referring to the question of the proposed 5 per cent advance as shown by tariffs published by the lines in the Central Freight Association and Trunk Line territory, effective November 15, 1913, wish to advise that in view of the increased expense in the cost of raw materials, the advanced wage scale demanded and granted to various employees and the additional hardships imposed by both national and State legislation, whereby they are compelled, for the safety of both passengers and freight, to add new appliances and improved equipment, we recommend that the 5 per cent advance mentioned above receive the approval of your honorable commission and that the tariffs, as published by the various railroads and filed with your commission, be permitted to become effective on November 15, or the earliest date possible thereafter.

Yours, very truly,

HAGEN, RATCLIFF & CO.

SEHON, STEVENSON & CO.,
Huntington, W. Va., November 5, 1913.

Mr. GEORGE B. MCGINTY,
Secretary Interstate Commerce Commission,
Washington, D. C.

DEAR SIR: Referring to the question of the proposed blanket advance of 5 per cent, as shown in the tariffs published by the lines in the Central Freight Association and Trunk Line territory, effective November 15, 1913: In view of the increased expense in the cost of raw material, the advanced wage scale demanded and granted to various employees, and the additional safeguards imposed upon the carriers by both National and State legislation, whereby they are compelled, for the safety of both passengers and freight, to add new appliances and improved equipment, we would recommend that the advance of 5 per cent mentioned above receive the approval of your honorable commission, and that the tariffs, as published by the various railroads and filed with your commission, be permitted to become effective on November 15, or at the earliest date possible thereafter.

Yours, truly,

SEHON, STEVENSON & CO.

H. R. WYLLIE CHINA CO.,
Huntington, W. Va., November 7, 1913.

Mr. GEORGE B. MCGINTY,
Secretary Interstate Commercce Commission,
Washington, D. C.

DEAR SIR: Relative to the question of the proposed blanket advance of 5 per cent as shown in the tariffs published by the lines in the Central Freight Association and trunk line territory, effective November 15, 1913, in view of the increased expense in the cost of raw material, the advanced wage scale demanded and granted to various employees, and the additional hardships imposed upon the carriers by both national and State legislation whereby they are compelled, for the safety of both passengers and freight, to add new appliances and improved equipment, we would recommend that the advance of 5 per cent mentioned above receive the approval of your honorable commission and that the tariffs, as published by the various railroads and filed with your commission, be permitted to become effective on November 15, or the earliest date possible thereafter.

We sincerely think the railroads are entitled to this consideration, as they are certainly a great factor in this country when it comes to the matter of development and extension of business, and with everything considered we think that they are entitled to the advance requested not only for their benefit, but for the general benefit of the country and business conditions.

Very truly, yours,

H. R. WYLLIE CHINA CO.
H. R. WYLLIE, *President.*

THE T. H. SYMINGTON CO.,
New York, November 7, 1913.

Mr. EDGAR E. CLARK,
Member Interstate Commerce Commission,
Washington, D. C.

MY DEAR SIR: You may be interested in a manufacturer's point of view on the question of the proposed rate increase, which I am sending you under separate cover.

Yours, very truly,

T. H. SYMINGTON.

HUTCHINSON LUMBER CO.,
Huntington, W. Va., November 8, 1913.

Mr. GEORGE B. MCGINTY,
Secretary Interstate Commerce Commission,
Washington, D. C.

DEAR SIR: In connection with the proposition for 5 per cent level advance on tariffs of the Central Freight Association and trunk line territory, effective November 15, 1913, will say that so far as we are concerned we offer no objections to this advance.

Yours, truly,

HUTCHINSON LUMBER CO.
By ROBT. S. HUTCHINSON.

MARSHALL WINCHESTER & CO.,
Baltimore, November 10, 1913.

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

SIRS: A careful review of existing conditions in our railroad, financial, and commercial world, and a reasonable sense of the dangers ahead, prompt me to refer you to my letters of November 18, 1912, February 19 and March 28, 1913.

I stand for a raise of 10 per cent in freight rates on all commodities and on all lines and to and from all points.

Wisdom requires it and a glance at the real situation proves beyond all cavil that wicked and deliberate folly alone will prevent the granting, at once, of the 5 per cent asked by the railroads.

Ample time for a study has been given and I beg of you to take a broad view, unshackled by prejudice or by technicalities.

I beg that you prevent coming true Mr. Roswell Miller's prophecy: "I do not look for a change in this attitude until disaster comes upon the country in consequence of disaster to the railways," as quoted in my letter to you, dated March 28, 1913.

I am, dear sirs, yours, very truly,

MARSHALL WINCHESTER.

HENRY PHILLIPS,
Syracuse, N. Y., April 5, 1914.

CHAIRMAN INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

DEAR SIR: I am interested in the question as to an increase in the freight rates for the railroads. I believe that the country can afford

to deal generously with them in the present situation. I am not interested financially in any railroad corporation, but I am concerned greatly in the present business outlook, and I believe that with the granting of the 5 per cent increase in freight rates there would follow a substantial resumption of confidence on the part of all classes of business men. I do not believe that the basis of all the country's present ills is to be ascribed to the freight-rate question, but unquestionably it forms an essential consideration.

I believe that the wild and senseless hammering of corporations on the part of professional agitators, the reckless talk about the influence of Wall Street, and the so-called "interests" is largely accountable for the pessimism which has seized all minds and that there can be no relief until there shall come from such authoritative bodies as that of the Interstate Commerce Commission and the public service boards of the several States a pronouncement which will serve as a warning that the insane vaporings of demagogues finds no sympathy with these commissions. You have the confidence of the public in this momentous problem now before you. Your conservatism, I am sure, appeals to all level-headed men of affairs. At the same time there is deep concern, I find, throughout these parts in the proper determination of the freight-rate question. I hope and believe that you will resolve the question with as great expedition as possible and that the outcome will result in increased confidence in your body and in greater hopefulness in the future of the country's business.

Sincerely, yours,

HENRY PHILLIPS.

—

CHARLES A. RIDGELY & CO.,
Chicago, April 6, 1914.

Mr. JAMES S. HARLAN,
Chairman Interstate Commerce Commission,
Washington, D. C.

DEAR SIR: I am so impressed with the importance of the pending railroad rate case now before your body that I wish to put several facts before you, one of which has just come to my attention.

One of my friends, a Canadian, has just returned from Europe, and while there visited London, Paris, and Antwerp. While in Europe he saw a number of important financial men as well as individual investors, and wherever he talked investments, he advised me, so far as American securities were concerned, he was met with the argument that until your body has decided the matter you are now considering they did not care to invest in our securities. They stated that from all the information they could get, unless the railroads were given a freight advance they did not want any American investments until time had developed whether the railroads could live on the rates they were now getting.

The other idea in my mind is that we have experimented for some time on the present basis of rates, and we all know the condition of business existing to-day. Personally I believe the railroads are eminently justified in their request for additional revenue. Let us concede that there may not be an absolute necessity for an advance; would it not be wise to experiment by granting them an advance? If later it should develop that more revenue was not needed by the roads, then the present basis of rates could easily be restored and the country know exactly what the conditions are.

I think there is no question but that there would be an immediate improvement in business if an advance was granted.

Thanking you for such consideration as may be given this letter, I am

Yours, very truly,

CHAS. A. RIDGLEY.

—

R. H. STEARNS & CO.,
Boston, April 7, 1914.

JAMES S. HARLAN, Esq.,
Chairman Interstate Commerce Commission,
Washington, D. C.

DEAR MR HARLAN: Being an entire stranger to you and of course being entirely lacking in detailed information with regard to the question of rates of the railroads I have hesitated to bother you with my opinion, but I trust you will take this letter in the spirit in which it is written.

Of course I am not without appreciation of the fine work that the Interstate Commerce Commission is doing, but I do feel very deeply that we can not have any prosperity in the country unless the railroads are prosperous, and I feel very emphatically that at this time, in order to be prosperous, they must have substantial increase in rates to at least partially counterbalance the greater expenses that they are under. I hope you and the other members of the commission will see your way clear to relieve the railroads in this respect, and as soon as it can reasonably be done. I say this, although from the nature of my business it is important to me to have as low rates as possible. I can not, however, feel that this should weigh in the balance against such rates as will give the railroads a reasonable chance to be so prosperous that they can give the best of service.

Respectfully,

F. W. STEARNS.

—

THE ROBESON CUTLERY CO.,
Rochester, N. Y., April 7, 1914.

Hon. JAMES S. HARLAN,
Chairman Interstate Commerce Commission, Washington, D. C.

HONORABLE DEAR SIR: We believe firmly that the railroad companies are entitled to an advance in freight rates, which they are seeking, and hope that the commission will give their request most careful and favorable consideration.

Very truly, yours,

THE ROBESON CUTLERY CO.,
L. S. YOUCKES, *Vice President.*

—

BALTIMORE, *April 7, 1914.*

Mr. JAMES S. HARLAN.

DEAR SIR: I wrote you some time ago appealing to you in behalf of my fellow workingmen, myself, and our families for you and your associates to bring this railroad-rate trouble to a close so that we can get back to work. The trouble does not seem any nearer settled now than it was a month ago. We were working on half time for a while, now many of us are out entirely, with no prospects of work. Things are beginning to look desperate, and many of the men are making many threatening remarks. Our work is in the steel mill, but depend much on the railroads for work, and when things are dull we are down and out. We do not care a snap how this thing is settled just so we get back on our jobs. I am sure you fellows could rush this thing through if you wanted to, and if you had as much feeling for our children as you have for your own, you would soon find a way of fixing things up. Those fellows Brandeis and Thorn would like to make the people believe they are their friends, when anyone with an ounce of brains know they are enemies to the workingmen and the country, or they would not drag this thing out so long and at the expense of the mechanic, the laborer, and their families. I am at this moment surrounded by 40 or 50 good, honest, sober, skilled mechanics, nearly every one of us with families from 1 to 10 children, with no work, little or no money, while every one of you have fat jobs and living in palaces. We do not begrudge you this, but do not think it fair play to put us on the bum. If there is any sympathy or the right spirit of manhood in you fellows you will settle this thing very quick and save much distress.

Yours, truly,

FRANK BORDOHOE.

—

E. J. CHAPMAN,
Rochester, N. Y., April 7, 1914.

Hon. JAMES S. HARLAN,
Chairman Interstate Commerce Commission,
Washington, D. C.

DEAR SIR: I am in favor of the railroads having an immediate increase of 5 per cent in freight rates and believe that if your commission will so decide, and at the earliest possible time, the depression in business now prevailing throughout the country will disappear and that a revival in trade will take place immediately.

Yours, truly,

E. J. CHAPMAN.

—

MINNEAPOLIS, MINN., *April 7, 1914.*

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

DEAR SIRS: In investigating the condition of the railroads, before deciding that rates should not be increased, the commission ought to find out the number of railroad men who have been without work this winter. The railroads claim they can not afford to send freight, and engines are standing idle. My father, who has been a machinist for the Chicago, Milwaukee & St. Paul R. R. for over 25 years, is working four days a week and eight hours. He earns about $50 a month and supports a family of three. In these days of high living that means pretty scanty living and going without everything but the necessities of life. Other men who have worked for the company less time have been laid off entirely. They are scattered all over the country, and, in some cases, their families are in want here in Minneapolis.

Please do not think only of the wealth of railroad owners, but look into the condition of the men working for them who are now in want. It looks now as if the men will be put on even shorter time if the commission does not come to a quick decision. We do not care to have the railroads regulated at our expense. This winter has been the hardest one for us since 1894, and we don't know what we shall do unless conditions are different very soon.

All of the Middle West can tell the same story. Investigate the number of railroad employees out of work, and the number getting starvation wages. Those figures will mean something to you. We who get our living from the railroads look to you men to help us.

Yours, truly,

WANDA T. FRAIKEN.

—

CUMBERLAND, MD., *April 8, 1914.*

The INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

MY DEAR SIRS: I take pleasure here to write you a few lines in regards to freight rates for the railroads and for the benefit of the country at large.

At first, I don't care to try and influence you men in what to do, but let us take the condition of our country to-day. There are almost one-fourth of our population to-day out of employment, and good skilled men with good trades, and can not find a job any place, even on street cleaning, or in fact you can not buy a job. The railroads just have the bottom knocked out of everything. They have laid off thousands of men, and they have practically crippled every kind of industry. What are us poor people to do? For instance, take my own case. I have a family of five children and our two selves, seven in all, to eat and clothes to buy, and a rent to pay of $20 a month, and have not had a day's work to do for 10 weeks; willing to work; want to work, and just about crazy because I have no work. How am I to support my family? I am a carpenter and can not get a job at cleaning streets or anything. And this is just the fix that thousands upon thousands of poor people are facing to-day. The railroads are just going to put things in such shape that people will soon have to start to do depredation, because how are poor people to get anything to live on? I would suggest to you noble men, and in the name of our Heavenly Father, to give the roads an increase in rate and have it settled, and let the people live and let the country prosper.

It is a shame to civilization and to our country the amount of starving people we have. Gentlemen, you may think that I am connected in some way with the roads, but I take oath between me and God and man I am not interested in them in any shape or form. What I want is to have work to support my family.

Kindly give this your full attention, and trust you may settle the trouble at once. I thank you all.

I remain,

WM. H. BONE.

—

DOBLER & MUDGE,
Baltimore, Md., April 8, 1914.

CHAIRMAN INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

DEAR SIR: Referring to the application of the railroads for an increase in freight rates, allow me, as one of many hundreds of thousands of men of small means in this country, to express my views on the subject.

There is one feature in the situation that seems to me has not been properly emphasized; that is, the interest of the small individual holder of securities in railroads.

Some two or three years since the writer was made a trustee of a small estate, the securities of which were turned over to him, the greater portion of which consisted of investments in the Baltimore & Ohio Railroad common stock. There were four beneficiaries of this estate;

one a widow of very small means, one an elderly maiden lady absolutely dependent on the income of the estate, one an elderly married woman of very small means, and the fourth a man of some 60 years of age making a small salary.

The Baltimore & Ohio Railroad, in their February statement, showed a loss of over $1,000,000 in their gross and over $400,000 in their net.

If this railroad is compelled to discontinue their dividends it would mean serious loss to the above-mentioned parties.

Yours, very truly,

FRANK MUDGE.

—

103 EAST SEVENTY-FIFTH STREET.

The INTERSTATE COMMERCE COMMISSION.

GENTLEMEN: I heard you one afternoon a few weeks ago when in Washington. I could not help but feel that in your deliberations you can not fully realize how depressed the country is and that "While Nero was fiddling, Rome was burning." One witness told you that afternoon how high the rates in England, Germany, and other countries of Europe are. Also how much lower the wages are than in this country. It seems to me that if the railroads asked for 25 per cent increase instead of the 5 per cent they would not be unreasonable. I am disinterested, as my money is in the savings bank until I invest in foreign securities, unless, of course, times improve.

Yours, truly,

ROSAMOND BURR.

APRIL 8.

—

LIMESTONE PRODUCTS CO.,
McAfee Valley, N. J., April 8, 1914.

The INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: We are shippers of limestone for fluxing purposes; our material is heavy and bulky and is loaded on a private switch in car lots; it commands an average price of 50 cents per gross ton f. o. b. cars at quarry.

We wish to enter our earnest protest against the petition of the railroads regarding the charge for placing or spotting cars on switches:

First, because it is discriminatory against car-lot shippers, who must of necessity load on spurs and switches; second, because the railroad service rendered can not be supplied by private enterprise on a switch 1,000 feet in length, and the switching is an integral part of the car movement; third, because a spotting charge of $2 on a carload whose total value is less than $20 f. o. b. is prohibitive and destroys our business.

Fourth. Because this charge if allowed can not be considered as freight to be paid by the consumer, but must be borne by the producer without adding in any particular to the service that has been rendered heretofore by the railroad.

We do not object to the request of the railroads for a 5 per cent increase in rates, as this seems to bear evenly on all, but we do protest against carload shippers from private switches having an unjust and inequitable burden placed on their business in the effort to shift the rate increase largely on this class of shippers.

Yours, truly,

WALTER S. SHELDON, *Vice President.*

—

TELFAIR W. MARRIOTT,
Baltimore, Md., April 8, 1914.

Mr. CHAIRMAN, *Washington, D. C.*

DEAR SIR: Inclosed you will find an article.

OHIO BUSINESS MEN POINT OUT CAUSES OF DEPRESSION.

"Too much legislation" and "failure to advance railroad freight rates" are the maladies that are afflicting the business of the country, according to 300 representative Ohio business men, reported in the Ohio State Journal. This opinion was expressed in letters written to the secretary of the Ohio Manufacturers' Association, in reply to inquiries sent out by him asking for their views on the business situation.

Every reply indicated "below normal" conditions. Many of the writers gave the percentage of operations in their plants, the average being about 52 per cent, while estimates as to the condition of business generally averaged 66 per cent of capacity. Every letter attributed this state of affairs to the activity of legislators and to the present plight of the railroads.

"There was not in all of the 300 expressions of opinion," says a writer, "a single one that did not urge the immediate increase of railroad rates. This is a more important feature of the answers when it is considered that the manufacturer is probably the largest producer of freight revenues. Of course, the price of the product must cover this, but the manufacturer has to advance the money to pay before he receives his return."

Yours, truly,

TELFAIR W. MARRIOTT.

—

PHILADELPHIA, *April 8, 1914.*

LOUIS D. BRANDEIS, Esq.

SIR: This is written in full realization that the chances are against its reaching you or enlisting your attention. The writer is one among the many millions who by hard work and frugal living have saved sufficient of their earnings to become "investors" to the extent of maintaining small policies of life insurance or putting aside some part of the said earnings in the savings banks, and who are learning how their interests are being injured more and more as month after month passes without action by the committee you represent, while enormous amounts of depreciation are being charged off by such institutions as those mentioned and all rights and equities therein correspondingly impaired, just as the business of the country is being held back by the same cause.

While there is apparently little hope of escape from the policy under which a host of innocent people are made to suffer for the misdeeds of a few designing and dishonest men, there is at least one plea open to the many: In Heaven's name, let your committee cease its fiddling, Nero-like, and permit the country to adjust itself to their edict, be it what it may.

Yours, truly,

D. W. WILLIAMS.

—

ROANOKE, VA., *April 9, 1914.*

CHAIRMAN OF THE INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

DEAR MR. CHAIRMAN: I take the liberty to make this appeal to you asking that you use your good influence toward granting the railroads the 5 per cent freight-rate increase. I feel that it is my duty to place this before you at this late hour, as I understand from the newspapers that the rate testimony is all in.

If the railroads do not get the 5 per cent increase, what will happen to the poor railway clerks, who are making less than $100 per month? They will either be cut off or their salaries reduced. What can they do if they are living in a railroad town as this and have no position and with a family dependent upon them for their livelihood? Are they not human beings?

The railway enginemen, conductors, and trainmen, etc., have their union and they receive protection from the Interstate Commerce Commission, and in most cases their demands are granted.

It is not my business how much more others are getting, but I beg that you allow the 5 per cent increase, so that we poor clerks be sure of our present positions.

It is not that the rich men suffer, but it is the one who is trying to make an honest living with a small salary.

Trusting you will grant this petition in behalf of the railway clerks, I am,

Very respectfully,

A. RUSSOW, Jr.

—

AMERICAN BLOWER CO.,
Detroit, Mich., April 9, 1914.

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: The American Blower Co. wish to express themselves as unreservedly favoring the 5 per cent freight rates increase asked for by the carriers of the official classification territory.

Our plants, four in number, are located as follows: Two at Detroit, one at Troy, N. Y., and a branch, known as the Canadian Sirocco Co., at Windsor, Ontario, all of which you will note are served by the petitioning lines.

Our products are blowers, exhaust fans, stationary engines, air purifiers or humidifiers, steam traps, pipe-coil heaters, special machinery.

We hold no brief for the railroads in their past misdeeds and know full well that your committee, acting as a judicial body, will render a decision based solely on the evidence adduced.

Just as there is a Henry Ford in the manufacturing world, there may be a few isolated cases among the group of roads that do not need the increase.

Manufacturers have for the past several years felt the upward trend in cost of production. Similar conditions prevail as regards the railroads.

The blower-system manufacturers would be among the first to strenuously oppose any proposition which would materially increase the cost of marketing their products.

Very truly, yours,

AMERICAN BLOWER CO.,
By P. H. LYNAHAN,
Traffic Manager.

Approved.

JAS. SAYLIS, *President.*

—

LEHIGH VALLEY RETRENCHMENT.

As a step in its retrenchment policy, Lehigh Valley will shortly make application to the public service commissions of Pennsylvania and New York for permission to take off several trains which in the course of recent years were put in service at the order of the commissions and which from the beginning of the service have been unprofitable.

—

PENNSYLVANIA'S RETRENCHMENT.

Philadelphia: The annual saving of train-miles by the Pennsylvania Railroad, as a result of its policy of retrenchment and cancellation of passenger trains, will be approximately 4,140,000 miles. Of this amount, 2,040,000 will be on the eastern lines and 2,100,000 miles on the lines west of Pittsburgh.

The trains taken off the lines west of Pittsburgh, on the Pittsburgh, Fort Wayne & Chicago Railway, is the first step taken on the company's western lines to reduce the number of trans in operation.

The number of trains that have either been taken off, or will be shortly, on the eastern lines is 118. The saving of train miles as a result of the cancellation of these 118 trains will be 170,000 miles per month, or 2,040,000 miles per annum.

—

NEW YORK CENTRAL LINES NET FOR FEBRUARY FELL OFF $3,434,852.

Two months, net, $2,326,817, compared with $9,415,836 in 1913, a decrease of $7,089,019.

February gross was $18,923,278, against $22,316,484; decrease of New York Central & Hudson River gross $740,878, and of net $723,665; reduced net for Lake Shore, Michigan Central, and Cleveland, Cincinnati, Chicago & St. Louis.

—

RAILROAD CREDIT AND THE COMPETITION FOR CAPITAL—W. H. WILLIAMS, OF DELAWARE & HUDSON, SHOWS THE INTERSTATE COMMISSION HOW CARRIERS ARE HANDICAPPED—HIGHER INTEREST RATES, IMPAIRMENT OF SAFETY, LARGER COMPETITION ALL FACTORS OPERATING AGAINST ROADS—BETTER RETURNS NECESSARY IF TRANSPORTATION LINES ARE TO KEEP PACE WITH NATURAL GROWTH OF BUSINESS.

Washington—W. H. Williams, third vice president of the Delaware & Hudson Co., presented to the Interstate Commerce Commission a pamphlet on the subject of railway credit and increased competition for capital. Conclusions reached therein are summarized by him as follows:

"1. There has been a general increase in the interest return demanded of investment securities, and at the same time the railroads have been forced to meet growing competition in the investment field from the so-called public utility and industrial enterprises, which are able to offer the higher rates of interest, and from Government sources, which have increased their demands for capital and have raised their tax rates in order to make their demands effective.

"2. The ability of the railroads to secure new capital has been impaired by the reduction in the factor of safety. Investors have noted the increased proportion of the total financing depending upon bond issues, and the failure of the additional capital invested during recent years to earn any or an adequate return.

"In view of the foregoing, it is submitted that the public interest demands, so far as possible, a rectification of conditions which have

produced these results, for the reason that if the railroads are unable to recoup the heavier cost of new capital that they are compelled to meet, it is inevitable that they must be unable to obtain the additional capital regularly needed from year to year in order to provide facilities for the normal growth of business and the improvements essential to increased safety."

Mr. Williams said that he had recently completed investigations which show that the competitive position of the railroads in the struggle to obtain capital out of the general investment fund has been impaired by (1) increases in the public and private demand for capital; (2) increases in the rates of interest offered for loans to municipalities; (3) decline of the credit of railroad companies; and (4) enhanced credit of securities resting upon manufacturing enterprises.

The following tables are introduced in the pamphlet to show that the general interest rate has risen, and that securities offering the highest return (the so-called "low-grade" securities) have come more into popular favor:

Bonds, rate of yield, per cent.

Year.	Government.	Public utility.	Industrial.	Selected R. R.	Eastern R. R.
1913 (6 months)	3.91	4.90	5.35	4.41	[1]4.47
1912	3.85	4.80	5.18	4.26	4.30
1911	3.80	4.77	5.17	4.21	4.26
1910	3.77	4.79	5.25	4.21	4.26
1909	3.61	4.71	5.16	4.08	4.11
1908	3.70	5.11	5.90	4.30	4.42
1907	3.70	4.91	5.76	4.30	4.31
1906	3.43	4.56	5.18	4.01	4.04
1905	3.29	4.43	5.19	3.91	3.93
1904	3.30	4.60	5.81	4.05	4.03
1903	3.25	4.63	5.69	4.10	4.06

[1]Covers first eight months.

Preferred stocks' rate of yield per cent on market quotations.

Year.	Railroad.		Industrial.	
	Bid.	Asked.	Bid.	Asked.
1913 (first 6 months)	4.95	4.81	6.42	6.29
1912	4.73	4.59	6.16	6.09
1911	4.72	4.56	6.25	6.12
1910	4.69	4.47	6.23	6.08
1909	4.49	4.38	6.13	6.05
1908	5.07	4.84	7.09	6.78
1907	4.92	4.68	6.97	6.72
1906	4.29	4.21	6.32	6.21
1905	4.22	4.13	6.34	6.25
1904	4.54	4.43	7.33	7.23
1903	4.57	4.43	7.27	7.16

The pamphlet says: "In general it can be stated that since 1909 there has been an almost uninterrupted depreciation in the market price (based on yields) of the funded indebtedness of the principal railroads that are concerned in the present petition for higher rates."

The following table summarizes the average yields of all bonds except convertibles of five eastern railroads:

Year.	Baltimore & Ohio.	New York Central.	Pennsylvania.	Reading.	Lackawanna.
1913 (8 months)	4.690	4.378	4.118	4.273	4.406
1912	4.456	4.222	4.041	4.194	4.213
1911	4.389	4.202	4.025	4.121	4.106
1910	4.378	4.133	3.938	4.159	4.106
1909	4.225	4.046	3.897	3.937	3.917
1908	4.556	4.191	4.191	4.215	4.218
1907	4.412	4.084	4.066	4.165	4.234
1906	4.194	3.818	3.848	3.885	3.907
1905	4.074	3.746	3.788	3.797	3.727
1904	4.217	3.774	3.876	3.866	3.825
1903	4.268	3.737	3.993	3.890	3.847

The pamphlet says: "The income returns offered by railroad preferred stocks has increased steadily since 1909, and for the six months of 1913 the yields were, with the exception of the panic year 1908, the highest in the period. The industrial preferred stocks, on the other hand, with the exception of the panic year, have appreciated in value, so that their return to the investors has been less than the average for 1903–1907, inclusive.

"The ability of the railroads to raise new capital has been impaired to considerable extent by the following:

"1. The inability of many railroads to issue further prior lien obligations as the mortgages on their existing lines and other property have become closed.

"2. The decrease of net earnings, due in part to decreases in rates and in part to higher operating costs.

"3. Inability to obtain any increased return after increasing total investment.

"4. Legal restrictions on railroad securities as investments for savings banks, trust funds, and insurance companies.

"5. Discrimination against railroad securities in the matter of exemption from taxation as contrasted with State and municipal bonds.

"6. Risk attending railroad enterprises."

LEBANON, PA., *April 9, 1914.*

To Chairman and Members of Interstate Commerce Commission, Washington, D. C.

GENTLEMEN: I have been watching your action regarding the proposed 5 per cent increase asked for by the railroads.

That man Brandeis may be a good lawyer and a good authority on brandy, but I do not believe he knows the A B C of railroading.

He would pretend to know something about anything he was paid for; for example, he would try and show you the cold-storage men are doing the proper thing (provided he was paid for it) by letting them buy up all the dressed meats and eggs imported. Tell him to sit down and give the people a rest.

I am a railroad man in my fifty-third year, senior car demurrage clerk for the Cornwall & Lebanon Railroad, a branch of the Pennsylvania Railroad; Mr. A. D. Smith is the president and general superintendent, subject to Mr. C. M. Shaeffer, superintendent Philadelphia division, Pennsylvania Railroad, at Philadelphia.

At present I am home building up my exhausted strength due to overwork.

My superiors do not know I am writing this; am doing it purely out of good will for my fellow man, both rich and poor, for the good of the commerce of our land.

This is my second letter to the commission. Railroads throughout the United States have been compelled to advance salaries and wages to their employees to keep the men in good bodily condition; prices have advanced, due to combines, on the every-day articles used for food, some even three times as high as formerly. If a man does not get enough to eat he can not give a good day's work. If a cow does not get her full rations her milk yield will be accordingly; this applies to the higher beast—man.

Look at the increased cost of lumber railroads are bound to pay for station buildings, ties, and other improvements.

The cost of clerk hire, time, delay to business, and other expenses they are put to to furnish the Government, showing how much it costs to run a car a mile, how much per passenger a mile hauled, and salaries paid, how much to haul a ton of freight per mile, how much per hour paid track foremen, how much per hour paid trackmen, ad infinitum—all nonsensical work—which costs the railroads of the country millions of dollars in time and prestige.

If you men want to earn your salaries, get after the Coffee Trust. I think you have hammered the railroads enough for being bad boys. Give them the crumb they ask for. Do not starve them to death. Don't be tyrants.

I'll wind up by giving you a little story. It happened at Cornwall, Pa., on the Cornwall & Lebanon Railroad: A German, a native of the Province of Wurttemberg, was asked by a lot of young Lebanon lawyers, who had gone to Cornwall for a good time one evening, where he came from? He said, "Wurttemberg." "Then you are one of those d—— dumb 'swopes" with yellow feet?" "Yes," said he. "Now, let me ask you wise young men a question: Who drew the plans for the Brooklyn Bridge?" "We don't know," replied they; and several other questions which they could not answer.

"I will ask you one more, then, and I am finished: Some time ago God Almighty and the devil had a lawsuit about a stone wall. Who do you think won it?" "Oh, of course, God," replied the lawyers; "No," said the German, "the devil did, because he had all the lawyers." Moral: Don't be guided by tricksters.

I consider some of the heads of railroads the brainiest men of our land. Please give them a show.

Very respectfully, yours,

GEO. S. PENCE.

—

THE E. D. CLAPP MFG. CO.,
Auburn, N. Y., April 24, 1914.

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

DEAR SIRS: I have recently been looking over the labor cost of iron forgings and freight paid in 1904 as compared with 1914, and I believe that if the concern with which I am connected could not get more advance in prices of goods than the railroads have been able to get, we should have been out of business long ago. Our labor costs have advanced 40 per cent in the last 10 years, whereas the outward freight rates which we pay have only advanced 5⅔ per cent.

I find that the fourth class rates to principal western points in the last 10 years have advanced as follows:

Cincinnati, 20 cents to 21 cents per 100 pounds; East St. Louis, 29 cents, no change; Indianapolis, 21 cents to 23 cents; Chicago, 23 cents to 25 cents; Columbus, 18 cents to 19 cents.

On these five points east of the Mississippi and north of the Ohio, the advance has been only 6 cents on 100 pounds, which averages 1⅕ cents to each place, or from $1.11 to $1.17. This is 5⅔ per cent advance. Railroad rates on our shipments of iron forgings have always been reasonable. There has been no advance for several years in rates on soft coal and coke, of which we use and sell 10,000 to 15,000 tons a year. The former is carried about 350 miles at 7.8 cents per hundred and the car has to be drawn back empty the same distance. This is only about .44 cent per ton per mile. There must have been great distress and many failures among manufacturing interests if no more advance on selling prices of goods could be secured than the railroads have been able to under the Government supervision. It seems to me that every manufacturer and merchant has as much interest as the railroads in advocating a reasonable advance in rates.

Very truly, yours.

D. E. CLAPP.

—

THE ALLING & CORY CO.,
Rochester, N. Y., April 10, 1914.

Hon. JAMES S. HARLAN,
Chairman Interstate Commerce Commission,
Washington, D. C.

DEAR SIR: Learning that other business houses are expressing their opinion as to the propriety of an increase of 5 per cent in freight rates, which matter is before your commission for decision, permit me to say that our company believes that the request of the railroads is not unreasonable and that we should be glad to see it granted and to pay the increase on our shipments. We are among the largest freight patrons of the railroads in the city of Rochester.

Very truly, yours,

THE ALLING & CORY COMPANY,
JOSEPH T. ALLING, *President.*

—

LITTLETON, N. H., *April 10, 1914.*

CHAIRMAN INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

DEAR SIR: I trust you will see fit to allow the railroads to substantially increase their rates at an early date as you feel safe so to do.

A good big rate will not only allow the various roads to favor the large shipper, resume paying dividends on watered stocks and the money that has been stolen from them by the different devices known to financiers, but more important than all, will make at least 200,000 new

Socialist voters in addition to the 1,000,000 now voting for that party and of which the writer is one.

Trusting you and I may live to see the railroads owned by the people (they have several times paid for them), I am,

Respectfully, yours,

M. H. CARDINAL.

HEINE SAFETY BOILER CO.,
St. Louis, April 11, 1914.

Mr. LOUIS D. BRANDEIS,
Care of Brandeis, Dunbar & Nutter, Attorneys, Boston, Mass.

DEAR SIR: Your letter of April 3, addressed to my father, Col. E. D. Meier, was received here just as he left for his country home in Connecticut. The colonel, on account of poor health, has been obliged to give up business, at least for the present, and just before he left he referred this letter to me for attention, but I have only returned to the city to-day.

I am not quite clear what information it is that you desire. Before the colonel wrote you on March 27 I had given him figures of our freight rates for last year, taken from cost of freight paid by us, as shown by our books, which showed that the switching charge would make an increase of about 10 per cent in our freight rate for the St. Louis plant alone, which would be approximately correct for our other plant.

In our opinion a general increase of 5 per cent in all freight rates would tend to raise the price at which we would have to sell our product by a very small margin and would not affect us disadvantageously, because all manufacturers would be working under the same conditions.

The switching charge, however, would increase our cost about 10 per cent and take a larger proportion of the increase wanted by the railroads from manufacturers of our class than from other manufacturers.

If the above does not answer your letter of April 3, will you kindly communicate further with us?

Yours, very truly,

HEINE SAFETY BOILER CO.,
C. R. D. MEIER, *Vice President.*

EASTER SUNDAY, *April 12, 1914.*

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: Kindly read the following from the New York Herald. Allow the railroads what they are asking for and there will be less wrecks.

They need plenty of money, and many lives will be saved.

Respectfully,

BOSTONIAN.

FIFTY-MILE NEW HAVEN EXPRESS WRECKED, BUT SAND BANK SAVES LIVES OF 200—TWO ELECTRIC LOCOMOTIVES JUMP RAILS NEAR HARRISON, N. Y.

Whirling along at a speed of about 50 miles an hour, the Green Mountain Express over the New Haven Railroad, which left Grand Central Station at 8 o'clock yesterday morning, jumped the rails east of Harrison, N. Y., an hour later and fell into a ditch alongside. There were nearly 200 passengers in the crowded train, a great part of them women, but not one was hurt. They owe their lives to a soft, sandy bed which supported a freight siding paralleling the main line. This kept the front cars from overturning and the rear cars from telescoping on the steel frames ahead. The electric zone was closed, and traffic was tied up for nearly five hours.

Drawn by double motors, the express train left the New York terminal with a large crowd of eastern travelers. There were two steel mail cars back of the locomotives and two wooden passenger cars forming the rear of the train. These two cars were crowded. The first stop of the train from New York was scheduled at Bridgeport. The express was running at high speed, but at Harrison it slowed down slightly to take a long curve east of the village. The engine driver was just straightening out on a fast stretch of the roadway in the township of Rye when the front motor left the rails.

MOTOR PILES UP IN DITCH.

The four-rail roadway is paralleled at this point by a freight siding, which is almost like a separate roadbed. A 10-foot ditch, about 4 feet deep, runs between the two. The front motor pulled the trailer after it, and the two plowed into the sandy bank for about 200 feet before the leading motor buried its prow deep and piled the second motor against it in V-fashion. The two steel mail cars left the rails. Their trucks dug so deep into the bottom of the ditch that they merely carcened about 15° and remained leaning against the bank.

Thirteen mail clerks were at work, under John Flinn, chief clerk. They were thrown about the cars, but Charles Hackett was the only one injured in any way. He suffered a slight twist of the back, but was able to leave for his home later.

The two passenger cars bumped off the rails, but did not tumble from the roadbed. The men and women were tossed about, but no damage was done in these cars. Charles F. Murphy, the engine driver, was thrown against the front of his motor and suffered slight cuts about the face.

RELIEF OUT IN 10 MINUTES.

The motors when they left the rails tore down two of the suspension frames of the catenary system, one of them falling upon the first motor. Automatically the high-power current was shut off, and the accident was recorded in the nearest dynamo station. Wrecking crews were sent out at once, but as the officials did not know the extent of the break in the feed wires they took the precaution to shut off the power between Mamaroneck and Stamford. No trains were run over this section of the road until nearly 2 o'clock in the afternoon.

The mail clerks, engine driver, and the conductor, Smith Warren, went to the assistance of the passengers and helped the women from the cars. All the passengers were gathered in a group, a relief train was out in 10 minutes, and all were carried to Rye. Thousands of persons from 50 miles around hurried to the place in automobiles. The Boston Post Road was one solid line of traveling automobiles from New York to the scene of the wreck. The wreck was at the bottom of a long, sloping hill, and from this amphitheater the automobilists watched the work of clearing the roadway.

PORTSMOUTH, N. H., *April 12, 1914.*

HONORED SIR: I have just been reading a perfectly reliable report of an interview with a man high up in Democratic political circles. The interviewer told the interviewed of the widespread anxiety and distress existing among the small stockholders in certain railroads and other corporations, living in New England and the Middle States, and asked him if this administration proposes to utterly destroy the value of such securities. In reply the interviewed said he did not believe there was any such "anxiety, etc., because if there was said small stockholders would have come on to Washington with them." This reply shows a marked degree of ignorance of conditions in the regions affected. Let me state my case. I am a widow of over 70 years in age. My husband was an educator engaged in various positions of teaching. We saved what we could from a small salary that we might have provision for old age. There is not much in New England in which one can invest, such as land or mines as in the West. What we did invest there was lost. Massachusetts savings banks seemed the safest. The interest was 3½ or 4 per cent, yielding small returns. Our railroads had the confidence of the people and deservedly; they paid 5 and 6 per cent. We needed all we could honestly get for our money, and bought a few shares, and also in a reliable corporation. I am now living on my small income. I have to use money sparsely. The reduction of dividends naturally lessens an already small support. The prospect of an entire cessation, as the case in some railroads in which many of my friends have small holdings, naturally alarms us. I have in mind the cases of a great number, personally known to me, where there is much anxiety as to the future and much distress at present conditions. There are thousands and tens of thousands in the class which I represent. Why was it a crime for us to invest in these properties? In many cases these shares were inherited from men who in former years gave of their hard-earned money for shares, because the roads were new and pressed for money for completion. We feel that we are being cruelly dealt with by this administration and by you. You would like to hurt some few who are very rich. You can't do it even if it was right. But you can and do oppress and crush the poor and old seemingly to vent your spite on those you consider your enemies.

We "small stockholders" are not an ignorant people. We read and we know and think. We know that the men who have gone to Washington to tell you how we feel and the true state of the case are honest men and true, even if they are officials of the roads and heads of corporations. We have been expecting you would heed our remonstrances as we have voiced them through them. Now we are told we must come to Washington or write. We are not able financially. We are not a people much accustomed to writing to Congressmen, so we have not written, but we feel, and are waiting for relief.

Respectfully,

Mrs. CLARA FLETCHER.

COLUMBUS, OHIO, *April 12, 1914.*

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

DEAR SIRS: There are just 8,000,000 of us just in this condition to-day. Your commission can answer this question, What is the cause of it? Will you people answer? I have always been a Democrat, but I have got enough, and there is not a railroad man in the country but what has a plenty. Please look on this cartoon and then give your answer. Don't delay it any longer. Either starve us or give us work. This 5 per cent increase will give us all plenty of work.

From one who is up against it.

A WORKINGMAN.

BALTIMORE, *April 13, 1914.*

INTERSTATE COMMERCE COMMISSION.

GENTLEMEN: Why not render a decision granting an increase in freight rates at once, and save the unfortunates who have invested in their securities from further loss and possible ruin. It is not the railroads that are being hurt or the railroad officials, but the thousands of innocent investors that are the sufferers. Could not the reformation of the railroads be gone about in such a way as not to ruin thousands and thousands of their security holders who have invested in their stocks that the Government has allowed them to issue? Why not be more rational with the railroads and trusts in view of this fact?

Very respectfully,

GEO. COSTELLO.

METUCHEN, N. J., *April 13, 1914.*

INTERSTATE COMMERCE COMMISSION.

GENTLEMEN: Please find inclosed an editorial from to-day's New York Tribune. In the latter part especially it refers to your commission. I can assure you that the Tribune is usually very correct in its views, and on the matter of your long delay it expresses the sentiment of papers generally and of the country, and our citizens who have invested in our railroads, as nearly 90,000 have done in Pennsylvania Railroad, are the sufferers for your unnecessary delay.

I remain, yours, truly,

Rev. N. I. M. BOGERT,
Rutgers College, Class of 1864,
(or 50 years ago).

UNION BROOM WORKS,
Millersburg, Pa., April 13, 1914.

INTERSTATE COMMERCE COMMISSION.

GENTLEMEN: As a manufacturer and a stockholder in the Pennsylvania Railroad Co., we urge you to grant the 5 per cent increase. The loss to labor as well as business is more already than it would amount to for some time. It is like a strike, both lose; and by their increase of wages and safety appliances we think they are entitled to the increase.

Yours, truly,

C. DAY & BRO.

A. J. POLK & SON,
Millersburg, Pa., April 14, 1914.

INTERSTATE COMMERCE COMMISSION.
Washington, D. C.

GENTLEMEN: As a stockholder in the Pennsylvania Railroad Co. I wish to add my entreaties to the host that you no doubt have already received—that you grant the 5 per cent increase in the freight rates.

Since the insistence upon so many new and approved safety appliances is agitated, and in many cases compulsory for legislation covering a multitude of small matters, take, for instance, the sanitary drinking cup and a number of far more important matters, it seems no more than right to a business man to allow the railroads to in some manner make up the deficit caused by the necessary outlay for these improvements.

Trusting that the opinion of the public will become so strong as to make the above action necessary on your part, I am,

Very respectfully, yours,

CHAS. POLK.

—

TAYLOR INSTRUMENT COS.,
Rochester, N. Y., April 16, 1914.

Hon. JAMES S. HARLAN,
Chairman Interstate Commerce Commission,
Washington, D. C.

DEAR SIR: The railroads of the United States are in their present financial condition as much through the fault of the people at large as through their official acts.

Through our inadequate laws the wildcat financing has been allowed, but the present condition is one of vital interest to all.

We feel strongly that the business unrest which seems to be growing day by day hinges very largely on the question of the success or failure of the railroads.

The advance in question would be widely distributed, not being a serious tax on any one concern, but in the aggregate being enough to take care of the actual needs of the railroads.

It would seem that the people of the United States were indirectly responsible for allowing the railroads to be in their present condition, and should do their part in trying to improve the situation; and simply as a matter of equity we, as a business concern, would like to express to the commission our opinion that the railroads are entitled to the increase in freight rates asked for.

Yours, truly,

TAYLOR INSTRUMENT COS.,
H. J. WINN, *President.*

—

THE NEW HOTEL MORRIS,
Birmingham, Ala., April 16, 1914.

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

DEAR SIRS: For the country's sake give the railroads a chance; show that Government regulation can be a success and save the poor, countless thousands of widows and workers who have put their all in railroad common-stock issues and are being reduced and impoverished by present railroad conditions; ignore the political demagogue of the LA FOLLETTE type and the cheap, notoriety-seeking jackleg lawyer and others of the Brandeis-Thorn caliber; give us good service, railroads, and equipment to be proud of and a prosperous country.

Yours, truly,

R. R. HAND.

—

LAMAR, CLINTON COUNTY, PA., *April 16, 1914.*

INTERSTATE COMMERCE COMMISSION.

GENTLEMEN: Please read. A day-wage worker, 36 years volunteer advocate of cooperative railroad building and greater freedom to operate them at the rate and means of traffic feeder from resources of mines, quarry, clay, sand, iron ore, forest, furnace, forge, and mill, and storage of flood waters in mountain basins for power, light, and public supply; or the coal mines and electrification plant for railways and light, etc., at one rate to everyone, from railroad or other corporation in unionism of open commerce.

Such equitable freedom for capital and labor by you would be in touch with our State utilities railroad commissioners' permit for corporation earning power, 6 per cent per annum at the investor rate doing public service; and there is no such indicated earning power, as per receipt for 1 case of wine, from Pier 10, New York, via Central of New Jersey, Philadelphia & Reading, New York Central, and this Central Railroad Co. of Pennsylvania, for the whole distance; weight rate, 100 pounds,, 39 cents; therefore please grant higher rates to help build more railorads and save life, to oblige,

Yours, faithfully,

JAMES WOLFENDEN.

—

HART-PARR CO.,
Charles City, Iowa, April 17, 1914.

Hon. B. H. MEYER,
Interstate Commerce Commission, Washington, D. C.

DEAR SIR: I have yours of the 8th and was much pleased to hear from you. If I am fortunate enough to be in Washington while you are there, I shall certainly avail myself of your kind invitation to look you up and renew our old acquaintance.

I have noted carefully the contents of your letter, and I note from the papers that final arguments on the petition of the eastern roads for a 5 per cent increase in their rates will be made the last week in April. I, as well as all other business men, am extremely anxious to see this matter decided as quickly as possible. There seems to be so much depending upon it.

As I told you in my previous letter, I personally know that all the railroads in the country are facing a serious shortage of business at the present time, and it has been getting worse and worse for the last six months. As a matter of fact, general business is very poor throughout the country Most newspapers say as little about this as they can, but the facts are that business is decidedly poor, and that it has been getting poorer right along for the past six months. There was a litle spurt of better feeling in January, but since that time things have backslid into a much worse condition than before.

There is a general feeling, and I think it is founded on good sense also, that if the eastern roads should have their petition granted in whole or in part it would exert a most profound influence in setting the wheels of progress in motion again in the United States. If the railroads get this increase, they will feel like going ahead and spending many millions of dollars for new equipment and improvements. This in turn will set the wheels going in all steel mills and railway-equipment factories and will have a very great influence in pulling us out of the hole into which we seem to be rapidly falling.

Now, many people would not think that this was any justification for an increase in the railway rates; but, personally, I can not see why it would not be justified. It will add materially to the prosperity of the country and whatever does that is a benefit to the entire country. I know, and you know, that in Germany it is quite customary for the Government to come to the relief of the railways or great manufacturing interests in times of stress and adjust the rates so as to benefit one or the other, as seems best for the general interest of all Germany. As a result, Germany is the most prosperous and most developed country that I visited on my recent European trip. Why shouldn't this good German idea be used in the United States, and why shouldn't the railways be granted a little increase in rates if it is going to be a material help to the prosperity of the whole United States? I believe this point is worth considering in connection with the present situation.

Very truly, yours,

W. H. WILLIAMS.

—

MACON, GA., *April 18, 1914.*

GENTLEMEN: I inclose you clipping from Brunswick Banner regarding the railroad rate petition for increase. I think some increase should be granted the railroads. I think this increase will stimulate business and give the unemployed something to do. My people are shippers and do not own any railroad stocks. We ship over 100,000 bales of cotton and perhaps 50,000 tons of fertilizer every year, but we believe in giving the roads a fair deal. I think an increase will cause such a wave of prosperity over this country that everybody will be satisfied. As it is now, everything is depressed, stocks are down to the breaking point, and business men do not know how to proceed. I believe the business men in this section are in favor of the increase, and certainly hope the commission will decide that way.

Respectfully,

FAY BASHUISKI.

—

SILVER AVENUE,
Lamar, Clinton County, Pa., April 18, 1914.

Plea, greater freedom to railroads to build more.

Hon. WINTHROP M. DANIEL,
Chairman Interstate Commerce Commission,
Washington, D. C.

MY DEAR SIR: Without knowing your appointment, yesterday wrote to commissioners relative to "greater freedom to railroads to build more." The opinions of the writer, a mechanic and during his 31 years a day wage worker, advocacy of cooperative railroad building, eastern and western central Pennsylvania, the short-line route between soft and hard coal and vast resources of iron ore, clay, limestone, and sand of near-by mingling that needs unison of railroad mining to use the material economically in its most appropriate use at least cost to produce for commerce. Such a procedure would be building railroad over and under mountain and deep railroad cut through ridge containing the world's best iron ore for cutlery, battleships, or shot of greatest density, the former most useful to build, yea, in mountain, valley, towns, and cities of long, bright life of the people.

By equity rule of the Nation to grant railroad the increased freight rates and a more equalizing classification of charges on high-grade goods by comparing charges year 1869: Groceries, that includes wines and beer, the rate from New York and Philadelphia to points on Bald Eagle Valley, Pennsylvania Railroad, was 46 cents per 100 pounds. In addition, stations like Mill Hall, Howard, etc., added 15 cents to each shipment under 1,500 pounds as commission, and now the rate is straight 39 cents per 100 pounds or less. The writer frequently receives a case of wine, American, from New York to Lamar via Central Railroad of New Jersey, Philadelphia & Reading, New York Central, Central Railroad Co. of Pennsylvania, for 39-cent rate at 100 pounds for three railroads' pay to handle it with care, and if any loss by pirates or accident pay the owner from these burdens how made. It's a great problem to me that have noted wage increase on railroad workers double the amount from year 1869.

Equalization for each class of freight for its value and risk to handle should be increased 25 per cent, and as an all-around increase of 5 per cent on coal, iron ore, structural steel, etc., of small units of labor in comparison with cutlery and goods in bottles, etc. A higher tariff would encourage home industrials, a commission-house increased price on Sweden porter, 20 per cent; it has forced me to brew and bottle 235 pints.

Yours, faithfully,

JAMES WOLFENDEN,
An English-American.

[Inclosure 1.]

CENTRAL RAILROAD CO. OF PENNSYLVANIA.

[Via Central Railroad of New Jersey, Philadelphia & Reading, New York Central, and this road ———.]

LAMAR, PA., *January 30, 1914.*

By Jas. Wolfenden to Central Railroad Co. of Pennsylvania, Dr.

For charges on freight.	Articles and marks.	Weight.	Rate.	Charges.
From: Pier 10, N. Y.				
Via				
Date: 1/26	1 cs. wine	100		39
W. B.: 6971				
Car No.: 3				
Initials: 3				
Shipper: Dewey	D'head, 1/28/14			

Charges must be paid on delivery of freight.
Received payment for the company.

J. E. ALTERS, *Agent.*

All carload freight will be subject to a charge for car service of $1 per car for each 24 hours detention, or fractional part thereof, after the expiration of 48 hours from the time of its arrival.

Original paid freight bills should accompany all claims for overcharges, loss, or damage.

Draw check to order of the Central Railroad Co. of Pennsylvania.

[Inclosure 2.]

THE INTERMEDIATORS OF TRADE AND RAILROAD RATES—NATIONAL INTERSTATE TRADE COMMISSIONERS.

MY DEAR EDITOR WATCHMAN: Your ideals of equity government, "State rights and Federal Union," to be in touch with honorable means of requirements to rule its internal affairs in such a way that don't involve dishonor to National Government; that collects a revenue on spurious goods, or the supervisions on equitable trade between States, having different statutes, nor the invasion against national rights to

protect those in Government employ from a vile liquor trade, etc., are too numerous to name.

The drastic order of Navy Secretary Daniels that no liquor be allowed in its services will speedily cause an awakening on what are requisite wholesome drinks of digestion, to eat more food free from clinkers, whereby to obtain sobriety and standard of any nation, and in the meantime of the test on prohibition against pure grape juice, wines, or the plain roasted barley and hop brews, ferments and preservative by can sugar free from blue, it will be the means of causing indigestion, stomach trouble, and nervousness, to force the use of vile habits, tobacco and brandy, whisky smuggling to relieve temporal, and never-cured nervousness.

Yours, faithfully,

JAMES WOLFENDEN,
Lamar, Pa.

—

J. W. COULSTON & Co.,
New York, April 20, 1914.

Hon. JAMES S. HARLAN,
Chairman Interstate Commerce Commission,
Washington, D. C.

DEAR SIR: We are in favor of the railroads having an immediate increase of 5 per cent in freight rates, and believe that if your commission will so decide, and at the earliest possible time, the depression in business now prevailing throughout the country will disappear and that a revival in trade will take place immediately.

Very truly, yours,

W. S. COULSTON.

—

STANDARD OIL CLOTH CO.,
New York, March 10, 1914.

Brief or statement; subject, car spotting.

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: This company has five factories located in official-classification territory, all of which have private sidings or switch tracks.

(a) Three factories with one main siding, having two or more branches, owned jointly with railroad companies, our company owning as high as 80 per cent of original cost.

(b) One factory, with one main siding and branches, owned exclusively by ourselves.

(c) One factory, with one main siding and branches, owned exclusively by railroad company, with realty easement for trackage rights.

When all of these sidings and spurs were constructed it was thoroughly understood that the rate in carloads covered from point of origin to point of delivery on these sidings, and that all these rates were based on the general average of delivery, as they must necessarily be under any conditions.

It is our opinion that a car-spotting charge is not the proper method, in theory or principle, to give transportation companies more revenue, and would work an injustice to thousands of shippers of low-priced commodities, as well as to the railroad companies themselves.

Under a ruling of this character the burden would fall on about 70 per cent of the shippers.

This company has never opposed a reasonable rate advance, that will furnish more revenue for transportation companies.

We are of the opinion that the same object can be arrived at by a slight advance on existing rates, and thus all shippers bear their proportion, and not create the dissatisfaction and bitterness that would entail by a car-spotting charge.

The persuading argument is that if a car-spotting service charge is made, then the railroads should purchase all the private sidings. This would be manifestly an injustice, and would involve and tie up millions of dollars needed for betterments. On the other hand, it would be an equal injustice to permit transportation companies to derive revenue from private investments.

If it is determined that railroad companies must have more revenue, and in that case it would seem the logical thing to do would be to make a pro rata advance on all classes of freight.

Very truly, yours,

STANDARD OIL CLOTH CO.,
M. F. ANDERSON,
Traffic Manager.

—

[Telegram.]

THE WASHINGTON TERMINAL CO.,
Philadelphia, March 10, 1914.

Hon. E. E. CLARK,
Chairman Interstate Commerce Commission,
Washington, D. C.:

On behalf of the Pennsylvania Railroad Co., I desire to deny promptly and positively the statements reported to have been made by Clifford Thorne, chairman of the Iowa State Railroad Commission, that the maintenance accounts of the Pennsylvania Railroad Co. may and have been manipulated with facility, and that it has attempted to mislead and deceive the public and your commission as to the true tendency of the net earnings and net corporate income for the year 1913. At the very first hearing of the advanced-rate case on November 24 last the attention of the commission was specifically called to a comparison of the maintenance of way, equipment, and other operating expenses as between 1913 and previous years, and the commission were publicly advised at that time that the Pennsylvania Road system would present to the commission full and ample testimony covering every one of these points, and are prepared to do so as soon as carriers are permitted to be heard.

SAMUEL REA.

—

NEW YORK, *March 11, 1914.*

His Excellency WOODROW WILSON,
President of the United States:

I take the liberty of contributing my little share of knowledge and a few facts governing my trade, with the unfortunate result that more journeymen tailors are out of employment this winter than ever before.

In January you have given us to understand that you are not averse to letting the railroads have an increase in freight rates, and I wonder whether you realized the beneficent influence which your utterances had, not in the stock market, but in restoring the lost confidence of the buying people. I could show you the results in my sales book.

Since then the Interstate Commerce Commission has again postponed its decision as to freight rates, with the most disastrous results to stockholders and the public in general. People who have invested their savings in gilt-edge—so called—bonds and stocks of railroads are afraid to spend any money except for the most necessary expenses, not knowing how endangered their income is. Have these people no right whatsoever? Are not these same people going to pay their share of the increase in rates? Is it not by far better that the workingmen pay their little share toward the increase and have plenty of work than have no work and save a penny or two—from what? As long as I have been in business—14 years—I have never seen such a number of unemployed tailors calling and begging for work. I can not give them any, and my brother tailors are in the same position.

Not only is the tremendous buying power of the railroads cut off, but the officials of these roads are afraid of cuts in their salaries and are curtailing expenses; the supply people and their employees are not doing any business and are not buying anything; and who bears the tremendous burden of this shrinkage of purchases? Not the man with money, not we master tailors who have made a little money, but the common workingman, who is eating up the little savings of years or starving himself and his family. Does your excellency not realize the tremendous responsibility which is yours on account of the postponement of the Interstate Commerce Commission?

Has your excellency no compassion with our workingmen? I have, at considerable sacrifice, kept my married men tailors in pay, but I must let some of them go this week. Men in my trade with less conscience have made wholesale discharges, and the effect of it all is depression of business, with its accompanying evils; and why? Because a handful of shippers, who would add the cost of increase to their merchandise, are opposed that the railroads should have their increase and we our business, and they, in their ignorance, not knowing that prosperous times will more than repay the whole population for the small additional cost.

I beg your excellency to carefully weigh whether it is right that the whole Nation should suffer thus because a few shippers and the Interstate Commerce Commission is opposed to the means of restoring confidence and business.

Very respectfully, yours,

G. K. GEORGE.

—

LAKE PLACID, N. Y., *March 16, 1914.*

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: I earnestly urge you to grant the railroads their 5 per cent increase in rates for the general good of business throughout the country.

The expenses of all business concerns have increased, and the railway companies have been heavily burdened by additional expense during the past few years and are greatly in need of the increase in rates, and I, as proprietor of two hotels and a payer of considerable freight and express, and that, too, in a territory where the rates are heavy for distance of haul, request your immediate action on the railway-rate question.

I have suffered like the rest, but am perfectly willing to accept the extra burden for the good of our country, and all the Adirondack hotel men will agree with me.

Hoping for your favorable consideration, I am,

Yours, truly,

M. B. MARSHALL.

—

NEW YORK CITY, *March 16, 1914.*

Hon. EDGAR E. CLARK,
Chairman, etc.

MY DEAR SIR: I acknowledge with sincere thanks your courteous and satisfactory answer to my letter of last week.

I feel sure that your commission will meet this most important issue before you in a spirit of passionless justice.

I wrote you on an impulse, feeling that my position is one of many thousands of men and women whose health and usefulness depend on their receiving from the Government oversight of the railway corporations, in which their little principal is invested, a certain protection. My own investments were made after careful inquiry, and I have received for many years the return in income expected. Now, it is in part withdrawn. I believe that this is largely due to the increased charges on these corporations made mandatory by the United States Government. All I and those I represent ask is that our interests be duly noted in your equitable adjustment of conflicting conditions. We are vicarious sufferers now for the evil wrought by criminal mismanagement. As far as possible, those guilty should be punished. Doubtless the statute of limitation prevents this in large measure.

But as great an injustice is possible if these properties are prevented by the Government from carrying on their work so as to make a fair return to their owners.

I am, yours, sincerely,

JOSEPH R. DURYEA.

—

TRADE & TRANSPORTATION BUREAU,
Washington, D. C., March 16, 1914.

Hon. EDGAR E. CLARK,
Chairman Interstate Commerce Commission,
Washington, D. C.

MY DEAR MR. CHAIRMAN: You will probably be interested in the correspondence inclosed herewith relating to rate conditions as they are regarded by Commissioner Coyle, of the Business Men's League, of St. Louis, Mo. I am therefore submitting to you his correspondence reaching me relative to the matter, because it outlines quite clearly the position of his league, and also shows a willingness to line up its business affairs in harmony with the commissioners' final decision. The memorandum with these papers is a copy of some suggestions the writer made to Mr. Coyle relative to matters that are in the hands of the commissioners now.

Very truly, yours,

W. B. BARR.

—

THE BUSINESS MEN'S LEAGUE OF ST. LOUIS,
St. Louis, March 13, 1914.

Mr. W. B. BARR,
Manager Trade and Transportation Bureau,
Washington, D. C.

MY DEAR BARR: I thank you for your letter of the 5th inclosing a copy of memorandum outlining your views with reference to the terminal-services feature of the eastern rate case.

I think your views cover the case very clearly and no doubt will assist the commission materially in reaching a conclusion as to the suggestions which may properly be made to the railroads with respect to this

particular feature. The more I study the case as a whole the more complicated and far-reaching it appears in its consequences.

With respect to the general situation—that is, to its effect upon the business of the country—it would seem as though action might be taken on the 5 per cent advance proposition promptly and this particular feature now under consideration left for subsequent investigation. Looking to the future, however, it would seem that inasmuch as the question is under consideration the investigation should be so thorough respecting all of its phases that in any wise come within the province of the commission to investigate that when a final decision is made it may not only give the railroads that to which they shall be entitled, in order to enable them to render adequate service to the public and maintain their credit, but that there shall be left no conditions, so far as it is possible to eliminate them, wherein there is unjust discrimination between individuals, between communities, or between commodities.

This, of course, would be ideal, but it is questionable whether the country can stand at this time a thorough investigation to this extent. As you know, personally I would be in favor of extending the investigation along other lines also, as suggested in my letter to Mr. Barlow, copy of which I sent to you at the time and an extract of which I am inclosing herewith. Some of these lines, I presume, could not be followed by the commission under the present limitations of their authority, but sooner or later I believe the commission will have, or should have, sufficient jurisdiction to extend their investigations to cover such phases. However, officially and speaking for the bureau, our attitude is that we should furnish the commission all of the facts in our possession, or obtainable, that they may desire, without prejudice, and try to adjust our business affairs in accordance with their decision.

With kind regards, I am,

Yours, very truly,

P. W. COYLE,
Traffic Commissioner.

[Inclosure.]

MEMORANDUM RELATING TO THE OPERATION OF INDUSTRIAL LINES AND THE SERVICE OF TRUNK LINES AS TO SPOTTING, SWITCHING, ETC.

The situation at present is not perfect, but is vastly improved over any condition in the past in that it more nearly gives a satisfactory service and at a cost not unduly discriminatory generally speaking. In its ramifications so many influences are entitled to consideration as to a material change in the manner of handling business that in all fairness to every interest much time must be consumed in reaching a just conclusion. There is no denial of the fact that the matter should have the attention of the Interstate Commerce Commission at the proper time and in a manner that will finally determine what surplus services are rendered, in how far they furnish a discrimination possible of elimination without producing other inequalities, and what for any surplus service is a reasonable charge. These considerations, in our belief, are not determinable in blanket form, so called, but more by a specific examination of the conditions at each of the more important transportation centers. This because the community growth is from different causes and is surrounded by varying conditions. An analysis of any other sort, it would seem, can not claim any scientific merit. Looking at the matter as stated, it is our belief that consideration of these factors in the earnings of carriers might very properly be subsequent to the question of an increase in the carriers' rates, thus aiding in more settled business conditions and granting to your commission such reasonable opportunity to consider them with the deliberation that questions of permanent efficiency and economy require. This conclusion respectfully submitted is not based on any premise that the past history of the appealing carriers is free from criticism, and in fact admits the justice of a great deal of it, but arises from the opinion that the settlement of the petition for an advance in rates is paramount at this time on the merits of the petition as relating to existing conditions.

It is further our belief that the question of surplus service will now, because of its agitation, be the subject of conference between trunk lines and shippers and owners of industrial lines, to the end that voluntarily those arrangements existing without a basis of economy or efficiency will be abolished, and that those retained on the merits of service rendered will be able to satisfy your commission of their value.

ROCKWELL HOUSE,
Glens Falls, N. Y., March 15, 1914.

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

TO YOUR HONORABLE BOARD:

I can not resist sending to you newspaper clippings which voice the sentiment of 100 per cent of my guests.

I am in the hotel business, and have been for the past 35 years, and conduct one of the largest commercial hotels in northern New York. My patrons are largely made up of commercial men who sell goods directly to the trade; and there is but one sentiment with them, and that is that the railroads should be allowed the 5 per cent increase of rates that they are now asking of you.

In their judgment, as well as my own, it would act like magic to the business of this country, and possibly avert a panic, for I feel that we are surely drifting into one if they do not get it.

We in this section never saw the general business so bad. My business is 50 per cent less than it was a year ago at this time; and unless the powers at Washington do something to relieve the present conditions I fear failure and ruin is in sight for business men.

Trusting that my humble appeal will receive some consideration at your hands, I am,

Very respectfully,

GEO. M. TAYLOR.

STONE-ORDEAN-WELLS CO.,
Duluth, March 14, 1914.

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: We wish to present to your honorable body an informal complaint against the proposed charge for so-called spotting of cars by carriers on industry sidetracks privately owned or railroad owned.

Owing to the limited time that has been allotted us for the compilation of statistics, we are not in a position to present a comprehensive review of our own situation.

In the year 1913 substantially 1,650 cars were spotted for unloading. This does not cover extra service performed by carrier in shifting cars on our own tracks, an accurate record of which we have not in our possession, nor could we obtain without sufficient time for a thorough review of our files.

We most respectfully call to your attention the fact that, topographically, Duluth would only permit of enlarged terminal facilities at a tremendous expense on the part of the carrier if the private siding were eliminated. A fair proportion of the track space occupied by carriers having terminals in Duluth are built out into the bay, using in consequence a sand ballast. It has been necessary to do this at a great expense, for the reason that the surrounding country, being hilly and rugged and filled so substantially with solid rock, the cutting of the same has been practically out of the question on the part of the carrier.

We think the private siding, particularly in our own locality, has filled a need both for shipper and carrier, and the abolishment of the same would cripple either in equal proportion. We do not think conditions are similar relative to this matter throughout the country, and for this reason hearings should be held at numerous points designated by yourself, giving all shippers an opportunity to present their views typical to their own locality.

The situation in Chicago has made it such that every foot of space that is available is utilized by railroads, and surely at times of congestion, which are very frequent, the private siding has served as an outlet to what may have proved a disastrous terminal condition.

We think the trend of thought in your body, and effort by carriers, has been to promulgate a rate amply sufficient to cover terminal expenses. The general advance of 5 per cent in official-classification territory should meet this need.

Commissioner Harlan, in his concurring opinion in the Associated Shippers of Los Angeles case, cited in part as follows: "The general rate schedule of carriers have been adjusted on the theory that the rates should be fixed high enough to warrant carriers in including the spur-track service without extra charge, and not on the theory that additional revenue would be available from that source. The carload rate of carriers to and from a given destination by an established custom includes the switching of the car to and from the store door on spur tracks directly connected with their respective terminals."

We take the liberty of citing the above quotation of Mr. Harlan's merely as an illustration of the fact that it has been the general idea that the through rate included terminal compensation. We think that this fact has been established many times by the commission.

In conclusion, our prayer is that the shippers throughout the country be given more time to present their views on this subject. It is of vital interest both to the carrier and the shipper, and we do not think should be decided without thorough investigation.

Yours, very truly,

STONE-ORDEAN-WELLS CO.,
By BRUCE TER BUSH, *Traffic Manager.*

WASHINGTON, D. C., *March 14, 1914.*

Hon. EDGAR E. CLARK,
Chairman Interstate Commerce Commission,
Washington, D. C.

SIR: In the consideration of the eastern railroads for permission to increase their freight rate it is earnestly hoped that the interests of the thousands of small investors whose savings have been invested in the stock of the companies in the hope and expectation that the dividends would give them a living may have more attention than appears from the public press to be the case at present.

Issue after issue of short-term notes and additional bonds have been made by some of these roads to meet expenses, by reason of the fact that the rates now charged for transportation are not sufficient to meet the increased cost of labor, material, and necessary improvements. These additional issues certainly reduce the value of former issues outstanding and have already served to cause reductions of dividends, and my information leads me to believe that in certain cases all dividends are to be withheld for an extended period in order to accumulate a sufficient fund with which to extend the business to meet public demands.

As one of these stockholders, I earnestly hope that our interests may not be sacrificed in the matter and that we may have a "square deal" from those who are handling the matter.

Very respectfully,

THOS. P. GRAHAM.

2410 Eighteenth Street NW.

NEW YORK, *March 13, 1914.*

The CHAIRMAN INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

DEAR SIR: I respectfully submit:

1. That the railroads have been compelled to pay largely increased wages without an equitable increase of freight rates.

2. That the Government has called on them for largely increased mail service without an additional compensation. Against this there has been no increase in rates.

3. Taxes have increased, and the cost of all supplies. In view of these facts, I believe that the question of tap lines and other so-called free services should not be brought up now. At best there are two sides to these tap-line cases. What the railroads need is immediate increased revenues. If a 5 per cent increase proves eventually to be too much, it is easily cut down, and in the meantime any advantage to the railroads will do no more than help offset the extra expenses cited in paragraphs 1, 2, and 3. The newspapers cite opposition to rate increases. I have discussed the question with nearly everyone I know, all of whom are shippers by rail in lesser or greater degree, and I find no opposition, but, on the contrary, approval of the full increase asked.

I am not interested, directly or indirectly, in any railroad.

Respectfully,

J. V. BENDUS.

JERSEY CITY, N. J., *March 13, 1914.*

Hon. EDGAR E. CLARK, *Chairman.*

DEAR SIR: As a small investor in railroad securities, I have been deeply interested in the effort that is being made by the railroads before the Interstate Commerce Commission to secure the right to make an advance in freight rates. Several members of my family are owners of some few thousand dollars of railroad stocks and bonds, on which they are largely dependent for a living. The dividends on some have been reduced, among them St. Paul; and since the recent statement made by the commissioners about St. Paul's system of accounting, which seems to have been spread broadcast, both here and abroad, we have felt that the holders of railroad securities were not receiving the consideration they are entitled to. We all are, whether users of the

railroads' services or owners of their securities, citizens of our common country and entitled to equal consideration and protection of our property rights. It seems to me the question whether or not the railroads should be permitted to raise rates is one of fact; they either are or are not receiving sufficient compensation for their services. I assume that the commissioners have all the facts before them, or can obtain them, which would enable them to determine this question. I can not see why shippers—either manufacturers, merchants, or farmers—should have any voice in the matter. Of course, we all know that every shipper wants his goods carried as cheaply as possible and that every State railroad commissioner desires the lowest possible rates for his State. But the shipper is not in position to know whether the railroad can or can not afford to carry his goods at a given rate.

There have been, no doubt, many things done by railroad officials that were wrong, but these things are of the past; and whatever the sins of the officials were, they were to a large extent, if not wholly, against the stockholders and not against the shippers or users of the property. I realize that I have no more right to ask for an increase in rates than a shipper has to ask that they be not raised, based on a question of cost and service rendered, for I have not the facts on which to base such a claim, but assuming that the railroads are being economically managed, I, as a stockholder, feel that the stockholders should be heard and their rights considered in the settlement of this question.

Very truly, yours,

SAMUEL REID,
146 Harrison Avenue, Jersey City, N. J.

—

PICTORIAL REVIEW,
New York, March 12, 1914.

The INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: As an American citizen, a business man, and stockholder in a corporation that does a large shipping business, I would respectfully call your attention to an open letter in this morning's New York American asking fair play for the railroad in the matter of freight rates. I have talked upon this question with many business men, some of them very large shippers and the feeling is unanimous that the railroads are not getting a square deal. If the business men of the country, on whom the burden, if any, must fall, are in favor of paying higher freight rates as a matter of simple justice, what, in the name of common sense, objection can be made on the part of your commission? The prosperity of the country, in the minds of many business men, absolutely depends upon an upward revision of freight rates, and that it may be done quickly.

Very truly, yours,

ARTHUR T. VANCE.

[Inclosure.]

FACT AND COMMENT ON FINANCE AND BUSINESS.

[By B. C. Forbes, business editor.]

A knowledge of current conditions and of possible dangers impels me to address the following open letter to the Interstate Commerce Commission:

Gentlemen of the Interstate Commerce Commission:

Are you aware that, partly owing to your course of action, the country is in peril of suffering an upheaval disastrous to labor, to the railroads, to investors, to industry, to the public at large, and to the administration?

Do you realize that in your hands have been placed responsibilities comparable only with those devolving upon the Supreme Court of the United States?

You have been given control of the greatest industry in the country—its system of transportation—on whose welfare depends, directly or indirectly, the welfare of every man, woman, and child in the Union.

You are responsible to Congress alone.

You are more than a quasi-judicial body; there have been reposed in you administrative functions of the gravest importance.

Now, rightly or wrongly, your actions have created the very general belief that instead of holding the scales of justice even between the railroads and shippers you have become an antirailroad body.

In ruling—perhaps wisely—against the increase in freight rates applied for in 1910 you gave reasons which were supported by arguments and statistics embodying serious misrepresentation of facts. Your misuse of figures on that occasion raised doubts in well-informed minds of your desire—or your ability—to be strictly impartial in dealing with large railroad and financial problems.

Since then the position of our railroads has grown distinctly worse.

The confidence of investors, both in Europe and at home, has been so shaken that many roads are to-day in a parlous financial state.

During the years 1914, 1915, and 1916 maturing railroad obligations alone will call for upward of $1,000,000,000—this without providing one dollar of additional capital for any purpose whatsoever.

How debts falling due are to be met and new capital necessary to maintain solvency is to be raised are problems now exercising grave concern in the financial and railroad world.

Whether these problems can be handled without plunging the country into general disaster depends in large measure upon the course you choose to follow. The eyes of financial Europe and of thinking American citizens are upon you at this moment, anxiously awaiting announcement of your policy.

The state of mind existing to-day in the most responsible circles is not conducive to that speedy return of prosperity which the deplorable prevalence of unemployment and discontent renders so extremely desirable.

Without overstating the facts, it can be said that those who are charged with the task of directing and managing the country's railroads are in danger, if further denied the cooperation of the Government and your body, of abandoning as hopeless all efforts to overcome multiplying difficulties.

I beg you to ponder these words uttered this week by Samuel Rea, president of the Pennsylvania Railroad:

"This statement is not made to predict calamity, but it is made to prevent calamity."

There is more need than you perhaps realize for efforts "to prevent calamity."

What are you gentlemen of the Interstate Commerce Commission, you guardians of the Nation's railroads, doing to prevent calamity?

One of your number has just caused to be published, in sensational manner, charges of "serious irregularities" against the Chicago, Milwaukee & St. Paul Railway, which "irregularities"—confined wholly to bookkeeping—were committed several years ago, and pointed out at that time by the financial press.

Has it taken you three years to discover what the financial press discovered immediately the company issued its annual report?

If not, why is the subject treated by you so sensationally at this unfortunate juncture, when the solvency of numbers of railroads and the position of the railroads as a whole are occasioning so much concern and militating so strongly against a revival in business which, if much longer delayed can not but lead to unhappy consequences to Government and governed alike?

Not content to aggravate the unrest by harking back at this juncture to a three-year-old incident admittedly indefensible, you add the alarming statement that "in may instances" similar irregularities have been perpetrated.

Why this vague, panic-breeding allegation?

Are you concealing wrongdoing by many other roads?

Is it your intention to explode these bombs periodically, whenever your fancy or what you may regard as expediency dictates?

Why single out one railroad for exposure and shield many others you know to be equally guilty?

Can you not see how disquieting is the effect of your very serious allegation?

How are investors to know that the road whose securities they hold is not one of the many who have juggled their accounts to flimflam the public?

The St. Paul's shares shrank $9,000,000 in market value on your unexpected and alarmist announcement.

Are other stocks to be forced down equal amounts from time to time, whenever you see fit to expose the many guilty companies?

Gentlemen, I ask you to consider whether the time for purposeless recrimination has not passed.

I ask you to consider whether the time has not come to cease destructive action and to concentrate upon a constructive policy.

You have before you, and have had before you for many months, an application by Eastern railroads for permission to increase their freight rates 5 per cent.

The railroads have cooperated with you in supplying all needful facts to judge their case.

Can you not expedite your deliberations?

An attempt has been made of late to cite other avenues of relief and the impression has been spread that the railroads have been "discovered" indulging in various practices calculated to unreasonably deplete their income.

You gentlemen know that these practices, one and all, have been done in accordance with established usage and under arrangements never once prohibited by you.

Yet I am not aware that you have put the public right in their conception of the position, although a statement from you would have clarified the atmosphere and tended in some degree to allay the antirailroad sentiment now so prevalent and so injurious to the whole Nation.

Abolition of these various entrenched practices can not be ordered or effected hastily. Exhaustive investigation will be necessary before overthrowing the status quo.

Hence no adequate relief can be obtained at this time from such sources, although later on substantial readjustments may be possible for the benefit of the railroads.

I would respectfully ask you to consider the advisability of granting, at the earliest possible moment after the conclusion of your present hearings, the increased rates petitioned for, supplemented, if need be, by a statement that if developments ameliorate the circumstances of the railroads the higher rates may be canceled at some future date.

A patient is beyond medical aid once he has died.

—

LISTMAN MILL CO.,
La Crosse, Wis., March 12, 1914.

The INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: Our attention is called to the fact that the special investigation now being conducted by your commission in connection with the application of the railroads for a 5 per cent increase in their rates brings out the question as to whether the railroads should or should not charge for switching, placing, or delivery of cars by delivering and unloading on industry side tracks privately owned or railroad owned.

We are not opposed to the advance in rates, but we are distinctly opposed to any extra charge for such service as now rendered us by the railroads entering our city, as it will deprive us of the value of our investment in terminal facilities and transfer it to the carrier, and we ask that the commission refrain from definitely and finally concluding this matter until such time as a full hearing after due and adequate consideration in respect to the territory in which the shippers are located has been given.

We thank you for your consideration of this, and remain,

Very truly, yours,

LISTMAN MILL CO.,
C. J. MARBOE, *Treasurer.*

—

GERMANTOWN, PA., *March 12, 1914.*

The INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: Reading a New York paper this morning I came across the inclosed article by Mr. Forbes, headed "Fact and comment on finance and business." This seems to me to be so forcible, logical, and apropos to the present distressing condition of business, finances, and particularly as it affects the railroads that I felt like passing it on to your distinguished body, and hope the sentiments expressed therein might be appreciated by your commission.

Respectfully, yours,

GORDON S. CARRIGAN.

FACT AND COMMENT ON FINANCE AND BUSINESS.

[By B. C. Forbes, business editor.]

A knowledge of current conditions and of possible dangers impels ue to address the following open letter to the Interstate Commerce Commission:

"*Gentlemen of the Interstate Commerce Commission:*

"Are you aware that, partly owing to your course of action, the country is in peril of suffering an upheaval disastrous to labor, to the railroads, to investors, to industry, to the public at large, and to the administration?

"Do you realize that in your hands have been placed responsibilities comparable only with those devolving upon the Supreme Court of the United States?

"You have been given control of the greatest industry in the country, its system of transportation, on whose welfare depends, directly or indirectly, the welfare of every man, woman, and child in the Union.

"You are responsible to Congress alone.

"You are more than a quasi judicial body; there have been reposed in you administrative functions of the gravest importance.

"Now, rightly or wrongly, your actions have created the very general belief that, instead of holding the scales of justice even between the railroads and shippers, you have become an antirailroad body.

"In ruling—perhaps wisely—against the increase in freight rates applied for in 1910 you gave reasons which were supported by arguments and statistics embodying serious misrepresentation of facts. Your misuse of figures on that occasion raised doubts in well-informed minds of your desire—or your ability—to be strictly impartial in dealing with large railroad and financial problems.

"Since then the position of our railroads has grown distinctly worse.

"The confidence of investors, both in Europe and at home, has been so shaken that many roads are to-day in a parlous financial state.

"During the years 1914, 1915, and 1916 maturing railroad obligations alone will call for upward of $1,000,000,000—this without providing one dollar of additional capital for any purpose whatsoever.

"How debts falling due are to be met and new capital necessary to maintain solvency is to be raised are problems now exercising grave concern in the financial and railroad world.

"Whether these problems can be handled without plunging the country into general disaster depends in large measure upon the course you choose to follow. The eyes of financial Europe and of thinking American citizens are upon you at this moment, anxiously awaiting announcement of your policy.

"The state of mind existing to-day in the most responsible circles is not conducive to that speedy return of prosperity which the deplorable prevalence of unemployment and discontent renders so extremely desirable.

"Without overstating the facts it can be said that those who are charged with the task of directing and managing the country's railroads are in danger, if further denied the cooperation of the Government and your body, of abandoning as hopeless all efforts to overcome multiplying difficulties.

"I beg you to ponder these words uttered this week by Samuel Rea, president of the Pennsylvania Railroad:

"'There is more need than you, perhaps, realize for efforts to prevent calamity.'

"What are you gentlemen of the Interstate Commerce Commission, you guardians of the Nation's railroads, doing to prevent calamity?

"One of your number has just caused to be published, in sensational manner, charges of 'serious irregularities' against the Chicago, Milwaukee & St. Paul Railway, which 'irregularities'—confined wholly to bookkeeping—were committed several years ago and pointed out at that time by the financial press.

"Has it taken you three years to discover what the financial press discovered immediately the company issued its annual report?

"If not, why is the subject treated by you so sensationally at this unfortunate juncture, when the solvency of numbers of railroads and the position of the railroads as a whole are occasioning so much concern and militating so strongly against a revival in business which, if much longer delayed, can not but lead to uphappy consequences to Government and governed alike.

"Not content to aggrevate the unrest by harking back at this juncture to a 3-year-old incident admittedly indefensible, you add the alarming statement that 'in many instances' similar irregularities have been perpetrated.

"Why this vague, panic-breeding allegation?

"Are you concealing wrongdoing by many other roads?

"Is it your intention to explode these bombs periodically, whenever your fancy, or what you may regard as expediency, dictates?

"Why single out one railroad for exposure and shield many others you know to be equally guilty?

"Can you not see how disquieting is the effect of your very serious allegation?

"How are investors to know that the road whose securities they hold is not one of the many who have juggled their accounts to flimflam the public?

"The St. Paul's shares shrank $9,000,000 in market value on your unexpected and alarmist announcement.

"Are other stocks to be forced down equal amounts from time to time, whenever you see fit to expose the many guilty companies?

"Gentlemen, I ask you to consider whether the time for purposeless recrimination has not passed?

"I ask you to consider whether the time has not come to cease destructive action and to concentrate upon a constructive policy.

"You have before you, and have had before you for many months, an application by eastern railroads for permission to increase their freight rates 5 per cent.

"The railroads have cooperated with you in supplying all needful facts to judge their case.

"Can you not expedite your deliberations?

"An attempt has been made of late to cite other avenues of relief and the impression has been spread that the railroads have been 'discovered' indulging in various practices calculated to unreasonably deplete their income.

"You gentlemen know that these practices, one and all, have been done in accordance with established usage and under arrangements never once prohibited by you.

"Yet I am not aware that you have put the public right in their conception of the position, although a statement from you would have clarified the atmosphere and tended in some degree to allay the antirailroad sentiment now so prevalent and so injurious to the whole Nation.

"Abolition of these various intrenched practices can not be ordered or effected hastily. Exhaustive investigation will be necessary before overthrowing the status quo.

"Hence no adequate relief can be obtained at this time from such sources, although later on substantial readjustments may be possible for the benefit of the railroads.

"I would respectfully ask you to consider the advisability of granting, at the earliest possible moment after the conclusion of your present hearings, the increased rates petitioned for, supplemented, if need be, by a statement that if developments ameliorate the circumstances of the railroads the higher rates may be canceled at some future date.

"A patient is beyond medical aid once he has died."

MARCH 12, 1914.

THE CITIZENS BANK,
Portland, Oreg., March 16, 1914.

The INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: Your notice of March 5 at hand stating that there will be a meeting of the full commission on March 30. I wish to assure you that my opinion has not changed on railroad rates. If you wish to encourage business conditions, I believe the advanced rate asked by the railroad companies should be granted at this time. Their expenses, on the other hand, are unlimited and they have had no recourse whatever.

Yours, truly,

N. U. CARPENTER, *President.*

—

McMASTER-CARR SUPPLY CO.,
Chicago, March 17, 1914.

The INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: I am advised by the Hon. CHARLES M. THOMSON, Member of Congress from the tenth Illinois district, that you have exclusive jurisdiction over the proposed 5 per cent railroad rate increase.

The writer has given this matter considerable thought and attention, and now believes that favorable action on this rate increase would do more than any one thing that could happen at the present time in the United States to better the business conditions.

Under the circumstances I sincerely hope that favorable action will be taken on this matter at the earliest possible moment.

Sincerely and respectfully, yours,

JOHN S. WHYTE.

—

MANSFIELD CENTER, CONN., *March 17, 1914.*

The INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

DEAR SIRS: Kindly read inclosed, cut out from New York Tribune. Strange to me why, instead of railroad and the country prosperity, you so long keep back and force wrong economies. Men discharged and country loss.

Truly, yours,

C. H. LEARNED.

—

MARCH 21, 1914.

Mr. C. H. LEARNED, *Mansfield Center, Conn.*

DEAR SIR: This will acknowledge receipt of your letter of March 17 in regard to the commission's investigation in the matter of increases in freight rates.

Your letter will be brought to the attention of the commission and filed with the record in that proceeding.

Respectfully,

———, *Secretary.*

—

GREEN MOUNTAIN LIME CO.,
March 17, 1914.

The honorable INTERSTATE COMMERCE COMMISSION,
Washington, D. C.:

We beg to enter a most urgent protest against the proposed plan for making a charge for "spotting" cars upon private sidings. We, in common with many other shippers, have invested several thousands of dollars in providing shipping facilities for the railroad, with the understanding that there would be no charge for switching under certain conditions.

It is manifestly a great injustice to penalize carload shippers of low-price commodities instead of having the cost shared by higher-priced commodities, which are to a great extent luxuries.

We respectfully insist that the plan would be entirely unfair and inequitable.

We believe that the Lime Manufacturers' Association has taken a broad view of the matter of increased revenues being necessary for the railroads, and has gone on record in favor of the 5 per cent increase in freight rates asked, but we certainly can not favor a plan which would put the expense entirely upon the individual manufacturers in such a way that it could not be distributed.

Most respectfully submitted.

GREEN MOUNTAIN LIME CO.,
By JOSEPH A. PECK, *President.*

—

SHOCKOE MILLS,
Richmond, Va., March 19, 1914.

The INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: There has been a great deal recently said, written, and in the papers about your considering the trap-car service and car-switching service now recommended by the railroads. I hope it may be the pleasure of your committee not to interfere with this. Take, for instance, Richmond; the railroads haven't the track facilities here to anything like handle the business, and parties have put in private tracks to their warehouses to relieve the railroads. To enforce a rule of this kind on as cheap commodities as those we handle it would be prohibitory. We handle considerable crushed stone, on which the whole carload would only amount to about $10 or $12. We handle lime, and the freight is frequently more than the net amount the bill amounts to. You can readily see the importance of this if you take a carload of stone or coal which is comparatively cheap when compared to a carload of leather or liquor of about $15,000 or $20,000. Their proportionate amount would be small, while $2 on $10 would be 20 per cent.

I heartily approve of allowing the railroads the 5 per cent advance. This would bear equally on all shippers, as the rates are proportioned on the value of the goods and the service rendered. We are interested in several manufacturing plants in the country manufacturing lime. We would have to pay, as I construe the law, $2 trackage on all coal brought in for manufacturing, as well as all lime loaded to be shipped. It would amount to, using strong language, a confiscation. I do not see how it is possible for manufacturing plants to live under such ruling.

Very truly, yours,

WARNER MOORE.

FOND DU LAC TABLE MANUFACTURING CO.,
Fond du Lac, Wis., March 19, 1914.

Hon. JAMES S. HARLAN,
Chairman Interstate Commerce Commission,
Washington, D. C.

DEAR SIR: Referring to the arguments before the Interstate Commerce Commission on the subject of advancing freight rates and that the advocates claim the railway companies are doing too much free switching, etc., will say we wish to protest against any change in the rates as outlined by the advocators.

We concede that some revision of the rates are justified, owing to increased operating expenses, but if we are to pay for switching of cars we certainly are discriminated against, and in addition we have to pay demurrage on delays in unloading, all of which makes a burden for the consumer who is now being taxed to death; furthermore, the railway companies will exact all these charges, and then frequently a car, after being emptied, will remain for a week on our sidetracks before it is removed in spite of our demands to have the empties taken out. It appears to us that this is too much a one-sided matter; if we are to store the empties they should in return make no switching charge, and if they have not ample warehouse facilities the railway companies should not demand charge for trap cars.

Trusting that you will give this matter your most careful consideration and relieve us of this proposed burden, and greatly oblige,

Yours, truly,

FOND DU LAC TABLE MANUFACTURING CO.,
C. F. KARSTENS.

HEINE SAFETY BOILER CO.,
St. Louis, March 19, 1914.

The INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: Since wiring you on February 28 relative to switching charge, a further complication on this proposed charge of $2 per car has come to our attention.

We have manufactured a large number of tanks for the Barry-Wehmiller Machinery Co., who take the tanks as we manufacture them, add their castings and other machinery to them, and ship them to their customers. Besides the approximate 10 per cent increase in freight rates based on our books for the year 1913, it occurs to us that in the case of such work as we do for other machinery houses, this 10 per cent increase in freight would be considerably exceeded. For example, if a $2 freight charge were paid on the ore at the mine, a second charge at the plate mill when the car was switched in, a third charge when the car of plate left the plate works, a fourth charge when the plate was received at our plant, a fifth charge when the tank left our plant for Barry-Wehmiller Machinery Co., a sixth charge when it was switched into Barry-Wehmiller Machinery Co.'s plant, a seventh charge when it left their works, and an eighth charge when it was switched into consumer's siding at destination—this class of work would carry a very much greater increase in freight rate than the proposed 5 per cent.

We are thoroughly in sympathy with giving the railroads 5 per cent increase, but we respectfully submit to your honorable body that the $2 freight charge would work a discrimination against shippers of our class.

Yours, truly,

HEINE SAFETY BOILER CO.,
C. R. D. MEIER, *Vice President.*

E. J. MCALEER & CO.,
Philadelphia, March 3, 1914.

The INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: We are of the opinion that a charge for placing cars on sidings would be unjust, for the reason that many firms, as ourselves, doing business in a city have given up valuable space for siding purposes, and thereby save the railroad companies just that much room at their terminals. Where an elevated viaduct is used the cost for erection and maintaining siding is considerable and should be considered. Likewise the fact that in order to get sites where sidings can be had firms go to outlying locations, thereby relieving the congested districts where extensions to yard terminals would be expensive for the transportation companies.

Ferry-car service, we think, is as much of a convenience to the railroad companies as to the consignees or shippers, as many small lots of merchandise can be handled at one time, the distinction being about as if a comparison were made between wholesale business and retail business. A percentage of increase in rates treating all alike would to our mind be fairer than adding the charge at a place where so much outlay has already been made.

Yours,

E. J. MCALEER & CO.,
Per E. J. MCALEER.

CHENANGO VALLEY SAVINGS BANK,
Binghampton, N. Y., February 20, 1914.

The INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: I am in receipt of a copy of the letter written to you by Messrs. White & Kemble, 56 Pine Street, New York City, relating to freight rates of railroad companies. I am writing you to say that I have carefully read the leter referred to and give it my hearty and unqualified indorsement. The railroad companies have been the "under dogs" for a considerable time, and their expenses have been mounting until I deem it necessary that they have authority to increase their earnings. This has been my sentiment since the agitation begun. It is in no way dictated either by what Messrs. White & Kemble write, or by any railroad corporation. I am writing as president of a savings bank and a manufacturer, who freights a considerable quantity of first-class merchandise over the roads, and have been in business almost 50 years.

With respect, I am, yours, very truly,

GEORGE A. KENT.

NEW YORK, *February 13, 1914.*

Mr. GEORGE B. MCGINTY,
Secretary Interstate Commerce Commission,
Washington, D. C.

DEAR SIR: I note it reported in the papers that protests were filed by our company on the 11th instant against the 5 per cent advance in freight rates requested by the eastern railroads. We shall be glad to have you advise us if this newspaper report is in error. If such a protest has been filed in our name, we kindly ask information as to who filed the same. As we wrote you on January 22, we think the railroads entitled to the advance requested. Therefore, instead of protesting against the advance, we are heartily in favor of it.

Yours, very truly.

THE CENTRAL FOUNDRY CO.,
WADDELL CATCHINGS, *President.*

WATERBURY, CONN., *February 16, 1914.*

DEAR SIR: Why don't you let the men go to work? Thousands of them are waiting for you gentlemen to say the word. Grant the railroads that 5 per cent, and in 30 days there would be work for everybody. You can relieve this great suffering, and immediately, if you will.

Sincerely,

N. F. FENN.

THE MIDDLETOWN SAVINGS BANK,
Middletown, Conn., February 18, 1914.

The INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: We respectfully beg leave to suggest that conditions affecting railroad securities at the present time, especially the demands of labor and the general public—the former for increased compensation, the latter for safety appliances, rapid passenger service, and freight accommodations—tend to impair the value of such securities now held by savings banks and also to make them undesirable for future investment. It can not be overlooked, however, that such service by the railroads effects a reduction of the cost of manufactured articles, food, and fuel to consumers and provides a home market for western productions.

In view of these facts, it would seem as if an increase in freight rates, equably adjusted to meet the conditions, would be fully justified.

All special rebates or favoritism of sections, individuals, or corporations, all combinations for stock jobbing or other manipulation, all subsidiaries supplied by directors, managers, or others in control of a railroad from which they obtain a profit, should properly be subject to your honorable commission and be forced to recognize the rights of the public.

Very truly, yours, GEO. A. COLES, *President.*

CLEVELAND, TENN., *February 9, 1914.*

Mr. GEORGE B. MCGINTY,
Secretary Interstate Commerce Commission,
Washington, D. C.

DEAR SIR: Question 1. It is our understanding that no two carriers build industrial spurs on the same basis. We did our own grading and furnished the ties and the railroad furnished the rails. We keep up the track.

Question 2. We get one switch a day, two cars at a time.

Question 3. Done at a less cost to the railroad than loading on their siding, as they would have to probably pull 10 to 20 cars before they could get to ours; and they have no expense of keeping up track.

Question 4. It is material benefit to us and saves expense to the railroad.

Question 5. It would be very unwise to make a charge for this service, and only the railroad would benefit by it, whereas they are put to no extra expense whatever for making these switches.

Question 7. Milling in transit is an extra charge of 2 cents per hundred pounds for this privilege, which we think is 1 cent higher than it should be, as the service is very limited.

Question 9. Charges are more than adequate.

What the roads need is a uniform advance in freight rates all over the United States. This puts everybody on an equal footing, and there is no fair-minded man that would say, with labor as high as it is, that they are not entitled to an advance. They buy more material than all other industries put together, and the country is going to stand still until you gentlemen make up your minds to give them this advance. In the meantime the business world is stagnant. While, on the other hand, if granted, we will have a great year of prosperity. Everybody thinks this, and that is what it takes to make prosperity.

Yours, very truly,

CLEVELAND LUMBER & MFG. CO.,
Per B. M. WEBB, *Secretary.*

NEW YORK, *February 9, 1914.*

The INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: With reference to docket No. 5860, I. & S. docket No. 333, covering rate increases in official classification territory. It has come to our attention that our company is probably listed as a protestant against advances as proposed in rates on cast-iron pipe and fittings, this understanding probably being brought about by our letter of November 3, in which we asked that in the event the commission should take action denying or suspending the general 5 per cent advance in all rates in the eastern territory that they include in their denial or suspension the advanced rate carried in supplement No. 3 to Mr. M. P. Washburn's cast-iron pipe tariff No. 7, I. C. C. No. 121.

We would like to make ourselves clear before the commission that in asking for suspension of the proposed advances in the above-mentioned supplement it was not our desire to protest the general advance. On the other hand, we wrote you several days ago stating that in our judgment the present conditions justified the advances asked for by the eastern carriers. Our letter of November 3 was written only to ask that in the event the advanced rates on cast-iron pipe and fittings from other producing points in the eastern territory were denied that the advances proposed in Mr. Washburn's I. C. C. No. 121 be also denied, so as to protect the southern producers.

In other words, we do not desire to protest the proposed advances in rates on cast-iron pipe and fittings only in so far as to ask that any advances on this commodity may be uniform from all cast-iron pipe producing points.

Yours, very truly,

THE CENTRAL FOUNDRY COMPANY,
By M. J. MOLONEY, *Traffic Manager.*

CHICAGO, ILL., *February 7, 1914.*

The INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: We have your circular giving notice of matters to be taken up before the commission February 12 and 14, and desire to briefly state our position in the matter.

We favor a slight increase in railroad transportation rates, not exceeding 5 per cent, and believe the railroads are entitled to that. We figure our goods, as a rule, delivered at destination, and on that basis it would hardly be necessary to advance our selling prices. We feel, however, that we should not be charged for any service on our small loading or spur track at our factory. Such service should be included in the transportation charge. If such service is charged for in addition to an advance in the freight rates, it will necessitate placing the burden ultimately on the consumer by an advance in selling prices.

Yours, very truly,

NORTH WESTERN EXPANDED METAL CO.,
HOWARD W. FOOTE, *General Manager.*

—

GEORGIA PINE TURPENTINE CO. OF NEW YORK,
New York, February 8, 1914.

EDGAR E. CLARK,
Chairman Interstate Commerce Commission,
Washington, D. C.

DEAR SIR: Along with many other shippers and investors, I believe the time has come when the community should be more fair to the railroads.

It seems to have gotten to be now a condition where "every man's hand is raised against the railroads."

Such a spirit, even if we care nothing for the rights of the railroads, is bound to injure the country at large, and the shippers as well.

I hope your commission will see its way clear to grant the advance asked for by the carriers.

Very truly, FRANKLIN S. CLARK.

—

WHITEHEAD BROS. CO.,
New York, February 5, 1914.

OFFICE OF THE INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

Your Docket No. 5860.

GENTLEMEN: We understand the above refers to the commodity rates on sand, gravel, and clay, and that on February 9, 1914, the protestations regarding increased rates applying to the above will be heard.

We are quite large shippers of these commodities, and during the past seven months have heard considerable in relation to the proposed advance of 5 per cent on these rates. While it may be possible that there are many instances where these freights are out of line or too high, considering the value of the commodities, we think that the general 5 per cent advance is necessary, and there would be time to take this matter up on the rates to the points that are out of line and have them equalized after you have passed the increases and have them become effective.

We desire to state that our company favors the increase at this time, as we think that the general 5 per cent advance is necessary for the business welfare of this country. It is very evident that railroad expenses are increasing and net earnings are diminishing rapidly, with the result that railroads are not extending, and can not afford to purchase equipment, and inasmuch as their equipment purchases directly affect many lines of business, including our own, we feel that if they are enabled to go ahead, as the would probably do under the advanced freight rates, it would be of benefit to all.

Yours, truly,

WHITEHEAD BROS. CO.,
By GEO. B. WALKER.

—

FEBRUARY 5, 1914.

HON. EDGAR D. CLARK,
Chairman Interstate Commerce Commission,
Washington, D. C.

HONORABLE SIR: I herewith take pleasure in inclosing a set of resolutions addressed to your honorable body, and which resolutions were adopted at a meeting held at the Manhattan Club of this city on this date.

Believe me, very respectfully, yours,

J. STEVENS ULMAN,
Chairman of Meeting.

—

[Inclosure.]

NEW YORK CITY, *February 5, 1914.*

The INTERSTATE COMMERCE COMMISSION,
Washington, D. C.:

Whereas the value of the Nation's farm products during the year 1913 reached unparalleled totals and the export trade of the United States in those staples touched figures never before attained, and further, the balance of trade in favor of this country is a large one, we are nevertheless at the present time facing an unusual condition, where, in accordance with the statement of the Department of Commerce and Labor recently issued, the percentage of unemployed labor is greater than it has been in 17 years, and business in general throughout the United States is in a depressed condition; and

Whereas money is abundant for manufacturing and commercial purposes, nevertheless manufacturing industries are lagging, brought about largely by lack of confidence and belief that the railroad systems of the United States are not in a position of keeping up their properties to the highest state of efficiency; and

Whereas, furthermore, the parties hereto affixing their signatures, in meeting held at the Manhattan Club, New York City, on Thursday, February 5, 1914, represent purely and only manufacturing and commercial interests that pay freight to the railroads for carrying of their merchandise, nevertheless said parties affixing their signatures hereto are heartily in favor for themselves and for the respective firms and corporations which they represent, of paying and acquiesce in the advance asked for by the Eastern railroads, and feel particularly that until such time as a decision is rendered by the Interstate Commerce Commission that business will continue in a depressed state: And therefore be it

Resolved, That the parties affixing their signatures hereto acquiesce in the advance in rates, if found necessary, by the Interstate Commerce Commission in order to provide business with efficient service, restore general confidence throughout the country, decrease the percentage of the unemployed; and further be it

Resolved, That those parties affixing their signatures hereto urge particularly upon the members of the Interstate Commerce Commission to decide with the least possible delay the vital question before them, so that if they see fit to grant the increase asked for, general business may speedily have the stimulating influence of vigorous railway purchases, and thereby stimulate all lines of manufacturing and commercial business.

J. Stevens Ulman, vice president of F. Blumenthal Co. of Delaware, manufacturers of leather; J. Stevens Ulman, president of F. Blumenthal Co. of Massachusetts, distributors of leather; Wm. G. Cleave, director of Princeton Worsted Mills, manufacturers of woolens; E. Swann, publisher of Field and Stream; C. M. Higgin Co., 26 Broadway; M. W. Dippel, president the National Ribbon Co., manufacturer of ribbons; H. C. von Glahn, manager Sanford Silk Manufacturing Co.; Charles W. Kraushaar, art dealer, 260 Fifth Avenue; Hubert D. Lounsbery, Fredenberg & Lounsbery, face brick; Edward W. Keanny, Van Tassell & Keanny, auctioneers; Thomas Williams, Imalod T. Williams & Sons, lumber; James Richy Gordon, James Richy Gordon, architect; Albert Tilt, Phoenix Silk Manufacturing Co., silk manufacturers; Worth Adams Manufacturing Co., Jas. F. Fiden, president; B. Gruff, Gruff & Co., commission merchants; Brady Brass Co., D. M. Brady, manufacturers of castings; B. Delvalle, New Orleans, lumber; Julius Frank, New York City, architect; W. H. Chesebrough, 115 Broadway, various interests (per J. W., as per his letter Feb. 4, 1914); Samuel S. Robert (as per his letter Feb. 5, 1914), treasurer Geo. A. Kessler & Co., importers and shippers of wine and champagne; John Pence, John Pence Co., contractors; Carl Viehm, Joseph Viehm Lipton, dry goods; Ethan Allen, woolen commission merchants; Arthur Iselin, William Iselin & Co., mercantile banking; John F. D. Bryan, jr., Cluppent, Ives & Co., mercantile banking; Henry T. Fleitmann, the Piedmont Silk Co. (Inc.); W. H. Lynn, various business; John Lynn, J. Lynn & Co., fancy goods; Alexander Konta, financial and commercial promotion; P. F. Murphy, president of Mark Cross Co., leather manufacturers; Samuel Robert, vice president Permutil Co., water refiners.

—

FALL RIVER CHAMBER OF COMMERCE,
Fall River, Mass., February 6, 1914.

Mr. GEORGE B. MCGINTY,
Secretary Interstate Commerce Commission,
Washington, D. C.

DEAR SIR: By vote of the board of directors, I am ordered to inform your commission that the Fall River Chamber of Commerce is in favor of granting to the railroads the permission asked by them to raise their freight rates generally 5 per cent. This action was taken at a meeting held on February 3, and followed the recommendation of the chamber's committee on transportation.

Very truly, yours, WILLIAM A. HART, *Secretary.*

—

HOUSTON, TEX., *February 6, 1914.*

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: The question of allowing the railroads of this country to increase their freight rate 5 or 10 per cent is, I believe, one of the most important and vital questions being considered by your honorable body or any other court or governmental body in this country to-day, bearing on the business prosperity of the Nation.

The proposition has been discussed pro and con by the railroads, the manufacturers, the jobbers or wholesalers, by the politicians of all grades and degrees, but not publicly by the ones who pay the freight, the consumers. I take the liberty of addressing your honorable body as one of the latter, and give you my reasons for wanting the request of the railroads for an increase of from 5 to 10 per cent in freight rates granted.

I consider the most important thing in this country is agriculture, and the next is transportation, or the railroads. The prosperity of this whole country and all of its inhabitants are directly dependent on them, and whatever affects the financial condition of the railroads, whether it is to their advantage or detriment, is reflected and felt by all lines of business. They occupy the same relation to this country and Nation as the arteries and veins do to our bodies. They carry the life-sustaining forces to every portion of our bodies to sustain life in every member and part of the body, and if you hinder or retard the circulation, the body suffers in proportion to the interference. So it is with the railroads; the retarding influences that are preventing them from getting the necessary funds to keep the roads in proper physical condition, to make extensions and betterments to meet the ever-increasing demands of our growing business and commerce, and to pay the fixed charges, operating expenses, and a fair profit on the capitalization, will retard the prosperity of practically all business in the same ratio, or proportion. When the roads are prosperous and making money, the country as a whole is correspondingly so, and there are fewer idle men.

A condition now exists with the roads that needs treatment. No matter what the cause, we are confronting a condition that must be met in the proper manner, and that promptly. There are retarding influences that are affecting roads that are very active to-day, which, if allowed to continue, will seriously affect the continued prosperity of this country, and I believe that an increase of freight rates 5 or 10 per cent would immediately destroy or dispel those conditions that now threaten us. The tariff and currency bills have been passed by Congress, with their attendant hopes of prosperity, but I believe that we can insure the prosperity of this country as in no other way at the present time by the above-mentioned increase. I am ready and willing to pay my part of the premium, if you will only permit me. I have calculated the number of pounds of everything that my wife and myself eat, wear, or otherwise use in a year, and I take the present freight rates on these things from New York, Chicago, New Orleans, Kansas City, and Fort Worth and find that the total freight paid by me in one year amounts to approximately $11.04, and an increase of 5 per cent would only mean an additional expense of 55 cents a year, and an increase of 10 per cent would be $1.10 a year, an amount so small as not to affect me in the least if I paid it, a very small premium to pay to insure me

an income of several thousand dollars a year and prosperity, for there would be a difference of several thousand dollars a year in my income or earnings if, through not allowing this increase in freight rates, there should be more receiverships in some of our large systems of railways, and consequent disturbance of business to the extent of a panic. So why take a chance of letting this condition go on to the breaking point, when it would be too late to avert a calamity? There are several hundred thousand men in this country to-day out of employment. Do you suppose that one man out of all that great number would hesitate to pay 50 cents, $1, or $5 to insure them a job that would pay them average wages for a year? They would be only too glad of the opportunity of doing so, and I have the honor to respectfully request that you permit me, as a consumer who pays the freight, and as an American citizen who wishes to insure his own prosperity by paying to the railroads of the country an increase of 5 or 10 per cent in freight rates on what I consume and is handled by them; and I believe I voice the views of the larger majority of the consumers, who pay the freight.

Yours, respectfully,

J. M. HEAD.

RAVENEL-GABBETT LUMBER CO.,
Valdosta, Ga., January 26, 1914.

Mr. W. G. BRANTLEY,
General Counsel for Southern Railroad Association,
Washington, D. C.

DEAR SIR: We want to go on record with you as being thoroughly in sympathy with the railroads in their effort to get 5 per cent increase in freight rates on all articles asked for, including the commodity we handle. The general tendency in past 10 years has been to reduce railroad rates in freight and passenger, and the fact that all materials used by railroad companies have advanced very materially does not seem to appeal to the general public, as it should. The development of our great country and its general prosperity largely and to a great extent depends upon the prosperity of the railroads. We want every territory, and especially in our southern country, honeycombed by railroads, and their prosperity means additional railroads, and consequently advanced value of millions to undeveloped territory. Wish you could use our company in some legitimate way toward advancing the railroads' interest.

Yours, truly,

RAVENEL-GABBETT LUMBER CO.,
S. D. RAVENEL, *President.*

THE NEW ENGLAND BOX CO.,
Greenfield, Mass., January 31, 1914.

Hon. EDGAR E. CLARK,
Chairman Interstate Commerce Commission,
Washington, D. C.

DEAR SIR: Your schedule of hearings calls for the presentation of evidence regarding lumber and forest products on February 21 and 22.

Our company is one of the large handlers and producers of these products in New England, our own consumption amounting to about 30,000,000 feet, and in addition to this we are obliged to handle in the shape of by-products approximately 10,000,000 feet, so our total handling per annum is about 40,000,000 feet. Consequently I feel that our company occupies a position of some importance relative to this subject, and I am taking the liberty of expressing our company's views to you by letter, as owing to other engagements I shall not be able to be in Washington at the time set for the hearing.

This matter was brought before our directors at their annual meeting and was carefully discussed. The consensus of opinion was that the advance of 5 per cent asked by the railroads is entirely in keeping with conditions that exist at the present time; and we feel that while our business, like many others, can not stand very much more traffic charge, at the same time the question of equity and justice to the transportation companies demands that we bear our share of this burden.

The one question which arose was whether the hearing was to be on the question of the blanket increase of 5 per cent, and the decision, whatever it might be, based on this application, or whether there were to be ramifications in connection with switching charges, demurrage, or other subjects that might affect the rates indirectly.

Assuming that the first proposition is the only one under consideration, and that the decision will be based on whether the railroads will receive the blanket increase of 5 per cent, we wish to put ourselves on record as being in favor of this increase.

Personally I regret that I can not be present at the hearing to state our position before the commission. If this letter is of sufficient importance or interest to you, so you care for more information, would say that the writer has personally appeared before Commissioner Prouty on three different occasions, the last time being at the hearing in Boston, October 22 or 23; and while I appreciate that owing to the number of witnesses that appear before Commissioner Prouty he may not be able to identify the writer, a reference to my evidence submitted at that time may serve to fix it in his mind, so he can give you some information.

I wish further to state most emphatically that this decision has been arrived at by our company after due deliberation, without consulting with any other companies in the same line, and is the reflection of our personal opinion and judgment.

The writer has the honor to serve as president of the Western New England Chamber of Commerce, but wishes to have it distinctly understood that in no way does the opinion expressed herein reflect the views of that organization, as he has no authority to speak for that body.

Very truly, yours.

THE NEW ENGLAND BOX CO.,
B. W. PORTER, *President.*

L. BRENNER & CO.,
Lebanon, Pa., February 12, 1914.

The CHAIRMAN INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

DEAR SIR: It is the sentiment of the scrap-iron trade in this vicinity that it must be to our benefit if your commission would allow the increase asked by the railroad companies on freight shipments, due to the fact that it would stimulate business in general. For your information we wish to inform you that Lebanon is the second largest scrap center in this country. There is at least 50,000 tons of scrap handled per month, and I am positive that all the dealers and brokers of this city are hoping that the increase asked by the railroad companies are granted. We remain,

Respectfully, yours,

L. BRENNER & CO.,
By L. BRENNER.

PITTSBURGH, PA., *January 24, 1914.*

SECRETARY INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

MY DEAR SIR: Please send me a copy of Tariff Circular 18A on the "Fundamental law on interstate and intrastate commerce."

I also will be glad to have a copy of the last available issue of the annual printed report of the commission. If necessary to do so, I will secure the O. K. from our Representative, Hon. STEPHEN G. PORTER.

Please also advise as to the probable date on which the commission will announce its decision in regard to railroad increase on rates. The sentiment of the public and that of many business men handling important affairs are in favor of some advance, as it appears this is about the only large factor that keeps the business in a quiet state. The uncertain future is worse than no advance or a slight increase. When we all know where we stand, then we can adjust ourselves accordingly.

Yours, very truly,

H. C. H. WEIDNER.

ROCHESTER, N. Y., *January 26, 1914.*

The INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: From a paper manufacturer's standpoint, and for the reason that I feel sure great and lasting benefits will accrue to the general business interests of our country, I respectfully ask that the request of the railroads for a 5 per cent advance in freight rates be granted by your honorable body.

Very truly, yours,

J. M. WALMSLEY.

KNEELAND-MCLURG LUMBER CO.,
Phillips, Wis., January 26, 1914.

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: Though we are manufacturers and shippers of some 50,000,000 feet of lumber and other forest products per annum, and any raise in freight rates would directly reduce our present income, we believe that in justice to the roads over which we are shipping and doing business they are entitled to a reasonable raise in freight rates, that they may be enabled to make the necessary and long-delayed improvements; in fact, most of them use considerable lumber in those improvements, and for the past several months their purchases have dropped to almost nothing, and in the long run we believe that we would be benefited by any reasonable raise given them.

We are located on the Soo Line Railroad, though our product is distributed by many other roads throughout the Middle States.

This appeal to you is made without the knowledge or solicitation of any railroad company, and trust that it may have your favorable consideration.

Yours, very truly,

KNEELAND-MCLURG LUMBER CO.,
D. M. KNEELAND, *President.*

CROCKER BROS.,
New York, January 26, 1914.

EDGAR E. CLARK, Esq.,
Chairman of the Interstate Commerce Commission,
Washington, D. C.

DEAR SIR: As shippers of from 75,000 to 100,000 tons per annum in normal years of ferro manganese from New York, Boston, Baltimore, Philadelphia, New Orleans, and Galveston to producers of steel at inland points, likewise as representatives of shippers of some 300,000 tons per annum of pig iron from furnaces in Pennsylvania, New York, Virginia, Tennessee, and Alabama, we desire to go on record before your honorable body as favoring under proper regulations the uniform advance of 5 per cent in commodity rates as now requested of you by the railroads of the country, believing this advance if granted to the railroads will be used for legitimate purposes to enable them to improve their facilities for business, and the results to our people at large will be so advantageous as to justify you in acceding to their prayer at the present juncture with all possible speed.

Submitting our views, which we believe are in line with the bulk of the large producers in the country to-day, and sincerely hoping the request of the railroads will not be refused by your honorable body, we remain,

Very respectfully, yours,

CROCKER BROS.

JAMES P. SMITH & CO.,
Chicago, January 27, 1914.

To the Chairman and Board of Commissioners of Interstate Commerce,
Washington, D. C.

ESTEEMED AND HONORABLE SIRS: As a fair-minded merchant and close in touch with the business affairs and conditions now prevailing, and purely from a viewpoint of justice, I think the interstate body and administration should approve most sincerely of a 5 per cent advance in freight rates to the railroads. Conditions justify this increase. Wages, material, operating expenses, equipments, safe guarding from accidents—everything has increased operating railroads.

Yours, very sincerely and most respectfully,

GODFREY H. BALL.

[Copy for Mr. McGinty.]

JULIEN STEVENS ULMAN,
New York, January 28, 1914.

EDGAR E. CLARK, Esq.,
Chairman Interstate Commerce Commission,
Washington, D. C.

DEAR SIR: I have been informed that up to and including March 5 assignment has been made to different lines of industry for argument before the Interstate Commerce Commission regarding the advance in freight rates asked for by the eastern railroads, and that the date of March 2 is assigned for hides and leather.

I am under the impression that those appearing before your honorable body desire to argue against the advisability of allowing the increase asked for. I beg to say that the corporation of which I am first vice president, feels favorably disposed toward an allowance of increased freight rates, and I therefore take the liberty of asking

whether you would consider it advisable for me to appear before your commission on March 2, with the intention of presenting my arguments for the allowance of an increase.

I look forward to your esteemed reply, and believe me,

Respectfully yours,

——— ———.

NEW YORK, *March 20, 1914.*

Hon. E. E. CLARK, *Washington, D. C.*

DEAR SIR: I am writing to you as an investor in railroad stocks to ascertain if something can not be done for the great body of men and women who have invested their savings in such securities and have seen their revenues from this source steadily diminish. There are thousands of people like myself, who have used this means to provide for their old age, and as we have no means of appearing before you in a body to represent our side of the case, I am addressing this letter to you with an appeal to be fair to the investors in the disposition of the rate cases.

Yours, truly,

SYLVAN LEHMAYER,
206 West Eighty-fifth Street, New York City.

BALTIMORE, *March 25, 1914.*

Hon. JAMES S. HARLAN,
Chairman Interstate Commerce Commission,
Washington, D. C.

DEAR SIR: I see from a published statement of the Interstate Commerce Commission that additional hearings on the rate question will be had April some day or other. Suppose you had a boy desperately ill from excesses of dissipation or seriously injured from an accident in a recklessly driven automobile—anything you wish—but hurt, injured, needing aid. You send for the doctor and pray him to give the boy something to make him better—to make him well. Instead of acting the doctor starts an academic discussion of the evils of giving a boy too much money to spend at college; of permitting him to indulge in the excesses of gambling, intemperance, and other vices; and how, if you had done this, that, and the other, your boy would be a fine, healthy, vigorous, prosperous man instead of lying there in that condition; that he could give him a stimulant that might help his heart and possibly pull him through, but that stimulants were bad—an artificial thing—and the only right course to pursue was the true, proper one where such expediences were not needed.

Would not you say, "For God's sake, Doctor, stop talking; give my boy something; save him; and I will try to bring up my other children so that they will never be exposed to the dangers this boy was and thus permit such a condition to arise in their lives. Give a stimulant; anything to resuscitate him; and once convalescent and restored to health I will follow any good, healthy diet you prescribe."

What is the wisdom of you and your associates discussing what economies could be effected, what wrongs could be righted, what improper financial methods have been pursued, etc., in the conduct of railroads, while industrial prostration and financial stagnation and doubt and all the negatives of the business world attend your proceedings.

Whatever the causes the facts exist. The railroads—mind you, not the offending presidents, directors, holding companies, or whatever you like, but the stockholders—men, women, savings banks, institutions, etc.—need help, aid, credit now.

Give them the increase, get them convalescent, and then show them the error of their ways and place them on any basis that may finally be proven equitable.

I am, sir, yours, respectfully,

C. MORTON STEWART,
Eccleston Post Office, Baltimore County, Md.

(Now farming at Shanan Farm, and member of firm of C. Morton Stewart & Co., formerly engaged in Brazilian trade, shippers of flour and coffee.)

H. R. WYLLIE CHINA CO.,
Huntington, W. Va., March 9, 1914.

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: We wish to enter our protest against any charge being made for car placing or spotting service. We really think that that work is part of the delivery that the railroad should look after, as it is necessary that cars be located properly for shipping and unloading. We have been strong advocates of the proposed 5 per cent increase in freight rates, and think the railroads are entitled to the 5 per cent increase, but we do not think that any charge should be made for spotting or trap-car service.

Very truly, yours,

H. R. WYLLIE CHINA CO.,
H. R. WYLLIE, *President.*

BOSTON, MASS., *March 21, 1914.*

The CHAIRMAN INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

DEAR SIR: Five per cent freight rate advance. I think it should be granted.

"The laborer is worthy of his hire." Luke, 10:7.

"Thou shalt not muzzle the ox when he treadeth out the corn." Deut., 25:4.

The railroads are entitled to be paid for their service.

The charge of inefficiency is not a sufficient reply. We are all more or less inefficient, but we get our pay just the same, and the railroads should have theirs.

Yours, respectfully,

A. V. PHILLIPS.

MANUFACTURERS' CLUB OF THE CITY OF WILLIAMSPORT, PA.,
Williamsport, Pa., January 14, 1914.

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: At a regular meeting of the Manufacturers' Club of the City of Williamsport, Pa., held on January 13, 1914, the following resolution was unanimously adopted:

Whereas the Interstate Commerce Commission is now considering application by railroads in official-classification territory for permission to advance their freight rates uniformly 5 per cent; and

Whereas the Interstate Commerce Commission will act upon the application, affirmatively or negatively, according to fact whether the railroads actually need higher rates or can effect economies by more efficient management to meet higher costs and provide extension of facilities; and

Whereas the Manufacturers' Club of Williamsport is incompetent to judge the question of fact, and therefore incapable of voicing sentiment favorable or unfavorable to the application; and

Whereas it is believed that the uncertainty as to whether permission to advance freight rates will be granted or denied is retarding general business of the country: Now, therefore, be it

Resolved, That the Manufacturers' Club of the City of Williamsport, Pa., respectfully urges the Interstate Commerce Commission to render a decision as speedily as possible, to the end that confidence may be quickly restored; and be it further

Resolved, That a copy of these resolutions be sent to the members of the Interstate Commerce Commission.

CHAS. C. KROUSE, *President.*

STATE BANK & TRUST CO.,
San Antonio, Tex., May 22, 1913.

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

DEAR SIRS: Owing to the fact that wages have increased and the price of all material used in the construction of railways is also increased, I respectfully urge that the railroads of this country be allowed to increase their rates 5 per cent, which would be a small matter to the public, but, on the other hand, it would enable the railroads to take care of their obligations and at the same time improve their present service. I think this nothing but right, and I am not interested in any railroads, except as a citizen who desires to see all industries treated in a fair way. I feel sure that after an investigation that you will agree to this advance if the facts justify it.

Thanking you in advance for your consideration, I beg to remain,

Very respectfully, yours,

J. H. HAILE.

THE CHICAGO ASSOCIATION OF COMMERCE,
Chicago, October 22, 1913.

Hon. CHARLES C. MCCHORD,
Commissioner Interstate Commerce Commission.

MY DEAR SIR: By direction of the freight traffic committee of this organization, I am inclosing copy of the resolutions adopted by said committee at their meeting on October 9, 1913, in respect to the proposed general advance in freight rates in the so-called official classification territory.

Copies of these resolutions have been mailed to the other members of the Interstate Commerce Commission.

Yours, very truly,

H. C. BARLOW, *Traffic Director.*

[Inclosure.]

Resolutions adopted by the freight traffic committee of the Chicago Association of Commerce at their meeting held October 9, 1913, in respect to the general advance in freight rates in the so-called official classification territory.

Whereas the railroads in the so-called official classification territory filed a petition with the Interstate Commerce Commission to reopen the so-called general rate advance case (heard and decided adversely to the carriers about two years ago) to the end the carriers in said territory be permitted to advance all interstate rates 5 per cent; and

Whereas said petition has been denied and in lieu thereof the commission will proceed to a general inquiry into the subject; and

Whereas the freight traffic committee of the Chicago Association of Commerce has held many meetings to consider and determine their attitude respecting the question, which they recognize as of great importance to the members of the association, the carriers, as well as the public at large: Now, therefore, be it

Resolved, That the attitude of this committee is as follows:

First. The committee is in sympathy with the plan of having the question adjudicated by the Interstate Commerce Commission, that body to determine from the facts the necessity for said proposed advance and the reasonableness of the rates to be established thereby. The committee look upon this proposed advance in the all-rail rates as experimental. If the benefits arising therefrom are mutual and of a permanent nature, the increase may be justified. If, on the contrary, the results are not permanent and a request for another increase in rates follows, it will demonstrate that advances in rates do not meet the issues involved nor provide a remedy for existing conditions.

Second. The committee especially invites the commission's attention to the fact that the movement toward higher transportation charges in official classification territory has in the past fallen to an undue and unreasonable extent upon the rail-and-lake rates. If the claim of the carriers be conceded that increased cost of operation, taxes, and a return upon additional capital justifies some increase in all-rail interstate rates, we respectfully submit that such claim can not and does not apply to the rail-and-lake rates, which have been advanced three times since 1900 (a total of approximately 11 per cent) without any change in the all-rail rates, which fact not only debars the claim that a fixed relation exists between the all-rail and rail-and-lake rates that requires them to be similarly changed, but establishes the further fact that traffic moving under these rates has already contributed in full measure to any reasonable advance. We therefore are irrevocably opposed to any advance in the present rail-and-lake rates: Be it further

Resolved, That a copy of this resolution be sent to the Interstate Commerce Commission.

PERKASIE, PA., *March 27, 1914.*

INTERSTATE COMMERCE COMMITTEE:

Yours in regard to extended time for witnesses received. Please expedite the hearing as much as possible. We are on the "ragged edge," and earnestly pray for early relief.

Yours, truly,

W. C. ERWIN.

NEEDHAM, MASS., *January 1, 1914.*

INTERSTATE COMMERCE COMMISSION,
Washington D. C.

GENTLEMEN: Am writing to inform you of the desperate need of increasing freight rates on the Boston & Maine Railroad Co. immediately, if this road is to be saved from receivership. Doubtless you

are not aware of the situation here, where the public is constantly clamoring for quicker and better freight service, involving enormous expense of upkeep and operation. I have talked with Boston bankers, who inform me that they see no reason why the rates maturing in February should be renewed. They appear to be unwilling to extend any further credit to the Boston & Maine. Some of the very men in the Boston Chamber of Commerce who have been recently opposing the increase of freight rates and seeking to put this road into receivership, were by themselves and their agents some six or seven years ago recommending the purchase of the common stock of this road at $130 per share and over. There are many innocent investors here who were told by bankers that this stock was something perfectly safe, and there are many women, children, and churches and other institutions that have invested therein. It looks as though certain financial interests have for some purpose sought to take advantage of the large floating indebtedness maturing soon, and the poor earnings, coupled with the enforced increase for labor, to curtail and cut off its credit and force it into receivership. If your board is not to be under the suspicion of working with and furthering the interests of these financial persons who are seeking receivership for this road to clear out innocent stockholders, it should grant the increase forthwith.

If the public, which is now trying to force this road to spend over $10,000,000 more now for improvements, is so urgent in its requests, is it not fair that this road, which is supported only by the poor territory of Maine and New Hampshire, through which it runs, should be allowed, from the public and its wealthy shippers, such rate increase as is necessary for it to continue to operate without receivership? Is it fair that the stockholders, who are receiving now no income, should lose also their principal because the wealthy shippers who use these lines are unwilling to pay a fair price for the work which they compel the carrier to do for them? Their contention is absurd, and, I believe, prompted both by a desire to cheat the road and to wreck the road.

If the commission can not now grant a rate increase for this road, to save it from receivership, the time for Government ownership has arrived. Why not let the Government pay the stockholders for their shares, and stop this fraud and stock trickery and the wrecking of railroads by bad men of wealth.

I sincerely trust and hope that your commission will act before it is too late. Ten million dollars of notes mature in February, and I am satisfied, from what I have been told, that unless leave is obtained immediately from your board to increase freight rates, this floating indebtedness can not be renewed.

Trusting that you will give your immediate attention to this matter in the interest of the people of New England, I am,

Yours, truly,

H. B. MACKINTOSH.

—

PATERSON, N. J., *January 16, 1914.*

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: Justice to the railroads and to the people who have their money invested in railroad properties. I hope your commission will see fit to decide to allow the railroads to make the very necessary increase on freight rates. How many railroads, or, rather, what a small percentage of them, are able to pay to the investors in their properties even banking interest on the investment? Do you think that such a condition should exist? If some of the big fellows have succeeded in overcapitalizing and made a big rake-off for themselves, these people should be forced by law to return their ill-gotten gains, and it should not be the innocent investor who puts in his hard-earned dollars in an effort to get a little ahead for the rainy day that should have to stand the blunt of their misdeeds.

Freight rates seem to me to be very low, and I oftentimes wonder how the roads can afford to carry the merchandise they do for the payment received and risk run, when consideration of additional upkeep and expense is thought of. In fact, for the good of the country as a whole, I think additional rates should be allowed.

Respectfully, yours,

WM. E. STORMS.

—

NEW YORK, N. Y., *January 28, 1914.*

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: It is the universal opinion of the business and professional men whom I meet that your honorable body should grant the prayer of the eastern railroads and allow them to increase freight rates 5 per cent.

Yours, respectfully,

G. L. CHRISTIAN.

—

PERKASIE, PA., *January 31, 1914.*

INTERSTATE COMMERCE COMMISSION.

GENTLEMEN: The inclosed, from Philadelphia Ledger, express the sentiments of the business community as I find it.

Mr. Charles Feigenfurs, manufacturer furniture, expresses himself as follows:

"I would think that the commission would yield, hands down. My experience of over 30 years enables me to read the feelings of the business community. The 5 per cent permission looks very small and should be granted without further discussion."

Yours, truly,

W. C. ERWIN.

[Inclosure.]

GLORIOUSLY DRUNK? "NO!" SHOUTS GOMPERS—WILD DISORDER MARKS CHARGES AGAINST AMERICAN FEDERATION HEAD IN MINERS' CONVENTION—MOYER ALSO ATTACKS LABOR BOSS.

INDIANAPOLIS, IND., *January 30, 1914.*

Scenes of the wildest disorder marked to-day's session of the convention of the United Mine Workers of America, which heard Duncan McDonald, secretary-treasurer of the Illinois miners, assert that Samuel Gompers, president of the American Federation of Labor, was "gloriously drunk" during the Seattle convention and on other occasions, Gompers's denial, and the reiteration by Charles H. Moyer, president of the Western Federation of Miners, that if the copper strike in Michigan failed it would be due to the lack of financial assistance given by the American Federation of Labor.

The delegates showed little sympathy for Gompers, and he said he was being tried "before a jury whose minds were already poisoned." Every point made by Moyer and McDonald was wildly applauded.

THE UNION LEAGUE CLUB,
New York, February 24, 1914.

Mr. E. E. CLARK,
Chairman Interstate Commerce Commission.

DEAR MR. CLARK: The writer, with many others, desires to express to you and impress upon you the well-known fact that the prosperity of the railroads and the prosperity of the whole country are inseparably connected. I am sure that everyone will concede this point.

The small advance asked for by the railroads will be so well distributed that it will naturally fall lightly on the masses, while, on the other hand, it will be a great help to the railroads, and both directly and indirectly help the masses by a general improvement in business. Wage earners—employees in general—as well as investors, who furnish the means, and hundreds of thousands of others—widows and children and dependents—all of them will benefit.

A great bulk of the manufacturers, as you know, favor the advance. They will be helped by the general benefit of improved business.

If the railroad companies have erred in certain ways in the past, is it within reason that the present generation should be punished? Pray consider this point.

With permission to increase rates, bear in mind the millions of people—artisans, laborers, mill hands, etc.—in other words, the great teeming masses of this country, will all share in the benefits derived. The whole country would thrive. What more can be desired?

Surely your commission want to help the country. That is your object. Why delay the decision? The populace at large ask it. The whole country, from coast to coast, will say "Amen" and bless you for your labors. Give the railroads what they ask as speedily as possibly.

Asking your kindly consideration to these points, I am,

Yours, very truly,

HENRY E. SMITH.

—

EVANSVILLE MANUFACTURERS' ASSOCIATION,
Evansville, Ind., February 23, 1914.

Hon. GEORGE B. MCGINTY.
Secretary Interstate Commerce Commission,
Washington, D. C.

DEAR SIR: The board of directors of the Evansville Manufacturers' Association in meeting February 10 indorsed the proposed advance of 5 per cent in freight rates in official classification territory and voted to recommend to the next general meeting of the association that the action be ratified. The general meeting of the association was held on February 19, with the result that on motion duly carried the action of the board of directors was concurred in.

This association was actuated to indorse the advance, believing that it will stimulate business throughout the country and have a general salutary effect.

Yours, very truly,

J. C. KELLER,
Secretary.

—

WATERTOWN, N. Y., *February 23, 1914.*

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

HONORABLE GENTLEMEN: A petition signed by hundreds of worthy workingmen in this city and northern country praying that your honorable board will look favorably toward granting to the railroads the right to increase their freight rate 5 per cent has been placed in my hands, and when completed will be sent to you. I can not say more, but will leave all to you. What a blessing you can confer to us—a blessing to many a worthy man and family in this manufacturing town.

Sincerely, yours,

FLOYD L. TRUAX.

—

PERKASIE, PA., *February 22, 1914.*

INTERSTATE COMMERCE COMMISSION.

GENTLEMEN: Referring to the 5 per cent advance in freight rates—on which subject you sent me a circular which came to hand this a. m.—I desire to say that I do not think that it was the desire or expectation that there would be a decision of a scientific nature which would require several months or years deliberation. I think that those who submitted the request for the 5 per cent advance in freight rates expected an affirmative answer, say, in 24 or 36 hours, and I believe that such a verdict would be as near right as you can get it. The delay has cost the loss of many millions of dollars to the business interests, who have with bated breath held their ear to the ground hoping and praying for a prompt decision.

I hope that you will decide to give an immediate answer and so relieve the business interests of the uncertainty of the promised verdict. I am a commercial traveler and voice the above sentiments of the business men I continually come in contact with. Business is suffering because of the delay in your verdict.

Yours, truly,

W. C. ERWIN.

—

THE HARTFORD TRUST CO.,
Hartford, Conn., February 21, 1914.

Mr. G. B. MCGINTY,
Secretary Interstate Commerce Commission,
Washington, D. C.

DEAR SIR: Your circular of February 19 is at hand and noted. Please give my compliments to Commissioner Harlan and say to him that the people in this vicinity and throughout the State of Connecticut are so weary of the delay in advancing freight and possibly passenger rates to a point where our especial carrier, the New York, New Haven & Hartford Railroad Co., can obtain the revenue to carry out the mandatory and necessarily expensive orders of the Interstate Commerce Commission as to safety appliances, steel equipment, better terminals, etc., that they fear the patient will die while the doctors wrangle.

There are more than 25,000 stockholders—many of them women living on their incomes—and some are completely discouraged and are selling their stock at serious loss, fearing the situation will be worse. They also are entitled to fair treatment on your part.

Will you grant them a living return on their investment in the spirit of fair play?

Sincerely,

RALPH W. CUTLER.

F. BLUMENTHAL CO.,
New York, February 21, 1914.

Hon. JAMES S. HARLAN,
Interstate Commerce Commission, Washington, D. C.

DEAR SIR: I take pleasure in acknowledging receipt of the copy of your valued favor of the 17th instant, sent to me by Senator O'GORMAN (your original letter which you state as been sent to me direct not having been received).

In your valued favor you state that my several letters to the commission and the President have come to your attention; that you have given directions that they be filed of record in the proceeding known as the eastern rate-advance case; and you furthermore state that it is not entirely clear whether I desire to be heard generally in oral argument in this case or to present testimony on the issues involved.

In reply I beg to state that, as you are aware from the correspondence referred to, as well as from different resolutions received by your commission I have taken an active interest in the measure under consideration, in so far as having addressed different chambers of commerce and trade associations, suggesting that they aid your commission in arriving at a decision by a frank expression of their views toward the increase asked for by the railroads. At these meetings I have come in contact with diversified interests, representing many lines of business, and I thought it would be of interest to your commission to receive my report on the score.

As far as I can learn the general consensus of opinion is that until such time as the Interstate Commerce Commission sees fit to render a decision in the matter involved that business will continue in a state of lassitude.

My interests are entirely manufacturing and commercial, and it is my desire to see business in a prosperous condition throughout the country, which, unfortunately, it is not at the present time, and which can hardly be hoped for until there is cause for reemployment of the large number of the unemployed.

If you are of the opinion that I could in any way assist the commission in their study of the question, I should judge the proper time for me to be heard on the general questions will be when the matter is set for argument, and if you desire my presence be good enough to advise me in accordance.

With assurances of my esteem, believe me,

Respectfully, yours,

J. STEVENS ULMAN.

PORT JERVIS BOARD OF TRADE,
Port Jervis, N. Y., February 21, 1914.

Hon. E. F. CLARK,
Chairman Interstate Commerce Commission,
Washington, D. C.

DEAR SIR: At a meeting of the Port Jervis Board of Trade held February 10, 1914, the members of which are composed of the leading manufacturers, merchants, and heaviest shippers in this city, the following resolution was unanimously adopted:

"*Resolved*, That the Port Jervis Board of Trade is in favor of the granting by the Interstate Commerce Commission of the application of the railroads for permission to increase their freight rates 5 per cent, believing that such increase is necessary because of business conditions and the increased expense in operating these railroads. An advance in freight rates is essential to railroad betterments, transportation facilities, and satisfactory service. The secretary is hereby directed to communicate this resolution to Hon. EDMUND PLATT, our Representative in Congress, and to the Hon. E. F. Clark, chairman Interstate Commerce Commission.

Respectfully submitted.

WM. H. NEARPASS,
Secretary Port Jervis Board of Trade.

INDIANAPOLIS BRUSH & BROOM MANUFACTURING CO.,
Indianapolis, Ind., February 17, 1914.

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

TO YOUR HONORABLE BOARD: We earnestly pray that you will grant the 5 per cent in freight rates to the railroads, and that you will do this immediately, if possible. We believe that if you could hear the voice of the individuals throughout the country that you would not hesitate in doing this at all.

We ship and pay our own freight on an average of over three carloads of manufactured and raw material per week, and wish to say that we are heartily in favor of this increase. It will not advance prices in our line, but will lessen our profits slightly, which we are willing to have lessened for the benefit of the laboring public.

Thanking you, we remain,

Very truly,

GEO. LEMAUX, *President.*

HANCOCK GRAIN CO.,
Philadelphia, Pa., February 19, 1914.

Hon. EDGAR E. CLARK,
Chairman Interstate Commerce Commission,
Washington, D. C.

DEAR SIR: As large shippers of grain for both domestic and export use we are intensely interested in railroad transportation. As a matter of fact our business depends on the ability of the railroads to render satisfactory service—in supplying cars, in prompt movement, and everything that pertains to the transportation of grain.

We wish to go upon record as being absolutely and unequivocally in favor of your commission granting the advance in rates requested by the eastern railroads. This will work no hardship to this trade or to the public generally and will enable the railroads to keep abreast of the times and render the service that is necessary to meet the requirements of to-day.

We trust your commission will promptly render a decision in favor of the railroads in this important matter.

Yours, truly,

HANCOCK GRAIN CO.,
GEO. G. OMERLY, *President.*

---

262 NINTH AVENUE,
New York, February 19, 1914.

Chairman CLARK, Esq.,
Interstate Commerce Commission, Washington, D. C.

DEAR SIR: Over 2,000,000 idle in this country when by a stroke of the pen we could have the greatest prosperity this country has ever experienced. I have always voted the Democratic ticket, and am in favor of Government regulation, but think every man is entitled to a reasonable return on his money. The mistake is that railroads are considered as corporations, whereas in reality the people are the owners of them; hundreds of thousands of our population are their owners. Are we not entitled in "this free and enlightened country" to a fair return on our money?

How much would 5 per cent increase in freight rates cost? One hundred million dollars. That is $1 per person. That would permit the railroads to raise $2,000,000,000. That would give employment to every workingman, investors would put money into new enterprises, everyone would be prosperous and happy. Is not $1 per annum a small item to pay for such a condition? I would be willing to pay for 10 persons (although I have little of this world's wealth), and I am sure that tens of thousands of others would be glad to do the same.

Respectfully,

S. I. GORDON.

JAMES P. SMITH & CO.,
Chicago, February 19, 1914.

Hon. Chairman CLARK,
Interstate Commerce Commission, Washington, D. C.

ESTEEMED SIR: I have duly received your favors and acknowledgment of my letter of some weeks ago. I still maintain my position or ideas as to the necessity of granting the railroads an advance of from 5 to 10 per cent in rates for the general good of the country. Every merchant I talk with is in favor of the roads' request. I have been in business 45 years; voted since 1874, generally always for a Democratic President. I believe we have a good one now. We have experienced a lot of "new things" since last March, and business has been anything but good, but will come out all right. We have taken a lot of medicine. Now let us have a little stimulant that will help all—labor, merchants, etc.

Sincerely,

GODFREY H. BALL.

THE SHUMATE RAZOR CO.,
St. Louis, February 26, 1914.

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: The writer has given the matter of the 5 per cent increase in railroad rates considerable thought and is impressed with the fact that the railroads deserve some consideration in this matter. The writer's experience in his business indicates conclusively that the cost of production, as well as material, has steadily increased for the past years, and he feels that the railroads have without doubt had a similar experience. He therefore feels it his duty to write your honorable body as above.

Very truly, yours,

FRED S. ROTH.

THE SOMERSET BOARD OF TRADE,
Somerset, Pa., February 25, 1914.

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

SIRS: Inasmuch as the request of the eastern railroads for a 5 per cent freight-rate increase is a matter deserving the attention of all the citizens of the United States, the Somerset Board of Trade, at its regular meeting held Friday evening, February 13, 1914, after a full and complete discussion, declared its position by the passage of the following motion:

"That the board of trade of Somerset, Pa., petition the Interstate Commerce Commission to grant the railroad companies the 5 per cent freight-rate increase requested by them."

We submit the foregoing action of the Somerset Board of Trade to you for your consideration and for the purpose of showing you the feeling and position taken by the business men in this district.

Yours, very truly,

J. H. BEERITS, *President.*

Attest:

W. CURTIS TRUXAL, *Secretary.*

MANLEY CARRIAGE CO.,
St. Louis, Mo., February 25, 1914.

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: We concur in the recommendations to you, made by Festus J. Wade, president of the Mercantile Trust Co. and Mercantile Bank, of this city, urging you to grant the 5 per cent increase in the rates asked by the railroads.

We must live and let live in this world if we expect to profit and be good citizens.

Yours, very truly,

MANLEY CARRIAGE CO.,
By J. D. MANLEY.

MANSFIELD CENTER, CONN., *February 24, 1914.*

INTERSTATE COMMERCE COMMISSION.

DEAR SIRS: I trust that you will see the want and necessity of increased freight rates. The railroads are scrimping every way. Many hundreds of workmen turned off and thousands of stockholders trembling in fear that they will lose their dividends and means of support. The New York, New Haven & Hartford Railroad has gone bankrupt by their stopping all dividends, and the suffering or want of their thousands of stockholders; and last Saturday their great depot in Hartford was burned, and a loss of $300,000.

Please hurry up the increase in railroad rates.

The railroads know their own business better than shippers.

Very truly, yours,

CHAS. H. LEARNED.

SAVINGS BANKS WANT FREIGHT RATES INCREASED—MANY RAILROAD SECURITIES HELD BY THESE INSTITUTIONS HAVE DECLINED IN VALUE.

NEW HAVEN, CONN., *February 20.*

Requests reached local savings banks to-day to join with similar institutions in Massachusetts, New York, and Vermont in an attempt to influence the Interstate Commerce Commission to favor increased freight rates, in view of the decline in railroad securities, many of which are held by these institutions.

SUMMIT, N. J., *March 20, 1914.*

The INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: If you do your duty you will give a decision on the 5 per cent rate question before July, and by so doing save us poor people from losing all of our money.

Very truly, yours,

C. H. ADAMS.

[From the New York Herald, March 16, 1914.]

SECURITY PRICES—SPRING WEATHER LIFTS EMBARGO FROM TRADE—STOCK MARKET IMPROVES NOTWITHSTANDING THE CONTINUED "HOLD-UP" OF THE RAILWAY COMPANIES BY THE INTERSTATE COMMERCE COMMISSION.

"When the sap begins to run up the trees buy stocks" was a favorite aphorism of the lamented "Uncle Daniel" Drew. The higher temperature of the last week throughout the country had lifted the embargo the storms had placed on transportation and cleared the way for a revival of industry and trade.

The stock market, all things considered, was very strong and nearly all active issues are substantially higher than a week ago. Mexico was virtually ignored as a speculative factor and the statistical news was favorable—decrease in the number of unused freight cars, an increase in the Steel Corporation's unfilled tonnage and a decrease in the supply of unsold copper, although this was due to decreased production.

As a matter of fact the only distinctly impressing factor in the situation is the Interstate Commerce Commission's holdup of the needed advance in railway rates. The poverty to which the roads are thus condemned renders it still impossible for them to dispose of long-term bonds on fair terms and resort to issues of notes continues to be necessary. In view of the high rates paid for the money thus borrowed it must be regarded as a deplorable expedient.

Inability of the railways to buy supplies directly affects the iron and steel interests and a score of industries of which these are the basis. Everybody now admits that the country can not be prosperous unless the railways are permitted to prosper, and yet the holdup is continued. But for the pernicious activity of legislators and officials "dressed in a little brief authority" there would be no army of unemployed and trade would to-day be booming. One of the great express companies has been driven into liquidation by mischievous legislation and "regulation," the lawmakers at Albany are again tinkering with the inheritance tax, and Congress is starting a new "investigation" of the cotton and grain exchanges. Why not let the country have a rest and give the people a little time to attend to their business?

[From the New York Herald, March 7, 1914.]

THE RAILROADS AND THE NATION.

Leslie's Weekly, in an editorial which we reprint in part to-day, speaks with great earnestness on the railroad outlook. It lays stress upon the situation in the Interstate Commerce Commission, where "every proposed freight increase by the railroads has been uniformly and promptly suspended, while every demand for an increase in wages has had to be satisfied." Leslie's asks, "How long can this situation last?" It strongly defends the passage of Representative Levy's bill to expedite the decisions of the Interstate Commerce Commission.

We agree with Leslie's in its expression of hope that this measure will pass. We also agree with the statement that it should be unnecessary, and the exigency itself should compel immediate and favorable action.

In the summary of revenue and expenses of steam railroads in the United States for December, 1913, of the calendar year, prepared by the Bureau of Railway Economics at Washington, appears the following summary:

"Returns for December, reduced to a per mile of line basis and compared with the returns for December, 1912, show a decrease in total operating revenues per mile of 5.2 per cent and an increase in operating expenses per mile of 0.1 per cent. Net operating revenue per mile was less by $61, or 16.9 per cent, than for December, 1912, while that for December, 1912, was 10.4 per cent greater than for December, 1911.

"For the calendar year 1913 total operating revenue per mile increased 3.7 per cent and operating expenses per mile 7.3 per cent. Net operating revenue per mile decreased $183, or 4.4 per cent, while that for the calendar year 1912 was greater than for the calendar year 1911 by 5.1 per cent. Operating income per mile decreased $239, or 6.6 per cent."

1850 NORTH TRIPP AVENUE,
Chicago, Ill., Sunday, April 26, 1914.

DEAR SIR: I am a poor workingman, but thought I would send you just a line as to the situation out in the Central West.

Nearly 500,000 workingmen, like myself, await your decision on the rate case for the railroads. If against them, it means to all of us, get out with your families and starve; if favorable, it means bread and butter for us all; that is all.

Yours, truly,

CHAS. W. SEARLES.

APRIL 27, 1914.

GENTLEMEN: Why is it that you are so inexpressibly slow in deciding the rate case. Why don't you decide it at once. Many of us were put off, as railroads gave no orders to our shops. They are deserving of an increase. Why wait any longer? Don't let the whole railroad world suffer if one robs the public like the New Haven. Why wait until they are in the hands of receivers and then decide? Why wait until the horse is stolen and then lock the door. So you have investigated so long. Please decide it to-day. Your slowness in acting astounds the business world and convinces them that you hinder business.

Respectfully,

J. C. TODD.

EXHIBIT F.

MANY LETTERS HAVE BEEN RECEIVED FROM PERSONS SEEKING AN ADVERSE DECISION IN THE RATE-ADVANCE CASES.

A considerable number of letters were received from small shippers and freight payers protesting against a rate advance. Many of these letters suggest that economy on the part of the railroads would make a rate advance unnecessary. These letters show that the public at large has had comparatively little to say in this controversy. Some of the letters point out that the railroads have substantially increased their rates during the past few years.

NEW ORLEANS, *March 7, 1914.*

Mr. GEORGE B. MCGINTY,
Secretary Interstate Commerce Commission,
Washington, D. C.

DEAR SIR: We have seen a letter from you, under date of February 17, 1914, addressed to the so-called New Orleans Association of Turpentine Operators, saying that you had been advised of the passage of a resolution by such an association asking the commission to allow a general increase in rates to railroad companies throughout this territory.

The undersigned company is very largely interested in the production of naval stores. Upon inquiry it finds that the resolution you mention was passed by a bare majority of two in a gathering of turpentine operators which represented only a small proportion of all the operators in this section. We are satisfied that a very large majority of such operators are very much opposed to an increase of railroad rates as mentioned in the resolution you have referred to. Our company is very much opposed to any such increase in rates, and vigorously objects to the spirit of the resolution referred to.

It is our opinion that if the railroad companies the country over had not made issues of stock and bonds which, to the layman's mind, seem so utterly out of proportion to the actual physical values of their properties, they would not be in the position of having to appeal to the commission for an increase in rates. It is our view that the burdens now carried by the people on account of such methods of financing are heavy enough without further increasing rates.

Very respectfully, yours,

UNION NAVAL STORES CO.,
W. J. L'ENGLE, *President.*

FRANKLIN, MINN., *April 5, 1914.*

Hon. G. B. MCGINTY,
Washington, D. C.

DEAR SIR: If the Interstate Commerce Commission are of the belief that the carriers should be granted an advance in the rates after hearing all the testimony offered on the part of receivers and shippers of freight throughout the country, then the only fair thing to do is to grant the advance on all classes and commodities. We don't think it fair to charge $2 for spotting a car at a coal shed or elevator, as the cost to the railroad companies is very small to spot cars on a sidetrack. The train crew can spot half or a dozen cars in a very few minutes.

Yours, truly,

FRANKLIN FARMERS' ELEVATOR CO.,
GEO. FORSYTH, *Secretary.*

BOONE, IOWA, *April 7, 1914.*

CHAIRMAN INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

DEAR SIR: As shippers of considerable freight and express to all parts of the United States and to some foreign countries, we are vitally interested in the proceedings and rulings of the Interstate Commerce Commission. Will you kindly place our name on your permanent mailing list for copies of the proceedings and rulings of the commission to which we may be entitled?

In regard to increasing of freight rates in favor of eastern roads, we are most earnestly against it until the railroads discontinue the discriminating of rates, charges, and service, and until a more efficient handling of freight is obtained. A more intelligent and systematic handling of their business would save them the enormous expense of inefficient clerk hire which they now have, and uniform rates enforced against all shippers alike would also net them additional revenue.

Trusting we may receive what literature that would be of assistance to us in making our shipments according to law, we are,

Yours, very truly,

THE F. W. FITCH CO.,
By ROBERT A. WILLIAMS,
Shipping and Traffic Manager.

HOUSE OF REPRESENTATIVES,
Harrisburg, Pa., March 12, 1914.

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: This month Pennsylvania Railroad charged me $52.18 for shipping one car of mine ties from Huntingdon, Pa., to a point in Fayette County, in same State, about 150 miles. The mine ties, if none are docked, will bring me $127.85.

And yet the poor railroads demand permission from you to raise rates. Let them squeeze the water out of their stock and run their business properly and they can reduce their rates and still earn substantial dividends.

Respectfully,

H. B. DUNN.

OMAHA, NEBR., *April 9, 1914.*

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: Regarding the frantic efforts of the railroads to allow the increase of freight rates.

It is my opinion that this should not be allowed.

If watered stocks were eliminated from railroad securities, fair and larger dividends could be paid on maximum values of properties and greater improvements added, higher wages paid, and more safeguards added.

The Delaware, Lackawanna & Western has paid about 25 per cent dividends, because they were not allowed to overcapitalize. The Union Pacific Railroad paid 10 per cent dividends on their common stock when same was watered, as I understand, two to three times. What does that mean on a proper basis of capitalization?

Some may refer to English railroads. It would do no harm to those in this railroad matter to read a book on English railroads, written I believe by a man (English) named Jean. This shows the cause of high operating expense and what led up to that state of affairs.

Yours, truly,

M. O'MARA.

This brutal laying off of men is simply to "make their bluff stick" and action which you people could devise, should be taken to "call

their bluff." It is all due to gross ignorance of consequences. A little taste of real industrial revolution is apparently the only phenomenon that can appeal to their dulled senses.

—

SAN FRANCISCO, CAL., *April 7, 1914.*

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: We understand that there is an attempt being made by the railroads at the present time to secure an increase of 5 per cent on all freight rates.

If this is a fact, we wish to hereby voice our protest to any such proceeding, as we are at present charged a double first-class rate on optical goods, or $7.40 per 100 pounds. This rate, as it stands, is almost prohibitive, particularly in view of the fact that most of our goods are rather heavy and bulky, such as leaded field glasses, etc., and on the average amounts to all the way from 4 to 8 per cent of the cost of the goods themselves.

Furthermore, when you take into consideration the fact that these same goods can be sent to us by express and delivered to our door without any additional expense of cartage or insurance for $10.40 per 100 pounds, we think you will agree with us that the rate as it stands now should be reduced rather than increased. Furthermore, the additional time necessary to send goods by freight is from 12 to 15 days, which must also be taken into consideration.

Should there be any further information you desire along these lines, we shall be very glad to furnish it.

Thanking you for your kind consideration in this matter, we remain,

Yours, very truly,

R. MOHR & SONS,
Per J. A. WIRTNER.

—

CHICAGO, ILL., *April 9, 1914.*

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: Your honored attention is referred to supplement No. 10 to division sheet No. 6, for L. A. Lowrey, agent, Chicago, tariff No. 20-D, effective January 1, 1914 (no I. C. C. number), in which the Chicago lines granted Belt Railway, of Chicago, increase in switching rate 20 per cent, carload rates increased from $2.50 to $3, and empty rate from $1.25 to $1.50 per car, also Belt Railway tariff, I. C. C. No. 50, effective April 1, 1914, makes further increase. This eats up from 10 to 15 per cent of Chicago railway lines proposed increase of 5 per cent, but increase allowed Belt Railway enables that line to add to their vast holdings of real estate that paralyzes home building along its line, and these real-estate holdings are creating an uncontrollable industrial switching monopoly here that will be a public menace.

If rates are increased 5 or 50 per cent the "big fellows in Wall Street" and the high-salaried officials of the railroad will absorb for themselves practically all the increase, and the workingmen and their families who ride little on trains, and never in Pullmans, will largely pay the increase. If you believe in fair play and justice don't increase, but reduce rates.

JOHN M. BROWN.

—

KALAMAZOO COLD STORAGE CO.,
Kalamazoo, Mich., April 10, 1914.

Hon. EDGAR E. CLARK,
Chairman Interstate Commerce Commission,
Washington, D. C.

DEAR SIR: As president of the Kalamazoo Cold Storage Co., and chairman of the executive committee of the Watervliet Paper Co., I am interested in the railroad-rate question that is before your honorable body.

I have given this matter considerable attention, and I sincerely hope that you will not allow any increase in the freight rates until at least the railroad properties have been appraised. I believe after the appraisement has been made that it will plainly show that the present railroad freight rates are at least as high as they should be. I also believe that the attitude of the press is being unjustly influenced by the railroads.

I have many other arguments that I might place before you which I do not consider necessary, as I am convinced that after a thorough investigation the facts will not warrant any increase in the present rates.

Yours, respectfully, JAS. B. BALCH.

—

PENNSYLVANIA MANUFACTURERS' ASSOCIATION,
Philadelphia, January 19, 1914.

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: I am inclosing copy of a letter received from one of our members in Mount Union a few days ago, feeling sure that you will be glad to consider the arguments he makes.

Very truly, yours, WALTER LINN,
Associate Secretary.

—

MOUNT UNION, PA., *January 13, 1914.*

PENNSYLVANIA MANUFACTURERS' ASSOCIATION,
202 Franklin Building, Harrisburg, Pa.

GENTLEMEN: We hope our association will place itself on record against a 5 per cent increase of freight rates on the eastern railroads. Such action "robs Peter to pay Paul." It does not create wealth.

Now that the struggle is on between American manufacturers and the foreigner for the world's markets, nothing should be done to limit the area of distribution of American goods. Rise in freight rates would have this effect. The railroads are not scraping on bottom like small manufacturers, neither are they practicing the rigid economy that they would have the public believe from their newspaper campaign.

Any rise of freight rate will mean a tremendous tax to all of us. We can not put this on the consumer like former years, since we are up against world-wide competition. Those of us located midway between great terminals have never enjoyed cheap transportation. Long-haul transportation has greatly cheapened in this country, but those of us who have had short hauls have never had this benefit of constantly lower rates. Our freight rates have crept steadily upward for years.

An increase of freight rates will again invite an attack of the labor unions for a major share of the increase. We would not object to this if the man ramming ties got a part of the increase; however, the men "higher up" always absorb this.

We are emphatically opposed to higher freight rates, and we think that the manufacturers of Pennsylvania should awaken to the seriousness of the situation. It means about $250 annually to us on coal alone.

Yours, truly,

MOUNT UNION TANNING & EXTRACT CO.,
EDWARD M. GREENE, *President.*

—

NEW YORK CITY, *January 13, 1914.*

The INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

DEAR SIRS: It has been suggested to us that we write to you in regard to the subject above mentioned. Our information is that a good many business men feel that if the plea of the railroads for an increase in freight rates is allowed by you that it will have a good effect on business in general, and that for this reason and others the increase should be allowed. We do not share in this opinion. If the argument were a sound one, we might apply it still further and offer to the owners of the vessels that carry our lumber an increase in freight rates, and we would not stop there, but would proceed to pay a higher price for our supplies and for our labor. This policy would tend to distribute more money, which would eventually come back to us, but while increasing a distribution of money it would not add to the wealth of the country. It is like trying to pull one's self up by his boot straps.

The proposition is simply to shift the burden of expense from the railroads to the shippers, and any advantage thus gained is temporary and superficial. If the railroads were coming to the Government for assistance to finance a new railroad project to develop some new territory or to increase the distribution of manufactures, and thus add to the wealth of the country, we would offer no objection, but in our minds we make a very sharp distinction between shifting expenses and developing wealth. We are not in favor of the former and we are in favor of the latter. In our opinion the industry and business of this country is burdened with about all the expense it can stand, and if we continue to increase this burden and then try to raise the prices of commodities we will soon have to meet competition from various sources that will make us regret this act. If we could forever pass the burden on to the next fellow, objection might not be raised, but that policy must be stopped sooner or later.

In the North American Review for January there is an article by Mr. W. Jett Louck on "Plight of the Railroads." This article states the facts much better than we can. We have no means of testing their accuracy; they accord with our judgment and understanding of the matter. However, we can not agree with the conclusion that Mr. Louck comes to. It seems to us that after drawing a strong indictment he fails to follow it to its logical end. We see no justice and no necessity for imposing on industry and commerce the penalties which ought to be visited upon the railroads for their own sins. It is true that the public will have to suffer for the sins of the railroads in any event, but it is time that unscrupulous financiers, selfish and petty politicians, and arrogant labor leaders should learn from such an authority as your commission that they can not forever pyramid expenses onto the railroads and then transfer them onto commerce and industry. If you fail to enforce this lesson upon them its enforcement will only be deferred until the action of economic law brings about the same result. For our part, we are willing to have the matter tried out now, and we hope to see a refusal of the plea of the railroads by your commission, and then let the matter be worked out along economic lines. We remain,

Yours, truly,

A. C. TUXBURY LUMBER CO.,
By CHAS. HILL, *Treasurer.*
NORTHERN LUMBER CO.,
By CHAS. HILL, *Treasurer.*

—

PIPESTONE, MINN., *March 21, 1914.*

Mr. G. B. MCGINTY,
Secretary Interstate Commerce Commission,
Washington, D. C.

DEAR SIR: In the consideration of the demand of the carriers for increased revenues we would like very much to have you take into consideration the following things:

When the present rates were fixed the railway companies were hauling loads one way and hauling empty cars back; now the cars are, as a usual thing, loaded both ways, with the exception of live stock.

They are hauling a greater tonnage with the same amount of help; modern equipment enables them to do this.

We are paying every cent now we should on hauling freight. Let them pull off some of the high-priced advertising and some of the high-salaried men they have out soliciting business, and some of the many other what I would call unnecessary expenses.

We think that the railway companies are asking too much in this continual demand for permission to increase freight rates.

Trusting that your commission will weigh everything carefully before permitting an increase, we beg to remain,

Yours, very respectfully,

DEMARAY & MUNCE,
Per J. DEMARAY.

—

ATLANTA, GA., *December 28, 1913.*

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

DEAR SIRS: I beg to enter a protest against the granting to railroads the privilege of advancing rates 5 per cent at any time in the near future, for the following reasons:

First. It will amount to a direct tax of 5 per cent on the farmers and day laborers of the entire Nation, the ultimate consumers who will have to pay this advance, if you allow it; and at this time, after a year of depression and hard times, it will be a great handicap to the great mass of producers; in fact, it will amount to a tax of 10 per cent on the farmers, as they will have this 5 per cent to pay on merchandise received and 5 per cent on their produce that they will have to ship. And this would be an injustice to them, as nearly all legislation for the past years has been for special interests and against the producers of the Nation. It would amount to further discrimination against the tillers of the soil, and if their interests are not looked after by those in power this Nation will begin to decay.

Second. The amount and the purposes that railroads request this raise in freights for can be easily taken care of by themselves, as follows: By economies in the vast amount of expensive red tape, by economies in salaries to useless officials, and by the use of funds that have

been taken from railroad properties in millions by watered stock, and by returning some of this to the physical property for development and extensions. After the inner working of railroads has been laid bare, as in the case of the Santa Fe and the New Haven Railroads, it has been clearly demonstrated that the earnings of railroads have been grossly diverted from their honest use, and have been squandered by officers and directors who have used them for personal gain and as a mere plaything—operated and controlled by men who know nothing of railroading as a business and who care only for them to the extent that they may be forced to earn money in any manner for illegitimate purposes.

Despite the fact that certain yellow journals are being bought by corrupt financiers, and they have a staff of writers who seek to shape public opinion by their puerile efforts, the great mass of people of this Nation are more awake than ever before and will look to you to give them a square deal.

On behalf of thousands and hundreds of thousands in the South, the West, and the East, I beg you to not allow any raise in freight rates during the year 1914 at least.

Yours, truly,

N. K. SMITH.

—

WICHITA, KANS., *April 10, 1914.*

Hon. G. B. MCGINTY, *Washington, D. C.*

DEAR SIR: We understand the railroads are trying to get an increase in freight rates and also make an extra charge of $2 for setting cars.

We wish to make a protest against any advance in freight rates, especially on coal, grain, and hay; also against allowing them to make an extra charge of $2 for setting cars.

We think the rates are already too high. Attached to this letter we will give you some of the rates as now in effect from different points to Wichita.

The consumer of coal now has to pay a high price for his coal on account of the high freight rate that the dealers have to pay to get the coal here.

Trusting that you will not allow the railroads to force this injustice on the people, and assuring you of our faith in you acting with justice to all parties concerned, we are,

Yours, respectfully,

GOOD-HILLYARD COAL & FEED CO.,
By J. W. HILLYARD,
O. W. GOOD.

—

MOUNT UNION, PA., *November 25, 1913.*

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: We want to add our protest against a probable raise of railroad rates which came before your commission yesterday. We are familiar with the railroad arguments and we are in sympathy with their unfavorable financial showing.

However, a raise in rates does not create additional wealth, but robs the general shipper to the profit of the railroad.

It is time to halt. The railroads are spending too much unnecessary money. They are still managing their properties on too extravagant and altruistic lines. They are continually increasing their capital which is the biggest charge against their extravagant management. No manufacturers can do anything of this kind. Nearly every shipper is up against the same trouble that the railroads are now suffering from. The Pennsylvania Railroad is still extravagantly wasteful of labor and materials. We see it every day. Passes ought to be cut out and let everybody pay their fare like the rest of us have to do.

During the past 25 years the freight rates on hides, leather, coal, etc., that go into our costs have been revised upward—never downward. If the rates are now advanced, it is not likely they will ever come down. The American shipper is on an export basis and he can not afford to have his transportation increased.

Let the railroads practice economy. The rest of us have to do this. It is a sensible thing to do. They are already giving good service—much better than necessity demands. Let them stop issuing securities. A slowing down with them will do them good as well as have a sobering effect upon the country in general.

Yours, truly,

MOUNT UNION TANNING & EXTRACT CO.
EDWARD M. GREENE, *President.*

—

CHICAGO, *October 27, 1913.*

The INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: We beg leave to present before your honorable board our protest against any advance in freight rates as per tariffs filed with you to go into effect on November 15.

The contemplated advance in freight rates was said to be about 5 per cent, but we find that in most cases the advance is substantially more than 5 per cent. We have not as yet been furnished with all printed tariffs so we can present you with our definite protest and prove that the contemplated advance is more than 5 per cent.

Under the circumstances, we will request your honorable commission to suspend application of the new rates and give shippers reasonable time to file their objections and prove that the advances are unreasonable and will work to the detriment of manufacturers and exporters of American products.

Respectfully submitted.

ATLANTIC EXPORT CO. OF WISCONSIN,
THEO. A. HAUSCHEL,
Vice President and General Manager.

—

SYRACUSE, N. Y., *March 20, 1914.*

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: We are against an increase of freight rates to the railroads. They are much better off than we are. Only by the hardest work and closest economy can we make ends meet. We do not think we should be asked to pay higher freight rates.

Yours, truly,

SYRACUSE STEAM PACKING CO.

JACKSON LUMBER CO.,
Lockhart, Ala., April 11, 1914.

LOUIS R. BRANDEIS,
Attorney, Interstate Commerce Commission,
Washington, D. C.

DEAR SIR: We desire to submit the inclosed protest against the advance in the lumber freight rates as proposed by the eastern roads, and, if in order, would be glad to have you place it in the records.

Very respectfully,

W. S. HARLAN.

—

COMPARATIVE RATES ON LUMBER IN CASE OF PROPOSED 5 PER CENT INCREASE IN RATES.

The question of advance in lumber rates, included in the 5 per cent rate increase between points north of the Ohio River, involves the through published rates from points in the Southwest, and while the lumber manufacturers of the Southeast, as a rule, are not wholly opposed to the advance in general rates, if it is definitely shown that the railroads stand in need of more revenue, they are brought face to face with the fact that if rates on lumber north of the river are advanced, the present relation of rates as between points north and south of the river will be disturbed, and the manufacturers are confronted with the possibility of another advance for the lines south. A comparison of proportional rates from points in the Southeast to north and east, under the present relations, show that the lines north already receive a rate per ton-mile considerably in excess of that accruing to the lines south.

The following table gives the present rate in mills per ton-mile from Virginia gateways, through which our lumber moves, to representative points in the East, based on published arbitraries:

	Miles.	Rate.	Yield.
Potomac Yards, Va., to New York City	227	13	0.01150
Potomac Yards, Va., to Elmira, N. Y	292	12	.00822
Potomac Yards, Va., to Albany, N. Y	369	12	.00650
Potomac Yards, Va., to Baltimore, Md	40	4	.02000
Potomac Yards, Va., to Philadelphia, Pa	135	5	.00740
Potomac Yards, Va., to New York City, water rate	227	9	.00793
Richmond, Va., to Pottsville, Pa	345	13	.00754
Richmond, Va., to Williamsport, Pa	333	15	.00900
Richmond, Va., to Allentown, Pa	317	13	.00820
Richmond, Va., to Paterson, N. J	351	15	.00854
Norfolk, Va., to New York City	345	12	.00695
Norfolk, Va., to Philadelphia	255	8	.00628
Norfolk, Va., to Boston, Mass	579	15	.00520
Norfolk, Va., to Norristown, Pa	280	10	.00714
Hagerstown Junction, Md., to Harrisburg, Pa	93	5	.01075
Hagerstown Junction, Md., to Reading, Pa	147	7	.00952

As compared with southern lines' proportion of same through rates:

	Miles.	Rate.	Yield.
Lockhart, Ala., to Potomac Yards, Va	986	21	0.00426
Lockhart, Ala., to Richmond, Va	870	18	.00414
Lockhart, Ala., to Norfolk, Va	887	18	.00406
Lockhart, Ala., to Hagerstown Junction, Md	908	21	.00460

The proportional rates to the lines south will vary some, but they are generally lower than the rates shown above, and would make a greater difference in favor of the lines north.

We are not in possession of local rates on lumber from the Virginia gateways named to the representative eastern points named, but the local rates are no doubt 1 cent or more per 100 pounds higher than the published arbitraries, in which case the local rates to points shown would carry around 0.01000 per ton-mile, which should be compared with the following table.

Rates in mills per ton-mile from Lockhart, Ala., to Virginia gateways, based on regular local rates.

	Distance.	Rate.	Yield.
To Potomac Yards, Va	986	26	0.00527
To Richmond, Va	870	22	.00506
To Norfolk, Va	887	22	.00493
To Hagerstown Junction, Md	908	25	.00550

The construction of rates is a matter outside of the endeavors of lumber manufacturers, and they are not sufficiently acquainted with conditions entering into the science of rate making to say what is and what is not a profitable rate However, under present conditions the lines in the South, with comparatively light tonnage, it is reasonable to assume, make a fair return on hauling lumber. If they realize profit on this tonnage on the rates shown above, it, of course, stands to reason that the lines North find a greater profit, because they realize a higher per ton mile rate. In this connection it was given in carriers' testimony before the commission in Interstate Commerce Commission Investigation and Suspension Docket 145, April 2, 1913, regarding the question of reasonableness of rates between Lockhart, Ala., and other points and Washington, D. C., and Baltimore, Md., that the southern carriers considered a normal rate on lumber from Lockhart, Ala., to Richmond and Potomac Yards, Va., on through rates to be 19 cents and 22 cents, respectively, although they have at present through rates in effect yielding them less.

Lumber averages 45,000 to 50,000 pounds per car. It has an average total value of $350 per carload in case of entire loss. The railroads get on an average of $7 per thousand feet for hauling lumber from Lockhart, Ala., to eastern points, or over one-third of the average mill price.

Lumber from southeast Alabama goes to the East in competition with woods from the Carolinas, Virginias, Eastern States, and Canada, besides coastwise shipments from the Gulf and South Atlantic States. An advance in rates, even though uniform from all points, would affect the

southeastern all-rail points adversely, because of the lower mill price these mills would have to accept to get in on a competitive basis with those mills at nearby points. As the rates now stand, the mills in this territory have to accept a lower mill price than those more favorably situated, and it would appear reasonable that the carriers should give the long-haul points a proportionately better rate than the nearby mills.

We are not in possession of rates on coal, iron, sand, stone, builders' hardware, cement, and other builders' supplies, on which low rates generally are assessed, to compare with the lumber rates, but it will, no doubt, be found that lumber already bears its share of the burden and should not be increased.

JACKSON LUMBER CO.

—

PHILADELPHIA, *March 20, 1914.*

CHAIRMAN INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

DEAR SIR: The papers speak of one of the President's callers of yesterday telling him the net earnings of railroads in 1913 decreased $33,000,000. If that caller had wished to be just, he would have had statistics showing the net decrease earnings of the merchants, manufacturers, and real estate holders of the country for 1913. If he had done that, the losses of the railroads would appear very small in comparison. Now the railroads are trying to squeeze the business of the country to make up losses which are due to poor business and mismanagement.

The merchants and manufacturers of the country should demand a reduction of 5 per cent on present rates to enable them to lessen their net losses, which the railroads could well afford to grant if they were to squeeze out the water.

Very truly, yours,

TAYLOR & SON.

—

COSHOCTON, *November 7, 1913.*

The INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: Under October 31 we wrote you a letter protesting against the prospective raise of 5 per cent in the freight rates which is threatened us on November 15. We took the liberty to ask you to acknowledge receipt of this, but have not heard from you so far.

In looking over again this proposition, we find that virtually that advance of 5 per cent in freight rates would amount to at least 10 per cent on our freights, as the 5 per cent raise is understood to be applied not only on the finished products, but also on the material, and we once more beg to protest against any raise in the freight rates for reasons named in this letter and also in our letter of October 31.

Yours, very truly,

THE COSHOCTON GLASS CO.,
H. LIEWER, *President.*

—

NEW YORK, *January 27, 1914.*

The INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

DEAR SIRS: Before granting higher rates to railroads it would be well to know the rates paid by the M. D. T. Co. to the New York Central Railroad, by the Star Union to the Pennsylvania Railroad, and other such cases. I suppose that these close corporations are making the profits that ought to be made by the railroads and distributed to their stockholders.

Very respectfully,

O. M. CREGO.

—

MILWAUKEE, WIS., *March 21, 1914.*

CHAIRMAN INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

DEAR SIR: We are informed that the railroads have applied to your commission for advanced rates and the imposition for spotting service and trap cars.

Understanding that the railroads must look for revenues to make the investment pay we would not object to a higher freight tariff, if such an increase of earnings was an absolute necessity. But the history of every great railroad system in the country speaks against it. An advance of rates or any other increase of income taking the shape of a special tax levied on the public to cover up shady transactions is not justifiable. It is a matter of common knowledge that the stock of every railroad company in the United States is watered to the tune of an average of 40 per cent. No wonder, then, that the earnings are not sufficient to declare a fat dividend.

Is the shipping public responsible for this condition? Certainly not. Let the purchasers of fraudulent bond and stock issues take their medicine; they have bought stolen goods, some novel kind of green goods or counterfeit money, and they should stand the consequences of their folly. Take the water out of the stock and a handsome dividend will come to the surface.

In the face of recent disclosure in the investigations of some railroad manipulations in the East, this howl for higher rates is a monstrous impudence. Years ago, before the Government took a hand in railroad affairs, the rapacious railroad magnates used to lay heavy tribute on the traffic they handled. Now, they want the Interstate Commerce Commission to pull the chestnuts for them out of the fire. Will the commission stand for it?

We are opposed to an advance of rates. Our own case regarding the matter of loading and unloading cars on our factory track is doubtless analogous to many others and therefore we shall not go into details.

We enter our protest on gneral principles as stated above.

Yours, very respectfully,

THE R. J. PREUSS CO.

—

PE ELL, WASH., *April 14, 1914.*

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: Regarding proposed increase in freight rates.

The writer would like to have our firm placed on record opposing same, believing that an increase in freight rates will eventually result only in an increase in wages paid to railroad employees, and as this class of labor are now receiving higher wages than any other under similar conditions, and also as prices on all commodities they have to purchase are on the decline, we think that it would be an injustice to the people as a whole to taxe them with a greater freight rate, when no lasting good to the railroad companies themselves will follow.

Also, we believe that the higher the freight rates the smaller the amount of goods shipped, and often a cheaper rate brings a greater net earning to a railroad company.

We realize that the present advance only contemplates railroads east of Chicago; however, if an increase is allowed east of Chicago, an advance west will eventually follow, hence as shippers we believe we are interested, and desire to register our protest agaist same.

Yours, truly,

YOEMANS LUMBER CO.,
By W. C. YOEMANS, *President.*

—

THE LORD & BUSHNELL CO.,
Chicago, February 4, 1914.

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: As a private citizen, I desire to express my gratitude and thanks to your commission on the way you are handling the subject of the advance in railroad freight rates. There is no question that abuses by the railroads in the use of the public's money have been innumerable, and that to run their business as any corporation should run their business they should earn a fair return for their stockholders on present rates. They have been willing and anxious to grant favoritism to various shippers. At the present time in lumber, which is my business, they are granting a milling-in-transit privilege which can be construed as nothing else but a rebate, as they are performing a service on the rough material on long hauls, and allowing them to take it in and ship a number of pounds of manufactured or higher-class material out at the same rate. The whole lumber schedule is a most iniquitous tariff. For example, we have to pay as much from Little Rock, Ark., to Chicago on lumber as we do from Galveston, Tex. Then, again, we have to pay as much for rough square timber shipped in flat cars as we do for doors or manufactured material. In some cases the value of the material may be $5,000 per car and in other cases not over $100 per car. In the one case open, cheap flat cars can be used, and in the other case the very highest type of box car is necessary to protect the goods.

Then, again, the buying of equipment by most roads is done in the most expensive manner possible, as officials are allowed to place so many patents, and oftentimes they are interested in these patents to a greater extent than in the road, thereby increasing the cost of equipment and the cost of maintenance, owing to the multiplicity and duplication of repair parts required to be carried in stock.

It is extremely gratifying to see the progress that you are making in correcting these evils, and for one I desire to thank you most heartily.

Yours, very truly,

FREDERIC T. BOLES.

—

BALTIMORE, MD., *June 3, 1913.*

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

SIRS: Apropos of the 5 per cent increase in freight rates petitioned for by the transportation companies of this section of country, we respectfully represent that while rates for labor in manufacturing plants are hardening, hours of labor shortening, tariff protection lessening, and home market narrowing is not an appropriate season to further restrict the earnings of those upon whom the increase will so heavily bear.

Yours, truly,

WM. E. HOOPER & SONS CO.,
JOHN R. DORSEY, *Secretary.*

—

JUNE 18, 1913.

Mr. G. H. INGALLS,
Chairman of Committee Representing Central Freight Association Carriers, Chicago, Ill.

DEAR SIR: The executive committee, being advised by its special committee representing the chamber at the conference on May 21, 1913, and giving due consideration to the grounds on which the increase in rates is asked and the arguments advanced during the conference by the committee representing the carriers, by formal action at meeting on Thursday, June 5, 1913, approved of the following as expressing the conclusions and attitude of the chamber:

First, as to interstate rates: As expressed at the conference on behalf of interests represented by the chamber, the proposition involves questions of such magnitude and is of such wide scope as to preclude full and clear understanding necessary on part of the business interests of single communities to form safe conclusions or express a definite opinion as to whether the financial needs of the carriers warrant any increase in rates, and therefore the Indianapolis Chamber of Commerce asks that no advance be made in present rates until the question has been submitted and passed upon by the Interstate Commerce Commission.

Second, as to intrastate rates: The existing adjustment of class rates between points in Indiana imposes an unjust discrimination upon the commerce of this State, is wholly prejudicial to the Indiana jobbers and distributors and in favor of outside jobbing and distributing centers. The carriers have denied the just appeals of shippers for relief during the past seven years and persistently refused to act in remedying the unjust and harmful rate conditions.

Under these circumstances the carriers' appeal for the advance in Indiana local rates is wholly illogical, unreasonable, and without merit, and the Indianapolis Chamber of Commerce will strenuously oppose any advance.

Very truly, yours,

INDIANAPOLIS CHAMBER OF COMMERCE,
———— ————, *General Secretary.*

—

THE CHAZY MARBLE LIME CO.,
Chazy, N. Y., January 30, 1914.

CHARLES A. PROUTY,
Commissioner, Washington.

MY DEAR MR. PROUTY: Your letter of the 2d, stating you were leaving the Interstate Commerce Commission, comes as a great surprise to me. I am very sorry to hear it, unless you are going to serve the public in some other capacity, then it is not so bad.

There is a whole lot to this asking for an advance in rates by various railroads, and about any way you turn can be found an argument against it.

In private business or small corporations when assets are stolen or squandered the owners have had to take their medicine, but the rail-

roads seem to think they are exempt. I have had a lot to do with the eastern roads—the Delaware & Hudson, the Boston & Maine, Maine Central, and New York, New Haven & Hartford, New York Central, and Boston & Albany. They all have a joker in this traffic business. I am just hard-hearted enough to want the New York, New Haven & Hartford, with their leased line, to find their way out on the present rates, which are ridiculously high. We are paying them 80 cents a ton for a haul from South Framingham to East Walpole, 18 miles, and $1 a ton from the same point to Fall River, 46 miles.

I am obliged to you for handing the letter to Mr. Harlan.

Very truly, yours,

C. H. JONES.

TIFFIN, OHIO, *December 24, 1913.*

To the INTERSTATE COMMERCE COMMISSION.

GENTLEMEN: The railroads are certainly waging a campaign to win the public for an increase in freight rates. In the hearing before your honorable body they are reported as having claimed an increase to be necessary in order to provide funds for improvements. Let them squeeze out some of the water in their capitalization and they will not need so much money for dividends. For one I think freight rates are high enough. Coal from western Maryland to Tiffin, costs $1.45 per ton freight. The managers and directors of railroads have exploited the people for many years. I think they ought to be compelled to disgorge their ill-gotten wealth. I commend the stockholders of the Frisco system in getting after the directors. In many cases, at least, it is nothing more than continuous robbery to compel the public to pay dividends on watered stock. To water the stock of a corporation ought to be made a penitentiary offense. If there is an increase in rates I shall do all I can in advocating the complete control of all railroads by the Government, and, if necessary, let the Government take them over at cost and so squeeze out the water.

Fictitious valuations have increased the cost of living until salaried men can scarcely make ends meet. No wonder that workingmen ask for increased wages. Railroads have played a large part in bringing their present trouble upon them. I believe in fairness and justice, but there is no fairness and justice in compelling the public to pay dividends on fictitious capital.

Yours, sincerely,

JAS. S. FREEMAN,
133 East Perry Street.

RHINELANDER, WIS., *October 21, 1913.*

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

YOUR HONORABLE BODY: Your letter of October 18, file 37, in which we requested information regarding C. N. Fulton's agency tariff, 100–H, I. C. C., A–97, proportional rate tariff covering classes and commodities Chicago to the Ohio River. This tariff is effective November 15, 1913, and we wish to ascertain as soon as possible, and you can send us a collect wire, if you wish, advising us if this tariff has been postponed, canceled, or any other action which would prevent its going into effect on November 15.

We also desire same information regarding supplement 16 to tariff 21–A, published by W. H. Hosmer. This is supplemental to the lumber tariff, which also shows an increase on a basis of 5 per cent. Mr. Hosmer publishes this under agent of the western trunk line, No. I. C. C., A–276

As far as our opinion is concerned we object to this increase, based primarily on the fact that a large percentage of cars are collected in excess to the tariff rates now in effect, resulting in claims part of which are never collected.

When the carriers arrange their account so as to prevent overcharges, then we are in favor of a 5 per cent increase.

Yours, truly,

MASON-DONALDSON LUMBER CO.,
S. E. ALVORD.

NEW CASTLE, PA., *October 25, 1913.*

G. B. MCGINTY,
Secretary Interstate Commerce Commission,
Washington, D. C.

DEAR SIR: We are in receipt of your letter of the 24th, relative to the 5 per cent advance on lumber in official classification territory, which, according to the Baltimore & Ohio tariffs, will take effect November 15. When we received these tariffs on October 20 it was the first that we had notice of any intention of raising the rate. We consider it an outrage, especially in the face of the declining market in lumber and also the high rate that we are already assessed. There being no order suspending these advance tariffs seems to indicate that they will go into effect.

We would like to know whether the inquiry ordered by the Interstate Commerce Commission is now in progress. There seems to be no date set for a hearing, and we would like to know if there is liable to be a hearing in which the manufacturers of lumber will be accorded the privilege to present their arguments. Would also like to know how these arguments should be presented—whether in person by some representative representing the manufacturers, or whether each manufacturer should protest as he desires, individually, by mail. It is our personal opinion that some concerted effort should be made to prevent this increase, and what we want to know is the best plan to go about it.

Your prompt reply will be appreciated.

Yours, truly,

G. G. STITZINGER & CO.

CHICAGO, *October 30, 1913.*

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: We are builders of brick chimneys, manufacturing our material at Waynesburg, Ohio, and Terre Haute, Ind. About two and a half years ago the railroads, under the guise of "adjustment," raised our rates approximately 15 per cent, claiming to us that this additional revenue was needed in the operation of their business.

We are now advised that, effective November 15, the railroads propose an additional 5 per cent increase in these rates, adding fractions which in some cases make the increases figure a little more. While we do not attempt to combat the railroads' claim that additional revenue may have been needed, we feel that this raise is unjust in the case of brick manufacturers as a whole, owing to the fact that we recently sustained this large advance under the cause of "adjustment," but we feel that this additional advance which they propose is unreasonable.

We do not have the railroads' tariffs before us, but we understand that the railroads have filed tariffs with you showing these advances, and we wish to enter our protest and respectfully urge you to prevent the railroads from putting into effect the present proposed general advance of 5 per cent.

We have a large number of contracts on hand taken on the basis of present rates, and the loss will be a serious one to us if the railroads are permitted to put these plans into effect.

Yours, respectfully,

THE HEINE CHIMNEY CO.,
By KENNITH HEINE, *President.*

CHICAGO, ILL., *November 3, 1913.*

G. B. MCGINTY,
Secretary Interstate Commerce Commission,
Washington, D. C.

DEAR SIR: We beg to acknowledge receipt of your valued favor of the 27th ultimo and thank you very much for same.

We sincerely trust something will be done to prevent this increase in rates, as we believe it will harm western business to a great extent.

Yours, very truly,

NORTHERN COAL & SUPPLY CO.,
J. H. HARMON, *Vice President.*

HARDWICK, VT., *November 10, 1913.*

Mr. CHARLES A. PROUTY,
Chairman Interstate Commerce Commission,
Washington, D. C.

DEAR SIR: Please accept our thanks for your kind favor of the 6th. We knew that you had recently resigned from the commission, much to our regret, knowing as we did your familiarity with and friendly feeling toward industries in Vermont, but we ventured to write you for this very reason, that we felt that we could rely upon your friendly interest in the proposition from our standpoint.

We feel that while the roads must be placed in a position to make fair earnings, it is relatively as important, though in a smaller measure, perhaps, that the industries on which the roads depend for their earnings should be placed on a paying basis, and in an industry such as our own the question of freight is a very serious one necessarily.

Thanking you for the courtesy of your letter and kind interest you have shown in the past, and congratulating you upon your new position, we are,

Yours, very truly,

WOODBURY GRANITE CO.,
GEO. H. BICKFORD.

HARDWICK, VT., *November 10, 1913.*

Mr. JOHN H. MARBLE,
Interstate Commerce Commission, Washington, D. C.

DEAR SIR: Your kind favor of the 5th is duly received. We shall be very glad indeed if you will keep the interest we have in the matter in mind when the hearings come to a head, and trust that the outcome will be no injustice to the industries on which the roads themselves have to depend.

Having been here in person you realize more than others, perhaps, the importance the freight item has in the granite industry, particularly when located, as this industry here is, at a distance from the large markets, and anything that can be done promptly to relieve us of any additional burdens along this line will be appreciated.

Yours, truly,

WOODBURY GRANITE CO.,
GEO. H. BICKFORD.

RIVERSIDE, IOWA, *March 27.*

Hon. G. B. MCGINTY,

DEAR SIR: I understand the Interstate Commerce Commission has up for consideration the advancement of rates on all classes and commodities of freight. This seems to me an unfair thing to do, as the coal costs us an awful price the way it is. And, besides, I think they ought to be compelled to set a car without extra charge. As it is an impossibility for us to deal in coal unless the cars are set, and if managed right, it is of little bother to them, and besides, if they were set on any track, they are bumped around everywhere, and sometimes in places where we can not get at them. I am writing you just as I see it, and think they have enough advantages in this line without any advancement in charges in any way.

Yours, truly,

J. T. MEEKS.

Westgate, Iowa, March 27, 1914.

Hon. G. B. MCGINTY,
Secretary Interstate Commerce Commission,
Washington, D. C.

DEAR SIR: As we see by the daily papers that there is before the Interstate Commerce Commission considering if there should be an advancement of rates on all classes and commodities of freight in tariffs.

To my judgment the present revenues of the carriers are adequate as they are now. And I wish before you would give your consent to advance the rates to consider who has to pay the advance of rate.

Yours, respectfully,

W. C. MATTHIAS.

ST. LOUIS, *March 31, 1914.*

Hon. RICHARD BARTHOLDT, M. C.,
Washington, D. C.

DEAR SIR: Within the last few months the tariff protection has either been entirely withdrawn or else reduced to a point where it is no longer able to afford any benefit to the farmer, stock raiser, and feeder, with the result that heavy losses have been shouldered upon the real producers of the wealth and prosperity of our country.

To-day cattle are a drug on the market and can not be sold on a basis which will return the cost of the feed which has been used to fatten them, without considering the use of the money invested while they were being fed. This year, for example, the farmers are facing the same competition in the home market with Canadian oats and Argentine corn which they experienced the past year, and the disastrous results to the financial welfare of the agricultural community which has been experienced during the worst general crop failure in this generation is well known. The results which may be expected from this foreign competition in our markets when we have a normal crop is

sure to be disastrous. Also, we have only begun to receive shipments of Australian and Argentine beef and mutton, and yet the results have been as stated above. When the movement of the meat products from these countries gets well under way, the prospects of the live-stock owner and feeder certainly will not improve.

Under such conditions and the certainty of such a future, we feel it would be imposing an unwarranted and most unjustifiable hardship upon our farmers to further increase their burden by permitting any increase in freight rates, as necessarily the shipper must assume the transportation charges in marketing his product. If any action or readjustment of rates is to be made, the deplorable condition which confronts the farmer and stockman certainly demands relief, at least as to the expense necessary in getting his product to market and getting his supplies back.

We, therefore, solicit your kind assistance toward saving the wealth-producing portion of our country from this proposed unjustifiable burden.

Very truly, yours, PAYNE & BECKER.

—

NATIONAL COUNCIL FARMERS' COOPERATIVE ASSOCIATIONS,
OFFICE OF SECRETARY-TREASURER,
Colo, Iowa, March 28, 1914.

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: This council, which is composed of the State associations of farmers' cooperative associations of six States, and whose principal business is the handling of grain, desires to hereby enter a protest before your honorable body against the 5 per cent increase in freight rates asked for by the railroads of the eastern territory, which case is now before you, and in this petition of protest we represent the desires of our members in Illinois, Iowa, Minnesota, South Dakota, Nebraska, and Kansas, and also the same class of organizations in North Dakota. We especially protest against the increase in freight rates on grain for the two following reasons:

First. Because of the present high rates that grain now carries as compared with the present rates on other commodities, and because we object to the rates on grain shipments being made to carry any part of the burden that should be carried by the rates on other commodities.

Second. Because if this increase is allowed in the eastern territory, it will be immediately asked for in the other territories, and a precedent will be established that will later affect the entire country and the rates on all shipments.

We believe the increase in freight rates on grain to be unnecessary for the three following reasons:

First. Because they are now high enough in comparison with present rates on other commodities.

Second. Because it is possible for the railroad companies to increase their income from grain shipments under the present rates by making a real practical effort to reduce their losses on that business by reducing their losses in transit, and that this can be done by providing better car equipment and by better preparation of cars for loading, because the expense of such preparation will be far less than the amount of the present losses in transit.

Third. Because the railroad companies can increase their income from the grain business at the present rates by making a more reasonable demurrage charge for cars which will be high enough to prevent the holding of cars loaded with grain, as is now done under the present charge of $1 per day for storage purposes, because it is profitable for the owner of the grain to do so, while the income for the railroad company is only a very small part of the average daily earning capacity of a freight car.

We humbly submit this protest for your careful consideration.

Very truly, yours,

J. W. SHORTHILL, *President.*
W. J. RAY, *Secretary.*

—

MARYLAND HOTEL,
St. Louis, Mo., March 30, 1914.

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: I would like to inquire why you have permitted the gambling and robbery that has been going on for the past 10 years or more in Rock Island financing. The condition of affairs has been known to everyone in the Central West, and certainly can not be unknown to you. Is it because you have not the power to order an investigation? This corporation has become a byword as being a Wall Street gamble and not a railroad, and yet they are joining in with the rest of them in the howl for an advance in rates. Yes; rates which, as you well know, have been already advanced in thousands of instances, both directly and indirectly, by means of raising classifications and other well-known methods, and any railroad head who makes the statement that rates have not been raised is stating what is absolutely untrue. I do not now remember a single item in the business with which I am connected that the rate is not higher now than 10 years ago, some rates to the extent of nearly 100 per cent; these rates referring to shipment from eastern seaboard to the Twin Cities. In the writer's opinion it would be unfair and unjust to the people to grant any increase in rates to any railroad in the United States

Does the Burlington need it, earning 14 to 18 per cent on its capitalization of two hundred millions, which you will recall was immediately doubled when "Jim" Hill got hold of it? Why does the Pennsylvania need it when it has invested forty or fifty millions in stocks of other roads? Where did it get the money? Was it not from surplus earnings? If so, why not use these, or part of its surplus, to pay its dividends? Isn't that what a surplus is for? Or, again, why should the people of the West be taxed in the shape of increased rates for building palatial hotels in New York or elsewhere for the New York Central?

Look at this matter in another way. Does anyone guarantee me a profit in my business in years of bad trade or in panic years? Why should the people be taxed to provide dividends to owners of railroad stocks? Did they not buy these stocks with their eyes open? Are they the only class of people who should be paid dividends when they make a mistake in judgment? If in my business I buy several carloads, we will say, of a certain commodity in Europe and the market goes against me, have I not just as good a right to ask that my loss be made good to me by taxing the community to do it? By looking at the matter in this way you will see how absolutely unjust it is. Let the stockholders of railroads bear their own losses, if they have any losses, which I very much doubt. They bought the stock on their own responsibility.

It is the same old whining cry of the special interests, "Tax the people for my special benefit."

Respectfully, A. W. LAUGHLIN.

OREGON, ILL., *December 27, 1913.*

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: The different railroad companies east of the Mississippi River have issued tariffs proposing to raise rates on sand, all kinds, 5 per cent, and to become effective during the month of March, and we understand you are at present investigating the advisability of allowing the increase.

On this question of sand rates, before granting or disallowing the increase, we wish to call your attention to that portion of Ohio lying east and southeast of a line drawn between Cleveland and Cincinnati and extending about 50 miles in the same directions along the Ohio River in West Virginia.

To the district mentioned above the sand shippers along the Chicago, Burlington & Quincy Railroad at Millington, Oregon, Ottawa, Utica, and Wedron, Ill., have had no reduction into this territory in the past six years, while the sand shippers along the Pennsylvania Railroad at Granville, Mapleton, McVeytown, Mill Creek, Newton-Hamilton, Ride, and Vineyard, Pa., and from Berkeley Springs and Hancock, W. Va., along the Baltimore & Ohio Railroad. Sand pits into the above territory have been granted three or four different reductions, so that we have been gradually shut out of the district to the advantage of the Pennsylvania Glass Sand Co. and Pennsylvania Pulverizing Co., having plants in Pennsylvania and West Virginia, in which companies Mr. Cassatt, son of the deceased President Cassatt, or the Pennsylvania Co., is interested.

This company (National Silica Co.) have now expended about $235,000 in building and developing property here, and before beginning work we had our attorney, Mr. P. M. Smith, of Wellsville, Ohio, inquire of your commission if we could depend upon the same reduction from sand pits in Illinois, shipping east into the district referred to, as might be granted to the sand pits from the east shipping west into the territory named.

We were given to understand that we would get such benefits or the railroad companies would have to show that it cost more to haul freight one way over their lines than it does the other way over the same lines, hauling the same material.

Now, we have been shut out of business that we need, and before granting or not the increase asked for by the railroads, we would ask that the rates be corrected to the points stated and that the western shippers be given the reductions the eastern shippers have been given within the past six years or that the rates on the eastern shippers be put back to their original rates in effect at the time we began building our plant.

Will you kindly see that this letter is placed with the committee having these matters in charge, and that acknowledgment of its receipt is made to us, and very greatly oblige.

Very truly, yours.

THE NATIONAL SILICA CO.,
W. G. STEVENSON,
Secretary and Treasurer.

—

ST. LOUIS, MO., *December 29, 1913.*

GENTLEMEN OF THE COMMISSION: I see that the "business" men of this city advocate an advance in freight rates. They pay no freight. It is "Jones" who pays—the consumer. These business men seem to think they are the whole cheese. The common people are so hard at work trying to make a living that they do not get any hearing. The railroad thieves have stolen hundreds of millions from the people of this country through watered stock and fake sales to fool the people into buying their stock. If they can't run the railroads without further gouging us, let them sell out to the Government, and when the Government does buy they want to get from the assessment rolls of the past 10 years what the railroads have given in under oath as the value of the roads in each county and pay them one-tenth of the total, which would be a fair average.

Don't let them raise the rates at all.

Very truly, yours,

JOE HILL,
Box 100, Birds, Ill.

—

CLEVELAND, OHIO, *December 30, 1913.*

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: Adverting to your series of interrogatories addressed to the railroads of eastern classification territory, in relation to the petition of the roads for an advance of 5 per cent in their freight rates, we understand the commission expects to learn, among other things, "the extent to which the directors and officials of railroads have other financial interests in the transactions of the carriers, and it is desired to determine to what extent intertwining interests prevail and what influence, if any, this practice has had in increasing railroad costs."

The undersigned respectfully asks your honors to investigate the transactions between the railroad directors and officials of railroads named below, through which long-term contracts have been made with the American Creosoting Co. and the Federal Creosoting Co. for the treatment of railroad crossties:

Rock Island-Frisco Lines.
Cleveland, Cincinnati, Chicago & St. Louis Railway.
Lake Shore & Michigan Southern Railway.
New York Central & Hudson River Railroad.
Delaware, Lackawanna & Western Railroad.
Lehigh Valley Railroad.

Under separate cover we send you three pamphlets entitled "Some Facts About Treating Railroad Ties." We trust you will find these useful in conducting such investigations as you may be pleased to make regarding these transactions.

Very respectfully, yours,

THE W. F. GOLTRA TIE CO.,
W. F. GOLTRA, *President.*

—

MONASKON, VA., *January 29, 1914.*

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: In the hearing of the question of 5 per cent advance in railroad rates now pending, believing myself to be as much a party at interest as any shipper as I am both a producer and consumer, I venture to call your attention to the limit of $40,000 per mile put on the building of 1,000 miles of road in Alaska, and ask you to compare same with capitalization of roads asking this advance. Are we, the

common people of the present and all future generations, to continue to pay dividends on all water that has been or may be injected into the stocks of our common carriers?

Respectfully,

C. D. DILLIN, *Farmer.*

—

THE POSTAL PROGRESS LEAGUE,
Boston, Mass., December 8, 1913.

GEORGE B. MCGINTY, Esq.,
Secretary Interstate Commerce Commission,
Washington, D. C.

MY DEAR SIR: It has been called to the attention of this body that Mr. James L. Cowles has appeared as secretary of the Postal Progress League before the Interstate Commerce Commission in the railroad hearings. The Postal Progress League desires to place on record with the Interstate Commerce Commission that it is not in accord with the views or policies presented by Mr. James L. Cowles to that body; and, furthermore, has directed Mr. James L. Cowles, through its executive committee, that he has no right to express such views in the Postal Progress League's name.

The Postal Progress League is against the views expressed by Mr. James L. Cowles; has no brief to present on the subject of railroads; and only considers matters pertaining to postal reforms. I am directed by a majority of the subexecutive committee, to whom this subject properly belongs, to request that it be spread upon the minutes of your railroad hearings and be made public at the next hearing.

Very truly, etc.,

T. GLOVER FILLETTE,
Vice President and Member of Executive Committee.

P. S.—I will thank you for an acknowledgment of this letter.

—

PIPER-HOWE LUMBER CO.,
Minot, N. Dak., March 31, 1914.

Hon. G. B. MCGINTY,
Secretary Interstate Commerce Commission,
Washington, D. C.

DEAR SIR: We wish to protest against any change, particularly advance in rates on commodities shipped into North Dakota. We believe the rates are sufficiently high, and, if anything, should be reduced. We particularly protest against any charge for spotting cars on sidetracks, which charge we believe to be sufficiently taken care of under their present rates.

Yours, truly,

R. J. PIPER, *Treasurer.*

—

HAVANA, ILL., *March 31, 1914.*

GEO. B. MCGINTY, *Secretary.*

GENTLEMEN: Regarding the 5 per cent rate increase by the railroads and their laying off large numbers of employees, why do they not lay off some of the desk and chair holders who are sons, relatives, or friends of high-salaried officials, who are given nice, easy jobs at good pay, and who would not be missed, as far as their services go. Has it ever occurred to the commission to investigate the amount of the officials' salaries, all the way down to the lowest employee, especially the office force? The Chicago & North-Western Railroad would be a good example. It would be better to lay off some high-salaried official, as there are thousands who are competent and would jump at a chance to take their places at half.

Yours, truly,

GRANT M. SLOAN.

—

BLAIR, KANS., *April 1, 1914.*

Hon. G. B. MCGINTY,
Secretary Interstate Commerce Commission,
Washington, D. C.

DEAR SIR: We are just in receipt of a general letter from Mr. H. L. Laird, secretary of the Northwestern Retail Coal Dealers' Association, advising that the Interstate Commerce Commission has before it for consideration, with reference to the advancement of freight rates on all commodities. Believing that all traffic rates are sufficiently high on the present basis, we would urge you to use your influence against such a measure.

Yours, very truly,

GORDON LUMBER CO.,
By WM. C. MAAG.

—

TILLMAN, LA., *March 9, 1914.*

Mr. GEO. B. MCGINTY, *Washington, D. C.*

DEAR SIR: With reference to a general advance in freight rates on naval stores, we wish to say that we emphatically disapprove of any advance in freight rates on naval stores in this territory, in view of the very low prices that we have been receiving for our naval stores for the last two years. A higher freight rate than the present one would, in my opinion, mean practically the ruin of all of the operators in this section.

Therefore we earnestly beseech you to disregard any resolution or proposition that might have been made by a very few of the turpentine operators, and not a representative number at all.

Trusting that this matter will have your kind attention and due regard, we are,

Yours, very truly,

DIXIE TURPENTINE CO. (LTD.),
By G. W. COOPER.

—

PITTSBURGH, PA., *March 6, 1914.*

The INTERSTATE COMMERCE COMMISSION.

DEAR SIRS: I am inclosing clipping concerning the increase in freight rates. I do not see the justice in raising money by burdening business. Why not lower their dividends and let the stockholders bear the burdens for once? I see the Pennsylvania intends building a $25,000,000 station in Chicago. Why, if they are in such straits, should they assume such a debt? Taking off those trains is only a bluff, they will be resumed as soon as a decision in their favor is declared.

Very truly,

MRS. ANNA DAVIS,
Cypress Street.

—

[From the New York American March 5, 1914.]

WHERE RAILROADS CAN FIND REVENUE.

In commenting upon the application of the railroads for permission to raise freight rates, the American has persistently urged two propositions: 1. That the increase should be shown to be necessary. 2. That the necessity should not have arisen as the result of dishonest or predatory management of the railroads involved. In the course of the hearing on the application for an increase of rates, Brandeis has succeeded in bringing to light evidence that some of the railroads which most loudly protested their obedience to the interstate commerce law have, in fact, been violating it. Favors granted to big shippers have been shown to be equivalent to rebates. Elevator privileges, traffic concessions, switching charges, a host of small items in a railroad bill for transportation, have been so juggled as to result in a very material discrimination in favor of the big shipper and against the little fellow. Brandeis not only shows that this results in the practical revival of the deadly rebate, but, further, that if these practices be abandoned the railways' gross revenues would be increased by from 5 to 7 per cent—by just about the amount that the roads wish to gain by the advancement in rates.

—

DENNY, HILBORN & ROSENBACH,
Toledo, Ohio, March 5, 1914.

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: The railroads at the present time are asking for an increase in their freight rates, and I do protest against such increase until such time as the railroads feel that it is their duty to give to the traveling public an increase in accommodations.

I am not a manufacturer, but travel for a concern that is a very large shipper, and will relate what happened to me on February 6, and ask you if it is right treatment to receive.

On February 6 I left Cleveland over the Big Four Railroad for Columbus. As I carry a personal trunk I wanted to buy a ticket for Columbus so that I could check my trunk through but I had to stop at Galion for a couple of hours, but the railroad would not sell me a ticket through with the privilege of the stop-off. I bought the ticket to Galion and, of course, that is as far as they would check my trunk. When we arrived at Galion it was raining very hard, and my trunk was taken off the train and put on the truck and left in the rain for exactly 20 minutes, and when I arrived at Columbus and opened the trunk there was some water on the inside, and some laundry spoiled, and other things. If you write the railroad company they will reply and say that your letter was received and the same will receive their attention, and that will be the last you will hear from it.

Why can't a ticket be sold from one point to another with the privilege of a stop-off, if the legal rate of fare per mile is charged?

Why can't a C. P. A. mileage book be honored on the train and baggage checked on same without having to exchange same for a ticket? They do that in all States east of Ohio.

Awaiting your reply.

Very truly, yours,

_____ _____,
1737 West Berks Street, Philadelphia, Pa.

—

TOLEDO, OHIO, *April 6, 1914.*

The honorable INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: In reference to the letter of the Ohio Manufacturers' Association, under date of March 25th, addressed to your honorable body, as a member of the association, we desire to put ourselves on record as opposed to the sentiment expressed in the letter in support of the proposed horizontal increase in rates. While we believe there are some roads that are in justice entitled to an increase, we believe that this should be applied on certain commodities and in certain specific instances only. We see no reason why shipping interests should be forced to contribute to roads that are already prosperous in order that benefits may be given needy carriers.

Very truly, yours,

THE CONTINENTAL SUGAR CO.,
W. B. ROSEVEAR, *General Manager.*

At a meeting held by Local Watertown Socialist Party, Monday evening, February, 9, 1914, the following resolutions were unanimously adopted:

"Whereas the Interstate Commerce Commission has now before it the question of the increase of freight rates; and

"Whereas we believe the increase of freight rates would have a direct tendency to increase the cost of living; and

"Whereas the chamber of commerce has gone on record in favor of the proposed increase of freight rates, notwithstanding the fact that in the past they were supposed to be laboring not only against an increase but for a decrease; and

"Whereas we believe it inconsistent that the chamber of commerce reverse its attitude and go on record in favor of said increase, knowing full well that the proposed increase will be added to the cost of production charged up and paid by the consumers: Therebore be it

"*Resolved*, That Local Watertown Socialist Party do hereby go on record as opposed to the proposed increase of freight rates; and be it further

"*Resolved*, That a copy of these resolutions be forwarded to the local press and to the Interstate Commerce Commission; and be it further

"*Resolved*, That a copy of these resolutions be forwarded to Congressman Luther W. Mott, with the request that he use his best endeavors to have an act passed in Congress giving to the Interstate Commerce Commission power to make the watered stock of no value, thereby eliminating the necessity of the proposed increase of freight rates; be it further

"*Resolved*, That we suggest to the consumers, who at present pay all the freight rates, to write their objections to the Interstate Commerce Commission and to their Congressman."

LOCAL WATERTOWN SOCIALIST PARTY,
FRED E. SISSON,
Secretary, 30 Fairbanks Block, Watertown, N. Y.

—

THE SOUTHERN COMMERCIAL CONGRESS,
Washington, D. C., February 21, 1914.

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: To grant the railroads' request for a 5 per cent advance in freight rates would be an awful blow to the South especially. We are already laboring under exorbitant freight rates by comparison. The per ton mile rates in the South on most commodities is now more than double the rates prevailing in the North. Here freight rates have been so prohibitive by comparison that it has been impossible for the South to obtain capital for commercial development. The old river

base rates have proven a curse to the South. The rates are probably low enough to river points. The railroads claim that these low river point rates are necessary to meet "water competition" and yet river competition is only a memory and if a well-known fact to all students that the railroads are responsible for the desertion of the river traffic, and that it was not abandoned because of low rates.

The trouble with the railroads is not due to low rates, but rather to excessively high rates which have made development impossible and to over capitalization and to the further fact that the policy of the railroads have alienated the friendship of a people who desire to be friendly with these transportation properties. These southern railroad properties have made no efforts to keep in the good graces of their patrons. Their policy has been to contest every move the people have made for better conditions. They do not take the people into their confidence on any matter whatsoever.

What we need is more modern railroading methods, the elimination of the enormous expenses of maintaining legislative lobbies, the elimination of the expenses of unnecessary retainer fees, the elimination of the expense incurred in thwarting the rights of the people, and these expenses are enormous. In fact we need men at the head of these properties who will keep in touch with the people and modern practices.

No doubt these railroad properties are subject to many injustices, but this is inevitable when they so conduct their affairs that the people can not feel a friendly pride in them.

To grant the request for a 5 per cent advance, or any advance whatsoever, would to my mind be a great injustice to the people and in the end prove a curse to the railroads themselves.

Rates should be reduced and a general readjustment made on a scientific basis, just alike to the people and the railroads. Neither the people nor the railroads can prosper as they should without mutual friendship and confidence, and this is impossible under present conditions in the South.

I sincerely believe that conditions have reached that stage when the railroads can not of themselves bring about these necessary reforms which will give them the necessary confidence of the people. The strong arm of your commission must reach out and enforce these reforms in justice to both railroads and the people.

I recently listened to the attorneys of the Illinois Central and Louisville & Nashville railroads in their pleas of opposition to remedial legislation in Kentucky, and their arguments would have been a reflection on the intelligence of a kindergarten class. It was the old plea that the railroads were private property and that the public had no right to dictate even in things essential to the public welfare. It was the plea that they did not need any legislation to safeguard human life, because the managers of these properties were big-hearted men, who would exercise all necessary precaution to this end. It was the plea that they did not need to be told when depots were decaying and unsanitary, that they had experienced men to decide such questions. It was the plea that they alone should control these properties without legal restrictions. I repeat that such arguments were puerile and would be an insult to the intelligence even of school children.

Your commission has the confidence of the people. We do not desire that the railroad properties be treated unjustly, but we do desire that their methods be reformed, and that we of the South be given as good rates and service as those prevailing in the North. If the population of the South has not kept pace with the North, as it has not, it is due to transportation discrimination. The plea that one method of basing freight rates should obtain in the South and an entirely different method obtain in the North is so ludicrous that it is not laughable.

I hope you can not only see your way clear to decline to grant the advance asked, but that in due time you can put into effect practices which will reorganize the entire railroad management of the South.

Yours truly,

JOHN FRANKLIN BIBLE.

CHICOPEE FALLS, MASS., *November 1, 1913.*

The INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: We have been unofficially advised that the bituminous coal carrying roads, such as the Baltimore & Ohio Railroad, Pennsylvania Railroad, New York Central lines, and others, have filed tariffs whereby rates from various Pennsylvania and other points have been advanced approximately 14 cents per ton, same to be effective on or about November 15, such advanced rates canceling rates now in effect to the following points:

Springfield, Mass.; Westfield, Mass.; West Springfield, Mass.; Mittineague, Mass.; Brightwood, Mass.; Chicopee Falls, Mass.; Chicopee, Mass.; Willimansitt, Mass.; Holyoke, Mass.; Palmer, Mass.; Ludlow, Mass.; Indian Orchard, Mass.; North Wilbraham, Mass.

We have not the specific tariff references by number or otherwise—not having been able to obtain them. We, however, wish to enter protest against this advance and request that these tariffs each and every one of them be suspended until proper hearing and investigation can be had on same. You will, no doubt, be able to locate these particular tariffs and we would request that they be suspended on the ground that rates now in effect and which have been in effect for years are sufficiently high to warrant a reasonable revenue return to the interested lines and connections and that the commodity on which this advance they propose to make is one that should bear the lowest possible rate for the reason that it is one of the most necessary of all commodities in both industrial and other fields.

The rate, it would appear to us, is not justified by any conditions now existing. Will you kindly advise whether or not tariffs complained of will be suspended?

Very truly, yours,

THE HAMPDEN COUNTY TRAFFIC ASSOCIATION,
F. R. LYMAN, *Secretary Executive Committee.*

MINNEAPOLIS, MINN., *April 6, 1914.*

Hon. G. B. MCGINTY,
Secretary Interstate Commerce Commission,
Washington, D. C.

DEAR SIR: I am certainly not in favor of advancing freight rates any more as it will be a hardship on the consumer.

Yours, respectfully,

GEO. T. FROST.

KREIS & HUBBARD,
Chicago, February 14, 1914.

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: Please enter opr protest against freight-rate increase for the eastern railroads.

Favorable indorsements by trade organizations represent only the opinions of small committees, as the large majority of members are rarely consulted and have no opportunity to register a vote either way in the consideration of the question.

Respectfully,

KREIS & HUBBARD.

RUSSEL CREGO & SON,
New York, February 9, 1914.

PROTEST.

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

DEAR SIR: This is to protest against increase in railroad freight rates. Before such increase is granted, it seems to me—and I believe that I voice quite a general opinion—that the officers of railroads should reduce their salaries, and many special privileges of the "wheel within the wheel" should be stopped.

The New York Central & Hudson River Railroad should first comply with the laws of the State. As I understand it, this company owns and operates a parallel line—the West Shore—contrary to the provisions of its charter and contrary to the laws of the State.

Yours, truly,

O. M. CREGO.

LUDINGTON, MICH., *February 9, 1914.*

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

DEAR SIRS: It is to be hoped there will be no favors granted to railroad companies, but rather further reductions. The whole thing amounts to this on the part of the railroads: To tax the people for their iniquities, such as extravagance, watered stock, trying to outdo other roads, million-dollar residences, and salaries 10 times more than they earn. They never cut their own salaries to meet expensse, but are always trying to make one cheap employee do two men's work. Elliott's talk about "sheds," "harness buckles," and they can't manage their own business is all rot and childish. Let the roads run less passenger trains and not so fast; there is no need of it, only because some other road does it. Business don't demand it; it is to satisfy the numerous fools that want too much. The Hartford & New Haven system would not have been hard up only for trying to hog up everything. Let them come out at the hole they went in at, or sheriff's sale would be a wholesome dose to transportation companies and a great benefit to the country. The people do not wish to subsidize the railroads, to redeem watered stock that went to make a few rich, and divide up dividends.

Very respectfully,

R. J. MERSHAN.

MARTINSVILLE, VA., *February 7, 1914.*

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: We desire to file formal objection to the increase of 5 per cent of the rates on telephone pin and brackets, pole steps, etc.

Our business is already hampered, and we are greatly burdened with excessive rates, and any increase would be a great hardship to us.

We have for years been seeking lower rates, especially from the Southern and Norfolk & Western roads; and the records of the freight departments of these carriers would show this.

Please let me know at once if this formal objection is in the form which would be considered by you.

Yours, truly,

B. F. & R. P. GRAVELY,
BENJ. F. GRAVELY.

BUSINESS MEN'S ASSOCIATION OF HOMESTEAD, PA.,
Homestead, Pa., January 28, 1914.

The INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: At a meeting of our association, held January 27, I was instructed to advise you that a resolution had been passed by the association protesting in a general way against the 5 per cent increase in freight rates asked for by the railroads.

Yours, truly,

D. J. CRAWFORD, *Secretary.*

Protest against the railroads' pending demand for a universal increase in freight rates.

BASIN, WYO., *January 24, 1914.*

DEAR SIRS: I have been appointed as a committee of one to send you the following petition as a protest against an advance in freight rates. We feel that if the railroads would figure their earnings on their actual investments instead of on so much watered stock they would be making a great deal more than the present farmer.

Yours, truly,

F. B. REFFNER,
Secretary and Treasurer Farmers' Union.

The honorable INTERSTATE COMMERCE COMMISSION,
Washington, D. C.:

We, the undersigned farmers and representatives of the producing and consuming interests of the United States, hereby respectfully protest against any general or percentage flat increase of freight rates indiscriminately upon all the railroads of the United States, application for which is now pending before your honorable body. We believe that rates should be so adjusted as to insure the same fair compensation to labor, brains, and capital employed in transportation that they can earn in agriculture, manufactures, commerce, or other legitimate industries:

F. B. Reffner, Basin, Wyo.; W. S. Leland, Basin, Wyo.; Geo. Livingston, Basin, Wyo.; C. R. Spencer, Manderson, Wyo.; G. H. Hoffman, Basin, Wyo.; G. W. Gibbs, Basin, Wyo.; Todd. Calvert, Basin, Wyo.; John E. Wrigley, Manderson, Wyo.; Chas. F. Renner, Basin, Wyo.; I. S. Avery, Basin, Wyo.; Ed J. Tatman, Manderson, Wyo.; Guy Sowers, Basin, Wyo.; Mabel Livingston, Basin, Wyo.; Edna Tatman; A. B. Wrigley; Mamie B. Hoffman, Basin, Wyo.; J. L. Olson, Basin, Wyo.; Nellie E. Rogers, Basin, Wyo.

HACKENSACK, N. J., *January 23, 1914.*

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: We wish to offer some arguments against the proposed advances in railroad freight rates over the eastern part of the United States.

Our business is manufacturing railway equipment, entirely for the export trade. We already suffer a handicap, as we have to pay the domestic freight rate of 16 cents per 100 pounds from Pittsburgh to our works on steel, because we fabricate for exporting. Much similar material shipped from Pittsburgh and vicinity through New York for export takes the export freight rate, which, including lighterage, is 10½ cents per 100 pounds.

The tendency of this discrimination is to make us buy our raw material in Europe.

We believe the general tendency to advance freight rates in the United States will be to hamper export business. We believe it will increase the purchase of foreign material for use along the coast.

The volume of business among manufacturers is, beyond all else, the possible cause of cost reduction. We believe, under rigid management, the volume of business among the railroads should also reduce their cost of handling freight per ton per mile. The volume on the railroads has increased. We believe both the capital and labor interests allied together to run the railroad business of the United States should depend upon their volume and efficiency for their profits, and not on advancing freight rates, which are sure to hamper export business.

We speak of export business because we wish to call your attention to the fact that the United States is, and will be in the future, distinctly dependent on its export business for its prosperity. As we consume more of our raw material at home we must depend upon the exportation in larger volume of our manufactured goods.

The export freight rates in the United States on raw material handled from interior points to the seaboard are already higher than similar rates for similar distances in European countries, which are our chief competitors.

We examined, not long ago, the export freight rates on steel and iron material from the Liege district in Belgium and from the Dusseldorf district in Germany to Antwerp and to Rotterdam, including lighterage, and we found the rates astonishingly below any similar charge for the same distance in this country.

We do not question the fact that adjustments in freight rates in the United States may have to, occasionally, be made, involving both advances and reductions in individual cases; but the idea of an arbitrary advance on all rates ultimately, undoubtedly, to cover the entire United States is a high-handed piece of business and is not justified by any legitimate condition now apparent in the United States.

Our business is small, largely because an exclusively export business is a difficult thing to operate in the United States against European competition, but we find on looking over our business for 1913 that an advance of 5 per cent in our freight rates would have equaled an amount greater than all the taxes we paid for the year—local, State, and national—including our income tax. This shows the sinister and misleading attitude of the railroad company in arguing that the advance amounts to so little, as applied to articles of commerce. Of course it is small on a keg of nails; it is still smaller on a spool of thread; but in our case it at one stroke more than doubles our total taxation, and this without in any way giving us compensation.

We can imagine no answer but a shrug of the shoulders and a remark that the whole organization of the railroads in the United States can not be held up or ruined to support a few manufacturing exporters.

We have no doubt there are plenty of domestic arguments against this advance in freight rates, but we wish only to press the export phase of it.

The prosperity of the United States is absolutely dependent on a large balance of trade in its favor. An examination of the trade balances of the last 25 years will show that as our balance of trade declines our prosperity declines. The panic of 1893 followed a period of small trade balances; the depression continued until the increased trade balances in our favor again brought prosperity in 1899. A moderate depression in business in 1903 followed the decreased trade balance in our favor of 1902. The slowing down of business in 1911, bringing with it great depression in the steel and iron industries, may be charged to the small trade balances of 1909 and 1910, which together were less than the trade balance of 1908 alone. The astonishing spectacle of 1912 of brisk business right through an exciting presidential campaign—a thing practically unknown in our previous history—in our judgment, was caused alone by the handsome trade balances of 1911 and 1912.

We have had a world of unsound railroad financiering in the United States for many years. We believe the present proposed 5 per cent general advance in freight rates to be another unsound scheme of finance.

Respectfully submitted.

THE GREGG CO. (LTD.),
WM. C. GREGG, *President.*

—

Resolutions.

Resolved, That the name of this association be Jefferson County Farmers' Society of Equity, and the legal abbreviation shall be "Jefferson Co. F. S. E."

Whereas the success of a farmers' association depends upon complete cooperation between every branch of its organization: Therefore be it

Resolved, That we in no wise neglect our duties to the locals, the State, or national organizations, and in this connection it shall be the aim of this county organization to affiliate with the State in building great central supply houses from which the locals may draw their farm supplies at the lowest possible cost and market their crops to the best advantage, and further to cooperate with the State to formulate a financial system for all the locals by which money may be advanced on crops in advance of the returns on sales, and further to work out with the State the plan for a uniform series of warehouses, elevators, and cellars. We favor the incorporation of the State and promise it our aid and support.

Whereas partisan politics has proven the bane of representative government: Therefore be it

Resolved, That this association commits itself to the interests of no political party, but that we work unitedly for the election of such persons to office as will favor our cause and industry and give the farmer class a square deal in industrial legislation. Our politics shall be founded upon the man and not the party, and our platform of principles shall always include economy, honesty, and efficiency.

Whereas it is reported in the public press in the State of Idaho that some of its citizens are petitioning the governor to call a special session of the legislature; and

Whereas the farmers, who are the principal taxpayers, see no urgent need of an extraordinary session: Therefore be it

Resolved, That we oppose the calling of a special legislature at this time or any time unless the demand is very urgent and the necessity self-evident.

Whereas this county organization is formed to assist the locals in buying supplies and in selling crops for the farmers and to help make effective the plans of the State and national organizations: Therefore be it

Resolved, That it be our highest purpose to induce the individual members of the locals to transact all their business in buying farm supplies and in selling farm products through their regularly organized association, if satisfactory means are provided for such transactions, rather than deal on the outside.

Whereas in the past trusts and combines have worked a hardship upon the farming interests: Therefore be it

Resolved, That we will not knowingly support any trust or combine that is detrimental to our interests, provided ways and means are supplied for the satisfactory transaction of our own business through our own organizations.

Whereas the freight rates on farm products in this northwestern country are already too high in order for farmers to receive fair compensation upon products shipped: Therefore be it

Resolved, That we oppose the raising of freight rates by the Interstate Commerce Commission.

Whereas the business of the world is done largely on borrowed capital; and

Whereas the farmers of this country owe the banks in the neighborhood of $6,000,000,000, with an average annual interest approaching 8 per cent, amounting to the stupendous sum of over $400,000,000—a sum sufficient to build two Panama Canals—a year: Therefore be it

Resolved, That we petition our Members of Congress to hasten the establishment of agricultural credit banks whereby money may be loaned to farmers on long time at a low rate of interest, and with optional payments at any time the farmer is able to take up the debt and offers to do so; be it

Resolved, That a copy of these resolutions be sent to the State headquarters of the Farmers' Society of Equity, the governor of our State, the Interstate Commerce Commission, and our Members in Congress.

J. S. BONHAM,
H. E. POOLE,
ARTHUR GOODY,
Committee on Resolutions.
WILLIAM EAMES, *President.*
DAVID SOFFE, *Secretary.*

LEWISVILLE, IDAHO.

—

PROTEST AGAINST THE RAILROADS' PENDING DEMAND FOR A UNIVERSAL INCREASE IN FREIGHT RATES.

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.:

We, the undersigned farmers and representatives of the producing and consuming interests of the United States, hereby respectfully protest against any general or percentage flat increase of freight rates indiscriminately upon all the railroads of the United States, application for which is now pending before your honorable body.

We believe that rates should be so adjusted as to insure the same fair compensation to labor, brains, and capital employed in transportation that they can earn in agriculture, manufactures, commerce, or other legitimate industries.

Christ Deckelman, Higganum, Conn.; Mrs. J. J. Schmidt, Higganum, Conn.; John Deckelman, Chester, Conn.; Mrs. Anna Deckelman, Chester, Conn.; H. Bartman, [illegible]; Mrs. Emma Heft, Clinton, Conn.; Jacob E. Heft, Clinton, Conn.; John Heft, Clinton, Conn.; Mrs. Anna Heft, Clinton, Conn.; Elizabeth Heft, Clinton, Conn.; John Freitag, Higganum, Conn.; Anna Freitag, Higganum, Conn.; Mrs. W. L. Parker, Guilford, Conn.; Dr. Frank Dusik; Dr. Tolly Kolarik, Higganum, Conn.; Jos. Vitacek, Higganum, Conn.; Geo. Deckelman, Higganum, Conn.; Mrs. L. Deckelman.

—

ROCHESTER, PA., *January 5, 1914.*

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: There is a great deal of talk, pro and con, about allowing the railroads to advance their freight rates 5 per cent. They make use of one argument—that business has fallen off and therefore their receipts will not run so high and thereby wish to raise freight rates to make up for their losses.

Now, if you will kindly look at it from our standpoint: The manufacturers' business has fallen over 50 per cent and he isn't even allowed to make a scale of prices and live up to this scale but must compete. Therefore, when business is dull the competition is more severe and the manufacturers are bound to lose money in times of depression.

We can not see why the Government would take the railroads under their wing and guarantee them against loss and turn right around and make the manufacturer pocket his own losses and also make up any deficiencies to the railroad company. Hardly looks fair. If the Government wants to take the railroad on their knee and coddle them, why not nurse the manufacturer a little instead of trying to drive him out of business?

Furthermore, of course you can not be ignorant of the fact that Pittsburgh has always been discriminated against in the matter of freight rates, and she is to this day. Take, for instance, the hauling of coal from Pittsburgh and West Virginia points to the Lake. Thirty years ago the railroads hauled stoves to Chicago, New York, and Albany for 18 cents, to-day the rate is 33. Cleveland, 30 years ago, was 8 cents per hundred, to-day it is 19 cents, and yet they want to raise these prices on us 5 per cent. Thirty years ago a locomotive hauled 17 cars and 10 tons, which was the maximum capacity, making it impossible for any engine to haul over 170 tons. To-day one locomotive will haul

from 50 to 80 loaded cars with a 50-ton capacity. Now, there is no business in the United States that has had this advantage that could not make a lower price to-day than formerly, instead of doubling their freight rate.

Thirty years ago a large percentage of the people rode on passes; another percentage got 1,000-mile books for $10 each; another percentage, who shipped a great deal of freight, got large rebates. Now, all this business has been stopped; no passes, no cut rates, no rebates. One engine and crew hauls twenty times the load. Now, how under the sun a railroad can figure that they are losing money is more than the writer can tell, and we believe to-day that a railroad property handled is the best paying institution in the United States, not even barring the Standard Oil Co.

Furthermore, it seems that at the present time the railroads are attempting to show that business is worse than it is. At Conway yards we understand they laid off a lot of engines and crews. We also understand there are 9,000 cars waiting distribution. We believe your commission should look into some of these matters, and if they would take the trouble to send a man to Conway yards they would see for themselves.

Furthermore, according to their own statements the railroads have made more money than ever before, and this thing of them making a threat to get their 5 per cent, should they be allowed to carry it through, will certainly be against the expressed wishes of the people of the United States at the election of November, 1912, when Woodrow Wilson was elected President of the United States, and if you wish to know anything further about these freight rates of 30 years ago and to-day, we have our books running back 34 years. We should be very glad to show them to any representative whom you might send here, or we would be willing to send them to you at any point you desire. We believe the stockholders of the manufacturing plants of the United States have just as much rights as the railroads, and we believe that your commission, when they look carefully into the matter, will see it the same way.

Trusting we have not tired you with our lengthy explanation, and expressing a willingness to go deeper into the matter if you so desire, we remain,

Yours, truly, OLIVE STOVE WORKS.
Per J. M. EAKIN.

P. S.—We have had freight on the road since December 18, from which we have not heard. If business is so slack on the railroad why don't they deliver our freight?

—

THORNDIKE, ME., *December 19, 1913.*

To the honorable INTERSTATE COMMERCE COMMISSION,
Washington, D. C.:

We, the undersigned farmers and representatives of the producing and consuming interests of the United States, hereby respectfully protest against any general or percentage flat increase of freight rates indiscriminately upon all the railroads of the United States, application for which is now pending before your honorably body. We believe that rates should be so adjusted as to insure the same fair compensation to labor, brains, and capital employed in transportation that they can earn in agriculture, manufactures, commerce, or other legitimate industries.

Martha A. Small, Thorndike, Me.; H. M. Small, Thorndike, Me.; F. H. Hasty, E. L. Bartlett, Mrs. B. A. Gross, B. A. Gross, Henry Small, O. J. Farwell, jr., Howard N. Hannon.

—

BRIDGE PLAZA, LONG ISLAND CITY, N. Y.,
December 1, 1913.

Mr. LOUIS D. BRANDEIS, *Washington, D. C.*

DEAR SIR: I am opposed to increase of railroad freight rates, and thought perhaps some suggestions might possibly be of value to you in your fight.

First. In many cases the present fast freight and express rates on garden vegetables are as much as the farmers get for raising the vegetables. See the rate from Florida, Georgia, and California to New York and Chicago. Any increase of these rates will further increase the high cost of living.

Second. The freight rates from Memphis, Tenn., for instance, to New York will average about $125 per carload. Now, 40 carloads make a trainload, making $5,000 cash in freight for one trainload from Memphis to New York. The distance is about 1,200 miles; the speed is, say, 20 miles an hour, or 60 hours. At an average of $3 for each man's time of 8 hours and 6 men to a crew, makes $135 as total expense for labor. Now double this as the proportionate cost of all other expenses for labor and we have $270 as the total cost of earning $5,000 in freights, excepting, of course, interest and dividends, and this is done in about three days of actual time. Now, what other active business can show such returns; and remember, all freights are cash on the spot. Certainly farming nor general merchandise pay any such returns.

If you will figure rates from California to all Missouri River points, you will find they pay as big returns as the Memphis rates, or maybe more.

Third. The disclosures of how the Frisco Railroad officials exploited the railroad company for their own private gain is a common experience; where the ventures worked out, the officials got the money; when the ventures failed, they issued more stocks and bonds and asked for increase of freight rates to make them good. Farmers and general business men have no such ready relief as loading a company with all the stocks and bonds it is possible to sell.

Fourth. Look at the colossal fortunes made by such railroad kings as Vanderbilt, Gould, James J. Hill, Harriman, and many others. Where in all America have farmers made any such vast fortunes? Can you name one? Besides, these people spend vast sums each year for living expenses, and save over and above these expenses. So we need no further increase in freight rates for them.

Fifth. Examine carefully reports of railroads when the officials wish to boost the price of stocks and now, when they wish to boost the freight rates, and I am sure you will see quite a difference.

Sixth. See the charges made by English and German railroads for similar services.

Seventh. The papers report Mr. Schwab as saying the freights from Pittsburgh to New York on steel were the same as from Rotterdam to New York by ship. Three thousand miles the same as 500 miles. Looks as though that needed no increase.

Eighth. See what the railroads are now assessed at for taxation, and, taking that as a basis of value, what interest do they pay at present rates? The assessed value is a supposed expert estimate of its actual value, not the amount of stocks and bonds.

Ninth. Some will say farming and railroads should not be compared, but more people and more money are in farms than in railroads, and it is a very important branch of business. The larger ought not be squeezed for the benefit of the less.

Very truly, yours,

T. M. GALBREATH,
Long Island City, N. Y.

—

TERRE HAUTE, IND., *November 17, 1913.*

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: It is our understanding that the railroads are contemplating a 5 per cent advance in freight rates, effective some time during the present month, and while we are not in position to give facts and figures that will show that the railroad companies are not justified in securing such an advance, at the same time we feel in a general way that our present rates should not be increased. Our main hope is that your honorable body will investigate the matter carefully and not permit any unreasonable advance to be made.

Yours, very truly,

THE NORTH BALTIMORE BOTTLE GLASS CO.,
By H. B. TERRY, *Assistant Secretary.*

—

COMMERCE CLUB,
St. Joseph, Mo., November 17, 1913.

Suspended class and commodity rates, official classification territory, Docket No. 5860, I. and S. No. 333.

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: On behalf of this organization, I am directed to enter protest against the proposed rate advances on the grounds that the present rates of these carriers are, in the opinion of our members, as great as should be charged, and that such advances, if allowed, would place an unreasonable and undue burden on the traffic of this community when moving to or from official classification territory.

It will be greatly appreciated by us if the commission take cognizance of this protest and accord it a place in the record of the case.

Thanking you in anticipation of favorable consideration,

Respectfully,

H. G. KRAKE,
Commissioner, Commerce Club of St. Joseph.

—

CINCINNATI, OHIO, *November 12, 1913.*

Docket No. 5860. Investigation and suspension docket No. 333.

Mr. GEO. B. MCGINTY,
Secretary Interstate Commerce Commission,
Washington, D. C.

DEAR SIR: With reference to your circular of November 8, regarding rate increase in official classification territory.

We find that the freight rates now are so high that it is almost impossible to do business, and with the margin of the manufacturer cut by the reduction in the tariff we believe that freight rates should be lowered rather than raised.

We earnestly protest against any increase whatever.

Respectfully,

THE "ICY-HOT" BOTTLE CO.,
G. P. ALTENBERG, *President.*

—

CHICAGO, *November 5, 1913.*

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: We have been receiving various lines' tariffs showing an advance in rates on all classes and commodities, effective November 15, 1913.

We wish to protest against the proposed advance in rates by carriers. The commodities in which this company is interested in principally are sand, gravel, fire brick and clay, tile, cement, etc. We have a large number of contracts for sand and gravel which extend to March 1, 1914, based on the rates in effect at the present time, and if obliged to deliver this material on the new rates it would work quite a hardship on us.

All the commodities referred to above, as a general rule, are loaded by the shipper and unloaded by the consignee. Therefore we believe the proposed increase in rates should not come from advancing same on such low-grade commodities as sand and gravel. We therefore petition to have the proposed advance in rates suspended until an investigation can be made by your honorable body as to their reasonableness, and beg to remain,

Yours, very cordially,

THE GARDEN CITY SAND CO.,
F. K. WHITE, *Traffic Manager.*

—

THE TORRINGTON BUSINESS MEN'S ASSOCIATION,
Torrington, Conn., November 8, 1913.

The INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

HONORED SIRS: At the meeting of the Torrington Business Men's Association on Thursday evening, November 6, 1913, it was unanimously voted to petition your honorable board to prevent, if possible, any proposed increase in freight rates by the New York, New Haven & Hartford Railroad, inasmuch as, in the judgment of the members of this organization, such increase would be detrimental to the business interests of Torrington and the other towns of this section.

Thanking you for your favorable consideration of this petition,

Yours, respectfully,

A. H. WILCOX, *Secretary.*

—

THE TIDEWATER COAL & COKE CO.,
Vivian, W. Va., October 31, 1913.

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: We have been advised by the Norfolk & Western Railroad that a general advance of rates is to be made on November 15 of this year.

The undersigned represents the Tidewater Coal & Coke Co. and the King Coal Co., whose properties are situated on the main line of the

Norfolk & Western Railroad in McDowell County, W. Va. We believe that the advance in rates they speak of would not only be an injustice but ruinous to our business.

We trust that you will suspend judgment until a hearing can be had before your honorable body.

Thanking you, we are,

Yours, truly,

C. H. BOARDMAN.

COSHOCTON, *October 31, 1914.*

The INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: We are notified that the railroads intend to raise their rates to go into effect November 15, and as we understand it the raise is to be 5 per cent. We must say that we have heard very little about that prospective raise and we only heard about it casually; queer to say, we did not read anything about it in the newspapers.

We herewith beg to protest emphatically against any raise on bottles for the following reasons:

The present rates on bottles are fully high enough and should give the railroads full remuneration for their respective hauls.

We, furthermore, call your attention to the fact that for many years bottles were classified under sixth class, while for the last four or five years the rate on bottles has been raised from sixth to fifth class, which was a very substantial raise in the freight rates, and we can not stand for a new increase.

We can not stand for any higher freight rates, as we have to sell our products at an exceedingly low figure.

Incidentally we will add that all our contracts for delivery till July 31, 1914, are practically made now and have been made based on the old freight rates and we, therefore, could not afford to pay now a higher freight rate after all our contracts are made.

Finally we wish to say that on account of the new tariff which reduced the duties on bottles from 30 to 40 per cent, we do not know yet to what extent foreign competition is going to affect us, but we know that we will have strong competition. If in addition to the low tariff the freight rate should be raised, it would doubly affect us and handicap our sales to a great extent and possibly prevent future sales of our products.

Will you do us a favor and give these statements your due consideration? And we sincerely hope that the Interstate Commerce Commission will positively not allow any raise in the freight rates. Kindly acknowledge receipt of this. Thanking you in advance for your courtesy, we are

Yours, very truly,

THE COSHOCTON GLASS CO.,
Per H. LIEWER, *President.*

PHILADELPHIA BRANCH, GRANITE CUTTERS' INTERNATIONAL ASSOCIATION OF AMERICA,
Philadelphia, October 30, 1913.

The INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

DEAR SIRS: In protesting against increase of freight rates to take effect November 15, we desire to call your attention to rates from Bedforr and other stone-shipping points of Indiana to the East.

The rates on rough and cut stone are the same, while the weight of cut stone is one-third less of that of rough, the railroad is out that much revenue, all other articles are classified with a difference between rough and the finished product, and before the advance of freight are allowed the railroads should adopt a more logical basis for making advances.

Yours, truly,

THOS. MAGUIRE.

NEW YORK, *October 30, 1913.*

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: We have been advised by the Chesapeake & Ohio Railway Co. and the Virginian Railway Co. that, commencing with date of November 15, 1913, new freight tariffs will become effective, involving an increase over present rates of what we understand will be equivalent to 5 per cent. This proposed increase, if put into effect, will work considerable hardship on such shippers of coal from mines located on these railroads as now have contracts for delivery of tonnage extending over the coal year ending April 1, 1914, and on certain other contracts, such as those with the Navy Department, Panama Railroad, and steamship companies, expiring at later dates, or carrying to end of the calendar year 1914. These contracts were made under existing tariffs and in the well-founded belief that the railroad companies' freight rates, being already profitable to the carriers, would not be changed by way of increase thereof.

As we have not been informed that the new freight tariffs have been suspended by action of the commission, we ask, therefore, that your honorable body may order a suspension of the new freight tariffs, as proposed, until the reasonableness or otherwise of the rates shall have been duly investigated and determined.

Yours, respectfully,

THE CHESAPEAKE & OHIO COAL & COKE CO.,
By S. R. RITCHIE, *Vice President.*

EPHRAIM CREEK COAL & COKE CO.,
New York, October 29, 1913.

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: This company is a producer of coal on the line of the Chesapeake & Ohio Railway near Thurmond, W. Va.

We are in receipt of tariffs issued by that company, effective November 15, making a horizontal advance of 5 per cent in freight rates on all coal shipments originating from the New River district. This proposed increase if put into effect would work considerable hardship on shippers of coal located in this district who have contracts for delivery of tonnage covering the coal year ending April 1, 1914; these contracts were made under the existing tariffs in the belief that the railway company's freight rate on coal, being already profitable to the carriers, would not be changed in the way of an increase.

We would respectfully ask therefore that your honorable body may order a suspension of these new tariffs, as proposed, until the reasonableness or otherwise of the increased rates have been investigated and determined.

Respectfully, yours,

M. C. JONES, *Treasurer.*

CONNEAUT, OHIO, *October 29, 1913.*

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: We understand that all roads anticipate advancing freight rates on molding sand on November 15, and, if such is true, wish to register a most emphatic protest as to date that the rate will become effective.

The general and division freight agents on the roads in which we are interested have been advised many times that it works a very great hardship on the sandman to advance rates at any time between April 1 and the following February 1, more especially at this time of the year, for we have many unfilled contracts and orders on which the price is a delivered one, and which we must complete at price named.

The proposed advance, if same becomes effective on the different roads on which we operate, will cost this company not less than $600, if same becomes effective on the date noted above. We hope that you will be able to defer this advance until February 1.

Yours, very truly,

THE OHIO SAND CO.
U. E. KANATEL, *Secretary.*

MINNEAPOLIS, MINN., *October 28, 1913.*

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: Regarding the increase in rates asked for by 52 eastern railroads, please do not forget the manufacturer, like ourselves, and the many retail merchants who ship all freight L. C. L. and pay first-class rates, which are now high enough.

If any increase is allowed, it should come on full carloads and on such commodities as have been handled at cost or less.

Thanking you in advance for your consideration to this feature of the matter, we are,

Yours, very truly,

MINNEAPOLIS KNITTING WORKS,
C. E. OVENSHIRE, *Manager.*

UNIONTOWN, PA., *October 28, 1913.*

Mr. GEORGE B. MCGINTY,
Secretary Interstate Commerce Commission,
Washington, D. C.

DEAR SIR: Notwithstanding the diminished demand for lumber and forest products and consequent declining market, we find the various railway lines over which we have been shipping have issued new tariffs on these commodities, effective November 15, which contemplate an increase of 5 per cent over and above the rates now being carried.

This increase under normal conditions is, we think, unwarranted. A careful scrutiny of the existing tariffs will, we think, develop the fact that the revenue derived by the transportation lines on forest products is relatively higher than upon almost every other special commodity hauled. Indeed, in many cases, particularly on intrastate business, the sixth-class rate is religiously and unjustly adhered to.

The increase contemplated means a great burden to us—in fact, greater than the present state of the market will stand. We draw from many directions and will be so seriously affected that we believe we are justified in asking the commission to direct the suspension of the increased rates until at least we can prepare statements showing how burdensome and how unjust, not only to us but to all other lumber jobbers and manufacturers, the 5 per cent increase will prove.

During the past year we have paid freight charges on shipments from one point alone approximately $60,000, so that your commission will readily see to what extent this advance will affect us.

Another feature to which the commission's attention is respectfully directed is the additional loss which will have to be borne by this company and other jobbers on stock sold for future delivery based upon the old rates of freight in the contemplated advance.

Yours, very truly,

PALMER & SEMANS LUMBER CO.,
By E. H. CRANE,

UNIONTOWN, PA., *October 28, 1913.*

Mr. G. B. MCGINTY,
Secretary Interstate Commerce Commission,
Washington, D. C.

DEAR SIR: The advance of 5 per cent, based upon which the railway companies have issued new tariffs on lumber and forest products effective November 15, is, we think, not only particularly inopportune at this time, when business throughout the country is decreasing in volume, but entirely uncalled for, so far at least as the tariff on lumber, lath, shingles, mine timber, etc., is concerned, since the rates which are now in effect are, owing to existing conditions, higher in many cases than the business justifies.

We are confronted at this time with the fact that building operations throughout the country are being held up. The demand for our products is therefore greatly reduced. It has fallen off 20 per cent approximately in the last 60 days, and we think we voice the sentiments of every other sawmill operation in this and other territory when we say that what is needed on our output is not an advance but an equalization of rates.

A careful study of the rates published by the Baltimore & Ohio Railroad, which serves us, discloses so many gross inequalities and is so convincing of the utter injustice of the advance proposed that we beg to respectfully ask your honorable commission to issue an order suspending the application of the new tariffs on lumber incorporating the 5 per cent advance until data of a more exhaustive and definite nature can be submitted.

Yours, truly,

UNITED LUMBER CO.,
J. D. COPLAN,
Traffic Manager.

SECURITY WAREHOUSE & ELEVATOR CO.,
St. Louis, Mo., December 27, 1913.

LOUIS D. BRANDEIS,
161 Devonshire Street, Boston, Mass.

DEAR SIR: I am inclosing herewith an article by the writer, which appeared in the St. Louis Times, December 23, 1913, which I believe will interest you, if you will take time to read it. I sent a copy of this to your brother at Louisville, and he suggested my sending you a copy of it, as you are interested in obtaining facts regarding the 5 per cent increase in rates.

Yours, truly,

F. L. WALLACE.

SINGLE-STANDARD RATE BEST WAY OUT OF TANGLE—F. L. WALLACE SAYS IT WOULD DEPRIVE SOME OF SPECIAL PRIVILEGES, BUT WOULD RESULT IN GENERAL GOOD.

One of the great questions agitating the public mind to-day is that of railroad rates. The sufficiency of existing rates to furnish funds with which properly to maintain and operate the railroads of the country is very important, but should not be the only consideration, as their equity between commodities, individuals, and communities is, in fact, of equal, if not greater, importance.

Recent developments, showing gross mismanagement on the part of the railroad officials, have strengthened the public mind in a well-defined opinion that the managements, not the rates, need supervision. Undoubtedly the earnings from some of the rates and divisions now in use are insufficient, many others too high, and all are discriminative in some regard, being unfair either to the railroads, because they are too low, or to some of the public who are adversely affected. At the same time there is no definite relationship existing between the various rates now in use, because the railroads have been for years, and still are, laboring under the false delusion that they must make low rates and extend special privileges to some individual, class, corporation, or community, and to do so they tax some other business or community with an excess of cost to make good their losses on shipments handled on these low rates.

Consider the earnings of any line between certain junction points and compare the revenue as shown on shipments originating in some preferred territory passing over this intermediate line and delivered to some other preferred territory beyond its line with the earnings on like shipments from various other less-favored points of origin and destination when passing over the same intermediate line, as well as with the earnings contemplated on like shipments for local traffic and the divisions of through rates which the many transit and milling in transit privileges authorize when legitimately used and the weakness of the present system will be clearly shown.

Analyzing the evidence given by the railroad officials in the coal-rate case being heard by Commissioner Harlan will clearly indicate the conditions which surround every other set of rates in use by the railroads of the United States. The evidence given by the assistant general freight agent of the Southern Railway, as published in the St. Louis Times, to the effect that their tariffs in some cases show an earning of 3.9 mills per ton-mile and ranging up to 10.92 mills per ton-mile in other cases, brings out strongly the need of a single standard by which to measure the rates to be charged for a specific kind of service. The evidence in this case by the general freight agent of the Mobile & Ohio Railroad indicates that their rates are made not on a basis of the service performed, but for accommodation purposes, showing favoritism as a prime factor used by this company in determining their rates.

The act to regulate commerce is predicated upon a condition which regards neither individuals, localities, nor corporations with special favor, and presumes that the rates now established or to be established have been or will be made with a view of profit to the corporation on each individual shipment and one that is extended to all persons, corporations, and communities in an equal manner. Furthermore, the law contemplates rates based on the long and short haul clause, and this feature of the law should be enforced in every instance, suffering no exception to the rule, for it is manifest that an error in the premise would mean an error in the conclusion, and as there are many exceptions at the present time, the errors have been multiplied and diversified until the whole fabric of rates as now existing is erroneous; and when we contemplate the clerical forces at work compiling and revising these tariffs and the cost of printing and distributing them, together with the labor now necessary in auditing the accounts, we are amazed at the railroads' efforts to maintain the present system.

That justice may be done to the railroads and also to the public, whom they should serve impartially, a single standard or set of rates should be adopted which will supply proper revenue for the railroads, allowing only one set of rates to be operative between any two points and made to comply with the long and short haul clause of the act, this set of rates to be used in connection with a standardized classification and in conjunction with rates of connecting lines to form through rates. Through commercial lines should be formed, consisting of lines operating in the same general direction, in order that a simple system of through rates and routes might be established to cover the whole country.

A single standard does not mean that a specified rate per ton mile would apply in every case, but that each railroad should establish a single set of rates to apply between the extreme points of their line, and framing all the intermediate rates to conform to the long and short haul clause of the law. The rates should furnish sufficient earnings to cover legitimate operating and maintenance expenses and pay fair dividends on the real valuation of the property, and when once established would remain in force indefinitely—probably never would be changed. The only changes that would be made would be in a classification, which in a short time would become so fixed that neither classification nor tariffs need ever be tampered with. The result would be largely reduced cost to the railroads for clerical work, printing and distributing the tariffs, and auditing work, to say nothing of causing many other economies, which would in a short time create a fund sufficient for dividend purposes.

Contemplating these matters, it is evident that a flat raise of 5 or 10 or more per cent in the existing rates would not correct the discriminations now prevailing, and which result in so much justifiable dissatisfaction to the public generally. In fact, a raise of this character would only stimulate the aggrieved interests to renewed opposition.

The adoption of a single standard would deprive some favored interests of their special privileges, but it is manifestly evident that its adoption would result in the greatest good to the greatest number. Traffic moving under this system would follow the course of least resistance, and this simple system would eventually settle the deep-waterway question and in many other ways advance the interests and welfare of the country at large beyond the fondest expectations of our most enthusiastic citizens.

This does not mean the passage of new laws, but simply the enforcement of the law as it now stands.

F. L. WALLACE.

—

9 WEST ELEVENTH STREET,
ATLANTA GA., *January 10, 1914.*

The INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

DEAR SIRS: I desire respectfully to suggest and urge that any increase of freight rates allowed by railroads be conditioned on the absolute compliance by the railroads with the terms of the long and short haul clause of the railroad rate law. Great injustice is now being done many localities by disregard of this clause. With higher freight rates the discrimination will become more pronounced and burdensome.

Yours, truly,

CHARLES H. HENRY.

—

CAMDEN, N. J., *January 26, 1914.*

INTERSTATE COMMERCE COMMISSION.

GENTS: I hardly think it is justice for the railroads to take advantage of the depressing condition of business on account of the changes made in the tariff and ask for an advance in rates at this time. They should be willing to share the misfortunes of the business interest. A graduated increase of rates should be made, if an increase is intended, until such times as the results of the new business condition are known. If an increase is made, are the increases to be used as a basis for issuing a great amount of new obligations or spent for betterments that the railroads claim are essential? The dealer in railroad supplies should be willing to stand the greatest increase in rates.

Yours, truly,

W. J. MCCAUSLAND.

—

BIRMINGHAM, ALA., *January 27, 1914.*

Hon. LOUIS D. BRANDEIS,
Washington, D. C.

DEAR SIR: If all the water was squeezed out of the stock holdings of railroads, there would be no necessity for a 5 per cent increase in freight rates.

The railroads could employ the time they are consuming in their persistence to secure this increase by catching and clothing in stripes the railroad wreckers and soft-water dealers such as wrecked the New York, New Haven & Hartford and the Frisco system of railroads and no doubt many others if the light was turned on.

Respectfully,

GEO. C. KELLEY.

—

2424 SEVENTH AVENUE,
New York, January 27, 1914.

Mr. JAMES S. HARLAN,
Interstate Commerce Commissioner, Washington, D. C.

DEAR SIR: Mr. Edgar W. Dennison has handed me copies of your correspondence, with the request that I write to you regarding the proposed increase in railroad rates. We are opposed to an increase in the rates, for the following reasons:

It will be added to the selling price of food and merchandise transported, thereby putting the burden upon the consumer, the general public.

It is unnecessary, as the railroads can increase their net earnings by increasing the tonnage along their lines without increasing the expense proportionately. You can confirm this if you will secure the reports of Mr. Welsh, of the agricultural department of the New York Central & Hudson River Railroad, to the president of that road, showing where they have done this.

Secretary of Agriculture Houston in a recent speech stated that many of our farms were only producing 12 per cent of what they could produce.

It is therefore obvious that the relief asked for should be obtained by the railroads securing additional tonnage from the soil instead of shifting the burden onto the people.

If I can be of any service to you I will be pleased to render it.

Very truly, yours,

CHAS. WATSON.

—

OMAHA, NEBR., *January 28, 1914.*

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: The evening papers state that Commerce Commission says "railways must charge for all service and stop rebates to lines at plants." Then rates may be raised. It seems to me that railroad rates have reached the limit of excessiveness, unjustness, and even unlawfulness. Based on actual cost, every railroad can be duplicated on a cash building basis, same as all railroads demand for all kinds of transportation. Since the life of your commission and the interstate commerce laws railroads have advanced lumber rates on the average 100 per cent from points of production to points of consumption. For years I had a flat rate of 12 cents per 100 pounds from Louisiana and Texas to many points; the rate reached 26½ cents to same points, and lasted until your commission reduced it to 25 cents, which is the present rate. I requested the commission to reduce to 20 cents, and stated this rate would be excessive and unjust, but the commission thought 25 cents was right. When I was given the 12 cent rate, and during many years, the minimum was 20,000 pounds and the maximum was 24,000 pounds per car, and a train for a single engine was 25 cars, with one engineer, one fireman, one conductor, and usually three brakemen, but now the minimum is 30,000 pounds and the maximum 120,000 pounds or over per car, and a single engine can now haul 50 cars or more of an average of 80,000 pounds per car, with the same train crew. For several years I had a rate from Portland, Oreg., on shingles to all points on the Missouri River from Sioux City to Kansas City, and including these cities, of 40 cents. The limit of capacity was 150,000 6/2 shingles per car, and a loaded train 25 cars; now cars contain from 250,000 to 500,000 6/2 and a loaded train for a single engine is 50 cars or more; so the average tonnage per car is almost four times former tonnage and almost eight times more per train, and the rate for years has been 60 cents to same Missouri River points. The general freight agents told me the 12 cent and the 40 cent rate was profitable to their roads, as lumber and shingles was a clean commodity and did little damage to cars and the only expense was in hauling. If these low rates were profitable for much less tonnage at even greater expense, kindly figure out present profit, based on present rates, tonnage, and expense, compared with former low rates that were profitable. I know of a certain railroad of large mileage whose stock about 15 years ago went begging at 5 cents and 10 cents on the dollar, and for years the same stock has been selling around $1.90 and $2, so figure this profit created by advanced rates while the commission was powerless to act. But now the commission has some authority to reduce excessive and unjust rates, and this they should do without anyone making any complaint. If a policeman sees a person stealing, he does not wait for some one to complain, but acts on the spot, and the commission should do the same. To my knowledge for 50 years railroads have murdered, killed, and injured thousands yearly, because some part of the railroad, including track, bridges, culverts, signals,

switches, crossings, cars, engines, etc., were out of safe repair and known to be unsafe, and also because trains were run beyond a safe speed limit and too close together on a single track. The greatest criminals of the world are our railroads. Railroads for the past 50 years have retained hundreds of millions yearly in unlawful charges of many kinds; and, as the cost of carrying a suit would be more than the claims, shippers permitted railroads to rob them. When the interstate commerce law was passed the Members of Congress thought it would do away with unjust and excessive rates and unlawful charges, but these have been increased since the interstate-commerce law has been in force. It seems to me that the duty of your commission under the law is to regulate excessive and unjust rates and unlawful charges made by lines of rail and water transportation, and to regulate them from your own knowledge. I have about $2,000 of just and lawful claims refused by railroads, but as I thought the railroads would pay, I let the two-year limit pass, and now must prosecute the railroads in our State courts. There should be no time limit of bringing unlawful charges before the commission, as there is no time limit for our Government in arresting criminals; and when a railroad makes an unlawful charge or kills or injures humanity, such railroads are criminals and the offense should never outlaw.

The rates on hundreds of other commodities besides lumber are now excessive and unjust and should be reduced.

The commission should hold a meeting every day for the most good and betterment of all our people.

This is a short letter, but I hope you will read and digest and see the point of intent.

Yours, truly,

H. N. JEWETT.

—

RICHWOOD, W. VA., *November 15, 1913.*

INTERSTATE COMMERCE COMMISSION.

GENTLEMEN: I notice the railroads are asking for an increased freight rate. If everyone is charged as I am, they certainly do not need an increase. On one shipment of toys from Baltimore, amounting to $200, the freight was $12—6 per cent of the cost of the goods; on another shipment from Baltimore of $600 worth of toys, $19—over 3 per cent. Now, we can not get any more for our goods, as I run a 5-cent and 10-cent and 25-cent store.

Very truly, yours,

C. B. CROPP, *Treasurer.*

—

BOSTON, MASS., *May 16, 1913.*

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: It is recorded in the newspapers that the eastern railroads are to apply for permission to increase freight rates 5 per cent.

As one of the 90,000,000 bread winners of this Republic who will be affected by any action you may take, may I be permitted to file my objections to the proposed increase?

We are now in the midst of economic changes, and as these changes become effective it will be clearly evident that present rates are too high. If our railroad officials claim that equipment and maintenance cost more than formerly, they will probably be unable to substantiate the claim, and commodity prices are falling. When normal competitive conditions are restored in the steel and allied trades, lower prices for these items will make it feasible to reduce rates rather than increase them.

I am among those who believe that the United States Steel Corporation will be dissolved and the steel-rail pool forced out of existence. There should then be a saving of one-fourth to one-third in the price of steel rails, and in other articles proportionately. Our railroads will no longer assist in paying dividends on billions of water stock—reported in one case alone to be $800,000,000. Our future prosperity depends on the thoroughness of our readjustment to a cash basis. If you increase rates now, in my opinion, you simply stand in the way of reform, for as long as the burdens of overcapitalization and high finance can be forced on the public reforms are unnecessary. Increased wages may be urged by the railroads as an excuse for higher rates, but it should not be forgotten that recent scales of wages have been established by boards of arbitration, who have considered the question well from the standpoint of the railroads. In a general way wages on our railroads, as in other lines, are unlikely to go higher. Such increases as we have had have simply cut down surplus, and I submit that it is far more to the public interest to distribute these surpluses in this manner and in extra dividends. The railroads may declare their inability to make improvements without increased rates, and the public will be the sufferers. I have never noticed that the railroads were particularly desirous of making improvements. It seems to me that most improvements in service—facilites and safety—have been made under the whip and spur of the law; but if our railroad managers have had a change of heart, and really wish to benefit the public, the remedy is at hand without any increase in rates. When issues of stock are made, let the railroads sell them at the market price, instead of to stockholders under the market. Let them abolish "rights," extra dividends, and "bonuses," and cease trying to compel the public to pay dividends on excessive capitalization, and there will be plenty of money available for improvements.

The present process of readjustment, if allowed to work itself out, will carry us to a cash basis all along the line. Every dollar's worth of security issued will have a real dollar back of it, and it will be as easy to do justice to all concerned then as it is difficult now.

Here in Massachusetts we are unwilling victims of Mellen and his methods. Some sympathy has been expressed for the Boston & Maine. Mellen and his associates have won every battle so far and have been able to carry their measures in the legislature, even though these measures would be beaten 10 to 1 if put to a popular vote.

To advance Boston & Maine freight rates would be simply to play Mellen's game. No advances should be allowed as long as the New York, New Haven & Hartford Railroad controls the Boston & Maine, and then none will be necessary. It would be like putting a plaster over a sore—the sore would still be there and the patient worse off in the end.

I inclose you an editorial clipping from the Boston Transcript. As you are probably aware, this papes is the organ of ultra-conservative and wealthy Bostonians. It is extremely partisan Republican in politics. This is only one of a series of articles recently published in this newspaper.

The story of monopoly in the United States is almost unbelievable. The country is staggering under the enormous load of overcapitalization; our earnings are taken to pay dividends on stock that represents nothing except the unlawful cupidity of the brigands of our railroad, industrial, and financial world. I wish to enter my earnest protest against any action being taken which will help sustain the rotten pyramid created by monopoly, high finance, evasion of the law, and corruption. We must compel the masters of our railroads and our captains of industry to abandon monopoly—reorganize their business on a basis of cash actually invested; and until this readjustment is completed no advance should be allowed, but reductions should be made as fast as possible. I believe that some immediate reductions should be made, such as freight rates on coal.

Your commission has won the everlasting gratitude and esteem of our people for all time; the silent multitude who have no advocate at court, but who nevertheless bear the burdens of our common life. Your just and patriotic action on many occasions has inspired us with hope and confidence in the future of our country.

You have the country solidly behind you in your refusal to allow advances, suspension of proposed increases, and reductions ordered.

With highest regards, I remain,

FREDK. H. JACKSON.

—

[Boston Transcript, Wednesday, May 14, 1913.]

WHO CONTROLS ON BEACON HILL?

Prohibited by the bank commissioner from using his name in support of the railroad rider to the Washburn bill, its champions will attempt to railroad both rider and bill through the house as rapidly as possible, rush it to the senate, and railroad it through that body to the governor with as many Republican and Democratic votes as they can muster. This accomplished, the railroads will have won their fight, for if the governor signs the bill he must approve the rider, which the railroads have declared is the price of their permission to the people of Massachusetts to create a public service commission with mandatory powers. If the governor vetoes the bill because of the rider, as many believe he will, the railroads will be equally content, for they are opposed to a public service commission and are determined to defeat the legislation if they can, or, failing in that, to make it an omnibus for as many concessions as they can pile on in the form of riders.

It is the Republicans on Beacon Hill who must shoulder the full responsibility for the introduction of the railroad rider into the Washburn bill and for its retention. They hold a majority of the two committees which have reported this legislation, and in the house and senate. They pledged to the people of Massachusetts a straight mandatory measure. In the face of this pledge the railroads served notice upon the Republicans that such a measure would be defeated unless it contained sections 15 and 16, commonly known as the "railroad rider." Those sections radically amend the banking laws of the State. They should be considered in a separate bill. That rider was drafted by the railroad officials and tacked on to the Washburn bill in committee. Only one public hearing was held, and the full effect of the rider was not then known. Furthermore, the printed Washburn bill was in the hands of the railroad officials for nearly a month before it was vouchsafed to the public or to the legislature. It is this method of procedure that gave rise in the last presidential campaign to the phrase, "the invisible government."

—

LOUISVILLE, KY., *September 10, 1913.*

Mr. G. B. MCGINTY,
Washington, D. C.

DEAR SIR: We are informed from a recent ruling of the commission that the railroad companies operating in the official classification territory will be permitted to file an application for a general advance of 5 per cent in freight rates, without the formality of filing tariffs. We would suppose that this would interfere with the usual protest privilege, and we would respectfully advise you that the majority of the importers and roasters of coffee would be strongly opposed to any advance in freight rates on coffee. There has been a reasonable advance within the past few years on the rates on coffees. But from the volume of tonnage, loading capacity, etc., the present rates are too high as compared with other articles on the basis of valuation, liability, volume of tonnage, etc.

We trust this matter will have the due consideration of the commission before allowing the railroads to increase their rate of freight on coffee.

Respectfully, yours,

NORTON & CURD CO.

—

NASHVILLE, TENN., *September 11, 1913.*

Mr. G. B. MCGINTY,
Secretary Interstate Commerce Commission,
Riggs Building, Washington, D. C.

DEAR SIR: We have learned from a recent ruling of the commission that railroad companies in the official classification territory will be allowed to file an application for a general advance of 5 per cent in freight rates without the usual formality of filing tariffs. We do not think they should be allowed to do this, for the present rate on coffee, as compared with other commodities, is higher than it should be, and it really should be reduced. This can be easily shown by comparison with analogous articles on basis of valuation, liability, volume of tonnage, loading capacity, etc. We hope very much that the commission will bear these matters in mind when making up their decision.

Yours, very truly,

CHEEK-NEAL COFFEE CO.,
J. O. CHEEK, *President.*

—

PADUCAH BOARD OF TRADE,
Paducah, Ky., September 12, 1913.

Mr. GEO. B. MCGINTY,
Secretary Interstate Commerce Commission,
Washington, D. C.

DEAR SIR: We notice in the recent ruling of the commission that the rail lines operating in official territory will be permitted to file application for general advance of 5 per cent in freight rates without the formality of filing tariffs, as this would interfere with the usual protest privileges, and we will respectfully inform you that the interests represented by this organization are opposed to advance rate on coffee for several reasons, some of which are as follows:

Coffee has borne a reasonable advance for the past eight years; that regardless of tonnage and the nature of the commodity, coffee while carried in the commodity tariff is rated still on fifth-class basis, and that by comparison with analogous articles on the basis of valuation, liability, and volume of tonnage, loading capacity, etc., coffee in our opinion is entitled to an even reduction and is rated on a high basis.

Trusting this will have due consideration of the commission, I remain,

Yours, very truly,

C. W. CRAIG, *Secretary.*

NEW ORLEANS, *September 16, 1913.*

Mr. G. B. MCGINTY,
Secretary Interstate Commerce Commission,
Riggs Building, Washington, D. C.

DEAR SIR: It has come to our attention that a 5 per cent increase in freight rates in the official classification territory will probably be allowed the railroad companies without the formality of filing tariffs and the usual opportunity for the making of any protest regarding any particular commodity.

We are particularly interested in roasted-coffee rates LCL, and we believe that an increase of 5 per cent over the rates now carried would be a hardship upon the shipping public.

Coffee prices to the consumer have already been forced upward, due to advances in the raw commodity, and we know it would be a hardship for the roasters to absorb a universal increase in freight rates.

We trust, therefore, that an exception will be made in the coffee rates, and we believe also that as tea is now taking first-class rate, and in most instances a very high rate at that, a similar exception should be made for said commodity.

The losses to the railroad companies in the matter of roasted coffee packed in cases, as far as our experience shows, are not very large, and we do not believe that, in view of said fact, the proposed rates would be applicable along said lines.

Hoping that due consideration will be given to our protest, we are,

Yours, very truly,

AMERICAN COFFEE CO. OF NEW ORLEANS (LTD.),
W. H. KER, *President.*

—

BOSTON, *September 20, 1913.*

Mr. G. B. MCGINTY,
Secretary Interstate Commerce Commission,
Riggs Building, Washington, D. C.

DEAR SIR: We are informed that the railroad companies operating in the official classification territory will be allowed to file an application for a general advance of 5 per cent for freight rates without the formality of filing tariffs, which action would interfere to some extent with the usual protest privilege, and we wish to submit for your consideration the fact that we are very strongly opposed to an advance in freight rates on coffee.

Investigation of this matter will show that coffee has borne a reasonable advance within the past several years, and that regardless of tonnage or nature of the commondity the coffee while carried on a commodity tariff is rated on fifth class basis. In fact, we consider that in comparison with other articles on a basis of valuation, liability, volume of tonnage, loading capacity, etc., coffee bears too high a rate at the present time, and, in our opinion, this commodity is entitled to a reduction from present rates rather than an advance.

Asking your due consideration of our attitude in the matter, which we consider entirely justified, we are,

Very respectfully, yours,

MARTIN L. HALL CO.

—

CITY CLERK'S OFFICE,
Lowell, Mass., September 26, 1913.

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: I am directed by the municipal council of the city of Lowell to bring to your attention the action of that body relative to the proposed raise in freight rates by the Boston & Maine Railroad.

TRANSCRIPT FROM THE JOURNAL RECORDS OF THE MUNICIPAL COUNCIL SEPTEMBER 22, 1913.

"Voted unanimously that the city clerk be instructed to communicate with the Interstate Commerce Commission and indicate to that honorable body that the municipal council of the city of Lowell is opposed to any increase in freight rates by the Boston & Maine Railroad, as such increase would be an injustice to the Lowell merchants and an imposition on Lowell citizens."

Very respectfully, STEPHEN FLYNN, *City Clerk.*

—

WILLIMANTIC, CONN., *October 23, 1913.*

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: Re coal freight rates. The New York, New Haven & Hartford Railroad has just issued a tariff, effective November 15, 1913, which raises rates on coal from tidewater points to inland stations, of 5 cents per ton in many cases.

We wish to urge you to put this off or suspend it until the general matter of rate raising in New England, which is now in progress, can be settled.

Yours, truly, GEO. S. ELLIOTT, *Coal Dealer.*

—

JEANNETTE, PA., *October 23, 1913.*

INTERSTATE COMMERCE COMMISSION,
Washington D. C.

GENTLEMEN: It has come to our notice that all the eastern lines have a lot of new tariffs ready to advance the freight on bottles on November 15, 1913, and we wish to protest against this advance. There has been no advance in the selling price of bottles, and this change in the tariff will probably work to refute the prices on bottles to some extent, and any increase in freight charges on materials that are used in the manufacture of bottles, or in the bottles themselves, will result disastrously, we are afraid, to the manufacturers. Aside from this, nearly all the contracts for bottles are made in the summer, during the months of July, August, and September, covering the period for the glass year, which ends in July, and as these contracts are all made on the existing freight rates it would not give the manufacturers any chance to protect themselves as regards the selling of their ware, and we know in a great many cases would bring about a condition where the manufacturer would be compelled to operate at a loss.

We trust you will take these reasons into consideration and try to have the rates remain as they are at the present, for it seems we have always paid a very high rate for shipping glassware.

Very respectfully, yours,

JEANNETTE GLASS CO.

—

ROYERSFORD, PA., *October 23, 1913.*

The INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: We understand that the railroad companies are going to advance the freight rates on empty glass bottles.

We shall certainly enter a protest against this, as the freight rates on bottles at the present time in comparison with the selling prices of the bottles is excessive. On shipments in carloads and less, within a radius of 2 to 300 miles, will equal 7 per cent of the price of the bottles. For a greater distance the freight rates will equal 10 per cent of the price of the bottles.

Bottles are heavy and occupy but little space in comparison to weight, while minimum cars on ordinary merchandise would be 28,000 to 30,000 pounds, bottles can be shipped in cars that will run 40,000 to 50,000 pounds.

We hope you will at least retain the old rates and not advance them.

Yours, truly,

DIAMOND GLASS CO.

—

COLUMBUS, OHIO, *October 24, 1913.*

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: Referring to the recently filed tariffs carrying increases in freight charges, on behalf of the above association I beg to direct your attention to one phase of this question of the carriers which I believe is entitled to your consideration.

Coal for steam purposes for use by public authorities, such as municipalities, schools, State institutions, courthouses, and public buildings of all characters, etc., is purchased under competitive bids and for a fixed price, which price is a delivered one, including the freight charges. The delivered price being so specified, there is no provision made for an increase in the freight charges. Such contracts being made on a competitive basis, necessarily make the margin of profit very small, the same oftentimes being but 5 or 10 cents per ton.

As I understand it, the new tariffs now on file with you provide for an increase of 5 per cent per ton, with a minimum of 5 cents per ton on all commodities, including coal. Much of the coal sold under these public contracts is West Virginia coal, the freight rate on which to association points will probably be $2 per ton, which would make the increased freight charge under the new tariffs 10 cents per ton.

If these new rates go into effect during the life of these contracts, the effect of such increased carrying charges upon the contractors will in many cases be disastrous, since the increased freight charge will wipe out the profit, if not in some instances more than cancel this margin.

I understand that there is a stipulation upon the part of the railroads that, though the tariffs on their face become effective November 15 next, they are not to attempt to collect them under your suspension until the question now before you, as to their needs for such increase, has been determined. I assume that the commission will determine this question as speedily as possible, and that some time during the coming winter we may expect these charges to become effective should the commission find in favor of the carriers.

Practically all the public contracts, to which I have referred, expire in the spring time, usually about the 1st of June. It hardly seems fair that the carriers should be permitted, even though it may be shown that they require increased revenues, to put into effect increased rates that would interfere with contracts made upon the faith of existing rates, especially when those existing rates have long been maintained.

I have thus brought to your attention this fact in this informal manner that it may have your consideration. If it is proper this letter may be inserted in the record; otherwise, if you deem it too informal to base any consideration upon this letter, I will, upon suggestion from you, take such other steps as may be necessary to bring this protest formally upon the record.

Respectfully,

MICHIGAN-OHIO-INDIANA COAL ASSOCIATION.
Per B. F. NIGH, *President.*

—

WILCOX, PA., *October 27, 1913.*

Increased tariff.

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: Kindly pardon our unsolicited remarks on the subject of a general increase in railroad freight rates, not only on shipments out but on materials in, by all eastern lines.

The above subject is so vital to our very existence that we can't resist presenting our side of the case, asking that you consider very carefully the conditions of the glass manufacturers generally. There is not a single item in the whole list of raw materials used by the glass manufacturers but what has advanced in price within the last six months. The margin of profit for the finished product is ridiculous when you come to consider the enormous investment necessary to manufacture bottles; the liability to loss, because of the numerous small consumers with whom we are obliged to deal through the mail entirely; the large amount of capital necessary to operate and to store finished ware, in addition to the hazardous operation of manufacturing resulting from the temperatures handled and the number of inflammable materials on hand necessary to the manufacturing of glass.

All of the above statments can be proven to your satisfaction by referring to the reports on capital stock of various glass manufacturers. The writer would venture the assertion that, considering the sum total in the United States, a fine average does not clear a reasonable profit in comparison with the average manufacturer's operation and that of the railroad companies.

Yours, truly, WILCOX GLASS BOTTLE CO.

—

SHEFFIELD, PA., *October 27, 1913.*

Increased tariff.

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: Kindly pardon our unsolicited remarks on the subject of a general increase in railroad freight rates, not only on shipments out but on materials in, by all eastern lines.

The above subject is so vital to our very existence that we can't resist presenting our side of the case, asking that you consider very carefully the conditions of the glass manufacturers generally. There is not a single item in the whole list of raw materials used by the glass manufacturers but what has advanced in price within the last six months. The margin of profit for the finished product is ridiculous when you come to consider the enormous investment necessary to manufacture bottles; the liability to loss, because of the numerous small consumers with whom we are obliged to deal through the mail entirely; the large amount of capital necessary to operate and to store finished ware, in addition to the hazardous operation of manufacturing resulting from

the temperatures handled and number of inflammable materials on hand necessary to the manufacturing of glass.

All of the above statements can be proven to your satisfaction by referring to the reports on capital stock of various glass manufacturers. The writer would venture the assertion that, considering the sum total in the United States, a fine average does not clear a reasonable profit in comparison with the average manufacturer's operation and that of the railroad companies.

Yours, truly,

SHEFFIELD GLASS BOTTLE CO.

GLASSBORO, N. J., *October 27, 1913.*

The INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: We have been advised that the eastern lines have prepared tariffs advancing freight rates an average of about 5 per cent, taking effect November 15.

And we are, of course, informed of the proposition to make a general advance in freight rates of 5 per cent, which is to be considered by you.

We respectfully protest against any such advances, as the same would be injurious to the manufacturers of bottles.

For many years bottles shipped in carloads from eastern points to points between a line from Pittsburgh and Buffalo to the Mississippi River were carried at commodity rates.

In May, 1913, the railroads withdrew this commodity rate and applied class rates which caused an advance of 8 per cent, which we have been paying ever since.

The proposed horizontal advance of 5 per cent applies doubly with bottle manufacturers, covering 5 per cent on their supplies and 5 per cent on their product. The commodity is one of low value per cubic foot or ton, and the 5 per cent advance means an increase of 1 per cent in the cost of the manufactured product, which we can not afford, as the goods are sold on very close margin owing to the severe competition.

But, further, we shall be harmed by any advance at this time, for glass-bottle contracts are closed in August and September covering a period of a year, and we think that fully 80 per cent of the product of all manufacturers have had the price for the year's production up to next September already fixed. There is, therefore, no opportunity to ask the purchaser to pay any portion of this advance in freight.

We therefore sincerely trust that you will consider the position of the glass-bottle manufacturers and refuse to grant the increase.

Yours, truly,

WHITNEY GLASS WORKS,
C. J. YOST, *Secretary.*

MONROE, MICH., *October 27, 1913.*

Mr. G. B. MCGINTY,
Secretary Interstate Commerce Commission,
Washington, D. C.

DEAR SIR: We have received notice from the Michigan railroads of an advance in freight rates to take effect November 15, I. C. C. W. S. 4436, 4437. Kindly advise if you have allowed this advance.

This, as we understand, takes away our lumber or commodity rates and puts us in sixth class, raising our rate in one instance—Bay City to Detroit, Mich.—from 6 cents a hundredweight to 8 cents a hundredweight.

Cedar poles and ties and posts we have always contended should not come under class rate and should be in a lower rate than lumber.

Cedar poles are simply unmanufactured logs with the bark taken off, as are posts. We can not get the number of feet on car as you can lumber, and we should be in a lower class than lumber. Trusting to hear from you at an early date and advising us if this same raise in rate affects dealers in the Upper Peninsula of Michigan, also Wisconsin and Minnesota. If their rates remain the same as has their minimums, we can not compete with them on account of freight rates, and it's liable to put us out of business.

Yours, truly,

W. C. STERLING & SON CO.,
A. C. MAURER.

UNION FOUNDRY CO.,
Anniston, Ala., January 2, 1914.

INTERSTATE COMMERCE COMMISSION.

GENTLEMEN: Why should the railroad yell and beg for increased rates? Just to-day I got a rate on a car pipe (sixth class) to Omaha, $6 per ton; to Grand Island, Nebr., about 100 to 150 miles farther west, $11.90 a ton, or $6 to haul over 800 miles or so and $5.90 to haul 100 to 150 miles.

Every railroad is earning good money on its actual investment, and that is enough. Why should they earn on their water?

The Chicago, Milwaukee & St. Paul and Chicago & North Western have raised their rates from Aberdeen, S. Dak., points to Wisconsin points over 50 per cent the last eight years—always quietly. Darn them, they have been hogs so long that, like bankers, hate to get under control.

Yours,

HENRY A. FOLGER.

OVERLAND, MO., *January 3, 1914.*

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: Referring to the resolution of the Illinois Manufacturers' Association, in which, according to this morning's newspapers, it recommends to your honorable body that the roads be permitted to increase their freights by 5 per cent:

I hope, gentlemen, you will not allow this resolution and similar ones to influence you in the least. While the members of the above association are also consumers—the same as the writer—any increase in freight rates will be added by them to the price of goods.

It will not be absorbed by them. I am sure of this. There is, moreover, a probability that instead of increasing the price of goods to the consumer merely to the extent of 5 per cent, the manufacturers, wholesalers, and retail dealers will feel it is an opportune time for each to add a little to the price.

Who is being hit hardest by this continual advance in the prices of necessities of life? Not the manufacturer, not the wholesaler, not the jobber, not the retail dealer, not those members of well-organized labor unions, but the millions of laboring men earning from $1.75 to $2.50 and $3 per day and their families.

It is a difficult problem you have to solve, gentlemen. May God help you to do it.

Yours, very respectfully,

H. H. KLAUS,
Route 28, Box 28 A, Overland, Mo.

ST. LOUIS, *January 3, 1914.*

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: We understand the railroads of the trunk line and C. F. A. territories have petitioned you for permission to increase both commodity and class freight rates 5 per cent. We learn that hearings have been held, but a recess has been taken, and hearings will be resumed on January 10.

We import, in a large way, tea waste or sweepings, which is a crude material used in the manufacture of caffeine. This material is packed in bags of about 100 pounds each and has a value of from 2½ to 4 cents per pound. At the present time there is a commodity rate of 22½ cents from New York or Boston, 20½ cents from Philadelphia, and 19½ cents from Newport News. The rate from Boston was increased from 20½ cents to 22½ cents, effective January 1, in compliance with your order.

We receive about 80 cars per year, a carload minimum being 30,000 pounds. The cars are loaded at steamship's side and come through to St. Louis without breaking bulk or being rehandled. Any increase in the rate in this commodity would be a great hardship on us, in view of the fact that we are the only inland importers and users of these goods, the other manufacturers being located in New Jersey, practically on the seaboard, and any increase in rate would put us to further disadvantage in competing with these other manufacturers. Further, the character of the goods, the low value, and the fact that they are a crude material used only in manufacture, should, we think, receive special consideration.

We trust that you will give this protest due consideration in your final conclusion on the petition of the railroads.

Yours, respectfully,

MONSANTO CHEMICAL WORKS.
W. R. PHUNISTER.

WARNER MOORE & CO.,
Richmond, Va., January 14, 1914.

Mr. LOUIS D. BRANDEIS,
Special Counsel Interstate Commerce Commission,
Washington, D. C.

DEAR SIR: Appropos of the proposed advance of freight rates by the railroad companies.

It is a matter of small mathematics to advance freight rates on a horizontal scale as proposed by the railroad people, and if this method is allowed by the Interstate Commerce Commission, it would doubtless add very largely to the much-needed revenues of the railroad companies, but in doing so, under the present arrangement of classifications in freight rates, it would be harmful to the public. There is no question but that a great many freight rates are too low and also there are a great many freight rates too high. However, it must be remembered that the present rates came into existence by a slow process, and to disturb them without having some fixed method for revision, but merely arbitrarily advancing the rates, would tend to cause confusion and demoralize business. The "rule of thumb" has been applied to such an extent by the railroad people that present methods of rate construction has loaded up tariffs with all sorts of inconsistencies and incongruities, and it is therefore a question whether the public should ask a 5 per cent reduction or the carriers for a 5 per cent advance.

In making a freight tariff, the first thing to be considered is classification, and rates should be made to fit the classification and not the classification to fit the rates. The latter is in violation of all principles of rate construction. When the proposed uniform classification has become an assured fact, the rate adjustment will follow as a natural sequence. Classification is intended as a discrimination in the character and quality of the goods carried. The quality of merchandise is to be considered by the carrier as much so as by the manufacturer and the merchant. If a classification is properly constructed, the following are the leading factors: Weight, bulk, and value, expressed or understood, because railroads are insurers as well as carriers, and the value is to determine adjustment in the case of loss and damage. When a classification is constructed on this basis there is no reason why rice can not be transported in Pennsylvania at the same freight rates as in South Carolina or cotton in Illinois as in Georgia; in short, the same method to be applied in classification and rate construction over the entire country. It will not be very long before the railroads will find out that they will have to adopt the zone basis, such as is now used by the Post Office Department on parcel-post business. However, the zone basis has its limitations for constructing freight rates on account of deep-water points and other competitive conditions. When this whole matter is considered as a unit and thoroughly thrashed out, it will be found impracticable to advance rates so long as the present classifications are in force without doing serious injury to the general business of the country.

I am merely giving you an outline now of the situation and leave the matter in your hands to work out the detail. With respect, I am,

Yours, very truly,

J. S. POTTS.

HARTLETON, PA., *January 19, 1914.*

Hon. LOUIS D. BRANDEIS.

DEAR SIR: In regard to the matter of the application of the railroads for permission to add 5 per cent to their freight rates, I will say that I paid the Pennsylvania Railroad Co. $73.92 on August 9, 1913, for freight on a carload of slate from Slatington, Pa., to Mifflinburg, Pa., a distance of about 100 miles. If you wish it, I will send the freight bill, check, etc.

Instead of getting an advance on their rates, the same should be reduced. A few trips made by that freight car at that rate would pay the first cost of the car.

Hoping you will be successful in defeating this increase of freight rates, I am,

Very truly, yours,

CALVIN M. HAYES.

THE ONTARIO PAPER CO. (LTD.),
Chicago Office, January 6, 1914.

Mr. JAMES S. HARLAN,
The Interstate Commerce Commission, Washington, D. C.

DEAR MR. HARLAN: I inclose a short letter of protest against our present railroad rate and against any raise upon the same. This little letter appears to me to be conclusive, but of course, I am prepared to amplify it as much as desired.

Very truly, yours,

ROBERT R. MCCORNISH.

[Inclosure.]

THE ONTARIO PAPER CO. (LTD.),
Chicago Office, January 5, 1914.

The INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

SIRS: The Ontario Paper Co. (Ltd.), hereby enters its protest, first, against any increase of the present rate on news print paper of 15 cents per 100 pounds from Thorold, Ontario, to Chicago, Ill.; second, against said existing rate of 15 cents per 100 pounds between said points on the grounds that the existing rate itself is unreasonable and discriminatory and any increase would impose an additional burden on this company.

The facts are as follows:

The Ontario Paper Co. (Ltd.) is a corporation organized under the laws of the Province of Ontario. Its mills, manufacturing news print paper, are located at Thorold, Ontario, on the Welland division of the Grand Trunk Railway system, about 7 miles west of Niagara Falls, N. Y. The average output of the mills will be between 100 and 120 tons of paper per day. Practically the entire output is and will be shipped to the Chicago Tribune, of Chicago, Ill. The present rate on news print paper from Thorold, Ontario, to Chicago, Ill., via the Grand Trunk Railway system, is 15 cents per 100 pounds on a carload minimum of 36,000 pounds. The distance between said points is about 515 miles.

In entering our protest we wish to emphasize the following facts:

First. The rate on news print paper via Grand Trunk Railway from Portland, Me., and mills in its vicinity to Chicago, Ill., is 18 cents per 100 pounds. The distance between these points is about 1,137 miles, or over 600 miles more than our mill to Chicago. Notwithstanding that the distance is more than twice as great, the difference between our rate and the Portland rate is only 3 cents per 100 pounds. This rate of 18 cents also applies to Chicago from mills in the Province of Quebec, where the distance is approximately the same as from Portland.

Second. Aside from our mills, the quantity of paper shipped to Chicago from other mills in this territory is insignificant. Most of the paper shipped to Chicago from the East comes from the mills in eastern New England and Quebec under the 18-cent rate. The reason seems to be clear. The present 15-cent rate from this territory, which embraces Niagara Falls, Buffalo, and central and western New York, operates as a discrimination in favor of the mills further east.

It is our belief that this situation may be attributed to the International Paper Co., owning mills in eastern New England, from which they find it more profitable to ship their paper to Chicago while they use their mill at Niagara Falls to supply orders in Indianapolis, a more expensive haul for the railroads than the haul to Chicago, where their rate is 13 cents, or Cleveland, where their rate is 8 cents, or Buffalo, where their rate is 5 cents.

Third. Cars of paper are switched from our mill to Merritton, Ontario, a distance of 3 or 4 miles, where they are put into trains for Chicago. Thus Thorold and Merritton are practically the same. The rate from Merritton to Chicago, via Grand Trunk, on other kinds of paper, such as roofing and building paper, is 12½ cents per 100 pounds. These papers load the same or lighter than news print paper, still they receive a rate 2½ cents lower than the rate on news print paper.

The figures and data relative to paper rates are too voluminous for the purposes of a letter, but we believe the above outline of the salient features of our rate situation at Thorold will convince you that we are subject to an unjust rate which should itself be reduced, and that the proposed 5 per cent increase asked by the Grand Trunk Railway would be adding to an existing hardship.

Very truly, yours,

ROBERT R. MCCORMICK.

HOLYOKE BOARD OF TRADE,
Holyoke, Mass., January 8, 1914.

Honorable INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: Referring to the petition of the railroads for a 5 per cent increase in freight rates in official classification territory, please be advised that at a meeting of the board of directors of the Holyoke Board of Trade on December 31 it was voted unanimously to enter a protest against this petition, as conditions in New England did not seem to warrant the proposed increase.

Respectfully, yours,

ELWYN L. TABER,
Secretary.

NATIONAL LEAGUE OF COMMISSION MERCHANTS
OF THE UNITED STATES,
PHILADELPHIA BRANCH,
Philadelphia, January 10, 1914.

The INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: On December 10, 1913, the Chicago Branch League of Produce Commission Merchants filed with you a letter of protest against advanced rates, of which inclosed please find copy. We, the Philadelphia Branch League, heartily indorse their action, as we are laboring under the same conditions to a certain extent and hope the advance will not prevail until we have an opportunity of presenting our case before your honorable body.

Yours, very truly,

ROBERT MCCAULLEY, *Chairman.*
ROBERT MCCAULLEY,
B. A. HEADLEY,
S. A. TOWNSEND,
J. E. HENDRICKSON,
Transportation Committee.

NATIONAL LEAGUE OF COMMISSION MERCHANTS
OF THE UNITED STATES,
Chicago, January 10, 1914.

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: In the matter of the advance of rates by the railroads, now under investigation by your commission, we desire to submit the following for your consideration.

Following the formal denial of an application by the railways for an advance in rates, the railroads leading out of the city lengthened their schedule of time to the north, northwest, and western tributary markets from this city. For instance, the schedule of time from Chicago to Omaha and St. Paul had been for many years a second morning delivery. This was lengthened to such an extent as to make it a third morning delivery.

As this was practically prohibitive for the interchange of business on perishable commodities, the members of this trade entered a protest, assuming that the action was a retaliatory measure. It was claimed by the railroads, however, that it was a forced action by reason of the necessity of economy, and our protest was overruled and the slower schedule maintained.

The result has been that it has practically destroyed this branch of commerce on perishable commodities, such as fruit and vegetables.

The old schedule of time with the present standard equipment of refrigerator-car service was eminently satisfactory to the trade, and allowed a distribution from an oversupplied market and a relief of scarcity and higher values in the other markets and territory tributary to it. This valuable assistance to commerce and aid to both the producer and consumer has been practically destroyed in the territory affected by this lengthened schedule.

Regardless of the cause of this action by the railroads, whether retaliatory or for economy, we submit the contention that it is entirely out of harmony with progress of the times, it is progressing backward. It creates a precedent, the serious effects of which would be enormous if followed in sequence. We claim it is un-American, out of sympathy with the progress of this Nation and detrimental to the interests of the public at large, and even to the best interests of the railroads themselves.

Irrespective of whether, in the wisdom of your honorable body, the advance in rates should be denied or granted, we ask that this particular schedule and service above referred to be changed to conform to the old and satisfactory one used, becoming mandatory in the event of the advanced rates being granted.

May we ask your earnest consideration of the above?

Respectfully, yours,

THE CHICAGO BRANCH OF THE NATIONAL LEAGUE OF COMMISSION MERCHANTS OF THE UNITED STATES.
By R. J. COYNE, *President.*
P. D. KONOLD, *Secretary.*
F. E. WAGNER,
J. W. SHAFTON,
J. L. OWEN,
Committee on Transportation.

MOUNT UNION, PA., *January 10, 1914.*

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: We want to place ourselves on record as being opposed to a grant of higher freight rates to the eastern railroads. An increase of freight rates does not add anything to the wealth of the country. It is merely "robbing Peter to pay Paul."

American manufacturers are keenly fighting for an extension in the world's markets and every slight advance of freight rates means relatively harder fight to widen this area.

Compared with a lot of small manufacturers, the railroads have not yet learned many principles of economy. A lot of us could soon get rich off what they indifferently waste.

Yours, truly,

MOUNT UNION TANNING & EXTRACT CO.,
EDWARD M. GREENE, *President.*

PENNSYLVANIA GLASS SAND CO.,
Lewistown, Pa., February 19, 1914.

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: Believing that your action in the suspension of the advance of rates until next September, 1914, was entirely correct.

We further think that any general advance of rates, irrespective of conditions, would be an injury to us, as well as a "boomerang" to the railroad company itself. We wish to congratulate you on your actions, and believe you are entirely justifiable.

Yours, very truly,

S. S. WOODS.

ELGIN, ILL., *February 26, 1914.*

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: I have read your communication of February 19, 1914, "the rate-advance case," very carefully, and give you my humble opinion: (*a*) The present revenues are adequate if (*b*) supplemented by charging the proper amount for all services rendered. No special privileges of any kind, viz, passes, free baggage, free transportation for large children, spotting cars, free lighterage, switching, and placing cars for loading or unloading in private yards, free storage, etc.. Why in the name of common sense, justice, and equity should railways render this service for nothing?

Five per cent freight raise would simply mean those that do the paying now would pay more. The labor unions would get it anyhow.

If railroad service would be more efficient, the big salaries of fellows that do not earn it eliminated, the watered stocks wiped out, a reasonable dividend and a surplus would be honestly earned. If they do not mend their ways, they will go broke; they can not borrow all the time.

Yours, very respectfully,

FRED SAUER.

HARDWICK, VT., *February 26, 1914.*

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: In connection with the hearing to be held before your commission on February 28 relative to the general subject of the 5 per cent increase proposed by the line carriers in the present commodity and class rates affecting shipments of granite, we wish to voice our objections to the proposed increases.

First, our heaviest shipments consist of building granite, which takes sixth-class rate in official-classification territory. Raising the sixth-class rate arbitrarily 5 per cent will disturb the relation of the sixth-class rates to the other classes and destroy the present rate adjustment that applies in official-classification territory. If any increase is allowed the roads, it seems to us, it should be based on a fixed percentage added to the first-class rate and then the other classes re-

adjusted, so as not to disturb their present relations as fixed percentages of first-class rate.

Second, we believe the building granite industry of New England can not prosper under a 5 per cent increase in freight rate. Building granite fights for its market under severe competitive conditions, and in view of the low risk of damage to the material in transit and the large volume of business that can result to the carriers through reasonable rates, we do not believe the carriers are justified in an arbitrary 5 per cent advance in the cost of reaching our markets.

The granite and marble industries are the largest industries in Vermont, and any increase in the cost of reaching their markets is a direct burden on the prosperity of Vermont. The granite deposits in Vermont are practically inexhaustible and should furnish an increasing and permanent volume of business to the line carriers. Granite weighs approximately 175 pounds per cubic foot, loads closely to the full capacity of the car, is of low value, from 30 cents to $3 per cubic foot when intended for exterior building purposes, and is a desirable commodity for the carriers to transport.

Vermont granite is especially limited as to territory in which it can find a market for building purposes. On the north is Canada, from which we are practically excluded by the tariff law. To the east, New Hampshire and Maine have their own granite resources, while the remainder of New England is easily accessible by boat from the coast quarries of Maine and Massachusetts. The same is true of the entire Atlantic coast line south. So that Vermont produce must seek its market in official-classification territory to the west Central Freight Association territory and the States beyond the Mississippi.

Owing to the weight of granite, the freight rate already plays a very important part in its market value, and a 5 per cent freight increase would mean a heavy increase in the selling price of granite for building purposes, and we fear a still further restriction in the markets open to Vermont.

Third, there is no guarantee that the 5 per cent increase, if allowed, will result in better railroad management and real benefit to the shipping or consuming public by elimnating the wastes in their methods of handling freight and the reckless methods of financing many of the carriers have adopted, and the necessity for an increase could be largely, if not wholly, done away with.

Yours, truly,

WOODBURY GRANITE CO.

—

PITTSBURGH, PA., *February 26, 1914.*

To the HONORABLE MEMBERS OF THE
INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: Referring to the question of a general advance of 5 per cent in freight rates, would say that while we do not absolutely protest against this advance we do protest against the advance being made without giving the manufacturers a reasonable notice, say, six months at least, as most manufacturers are compelled to sell their products delivered at buyer's mills, and invariably the order books of manufacturers run from four to six months for future delivery. Should a freight advance at any time be declared on sight, or even 30 days, you can naturally see it places a hardship on manufacturers who have booked orders, and we hereby protest against any sight advance in freight rates, and claim that all freight rates advances should be preceded by at least three months' notice.

Yours, very truly,

THE MARSHALL FOUNDRY CO.,
GEORGE L. BROWN, *Secretary.*

—

INDIANAPOLIS, IND., *February 25, 1914.*

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: We are in receipt of your printed notice, dated February 19, 1914, in the matter of the rate advance case, also as to hearings on the commission's inquiry regarding the practices of carriers in rendering certain services as listed by Nos. 1 to 7, inclusive in your notice.

Referring first to the questions:

(a) Are the present revenues of the carriers adequate?

(b) If not, how may they be supplemented?

And replying we respectfully beg to state:

(a) We believe that the present level of rates in official classification territory yield to the railroads sufficient and adequate revenues if properly conserved. This seems to be amply demonstrated by the highly prosperous financial showings made by a number of representative and typical railroads operating in the territory embraced in the inquiry that were prudently constructed and have been efficiently managed. Other carriers operating in the same territory, participating in the same traffic, at the same rates, can not rightfully attribute their unfavorable circumstances and financial conditions to the alleged insufficiency of rates.

On intrastate traffic in Indiana the class rates now charged range from 150 to 200 per cent and over of the rates charged by the same roads in Ohio for similar services on hauls under 80 miles, and surely these carriers should be required to equalize their rates as between the two localities before seeking to further aggravate the injustice of the existing disproportionate relation of rates in Indiana and Ohio. The inclosures will throw some light on our local rate situation in Indiana.

(b) By greater efficiency and economies in the management of their affairs, there being a widespread belief that excessive prices are being paid for rails, rolling stock, and other instrumentalities, also that unnecessary and unprofitable passenger train service prevents a more profitable operation of freight transportation. The remedy for the present distress of carriers, in our opinion, is not to be found in this proposed increase in rates.

As to the subjects:

1. Trap or ferry-car service.
2. Placing cars for loading or unloading on sidings serving industries.
3. Free lighterage.
4. Tunnel deliveries in Chicago.
5. Storage free and at unremunerative rates.
6. Reconsignments and diversions in transit.
7. Free holding of equipment under load at New York terminals beyond the customary free time allowed at other terminals.

We will have a representative present at the hearings in Washington February 27 and 28, to give information concerning these matters at Indianapolis.

Very respectfully,

INDIANAPOLIS CHAMBER OF COMMERCE.

CAMDEN, N. J., *March 20, 1914.*

INTERSTATE COMMERCE COMMISSION.

GENTLEMEN: The trying experience to arrive at what is just to both the people and the railroad interest in deciding the rate question is fully realized by the people of this country. On account of the tariff changes the reduction in the price of iron and steel material is estimated at $7.50 per ton less than last year. It is essential to make reduction of this kind to avoid competition with foreign countries. The United States Steel Trust produces over a million tons a month of manufactured iron and steel products. This would mean $90,000,000 less for their goods than a year ago. This is only one concern. The concerns like the American Locomotive, Baldwin Locomotive, Car Foundry Steel Spring Co., and numerous other concerns that furnish railroad equipments all reduce the cost of operations of the railroads. The tariff was enacted for that purpose. The benefits of these reductions should be considered in the interests of the people. If the railroads are going to have the benefits of increased rates and reductions in the cost of material used, which will amount to more than double the increase in freight rates, it will be an unjust punishment inflicted upon the people. The record of the earnings of these various corporations and the enormous surplus of earnings has done more to injure the financial conditions of the railroads than most any other cause. A great amount of the securities issued represent no value to these corporations.

Yours, truly,

WM. J. MCCAUSLAND.

—

HANKINSON, N. DAK., *March 21, 1914.*

Hon. C. B. MCGINTY,
Secretary of Interstate Commerce Commission,
Washington, D. C.

DEAR SIR: Our attention has been called to the proposed advance in freight rate by the railroads. We understand that this question is now before you and we wish to enter a protest against any general advance in this section.

From our own experience we find that the railroads are receiving far more in this section than in any other, volume of business and expense of operation considered. We find that the freight rates in nearly every case are more from Minneapolis to Hankinson, a distance of 216 miles, than on the same article from Chicago to Minneapolis, a distance of over 400 miles. If there is any further information that we can furnish you, please call on us.

Yours, truly,

S. P. IRELAND & SONS CO.,
By R. L. IRELAND, *Secretary.*

—

HANNAH, N. DAK., *March 21, 1914.*

Hon. G. B. MCGINTY,
Secretary Interstate Commerce Commission, Washington, D. C.

DEAR SIR: In the matter of raising rates on all kinds of products, and also for the charging of a fee for switching or spotting cars on a special or private track, as you are well aware of, the railroad tariffs are far in excess of what they should be at the present time on lots of articles. Take cement from Duluth or Superior here; the rate is 26 cents per hundred. The coal rate is $2.65 on soft coal and $2.75 on hard coal, and yet the wheat rate is plenty high enough, which is 13 cents per hundred. Last fall the Great Northern Railway Co. lowered the rate on coal into Grand Forks to equal the rate into East Grand Forks—30 cents per ton—but they did not lower the rate any further than there. Now, in my opinion, if they had a right to and could afford to lower the rate there 30 cents per ton, why could they not make the same reduction all the way through the State? My opinion is that if coal could be hauled into Grand Forks at a reduction of 30 cents per ton, we are entitled to the same reduction and a right to a refund of 30 cents per ton on all coal hauled since the Grand Forks rate took effect, which was November 1, 1913. I would also state that the classification of freight is not right, and I base my claim on the following. Take for instance: If we wanted to get part of a car of millwork and the balance building and roofing paper, now we can not get a car rate on this, but are obliged to pay both the local rates, no matter if there was weight enough to make a car. This is only two of the many articles that come under this so-called classification of the tariffs. Now, take the lumber rate into consideration. The coast rate here is 40 cents per hundred, or about $9 per thousand feet of lumber. The shingle or cedar rate is 50 cents per hundred. These rates are both far in excess of what they should be. Take, for instance, a car of lumber weighing 60,000 pounds; the freight is $240, while the actual expense is less than $100 for hauling, and figuring good interest on the car and its share of stock or investment. Now, again, if they can haul one kind of lumber at a 40-cent rate, why can not the mixed car of lumber and shingles, weighing the same, be hauled for the same money, instead of the shipper having to make an affidavit to the amount of shingles or cedar siding in the car? I think that the railroads have gone about far enough in classifying and making high rates, and it is due time that the Interstate Commerce Commission put a stop to and equalize some of the excess rates. I thank you.

Yours, very truly,

ALFRED E. PRIOR.

—

LAKE PARK, MINN., *March 21, 1914.*

Hon. G. B. MCGINTY,
Secretary, Washington, D. C.

DEAR SIR: We hereby protest against any increase in railroad tariffs on grain and coal, as we believe from tariffs published that the railroads of the Northwest are receiving adequate remuneration, according to their published gross and net earnings and dividends declared. We believe increasing those tariffs would be working an injury to the producer and consumer only, at the same time inviting more foreign capital into railroad investments. We are of the opinion there is enough of such capital already invested in this country at present.

Yours, truly,

LAKE PARK FARMERS' ELEVATOR CO.,
By A. L. DOEG, *Manager.*

One hundred and fifty producers strong.

—

LAKE CHARLES, LA., *March 23, 1914.*

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: This association, incorporated under the laws of Louisiana, and having as members the greater majority of the retail furniture

dealers of this State, ask your honorable body to refuse to grant the eastern railroads the increase asked for on shipments moving into territory covered by the western classification. We contend that they are amply paid for the service rendered, especially as far as applies to our particular line of commodities, both in carloads and less than carloads, to the common points on the west side of the Mississippi River, which you can readily see by glancing at said classification.

On carload shipments the minimum weight is materially increased after passing the river points, so that this greatly affects the rates, not only from such river points, but applies from point of shipment, wherever that may be. For instance, on a car of common furniture from an eastern point takes 12,000-pound minimum on a 36-foot car to river point, and to a western point this same car takes a 20,000-pound minimum, while the weight may not go over the first mentioned.

We sincerely hope that your careful investigation on the claims made by the railroads in question will justify you in refusing to grant the advances prayed for.

Thanking you for your consideration of this petition, and trusting we may receive a favorable reply, we are,

Yours, very truly,

RETAIL FURNITURE DEALERS' ASSOCIATION,
W. H. BOOTH, *President.*
A. A. STILLMAN, *Secretary.*

—

REDDING, IOWA, *March 23, 1914.*

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: I understand that there is a question before your honorable body looking toward a raise in all freight rates with an extra charge for spotting all cars. Now, gentlemen, it seems to me that our freights are painfully high as they now stand, and I wish to register a protest against anything being added to our already heavy burden.

We buy our Illinois coal for $1.50 and $2 per ton at the mines and railroads charge us $2.50 per ton to deliver it to us here at Redding, while they will carry it on to Omaha for the same rate. Please investigate this matter carefully before allowing any advance in freight rates.

Yours, very truly,

W. F. BERNARD.

—

PARKER BOILER CO.,
Philadelphia, November 25, 1913.

Hon. C. A. PROUTY,
Interstate Commerce Commission,
Washington, D. C.

DEAR SIR: I was an interested listener at the freight-rate hearing yesterday for a short time, and it occurred to me as a boiler manufacturer and small shipper that freight rates are of far less importance to the small business man than to have business go along steadily so that he can secure orders.

I noted the following plea of Mr. Willard:

"There is at this time no more important question for the people, nor one a correct solution of which will do more to stimulate healthy commercial activity and promote industrial growth."

The Philadelphia Ledger in the morning made the same plea in an editorial and also printed a statement by Mr. Alba B. Johnson, president of the Baldwin Locomotive Works, to the effect that they would probably have to lay off 3,000 or 4,000 employees at the beginning of the new year unless the increase is granted.

It seems to me that if in order to keep business going the Government must give way to the big business men, who control the railroads, regulation in the interest of the small shipper is substantially a failure. If the financiers who control the railroads fail to advance the financial assistance necessary to purchase needed equipment, and if large firms are thereby compelled to lay off large numbers of workmen, there is little hope for the small business man. The "big fellows" can take care of themselves by keeping their capital idle until more favorable conditions arise, when they can recoup any loss in interest or dividends by judicious investments when the flow of business has ebbed to the limit and the tide begins to turn.

Has it not been the expressed policy of the financiers in control to increase the stock issues sufficiently to keep down dividends?

It has been intimated that Government ownership of the railroads will ensue if the increase is not granted, and that it would be a fearsome thing. Would not the Government be in a better position to place orders for equipment during dull business periods and curtail their expenditures during boom periods, and would not this "steady" business more effectively than is now being done by those in control of the railroads? Would it not be better for the Baldwin Locomotive Works to employ 15,000 men steadily than to vary from five to thirty thousand?

It is generally conceded that giving to the poor, without requiring some corresponding service, increases their dependence.

Suppose the increase enables the railroads to pay dividends on the present volume of business, what assurance is there against a further decrease in the volume of business?

If the increase is granted, will the financiers who have control of the purse strings advance the funds to provide for betterments and purchase sufficient equipment to start business moving?

Yours, very truly,

J. C. PARKER.

—

UTICA, N. Y., *May 25, 1914.*

To the INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: In regard to the advance in class and commodity freight rates, applying in the official-classification territory covering all points east of the Indiana-Illinois State line, north of the Ohio and Potomac Rivers, and, as I understand it, there is also proposed an advance in rates to Quincy, Ill., on the same basis as the upper Mississippi River crossing rates, instead of the St. Louis, Mo., basis, I wish to say that I think the advance is unwarranted.

I respectfully ask that the Interstate Commerce Commission delay the proposed advances from becoming effective at least a sufficient length of time that shippers into this territory may be heard on the matter.

I am sure you will see the fairness of giving the shippers a hearing before granting the advance.

Thanking you for your consideration of this matter, I am,

Very truly, yours,

W. H. FITCHARD.

CANTON, OHIO, *April 25, 1914.*

CHAIRMAN INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

DEAR SIR: We wish to protest against any further advance in freight rates. Illustrating the advance that has already taken place in the shipment of our product, please note the present rates as compared with those in existence January, 1899, which indicates the very healthy advance that has already taken place during this period.

Comparative statement of freight rates on axles Feb. 25, 1914.

Canton to—		January, 1899.	February, 1914.	Increase.
		Cents.	*Cents.*	*Per cent.*
South Bend	carload	11½	14½	$0.26
Chicago	less carload	15	18	.20
South Bend	do	14½	17	.173
Baltimore	do	18	20½	.14
Moline	do	25½	30½	.19
Cleveland	do	5	6½	.30

Within the same period the railroads have been relieved of the great burden of free transportation, have secured many changes in classification, which is another way of advancing freight rates, and, in addition to this, the railroads have back of them Uncle Sam, to prevent secret rate cutting, a condition which formerly contributed more to reduced earnings than any other one cause. If the railroads are not able to show satisfactory earnings on the present rates of freight, the redress should be through economy in operation rather than an advance in their freight terms, this is the plan adopted by other business men in hard times. Why not with the railroads?

To well-established roads the continuation of present freight rates, under present conditions, might temporarily affect stock values, or, for the time being, reduce dividends, but it hardly seems likely that the result would go any further than this, such as forcing them into the hands of a receiver, etc.

Respectfully submitted.

Yours, very truly,

CLEVELAND AXLE MFG. COMPANY,
GEO. A. LAUGHLIN, *President.*

—

BATTERY PARK HOTEL,
Asheville, N. C., December 1, 1913.

CHAIRMAN INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

MY DEAR SIR: As one of the general public I should like to ask why should not the railroads help themselves before calling on the shippers and the public to aid them in the matter of freight rates? Why should not the railroads first be compelled to cut off all parasitical growths, beginning with the Pullman Co.? Why not be compelled to do as the St. Paul is doing voluntarily, viz, to build their own sleeping coaches and keep extortionate profits in their own treasury? Why should the railroads be robbed and the public called upon to make good the deficiency?

Yours, very respectfully, HENRY STEWART.

—

ELGIN, ILL., *December 15, 1913.*

Mr. LOUIS D. BRANDEIS,
Washington, D. C.

DEAR SIR: Going to Chicago last week, I noticed at the station three women taking the same train and the same car. One woman, apparently the mother, and a girl almost as big as the mother traveled on one ticket. The girl, almost as heavy, occupied one seat to Chicago. The other woman had a boy with her big enough to shave, occupying one seat same as the mother, the two traveling on one ticket. The third woman, living in this town, traveled alone, having two large trunks; this means the railroad company has to handle 150 pounds for nothing—at an actual loss—made more trouble than a passenger paying his fare. If this is not mismanagement I should like to know what is. The loss and actual expense connected with it amounts to millions.

Common sense and justice demand that the railroads should have compensation of at least one-half fare for children occupying a seat, and should charge for every pound of package.

The German state railways do it and nobody seems to kick. Why should a passenger carrying a little satchel help to pay for the other fellow's big trunks.

Pardon my writing to you.

Very respectfully, yours, FRED SAUER.

—

SECURITY WAREHOUSE & ELEVATOR CO.,
St. Louis, Mo., December 13, 1913.

JAMES S. HARLAN,
Commissioner Interstate Commerce Commission,
Jefferson Hotel, St. Louis, Mo.

DEAR SIR: The great question before your commission at this time is the application of the eastern railroads for a 5 per cent increase in the present rates.

That the cost of operating and maintaining the various systems has increased is supported by a mass of evidence on the part of the railroads, which generally speaking, may be admitted as a fact, and that the railroads are entitled to sufficient revenue to maintain and operate their several systems in a first-class manner, and to pay reasonable dividends to the stockholders on the real value of the properties is also conceded, but a deficit is not an evidence that increased earnings are necessary, or that they should be obtained by a flat raise of 5 or more per cent in the present rates.

Recent exposures of mismanagement by railroad officials have strengthened the public in a well-defined opinion that it is the managements more than the rates that need supervision and revision, furthermore, the daily experiences of the shipping public furnish many evidences of discrimination which strengthen their determination to oppose legislation or permission to continue a system which is unjust. It is evident that while the law contemplates sufficient earnings as stated above, it does not authorize the collection of funds for such high financing operations as have recently developed, or to maintain waste-

ful or inefficient managements. The law also guarantees to each individual, class, corporation, and community the services of the railroad in an equal manner, allowing neither prejudice nor favoritism to find a place in their application.

Within the past few years the writer has shown the traffic officials of the Wabash Railroad where they were paying out thousands of dollars unnecessarily. The fault has not been corrected, and yet this same management is appealing to the commission for more money for operating purposes. The public does not know all the details of railroad management, but may reasonably conclude that the net results may be fairly calculated by the manner in which the less important details are handled. It has been clear to the writer for many years that the rate-making system in vogue is unfair and discriminative and the outgrowth of selfish interests. The original rates were no doubt made with a thought of fairness to both the railroads and the public, yet the system and its operation has been, and still is, full of inconsistencies which enable the railroads to confer favors upon various shippers and communities at the cost, however, of some other interests or communities. Here it is evident that a flat raise in the present rates will not correct the discrimination, but would rather produce an aggravated condition, which would arouse those adversely affected to greater opposition.

Looking back over the past we find a growing demand on the part of the public for impersonal rates and uniform service, and many attempts on the part of the aggrieved public to have this condition enforced have been made, and have been recognized by our law makers, whose efforts to frame laws which would stop the discriminations finally resulted in passing the existing "act to regulate commerce," the fundamental principles of which are ideal, and the absolute enforcement of which will bring about the millennium in transportation, both for the railroads and the public, whom they should serve impersonally. The rates as now constructed are absolutely opposed to this principle, being honeycombed by the many errors resulting from a misguided attempt on the part of the early managements to get the business away from their competitors, and which efforts have continued to a greater or less extent up to the present time.

The time is now ripe for abolishing the present system and adopting a single standard or set of rates. It is not necessary to frame new laws to bring this about, for the present law is adequate and confers the authority on your commission to see that the plan is carried into execution. The law itself is clear, and involves only the absolute enforcement of the long and short haul clause and the promulgation of the same set of rates for the use of all persons, corporations, and communities. This may be done by the establishment of a single set of rates by each railroad, starting with a set of rates to apply between the extreme points of the system and framing all the intermediate rates in conformity therewith, absolutely applying the long and short haul clause in every instance. This plan is simple and will grow to include every other system, each one using the single standard of the connecting lines in connection with their own single standard to form through rates, the use of which will result in no discrimination whatever.

Under this system traffic would move through lines of least resistance, which would soon be the means of establishing the highest-grade service at the least possible cost, both to the public and to the corporations, and furthermore would be the means of reestablishing traffic upon our navigable waterways which would in time exceed anything that has heretofore existed, and probably greater than contemplated by our most enthusiastic deep-waterway adherents.

The law invests your commission with power to determine this question, and the benefits to be derived by the future generations will be in proportion to your proper interpretation and application of the principles involved. The need of a single standard or set of rates is more vital than the question of managements; therefore, the writer hopes that the present system of rate making will be abolished and a single standard adopted, for it is manifest that in this manner only will accurate results and impersonal service be obtained.

Yours, truly,

F. L. WALLACE.

—

GRAFTON CENTER, N. H., *December 12, 1913.*

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: I as a little mite of these United States want to raise my voice against the railroads from raising their freight rates. Example, rate from here to Enfield, 14 miles, $11 per car of 30,000 pounds; that makes it cost about $2 per thousand on bobbin stock; that surely knocks me "flat," at any rate, and that is a fair sample of how they put the screws to us.

When I was a boy B. & M. stock was worth 160 and was considered as good as Government bonds, but they had a man for superintendent, one that came up from the ranks and knew how to get results. Railroad men say that New York bankers are milking this road and hammering the stock down so they can gobble the whole thing. Don't do it.

Respectfully,

C. J. HALL.

—

FOXCROFT, ME., *November 17, 1913.*

Mr. C. W. WENTWORTH,
Boston, Mass.

DEAR SIR: Your circular letter of November 15 received and noted. We wish to put in our protest against any advance in lumber rates from Maine Central points.

A large proportion of our lumber goes over three roads, and if each road is allowed an advance of from 5 to 15 per cent it would practically put us out of business, or it would be a serious question whether we could do business while the matter was being adjusted. The public is not to blame for the trouble the railroads are in and ought not to be punished for their extravagances and bad management.

Respectfully, yours,

DANFORTH & MARSH.
Per D. H. DANFORTH.

—

WILMINGTON, DEL., *December 6, 1913.*

Mr. LOUIS D. BRANDEIS.

DEAR SIR: The report of the Maryland Public Service Commission for the eight months ending December 31, 1910, states on page 325 that the Delaware Railroad (which railroad is leased and operated by the Pennsylvania Railroad) had $500,000 in general mortgage 4½ per cent bonds outstanding and $4,987,280 common stock on which was paid a dividend of 31.67 per cent, and on page 320 the report states the Delaware Railroad had a surplus of $397,745.48. It seems to me that when the Delaware Railroad can pay such dividends it is not entitled to a 5 per cent increase in freight rates, as the United States Supreme Court has held that 6 per cent is a reasonable rate of interest on a fair valuation of the property of a public utility.

Yours, truly,

C. FRED BACHER,
1121 West Fifth Street.

—

LYNCHBURG, VA., *November 25, 1913.*

GENTLEMEN OF THE INTERSTATE COMMERCE COMMISSION,
Washington, D. C.:

In regard to the railroads asking to be allowed to increase their freight rates I beg to enter a poor man's protest against the increase. The moment you grant it, up will go the price of coal $1 per ton or more. We now pay $6 for bituminous coal, more than twice as much as when coal was first brought here.

The half-dozen coal dealers here have agreed among themselves all to sell at same price.

The rich man buys by the carload at $4 or $4.50. The poor man at $6 to $12 per ton or bucket.

I beg you not to consent.

Yours, truly,

WILLIAM ALFRED.

—

AMERICAN WIRE FABRICS CO.,
Chicago, Ill., December 2, 1913.

CHAIRMAN INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: There has been a good deal of discussion recently with reference to allowing the railroads to increase their freight rates 5 per cent, and the writer would not offer any complaint against this increase if the railroads would conduct their business as manufacturers and merchants have to do and should do.

So far I have seen no discussion or question raised with reference to what I am about to say, but I travel in many States and over many roads and I frequently see people riding on passes. In the State of Illinois I know of many politicians who have been able to get passes to go where they want to within the State. This, in business, would be considered robbing the firm, and I believe now is the time to point out to railroads that they should discontinue giving these passes and charge every person riding on their roads a rate, except those who are actually traveling to transact business for the company. Most merchants charge their employees about 10 per cent above the cost of goods, and the railroads should do likewise. Those who are traveling for pleasure and those who have no connection with the railroads should pay their fare. I think this would amount to about as much as the freight increase asked, although I have no figures or information with reference to same.

I am merely writing this as a shipper who pays freight and one who travels practically all over the United States and pays his fare.

Yours, very truly,

C. K. ANDERSON, *Secretary.*

—

MOUNT UNION, PA., *November 22, 1913.*

Mr. LOUIS BRANDEIS,
Care of Interstate Commerce Commission,
Washington, D. C.

DEAR SIR: We do not think railroad rates, which application comes before your commission November 24, should be raised. We are familiar with the railroad arguments, and we are in sympathy with their unfavorable financial situation.

However, a raise in rates does not create additional wealth, but "robs Peter to pay Paul." The railroads profit at the expense of the general shipper.

It is time to halt. Let the railroad stop spending unnecessary money a while. They have and are still managing their properties on too extravagant and altruistic lines. We are on the main line of the Pennsylvania Railroad, which company is most wasteful in its labor efficiency and use of materials. The general shippers already suffer from the same troubles now affecting the railroads, while they are all compelled to pare down their costs any way they can. If the rates go up it is likely they will never go down. The American shipper is now on an export basis, and he can not afford to have his transportation increased. We can prove the statement that during the past 25 years the freight rates on hides, leather, coal, and such other commodities as go into our cost have been revised upward—never downward.

Let the railroads practice economy a while like the rest of us, and there will be little occasion to ask for higher rates.

Yours, truly,

MOUNT UNION TANNING & EXTRACT CO.,
EDWARD M. GREENE, *President.*

—

NEW YORK, *March 17, 1914.*

LOUIS D. BRANDEIS,
Washington, D. C.

DEAR SIR: Every class of vessel owned or exploited by a railroad or corporation in the United States, also docks and piers, can never be anything but an agent of evil and against the prosperity of the country. The two propositions combined are a detriment to a country, as it is impossible and beyond human achievements to unite them without dark business methods prevailing, also swindling and increasing badness.

After our railroad companies and corporations got started to monopolize the transportation in the country and acquire boats, they did not stop at anything, no matter how corrupt, and the result was usurpation and fraudulent business methods that are unbelievable. It takes long years of experience to handle a proposition successfully. New business must be approached carefully with experience to handle same. This they did not do. The moneyed man was installed in charge, with or without experience, with the result that the moment the overflow of easy money ceased and business did not come to them in avalanches, bringing that enormous amount of money to squander, they were used to getting. They are practically beggars. My impression is that every eastern railroad is in as bad a condition as the New York and New Haven Railroad, financially, if the whole truth was known. If you take any eastern railroad subsidiary (water carriers preferred), their gross tonnage carried in 1912, and place it against the amount of money used to operate these water carriers in the year of 1912, every detail, large and small (this information is known only to few people), and the result would be both amazing and educational.

The New York Central Railroad has a grain elevator at Sixtieth Street, North River, that, in my estimation, has not handled grain enough in the last six years to pay the taxes on the site.

Yours, very truly,

W. E. STREETER.

—

NEW YORK, *March 10, 1914.*

LEWIS D. BRANDEIS, Esq..
Washington, D. C.

DEAR SIR: If the inside and secret workings, the endless chain of finance, insurance, rebating, and presents of every kind, favoritism to steamship companies and shippers of importance, tricks employed to shut out the legitimate companies, that are employed by the lighterage companies owned and manipulated by the eastern railroads centering in New York, it would be the largest hippodrome of unheard-of business methods yet uncovered.

It will be the greatest move for the integrity of the United States if the 5 per cent advance is denied. The railroads will be compelled to disgorge every losing proposition.

Yours, very truly,

W. E. STREETER.

—

BALTIMORE, MD., *March 11, 1914.*

MR. LOUIS D. BRANDEIS, *Washington, D. C.*

DEAR SIR: I clip the inclosed from to-day's Sun, to show how the carriers are pleading their case before the public.

The Interstate Commerce Commission has already shown that, eliminating favoritism, more than the sum declared a "decrease in net earning" can be saved. By a readjustment of rates, so that big shippers of trust-made commodities be made to pay a higher rate and food-supply men a lower, very large increases can be made. Also cutting off official perquisites, as to special cars and maintenance of same, extravagant salaries, etc., will help out.

Yours, truly,

A. W. LYMAN.

EXHIBIT G.

CHAIN LETTERS HAVE BEEN MADE USE OF TO BRING PRESSURE TO BEAR ON THE INTERSTATE COMMERCE COMMISSION FOR RATE ADVANCE.

Following is a sample chain letter made use of in the campaign to secure the rate advance:

STANDARD STAINED SHINGLE CO.,
April 10, 1914.

The WESTMORELAND CHEMICAL & COLOR CO.,
925 Chestnut Street, Philadelphia, Pa.

DEAR SIRS: If you favor the railroads having an increase of 5 per cent in freight rates and such other privileges as they are entitled to, write a letter to Hon. James S. Harlan, chairman Interstate Commerce Commission, Washington, D. C.

Also write or inclose a letter to 10 persons or firms with whom you are corresponding, asking them to write Mr. Harlan and also 10 firms, and so on, thus forming an endless chain.

If this can be accomplished, Mr. Harlan will soon realize what public sentiment is. This is a very important matter as bearing on the present depression in business, and we hope you will do your part to help out the very serious situation.

Thanking you, we remain,

Yours, very truly,

STANDARD STAINED SHINGLE CO.,
H. P. KENDALL, Jr., *Secretary.*

—

STANDARD STAINED SHINGLE CO.,
North Tonawanda, N. Y., April 10, 1914.

Hon. JAMES S. HARLAN,
Chairman Interstate Commerce Commission,
Washington, D. C.

DEAR SIR: We are in favor of the railroads having an immediate increase of 5 per cent in freight rates, and believe that if your commission will so decide, and at the earliest possible time, the depression in business now prevailing throughout the country will disappear and that a revival in trade will take place immediately.

Yours, very truly,

STANDARD STAINED SHINGLE CO.,
———— ————, *Secretary.*

—

APRIL 13, 1914.

STANDARD STAINED SHINGLE CO.,
North Tonawanda, N. Y.

GENTLEMEN: Your valued favor of the 10th instant, inclosing copy of your letter to the Hon. James S. Harlan, chairman the Interstate Commerce Commission, Washington, D. C., is at hand and noted.

We regret to be obliged to say that we are on the other side on this question.

In the production of oxide of iron we are compelled to bring from Newcastle, Pa., to Philadelphia, Pa., 5,000 tons of sulphate of iron per annum. A moment's calculation will serve to show you what a heavy tax 5 per cent on this tonnage would be. To add to our troubles sulphate of iron has been put on the free list, and oxide of iron carries a protection of but 10 per cent under the provisions of the Underwood tariff bill.

We are obliged to readjust our business to meet these conditions, and our labor and expenses are just as high comparatively as those of the railroad companies. We fail therefore to see any reason why the transportatiton companies should be put in a preferred class at this particular time

Yours, very truly,

THE WESTMORELAND CHEMICAL & COLOR CO.,
HENRY STEWART, *President.*

—

SUGGESTED 5 PER CENT INCREASE IN RATES OF FREIGHT.

MARCH 26, 1914.

The INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: Kindly permit us to address you the following in relation to the suggested 5 per cent increase in railroad freight rates, you to enter our objection to the proposition.

We are the largest independent producers of copperas in the United States, with a factory located at New Castle, Lawrence County, Pa. Our production of the chemical amounts to between 5,000 and 6,000 tons per annum, and we are obliged to transport it from New Castle to this city because our plant, which is necessary to convert the copperas into oxide of iron, is located in Philadelphia.

We pay a special rate of 12½ cents per 100 pounds; and a carload, containing 60,000 pounds, net in bulk, yields the companies $75 for a 400-mile haul. There is no expense entailed on the railroads, as we load and unload the cars.

The proposed increase of 5 per cent means $3.75 per car or $625 per annum on a minimum quantity, taken from our pockets and presented to the railroads for absolutely nothing.

The Underwood tariff places copperas on the free list and presents also for nothing, to the foreigners, a large portion of the American market for this chemical. The inclosed letter from Messrs. W. T. Scales & Co., of Birkenhead, England, will show you that they are now in position to take advantage of the opportunity afforded. The pamphlet on copperas, which we also inclose, will serve to show what the material is and the necessity for its production.

We believe there are many other chemicals placed in this unfortunate position, and other manufacturers besides ourselves are compelled to work out their problems without governmental aid. We believe it will strike you as manifestly unfair to add the suggested additional burden of 5 per cent on the freight rate we now have to pay.

It occurs to us that if the manufacturers of the country are obliged to find methods to finance their operations at this time, the railroads should be obliged to do the same thing. In our case the railroads are well and amply paid for the service rendered.

Yours, very truly,

THE WESTMORELAND CHEMICAL & COLOR CO.

—

GREEN COPPERAS.

CLEVELAND, *March 14.*

The WESTMORELAND CHEMICAL & COLOR CO.,
92 William Street, New York, U. S. A.

DEAR SIRS: We are in a position of offering you this packed for export to advantage, and if same is of interest to you we shall be pleased to hear from you, stating size of package and quantity required, when we shall be pleased to submit samples and prices.

Thanking you in anticipation of a reply, we are,

Yours, faithfully,

W. T. SCALES & CO.

EXHIBIT H.

A LARGE NUMBER OF COMMUNICATIONS TO THE INTERSTATE COMMERCE COMMISSION POINT OUT SPECIFIC INSTANCES OF INEFFICIENCY AND WASTEFULNESS BY THE RAILROADS.

Numerous instances of inefficiency are pointed out. Some letters speak favorably of the fearless attitude of the Interstate Commerce Commission. Certain letters subtly suggest that an increase should be allowed, while others ask only that full consideration be given in the pending cases and that the decision of the commission will be cheerfully accepted, whether for or against the proposed increase:

NEW YORK, *March 20, 1914.*

Commissioner JAMES HARLAN,
Washington, D. C.

DEAR SIR: The people of this country are becoming alarmed at the interference by the President of the United States with the legislative and judicial departments of the Government. He has assumed the power of a dictator, and his encroachment on the function of your office is an outrage. Any attempt at coercion, direct or indirect, in influencing the decision of the Interstate Commerce Commission in the rate case should be resisted to the last. If the newspapers are correct in quoting the President, to the effect that he has interviewed each commissioner and advocated an advance in freight rates, then there might as well be an end to the judiciary. I am sure, however, that there is one man who will resent any such interference, and that is yourself. Your splendid record, your high character, your courage on behalf of the people, and determination that justice shall be done prove this to be true. And the people have faith in you.

Yours, sincerely,

GEORGE WINDOM.

—

NEW YORK, *March 14, 1914.*

JAMES HARLAN, Esq., *Washington, D. C.*

HONORED SIR: Your splendid arraignment of the St. Paul road has won you the gratitude of every true American. You are a worthy son of an illustrious father, who, in his day, was the noblest Roman of them all. The Interstate Commerce Commission should continue to expose rotten railroads like New Haven, New York Central, Frisco, Rock Island, and St. Paul. It is ridiculous to think, even for a moment, that any increase in rates should be given the rascals who have looted these railroads in order to enable them to cover up their robbery and escape justice. If it is given, it will come out of the pockets of the people, and one might as well say good-by to popular government.

Yours, most sincerely,

ANDREW KNIGHT.

—

NEW YORK, *November 22, 1913.*

Hon. EDGAR E. CLARK,
Chairman Interstate Commerce Commission,
Washington, D. C.

DEAR SIR: I have forwarded to the secretary of the commission a paper of which I inclose a copy. It contains general, but I think obviously valid, objections the application of which you will at once see. I wish to assure you that I am not merely acting the part of a trouble maker or venting an unfriendly feeling against the commissioners or anyone else. I never was more in earnest in my life. I have not done this without seeking and obtaining good advice, though I would have done it on my own account. When you come to view it in a proper light you will see the incongruity and impropriety of placing above and in front of the people I represent, or of me as an individual freight payer, a quasi official representative of us all. I am not willing to be estopped or forestalled or compromised by the legal assumptions of Mr. Brandeis, who, though possibly much better qualified than I am for some branches of professional work, has, to my knowledge, fallacious views on questions affecting railroad rates and railroad business. If the commission cares to employ him to represent it, that is another matter. The commission could in that case prevent error and mis-

representation, or see that none were committed or made, or assume full responsibility for any mischievous outcome.

I think, however, that you and the other commisisoners will see at once that my legal objections are unanswerable. There is not enough power in the whole Government to confer representative authority otherwise than in the form of official authority.

I find I can not attend the initial proceedings in these cases, but, if the commission permits it, I hope to participate later, and at all important stages. I respectfully request that my objection be given due consideration in due and proper time.

Yours, respectfully, T. C. SPELLING.

TRUNK-LINE RATE-ADVANCE CASES BEFORE THE INTERSTATE COMMISSION.

Now comes the Freight Payers' League of the United States, by T. C. Spelling, its attorney, whose appearance has been entered, also the said T. C. Spelling, in his own proper person, and file herein its and his objection to the appearance or participation herein of any person assuming to represent the people, or any part or number of them, except such as shall see fit to employ him in some proper and legal way, or for himself alone. This objection does not, of course, lie against anyone regularly employed by the commission to represent it, nor any sworn officer of the Government or his assistant. Said objection is based on the ground that neither Constitution, nor any law enacted pursuant thereto, gives or can give any person any authority to so appear, nor is there any law authorizing or which gives even the semblance of authority to the Interstate Commerce Commission to employ anyone to represent the public, otherwise than as an attorney or other employee of the commission; that such a practice, if adopted, pursued, or tolerated, would open the way to the grossest frauds and oppressions, and would open the door to perversions of official power and authority which might be thereby prostituted to base purposes; that responsibility for consequences might be thus shirked and concealed, the rights of the public sacrificed and betrayed without recourse or remedy against any responsible person, officer, or official body. No objection is hereby made or offered against anyone whom the commission may see fit to employ to represent the commission in the interests of justice, that being the only way in which it has power or jurisdiction to give employment to anyone.

And we reserve the right to present and urge special objections to suit any particular occasion that may hereafter arise herein additional to the foregoing.

FREIGHT PAYERS' LEAGUE OF THE UNITED STATES,
By ——— ———, *Attorney.*

MABTON, WASH., *November 20, 1914.*

Mr. E. E. CLARK,
Chairman Interstate Commerce Commission.

DEAR SIR: I have been reading in the newspapers that the railroads are insisting on higher railroad rates.

We beg of you to stand for the people and municipal ownership of all transportation.

The Yakima Valley settlers are at the mercy of the railroads.

Lumber that can be purchased on the coast at $6 per thousand is $22 and up, never down, here.

The railroads fleece us in shipping our products to markets, which is 200 miles to nearest market, east or west. A neighbor sent produce to market which sold for $1,400; the transportation and commission on this was $900. Another man shipped a car of celery; the car was sidetracked and celery frozen. The shipper sued the railroad and had to pay freight and costs.

The parcel post is a godsend to us, and we want municipal ownership of all transportation.

Not another country in the world has an express company except the United States.

Not since Lincoln was President have we had so great a man as Mr. Wilson for President.

We are grateful to the heads of the various departments of this administration for what they have done for the people. Not in many years have we had men so capable. We would like to have the United States currency deposited in the postal savings banks, nearer to the people.

We are grateful for what the Interstate Commerce Commission has done for us.

Respectfully, MRS. JEAN EVEREST.

THE COLORADO ENGINEERING & CONSTRUCTION CO.,
Greeley, Colo., December 25, 1913.

LOUIS BRANDEIS,
Boston, Mass.

DEAR SIR: The writer, in his capacity as a citizen of these United States, wishes to express to you his appreciation of the work you are doing for the people of this country

There can be no doubt but that you should have the cooperation of those citizens who are patriotic and whose avocations have qualified them to get the knowledge which is necessary to have in order to intelligently draft measures for relief from the evils the country is now suffering from.

The writer believes his observations and experiences qualify him somewhat to assist along certain lines, and takes the liberty to put on paper for your information some of the observations and experiences above referred to.

First, perhaps, I should say that although a member of the company on whose paper I am using, I am also a shipper of produce and am a land owner and farmer. It is in the shipping end of my business that I wish to refer to principally.

There is a movement being made by the railroads to be permitted to increase their rates, they claiming they are not getting revenue enough to pay expenses. We know that you have studied this matter quite exhaustively, and, perhaps, by your efforts more than any other one man, their demands have not been acceded to.

There is no doubt but that since your crusade against them for greater economy that many economies have been inaugurated. But recent developments show—as in the case of the New Haven and the Frisco—that these economies have been all absorbed, and then some, by the directors and management for their personal gain in their manipulation of the roads. Of course, before rates can be gotten to where they ought to be, the water must be squeezed out of the stocks, but there are a world of other reforms for economy that could be put in force that will help out; among which, some that have come to our notice that must amount to prodigious amounts are the advertising campaigns of the railroads in the papers and magazines of the country. The cost of a full page in such magazines as Harper's, Everybody's, Collier's, and such, as well as large space in the prominent dailies and weekly papers, must be something enormous. The question comes to one who believes the railroads of the country are the people's roads and the people are assessed the expense—I say assessed advisedly, for a freight rate, at least, is as much of a tax as those levied by our county and State assessors—of what right the managers of these lines have to spend the people's money to advertise their particular lines? People usually travel, and they should, on the most direct lines. These naturally should make the lowest rate, and travelers will not usually deviate without they are obliged to visit points en route. Why should the people's lines be allowed to go to the great expense of such advertising when the cost must all eventually be added to the cost of the public's transportation charges?

Railroads must eventually fix their charges on the cost of the service, when the operation is done with the greatest possible economy. Therefore there should be no competition allowed that would make the cost of service below the cost of operation. Most of us agree that stockholders are entitled to the same protection as is the public.

When that protection is given by law, then a low rate of interest should suffice. All earnings over that should go to the public that guarantees the investment. Scientific railroading now seems to be to impress on their employees what small savings mean, as gauged by how many miles such savings mean in hauling—or in the distance a ton will have to be hauled to be an equivalent—of a ton of freight. Putting the cost of the advertisements to this test—how many miles would the cost of a full page in Harper's Weekly haul a ton of freight?

In my business with the railroads I am visited constantly by traveling freight solicitors. I naturally select the shortest route to ship my cars, and I feel that all shippers should do the same. As a question of economics, that should be the deciding factor. Unless a railroad is woefully mismanaged, the direct lines are the ones that should have the business.

Why should we, the people, be assessed for a world of traveling freight solicitors, whose only business is usually to try and divert shipments over lines other than those the most direct?

Perhaps it is presumptuous for the writer to criticize a policy of railroad management, but nevertheless I am constrained to take the risk of doing so. It was our experience a few years ago to take several loads of fat lambs to the Chicago market from this section. We unloaded at Fremont, Nebr., to rest and feed. When we loaded up and the train was completed there were in the train some 65 cars of live stock and about 10 cars of dead freight next to the engines. There were two of the largest engines attached. We left Fremont about 4 p. m. and should have been in Omaha, 28 miles away, in one and a half hours. The facts were that there were five drawheads pulled out at five different times before reaching Omaha, which was reached after midnight.

In the craze to make tonnage they overreached. There was also the factor of trying to save the cost of an extra crew involved. There was an effort made for economy, but it proved to be not economy. The craze for hauling the maximum tonnage was evidently principally responsible. What happened? There were five cars put out of commission for weeks before repairs could be made. There was delay of at least seven and a half hours with live stock—which meant more than as if the freight was dead—in 28 miles. At that time all the railroads were extremely short of equipment, and shippers were handicapped almost to the point of being put out of business because of the inability to get cars. There can scarcely be any argument about the cost of building solid roadbeds, provided there is no graft in the expenditure. That is a legitimate expenditure. But there is a limit to its sustaining qualities.

A roadbed is like a chain, no stronger than its weakest link, and the writer is firmly convinced by his own observation that there is a grave economic error made by railroad management in operating such enormously heavy equipment. The risk of wrecks is very great with its accompanying claims for freight and passenger accidents. The great factor to be considered is the unreliability of most of the railroad labor. A little careless work by one of the ignorant track workers may mean so much in dollars and cents when it comes to adjusting claims.

It was the writer's fortune—or misfortune as the case may be called—to be delayed by a freight wreck in the Colorado mountains this fall. As there was several hours to wait, my rather inquisitive mind put me to find out the cause of that wreck. I found an imperfect rail and an imperfect joint in combination. The approaching rail was rusty for 10 feet from the joint, with the exception of about one-half inch in width, which was bright on the outside of the rail. This happened at a rather sharp curve, and the rail showed the car wheels had been grinding against the edge of the rail in an endeavor to ride it for a long, long time.

The inside of the rail, where the bearing ought to have been to fit the round in the car wheel, which was designed to keep the wheel from riding, did not have a chance—by the imperfect rail—to do its work. The result was a disastrous wreck. Competent trackmen who were conscientious and knew their business would have observed that defect and have remedied it.

I quote this to illustrate that a roadbed should not be required to be put anywhere near its limit. My firm judgment is that greater efficiency, and therefore greater economy, would be gotten by lighter engines and lighter trains. It may take the Nation some years longer to find this out, but we believe it will come. Such trains will be quicker stopped and liability of leaving the rails would be practically eliminated, and therefore the expense of wrecks, which is now no small item, we are called upon to pay.

Another great source of expense which could be easily remedied is losses of perishable stuff, like produce, from freezing throughout almost the whole country, for such losses occur as far south as northern Texas. The equipment furnished by the railroads for that class of shipments during the winter months are usually traps for losses for the shippers. Scarcely a refrigerator car built will long stand a zero temperature. It is now a struggle for a shipper to get a frost-loss claim allowed. There can scarcely be any question of equity involved in that transportation companies should deliver in good condition the shipments they receive in good condition. We are not sure but there are rulings now in force requiring them to do it, but it not known by the general shippers, and the railroad men themselves will not commit themselves on that question. The losses every winter run into enormous figures, and the railroads pay them when pressed hard enough. The economic situation, however, is bad; the public in some manner is the loser, even if the railroads do not always pay the losses. The claims against them for such losses are so just that it can not remain much longer a question of doubt, and they will surely be assessed for them.

The point we wish to emphasize is that with the present manner of handling freight in the winter months the railroads are put to an enormous expense to pay the losses, and that they are entirely unnecessary, and the result of neglect of having proper equipment, which could be arranged at slight expense. It is now known that refrigerator cars can be equipped at a very slight cost—probably not to exceed $50 per car—with steam pipes through which the steam from the locomotive could circulate when conditions made it necessary, and by so equipping cars all frost losses could be avoided and consequently an immense saving to the roads be made—without saying anything about the economic saving to the public—and it is apparent that before the roads are allowed to charge higher rates all these economic savings should be enforced.

The writer has talked many times with railroad men with whom he has come in contact about the heating proposition, and all agree that it is perfectly practical and is no experiment, as the system is already in use, but all these men have said frankly this measure has got to be forced on the management before it can be secured.

This latter aspect is the strange part of this proposition, as it shows the road managements will not do anything in this line of their own initiative. This is all the more astonishing because we are led to believe it takes great ability in a man to run a railroad, and they are paid salaries that often make the President's salary look small.

One would naturally think men of the mental caliber they are supposed to be would be quick to see the economic advantage of safely transporting perishable produce of our northern sections of the country during the winter months, thereby giving a steady business to their roads constantly instead of at times when the weather, as now, permits, thereby often making congestion of traffic as well as steadying prices to consumers.

This latter proposition is one not of the least importance, as a moment's thought must convince one who will take the time to think it out.

These propositions are all vital, as you will admit, and are factors that should be remedied before higher rates should be allowed. They are much more important than the saving of a few spikes or a little oil; they are big things.

These matters we submit hoping they may be of benefit in the solution of this great economic question of the people's transportation.

Very truly, yours,

F. H. BADGER.

GREELEY, COLO., *December 27, 1913.*

INTERSTATE COMMERCE COMMISSION:

What a travesty is Elliott's statement that Interstate Commerce Commission is responsible for the sick condition of New Haven. Piffle. How many hundreds of millions of dollars have Morgan, Baker, and the rest of them gotten from poor New Haven? Let them put back what they have stolen from the road and there will be no necessity for an increase in rates. Of course, the poor shippers and the consumers must make up the money stolen by paying higher freight rates. Wall Street millionaires rob the railroads to death, gut them, etc., and then say that because the Interstate Commerce Commission will not grant increased rates the latter are responsible. Raise freight rates and you will give the billionaire monopoly a new basis for robbing the roads. Let them practice a little economy, which they will not do if rates are advanced. Say, for example, a board of directors robs a bank and the Government is asked to replace the loss. It does not do it, and is accused of being responsible for wrecking it. Why should consumers and producers be forced to pay for what the billionaire monopoly has stolen? Present freight rates will not bankrupt the roads. Seventy-five per cent of the statements of earnings of the railroads are made to order to influence the Interstate Commerce Commission.

Can not the Morgan-Rockefeller-Baker clique of plutocrats be made to disgorge a slight share of their ill-gotten gains? Is nobody to be held responsible for the dissipation of scores of millions of dollars saved by trusting men and women and placed in the custody of these brilliant financiers?

A CONSUMER.

BREMEN, *December 16, 1913.*

To the Interstate Commission of the Railroads in the United States, Washington:

Hereby I ask you, when you will regulate or put up the rates for the railroads? It was cabled to-day that you would postpone this matter eight months again. This seems to me and many people not true, as this delay would do a great deal of damage to the stock exchange and to your country, which is laboring under the uncertainty of your laws since a long time. Will you, please, in answering this question?

Most respectfully, yours.

AD. V. HEYMAN.

NEW YORK, *February 24, 1914.*

Hon. THETUS W. SIMS,
House of Representatives, Washington, D. C.

DEAR MR. SIMS: You will no doubt recall that early in December last I called your attention to what I considered was the situation in reference to the various tariffs that had been filed by the trunk-line railroads asking for permission to make a general increase in freight rates to the extent of 5 per cent advance. I stated at that time it was my firm conviction that the campaign which they had inaugurated along with the publishing of the tariffs, was particularly for the purpose of establishing a precedent and rule for the future, and also to place the commission in a position where it would be criticized by uninformed people and shippers who are interested in selling to railroads, as the theory of the proposition seems to be that general prosperity is dependent on the railroads' ability to buy whether they need to or not.

I find an editorial in the New York Sun, under date of February 21—copy of which I am inclosing you. I want to quote two or three items that confirm the statement which I made to you early in December:

"The factor involved was not represented so much by the amount of the increased earnings which would accrue from the actual advance in rates proposed, as by the desire of the common carriers to have the fact demonstrated that general rate increases * * * were possible under a régime of Government regulation * * *. As the railroad case stands to-day, expectation has lost its enthusiasm of a month ago, and is even turning toward apprehension that the railroads will fail ultimately to gain recognition of the principle."

The situation to-day is that the Interstate Commerce Commission seems to be alive to the situation that the railroads have been performing an enormous amount of free service and free privileges in the form of terminal switching, renting of railroad property at ridiculously low sums to favored shippers, discriminating rates on imports, discriminations in elevator allowances, special services to private car-line owners, and the commission has set out to bring about the abolishment of these privileges, which will, in turn, turn into the railroads' treasuries larger sums than were anticipated from the 5 per cent increases. And we find that the railroads are not satisfied, for the reason that they have not been allowed to fasten on the country and the commission a general advance in rates.

I am not so sure that the speech you delivered some time ago is not in a way responsible for some of the recent actions of the commission, and I think they should be backed up and encouraged in every effort to see that everyone pays for what he gets—no more and no less than what is fair.

I think this is a matter that should interest you, as the commission is being criticized very severely by the 25,000 or 30,000 big shippers who have enjoyed these free privileges in the past.

I beg to remain, yours, very truly,

J. R. SCHURZ.

[Editorial from the New York Sun, Feb. 21, 1914.]

THE CASE OF THE RAILROADS.

A month ago there was more or less enthusiastic expectation that the Interstate Commerce Commission would see its duty early in the matter of strengthening railroad credit, and rule promptly and favorably on the application of the eastern lines for permission to make a horizontal increase of 5 per cent in their freight rates. Public opinion, so far as it could be tested, was not opposed to the railroad application. At the headquarters of prevailing political sentiment a disposition was manifested which is clearly appreciative of the exigencies of the railroad situation.

The factor involved was not represented so much by the amount of increased earnings which would accrue from the actual advance in rates proposed as by the desire of the common carriers to have the fact demonstrated that general rate increases of demonstrable necessity were possible under a régime of Government regulation which had evinced little more than a large capacity for decreeing sweeping rate reductions on occasion by way of relieving a continual process of ordering reductions in particular instances. Such an establishment of fact could hardly fail to provide a vast encouragement to railroad finance, with a beneficial sequel through the acceleration which railroad enterprise always gives to the expansion of general business.

As the railroad case stands to-day expectation has lost its enthusiasm of a month ago, and is even turning toward apprehension that the railroads will fail ultimately to gain recognition of the principle they had hoped to incorporate in the undertaking of making rates by Government rule. The action of the Interstate Commerce Commission in postponing from March to September the date of effectiveness of the higher-rate schedules submitted by the railroads is a formality which does not preclude earlier action; nor does it signify any official view of the merits of the question under consideration, but it is a way of evincing reluctance on the commission's part to face the issue squarely.

The postponement is itself a disappointment in all business and financial circles where it is realized what good could follow an early and favorable determination of the matter. It is even more of a disappointment, because it is to some extent corroborative of other indications that the commission does not propose, if it can help it, to institute a departure from past practice and sanction the idea that the railroads can resort to general elevation of the rate structure in order to deal with the problem of steadily rising costs of operation and steady additions to the weight of freight.

COLUMBIA CITY, IND., *January 1, 1914.*

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

DEAR SIRS: There has been for a long time tremendous pressure brought to bear upon your honorable body to grant permission to the railroads to raise their freight rates, and of late, for some reason, the opposition seems to have weakened. I find the press especially admitting that at least there may be much of justice in the claims of the roads. The men of the commission must be possessed of a splendid backbone to have resisted so long, and, perhaps, I may as well end here, for one if not the principle object of this letter is to afford the slight encouragement of an approval from one in the ranks of common people.

However, I wish to protest against a raise of wages being considered a legitimate reason for a raise in rates. The only logical reason for a raise in wages is to distribute more justly the fruits of industry, and if prices for output or service be raised that object is thereby annulled. If employers may raise wages and for that reason increase the cost to the public of their service or output, they cheapen the dollar more effectually than it can be done by determining how much gold the standard dollar must contain; and the result is that the workman receives no benefit, big debtors may more easily pay off bonds and mortgages, cost of living goes up, and the salaried man gets it in the neck.

Respectfully, yours,

R. W. WIGENT.

SAN FRANCISCO, CAL., *June 20, 1913.*

Mr. E. E. CLARK,
Chairman Interstate Commerce Commission, Washington, D. C.

DEAR SIR: Regarding increased freight rates asked by the railroads, beg to inclose the inclosed clipping, showing that 29 railroads for the fourth week of May increased over 10 per cent.

Of course, you are wise enough to know that the railroads will ask for anything, hoping to get something, but because they ask it is no sign that they are entitled to it. It is to be hoped that you will handle the situation as well as it was handled by Franklin K. Lane.

Yours, very truly,

W. O. MANSON.

Thus far 29 railroads, operating in the United States only have reported weekly gross earnings to Wall Street Journal for the fourth week of May, as follows: Gross, $13,274,553. Increase, $1,245,464, or 10.35 per cent.

SPRING LAKE, N. J., *February 7, 1914.*

Hon. EDGAR E. CLARK,
Chairman Interstate Commerce Commission, Washington, D. C.

SIR: I wish earnestly to protest against granting to the railroad companies the privilege of increasing rates of freight.

A review of the annual reports for the last fiscal year, mainly to June 30, 1913, of 23 of the leading railroad companies of this country, show that they operated at an average ratio of 69.1 per cent, or converted 30.9 per cent into net earnings or profit on operation, accepting at par the railroad's figures at that.

Thirty-one per cent profit is a most liberal one, and if in determining the final surplus an abnormal proportion of this profit has to be deducted to meet fixed charges mainly interest on obligations, it is not an argument for further profit or a reason that the public who pays is interested in, for it is generally understood what a portion of these interest obligations stand for.

The public did not need the recent findings of the United States Government experts in the case of the St. Louis & San Francisco Railroad Co. to enlighten them, but they simply served to confirm, although disclosing as it did that this company pays annually $1,600,000 interest charges on obligations from which the road has received no benefit. An amount based on the Frisco's freight business would require more than 18 per cent advance in rates to annually provide for.

Were it simply a question of economics, involving no moral consideration, the passenger rates of the railroads alone should prove an effectual barrier to any increase of rates of freight, for these rates are excessively high, and compared to electrical traction, and to a great extent they are justly comparable, they are simply extortionate and assuredly offset any deficiency in freight revenues if such deficiency exists at all.

The failure of profit in excess of 30 per cent, to provide amply for all charges after net, does not indicate the insufficiency of the former but the unnatural burden of interest it is called upon to meet, and a burden in no small degree unrepresented by value.

It is absolutely wrong and unbearable to inflict this burden of the old iniquities upon the third and fourth generations, and adding this weight to the present excessive consumption cost it is a question that the public would accept it pacifically.

If the conditions revealed by the Frisco investigation will determine the Government to probe into the finances of all the railroads from 1896 to date it will prove one of the most valuable investigations the Government ever made, even if the cost runs into millions, and will make of freight and passenger rate increases exiles forever.

Very respectfully, yours,

F. S. HEDDEN.

—

SAN FRANCISCO, *January 31, 1914.*

Mr. E. E. CLARK,
Chairman Interstate Commerce Commission, Washington, D. C.

DEAR SIR: The confidential talk here amongst the clubmen, brokers, and railroad officials is that the railroads are going to get the increase of 5 per cent in freight rates asked for. Of course, if such reports as the Reading has sent out are true, there surely can be no reason for that increase other than to help Wall Street juggle the stocks. The clipping says that Reading has earned 27 per cent for 1913.

It is possible that Chief King, of your commission, is playing the stock-market game, as the inclosed clipping sounds like it.

Yours, very truly,

W. O. MANSON.

"A private-wire message from New York yesterday stated that the Reading is now earning at the rate of 27 per cent per annum, counting its equities in the earnings of the Jersey Central and the returns from its coal companies.

REGARDING RAIL FREIGHT RATES.

CHICAGO, *January 29.*

Chief Statistician King, of the Interstate Commerce Commission, is quoted as saying that a feeling exists among the commissioners that freight rates should be raised. The commission merely wants railroads and private-car concerns to tell what arrangements really exist, so the commission may know just where the money goes and what rate should bring a suitable profit to railroad stockholders.

—

SHAPLEIGH, ME., *January 28, 1914.*

The INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: Your very courteous answer to my letter received; also statement of date of the different hearings.

It is a pleasure to note that the individual is to be given consideration and fair treatment in these matters. There were days when any appeal from the public met with curt rebuff. Be assured that your courtesy to a very humble individual is appreciated.

Am inclosing a clipping from Collier's Weekly of January 24. Perhaps these few lines have been noted; in either case they seem to me to sum up to a nicety the case of the rural communities.

Very respectfully,

F. W. WARNERY.

THE RATE INCREASE—A MIDDLE WAY.

The railways ask permision to increase their freight rates by 5 per cent. That would add $100,000,000 to the country's freight bill, and this bill already exceeds two billions. The increase is defended on the ground that while the general level of prices had risen 30 to 50 per cent, and wages some 20 or 30 per cent, railway rates have stood still. Of course, the latter is not wholly true. In a great many ways railway rates have been considerably raised within the last 10 years. The fact that the average rate per ton-mile has stood still is due to other causes. One kind of transportation has in the United States been developed to a very high degree of efficiency. That is the transportation of commodities like coal, grain, iron ore, and so on, over long distances. These commodities are carried cheaply, because if they were not carried cheaply they could not be drawn these long distances; but because they are drawn a long way the profit is large. Rates for the short haul in this country are not low, compared with Europe. In many instances as much is charged for a short haul as for a much longer haul. The effect of this scheme of cheap long haul and dear short haul has been to build up the big cities at the expense of the country. It has produced enormous congestion of population in the great centers and sent land values in these centers to fantastic heights. It is a striking fact that the congestion of municipal centers in the United States now exceeds that in many parts of Europe. This same vicious scheme has ruined industry in many portions of the country. It has nearly ruined farming in New England and the Atlantic States. It has ruined the woolen factories in the West and often suppressed coal and iron mining where it would otherwise still yield profits.

THE RAILWAYS GET THE RECOIL.

Now, this evil scheme is beginning to recoil on the railways themselves. To increase their business they must have larger and larger terminals. These terminals cost huge sums for the land alone. To pay interest and dividends on the money for the land purchased at these fantastic values the railways now ask permission to raise their rates. Where is it going to end? The greater the congestion of population they produce the higher the land values, the greater the cost of more terminals. Land on Manhattan Island or at the mouth of the Chicago River is worth millions per acre; land on Staten Island or in New Jersey, 10 miles away, is worth hundreds of dollars per acre. At Fall River they are building bigger cotton mills, at Brocton bigger shoe factories, at Lowell bigger cotton mills; but the shoe factories in Texas, the cotton mills in Mississippi, the woolen mills in Ohio or Colorado do not flourish. And why? Because the power to fix railway rates represents the greatest power of taxation in this country, and the whole scheme of railway rates in the United States has been to enable industries which are established where they do not belong to compete with and suppress industries at the natural bases of supplies and power. And this is one big reason why food and living in America is one-third dearer than in England and one-half dearer than on the Continent of Europe generally. It ought not to be cheaper to ship hides from Texas and have them made up in Massachusetts and shipped back and sold in Texas more cheaply than they could have been manufactured there. Texas has the raw materials and the fuel close by. New England has neither. Millions of cheap horsepower is going to waste in the Far West; but industries will not move there in considerable part because railway tariffs are adverse to such a development. We believe that the time has come at last to make a beginning of the end of this purblind policy.

THE WAY TO A BEGINNING.

The railways ask for a nearly horizontal increase in all existing tariffs. They do not propose to disturb the advantage of New England or of Pittsburgh or Chicago over the rest of the country. They do not propose to touch the rates which have created the fortunes of many of their directors and which have often been dictated by the directors themselves. They purpose to keep on running the railways in the interest of the very few and the interest of a small part of the country against the interests of the many and the interests of the whole country. This is unreasonable. If it is to the interest of the whole country that railway revenues should be increased, it is not to the public interest that this increase should come from rates which build up the cities against the country. If rates must be increased, it should be the long-haul rates, and especially those between the great centers. These are the rates which, from a social and economic point of view, are too low. In general, the longer haul is with commodity freight and the shorter haul with classified freight. We believe classified rates are to be raised much more than commodity rates. This may be good railway policy from the point of view of quick dividends—it is not good public policy. With the suppression of the railways' suppression of water competition, we believe it would be entirely safe to permit the railways to raise their long-haul rates as much as they liked. They could not raise them much, because such a raise would promptly check the volume of business. We believe there is here a work for the Interstate Commerce Commission of the highest economic importance. It transcends in importance the work of the new banking system, because it reaches far more deeply into the social and industrial life of the Nation.

—

LITTLE ROCK, *December 30, 1913.*

Mr. G. B. MCGINTY,
Secretary Interstate Commerce Commission,
Washington, D. C.

DEAR SIR: Your letter in regard to disposition made, my letter in regard to rail rates received; am very thankful to you for consideration given it. I must say it is very gratifying to know we have a President and men at Washington at the head of our national affairs that show the desire is being shown to help the condition of our country, and by so doing bettering the condition of our people therein. Everyone should put their shoulder to the wheel and give all the assistance they can.

It is only to be hoped our State governments will take pattern after our National Government, and follow in their footsteps.

Very respectfully, yours,

B. M. DEVITT.

—

ELGIN, ILL., *January 29, 1914.*

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: A Chicago paper reports you saying yesterday to the railroads, "Stop privileges to increase revenues."

I congratulate you on your impartial and good judgment. Three years ago I traveled in Colorado on the D. & R. G. R. R. I was surprised at the many passes used. The conductor told me 26 rode on passes on the car I was on. In what financial condition is the D. & R. G. to-day? Still the deadheads seem to think that those who pay ought to pay 5 per cent more to keep the thing going.

We have a sample right here, the Aurora, Elgin & Chicago Railroad Co. Apparently they do a good business, still they have a hard time to make both ends meet and pay 3 per cent dividend. When the new law about passes went into effect January 1, 1914, it leaked out that about 600 passes had been distributed here and in Aurora, Ill., in 1913 among politicians, mayor, commissioners, police, special police, lawyers, judges, ministers, friends, and their families. Anyone wearing good clothes and talking at meetings and street corners rode on a pass. When the court at Geneva is in session the cars are crowded. The deadheads take the seats, those who pay hang on the straps; the same condition exists in town at noon, and at 5 and 6 o'clock the boys and girls working in a factory, office, stores, etc., pay and hang on the straps, work for $8 to $12 a week at least eight hours a day. The officials working for the city about six hours a day, drawing salaries from $1,000 to $2,500 a year, get free transportation. Is this right? Is this just?

It seems to me if the railway officials that give the graft, and the other fellows that accept the passes would go to jail, it would be the best thing that happened for a long time. Reform should begin right there; these fellows that shout loudest are the worst offenders.

Pardon my bad writing and my intruding on your time.

Look out for the reformers that get their light, transportation, and telephones free.

Yours, very respectfully, FRED SAUER.

SCRANTON, PA., *March 7, 1914.*

LOUIS D. BRANDEIS,
Care Interstate Commerce Commission, Washington, D. C.

DEAR SIR: Allow me to congratulate you for the splendid work you are doing. Having had some experience I can appreciate what it means to secure evidence against the railroads and have them admit it is true.

Cordially, W. P. BOLAND.

—

NEW YORK, *March 29, 1914.*

Hon. JAMES HARLAN,
Washington, D. C.

DEAR SIR: The papers announce that the New York Central has laid off 25,000 men. This is an outrage. It is done in order that dividends can be paid on a huge amount of watered stock. This overcapitalized system has exhausted its credit, can raise no more money through short-term notes, and is now sacrificing labor and efficiency in order to continue paying unearned dividends. And it is all done for stock-market purposes. If ever a rotten system deserved an exposure like you, in all justice, gave the St. Paul, it is the New York Central.

Yours, very truly, JAMES WRIGHT.

—

CARLISLE, PA., *March 29, 1914.*

THE INTERSTATE COMMERCE COMMISSION.

DEAR SIR: The following was written to the editor of the Philadelphia Record in reply to editorial of this date, "Holding prosperity in check.'

"Suppose a business man had actually (if it were possible for him) capitalized his business on a 4, 5, or 6 per cent basis at a time when it was at its zenith of prosperity, when by every artificial device he had led the holders or advancers of his capital to believe it represented exact, real value, would it appear proper for him when the business ceased to earn the said 4, 5, or 6 per cent on the inflated unreal stuff to ask 65 to 75 per cent of his customers to pay 5 per cent more for their goods? Would it not rather be adding insult to injury, moreover, when the said 65 to 75 per cent of the customers were not holders or advancers of his capital, especially when the holders of his capital had obtained his capital certificates at great discount and by special favor?

"Would you not consider that the only just way for him out of his difficulties was bankruptcy and reorganization on an equitable earning basis for his customers based on his real investment?

"Would it not be better than to allow him to go on and continue his pernicious method of capitalization only to the greater but no less certain eventual calamity to all concerned?"

Very, respectfully, W. F. HORN.

—

LANCASTER, PA., *April 4, 1914.*

CHAIRMAN INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

DEAR SIR: The entire business interests of this whole country are intensely interested with the proceedings before your honorable body in reference to granting permission to the various railroad corporations for an increase of 5 per cent freight.

Allow me to say that the intelligent classes, not swayed by political bias, believe that your commission can not be bought by the railroad corporations to sanction an act that would permit us to be further robbed by a set of greedy railroad officials.

Take as an illustration the Pennsylvania Railroad Co., which is paying President Rea the sum of $50,000 to perform the arduous duties of signing his name to the minor reports of the subordinate officers who maintain and repair the tracks. You are also aware that in all matters requiring anything but ordinary judgment this President Rea places such matters in the hands of the corporation solicitor. In amounts for salaries we have following President Rea's the following sums: $35,000, $40,000, $45,000, $30,000, $25,000 paid to the minor executive officers of the company for performing the most superficial functions requiring not over 30 minutes for each one of them per diem.

In addition to the outrageous salaries paid to the officials ranking from the president down is to be considered the assistants waiting upon all these minor officials, to say nothing of the bookkeepers, stenographers, etc. Upon inquiry you will find that this corporation is paying as much as $150 per month to freight conductors whose arduous duties consist of riding in the caboose as custodians of tags containing directions where to shift their freight cars. As a rule not 1 in 25 of these men can read or write two lines grammatically, but fortunately for these men they are members of labor unions which compel the spineless railroad corporations to yield to their demands for any salaries desired.

Doubtless you read President Taft's address in Boston within a month, in which he attributes the deplorable conditions of the entire railway system as well as that of manufacturers in general to the cutthroat principles of labor unions.

The present business depression that has affected the entire country naturally affects the quantities of freight tonnage, and we business men naturally ask why a railroad company should be allowed to rob us in order to maintain highway salaries and outrageous labor union wages.

We depend upon you to thwart this scheme and protect us from any further advances which will never be yielded up when once granted.

The testimony adduced before your honorable committee last Friday, to the effect that a 5 per cent increase would not materially benefit the various railroads now threatened with bankruptcy because of extravagant salaries, well-watered capitalization, and general robbery of their legitimate stockholders by the pet schemes of railway officials in rebates, etc.

In your careful consideration of all these conditions I trust your commission will not forget to investigate why that the Anchor Line, Empire Line, Union Line, Merchants Line, Adams Express Co., Pullman cars are permitted to exist upon trunk lines that are capable of performing all such services, and turning the profits made by these robbing side lines into the legitimate hands of their bona fide stockholders. Allow me to further state that I do not think it possible for your commission to discover one stock or bond holder of the Pennsylvania Central or New York Central, or any of the trunk lines, who is familiar with the actual financial conditions of these corporations. It is a well-known fact that many of the railway corporations of this country are yearly selling additional stock certificates, thereby increasing their capital frequently requiring increased revenue to pay interest upon inflated issues. Until your commission will stop this wholesale robbery these railroads will continue to call for more fuel for their furnaces.

A general perusal of the leading New York journals reveals the consensus of opinion by their Wall Street editors that you gentlemen should allow these dear railroads to further tax us.

You will readily understand the motives of newspaper publishers in advocating matters beneficial to said railroads just as they do oppose an increase of postal rates on carrying newspapers at a rate entailing a heavy loss upon the Post Office Department.

I sincerely trust I have not encroached upon your valuable time, and if I have uttered anything that is interesting to you kindly read it to your fellow members.

Yours, truly, D. H. POTTS.

—

THE "RAILWAY" CRISIS.

The "railway crisis" of the financial columns is something remote, impersonal, almost a theoretical affair, without practical importance outside of limited circles. It assumes a near, broad, and human aspect as interpreted by President Willard. As he sees it a crisis for the railways is a crisis for workers who lose their jobs, for investors who are disappointed in their dividends or interest, and for the shippers whose trade is interrupted by deterioration in the service which the railways are able to render. These are heavy prices to pay for escaping a rate which the payer transfers to the buyer of the merchandise, to whom the burden is so slight that he is not aware of it and can not calculate it. It will be much easier for him to calculate his losses through not paying the rate. It will be reflected in increased costs of manufacture and through reduction of profits in sales lost through the general decrease in the purchasing power throughout the community, whether that purchasing power is derived from wages or dividends.

President Willard's interpretation of the crisis for the railways puts another face upon the means by which the advantages of the advance are to be obtained. When a burden which can hardly be traced is escaped at the cost of impediments to trade, shippers perceive that their interests lie rather in excellence of railway facilities at any reasonable cost. Many shippers have formally so resolved, and the commission has been made aware of it. Why might it not be a good idea to advance rates when shippers and carriers are agreed about it?

—

APRIL 2, 1914.

EDITOR NEW YORK TIMES,
Times Square, New York City.

DEAR SIR: In your editorial in this morning's Times entitled the "Railway Crisis" I am rather surprised to find you taking "the-public-be-damned" attitude. After asserting that the railways have everything to gain and the shippers nothing to lose, you suggest that these two interests be allowed to settle the question of an increase of rates. There is another large body of citizens to be considered, and fortunately for them they have the Interstate Commerce Commission to look after their interests. It was for their interest the commission was created.

CONSUMER.

—

LANSDALE, PA., *April 1, 1914.*

The INTERSTATE COMMERCE COMMISSION.

GENTLEMEN: It would be a calamity if you were influenced by the pressure brought upon you by the railways and their thousand and one emissaries that are at work to frighten you into a decision which is not absolutely just to them and the public. Don't let them worry or hurry you in the deep and general sentiment of the people. We know their game, and do hope that while the President and others may become frightened you will not. A wrong decision would almost forever destroy your usefulness to us the people. We greatly appreciate your great work, and thank you.

Yours, truly, TRAVELINGMAN.

—

RAILWAY MAIL ASSOCIATION OF PORTSMOUTH, N. H.,
Ogden, Utah, March 25, 1914.

Hon. WOODROW WILSON,
President of the United States, Washington, D. C.

HONORED SIR: I submit respectfully a clipping from the Weekly Inter-Mountain, a union-labor publication of Salt Lake City, and hope that the statements in said article as to your position on said questions are false. We progressive Democrats of the West who worked so hard for your election, and who have suffered from the exorbitant freight charges as well as unjust passenger rates in the Rocky Mountain States, are decidedly opposed to any concession whatsoever to these plunderers. The history of railroading in the West is written in graft and mismanagement (see history of the Union Pacific and Southern Pacific Railway Cos.), and if they economize in a proper manner they will not find it necessary to raise their rates. Admitting the fact that wages have increased 25 per cent, they seem to forget that the hauling capacity of their engines has doubled and trebled. Their rates are unjust, and I will quote one instance: The excursion round-trip rate to Chicago, Ill., 1,500 miles, is $55, and to San Francisco, 745 miles, it is $40 from Ogden, Utah.

Be not deceived by their lamentations. They have sowed the wind; let them reap a little what they have sown. They are, so to speak, very crude and unworked. As well as untempered iron, a little of the fire of self-sacrifice and self-denial will do them good; a little economy and less graft will do them good. There are entirely too many deals like the Frisco and Milwaukee, where the high and mighty organize construction companies to build the railroads and sell them to themselves at fat figures.

The party has done nobly so far. We are converting many of the rank and file of the Bull Moose and Republican Parties in this State, as well as many other States, and let us continue in this manner and we will be ever respected and successful.

With kindest regards and best wishes for your health and a successful administration, I am,

Very sincerely, yours, FRANK W. JOESTEN.

—

[By Lucien Saint.]

WASHINGTON, *D. C., March 16.*

In the great fight which the railroads are making for a 5 per cent advance in freight rates, as well as in their struggle to control freight rates through Panama Canal tolls, President Wilson has definitely sided with the railroads and against the public. His recent action in respect to these two propositions leaves no doubt that he stands with the roads.

Thus ends once and for all the illusion that Wilson is a "radical" and an advocate of the rights of the people as against the vested interest.

Wilson wants the railroads to have their 5 per cent freight increase because the railroads say that they need it. In cautiously worded emanations from the White House "it is learned," "it is authoritatively stated," "it is rumored," that Wilson shares with the railroads their solicitude for their pocketbooks, and believes with the magnates who have succeeded in nothing except in demonstrating the inefficiency of private capital to operate a public utility, that "business confidence" will be restored if the Interstate Commerce Commission grants the requested increase. Wilson has not made any definite public statement to this effect, but he has authorized the publication of dope which has indicated plainly that he desires the raise. Everyone in Washington knows that this is the fact of the case, though the impression is given out that the President is not interfering.

Wilson shows that his heart is with the railroads in the matter of the Panama Canal tolls. Two years ago, contrary to the wishes of the railroads, Congress decided that the canal should be free to American ships. This was a blow at American railroads, who own most of the ships and who do not want to see independent shipping firms spring up in competition with the railroad-owned shipping. The effect of tolls on transcontinental freight rates would also be helpful to the railroads, and the railroads for this reason do not want the canal free to all. After Congress defied the railroads the Democratic Party at Baltimore clinched the matter by putting a plank in its platform declaring for a free canal.

But a few days ago the railroads grew restive, and Wilson came out in favor of repealing the free canal proposition, thus reversing not only his party in Congress, but his party platform. International treaty obligations and "other circumstances" were his excuse for this astonishing action.

The fact of the railroad situation to-day is that the roads of this country are trembling on the verge of receiverships. It is known in Washington that if the 5 per cent freight rate increase is not granted at least two railroad systems will be declared bankrupt. High finance, wasteful methods of operation, graft to allied private industries, and general incompetence are to blame for this condition. Louis D. Brandeis, special counsel for the commission in the rate case, is trying to make the railroads save money by adopting a little of the efficiency and economy which they talk about so much in public. Brandeis is fighting the railroad press agents and the railroad grafters at every turn, and the big papers of the country, neither understanding the case nor wishing to understand it, are poisoning the public mind in such a way as to make the people think that the railroads need the increase. The truth, of course, is that in the long run the railroad systems will be better off if they are not given the increase, but are forced to add to their revenue by cutting out the graft.

Before Wilson became President it is reported that he spent a week at the palatial Hudson River home of a New York big business man. At the end of the week the big business man came to the conclusion that Wilson was "all right" from his point of view. In the presidential campaign Wilson received the support of many big business men. Wilson is now supporting the railroads.

—

356 PINE STREET,
San Francisco, April 9, 1914.

Hon. OSCAR UNDERWOOD,
Washington, D. C.

MY DEAR SIR: The subsidized press is determined to have the Interstate Commerce Commission grant the eastern railroads the 5 per cent increase in freight rates. Of course you and I know that if there was no Wall Street there would have been no such demand; consequently, the incentive for the demand is Wall Street.

Wall Street has never produced a new dollar nor added a new idea to the world, she simply lives out of the other fellow's pocket; her production is mostly watered stocks and degenerates.

The yearly dividends on watered stocks alone amounts to 25 per cent of the average yearly income of every workingman. The dividends on the Steel Trust stock alone (all water) adds 10 per cent yearly rental to every occupant of Class A buildings for the structural steel alone.

The Reading Co. (a holding company) earned 30 per cent last year on its stock (originally all water), and yet is asking for increased freight rates for the railroad company which it owns.

Wall Street will die a natural death if nothing is done to stimulate it, as the new currency bill will keep most of the surplus funds away from Wall Street, where it is now used to float their watered stocks or loaned on such stocks within 10 per cent of their so-called market value.

If the heads of the different railroads asking this increase would devote their time and energy to running the railroads on their merits instead of hovering over the stock ticker there would have been no necessity for the increased freight rates. They are hardly sincere in their pessimistic reports to the Interstate Commerce Commission, when at the same time they are giving out tips to their personal friends to buy stocks.

It is to be hoped that you will use your efforts to continue the investigation until the truth is arrived at, even if it takes another year, as it would be very unjust to the public to increase the cost of living 50 or 100 million dollars per year because the railroads are not economically and efficiently managed.

Yours, very truly,
WILLIAM O. MANSON.

—

CRANFORD, N. J., *April 6, 1914.*

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

SIRS: Increasing freight rates will bring no money into the country. On the contrary, it will take it out. To export goods we have to meet foreign prices, otherwise no exports. Increasing rates will increase cost of exports and such may shut out or stop exports. Increasing rates will be adding to the prices that foreign shippers can get in this country on imports, say, from Argentina on cereals, cattle, etc. It seems to me the railroads are between the devil and the deep sea and have no way out of the dilemma except to economize.

Respectfully,
HENRY F. KNAPP.

—

356 PINE STREET,
San Francisco, March 4, 1914.

President WOODROW WILSON,
Washington, D. C.

MY DEAR PROFESSOR: It is to be hoped that the Owens bill for the control of the stock exchanges will pass as, in connection with the currency bill, it will stop a great deal of the bunco schemes for getting the people's money by the Wall Street "wolves."

Have just seen a telegram from Palm Beach, Fla., signed by one of the wealthiest men in New York, stating that the "administration would grant the larger part of the increased freight rates asked for by the railroads before the 1st of July, as the administration did not want to hurt commercial business. Of course, Wall Street is not commercial business, and, so far as I can see, legitimate business has not been hurt; in fact, it is better than it ever has been; but the moment you say or do anything to stimulate or encourage Wall Street you will find a letting-up in legitimate business.

Do not be scared by any threats or bluffs of the "kept press" that you are "hurting business." It is possible that some of your advisers are interested in the Wall Street game; otherwise I can't understand a telegram so positive as the one I just saw.

Yours, very truly,
W. O. MANSON.

—

RESOLUTIONS ADOPTED BY SCRANTON CENTRAL LABOR UNION.

To Woodrow Wilson, President of the United States, and members of the Interstate Commerce Commission:

Whereas a group of railroads known as the Eastern Railroads, through their officers, managers, legal advisers, and other factotums, have made a request for the privilege of increasing the freight rates 5 per cent on the pretense that it is necesary to charge more for the transportation of freight if the railroads continue in business and are saved from the quagmire of bankruptcy; and

Whereas it has been charged, open and aboveboard, contradiction of the allegations being challenged, that this movement for an increase in rates has been and is urged by all the special-privilege-serving crew, including subsidized periodicals, trade organizations, flunkies controlled by railroad influence, for the purpose of coercing, intimidating, and terrorizing the members of the Interstate Commerce Commission to compel them to grant the unreasonable demands, despite the fact that evidence is at hand to prove that an increase in freight rates at this time can not be sustained either by fact or persuasive argument; and

Whereas Congressmen are enlisted in the campaign of misrepresentation, some of them boldly writing to the commissioners in behalf of the railroads' plea, while trade publications, commercial associations, banks, and other organizations and associations of influence and affluence have joined in the clamor for the granting of unreasonable requests of the railroads, without first permitting the members of the Commerce Commission to make a thorough and unbiased investigation of the facts for the purpose of ascertaining if the demands are just and reasonable and supportable by the conditions that exist: Therefore be it

Resolved, That we, the delegates of the Scranton Central Labor Union, in convention assembled Sunday, April 5, 1914, representing 75,000 wage earners, protest, with all the power at our command, against the unfair methods resorted to by the railroads and their "Friday men" in the interest of special privilege, and denounce the campaign as unfair, un-American, and maliciously misrepresenting the conditions: Be it further

Resolved, That the President, Woodrow Wilson, be requested, in the name of 90,000,000 of Americans, to keep his hands off the Interstate Commerce Commission, and not to urge, as has been reported, a decision before the commission has had ample time to dig out the facts, which appear to have been submerged under an ocean of verbal brash and asinine drivel, so that justice may be meted out to the wealth producers of the Nation, who have been robbed, exploited, and persecuted by the criminal machinations of the plunderbund in this country, which seems to have gripped the Government by the throat and is striving desperately to shake tribute from an already overburdened people. Be it further

Resolved, That in view of the evidence at hand of double-dealing, alleged prostitution of the legislative halls, and some of those who have been clothed with the toga of authority, that we call upon the 90,000,000 of Americans, regardless of creed, color, or nationality, to arise and cooperate in this protest against the onward march of the plunderbund, and that we request the President of these United States to maintain his usual composure and not to become unnecessarily excited over the reports which have been sent out by the minions of greed who have sucked the very blood of the Nation in order that the goal that they are striving to reach may be attained through misrepresentation. Be it further

Resolved, That in view of the fact that the sick man of the railroads in this country, the Erie, which has been hobbling on crutches for the past quarter of a century, issued orders some time ago that a reduction of 5 per cent in freight rates had been decided upon, but was forced to countermand the order and recall the announcement slips when the plunderbund got after it, we are of the opinion that this company joining in the request for the privilege of advancing the rates now is but one of the many instances that can be cited to prove that the clamor raised in behalf of the water-soaked railroads is not sincere, and that to grant the privilege craved for would be to impose hardships upon the people of the country, who have groaned under the weight of imposition too long. Be it further

Resolved, That a copy of these resolutions be sent to the President of the United States and the members of the Interstate Commerce Commission, and that we call upon all the people of the United States who are affected by the freight rates to protest against an increase until such time as it has been shown that the conditions justify an increase. Where greed is king and special privilege the ringmaster it is necessary for the people to speak out in such tones that their plea for justice shall be heard.

OTTO E. MUSSELMAN,
Secretary Scranton Central Labor Union,
911 Ridge Avenue, Scranton, Pa.

—

EASTON, PA., *December 1, 1913.*

LOUIS D. BRANDEIS, Esq.,
Care the Interstate Commerce Commission,
Washington, D. C.

MY DEAR SIR: In relation to the request of the railroads of the eastern section of our country for authority to increase their freight rates 5 per cent, I beg to submit a few thoughts to yourself as the only medium through which I can reach the Interstate Commerce Commission, before whom the question is now pending.

In the discussion of so important a subject it should be assumed that the great majority of the American people are willing to pay "a fair return for a service rendered"; that is, such rates of freight as, under

proper management, will yield a net average return of 6 per cent upon the money actually invested. But they are not willing to pay stockholders for mismanagement, nor should they be forced to do so by the approval of the Interstate Commerce Commission. For example, they are properly unwilling to pay 6 per cent for the huge sums which the New York, New Haven & Hartford Railroad Co. wasted in a vain attempt to establish a hard and fast monopoly in the transportation business of New England, by means of which it meant to take from its patrons, through increased rates, the money required to recoup itself, and more. The balance sheet of this company showed June 30, 1903, about seventy millions of capital stock outstanding and fourteen millions of funded debt; while 10 years later there was one hundred and fifty-seven millions of capital stock outstanding and two hundred and forty-two millions of funded debt, besides $34,000,000 of floating debt.

Of course a part of this fivefold increase in capitalization is accounted for by mergers with companies formerly controlled, but after making proper allowance for this factor there is still at least $250,000,000 of increase.

The inner history of the New York, Westchester & Boston Railroad purchase, coupled with its trolley deals, helps to explain this vast increase.

This is merely touching upon the kind of railway management which railway patrons should not be forced, by increase of rates, to provide for. The facts in this case are accessible to all and are characteristic of all railroads that have become attached to the "stock ticker." Another instance of railway financing which, though older and more brazen in regard to the public, well illustrates the principle of placing burdens which the commission should not uphold by permitting freight rates which will provide for them. When the late Commodore Vanderbilt consolidated the New York Central and Hudson River Railways his first important act was to secure the issue of $44,000,000 of "consolidated certificates"; to be precise, $44,428,330. If the united corporation ever received a dollar for this issue the public were never advised of it. Before the Interstate Commerce Commission authorizes the increased rates asked for it should know all the facts in the case of every petitioning railroad's capitalization.

Another branch of this subject which ought to be gone into thoroughly is whether the simultaneous appearance of so great a number of railroads before the commission with the same identical request does not indicate such concert of action in the step taken to increase freight rates as does itself violate the act of July 2, 1890, and whether the commission may lawfully hear such a request thus made in concert. However this may be, it seems certain that the commission ought, in fairness to the general public, to act upon each individual road's petition separately and not for the whole as a body. That there may be isolated cases of railroads whose condition and the public's need of their service justify an increase is quite likely, but whether the trunk lines now active in demanding an increase are entitled to it is another question, which they should prove affirmatively before obtaining the commission's consent.

Another matter that should be carefully considered before action is taken is this: To grant a 5 per cent increase in freight rates upon interstate transportation in the territory covered by the petition is, in fact, to lay upon the public (those who first pay the bill merely pass it along to the public) a tax of probably $50,000,000 annually, not for the public treasury, but for the sole benefit of those who own railroad stocks. Only absolute necessity can justify such action.

Much is said of late of the necessity of keeping the credit of the railroads at such a point as will enable them to borrow money readily with which to make needed extensions, even implying a duty on the part of the public to pay such rates of freight as will largely provide for extensions from current revenue. If this principle is sanctioned by the commission, there is nothing to prevent the railroads ultimately owning all property because every extension so made would become the basis of fresh demands for increased returns. I submit that too good credit in the hands of unwise managers, as illustrated in the case of the New Haven road, is dangerous to the railroads themselves. An assurance of wise, prudent, and careful management within the pale of law, and always acting within its restraints, is all that is required by railroad managers to obtain adequate money for profitable extensions. Judging the present from the past, I submit that if the statements, unverified, of railway managers, together with the railway bookkeeping in which betterments and expense are hopelessly muddled and sometimes purposely made to support the contentions of the railways, regardless of actualities, are in the pending hearing accepted as facts without the closest scrutiny, the just interests of the public will suffer.

To recur again to the subject of united action on the part of the railways in seeking increase of rates, the question arises, in view of repeated decisions of the Supreme Court of the United States, in substance, that an agreement to fix a uniform selling price upon the part of competing interests was a violation of the Sherman Act, how can the railways lawfully combine to obtain a uniform advance from the Interstate Commerce Commission? the truth being, that first-grade trunk lines now maintain a uniform rate of freight for competitive movements with differentials for roads below the standard. In my view, any road believing existing rates too low may properly ask that it be allowed to increase them, but that all the roads in a given section unite in such action, thus bringing the full influence of the most highly organized industry in the country into action to accomplish their purpose, is itself a violation of the spirit and letter of the law.

In order that I may know that my letter reaches you, may I not ask for an acknowledgment of it?

Yours, very truly,

ALBERT D. COOKE.

—

SYRACUSE, N. Y., *March 23, 1914.*

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: We inclose you an editorial taken from one of our daily papers of March 21. If there is any truth in what they are hinting at, there is no use of any firm trying to conduct an honest upright business in this country any more. We would like to hear from you on this subject.

Yours, truly,

T. H. APPLEBY & CO.

EXECUTIVE INTERFERENCE WITH THE INTERSTATE COMMERCE COMMISSION WOULD LEAD TO GRAVE PERILS.

One of the most astounding inferences yet drawn by Washington correspondents relative to the railroad situation before the Interstate Commerce Commission is that President Wilson is conferring with the members of that body with a view of influencing their decision in the application that has been made by the eastern roads for a 5 per cent increase in freight rates.

The Interstate Commerce Commission isn't an executive body. It got its authority for existence from Congress. Its powers are semi-legislative and were conferred by Congress. It can have its powers enlarged or restricted by Congress alone, and can be removed from existence by the legislative branch of the Government. Yet it has quasi-judicial powers. It has much of the sanctity of a court of justice.

The question of an advance in freight rates should be settled without delay. The determination is due the roads, the shippers, and the general public. A grave injustice is being inflicted if the Interstate Commerce Commission is unnecessarily postponing its decision, but a far graver injury will be done if it is disclosed that the President has used the mighty power of his position to affect the decision. Such action would be equivalent to the President conferring with the Chief Justice and associate justices of the Supreme Court relative to a forthcoming opinion in an important case. The decision as to the desirability of the proposed rate increase should be governed wholly by the evidence submitted. Public sentiment is of value only in so far as it may properly reflect the respective advantages or disadvantages, if such there be, to the general public. But no further. Neither should the opinion of the President be permitted to influence the decision any further than that the President can publicly make known his attitude and his preferences in so far as he has studied the situation and is advised. But it must be recognized that the President can not be expected to know and have analyzed the voluminous records and the weighty testimony presented by the railroads in behalf of their position. Therefore the Interstate Commerce Commission should be left free to decide the case as the evidence warrants, whether what is done proves a wise political act or not. Courts should have nothing to do with political sentiment. To judges, possible popularity or unpopularity of their opinions should cut no figure in influencing their determination. Decisions thus warped by public sentiment are what create the discontent that is all too apparent with some of the judiciary.

Any Member of Congress has as much right to confer with members of the Interstate Commerce Commission and attempt to influence their decision in the railroad rate case or any other case before that body as the President would have to do that grievous act.

Executive interference with the commission would mean the eventual overthrow of the commission. The American people's sense of fair play is too much developed to permit one man—the titular head of any political party—to fix its railroad rates. That is what Executive interference in the Interstate Commerce Commission work would mean, stated bluntly, but fairly and justly.

—

NEW YORK, *March 20, 1914.*

DEAR MR. HARLAN: I am a shipper and interested in the forthcoming decision of the Interstate Commerce Commission in regard to an advance in freight rates. I have always understood that, according to law, your decision would be based on the evidence submitted in the case. But the inclosed clipping from the New York Evening Mail says that President Wilson will dictate decision. If this is so, then the Interstate Commerce Commissioners might as well resign office. What on earth is this country coming to? I am beginning to lose all faith in a republican form of government.

Very truly, yours,

GEORGE L. BABBITT.

BUSINESS DROP FORCES WILSON TO NEW POLICY—FEARING RETALIATION AT POLLS NEXT NOVEMBER, PRESIDENT CHANGES TOWARD INDUSTRIES.

[By telegraph to the Evening Mail.]

WASHINGTON, *March 20.*

President Wilson has at last begun fully to realize the extent of the recession in business and the urgent necessity for some policy other than "watchful waiting" for the return of industrial prosperity.

He is done with "niggardly nagging," it is said, and will now endeavor to help matters along so that a Democratic majority may be returned to Congress at the November elections.

Not until recently have Democratic Congressmen dared to tell the President their dread of the fall election, and to urge him to give business a chance to revive. Moreover, those from whom he has been willing to accept suggestions are from the South—a section of the country that does not represent the manufacturing and financial interests. It does not, therefore, reflect the acute situation that actually exists.

REPORTS MAKE IMPRESSION.

Latterly, however, the President has been hearing from the industrial centers of the North, and the reports he has heard have made an impression on him.

He is now anxious to do something to turn the tide—to restore confidence.

The freight-rate decision will be one evidence of his changed attitude.

Frankly, the President will dictate the decision of the Interstate Commerce Commission in this matter.

That is to say, he will see to it that the railroads get at least a fairly satisfactory advance—the commission can make it as much better as they see fit. The minimum, however, will be fixed by Mr. Wilson.

DRAWS ITS TEETH.

The "teeth" have been drawn from much of the proposed antitrust legislation, too. The "debatable ground" around the Sherman law is to be left as debatable as ever, and interlocking directorates are to continue to interlock without much change.

In brief, President Wilson is beginning to feel that it is good politics to have prosperity prevailing throughout the country, and he is ready to abandon many of his plans in order to create good times.

—

NEW YORK, *March 20, 1914.*

Commissioner PROUTY,
Washington, D. C.

MY DEAR SIR: I wish to call your attention to the inclosed clipping, the same news appearing in every paper, to the effect that President Wilson will dictate your decision in the rate matter. He must have an utter contempt of the Interstate Commerce Commission to usurp their functions and decide the case himself without having heard any of the evidence.

The commissioners might as well resign. Are they puppets and Wilson a dictator? Anyhow, I do not believe that the fair, just, and estimable men that compose the commission should allow this usurpation of their functions to go without a protest.

Yours, very truly,

DONALD E. MARTIN.

BUSINESS DROP FORCES WILSON TO NEW POLICY—FEARING RETALIATION AT POLLS NEXT NOVEMBER. PRESIDENT CHANGES TOWARD INDUSTRIES.

[By telegraph to the Evening Mail.]

WASHINGTON, *March 29.*

President Wilson has at last begun fully to realize the extent of the recession in business and the urgent necessity for some policy other than "watchful waiting" for the return of industrial prosperity.

He is done with "niggardly nagging," it is said, and will now endeavor to help matters along so that a Democratic majority may be returned to Congress at the November elections.

Not until recently have Democratic Congressmen dared to tell the President their dread of the fall election and to urge him to give business a chance to revive. Moreover, those from whom he has been willing to accept suggestions are from the South, a section of the country that does not represent the manufacturing and financial interests. It does not, therefore, reflect the acute situation that actually exists.

REPORTS MAKE IMPRESSION.

Latterly, however, the President has been hearing from the industrial centers of the North, and the reports he has heard have made an impression on him.

He is now anxious to do something to turn the tide—to restore confidence.

The freight-rate decision will be one evidence of his changed attitude.

Frankly, the President will dictate the decision of the Interstate Commerce Commission in this matter.

That is to say, he will see to it that the railroads get at least a fairly satisfactory advance; the commission can make it as much better as they see fit. The minimum, however, will be fixed by Mr. Wilson.

DRAWS ITS TEETH.

The "teeth" have been drawn from much of the proposed antitrust legislation, too. The "debatable ground" around the Sherman law is to be left as debatable as ever, and interlocking directorates are to continue to interlock without much change.

In brief, President Wilson is beginning to feel that it is good politics to have prosperity prevailing throughout the country, and he is ready to abandon many of his plans in order to create good times.

—

FRED R. KLEIBACKER,
803 Publication Building, Pittsburgh, December 20, 1913.

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

DEAR SIRS: The Union Storage Co., of this city, are one of the oldest—possibly the oldest—of the corporations doing general merchandise storing here. They have buildings at Second and Liberty Avenues, also at Twenty-fifth and Pike Streets. They formerly were lessees of and occupied a third building, at Thirteenth and Pike Streets. This latter location was abandoned by the Union Storage Co. possibly five years ago. The site is now occupied by the Consolidated Storage Co., also a public warehouse.

The Pennsylvania Lines always store uncalled-for freight with the Union Storage Co. Even after I, for one, have written and also spoken to them protesting against the unfair practices of this storage concern, they have persisted in ignoring all other warehouses. Once, answering a protest relative to goods sent from their platform at Eleventh Street and Pike, they gave as reason for their selection of the Union Storage Co. at Twenty-fifth and Pike Streets, 12 blocks beyond the Consolidated Storage Co.'s warehouse, that the Twenty-fifth Street warehouse is more nearly in the (geographical?) center of the town. Possibly so, but that location would generally be regarded as beyond the outskirts of the business section. And, further, this "advantage" did not seem to appeal to them when the Union occupied the Thirteenth Street site, for my impression is that then "everything" went to Thirteenth Street store, only 2 blocks from the railroad terminal, at Eleventh Street, instead of 14, to the Twenty-fifth Street location. Naturally the real expense of carting goods from Eleventh Street to Twenty-fifth Street is greater than the cost of hauling from Eleventh Street to Thirteenth Street.

In addition to this, the Union Storage Co. raise their tariff where goods are stored by the railroad company, and have in the past ignored personal appeals for fair treatment, which, in my opinion, would consist of assessment at their own published rates.

These facts have been put before the railroad company, but they were not moved. So set upon storing only with the Union Storage Co., in fact, have they been, as to cause one to wonder if any of the railroad officials are pecuniarly interested in increasing this storage company's revenues.

On November 28, so I was informed by the men on the Eleventh Street platform, Pennsylvania Co., there were sent to storage in the Union Storage Co.'s Twenty-fifth Street warehouse 150 cases 2½-pound California peaches, weighing, according to the warehouse receipt, 61 pounds gross, average. The railroad company usually notifies me that goods must be removed or they will be stored, and while the customary notice was not given in this instance I do not make complaint because of that, for I knew that unless they were being lenient to counterbalance, in a way, their own helplessness and miserable service, at about that time (they being so congested with freight as to render the very worst service I have ever known in the matter of time in transit, and also inability of consignee to get access to goods after arrival) the goods, according to their rules, were due to be stored.

When I discovered they were stored I called up the Union Storage Co. and asked what rate would apply (their rate on No. 3, average weight about 67 pounds to the case, is 1½ cents for the first month, 1 cent per month thereafter); I was told 1¼ cents. Inquiring why, I was told that they always charge 5 per cent additional on goods stored by the railroad. You will please note the vagaries of their arithmetic—their 5 per cent is somewhat larger than other people's 20 per cent—in fact, just 25 per cent—and I was informed further that $4.57 cartage would be assessed, at the rate of $1 per ton. I called upon minor officials of the Pittsburgh, Fort Wayne & Chicago Railway in an endeavor to have the storage charge adjusted to agree with storage company's published tariffs, and also asked for a fair charge for hauling. These minor officials referred me to the division freight agent, the station agent assuring me vehemently that he was utterly without any concern or interest as to the conduct of the warehouse people with respect to any charges levied.

I then went to the chief clerk of the division freight agent, P. F. W. & C. Ry., Mr. Robb, who, in the spring, after having dismissed a somewhat similar matter, which I thereupon reported to the general freight agent, suggesting in my letter to the general freight agent that it seemed too trivial to bring before your body, adjusted the then trouble fairly and satisfactorily.

Mr. Robb immediately called on the storage people, who agreed to assess the storage at their published rate, but who would not alter the hauling bill. I had told Mr. Robb that I consider 60 cents per ton a fair price for the service performed. The storage company then sent bill at 1¼ cents (Exhibit No. 1). Back I had to go to Mr. Robb for adjustment. I had already emphasized to him the fact that these goods, part of an order shipment, had been released by me through surrender of the indorsed bill of lading and that I had paid freight charges in full. Notwithstanding which the goods were stored in name and for account of Pennsylvania Co., which action appears to me as being confiscatory, and I only finally secured a receipt in my name and title to my property by another call on Mr. Robb, after having received the receipted bill marked Exhibit No. 2, though in remitting I asked for warehouse receipt—Exhibit No. 3.

While this matter was underway I had occasion to store (again due to removal) 100 bags lima beans, weighing approximately 8,000 pounds—a trifle heavier. I merely sent Consolidated Storage Co., a perfectly responsible concern, an order to haul, and they charged $1.50 for drayage (Exhibit No. 4)—about 37½ cents a ton—to their warehouse at Thirteenth Street.

Now, as noted above, I considered the cartage charge to Twenty-fifth Street excessive, and having received an offer for the lot of goods for shipment to an out-of-town place, which would have necessitated hauling back to the station whence they were taken, I asked the teamster I usually employ his price for shipping. The letter of the White Transfer & Storage Co. (Exhibit No. 5) will show their rate for hauling and, in addition, marking and shipping. All Pittsburgh warehouses, so far as I know, charge one-half cent per package for marking and shipping, which allowed, makes a charge for hauling $2.25 as against $4.57 I was compelled to pay before getting title to my own property. Further, before I got the proper warehouse receipt, the party to whom I had sold the goods asked to be permitted to cancel his order, which request being granted, the goods are still unsold—on my hands—all because of the assumption of the transportation company of title to my own property.

Now, you will have observed the tremendous outlay of time and effort necessary to secure such consideration even as was accorded me. Many people are being daily likewise treated, but none of us can really afford to spend the time necessary to an effort to secure consideration. Few care to undergo the humiliation of an appeal to the storage company.

I therefore ask that the railroads entering here be instructed to store uncalled for freight with the nearest responsible warehouse company; that they be compelled to secure for account of consignee the usual hauling and storage charges; and that the warehouse companies be restrained from extorting unfair charges from people whose goods are sent them by railroad companies.

I ask further that the railroad companies be compelled to store goods in name and for account of the legal owner.

The practices complained of above are another factor in the increased cost of living, multiplying unnecessarily as they do the handling charges.

Yours, very truly,

———

NEW YORK, *November 28, 1913.*

Hon. LOUIS D. BRANDEIS,
Counsel to Interstate Commerce Commission.

DEAR SIR: All the evidence of the commission regarding the justification of the proposed increase of rates of 5 per cent on the interstate roads, is, we are informed, to be submitted to you for analysis and other things. In viewing evidence, it is essential that the reviewer should be fully alive to the laws bearing on the matter, and we know that this is no easy matter, as sometimes judges and arbitrators have to study the history of the common law and the statute law for hundreds of years, and also study it in the light of the most enlightened and equitable of commentators. We are not going to give you any evidence under the due form of law, which you would be compelled to reject, because it was not presented in due form before the commission, but we ask you as a favor to read our letter through, as we believe that it will throw a light on this question which will be useful, and which you ought to know before you make your report. And it will be in the line, not of facts, but of the law, bearing upon the subject. Who are the parties interested in this controversy? Why, in the first instance, the railroads and the shippers, and the decision must be perfectly equitable between them. If the railroads, honestly managed, can not carry the freight of shippers at the present rates and get their average prosperity out of industrial conditions, the rates should be raised; but if the necessities of the railroads are caused by corruption and fraud, it would be a shame to make the honest shipper pay for their swindles. This publication has maintained that the railroads are now and have been for years under an organized conspiracy to rob and swindle them. And this conspiracy is the natural result of natural conditions—just the same as if a man is a habitue of a barroom, he is sure to become a drunkard. To-day and for years past, we find that the rich multimillionaires have perfected an institution which is local, but which is able to buy or sell the entire capital stock of any railroad in a single day—and years ago, all the lynx-eyed venal wealth of the world has been focused on this place as being mighty in its power for swindles and corruption. If, by any methods, they could get the inside information of what the conditions of the railroads were, and still more if they could get the financial power of the acts of these railroads, with the aid of this machinery, there would be no limit to their schemes of aggrandizement. So for years back we have had their dummies put in as railroad officials, and to-day the multimillionaires of corrupt wealth, and the railroad officer and the stock syndicates are practically one and the same thing, either in reality or by affiliation. Have you not read the recent disclosures about the St. Louis & San Francisco matter to show you that this charge we make is well within the facts. This outrage is also in open defiance of the Sherman law, against unreasonable monopolies in restraint of trade. And you must also remember that the New York Stock Exchange has no charter, and is nothing, as far as its organization is concerned, but a lot of private parties, making a monkey out of the railroads of the people of the United States. The money that they rob from the railroads is placed in their concerns to make them still more arrogant and unlawful. But there is a deeper question involved here than the one between the railroads and the shipper—that is the unceasing warfare between virtue and vice. As insiders who have been in personal contact with this place for years, we are willing to take oaths, that the railroads, nor man, nor anything else,

could come under its influence without being ruined. The men who make rotten fortunes there, deserve our sympathy. They were good men once, but the baleful influence of this place, which has secret and powerful agencies all over this country and Europe, is enough to destroy any good thing. It wrecks the railroads and depraves the community, and lures innocent victims into its toils—such as clerks, mechanics, laborers, and farmers—and robs them the same as it does the railroads.

For an illustration of its methods of using the earnings of the roads as a basis for stock deals, take the following:

A road is commencing to pick up in earnings, and the cliques at once get wise; they send out false reports of earnings, and with their control of the road they depress the price and load up with stock, and the country prospers, and huge dividends are paid out and not a cent is laid up for lean years, and the new issues are sold to the predatory bands, for less than they are worth, and the president takes from the road a hundred and fifty million of stolen money, which must leave the road so much the poorer. And then the lean years come and the road is sinking under the effects of the robbery—then these Christian gentlemen put on solemn faces and say we can not run our roads under the present rates, and the shipper is asked to put back the embezzled money, and then the road is ready for some more Wall Street. Mr. Brandeis, you owe it to yourself and to the United States Government to make a protest against these private parties, with their place merely a local institution, allowed to run in this State without a charter, under the mistaken idea that this State will profit by partnership with vice and the fruits of vice. The mere fact that this organized band of plunderers should be able to defy the Government and the people of this country with their rotten money is preposterous.

THE PROGRESSIVE BANNER,
New York City.

—

In the adjustment of freight rates incident to the advance thereof sought by railroads you may and doubtless will find upon investigation that a general advance may not become necessary if the roads are compelled to discontinue discrimination in every particular and confine the rate regulation to a mileage basis and the classification to a kind. To illustrate, stone, sand, cinders, coal, slag, etc., and that character of material are of a kind in respect of the railroad service required—the shipper loads and consignee discharges, weather or temperature fails to affect this material, and loss can occur only by accident, and the wear and tear on car and track equipment is about equal, relative to each of such articles. They enter into interstate relations to some extent, especially in respect of States bordering upon those in which the material is found, and the comparative rates charged is about 25 per cent more for stone than for the others. This does not signify that the stone rate is high, but does signify that a proper reconciliation of such rates would produce a corresponding increased revenue to the railroads and at the same time administer justice to the interests involved.

If such discrimination appears in this class of material, a similar situation may be found in many other like classifications, and the general reformation of such a system ascertained to be more required than a general indiscriminate advance in all rates.

Omit coal from the consideration, and it will be found that not only does a 25 per cent discrimination occur in the rate itself exist in many cases, but, in addition thereto, the railroads give quite an additional service to the favored material. To illustrate, crushed stone and crushed slag are alike in preparation and use; slag may be 20 per cent lighter than stone; hence to carry a given weight of slag, that percentage additional of carroom is required—to wit, 250 tons of crushed stone may be carried in five 100,000 capacity cars, while 250 tons slag may, because of its bulk, require six like cars to carry it, and a like condition may exist in many other commodities. Stone dust is of like characteristics of sand; for stone 20 to 25 per cent more rate is exacted in many instances. Let the sand bear the stone rate. An investigation along such lines may assist to a proper understanding of the entire freight situation.

—

CHICAGO HEIGHTS, ILL., *December 5, 1913.*

CHAIRMAN INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

DEAR SIR: The railroads of the United States are clamoring for an advance in freight rates on interstate business, their basis being that present rates are inadequate.

It goes without saying that earnings are expected on water, but in view of the fact that they are asking material increase, it appears to the writer that it would be very pertinent, before this matter is given serious consideration, that the principal railroads be called upon to submit to your organization, and through you to the public, a statement of salaries of $5,000 or higher per year paid officials, and the positions occupied; such a statement would be more interesting reading if it would state the relationship of the understrappers with high salaries to the men higher up.

You will remember Mr. Brandeis statement that the roads are wasting a million dollars daily, and Mr. Mellin's that no man is worth more than $25,000 per year. You will also remember Mr. Yoakum drew $75,000 salary and wrecked the Frisco, with a terrible scandal following.

We respectfully submit the above for your consideration.

Yours, truly,

WOOD, SMITH & CO.,
G. S. SMITH, *President.*

—

BURNETT'S HIDE & FUR HOUSE,
Henry, Nebr., December 18, 1913.

INTERSTATE COMMERCE COMMISSION.
Washington, D. C.

GENTLEMEN: I have read Gov. Cox's views on railroad rates—a plea for permission for increase, etc.

First. I suggest that you grant 2½ per cent increase, but see that every cent goes into betterments and not one cent for exploitation or dividends.

Second. That so soon as physical valuation has reached the stage when you can safely say just what is "water" and just what is "value" that you order a "sinking fund," made out of net earnings, that in life of present generation, say 25 years, will restore this water value to the holder of stock.

If you find it to be one-fourth, or 25 per cent, assess 1 per cent per annum, so that 25 years hence every dollar of railroad stock will represent one dollar of real value, and at once and forever after not permit one dollar of bonded debt created, only upon vouchers showing beyond peradventure that it represents betterments. In short, prepare the way for real, and not false, Government ownership ultimately.

Again, I suggest that salaries be "cut" so that no employee may receive more than $10,000 per annum, not even the president.

The wrong of paying a president $100,000 per annum when the operator, who risks life and limb, gets possibly $200 per month, and years of preparation, does not need discussion.

Again, hit upon a uniform classification, so simple, so plain, that even children can understand, and enforce strict obedience.

Cut off all "free transportation"; cut off all discrimination; lower maximum weights to favor small shippers; fix rates of wages to employees, so that strikes shall become things of the past on railroads, on grounds that the public is the most vitally interested party and a strike means a direct attack upon the authority of the United States Government, and so a dangerous venture; establish rates of increase of wages for years of service, and retirement on part pay at certain ages, say 60 to 65 years.

These suggestions may all be in your mind, but even men charged with great responsibilities like to hear from the common people, of whom the writer is one.

With respect,

J. A. BENT.

—

THE NATIONAL PETROLEUM ASSOCIATION,
Cleveland, Ohio, December 13, 1913.

Hon. LOUIS BRANDEIS,
Attorney Interstate Commerce Commission,
Washington, D. C.

DEAR SIR: I have not been able to be in attendance upon the hearings in the advance-rate case, except part of one day, although our Mr. Boltz has, and has secured most of the exhibits filed by the carriers.

Mr. Boltz has just received a letter from the Waverly Oil Works Co. which is so pertinent in its suggestions that I am sending you a copy of it herewith. Under the fourth and sixth items of this letter it occurs to me that it is quite important to understand how much the fast-freight lines are subtracting from the revenues of the carriers and to what extent such fast-freight lines are of any value to the shippers. Mr. Boltz will make up a statement showing these fast-freight lines and by what roads operated, if you desire.

On the commercial phase of the question it seems to me that the commission should not be without information as to the cost to the carriers of maintaining commercial agencies in the various cities, which commercial agencies are generally duplicated by similar fast-freight line agencies. As Commissioner Prouty said in the former advance-rate case: "There is no longer any competition in the matter of a railroad rate."

It seems entirely superfluous that a large force of high-salaried officers, with unlimited expense accounts, should be employed by the carriers to secure freight which must inevitably go by some of the stronger routes, and that such stronger routes will attract the freight in spite of commercial agencies.

To be perfectly plain, they do not need anyone to buy a drink or a theater ticket for the traffic manager or traffic agent of a large shipping concern, whereas the ordinary shipper simply tenders his freight and takes out his bill of lading without any of these accessories. I speak of this that you may suggest that carriers furnish a statement of the cost of operating their so-called commercial agencies and a statement of the amount that is subtracted by the fast-freight lines.

Yours, very truly,

C. D. CHAMBERLIN,
Secretary and General Counsel.

[Inclosure.]

DECEMBER 5, 1913.

Mr. F. W. BOLTZ,
Traffic Manager National Petroleum Association,
Rose Building, Cleveland, Ohio.

DEAR SIR: Yours 3d instant regarding general advance in freight rates. We are certainly sorry to note that Mr. Chamberlin is ill and hope that he will have a prompt recovery.

We believe that the shippers should take the position that there should be no advance whatever in freight rates until the railroads come before the commission with absolutely clean hands.

First. No individual, employee or otherwise, should ride on a pass except when on company business, and then only over the road that employs him.

Second: The private-car grab should be eliminated entirely, and no employee should be granted the use of the private car, except he pays for it just as any other individual.

Third. There should not be any payments whatever made to industrial lines for the furnishing of terminal facilities, such as the Monongahela connecting railroad at Pittsburgh.

Fourth. There should be absolutely no traffic arrangements with bridge companies, tap lines, and other highly profitable subsidiary companies owned and controlled by railroad officials and large stockholders.

Fifth. All construction companies should be absolutely divorced from any connection with the management of the road.

Sixth. Purchase of tap lines, bridges, and other subsidiaries now owned by the inside ring should be forced at a valuation basis on appraisal made by representatives of the Interstate Commerce Commission, and allow nothing for franchise value and valuing all real estate at original cost.

I, of course, understand that there are no adequate laws to force the railroads to the above program, but the Interstate Commerce Commission could readily take the position that until the railroads voluntarily adopt the above program that their hands were not clean and that they had no standing in their demand for a general advance in freight rates.

Yours, very truly,

WAVERLY OIL WORKS CO.,
HARRY H. WILLOCK.

—

LAW OFFICE OF DONNELLY & GLAVIS,
San Francisco, Cal., December 4, 1913.

Hon. LOUIS D. BRANDEIS,
161 Devonshire Street, Boston, Mass.

DEAR MR. BRANDEIS: I notice that you are representing the Interstate Commerce Commission in the matter of the 5 per cent horizontal increase requested by railway carriers, and I inclose a brief memorandum, which I prepared after discussing the matter with Mr. Donnelly, and which sets forth a number of points which might be used as an argument why the present rates should not be increased. I

thought perhaps that one or two of the points mentioned may not have suggested itself to you.

Mr. Donnelly, with whom I am associated in handling interstate-commerce matters, is a lawyer and has had 27 years' experience with various railroads as their interstate-commerce expert and has had a vast amount of information concerning rate questions. It was my intention to have him prepare an exhaustive statement on this subject, but he was unexpectedly called to Arizona and will not return until the latter part of the month.

I intend to be in the East the latter part of this month and nearly all of January and trust I shall have the pleasure of meeting you then.

With kind personal regards, I am,

Sincerely, yours, LOUIS R. GLAVIS.

[Memorandum.]

The following matter is adduced for record in connection with 5 per cent horizontal increase requested by railway carriers, covered by Suspension Docket No. 333, November 4, 1913:

Railroads in the past have benefited by the following:

1. Passes formerly issued to the public to secure business, also to politicians, now absolutely prohibited; hence, handsome increase from passenger earnings from this source. (Estimated 40 per cent.)

2. Rebates prohibited by statutes, thus enabling carriers to refuse to make these concessions from commercial pressure. This, I estimate, was worth one hundred million a year to the carriers.

3. Commission ruling that combination of locals need not be applied where tariffs publish specific through rates, equivalent to allowing roads a 10 per cent increase in rates, based on conservative estimate, as majority of shippers do not get the benefit of combination of locals by informal pleadings.

4. Decision as to railway carriers not being obliged to allow divisions of their earnings to "tap lines." This increases the earnings of railroads in the Middle West particularly.

5. Decision as to terminal allowances for elevator charges and other switching and terminal allowances so tied up by the commission that leaks in revenue from that source stopped.

6. Milling in transit has now been so regulated by the commission that shippers can not take advantage as in the past by being allowed through rates on business which they should not enjoy and by substitution of tonnage in transit.

7. The commerce act, as amended, and rulings of the commission resulted in carrier being able to abrogate contracts which provided free and reduced rates to favored firms, resulting in considerable increase in revenue from that source on most lines.

8. Rulings by the commission made so that properties that were rented at nominal values now bring incomes commensurate with their real values, such as warehouses, etc., located on their rights of way.

9. Tremendous saving by railway carriers, it being unnecessary for the railroads to maintain subsidies for political bureaus and lobbying as in the past.

10. Roads which acquired land grants from Congress have sold them from time to time and put the earnings into dividends instead of physical improvement of properties, which was not intended by the acts of Congress. In other words, the land grants were given with the moral intention that the moneys would be used for building and improving their properties and not to use such earnings for dividends as was done. The public should not be expected to repay such losses. Nor should the railroads be allowed to increase their capitalization to double-track their lines through such territories where the earnings from their land grants have been squandered.

11. A great majority of railroads in the past have received bonus from counties and cities to build and secure their rights of way. They have used such bond aid, or free grants, and in turn recapitalized the same lines and sometimes doubled or trebled the capitalization on lines which were originally bonused by the people. The last four issues of the Hearst's Magazine gives a detailed synopsis of the financing of a great many roads. The December issue notably gives a historical write up of the New Haven matter, which was recently heard before Commissioner Prouty.

12. To offset the above it might be added that the railroads are operating at a greater expense by being obliged to continually defend rates under the statutes before the commission and by the "full-crew" law and other matters in the safety of transportation, which they did not adhere to in the past. However, these additional expenses about offset the amount formerly expended for lobbying and political bureaus.

—

PORT CLINTON, OHIO, *November 26, 1913.*

Mr. LOUIS D. BRANDEIS,
Washington, D. C.

DEAR SIR: Will you please let me know if a railroad company doing an interstate business has a right to squander their earnings under the interstate-commerce law? I know of a case where the Lake Shore & Michigan Southern Railroad Co. has contracted to pay all the expense of elevating their tracks that will cost something like $1,000,000. The town in question passed an ordinance requiring the Lake Shore & Michigan Southern Railroad Co. to elevate their tracks through the corporation. The law of Ohio says under these conditions the town must pay 35 per cent of the cost of elevating, the railroad company 65 per cent. Notwithstanding this, the railroad company has agreed to pay all of the expense. If you wish, I will send you a copy of the ordinance.

Respectfully, yours, C. K. FREER.

—

LAW OFFICES KANE & RUNK,
Philadelphia, November 25, 1913.

LOUIS B. BRANDEIS, Esq.,
Interstate Commerce Commission,
Washington, D. C.

DEAR SIR: I have had pleasure and profit from time to time in reading your articles, particularly those that have appeared recently in Harper's Weekly, and I also listened with interest to your address on the Concentration of Credit at the November meeting of the American Academy of Political and Social Science, which was followed by the futile, cuttle-fish tactics of Vanderlip.

It has occurred to me in connection with the application for 5 per cent increase of freight rates that a point might be called to the attention of the commission which would have a good deal of effect in causing the dismissal of this petition.

Little attention is ordinarily given to the steady and enormous increase in the market value of terminal sites, rights of way, and land held out for use by the various large transportation companies. All of this land has an annual unearned increment, the effect of which is to cause an annual increase in the value of the franchises and to afford opportunity for increases in capital stock.

In comparing gross earnings with operating expenses, the effect of this unearned increment does not fully or clearly appear, large tracts of land providing no present source of income.

There is also, so far as certain of these roads are concerned, the holding out of use of enormous deposits of coal and iron with a steady increasing yearly value.

Of course all this may be a part of your defense, but I thought I would take the liberty of calling the matter to your attention.

I believe that I am only one of a large number of citizens who heartily appreciate the invaluable services which you have rendered to the community, particularly in connection with the New Haven Railroad, over whose tracks and upon whose boats I have had to travel for over 20 years going to and from Maine.

Yours, very truly,

HENRY JOHNS GIBBONS.

—

CHICAGO, *December 12, 1913.*

CHAIRMAN INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

MY DEAR SIR: The inclosed has been sent to a number of publications in various parts of the country and has already appeared in the Chicago Tribune. I trust it may prove of interest if not of suggestive value to you and the members of the commission.

Always more strength and power to you.

Very respectfully,

HARRY F. PORTER.

[Inclosure.]

SHALL THE RAILROADS BE ALLOWED TO RAISE RATES?

In regard to the question of raising the railroad rates, there seems to be a widespread and correlated effort to force the Interstate Commerce Commission into acceding to the demands of the railroads. I hope they stand firm and instead force the railroads to adopt a program of economizing along efficiency lines. So far they have shown little disposition to move in this direction, and they won't while there is hope in their minds of being able to bully the Government into approving a horizontal rate raise. First, let them show that they earnestly are seeking to apply the well-known principles of economic management developed by Taylor, Emerson, Gantt, Franklin, and others, and then we will be willing to grant them the right they now would compel—if, indeed, then it is necessary to ask it. I do not think it will be. On the other hand, I think it will eventuate that a decrease then will be in order.

Louis Brandeis, in the famous hearing of the shippers versus the railroads before the Commerce Commission in 1911, produced the testimony through Harrington Emerson that, conservatively speaking, the railroads are losing a million dollars a day through inefficiencies in operation that easily are remediable. This statement was pooh-poohed by the railroad men very generally, and it is still very generally pooh-poohed by them, though no one has come forth with figures to prove the impracticability of Mr. Emerson's statement.

One million dollars a day is indeed conservative. Twice that would still be a moderate estimation of the possible saving. For let us look at these figures. The total expenses of the railroads annually are approximately $2,800,000,000. The genesis of this is as follows:

(1) For all materials and supplies for operation	$600, 000, 000
(2) For total pay roll, about	1, 200, 000, 000
(3) For interest, taxes, and insurance on a valuation of $16,000,000,000	1, 000, 000, 000
Total	2, 800, 000, 000

These are actual. If reasonable standards of efficiency were enforced, the following would be the figures:

Item (1). Efficiency in purchase and use of materials and supplies whenever checked up accurately always has been less than 50 per cent; but assume 70 per cent	$420, 000, 000
Item (2). Efficiency of labor whenever checked up on a large scale as to a whole class has not exceeded 60 per cent; but assume 80 per cent	960, 000, 000
Item (3). By underwriting railroad indebtedness, the interest burden could easily be lowered 1 per cent and the present capital extinguished in 40 years. This the Government could do if it realized its responsibility as well as its power	920, 000, 000
Possible total expense	2, 300, 000, 000
Actual total expense	2, 800, 000, 000
Present annual loss	500, 000, 000
Present daily loss	1, 370, 000

For these figures I am indebted to Harrington Emerson.

When we are able to get at such facts as these, it seems to me that we can afford to stand firm in our refusal to approve an arbitrary increase in rates in spite of the clamors of the railroads and the great, powerful, bulldozing, and blundering financial interests that goad them on. To yield to them under present circumstances would be to delay the crystallization of the efficiency movement in this country a generation or more and to place our stamp of approval on the continuation of a policy which, succinctly stated, amounts to "robbing Peter to pay Paul."

Yours, very truly,

HARRY FRANKLIN PORTER,
5 North Wabash Avenue, Chicago, Ill., Efficiency Engineer.

—

1124 LA CLAIR AVENUE, PITTSBURGH,
Swissvale Station, December 13, 1913.

CHAIRMAN INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

DEAR SIR: Aside from the efforts before your body, railroad men are making a great advertisement to influence public opinion, and through this, manifestly, to exert pressure upon the commission in order to get a favorable decision on the proposed freight increase. In the stations hereabouts the Pennsylvania Railroad has posted printed manifestoes, setting forth what the company is doing for the public and the difficulties under which it labors.

The commission will, of course, decide the case upon its merits, and I would not presume to insult it by offering advice. But when the railroads thus seek to prejudice the case by appealing to the public may not I, as one of that public, be pardoned in making known to you what I believe to be about the average of what the ordinary man thinks on this question? I am not in business of any kind, and have no personal interest whatever in the matter.

Railroad men dwell upon the increase in wages. This is true of train service, but how about clerks, ticket agents, common labor, etc.? Maintenance of way is a huge item, and if I am correctly informed track laborers get about the same as 10 years ago and still have the same hours—11 in summer and 9 in winter.

Further, rates are no higher than those of years ago. But those rates are not a fair criterion. After the era of competition had passed, railroads fixed rates to suit themselves. "We make these rates," was the lofty answer I once got from an official to a civil question about some inequality. Economy also went out of date, there was no need of it. Great sums could be spared for outside enterprises or to buy stocks in other roads. Had the Pennsylvania Railroad kept the money put into New Haven stock there would be better use now for it at home.

Until recently I was for a long period in wholesale business in this city, and I feel safe in saying that in this line net profits on sales during the last six years have been from 20 to 40 per cent less than for any similar period in the past. But I have yet to hear of the jobber who told his sad tale to his customers and for remedy asked them to let him charge higher prices.

Customers! Why, the retail trade is in worse shape now than it has been for 20 years. And the consumer, is he not suffering?

Mr. Chairman, these and many other facts are better known and understood by the commission than by myself. My purpose in citing them is merely, as already intimated, to make known to you the opinion of one of that public to which the railroads are appealing.

Very respectfully,

LEO REED.

—

WASHINGTON, D. C., *December 12, 1913.*

Mr. LOUIS D. BRANDEIS,
Washington, D. C.

DEAR SIR: I should like to make an observation in the matter of advances in freight rates in eastern territory that perhaps has not occurred to you. It is that if the roads have any justification for advancing their rates, it applies rather to passenger rates than to freight. The general principle is that every service should bear its own cost, and that extends to fixed charges as well as to operating costs. And yet the railroads, together with the State commissions, keep passenger fares down to such an extent that the passenger operating ratio is almost always greater than the corresponding freight operating ratio; i. e., per cent of expenses to revenues.

A prominent railroad official (L. C. Fritch, chief engineer Chicago Great Western) has estimated that the new Grand Central Station in New York will cost $200,000,000, on which fixed charges, taxes, and depreciation will amount to nearly $20,000,000, with perhaps $3,000,000 operating and maintenance expenses per annum, and assumes that 50 per cent of the entire passenger traffic of the lines using the station accrues on New York city traffic (obviously an overestimate if the station is to be credited with only outbound traffic, or better yet, with one-half of the outbound and inbound traffic combined), amounting to $27,500,000, of which the expenses and charges amount to 80 per cent. The question I raise is, Why should the freight shipper be called on to foot the bill?

Another illustration that he uses is found in the new passenger terminals of the Pennsylvania Railroad in the same city, estimated to have cost $113,000,000 to December 31, 1910, on which the fixed charges, etc., are perhaps $11,300,000, with running expenses of $2,000,000, as against earnings accruing in New York city of about $14,000,000 (30 per cent of Pennsylvania Railroad earnings and 75 per cent of Long Island Railroad earnings), nearly all of which is accordingly dissipated before it reaches the stockholders. This official cites other similar cases, such as the Chicago & North Western passenger terminals in Chicago, whose charges he estimates at 65 per cent of the passenger revenue involved, and the new passenger terminal in Kansas City, some of whose tenants he estimates will pay out more for the terminal charges than they will receive from the resulting traffic.

What about the road expenses attaching to such traffic? Necessarily other passengers not using the terminals mentioned must pay for them or else the freight shipper has to do it. What right has a railroad company to ask that passenger terminal charges be saddled on the freight shipper? Let each man pay as he goes.

Another thing: It is hardly likely that any railroad manager would deny that it costs more in general to earn a dollar of passenger revenue than it does to earn a dollar of freight revenue. And yet they propose to conceal the truth, if possible, by favoring passenger traffic still further at the expense of freight. Rather they should seek to place the burden where it belongs by assigning a fair cost-of-service proportion of all operating and maintenance expenses to passenger traffic by adjustment of fares. It would appear that our railroad managers are afraid to face the music or, rather, the passenger, and tell him what is what. Everybody—call him the ultimate consumer, if you like—is taxed directly or indirectly for freight charges on practically everything in his house or yard, and this applies to most of the food he eats, while but few, comparatively speaking, become passengers. Much could also be said along this line touching on discrimination between the passenger who has no trunk and the one who has, the passenger who rides in a Pullman or on a fast train and the one who rides in a day coach or on a slow train but nevertheless contributes to the luxury of the other, and the passenger who eats in a dining car (and every dining car shows a commissary deficit without taking into account the transportation and maintenance expenses of the car itself, to say nothing of the fixed charges on the investment) and the passenger who carries his own lunch or goes without, who nevertheless contributes a proportion of the cost of the other fellow's meal, the balance, of course, being made up by the freight shipper.

Very truly, yours,

E. S. HOBBS.

—

AVONDALE MILLS,
Birmingham, Ala., December 12, 1913.

Hon. JOHN H. MARBLE,
Interstate Commerce Commission,
Washington, D. C.

MY DEAR SIR: I am mailing you herewith clippings from Birmingham papers being used by the railroads as frame-up evidence before your body, falsely evidencing the demand of the people for freight concessions made by your body.

Am also inclosing you my published reply to same and can assure you that the people who pay the freight have never consented to this increase.

Very truly, yours,

B. B. COMER.

[From the Age-Herald, Friday, Dec. 12, 1913.]

COMER CRITICIZES DIRECTORS' ACTION—SAYS THEY HAD NO RIGHT TO INDORSE RATE INCREASE—TAX ON THE CONSUMER—DECLARES 5 PER CENT INCREASE IN FREIGHT RATES WILL MEAN INCREASED TAX OF $100,000,000 ON PRODUCER AND CONSUMER.

Ex.-Gov. B. B. Comer does not approve of the action of the board of directors of the chamber of commerce in indorsing the petition of the eastern railroads that they be granted an increase of 5 per cent in freight rates. Mr. Comer takes the position that the directors had not the right to indorse this petition.

Following are the governor's remarks:

"For many years I have been a member of the Birmingham Commercial Club, which club was recently merged into the chamber of commerce. Yesterday the directors of the chamber of commerce passed a resolution indorsing the request of the eastern railroads made to the Interstate Commerce Commission to increase their freight rates 5 per cent. The real intent of this whole proposition is that all the railroads are to have a horizontal increased freight rate of 5 per cent.

"The directors of the chamber of commerce in their resolution state that this increased freight charge will enable the railroads to buy more equipment—rails, lumber, crossties, etc.—greatly helping business. Of course! Statisticians estimate that the increase of 5 per cent on freight charges would be an increased tax upon the country of $100,000,000. This $100,000,000 would be levied on the producer and consumer of the country. The directors of the Birmingham Chamber of Commerce would possibly not pay a cent of it.

"EXCEEDED AUTHORITY.

"The directors had no authority whatever to associate the chamber of commerce with this resolution. The people of Birmingham, of Jefferson County, and of Alabama, are absolutely opposed to it. The directors have as much right to telegraph, in the name of the chamber of commerce and the people of Alabama, to President Wilson to withdraw the currency bill—that it disturbs business; to restore the Aldrich-Smoot tariff bill; that the Underwood-Simmons bill is hurting manufacturing business of every description and disturbing every other business; to repeal the income-tax law—that it's hurting business.

"They have as much right to telegraph President Wilson to declare for the people of the United States that the only legitimate tax that can be levied that will not hurt business is on production and consumption—the one that the farmer pays; that he must stop every agitation; restore the tariff taxes; repeal the income-tax law, because the reduced tariff taxes—all the benefits go to the common people—the producer and consumer, and that the income tax is levied on the prosperity of the country—on the people who are able to pay—and that this crowd must be left alone with their moneys and business, because they help business; that the unrestricted taxes upon the people are all right because they enable the taxer to buy more goods and create more prosperity. To whom?

"TAXES ON SHIPPER.

"The Alabama cotton crop this year was 1,500,000 bales, and will bring $90,000,000. The railroad taxes against the shippers this year will be $40,000,000, or nearly half the cotton crop.

"Is it thoughtful in the directors of our commercial bodies, without even notice or discussion before the members, to petition as the directors the Interstate Commerce Commission to increase the railroad taxes against the farmers 5 per cent? That is just what it means—nothing more."

—

[From the Age-Herald, Thursday, December 11, 1913.]

PETITION OF ROADS OF EAST FOR HIGHER RATES IS INDORSED—RESOLUTION ADOPTED AT MEETING OF DIRECTORS OF THE CHAMBER OF COMMERCE—TO MAKE EFFORT TO GET REGIONAL BANK—IF THERE ARE MORE THAN FOUR, BIRMINGHAM WILL BECOME ACTIVE—TO ASK COMMISSION TO RESCIND RECENT ACTION.

The directors of the chamber of commerce met at 3.30 o'clock yesterday afternoon in the director's room, and among other important things done passed a resolution asking the Interstate Commerce Commission to grant the pending petition of the eastern railroads for an increase in freight rates.

Chairman H. U. Sims, of the finance committee of the chamber, opposed this resolution, offering as a substitute that a special committee be appointed to investigate the matter and make a report on it. Mr. Sims said that he was in sympathy with the railroads, but that he believed the chamber should inquire further into the matter of rates before acting. The resolution was passed by an overwhelming majority, however. The directors also took up the matter of the traveling men's dinner and discussed the pending currency bill, with special attention to the regional banks.

The resolution offered in regard to the railroad rates was submitted by W. W. Crawford. Quite a lively discussion followed. Mr. Sims was practically the only opponent of the resolution.

SIMS EXPLAINS POSITION.

Mr. Sims made the following statement about the matter to an Age-Herald representative last night:

"I thought that the time had come, from the size of Birmingham and the importance of the chamber of commerce, for the chamber to be careful about passing resolutions which we were not in a position to act intelligently upon offhand; that none more than I believed that the railroads have been pressed to extremes and need relief, but that the Interstate Commerce Commission is a court as capable of discerning right and wrong as any court in this country; that for us to assume the position of our impressing of telling them how they ought to decide on a matter which we were not in a position to know definitely ourselves would be a mistake on the part of the chamber. Numerous periodicals have said that the low tariff under the Underwood bill might enable the railroads to buy their raw materials and construction materials and rails so much cheaper that they need not require any increase in rates as yet. I thought that the Interstate Commerce Commission could be relied upon, like any other court, to reach the right decision."

It seemed to be the sense of the directors that if the railroads were allowed to increase rates it would mean that the people who furnish money to the railroads would become more confident and release larger sums, which would enable the roads to close contracts for new rolling

stock and other materials. This would mean much to Birmingham and the Birmingham district, and this, it is thought, was a prime factor in the decision of the directors.

It was suggested at the meeting yesterday afternoon that the chamber of commerce could not go on record as favoring an increase in freight rates for the reason that, through its railroad and transportation committee, it had been attempting to have the rates reduced. M. P. Northington pointed out, however, that this committee had not attempted to have the rates reduced, but had been working to the end of securing rates on an equitable basis with other Southern cities. The resolution, therefore, it was said, is not contrary to the work of the railroad committee, for that committee has not tried to reduce freight rates.

RESOLUTION ADOPTED.

The resolution is as follows:

"Whereas the railroads are the largest employers of labor and the largest purchasers of material in this county; and

"Whereas the price of labor and material has been steadily advancing, and in all apparent probability will continue to advance; and

"Whereas the demands of the public and the necessities of commerce are constantly calling for additional facilities and extensions, as well as the construction of new lines into undeveloped territory; and

"Whereas the margin of profit has been steadily decreasing owing to the causes above enumerated; and

"Whereas the eastern railroads have united in a request for increase in freight rates of 5 per cent; and

"Whereas we believe that this request is reasonable and warranted, and that the granting of the request will greatly revive and stimulate trade and commerce and will at the same time give additional credit to the railroad interests so that they will be able to adequately finance contemplated betterments and extensions: Now, therefore, be it

"*Resolved by the board of directors of the Chamber of Commerce of the city of Birmingham, Ala.*, That we do respectfully petition and recommend to the Interstate Commerce Commission that the pending petition for an increase in railroad freight rates be granted."

The directors decided that in the event the pending currency bill provided for more than four regional banks, Birmingham would make an active effort to secure one of them. If only four are provided for, however, it is very probable that the Birmingham chamber will let the matter rest.

DISCUSS CURRENCY BILL.

President Harding brought up the matter of the currency bill before the directors, giving a résumé of the progress of the bill in Congress, with special reference to the regional bank part of the measure. The members requested that he do this, and after he had done so, a general discussion followed. Col. Tom O. Smith, vice president of the Birmingham Trust & Savings Co., said that his principal reason for desiring the establishment of the regional banks was that it would unlock for general and freer use the reserves now in the Treasury.

After J. D. Moore, W. W. Crawford, Sidney Bowie, Oscar Turner, and others had talked on the matter a motion was made that if more than four regional banks were decided upon, Birmingham should make an active effort to secure one of the banks. Mr. Crawford suggested that a special committee be appointed to take up this matter, and his suggestion was made a part of the motion, and the following committee named: W. H. Kettig, chairman; W. W. Crawford, Col. Tom O. Smith, J. D. Moore, Oscar C. Turner, and W. A. Malone. This committee will immediately begin work on the matter, and if necessary will make a trip to Washington. They will present Birmingham's claim to Congress through the Members of the Alabama delegation, and will also take up the matter with the proper authorities in Washington. Mr. Kettig, who is out of town at present, will return within the next two or three days and his committee will then get busy.

WANT ACTION RESCINDED.

In regard to the recent repeal of the ordinance granting 10 years' exemption from taxes of new industries by the city commission, J. L. Yancey, chairman of the industrial committee of the chamber of commerce, moved that a committee be named to call upon the city commissioners in the near future to ask that the ordinance be restored. It was pointed out by Mr. Yancey that it would not be fair to those industries already here, who had come in under this provision, to remove the exemption ordinance, and also that it would take away a great "talking point" from the chamber of commerce in securing new industries. Sydney J. Bowie was chairman of the committee which was instrumental in the passage of this ordinance, and he will be chairman of the committee to call on the commissioners to ask that it be replaced on the statutes of the city.

A letter was read from the United States Chamber of Commerce asking for a referendum vote of the membership of the local body on the matter of establishing a bureau of foreign and domestic commerce. The directors took action, allowing the matter to be referred to the committee on foreign trade, which is to be named by Mr. Harding within the next few days. If that committee considers it wise, a referendum vote of the entire membership will be taken.

Four new members were added to the chamber of commerce yesterday when the directors elected the following: W. T. Lathm, Victor H. Smith, C. L. Stapleton, and Abe Kaufman. The directors have had several meetings this year, and at each one of them have elected several new members.

EX-GOV. COMER AT CULLMAN—SUMMARY OF HIS LATEST AND STRONGEST SPEECH—FACTS AND FIGURES ABOUT HIS ADMINISTRATION—DEMANDS THAT WE GO FORWARD IN WAR FOR PEOPLE'S CONTROL OF THEIR GOVERNMENT.

The following is a summary of an address delivered by ex-Gov. B. B. Comer at Cullman on Monday, November 10, 1913. It is a restatement of the issues of the campaign and a reannouncement of the policies which he has advocated and the platform on which he has stood and a strong recommendation that everybody should carefully study:

"Let the people—not the railroads—rule. The control of State government by the people rather than control by the Louisville & Nashville Railroad Co.

"Equalize the taxes of the people—also equalize the freight and passenger taxes; that is, railroad rates.

"An administration based upon education and progressive principles. Alabama should not be a laggard in the sisterhood of States. Full and equal protection of all property, individual and corporate, coupled with fair and firm State regulation.

TRUE THEORY OF TAXATION.

"The sole revenue of government is taxation. A Government that protects and educates must be supported. Every good citizen is willing to pay his part, levied on a fair basis. Therefore fairness requires the equalization of taxes and the wise expenditure of money, to the end that all citizens share in the benefits and burdens of government.

"In our business we require that a dollar spent shall secure a dollar in service or in value. The State should be run on this principle.

IF USELESS ABOLISH THEM.

"If during the Comer administration any useless office—whether administrative or judicial—was created, it should be abolished. The same should be done with every office in the State, regardless of when or how created. Not only this, but every officer whether clerk or head of a department, in the State's pay, should do the State's work. No head of a department has the right to use his department or any other department for his private gain—either politically or otherwise. Offices are primarily created to develop and protect the State. When not responsive to this policy they should be abolished.

GO FORWARD WITH EDUCATION.

"No backward step in the encouragement of education and school facilities. Progress means greater State responsibility to schools. The State's best asset is its boys and girls. An adequate State school system is vital.

"Efficient citizenship depends on the equipment which education gives the rising generation.

"Without good roads, the prosperity era on which our farmers have just began to enter will find a limit at no distant day. Every encouragement that the State can give must be freely and persistently offered to all the agencies that are now awake and striving to forward this development.

"Liberality, justice, and gratitude should be continued in the pensions and care of our old soldiers.

"The legislature of 1907–1910 utilized the moneys of the State to develop every facility along the above lines.

APPROPRIATIONS THAT WERE WISE INVESTMENTS.

"There was approximately $7,500,000 more expended during my administration than during any previous administration. Approximately $1,500,000 of this expenditure went as fixed investment, which investments are now the properties of the State, and will show usufruct for all time.

To the Speigner dam and power equipment	$50,000.00
To enlarging and reequipping the cotton mill at Speigners	75,000.00
Balance payment on new wing at Capitol and refitting and furnishing Capitol	100,000.00
Attorneys' fees and expenses of railroad litigation	100,000.00
To aid the rebuilding of agricultural school at Athens, Ala., damaged by storm	6,000.00
To aid the rebuilding of agricultural school at Wetumpka, burned	10,000.00
To the Boys' Industrial School, East Lake	50,000.00
To aid the rebuilding of medical college at Mobile, injured by storm	50,000.00
To aid in building and repairing rural schoolhouses, approximately	195,000.00
Building girls' school dormitories at Montevallo	200,000.00
To waterworks, engineering hall, and agricultural building at Auburn	260,000.00
To repairs and new buildings at the university	400,000.00
	1,496,000.00

The above is permanent investment and well made.

INCREASE IN MAINTENANCE FUNDS.

The legislature also increased the appropriations over any previous administration.

To the insane asylum over any previous administration	$429,509.60
Increased expense to industrial school for white boys at East Lake	50,000.00
Increased amount for keep of old soldiers at Mount Creek	25,000.00
Increased amount paid old soldiers	1,763,621.95
Increased appropriation to medical college at Mobile	20,000.00
Increased appropriation to the university	100,000.00
Increased appropriation to Auburn	56,000.00
Increased appropriation to Montevallo	51,000.00
Increased appropriation to normal schools	95,000.00
Increased appropriation to agricultural schools	72,000.00
Appropriations to county high schools	198,500.00
Appropriations to public schools	2,893,893.52
	5,754,525.07
To this add fixed investment of $1,496,000	1,496,000.00
	7,251,525.07

"The difference between these amounts and the $7,500,000 increased expenditures went in the attempt to secure greater efficiency in the departments, the largest part of which went to the judiciary, medical, and agricultural departments and to the railroad commission.

FALSE REPORTS CORRECTED.

"The report is not correct that the legislature of 1907–1910 exempted cotton mills from taxation; created a horde of offices and made useless expenditures. Neither did it entail heavy debts on the succeeding legislature or administration; neither did it leave unpaid warrants. A report from the joint House and Senate committee of the succeeding legislature, made March 14, 1911, showed a large sum of money on hand, and the records show that it was not necessary to borrow any money until after the end of the fiscal year succeeding my administration.

"If the laws enacted in 1907–1910 were wrong—if the appropriations were useless or excessive, the succeeding legislature had abundant opportunity to correct both and it is not becoming in anyone, posing as the friend of the present administration, to condemn the laws and appropriations made by the legislature of 1907-1910.

"The legislature of 1907–1910 used $7,500,000 in excess of the previous administration, used it in the upbuilding of every department of the State and the lion's share, as it should have done, went to the schools and old soldiers.

"The above outline shows where, either in fixed or continued appropriations, the amounts were invested, and I challenge anyone to show that the State and citizens were not greatly benefited and respectfully ask which office and which appropriation will be repealed?

THE GREAT CORPORATION FUND.

"In 1904 the Louisville & Nashville Railroad used in Alabama elections $142,385.25 to debauch the voters in the endeavor to elect its candidate president of the railroad commission. What did the Louisville & Nashville Railroad want with the Alabama railroad commission?

"In the year 1913, the same railroad company is endeavoring to elect its candidate governor. What does the Louisville & Nashville Railroad Co. want with the governor of Alabama?

"The Louisville & Nashville Railroad is now seeking control of the Alabama Legislature, house and senate. What does it want with the Alabama Legislature?

"The Louisville & Nashville in the past has sought to control every function of our State government, whether administrative, legislative, or judicial; has sought through these sources the trusteeship of the State to develop its properties, uncontrolled or unregulated, free from competition, according to its own methods and with own charges.

AN ERA THAT IS PAST.

"President Wilson, in his New York speech, said that this kind of trusteeship and property development no longer appeals to the people, and Mr. Underwood, in his Birmingham speech, said that this kind of business created a monopoly, and that in our government monopolies of whatever nature must be controlled or regulated.

TREAT ALL ALIKE.

"If the charges of the Louisville & Nashville, the Central and the Western, both as to passenger and freight rates, are not regulated, then the restrictions on the rates of the seven railroads of the State which have been observing the law for six years should be removed and all their original high charges restored. This is common justice, as our laws should carry alike for every property and every interest of the State.

"In plain terms, if the State is to be bossed and controlled by the railroads, it should be by all of them and not by one of them.

WHAT STATUTE RATES SAVED THE PEOPLE.

"The Louisville & Nashville Railroad had the State rates, passenger and freight, in effect for three years. Their own testimony shows that the difference between their rates, passenger and freight, and the State rates, passenger and freight, was about $700,000 per year, or $2,100,000 for three years.

"Their own statement made in the Wall Street Journal, published July 14, 1912, shows that in 1910, the first year the Louisville & Nashville had in the Alabama freight and passenger rates, they earned 17.35 per cent; in 1911, 14.26 per cent; in 1912, 16.04 per cent, and this on par value of stock, which had been watered double, and this in addition to the immense sums spent with the press, with the courts, and lawyers and in other debauchings of the people which had been charged to its expense.

"This $2,100,000 was saved to the Alabama patrons of the Louisville & Nashville Railroad on passenger and freight rates.

"I estimate that this railroad system is one-third of the railroads of the State. All of the roads observed the rates for three years, and for these three years the patrons—that is, passenger and freight—were saved $6,300,000.

NINE MILLIONS SAVED IN ALL.

"More than half the roads have had the rates in for six years—saving to the people an additional $3,000,000, or approximately $9,000,000 in all.

"From this record of saving to the shippers of the State, and which saving the Georgia farmer has had for 32 years, the people will understand why this railroad system seeks through every debauchment of Government to obtain control. They throw every environing influence around our politicians, whether bank president or the citizen, whose vote and influence are for hire, for the purpose of obtaining control. They plead that if they are not allowed to make their own charges against the people of the State they will not continue development, a development which every understanding man knows is made by supertaxing the people of the State to build property with the money of the State, not for the people of the State, but for the owners of the railroad, and in the end this secures to them an additional tax on the people.

"Every influence in Alabama which could be approached has been approached, and we have many instances of press and individuals essaying to be leaders, both in State and national democracy, and yet who are in every act the agents of this company and their allies to do that against the people of Alabama which every attitude of good governments demands should not be done.

TRUE STATESMANSHIP.

"To justly equalize tax assessments and wisely distribute the moneys of the State constitutes statesmanship.

"The $100,000 invested in attorneys' fees and court costs in the railroad litigation has already saved the shippers of the State in passenger and freight charges $9,000,000.

COMPARE FOR YOURSELF.

"Let any shipper compare his freight receipts under the rates on the 110 commodities of common consumption, production, and use—called the Comer rates—for the three years in which they were enforced on the North Carolina & St. Louis, Louisville & Nashville, Western, and Central with the charges to-day on the same commodities as made by the same railroads. Also let any shipper on the seven other railroads, including the Alabama Great Southern, which have been observing the statute rates on the 110 commodities for six years, compare their rates with the rates which were paid before the law went into effect; you will then fully understand the difference the Alabama shipper—and remember always that the farmer pays the freight—has been paying, and is on some of the roads now paying, more than the Georgia farmer has paid for 32 years. Remember again that the seven roads have had the rates in effect for six years and the other systems had the rates in for three years and there was no confiscation or destruction.

TOTAL RAILROAD LEVIES ON THE PEOPLE.

"The total railroad charges against the shippers of the State for the four years of 1907–1910 were $132,294,720.42. The State taxes for the same years were $18,712,745. The railroad taxes against the people of the State were $113,577,972 more than the State taxed its people for their own use and benefit. The State taxes have exact constitutional limitation of 6½ mills, and the law limits the assessment to 60 per cent of value, and this is right, because the people should be protected even against their own assessor and against excessive taxes for their own use.

IS OUR COMMISSION DOING ITS DUTY?

"The State has a railroad commission law, drawn by Mr. Selheimer and passed in 1907–10, made from the laws of the most progressive States for the protection of the shippers and to more fully protect the people the commission was made elective.

"This is the only protection, outside of the legislature, that the people have against this immense sum taxed for freight and passenger carriage. Is the commission discharging its duty? The freight charges against the State last year were $39,900,000, practically half as much as the value of Alabama's cotton crop, and more than double the State taxes for four years.

IS THE COMMISSION HELD CAPTIVE?

"The only defense that Alabama can possibly have against these charges is the execution of the law in the establishment of reasonable freight and passenger rates. Is the commission doing it? Have the railroads captured the commission? If the commission will not act, if Gov. O'Neal will not act, then the only relief is a new administration and a new legislature which will act.

OUR TARIFF VICTORY.

"The National Democratic Party, after a 50-year struggle, has just accomplished a tariff victory; that is, reduced the tariff tax on all ordinary articles of common consumption, production, and use—those things which save most to the common people.

"They reduced the tariff 2 cents per pound on sugar, notwithstanding the people of Louisiana claimed that it would destroy a great property interest engaged in producing sugar.

"They reduced the tariff 8 cents per pound on wool, notwithstanding the sheep growers' protest that it would ruin the industry.

"They largely decreased the tariff on all cotton and woolen goods against the protest of every manufacturer.

"They decreased the tariff on all hardware and on every meat product. They even came to the Birmingham district, at Corey, now Fairfield, and reduced the tariff, even to the free list, on nails and wire goods.

"These things were accomplished in the face of the strongest adverse lobby, a lobby in which it was shown that immense sums of money were used in the debauchery of not only the voter but of the legislators also. The Democratic argument used was that no interest should be allowed to write its own tariff, and to-day the strongest Democratic argument for indorsement by the people is the immense sum saved from these protected industries in their charges against the people.

TAXING WEALTH, NOT POVERTY.

"The Democratic Party went further than that and in the income-tax law declared that taxes or money to run the Government should be levied on incomes and not on consumption—that is, should be levied on the wealth and not the poverty of the country.

"In the reduction of the tariff it has been said a thousand times that on the goods reduced in price by the removing of tariff charges the profit would go to the middle man and not to the consumer—a statement as rotten as ever a demagogue or paid hirely got off.

"The Alabama Congressmen and Senators, all elected as Democrats, are now preening themselves on this great tariff reduction victory, and it is well. The fight was long, hard, and costly, but the value of the victory will be immense.

"All the evidence in this contest showed that no individual or corporation could be trusted to fix their own charges for any service or product; that in the end it would be an excessive tax on the people.

ASKS GOV. O'NEAL TO APPEAL THE STATE'S FREIGHT AND PASSENGER RATES ENJOINED BY JUDGE JONES.

"I call the attention of our National Representatives, just returning home in the full flush of their tariff reduction victory and ready to accomplish the further success of currency reform, to the fact that here at home we have also won a partial victory in our railroad tariff regulation laws. The Federal law requiring three Federal judges instead of one to sit on an injunction case against the State law or against the railroad commission law, has had a most important bearing, as has the impeachment of Judge Archbold, of the Interstate Commerce Court, for liason committed with the Louisville & Nashville Road. The abolition of the Federal Interstate Commerce Court, evidently because of their interference with the Interstate Commerce Commission, and the decision of the Federal Supreme Court in the Minnesota, Missouri, and Arkansas rate cases sustaining the State's control of intrastate rates, has had a most beneficial effect. While the agitation is now on, we trust for a speedy, successful adjustment of our freight and passenger contention, and particularly that all of our roads will speedily recognize the right of the State to control and adjust rates. I will suggest to Gov. O'Neal that since this Supreme Court decision the rate cases in Alabama enjoined by the inferior Federal judge take on a new aspect and a new importance; that while it is true the appeal to the Supreme Court would cost quite a sum of money, yet the suit is so vital, of so much interest—even money—to the people involved that the importance of the appeal would justify and greatly outweigh the expenditure; that every citizen should ask the governor to carry these cases to the Supreme Court.

LOUISVILLE & NASHVILLE CLAIMS.

"The Louisville & Nashville road still insist on the vested right to make their own tariff or taxes against the people—freight and passenger fares—their own way.

"This claim of the Louisville & Nashville road is obsolete, and no longer has place in the Government of a progressive people.

COMPARISONS WITH GEORGIA.

"The Georgia farmer who ships a ton of fertilizer pays an average rate of $1.10 per ton. In Alabama the same service is $1.50 per ton, or 40 cents per ton difference.

"In Georgia a builder pays an average rate of $10 per car on lumber; in Alabama, $50 per car.

"In Georgia the merchant can ship 10 barrels of flour for $1.75; the Alabama merchant pays $2.40.

"A farmer or truck gardener ships 100 pounds of potatoes in Georgia at 9 cents; in Alabama the rate is 21 cents.

"In Georgia a carload of watermelons average distance is $10; in Alabama, $50.

"In Georgia a carload of cottonseed hulls costs $10; in Alabama, $17.50.

"The average difference in the Georgia and Alabama freight rates on the 110 commodities is $1 as compared to $1.40. In other words, the Alabama farmer has to pay $1.40 where the Georgia farmer pays $1.

A GREAT BANKER'S HERESY.

"An eminent banker, who possibly rides on a pass, advises the people to stop agitation for lower passenger and freight charges and allow the railroads to name their own rates; that we will get more railroad buildings, which would increase our population, increase our trade, increase development, and thus greatly benefit the State, and if generally practiced, would not cost very much to any one citizen. He specially names the Louisville & Nashville Railroad, after the judge of the inferior Federal court at Montgomery enjoined the State passenger and freight rate last year, as using $12,000,000 in double-tracking, and also states that they would have built a short line to Mobile if it had not been for the railroad agitation.

GROSS DISCRIMINATIONS.

"The Louisville & Nashville charges out of Birmingham, going toward Nashville, 3 cents per mile, and is contesting a 2½ cent rate. The Louisville & Nashville charges out of Atlanta, going toward Chattanooga and Montgomery, 2 cents per mile, and the Louisville & Nashville charges on the 110 commodities out of Birmingham, toward Montgomery and Nashville, $1.40, where they charge for the same carriage out of Atlanta, going toward Chattanooga and Montgomery, $1. In other words, there is a difference against Alabama of $50 on the $100 in the passenger rate and $40 on the $100 in freight rate.

"It is a strange argument that Georgia is hurt and Alabama benefited by such a discrimination in charges.

"Alabama could take the overcharge and soon build, own, and operate its own railroads. Such arguments as this belong to the out-of-date class, and there is not a banker, business man, or paper in Georgia who would advocate permitting the Louisville & Nashville or any other road to change the Georgia freight and passenger rates to the higher Alabama rates, claiming that it would aid and develop railroads in Georgia or any other property. Mr. Wilson has well said that this species of trusteeship over the people for the development of personal property no longer appeals to the people.

"All authority agrees that a power to tax is a power to destroy.

THE BANKER'S CLAIM REPUDIATED.

"The people, in two successive elections in the State and one in the Nation, repudiated the destructiveness and untenableness of the claim put forward by the railroads, and I am astonished that it is so gravely set forth by so intelligent an authority as the banker whom I have quoted. This claim is a direct repudiation of every principle of democracy; a direct repudiation of our tariff bills, so hardly won by the Democratic Party at Washington, and properly belongs to the environments of an Aldrich or a Smoot, and I don't know of any State other than Vermont or Utah which would indorse it as a State policy.

STATE AND RAILROAD TAXES COMPARED.

"The State taxes in Alabama are $6,000,000 per year for its own use and benefit, and the railroad taxes $39,000,000 per year for their own use and benefit. Would the same authority allow the State assessor a free hand in naming the taxes, on the general plea that it would greatly increase the State's power to accomplish good for all the citizens—even though it should be applied to the development of schools, increase of pensions, and building of public highways?

OUR WATERWAYS.

"Alabama is rich in waterways. A few days since a great demonstration was made at Tuscaloosa on the arrival of the first steel barge. Many speeches of congratulation were made and future successful river carriage prophesied. I will caution the barge projectors that the Age-Herald, unchallenged, published that the railroads would not allow freight carriage on Alabama waters; that the Louisville & Nashville Railroad in the last few years used $60,000, spent through Capt. Staples, in a single effort to destroy water competition running into the port at Mobile.

RELEASE OUR RIVER HIGHWAYS.

"While, in every sense of the word, this is a reflection on our State and National Government, as no railroad should be allowed to obstruct by any tactics whatever a waterways channel or carriage, I appreciate that with Mobile awakened to its possibilities, and the Panama Canal opened, that these great resources of the State will be of much more use than any new railroad in the State, no matter where built. So I say, as one of the prime platform articles of the future: Release the railroad embargo from our rivers and untie these greatest assets of the State.

A BANKING ILLUSTRATION.

"Recently the banks of Birmingham were in controversy with the banks of Montgomery over a question of exchange. Montgomery had advanced the rate from one-eighth of a cent to one-fourth of a cent, and against this increase the Birmingham banks protested and fought. The Montgomery banks could easily claim that with this additional charge they could better do the business, and while on the subject would it be a very tenable proposition for the First National Bank of Birmingham to ask the right of charging 10 per cent for money instead of 6 per cent on a general proposition that with this increase of interest it could do more business, develop more land, and help in the general upbuilding of the State? Would it be a tenable proposition for the Avondale mills to demand the right to charge one-half cent per yard more for goods on the general claim that it would be able to build more mills, give more people work, etc.? Or still again, how would it appeal to the First National Bank that its State and county taxes should be doubled in order to establish more schools, build more roads, etc., all of which would increase our population, increase our trade development, and greatly benefit the State, and if generally practiced would not cost very much to any one citizen?

"Congress, under the leadership of Wilson, has just demonstrated the absurdity of all such propositions, and for the full protection of the people has written the laws of the land.

ALABAMA AND WASHINGTON.

"Is the Democratic Party at Washington of any different material from the Democratic Party in Alabama? Is the Democratic policy at Washington any different from the Democratic policy in Alabama?

"Over the great Democratic tariff reduction victory at Washington we should shout our vivas.

A REFEREE AND HIS PAPER.

"What sort of a proposition is it to have the would-be Washington sponsor and Alabama referee in national Democracy, with the jingle of the corporation loot in his pockets, fighting the accomplishment of all these things in Alabama?

"What sort of a proposition is it to have a paper that sold its columns to this great corporation to commit libel, whose columns are on the mercenary and not the patriotic side, to be the leader to carry Alabama back into the plunderings of the invisible government?

"Esau sold his birthright for a mess of pottage. The dearest right that Alabama can have is the right to govern our State our own way by our own people and not from the offices of the Louisville & Nashville Railroad at Louisville, Ky.

THE SENATE TO INVESTIGATE.

"Under the resolution of Senator LUKE LEA, the Federal Senate by a viva voce vote instructed the Interstate Commerce Commission to investigate the methods and practices of the Louisville & Nashville Railroad and all of its subsidiary lines and companies. I suppose some Louisville & Nashville improvised decoy duck will say that this will hurt business and stop them from building roads, buying rails, and crossties, etc.

THE REAL RAILROAD WRECKERS.

"Senator LEA said: 'It is fashionable nowadays to accuse those who insist upon railroads obeying the law of impoverishing the widows and orphans whose investments are in railroad securities. The railroad wreckers are those officials of railroads who, blinded by egotism and brief authority, are determined to ruin their railroads in defiance of law and without respect or regard for public opinion.'

THE NEW ENGLAND EXAMPLE.

"He says also that the president of the New York, New Haven & Hartford Railroad, Mellen's management, was directed more toward monopolizing the territory his road served, buying out and ruining competition, and directing legislatures and coercing public officials than in running trains safely, carrying passengers, and transporting freight.

ITS SOUTHERN COUNTERPART.

"He says that 'the Louisville & Nashville Railroad is the New York, New Haven & Hartford Railroad of the South. It's a defiance of public opinion, and an attempt to control government by directing legislatures and coercing public officials; that they continue to oppose giving their patrons the benefit of a 2½-cent fare when other railroads in Tennessee and adjoining States are making money in charging 2 cent and 2½ cent fares; in fighting and defeating just legislation like the employers' liability laws; in crushing out competition, and spending its stockholders' money in campaigns to punish public officials who have done their duty; to employ counsel to invoke the aid of courts.'

VANITY AND EGOTISM.

"He says further: 'Tennessee has always and always will be, not only friendly but cordial to investment in its boundaries when that capital comes to obey and not make its laws. Tennessee needs and will welcome more railroads, provided they will not try to create monopoly, will not tax their patrons sums beyond profitable rates for the purpose of enabling them to maintain a lobby and legislative agents that harm the railroad, and by their work only please the vanity and egotism of those who happen to be their temporary officials. Let every corporation in Tennessee and every corporation that will come to Tennessee remember that they are created by law and are not creators of the law, with powers to coerce the lawmakers and direct the desires of the lawgivers, and there will be no anticorporation fight in Tennessee.'

THE GOVERNMENT CAN STOP IT.

"I recently appealed to the National Government for help to stop this great interstate road from taxing the people of the State, to debauch the voters of Alabama, and to see to it that they quit coercion in the politics of Alabama. There is power in Washington to see that the government of Alabama is left to the people of Alabama, and that the railroads shall be restricted to the running of their railroad. All railroads or any other interests should be run under the protection and control of the Government. If I succeed in accomplishing this I have discharged the greatest service that could fall to the lot of a citizen of any State.

FROM FEDERAL COURT TO FEDERAL COURT.

"The tragedy being committed by the Louisville & Nashville Railroad in going around from Federal court to Federal court seeking an injunction against statute rates—passenger and freight—of Alabama can be equaled only by the red-headed peckerwood as he flies from tree to tree sounding for some rottenness in which to get a worm.

"The late decisions of the Federal judges and our Federal Supreme Court indicate that the people's rights—State's rights—are again above the horizon, and we trust that the future will always insure this foundation to safe, good government.

AVOID DELILAH'S LAP.

"In thanking Senator LEA and the Federal Senate for this reply to my appeal to the Federal authorities, God grant the Interstate Commerce Commission success in putting a stop to the most unrighteous interference with our State government. To the people of Alabama I declare again and again that my position in politics is to hurt nothing, but to build up everything; but again and again I caution them to remember the story of Samson and not go to sleep in Delilah's lap. You will be delivered to the Philistines, your eyes put out, and you be made to grind and grind and grind."

CHICAGO, *December 19, 1913.*

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: In the matter of the advance of rates by the railroads, now under investigation by your commission, we desire to submit the following for your consideration:

Following the formal denial of an application by the railways for an advance in rates, the railroads leading out of this city lengthened their schedule of time to the north, northwest, and western tributary markets from this city. For instance, the schedule of time from Chicago to Omaha and St. Paul had been for many years a second-morning delivery. This was lengthened to such an extent as to make it a third-morning delivery.

As this was practically prohibitive for the interchange of business on perishable commodities, the members of this trade entered a protest, assuming that the action was a retaliatory measure. It was claimed by the railroads, however, that it was a forced action by reason of the necessity of economy, and our protest was overruled and the slower schedule maintained.

The result has been that it has practically destroyed this branch of commerce on perishable commodities, such as fruits and vegetables.

The old schedule of time with the present standard equipment of refrigerator-car service was eminently satisfactory to the trade and

allowed a distribution from an oversupplied market and a relief of scarcity and higher values in the other markets and territory tributary to it. This valuable assistance to commerce and aid to both the producer and consumer has been practically destroyed in the territory affected by this lengthened schedule.

Regardless of the cause of this action by the railroads, whether retaliatory or for economy, we submit the contention that it is entirely out of harmony with progress of the times. It is progressing backward. It creates a precedent, the serious effects of which would be enormous if followed in sequence. We claim it is un-American, out of sympathy with the progress of this Nation, and detrimental to the interests of the public at large and even to the best interests of the railroads themselves.

Irrespective of whether, in the wisdom of your honorable body, the advance in rates should be denied or granted, we ask that this particular schedule and service above referred to be changed to conform to the old and satisfactory one used, becoming mandatory in the event of the advanced rates being granted.

May we ask your earnest consideration of the above?

Respectfully, yours,

THE CHICAGO BRANCH OF THE NATIONAL LEAGUE OF COMMISSION MERCHANTS OF THE UNITED STATES,
By RICHARD J. COYNE, *President.*
P. D. KONOLD, *Secretary.*
F. E. WAGNER,
J. W. SHAFTON,
J. L. OWEN,
Committee on Transportation.

—

J. G. WHITE & CO.,
New York, N. Y., April 24, 1914.

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: To-day in looking over the annual report of the Deutsche Bank, the largest commercial bank in Germany, with assets exceeding $534,000,000, I noticed two paragraphs which, it seems to me, might be of interest to the members of your honorable body. They are as follows:

"Nearly the whole of the German railways being state property, it is necessary to raise every year, by means of Government loans, sums exceeding $119,000,000 for extensions and improvements. It would be a matter for regret if the development which gives rise to this demand for capital should diminish.

"In the United States of America we find fundamental conditions pointing to a recovery after several years' stagnation in that country's economic development. The political and financial embarrassments in Mexico, however, are checking the upward swing. Besides, American railroads need higher freight rates; their present rates are the lowest in the world—representing, for instance, but a fraction of the English railway rates—and this in face of the fact that wages in the United States on the average are fully twice as high as in Europe. This latter question is one of paramount importance for the economic welfare of the whole country, because the earning power of the gigantic net of American railroads is an essential condition for the possibility of their securing the urgently needed additional capital, whereon in turn depends the prosperity of important industries and the opportunities for the employment of labor."

Very respectfully,

J. G. WHITE.

—

TRENTON, N. J., *January 14, 1914.*

INTERSTATE COMMERCE COMMISSION.

GENTLEMEN: In your 5 per cent rate-increase work you doubtless will uncover some very interesting data in the line of influence, or rather control, of interlocking directorates. Let me give you a few suggestions for a line of inquiry: The interests first bought or organized the American Locomotive Co., closing some five plants and operating five, driving from their native cities and towns thousands of workmen to seek work elsewhere, and impoverishing these towns and cities through the loss of these consumers.

The Baldwin Co. were unwilling to sell, so, as a result, competition by Baldwin prevented American Locomotive Co. from earning dividends on their stock, inflated as it was some eight times above its value; so it was necessary to "sandbag" Baldwin financially, and they did it, forcing them to incorporate and divide stock, giving them control.

Please observe gradual but sure advance in cost of locomotives—steam and electric—in the next year or so. The interests now own every plant which manufactures parts for locomotives, and the roads, whether locomotives are needed or not, will buy them by directions of owners—the interests—just as they have been buying rails and cars to keep plants and mills going to earn dividends for themselves. Any railway manager, if he dared to do so, would tell you thousands of tons of rails have been forced on him—rotten ones at that—half worn rails taken up and scrapped to make room for new ones, that mills may be kept running to enhance stock values for speculative purposes. Oil, coal, rails, locomotives, cars, steel castings, with their innumerable parts controlled by them all pay tribute, and the public pays the price necessary to earn dividends on mud and water. In heaven's name how long must this thing go on before the ax falls? Wonder if you are aware that the heads of all these corporations named, also "The Railway Business Men's Association," with its 200 members, are "yapping" for this increase by instructions from their masters, the interests. The above association is composed almost entirely by Wall Street, yet as a rule the average citizen accepts these expressions as pure public sentiment. When everyone is tainted by pure selfishness you must be wise beyond your generation if you can get on all these underground workings. An investigation of the Railway Business Men's Association would develop some interesting information as to ownership and source of funds to carry on their work. Manufacturers' Association would be shaded somewhat by these developments.

Yours, truly,

CHAS. N. JACKSON.

—

SHAPLEIGH, ME., *January 10, 1914.*

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: Don't know whether you are tired of public opinion or not, but it is sometimes interesting to get the views of every class of people when dealing with such questions as are before you. A great many in every walk of life are decidedly in favor of higher freight rates. But the writer is inclined to believe that when one comes to thin down this class of persons one finds that many such are holders of railroad stocks or bonds and can not but think of the palmy days when dividends were high, when stock dividends poured out like water, and extra dividends were common Xmas presents. They are told that an increase in freight rates means an increase in the cost of living, but they have decided that any increase in the cost of living will be more than offset by larger dividend returns. What of another class that own neither stocks nor bonds?

The railroads have sowed their wild oats; let them reap them. Better for the common carriers, better for the masses, that they economize for a few years till it becomes a habit. At present the railroad presidents and bank presidents cry, "What is to become of the railroads of this country? Ruin is in the air." They tell how the cost of maintenance eats into dividends, and heartrending reports come from great systems every month. But once an increase in freight rates is granted the net income will leap into new figures as if by magic, and the stock dividends will pour forth once again, and a great stock speculation in railroads will gladden the hearts of Wall Street (the most hounded place in the world, yet perhaps there are some, the hounded ones, there yet who can tell where New Haven's millions vanished).

One notices that the railroads are spending more for maintenance in these days than in the days of 1909–10, when the bull move in railroad was at its height. Then it was to show large net incomes; to-day it is to show poor net incomes to influence public opinion. Wall Street is still the place where many railroad systems begin and end, much as we should like to believe to the contrary. An illustration but recently of this fact: Union Pacific directors declare a stock dividend to the holders of common stock of such a date. Very pleasant for the common-stock holders, but what of the preferred? It is said that the common-stock holders should get something for having their dividend cut. True; but what of the preferred holders who have known for some time that the 10 per cent on the common was of a speculative nature; and chose to take the more sane course and hold the stock on which there was not as great a return as on the other. It would seem that they should have some share in this distribution.

Union Pacific may some day need that surplus that they so gladly give away to-day to keep up 8 per cent on their common stock, as many of the great systems of this country have learned from bitter experience. In times of plenty the writer can not see why a railroad system should give away stock dividends that can some day be needed to pay necessary dividends. Why not treat them like a private corporation? They put their surplus into stock of goods; why not railroads buy equipment or retire some of the high-interest bonds?

The New Haven system is continually crying that the Department of Justice and the public are somewhat too severe on this helpless corporation. The writer does not favor force as a remedy for such ills, but it would be the happiest moment in my life, should I see some of the ones higher up in this system pleading for mercy at the bar of justice, when having disobeyed every law of the State and Nation. True, some of their properties may some day bring more than was paid for them, but most of them never. But this fact stands out above all facts, that a body of men trusted by a community can take the earning of the farmer—the saving of the great middle class—from every section of New England, spend this sacred trust like drunken sailors, and then not even tell the owners of the property what they did with the millions. If the monthly and yearly reports coming from the New Haven for the past 10 years can not put their originators behind steel bars, then open the prison doors that the forger and swindler may go forth. Thus we may treat all alike.

It is said by those advocating freight advance that the laboring man has added very materially to the maintenance cost of the railroads through advanced wages. True. In the years past would it not have been wise to have seen the inevitable coming and granted a slight increase to the men behind the guns or a little Xmas present now and then, instead of showering the gold always on the stockholders? A railroad must be run for the brakeman as well as the millionaire, and one deserves a little of the profits now and then, if they have been faithful, as well as the man with the certificate of stock.

It is said that the mail and the parcel post does not pay enough at present to get a fair profit to the railroads. If such is the case your commission must know from the figures before you whether this contention is true or no.

It is said of the New Haven that they wish to raise freight rates so that their revenue will show a fair return on the outstanding stock. Now the question is, How much bonds and stock ought there to be? not, How much there is; how much is good will? Are the people of New England to pay a dividend of a hundred millions of good will, or the interest charges on bonds issued at outrageous interest? Rather let the New Haven begin at the beginning and pay off some of this "good will" indebtedness, as a private corporation should do under similar circumstances. Why must New England pay freight charges for the next 10 years because New Haven has good will on its books. They (of the New Haven) want the people to buy them a new horse after the old one has been stolen through the trickery of some clever politicians and gamblers and the always-willing consent of the very wise directors.

Very respectfully,

F. W. WARNER, Jr.

—

ELLIOTTSON, PA., *January 7, 1914.*

INTERSTATE COMMERCE COMMISSION.

DEAR SIRS: Attached hereto is a clipping from the daily paper. Would you allow me to offer a suggestion for your consideration?

Could your queries of railroad wages not be enlarged to cover the rental of grain elevators, other than terminal elevators, to private parties?

I. Number and location of such warehouses or elevators.

II. The construction cost of the same.

III. The rental for same and per cent on cost, and conditions of lessee's continuance in use thereof.

IV. Number and location of private elevators on ground leased from the railroad and conditions for termination of lease, and rental paid to the railroad for same.

V. State whether the land so leased was included in the chartered right of way obtainable by condemnation proceedings or ground subsequently purchased by the railroad and not strictly in the eye of the law necessary for the transportation business.

VI. State whether any banking facilities were procured for such lessees and their character.

VII. State whether any grounds on original right of way or on land subsequently bought is leased to any manufacturing plant, and the terms of said lease, and conditions for the termination of the same.

I believe that a few inquiries along this line will show wherein the railroads are potent in destroying individual trade and individual initiation in mercantile and manufacturing lines.

Yours, truly,

JAMES ELLIOTT,
Carlisle, Pa.

[Inclosure.]

RAILROAD HEARING TO-DAY—IN REGARD TO COMMERCE COMMISSION'S RATE-INCREASE QUESTIONS.

WASHINGTON, D. C., *January 6.*

Daniel Willard, president of the Baltimore & Ohio Railroad; Frederick A. Delano, president of the Wabash; and other railroad officials will appear before the Interstate Commerce Commission to-morrow in response to the commission's recent order submitting a number of questions to all railroads of the East which have applied for a 5 per cent increase in freight rates. The interests of the Pennsylvania Railroad will be taken care of by George Stuart Patterson, general solicitor for the road.

The series of questions propounded by the commission to the roads include such matters as allowances to terminal railroads owned by industries, free switching, lighterage, loading and unloading freight, free warehousing, reconsignment, especially favorable rates and special train service, milling-in-transit privileges, and questions relating to free passes and free hauling of private cars.

While these questions were directed to the carriers, with a request for responses as soon as possible, the commission set for to-morrow a hearing, at which the railroads will be given an opportunity to make any inquiries of the commission about the information which they have been called upon to furnish. There seems to be confusion in the minds of some of the carriers as to the exact nature of the data which they have been asked to give the commission.

—

BUFFALO, *January 23, 1914.*

Mr. GEORGE B. MCGINTY,
Secretary Interstate Commerce Commission,
Washington, D. C.

DEAR SIR: We understand that there will be a hearing in Washington on January 28 with the tile, brick, and clay products items in the list of commodities on which the railroads of the country desire permission to raise their rates approximately 5 per cent. The writer regrets that he will be unable to be present at this hearing and, therefore, trusts he will be allowed to express his views regarding this matter by letter.

The writer has, during the past seven years, been the sales manager of one of the largest face-brick manufacturing companies in the eastern part of the country, and during that time gained considerable knowledge as to the freight rates in effect on brick and clay products as compared with other commodities. Up to the decision rendered in the Stowe-Fuller case, the railroads maintained different rates on common brick, face brick, fire brick, and paving brick. They made the lowest rate on paving blocks because that commodity moved in heavy shipments and sometimes in trainload quantities. After the Stowe-Fuller decision all brick, whether common, face, fire, or paving, were given the same rate and this means that the railroad companies secured a considerable advance in the freight rates because the rate, as a whole, was advanced owing to the fact that the shipments of paving blocks was much heavier than on fire brick; in other words, while the new rate was lower than the rate on fire brick, it was higher than the rate on paving blocks, and, as the paving brick shipments were greatly in excess of fire-brick shipments, the railroads secured a considerable advance in their income.

We can not accept as correct the statement that the railroads are making to the effect that while the prices of labor, etc., are advancing the freight rates have remained stationary. The rates on building brick and clay products are constantly being advanced, the railroads having apparently adopted the policy of advancing a rate on one or two points at a time rather than making a general advance, but the general trend of rates on brick and clay products have been upward for the last four years. It is our belief that the brick manufacturers of the country do not desire the railroads to carry their commodity at rates that are not profitable, but a comparison between the rates charged on brick and other commodities convinces the writer that many other commodities should be brought up to a higher rate before considering any further advance in the tariffs on brick and clay products. In other words, we consider a straight advance of 5 per cent on all commodities as not only unjust but illogical. It is our opinion at the present time that some commodities are being carried by the railroads at a lower freight rate than necessary, while on the other hand, other commodities are paying their full proportion and more.

Brick shipments generally move in carload quantities, in which a minimum carload is large and the product is not easily damaged; it is often subject to delay without any particular damage to the shipper, and there are many other reasons why the present freight rate on brick is not only profitable to the railroads but a class of business that is very desirable for them.

We trust that the commission will scrutinize this request of the railroads very carefully before granting permission to make the advance requested.

Yours, very truly,

BUFFALO BUILDERS SUPPLY CO. (INC.),
EDWIN F. KNIGHT,
Manager Clay Products Department.

—

MANSFIELD CENTER, CONN., *January 22, 1914.*

INTERSTATE COMMERCE COMMISSION.

DEAR SIRS: Thanks for classification notice of freight commodities of many kinds, and many different date hearings.

How it must most craze the railroad managers, so to itemize their freight rates and charges. So different from past time—more easy business way. When they could not only make "flat rates" and all the same, for a large variety, but could charge a living profit to meet necessary demands and pay stockholders their dividends. I fear for mine.

Very, truly yours,

CHAS. H. LEARNED.

—

BROOKLYN, N. Y., *January 22, 1914.*

The INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: Your notification of January 20 of the hearings which are to be given to protestants against increases in railway freight rates on January 26–March 5, inclusive, is received and duly appreciated.

Presumably this notification results from my communication, with inclosures, of December 15, 1913.

While I am not in a position to represent any of the scheduled industries, I should be very glad to be heard on behalf of the people who eventually buy the product of and support such industries.

As I stated in my letter of December 15, I do not desire to make any charge for the time spent in testifying, but, as the commission represents the people in whose interest I am actuated, I feel that I may properly ask it to defray my necessary expenses in going to Washington for this purpose.

It is probably true that the railroads are operating upon a narrow margin, but it is probably not the less true that the prices which they have been and now are paying for commodities contain large amounts of "velvet" and, also, that equally large inflations exist in the prices which they pay for labor, such, however, being generally injected by the merchandizers who sell to the employees of the railroad, directly or indirectly, rather than by the employees themselves.

If the railroads are permitted to raise their rates it will be the signal for another series of inflations by these and other merchandizers which will more or less affect the entire population and tend to increase the already large amount of ill-gotten gains.

Hence the question has an importance which is not restricted to the railroads themselves. This is one of the few chances which our economic methods afford for the application of governmental control to the current vicious cycle of inflation of the cost of living.

The eyes of thinking men are watching you very closely. If permission to raise these rates be not granted, the merchandizers, after due growling, will accept the prices which the railroads can afford to pay and the mass of the people will be protected against the increase in prices which, otherwise, will be inevitable.

Do not imagine for one moment that commodity prices are merely the sums of the actual costs of production and distribution plus a margin or margins of 10 or 15 per cent per sequential enterprise.

I do not desire that any one should work for nothing. But I insist that the life of the Nation is dependent upon our coming to realize the fact that value is a concrete element, which can and should be accurately measured, rather than guessed at, to put it mildly, by the parties most directly interested in its distortion.

Scientific valuation must come sooner or later.

If the commission will set a date for my testimony in our mutual interest, and will defray the expense of my going to Washington for that purpose (as I have no expectation of any business that will call me there in the near future), I shall be glad to place myself at its command.

Yours, very respectfully,

H. F. STIMPSON.

[Inclosure.]

SCIENTIFIC VALUATION.

[By H. F. Stimpson.]

The sum total of a statement of valuation is important only in so far as it represents the accurate summation of the items involved. Each item is only important in so far as it represents the correct multiplication of numbers of units by unit values. These are purely arithmetical processes and may be performed by any competent clerk. The number of units per item is important only in so far as it represents correct observation and notation. This, also, is an operation which is within the powers of a competent clerk to perform.

The most important factors, however, in such a statement are the unit values. Scrutiny of these is not a matter of mere arithmetical routine, but a matter of determination which requires scientific ability of the highest order. Any error in such determination basically affects all of the subsequent computations and invalidates the total, together with all of the conclusions drawn therefrom.

Yet it is an actual, though amazing, fact which reflects no credit upon our civilization that, up to the present time, the determination of unit values has consisted and now consists of the arbitrary assignment, by "all sorts and conditions of men," of artificial qualities to service and the commodities which it produces, rather than the accurate measurement, by properly qualified scientists, of an essential property which is naturally resident within all service and commodities. As a result we have a constantly increasing turmoil in our commercial and industrial enterprises and a corresponding instability in the "securities" supposed to be based thereupon.

In the days of small communities, when all but a very few of the commodities which were consumed therein were of domestic production, an inflation of values was, obviously, extremely difficult. But in these days, when the production of such commodities is either retired behind factory walls or conducted at a great distance from where most of them are consumed, the opportunities for such inflation by the merchant, be he the salesman of the manufacturer, one of the middlemen, or the retailer, have enormously increased and are being correspondingly utilized.

The writer feels justified in stating, from many years' connection with large industries and several years' careful, dispassionate study of economics, that the prime causes of wage disputes are not to be found in the ranks of the workers themselves but in the merchants who sell to the workers. The margin of the workers is, already, so small that the disturbance reaches the employer almost immediately and the speed with which it reaches him will continually increase instead of decrease, under our present system.

It is a fact, moreover, and one not generally realized, that this constant inflation of values by the merchants not only injures the far outnumbering consumers by constantly decreasing their list of available commodities, but it is beginning to react upon the merchants themselves by narrowing the market for all sorts of merchandise in a cumulative manner that is far worse than any ordinary panic. It must not be forgotten that, according to our present system, the foundation of all business is the supplying of the necessities of life to the lowest stratum of society. Every other business is absolutely dependent thereupon.

There is reason to believe, however, that a substitute for our present arbitrary methods of valuation is available if we will but shake ourselves free from the false precedents which we have suffered to grow up about us and take enough interest in our own welfare to reach out and grasp it. This is the accurate measurement of a common, essential property, naturally resident in all service and commodities above mentioned.

That such a property exists is known to every real engineer. Its name is energy.

Technical authorities on the subject all agree that all of the types of energy of which we now have any knowledge come to us from the sun. Those latent in fuel, moving wind, and falling water are liberated and applied by means of machinery. That latent in food is liberated by means of the stomachs of animals and men and applied by means of their muscular and nervous systems.

Material, broadly speaking, is any portion of the substance of the earth, including vegetation, and may be considered, in this connection, as being inert.

By the application of one or more types of energy, which may be termed service, to material, the latter is grasped, transported, and transformed in such a manner as to fit it for the use of man, when it becomes a commodity.

While service is the vital element of a commodity, all service does not become a part of any commodity. This is seen in the case of the service of a singer, physician, or teacher.

If, however, we consider energy as the common property above referred to, it simplifies the comparison of the value of the direct service of the teacher with the commodity produced by the service of the weaver or the service of the merchant in handling such a commodity.

Exchanges of this or of similar character being necessarily parts of our *daily lives*, the urgent necessity of correct standards for their equitable accomplishment can not be much longer ignored.

Proceeding upon the lines above suggested we shall find our problem comparatively simplified by being reduced to the comparison of different types of energy and, if they originate in a common center, the sun, it may not be unreasonable to infer that these differences are those of volume and intensity, such as we already recognize in those forms of energy known as electric currents.

It would seem essential to the common interest, however, that the efforts toward the discovery of such a common denominator as has been suggested, and the units and method of using it, together with the subsequent duty of certifying to the resultant measurements, should be intrusted to a properly constituted branch of the Federal Government for exactly the same reasons that the duty of coining money is so intrusted.

The determination and certification of values would appear to be the logical complement to the coinage of money.

We condemn any attempt at counterfeiting our coinage and pursue the perpetrators thereof with the direst vengeance. But we merrily countenance a universal counterfeiting of values, or the prices supposedly representing such, and then bewail the results of our ignorance, because we fail to recognize the cause of our troubles.

Every manufacturer, harassed by demands for more wages, and every consumer, harassed by high prices of commodities, should at once urge upon his National Representative the urgent necessity for immediate legislation authorzing the analytical and constructive action which is essential to the discovery and use of scientific methods of valuation.

—

WASHINGTON, PA., *January 21, 1914.*

Mr. E. E. CLARK,
Chairman Interstate Commerce Commission.

MY DEAR SIR: A little food for thought. I have been a commuter along the lines of the railroads for 24 years. I have purchased my home and raised a family. There is at this time four commuters from my family on the railroads. Now, as to the increase in freight rates asked for by the railroads I would like to make a suggestion. I don't possess ability to operate a railroad, but increase in freight rates while comparatively small mean much to the consumer in the suburbs on the commodities used by them, such as coal, flour, meat, and all necessities of life, not luxuries, and another increase in this line will cause many homes to be vacated and families to return to the cities.

I think a suggestion from the commission of whom you are the head will have great effect with the railroad chiefs. For instance, abolish the ticket offices maintained through the cities at such enormous cost, as 99 $\frac{95}{100}$ per cent of the patrons of the railroads transact their business at the terminal. The rents for above offices mentioned range from $2,000 to $5,000 per year; keep about four clerks in each office, and may sell one ticket a day.

The railroad traffic managers every now and then will show a revised list of offices, and you will see another office opened, creating additional expense; and after doing so the heads of the railroads get together and ask you to increase my freight rate, to drive me from my home after years struggling to get it on the part of myself and family. The day has gone for these offices. Why can't an office be opened at the terminal? The telephones will get you any service you ask for, and the railroad should not be a producer; so why couldn't they do their advertising through the press?

The offices are kept open to satisfy the "whims" of certain officials; not from the amount of revenue they take in, but to keep up with the other fellow. It isn't a business proposition but a get-ahead spirit. The offices in question don't pay for it, but they are now asking you to make me do it, which is beyond any bonds of fairness to make me do it.

I trust your body will make this suggestion to the railroad heads and save thousands of dollars each year for them and let me feel I can remain in the home I have made for myself and family.

Respectfully, JAMES WATSON.

—

PORTLAND, OREG., *January 19, 1914.*

LOUIS BRANDEIS, Esq.,
Care Interstate Commerce Commission, Washington, D. C.

DEAR MR. BRANDEIS: For your information I herewith inclose you an analysis of what might be termed the relation of lumber rates to other commodities, as well as an application of the arguments advanced by the railroads where they measure the cost of carriage against the value of some article in which the rate does not cut anything like so great a figure as it does in other commodities. You will also note that in this analysis of the figures given in the pamphlet referred to, "Are the wages we pay the railroads high enough?" generally speaking l. c. l. rates are used, which necessarily make an entirely different showing than if carload rates were used, whereas Mr. Donaldson in preparing his tables and his comparisons on lumber and shingles was compelled to use carload rates. In other words, if he had used l. c. l. rates on shingles and lumber, the rates are so high, relatively, that the comparison would have been almost absurd in its discriminations against lumber and shingles. Furthermore, Mr. Donaldson used the carload rates on lumber and shingles in his comparisons with the arguments used on other commodities, because he desired to avoid the possible criticism of his rates which would be made if he had used l. c. l. rates, due to the fact that everyone knows that lumber and shingles generally can not move any considerable distance in less than carload lots on account of the excessive freight rates applying on less than carload shipments of these commodities.

It may be that this tabulation by Mr. Donaldson may give you a new viewpoint of this situation, hence I send it to you.

Yours, very truly,

JOSEPH N. TEAL.

[Inclosure.]

ARE THE FREIGHT RATES ON LUMBER AND SHINGLES HIGH ENOUGH?

To members:

While the proposed advance of 5 per cent in all freight rates is limited to eastern territory it will to some extent affect rates from the coast, and it is not improbable, if allowed in the present case, will be followed by application for like advances west of Chicago. Without in any way attempting to prejudge the question, I do feel those interested in the lumber industry should understand the situation as applicable to it. Publicity bureaus have distributed many articles and pamphlets in support of the proposed horizontal 5 per cent advance. You have doubtless seen a copy of the pamphlet entitled "Are the Wages We Pay the Railroads High Enough.' If not, you will find it quoted in A Study in Cypress Rates, issued in the Cypress Association Bulletin of December 17, 1913. This pamphlet is unsigned, but was issued by a publicity bureau in Chicago.

While the burden of defending the lumber and shingle industry against unnecessary advances in rates under the 5 per cent advances so far proposed falls at this time largely upon the eastern manufacturers the Pacific coast shippers of forest products, I think, should interest themselves individually in this matter and prepare themselves to fully understand just what these advances mean. It is important that you give some thought to this freight-rate situation at this time, so that in justice to the railroads as well as yourselves you may form some opinion as to whether the freight rates lumber and forest products are paying are high enough.

Without expressing any opinion as to whether or not the earnings of carriers as a whole are sufficient, I call your attention to several things you should consider in connection with the proposed horizontal advance of 5 per cent in all freight rates.

First. Is a horizontal advance of 5 per cent in all freight rates over all lines of railroads a necessary or proper remedy for the ills of the railroads?

Second. Is it not possible that a part of the railroads deficiencies in earnings may be chargeable to insufficient passenger earnings or very great and undue expense in passenger-train operation?

Third. May not unnecessary duplication of service be responsible for some of carriers' troubles?

Fourth. If some commodities are being transported at unremunerative rates and other commodities are already paying more than a remunerative rate, is it fair to advance all of the rates?

In considering the first question it should be borne in mind that some railroads, even in times of depression, shown earnings that indicate no necessity for increased freight rates, while other railroads operate under such conditions that an advance in all their freight rates would not, on a 5 per cent basis at least, place them in a prosperous condition.

In considering the last question let us refer back to the pamphlet Are the Wages We Pay the Railroads High Enough? The rates used in the pamphlet are apparently mostly less than carload rates. The first illustration shows that the railroads carry one hammer valued at 65 cents 1,000 miles for 1½ cents, or 54 hammers for the price of 1 hammer. Of course, every shingle shipper knows that shingles could not be shipped a thousand miles or any other considerable distance in less than carload lots, because the freight rate is prohibitive. For instance the l. c. l. rate on shingles Portland to Salt Lake City, a distance of about 940 miles, is $1.01 per 100 pounds. One thousand "A" shingles valued at the mill at $1.70 would weigh about 145 pounds and would cost $1.46 to ship to Salt Lake. On this basis the railroads would haul about one and one-eighth thousand for the price of 1,000 shingles. Measured by the mental process applied to the hammers, the railroads charge fifty times as much for hauling shingles as they do for hauling hammers. However, shingles move almost exclusively in carload lots, and while it is unfair to shingles to compare the carload rates with less than carload rates on other commodities the result of such a comparison may prove interesting.

Shingles from a point in Washington or Oregon 1,000 miles from Salt Lake would take a rate of 50 cents, but to make a more than fair comparison we will take the rate from Portland, Oreg., to Salt Lake, which is 47½ cents per 100 pounds (distance, about 940 miles). On this basis the freight charges on 1,000 "A" shingles, weighing 145 pounds, would be 69 cents, and on a valuation of $1.70 at the mill the railroad transports less than 3,000 shingles for the price of 1,000 for a distance of 1,000 miles. Compared with the freight charges and valuations quoted in the pamphlet referred to above on hammers and other articles cited, the charges on 1,000 shingles would appear to be relatively higher than the charges on hammers, etc., as follows:

TABLE NO. 1.

18 times as much as for hammers.
53 times as much as for shoes.
141 times as much as for socks.
73 times as much as for clothes.
37 times as much as for shirts.
33 times as much as for underwear.
10 times as much as for motor cycles.
27 times as much as for harness.
35 times as much as for winter undershirts.
33 times as much as for derby hats.
25 times as much as for hammocks.
222 times as much as for shotguns.
100 times as much as for overcoats.
13 times as much as for coffee pots.
41 times as much as for suspenders.
30 times as much as for umbrellas.
111 times as much as for typewriters.
45 times as much as for hand saws.

21 times as much as for ice skates.
10 times as much as for axes.
18 times as much as for hams.
9 times as much as for garden rakes.
15 times as much as for clothes wringers.
70 times as much as for cigars.
14 times as much as for pianos.
75 times as much as for collars.

Following this same process of rate analysis on fir lumber, we find the situation to be as follows: One thousand feet of fir lumber (common boards), estimated weight, 2,500 pounds; value at mill, $8 per thousand; freight rate to Salt Lake, 37½ cents; figures $9.38 per thousand. If value is a proper measure of a freight rate, the fir-lumber rate to Salt Lake is about 4 times the shingle rate and about 888 times the shotgun rate. It would seem absurd to use such a method in determining the merits of a freight rate, but that is the method used in the publication referred to, which apparently was distributed to educate the public to the necessity for an increase in freight rates.

When one considers the great volume of lumber and shingle tonnage from the Pacific coast, the low value of the commodity, the nonperishable nature of same, that it is not time freight, but is handled at the convenience of the carriers, and the importance to the general public of placing this necessity in the hands of the consumer at the very lowest possible cost, one might reasonably expect the freight rate on forest products to be in all instances one of the lowest rates charged. Following tables indicate that this is not the fact.

TABLE NO. 2.—*Rate for rate comparison of red-cedar shingles with a few of the principal commodities moving from Pacific coast to eastern points.*

Commodity.	From Pacific coast to—	Rate.	Shingle rate excess.
Canned salmon	New York City.	70	
Shingles	do	85	15
Wheat flour	do	70	
Shingles	do	85	15
Rice in packages	do	75	
Shingles	do	85	10
Paper, news and wrapping	do	75	
Shingles	do	85	10
Green coffee	do	80	
Shingles	do	85	5
Fish oil	do	70	
Shingles	do	85	15
Tallow	do	75	
Shingles	do	85	10
Rice in packages	Chicago	60	
Shingles	do	65	5
Crude coconut oil	do	50	
Shingles	do	65	15
Tin scrap	do	50	
Shingles	do	65	15

TABLE NO. 3.—*Comparative statement of carload earnings on various commodities from Pacific coast to various points, Spokane and east.*

Commodity.	From—	To—	Rate.	Minimum weight.	Probable average load.	Earnings per car.	Excess paid on fir lumber.
Fir lumber	Pacific coast.	N.Y.City	$0.75	[1] 45,500	50,000	$375.00	
Rice in packages	do	do	.75	30,000	33,000	247.50	$128.50
Paper, news and wrapping	do	do	.75	40,000	44,000	330.00	45.00
Green coffee	do	do	.80	30,000	33,000	264.00	111.00
Ginger ale	do	do	.85	30,000	33,000	280.50	94.50
Hair, deer, hog, and cattle.	do	do	.85	30,000	33,000	280.50	94.50
Matches	do	do	1.10	24,000	26,400	290.40	84.60
Neatsfoot oil	do	do	.90	24,000	26,400	237.60	137.40
Tea and tea dust	do	do	1.00	30,000	33,000	330.00	45.00
Apples, green	do	do	1.00	30,000	33,000	330.00	45.00
Hops	do	do	1.75	15,000	16,500	288.75	86.25
Fir lumber	do	Chicago, Ill.	55	45,500	50,000	275.00	
Potatoes	do	do	75	30,000	33,000	247.50	27.50
Onions	do	do	75	30,000	33,000	247.50	27.50
Rice in packages	do	do	60	30,000	33,000	198.00	77.00
Sirup	do	do	75	30,000	33,000	247.50	27.50
Crude coconut oil	do	do	50	30,000	33,000	165.00	110.00
Fir lumber	do	Denver, Colo.	40	45,500	50,000	200.00	
Bottles, secondhand	do	do	65	24,000	26,400	171.60	28.40
Excelsior	do	do	65	20,000	22,000	143.00	57.00
Fir lumber	Portland, Oreg.	Spokane, Wash.	20	45,500	50,000	100.00	
Hay	do	do	19½	20,000	22,000	42.35	57.65
Straw	do	do	19½	20,000	22,000	42.35	57.65
Grain, flour, and mill feed.	do	do	17	44,000	40,000	85.00	15.00
Potatoes	do	do	17	30,000	33,000	56.10	43.90
Onions	do	do	17	30,000	33,000	56.10	43.90

[1] Fir lumber takes graduated minimums on different-sized cars. The average minimums on all closed cars is about 45,500. The average load is a little over 50,000 pounds. Minimum shown above on other commodities are actual, and the average load is based on 10 per cent above the minimum. There are no statistics to show the actual average load on these commodities, but a fair assumption is that the actual load will exceed the minimum weight about the same percentage as in the case of lumber, and above figures are based accordingly.

TABLE NO. 3.—*Comparative statement of carload earnings on various commodities from Pacific coast, etc.*—Continued.

Commodity.	From—	To—	Rate.	Minimum weight.	Probable average load.	Earnings per car.	Excess paid on fir lumber.
Brewers' rice grits	do	do	20	30,000	33,000	66.00	34.00
Berry boxes	do	do	30	30,000	33,000	99.00	1.00
Hollow building tile	do	do	20	40,000	44,000	88.00	12.00
Cereals in packages	do	do	25	30,000	33,000	82.50	17.50
Coke	do	do	18	40,000	44,000	79.20	20.80
Cattle, per car	do	do				81.00	19.00
Horses and mules, per car.	do	do				93.00	7.00

The foregoing tables do not pretend to set forth all of the instances where the lumber and shingle rates appear to be, to say the least, high enough. Nor do we undertake to say that the rates on the other commodities are too low. The figures are submitted for what they are worth as indicating that if the carriers must have more revenue they should get it in some other way than by a horizontal increase in all freight rates.

Respectfully submitted.

F. G. DONALDSON,
Traffic Manager West Coast Lumber Manufacturers' Association.

A STUDY IN CYPRESS FREIGHT RATES.

[Chapter 3.]

[From Southern Cypress Bulletin of January 7, 1914.]

In our preceding statements on this subject we have made a point of specifically mentioning the value of the commodity transported compared with cypress lumber, our idea being that value of commodity, preferred equipment, rapidity of movement, and salvage in case of wreck should all be considered in the making of a freight rate. In this present statement, however, we will compare rates alone and leave the other items to your imagination or knowledge, as the case may be.

The statement here given is a comparison of freight rates on competitive building material. It is impossible to give rates on movements in the same direction, and the figures quoted are, therefore, from points of origin of the other building materials to New Orleans and the rates on cypress lumber back to these points, the figures being per hundred pounds.

We find that the rate on brick from St. Louis, Mo., to New Orleans is 15 cents and the rate on cypress lumber from New Orleans to St. Louis is 18 cents.

The rate on building stone, whether in blocks or slabs, from Bedford, Ind., to New Orleans is 20 cents and the rate on cypress lumber from New Orleans to Bedford, Ind., is 24 cents. On building stone from Amherst, Ohio, to New Orleans the rate is 26 cents and on cypress lumber back to Amherst from New Orleans is 29 cents.

The rate on Portland cement from Sandusky, Ohio, to New Orleans, whether in barrels or sacks, is 20½ cents and the rate on cypress lumber from New Orleans to Sandusky is 28 cents. Portland cement from Gary, Ind., to New Orleans takes a rate of 17½ cents, whereas the cypress lumber rate from New Orleans to Gary, Ind., is 24 cents

The rate on structural steel from Pittsburgh to New Orleans is 30 cents and the rate on cypress lumber from New Orleans to Pittsburgh is 31 cents.

The rate on roofing slate from Bangor, Pa., to New Orleans is 32 cents and the rate on cypress lumber (or shingles) from New Orleans to Bangor, Pa., is 35 cents.

Again, we merely quote the bare facts and refrain from comment of our own.

A STUDY IN CYPRESS FREIGHT RATES.

[From Southern Cypress Bulletin of Dec. 3, 1913.]

[Rates in cents per 100 pounds.]

From New Orleans, La., to—	Cypress lumber.		Sugar.		Molasses.	
	Rate.	Minimum.	Rate.	Minimum.	Rate.	Minimum.
Albany, N. Y.	(1) 35	[1] 34,000	(8) 40	[2]	(8) 40	[2]
Baltimore, Md.	(1) 32	[1] 34,000	(8) 35	[2]	(8) 35	[2]
Boston, Mass.	(1) 37	[1] 34,000	(8) 42	[2]	(8) 42	[2]
Buffalo, N. Y.	(2) 31	[1] 34,000	(8) 30	33,000	(8) 32	36,000
Cairo, Ill.	(3) 14	30,000	(7) 18.3	30,000	(7) 19	30,000
Chicago, Ill.	(2) 24	30,000	(7) 24.3	30,000	(7) 27	30,000
Cincinnati, Ohio	(3) 21	30,000	(7) 19.8	30,000	(7) 23	30,000
Cleveland, Ohio	(2) 29	[1] 34,000	(8) 27	30,000	(8) 32	30,000
Des Moines, Iowa	(4) 25	[1] 34,000	(7) 32	30,000	(7) 32	40,000
Detroit, Mich.	(2) 28	[1] 34,000	(8) 23	30,000	(8) 32	30,000
Grand Rapids, Mich.	(2) 28	[1] 34,000	(7) 28	30,000	(7) 33½	30,000
Indianapolis, Ind.	(2) 24	[1] 34,000	(7) 24.3	30,000	(7) 27	30,000
Kansas City, Mo.	(4) 24	[1] 34,000	(7) 32	30,000	(7) 30	40,000
Lincoln, Nebr.	(5) 25	[1] 34,000	(7) 35	30,000	(7) 35	40,000
Louisville, Ky.	(3) 19	30,000	(7) 18.3	30,000	(7) 21	30,000
Milwaukee, Wis.	(2) 26	30,000	(7) 25.3	30,000	(7) 29	30,000
Minneapolis, Minn.	(4) 31	30,000	(7) 30	30,000	(7) 34	40,000
New York, N. Y.	(1) 35	[1] 34,000	(8) 40	[2]	(8) 40	[2]
Oklahoma City, Okla	(6) 24	[1] 34,000	(7) 40	30,000	(7) 48	30,000
Omaha, Nebr.	(4) 25	[1] 34,000	(7) 32	30,000	(7) 32	40,000
Pittsburgh, Pa.	(2) 31	[1] 34,000	(9) 30	33,000	(9) 28	36,000
Rochester, N. Y.	(1) 33½	[1] 34,000	(8) 33	33,000	(8) 33	36,000
St. Joseph, Mo.	(4) 24	[1] 34,000	(7) 32	30,000	(7) 30	40,000
St. Louis, Mo.	(2) 18	[1] 34,000	(7) 18.3	30,000	(7) 21	30,000
Sioux City, Iowa	(4) 28	30,000	(7) 33.9	30,000	(7) 34	40,000
Syracuse, N. Y.	(1) 35	[1] 34,000	(8) 33	33,000	(8) 33	36,000
Topeka, Kans.	(5) 27½	[1] 34,000	(7) 41.9	30,000	(7) 40	30,000
Wichita, Kans.	(5) 27½	[1] 34,000	(7) 41.9	30,000	(7) 52	30,000

[1] Minimum weight 34,000 pounds in cars 36 feet or more in length; 30,000 pounds in cars less than 36 feet in length.
[2] Any quantity.

A STUDY IN CYPRESS FREIGHT RATES.

From New Orleans, La., to—	Clean rice.		Bananas.		Coffee.	
	Rate.	Minimum.	Rate.	Minimum.	Rate.	Minimum.
Albany, N. Y.	(16) 40	40,000	(15) 60	18,000	(16) 40	30,000
Baltimore, Md.	(16) 35	40,000	(15) 60	18,000	(16) 40	30,000
Boston, Mass.	(16) 42	40,000	(15) 65	18,000	(16) 42	30,000
Buffalo, N. Y.	(11) 32	40,000	(10) 55	18,000	(11) 32	30,000
Cairo, Ill.	(13) 22	30,000	(10) 39	18,000	(13) 23	30,000
Chicago, Ill.	(13) 30	30,000	(10) 46	18,000	(13) 25	30,000
Cincinnati, Ohio.	(13) 27	30,000	(10) 42	18,000	(13) 25	30,000
Cleveland, Ohio.	(14) 32	40,000	(10) 50	18,000	(14) 34	30,000
Des Moines, Iowa.	(13) 38	30,000	(10) 64	20,000	(19) 35	30,000
Detroit, Mich.	(14) 32	40,000	(10) 50	18,000	(14) 34	30,000
Grand Rapids, Mich.	(14) 32	40,000	(10) 55	18,000	(14) 38	30,000
Indianapolis, Ind.	(13) 30	30,000	(10) 46	18,000	(13) 25	30,000
Kansas City, Mo.	(12) 37	30,000	(10) 63	20,000	(19) 35	30,000
Lincoln, Nebr.	(12) 42	30,000	(10) 71	20,000	(19) 38	30,000
Louisville, Ky.	(13) 24	30,000	(10) 39	18,000	(13) 23	30,000
Milwaukee, Wis.	(13) 32	30,000	(10) 50	20,000	(13) 27	30,000
Minneapolis, Minn.	(12) 40	30,000	(10) 68	20,000	(19) 34	30,000
New York, N. Y.	(16) 40	40,000	(15) 60	18,000	(16) 40	30,000
Oklahoma City, Okla	(18) 44	30,000	(10) 72	20,000	(18) 46	30,000
Omaha, Nebr.	(12) 39	30,000	(10) 67	20,000	(19) 35	30,000
Pittsburgh, Pa.	(11) 32	40,000	(10) 55	18,000	(11) 32	30,000
Rochester, N. Y.	(16) 33	40,000	(10) 62	20,000	(16) 37	30,000
St. Joseph, Mo.	(12) 37	30,000	(10) 63	20,000	(19) 35	30,000
St. Louis, Mo.	(13) 24	30,000	(10) 43	18,000	(13) 23	30,000
Sioux City, Iowa.	(12) 40	30,000	(10) 67	20,000	(19) 35	30,000
Syracuse, N. Y.	(16) 33	40,000	(10) 67	18,000	(16) 37	30,000
Topeka, Kans.	(17) 44	30,000	(10) 80	20,000	(17) 45	30,000
Wichita, Kans.	(17) 44	30,000	(10) 80	20,000	(17) 37	30,000

(1) Illinois Central Trf. 664 B—I. C. C. 4363.
(2) Illinois Central Trf. 512 A—I. C. C. 3999.
(3) Illinois Central Trf. 510 B—I. C. C. 4278.
(4) Illinois Central Trf. 506 A—I. C. C. 3996.
(5) Illinois Central Trf. 508 A—I. C. C. 3997.
(6) F. A. Leland's Trf. 481—I. C. C. 970.
(7) Emerson's S. & M. Trf. 2—I. C. C. 8.
(8) N. O. & N. E. Ry. Trf. 494 B—I. C. C. 2648.
(9) N. O. & N. E. Ry. Trf. 735 B—I. C. C. 2616.
(10) W. P. Emerson's Trop. Fruit Trf. 2—I. C. C. 11.
(11) N. O. & N. E. Ry. Jt. Frt. Trf. 735 B—I. C. C. 2616.
(12) Jt. & Local N. O. North Western Trf. 3—I. C. C. 15.
(13) Jt. & Local N. O. North Bound Trf. 3—I. C. C. 14.
(14) Jt. & Local N. O. Central Frt. Trf. 2—I. C. C. 12.
(15) Ill. Central Trf. 1898 B—I. C. C. 4436.
Official Classn. 40—I. C. C. O. C. 40.
(16) Jt. & Pop. Frt. Trf. 494 B—I. C. C. 2640.
(17) Jt. Frt. Trf. Trans-Missouri 15 F—I. C. C. 281.
(18) S. W. Lines Trf. 59 E—I. C. C. 895.
(19) Jt. & Local N. O. North Western Trf. 2—I. C. C. 9.

In order to enable our members to discuss intelligently the present great transportation problem of whether or not the railroads shall be permitted to make a blanket advance in freight rates of 5 per cent, our traffic department has prepared the two tables which are shown herewith, the first being a comparison of freight rates and minimum weights of cypress lumber and the other leading commodities shipped in carload lots from New Orleans to various junction and basing points throughout the country. Tariff authority is given for the figures quoted.

In the discussion of the figures here shown we will not go into the question of whether or not the railroads need more money. Neither will we go into a lengthy discussion in an effort to prove that cypress lumber is already paying a proportionately higher transportation tax than other commodities. We merely wish to give a basis of figures for future debate and analysis.

The second table shows two things, the first being the actual freight paid on a car of each commodity to the destination named, and the second being the freight paid on each $100 in value of the commodity shipped. Minimum weights were as hereinafter described and the highest minimums were invariably used. By this we mean that in those cases where the minimum varied from 30,000 pounds to 40,000 pounds, the minimum of 40,000 pounds was used throughout on the commodity named.

Cypress lumber.

The values used for cypress lumber in the second statement were obtained by a comparison of the values of several thousand carloads of cypress. This investigation showed that taking all items which are shipped by rail from the lowest grades, including peck and railroad ties, to the highest grades, some months showed an average value per car of $365 and these values range up to a maximum of $385 per car. Therefore an average value of $375 per car was taken for the basis of these figures and the statement shows in dollars and cents the amount of money per $100 in value (f. o. b. New Orleans) paid for transportation charges to the points named.

In considering this question other things must be taken into account. It is a well-known fact that probably no commodity moving in interstate commerce is handled with as much delay as lumber. Furthermore, no commodity can take such a variety of equipment in such bad order as lumber. After other commodities have had the pick of the equipment, what is left usually goes to lumber, this being especially the case when there is a heavy movement of other freight, lumber being a commodity which moves all the year round. In the case of a wreck there is less loss with lumber than with other commodities, it being possible, in most cases, to transfer the entire contents of a wrecked car into another car with no loss whatever.

Sugar.

In this column of the second table an arbitrary minimum weight of 33,000 pounds was used and a market price f. o. b. New Orleans of $4.35 per 100 pounds was taken as the basis for this calculation. As a great many sales of sugar depend upon the market price at the date delivery is made a rather rapid movement is given to this commodity and the same can be stated with reference to clean rice and coffee, the average movement being several times faster than that of lumber. In the matter of equipment only the best of closed cars can be used and the matter of salvage in the case of wreck is infinitely more serious than where lumber is the commodity transported.

Molasses.

A market price of 12 cents a gallon on heavy molasses, averaging 12 pounds to the gallon f. o. b. New Orleans, and a minimum weight of 40,000 pounds, was assumed in this statement and the same things mentioned with reference to sugar, so far as the rate of transportation and salvage prevail.

Clean rice.

A market price of 6 cents per pound f. o. b. New Orleans and a minimum weight of 40,000 pounds were used in this calculation. Here also the matter of salvage, pick of equipment, and speed of movement must be considered.

Bananas.

An average value of $560 a car f. o. b. New Orleans, and a minimum weight of 20,000 pounds were used in the banana column of the second statement. Bananas are moved in the highest class of special equipment, the shipment being in refrigerator cars. In addition to this a movement equal to express shipments is given this commodity, there probably being no other class of freight which moves more rapidly. A banana train is shoved to destination with the utmost speed, it having right of way over all other freight. Loss and damage must also be taken into account in this comparison.

Coffee.

A market price f. o. b. New Orleans of 9½ cents a pound was used in figuring the coffee column and a minimum weight of 30,000 pounds was the basis. All that has been said with reference to rice and sugar prevails in coffee shipments, so far as rapidity of movement, salvage, and preferred equipment are concerned.

In conclusion.

We admit ignorance as to how freight rates are made, as no one has been able to give any hard and fast rule on this subject except that of charging as much as the commodity will bear. It does seem to us, however, that the question of value should enter into the problem as well as the equipment used, the rate of movement and the liability assumed by the carrier in safely delivering, without loss or damage, a high-priced commodity versus one of low value. These figures are, therefore, given for your study, and we refrain from comment thereon.

	Cypress lumber.		Sugar.		Molasses.	
	A.	B.	A.	B.	A.	B.
Albany, N. Y.	$119.00	$31.71	$132.00	$9.19	$160.00	$40.00
Baltimore, Md.	108.80	29.01	115.50	8.04	140.00	35.00
Boston, Mass.	125.80	33.54	138.60	9.66	168.00	42.00
Buffalo, N. Y.	105.40	28.10	99.00	6.89	128.00	32.00
Cairo, Ill.	47.60	12.70	60.39	4.21	76.00	19.00
Chicago, Ill.	81.60	21.78	80.19	5.59	108.00	27.00
Cincinnati, Ohio.	71.40	19.04	65.34	4.55	92.00	23.00
Cleveland, Ohio.	98.60	26.29	89.10	6.20	128.00	32.00
Des Moines, Iowa.	85.00	22.66	105.60	7.35	128.00	32.00
Detroit, Mich.	95.20	25.39	75.90	5.28	128.00	32.00
Grand Rapids, Mich.	95.20	25.39	92.40	6.43	134.00	33.50
Indianapolis, Ind.	81.60	21.78	80.19	5.59	108.00	27.00
Kansas City, Mo.	81.60	21.78	105.60	7.35	120.00	30.00
Lincoln, Nebr.	85.00	22.66	115.50	8.04	140.00	35.00
Louisville, Ky.	64.60	17.22	60.39	4.21	84.00	21.00
Milwaukee, Wis.	88.40	23.58	83.49	5.81	116.00	29.00
Minneapolis, Minn.	105.40	28.10	99.00	6.89	136.00	34.00
New York, N. Y.	119.00	31.71	132.00	9.19	160.00	40.00
Oklahoma City, Okla.	81.60	21.78	132.00	9.19	192.00	48.00
Omaha, Nebr.	85.00	22.66	105.60	7.35	128.00	32.00
Pittsburgh, Pa.	105.40	28.10	99.00	6.89	112.00	28.00
Rochester, N. Y.	113.90	30.37	108.90	7.59	132.00	33.00
St. Joseph, Mo.	81.60	21.78	105.60	7.35	120.00	30.00
St. Louis, Mo.	61.20	16.32	60.39	4.21	84.00	21.00
Sioux City, Iowa.	95.20	25.39	111.87	7.79	136.00	34.00
Syracuse, N. Y.	119.00	31.71	108.90	7.59	132.00	33.00
Topeka, Kans.	93.50	24.93	138.27	9.63	160.00	40.00
Wichita, Kans.	93.50	24.93	138.27	9.63	208.00	52.00

	Clean rice.		Bananas.		Coffee.	
	A.	B.	A.	B.	A.	B.
Albany, N. Y.	$160.00	$6.66	$120.00	$21.43	$120.00	$4.21
Baltimore, Md.	140.00	5.83	120.00	21.43	120.00	4.21
Boston, Mass.	168.00	7.00	130.00	23.21	126.00	4.42
Buffalo, N. Y.	128.00	5.33	110.00	19.64	96.00	3.37
Cairo, Ill.	88.00	3.66	78.00	13.93	69.00	2.42
Chicago, Ill.	120.00	5.00	92.00	15.89	75.00	2.63
Cincinnati, Ohio.	108.00	4.50	84.00	15.00	75.00	2.63
Cleveland, Ohio.	128.00	5.33	100.00	17.85	102.00	3.58
Des Moines, Iowa.	152.00	6.33	128.00	22.85	105.00	3.68
Detroit, Mich.	128.00	5.33	100.00	17.85	102.00	3.58
Grand Rapids, Mich.	128.00	5.33	110.00	19.64	114.00	4.00
Indianapolis, Ind.	120.00	5.00	92.00	15.89	75.00	2.63
Kansas City, Mo.	148.00	6.16	126.00	22.50	105.00	3.68
Lincoln, Nebr.	168.00	7.00	142.00	25.35	114.00	4.00
Louisville, Ky.	96.00	4.00	78.00	13.93	69.00	2.42
Milwaukee, Wis.	128.00	5.33	100.00	17.85	81.00	2.84
Minneapolis, Minn.	160.00	6.66	136.00	24.28	102.00	3.58
New York, N. Y.	160.00	6.66	120.00	21.43	120.00	4.21
Oklahoma City, Okla.	176.00	7.33	144.00	25.71	138.00	4.84
Omaha, Nebr.	156.00	6.50	134.00	23.93	105.00	3.68
Pittsburgh, Pa.	128.00	5.33	110.00	19.64	96.00	3.37
Rochester, N. Y.	132.00	5.50	124.00	22.14	111.00	3.89
St. Joseph, Mo.	148.00	6.16	126.00	22.50	105.00	3.68
St. Louis, Mo.	96.00	4.00	86.00	15.35	75.00	2.63
Sioux City, Iowa.	160.00	6.66	134.00	23.93	105.00	3.68
Syracuse, N. Y.	132.00	5.50	134.00	23.93	111.00	3.89
Topeka, Kans.	176.00	7.33	160.00	28.57	135.00	4.74
Wichita, Kans.	176.00	7.33	160.00	28.57	111.00	3.89

A. Total freight paid for minimum carload.
B. Freight paid for each $100 in value of commodity.

ACME CEMENT PLASTER CO.,
St. Louis, January 19, 1914.

Mr. GEORGE B. MCGINTY,
Secretary Interstate Commerce Commission,
Washington, D. C.

DEAR SIR: As I can not be present to make an oral statement to your commission regarding the increased freight rates in territory east of the Mississippi River, I take this opportunity of making a suggestion to you which I hope will meet with your approval and that is if, after a thorough investigation, it is finally concluded to grant the request of the railroads to increase their rates 5 per cent, if it is possible I would be glad to have you incorporate in that decision the usual form in allowing an increase of rates which is, having the rates maintained for at least a period of two years. The way it is now, before we know anything about it they have had a meeting in Virginia, or in Ohio, or in Chicago, or somewhere else, and changed the classification from a lower to a higher class, or changed the rates on some classification, and the first we know of it is when an E/B comes in to our office with a higher rate charged, and when we commence to look into the matter we find that a tariff has been issued and our name was on the list, but through some "oversight" we are not furnished with a copy. So, if it is finally decided that the commission is going to allow the railroads to increase their rates, there should be two distinct understandings, in my judgment. One is that the rate should not be changed again without your consent for two years, and another is that you make the general claim agents pull their arms out of the pockets of the shipper.

While the railroad president and chairman of the board of directors are making these elaborate "spiels" to your commission their faithful subordinates are systematically withholding from the shippers the money that absolutely belongs to them.

If one of your representatives will call at my office I will give him positive information showing where we have been held out of money for years that belongs to us, and finally after they had thrashed it around from year to year they have taken advantage of the statute of limitation.

Yours, truly,

S. A. WALKER, *Vice President.*

—

JANUARY 16, 1914.

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: A magazine I take suggests that its readers address you asking that some relief be granted the railroads in this their day of adversity. Well and good, give it to them, but keep a strong string on what you give, for it should not be forgotten that the railroads are just as much on the hog now as they ever were. From the day they built a mile of road for $5,000, and stocked it for $50,000 and bonded it for $50,000, down to the present time, when they quarreled, with four or five thousand cars of lemons annually, over 15 cents per 100 pounds; and after years of litigation defeated at every point, and at a time when Congress took away from the lemon grower two-thirds of his tariff protection and an act of God destroyed two-thirds of his crop—just then the railroads insisted on a further trial in the court of last resort. Yes; the railroads are just as much on the hog as they ever were.

Yours, truly,

B. K. BRANT, *Lemon Grower.*

—

JACKSONVILLE, FLA., *January 15, 1914.*

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.:

At the annual meeting of the National League of Commission Merchants of the United States held at Jacksonville, Fla., January 15, 1914, the following resolution was unanimously adopted:

Resolved, That this national league respectfully desires to submit the following for your consideration: Following the formal denial of an application by the railways for an advance in rates, the railroads leading out of the city of Chicago lengthened their schedule of time to the North, Northwest, and western tributary markets from this city. For instance, the schedule of time from Chicago to Omaha and St. Paul had been for many years a second-morning delivery. This was lengthened to such an extent as to make it a third-morning delivery. As this was practically prohibitive for the interchange of business on perishable commodities, the members of this trade entered a protest, assuming that the action was a retaliatory measure. It was claimed by the railroads, however, that it was a forced action by reason of the necessity of economy, and our protest was overruled and the slower schedule maintained. The result has been that it has practically destroyed this branch of commerce on perishable commodities, such as fruit and vegetables. The old schedule of time, with the present standard equipment of refrigerator-car service, was eminently satisfactory to the trade and allowed a distribution from an oversupplied market and a relief of scarcity and higher values in the other markets and territory tributary to it. This valuable assistance to commerce and aid to both the producer and consumer has been practically destroyed in the territory affected by this lengthened schedule. Regardless of the cause of this action by the railroads, whether retaliatory or for economy, we submit the contention that it is entirely out of harmony with progress of the times; it is progressing backward; it creates a precedent the serious effects of which would be enormous if followed in sequence. We claim it is un-American, out of sympathy with the progress of this Nation, and detrimental to the interests of the public at large and even to the best interests of the railroads themselves. Irrespective of whether in the wisdom of your honorable body the advance in rates should be denied or granted, we ask that this particular schedule and service above referred to be changed to conform to the old and satisfactory one used. May we ask your earnest consideration of the above?

NATIONAL LEAGUE OF COMMISSION MERCHANTS
OF THE UNITED STATES,
J. J. CASTELLINI, *President.*

—

NEW YORK, *January 3, 1914.*

Mr. E. E. CLARK,
Chairman Interstate Commerce Commission,
Washington D. C.

DEAR MR. CHAIRMAN: In reference to pending demand for an increase in the freight rate by the railroads I take the liberty as a disinterested citizen to call your attention to the following case:

I received lately through the New York Central two bags of potatoes shipped from New Amsterdam, N. Y., to the nearest depot from me—about 165 miles apart—and for which the freight bill was 29 cents. As they weighed 300 pounds, the express charges were $1.50 for a 3-mile route.

The difference in price of shipping is so great that it appeals to me as the railroads are rather justified or the others are overcharging by the hundredfold.

Respectfully, yours,

C. SAUER.

—

JAMES W. HOUSTON CO.,
Pittsburgh, December 18, 1913.

LOUIS D. BRANDEIS, Esq.,
Boston, Mass.

DEAR SIR: In connection with the endeavor of the railroad companies to obtain an advance in freight rates, I have always been struck with this fact: That in spite of the complaint about the high cost of labor, taxes, etc., there has been no mention of the monopoly price of steel rails or of the cost of lubrication. No doubt this is accounted for by the representation the steel and oil people have on railroad directorates.

Further it might be interesting to the public to learn just what is paid in the way of salaries to the higher officials of the various roads and what actual return the money brings.

Your presentation of the shipper's side of the case in the former controversy was a master stroke, and I trust you will be able to serve the public equally well and successfully in the present instance.

Very respectfully,

JOHN D. HOUSTON.

—

DECEMBER 15, 1913.

Mr. MCGINTY:

This sort of retrenchment will pay for the special cars for Pennsylvania Railroad's president and vice president. They—the cars—are richly, exquisitely furnished, you know.

ANON.

—

RAILROAD REDUCES FORCES.

SHARON, PA., *December 14.*

Many of the Pennsylvania Railroad's small telegraph offices between Erie and Pittsburgh have been closed. Clerks and dispatchers have been given leave of absence. Others have been reduced in salary and even the section hands have been put on half time. Many crews have been dispensed with, and it is said agents and other officials have been given instructions to curtail expenses wherever possible.

—

Mr. GEORGE B. MCGINTY,
Secretary of Interstate Commerce Commission,
Washington:

Mr. Willard and his friends seem to be trying their case in the newspapers.

The cry of inability to do business on the margin of profits made, and the doubt raised as to the willingness of investors to buy railroad notes and securities required for betterments can be met by the statement that economies be instituted which can save "a million a day," according to Mr. Louis D. Brandies, an expert, and an offer of the Government to loan the railroad from time to time such amounts as may be required to keep up actually necessary improvements in equipment and active operations.

Such requirements being subject to the close investigation of a board to consist of one member of your commission, one expert engineer, and a Treasury official, which board will pass upon the requisitions to be made before cash is advanced, at 2 per cent interest.

Meanwhile let the railroads submit present rates that are charged for: Carriage of all food supplies in great volume, coal, oil, etc. A condition may be imposed upon the railroad companies that before such funds are loaned to them an equalization of tariffs shall be made by reducing overcharges and increasing low rates to a fair and equal sum, based partly upon values of goods transported.

For instance, let us suppose coal rates from mines to New England points be (per ton) $2 per ton, say $100 a car (of 50 tons), value $350. Fish, which sells at about $5 per barrel or $50 per ton, on which the freight express charge from Maryland and Virginia to the northern markets averages $20 per ton or $340 a car. Selling value about $600. In one case 30 per cent is exacted, in the other case 60 per cent is exacted. There is no equality shown here.

If fish only cost 30 per cent of value, as carrier's charge, I can show that the average market value in New York City (this year and 1912) was $3.50 a barrel. This would yield the railroad companies and express company participating $1.05 a barrel. A fair rate.

In cost of carriage of potatoes, about 2,000,000 barrels over same route as fish from Maryland and Virginia peninsula, an average of 24 cents per barrel is charged.

Selling value is about $2.50 a barrel; say 10 per cent value for freight. White fish calls for about 60 per cent.

Raising coal rate 33⅓ per cent; raising potato rate 33⅓ per cent; reducing fish rate 60 per cent, would fairly adjust these.

The railroads would get $133.33 per car of 50 tons.

The rate on potatoes would yield the railroads 33⅓ cents a barrel more—8 per cent.

The reduced rate on fish would oblige the railroads to accept 66⅔ cents less a barrel.

This would leave the men who produce, value that much more than now, a total of about $100,000 that goes into the carriers' hands unfairly, and due fishermen, applied to improved methods, increased plant, therefore largely increased output. This surplus would add 300 per cent, one-eighth catch, or 450,000 barrels to carry, where 150,000 barrels now hold.

—

ROCHESTER, MINN., *December 11, 1913.*

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

DEAR SIR: By press reports the railroads are trying to get increased freight rates which they are entitled to, providing they can show you that they have not received sufficient pay in the past, and you are most likely looking for evidence that if they have done any crooked work you want to know it, and this is what I want to tell you about.

A few years ago, when the old Chicago & Great Western was in the hands of a receiver, they had new railroad ties hauled along the road from Rochester south, as the roadbed and ties were in a rotten condition, and a few days before the road was sold to the Morgan interests some bondholders made a trip over the road inspecting the same, and the day before this trip was made word was passed along

to the section boss that he had to get these ties out of the way, and some farmers got same and what were not hauled away were burned up. Now, if this is of any benefit to you in your battle let me know and I will see the man that told me at the time, and if he repeats the same story I would pave the way for a detective to come here and get the whole facts. But before you would send a man I would want to talk with this farmer, who is an honorable man, but a little of this evidence would go a great way. So if this is of any value to you let me know and I will have another talk with this farmer, and I would report to you just what he said, and then you could act by sending one of your men here and get to the bottom of it.

Yours, respectfully,

JULIUS J. REITER.

—

NEW YORK, *December 17, 1913.*

MR. LOUIS D. BRANDEIS,
Washington, D. C.

DEAR SIR: Being deeply interested in your work in connection with the railroads of this country, and as an exrailroader of 12 years' practical and theoretical experience, I desire to offer one fact which will put you on the trail of thousands of inefficiently spent or thrown-away dollars of the Pennsylvania Railroad Co. For unsophisticated graft, corruption, and stolen moneys the Pennsylvania Railroad is one of the leaders. Now the experience I wish to explain was during the year 1906. I prepared plans for electrifying a transfer table at Camden shops, Camden, N. J., and desired a 50-horsepower motor, and got permission from our master mechanic, Mr. W. B. Page, to get a price on the electrical requirements, which I did, from the General Electric Co. I desired a 50-horsepower motor, but took a General Electric 52-horsepower motor, 2 circuit-breakers, 1 controller, 1 rheostat, and outboard bearing, and the figure was $527, providing I purchased same for the railroad; but was told by the General Electric engineer, Mr. Kellog, if same were purchased through the railroad purchasing agent it would cost considerably more, as he would have to give him a few dollars. After a vicious argument our master mechanic got permission to purchase, which was against the railroad law to purchase anything but Westinghouse motors, etc. I kept the tool record of the shops, and just a few weeks previous the railroad paid $840 for one 50-horsepower Westinghouse motor. Now you can see the vast amount of stockholders' money that went through another avenue, as the shops are peppered with Westinghouse motors, etc. Useless machines and machinery were bought and kept idle. All kinds of things were made at shops, such as Christmas houses, corner closets, quartered-oak doors, boat furnishings, desks, tinware, picture frames, letterings, good lumber taken away, hardware, paints, small tools, and thousands of other things. This was done by officials as well as the subordinates. The piecework system steals thousands of dollars from the stockholders, as work not done was charged to an unlimited extent. This also shortened the lives of the equipment and placed the public in danger on account of the rolling stock being run in a supposedly repaired condition. Do not forget to investigate the shops and the methods, and don't take the superintendents' statements, as they very seldom see the shops; in fact, hardly know where they are located. Telling the truth while I was with the railroad was equivalent to a discharge. My exposure of the above caused an investigation, and I was not allowed to offer testimony, and the matter was closed with the usual power.

Hoping the above may be of value to you, and wishing you success in filtering the railroads; hoping you won't let up until the guilty ones are where they belong.

Respectfully,

DAVID L. KIRK,
Seventh Avenue and Thirty-sixth Street, New York, N. Y.

—

WASHINGTON, D. C., *December 20, 1913.*

Hon. LOUIS BRANDEIS.

DEAR MR. BRANDEIS: I very much hope that you will not forget to engage the services of Mr. Harrington Emerson, of New York, and of the efficiency engineer, Mr S. B. Fowler, of Boston, to appear at the coming railway hearing and to testify as to the possibility of so improving our transport business as to make any increased tax unnecessary, and, indeed, to make it certain that a reduction of transport taxation is the practical method for increasing transportation revenues. It must be perfectly clear to you that the suffering of the tens of thousands of unemployed in our great cities at this hour is the direct result of the system of railway speculation under which we have so long suffered. You must realize that our present condition is the result of leaving to our railroad corporations the power to at once determine the cost of living and to limit our opportunities for getting a living. We need not, we can not, and I think I am safe in saying we will not, endure any increase of railway taxation at their hands. Your must realize that the distance form of transport taxation that is now being fastened upon us will quickly destroy every manufacturing industry of any account on all our seaboard. It will also destroy the farming interests of the West. I have been astounded to read the Postmaster General's report, with its proposed increase of taxation on second-class matter, and also to discover in his report his evident intent to restore, in its entirety, the old distance form of taxation, which, as to general mail matter, was abolished by Abraham Lincoln and the Congress of 1863. Think for a moment of such a simple system of transport taxation as that which I have suggested, with all transport taxes prepaid at uniform rates, regardless of distance, and as to freight determined only by the size and weight of the parcels handled—this, with passengers and freight, transported from starting point to destination over the lines of lowest grades, least obstructed curves and shortest distance, with a local business handled by automobiles, with the whole machinery run by electricity, with coal transformed into electricity at the mine and carried by cable to its destination. My friend, I must have you with me in this great work. We must save this land of ours from the revolution which is impending and which will certainly come unless you and I and our other friends have the skill and ability and the farsightedness to apply the only practical remedy—the immediate ownership of our business of public transportation and transmission under the Post Office.

What a stupid thing to pay to the managers of two little railways in New England a combined salary of $50,000 a year, when a Goethals is at hand capable of running all of the New England Railways with a salary of $15,000 a year. The running of a railway is an engineering business, and we have Army engineers at hand ready to undertake it.

Competition in railways or competition between railways, steamboats, and steamship lines—one might as well think of competition between the arteries and the veins of the human body. It's cooperation, not competition, that we must have in the different parts which make up the circulating system of the body politic.

Wishing you a merry Christmas.

Sincerely, yours,

JAMES W. COWLES.

—

[Postal Progress, New York, October, 1912.]

THE BOURNE-ZONE PARCEL-POST LAW COSTLY, COMPLICATED, UNINTELLIGIBLE—A DEADLY BLOW AT THE FUNDAMENTAL PRINCIPLE OF THE POST OFFICE—THE QUICK AMENDMENT OF THIS LAW AN ABSOLUTE NECESSITY.

The Bourne law, unless previously amended, will, on January 1, 1913, divide up our Nation wide common market, first into 3,500 basis squares—measured by minutes of latitude and longitude—squares of 30 minutes each side, or, since the minutes of longitude diminish in length from the Equator toward the Poles—averaging according to Senator Bourne 34 7/12 miles long by about 27 miles wide.

Seven concentric "square" zones are to be ranged around these curious primal zones and in addition to these we are to have scores of thousands of local delivery zones giving us a parcel service up to 11 pounds in weight and 72 inches combined length and girth, with rates:

Up to 4 ounces, flat rates everywhere, 1 cent an ounce.

Local free delivery: Within city and free rural-delivery routes, rates up to 24 miles: Over 4 ounces to 1 pound, 5 cents; each additional pound, 1 cent; 1 pound, 5 cents; 2 pounds, 6 cents; 11 pounds, 15 cents.

First zone: The crossing of the 24-mile local limit into the first zone raises the tax on parcels over 1 pound 2 cents a pound, and up to 50 miles, leaves rates: 1 pound, 5 cents; 2 pounds, 8 cents; 11 pounds, 35 cents; 1,333⅓ per cent increased tax for crossing the 24-mile line.

Second zone: The crossing of the 50-mile limit into the second zone raises the tax on all parcels by 1 cent a pound, with rates up to 150 miles: 1 pound, 6 cents; 2 pounds, 10 cents; 11 pounds, 46 cents. An increase of over 30 per cent for crossing the 50-mile line.

Third zone: The crossing of the 150-mile limit, into the third zone adds 1 cent a pound to all parcels, with rates up to 300 miles: 1 pound, 7 cents; 2 pounds, 12 cents; 11 pounds, 57 cents. An increase of over 25 per cent in the tax for crossing the 150-mile line.

Fourth zone: The crossing of the 300-mile limit into the fourth zone adds 1 cent a pound on all parcels, leaving the rates up to 600 miles: 1 pound, 8 cents; 2 pounds, 14 cents; 11 pounds, 68 cents. Over 20 per cent increase for crossing the 300-mile line.

Fifth zone: The crossing of the 600-mile limit into the fifth zone adds yet another cent a pound on all parcels, leaving rates on parcels from 600 to 1,000 miles: 1 pound, 9 cents; 2 pounds, 16 cents; 11 pounds, 79 cents. An increased tax of about 16 per cent for crossing the 600-mile line.

Sixth zone: The crossing of the 1,000-mile line adds 1 cent to pound parcels, and to larger parcels 2 cents a pound, leaving rates for distances of 1,000 to 1,400 miles: 1 pound, 10 cents; 2 pounds, 19 cents; 11 pounds, $1. An addition of 21 cents for transporting an 11-pound packet across a line.

Seventh zone: The crossing of the 1,400-mile line into the seventh zone increases the tax on all parcels by 1 cent a pound, and leaves a system of rates for distances of 1,400 to 1,800 miles: 1 pound, 11 cents; 2 pounds, 21 cents; 11 pounds, $1.11. Only 11 cents added for carrying an 11-pound parcel across the 1,400-mile line.

Eighth zone: The crossing of the 1,800-mile border into the eighth zone adds only 1 cent to the tax on pound parcels, but on larger parcels increases the tax by 2 cents a pound, and the rates of this eighth zone, distances of 1,800 to 3,300 miles within our continental area and including our various possessions up to 4,000 or 5,000 miles, remain uniform as follows: 1 pound, 12 cents; 2 pounds, 24 cents; 11 pounds, $1.32. The increased tax for posting an 11-pound parcel across the 1,800-mile line into the eighth zone is 21 cents.

Under this law domestic parcels posted on our Atlantic border, distances beyond 600 miles, are taxed from 9 to 12 cents a pound, or from 12 to 50 per cent more than the flat rates from Europe throughout the same area under our existing parcel-post conventions.

PROFIT AND LOSS.

All the benefits that may accrue to the public from the increased weight limit and the reduced rates of the Bourne law and a thousand more would have followed the Postal Progress League plan for the consolidation of third and fourth class mail matter with common flat rates: 4 ounces, 1 cent; 8 ounces, 2 cents; 12 ounces, 3 cents; 1 pound, 5 cents; each additional pound, 1 cent; 11 pounds, 15 cents; with insurance up to the full value of the parcel, and this free of the countless evils and the awful wastes of this unhappy measure.

The revival of the old zone system of postal rates 50 years after its abolition by Abraham Lincoln and the Congress of 1863, is to cause, at the outset, a waste of $750,000 appropriated in the Bourne law for the directories, maps, charts, distinctive stamps, etc., required by the Post Office Department for its installment and its use will unquestionably cause an annual waste of many times $750,000 by our 90,000,000 people for every considerable business firm, as well as every post office, will require maps and big side walls for their display (the map illustrating the Bourne scheme at the National Capitol, was full 5 feet wide by 12 feet long), and will also require copies of the directories, explanatory keys, etc., that go with the maps, and to this needless waste will be added the wages of the thousands of extra clerks required for the service.

Twenty seconds, according to Senator Bourne, should be the extreme amount of time consumed in the ascertainment of any rate. We think it will take the country postmaster, and the ordinary citizen, many times 20 seconds to determine the average parcel rate of this scheme.

Under a flat-rate service, all of these wastes of time, money, and labor would be avoided.

That this Bourne scheme was unsatisfactory to Congress, although, perhaps, the best that could be secured against the opposition of the railroads and the express companies, is clearly shown by the provisions in the law itself: First, for the appropriation of $25,000, to cover the expenses of a special congressional committee, who are to report as to the amendment of the law as early as possible, and, second, authorizing the Postmaster General, by and with the advice of the Interstate Commerce Commission, to modify its weights, rates, and zones at their will, and to arrange for a system of insurance and collection on delivery.

TESTIMONY OF INTERSTATE COMMERCE COMMISSION AS TO FLAT EXPRESS RATES, PAGE 480, OF REPORT NO. 4198, 1912.

Speaking with reference to their proposed zone system of express rates, Commissioner Lane says:

"But there is a broader view to take of this matter, one of public policy, and of a wise, far-sighted railroad and express policy. It would

doubtless greatly stimulate express traffic if rates were made on a flat basis per package for a broad sweep of territory, and a low rate for the longer hauls would find its compensating and complementary advantages to the carriers in the greater volume of the business, and the ease and saving in many directions with which it could be conducted. This, however, is a matter as to which we are not free to substitute our own judgment as to policy for that of the carriers themselves. We may not order such an experiment to be made, even if we thought it would in time prove a profitable one to the carriers and gratifying to the public."

POSTMASTER GENERAL HITCHCOCK'S TESTIMONY AS TO A ZONE LAW.

Testifying before the Senate Post Offices and Post Roads Committee in November, 1911, as to an improved parcel service, Postmaster General Hitchcock said that he would have the same rate for a rural Parcel Post as for a general Parcel Post; that if the Government monopolized the business, it would be quite feasible to have a flat rate applicable to the whole country, as in the case of ordinary mail, and, he added, "I believe it would be better for the Government to take over the entire business," and as to Senator BOURNE'S zone proposition he said:

"No matter what zones we might establish, they (the express companies) would be able to fix rates that would give them the short haul in any zone and throw the long haul on the Government. If the (zone) rates were established with that very great nicety that you suggest, it would, of course, render the system extremely complicated and also the accounting extremely complicated. We could never carry out a system so intricate as that, in my judgment, except at a very high rate of cost. We should have 60,000 post offices within the range of that system. When you consider the extent of the country and the vast number of offices, you will find it very complicated. You would have to locate every office, you would have to have a key to assist.

"In many of the cases referred to, they (the postmasters) would have to use a key or map to determine what the rates should be. That would add materially to the expense of conducting the business, and, I think, would necessitate a higher rate than the one you could afford to make under the other (flat rate) system."

These statements apply with yet greater force to the more complicated and far more costly service of the Bourne law, which, in addition to its increased number of zones, fails to provide for the consolidation of the third and fourth classes of all mail matter originally proposed by Mr. Bourne, and seems to provide for a yet more complicated system of classification than that which now exists.

HUGHES'S POSTAL COMMISSION OF 1911 ON ZONE RATES.

"The policy of zone rates was pursued in the earlier history of our post office, and has been given up in favor of a uniform rate in view of the larger interest of the Nation as a whole. It would seem to the commission to be entirely impracticable to establish a system of zone rates for second-class matter." Will it prove any less impracticable for general merchandise?

DISTANCE TARIFFS CHARACTERISTIC OF A DESPOTISM, OUT OF PLACE IN A REPUBLIC.

From the days when the old-time despot first conceded the use of the post office to his subjects, until the days of Rowland Hill, its primary object was taxation, and its rates were always determined by distance, not because distance represented the cost of the service rendered, but because representing the value of the service, the distance system of rates enabled the monarch to tax his subjects all the traffic would bear. As late as 1837, the postal rates of Great Britain varied from 8 cents on a single sheet of writing paper (one-fourth of an ounce), distances up to 15 miles, to 24 cents for 300 miles. The average postage was nearly 18 cents a sheet, and to make the tax as burdensome as possible, long and circuitous mail routes were often preferred to short direct routes—a not very uncommon custom with American railroads seeking large mail pay.

Suddenly, in the year 1837, an English schoolmaster, one Rowland Hill, appeared in the midst of this postal chaos with the astounding announcement that the old zone system of public transport rates was unreasonable, unscientific, and unjust—that in the great majority of cases, the light, short-distance traffic was far more costly than the heavy, long-distance, through traffic—in the case of the short-distance service, London to Louth, some 20 miles, the cost of the conveyance of a letter to the Government, was, indeed, fifty times that of a similar letter in the heavy through traffic London to Edinburgh, 400 miles. This being the common rule it, therefore, followed, said the reformer, that a system of uniform rates, with the lowest existing local rate as the uniform standard rate would be at once practical and the nearest possible approach to justice and right reason, and thus it happened that Mr. Hill suggested to the English people the adoption of a 2-cent, half-ounce, letter post. The question was debated throughout England for two years, and on the 17th of August, 1839, Mr. Hill's project became law, and on the 10th of January, 1840, the penny letter post of England went into operation.

The business soon doubled, trebled, and quadrupled, while the cost of the new, simple service to the Government quickly fell to one-fourth that of the old, complicated, zone system.

At the time of the establishment of the English penny-letter post, we had a five-zone system in this country, with rates on a single sheet of paper—one-fourth of an ounce, up to 30 miles, 6 cents; over 30 to 80 miles, 10 cents; over 80 to 150 miles, 12½ cents; over 150 to 400 miles, 18¾ cents; over 400 miles, 25 cents; on two pieces of paper, double these rates; three pieces, triple these rates; and for every packet of four pieces, or for 1 ounce of other articles, quadruple these rates; or for distances over 400 miles, $1 an ounce.

The publication of Mr. Hill's pamphlet of 1837, advocating the abolition of the English zone system for a uniform penny half-ounce letter post, aroused great interest in favor of the abolition of our zone system, and almost immediately after the inauguration of the English penny-letter post, strong associations were formed in New York and Boston to establish a similar service here. In 1845 the five-zone system was cut down to two, with rates 5 cents one-half ounce up to 300 miles; over 300 miles, 10 cents. In 1851 these rates were reduced to 3 cents one-half ounce up to 3,000 miles; and 6 cents for greater distances. President Lincoln and the Congress of 1863 abolished the zone system altogether.

THE ENGLISH PARCEL POST.

Sir Rowland Hill would have had a flat-rate parcel post accompany his flat-rate penny-letter post, but the opposition of the English railroads postponed its establishment until 1883.

On the 14th of February, 1890, George Findlay, general manager of the London & Northwestern Railway, speaking before the Society of Arts, said of this wonderful service:

"The parcel post, compared with its elder brother, the letter post, is as yet in its infancy, but it has almost at a bound become one of the great institutions of the country, and has clearly justified its inception."

The English colonial parcel post now covers the entire Dominion of Canada, and the greater part of the British Empire with flat rates: 3 pounds, 24 cents; 7 pounds, 48 cents; and 11 pounds, 72 cents.

OUR FLAT-RATE MODERN POST OFFICE.

The creation of Abraham Lincoln and the Congress of 1863, in the extension and development of our modern flat-rate post office, lies the hope of the Republic.

Confined first practically to sealed parcels (letters), at 3 cents per one-half ounce, limited to 3 pounds, this flat-rate postal service has been gradually extended until it covers sealed parcels—either of correspondence, merchandise, or both—at 2 cents an ounce in weights unlimited. For unsealed parcels, magazines, and newspapers (second-class matter) at 1 cent a pound, limited only by the capacity of a railroad car.

Single books, unlimited in weight and parcels of books in weights up to 4 pounds, at 1 cent each 2 ounces, with seeds and bulbs for planting at the same rate.

General merchandise, including seeds, bulbs, etc., for food, in 4-pound parcels, at 1 cent an ounce.

And every advance of this flat-rate postal service has been attended with wonderful benefits to our whole country. If at any time the service has failed to meet its expenses the deficit has been due not to the system of flat rates or even to the low flat rate of the second-class service, but to the waste arising from the complicated system of classification, to the continued use of out-of-date machinery, Noah's arks drawn by half-dead horses, walking postmen burdened like pack mules, to the failure to adopt up-to-date methods of postal management, and to the free use of the mails by the Government.

Twenty-five years ago Postmaster General Vilas stated that the Government ownership of postal cars would save to the post office the value of the cars every year.

Our express companies carry registered magazines and newspapers distances up to a thousand miles or more at a flat rate, 10 pounds for 10 cents; larger parcels at 1 cent a pound; fruits, nuts, and vegetables from California over the greater part of the United States and Canada, 10 pounds for 40 cents. The great part of the through traffic of our railroads is done on a postage-stamp basis.

LONG-DISTANCE TRAFFIC CHEAP; SHORT DISTANCE COSTLY.

The Sixty-second Congress was altogether mistaken in its condemnation of the system of flat rates on the ground that any flat rate that might be adopted would be necessarily so high as to prohibit the short-distance traffic of goods of low value. It is the light local short-distance traffic of the country that is costly; it's heavy, long-distance through traffic that is cheap.

I have said that it is the long-haul heavy traffic that is cheap, the short-distance light traffic that is costly, and in further proof of this, I ask attention to the following figures as to our own Railway Mail Service:

Heavy through traffic.

	Distance (miles).	Cost per 100 pounds (about).	Cost per pound (about).
New York to Philadelphia	90	$0.24	$0.0025
New York to Boston	231	.69	.007
New York to Buffalo	438	1.30	1.3

Light local traffic.

Railway mail route No.—	Average weight.	Distance.	Cost per pound.
	Pounds.	*Miles.*	*Cents.*
116046	40	6.9	1.7
123068	20	5.57	3
127051	40	31.83	9
127038	60	11.97	2
131048	50	17.06	4
139107	14	22.14	18+

THE COST OF PUBLIC TRANSPORTATION.

A postman goes out with a special-delivery letter 1 mile; his 10-cent fee measures fairly well both the cost and the value of his special service. To-morrow he delivers 50 different letters at 50 different houses within his 1-mile course. He does not go one step farther than before. Divided among the 50 letters the distance cost now falls to one-fifth of a cent per letter, add another one-fifth of a cent to pay the cost of the average stop and you have a common cost of the service rate of two-fifths of a cent per letter, 20 cents for the 50 letters. Make the rates according to distance, according to what it would cost to send out a special carrier with each letter, and you will have a what-the-traffic-will-bear tax of 10 cents per letter, or $5 for a service fairly paid at 20 cents. Distance rates deprives the citizen of nearly all the commercial benefits of public transportation. When to a distance system of rates the public transport manager adds a tax according to the value of the contents of the package transported, his power over the citizen comes very near that of complete confiscation. It is through their value of the service system of transport taxation, rates according to distance and according to the contents of the parcel transported, that our private transport managers have gradually taken to themselves the greater part of the earnings of the American people, and to this "what-the-traffic-will-bear" system of transport rates, more than to anything else, is due the high cost of our living.

THE COST OF LIVING.

Customs tariffs undoubtedly affect the cost of living to a considerable extent, but if there were no more legal barriers to international intercourse than there are to-day between the States of our Union, the cost of living within the United States would still be practically a question of public transportation, and the only method by which we can secure the lowest possible cost of living and the widest possible

opportunities for getting a living is through the extension and improvement of the flat-rate post office.

THE EFFECT OF UNIFORM RATES ON THE PUBLIC WELFARE.

As to the effect of a system of uniform rates on the public welfare, Judge Cooley, the first chairman of the Interstate Commerce Commission, speaking with regard to the uniform rate on milk transported by rail to New York in 1888, when the uniform rate covered distances up to 220 miles, said of the system: "It has served the people well. It tends to promote consumption and to stimulate production. It is not apparent that any other system could be devised that would present results equally useful or more just. It is, upon the whole, the best system that could be devised for the general good of all engaged in the traffic."

RAILROADS DEMAND UNIFORM CONTINENTAL RATES.

In December, 1895, Commissioner George R. Blanchard, of the Joint Traffic Association, testifying in behalf of the uniform rate on milk to New York before the Interstate Commerce Commission, declared that there was no reason why it should not be extended to a thousand miles, and Messrs. Rogers, Locke & Milburn, counsel for the Delaware, Lackawanna & Western Railroad, said:

"The distance within which the rate on milk should be uniform need only be limited by the time required to make it with the train and meet the wants of the New York market with milk not affected by its transportation.

"The cost of train operation is not appreciably more whether there be 200 cans in a car or 160 cans in a car or 10 cans in a car. The same crew, the same messengers and organization, and the same terminal service have to be maintained whether the car be carried from Binghamton or not, or from Sussex County or not, and the cost of the delivery of the can at the Hoboken terminal is in no real sense dependent upon the length of its haul."

In his great work, "The Economic Theory of Railway Location," Arthur M. Wellington says: "As a matter of purely public policy—that is to say, if the interests of the railways were identical with the interests of the community as a whole—railway rates should be the same for all distances."

Note also this testimony as to the uniform rates of the railways in their through traffic, set forth before the railway-rate committee of the United States Senate of 1905, at Washington:

IOWA'S PROSPERITY DUE TO APPLICATION OF THE POSTAL PRINCIPLE IN THROUGH RAILWAY TRAFFIC.

Hon. L. S. Coffin, late railroad commissioner of Iowa:

"Some 40 years ago the agricultural papers announced the fact that a shipment of butter from Davenport, Iowa, and a shipment of butter from central New York, and a similar shipment from St. Albans, Vt., were brought to Boston in the same car and the freight rate on the butter from St. Albans and from central New York was the same as that from Davenport." And Mr. Coffin went on to say, "that the position of Iowa as the foremost of the States in agriculture was due to the fact that this system of uniform rates on dairy products had put her on a level as to the cost of transportation with localities 500 to 1,000 miles nearer the great marts of trade. To this custom was due the fact that his farm, which is 1,000 miles farther from the great markets of New York and Boston, was worth as much for dairy purposes as farms in New York or Vermont. It was this application of the postal principle to railway traffic that had brought to him his prosperity and had enabled him to so educate his children that they could be as intelligent as the children of farmers living near those great markets. We want this same thing to go on. There should be no wholesale rates as against retail rates; no more so than in buying postage stamps."

The railroad expert, Prof. Hugo R. Meyer, stated that the one thing that had done more than all others for the development of this country was the common custom of the railways (in their through traffic) to group large districts of territory with a uniform rate regardless of distance. It was this that had made possible the wonderful growth of agriculture in the West and of manufactures in the East.

President Tuttle, of the Boston & Maine Railroad, said: "The boot and shoe industry of New England flourishes because of the common rate—1½ cents a pair on shoes carried 20 to 1,400 miles. The barbed-wire industry, of Worcester, Mass., continues to employ 8,000 hands because of Worcester's common rate with Pittsburgh to all the West. The textile industries of Massachusetts flourish because of their grouped rates over a good part of the United States." And then Mr. Tuttle went on to illustrate how a postal system of rates not only preserves but creates industries and brings into being new towns, and told the story of the creation and growth of the little town of Millinocket in Maine that had come into being as the result of the uniform rates upon paper 1 mile to 1,500 miles that he had given to a Maine paper mill to induce them to settle there. "As a result," he said, "we have this place Millinocket with its schools churches streets, electric lights, and its population of three or four thousand (requiring unquestionably numerous small stores and small dealers) who live as comfortably as they do anywhere in the world, a place where 10 years ago it was primeval forest."

WHY NOT HAVE UNIFORM RATES IN ALL PUBLIC TRANSPORTATION.

Manifestly a system of transport rates so useful in through traffic could hardly fail to be of equal benefit in local business. Strange as it may appear, however, though our railways ignore distance over continental areas, they carefully mark up the miles in local traffic, and investigation will prove that in many cases the very lowest less-than-carload rate for the very shortest distance is higher than the through rate for very long distances. In the course of the legislative hearings at Boston in 1900, relative to the issue "The State management of the Boston & Albany Railroad *v.* The New York Central management of this great State highway." President Tuttle, of the Boston & Maine Railroad, gave these as the figures charged for the transportation of flour in carloads from Ogdensburg, 429 miles via the Rutland Railroad and his own road, to Boston:

	Cents per barrel.
For transportation, 429 miles	7.2
Terminal charges at Boston for handling and delivering the barrel, guaranteeing its safety, collecting charges, and paying back to the lines from the West their share of the transportation tax	3.0
Total	10.2

The less-than-carload rate on a single barrel of flour over the New York, New Hoven & Hartford Railroad, Hartford to Wethersfield, 4 miles, is 25 cents; in quantities of several barrels, 12 cents. Taking the average haul of general produce at 429 miles, it would seem clear that a common 10-cent rate for the railway transport of 200-pound parcels of all kinds of commodities would provide all the revenues needed from all railway freight traffic.

Mr. Childs, general manager of the Erie Railroad, testifying before the Interstate Commerce Commission in the milk case of 1895, already referred to, said that as railway business increases the cost of the services decreases in the ratio of 25 per cent for every 100 per cent increase of traffic. In other words, "if the business be doubled, the cost is diminished 25 per cent per unit of persons or produce transported. There is no extra cost in extra speed, because any possible extra expense involved in making fast time is offset by the increased service thus secured from the engine."

"It is a principle of transportation," declared the general freight agent of the Erie, H. B. Chamberlain, "that the constant movement of cars is what makes profit for the road. It's the constantly moving wheel which makes the profit. In the traffic of the roads running into New York these milk cars, which are constantly on the move, although not heavily loaded, carry over four times as much traffic in the course of a year as the ordinary box car."

PARCEL-POST PLAN OF POSTAL PROGRESS LEAGUE.

That the eighth section of the act, making appropriations for the Post Office Department for the year ending June 30, 1913, approved August 24, 1912, be and is hereby amended by striking out all after the word "That" in said section 8, and substituting therefor the following:

"The third and fourth classes of mail matter be, and are hereby, consolidated under the title of merchandise, with a weight limit of 11 pounds, and with rates as follows:

* * * * * * *

"On all unregistered prepaid mail matter without declared value, an indemnity up to $10 shall be paid by the Post Office Department for such actual loss or damage as may occur through the fault of the Postal Service, and this without extra charge. Certificates of posting shall be provided on demand.

"On registered parcels of declared value and on which the fees for registration, insurance, and postage have been duly prepared, the Post Office Department shall pay the full value of any direct loss or damage that may occur through the fault of the Postal Service. The fees for insurance and registration shall be as follows: For registration and insurance up to $50, 10 cents; for each additional $50, 2 cents. No claim for compensation will be admitted if made more than a year after the parcel was posted.

"A collection on delivery service shall be established with rates covering transportation, insurance fees, and delivery to the consignee as hereinbefore provided, together with the usual fee for the money order given in payment for the goods and an additional 2 cents for the return of the money order to the consignor.

"That this service shall go into effect January 1, 1913.

"That all laws and parts of laws in conflict with the provisions of this section are hereby repealed."

(The proposed 2-cent charge for the collection and return of the money paid in the C. O. D. service of this plan is the same as that of the German post office.)

The proposed consolidation of mail matter providing for the posting of many different articles in one packet at one rate would greatly reduce the cost of packing and handling to the public and of handling to the post office.

The needless waste of time, labor, and money involved in the countless maps, directories, distinctive stamps, etc., required under the Bourne law ($750,000 for its inauguration) would be avoided. The extension of the old flat-rate service up to 11 pounds would immensely widen business opportunities by opening up the whole country for the use of the new service in the satisfying of our wants and the disposing of our wares, and would thus tend to reduce the cost of living. Every person and every place within our national territory would be on a plane of perfect commercial equality, whereas under the Bourne zone law the inhabitants of the center of the country will have an immense advantage over those of the border lands.

It is to be noted that on parcels below a pound our flat rates are much lower than those of the Bourne law, while our pound rates are the same as those of the Bourne local service.

If the congressional Parcel Post Committee, provided for under the Bourne law, could be persuaded to report in early December in favor of the substitution of our simple proposition for the costly, complicated Bourne zone law, Congress might yet save us from its fearful waste, and the fiftieth anniversary of the inauguration of our modern flat-rate post office by President Lincoln might see its wonderful service yet further extended in the public interest.

SCIENTIFIC POSTAL MANAGEMENT.

"Scientific management," says Louis Brandeis, "would reduce the expenses of our great post roads a million dollars a day." The mere substitution of a system of prepaid cost of the service rates (less-than-carload rates, station to station, 10 cents on a 200-pound parcel, 4 cubic feet space; carload rates, 50 cents a ton, 40 cubic feet space) for the tens of millions of the "what the traffic will bear" collect rates of to-day would reduce railway expenses by many thousands of dollars a day.

Railways are post roads; railway trains are post wagons; railway rates are post road taxes; they must be determined by the Representatives of the rate payers in Congress assembled and on the postal principle.

Under a scientifically managed post office, covering the general business of public transportation, post-road trains would run from starting point to destination over lines of the lowest grades, least obstructive curves, and shortest distance. Mechanical power, taking the place of man power in the loading and unloading of parcels less than carload freight, would cut down the cost of that branch of public transportation, says the efficiency engineer, S. B. Fowler, from 75 cents to 19 cents a ton, and on the basis of the over 600,000,000 tons of that character of freight handled by our railway post roads in 1909 would save over $300,000,000 a year. The mechanical handling of carload freight by the Government cutting the two days of the present private service down to one day would double the capacity of our transport equipment.

The railway expert, Harrington Emerson, estimates a possible reduction in the railway fuel bill of $60,000,000 a year and of half the time spent by locomotives in repair shops. The general substitution of electricity for steam will greatly reduce transport costs. The transformation of coal into electricity at the mines and its transmission by cable will leave our coal cars—about one-third of our whole freight-car equipment—open for other uses.

The Railway Age of February 10, 1911, states the present service of the average American freight car as follows:

	New England.	General average.
Average daily trip, miles	16.8	24.8
Earnings, per day	$2.53	$2.79

The average American freight car handles less than 3 tons of freight per day; its earnings hardly equal that of the old post coach.

In 1911 the Interstate Commerce Commission reported the average passenger load of the Pennsylvania Railroad at 16 per car, 62 per train; New York Central, 16 per car, 67 per train; Illinois Central, 14 per car, 53 per train; Atlantic Coast Line, 13 per car, 42 per train; Seaboard Air Line, 12 per car, 39 per train. These cars might have carried three times as many passengers at no increased cost, and the locomotives might have handled cars enough in a train to have transported 5 times their trainload with the additional cost of but a few pounds of coal.

POSSIBILITIES OF THE POST OFFICE.

With public transportation under the complete control of an extended Post Office Department, made up of the Postmaster General and members of the Interstate Commerce Commission, we believe that we might have a parcel post in this country limited only by the capacity of a freight car, and with rates as follows:

All tolls to be prepaid and the rate basis to be determined by the weight and bulk of the produce handled. Differences in value to be met by insurance.

	Cents.
Parcels freight per haul per barrel, 200 pounds, 4 cubic feet bulk	10
Bulk freight per haul per ton, 2,000 pounds, 40 cubic feet bulk	50

Door-to-door express service, using modern transport machinery

	Cents.
Pound parcels, $\frac{1}{4}$ cubic foot in dimensions	1
Larger parcels, up to 5 pounds, $\frac{1}{2}$ cubic foot in dimensions	2
Larger parcels, up to 11 pounds, $\frac{1}{2}$ cubic foot in dimensions	5
Larger parcels, up to 30 pounds, 1 cubic foot in dimensions	10
Larger parcels, up to 60 pounds, $1\frac{1}{2}$ cubic feet in dimensions	15
Larger parcels, up to 100 pounds, 2 cubic feet in dimensions	20
Larger parcels, up to 200 pounds, 4 cubic feet in dimensions	25
For each additional 30 pounds or each additional cubic foot bulk	5

The post office, our mutual express company.

From the foundation of our National Government, the people of the United States, through their Representatives in Congress, have always determined the scope of their postal service, the pay of their mail carriers, their own postal rates; and from the first they seem to have provided for the postal transport of merchandise in very small sealed parcels at very high rates—by the act of 1792, 24 cents an ounce for distances up to 30 miles; higher rates for greater distances. In 1810 they fixed the postal weight limit at 3 pounds, and it so remained for many years. In 1863 postal rates were made uniform regardless of distance, and since 1863 Congress has definitely provided for the transport of merchandise in unsealed parcels, but still with a weight limit so low and rates so high as to be practically prohibitive.

In the old era of household industries, when the peddler with his pack on his back or driving his own team was the chief agency of commercial intercourse, these postal limitations worked little harm, but their continuance in our day, when every industry needs a continent for its development, is no longer endurable. The common welfare demands the widest possible extension, the most efficient and economic administration of our great mutual express company—our modern flat-rate post office.

INTERESTING FACTS.

Our average freight train earns about $2.86218 per mile; in its 3,200-mile course, New York to San Francisco, $9,159. The average haul of an express parcel is 200 miles, its weight 34 pounds. Taking ten 30-ton cars as the average express continental freight train, its total capacity would be 17,644 34-pound parcels. Since the average haul of these parcels is 200 miles, this train would handle 16 times 17,644, or a total of 282,304 such parcels in its continental course, and the cost per parcel would be less than 3¼ cents. If the train handled but 200,000 parcels in its long journey, 5 cents per parcel would bring up its earnings to $10,000, over 30 cents per car mile.

The cost of delivering the average parcel of the Retail Dry Goods Association of New York—from a yard of lace to a cook stove—distances up to 35 miles is but 5 cents. Taking this as the cost of the terminal services, collection, and delivery between the homes of the people and the railway stations, 15 cents—5 cents for the railway service, 5 cents for each terminal service—would seem to be an ample payment for the transportation of the average 34-pound express parcel between any two homes in the United States located within 35 miles of a railway station.

COMPARISON OF PARCEL-POST RATES.

United States.

Bourne law: Local, city and rural service, 1 pound 5 cents; each additional 1 pound, 1 cent; 11 pounds, 15 cents. Radius 24 miles, 2 pounds, 6 cents; radius 24 miles, 11 pounds, 15 cents.

Through railway rate on flour in the year 1900, Ogdensburg, N. Y., to Boston, Mass., 429 miles: Transportation, 7.2 cents per barrel; terminal charges 3 cents per barrel; total, 10.2 cents.

Local express rates, Boston, radius 12 miles or more: 10 pounds, 5 cents; 100 pounds, 10 cents.

First zone, 50 miles: Rates, 1 pound 5 cents; each additional pound, 3 cents. Zone rates, Bourne law: 1 pound, 5 cents; 2 pounds, 8 cents; 7 pounds, 23 cents; 11 pounds 35 cents. No insurance.

The Long Island Express Co. carries 30 to 33 pound hampers of vegetables from Medford, L. I., 58 miles by rail, and delivers them to the address anywhere in New York and Brooklyn for 25 cents—the express company furnishing the hampers. Contrast this with the Bourne 35-cent tax on 11 pounds, 24 to 50 miles.

Second zone, over 50 to 150 miles, first pound, 6 cents; each additional pound, 4 cents; 11 pounds, 46 cents. Zone rates, Bourne law: 1 pound, 6 cents; 3 pounds, 14 cents; 6 pounds, 26 cents; 7 pounds, 30 cents; 9 pounds, 38 cents; 11 pounds, 46 cents.

Third zone, over 150 to 300 miles: First pound, 7 cents; each additional pound, 5 cents; 11 pounds, 57 cents. Zone rates, Bourne law: 6 pounds, 32 cents; 8 pounds, 42 cents; 11 pounds, 57 cents.

Fourth zone, over 300 to 600 miles: First pound, 8 cents; each additional pound, 6 cents. Zone rates, Bourne law: 7 pounds, 44 cents; 11 pounds, 68 cents.

Fifth zone, 600 to 1,000 miles: First pound, 9 cents; each additional pound, 7 cents. Zone rates, Bourne law: 2.2 pounds, 23 cents; 4.4 pounds, 37 cents; 7 pounds, 51 cents; 11 pounds, 79 cents.

Sixth zone, over 1,000 to 14,000 miles: First pound, 10 cents; each additional pound, 9 cents. Zone rates, Bourne, law: 3 pounds, 28 cents; 7 pounds, 64 cents; 11 pounds, $1.

Seventh zone, over 1,400 to 1,800 miles: First pound, 11 cents; each additional pound, 10 cents. Zone rates, Bourne law: 7 pounds, 71 cents; 11 pounds, $1.11.

Foreign countries.

Germany-Austria: Radius 46 miles, 11 pounds, 6 cents; over 46 miles, 11 pounds, 12 cents.

Throughout Switzerland, 11 pounds, 8 cents; throughout Switzerland, 22 pounds, 14 cents; throughout Denmark, 11 pounds, 8 cents.

Germany has a C. O. D. service with charge for collection 2 cents.

Flat rates, Great Britain, area, 121,391 square miles: 1 pound, 6 cents; 2 pounds, 8 cents; 7 pounds, 16 cents; 11 pounds, 22 cents. Insurance up to $10.

Flat rates, France, area, 207,054 square miles: 7 pounds, 17 cents, insurance $2.90; 11 pounds, 21 cents, insurance, $4.83; 22 pounds, 29 cents, insurance $7.72.

Flat rates, European Russia, area, 2,081,025 square miles: 7 pounds, 23 cents; 12 pounds, 34 cents.

Union of South Africa, area, 473,184 square miles: 1¼ pounds, 6 cents; 3 pounds, 12 cents; 6 pounds, 16 cents; 9 pounds, 20 cents; 11 pounds, 24 cents.

Flat rates, American Express Co., on European merchandise from New York City throughout the United States, 3 to 11 pounds, 24 cents. From California throughout the greater part of United States and Canada, nuts fruit, etc.: 8 pounds, 35 cents; 10 pounds, 40 cents.

Flat rates, Chile, area, 292,580 square miles: 7 pounds, 17 cents; 11 pounds, 22 cents.

Flat rates, Japan, area, 175,540 square miles: 6 pounds, 10 cents; 8 pounds, 12 cents; 11 pounds, 16 cents.

Flat rates, Italy, area, 110,646 square miles: 6 pounds, 12 cents; 8–11 pounds, 20 cents.

Flat rates, China, area, 4,277,170 square miles: 7 pounds, 40 cents; 11 pounds, 50 cents.

Flat rates to United States: From Norway, 1 kilo, 2.2 pounds, 16 cents; from Germany, 2 kilos, 4.4 pounds, 33 cents; from Italy, 3 kilos, 7 pounds, 39 cents; from Italy, 5 kilos, 11 pounds, 79 cents; from Great Britain, 11 pounds, 79 cents.

British colonial flat rates: 3 pounds, 24 cents; 7 pounds, 48 cents; 11 pounds, 72 cents. From Great Britain throughout Canada, India, British East Africa, British West Indies, British Agencies in China and Turkey, New Zeland.

British foreign flat rates: 7 pounds, 72 cents; 11 pounds, 96 cents. From Great Britain throughout the following South American countries: Uruguay, Chile, Colombia, Costa Rica; throughout Cuba, Danish West Indies, Dutch West Indies, Japan, Persia, Portuguese India.

The eighth zone: This zone covers distances over 1,800 to 3,300 miles within our continental area and including our island posessions, at least 5,000 miles, with a flat rate for the intervening area of 12 cents a pound. The reason given for not making it higher is that 12 cents is the foreign rate on postal imports to the United States, and that any higher rate would be manifestly unjust and most irritating to our citizens. The fact, however, that more than three-fourths of our parcel post imports come from Europe at less than 8 cents a pound, will, we think, seriously irritate the people on our Atlantic seaboard, when forced under the Bourne law to pay the same rate as their European competitors, on parcels posted 1,000 miles, and for greater distances from 30 to 60 per cent more. And their irritation will hardly diminish when they discover that while the American Express Co. carries 11 pounds European postal parcels from New York City throughout the whole country, at a flat rate of 24 cents, their taxes on similar parcels are increased by the mere crossing of a local limit from 15 cents to 35 cents: For the crossing of the first zone limit, from 35 cents to 46 cents; second zone limit, from 46 cents to 57 cents; third zone limit, from 57 cents to 68 cents; fourth zone limit 68 cents to 79 cents; fifth zone limit, from 79 cents to $1; sixth zone limit, from $1 to $1.11; seventh zone limit, from $1.11 to $1.32.

THE PUBLIC OWNERSHIP OF PUBLIC TRANSPORT MACHINERY.

[Count von Bismarck, April 26, 1876, the Public Ownership of the German Railways.]

Germany is divided into 63 railway provinces, endowed with all territorial and feudal rights and privileges, including the right of making war, and the railway boards avail themselves of these privileges and even make war against one another, which costs much money, for the sake of power and as a kind of sport.

After my opinion, the railways are intended rather to serve the requirements of trade than to earn a profit for the owners.

The profits which the individual States derive from the railways owned by them, or which are distributed to shareholders in the shape of dividends, are rightly considered a national taxation which the State would be entitled to impose, but which is paid not to the State, but to shareholders in private concerns. It should be our aim to see that the tax is not oppressive, but that it stands in due relation to the requirements and the means of the railway user; that it is financially just.

[January 1, 1877.]

Railways were meant to be and are instruments for conveying the national traffic, and they were given their far-reaching privileges and they were constructed in order to serve the public and for the general interest.

Therefore their character as profit-earning instruments may be taken into consideration only in so far as that character is compatible with the general welfare which has to be considered first and foremost. Hence the right of constructing and exploiting railways can be considered only as temporary, and their eventual purchase by the Government is a matter of course.

EVILS OF PRIVATE OWNERSHIP.

Count Bismarck states these evils as follows:

1. Unnecessarily high working expenses and correspondingly high charges in consequence of the multiplicity of railway boards, managers, officers, and the unnecessary duplication of lines, stations, material, rolling stock, etc.

2. Chaos of freight charges, there being 1,400 different tariffs which are constantly changing, which are unclear, and which make trade an uncertain and speculative venture.

3. Because direct travel of passengers and goods over the whole railway system of the country is often impeded with the object of harming competing railway systems and consequently much damage is done to trade and industry.

[January 3, 1879.]

At this time Count von Bismarck opened the campaign for Government ownership in a letter written to the Prussian ministers of trade, home affairs, and railways, Messrs. Hoffman, Friederthal, and Maybach, in which he said, "I intend to raise the question whether it be not necessary to regulate railway tariffs by imperial law. The fact that such far-reaching public interests as the transport business of the railways is left to individual railway boards, who are free from any supervision by the State and the fact that these companies are entitled to make their own interest their sole guide, finds no analogy in the economic history of modern times, except in the way in which formerly a country's finances were farmed out to certain individuals.

"In view of this fact, I intend, after due investigation, to bring forward the question whether it is not possible to introduce by means of imperial legislation a uniform tariff on all the railways of Germany."

And later he added, "The foregoing statement shows that an improvement can only be expected by insisting upon the principle that the railways are meant for the service of the nation; their further direction can be no longer safely left to the egotism and arbitrariness of irresponsible individuals and must be brought into harmony with the general interests of the country."

And addressing Parliament Count von Bismarck said, "Did anyone formerly trouble whether the introduction of railways ruined the coaching industry and the innkeepers?

"The railway monopoly is, to my mind, far more unjust than was that of the coaching industry, for the railway monopoly actually means the farming out of a province to a railway company. This monopoly arose naturally when all other means of transport had been killed by the railroads.

"Everyone who had goods to send or receive fell into the hands of the railways, and these acted in exactly the same manner as did the farmers' general, who impoverished France before the Revolution, for they also were given a large part of the country and were allowed to exploit it at their will. The object of the railways is to squeeze out of the country the largest possible dividend.

"This is an extraordinary abuse of the taxpaying and traffic-requiring community which favors those capitalists who were given the traffic monopoly that accrued to the railways."

And on the 8th of November, 1879, Herr Maybach, minister of the railways, addressed the Prussian Parliament as follows:

"As regards the tariff policies of the railway, I am of the opinion that railway charges should be fixed in accordance with the requirements of the country, and if it be necessary to give the second place either to the national interest or to the railway interests, I am inclined to give the second place to the railway interests.

"The system of private railways has been imported from England, but it does not suit Prussia. Prussia requires State railways.

"It is our aim to take the railways out of the hands of the speculators and to make them truly for the defense of the country and for the development of the country.

"A bill for taking over the railways of Prussia by the State was therefore presented to the Prussian Parliament on the 29th of October, 1879, with the following memorial: 'Among the various forms in which railways have been developed in civilized countries, the system of State railways pure and simple is the only way which is able to fulfill in the most satisfactory manner the tasks of a national railway policy.'

"Only in the case of State railways is it possible to utilize to the full and in the most thorough manner the enormous capital invested in railways. Only in the case of State railways is it possible to give direct and effective protection to the public interest which is the government's duty.

"Lastly, only in the case of State railways is it possible to establish a simple and cheap railway tariff to suppress harmful discrimination and to create a just and diligent and able administration solely guided by consideration of the public good.

"Therefore the State railway system must be considered as the final development in the evolution of the railway system.

"Railway tariffs were to be, first, clear, and to be drawn up in such a manner as to enable everybody to easily calculate the freight on the goods sent. Second, they were to secure to all citizens in all parts of the country equality of railway charges. Third, they were to eliminate the disadvantages which weighed down small producers. Fourth, they were to secure the abolition of unnecessary and therefore wasteful services and to insure the honesty of railway officials. These were the principles on which the Prussian railway system was established, and to which we believe the prosperity of Germany may be largely attributed."

What was good for Prussia in 1879 will be found to be good for the United States of America in 1913.

As long ago as 1903 Mr. C. J. Prouty, of the Interstate Commerce Commission, declared that our present system of making railway rates was taxation without representation in its most dangerous form. It remains to-day what it was then, and its continuance is the cause of the high cost of living and of the limitation of our opportunities for getting a living to-day. It is this system that is responsible for the tens of thousands of working people who are out of employment in our great cities to-day in the face of winter.

I am certainly safe in saying that failure on the part of those now intrusted with our public business to realize this fact and to act upon it will mean political suicide, and the only practical way to meet it is to forthwith extend the post office over the whole business of public transportation and transmission, with low, uniform cost-of-the-service flat rates everywhere, and with this to guarantee to those who have built up our transportation and transmission systems a low and certain return for the actual services which they have rendered to the general public.

G. AMES L. COWLES.

—

DECEMBER 29, 1913.

Mr. G. AMES L. COWLES,
Washington, D. C.

DEAR MR. COWLES: The holidays have delayed reply to your letter of the 20th with its valuable suggestions, for which I thank you.

Yours, very truly,

——— ———,

—

MARYLAND WOOD FIBER PLASTER & SUPPLY CO.,
Cumberland, Md., December 20, 1913.

Mr. L. D. BRANDEIS,
Care Interstate Commerce Commission, Washington, D. C.

DEAR SIR: I desire to apologize to you in advance for writing you on a subject which I see you are engaged in combatting, i. e., the advance in freight rates as demanded by the railroad companies in the eastern section of the country of 5 per cent, and beg to commend you on the stand you are taking in this matter; and desire to suggest, if you will permiit it, to compel the president of the Baltimore & Ohio Railroad, and with whose rates the writer is somewhat familiar, to give you the information as outlined in the following:

According to the evidence submitted before the commission at the hearing in this matter they stated that their gross earnings per ton per mile was less than 6 mills per ton per mile. It will be, I deem, quite an easy matter for them to give you the total percentage of their total traffic which earned the different rates per ton per mile, beginning at one-fourth of 1 cent per ton per mile, or $0.0025 a ton a mile, up to and including the highest rate per ton per mile charged by them in their total traffic handled in the fiscal year ending June 30, 1913. For instance, grain handled from Chicago to New York on a proportional rate out of Chicago would earn to New York approximately 17 cents per 100 pounds, or $3.40 per ton on an approximate distance of 1,000 miles, which would show gross earnings to be about $0.0034 per ton per mile, while the same car, instead of being shipped to New York, would be shipped to Baltimore; the rate to this point would be 13 1/10 cents per 100 pounds, or $2.74 per ton, with an approximate distance of 800 miles. This would show gross earnings of $0.0034 per ton per mile, approximately the same as New York, while the same car, if shipped to Cumberland instead of either New York or Baltimore, the rate would be 13 2/10 cents per 100 pounds, or $2.64 per ton, with an approximate distance of 600 miles, which would make the gross earnings $0.0044 per ton per mile; if the same car that was shipped from Chicago to Cumberland, upon which the gross earnings were $0.0044 per ton per mile, reshipped from Cumberland to Pattersons Creek, a distance of 8 miles, the rate on it would be only 80 cents per ton a distance of 8 miles, which would show 10 cents per ton per mile. All of the above illustrations represent interstate traffic.

That you may see the measure of discrimination practiced, I am stating for a quick comparison with the eye, as follows: $0.0034 from Chicago to New York; $0.0034 from Chicago to Baltimore; $0.0044 from Chicago to Cumberland; $0.1000 from Cumberland to Pattersons Creek.

What I mean for you to have the railroad companies do is to show what percentage of the traffic they hauled at the different rates, and then have them show what their average cost of transportation was, including all charges on their total traffic, which, in the writer's opinion would be near about 4 1/2 mills per ton per mile; perhaps 5 mills, or one-half cent, per ton per mile. You can readily see by the statement we are able to get at what percentage of their traffic they are hauling at less than cost and what percentage of traffic they are getting an enormous profit thereon; and if not presuming, would also ask that you have them submit the provisions of their charter, and so regulate their charges as to be within the proper charter requirements.

The writer does not desire to be put on record as desiring anyone, and especially our large transportation companies, to do business at a loss; on the other hand, they have an inalienable right to make a profit on their business; but I do object to them discriminating in the freight rates, as the statement outlined above will absolutely show.

I would appreciate very much if you will kindly acknowledge receipt of this letter, and after its perusal would be pleased to have any comments you care to make.

Appreciating and thanking you for the use of your valuable time in perusing this letter, I am,

Very truly, yours,

CHAS. D. WILLARD.

—

SCRANTON, PA., *September 29, 1913.*

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: Regarding the matter of 5 per cent increase in freight rates asked for by the railroads of the country, permit me to call your attention to the fact that if the railroads and their various constituent concerns were honestly dealt with by their own officers and a stop put to the grafting done on them by their own officers, from the president down to the train dispatcher, there would be no need of any advance in rates, for then the companies could not only meet their fixed charges, but pay reasonable dividends, and give their men a living wage as well.

To a man that has seen as much of this thing as I have, it strikes me this is the real key to the situation. Everybody seems to have been sidestepping this proposition for years, and yet it is one that has a vital bearing, not only on the wage earner, but the stockholders as well.

Your commission, already having done so much good, seems to be the proper medium to put it up squarely to the railroads. The results measured by the bettered conditions that you have brought about in other directions can not fail in great good to everybody concerned. It will at least bring the matter out prominently, thereby throwing a scare, to use the vernacular, into the thieving fraternity.

Respectfully, yours,

T. ELLSWORTH DAVIES.

—

In re application for raising freight rates, etc., of the railroads.

Just tell them that you see no necessity for it as long as they maintain fancy salaries for the officeholders, from president down. Some very able men consent to serve as judges, Cabinet officers, etc., at a salary of $12,000 a year, and I personally have seen few men who are worth more.

Tell them to reduce official salaries first and then see whether they can make ends meet and regain the confidence of investors.

High salaries are the curse of our day.

Yours, W. OSCAR MILLER.

—

No. 153 WEST STREET,
South Norwalk, Conn., May 3, 1913.

GENERAL FREIGHT AGENT AT NEW HAVEN,
New York, New Haven & Hartford Railroad.

MY DEAR SIR: This letter is written by one who believes that the New Haven road has greatly degenerated, if such word can be used in connection with a corporation exploited only for the water that can be taken from it.

It has ceased to be honest, to deal fairly or justly by those that your president calls your patrons. It has ceased to do business in an equitable manner. How?

The Cutaway Harrow Co., of Higganum, Conn., sent me a disc harrow over your road. On Monday, April 28, 1913, I received from them the bill of lading, and on Wednesday, April 30, 1913, it was announced from your freight depot here in South Norwalk that the goods were here.

At once my man (who speaks little English) went to the station and was given three pieces, the first two containing several discs and the third piece being a board with a wrench or two upon it. His bill of lading called for four pieces, and upon his asking for the missing parts he was told his third piece contained two parts, his bill of lading was retained from him, he was given a freight bill which called for four parts without enumerating the same, he was charged the weight of full shipment, paid for full shipment, no mention being made to him that any part was yet undelivered, nor any written memorandum to that effect given him.

Therefore I state that your road is dishonest in its dealings, is unfair, and—we will take up the rest later.

That you are dishonest is shown by the above detail.

In the giving of part of the shipment only without noting failure to complete.

Charging full freight, though not delivering full goods.

Taking away the man's evidence (bill of lading) while not fulfilling its needs.

Delivering a new receipt which did not give proper detail.

To-day, Saturday, May 3, 1913, I had an interview with your local cashier and agent, but in no way could I make them see that I was entitled to anything but to wait the good or other pleasure of your company in its routine transaction of its business—in its monopolistic operations.

Yours is a road that has any quantity of money for lobbying purposes; for buying up rivals or parallel lines by land or water; for "publicity," to deceive the public; professes to care for the interests of its "patrons," yet robs them of time and money without compunction.

I believe your dealing with me in this matter is good evidence for the Interstate Commerce Commission and herewith am making a copy to place in proper hands where it will be used wisely.

Just suppose I had been a higher official of this road and had said to this local agent and cashier: "That has gone astray, now get it."

Do you suppose that they would have answered me that I must wait until the usual routine methods bring the thing to light, if ever? And my season of using it going day by day meanwhile.

You know the answer, and that but a day would have gone by before that part would have been discovered and sent through to proper destination.

In my case it is different.

That difference being that I am not a higher official, but simply one member of the late Mr. Vanderbilt's "Public be damned," while as Mr. Baer so neatly put it, "Providence has seen fit to place in your hands these large interests."

But coming back to the question of honesty.

I charge your road with inefficiency, with dishonesty (and can give you at least one other instance), with carelessness due to monopoly and absence of competition, and I trust that with this spirit of unrest you may be brought to take up your business seriously and effectively.

Meantime you are injuring me by keeping me from my goods.

Awaiting your answer, I beg to remain,

Yours, in the hope of using this incident to accomplish some good in some way,

JOHN A. HAMILTON.

LATER NOTE.—This letter brought the missing goods within a few days, also a personal call from a gentleman connected with the New Haven office asking that the letter be not used as threatened, which request was denied.

NOVEMBER 24, 1913.

INTERSTATE COMMERCE COMMISSION.

GENTLEMEN: On behalf of the people of South Norwalk and elsewhere on this railroad, I urgently ask that you refuse this New Haven Road any advance in freight rates, that you cause them to restore the old commutation rates under which many of us were induced to become commuters, and that you do not put upon the traveling public the burden of mismanagement and willful extravagance of this road and its officers.

In your hands lies the interests of a large body of the people who look to you for help in this matter and protection from this corporation.

Awaiting your courtesy of an answer,

Respectfully submitted, JOHN A. HAMILTON.

—

GREAT BARRINGTON, MASS., *June 5, 1913.*

MY DEAR MR. PROUTY: I see that all the eastern railroads have asked for 5 per cent increase in rates.

The Reading Co. will earn on its stock this year, at the present rate, about 15 per cent on its common stock and they have just raised the dividend from 6 per cent to 8 per cent.

The New Jersey Central will earn on its stock this year 30 per cent and pay 10 per cent. The Delaware & Lackawanna will earn on its stock this year 30 per cent, and it pays 10 per cent and 10 per cent extra. Now, why do these roads want increase in rates? The New Haven, Pennsylvania, and New York Central have done nothing but issue stock and notes for the past five years by the millions, and now they want you to advance the rates to pay on their watered stock. I am a large holder of bonds which I hold for investment and I hope you do not advance the rates, for if you do they will go on making new issues of stock and notes, which will be a very bad thing for the bondholder.

Yours, very truly, HARRY C. ELDRIDGE.

MAY 24, 1913.

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: Pardon me for taking the liberty in writing to you, but I just want to let you know the true conditions that exist and howl that is being made by Wall Street and a few millionaires that are paying the newspapers and a lot of good for nothings to be sent to Washington to protest against the tariff and also to get an increase in freight rates.

They are holding back business and crying for help, when really the money the railroads are making they put in improvements and have been making false statements to the public, so that they could get an increase in freight rates to manipulate the stock market.

Gentlemen, I hope you will all look into this matter very carefully, as you will find for the past 20 years they have been swindling the public, and the sooner they are brought to terms the better for all concerned.

Respectfully, yours, LIVINGSTON KEYES,
496 Fifth Avenue, New York City.

—

H. W. SMITH & CO.,
Wilmington, Ohio, February 28, 1914.

LOUIS D. BRANDEIS, Esq.

DEAR SIR: I note you are conducting an investigation into some phases of railroad operation. You likely know all about these things, but as a shipper of grain I have often wondered at some charges. For instance, if grain is shipped to Baltimore elevators there is 17 days' free storage; if shipped by some routes to New York lighterage is free. These must be in the nature of rebates. Also, the export rates are less than domestic. There are probably many other kinds that I do not know about.

Very truly, H. W. SMITH.

—

FEBRUARY 28, 1914.

DEAR SIR: Speaking as a citizen, and with a desire to see the pending "increased rate" problem settled satisfactorily to the citizens of the United States, permit me to invite your attention to the following points:

1. Would not the railroads derive an addition to their present revenues through leasing or selling their present holdings in contiguous canals?

2. Would not the railroads derive an addition to their present revenues through encouraging a wider use of their pier holdings throughout the United States?

3. What would a railroad answer to the proposal that the Government lease the railroad on a basis which would guarantee 8 per cent on the present capitalization? Surely a railroad would not object to an 8 per cent investment secured by bonds signed by the United States as a whole. If the United States can not make 8 per cent from operating the railroads, would it not be better that the increase in rates for freightage be permitted to help pay the 8 per cent and provide a sinking fund to amortize the 8 per cent annually, with the United States as operator of the railroads rather than the present owners?

4. If the railroads are in need of 5 per cent increase of charges, why do they spend so many millions in "expensive" terminals?

5. Since the railroads are more and more to be considered as an inseparable whole, with reference to a communicating and carriage system for the United States, why should not their equipment be considered a general equipment? In other words, why should the rolling stock of one road not be used on another road in another part of the country, when the first road is having a seasonal lull and the second road a period of carriage stress?

6. If two organizations are expensive when one should be less expensive, why not in cases like the Baltimore & Ohio, the Reading, and the Pennsylvania, running from Philadelphia to New York, require that one organization instead of three take care of running traffic facilities between such two or similar points? Why this waste of money?

7. If a railroad contends that a branch line does not pay, why should it not be ordered to lease it to the highest bidder? If the big railroad organization will not develop such roads, why should it object to their development by means of local capitalists?

8. Why should competing systems, with tracks parallel, be permitted an increase of 5 per cent in charges, when a single line between the points would gain more than that 5 per cent through saving in capital outlayed?

9. What became of all the information which was collected last year about terminals on waterways?

Respectfully,

JOHN MCCLURE.

Personal.

—

IRWIN'S BANK,
Columbus, Ind., March 27, 1914.

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

SIRS: There are some things in regard to the request of the railroads for increase in rates that I feel should be considered.

Rather than to make a uniform increase, it seems to me that additional revenues could be secured for the railroads by raising the rates of materials imported from foreign countries instead of them being carried, as now, lower than are articles manufactured or produced in this country.

I was told a few weeks ago by the president of one of the leading steel companies that his traffic manager had informed him that the rate on steel from Pittsburgh to Chicago is 18 cents, while it was possible to secure a rate to Chicago from Antwerp by way of Galveston, Tex., for 17½ cents.

If other import rates are on the same relative basis in comparison with rates on domestic products, it would seem to me to be an excellent opportunity to benefit not only the railroads but our own industries by letting whatever rates might be increased apply to those on imported articles.

In this way the roads could be benefited as they were by the abolition of rates and of free passes, and no one in this country would be harmed.

Very truly, WILLIAM G. IRWIN.

WELCH & MERRILL,
Delta, Colo., February 23, 1914.

Hon. WOODROW WILSON,
President, Washington, D. C.

MY DEAR SIR: I have been following with a great deal of interest the application of the eastern railroads for a 5 per cent increase in freight rates and to the investigation of the question by the Interstate Commerce Commission. I have faith this matter will be considered solely on its merits, and while I am not personally familiar with conditions in the East as in the West, I believe the investigation will disclose practices and extravagances on the part of the roads which will not justify the increase. It certainly would not be justified in the West, but if granted in the East it will naturally be made effective over the whole country.

It is conceded by all, the railroads as well as the traveling public and the investing public, that future stock and bond issues of interstate common carriers must be under some kind of Government supervision, and I trust this phase of the question will not be accepted by the Government as a concession from the roads in lieu of securing the increase in freight rates asked for. In other words, a log-rolling adjustment.

In picking up any daily paper and referring to stock quotations, you will notice a large number of railroad stocks quoted at very low figures, representing merely a speculative value, and due in nearly every instance to high railroad financing. For the good of the country I should like to see some of these stocks eliminated, and while you will say a great deal of such stock is now in the hands of innocent purchasers and nothing can be done, is it right that the Government should levy a tax on the producer and consumer in this country, in the way of a 5 per cent increase in freight rates, to take care of these innocent investors who inadvertently made a bad investment, giving a tangible value to stocks now possessing only a speculative value, and to help the railroads out of a dilemma which, I believe, will be found to be of their own making? I refer both to high financing in the past and to present extravagant management. Railroads to-day are granting concessions and allowing divisions in through rates to certain favored large shippers which cuts down their revenues materially. I am sure the present administration is not blamed in the least for the financial condition in which the Frisco System now finds itself.

I firmly believe a more permanent revival of business conditions can be secured by encouraging agriculture, particularly in establishing a comprehensive system of farm-land credits, which would gradually turn the unemployed in our large cities, who are now consumers, to producers in our rural communities.

Most sincerely,

C. A. MERRILL.

Cy. Mr. EDGAR E. CLARK.

Mr. MCGUIRE:

The inclosed item would indicate a portion of the "increased expenses" of Pennsylvania Railroad. If so inclined, file with memorandum. It should be interesting in view of hearings before Interstate Commerce Commission this week.

ANON.

ATTERBURY'S CAR HOME ON WHEELS.

ALTOONA, PA., *November 17.*

Ready for service, the private car built for Vice President W. W. Atterbury, of the Pennsylvania Railroad, has been turned out of the shops here. It contains almost every accessory of a first-class home and is practically a duplicate of President Rea's car, recently completed. Its chief features are drawing room, dining room, sleeping quarters, and kitchen, and the details of equipment include a complete cut glass and silver service, private heating plant, shower bath, and electric lights for the beds.

NEW YORK, *November 24, 1913.*

LOUIS D. BRANDEIS, Esq., *Boston, Mass.*

DEAR SIR: I beg to submit to you that in consideration of the increase of railroad freight rates by railroads, it should be remembered that of the $5,730,000,000 of outstanding capital stock probably more than two-thirds originally water, and yet in the year 1911 the railroads paid on the whole of the stock $460,195,000, or an average of 8.03 per cent, which prorated over all the stock gives an average of dividends of 5.43 per cent, as compared with 5 per cent in 1910 and 4.18 per cent in 1909; $16,000,000 of the stock divided 10 per cent, which in justice to the people should be considered excessive.

There were upon all the railroads a total of $2,634,000,000 of capital stock, or 31½ per cent of the whole, on which no dividend was paid. It is a wonder that the gross amount of capital stock not earning dividends is so small in view of the Harriman treatment of the Harriman roads, the Gould treatment of the Gould roads, and the Yoakum treatment of the St. Louis & Frisco road, and so many other examples of malfeasance, so vast, so numerous?

A noteworthy feature of the present oppression is the iniquitous monopoly which railroads possessing coal lands under fictitious names and competing, thus holding an oppressive monopoly, which is frequently prohibitive. All this ought to be changed.

Yours, most truly.

JAMES CLEGG.

ALTAMONT, ILL., *February 6, 1914.*

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: I notice in your tap-line decision that you intimate that if the railroads would not waste the money they already have they would not be in such desperate need of that 5 per cent increase. This shows a glimmering of common sense, and it is a wonder that some railroad managers had not discovered it sometime ago. I want to call your attention to where they are right now throwing away enough money to choke a sewer. Heretofore it has been the custom to issue homeseeker tariffs once a year and they were good for the entire year. Now they are issuing them twice a month and they are good for one day only. These books contain from 50 to 150 pages and are furnished to all stations east of the Missouri River, probably 25,000 stations. The book, together with the cost of compiling them, must cost a dollar each at least. I would bet a month's wages that all the tickets sold under these tariffs will not bring in enough money to pay for printing them. They are distributed about 24 hours before the fatal day that they are in effect, and no one knows that there is going to be an excursion, hence no sales. The railroads are far the largest of publishers in existence, and most of what they publish might as well be dumped overboard as soon as it is off the press. The art of scientific rate making is supposed to be so mysterious and unfathomable that it requires a stack of books like one of Carnegie's libraries to inform a ticket agent that on a certain date he can sell a round trip to Boulder, Colo., for so much money. All that is needed in a homeseeker tariff could be printed on one page and the list of concurring carriers printed on the other side. It should state briefly: First, date of sale, which ought to be every day or none; second, territory from which tickets may be sold, which is simply all territory east of the one hundredth meridian; third, routes, which should be same as for one-way tickets and without further trimmings or extensions; fourth, destinations, which should be all territory west of the one hundredth meridian; fifth, minimum, which should be, say, $9; sixth, fare, which should be stated in percentages of the regular one-way fare, say 160 per cent. This is all that is necessary, and could be printed on a good-sized postal card and issued once a year. If your honorable body could cut out the fool tariff issuing as now carried on by the railroads I believe that this one item would come close to the much-desired 5 per cent. It costs more to print one of these tariffs than it does to print a copy of the "Trail of the Lonesome Pine," since one man compiled that literary gem, but it requires a house full of clerks, working for sometimes a year, to get out one of these tariffs. I append a list of the homeseeker tariffs which are good for a day only. It is only a partial list; there are dozens of others:

Tariff 0-12, I. C. C. 361, issued by MacLeod.
Tariff M-25, I. C. C. 360, issued by MacLeod.
Tariff O-11, I. C. C. 354, issued by MacLeod.
Tariff O-14, I. C. C. 364, issued by MacLeod.
Tariff M-24, I. C. C. 356, issued by MacLeod.
Tariff C-11, I. C. C. 357, issued by Hannegan.
Tariff C-10, I. C. C. 356, issued by Hannegan.
Tariff C-13, I. C. C. 362, issued by Hannegan.

Yours, truly,

H. D. EARL.

---

120 SEIBERG STREET,
New York, January 29, 1914.

To the CHAIRMAN OF THE INTERSTATE COMMERCE COMMISSION.

GENTLEMEN: In this fight by the railroads for an advance of 5 per cent will be the death of independent oil companies. This is a put-up job by the Standard Oil Co. I was with them 14 years. They control 95 per cent of all the roads in the United States in the use of lubricating oil, and the railroads dare not buy or do anything to reduce the use of oil. I have a lubricating oil pad that will save 50 per cent of oil and other savings. It has been tested and proved all I claim by one road and then they dare not put it on. It has been offered to all the big railroads here. And then they dare not put them on. They own that there is a big saving with a small expense. When I write them and offer to guarantee the saving they say we have a contract with the Standard Oil Co. The New Haven Railroad had at one time 6,000 pads, and they saved so much it scared the Standard and it had them put off.

I can save the railroads millions a year with a small expense and no change in construction and no delay. The railroads do not deserve any help until they get away from the Standard Oil Co. I can save them more than the 5 cent and they know it. I can tell a lot more if wanted.

Truly, yours,

J. H. SWIFT.

BERLIN HEIGHTS, OHIO, *January 28, 1914.*

Mr. LOUIS D. BRANDEIS,
Washington, D. C.

DEAR SIR: Referring to the investigation now going on at Washington relative to the proposed increase of 5 per cent in freight rates by the various railroads of the country.

When the railroads about two years ago asked for a 10 per cent increase and announced that the new rates were ready, we sent to our agent for a list on the towns we ship to regularly each year. When these rates were received and compared with the prevailing rates, the advance was noticed to be considerably more than 10 per cent.

We inclose a schedule of rates selected at random showing the rates as they existed at that time and still exist in force at present. Our arithmetic may be faulty, but we can not understand that a 10 per cent increase means anything else than 10 per cent. We were unable to get any satisfactory explanation from the railroads as to this at least apparent discrepancy.

We are now informed on what would seem to be reliable authority that if the requested 5 per cent is granted the railroads propose to make up what they call "a general average 5 per cent increase," whatever this may mean. But it looks to an ordinary business man as if the railroads were going to put something over on the shippers that will bear watching.

We realize that you are too busy a man to answer this letter, but would appreciate it if you could announce to the public something as to just what constitutes a 5 per cent freight rate advance and if the commission will see to it that the railroads will honestly comply with that meaning. If a rate is 20 cents and they are allowed to advance it 5 per cent, it would seem to the layman that the new rate would be 21 cents.

Thanking you in advance for any information you can give us through the newspapers, we remain,

Very truly, yours,

THE BERLIN FRUIT BOX CO.,
G. C. STURTEVANT, *President.*

[Inclosure.]

The following shows the prevailing rates of two years ago and the proposed rates on basis of 10 per cent advance:

From Berlin Heights, Ohio, to—	Present and prevailing rates of two years ago.	Proposed rates.
	Cents.	*Cents.*
Cleveland, Ohio, (first-class rate only)	12	17
Canton, Ohio (first-class rate only)	25	31
Clyde, Ohio (first-class rate only)	14½	19
Detroit, Mich. (first-class rate only)	26	32
Dover, Ohio (first-class rate only)	[1] 8½	[1] 19
Dayton, Ohio (first-class rate only)	32	39
Boston, Mass. (first-class rate only)	65½	77
Brownhelm, Ohio (first-class rate only)	7½	12
Fredonia, N. Y. (first-class rate only)	35	42
Northeast, Pa. (first-class rate only)	34	41
Norwalk, Ohio (first-class rate only)	10½	18
Oak Harbor, Ohio (first-class rate only)	9½	15
Peru, Ind (first-class rate only)	38½	47
Stillwater, Pa. (first-class rate only)	58½	70

[1] Note this.

Other rates on lower classifications increased proportionately. Not a single rate was increased by 10 per cent, all being raised by a considerably larger percentage.

—

GOSHEN COAL CO.,
Clearfield, Pa., January 27, 1914.

LOUIS D. BRANDEIS, Esq.,
Washington, D. C.

DEAR SIR: Relative to the matter of increase of railroad rates now pending before the Interstate Commerce Commission, I beg to submit the following suggestion. It seems to me that all of the eastern roads can not make out a claim for the raising of rates on all classes of freight an equal percentage of increase. Some of the eastern roads are hauling the same class of freight a much longer haul than other roads and are doing so on either the same freight rate or a greater rate not at all commensurate with the longer haul.

Take, for instance, the case of the Pennsylvania, the New York Central, and the Baltimore & Ohio. The first two roads transport bituminous coal from the "Clearfield region" to tidewater, South Amboy for the Pennsylvania and Port Reading for the New York Central, on a rate of $1.85 a gross ton, subject to an adjustment of 30 cents a gross ton on coal going over the piers, making a net rate of $1.55 a gross ton for pier shipments. The rate for Baltimore & Ohio shipments, I believe, is practically the same notwithstanding that road has a much longer haul.

It seems to me that if the rate now in use by the Pennsylvania Railroad and New York Central to tide points is just, that the Baltimore & Ohio does not need an increase in rates for the reason that it is now willing to haul coal a longer distance than the other roads mentioned for the same rate, and if that road needs, on case being shown, an increase in rates, it should be compelled to increase its rates on coal commensurate to its haul, instead of asking for a flat increase on all classes of freight. The Baltimore & Ohio would justly be entitled to a rate increase based on its longer haul, and the public could not complain.

The expense of hauling freight is so much per mile haul, and when the Baltimore & Ohio is willing to haul coal a much longer distance than the Pennsylvania Railroad and the New York Central on the same rate of freight, it does not seem right to ask for a general increase of rates.

This phase of the rate increase matter has probably had your attention, and I ask pardon for intruding the suggestion, but if you wish any further information on these rates I will be glad to submit it to you.

Very truly, FRED G. BETTS, *President.*

—

1911 WALNUT STREET,
Jacksonville, Fla., December 27, 1913.

Mr. LOUIS D. BRANDEIS,
Boston, Mass.

MY DEAR SIR: Pray pardon my butting in. So far as I know I have never been called a crank.

I have for some time had an idea that we were not going about the increase in rate proposition in the right way, and I have spent altogether too much time wondering why no one else caught on to the idea that came to me, which, of course, plainly raises the crank problem, and after much hesitation have concluded to ask you to pass on it.

You are against the raise in rates; so am I; so is practically everyone else save the railroads.

Apparently, as matters now stand, it is that, with more or less endless chain applications or Government ownership, which under any conditions is a leap in the dark.

So, as there is no other way out, it has apparently not been considered, and am I a crank for raising such a plan?

That is my apology for troubling you with a request for your opinion and judgment on this idea.

It is a question as to whether I have treated it as it should be done. The idea or plan is all I claim any "patent" on, and it is my maiden attempt at anything in this line, so if I can get a bit of consideration and possibly commendation I would greatly like to see it discussed.

So far the only obstacle presented has been "public opinion has not grown to a point that would favor incorporation by the General Government rather than the State."

Possibly, but has that question been raised and discussed and what possible legitimate objection can there be to the General Government creating General Government corporations as well as the individual State its own companies?

And now President Wilson is suggesting presidential primaries, which must necessarily be under the General Government where up to this time the States alone have been in full control?

Of course, I thoroughly understand we American people, if we don't want to do a thing, why we simply won't be able to make water run down hill for a time, but we generally get over it, and there is not the slightest doubt we are now in a hole. Isn't this a possible way to get out of it?

Since writing out my plan, and simply to show how much of a question it is, I added a page with four clippings from a single issue of a prominent periodical treating the general question from different angles and all tending to show we are in a bad fix and that we have not yet begun to estimate the trouble ahead if we try either of the two horns of the dilemma as now proposed. Why not try and avoid both?

That is my apology for troubling you with a request for your opinion as to whether some such plan as here outlined is not far and away a better solution than any now under consideration.

Very truly, your obedient servant,

W. S. TAYLOR.

—

IS GOVERNMENT OWNERSHIP INEVITABLE, OR EVEN NECESSARY?

[By W. S. Taylor.]

A brief outline of what it was expected the subcommittee that had been investigating matters connected with the St. Louis and San Francisco Railroad Co. fiasco would report to the Interstate Commerce Commission was published in the public prints soon after the middle of November and was substantially to the effect that for a number of years prior to the recent failure of the Frisco company Chairman Yocum, the virtual head of that company, as the head of a syndicate, composed of fellow directors and a few prominent stockholders, had been systematically engaged for years in promoting a number of schemes of more or less merit, and then unloading them onto the railroad company at prices highly remunerative to the syndicate and with the net result that the company had a fine lot of "cats and dogs" and approximately a debt of some forty million dollars, representing practically nothing, and the burden of this debt was one of, if not the principal, factors that forced the company into bankruptcy last spring.

As this subcommittee had been in action barely a week, it would appear that they had had opportunity to but scratch the surface, and that it was highly probable there was considerable more rottenness to be uncovered.

In what has been made public at the time of this writing it was plainly intimated that the schemes that had put the company into bankruptcy had put some millions into the pockets of these scheming officials.

There are some indications that the American Locomotive Co., the largest concern of its character in the country, is badly in need of a thorough house cleaning, and it appears to be a possibility that in due time they will get it.

It is charged that the president of that company, who, it appears, owns but 1,000 of its 500,000 shares, and one or two other directors with a somewhat similar small ownership of locomotive company shares have been compelling that concern to purchase its springs of a company in which they are largely interested; that the tool supervisor of the locomotive company is largely interested in a tool-making concern with the results detrimental to the locomotive company; that the locomotive company lately gave up the manufacture of steam shovels and sent that branch of the business to the Bucyrus Co., in which the president of the locomotive company is largely interested, and a few other similar trifles of this character, one net result of which, it is claimed, is that the Baldwin Locomotive Co., its nearest competitor, "although doing a smaller business and having less valuable plants, made relatively twice as large profits in 1912 as the locomotive company."

Some time ago, in answer to a strong protest made by the minority stockholders, a movement was made to investigate, but it was shifted into the hands of three of the directors who were strong partisans of the management, and so far nothing has come of it.

At the annual meeting of the company in October a proposition was offered to name as an investigating committee William R. Wilcox, former chairman of the Public Service Commission of New York, Herman Knox Smith, former commissioner of corporations, and William J. Wilgus, a distinguished consulting engineer, and the motion was promptly voted down.

Then we have New Haven and, particularly just now, Boston & Maine, regarding which President Elliot the other day said was in much worse shape than even New Haven and for which emergency calls have been made to have it authorized to raise its rates at once, both local and interstate, to try and avoid bankruptcy.

For years the Boston & Maine paid 9 and 10 per cent dividends, then 7 until about the time the New Haven got its hands on it, when The word "dividend" was promptly forgotten and now "bankrupt" is apparently to take its place.

This brief reference to some of the clouds on the financial horizon is prompted by the reading of an able article in a December magazine by President Eliot, under the caption "What I am trying to do."

The threat running through the story is: First, an appeal to forget what has been and everybody turn to and help get the craft out of the mire; and, second, the inevitable fact that if the railroads are not granted the privilege of raising rates it is only a matter of resorting to Government ownership.

Possibly he is right, but the writer doubts it.

But of one thing, I think, there can be no question, both horns of the dilemma are most decidedly objectionable and neither should be resorted to save as a last extremity, and the principal object of this writing is to attempt to demonstrate neither is necessary.

But before taking up what we may call the alternative let us run over some features of the situation as it now faces us.

If it was merely the addition of 5 per cent to existing freight rates and would not go farther than that there would hardly be any grounds for objecting.

The trouble is the increase, whatever it is, will come on what we know as the "ultimate consumer," the consuming public.

The present freight rate, New York to Chicago, first class, is 75 cents per 100 pounds; the additional 5 per cent to that is 3¾ cents, a mere trifle. Let us suppose that Marshall Field & Co. orders from the Claflin Co. a case of cloth, weighing 100 pounds and probably containing 1,000 yards of light dress goods. Divide that additional 3¾ cents among that thousand yards and see if you can tell how much of it is on the one yard? Yet, when a bolt of that same goods is passed along to a retailer and Bridget Flarity goes on a Saturday night with Pat's week's wages in her pocket to get a dress pattern of three yards for the girl, just see how much more she will have to pay for it "on account of the increase in the freight rate" than she did for a similar pattern she bought at the same place the Saturday before, which was before "the rates went up."

The increase on a single barrel of sugar of over 400 pounds from New York to Chicago would be barely 10 cents, but try and imagine

when that barrel has been retailed out what the amount of "the increase in the freight" will have figured up to.

A box of 6 dozen bars of soap—railroad increase between 1 and 2 cents. Last week that same soap sold 6 bars for a quarter. The advance in the rates results in a straight 5 cents per bar. To give the railroad its 2 cents the consumer gives up 72 cents. Unless our past experience is entirely at fault, every dollar that the railroads gain will cost somebody—everybody—you and me $10. Of course, the railroads will get a very handsome increase, but the "indirect" results of that increase, and which the consuming public will have paid, will put the trifle that the roads have realized to shame.

And that indirect bad effect is only one of the many objections to the plan.

Another view: Why should the railroads ask it? Look at the Lackawanna. Under the beneficent methods of good old Sam Sloan—may his tribe increase—that road is earning net every year fully a third of its entire capital stock. Practically nobody knows what its shares are worth, because none are ever on the market. None are bought, because the man owning knows when he has a good thing and won't sell.

Pass along to the Lake Shore, where more years ago than I care to remember the writer had his first lessons in railroading, and it was before the name "Lake Shore" was coined. I believe I am correct in saying it regularly pays 18 per cent each and every year, and practically an extra dividend of that same amount each year. A full one-third of the amount of its stock distributed every year, and, as one of the results of the magnificent work of President John Newell, 25 years ago, it is to-day in physical condition and equipment, one of the very best roads in the country and freight trains of 80 or more cars, led by a single engine, follow one after the other in long processions.

Half a dozen times in a year, maybe a sale of its stock is recorded. The last one I know of, a short time ago, was at $4.90.

If I had been lucky enough to have been the seller, which, interpreted, means had been lucky enough to have owned such stock, and had been fool enough to have sold it, I believe I would have stood out for an even $5, just to have saved the bother of having to make change, and I would have got it.

The North Western—All the business they can handle, and dividends as regular as clockwork.

The Union Pacific—While it is well and liberally capitalized, and in spite of the fact that its first 1,000 miles of road was built for them by the Government and didn't cost the company a penny, and that same mileage is capitalized just as heavy as the rest, the 10 per cent dividends are regular, an immense surplus piled up, which, a short time ago, provoked grave fears of a "melon cutting," and it didn't come off only by reason of the belief it could be made much larger in the near future.

The Southern Pacific—The same thing as to having a good part of their road being built for them by the Government as the Union Pacific, and the same thing as to liberal capitalization; plenty of water there, but 6 per cent dividends every dividend day, and dividend day is as fixed as the "17th of Ireland."

Atchison—Liberal subsidies and as liberal capitalization, with last year's results just about as usual, all debts paid, a good average amount of betterment work done, and, after paying all fixed charges, between 11 and 12 per cent remains for the stock, including that slightly moist, so 6 per cent was paid, and about as much passed on to surplus.

A pretty fair showing, wasn't it? And yet President Ripley, of the Atchison, is one of the most persistent calamity shouters in the country. An ordinary day of 25 hours is all too short to permit him to tell his tale of woe at the Government's hardheartedness in not permitting a raise of rates.

And there are plenty of others. L & N.; Atlantic Coast Line; all on easy street, and all they want and need is to be let alone.

Let us class them as No. 1.

Class 2. Frisco. Hold your nose. Wabash, utterly bankrupt for a score of years past. Rock Island, a fine granger a few years ago; now, with so many different issues of stock that it would take an expert accountant to keep track of them, and Rock Island quoted to-day at 14, and, of course, our old standbys, New Haven, Boston & Maine, etc.—all that class that are crying for help and for all hands to fall to and help pull them out of the mire.

There is not a road in the country to-day that has been decently and honestly managed during the past few years that needs or would hardly have the face to ask for help in the way of better rates.

Isn't it a pertinent question, "Why should the general public be called on to contribute for the relief of these cripples?"

President Elliott, in his call for cooperation, assumes everything in his official family is now lovely. So far as he is concerned, I think no one will for a moment question it; but when we come to look at the fact that his board of directors, with two or three exceptions, is the same personal that are responsible for a large part if not all of the trouble the road is now in, when it is to be noted that practically the last action they took prior to his taking hold was to declare a dividend of some three or four millions more than what had been earned during the time in question, and voluntarily agreed to pay ex-President Mellen $30,000 per annum for five years, it raises the question, Is not the old adage applicable—

The devil was sick
The devil a saint would be,
The devil got well
A devil of a saint was he.

Let me quote a little from President Elliott:

"If we are to continue to have privately-owned railroads, supervised and regulated by governmental authority, and, if we are to avoid ownership by the Government, the owners, that is, the stockholders of the railroads, and the users must all work together.

"Personally, I do not believe in governmental ownership in a country like the United States where political methods are still in need of improvement.

"The policy of the Government, National and State, during the last 25 years seems to have been to decide rate questions in the great majority of cases in such a way that rates have rarely been advanced but generally have been reduced, and to introduce rules, regulations, and methods that not only increase expenses, but serve to confuse and discourage railroad owners and managers and to tempt them to say, as the fidler said in the mining camp, 'Please don't shoot for I am doing the best I can.'

"I am not contending at this time that this policy was, or is, wrong or that control and restraint by governmental authority should be less, although something could be said about that great question.

"I do, however, want to make a plea that, coupled with restraint and control, there should be protection to the owners of railroad securities."

I submit that position is hardly fair. Practically, rates are just about what they were five years ago. There has been more or less adjustment and getting them into line. It is expenses that have gone up, and in that respect the people have suffered fully as much as the roads, and just now the cry is to raise the rates, which, in effect, is another raise in the cost of living.

And Mr. Elliott is unfair in not giving the Government credit for what it has done during the past 10 years in saving the railroads from themselves. Saving them by stopping their payments of rebates and issuing of passes; these two items saving them scores of times the amount they may have lost by reduction of rates.

When a company in the shape the New Haven was last July will pay out some millions of dollars by declaring a dividend that they had not earned and pay it to these very stockholders that Mr. Elliott pleads so plaintively for and further authorize a payment of $150,000 to shut the mouth of a man that has done them harm; isn't it a very bad case of special pleading?

I have seen the statement published that the present board of New Haven own or represent one-third of the outstanding stock of the company. If so, that ficticious dividend was largely for their own personal benefit. They walked off with one third of the total amount.

Some time ago, and during the period Mr. Elliott names of unfortunate governmental supervision, the stock of New Haven was quoted as high as 2.50. During the month of November it sold as low as 75. That represents the way New Haven shareholders have fared, as used by the company.

Because it was a rainy Sunday, Skinney Williams concluded to go to Sunday school. There he ran against the proposition that "God could do anything."

Skinney didn't believe it, but it was such a novel idea he took it into consideration. After due deliberation, his chin set very square, he broke out, "It isn't so; he just can't make Bill Jones's mouth any bigger without first setting his ears back."

Possibly Skinney hit on the solution here. First, set the ears back and then it may be able to accomplish what before was impossible.

Can we consider the elimination of Mr. Mellen as setting back of one ear. But Skinney said "ears." How about your Mr. Mellen's coassistants during the past several years. As before noted, with two or three exceptions, the 25 or more remain just as before.

Now, a word as to Government ownership. President Elliott don't want it. Neither do I, and I believe a very large majority of the thinking people of the country think the same way.

There is a question as to whether we have a Government with which it would be advisable to trust such a responsibility.

If we had plenty of Goethals and Gorgases it would be different, but have we? We have an Interstate Commerce Commission which is simply magnificent, but it took 25 years to whip it into any shape.

Its first 20 years of life—well, that experience we would do well to forget—and even a couple of years ago there was one of our characteristic attempts to cut its claws, but fortunately we happened to have a Supreme Court that finally woke up, and I wonder if those chumps in the commerce court know yet what hit them.

On the other hand, we have a Congress that, in some respects, it is doubtful if anyone is proud of. Twice in the extra session just closed they have done their best to give civil service a very black eye, and should a million and a half to two million railway employees be brought within the reach of their claws—forget it.

Now, to get down to our knitting. President Elliott's idea that it is either a liberal increase of rates or Government ownership is practically the general opinion of the entire country, and, aside from some interested railroad people, both are dreaded, the one almost as much as the other.

Is there no other alternative and a better method? I think so, and have for some time been mulling over in my head an idea that seems to me to be feasible, and if it should strike others so I would like to see it discussed.

Among other features is one that I consider of great importance.

By the term "Government ownership" we mean merely railroads. That would leave entirely out of the question all such matters similar to that of the American Locomotive Co., referred to earlier, and incidentally hundreds and thousands of a similar character, and this plan is intended to cover all corporations. There were two or three quite young children who had an exceedingly exaltedly high opinion of Uncle Jack. What he couldn't or didn't do wasn't worth considering. Hence Mary, greatly insulted and with flashing eyes and clenched fists, came to her mother, after an encounter with a playmate, with the inquiry, "Mother, couldn't Uncle Jack make a watch if he only had the tools and knew how?" For the moment we will cut that problem in halves, and later, if we conclude we "know how," perhaps we can figure out some method to find the tools. I propose to attempt to set up before you a skeleton which will enable you to form a good idea and determine if it is possible and practicable; if so, then we can go on and put flesh on the skeleton and give it a fair trial.

First. Draw a line and put on one side what we may term interstate corporations and on the other side State corporations. While, perhaps, after reading further it will be easier to tell where to draw this distinction, we ought to be able to get a fair idea here.

Take the New York Central. Unless it happens to be a branch running to the coal mines, about which I am a bit hazy, that road is entirely within the State of New York. Still it has large interests outside, and should the proposed merger with the Lake Shore go through, of course the result would be interstate.

Then there are the various subcompanies that are a part of the road or system. Take union depots. Chicago is something of a railroad point, but I believe there is but one line there that maintains its separate passenger depot—the North Western.

Some score or more of lines find accommodations in a half a dozen or more union depots, each one owned by a depot company, all or practically all of the stock of which is owned by the various companies it accommodates.

While all of the property of these depot companies is not only in Illinois, but also in Cook County of that State, it is quite a question in the working out of this scheme if it would not be well to class such companies as interstate, in order to deal with them in connection with their owners who are clearly interstate.

This question settled we can get to work on our main scheme.

There should be added to our Government equipment a new department, to be known as the department of corporations. A new cabinet official added to the President's official family and known as the secretary of corporations.

Some half a dozen years or so ago, as the result of much work and investigation, there was evolved a comprehensive plan for the reorganization of our Postal Service. The matter either fell through or possibly is still lingering along waiting for Congress to get around to it.

I mention it merely to take advantage of one item of that proposed plan. It provided for an official who, under the general orders of the Postmaster General and under the title of superintendent of posts, was to have entire executive charge of our postal machinery and operations.

In the plan under consideration there should be such a place provided, the appointment, of course, to be made by the President, by and with the advice of the Senate; but I deem it very important that certain restrictions should be imposed from the very start.

The incumbent should be named on absolutely nonpartisan grounds and his tenure of office not limited to the ordinary four years. If any limit, save for life or during good behavior, name it at least 10 years.

If we get a good man in, and get him educated to the wants of the place, hold onto him as long as you can.

Recently Secretary McAdoo has been quoted as saying he was in search of a $25,000 man to take the $10,000 place in charge of the Income Tax Bureau.

We will want a $25,000 man for our superintendent of corporations, and can well afford to pay him the $25,000 he is worth—if he is the man for the place. And just here and and aside, recently ex-President Mellen has done two things I want to commend him for—one is to have refused to accept $30,000 backsheesh voted him by the directors of New Haven, confirming the belief of a great many of us, that the offer of it was simply a bribe to compel him to keep his mouth shut; and the second was to state unreservedly—if quoted correctly—that the railroad president that accepted or was paid more than $25,000 per annum for his services was being grossly overpaid.

I believe in paying for brains, but here as elsewhere there is a limit, and it seems to me that for personal services there are not to-day in this entire country as many men as you have fingers on one hand that are honestly worth more than that figure. Once in a great while there is a Napoleon Bonaparte or a Harriman, but we have altogether too many imitations who can not wear those men's hats, and it is even a question if we want them.

If Senator Root eight or nine years ago could afford to throw over his shoulder an offer of a retainer fee of $100,000 a year to accept the portfolio of Secretary of State at a compensation of $8,000, there is some hope that we may be able to get the man we want at such a figure as we can afford to pay.

If we could draft, say Secretary Lane for instance, the plan would score a success from the start. If it is pleaded he can not be spared where he is, why, we had better take his twin brother. What's that you say? He hasn't got a twin brother? Well he ought to have—how could he have been so careless?

With that place filled we are ready for the next step.

Require all corporations on our interstate list to take out their incorporation papers from the General Government, and under such just laws and enactments as may be provided, and this means such corporations are to be under the General Government supervision in all respects save what may be termed police supervision in the various States where they may operate.

At once on receiving their incorporation papers the new company must issue, in the name of the Government, a certificate of their capital stock, full paid and nonassessable, say, in the case the total is 10,000 shares or less, this certificate is to be for 100 shares.

If the corporation is of United States Steel size, 2,500 shares, and on an agreed schedule between these two extremes.

This contribution is to be considered as a fee, as the regular fee now exacted by all of the States when issuing such papers.

This certificate will give the Government an absolute ownership of that amount in the company, and to that extent and no further shall we have Government ownership.

And now—and here is the kernel of the entire matter—this certificate shall distinctly and positively provide that the Government shall be entitled to and shall have one director on the board of directors, and the superintendent of corporations shall ex officio be that director, to be represented by proxy, as stated later.

The entire country shall be divided up into districts or zones, on such a plan as may best be worked out to best promote the object; but, for our present purpose, let us assume it has been divided into zones with, approximately, 100 corporations in each.

To each of these zones there shall be assigned what we may call a chief examiner, in general charge of that zone and the direct representative and executive of the superintendent.

Under this chief examiner there shall be, say, ten (more or less, as the circumstances may demand) assistants, to be termed examiners, and who may be considered analogous to our present bank examiners.

They must be high-grade or first-class men in every particular, experts, and, in the light of some recent developments, I would strongly urge that the civil-service law be invoked and made mandatory in the organization of this corps. We don't want a single man in the lot who can not pass the necessary examination, no matter how good a politician he may be, and even the fact that he was an "original Wilson man" might possibly be waived.

Under the direction of the chief examiner in charge, these 10 examiners shall be assigned to the various corporations in a manner that shall best cover the field.

Of course, it must be strictly provided that the examiners shall not in any manner whatever be interested, directly or indirectly, in any of these corporations. They will be paid regular salaries by the Government, and be prohibited from receiving any favors, tips, etc., whatever.

In case, as is sometimes done, companies pay their directors $10 or $20 to induce them to attend their meetings, our examiner shall draw his stipend with the rest and promptly turn it over to the proper Government representative.

Let me go further. Let us invoke the Army method. Our individual examiner is expected to be strictly on his honor in this respect. He is a representative of the Government in this matter, and is a gentleman, and he is expected to act as a gentleman, and the least deviation from that rule results in his leaving the service that very same day. Let us consider the movement of an individual examiner. He attends the meetings of the directors of his assigned corporation; has, under any instructions he may have received from his superior officers, a vote the same as any other director; he is expected to be an expert in all legal matters concerning that corporation, and will advise and counsel, and, if necessary, insist that the laws in question be fully complied with.

At the conclusion of each meeting he will make, through his chief examiner to the superintendent at Washington, such a report of what was done at that particular meeting as the superintendent may prescribe.

If the company is of an industrial character and only current trade matters and, perhaps, trade secrets are considered, the report will be very brief and of a confidential nature. If, on the other hand, it is, say, a railroad or a corporation with a large amount of securities on the market, and the matters discussed are of a financial nature, say, a new proposed issue of securities, or, for instance, such a matter as one of the trifling matters referred to in our earlier referred to reference to the American Locomotive Co., where the president, although drawing a salary of $50,000, was in the habit of, whenever business was a trifle better than usual, would vote to himself and some of his particular circle a good, healthy percentage, or, as he styled it, a commission on such business, why, our examiner would not only fight it tooth and nail, but would report it in full to Washington, and all such reports would be considered public documents and open to the inspection of anyone desiring to see them, in addition to whatever action the superintendent would feel called on to take with such report as a basis.

All financial matters of corporations with stocks or bonds on the market should be considered open to the inspection of any interested parties, and in the method herein outlined the reports so obtained and spread on record would possess the merit of reliability.

Of course, our examiner would represent his chief as proxy. In effect it would be the actual Government director as present, and here is another of my especial points, our examiner should be considered as the direct representative of the minority stockholders, a very respectable class in numbers, but in a large majority of cases receiving no consideration whatever, or if they do, it is to be plucked by the dominating element.

Our man would at all times be at the service of any of these minority stockholders—give them, or, on request, obtain for them any desired information regarding their interests, and, in brief, see that they were as thoroughly represented and protected as the big boss himself.

If outsiders were considering the matter of investing in that particular line of securities, he could give them desired information—not advice, but facts. Anyone to-day proposing to purchase a particular bank stock will have no trouble in learning just what its "book value" is and ascertaining definitely. Why not pass this on to some of our other investments?

Our particular man may be assigned to certain definite companies or may be shifted from one to another as circumstances may warrant. If on a regular assignment and for any unforeseen reason—sickness or detained on other duty—the chief in charge will simply call on some other available man to cover the meeting of to-day. In theory it is the superintendent who, although actually sitting in his chair in Washington, 500 miles away, but who is also here at this particular meeting, and will actually know every bit of business transacted a few hours later.

Remember, the corporation will be required under the strictest rules to give notice of any and all proposed meetings a reasonable or specific time before, so that there will be no reason whatever why our director will not be represented, or in case it should happen to be impossible to make a particular appointment—sickness, too many calls at a particular hour—our man could go to-morrow, and from the minute book learn just what was done and make his report.

It will be assumed in case of such a contingency it would be the unimportant meeting that would be slighted and he would be sure to be at the one where a vote might be necessary.

In the daily paper of current date I find the following:

"Boston, November 21.—Reorganization of the New Haven & Hartford Railway Co. to meet the requirements of the Sherman anti-trust law was to-day discussed by the directors of the road at their monthly meeting. Chairman Elliot said that no demand had been made upon the New Haven by Attorney General McReynolds to hasten its reorganization. He said that he had assured the Attorney General an investigation would be made to see what could be done to solve the problem, and that the committee of directors had been working hard to this end."

Now, assume that our plan was in working shape when this New Haven muddle came up. The Government would already have had a representative on the ground, but with two or possibly more departments of the Government interested, and, of course, working together, would it not tend to simplify matters to select the particular man best suited to the occasion and have him assigned to this particular case and give his entire time to it, if necessary receiving additional assistance, and, being a party on whom the Government could absolutely rely, would it not tend to bring all matters to be adjusted to a focus earlier and more satisfactorily than by our present awkward methods?

The first part of this year when the Department of Justice had the Union-Southern Pacific dissolution merger matter in hand, would it not probably have been worked out to a satisfactory solution with the right man representing the Government in constant contact with the other side in half the time and work than that actually used? With the Government actually interested on both sides, as they would be, there could be no possible objection to their being represented in the negotiations on the other side, and, if the other side was honest in its desire for adjustment of the matter in controversy, they would not have the slightest grounds to object, and if it should happen that they should not be honest, why the Government would then have the whip hand, and any objection would be useless, and not being honest only act against them and so probably obviate the unnecessary work any way.

Again, could a more simple or more effective method be devised to give the Government an immense amount of information which it is eminently desirable and necessary they should have, and, to go back to our last phrase, if the other side was honest there would be no possible objection to their having, and if not honest, all the more reason why they should have it.

If it was Government ownership, so far as the railroads are concerned, we would have it, and what possible objection can there be to our going a step further and obtain it from all corporations.

So far as what we may call close corporations, practically partnerships but for some benefits to be obtained by corporation and with the stock all in the hands of two or three persons, or possibly all in the hands of a single family, and not on the market or for sale, and no part of the companies' plan to make the stock as stock valuable in itself, why, the oversight or supervision would be only perfunctory, and as before, if honest, there could be no possible objection, but it would most likely be considered as a clean bill of health.

Now, of course, in such a matter there are details without number to be worked out and considered, but, with the additional statements, the plan outlined refers to interstate limits only. Should the General Government adopt and put it in effect, it would naturally follow that with some slight modifications it could and should be adopted by the various States for their local corporations.

One thing should be insisted on, the corporation doing business in one State should be incorporated in that State.

We have had quite enough scandals resulting from "New Jersey" corporations. The Southern Pacific, with tracks in some six or eight States, but with not a foot of track within 500 miles of Kentucky, goes there for its corporate papers simply because for a liberal fee it can obtain privileges that none of the States in which it operates, and the people with whom it is to deal, will concede to it.

And in addition to requiring State companies to be born at home, these 48 States of ours should get together and jointly agree on and adopt the same corporation laws, and so obviate the reasons and necessity for going abroad for your franchises.

When not otherwise engaged with meetings, etc., our man should busy himself making good his title of examiner. He should have access to all the books and records of his companies, and it should be a part of his duties to see that such books and records were correctly and honestly kept and showed the actual standing of the company.

He should be considered as an actual director of the company and be constantly on the job.

I read in an article discussing financial matters that approximately at least one-third of the number of individual stockholders of American Sugar Refining, Pennsylvania Railroad, and New Haven are women.

If that statement is anywhere near correct, will not our man, as director in their behalf, have his hands full, and more than full?

Referring to women and some others of the minority individual stockholders in a certain company of the modern sort then under discussion and criticism, a profane friend of mine very tersely and accurately stated the situation by saying, "They might as well be in hell without claws." Oh, there is plenty of good hard work cut out for our man, and work that it is absolutely necessary that should be done.

I am not a prophet nor the son of a prophet, but I sometimes like to imagine what the situation will be when once revolutionized, as it should be, and the changed relations there will then be between the outside stockholders and the inside gang as now. It reminds me of that old, old historic story of the encounter between Silas Slocum and the Forty Thieves of Ali Baba's Arabian Nights time, and if I had the least idea it would be safe to repeat that hoary old chestnut, I should feel tempted to do so. I'll tell you for once in my life I'll make a desperate attempt to break into good company and join with President Eliot in invoking the good offices of the mining-camp fiddler and get him to beg, "Don't shoot, for I am doing the best I can," and venture it.

What's that you say, "Forty Thieves?" Oh, no; I am not going to refer to the directors of the New Haven; of course not; don't imagine it for an instant. Besides, there are only some 25 of them.

"Bill," says the schoolboy to his chum, "lend me your knife." "I can't," says Bill, "because I hain't got none, and besides, I want to use it myself."

Let's see. Silas used to live at Skaneateles, wasn't it. Anyway, it was in some good seaport up State. Well, after digging his 'tater crop, he concluded to take a little passa down to New York for a change of air and scenery. Sauntering up Broadway, passing Niblo's Gardens, he ran up against the gorgeous bills announcing the performance of "The Forty Thieves, the most stupendous extravagance of the season—the Forty Thieves." "By gum," says Silas, "I'll see that if it takes a leg."

Now, Silas was something of a sport. Always took in all the good shows up in Skaneateles and always paid the regular fee of 25 cents, unless it happened to be something a bit off color and consequently the charge would be only 10 cents. This though must be a topnotcher, so digging up his quarter he marches up to the ticket window, and throwing down the coin with all the nonchalance of a Gates, he calls for a good front seat.

"One dollar," barked the pirate in the box office.

"What's that?" gasped Silas.

"One dollar," sharper than before.

Dazed, Silas staggered back and stared. He looked the man over, stem to gudgeon, fore and aft and athwartships, then with a sigh of comprehension he reached forward and pushed the despised coin with a "Keep it, mister, I don't want to see the other 39."

Now that we have adopted the good habit of going back to President Eliot's quotation, let us keep it up and note what he says as to "the policy of the Government, State and National, during the past 25 years," etc., as to control.

At the beginning of this period of 25 years ago there must have been at least a dozen railroads in receivers' hands, and the same will be found to be true for the succeeding 10 years or so.

Then a let up came, and 10 years ago, and after the Government had got this criticized policy well underway, the number of roads in hock was about none. Five years ago there was not a single one there, nor three years ago. Then that old derelict Wabash couldn't keep its nose above water and went under. Last spring Frisco, under the circumstances noted at the beginning of this writing, followed suit and that is the entire number of roads in trouble to-day as compared to at least a dozen—probably more—25 years ago, to which date Mr. Eliot calls our attention. Is that a very bad showing for a policy that Mr. Eliot takes such decided objection to? And will anyone, particularly Mr. Eliot, say, if our proposed plan had been in full operation the past dozen years and a Government director sitting on Chairman Yocum's Frisco board of directors and reporting regularly to Washington as this fictitious debt of $40,000,000 was being systematically loaded on that unfortunate concern that it would have been in trouble to-day?

Would it not have locked that stable door before the horse was stolen?

That is one of my strongest features—prevent the wrongdoing is a thousand times better than attempting to punish after it has been done, and if your party is dishonest and proposing to rob you, nine times out of ten, if he knows the sheriff is right at his elbow, will he not stop and take another think before surely running his head into the noose?

Now, with one word more I shall drop this particular line. As before stated, our Interstate Commerce Commission is one of the very few lines in which we have made a very great success. It took us a long time to do it, but we thereby received a good education, and I can see no reason why we can not benefit by our early mistakes there, and get this branch of our Government in working shape very quickly and avoid the blunders made there.

If we do equally well here, as we are now doing there, it would promptly settle for once and all the uestion of Government ownership.

I think I have outlined my plan sufficiently plain so that it will be understood, and a fair idea of it and its plausibility had.

So far, the scheme is entirely my own, but I want it criticized and others to say if it appear possible and practicable. Is there any reason why it can not be made to work. If not, then it should be in order to get busy and whip it into shape.

What more I have to say here will be on the general situation and only incidental to this particular plan.

Now, a word as to Government ownership. If it should really come just imagine what a stir up there would be? All of the present securities of the roads called in and disturbing all present investments and trusts; probably the Government would issue bonds for the purchase of the roads; if so, being a Government issue it would be on a lower basis of interest than now prevailing, and in general it would be an awful mix up in financial matters, and would extend over years before the readjustment could be complete. The absolutely unavoidable loss and consequent suffering that would ensue, possibly, you think you can imagine, but I would rather have your opinion at the end of that period—if you manage to live through it, which an immense number of you would not do, and solely by reason of the trouble that would unavoidably ensue.

It is bad enough as it is. From anything worse may the good Lord deliver us. The coming inventory or physical valuation of our roads will, of course, throw much light on the situation, and after it is taken and the outstanding securities checked up against the roads, there is very likely to be some surprises. With Mr. J. J. Hill's view that the country is water-logged with bonds, and bonds of all sorts and descriptions, paper that goes by the name of bonds, because that word is printed thereon when the word "scraps" would be far more appropriate.

In any event a balancing off and finding out "where we are at" will not be an unmixed evil, and possibly it may enable us to account for the reported very low water in our Great Lakes and some of our principal rivers, as well, and again, possibly, we may be able to get a line on and a fairly accurate reason for the drought of last summer in Kansas and Nebraska with the resulting serious injury to the corn crop.

From my limited reading I think it can safely be claimed that from the experience abroad, Government ownership of railroads is far from being a success, and in many if not a majority of cases the word "failure" would be much nearer the truth, and as between our rushing into something of that kind, and utterly in the dark as to results, on the one hand, and the people—everybody going down into their pockets and paying out $10, of which the railroads would receive about one—on the other, is it not just ordinary common horse sense to first look around for some practicable way to avoid both of these evils and find a substitute, and to that end I propose this plan for your consideration and discussion.

Since writing the foregoing more history has been made. The brief investigation into the "Frisco" trouble develops the fact that under our very peculiar methods of legal procedure one of the receivers had been an active member of President Yoacum's syndicate, which in some measure at least was responsible for the trouble that that road is in; consequently Mr. Receiver steps down and out, and New Haven for the first time in 40 years passes its dividend.

At the annual dinner of the Railway Business Association in New York last week this sentiment was proposed:

"Here is to business and government. May business be conducted so fairly and humanely that government need not concern itself with business, except to be sure that nothing is done to disturb or hamper it."

That exactly and tersely puts it in plain English.

Could a better method be devised than that proposed: First. Inform government when business was being "so conducted," and consequently "not concern itself"; and second, be so advised as to the actual situation where it was necessary that government "should concern itself."

With a Government director on the New Haven board the past 10 years would it not be probably a certainty that its Christmas dividend would have been paid as usual?

With this plan in force in the various States is it not probable many or most of our mining-stock swindles of the past would have been eliminated?

And in the Eastern States would this not likely prove a far better blue sky law than anything now on any statute book?

—

SECURITY WAREHOUSE & ELEVATOR CO.,
St. Louis, Mo., December 24, 1913.

EDGAR E. CLARK,
Chairman Interstate Commerce Commission,
Washington, D. C.

DEAR SIR: I am inclosing you herewith an article by the writer, which appeared in the St. Louis Times Tuesday, December 23, 1913, which I trust you will find time to read carefully.

I am pleased to note an expression made by President Wilson in his address after signing the currency bill, which is quoted as follows:

"It is so obvious that it ought not need to be stated that nothing can be good for the country which is not good for all the country. Nothing can be for the interest of the country which is not for the interest of everybody."

It is evident that only by the adoption of a single standard for measuring the rates will all the people be served equally.

Yours, truly,

F. L. WALLACE.

—

SINGLE STANDARD RATE BEST WAY OUT OF TANGLE—F. L. WALLACE SAYS IT WOULD DEPRIVE SOME OF SPECIAL PRIVILEGES, BUT WOULD RESULT IN GENERAL GOOD.

One of the great questions agitating the public mind to-day is that of railroad rates. The sufficiency of existing rates to furnish funds with which properly to maintain and operate the railroads of the country is very important, but should not be the only consideration, as their equity between commodities, individuals, and communities is, in fact, of equal, if not greater, importance.

Recent developments showing gross mismanagement on the part of the railroad officials have strengthened the public mind in a well-defined opinion that the managements, not the rates, need supervision. Undoubtedly the earnings from some of the rates and divisions now in use are insufficient, many others too high, and all are discriminative in some regards, being unfair either to the railroads, because they are too low, or to some of the public who are adversely affected. At the same time there is no definite relationship existing between the various

rates now in use, because the railroads have been for years, and still are, laboring under the false delusion that they must make low rates and extend special privileges to some individual, class, corporation, or community, and to do that they tax some other business or community with an excess of cost to make good their losses on shipments handled on these low rates.

Consider the earnings of any line between certain junction points and compare the revenue as shown on shipments originating in some preferred territory passing over this intermediate line and delivered to some other preferred territory beyond its line with the earnings on like shipments from various other less favored points of origin and destination when passing over the same intermediate line as well as with the earnings contemplated on like shipments for local traffic, and the divisions of through rates which the many transit and milling in transit privileges authorize, when legitimately used, and the weakness of the present system will be clearly shown.

Analyzing the evidence given by the railroad officials in the coal-rate case being heard by Commissioner Harlan will clearly indicate the conditions which surround every other set of rates in use by the railroads of the United States. The evidence given by the assistant general freight agent of the Southern Railway, as published in the St. Louis Times, to the effect that their tariffs in some cases show an earning of 3.9 mills per ton-mile and ranging up to 10.92 mills per ton-mile in other cases, brings out strongly the need of a single standard by which to measure the rates to be charged for a specific kind of service. The evidence in this case by the general freight agent of the Mobile & Ohio Railroad indicates that their rates are made not on a basis of the service performed, but for accommodation purposes, showing favoritism as a prime factor used by this company in determining their rates.

The act to regulate commerce is predicated upon a condition which regards neither individuals, localities, nor corporations with special favor, and presumes that the rates now established, or to be established, have been or will be made with a view of profit to the corporation on each individual shipment, and one that is extended to all persons, corporations, and communities in an equal manner. Furthermore, the law contemplates rates based on the long and short haul clause, and this feature of the law should be enforced, * * * order that a simple system of through rates and routes might be established to cover the whole country.

A single standard does not mean that a specified rate per ton-mile would apply in every case, but that each railroad should establish a single set of rates to apply between the extreme points of their line, and framing all the intermediate rates to conform to the long and short haul clause of the law. The rates should furnish sufficient earnings to cover legitimate operating and maintenance expenses and pay fair dividends on the real valuation of the property, and when once established would remain in force indefinitely, probably never would be changed. The only changes that would be made would be in a classification, which in a short time would become so fixed that neither classification nor tariffs need ever be tampered with. The result would be largely reduced cost to the railroads for clerical work, printing and distributing the tariffs, and auditing work, to say nothing of causing many other economies which would, in a short time, create a fund sufficient for dividend purposes.

Contemplating these matters, it is evident that a flat raise of 5 or 10 or more per cent in the existing rates would not correct the discriminations now prevailing, and which result in so much justifiable dissatisfaction to the public generally. In fact, a raise of this character would only stimulate the aggrieved interests to renewed opposition.

The adoption of a single standard would deprive some favored interests of their special privileges, but it is manifestly evident that its adoption would result in the greatest good to the greatest number. Traffic moving under this system would follow the course of least resistance, and this simple system would eventually settle the deep-waterway question and in many other ways advance the interests and welfare of the country at large beyond the fondest expectations of our most enthusiastic citizens.

This does not mean the passage of new laws, but simply the enforcement of the law as it now stands.

F. L. WALLACE.

RAPID CITY, S. DAK., *October 20, 1913.*

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

DEAR SIRS: Inclosed find protest and argument against advance in any rates in this territory. I had but little time or but little data out here so far from all records from which to compile these facts but think you can verify them all from your records there. I only had about 1½ days in which to do the work after finding that the reductions applied to this territory.

Yours, respectfully, W. H. TOMPKINS.

FILED FOR THE HEARING OF NOVEMBER 24, 1913.

INTERSTATE COMMERCE COMMISSION.

Brief and argument by W. H. Tompkins, representing shippers in territory northwest of Chicago.

Without access to the really important records and reports that are available at your offices in Washington, and having but very limited time to present the facts in, I wish to state some of our objections to any raise whatever in railroad rates in the territory north and west of Chicago, and particularly in western South Dakota.

The question can probably be best considered under three divisions:

First. Objection to any advance in through rates.

Second. Objection to any advance in local rates.

Third. Local rates are discriminatory and to a certain extent prohibitory, and should not be raised, but given a substantial reduction.

The roads covering practically our whole territory are the Chicago, Milwaukee & St. Paul and the Chicago & North Western, and therefore, it is with these, including the Puget Sound line, that we will attempt to prove our contentions. As we understand it, the contention of these roads is, that because of increase wages, higher prices of supplies, and to install needed improvements and facilities, that more revenues are necessary.

Is it absolutely certain that a raise of rates will increase that revenue? If it is true that there is a fixed amount of business that must be moved this would be true, but where the business is stagnated by almost prohibitive rates, as is the case with our western South Dakota lumber, stone, lime, stucco, and class rates, would they not tend if raised to reduce revenues?

In support of the contention that higher rates would probably mean less revenue, I would refer you to the fact that the Iowa rate law was approved April 5, 1888, but the commission rates were not made effective until the latter part of 1889, and let us see how these so-called confiscatory rates affected the railroad business of Iowa. For the purpose of comparison I will quote the figures for the three years before and the three years after they became effective. From July 1, 1889, to June 30, 1892, the gross railroad earnings of the Iowa roads, which for three years had been at a standstill, increased and were $7,000,000 more in 1892 than they had been in any year previous to 1889. The figures are:

Year ending June 30, 1887	$37,539,730
Year ending June 30, 1888	37,295,586
Year ending June 30, 1889	37,469,276
Year ending June 30, 1890	41,318,133
Year ending June 30, 1891	43,102,399
Year ending June 30, 1892	44,540,000

The net earning per mile of the Iowa roads for the year ending June 30, 1889, were $1,421, and for the following year $1,821, or $400 per mile more. Ex-Governor Larrabee has the following to say in reply to the criticisms of the railroads:

"No further vindication of the Iowa law is necessary. The figures show plainly that the lowering and equalizing of the rates not only increase the roads' business and income, but also the net earnings."

I wish to call your attention to the fact that between June 30, 1906, and June 30, 1912, the capitalization of the Chicago, Milwaukee & St. Paul was increased from $229,688,200 to $501,000,254, or more than double. The mileage in that time increased from 7,043.54 miles to 7,281.02, or 237.48 miles. The new road was almost all South Dakota prairie road, that required no costly right of way, and could not have cost to exceed $18,000 per mile to build and equip, or about $4,274,000. Putting it in another way, their annual reports show that for their entire line their capitalization was raised from $32,474.89 per mile in 1906, to $68,809.07 per mile in 1912. Now, this money was not required to pay losses from operating as their report also shows that they passed money to the surplus fund, which grew in that time from $33,789,997.76 to $42,931,524.69, notwithstanding the fact that for 1910 the surplus of this company was $50,546,541.28. Their report shows surplus for 1911 of $897,824.40, but instead of that being added to their surplus for the former years, they return for 1911 a surplus of only $49,278,507.91. Again the next year, 1912, their report returns a surplus for the year of $9,930,446.04, but the total surplus is reduced from $49,278,507.91 to the $42,931,524.69 above mentioned. In 1897 when this company owned and operated 6,142.64 miles of main track their surplus was at that time $8,509,718.85. They are now only operating 17 per cent more of road and why should they require 500 per cent more surplus?

Conditions are practically the same on the Chicago & North Western Railway, except that their capitalization has not increased in the amazing proportion that the other line has, but it is enough to make it a certainty that it is an inflated capitalization, it having been raised from $35,920 per mile in 1906 to $48,653 a mile in 1912. Their surplus has been added to each year and has grown from $13,956,820.30 in 1906 to $34,186,372.05 in 1912. It has been impossible to keep the surplus down, even though such efforts as building the Pierre and Rapid City line, a North Western extension from Pierre to Rapid City, a distance of 165 miles, was resorted to and paid for from their surplus fund. You will find in the report of the Pierre, Rapid City & North Western for 1912 that it is stocked at $60 per mile, or $10,000 for the entire line, and has no funded debt. This road is a well-constructed line, and cost not less than $16,000 per mile to build and equip. They are, however, not reporting as the law requires, and are evidently withholding the figures for the purpose of further juggling the capitalization of the Chicago & North Western, of which they are a part.

This enormous increase in capital stock and funded debt have not come from expenditures for equipment or maintenance of way and structures, for their reports show that the Chicago & North Western has charged up to the operating expense account $91,944,815.48 for these purposes for the years of 1907, 1909, 1910, 1911, and 1912. (I have no annual report for 1908, so that is not including any of my calculations.) The Chicago, Milwaukee & St. Paul, for the same period, also reported expenditures of $81,422,743.96 for the same purposes. They report their surplus as having increased from $38,862,000 in 1907 to $47,960,000 in 1909. They, in this time, increased their capitalization from $36,082 per mile, on the entire line, in 1907, to $51,668 per mile in 1909, or in two years. This is an increase of $15,585 a mile on their entire line, or $117,406,000. In this time their report shows an increased mileage of 27.19 miles. The amount of $15,585 per mile that was added to our South Dakota capitalization in those two years would, at that time, construct and equip every mile of road that the Chicago, Milwaukee & St. Paul has in the State in as good shape as it was at that time. The people of the Northwest saw no improvements nor expenditures that could have absorbed that, or any considerable part of it, in that time; and while the expenditure of that sum of money should be easily explained by that company, if properly made, we do not wish to have to submit to the proposed advances in rates until some of these matters have been explained to your satisfaction.

Without doubt every dollar of capital stock of the railroads touching South Dakota, where said line is only a part of any of the large systems, is pure water, and cost the company making the extension nothing whatever except funded debt. I would not make this assertion without some evidence to substantiate it, and for that evidence I would state that among the records of the State railroad commission is the sworn testimony of Will Sterling, given at the hearing in the railroad commissioners' office at Sioux Falls, in June, 1897. Mr. Sterling was then general attorney for the Fremont, Elkhorn & Missouri Valley, a branch of the Chicago & North Western, and his statement was, that every dollar of the Fremont, Elkhorn & Missouri Valley Railway stock, something over $30,000,000, was owned by the Chicago & North Western Railway, and that it cost them nothing whatever, but was regarded of the value of about $38,000,000, as it was then paying 5 per cent dividends. He stated that the road was bonded for enough to build and fully equip it, that being nearly $21,000,000. We find that the two great railroad systems that furnish most of the South Dakota mileage and are paying interest and dividends on a continuously increasing capitalization of fully three times what our South Dakota roads are really worth, and yet passing to the surplus account about $5,000,000 a year, insist upon our paying about three times as much as they are getting for similar service in Iowa. It would seem from this that no matter to what extent the business of the roads may increase, a reduction of rates may be prevented by the issuance of more bonds and the issue of more stock on which dividends are to be paid.

As to our local rates being discriminatory and unjust, all that I think is required on our part to show that is to submit a small portion of the different mileage schedules of the same corporations used in different sections of a prairie country, and but a short distance apart. I submit the following comparison as between Iowa, eastern South Dakota, and western South Dakota:

Eighty miles.

	First class.	Second class.	Third class.	Fourth class.	Fifth class.
Iowa	$22.40	$19.00	$14.90	$11.20	$7.80
Eastern South Dakota	33.30	27.90	22.32	16.65	13.05
Western South Dakota	45.00	39.00	34.00	29.00	27.00

	Class A.	Class B.	Class C.	Class D.	Class E.
Iowa	$8.20	$7.80	$6.70	$5.60	$4.50
Eastern South Dakota	13.05	11.70	9.90	8.55	6.75
Western South Dakota	23.50	17.50	14.00	11.00	7.50

One hundred and twenty miles.

	First class.	Second class.	Third class.	Fourth class.	Fifth class.
Iowa	$27.20	$22.40	$17.40	$13.30	$9.60
Eastern South Dakota	40.50	34.20	26.55	20.25	16.65
Western South Dakota	60.00	52.00	45.00	36.00	32.50

	Class A.	Class B.	Class C.	Class D.	Class E.
Iowa	$10.40	$9.30	$8.00	$6.70	$5.40
Eastern South Dakota	16.65	13.95	12.15	10.35	8.55
Western South Dakota	28.50	22.50	19.00	14.00	9.50

Lumber schedule.

Per 100 pounds for 120 miles:
- Iowa $6.70
- South Dakota 14.00

For 300 miles:
- Iowa 10.00
- South Dakota 23.00

As a comparison, we will take the fifth-class rates for the 80-mile haul, and we find the Iowa rate to be 7.8 cents per 100 pounds; eastern South Dakota rate, 13.05, nearly double the Iowa rate; western South Dakota, 27 cents, nearly four times the Iowa rate, and more than double the eastern South Dakota rate. I wish also to call your attention to the fact that the lumber rates are the same for South Dakota, east and west of the Missouri River, and I would ask if lumber can be hauled as cheaply west of the river as east of it, why other classes of freight can not be, and is not this prohibited by the statute which makes it unlawful for any common carrier to make or give any preference or advantage to any particular person, company, firm, corporation, or locality, or any particular description of traffic, in any respect whatever; or to subject any particular person, company, firm, corporation or locality, or any particular description of traffic to any prejudice or disadvantage in any respect whatever? The difference on lumber is about the same as on the other classes between Iowa and eastern South Dakota, only no difference is made west of the river on lumber, except by the Chicago, Burlington & Quincy Railroad, which is a mountain road. This same difference is also shown on cattle, mules, and sheep, the rate being about the same west as east of the river. And I submit to you the proposition that if, in any territory, where easily constructed and operated prairie roads must charge such enormous prices as are charged in western South Dakota if the said roads were not "improvidently constructed."

As further evidence in support of our claim that rates are both high and discriminatory in this territory, I would refer you to some of our lumber rates in comparison with those in more favored localities—rate being in cents, 100 pounds, carload lots. Pacific coast towns to Minneapolis, 1,923 miles (more than one-half mountain road, hard to construct and to operate), 45 cents; Rapid City to Minneapolis, 596 miles (all prairie road), 42 cents; Hammond, La., to Minneapolis, 1,300 miles, 31 cents; Beaumont, Tex., to Memphis, Tenn., 550 miles, 14 cents; Rapid City, S. Dak., to Valentine, Nebr., 242 miles, 20 cents. Similar comparisons can be shown in many other places, and these are only cited as examples.

I now wish to refer you to the annual reports of these railroads before named, and show from them the facts as they present them from their record. As we all know, the easiest part of the Chicago, Milwaukee & Puget Sound Railway line to build and to operate is the eastern end of that line that runs through South Dakota, North Dakota, and eastern Montana, the balance being mountain road, but we find from their 1912 report made for South Dakota, a copy of which should be on file in your offices, that the average receipt per ton per mile for moving freight on their entire line was 0.00883, but the average receipt per ton per mile in South Dakota (intrastate) was 0.03083, or nearly four times as much. We also find by the same report that operating expenses per mile of road for the entire line is $4,620.32, but for South Dakota the operating expense per mile of said road is only $3,409.33; operating expense per train-mile, entire line, is $1,51243; operating expenses per train-mile South Dakota, $1.42582. In the report of the Chicago, Milwaukee & St. Paul for the same year the average receipts per ton per mile, entire line, is 0.00839, and for South Dakota (intrastate) 0.02289. The operating expense per mile of road, entire line, is $6,356.08, and for South Dakota, $3,010.90; and the average amount received for each ton of freight, entire line, is $1.61107; and for South Dakota (interstate) it is $2.80137, and this notwithstanding the fact that the interstate shipments must be for much shorter distances; the Chicago & North Western's report for the same year shows receipts per ton per mile (entire line), 0.00907; and for South Dakota (intrastate) 0.02604 (operating expenses per mile of road and per train mile not given for South Dakota by this company, except proportional). The report of the Chicago, St. Paul, Minneapolis & Omaha for 1912 shows average receipts per ton per mile (entire line) 0.00868; average receipts per ton per mile, South Dakota (intrastate), 0.05344; (mileage in South Dakota, this line, 88.20 miles). The Great Northern, with a mileage in South Dakota of 262.36 miles, shows for 1912 average receipts per ton per mile of 0.00769, but for South Dakota (intrastate) 0.07054, or nearly 10 times their average for their entire line.

I next wish to call your attention to how rapidly conditions are changing in this territory, and that a rate that might have been considered reasonable a few years ago, might be wholly out of proportion now. We find that for 1907 the gross earnings of the Chicago, Milwaukee & St. Paul, entire line, was $60,548,000. They were, for 1909, $59,897,000, a falling off of $651,000, or about 1 per cent. In this same time, however, they were, for South Dakota, in 1907, $4,865,000, and in 1909, $6,049,000, or an increase of $1,184,000, or about 24⅜ per cent. The operating expenses for South Dakota only increased from $3,806,000 to $4,123,000, or $317,000, about 8⅜ per cent; yet operating expenses were less on the entire line by $669,000 or nearly 2 per cent. Earnings increased in South Dakota in two years 24⅜ per cent, but operating expenses only increased 8⅜ per cent. On the Chicago & North Western line I will omit the gross figures and only give the per cent of increase. The earnings for South Dakota for two years increased $617,000, or 21¼ per cent, while operating expenses only increased 6⅜ per cent. This shows how rapidly conditions are changing in this State. As further example of these changing conditions I would cite you to the fact that since 1895 and 1896 the Chicago, Milwaukee & St. Paul gross revenues in this State have increased fully 400 per cent, while their mileage has only increased 40 per cent. Ten years ago nearly all of our railroad west of the Missouri River was mountain road, and they were most likely justified in having a mountain road rate, but now conditions are changed, and 70 per cent of the railroad west of the Missouri River is prairie road, but they still maintain these original high mountain road rates, and we earnestly protest against any advance whatever in rates that we now believe to be unjust and unreasonably high.

Respectfully submitted.

W. H. TOMPKINS.

—

NEW YORK, *January 27, 1914.*

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: Remove the fast-freight lines, which are operated in the interest of a few, and there will be no occasion to advance freight rates.

Over 8,000 cars are on the New York Central & Hudson River Railroad under the name of "Merchants' Despatch," and many thousands of cars known as "Star Union" are on the Pennsylvania Railroad.

Their profits come out first, their privileges are many, and all at the expense of the stockholders.

Very truly, yours,

SAML. CRUMP.

—

PORTLAND, ME., *February 4, 1914.*

CHAIRMAN INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

DEAR SIR: Noticing in the press that the railroads are asking for permission to raise rates, I think possibly I can give you an idea of where some of their money goes. I have no fact that I can swear to, although morally certain that parties are getting rebates.

There are large egg handlers at Abilene, Kans., that I am quite certain have received rebates in one form and another for the past 18 or 20 years, I think, of late years, in the form of damage to eggs in shipment. If you will send men competent to go through the books of the auditors, especially of the Northern Railroad at Kansas City, you will no doubt be able to find that the damage allowance amounts to about the same per car lot. The rebates to the people at the point mentioned has made them rich.

The most of these people ride on free transportation in some form. Also, I am quite sure this same condition exists all over the State of Kansas, and before any increase in freights are allowed this ought to be inquired into. While working in an egg-packing warehouse five years ago I kept my eyes open. The railroad agent would come in and say, "Where are your bad eggs?" He would be pointed to a number of cases piled out. Then he would go out. These eggs pointed out where no different from 500 or 600 other cases piled in the same room.

You find this a prolific field, once you get a lead.

Yours, etc.,

R. N. CURTIS.

—

CINCINNATI, OHIO, *February 9, 1914.*

GEORGE B. MCGINTY,
Secretary Interstate Commerce Commission,
Washington, D. C.

DEAR SIR: Referring to the investigation that is now being conducted by the commission under I. and S. Docket No. 333, regarding rate increases in the official classification territory, the railroads ask the shipping public to pay increased freight rates, aggregating between $45,000,000 and $50,000,000 annually, and justify the increase by the claim that they can not continue to operate under present rates without danger of bankruptcy, or, at least, without inability to give efficient service or keep their roads up to the proper standard on account of lack of credit, thereby curtailing their purchases of necessary equipment and material.

We desire to call the attention of the commission to several ways in which we think the carriers could practice economy, and believe that much could possibly be saved in these directions toward making up to the railroads the $45,000,000 or $50,000,000 annually which they claim it is necessary for them to have. It may be that these matters have already been suggested to the commission, but on the chance that they have not been brought to your attention, we respectfully beg to submit them for your consideration and investigation if you deem it best, and even if they have been brought to your attention before, we feel that they are of sufficient importance to justify a reconsideration.

First, expensive passenger terminals: We are heartily in favor of improvement in terminal facilities, but we respectfully suggest that, if the railroads are so hard up as they would lead the shipping public to believe, they are not justified in spending so many millions of

dollars as they have spent in the past for building extensive passenger terminals in various large cities in our country. It is true that these terminals are beautiful and very convenient to the public, and we enjoy them ourselves when we have occasion to pass through such cities, but beyond being an ornament to the particular city in which they are located, or an advertisement of the particular railroad that erects them, they can not be productive of revenue, but merely take up many millions of dollars. If the railroads could afford to stand these many millions for erecting beautiful and artistic edifices, they should certainly be entitled to credit for their efforts in helping to beautify the city, but if done when the railroads are nearing bankruptcy (so they say) we think that in cases where new passenger terminals are necessary that the garment should be cut to fit the cloth, and an equally convenient but much less expensive terminal should be made, and the balance should be turned in to help pay for the new rails and equipment that they say they so badly need, but can not float stock or bonds to pay for.

Second, up-town ticket offices: The railroad companies maintain ticket offices at their passenger stations for the sale of both railroad and Pullman tickets, but in all cities of any size and consequence so-called "up-town ticket offices" are also maintained. The latter are almost invariably located in the heart of the business portion of the city, on streets where rents are of the highest, and usually in the most modern sky-scrapers, and, not satisfied with being located in the more expensive buildings in the city, they occupy the corner room on the first floor if possible. Such offices are usually fitted up with mahogany furniture and marble floors and trimmings, and while they are without doubt a credit to the community, it seems to us that if the railroads really desired to practice economy here is an opportunity where hundreds of thousands of dollars, if not millions, could be saved by doing away altogether with these "up-town ticket offices" and selling their tickets at the depot, or if, in their desire to accommodate the public, they consider that the public demand convenient facilities up town for securing transportation and sleeping-car reservations, the result could be just as easily attained by locating their "up-town ticket offices" in less expensive quarters or by maintaining a joint city ticket office, as they do in union depots. As a matter of fact, if they maintained a joint city ticket office, it could be located on any by-street and at a very reasonable expenses for rent. There would be no question but what the public would turn into a street a few steps farther around the corner if there was only one office. These "up-town ticket offices" are not a source of revenue except as they enter into competition, one line with another, and while there may be reasons why they should be kept separate, there is certainly no reason why they should always be located in the most expensive quarters in the city. Nothing whatever is gained, as one road usually has practically as elaborate quarters as another, and therefore if all of these offices were maintained in a more economical way the same result would accrue in the end to all.

As we stated before, some of these ticket offices are a credit to the railroad company and city, but they are a luxury as now maintained rather than a necessity, and if the railroads are as hard up as they claim and can unite in efforts to secure an increase in freight rates, they should be able to easily get together on a question of economy such as this and save hundreds of thousands of dollars annually that they are now practically wasting on these beautiful, but more ornamental than necessary, offices.

Third, automatic stokers on locomotives: A large number of freight and passenger locomotives are fired and stoked by hand, although the locomotives otherwise are models of the latest mechanical and engineering skill. The average manufacturing plant has installed automatic stokers and self-feeders. Even many of the older plants have been remodeled with such improvements. No manufacturer would consider his boiler room up to date without automatic stokers, and, while the railroads claim to be up to date, and in fact are up to date in many other things, they are still using old-style methods of firing engines by hand, with a corresponding waste of fuel, which would amount in the aggregate to a very fair portion of the sum that the railroads now claim is necessary for them to have to continue operating efficiently. Granting, for the sake of argument, that the railroads need more money for the purchase of equipment, rails, etc., why not attain the same end by reducing the operating expenses instead of increasing the gross revenues?

The advertisement of one company in a recent number of the Railway Review says that one locomotive fired by their stoker is doing passenger work which formerly required two shovel-fired locomotives. The railroads claim that they have practiced economy, but here is one case where they could save a very neat sum in the loss of fuel. We understand that there are at least four or five automatic stokers of approved design and that are practical, and we suggest that your commission ascertain why the railroads have never generally adopted any of those designs and made an effort to stop this waste of fuel. Certainly it can not be possible that railroads or those controlling them are interested in increasing the consumption of coal. If not, then why should not the carriers, if they are sincere in their claims that they are practicing economy, put some of these devices into general use; and if they are not desirous of practicing economy, then why should the shipping public at large be asked to contribute an additional $50,000,000 annually under such circumstances?

Feeling that your commission desires to get to the bottom of this matter, we offer the three suggestions mentioned above for your consideration, and if they are of any service to your honorable body in your investigations or tend to throw any light on the subject, then this letter will have served its purpose.

Yours, very truly,

THE GLOBE SOAP CO.,
FRANK VAN SLYCK, *Traffic Manager.*

—

NEW YORK, *February 13, 1914.*

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

DEAR SIRS: In view of your examination of the New York Central & Hudson River Railroad Co., with reference to an increase of its freight rates of 5 per cent, I want to call to your attention the speech of F. W. SIMS, reported in the CONGRESSIONAL RECORD of February 6, 1914, at page 3208. And what Congressman SIMS says about the New York Central & Hudson River Railroad Co. is quite true about all the roads running out of New York.

As a citizen I would like to know what it means that the railroad companies have the audacity to apply for such an increase in freights when, as a matter of fact, every road leaving New York has a large amount of stock which originally was without any capital behind it; and if they can not carry freight without an incerase, it is simply because their stock was originally nothing but water, and the bonds covered the whole investment; and they have sold the stock, which had little or no foundation in values, and now seek to recoup by an increase of freights. Citizens like myself, who have no interest in the matter, are looking on with deep concern at the action of your commission.

Respectfully, yours,

FRANKLIN PIERCE.

—

SYRACUSE, N. Y., *February 16, 1914.*

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: We trust you will not grant any increase freight rate to the railroads.

We are burdened all we are able to bear. When we found our inventory in November, 1913, showed us a loss for the first time, we took off our coats and went to work.

Let them do the same.

Yours, truly,

T. H. APPLEBY & Co.

—

HELENA, MONT., *April 5, 1914.*

LOUIS D. BRANDEIS, *Washington, D. C.*

SIR: A vote of those who have to "pay the freight" would soon settle the question of a 5 per cent advance.

For 15 or 20 years the railroads have set the pace for reckless expenditure and more than reckless management. Now, when they allege shortage of revenue, we are asked to help them out. No; let them meet the case as all others must.

Starting with the cutting of the Union Pacific melon and ending with the exposé of St. Paul's book and account system the plain folks have nothing to expect from the roads.

We had hoped to see the less-than-carload rates on a basis of, say, 35 per cent of carload rates. We had expected to see the classification cut to at least one-third of its present limit.

We had thought of a commission to pass on every issue of bonds and stock.

We expected to see the small cities and towns on about the same footing as terminal cities; but all things point to the advantage of the big business interests, and the little ones are expected to take what is left over. We might cut loose from jobbers and retail merchants' associations if only the railroads would do the fair thing. All this and more will come some day, but I hope in the present fight you and your friends will carry the case through and win for those who in the end have to pay.

W. PASSAVANT.

—

PHILADELPHIA, PA., *February 28, 1914.*

CHAIRMAN OF THE INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

DEAR SIR: While your honorable body is considering the arguments for and against railroad-rate increases allow me to suggest that you inquire into the need, both on the part of the railroad and the public, of freight solicitors and the good, if any, resulting therefrom.

What is the duty of a frieght solicitor? Is it not to influence the routing of shipments by his line rather than by some other line, and in the achievement of his purpose has he helped the public in any way? Surely he does not increase the volume of traffic, but merely diverts from one possible route to another certain competitive business.

A shipper soon learns the route or road which renders the best service and will route via the line which produces the results most favorable to the broadening of his business, regardless of the importunities of the solicitor.

On inquiry, I have learned that freight solicitors are looked upon by many large shippers as a nuisance, and that time given to the hearing of their claims is practically lost. Would not all the railroads be as well off, and all the shippers, too, if all freight solicitors were withdrawn and the routing of all shipments left entirely to the merits of the several lines? If they were withdrawn, possibly business would be more equally distributed among the competing lines, and the weaker roads, which need more business on which to build up their properties, might obtain a larger proportion than under the existing system.

Suppose all these men were withdrawn and every shipper were left to exercise his own volition in this matter, and this money were spent along educational and other advertising lines, for instance, in bringing to the attention of manufacturers the advantages of factory sites, to the populace the advantages of home sites, and to the tillers of the soil information which would enable them to produce larger and more lucrative crops in each of the respective railroad territories, would not the expenditure in the long run be more profitable to each road, its stockholders, and the public?

There appears to be no distinct need of freight solicitors while the expansion of the publicity department is justifiable.

Yours, very truly,

W. B. TANNER.

—

EN ROUTE, NEW YORK CENTRAL, BOSTON & ALBANY,
AND MICHIGAN CENTRAL RAILROADS.

DEAR SIR: In going over Interstate Commerce Commission list of questions, I wonder how the officer making the oath will know answer to question 63. Should not each officer listed in question 5 make an affidavit that he does not, directly or indirectly, receive any income or gift, or any members of his family likewise? Also, if interested, how much was paid for such interest and the income therefrom?

I am in the supply business, and the amount we have to pay officers of railroad companies should belong to us, and we could then sell goods cheaper.

This road is pretty rough, probably because the "brass collars" have been too busy grafting.

Yours,

L. J. SMITH.

—

CHICAGO, ILL., *March 1, 1914.*

LOUIS D. BRANDEIS, Esq.,
Washington, D. C.

DEAR SIR: I have endeavored to keep in touch with the lines of argument presented by those who have appeared before the Interstate

Commerce Commission, advocating a continuance of the favors to the few who have for many years been granted terminal service at the expense of the trunk lines, because they, the shippers, their principals, have private sidings adjacent to trunk or belt lines here in Chicago or elsewhere. I notice a rather large delegation is from this gateway. They have not apparently appeared before the commission with as full knowledge as they should have of the effect which their theories have upon an unprejudiced mind, the outside country, the laboring people, or trunk lines. I have for 20 years been instrumental in using my efforts to some considerable success in locating large shippers on outside territory, and I do not now share the opinions of the traffic club representatives or others that a reasonable charge for service, for switching, spotting cars, etc., will cause congestion at this or any other gateway, but the contrary.

The present practice is surely radically wrong, preferential, and expensive for the trunk lines, and favorable only to the belt lines, and the favorably located industries. Moreover, the recent practices of the belt-line owners in building for or financing plants on their sidings places beside the burden of the absorption less value on the trunk line right-of-way locations which, were the charges made to follow the goods, would be more valuable, sought for, and shortly help both trunk line and adjacent landowners, and would more equalize the industrial real estate situation. I observe you say the whole country is tremendously interested; quite true, and the reasonable charge should be put into effect immediately. I think you are right. The great packing interests here and at other gateways have their cars spotted, switched, empty or loaded, at the ultimate expense of the trunk lines. They report great prosperity; not so with the burden carriers. This a single example. I take the position that if the free service as now extended is eliminated throughout the United States, that instead of causing congestion at Chicago and other gateways, that industries will spread out, seeking suburban and rural locations, and a step in the right direction to the end that concentration, congestion, heavy burdens to railroads and the plain people will be relieved, therefore a blessing instead of an evil; or as some prejudiced traffic managers of industries have stated it, the change from free service to a charge on the goods is a step backward. I do hope that the Interstate Commerce Commission will refuse to see it in this light.

Yours, very truly, F. W. MCKINNEY.

Home address, 5720 Woodlawn Avenue.

—

PHILADELPHIA, *March 5, 1914.*

Mr. GEORGE B. MCGINTY,
Secretary of the Interstate Commerce Commission,
Washington, D. C.

DEAR SIR: The absence of protestants at the meeting of the Interstate Commerce Commission held at the New Willard Hotel on February 28, at 10 a. m., on stone, marble, and granite, was no doubt caused by the expense entailed upon an individual in a business that, according to United States reports, 90 per cent of the stone-quarrying trade do a business of less than $5,000 per annum, with few or no trade organizations. "It is well known that stone has suffered severe competition for several years past from various types of cheaper structural materials and a large number of owners of small quarries who were accustomed to quarry stone for foundation and rough rubble work have closed their quarries on account of lack of demand, this stone having been replaced by brick and cement." (Stone Industry in 1912, Dept. of Int., U. S. Geol. Surv.)

Qurries that supply the railroads with ballast or iron mills with flux have rates from 30 to 50 per cent less than on building stone and have no reason for complaint. Quarries that shape the raw material into sizes ready to go into the building pay the same freight rate on the cut-stone weight as on rough, thereby having an advantage of from 30 to 50 per cent. They also have no reason for complaint. And we might go down the list and come to favoritism and to those that take advantage of the fourth section and water competition; but with 90 per cent of the trade in small hands and no organizations, it is too much for one or a few individuals to fight. We do not protest so much against the 5 per cent advance as against the inequality of rates. Building stone is loaded to full capacity of car; it is a cheap material—the average price about 55 cents per ton—and should have the same rates on a mileage basis as fluxing stone. At the present time there is no basis for rough stone rates; for a 100-mile haul the rates will vary from 40 cents to $1 per ton of 2,000 pounds. To a particular point in Delaware (not water competition) a quarry 246 miles distant has a rate of $1 per ton, while a quarry only 85 miles away is charged $1.05. Our business is too small to employ a Mr. Glasgow to fight our battles, and with such variations in rates the decrease in the number of quarries is easily explained, and we can see only a uniform mileage basis or a sectional grouping to correct the present abuses.

We are also interested in the shipment of rough stone from Kentucky, Indiana, and Ohio to eastern points. Rough and cut stone take sixth class or higher, and on that account is throwing the cut-stone work away from the cities to the quarries. The difference in weight in favor of cut stone is fully 30 pounds to the cubic foot, which gives an advantage on a $5 per ton rate of about 15 cents per cubic foot. Rough stone is loaded heavier than cut stone. Other materials from the above States to eastern points have lower rates. Supplement 25 to Interstate Commerce Commission No. A 11481 Louisville & Nashville quotes on rough stone to Philadelphia 25½ per 100 pounds, asphalt $3.40 per 2,240 pounds, or 15.18 per 100 pounds. Asphalt is bulkier than stone, and we can not understand why rough stone, on account of its small value, does not carry the lowest rate.

The writer attended the meeting called for last Saturday, hoping that some one else would present the above facts and that he could second same.

Yours, very truly,

FRANK WILLIAMSON.

—

PRIVATE OFFICE, HOTEL ANSONIA,
New York, March 2, 1914.

Mr. LOUIS D. BRANDEIS,
Special Attorney Interstate Commerce Commission,
Washington, D. C.

DEAR SIR: I have read your articles published in the newspapers on the economy and economical management of railroads with a great deal of interest and admiration. But it has occurred to me that a very important side of the management of the railroads, which is the financial end, has been greatly abused and mismanaged.

The credits of the railroads wasted, with the idea of never paying off their loans or liabilities, they keep on borrowing until their credit is exhausted.

Why not try to remedy this feature and make provision for the future and not let the future take care of itself?

With this idea in mind I thought that the Adler partial-payment instalment bonds would correct this evil. My plan is for the railroads to issue their bonds or notes as follows:

Say, a $1,000 bond, bearing 4 or 4½ per cen interest for a given number of years, and in addition to their interest pay off each year 1 or 2 per cent of their principal until the loan is partly or entirely paid off; thus, the investor receives each year a greater amount of money, while the railroad is yearly reducing its liability and increasing its credit. This does away with the present method, which pays excessive commissions and large bonuses to bankers and money lenders every time they renew their loans, and the railroad keeps increasing its liabilities.

Inclosed please find booklet explaining my method.

Thanking you for a reply, with your criticism,

Very respectfully, yours,

IRWIN V. ADLER,
Hotel Ansonia, Broadway and Seventy-third Street,
New York City.

[Inclosure.]

THE ADLER PARTIAL PAYMENT INSTALLMENT BONDS, NOTES, AND LOANS.

[Copyright, 1914, by Irwin V. Adler.]

The Adler partial payment installment bond, note, or loan is a new method of issuing a registered or a negotiable bond, note, or loan to an investor, with a fixed yield or income coupon attached, figured on the par value for a given number of years, with an additional attached coupon calling for a given amount to be paid off annually on the principal.

This additional coupon pays off and reduces annually the par value or face value of the bond, note, or loan by the amount which it calls for, which amount is printed on each additional coupon, with the date when it becomes due and the place where it is payable.

Thus reducing the amount, or par value of the bond, note, or loan at maturity, to the company, by the total sum of the additional coupons of the annual yearly payments deducted from the par or face value.

The investor or holder of any of this form of securities receives each year from the company a fixed amount of money or income; that is, the fixed interest plus the amount that the company pays off each year on the bond, note, or loan. As an example: Turn to the table which shows a $10,000 bond, note, or loan figured at 6 per cent per annum, with an additional coupon for $400 to be paid off annually; thus the investor receives his fixed 6 per cent interest coupon, which is $600, plus the annual payment installment coupon, which is $400, making a total income to the investor of $1,000 each year on his original investment of $10,000, which does not vary for the life of the bond, or until the bond matures; thus, if the bond, note, or loan matures in 10 years the investor will receive $1,000 each year for 10 years, and at the end of 10 years the company, or debtor, will redeem the bond, note, or loan for $6,000.

If the life of the bond is 20 years the investor will receive $1,000 each year for 20 years, and at the end of the 20 years the company, or debtor, will redeem the bond, note, or loan for $2,000; thus the investor will have received, at the end of 20 years, 20 yearly payments of $1,000 each, making $20,000, and will still have his bond, note, or loan, which is redeemable at a value of $2,000, making a total that he will have received of $22,000 on his original investment of $10,000.

This example only shows the fixed interest at 6 per cent and the annual partial installment coupon of $400 payment. The fixed interest rate and the amount that the partial payment installment coupon calls for can be computed for any fixed amount desired.

By referring to the table attached hereto it shows:

(1) By the first column of figures the number of years or the life of the bond, note, or loan, which is shown from 1 year to 25 years, under the heading of "Years issued." If it is desirable to have a longer life you can figure any number of years from 1 to 100 years.

(2) The second column of figures show the par or face value of bond, note, or loan at the end of the different years of maturities with the additional installment coupon deducted.

(3 and 4) The third and fourth columns of figures show the fixed interest rate the bond, note, or loan pays annually.

This table shows only the 6 per cent rate, but in order to find any given rate other than the 6 per cent, divide the income yield in the sixth column of figures to the investor by 6 and multiply the remainder by the desired rate.

(5) The fifth column of figures show the amount to be paid off each year by the company, or debtor, on the bond, note, or loan by the partial payment installment coupon, thus reducing the par or face value of bond, note, or loan by the amount of each annual installment coupon each year, which is shown in column 2 by the amount of payment made in column 5, plus the number of years until the bond, note, or loan matures.

(6) The sixth column of figures, under the heading of "Income yield to investor," shows the investor what his income yield is equal to on the principal at that time for each different year.

The sum of the different yields in this column, divided by the number of years the bond, note, or loan runs, will give the investor the average income yield.

(7) The seventh column of figures, under the heading of "Extra cost of interest to the company," shows the extra interest rate that the company or debtor loses by reason of the extra annual installment coupon payment to the investor. The total sum of this column of interest divided by the number of years the bond, note, or loan runs will give the average cost of interest to the company.

This form of securities will appeal to the investor, as he will be certain of a fixed amount of money which he will receive each year for the life of the bond, note, or loan issued, and the amount of money he receives under this form of securities is greater than any other form, with the least risk; or, expressed in another way, he is buying a fixed income for a stated number of years and still has part of his principal back at the end of the period.

The table shows the partial installment payment coupons for $400 each, to be paid off each year, in addition to the fixed interest rate of 6 per cent which the bond, note, and loan bears. These coupons can be paid off in any fixed amount desired.

This form of security may bear any fixed rate of interest that the debtor wishes to pay.

1	2	3-4	5	6	7
Years issued.	Par value of loan, bond, or note.	Annual coupon interest, $600.[1]	The partial payment coupon to be paid off each year on loan.	Income yield to investor.	Extra cost of interest to the company.
	$10,000			*Per cent.*	*Per cent.*
1	9,600	$600	$400	6.25	0.0025
2	9,200	600	400	6.52	.0052
3	8,800	600	400	6.81	.0081
4	8,400	600	400	7.14	.0114
5	8,000	600	400	7.50	.0150
6	7,600	600	400	7.89	.0189
7	7,200	600	400	8.33	.0233
8	6,800	600	400	8.82	.0282
9	6,400	600	400	9.43	.0343
10	6,000	600	400	10.00	.0400
11	5,600	600	400	10.71	.0471
12	5,200	600	400	11.53	.0553
13	4,800	600	400	12.50	.0650
14	4,400	600	400	13.63	.0763
15	4,000	600	400	15.00	.0900
16	3,600	600	400	16.66	.1066
17	3,200	600	400	18.73	.1273
18	2,800	600	400	21.42	.1542
19	2,400	600	400	25.00	.1900
20	2,000	600	400	30.00	.2400
21	1,600	600	400	37.50	.3150
22	1,200	600	400	50.00	.4400
23	800	600	400	75.00	.6900
24	400	600	400	150.00	1.4400
25	[2]	600	400	.....	.....

[1] Interest pays at 6 per cent. [2] Paid off.

LEHIGH STONE CO.,
Kankakee, Ill., March 7, 1914.

Mr. LOUIS D. BRANDEIS,
Care Interstate Commerce Commission, Washington, D. C.

DEAR SIR: Since making my letter of 27th ultimo, suggesting zone bases for basing freight rates, it has occurred to me that this method could also be used at terminals. Terminal zones could be established at larger centers and a charge made based on an average cost within such zones. The terminal-zone rate could be added to line rate.

Respectfully submitted.

Yours, very truly, M. J. EDGEWORTH.

—

LIBERTY-NASSAU BUILDING CO.,
New York, March 9, 1914.

Mr. LOUIS D. BRANDEIS,
Washington, D. C.

DEAR SIR: I want to call your attention to the utterly unfair character of the Pennsylvania Railroad report for 1913 just issued by President Rea.

From beginning to end there are constant references to the poverty of the railway, the necessity for its independent control of its actions, and for an immediate raise in freight rates. Repeated statements are made of heavy expenditures for increased wages, yet it is stated that the last increase amounts to $730,000 per year, or only one-half per cent on the freight revenues. It is further stated that the 1913 operating expenses increased $11,349,000, whereas the increase should not have exceeded $6,500, and the inference is forced that this $4,850,000 added increase was caused by the wage increase and could only be covered by the 5 per cent rate increase asked for.

And yet in the entire report as published there is not one reference to the disastrous floods in the spring of 1913, in which it was semi-officially stated the damage and losses on the entire Pennsylvania system were over $12,000,000, and on the lines east of Pittsburgh, the territory covered by this annual report, over $6,500,000. In other words, much more than the entire increase complained of resulted from the great flood losses and not from the increased wages, yet not the slightest reference is made to that flood. It seems to me that attention should be called to this evidently intentional omission.

Yours, truly,

JOHN V. HOGAN.

—

MARCH 4, 1914.

LOUIS D. BRANDEIS, Esq.,
Care of Interstate Commerce Commission,
Washington, D. C.

DEAR SIR: As pertinent to the proposition to allow the carriers a 5 per cent increase in rates, I make the following suggestions:

The lighterage allowances in New York Harbor are out of all proportion to the service rendered and to the through rate. For example, an allowance of 4½ cents per hundredweight is paid to Jay Street Terminal (a copartnership composed of the partners in the firm of Arbuckle Bros., sugar refiners) for terminal services, at what was formerly the private dock of Arbuckle Bros., on shipments westbound to points west of the western termini and on consignments eastbound from the same points. For this service Arbuckle Bros. furnish the docks and equipment, and operate a lighterage and floatage service at their own expense and risk to and from their docks to the rail termini on the New Jersey shore, at St. Georges, Staten Island, and Sixtieth Street, Manhattan. The rate to such points as Youngstown, Ohio, is 17 cents, and out of this rate the Pennsylvania Railroad pays the Jay Street Terminal an allowance of 4½ cents for terminal service and a 3-mile floatage—nearly 25 per cent of the entire through rate. Again, out of a 13-cent rate to Syracuse the carriers allow 3 cents per hundredweight to Arbuckle Bros. As approximately 40 per cent of westbound shipments consist of sugar, whereof Arbuckle Bros. contribute a large proportion, it is obvious that the question involves more than a disproportionate payment for terminal services, but, as bearing upon the particular question now under discussion, I suggest that if the carriers would readjust their lighterage allowances the immediate saving would go a long way toward removing the necessity for a 5 per cent increase.

Again, the rate on sugar from Pacific coast points to Chicago has heretofore been the same as that to Missouri River points, viz, 60 cents per hundredweight. The western carriers have applied to the commission to suspend the fourth section in order to permit a rate of 46 cents to Chicago, as against 60 cents for the short haul. The carriers conducting that part of the long haul eastbound, which lies between the Missouri River crossings and Chicago, are precisely the carriers which, among others, apply now for a 5 per cent increase on westbound rates. It is hardly necessary for me to point out the inconsistency in squealing for a 5 per cent higher rate from the Atlantic seaboard and at the same time begging the commission for permission to reduce the rate from the Pacific coast nearly 25 per cent.

If the foregoing interests you I shall be very glad to furnish such other figures as you may require along these lines.

Respectfully, yours,

ERNEST A. BIGELOW.

—

WAMEGO, KANS., *April 2, 1914.*

Hon. G. B. MCGINTY,
Secretary Interstate Commerce Commission,
Washington, D. C.

DEAR SIR: We as a business firm in this part of Kansas strenuously object to the proposed raise in freight rates which is now being considered by the railroads and the commission. It surely seems out of line that the railroads would ask a shipper to stand some of the charges they are endeavoring to tack on the present charges. Where we have elevators along the lines to load their stuff, how much better it is for them to have us load in that manner than to load by wagons anywhere along the sidetracks. If there is any extra charge, it should be put on to the man who does not load from an elevator, since the railroad gets the biggest benefit. The writer has worked for railroads as agent for eight years and knows a little of their petty extravagances which might be stopped instead of adding additional hardships upon shippers.

We trust you will use your best efforts to handle our interests.

Yours, very truly,

WAMEGO SEED HOUSE & ELEVATOR,
Per J. O. ROSS, *Secretary.*

—

MEMPHIS, TENN., *April 1, 1914.*

Mr. LOUIS D. BRANDEIS,
Counsel Interstate Commerce Commission,
Washington, D. C.

DEAR SIR: We note with great interest press report under date of March 28, of your report in opposition to the proposed 5 per cent increase in railroad freight rates, and beg leave to congratulate you upon the manner in which you have evidently succeeded in digging out some of the expenses of traffic incidental to both its cost and unfair discriminations.

We feel particularly interested in the results that shall accrue from your presentation of this matter, as the carriers of this territory, as well as other, are operating, soliciting, and securing traffic upon practically the same basis as those indicated and set forth in the press report of your report.

Especially are these conditions true, as applied to the cotton trade of this territory; Memphis, Tenn., its center, being the largest inland cotton market in the world. At this point, one of the most extensive compress companies and organizations of this character in the country exists. It is owned and controlled by factors, buyers, and sellers of this market—all operatives in and shippers of cotton.

For the patronage of these shippers the carriers are paying in practical rebate, by financial protection of the compress company, and by paying to it guaranteed compression rates and excessive remunerations for cost of services rendered, all of which must be a considerable charge against the profits of transportation.

Mr. R. N. Trezise, agent of the Interstate Commerce Commission, made some investigations into and report of conditions existing here to the commission, during the latter part of December and early part of January, which report we believe you should find interesting in connection with the investigations you are making.

Yours, very truly,

MEMPHIS COMPRESS CO.,
By WALTER H. HARRISON, *President.*

—

GULF COMPRESS CO.,
Memphis, Tenn., April 1, 1914.

[Memorandum for Mr. Harrison.]

Your attention is called to the inclosed clipping, taken from the Commercial Appeal of March 29, 1914. This reminds me of the correspondence you have recently had with the Interstate Commerce Commission and with President Markham, of the Illinois Central Railroad, with reference to the carriers' system of handling cotton at Memphis.

I am referring particularly to an allowance of 10 cents per bale made by the Illinois Central and Yazoo & Mississippi Valley to the so-called Memphis Terminal Corporation, a public compressor and warehouseman at South Memphis, said allowance to cover the cost of unloading, etc. At my plants and yours we are required to perform the identical, or at least, I would say, substantially the same service, and for which we receive no allowance or compensation whatsoever. In other words, the Illinois Central and Yazoo & Mississippi Valley pay the Memphis Terminal Corporation 10 cents per 100 pounds for compressing cotton, plus 10 cents a bale for unloading it, etc., whereas you and I have to unload it free of charge. It is true we are allowed the same rate of charges for compression.

Again, the rate of compression that you and I are receiving is not guaranteed to us, whereas the contract of the Illinois Central and the Yazoo & Mississippi Valley, if not some of the other lines, does guarantee the compression rate to that institution, thus eliminating the possibility of competition in so far as our efforts are concerned.

I have underscored that part of Mr. Brandeis's remarks which it seems to me must have been written especially for the Memphis cotton situation.

C. C. H.

FREE SERVICE CUTS REVENUES OF ROADS—LOUIS BRANDEIS FILES STATEMENT AGAINST HIGHER RATES—RECEIPTS ARE ABSORBED—BRANDEIS DECLARES THAT FULLY 25 TO 50 PER CENT OF INCOME OF ROADS IS ABSORBED BY FREE SERVICE FURNISHED.

WASHINGTON, *March 28, 1914.*

Louis D. Brandeis, counsel for the Interstate Commerce Commission in opposition to the proposed 5 per cent increase in railroad freight rates, to-day submitted a statement showing that free services rendered shippers by railroads in classification territory result in serious depletion of the revenues of the roads.

The special free services under consideration by the commission were free storage, free warehousing, free loading and unloading of cars, free lighterage, free elevation of grain, and various other free terminal services.

Mr. Brandeis asserted that the cost to the railroads of these free services was so great as to absorb from 25 to 50 per cent of the freight receipts, and in certain instances more than the entire receipts were absorbed, resulting in a substantial cash loss to the road.

Mr. Brandeis stated that in Philadelphia shippers "who choose to patronize certain warehouses designated by the Pennsylvania Railroad have their freight unloaded from the cars, stored for days, and then carried to the wagon free of expense to the shipper, the expense of the operation being borne by the Pennsylvania Railroad. This free service cost the Pennsylvania Railroad at Philadelphia through three of the four subsidized warehouse companies $282,261 in the year ended June 30, 1913."

WAREHOUSE DISCRIMINATION.

He pointed out that unless the freight passed through these warehouses the road made no allowance to the shipper for loading, unloading, or warehousing.

"Besides the discrimination between the shippers there is, furthermore, a discrimination between warehousemen," Mr. Brandeis asserted. "The provision on the part of the railroad appears to be strikingly improvident from whatever point of view it may be regarded. Why should the Pennsylvania Railroad throw away money in paying for that service which other warehousemen would perform without pay from the railroad because of the storage charges paid by the consignee?"

Instances were cited showing that the Pennsylvania Railroad carried freight on which the free service cost was so great that the service "might as well have been presented as an instance of free transportation, because the cost exceeded the total freight charge received."

Mr. Brandeis urged that a discontinuation of free services to certain shippers, or a reasonable charge for them, would vastly increase the revenues of the roads.

—

BALTIMORE, MD., *April 1, 1914.*

THE INTERSTATE COMMERCE COMMISSION.

GENTLEMEN: Having been in business for the past 25 years I take the liberty to write to you and ask you not to give the railroad companies permission to increase their freight rates, for the reason this would add to the already high cost of living. The railroad companies can exist if they are economically managed. So far as laying off men is concerned, they will soon tire of this way of bluffing. This is done for effect by the Wall Street crowd for stock-jobbing effect.

Very respectfully,

H. D. EIDMAN & BRO.

—

JOHN C. HADDOCK & CO.,
New York, March 31, 1914.

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: The New York Times has taken occasion quite frequently in severely abusing and condemning your body. These attacks are becoming somewhat regular and more emphatic from time to time. It is needless to say that in a large city like New York, and with the reputation that this paper has had for some time, that the public is taking note of these continued criticisms, and while they may admire the courage of the New York Times, the fact that they are being misled does not occur to them. These attacks are evidently inspired by the publicity bureau of the railroads, and it is disgraceful that such conditions should exist, for with the record that the commission has made, it should not be subject to such needless abuse.

It is very evident that in the efforts of the railroads to obtain any increase in rates of transportation, that the general public is not aware of the tremendous issues of stocks and bonds that may have taken place in the past 15 years, to say nothing of the tremendous increases in the gross earnings of some of these roads. These tremendous increases of stocks and bonds have brought about a situation where in some instances the fixed charges and the dividend requirements are unusually heavy, and if this constant issuing of new securities is to go on at the same rate as it has in the past, there is no telling what the railroads may require within the next 10 years.

Furthermore, why it should be necessary for the Baltimore & Ohio to own $30,000,000 of stocks of the Reading Co., or why it is that the Pennsylvania Railroad should own stock of the New York, New Haven & Hartford, the Norfolk & Western, the Long Island, and the Southern Pacific Railroads are matters that really should be looked into. It is very evident that in acquiring securities of these other roads the parent roads have been obliged to issue securities of their own in order to raise the necessary funds. In the case of the Pennsylvania Railroad Co., they state in their annual report that the securities held by their company on December 31, 1913, at a valuation of $333,960,825, produced a direct income during the year of $14,940,670. This makes a net return of 4.47 per cent. Through what method of financing these securities were purchased the writer is not familiar, but it is very evident that the admitted net return on these securities is not equal to the dividend rate that is being paid, and which is expected by the stockholders of the company. The following comparisons, as between 1898 and 1913, are rather striking as related to increases in stocks and bonds, as well as the increases in gross and net earnings, and in the light of the plea that is being put up by the railroads, it would indeed be interesting to note what has become of the proceeds of these stock and bond issues, and also the net results of the increased earnings.

	1898	1913
Chesapeake & Ohio R. R.:		
Outstanding capital stock	$60,547,400	$62,797,000
Funded debt	65,564,554	167,120,176
Gross earnings	11,788,557	35,085,278
Net earnings	3,806,250	11,483,392
Fixed charges	3,187,741	8,184,889
Baltimore & Ohio R. R.:		
Outstanding capital stock	105,000,000	210,886,144
Funded debt	185,500,000	358,403,256
Gross earnings	27,722,787	101,556,132
Net earnings	8,336,768	32,114,389
Fixed charges	8,147,727	18,780,138
Lake Shore & Michigan Southern:		
Capital stock outstanding	50,000,000	50,000,000
Funded debt	47,084,000	169,406,167
Gross earnings	20,738,900	55,490,512
Net earnings	6,812,728	29,213,154
Fixed charges	2,820,000	12,724,799
New York Central R. R.:		
Outstanding capital stock	100,000,000	225,581,066
Funded debt	181,490,987	346,028,225
Gross earnings	45,774,240	115,087,951
Net earnings	18,514,097	48,851,865
Fixed charges	13,860,226	33,061,535
New York, New Haven & Hartford:		
Outstanding capital stock	47,633,200	156,970,000
Convertible debentures	19,397,200	[1] 45,000,000
Funded debt	7,500,000	202,844,450
Gross earnings	30,322,737	68,613,503
Net earnings	10,032,119	32,095,396
Fixed charges	6,112,481	23,173,158
Norfolk & Western R. R.:		
Outstanding capital stock	87,213,500	123,133,300
Funded debt	48,222,700	111,657,320
Gross earnings	11,236,123	4,739,920
Net earnings	3,382,987	16,930,981
Fixed charges	2,239,443	5,824,340

[1] Notes due May, 1914.

The anthracite coal-carrying roads, with one or two exceptions, have shown but a very small increase in capital stock and bonded indebtedness. In fact, in some instances it shows a decrease, but this particular group stands out prominently as against all of the eastern roads. The anthracite coal roads have prospered probably to a greater extent than any other group of railroads in the United States, and their assets, as represented by their holdings in coal properties, have never been substantially determined, but it is evident that the concealed assets of the anthracite coal roads are very great. The profits through monopoly rates in anthracite transportation charges account for the remarkable showing of this particular group of railroads.

Yours, very truly,

EMIL W. KAHN.

—

W. N. WHITE & CO.,
New York, March 31, 1914.

SIR: In June, 1910, the Journal of Commerce published some comments of ours on the subject of railway rates.

I inclose a copy, and think it might be very useful at the present time.

Yours, faithfully,

W. N. WHITE.

[Inclosure.]

FEDERAL ACTION ON RAILWAY RATES.

NEW YORK, *June 2, 1910.*

EDITOR OF THE JOURNAL OF COMMERCE AND COMMERCIAL BULLETIN:

SIR: In connection with the above, some remarks of mine concerning matters in the West may prove interesting at the present.

Last year I superintended the packing and loading of some 300 cars of apples in California for New York and European trade. The freight charges on each car from coast to coast cost $320 per car, freight being reckoned at 1 cent per pound.

These goods were all loaded in a small town some 65 miles south of San Francisco, on the Southern Pacific Railroad.

This business started in that district in 1885 in a small way, growing from a few cars per year to 2,850 cars in 1909 from this one station. The Southern Pacific and the Santa Fe control the trade so far as California is concerned, but after it leaves California many railways are after the business. The Chicago & Northwestern, Union Pacific, Colorado & Midland, Denver & Rio Grande, and many others want part of the haul. Previous to the Elkins law if one had a number of cars and would give them exclusively to these subsidiary companies, one would get a drawback of $15 to $20 per car. They sent men to canvass the shippers, kept him posted when it passed certain points, and when the cars would arrive in New York. They said: "Thank you; we will do our best to give you satisfaction."

Now, I contend, and I believe that every right-thinking man will do the same, that these railways were not doing all this for fun, but for profit. They got $20 a ton for hauling these goods, on which the cost to them was no more than if they were hauling coal at $5 a ton. Under the Elkins law (conceived by the late Mr. Cassatt to consolidate and benefit the railways, not the public) this allowance has been stopped; so that at the present time everyone is under an agreement to charge $20 a ton.

While superintending this work this year I was interviewed by the Santa Fe, Union Pacific, Chicago & Great Western, Pere Marquette, New York Central, Delaware, Lackawanna & Western, Erie, Great Northern, and Northwestern Pacific, all wanting parts of the goods from Omaha or from Portland. Some railways not only sent their special canvassers, but after the first refusal their district manager came specially to see if he could not surely get the business. On two occasions these district managers stayed overnight at the local hotel to try to win out. "Hail fellow, well met, I have come down on purpose to see you, and I must have some of your goods."

To the Santa Fe, who kept a man on the ground every day, I asked: Where do you take over these cars from the Southern Pacific? Reply:

Stockton or Mohave. What percentage of this freight do you get from these points? Reply: Seventy-six per cent. What is the local freight from this point to Stockton? Reply: Sixteen per cent. If I ship these goods local to Stockton, will you charge me 76 per cent, the same as you get on through bill of lading? If so, you can have the goods (this meant a saving of 8 cents per 100 pounds, or about $7,500 on the lot)? Reply: We can not do it; we are under an agreement to charge the same price.

To the Great Northern and Northern Pacific: What would you pay Southern Pacific when they hand you the goods at Omaha or Portland? Reply: Forty-eight cents per 100 pounds. Then all you get from Portland is 52 cents per 100 pounds? I am prepared to give you a quantity from Portland and beyond; will you carry them for 52 cents? Reply: No; our price is the same as here, $1 per 100 pounds.

Canadian Pacific: Yes; we will carry your goods to the coast, Montreal, or St. John, New Brunswick, for $1 per 100 pounds, either via Minneapolis or Chicago. Hundreds of miles farther than any of the others.

Colorado & Midland and Denver & Rio Grande: You take possession of the goods at Omaha. You get 52 per cent for your part of the haul to the coast. There are 4,000 carloads of apples in Colorado this year, hundreds of miles nearer the coast than Omaha. If I give you some from here, will you carry goods from Colorado for the same price—52 cents for 100 pounds? Reply: Very sorry we can not do it; our price from there is $1 per 100 pounds.

I again ask, were these men after me for fun or for profit. I reiterate the statement that it cost no more in motive power to draw these carloads of apples than it does carloads of coal, and then the railway takes the same time in transporting them—18 to 21 days. One is charged $5 a ton and the other $20.

I notice many of the dailies this morning speak of the downward prices of some of the railway shares. Well, lots of those shares are water. Ten to fifty million at one stroke. They never had any value except in imagination and combination, and to my mind I have given some data why this combination should be broken up.

Yours, faithfully,

W. N. WHITE & Co.,
76 Park Place.

—

MILWAUKEE, *March 30, 1914.*

Mr. L. D. BRANDEIS,
Care of Interstate Commerce Commission,
Washington, D. C.

DEAR SIR: You will notice from inclosed clipping, which appeared in the Chicago Tribune, that the publicity department of the railroads are making false statements regarding conditions. The railroads within the last few months have placed more orders for equipment than ever before, the Union Pacific placing an order for 540 engines.

If the railroads would take out their bouquet rates, viz, rates established account friendship, they would have no trouble to pay dividends on present rates. Take copper rates from Houghton to Michigan, they are the lowest of any rates, and a carload of copper is worth a fortune. The large industrial firms, especially so-called trusts, engage traffic officials of eastern lines who are known as mixers to take charge of the traffic departments. He will then invite his former railroad friends to dinner and in that way arrange for rates on copper, structural iron, sugar, meat, beer, etc. For that reason these articles are carried at the lowest rates.

The false statement made by the St. Paul road officials, as developed by your commission, shows what little reliance can be placed on their statements. Millions have been lost in last year by the stockholders of the Wabash, Rock Island, New Haven, etc., and the same thing will happen with the St. Paul road, and the Government has found no way to protect the investing public from false statements made by railroad officials. When a small merchant obtains a loan from his local banker on a false statement he must serve a term in prison, while the railroad official who causes the loss of millions escapes this punishment, and continues to draw a salary of $50,000 a year for placing a road into the hands of a receiver. The writer has had years of experience in both traffic and operating departments of various roads and know conditions as you have shown them to be entirely correct. Railroads have increased rates within the last year by changing minimums, classifications, etc., and in that way deceived the commission. Asbestos articles have been changed to a higher classification.

The track elevation in Chicago by the Chicago, Milwaukee & St. Paul, costing about $5,000,000, was placed under their operating expense, when it should have been considered a construction expense, all with the idea of influencing your commission, account of decreased earnings, to obtain increase in rates.

All this panic talk by railroads appearing in newspapers last few months originates by the publicity department of the railroads.

Yours, truly,

X.

[Inclosure.]

ORDERS 540 LOCOMOTIVES—UNION PACIFIC TO EXPEND $1,300,000 FOR ADDITION TO ITS ROLLING STOCK.

NEW YORK, *March 27.*

The Union Pacific Railroad Co. has ordered 540 locomotives from the Lima Locomotive Corporation, calling for the expenditure of $1,300,000.

—

ROADS DROP MEN BY THOUSANDS—DRASTIC RETRENCHMENT BEGUN BY ALL OF THE PRINCIPAL EASTERN LINES—SLACK BUSINESS THE CAUSE.

NEW YORK, *March 26.*

Adverse State legislation, general uncertainty, and business constriction have compelled the important railroads of the eastern part of the United States to adopt a drastic policy of retrenchment.

As a consequence, on such great lines as the Pennsylvania, the New York Central, the New York, New Haven & Hartford, the Central Railroad of New Jersey, the Lehigh Valley, and others, thousands of men have been laid off in every department; more thousands of maintenance men, operating men, and men in all other departments have been put on part time.

Through trains and local trains have been eliminated from schedules and freight trains by the score.

The effect of this has been noticeable also by the car equipment and all other companies, the prosperity of which depends upon the railroads. The car companies, it was said to-day, have either laid off or are working 70 per cent of their men on part time. The rail manufacturers are in a similar predicament.

The situation has not developed suddenly, it was said to-day, but has been developing for months. If anything, it is a little brighter now than it was two or three months ago.

There are more inquiries now for equipment than there were in January, although there are not enough to warrant full time for any establishment manufacturing freight cars especially.

The causes are manifold. There is a falling off in business, in the first place, and in the second, the adverse legislation in various States has no increased operating expenses that former conditions can not be maintained. One illustration given to-day was that passenger agents reported the Florida passenger trade this year to be 40 per cent less than it was last year.

The new commuters' rate law just passed by the New York Legislature affords an illustration of how the gross income of roads can be affected. The law takes $100,000 a year out of the treasury of the New York Central Railroad alone. The full-train crew law costs hundreds of thousands of dollars, while the freight-rate decision of the Interstate Commerce Commission and the wage decision were far more expensive. In the face of these factors, with business at a minimum, there was nothing else to do but retrench.

The Pennsylvania Railroad to-day admitted that since the last weeks of 1913 it has laid off 15,000 of its 140,000 employees and is going further. Forty thousand more, or one-third of the entire force, have been put on part time. East and west the system has been compelled to lay off through trains and local trains, both passenger and freight. As it stands now, it expects to close down its great repair shops at Altoona, Pa.

The passenger service naturally has suffered most in the new policy. A railroad lives upon its freight and it has suffered less, but every department has felt the knife. All improvements and extensions have been stopped, and it was announced that not until the management sees something promising ahead will these improvements be resumed. Until that time not a cent will be spent upon anything that can be postponed.

According to Pennsylvania officials, the full-train crew laws of New York, Pennsylvania, and New Jersey have thrown many men out of jobs. The laws compel useless men to be carried on every train, which, under the circumstances, compels the railroads to lay off many men who otherwise might be retained.

—

1209 EIGHTH AVENUE,
Altoona, Pa., March 30, 1914.

LOUIS BRANDEIS, Esq.,
Washington, D. C.

DEAR SIR: If you desire the facts in regard to the laying off and discharge of men by the Pennsylvania Railroad Co. you can obtain some very useful information by having your investigator look into matters here.

You'll find the largest March in freight traffic in company's history; you will find power in use in a dangerous condition; you will find hundreds of engines out of service on account of your inspectors; and you will find that instead of repairing these engines for use that company is discharging mostly "piece-work" men, who are paid only for work done, and not saving the company one cent. A few salaried men have been let out, but only a few.

I do not pretend to know the cause of this conspiracy among the employers of labor, not being an employee or a union man; but cause there is, even if there is no just reason, and your honorable body should secure the facts, with a view to quick exposure and remedy.

I am convinced that if your body had true facts that company would quickly "retrench" from their position, for I believe that in addition to fighting the new union here they are bluffing your commission.

I trust that you will take steps to obtain these facts and force correction and remedy at once. I am,

Respectfully,

C. J. WEBB.

—

JAMES W. HOUSTON Co.,
Pittsburgh, March 26, 1914.

LOUIS D. BRANDEIS, Esq.,
Washington, D. C.

DEAR SIR: We have watched your course for a long time with genuine admiration, and it has inspired confidence both in your ability and integrity. It is for this reason that we write you with reference to the pending petition of the railroad companies for an advance in freight rates.

Our position, and we believe that of shippers generally, is that the railroads should be granted a reasonable advance in freight rates, if upon thorough investigation that should be found really necessary.

But before any advance is granted, in justice to shippers and to the public, the following conditions should be imperatively required:

1. Eliminate all sinecures. You, of course, know better than we do the extent of this abuse. Railroad officials have imposed on stockholders and on the public by giving positions to which large salaries are attached to favorites who are utterly incompetent.

2. Abolish antiquated methods and adopt scientific, up-to-date methods. The remark has frequently been made that if private business enterprises were conducted in the same way that the railroads conduct their business the inevitable result would be bankruptcy.

3. A radical change in the treatment of employees. The cooperation of the employees should be encouraged. If this policy were generally adopted and the railroads had the hearty cooperation of their hundreds of thousands of employees, that in itself would mean a vast saving through increased efficiency and through a reduction in the number of accidents.

4. Ready obedience to law and the elimination of all crooked and corrupt practices.

The railroad people are going to extremes in their efforts to influence public sentiment, regardless of the rights of the public or of justice to their employees. In this section they are laying off many trains and reducing the hours of work in shops and elsewhere, in the hope that the people, driven to despair, will generally say, "Let the railroads have the advance."

They are also apparently trying to create the impression through the newspapers that President Wilson favors the advance in freight rates.

We sincerely hope that these schemes of the railroad people will not succeed, and that the issue will be decided solely on its merits. We feel sure that your splendid management of the case will contribute powerfully to this end.

Very respectfully,

JAMES W. HOUSTON Co.,
JAMES W. HOUSTON, *President.*

M. & C. MAYER,
New York, June 30, 1913.

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

DEAR SIRS: In reference to application made by railroad companies for privilege to advance freight rates, and which privilege was denied by your honorable body in 1911, and now the same application, I understand, is up again. In your denial it was suggested that "even though a necessity had been established for increasing rates, it was doubtful if the plan proposed was the right way to raise additional revenue." I have had several calls lately by the representative of one of our largest railroads who asked my views as to the renewed application, merely to get opinions of the merchants and shippers whether they feel that the companies are entitled to an advance in consideration of increased cost, etc., which can not be discussed in this letter.

I have suggested to their representative and put the matter before you also that while the majority of merchants no doubt believe that the companies are entitled to some advance, it ought not be radical. My idea is in this form:

That all bills of lading should carry value of the shipment, and as the companies are called upon to make good all losses, let them add to the present freight rates now in force a certain per cent; say one-fortieth or one-twentieth of 1 per cent. This is a nominal per cent, but in the great aggregate of freight moved it might work out. It could be given a trial for six months on one-twentieth of 1 per cent, and if it aggregated a larger sum than was anticipated it could be correspondingly reduced.

As an illustration: A case of cotton hose with a value of $75 from here to Chicago, at the 75-cent rate (it may weight only 125 pounds) would pay a total freight of 90 cents. This same case might be sent with a better grade of hose and worth $500, the weight would not exceed 120 to 130 pounds, yet in the event of loss the company for the same charge of 90 cents in each instance would be called upon to pay two vastly different amounts; so, why not allow them an insurance per centage on the value of the shipment as given on the bill of lading. At one-twentieth of 1 per cent the $75 case would pay a freight charge of 94 cents, 4 cents additional; the $500 case would pay $1.15, or 25 cents additional. The difference between the two charges, 21 cents, represents an insurance for difference in value. It is nothing more than a carrier's premium, if you choose to put it in that form.

I have no desire to take up any more of your valuable time in this matter, merely want to give you an idea that has come to me in this case that might be worked out and help solve the solution to the satisfaction of all concerned.

In conversation with the railroad representative I mentioned this matter, but have not idea, of course, whether the same has or will receive consideration, merely offering it for what it is worth.

Very respectfully,

CHARLES LEVINSON.

—

LITTLEFORD, JAMES, BALLARD & FROST,
Washington, D. C. June 23, 1913.

Hon. E. E. CLARK,
Chairman Interstate Commerce Commission,
Washington, D. C.

DEAR SIR: With the hope of contributing an humble part to the solution of the pending question of an investigation of the advance of rates in official classification territory, I am taking the liberty of inclosing you memorandum which assumes the form of several queries.

I am inclosing seven copies, so that each member of the commission can have a copy if, in your judgment, they should be so distributed.

I am sending copies to Mr. Hugh L. Bond, jr., Mr. George F. Brownell, Mr. Clyde Brown, and Mr. George Stuart Patterson.

Yours, truly,

FRANCIS B. JAMES.

[Inclosure.]

In conjunction with Interstate Commerce Commission Docket No. 5860 (rescinded), the following queries suggest themselves:

I. Is there anything upon which an investigation can be predicated?

II. The first part of the order in the foregoing matters reads as follows:

"First. Do the rates of transportation now imposed by common carriers by railroad in official classification territory yield an adequate net return?"

The query presents itself whether this proposition raises a determining issue.

The query further presents itself whether an order, if any, should not be substantially as follows:

"Is the entire schedule, scheme, or fabric of rates in official classification territory just and reasonable to both carrier and shipper, i. e., does said entire schedule or scheme or fabric of rates in official classification territory yield the carriers a fair return on the value of the property devoted to the public service?"

III. The second part of the order in the foregoing matter reads as follows, to wit:

"Second. If not, what plan shall be adopted to increase such transportation charges?"

The query presents itself whether this would take the general management of the railroads out of their own hands. Interstate Commerce Commission *v.* Chicago Great Western Railway Co. (March 23, 1908, 209 U. S., 108).

The query further presents itself whether an inquiry should be restricted to increased transportation charges as a means of increasing net returns, because the public should be left free to point out other remedies.

IV. Section 6 of the act to regulate commerce and acts amendatory thereof and supplementary thereto on the subject of change of rates contains a proviso as follows:

"*Provided*, That the commission may, in its discretion, and for good cause shown, allow changes upon less than the notice herein specified, or modify the requirements of this section in respect to publishing, posting, and filing of tariffs, either in particular instances or by a general order applicable to special or peculiar circumstances or conditions."

If the commission is to enter into an investigation, the query presents itself whether the commission should not first require the carriers to specifically set forth the concrete increases so that concrete shippers may know the concrete amounts proposed to be charged on concrete commodities between concrete shipping points. The query presents itself whether the commission then, in its own discretion, will dispense with the publishing, posting, and filing of such tariffs as set forth in the proviso to section 6 of the act to regulate commerce pending an investigation.

—

THE LARROWE MILLING CO.,
Detroit, Mich., June 6, 1913.

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

SIRS: I have noticed that the carriers are desirous of obtaining permission to make a 5 per cent increase in their rates. I do not wish to go on record, either personally or as representing this company, as being in any way in favor or opposed to the increase, believing that the matter can safely be left to the judgment of the commission, but I desire to call your attention to one feature of freight rates that never seems to be referred to, which is the very low export rates that the carriers make on grain and grain products, cotton, and possibly other articles.

I have never been able to satisfactorily determine why the carriers could afford to carry grain from Chicago to New York for 13 cents per 100 pounds when they have to charge 17½ cents and more for local delivery, especially when the New York basis is made applicable to points interior some 200 or 300 miles. For instance, to ship a carload of grain from Chicago to Middletown, N. Y., the carriers will charge 3 cents or 4 cents per 100 pounds more than to ship to New York for export, where they incur lighterage and give a certain number of days free storage and insurance. The loss in revenue during the course of a year by charging these low rates must be enormous, and, unless there is some good reason for it, I think the carriers should be invited to charge the same rate on export products as they do for domestic delivery, and see if they can not thereby secure sufficient revenue for their needs.

I am aware of the reasons that were formerly advanced for low export rates, but think, if you would investigate these reasons, you would find that they no longer hold good. The cost of our grain in Europe is based on the home market, plus rail charges, plus ocean charges. It used to be that our home values were based on the foreign values, less the cost of transportation, but I think that nowadays the situation is reversed; the foreigner has to pay our market price, plus the transportation charge.

We have an enormous crop of corn in this country, of which only a very small percentage is exported; the export market does not control the value of our corn crop, it is the domestic demand that makes the market, and the foreigner pays our price, whatever it is. Similarly this is also true to a considerable extent in wheat. Very often the foreigners are entirely out of the market for a number of months, then if there is a great weakness in this country they will come in and buy, but the weakness is primarily due to local conditions.

The big controlling factor nowadays is the ocean freight. You are, of course, aware of the extremely high ocean rates that have prevailed for several years past. These steamship lines have grown very rich by their ability to extort outrageous rates, and these very high ocean rates are the best kind of an argument for insisting that the rail carriers charge sufficient freight rate for export shipments, and make the foreigner pay as much for getting his grain carried as the domestic merchant pays. If the commission were to-day to order export freight rates on grain cut in half you would probably find that immediately the ocean rates would go up to a similar degree. These ocean carriers charge all the traffic will bear; they are charging prices that several years ago would not have been thought possible. It used to be said that the steamers carried grain merely as ballast and made no profit on it. That can hardly be said any longer. I believe that if the carriers were to charge the same rate on export grain as they now charge on domestic grain it wouldn't affect one iota the amount of money that the farmer would get for his product; it would either result in the foreigner paying more for his grain or else the ocean carriers being obliged to take less for their end of the traffic. I understand that some of these low rates to the Atlantic seaboard are put into effect in order to get business away from the gulf ports, but this reason would not prevail if the carriers serving the gulf ports would also raise their rates. It isn't fair to the domestic consumer to make him pay a higher freight rate because the carriers put in unreasonably low rates for the benefit of the foreigner. This is especially true when the carriers declare that they are not earning enough money on the present scale of rates.

Respectfully, yours,

CHARLES STAFF.

—

TOPEKA, KANS., *April 14, 1914.*

Hon. G. B. MCGINTY,
Secretary Interstate Commerce Commission,
Washington, D. C.

DEAR SIR: We understand there is a concerted effort on the part of the carriers to obtain advances in the rates on such articles as we are handling; this they may need, but we very much doubt it. However, if you find they are entitled to an advance it is our opinion that the advance should be uniform so as to place all articles of similar product under the same rate and not discriminate between lumber in the rough or manufactured into the various grades of finished materials.

We believe that if something could be done to remedy some of the troubles connected with delayed shipments, switching, and demurrage, it would do more to relieve conditions than anything else, cars coming by the way of Kansas City that should come through in 24 to 36 hours often take from one to two weeks, and cars from the West that should come through in two to three weeks often take as many months, and the same mismanagement is shown at division points in the switching of cars. Very frequently when we are in a hurry to get cars they are allowed to stand for days before they are spotted for loading or unloading, while we are allowed only two days in which to unload them, although as it often happens they bunch them and run several cars in at once.

Many of the cars are now so large that when loaded to full capacity as the carriers require they can not be unloaded by the dealer in the time allowed.

Carriers should not be allowed to charge for switching and spotting of cars, as they get their pay in the freight paid.

Yours, truly,

GILLETTE & NICHOLSON,
L. A. GILLETTE.

PHILADELPHIA, *April 13, 1914.*

Hon. LOUIS D. BRANDEIS,
Washington, D. C.

DEAR SIR: Your very courteous reply to the letter sent you by our friend Mr. William B. Lawall, of Oak Lane, this city, must be our excuse for addressing you at this time. The inclosed literature may contain some hint that will be of service in the campaign you are conducting in behalf of the people. For the people must eventually pay the 5 per cent increase if granted. Your suggestion that the railroads inaugurate true economies is the right remedy.

Yours, very truly,

THE WESTMORELAND CHEMICAL & COLOR CO.,
HENRY C. STEWART, *President.*

P. S.—The transportation of copperas to Philadelphia is largely against the current of trade; but this is unavoidable.

As we were the originators in the United States of the business of manufacturing oxide of iron from copperas, there was nothing for us to do except bring copperas here, Philadelphia being our home and New Castle the point of production of the basic chemical.

H. C. S.

—

FLINT, MICH., *April 13, 1914.*

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: Referring to printed circular herewith inclosed, it appears to us that if, as stated in this circular, the railroads can handle 8,000 pounds of freight alone in a car by itself at the less-than-carload rate and make a satisfactory profit thereon, then in that case they surely have no legitimate cause for complaint of present existing rates, for the reason that the great bulk of their shipments consists of full carloads at carload rate, which costs no more to handle and pay the carriers an average of more than three times the amount of money which they receive for carrying 8,000 pounds over the same territory at less-than-carload rate.

We freely admit that there are problems connected with transportation with which we are not familiar, the unfolding of which might cause us to see this matter in a different light, but as regards the demands (?) of the railroads for increased rates at present time, we are convinced that said demands are simply a last effort on their part to "holdup" a long-suffering people, and we believe that the discharge of employees, the canceling of train service, and the support the railroads are receiving from certain "big interests," included in which are many influential newspapers, is a "frame up" arranged especially for the purpose of forcing your commission to grant them the right to put their hands into the pockets of the people and illegally abstract therefrom money in the guise of higher freight rate to which they are in no sense entitled.

It has come to our notice that President Wilson is of the opinion that the railroads should be granted the 5 per cent advance in rates which they desire, and with all due respect to the President and our sincere appreciation of the great work he has already accomplished, we will venture to say that he has not had actual practical experience in dealing with railroads in a commercial way, otherwise he would withhold his opinion until your commission had ample opportunity to make all necessary investigation, for this decision of yours means, if favorable to the railroads, that many millions of dollars will be transferred annually from the people, who are already bitterly complaining, to the coffers of railroads for the purpose of paying salaries of certain officers that are out of all proportion to services rendered and dividends on stocks that represent many times the actual physical value of the property.

In conclusion, will say we have faith in your commission. We believe that politics, lobbyists, "big business," a subsidized press, nor popular clamor will swerve you one iota from a decision that will be based on righteousness and justice, and if said decision should be favorable to the railroads, we will be content in the belief that your investigation developed actual facts and conditions that will warrant the resulting decision.

Cordially,

MOFFETT & SONS,
Per SAM'L MOFFETT.

[Inclosure.]

Service is the watchword of modern business. You must give service. We must give service. Will you help us help you?

The railroads have recently adopted a plan of giving better service to their customers by what is called their package-car service. This means that when there is sufficient revenue in a less than carload shipment to make it profitable, the railroads will put it in a car and handle it through to destination without transfer, giving it the same expedited service that carload shipments receive.

They figure that 8,000 pounds of less than carload freight will produce sufficient revenue to justify handling in this manner.

Think what this means!

When sending us your next less than carload order make it weigh 8,000 pounds. We will place it in a car at our factory, and it will reach you in better condition and as quick as a carload shipment.

We save nothing in freight charges, as the less than carload rate applies on such shipments, but we save time in making deliveries, and this in an important item.

Won't you give this a trial? The first order will demonstrate the advantages of this method of handling your orders.

Remember we guarantee to give you carload service.

"Quality counts."

E-Z OPENER BAG CO.,
Decatur, Ill.

—

UHRICHSVILLE, OHIO, *April 10, 1914.*

DEAR SIRS: I am not now and never have been in the employ of the P. C. C. & St. L. R. R. Co., but was told incidentally a few days ago that there was 19 foremen in the Dennison roundhouse now, and that under the former master mechanic there was only 4. If this is true and there are now 15 more salaried men who do no work than there was a few years ago and no corresponding increase in number of workmen, such things over the entire Pennsylvania system would mean a great cost and some of it might be eliminated. I am friendly with the railway company and do not care for any notoriety in this connection, so will not sign my name. If this information aids any in reaching an understanding with the railroads I shall be glad.

Loyally,

———.

ELBERT & CO.,
New York, April 10, 1914.

Mr. LOUIS BRANDEIS,
Special Counsel Interstate Commerce Commission,
Washington, D. C.

DEAR SIR: In the matter of the present application of the eastern railroads for a horizontal increase in freight rates, it may be of some slight service to you if I point out that the revenues of the railroad are considerably cut into by the practice of many of them to give the eastbound shipments of large industrial companies practically the "right of way" over everything else, to the great prejudice of the smaller shippers, who are interested in getting single carloads through from the West. It would seem to me that in giving unduly quick transportation to these preferred shippers, the general freight service of the railroads and their ability to handle the single carloads of smaller shippers is greatly handicapped, so that the conclusion lies very close; that in handling the shipments for these preferred shippers the railroads lose almost as much through the interference with other freight as they receive from these large shippers.

I have lately had some correspondence with one of the eastern railroads regarding the slowness of my shipments, and I then pointed out substantially what I have stated above. The railroad demanded proof of my assertions. Of course, I am no lawyer and can not spend my time hunting up proofs, but it occurred to me that in some way or other the present communication may be of interest to you.

Yours, very truly,

A. ELBERT.

—

WASHINGTON, D. C., *April 9, 1914.*

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: In solving the question of granting an advance of freight rates to the east and west lines of railways, now pending before you, I wish to respectfully invite your attention to some history relative to the principle upon which the freight rates of the east and west lines have been made and maintained and the spirit that has actuated those in whose behalf they have been made and maintained and the general results upon the commerce of our country. In 1898 there was a very large per cent of the export wheat of the country going out at the Gulf ports, threatening the supremacy of the northeast Atlantic ports as centers for the export of grain. To meet this emergency the Produce Exchange of New York City called upon the exchanges of Chicago, Buffalo, Boston, Baltimore, and others to send delegates to a conference to be held in New York City to take into consideration how to avert the disaster of the loss of the export-grain trade to those interests. The conference was held, and the program outlined to reach the desired ends as set forth in a series of resolutions was:

First: They declared that the business of exporting grain from the northeast Atlantic ports was menaced by ruin, as well as all other businesses allied with the export-grain business of those ports owing to the unjust and unwarrantable grain rates that had been put in by north and south railway lines from centers of grain concentration in the West to the Gulf ports.

Second. They declared that the northeastern ports were entitled to the grain business, because they had originated and developed it.

Third. They called upon the managements of the east and west lines of railways to make and maintain freight rates that would hold the export-grain business in the channels that it had previously occupied and pledged them their support.

Fourth. They appointed a committee to look after and secure the objects set forth in the resolutions and to otherwise labor in behalf of the interests represented in the conference.

The foregoing were the salient points. I write from memory, but an exact copy of the resolutions should be had from the secretary of the Produce Exchange of New York City, under whose auspices the conference was held. The differential freight rate on wheat put in by the north and south railroad lines from Omaha to the Gulf ports as against the rates to the northeast Atlantic ports was 4 cents per hundred pounds. The northeast ports declared if there was more than 1 cent per hundred pounds differential it would seriously distress their business.

Suppose the stage coaches, oxcarts, and flatboats had said to the steamboats and railways, "We have an established business with which you must not interfere."

That the sickle, scythe, and cradle makers had said to the manufacturers of mowing machines and reapers, "We have an established business with which you must not interfere."

That the manufacturers of candles and lamps had said to the introducers of gas and electric lights, "We have an established line of business with which you must not interfere."

And that they had been maintained in such sayings by the powers that be. What would have been the status of our civilization? We think that the United States Supreme Court has justly held that a railroad has a just right to make and maintain freight and passenger traffic rates that will give fair returns on the money invested in railway properties. But to build railways at right angles to the drainage of the Nation, as the east and west lines are built, and have to bridge numerous large creeks and immense rivers and cut down hills and tunnel mountains costs about twice as much as to build railways with drainage of the country to the Gulf ports, and to satisfy sectional pride and facilities must put millions upon millions of dollars in single depots and other extravagant equipment. Therefore, other things being equal, the east and west lines must charge higher traffic rates to pay an equal interest and dividend on the money invested in them than the north and south lines have to charge on the money invested in them.

The price the producer receives for wheat is fixed by its export price, if the north and south railroad lines are coerced into charging 2½ cents per hundred pounds more on wheat than they are willing to handle the business for, and they were so coerced. Then, it means a loss of 1.6 cents per bushel to the producers of wheat on every bushel grown in the country, and if the average wheat crop in the country is 16.5 bushels per acre, as established by the Agricultural Department, then it means an average loss to the producer of 26.4 cents on every acre of land planted to wheat in the country; and if money on farm mortgages can be had at 5 per cent, then it means that every wheat farmer in the Nation must pay a tribute or donation to the east and west railroad lines and to the northeast Atlantic ports annually what would pay the interest on a $5.28 mortgage per acre on his wheat land, or decreases the earning value of his wheat land $5.28 per acre.

The winter and spring wheat crop of the country is annually an average of about 850,000,000 bushels, equal to 510,000,000 hundred-

weight; at 2½ cents per hundred, equal to $13,750,000 capitalized on a 5 per cent basis and it will pay interest on $255,000,000, which at $4,000 per mile will pay for annually 63,750 miles of excellent macadamized roads for the wheat-growing States. Such is the annual tribute of the wheat farmers of the country to the east and west lines of railways, to say nothing of the corn and other produce growers and consumers of the West and Southwest.

We respectfully request that you examine the respective freight rates on cotton goods between Boston and Meridian, Miss., and Chicago and Meridian, practically the same distance. We submit, what is the necessity of developing new ports, or the cheaper construction of north and south lines of railways, if the producers of the country are not to profit by them, so as to enable them to receive their legitimate profits and more successfully engage in international commerce? The farmer, miner, and manufacturer of the West and South desire that their products shall take the routes to the world's markets on the lines that will pay them the best profits. Grant to the east and west lines the increase in freight rates they pray for, if in your judgment it is the best thing to do. Let them indulge the pride and convenience of their patrons with magnificent depots, trains, and rapid and frequent service if they demand them, but do not link them to the north and south lines and force the people of the West and South to contribute to the luxuries of the North and East, and be themselves deprived of what their labors justly entitles them. Let those who dance pay the fiddler. Do not permit the east and west lines to coerce the north and south lines into putting in and maintaining traffic rates that will keep the commerce of the country on the east and west lines. The laws of gravity, economy, justice, and the general welfare of the Nation demands that a large portion of the Nation's commerce should be handled on north and south lines.

Respectfully submitted.

J. S. DAUGHERTY,
Houston, Tex.

—

INTERSTATE COMMERCE COMMISSION.

DEAR SIRS: In the newspaper reports of your investigations of increase of freight rates great stress seems to be made by the corporations that high wages are the cause, etc., but I fail to see any reference to high salaries, or the holding and drawing of additional high salaries from two or more jobs at the same time. These same officials would under no circumstance whatever permit any one of their employees to draw wages from more than one job.

Furthermore, why should there be such great discrimination in classes—that permits the one who pushes a pen to receive large pay and the one who pushes a pick to only receive enough to barely keep alive?

Respectfully,

A WORKMAN.

—

INTERSTATE COMMERCE COMMISSION.

GENTLEMEN: You might be interested to know that the interests owning the roads force upon the roads materials such as rails, cars, engines, building materials, and the hundred and one things they, the interests own (for the purpose of keeping mills and plants going, so as to keep up stock values) that roads really do not need—good rails, etc., scrapped, that this stock manipulation may be kept up. An investigation on these lines will prove this. The subserviency of the managers of these public utilities is almost pitiable. They are ordered to do these things against their better judgment, and then must come before you and shield their bosses. As to economy of large engines and heavy steel cars, you will see in Railway Age advertisements of Baldwin and American locomotives from week to week setting forth savings effected in hauls. In steel cars, you can get data from railway companies, from catalogues of steel car companies showing great economy in their use, or, better still, have them testify. There are instances where roads have held new locomotives for six months idle; no use for them during past three years.

—

COLUMBUS, OHIO, *April 8, 1914.*

SECRETARY INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

DEAR SIR: With reference to the matter of the application of the various roads for 5 per cent increase in freight rates, we beg to say that we do not see why, in the name of common justice, any such rate increase should be given them, unless they are able to give stronger reasons for it than they have to date. The thing uppermost in our minds is that if the railroads would practice the same sort of economy that the average business house is compelled to practice these days there would be no real necessity for asking for the increase.

The average railroad to-day seems to be the dumping-ground for all the relatives of the president and the chairman of the board and so on, and the salaries paid the various men occupying these positions by reason of their relationship or friendship for the powers that be within the managing heads of the various organizations are not justified by reason of any ability on their part and any cause for their being employed. The manner in which the average railroad purchases its supplies and the exorbitant prices paid for a number of the same, the lack of systematic business methods in various departments, the unsystematic control of the yards and expense in handling freight in their antiquated method are all causes for their inability to meet the interest charges on the watered stock that is now out on their roads. However, when it comes to the question of charging for the placing of cars upon private tracks this is a subject which we believe is capable of having more than one side to it, and would say that the taking of a car, billed to a house, out of the railroad yards and onto a private track relieves the congestion of all the large cities and is a distinct benefit to the public at large; also giving more free play to cars to be transferred from one road to another.

We do not see that there is any discrimination when private track is served in this fashion, as they are subject to the usual demurrage charges, and make it much better and more convenient for the average shipper who does not have a private track to be able to get his cars in the general yards. We do not think that the placing of a car on a private track, where the railroad companies would permit it without charge, is a discrimination in any sense, and we believe that it is a distinct benefit both to the railroad, to the consignee, and to the shipping public in general by reason of the facts above stated. There are, however, certain special services that should not be given without charge, such as spotting of cars, etc., while we may have been benefited to some extent in the past by reason of this, we believe that any special service of this character should be charged for.

Yours, respectfully,

THE LIVINGSTON SEED CO.

CHICAGO, *November 22, 1913.*

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

DEAR SIRS: Why not allow the desired increase of rates to the railroads with a proviso that, within six months, all railway officials and their relatives dispose of their holdings in concerns that furnish supplies, materials, and equipment to the railroads.

Yours, truly,

W. R. BETHAM.

—

NEW YORK, *October 21, 1913.*

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: We ask for permission to present before your honorable board evidence to prove that the railroad companies, and in particular the Baltimore & Ohio Railroad Co., while proposing to increase the freight rates to the extent of 5 per cent has, at least, in some cases increased these rates proposed to you on the tariffs issued October 14, 1913, 6 per cent and more than 20 per cent.

We can not hand you complete statement immediately, for the reason that we are not yet in possession of all the printed tariffs, and all we ask is to grant us sufficient time, so that we may compare the statement and prove the correctness of our position. We claim that contrary to public declarations, the Baltimore & Ohio Railroad is increasing its rates in some instances to more than 5 per cent, which is done possibly accidentally, but possibly under the belief that the shippers will not follow the calculations.

We do not mean that the 5 per cent increase in the freight rates is proper, but on the contrary we think that these increased freight rates will interfere with the export of American merchandise. This, however, is a matter separate and distinctly different from the increases above 5 per cent of which we spoke before.

We would request your honorable commission to suspend the new freight rates as proposed by the railway companies for a time sufficiently long enough to give the shippers a chance to file the objections, and will be thankful to receive your early reply.

Yours, very respectfully,

ATLANTIC EXPORT CO.,
J. B. BAERMANN, *Vice President.*

—

MOUNDSVILLE, W. VA., *October 18, 1913.*

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: We have just recently been furnished with Baltimore & Ohio issue tariff—I. C. C., No. 12329, which cancels I. C. C., 11047, and which goes into effect November 15, 1913.

The writer desires to call your attention to the advance from here to Bellaire, Ohio, 25 cents to 35 cents per ton, which is two-fifths or 40 per cent over the present rate, and various other points, such as Bridgeport and Martins Ferry, Ohio, as much as 16⅔ per cent, and still other points ranging very much above 5 per cent.

The tariff is not on the lines of the statement that Mr. Willard, president of the Baltimore & Ohio Railroad made to the public a few days ago while in Chicago.

The writer believes that about 5 per cent will not be objectionable, and will with the general increase in business be sufficient to meet labor increases which are now in process of adjustment.

Until reductions in tariff has been made shall be glad to hear that you have suspended it.

Respectfully,

THE MOUND CITY SAND CO.,
By A. J. JONES, *Secretary.*

—

WASHINGTON, D. C., *April 14, 1914.*

Hon. JUDSON C. CLEMENTS,
Washington, D. C.

MY DEAR JUDGE: With respect to application of the eastern lines for a 5 per cent increase in rates, I have, of course, been interested in this matter from a general public standpoint, and in view of the wide publicity given the case on behalf of the carriers in an apparent effort to have the matter decided by accelerated opinion, it seems the duty of those having even limited knowledge of interstate commerce matters to voice their opinion.

Without having the record before me and judging from published statements, I have not yet seen any valid reason assigned for the increase in rates.

The first consideration is that the Interstate Commerce Commission has not authority under the present law to grant a general or blanket increase any more than it has to order a general decrease. I believe as far as it can go is to find the facts presented, and if the reason shown by the carriers is financial need only—and the reasonableness of the rates involved is to be disregarded—the commission should make its recommendations to Congress. The matter seems to have been made political by the pressure sought to be brought, and under such circumstances the responsibility should be political.

As I view the proceeding, it is laying the foundation for the Government to authorize a minimum rate of return on both bonds and stocks under any and all conditions and including all water and discounts. It is a far-reaching policy that should be authorized only after thorough investigation and inaugurated with every one's eyes wide open.

I have felt that the commission would grant the increase if it had power, and valid reasons were shown to it, and likewise refuse the advance if its power would not permit, or if a sufficient reason were not shown. I do not see how the rates can be declared reasonable at an unknown advanced figure without having the individual rates under the fullest consideration.

Sincerely, yours,

FRANK VAN SANT.

—

MARCH 12, 1914.

Mr. LOUIS D. BRANDEIS.

MY DEAR SIR: In combating the increase of freight rates I have not seen any effort made to force the officers of the road to abandon the free transportation of officers and employees and their families, not only over their own roads but over foreign roads.

Also the matter of salaries of officers, where a road is composed of a number of smaller roads, but operated either through ownership of stock or by lease; is it not generally the case that the organization of the operated road is kept up, and the officers of the operating road are

the officers of the leased road, and also draw salaries for both positions, although it is practically all one company?

Respectfully submitted.

WM. B. LAWALL,
Oak Lane, Philadelphia, Pa.

—

SAN FRANCISCO, *April 22, 1914.*

Mr. WINTHROP MOORE DANIELS,
Care Interstate Commerce Commission,
Washington, D. C.

DEAR SIR: The subsidized press is determined to have the Interstate Commerce Commission grant the eastern railroads the 5 per cent increase in freight rates. Of course, you and I know that if there was no Wall Street there would have been no such demand; consequently the incentive for the demand is Wall Street.

Wall Street has never produced a new dollar nor added a new idea to the world—she simply lives out of the other fellow's pocket—her production is mostly watered stocks and degenerates.

The yearly dividends on watered stocks alone amount to 25 per cent of the average yearly income of every workingman. The dividends on the Steel Trust stock alone—all water—add 10 per cent yearly rental to every occupant of Class A buildings for the structural steel alone.

The Reading Co., a holding company, earned 30 per cent last year on its stock—originally all water—and yet is asking for increased freight rates for the railroad company which it owns.

Wall Street will die a natural death if nothing is done to stimulate it, as the new currency bill will keep most of the surplus funds away from Wall Street, where it is now used to float their watered stocks or loaned on such stocks within 10 per cent of their so-called market value.

If the heads of the different railroads asking this increase would devote their time and energy to running the railroads on their merits instead of hovering over the stock ticker there would have been no necessity for the increased freight rates. They are hardly sincere in their pessimistic reports to the Interstate Commerce Commission, when at the same time they are giving out tips to their personal friends to buy stocks.

It is to be hoped that you will use your efforts to continue the investigations until the truth is arrived at, even if it takes another year, as it would be very unjust to the public to increase the cost of living fifty or one hundred million dollars per year because the railroads are not economically or efficiently managed.

Yours, very truly,

W. O. MANSON.

[Inclosure.]

FERTILIZER MEN SEEK RELIEF—THEY TELL EXAMINER GARY OF UNJUST FREIGHT RATES.

Protests of the Merchants and Manufacturers' Association of Baltimore, alleging unreasonable and unjust rates on fertilizer material from Baltimore to points on the Cape Charles Railroad, were heard before Examiner Gary, of the Interstate Commerce Commission, in Washington yesterday.

The rate on this road on fertilizer is $2.50 (fish, $2) a ton in carload lots and $5.75 a ton in less than carload lots. Both of these rates were declared unreasonable.

Preceding the hearing on the fertilizer rates, the complaint of the Dixie Manufacturing Co., of Baltimore, against the Pennsylvania and other railroads was heard. The case involves the classification of dust-collecting systems, and attorneys for the Dixie Co. asked that the classification be so changed as to give relief from the alleged exorbitant rates.

The Baltimoreans who attended the session were A. E. Beck; M. T. Lynch, vice president and treasurer of the Dixie Co.; Roland Reese; and Caleb Kirby.

—

BALTIMORE, MD., *December 5, 1913.*

Mr. LOUIS D. BRANDEIS,
Washington, D. C.

DEAR SIR: Another pronounced case of the injustice perpetrated upon the fishermen by the railroad company dominating the peninsula of Maryland and Virginia. The rich fertilizer manufacturers of Baltimore can ship a carload of their product to the end of said peninsula by way of Wilmington, Del., for $37.50.

Fishermen have to pay $1.80 a barrel, or $18 a ton, from a point some 70 miles nearer—i. e., Wachapreague—say, $360 a carload. Value of a carload of fertilizer at destination is about $500, so that about 7 per cent is the rate which shippers have to pay on a profitable article. One-half of the price is the average profit on fertilizer, which is made for about $15 a ton cost.

An average car of fish sells in Baltimore at about $40 a ton, or about $4 per barrel, $800 per 20 tons. Value, $360; freight charges 45 per cent on a commodity that yields the fishermen not over 20–25 cents a barrel.

Some 25,000 tons of fertilizer is shipped to the section referred to. The freight at $2.50 per ton reaching about $62,500.

From Wachapreague about 6,000 barrels of fish are shipped to New York, at a cost of approximately $15,000.

The average market price in New York is $4 a barrel, or $24,000 for gross tonnage, $15,000 for freight, leaves $9,000 to the fishermen.

Double tariff on fertilizer. Reduce on fish.

One hundred and twenty-five thousand dollars charged fertilizer men would represent 14 per cent on value. Seven thousand five hundred dollars on fish would give 30 per cent of value of shipment.

A. W. LYMAN.

—

WANTS THE CITY MAN TO PAY 1 CENT A QUART MORE FOR HIS MILK.

EDITOR OF THE SUN.

SIR: In your issue of November 21 you had an article headlined "The price of milk to stay." I would like to ask a little space in your valuable paper to give a few reasons from a milk shipper's standpoint why the price of milk should advance. It has been shown by an accurate count of 10 dairy herds that the average cost of producing a gallon of milk is 17½ cents per gallon, and the shipper pays 2 cents freight and receives 20 cents for four months and an average of 17 cents for eight months. So you see we are selling it at a loss.

Now, a few reasons why it costs this price to produce milk: A cow that could be bought for $50 10 years ago would cost $100 to-day. Bran sold then at $12 per ton and now $28. Cottonseed meal then $16, now $33. Gluten then $17, now $33. The price of labor has advanced in the same proportion, and inferior and scarce at any price. Compare the price of beef, pork, and eggs with the price 10 years ago and the present price. And, now, my city neighbor, look over these comparisons and I think you will agree that the country dairymen are very reasonable when they ask you to pay 1 cent a quart more for your milk.

I. W. HEAPS.

PYLESVILLE, MD., *November 24.*

—

ILLUSTRATE NEW RATES—RAILROADS SHOW HOW 5 PER CENT RAISE WOULD WORK—FREIGHT ON ARTICLES GIVEN—STEADY DROP IN TRANSPORTATION TARIFFS AND HIGHER COST IN OPERATING EXPENSES ALSO CITED.

WASHINGTON, *November 30.*

Pamphlets setting forth in simple words and by concrete illustrations the railroads' case for 5 per cent increase in freight rates, showing the cost on many articles in wholesale shipments, were received to-day by ever member of the House and Senate.

Some of the points made in the pamphlet showing the amount of increased traffic, are as follows:

The increased freight on 1 pound of sugar between New York and Chicago, 1,000 miles, will be 0.015 of a cent; on a barrel of flour, 2¾ cents; on 1 pound of butter, 0.038 of a cent; on 1 pound of coffee, 0.016 of a cent; on 1 bushel of potatoes, 1 cent; on 1 dozen eggs, 0.057 of a cent; on 1 pound of dressed beef, 0.025 of a cent; on a suit of clothes 6½ cents each; on underwear, 1 cent a suit.

Concrete illustrations are also given of the amount of freight now collected on given articles in wholesale shipments as follows:

Railroads now carry one pair of shoes 1,025 miles for 2$\frac{3}{5}$ cents, or 166 pairs of shoes the same distance for the price of one pair, $4.

One suit of clothes is now carried 1,000 miles for 6$\frac{4}{10}$ cents, or 220 suits the same distance for the price of one suit, $15.

One negligee shirt is carried 1,000 miles for nine-tenths of a cent, or 111 shirts are carried the same distance for the price of $1.

One derby hat is carried 1,000 miles for 2 cents; one hammock, for 4 cents; one shotgun, for 7½ cents.

The circular also says:

"Despite the increased efficiency and added value in the service by the nation-wide extension and expansion of our railroad systems, freight rates in the whole country have steadily dropped from 1½ cents a ton per mile in 1880 to three-fourths of a cent per ton-mile. Part of the continuous decrease in freight rates is due to competition and partly to orders of the several commissions charged with rate-making powers. Rates are at a point where, in many instances, the carriage of certain freight is not profitable to the railroads. Despite the rigid economy in operation the expense of moving freight has advanced in the last few years. A general readjustment of rates that will enable a proper service to be maintained is a present necessity. Wages for all classes of employees are higher, terminal facilities cost far more, equipment and supply costs have increased. Every item of cost entering into freight carrying has notably increased while the rate per ton-mile has decreased."

—

BALTIMORE, MD., *December 2, 1913.*

MY DEAR MR. BRANDEIS: From the Sun, through which the railroad companies are trying their cars before the public, along with other newspapers, I clip the inclosed, which enables me to draw a rather important lesson in equity by inequitable rates not necessary by any proper standard of values.

I take the following articles referred to in the printed plea presented to the people:

Beef.—On which freight is paid by the board of trade, calls for 3½ per cent of the value of commodity.

Clothing.—On which deliveries are customary between great cities. Therefore freight is paid by the rich makers of clothing who encourage and employ sweatshops call for one-half of 1 per cent on value shipped.

Shirts.—Manufactured by rich and powerful corporations all over the country call for a tariff that is only about nine-tenths of 1 per cent, usually paid by shippers.

Shoes.—Are carried 1,025 miles for about 2 cents per pair, average value $4, or one-half of 1 per cent, freight paid by manufacturer.

Another view:

Fish.—Always consigned to commission men, freight charged the fishermen from Maryland and Virginia coasts to New York, one-third the distance in the cases noted on other commodities, rates call for $2.25 per barrel; value average, $4.50 per barrel; carriage costs, 50 per cent.

Flour.—Chicago to New York. Freight paid by mill owners, always rich and able to pay charges. Tariff about 10 per cent of value at source.

Potatoes.—Average value $2.50 per barrel. Tariff calls for $1.10, or 45 per cent.

Milk.—Average value 15 cents per gallon. Tariff, short distances, 2 cents per gallon, about 15 per cent of value.

Sugar.—Value, $27 per barrel. Tariff, about 3½ per cent.

Why so low a rate on commodities that are controlled by corporations? Why so high a rate on commodities produced by farmers and fishermen? The conclusion is obvious.

Suggestions: Advance rates on beef, clothing, shirts, and shoes, also sugar. Reduce rates at least one-half on fish, potatoes, and milk. Equalization fixed by experts. Let this method be applied to steel, ore, coal, oil, beer, whisky, confectionery, tobacco, cigars, and these highly remunerative lines assessed a fair rate; others let down to a fair rate. Then no call will exist for the 5 per cent advance.

Yours, truly,

A. W. LYMAN.

—

BALTIMORE, MD., *November 26, 1913.*

Mr. LOUIS D. BRANDEIS,
Boston, Mass.

MY DEAR SIR: Thinking that good old feast day of New England will be observed by you at home I venture to suggest that some memoranda be prepared by you looking to a detailed statement of the many economies that might be instituted by the several railroad companies, according to your assertion that "a million a day" could be saved by "efficient and economical" administration made some time ago.

In the hope that one or two points that may help you in this line will be welcomed permit me, sir, to call your attention to certain points in connection with the Baltimore & Ohio Railroad ownership of large tracts of unproductive land near Baltimore. A large number of old and dilapidated buildings in the business center of the city, valuable and desirable to devote to commerce and industry, but suffered to remain year after year either tenantless or rented for a song for

small dealers to conduct business of no importance or actually disreputable purposes—saloons, etc. To hotel properties located at various points where, for some purpose difficult to understand, money is doubtless lost year by year, and still the properties kept. This great corporation can not give any reason why a body of land worth $300,000 to $500,000 to develop should be rented for a song to a nursery for growing trees on. It can not possibly explain why entire blocks of rookeries should remain unproductive and a menace to the city when they could sell out at a very large price and have the money in hand for operating expenses and add to "net income."

This great corporation is bled freely, sir, to furnish and maintain costly drawing-room cars for individual officials' use every time they go out to "inspect" the lines or for other purposes, and a great annual outlay must be met simply for operating these costly palaces on wheels for a few men. The revenue, which is of so much importance, can be largely augmented and many profit-earning cars can be operated for the money used to keep up these luxurious moving showrooms which are extravagantly wasteful. If you can elicit from Mr. Willard or his subordinates information which will place a value upon these wasteful uses of the corporation's money and the failure to use profitably vast capitalization funds sunken in real estate you will bring out much that is purposely kept hidden. Then, too, this corporation is relieved from taxation very largely in Baltimore, this exemption amounting to over $500,000 a year—equal to a 4 per cent dividend on $12,500,000 of bonds. In effect this places the Baltimore & Ohio Railroad in a favored class, which should by all means be considered in granting the 5 per cent increase which is asked for this in common with the other lines of the United States should it be granted. This amount of capital used as the average industrial corporation uses capital intrusted to the management for profitable use and "increment" should yield about 13 per cent per annum, $1,625,000 a year, or an increased net operating income of 5 per cent upon $23,247,000, "net revenue" for 1913.

It is my belief, my dear sir, that the Baltimore & Ohio Railroad can well afford to give Baltimore the taxes due to it—$500,000; can afford to continue its business on the present rates maintained, or even less; can continue to raise capital at a fair rate by reason of "cutting out" waste; can pay dividends on its stock and interest on its bonds and earn surplus, by the use of the commonest principles of economy forced upon industries; by eliminating barnacles hanging upon its administrative and executive armor plates, and cutting out perquisites and unnecessary emoluments to high officials, don't you?

Yours, most truly,

A. W. LYMAN.

—

BALTIMORE, MD., *December 11, 1913.*

Mr. LOUIS D. BRANDEIS,
Washington, D. C.

MY DEAR SIR: The newspapers are giving large space to the railroad companies now, and the prominent officials are trying their case before the public. A most excellent thing, as many things they unexpectedly admit show weak spots in the armor hitherto deemed impregnable.

The shrewd agency that inspired the article I hand you herewith did not see that a notoriously extravagant corporation, as well as a most wasteful and ambitious one, would only succeed in corroborating a strong suspicion in the public mind that matters would speedily adjust themselves if honesty, efficiency, and industry were adopted in the management of that company in place of the opposite qualities.

I note especially that the sale of certain property is recommended in this article to enable the corporation to increase "cash" assets.

Very truly, yours,

A. W. LYMAN.

—

BALTIMORE, MD., *December 15, 1913.*

MY DEAR MR. BRANDEIS: Had the railroad commissioners' report in the Boston & Maine proposition been rendered thus: "We are clearly of the opinion that a readjustment of rates should be made whereby valuable and profitable commodities shall be charged as much proportionately as low priced and very unprofitable articles in place of general advances without regard to values," then a much fairer and more acceptable change, so far as the public is concerned, would take place. Can you not see the application? In Maine we have the tremendously profitable business of seed potato raising, pursued as a special calling, and the profits of such a business are so great that the 500,000 or more barrels annually produced and sold to other States can afford to pay an extra rate. Immense quantities of lumber and wood, in shape, is shipped at exceedingly low rates. Wood pulp forms a very considerable portion of the Maine shipments, and tanbark interests, that can well afford to pay largely increased rates, may be assessed such a sum as will enable the more unprofitable lines or commodities to be shipped at lower rates.

If the Boston & Maine Railroad Co. is in a condition bordering on bankruptcy, extravagance, and waste under incompetent management must be to blame as the commissioners charge.

Let the present management call upon stockholders to make good this deficit, which is not the shipper's fault, or let the road be sold at the best attainable price it will bring. The moral effect will count. I learned only recently that the average cost of shipping automobiles a thousand miles or so, is $25, five or six in a car. Let this most profitable industry be made to pay $50 in place of $25, and the railroads would receive a more just and equitable share of profits. An inquiry, based upon justice and equity, would throw upon shoulders fully able to bear the proposed advances, leaving the poorly paid and neglected interests in better shape. Equalize the tariff now notoriously discriminative, and no 5 per cent advance will be required.

Yours, truly,

A. W. LYMAN.

—

[Inclosure 1.]

RATE ADVANCE FAVORED—RAILROAD COMMISSIONERS REPORT ON BOSTON & MAINE PROPOSITION—ADVISE SAFEGUARDING PUBLIC—WOULD ALLOW INCREASE ONLY UPON ASSURANCE THAT THE MONEY WOULD BE PRUDENTLY EXPENDED.

BOSTON, *December 14.*

"We are clearly of the opinion that there should be a substantial advance now, provided that such additional revenue can be obtained without imposing upon the public unjust and unreasonable transportation charges, and provided further that some assurance can be given that the money will be prudently expended in the public interest." This is the declaration of the conference of railroad commissioners upon the proposition of the Boston & Maine Railroad to increase its rates.

The report of the conference, which was made public to-night by the Public Service Commission, is signed by Charles A. Prouty, of the Interstate Commerce Commission, and members of the Massachusetts, Vermont, New Hampshire, and Maine Public Service Commissions.

"Counsel for the company," says the report, "claimed that such increase would amount to $5,000,000 a year. To this we do not assent. It can not be known until the property is once more effectively and properly operated and until its leasehold lines have been valued how much the advance should be."

The commissioners also say that past mismanagement is responsible for much of the road's present difficulty.

The commissioners of the northern New England States conferred with Commissioner Prouty in order that uniformity of opinion and action might be established between the Federal board and the State boards. The Interstate Commerce Commission has no authority, however, to approve a schedule of rates until the railroad has first filed its schedule, which must then be examined and corrected by the commission. To-day's report, therefore, has no official standing, but merely reflects what the commissioners believe is the most advisable thing for the railroad to do. In part, the report says:

BANKRUPT ON PRESENT BASIS.

"The Boston & Maine Railroad, upon the basis of its present rates, is bankrupt. For the year ending June 30, 1913, it had remaining, after the payment of its fixed charges and its taxes, $49,000. In point of fact dividends aggregating 3 per cent upon the capital stock were paid during the year, but they were not earned. Comparing July, August, and September of the present year with the corresponding months for the year 1912, we find a decrease in net operating revenues of $687,000.

"From an analysis of comparative figures the commissioners estimate that the income of the railroad from operation for 1914 probably will fall at least $1,000,000 short of what it was in 1913, while charges will materially increase. On this subject the report says:

"'It now appears probable that for the year 1914 the road will lack, if no increase in rates is allowed, $2,000,000 of sufficient income to pay its taxes, its interests, and its fixed charges, without the payment of any dividend upon its capital stock. This deplorable showing is in part due to the mismanagement of the company.'"

The Boston & Maine, it is pointed out, has outstanding $27,000,000 of short-time paper, of which $20,000,000 was used to purchase stocks. The buying of these stocks, the report declares, "was utterly unnecessary and ill advised, and the consequences of these transactions ought not to be visited upon the rate-paying public.

COMBINATION WAS DISASTROUS.

"The attempt of the New York, New Haven & Hartford Railroad Co. to acquire a control of the Boston & Maine system and combine that system in operation with its own proved disastrous, and the effect is still obvious in the operating cost of the Boston & Maine Co."

The commissioners believe it inadvisable to increase long-distance rates, as such action would increase the transportation cost to New England manufacturers without increasing the costs to competitors in other parts of the country. Class and commodity local rates, it is explained, ought to be dealt with first.

While recommending an increase in rates, the commissioners add:

"Clearly no increase in rates should be allowed until it is made reasonably certain that the revenues of this company will be prudently expended in the public interest."

—

BALTIMORE, MD., *December 10, 1913.*

MY DEAR MR. BRANDEIS:

I had occasion recently to ascertain the cost of shipping partly finished lumber (hardwood), such as oak and other hardwood barrel staves and heading, elm hoops, etc. A carload of such goods sent from northern New York to city of New York, valued at some $500, goes for a 10½ cent rate per 100 pounds, minimum 30,000; or say, $45 per car. Barrel makers and other users of hardwood do not require so low a rate, about 9 per cent of value. They can easily stand a much larger tariff, while potatoes, fish, etc., do need as low a tariff as can be given them.

In your contest with these powerful corporations you will need every argument available, and I need not say to you any more than this: Bring out from them a true statement as to tonnage of great lines that are controlled by powerful and friendly interests and secure accurate data (I can not get it) as to percentage on values of commodities that are carried in tremendously large quantities, or rich fabrics and other articles that are likely to be very much undercharged and always have been enriching shippers.

Tobacco and cigars, liquors, beer, wines, etc., are a line that can pay a liberal carriage rate and ought to. Fish, potatoes, grain, flour, fruit, etc., should not be very highly rated.

Yours, truly,

A. W. LYMAN.

—

BALTIMORE, MD., *December 10, 1913.*

MY DEAR MR. BRANDEIS:

As counsel for the shippers, it is your promise to ascertain where the enemy is weak and gather up the penetrable places that appear in their armor.

To-day I noticed in one of the yards not so used ordinarily several special "dairy products" cars of the Pennsylvania Railroad, marked "Adams Express Co." I immediately surprised myself by conclusions of this sort: Adams Express Co. is being hard hit by parcel post and its best friend, possibly copartner, is playing into its hands by giving it some of its most profitable business and allowing it to reap the biggest share of proceeds—precicely what is done on the eastern shore of Maryland and Virginia. Butter from Illinois and Wisconsin, worth about $10,000 per carload, probably costs about $100 a car, or 1 per cent of its value.

If the Pennsylvania gets 40 per cent of the $100 and Adams gets 60 per cent, a poor showing can be made, but big profits assured if the Pennsylvania owns control.

A carload of plug tobacco is worth say $10,000; 1 per cent pays its carriage between large cities. This is in line with the other commodities I mentioned recently being underrated, while cheap food supplies are overrated.

Yours, truly,

A. W. LYMAN.

—

BALTIMORE, MD., *November 12, 1913.*

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

Mr. JOHN H. MARBLE, Commissioner: There is evidently no effort being spared to prejudge the case of the railroads, soon to be tried be-

fore your commission, as to the 5 per cent horizontal advance in rates asked for. Is this advance necessary? May I be allowed to urge the views that are certainly held by many that the applicants be first required to show that present rates upon all freight carried are suitably and equitably adjusted?

Do the railroad companies now charge more than a fair compensation on the necessaries of life compared with what they assess the luxuries and less required commodities they carry? Can a carload of tea, coffee, tobacco, cigarettes, beer, liquor, proprietary medicines, Emerson dope ("Bromo Seltzer"), etc., be transported at a lower cost than corn, wheat, coal, oil, flour, eggs, fish, garden truck, meat, etc.

If these and kindred commodities were rated as justice and equity would seem to demand, and charges per 100 pounds or carload rates were on a basis that considered values carried, the collections actually made by the carriers might be far in excess of the seemingly small percentage of increase demanded and big dividends earned. Let the Steel Trust, the packing houses, the coal barons, the Coca Cola men, the brewing interests, tobacco men, the woolen manufacturer, and the cotton planter pay advances. The sugar, etc., and coffee man, wholesale grocers be called upon to pay a higher rate. Let the railroad companies save the $1,000,000 a day now misspent, according to Brandeis. Let them dispose of their unprofitable real estate and cut the corners in other directions than a direct tax on the consumers of the country. Then the people will "come into their own."

Yours, most truly,

A. W. LYMAN.

—

BALTIMORE, MD., *February 20, 1914.*

Mr. LOUIS D. BRANDEIS,
Washington, D. C.

MY DEAR SIR: I am handing you a report of an interview with Mr. Daniel Willard, which, of course, explains itself.

You are showing proof that the carriers by cutting out barnacles and eliminating favoritism many millions can be saved by carriers.

Now let a series of advances in rates be made on meats, oil, coal, steel and iron, clothing, teas and coffees, sugar, tobacco, grain, cotton, canned goods, and other high values (per carload) on lumber; automobiles and all commodities that are now carried for a very low rate commensurate with value; then upon articles of common use that carriers now charge very high rates, from 15 to 50 per cent of value, let these be cut down to a fair and reasonable sum. I will cite, for instance: Fish carried 300 miles at $2.25 a barrel; carriers charge is fully 50 per cent of market price. Potatoes carried same distance, some 4,500,000 barrels, rate 30 cents per barrel, or 15 per cent of selling price. Fertilizer is carried in bags of 200 pounds for $2.50 a ton from Baltimore; compare with potatoes. Rate on fertilizer should be raised; rate on potatoes should be decreased. Investigate conditions on the peninsula of Maryland and there will be found very interesting conditions that will help the Interstate Commerce Commission to form an intelligent, correct opinion as to how the tollers of land and sea are exploited by Pennsylvania Railroad Co. and Adams Express.

Yours, very truly,

A. W. LYMAN.

—

NEW YORK, *February 10, 1914.*

LOUIS D. BRANDEIS,
Washington, D. C.

DEAR SIR: I am safe in saying that one-half of the people in this country derive their maintenance from transportation and its closely allied connections. This fact means that the bulk of the money that is constantly moving all over the United States, shifting here and there, bringing prosperity and work to the people, is transportation money earned in the transportation business and its connections.

Water transportation has been the foremost factor in the upbuilding of our wonderful country. It has furnished every lead that the railroads and corporations have taken up and used and changed these once correct methods into corrupt and crooked methods which they are now using and pursuing, and the severe fact is evident to me that it will take a number of years and a great many laws to separate and terminate these evils.

In fact there is a question in my mind that if the railroads are granted the 5 per cent increase on their transportations and are allowed to retain their water carriers' docks, etc., they will then have such a death grip on all of the transportation in the United States that no law conceived by man to dislodge them would annoy or interfere with them in any way.

(Why is this loss true? Let us see.)

They are at the present time so firmly intrenched, countersunk (the heads of the proposition know this well) into such a great number of the different business propositions of the country, all of them closely allied together (for example, the moneyed man of to-day can name you off-hand every corporation or business in the country, how much money they have, etc.), that corrupt as we believe and know them to be when they have taken the funds (earnings) of their respective railroads, and the corporations have raised the price of the staple, and both have used these funds for other purposes foreign to railroading in the one case and producing more cheaply and better in the other. The railroads ask for a raise in rates from the people—Government—that they have misbehaved before and made suffer, because of their inordinate desire to shut off and remove everybody and everything not directly connected with themselves just now, they ask for this advance right in the teeth of the two facts; first, they have been convicted of wrongdoing; second, every other line of business has a downward tendency and the country is in a bad business condition it is unthinkable that any set of men could be so arrogant, disrespectful, and overbearing. But they know just where and how they stand; they are all powerful and supreme in command (believe me). It is the first time in the history of the United States of America that any one proposition was greater than the Government of the United States, and I firmly believe that if this 5 per cent raise is granted the railroads and corporations (those last that are on the inside) will be greater than the Government of the United States (by stealth of course), but greater just the same. Why, they then will be pardoned, subsidized, handed an enormous sum of money to increase their lawbreaking methods as before. They will purchase steamship companies, build new steamships, buy water fronts and docks, build storehouses for storage, buy coastwise barges and seagoing tugs, inland passenger steamers, every carrier on the Great Lakes that they do not already own, in fact, every boat line that competes with them in anyway, shape, or manner, without there is a definite and radical law forbidding this passed at once.

But return the railroads back to railroading only, return all corporations back to the output of their staple only, steamships back to the steamship business only, allow each company to use their money and brains into their isolated business only, allow all subsidiaries to return to the hands and channels they were filched from, and America will be free again, and not until then.

There can be no large business (independent) started in the Americas to-day and be successful, also endure.

The transportation monopoly would not allow it to endure.

Yours, very truly,

W. E. STREETER.

—

BALTIMORE, MD., *January 10, 1914.*

JAS. W. CARMALT,
Attorney, Office of Jas. S. Harlan, Commissioner.

MY DEAR SIR: I have your favor of the 9th instant, and beg to state that I am not "about to file a complaint" as to any other commodity carried by rail except fish, as no steps have been taken for such action by me on other goods. I wanted to show to Mr. Brandeis as well as the commission that a necessary food supply, such as potatoes and fish, were being carried by the railroad companies at a cost quite disproportionate to their value, taxing these prime articles of food for the poor at from 30 per cent to 50 per cent of their value in market. The latest Government statistics attainable show that the production of approximately 300,000,000 bushels of potatoes in the United States cost nearly 30 per cent of their value to ship, while the cost attending shipping of fish in barrels from the peninsula of Maryland and Virginia is attended with a tax for freight of about 50 per cent of their selling value. I believe that a relatively fair freight tariff upon commodities that were and now are carried for less than 1 per cent and up to, say, 5 per cent of their value, would work out for the railroads a perfectly legitimate and acceptable increase to their treasuries without injury to anyone. That a marked decrease in tariff on such articles as are now overtaxed would stimulate such industries as those referred to and many others. Potato growers come out with very meager profits, as shown on the farm, not in reports. Fishermen of our coast are not allowed by the railroads, express companies, and commission men to make a dollar over and above a meager living and maintaining their very modest and inexpensive plants.

Let fish receive a reduced tariff of 50 per cent and potatoes a reduced rate of 25 per cent, and the one industry will be helped to the extent of $100,000 annually on the peninsula alone, while a rate reduced from 45 cents to 30 cents on potatoes would release $225,000 a year to the one locality referred to and do no harm to carriers.

Yours, most truly,

A. W. LYMAN.

—

BALTIMORE, MD., *January 17, 1914.*

Mr. LOUIS D. BRANDEIS,
Washington, D. C.

MY DEAR SIR: Can not some way be devised to prevent these "cutting up of melons" that dissipate so much of the assets of railroad corporations? The public are not benefited by these distributions of needless accumulations.

Indeed, they are the ones who furnish the funds with which the corporations appear to be so well supplied whenever "extra" dividends are declared. Can you favor me with any information as to the situation that now holds in regard to the 5 per cent advance freight question and the time when the Interstate Commerce Commission will give its decision. I sincerely regret that data concerning fish and potatoes were not requested, as the latter commodity reaches a total of some 300,000,000 bushels, equal to freight charges of $30,000,000 or more, when considered as one of the most exorbitantly rated and inexpensively carried articles.

Yours, very truly,

A. W. LYMAN.

—

BALTIMORE, MD., *January 3, 1913.*

Mr. G. B. MCGINTY,
Secretary Interstate Commerce Commission.

DEAR SIR: Will you kindly pardon me for further putting you to the trouble of questioning the railroad companies' officials upon one very important commodity, i. e., oil and other products put out by Standard Oil Co. and others in similar lines, so as to bring out the salient points that affect materially revenues of our leading railroad companies' rates, rebates covered or exposed, furnishing tank cars and stations along certain lines of railway?

It is an open question among very large users of oil, gasoline, and by-products whether prohibitory low rates are not somehow still enjoyed by that most notorious corporation and its allies throughout the country. You will, I am sure, credit me with a good motive in mentioning this omission that so vitally concerns the consuming population of this country.

There is a fine young gentleman, of high grade, here, long in the service of the Baltimore & Ohio Railroad, who has requested me to mention his name to you, as he is not very well known among leading citizens. He would make a most excellent expert worker along with Mr. Prouty in his arduous labor about to be entered upon—the valuation of railroads; has stood up well in a number of technical examinations, and is admirably fitted for expert work—sober, intelligent, and capable, with the make-up of a capital and trusty official. If you can mention this young man to Mr. Prouty I shall be greatly obliged.

Respectfully,

A. W. LYMAN.

—

BALTIMORE, MD., *January 2, 1913.*

LOUIS D. BRANDEIS, Esq.,
Washington, D. C.

DEAR SIR: I have requested Mr. McGinty to send out to the railroad officials a supplementary sheet inquiring of them as to certain very large shipments of commodities from the Eastern Shore peninsula, such as potatoes, 4,000,000 barrels a season; tomatoes in baskets and crates and canned, up into the millions of cases, omitted from "Group B" questions; fish and oysters, $6,000,000 to $10,000,000 value; freights, 40 per cent. The Pennsylvania Railroad Co. does not relish any probe that exposes to the public their revenue from that section, and at this particular time there is a great need of exposing inadequate facilities, exorbitant tariff rates, and reprehensible methods that seem to be characteristic of that oppressed section of three States, i. e., Delaware, Maryland, and Virginia, and found nowhere else. I am pressing upon the attention of Secretary Houston the locating of a "regional

bank" in the central part of this "garden spot" to break up the chain of the masters of finance, industry, agriculture, and fisheries which are holding that section enslaved.

Yours, truly,

A. W. LYMAN.

Congressman COVINGTON will corroborate.

—

BALTIMORE, MD., *January 1, 1914.*

Mr. G. B. MCGINTY,
Secretary, Washington, D. C.

DEAR SIR: I am indebted to you for the copy of the circular of questions served to the carriers on Saturday, and beg to call your attention to the omission of two very important commodities left out of "Group B, revenues and the conservation thereof."

Potatoes, which form a very large total in New Jersey, Maryland, and Virginia, as well as in Maine. Some 5,000,000 or 6,000,000 barrels worth in market at a rough estimate $10,000,000 to $15,000,000, the usual tariff on which would call for $1,500,000; and oysters, fish, and other sea food, wholly carried in the eastern section of the United States, possibly amounting to as great a value; and fertilizer, calling for the use of some 3,000 freight cars on our Maryland and Virginia peninsula alone.

How could those most important commodities have been left out, while many less used and less needed articles are given space? Can not a special circular letter calling upon the railroad companies for specific answers be issued and mailed at once for the other commodities named, such as corn, oats, wheat, flour, hay, feed, dressed meats, other meats, packing house products, etc.?

Pardon me, my dear sir, if I say that commodities requiring approximately 15,000 freight cars, carrying $15,000,000 to $30,000,000 value annually and largely in one part of the country, ought to be included in "Group B," and subject to the same requirements as to data your commission is seeking from the carriers of the country. Particularly when rates charged by the carriers call for a very much larger per centage of value than most of the articles noted in said group. Discrimination. In the special commodity carrying roads, inclusive of Adams Express, participating with the Pennsylvania Railroad Co. and its subsidiary lines, the percentage on fish, which carriage calls for is 50 per cent. In dressed meats, not over 2½ or 3 per cent; in grain, a very small per cent; in flour about 15 per cent; sugar, about 2½ or 3 per cent; tobacco, less than 1 per cent.

Will you kindly seek information from Mr. Brandeis on these points, as I have furnished him with more articles on which very trifling costs are charged—upon the most profitable commodities—clothing, fabrics, tobacco, shirts, shoes, beer, liquors, dairy products, canned goods, etc.

Very truly, yours,

A. W. LYMAN.

P. S.—Justice to all classes should be meted out, my dear sir, and such interests as I name would not be injured if made to pay double present rates, or 50 per cent more and release the excessive toll charged such commodities as fish, potatoes, etc.

A. W. L.

—

ENORMOUS PROFITS.

Fifty thousand tons of fertilizer (equals 3,000 carloads). Value, $1,750,000. Freight, $125,000. Seven per cent.

SCARCELY PAYS THE GROWER.

Fifty thousand tons of potatoes (equals 3,000 carloads). Value, $1,000,000. Freight, $150,000. Fifteen per cent.

NO PROFIT—BARE LIVING.

Fifty thousand tons of fish (equals 3,000 carloads). Value, $2,250,000. Express freight, $1,125,000. Fifty per cent.

This is worthy serious attention from the commission, surely.

Greater discrepancy in other commodities and larger profits in some.

—

BALTIMORE, MD., *October 1, 1913.*

Hon. JNO. H. MARBLE,
Washington, D. C.

DEAR SIR: It is stated in the papers that President Willard will ask for the good offices of the Interstate Commerce Commission in his attempt to secure a general advance on freight rates not proven a necessity. Some time since a thoroughly competent man, Louis D. Brandeis, made the statement that the railroads of the United States were wasting a million of dollars daily in loose or inefficient management. It is known to many that excessive rates are levied upon commodities that enter into daily use by the people. It is known that excessively low rates apply to the manufactured goods that sell for a large profit in open market. It is known that the railroad company of which Mr. Willard is president owns very large amounts of nonproductive real estate which, if sold and turned into cash, would enable the company to bring up the earning capacity of the road to a much better figure and increase value of stock. If lumber is shipped at a rate that is away below its real value; if coal, iron, steel, oil, fertilizer, and other commodities are shipped at rates which form a much lower ratio of transportation expense than other things, let a change be made that shall assess a more just and equitable charge on such goods and other articles or classes of merchandise, and readjust prices on fish, for instance, that to your own positive knowledge is assessed at more than double a fair rate. Suppose, my dear sir, before listening to the pleadings of great railroad officials you request from them a list of commodities that pay 50 to 75 per cent of their market value for transportation and those that do not pay over 1, 2, or 3 per cent of their value.

A carload of cotton, for instance, may bring $3,000 in New York. A carload of fish $450 to $700. Thirty-three and one-third per cent of the value of the latter is charged from near-by States to New York. If a similar sum were exacted for cotton requiring equal space, care, and service, cotton would pay $1,000 per carload. Does it pay that much? If coal is charged $100 per carload to New England points, this rate is about 30 per cent of its value.

If steel billets or wire is carried the same distance for about one-third the cost of coal, the percentage of cost will be found not to exceed 3 per cent or 5 per cent of value. Coal is essential to the average family. Steel billets, wire, and other classes of products, upon which millionaires are reaping untold profits, should pay very much greater rates; or, in other words, the inudstries allied to these manufactures can afford to pay much more. Then we could see the rank and file of the people getting a more just and proper return for their labor, never excessive, and often falling short of a living wage. Government's first duty is to those who are helpless and unable to contend for their God-given rights.

Corporations, long having enjoyed the favor and protection of Government, are abundantly able to protect and care for their owners.

Force the railroads to take stringent measures for their salvation, but don't make presents to them from the people.

A. W. LYMAN.

—

NEW YORK, *February 27, 1914.*

LOUIS D. BRANDEIS,
Washington, D. C.

DEAR SIR: Attached please find a clipping from to-day's New York World. I have reasons to believe the New York Central Railroad have no property in the State of New Jersey.

This being the case, it does not look just right in its entirety. If it is incorrect the ones most concerned should know and be protected.

Yours, very truly,

W. E. STREETER.

AUTHORIZES NEW YORK CENTRAL ISSUE—COMMISSION IN NEW JERSEY ALLOWS ROAD $70,000,000 BONDS.

TRENTON, N. J., *February 26.*

The New York Central & Hudson River Railroad Co. was authorized to-day by the public utilities commission of this State to issue $70,000,000 of refunding and improvement mortgage bonds at 4½ per cent, the issue to be for the purpose of refunding outstanding notes which mature during 1914, one of the issues being for $70,000,000 and the notes maturing March 1.

The total amount of outstanding notes to be refunded by this bond issue is $69,662,000.

The New York Central owns much property in New Jersey, hence the necessity for the commission's order.

—

BALTIMORE, MD., *December 27, 1913.*

Mr. LOUIS D. BRANDEIS,
Washington, D. C.

DEAR SIR: I hand you a rather "breezy" comment on the situation in which the railroad companies find themselves, owing to their own misdoings in the past.

There may be a point in this rather sharp (?) criticism of "our friend the enemy." One point should be thoroughly investigated. It is no doubt true that the daily receipts of all railroads go into favored banks, trust companies, and other channels without interest. Let the funds be distributed in more banks and trust companies and not in those only in which officials are concerned.

Yours, very truly,

A. W. LYMAN.

THE ANTIRAILROAD SIDE PRESENTED IN A BREEZY MANNER BY A FARMER, WHO WOULD VISIT THE SINS OF FORMER WRONGDOERS UPON THE PRESENT MANAGEMENT AND UPON THE COUNTRY.

To the EDITOR OF THE SUN.

SIR: Your "leader" in to-day's issue suggests the following: The really big issue between the people and the railroads over the demanded increase in rates now under advisement with the Interstate Commerce Commission reaches deeply into questions vitally important in the economic and industrial future of the Republic. The plea for haste, "promptness," immediate decision in favor of the petitioners, with subsequent reductions if conditions justify, on the ground that the petitioners should not be placed in an impossible position pending delay, is like hanging the accused before trial and, if it be found that a mistake was made, making it up with his family afterwards.

Is it not open to surmise that the "position," possible or "impossible," in which the railroads find themselves is of their own making? Is it not open to presumption that in the widest view they are in precisely the same position as other enterprises, aside from incidents in their history due to their own conduct?

Further, is it not due to them that the general conditions of the business community are as they are more largely than to any other specific influence?

They even more than the gigantic trusts have used and absorbed the fluid, wealth, credits of the people. Their original investments are a far lower percentage of ostensible present values than any other business ventures of the country.

It was Carnegie who said, years ago, before the last spasm of inflation took place, even before the manufacturing of railroad securities became a recognized industry, that the railroads of the country were capitalized at more than twice their actual value. He said it at a time when the tariff and transportation interests were at loggerheads and threatening to give honest men their dues as a result, and just before Morgan harmonized and unified these hostile elements by the interlocking director.

Wall Street is already drooling at the mouth over the rich slices in prospect with permission given to increase rates; has already capitalized the "5 per cent" to recover at one stroke the shrinkage of many months—the fiat of government to transfer 5 per cent out of one man's pocket into another man's purse. The buying power of the people, which is the basis of all business, must await the sequence of events in their natural order.

Hard times? Yes; for gamblers, for makers of paper wealth based on a power to exploit—for dealers in wind—for all who are trying to do big business on other people's property, and for all who depend on such for employment and wages.

Save the railroads! Sure; just as they "saved" the "street" over Tennessee Coal & Iron. There are railroads that certainly "need" something, say the Frisco, New Haven, Rock Island, Alton, Wabash, even the Pacifics—Northern, Central, Union, and Southern. If so, let them go to the organized gangs that have plundered them, their stockholders, patrons, and the General Government for a long generation. Names are unnecessary. The general public is fairly well acquainted with the epoch-making knaveries in the history of these chevaliers d'industrie.

One suggestion should be considered in any finding to be made on the rate question. Where a railroad is capitalized at $80,000 per mile and is assessed in the States through which it runs at $20,000, which should be taken as the basis of rates? Should a railroad be allowed to capitalize its franchise value, given to it by the public, and then turn around and say to the public, "Having made us vastly rich you must now support us in a state befitting our grandeur"?

Fifty years ago the landowner of the South controlled public policy in its every expression. Now the landowner and all below him in the industrial scale are the silent and dependent helots of a railroad satrapy.

"Promptness," of course; end the uncertainty, sure; tell them to quit blubbering and go to work just as all the rest of us have to do and quit whining to the people they have been preposterously abused for permission to put a new cracker on their lash.

WESTERN STARR.

WESTOVER, MD., *December 24.*

NEW YORK, *February 28, 1914.*

LOUIS D. BRANDEIS,
Washington, D. C.

DEAR SIR: The Pennsylvania Railroad owns or controls an immense coal terminal and docks at South Amboy, N. J., the Lehigh Valley has the same at Perth Amboy, N. J., the Philadelphia & Reading at Port Reading, N. J., and the Baltimore & Ohio at St. George, Staten Island.

Each railroad has a fleet of towing machines engaged in towing the coal-laden barges to New York Harbor. The railroads have a well-devised scheme (a trust detail) that an individual-owned barge can not be towed to these terminals by any but a railroad-owned tug. If an individual-owned tug and barge owner tows his own barge to these terminals the respective railroad deducts from the freight money of the barge, the exact amount of money the railroad tug would receive if the railroad tug towed the barge. The same scheme applies to the towing of the cargo in the barge. The railroad collects this money without rendering a service, and if the independent owner insists, he can not get any more coal at that terminal, which forces him out of the business.

Why should a corporation be allowed to operate in a manner to shut out competition in a free country? This monopoly has driven the independent towing and barge capital out of the business by making rules and employing methods that the United States Government and States ignore and are ignorant of also. The railroads and corporations act exact, rule, and perform to the end that they run no risk to lose money in any business they undertake and operate. All of said items are illegal, and will endure after the big questions are disposed of if not taken care of at the present time.

All of the above items are practiced while the independent is combating his equal competitor in the regular way. Along comes this favored and lawbreaking monopoly, with its insidious methods and lawbreaking and ruins both of the independents like a thief under a cloak of respectability and great names (so-called), and sad as it may seem, if the independent was put on his oath he could not tell what ruined him.

The railroads have all this transportation and the cost of the coal figured down to a fraction. There is not an iota of a chance for any new business men or methods or new brains in this line of business. New capital and men are blocked at every point. Anyone that contends with the railroad or corporation is ruined and thrown out indiscriminately, and the corporation judges do the rest on the telephone or at the summer resorts, and the poor get poorer and the rich richer.

All this has a deadening effect on business and the masses, takes that wonderful energy from our people that has made America so marvelous in the past, takes away and breaks that spirit of independence that was so very great in our forefathers; in short, it is suppressing the intelligence and acumen and go-aheadness of the rising American and those that declare to be good Americans. There can be only one result—socialism—which can become rampant in one night, and no one that understands existing conditions would be surprised. Every line of business in the United States must be opened, and opened wide, for any and all who desire to embark in it; opened wide for newcomers and new capital, new life and new blood. The more radical the methods employed to accomplish this end the greater the prosperity of the country will be from the restored confidence.

It is useless to look for relief to the classes that are promoting the railroads and corporations. Their egoism is closed on both ends and in the middle, and forever sealed with ignorance and environment. The man or men that rescue the Americans from this now existing condition will rank with the greatest men the country has produced.

Yours, very truly,

W. E. STREETER.

BALTIMORE, MD.

JUSTICE AND EQUITY

In railroad rates would seem to require a closer study and a far greater degree of discrimination than has been given to the subject. Favor has been shown in many ways to great interests that have not needed low tariff to enable them to maintain a high earning power.

A drain upon the resources of all trunk lines has been made in providing equipment and maintaining trackage in a large degree for the benefit of interests that dominate and furnish by far the largest volume of business to the carriers. The portion of expense and the cost of maintenance of a railroad and the interest charges for funds used to a great extent in meeting demands unceasing and urgent for rolling stock, repairs, and constant renewals should be largely charged to that class of commodity which is and always will be the largest tonnage factor. In the case of meat, suppose 100 cars in use daily carrying this necessary food to the larger cities of the country—a very low estimate; another hundred cars carrying beer, liquors, tobacco, cigars, etc. (very many more cars are used), while not over one-tenth are carrying potatoes and fish. Does not one's reason and judgment teach him that 80 per cent larger cost in operation is chargeable to the class of commodity using the most rolling stock and representing the largest value in the markets?

Demand that those commodities which consume by far the largest portion of motive power, clerical and executive force, depreciation cost, etc., should bear the larger percentage of carriage cost, and such commodities as use comparatively few of the cars that form the total number in use be charged accordingly. This is readjustment. If a car carrying 20 tons of butter from central Illinois to New York contains $15,000 worth, and the railroad company having charge of same receives about one-half of 1 per cent for its service and all wear and tear, renewal charges, etc., while the carrying of a carload of potatoes about one-third the distance, such cargo having a value of not more than one-thirtieth of the carload of butter carried, yet costing 40 per cent of the market value of the cargo. Can we not see the inequality and glaringly discriminatory rate which is laid upon a cheap and quite unprofitable commodity carried one-third the distance yet charged a tariff rate enormously inequitable to shippers. Let such a situation be reversed, in a measure, and butter charged at least as much again, or more, relieving the potato producer of about one-half the present rate charged him. Take fish from the points of shipment to New York, a distance of less than 300 miles. A charge of $2.25 per barrel, even in carload lots, produces for the carriers $400. The value of the cargo not exceeding $750, the percentage to value reaches about 55 per cent (200 barrels carry 40,000 pounds of fish). Distance carried not over one-third of the butter and requiring not over one-fourth the time in transit and much less operating cost. Yet fish is charged more than the value at point of shipment. Why? President Rea, answer. Again relieve this very cheap article of food from the enormously excessive rate charged and save this business from depression and loss, putting the additional sum on the butter, etc., to make good and adding 5 per cent to that received, 40,000 pounds of butter, at 37½ cents, or $15,000 value would be assessed approximately fairly the rebate on the fish, say $200 ($1 per barrel), and added to the one-half of 1 per cent charged as stated. This would compel the carload of butter to be charged $275 for carriage of 1,000 miles; 5 per cent added—$13.75—would call for $288.50 as the tariff on 40,000 pounds, a trifle over seven-tenths of 1 cent per pound—a trifle for the dairy interests.

For four or five days use of car; for refrigerating service and operating; for wear and tear of rolling stock; for maintenance of track, repairs, etc.; for clerical and executive cost; depreciation; interest on investment—all only $721 a day.

Is my position tenable, or can the railroad people deny its fairness?

A. W. LYMAN,
A novice in railroad figures.

BALTIMORE, MD., *March 8, 1914.*

LOUIS D. BRANDEIS, Esq.,
Washington, D. C.

DEAR SIR: It has occurred to me that a certain phase of railroad charges (failure to charge, it really means) has not been touched on.

The cost of maintenance of special cars for fast freight, long distance traffic, and the (probably) low rate charged the shippers of commodities that are of high cost, perishable, and otherwise.

If the favored shippers were grouped into classes, or a class, it would be of interest to compare the rates charged. Small shippers (less than carload), and the well-known shippers (by carload). Would not the fact be brought out that the less able pay a larger portion of the able shippers?

Dividends, largely augumented by high rates to the large majority of shippers, compared with no profits on large interests.

Much greater costs of maintenance, wear and tear, repairs, etc., apply to the large number of special (costly) cars by the use of which shippers are favored, than to the regular old-time and much-battered cars relegated to the "less than carload" clientele. If a decided increase be allowed to the railroad people on high-cost commodities, and in cases where notably high tariff is laid on low-cost commodities, the railroad and express companies can more than recoup themselves.

Let the Standard Oil, Steel, and other notoriously undercharged interests be raised to a proper level and fish, truck, etc., be lowered.

Yours, truly,

A. W. LYMAN.

Mr. LOUIS D. BRANDEIS,
Washington, D. C.

MY DEAR SIR: I am handing you a few suggestions to show the great possibilities that lie in the putting forward of an argument for basing rates of carriers, more upon value of commodities carried.

Taking off from charges for fish (an outrageous tariff) and adding to coal and potatoes would leave one class of our producers better off. Another class so slightly affected as to not reduce income .08 cents a barrel. The "coal barons" are well able to stand a 33⅓ per cent increase (the anthracite people).

Briefly stated—

Fifty-ton cars coal would be $33.33⅓ higher or 66⅔ cents a ton.

Seventeen-ton car of potatoes would call for $13.20 a car, or 8 cents a bushel increase only.

Seventeen-ton car of fish would call for $110 less, a perfectly reasonable sum.

The potatoes would yield railroad $160,000 on total shipments of 2,000,000 barrels. The fish amount would get $110,000 more, leaving railroad $50,000 annually. So the farmers of this section would be able to transfer to the fisherman the loss heretofore borne by the latter and the railroad be not a loser.

I inclose a letter to the Secretary of the Interstate Commerce Commission, which, had he lived, Mr. John H. Marble would have received.

May I ask that you see that he receives this letter, after you have perused it.

Very truly, yours,

A. W. LYMAN,
Baltimore office, 5¼ North Calvert Street.

I am quite sure, for instance, that net income from freight receipts on the Maryland & Virginia Peninsula would show a tremendous advance over the same service in New England and the Middle West, upon similar classes, or, I may say, upon kinds of freight covered by the term "food supplies."

New England shippers of fish pay for delivery in New York City approximately 75 cents a barrel, Peninsula shippers, $2.25 a barrel, consequently the Maryland and Virginia fishing industry must stand $1.50 a barrel loss, as compared with New England, a sum much larger than is now received by the former, after expenses are deducted.

This is a fair plea.

A. W. LYMAN.

BALTIMORE, MD., *March 8, 1914.*

LOUIS D. BRANDEIS:

I am just informed by the head of a fishing company at Wachapreague, Va. (shipping point Keller, Va.), that an advance in rates from there to New York has been made, as of February 26, 1914, of 40 cents a barrel as compared with 1913, and 65 cents a barrel as compared with 1912; that these arbitrary advances are made from no apparent cause other than a desire to punish the shippers for an effort to secure a rebate from an already very excessive rate and discredit me. I have no knowledge that these rates have been applied to Norfolk shippers, who have enjoyed a 40 cents per 100-pound rate for the past year or more, a distinct and most unjust discrimination.

This outrageous act should have weight with the commission in the consideration of the 5 per cent advance. This advance means the payment of 60 per cent of the average market value to carriers.

Keller, Va., to New York, $1.18 per 100, gross weight, $2.70 a barrel, average value $4.50; Philadelphia, 90 cents per 100, gross weight, $2.05 a barrel, average value, $4.50; Baltimore, 90 cents per 100, gross weight, $2.05 a barrel, average weight, $4.50.

A. W. LYMAN.

NEW YORK, *March 31, 1914.*

LOUIS D. BRANDEIS,
Washington, D. C.

DEAR SIR: Every item of corruption, large and small, that has been practiced by the railroads and corporations of the United States had its birth and inception within the waterways of the United States and the oceans connecting the countries, and the ships, tugs, barges, and schooners that ply on same.

The railroads and corporations of the United States have illegally taken these waterways and carriers and placed them as a weight on the one side of the scales that balances the well-being of the people of the United States, their living, and pursuit of happiness. They have monopolized the right of people to get enough to eat and wear and a place to live, through the one element that controls the current money of the people, which is transportation.

Transportation is the power that moves the country, and it is centered entirely within the railroads and overpowered by the railroads of the country.

They have done and caused to be done everything that was necessary to give them absolute domination over the inland waters of the country; every ship, every boat, and canal boat is on the one side of the scale, and balances and brings even every rate the railroads issue, which the shipper must pay or retire from business forthwith. Every morsel of food that moves in the United States is rated three times higher than it should be rightfully, and this overcharge is shunted to a favored corporation in the free service they enjoy.

Therein lies the secret of the high cost of living (positively).

Your commission has one cure for this terrible state of affairs; any other procedure would be of no avail, for there are ways to offset and defeat every safeguard you might devise, except the absolute divorcing of the railroads and corporations from these water carriers, docks, bulkheads, storage warehouses, and piers.

Do this and the railroads will carry passengers and serve them correctly; they will cease to corrupt the lawmakers and cease to be the Government of the United States covertly.

Yours, very truly,

W. E. STREETER.

—

BALTIMORE, MD., *March 24, 1914.*

Mr. LOUIS D. BRANDEIS,
Washington, D. C.

DEAR SIR: Very great stress is laid upon the wrong (?) inflicted upon carriers by continued delay in granting their demands for the increased rates—5 per cent. May I suggest that you try one experiment direct and ascertain how true it is that they are barred out in efforts to obtain funds from those who have money to loan?

I have before me a statement of the New York Life Insurance Co., showing on December 31 railroad bonds earning 4.27 per cent interest, amounting to $311,947,214.47 out of a total of $76,850,703.40 assets.

The Mutual Life carries, supposedly, a larger amount in similar securities—$346,675,670.59 out of a total of $607,057,044.50. A total of approximately $1,370,000,000 assets, of which railroad securities form $658,625,000, or 50 per cent.

I would suggest that a formal letter addressed to the respective presidents of these companies, also to W. A. Day, of the Equitable Life, requesting their position on this subject be written: Will the refusal of the Government to grant the 5 per cent increase cause these great financial institutions to refuse further reasonable demands upon them for loans or require a higher average rate of interest?

A powerful factor in moving these great receivers of money—some $300,000,000 annually from all sources—will be the fact that their tremendous holdings will be imperiled or made less valuable if they should all assume an attitude of disaccommodation, simply because of a position on the part of the Interstate Commerce Commission to decline the advance. One more thing, sir, and I am through: Would not the voluntary action of carriers in carrying out recommendations of the Interstate Commerce Commission as to cutting out favorites among shippers—$33,000,000 savings—eliminating private-car perquisities and the institution of other economies, favorably act upon all railroad bonds, stocks, etc., so as to enable loans to be more readily secured and at lower rates?

Finally a voluntary reduction of the more lavishly distributed salaries now and always paid, something after the order of one of our Baltimore financiers recently—Mr. John T. Stone, of the Maryland Casualty Co., who compelled the directors to reduce his $36,000 to $30,000 for 1914.

Action like unto this would certainly show to a skeptical business world that these worthy gentlemen of the railroad circle really want economy.

Yours, A. W. LYMAN.

Suppose the United States Government were to offer a loan or loans to the carriers at 3 per cent that would cover all real needs for the next 5 or 10 years, stipulating only that the class of expenditure be approved by the Interstate Commerce Commission. This would save 1¼ per cent annually and keep down rates that otherwise would or could be raised to 6 or 7 per cent.

I would certainly feel that almost anything would be preferable to granting this 5 per cent or any increase.

A. W. L.

—

KEYSTONE EMERY MILLS,
Frankford, Philadelphia, Pa., April 6, 1914.

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: Before putting into effect the advance in class and commodity freight rates, effective April 15 and May 1, applying in the official classification territory, covering all points east of the Indiana-Illinois State line, north of the Ohio and Potomac Rivers, and also the proposed advance in rates to Quincy, Ill., on the same basis as the upper Mississippi River crossing rates instead of the St. Louis, Mo., basis, we trust you will give the shippers a full and ample opportunity to be heard.

Surely this is a common right of any shipper and one which should not be denied any, and in justice to all concerned we are confident that you will grant a hearing to whatever shippers wish to be heard on the subject.

Yours, very truly,

KEYSTONE EMERY MILLS,
By A. E. CLIFF, *Secretary.*

THE C. H. LOVEJOY CHAPLET CO.,
Cambridge, N. Y., April 6, 1914.

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: We protest, on the ground against further proposed advances becoming effective, until such time as shippers have been heard.

Yours, very truly,

THE C. H. LOVEJOY CHAPLET CO.
C. H. LOVEJOY.

—

WOODBINE, KANS., *April 7, 1914.*

Hon. G. B. MCGINTY.

DEAR SIR: In regard to the advancement of freight rates, if the Interstate Commerce Commission are of the belief that the carriers should be granted an advance in rates after hearing all of the testimony offered on the part of the receivers and shippers of freight throughout the country, then the only fair thing to do is to grant the advance on all classes and commodities instead of adding a charge of $2 a car for setting them, for if this becomes effective it means a practical slap at economy.

Yours, truly,

WESTRUP & KOHLER LUMBER CO.

—

BALTIMORE, MD., *April 8, 1914.*

Mr. LOUIS D. BRANDEIS,
Washington, D. C.

MY DEAR SIR: If you feel disposed at any time to censure me for my expression of opinion as regards the railroad claim for increased rates why I shall not take it amiss should you say so. It has occurred to me that there are larger drains upon railroads from those interests which own their own cars—the coal and coke companies, the special lines, the drawing room and parlor coach companies, the refrigerator car companies, fruit companies, etc. If all these lines that get rich off the railroads were to be bought in by the various companies which operate them at a loss the income resulting from them would run up into the millions.

The terminal station built upon railroad property seem to be wholly without risk of loss, and largely operated for gain to individuals.

I am certain that such sources of profit might well be classed as among special privileges.

The Baltimore & Ohio Railroad Co. daily run long trains of steel cars loaded with anthracite coal past a tract of land near this city. Each car marked 100,000 pounds and marked New England Coal & Coke Co. They are dumped into vessels at the trestles, which cost the railroad company nearly a million dollars, into which structures not 1 penny of the coal and coke company has been put.

The Consolidation Coal Co. also possesses similar privileges, and it must be a source of loss to the railroad company and decided gain to the private corporations that have their exclusive use for the cheap handling of coal.

I believe the great ore docks on the Lakes and all those conveniences built for the powerful corporations benefiting by them ought to pay largely increased rates.

Yours, truly, A. W. LYMAN.

—

BALTIMORE, MD., *April 9, 1914.*

Mr. GEORGE B. MCGINTY,
Washington, D. C.

DEAR SIR: May I request from you a copy of the testimony given by truck growers on March 4 last in the 5 per cent advance hearing? I noted Mr. Bond requested that some copies be reserved for his use, so presume you can furnish me the same.

I learn from my Wachapreague, Va., clients that Adams & Co. made a most unwarranted advance in rates on fish shortly before the season opened up. No 5 per cent, but 25 to 33⅓ per cent without any ceremony whatever. Is this legal on the part of any carrier?

Yours, very truly,

A. W. LYMAN.

—

NEW YORK, *April 10, 1914.*

LOUIS D. BRANDEIS,
Washington, D. C.

DEAR SIR: The status of the group of eastern railroads that ask for higher rates is to-day as follows: The railroad proper is losing money. Their subsidiaries always have lost money and have been carried by the railroad. The position to-day is the subsidiaries are eating up the railroads very fast.

Instead of laying off the men employed on the railroad they should have laid off their boats that are lying idle and the men that do the clerical work for these boats that are idle but under pay; also the men that man these boats that are idle; also their boats that are working and these men that man and work with the boats that are working get no pay from the particular freight they carry, because the railroads do this lighterage free of cost to the shipper.

The railroads are spending now hundreds of thousands of dollars on new boats, which is an absolute loss to the stockholders.

The railroads do not and can not systematize the railroads with the boats.

This is the whole and sole cause of their poverty.

Yours, very truly.

W. E. STREETER.

—

JUNE 27, 1913.

Mr. JOHN H. MARBLE,
Washington, D. C.

DEAR SIR: It seems an opportune time for the Interstate Commerce Commission to deal with the railroad companies upon a give-and-take basis. Let the corporations have their desired 5 per cent advance on such general lines of commodities as are really being carried at a lower rate than is reasonable, and in some cases where an unreasonbly low rate is received even a higher percentage, if laid upon goods classed as luxuries and upon which very large profits are enjoyed by manufacturers of same, such as iron and steel products, with oil, agricultural machinery, fertilizer, etc.; provided reductions will be assented to on food supplies raised on the farm, fish taken from the ocean, oysters,

and other sea food now excessively charged for and on which an advance of 5 per cent would mean to the producers a large portion of the meager sum left them after railroads and express charges are taken out and losses borne. It is my belief that this entire question has been raised by the railroad people to meet the proposed income tax, and that there will be an eagerness on the part of the corporations to allow concessions long asked for all over the United States and systematically refused if the commission will permit the requested advance.

But on no account a horizontal per cent, but a carefully planned and impartial schedule.

I would go so far as to suggest that the matter of official salaries be inquired into and perquisites of the ruling men. That the broad statement of Louis D. Brandeis that "a million a day" is wasted by extravagant administration, which if saved, or partly saved, would give the corporations seeking the 5 per cent raise—to come from the consumers of the United States—all they need to counteract wage advances, etc., etc. A sale of the unused real estate of the Baltimore & Ohio Railroad alone would turn into their treasury several millions.

Yours, most truly,

A. W. LYMAN.

—

JULY 9, 1913.

Hon. LOUIS D. BRANDEIS,
Washington, D. C.

DEAR SIR: I inclose you herewith my experience of about 25 years in the marine business in New York State and City, hoping it may help you to do good and clear the business atmosphere of our country.

I believe that every corporation that took its charter to operate a business, and every railroad that took its charter to operate a railroad, that now own docks for the use of their own craft, that was not a steamship company at its inception, is operating illegally, and that all such railroads and corporations should be forced to sell forthwith and absolutely all boats and docks and bulkheads of every nature pertaining to marine transportation. This because there is not one interstate marine railroad proposition that supports itself by one-half; nor is there one corporation marine proposition that supports itself by one-half. Therefore an enormous amount of money must be added to the rail rates in the railroad case, and an enormous amount of money added to the staple of the corporation to support the marine end of their business. There would be lifted from the two propositions a gigantic drain that would benefit the people of the country.

Yours, very truly,

W. E. STREETER.

—

NEW YORK, *July 9, 1913.*

Hon. LOUIS D. BRANDEIS,
Washington, D. C.

DEAR SIR: I herein claim that the railroads of this country are breaking its laws every day, hour, and minute that they operate or cause to be operated anything marine, such as docks, bulkheads, water fronts, ferry slips, etc., that they use to load any freight of any nature on marine craft of any kind owned by them, including passengers.

1. The prestige gained by the railroads from the individual or corporate shipper by their particular railroad railing their commodity forms an invisible and sure insertion into that particular shipper's inner business secrets that no outsider should know and which is sure death to competition. Information obtained through the railroads and exchanged to favored interests is the medium of the terribly close business lines now drawn and called trusts. The small business man can not obtain this current information.

2. Wherever the funds are taken from for the purchase of water fronts and docks they are a needless and useless expense to the railroad proper. The sum paid for the land under and above water and the actual building of the docks and the upkeep is enormous, with no income whatever in two-thirds of the instances, so this must also be carried by the rail rates.

3. Each railroad terminating in New York Harbor has floating equipment that cost from $1,000,000 to $5,000,000, of which the operation, depreciation, and upkeep run into gigantic figures each year, and it is a losing proposition standing alone by itself. Owing to the weird manipulation required to systematize the railroad transportation with the marine transportation, which is impossible, as the railroads are compelled to do an enormous amount of this for no pay whatever, owing to the competition offered by the legitimate transportation companies with low-costing plants and the experience to operate same. All this money is added to and filched from the rail rates.

4. In the 30 years just past the railroads have started from nothing in the transportation line to doing now three-quarters of all the transportation business in New York Harbor solely through the prestige of carrying this material on their rails, together with threats and intimidation, the holding back of shipments, and combining with every current element on hand or in sight to stifle the legitimate common carrier engaged in the transportation business. The marine end of the railroad could not exist at all if it were not for the rail end of the business. This in itself is illegal, for the reason of the great number of cases where the shipper is not charged for the water transportation (the favored ones), while those that are marked for retirement are charged heavily and retarded and held up. (Fair dealing is a joke.) In a great many cases the consignee has owned his own barges to transport his own shipments; the railroad would do this work for no charge until he was compelled to dispose of his barges to suit the railroad.

5. Every canal in the United States not owned by the State is owned by a railroad. In the first instance, the railroad contracts all the freight passing through that State, and if there are individual boat owners on that canal, recontract it to them at a much less rate than they receive for its transportation, or they carry this freight themselves, whichever best serves them, so they can stop the canal or let it run, as best serves their purpose. In the second instance they charge a toll sufficient to make the water transportation higher than the rail rates, thereby insuring to themselves a monopoly of the business, so they can divert it at will, so killing any city or harbor they choose when they choose, and building up any city or harbor they choose when they choose.

6. The railroads have combined on oceans, sounds, rivers, etc., to control every pound of freight East, West, North, and South, and have built expensive tugboats and barges that never pay for themselves, to enable them to control all freight of every nature from every port, large and small, in the United States for the express purpose of exterminating all and every other common carrier, and a general shipper pays for all this on his rail rates.

W. E. STREETER,
10 South Street, New York City.

SOUTHERN HARDWOOD TRAFFIC BUREAU,
Memphis, Tenn., October 31, 1913.

Mr. GEO. B. MCGINTY,
Secretary Interstate Commerce Commission,
Washington, D. C.

DEAR SIR: For your information I am inclosing herewith copy of resolutions adopted by this association.

Respectfully, yours,

J. H. TOWNSHEND,
Secretary and Manager.

RESOLUTIONS PRESENTED BY SPECIAL COMMITTEE OF THE SOUTHERN HARDWOOD TRAFFIC BUREAU.

Whereas the railroads operating north of the Ohio River have filed with the Interstate Commerce Commission tariff naming 5 per cent increase on practically all freight rates, and such increase portends similar advances throughout the United States, based on the assumption that it is imperative that additional revenue be raised to meet their increased operating expenses and cost of labor, it seems proper for the Southern Hardwood Traffic Bureau, the largest lumber traffic organization in the United States, whose members handle in the aggregate over 80,000 cars of hardwood products annually, to express collectively its views on the subject, which is vitally connected with the success and prosperity of the lumber industry. It is a well-known fact that railroad rates of this country have not been constructed, as a rule, upon any scientific basis; traffic officials who have established these rates have generally done so without any special inquiry as to the total amount of revenue which ought to be produced, or as to the part of that burden which a particular commodity should bear, or discriminations between different localities, and we maintain that the rates charged on lumber are now higher and out of proportion with rates assessed on certain other commodities. Recognizing this fact, especially as regards rates on lumber and forest products, we maintain that existing inequalities should be eliminated through readjustment of freight rates on a scientific basis, making each class of freight and each commodity stand its proper proportionate rate, based on distance transported and the conditions governing the transportation. We also recognize the broad principle that carriers are entitled to a reasonable return on their investment above cost of operation and maintenance, and we believe that the necessity for readjustment in rates should not be permitted to prevent the carriers from increasing their revenues through change in present rates, provided there is an actual necessity for such increase: Therefore be it

Resolved, That the Southern Hardwood Traffic Bureau's attitude toward the 5 per cent horizontal increase in freight rates, as proposed, is not in opposition nor approval, but one of open-mindedness; that the question whether or not the carriers need the $42,000,000 of additional revenue, which they claim will be produced by this advance, more than the general public needs it, is, of course, a question which can only be determined by a scientific inquiry, such as we feel confident the Interstate Commerce Commission will make, and that we are willing to adopt its decision in the matter and to furnish to that important body such information as we can which will enable them to arrive at a just decision; be it further

Resolved, That we reserve the right to make protest against any inequalities in freight rates which now exist or which may arise affecting out interests; and be it further

Resolved, That a copy of these resolutions be sent to the secretary of the Interstate Commerce Commission for their information.

—

THE COMMERCIAL CLUB OF DULUTH,
Duluth, November 3, 1913.

Hon. E. E. CLARK,
Chairman Interstate Commerce Commission,
Washington, D. C.

DEAR SIR: Herewith please find copy of resolution unanimously adopted at a meeting of this organization.

Very truly, yours,

H. V. EVA, *Secretary.*

—

Whereas the railroads operating in official classification territory are publishing and filing with the Interstate Commerce Commission tariffs carrying a general advance in all rates for the transportation of freight in said territory; and

Whereas the commission will proceed to a general inquiry into the reasonableness of such advances; and

Whereas owing to the fact that the rail and lake rates have been advanced three times since 1900 in an amount equal to approximately 11 per cent, resulting in many cases in a considerable loss of traffic to the rail and lake routes, due to the narrow spread between all-rail and lake rates; and

Whereas such advances were the result of the ownership and control of the package freight lines on the Great Lakes by parallel and competing railroads, and born of the desire of such railroads to divert traffic from the lakes to the all-rail routes at higher rates; and

Whereas the interests of the lake lines would seem to be best served by a reduction in the rail and lake rates, thus increasing the spread under all-rail rates, with a resultant increase in the traffic of the lake lines and the preservation to the public of the benefits of the cheap water transportation on the Great Lakes; and

Whereas there is no fixed relation between the all-rail and lake rates which should make it necessary to advance the latter, except such as has been prescribed and fixed by the railroad owners of the boat lines, with whom they are supposed to compete; and

Whereas the reasons advanced by the railroads in justification of the advance in all-rail rates do not apply to the rail and lake rates: Therefore be it

Resolved, By the Public Affairs Committee of the Commercial Club of Duluth, that it approves the plan of having the matter submitted to the Interstate Commerce Commission, that it may determine upon a showing of the facts whether or not such advances in all-rail rates are reasonable and warranted by actual conditions; be it further

Resolved, That a copy of these resolutions be forwarded to the Interstate Commerce Commission.

—

GREENWOOD, IND., *April 3, 1914.*

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: In connection with the arguments now being made before your honorable body by various railroads in behalf of an in-

crease in freight rates on the part of the railroads, as one of the many large packers of food products, which I sell and distribute in all parts of this country months in advance of the actual time of shipment, I desire to enter a protest against any advance in freight rates covering our products taking effect prior to the latter part of this present year or the 1st day of January, 1915, for the reason that should these rates be advanced before that time it would mean a tremendous loss to the manufacturers and distributors of food products throughout this entire country.

In most instances the manufacturer makes his selling price to the jobber or distributor based on the article in question delivered to destination or to the headquarters of the distributor. These prices have been based for this year on the present freight rates, and if this increase be applicable to food products shipped during this summer and fall, when the new pack is ready to be distributed, it is unfair to us, as our arrangements were all based on the present rates even as far back as last August, when we began to sell goods for delivery this July and August and of this present season's packing.

This loss would mean far more to the individual manufacturer, who is already suffering from keen competition and a reduced margin of profit, than it would to the railroad companies, who (if they followed out the suggestions as given in the reply of your honorable counsel a few days ago) by cutting down the favors of free warehouse storage, free labor in loading and unloading cars, and various other items of expense which the railroads have been supplying free of charge to favored shippers to secure business, as per the statement of your Mr. Brandeis, they would not have near the expense to charge up against the traffic end of it, and the present rates would probably prove sufficiently remunerative to show them a good margin of profit.

Personally, if it is demonstrated that the railroads need this advance, we will be glad to see them get it, but we want it given to them at such a time when it will not bring financial loss to the many who, in order to do business, must reckon months ahead, and by our having ample notice that these rates will be effective at a stated time in the future, so that we may give consideration to them in figuring on our next year's business, our industry will not be made to suffer.

Is it possible to give me some expression from your honorable commission regarding the probable date this increase would go into effect should it be decided to grant it? Would it be immediately or a sufficient length of time after your action to enable us to avoid a further loss?

Respectfully, GRAFTON JOHNSON.

—

NEW YORK, N. Y., *November 7, 1913.*

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: It is the understanding of members of this association that all carriers operating within what is known as official classification territory have filed with the commission, to become effective November 15, tariffs naming increased rates on ice carloads.

We find it impossible to obtain specific reference to such tariffs and are, therefore, unable to prepare and file formal protest against such advanced rates, but we must announce our opposition to such increases in the cost of transportation of ice becoming effective until by due hearing and investigation their reasonableness may be established.

It is, therefore, our desire and hope that the commission will upon its own initiative suspend the effective date of such tariffs naming increased rates on ice as may be filed with the commission to become effective November 15. In event of the tariffs being suspended, we will appreciate advice of the time and place of hearings that we may there appear and assume our share of whatever burden may rest upon shippers protesting the increased rates.

An acknowledgment of this communication, with any suggestions or information that the commission may consistently offer, will be appreciated by

Very truly, yours,

NATURAL ICE ASSOCIATION OF AMERICA,
By HAROLD W. COLE, *Secretary,*
By E. L. EWING, *Traffic Manager.*

—

STATE OF IOWA,
THE BOARD OF RAILROAD COMMISSIONERS,
Des Moines, May 17, 1913.

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: This board has been informed that the railway companies operating in official classification territory have recently filed a petition with your honorable body asking the right to make a general advance in freight rates amounting to 5 per cent.

Representative commercial organizations in this State have asked this board to protest against said advance until the facts urged as justifying the same shall have been thoroughly investigated, and to take all the necessary steps looking toward the protection of the interests of Iowa shippers and consumers.

We find that the great bulk of our merchandise comes to Iowa from points east of Chicago. This is also true of a number of important commodities. We find that Iowa will be very largely affected by the said proposed advance.

At this time this commission does not take the position of opposing the said advance or of favoring the same, but does most urgently petition that an exhaustive investigation of the facts shall be made before any such proposal is given serious consideration. This commission will cooperate in said investigation on behalf of Iowa's interests.

In order to intelligently perform the duties required of us by law, this board respectfully requests that a copy of the petition of the said carriers shall be sent to it, and also notice of all future hearings relative to the matters therein contained. This commission will be represented at said hearings.

Respectfully, yours,

GEO. L. MCCAUGHAN, *Secretary.*

—

CHICAGO, *December 17, 1913.*

The INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: In the matter of the advance of rates by the railroads, now under investigation by your commission, we desire to submit the following for your consideration:

Following the former denial of an application by the railways for an advance in rates, the railroads leading out of this city, lengthened their schedule of time to the north, northwest, and western tributary markets from this city. For instance, the schedule of time from Chicago to Omaha and St. Paul has been for many years a second-morning delivery. This was lengthened to such an extent as to make it a third-morning delivery.

As this was practically prohibitive for the interchange of business on perishable commodities, the members of the trade entered a protest, assuming that the action was a retaliatory measure. It was claimed by the railroads, however, that it was a forced action by reason of the necessity of economy, and our protest was overruled and the slower schedule maintained.

The result has been that it has practically destroyed this branch of commerce on perishable commodities, such as fruits and vegetables.

The old schedule of time with the present standard equipment of refrigerator-car service was eminently satisfactory to the trade, and allowed a distribution from an oversupplied market and a relief of scarcity and higher values in the other markets and territory tributary to it. This valuable assistance to commerce and aid to both the producer and the consumer has been practically destroyed in the territory affected by this lengthened schedule.

Regardless of the cause of this action by the railroads, whether retaliatory or for economy, we submit the contention that it is entirely out of harmony with progress of the times. It is progressing backward. It creates a precedent, the serious effects of which would be enormous if followed in sequence. We claim it is un-American, out of sympathy with the progress of this Nation and detrimental to the interests of the public at large, and even to the best interests of the railroads themselves.

Irrespective of whether, in the wisdom of your honorable body, the advance in rates should be denied or granted, we ask that this particular schedule and service above referred to be changed to conform to the old and satisfactory one used, becoming mandatory in the event of the advanced rates being granted.

May we ask your earnest consideration of the above?

Respectfully, yours,

CHICAGO BUTTER & EGG BOARD,
By T. F. GALLAGHER,
Chairman Public-Service Committee.

—

BUFFALO CHAMBER OF COMMERCE,
February 24, 1914.

Mr. GEORGE B. MCGINTY,
Secretary Interstate Commerce Commission,
Washington, D. C.

DEAR SIR: Replying to your circular letter of February 17 in the matter of general advance in freight rates in official classification territory:

The first paragraph of your letter intimates that the Buffalo Chamber of Commerce transmitted resolution to the commission in substance advocating a general advance in freight rates. I am attaching hereto copy of the resolution in question, which in fact does not advocate an advance in the freight rates.

We stated that we were in cordial sympathy with the purpose of granting railroads such rates as will permit them to properly operate and maintain their properties and pay a reasonable return on the money invested, and that we were in sympathy with the Interstate Commerce Commission in making a thorough investigation of the need of and justification for additional revenue, that body to determine from the facts the necessity of said proposed advance, and the reasonableness of the rates to be established thereby, consideration being given to certain localities where the rates are now excessive and unreasonable. The position of the Buffalo Chamber of Commerce is the same now as then, and we will, so far as we can practicably do so, in the short time allowed for answering the questions submitted, furnish you the information.

Answer to question 1: Approximately 1,600 concerns are represented in the Buffalo Chamber of Commerce.

Answer to question 2: So far as we are able to determine, there are 197 concerns which are connected with one or more railroads by private spur or siding. We are inclosing statement of the firms and industries located on the various roads operating in and out of Buffalo, some of which are not members of the Buffalo Chamber of Commerce, notation to this effect appearing on statement.

Answer to question 3: It is impossible to ascertain from our records the number of concerns which now actually enjoy ferry or trap car service, and in order to furnish this information it will be necessary to communicate with each of the concerns, which will require some considerable time before answers can be received, and, in our opinion, the time for the filing of this information with the commission, as of March 2, is entirely too short, and we therefore ask that further time be granted.

Very truly, yours,

RICHARD C. O'KEEFE,
General Secretary.

[Inclosure.]

Resolution adopted by the transportation committee of the Buffalo Chamber of Commerce at their meeting held December 9, 1913, in respect to the proposed general advance in freight rates in official classification territory as adopted.

Whereas carriers in official classification territory have filed petition with the Interstate Commerce Commission for rehearing in Docket No. 3400, in the matter of advance in rates, asking for general increase of 5 per cent in all freight rates, praying that the case may be reopened and further considered, owing to increased cost of operation of various kinds set out in their petition, the net return no longer being sufficient; and the commission being of the opinion, from a consideration of the allegations of that petition, that the need of and justification for additional revenue should be further examined by it at the present time; and

Whereas the commission thinks that such examination can be made more satisfactorily and more comprehensively in a general proceeding of investigation, instituted by the commission upon its own motion, than by a further consideration of this particular record, and further having denied the petition for a rehearing; and

Whereas the Buffalo Chamber of Commerce has given considerable thought to this subject respecting their attitude in the matter, which they recognize as of great importance to the members of the Buffalo Chamber of Commerce, the carriers as well as the public at large: Now, therefore, be it

Resolved, That the Buffalo Chamber of Commerce is in cordial sympathy with the purpose of granting railroads such rates as will permit them to properly operate and maintain their properties and pay a reasonable return on the money invested, and the committee is in

sympathy with the Interstate Commerce Commission in making a thorough investigation of the need of and justification for additional revenue, that body to determine from the facts the necessity for said proposed advance and the reasonableness of the rates to be established thereby, consideration being given to certain localities where the rates are now excessive and unreasonable.

—

DAY INDICATOR CO.,
Buffalo, N. Y., April 23, 1914.

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

DEAR SIRS: I understand that the freight rates are to be advanced north of Ohio and the Potomac River, and would ask that the advance be postponed or delayed until you have given the shipper a hearing, as we certainly should be shown some consideration in this matter.

Yours, truly,

DAY INDICATOR CO.,
GEO. J. DAY, *Manager.*

—

ROANOKE, VA., *April 21, 1914.*

Mr. GEORGE B. MCGINTY,
Secretary Interstate Commerce Commission,
Washington, D. C.

DEAR SIR: I beg to acknowledge receipt of your letters dated April 13, 1914, file No. 789028, and April 18, 1914, file No. 789586.

Am glad to note that my letter addressed to the President and the one to the Interstate Commerce Commission have been brought to the attention of the commission and will receive consideration.

Sincerely hope that the increase in freight rates will soon be settled, and that the Interstate Commerce Commission will see their way clear to allow the increase.

Very respectfully, A. RUSSOW, Jr.

—

BOSTON, MASS., *March 12, 1914.*

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: I have received a notice in regard to the matter of proposed 5 per cent increase in freight rates.

I am advising all my clients and other people who ask my advice not to buy railroad securities, and I am doing everything in my power to dissuade people from putting their money into railroad securities, for the reason that the Interstate Commerce Commission is not giving the investor a fair deal; and that, judged by its past actions, the investor can not expect a fair deal from the Interstate Commerce Commission. I am telling them this not in bitterness, but from experience.

I believe that the Interstate Commerce Commission is made up of absolutely honest men, but that the board is like the bear in a story I translated from the German when I was a student at the Massachusetts Institute of Technology.

A man had a bear for a friend. The man went to sleep and told the bear to keep the flies off of him. The bear did the best he could, but was particularly annoyed by a large bluebottle fly that persisted in lighting upon the man's head, although driven away time after time. At last the bear made up his mind that he would get that fly, and the next time the fly lit on the man's head the bear took a large stone and brought it down hard on the fly. He got the fly, but he crushed the man's head.

The Interstate Commerce Commission has got the railroads all right, but it is destroying business confidence in the whole country. Its failure to give the 5 per cent increase has already caused great suffering, and every day of delay causes more.

Respectfully, GILES TAINTOR.

—

UNITED STATES RADIATOR CORPORATION,
Detroit, Mich., March 19, 1914.

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: This corporation is engaged in the manufacture of cast-iron radiators, boilers, and heating apparatus, operating plants at the following points:

Geneva, N. Y.; Dunkirk, N. Y.; West Newton, Pa.; Edwardsville, Ill.; Paola, Kans.

We also maintain branch warehouses with switch-track connection at the following points:

Boston, Mass.; Harrison, N. J.; Philadelphia, Pa.; Detroit, Mich.; Chicago, Ill.; Minneapolis, Minn; Omaha, Nebr.

We ship and receive in the aggregate several thousand carloads of freight annually.

When application was made by the carriers in the official classification territory for a flat increase of 5 per cent in freight rates in that part of the territory lying east of the Mississippi and north of the Ohio and Potomac Rivers, this corporation, along with other interested shippers, looked with a degree of favor on the proposition, believing that the carriers who have been laying before the public the facts and reasons for increases in revenue during the past threey ears, were acting in good faith and that some addition to the revenue was necessary. We estimated at that time that a 5 per cent increase in the territory mentioned would cost us in additional freight something less than $5,000 per year. This figure represents what we believe to be a fairly good estimate of the actual increase in freights to be paid directly by us. According to our plan of distribution, we allow out of our prices freight up to 30 cents per hundred pounds from any of our plants, which practically means delivery in official classification territory, so that this increase would be borne entirely by this corporation.

We are decidedly opposed, however, to the proposition advanced by your honorable body, as laid down in the decision in the Industrial Railways case, and further explained at the recent hearings held in Washington toward the allowing of carriers to make a separate charge for the spotting of cars at industrial private sidetracks.

We assumed, as before stated, that the carriers were acting in good faith in filing an application for an increase in revenues, which it has been estimated would net them about $25,000,000 annually. This belief was somewhat shaken by the eagerness with which the carriers' representatives took up the alternative as represented in the decision of your honorable body, realizing no doubt that it would be much better to make a play for a proposition that would return them over three times as much, even with a very moderate charge per car as against the 5 per cent application. It is our belief that the action of the carriers in thus abandoning their position as a petitioner for a modest increased revenue, and in taking the position of trying to grab everything in sight, whether right or wrong, has nullified the effect of their three years' campaign toward conciliating the hostile attitude against railroads which obtained in some sections of the country and in educating the general public to a knowledge of the justness and fairness of their position.

It has been a matter of much comment and sincere regret that this petition for increase in rates could not have been confined to what it was originally intended to cover and not switched off on to an angle which threatens to disrupt business relations and adjustments which have been a century in the making.

We are unequivocally opposed to permitting the carriers to make a separate charge for handling cars to and from private sidetracks on the broad grounds that the shipper's sidetrack is merely an extension of the carriers' terminal facilities, and it is to the carriers' economic advantage to have the industries so situated that they may be kept away from a concentrated congested district. The simplest conception of a common carrier would be the receipt of a shipment at its designated terminal, or receiving station at one point, to be transported to its designated terminal, or delivery station, at another point, having in mind the movement of one car or one train from one terminal and stopping at the other, but when the units of shipment are multiplied until they aggregate a great number of cars and trains it becomes an economic necessity for the carrier to provide classification yards so that certain cars may be so switched and arranged that the least possible time to complete delivery and unloading may be consumed. By no sound reasoning could the imposition of some additional charge for rearranging these cars in the classification yard and placing for delivery on team track or freight-house siding be justified.

Team-track delivery was suggested and provided for by the carriers themselves as a matter of efficiency and economy, and at first labor was furnished to unload and load shipments. Later this burden was transferred to the shipper and consignee.

The placing of a car on a private switch track is almost identical with team-track delivery, and the establishment of these sidings have always been considered simply as an extension of the carrier's terminal facilities, and thousands of industries have been persuaded to locate at this or that point upon the carrier's terminal upon the theory that no matter what the distance from assembling or distributing yards, the flat terminal rate would apply and was justified by the rate itself as well as by the fact that the switching involved would not in any case exceed the cost of receipt or delivery at the carrier's designated terminal.

Cities and communities have been built up by the operation of industries thus established, and in the competition of one city or locality against another it has always been recognized that the competition, as far as rates were concerned, applied from the whole of the city or locality involved. To provide a separate charge would establish a circle within a circle, as each city or locality would then be divided into competitive zones, one against the other, according to the distance from terminal and the switching charges involved in reaching any particular carrier's tracks or yards. That this equality should be preserved between different points has been recognized by your honorable body in a great many decisions. We call to mind I. & S. Docket No. 264, Fabrication in Transit, in which it is stated that "rather than permit a variance in the charge for the stoppage in transit at the many fabricating points, the additional expense incident to the service, if not at present adequately covered, may be reflected in the general level of rates on the articles which enjoy the service."

This decision was handed down on January 12, 1914, just a few days previous to the decision in the Industrial Railways' Case, and in suggesting the imposition of a separate charge for spotting an entirely new line of thought at variance with the paragraph above quoted seems to have been employed. I believe it must be conceded that the rates which now obtain in this as well as other territories in this country were designed to include all services which carriers perform incident to transportation, and to say now that transportation begins here and ends there is simply taking some arbitrary rule or measure in which any one of several could be employed, one with as much effect as the other.

Would it not be as logical to say that the rates did not include clerical expense of billing and accounting, which is an overhead, but is absolutely necessary in the business of transportation?

Some stress also seems to have been laid upon the fact that a small shipper is discriminated against by reason of the fact of a larger shipper having private sidetrack. It is an inherent business principle that the larger the quantity the lower the price, and we can not see how your honorably body can ever hope for a successful conclusion to any undertaking looking toward the absolute equalization of the condition of a man who buys or sells one carload of freight a year with the man or concern who buys and sells thousands of cars. The very fact of receiving and shipping a large quantity of freight means that it becomes an economic necessity in the handling of this business to provide some other method than by horse and wagon, and not concentrate the handling of the business at one particular spot or terminal. We believe it would be immediately conceded that should the carriers on this account be compelled to provide their own terminal facilities for the handling of all freight that they could never obtain money enough to buy the grounds or property which would be necessary.

If this theory of discrimination is to have any weight, there seems to be no point at which it could be stopped, as reasoning would carry it out almost to any extreme if the ideas as advanced were established as a premises. For instance, five shippers of freight in New York City would ship to five consignees at Chicago 10,000 pounds each. At the same time one shipper in New York would ship to one consignee in Chicago 50,000 pounds of the same commodity. The 10,000-pound lots could and possibly would be loaded into one car at the carrier's freight station, and it is possible to have the one car containing five different lots of 10,000 pounds each, and the car containing the one consignment of 50,000 pounds traveling in the same train coupled together from New York to Chicago, but the small shippers or the small consignees pay a less carload rate of freight on the same quantity of the same commodity and under practically the same transportation conditions as against the shipper or consignee who pays a carload rate on his consignment of 50,000 pounds. Is not the smaller shipper discriminated against in being obliged to pay practically twice as much freight on his shipment as was the man who bought in larger quantities?

This example, of course, is somewhat extreme, but would not be if the discrimination idea of the large fellow against the small fellow were carried out to any considerable degree. Our conception of the idea of discrimination would be that all shippers of practically the same class should not be discriminated one against the other, but that the man or concern who does business enough to justify the building of a sidetrack is not being favored by that fact against the smaller dealer, who takes delivery and ships his freight at a team track or freight house.

At our West Newton (Pa.) plant, which is located in a very small town, we load every day one or more trap cars of freight from our warehouse directly into cars. These cars are then switched out and taken by regular scheduled train up to Pittsburgh and transferred into through cars for various points. If this method were not employed, or a charge were laid on which would equal the cost of teaming to freight depot, it would be a hardship on both the shipper and the railroad company and nobody would be benefited. If we delivered these shipments at the Baltimore & Ohio freight depot at West Newton, Pa., it would mean that Baltimore & Ohio would have to employ additional help at their freight station to handle these shipments. The cost of switching the car out to the main line is insignificant in comparison.

At Geneva, N. Y., we are located on the New York Central tracks. At this point we do not take any advantage of trap-car service, owing to the fact that our plant layout is such that we can not do so. We are therefore obliged to team all our less carload shipments to the freight depot. It would certainly be an advantage to us and to the New York Central Railroad if these shipments could be loaded into a car at our plant and hauled up to Rochester, N. Y., which is a large distributing point.

At Edwardsville, Ill., we are located on the Litchfield & Madison Railroad, which is almost strictly a coal-carrying road and at Edwardsville maintains no freight station or freight handlers. We load our less carload freight into a car, and it is hauled either to St. Louis or Mount Olive, Ill., for transfer. If a charge were imposed for handling these cars it would mean an additional expense to us, which would not be justified, or if we refused to pay it and elected to make delivery to their station it would mean that the Litchfield & Madison would have to erect a freight shed and hire somebody to handle the freight.

To sum up, we can not see where in any way carriers are justified in the providing additional charges for the placing of loaded or empty cars on a private sidetrack. We believe the best interests of the shipping public on this account will be served if your honorable body can reach the conclusion that the thing to decide is whether or not the carriers are entitled to a 5 per cent horizontal increase in freight rates in this territory, and decide that question on the merits of the case presented.

Yours, very truly,

CHARLES P. HACKETT, *Traffic Manager.*

—

ST. LOUIS, *April 11, 1914.*

Mr. E. E. CLARK,
Interstate Commerce Commission, Washington, D. C.

MY DEAR MR. CLARK: This will acknowledge your very frank and much-appreciated letter of April 4, answering mine of the 2d with reference to the rate situation.

I sent you the editorial from the St. Louis Times for the purpose of getting just such a candid expression, and I want to thank you for taking the time to write me so fully and expressively.

I wish to have the privilege of writing you fully in answer to your letter, but in the meantime I believe you will be pleased to read the quotation below, which is taken from the letter of a friend of mine who is one of the heads of a great eastern daily. I wrote to him, as well as many others, on the same matter referred to in my letter to you, and the editorial which this gentleman sent me and which I am inclosing herewith is one of the results of this little campaign of education.

I thought you would be pleased to have it called to your attention, if you have not already seen it, and at your convenience I should be pleased to know your thoughts regarding this editorial.

In sending the editorial, the gentleman says:

"I am just in receipt of your letter inclosing clipping from the St. Louis Times anent the present railroad situation, and I have referred the same to our editorial department.

"I hope you have read the editorial in our paper, copy of which I am sending you, and which handles the situation in pretty good shape. What is needed is that everyone interested in the proposition be actuated only by an honest desire for the good of all. When this time comes there will be no such wrangling as is going on at present not only in the railroad field but in other industrial quarters. Were men and nations honest, wouldn't this old world be really a heaven for us all?

"I know the world is getting better and that these present wranglings are only signs of the times in the breaking away of the clouds of discord and mistrust. I know the rate question will be settled aright and within a very short time."

Yours, very sincerely,

CLARENCE H. HOWARD.

—

This was left out of letter.—C. H. H.

BOSTON, MASS., *April 6, 1914.*

FAIR PLAY AND THE RATE QUESTION.

Developments of the last few days in connection with the railroad hearing before the Interstate Commerce Commission make it clear that there are great classes of people in the United States who believe not only that freight rates should be increased but that the commission should go out of its way to put the increase through with speed. Great men of the railroad world have told the commission, in effect, that rates would have to be raised quickly or they would not be responsible for what might happen to the general business of the country. Shippers have come into the newspapers with resolutions or interviews regretting that the commission has not been able to decide this important question without so much hesitation. At the same time some of the greatest railroad systems, with apparent summariness, have dropped out of their employ a number of thousands of employees. Also in notice are significant cartoons, one of which pictures the Interstate Commerce Commission as a gigantic snail, blocking the path of a fast railroad train labeled "Business progress."

We do not know any reason why all these things may not have come out at this time naturally. Yet there is about their precipitation into public consciousness something cumulative, a certain timeliness, such as in other instances has been evident where artifice has been employed to produce a carefully planned effect. They certainly tend to create a public sentiment in favor of raising railroad rates, just as they tend to push the commission toward that kind of a decision. For this reason it becomes highly important, we think, that all who read this class of news at this time should weigh each item with care, and with a view to determine whether its origin is in natural conditions or in some effort that involves calculation and artifice.

In connection with this sudden dropping of thousands of railroad employees we can not help wondering what is the nature of an organization that can get rid of so many hands in the fashion indicated by the newspaper accounts and still continue as a going business. And our wonderment is increased when we recall that for many months the great railroads have allowed themselves to be reported as using every means in their power to economize on operating expenses, since it is not so much gross earnings as net that have undergone diminution. If we are to believe that they economized as much as they could in those earlier months, it is difficult to understand the sudden opportunity for such retrenchment, just now while the rate question is up. We can find no figures showing any corresponding slump in general business preceding this recent curtailment, whatever figures may be available now that the curtailment has taken place. Neither can we find any reasonable explanation in general business for the flood of elaborated news of operative reductions and related information that is rolling up against the desks of those newspaper editors who handle financial and business matters.

If those newspapers that are virtually controlled by organized business are being systematically used to develop a sense of pressure in this rate situation that would not otherwise be acute, then the same care is necessary at this time that would be taken anywhere and at any time to guard against what is known as a stampede. It is not always easy for ordinary newspaper readers to discover when an item of print has something behind it other than the desire to convey information; and when many great newspapers of the country are suddenly found to be printing items that are essentially prejudicial to an issue that is nominally open, there is need for special care if a reader is not to allow himself to be swept on to a wrong conclusion. Many well-informed newspaper readers, it may be remembered, agreed that the Spanish-American war could have been avoided if the newspapers had refrained from jingoism.

So if there is now on foot any attempt to sway public sentiment unduly or by artifice on the rate question, this is the time of times when the Interstate Commerce Commission deserves popular support. In the gradual advance toward effective public supervision of the great railroad systems in the United States, the time has come when that little group of public servants at Washington is required to withstand great pressure in the effort to exercise fairly the wide powers with which the public has intrusted them. The railroads have an opportunity to bring great influences to bear on the situation through their highly organized control of industry. Whether or not they are taking advantage of this opportunity, there is, we believe, all the more reason why public sentiment should stand unwaveringly behind the commissioners who are at this moment the Nation's reliance to see that no undue influences shall prevail and that the far-reaching decision as to railroad rates shall be neither stampeded nor deliberated unfairly but adjudicated with due regard for the truth and the rights of all.

—

ST. LOUIS, *April 11, 1914.*

Hon. E. E. CLARK,
Interstate Commerce Commission, Washington, D. C.

MY DEAR MR. CLARK: Referring again to your good letter of April 4, in answer to mine inclosing an editorial from the St. Louis Times:

I have read your letter several times and have found it interesting and helpful. You, of course, understood my honesty of purpose in writing you as I did, and that no criticism of your honorable commission was in the least intended.

It has always been my opinion that the formation of the Interstate Commerce Commission has met a great need, for a fair and impartial tribunal which gives a hearing to both sides is able to enforce right conditions much more effectively than can either of the parties. The commissioners, as far back as I can recall, have been splendid, able, and conscientious men, who have earnestly and sincerely endeavored to mete out justice to all parties. When I referred to the necessity for purest justice I most assuredly meant justice to the Interstate Commerce Commission as well as the railroads, shippers, and the general public, for according to the greatest Teacher we have ever known whatever helps one must help all, and justice can not properly be designated as such where any degree of partiality is shown.

In this connection permit me to say that it was most gratifying to a great many to see Mr. Joseph W. Folk appointed as chief counsel to the commission. I feel that he is not only capable of filling the position to which he has been appointed, but he is a man who could acquit himself with great credit in any position within the gift of the Government, because of his ability and his unquestioned honesty of purpose and truth of character, and also his freedom from prejudice. Justice and prejudice can not be reconciled. I believe I voice the opinion of thousands of people, particularly in the West, when I say that no one could have been selected who could more honestly, conscientiously, and justly handle the matters in connection with that important office than Mr. Folk.

I am very glad to have your frank expressions, because the subjects now under consideration, and their effect upon business, are of great interest to me, not only as a public-spirited citizen, but as the head of a great manufacturing concern employing 3,000 men, and, I might also add, as a large shipper. We have established very gratifying relations with our men, have made our plant as safe as possible, have created the best working conditions, and have done a great deal to bring our men to the highest degree of skill and efficiency, and we have engendered a spirit of good-fellowship in our entire organization. Therefore we naturally feel very close to these men, and it is very distressing to us to see business declining to such an extent that we may be compelled to lay off quite a number of our men. This is the humane side of the proposition, and looking at the subject from a broad standpoint, and fully realizing that there have been abuses and irregularities in railroad matters in the past (which, however, have been almost entirely eliminated), does it seem reasonable or just that the entire railroad and industrial world should be made to suffer for the past wrongs of a few?

You are aware that wages have been steadily increasing for many years, and this is especially true of the railroads as well as all industries. The public has required the railroads to furnish luxurious service and equipment, faster trains, the adoption of numerous safety appliances, etc., and all these things are no doubt very desirable and proper; but their enforcement should be accompanied, it would seem, with some compensating increase in revenue. However, it seems that the railroads' revenues have remained stationary, and in many instances have been reduced. The hardships also placed upon the railroads by conflicting legislation of various States emphasizes the desirability of Federal regulation.

In view of all the circumstances, it is the sincere hope of shippers, business men, and the general public that some means may be found by which the question of increased rates for the railroads can be

promptly decided, either one way or the other, for any certainty seems preferable to the prevailing uncertainty and suspense, which is a great detriment to all business, and is affecting directly and indirectly every man, woman, and child in the United States. The tariff question has been disposed of, the currency bill has been passed, we have prospects of splendid crops, and there is every indication that a prompt and effective settlement of the rate question would cause a wave of general prosperity. This would furnish employment for the unemployed, and our duty to our fellow man is of much greater importance than the settlement of details and technicalities.

In my earnest endeavor to get all the information possible regarding this important subject I have, from time to time, obtained the views of many people of different vocations—large shippers, bankers, professional men, railroad men, members of the judiciary, legislators, newspaper men, etc.—and have accumulated expressions which would seem to indicate the views of the general public, and for your information I inclose extracts from some of these letters.

The facts you mention as to the nature of the commission's work are appreciated, and I have always understood that the commission is considered a judicial body. I hardly believe the thinking public reads the ordinary newspaper article, editorial or otherwise, without allowing for misstatements due to misinformation or a lack of knowledge of the true conditions, and I really do not think that any considerable portion of our population credits the insinuation that the commission is prejudiced against the claims of the railroads. It would seem, however, that the wide publicity given these matters is very desirable, for when they are finally settled the public will be assured of the fact that every phase of the subject has been considered, and all sides given a thorough hearing.

I note the last paragraph of your letter which says in effect that you welcome the views of those interested, but that if the commission decided questions before it according to any pressure that might be brought to bear, or to avoid criticisms or abuse, it would be composed of men entirely unfit to serve in that capacity. This is very pleasing, and I most heartily agree with these sentiments, and having these ideals before them the commission can not fail to decide the momentous questions before it in the fairest and most impartial manner.

Your writing me so earnestly is very much appreciated, and, as you say you welcome the views of those who are interested, it gives me great pleasure to send you this letter with its inclosure, which I trust may be of some service to you, and which in turn necessarily means a service to the public.

Sincerely and appreciatively, yours,

CLARENCE H. HOWARD.

[Extracts from letters on the railroad situation, with reference to the request for increased freight rates.]

APRIL, 1914.

It is to be hoped that the Interstate Commerce Commission will take early action in this matter, which is one of great importance and interest to the country as a whole.

Unless granted, I fear the consequences will be serious, not only to the roads, but to the public at large. The commission is responsive to public opinion, and if satisfied, that favorable action would be generally supported by the public at large, would probably grant the prayer of the roads. The press of the country can render the roads and the public no greater service than by keeping up the publication of editorials, which will satisfy the commission that the pending application is receiving genuine public support.

It seems that a favorable decision would be the one momentous factor toward a resumption of prosperity.

It appears to me that opposition to the haphazzard regulation of large interests is becoming more and more pronounced. Some of our decisions illustrate a remarkable conflict between the desire for economical management on the one hand and fear of approving organization on the other. Commerce will have to pay the price during the transition period, but, to repeat, criticism of this policy is becoming very pronounced.

The increasing tendency in the public press toward expressions of this character is a most hopeful indication of a better understanding and better conditions in the future.

The rate problem should be settled by the commission, as they are the kind of men contemplated by the law; well versed in transportation matters, and thereby better fitted to judge of the merits of a case presented than some highbrow well versed in the law. My opinion is that railways should be empowered to make an increase in freight rates, to enable them to provide for the growing needs of the country and pay a reasonable return on the investment. While it is true that the stocks have in most cases been inflated, to the profit of the few, nevertheless the securities are now in the hands of innocent parties who had the right to think that the laws would safeguard the public in the issuance of the stocks and bonds of the corporations.

When you get an expression from any of the commission it is along the line of Mr. Clark's views, and Mr. Prouty, in fact, is more outspoken than Mr. Clark at times. All of this shows they are having a little different viewpoint now from what they had before, and with knowledge as to the exact situation they are becoming exercised for fear that the development will be so stinted by reason of lack of funds that the whole country will greatly suffer.

It appears that the business men of the country are changing their views upon the subject of railroads, and we are all hoping that this will extend to the masses of the people who do the voting. Like all other questions of this kind, publicity is helping it.

If Uncle Sam himself would treat the railroads fairly in the matter of "railroad-mail pay," this item alone would help out considerably. There appears to be a growing sentiment among shippers that the railroads should be allowed increased rates in order to take care of their increased expenses caused in a large measure by legislative regulations, as well as by the increased cost of labor and material. I am glad to see that you may be counted among that number.

There is no doubt in my mind that the thinking press of the country is growing more and more to understand the real conditions surrounding the railroads, and are taking the view that the railroads are entitled to proper compensation for service rendered, the same as any other public servant or manufacturer. It has always been my belief that more good comes from setting the example rather than preaching. It is further my opinion that the men as a whole, who are managing railroad property are coming more and more every day to realize this fact, and it is bearing fruit.

We are all very much interested to know if we are going to be allowed to base our rates the same as the manufacturers—in accordance with the present prices of labor and material.

There seems to have been a direct change of heart on the part of a great many people in connection with the railroad situation, and the old habit of damning the railroads is gradually being overcome through the fact that, I believe, the people are beginning to understand that the railroads have not followed the "to hell with the public" policy outlined by one of their forefathers.

The commission seems rather slow to act in this matter, and if we are to get the increase, it seems too bad that general business stimulation, which would immediately follow, should be so long held in check.

I have an abiding faith in right prevailing in the end, and the case in question will not be an exception, the great trouble in the meantime being in the effort of the railroads to make both ends meet, which, without question, means curtailment in expense, which is burdensome to some extent on the shipper, and, in turn, on general business.

When the commission acts in the matter of increase in freight rates applied for by the eastern roads, it will, I am sure, greatly relieve from further embarrassment the present situation.

The fact of the matter is that, much as the railroads are in need of the advance for which they have asked, the country itself requires this tonic even to a greater extent, and I can not see how the Interstate Commerce Commission can well decline to grant it.

While I am naturally an optimist, I can not but believe unless this 5 per cent increase granted there will result great hardship for a great number of the people of our Nation. The denying of this increased freight rate and the agitation regarding removal of grade crossings and better equipment in the form of all-steel cars, the burden of hauling the parcel post, for which the railroads to date have received little or no additional revenue, and the attitude of our legislatures and Representatives in Washington is such that the railroads are facing a condition that will be hard to overcome unless something happens in the very near future.

There is unquestionably a large feeling that the Interstate Commerce Commission ought to do something in the nature of relief for the railroads, and I hope that the final results will be such as ought to be produced and for the benefit of the country.

It seems to me that the great American public, which as a matter of fact in the long run lines up on the side of the square deal, is beginning to recognize that hostility to the railroads is being worked overtime and that the movement, politically and economically, has gone about far enough. I look for a better condition of affairs soon, although I fear it may take a long time to undo the harm already done.

I think the views of the country have changed a great deal and are more favorably inclined to the railroads' desire for an advance in rates.

All indicate an appreciation of the need of an increased compensation to the railroad companies, and it seems to me that public sentiment has practically crystallized in favor of the increase now under consideration by the commission.

There is no question in my mind but what the railroads have got to have an opportunity of taking care of themselves, devoting a little of their time to the operation and to the development of industries along the line, and they must be paid for it.

The railroad properties are the subject of attack from many sides and with unjust discrimination and unjust legislation by States, and it behooves every thinking man to do his best to start and do his level best to turn this tide of thought.

It seems to me that it would be good business judgment and good policy right now to move in this matter, even if it means to "risk doing a little harm to accomplish a great good."

The transportation business relatively will no doubt change from time to time like any other, and it would seem that there should be some elasticity to the prices which are charged for transportation, the same as there is for steel, lumber, or any other merchandise. Rates authorized now may be found in years to come to be too high or still too low. It is in order for the authority regulating railroads to ascertain what the rate should be, and it hardly seems fair to deny the plea of the railroads for such a length of time without responsibilty or obligation to make good the serious loss which may result from such delay.

There should be a general awakening of the people to their interests in the proposition.

A general awakening of this kind on the part of those who influence legislation will without a doubt bring about a period of development and reasonable prosperity for the railroads and those who are dependent upon the railroads for their own welfare.

The press is beginning to realize that, as arteries of commerce, the healthy growth of industry is depending upon the health and development of the railroads.

—

The thinking press of the country is for fair play to the railroads, which, without any argument, means prosperity for the country at large.

—

It seems too bad that there should be so much delay in giving the eastern roads what they are really entitled to. It would look as though it were an unnecessary delay.

—

The sentiment of the people of this country will prevail eventually, but just how long we will have to wait is hard to tell and is the problem which keeps us all guessing.

—

I have noticed in the past that the commission seems to be very prompt in its decisions for rate reductions but whenever an increase is asked for, action seems to be suspended for apparently an indefinite period.

—

There is no doubt but that public sentiment is in favor of an increase in rates and this same public sentiment should also be helpful in the matter of favorably influencing drastic and unnecessary legislation affecting the income and outgo of the railroads of this country.

—

I can not help feeling that the decision this time will be favorable; in any event, I shall continue to hope so.

—

I am quite certain that freight rates must be increased and that quickly, else the entire railroad structure will get into disrepute. We have with us to-day the beginning of the decay of the entire system; it is not the railroads so much as the American people who will suffer; the railroads will gradually sink into insolvency.

—

As you know, it is impossible for a railroad company to do any financing at this time. There is so much agitation going on in Washington that people of means are afraid to do anything. Whether we may expect any improvement or not in the near future is hard to tell. It looks to me as though we were going to have a lot of idle people all over the country, which is a very distressing thing.

—

The railroads are bringing to this country 1,000,000 emigrants every year, and they are going into the large cities, and the demand for food produce is increasing as the population increases in our cities. On account of the railroads having insufficient funds to extend their lines into new territory, and also on account of the credit of the railroads running down through numerous Federal and State bills which costs the railroads money to put into effect our credit is very low, and it is therefore difficult to get money to put into railroad-extension work, and it is not right that this should be, for it takes anywhere from 10 to 20 years to get returns from the new railroads built out in Wyoming and Idaho and territory in that direction, and the railroads are not earning enough to do it.

Therefore the necessity of the Interstate Commerce Commission giving encouragement to the railroads at this time rather than otherwise.

—

The general idea that money invested in railway stocks is not entitled to as full consideration as money invested in bonds has already injured the credit of railways to such an extent that future demands for capital to create necessary facilities will not be forthcoming at any price.

—

If every business man would take an interest in this matter it would not be difficult to bring about such a change in conditions as would permit of the railroads increasing their net revenue to a point which would justify the making of many new improvements in the way of additional equipment and added facilities for handling the constantly increasing commerce of the country.

—

The railroad problem is certainly a big one, and one that affects the whole country, but there are some good men working on it, and perhaps the higher freight rates are a part of the solution.

—

Every cent that the railroads earn goes right out for material and labor; in other words, it goes back into the hands of the public.

—

The necessary increase in railroad rates to enable the railroads to perform their functions satisfactorily to their patrons and to their owners would be very little indeed and would scarcely be felt by any producer or consumer. Such an increase, however, would enable the railroads to get the necessary capital to expand in their facilities, which they would make, they would greatly add to the general business of the country and be the means of creating an optimistic feeling throughout. I believe that public sentiment is changing for the better toward the railroads, and that it is only a question of time until those in authority will see and act upon the necessity of remunerative rates for the railroads. I think they are beginning to realize that this is a matter of paramount importance to the success of business and to the safety of life and limb of those who travel.

—

COMMISSIONER CLARK AND THE RATE CASE.

A letter from E. E. Clark, member of the Interstate Commerce Commission, and chairman in the last year, has been received by A. A. Housman & Co., members of the New York Stock Exchange, in response to a market letter out by the firm under date of March 30 last.

In its letter the firm wrote emphatically of the desperate situation of the railroads, produced by their inability to control their costs, their service, or the selling power of their product. Reference was made to the requested advance in freight rates as the only alternative to bankruptcy or selling out to the Government.

Commissioner Clark, whose letter to the firm was written without its solicitation, declared that no member of the commission is insensible to the great responsibility that rests upon him in connection with the proposed general increase in freight rates, but points out that its powers demand a full hearing on every request for a freight-rate increase. He adds: "Whatever the transportation charges are, the consumers have to paw them, and we think that the consumers' interests are not to be entirely lost sight of. I have never felt and do not now feel that one or two black sheep in a flock make the entire flock black. I do not condemn all railroad financing or all railroad managements because some of their financing and some of their management is both indefensible and inexcusable, any more than I condemn the Christian religion because occasionally a bad man is found in the clergyman's coat. The duty rests upon the commission to properly investigate the reasonableness and necessity for the increases, and the question of reasonableness is not at all a one-sided question."

—

HARPER & TURNER,
Philadelphia, April 13, 1914.

Mr. E. E. CLARK,
Chairman Interstate Commerce Commission,
Washington, D. C.

DEAR SIR: Permit me to extend my congratulations on the abstract of the letter which you have written Messrs A. A. Housman & Co., and which abstract appeared on the telegraphic News Bureau ticker to-day. I say what I do because it is a humanizing letter.

Many years ago it was my good fortune to come in contact with you when I was on a newspaper staff and you were here for some time in connection with Lehigh Valley Railroad troubles. I remember with great pleasure your uniform courtesy at that time, and it is a pleasure to me to write to you now.

It is not the business of any citizen to offer suggestions that seem designed to contribute to a matter which is the subject of testimony. I am not writing from an investment banker's point of view. This might tact with manufacturers and shippers, as they constitute a great part of his clientele. The attitude of some of those with whom we come in intimate contact is one of deep depression. The whole situation seems to be psychological. Whether or not the rate increase is a just proposition, it has entered the minds of large numbers of business men that it actually is the greatest obstacle to business resumption. In voicing their comments they fret over what they deem delay in the decision, although they recognize that it is a momentous case.

A particular point raised is that the delays and reasons given that hearings had to be given on other subjects, conveyed the impression that the Interstate Commerce Commission did not realize that the business world was awaiting this decision. So long as it is fixed so strongly in the minds of men who have to pay the freight that the railroads must have relief just so long business will be delayed in picking up.

I do not believe anyone capable of passing judgment upon this question who has not devoted the thorough study to it that the commission has, and while a proposition to increase rates may seem economically wrong, nevertheless the fixed fact remains that a large part of the business world which we happen to see believes that the rate question is the great thing that is now oppressing business, and they are hoping and praying that in one way or another it will be gotten out of the road speedily.

Pardon me for venturing to write to you so freely, but I was so much gratified when I saw that you did not hesitate to speak frankly publicly that I felt impelled to write.

I am very truly, yours,
ALBERT E. TURNER.

—

KINGSTON, WIS., *April 2, 1914.*

CHAIRMAN INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

DEAR SIR: I just read in the Chicago Record-Herald that your honorable commission is about to decide if there shall be a 5 per cent increase in rail fairs. Now, I wrote you before I am in favor of giving eastern and western railroads 5 per cent increase. Now, let our junior Senator kick. I have been in the business of merchandise 44 years, and I believe in live and let live. The railroads must have some help. Everything costs more, why not give the railroads what they ask so there will be more railroads built. Officials of the St. Paul told me they will not build another mile of road in Wisconsin. So the people see. We must lay the blame to our Senator, LA FOLLETTE. He has done more harm to our State than good, and oblige,

Yours, truly,
H. VOLKMANN.

—

WABASH RAILROAD,
Chicago, May 12, 1913.

Hon. E. E. CLARK,
Chairman Interstate Commerce Commission,
Washington, D. C.

MY DEAR MR. CLARK: You may be interested in knowing that I have just come from a conference with prominent shippers in the Association of Commerce of Chicago on the subject of the proposed 5 per cent rate advance in official classification territory. I feel encouraged by the attitude taken by these shippers, and it looks now as though we would get no serious opposition from this quarter. The commission will, I hope, be willing to hear and decide the case on the general question of a moderate horizontal advance within the next 60 days, because, even with a favorable decision, it would take us at least three months more to prepare the tariffs.

There is nothing more important in front of us to-day.

In connection with the general railroad question I take the liberty of inclosing a copy of an address before the Economic Club, in New York, on April 29. This was in connection with a discussion at which Mr. Brown, Mr. Garretson, Mr. Bush, Prof. Ripley, and myself spoke.

Yours, very truly,
F. A. DELANO.

—

THE BALTIMORE & OHIO RAILROAD CO.,
On line, May 9, 1913.

Hon. E. E. CLARK,
Chairman Interstate Commerce Commission,
Washington, D. C.

MY DEAR MR. CLARK: I learned from Mr. Clyde Brown before leaving New York this morning of his talk with you on the telephone a day or so since concerning a conference at which time the carriers might file their request for reopening of case known as No. 3400. He said also that you expressed the fear that the commission might not be able to set a date for hearing before their annual adjournment.

I really hope the commission may find it possible to give us a hearing before it adjourns, although I appreciate fully that the time for that

purpose is limited. While the general question of reopening the case has been under consideration for some months, the necessity for additional revenue did not appear so pressing until after the recent flood disasters in the Middle West, and but for the large losses in net revenue, growing out of that condition, I suppose the request for rehearing would not have been made until after the summer vacation.

It did seem highly important to some of us, however, and to none more so than to myself, that we ought not to defer longer the making of our application, and while I have no desire to argue our case out of court, I am most anxious that we may have opportunity to present it as soon as it may be convenient and possible, in court, because if the commission should find that the railroads this time had proved their case and should grant the increase, it would then, as you know, take three or four months to prepare the tariffs and make the increased rates effective. In other words, no matter how well or promptly the case is handled, it will at least be five or six months, if not longer, before any relief can come from increased rates.

I trust you will appreciate the spirit in which this letter is written. I do not wish to seem insistent or to urge upon the commission any course which to them seems ill advised. It has occurred to me, however, that it might be possible to arrange, by concurrence of both parties, to defer some other case that may now be pending until after the summer vacation, and in that manner find time for what seems to me to be the most important case of all.

Very truly, yours,

D. WILLARD.

—

THE SOUTH BROOKLYN SAVINGS INSTITUTION,
Brooklyn, N. Y., April 7, 1914.

Mr. G. B. MCGINTY,
Secretary Interstate Commerce Commission,
Washington, D. C.

DEAR SIR: I have received your favor of March 27, in which you inform me that the President has forwarded to you my letter of March 20.

We are much disturbed to learn by advices from Washington that the question of allowing the railroads to increase freight charges has been deferred for 30 days.

We are not speculators in railroad bonds and not one of our trustees is in any way connected with railroads. We have simply invested a portion of the savings of our depositors—the laboring class—who are providing against the wants of old age.

We feel that conditions are very acute, and trust that your body will not defer action too long.

Respectfully, yours,

WILLIAM J. COOMBS, *President.*

—

THE H. M. BICKFORD CO.,
Boston, April 6, 1914.

Hon. EDGAR E. CLARK,
Chairman Interstate Commerce Commission,
Washington, D. C.

DEAR SIR: I beg to acknowledge receipt of your courteous letter of April 1 in reply to mine of March 30, in the matter of the eastern freight rate increase.

I do not wish to take up your time by continuing a correspondence in an argumentative way, because I am thoroughly aware that the commission is trying to settle this matter equitably to all, but there is one paragraph in your letter about which I would like to set you right. I refer to the paragraph which reads:

"We are not unaware of the propaganda which has been pursued to press us from as many quarters as possible to grant this increase."

If you supposed for a moment that I have been asked by any interested parties to write a letter to you, my letter would lose its entire effect. I wish to state without qualifications of any kind, that I was not requested by any person, organization, or representative of any interested parties to write as I did, but that it was entirely on my own initiative and because I personally felt that you could not be entirely conversant with the conditions which obtained in this section and still further delay a decision on this question.

It seemed to me when I wrote, and it seems to me now, that we are on the very verge of an industrial or business panic and that you held the remedy in your hand if you would apply it.

I did not intend to state that I thought a decision from your commission favorable to the railroads was the only way in which this impending trouble could be averted. I personally think that a decision unfavorable to the railroads would be vastly better than the uncertainty occasioned by a continued delay.

Please excuse me for trespassing further upon your time.

Very respectfully,

FRANK B. WITHERBEE.

—

MASSACHUSETTS MUTUAL LIFE INSURANCE CO.,
Springfield, Mass., June 20, 1913.

Mr. ALFRED HOLMEAD,
Acting Secretary Interstate Commerce Commission,
Washington, D. C.

DEAR SIR: Your esteemed favor of the 12th to hand.

It seems obvious that the commission will grant the railroads' request for hearing, and in view of the present conditions, the sooner it is done the better.

The members of the commission are in better position to judge the merits of the question than any outsider. But it seems significant that public opinion has veered clean around in favor of the railroads.

One thing is certain—if any advance is to be made, the sooner action is taken the better, for in spite of the best efforts of leading business men, conditions are daily growing worse, although this country should now be enjoying a period of great prosperity.

Yours, very truly,

WM. BOSWELL.

—

THE 100 PER CENT RAIL JOINT CO.,
Philadelphia, October 30, 1913.

Hon. E. E. CLARK,
Chairman Interstate Commerce Commission,
Washington, D. C.

DEAR SIR: Referring to my letter of the 23d and your acknowledgment of the 24th instant, I inclose herewith an editorial comment on your remarks of the 28th instant. The commendation of this editorial is from such a substantial source that I think it must prove gratifying to you.

I know that often in the pursuit of justice you must act without reference to the prospect of popular approval, but that does not detract in the least from the fact that when there is such substantial approval of your attitude on vital matters you must feel a little surer that you are headed in the right direction.

Yours, very truly,

W. PATON THOMAS, *President.*

[The Evening Bulletin (Philadelphia), October 29, 1913.]

SOUND RAILROAD ECONOMY.

The declaration by Chairman Clark, of the Interstate Commerce Commission, yesterday that ideal transportation conditions could not be expected on the railroads of the United States without an increase in rates was not more significant than his subsequent remark that "even if it be true that the present financial condition of transportation agencies is due to reckless, improvident, or even dishonest financing in the past, it would be a mistake to undertake to correct it by a policy of reprisal." The sooner that principle is recognized in the public as well as the official attitude of the Nation toward the railroad problem the sooner there will be reached an adequate and satisfying solution.

There is an unwritten but fixed law of limitations which must be recognized in all problems of this nature. Some things which have been done can not be undone. Eggs can not be unscrambled. The status quo can not always be restored, nor is it always possible to determine responsibility for wrongs which have been done and to reach the guilty parties with the arm of the law unless innocent are made to suffer as well. Undoubtedly there have been gross wrongs in the financial manipulation of railroad properties in the past. Deserving of punishment as the responsible factors in these manipulations may be, the essential thing is to prevent the repetition of these practices and to get good service out of the railroads in the future. It is folly to cripple an essential public service in order that past offenses may be punished. Admitting that money has been wasted, that capital has been inflated, and that rates paid by the people which should have gone into the maintenance and development of railroad property in the past have been diverted into the pockets of promoters and manipulators, that fact does not answer the actual need of money for operating and maintenance expenses at the present time.

The railroad problem must be taken out of the past and studied in its present and future phases if it is to be settled rightly.

—

NIAGARA, N. C., *November 1, 1913.*

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: Have you ever, in considering the possible advance in freight rates as requested by the railroads, looked for a substitute?

Why not allow the railroads to advance the carload rates 15 per cent in place of the small-shipment rates? This would accomplish the same results and would not increase prices to the consumer or small shipper.

You may think that carload rates benefit the small purchaser indirectly, but if you will investigate I think you will find that all wholesalers and jobbers who buy in carload lots in making their prices add small-lot rates and put the extra profit into their pockets. That can be found by comparing prices at different points as quoted in the price lists.

Very truly,

O. H. GORDON,
Niagara, Moore County, N. C.

—

THE H. M. BICKFORD CO.,
Boston, March 30, 1914.

Hon. EDGAR E. CLARK,
Chairman Interstate Commerce Commission,
Washington, D. C.

SIR: The writer is located at some distance from Washington and not at all in touch with politics in general, but is, however, intimately associated with business men in this section of the country in various lines, and therefore in a position to appreciate what apparently your commission does not realize, namely, that the delay in reaching a decision upon the eastern freight-rate question is rapidly bringing about such a business condition in this section of the country as to seriously threaten the interests of thousands of business men and millions of dollars of their invested capital.

Without discussion of the merits of the question as to whether or not the railroads are entitled to the advance in freight rates for which they ask, and fully appreciating the necessity for the most careful consideration of all the arguments which have been presented to the commission, and appreciating as well the necessity for the hearings which have been held for many months, nevertheless I believe that further delay must result in vastly more injury than benefit.

Surely during all these months that the commission have been considering this question they must have gained all the essential facts upon which to base their decision, and the business men and the railroads themselves now, I believe, have a right to expect a verdict and to receive it promptly.

This is the opinion of a great number of business men with whom I have talked. There is not one dissenting opinion; not a single exception.

Therefore, I believe, as do these others who are far enough from the scene of the actual discussion to have a broad and comprehensive view of the whole situation that the responsibility for what must occur in the event of further delay is squarely up to the commission and that they will be held to account for the disaster which is surely approaching and which even now it may be too late to avert.

It is unnecessary to point out—it is conceded—that the railroads are the largest factors in the business world. Their prosperity is necessary to general prosperity, and if they must sink with the gradually increased load of operating expense, it is fair that they should know it, and it is fair that the entirely innocent business community should have the change to determine its policy in that event.

The plan apparently adopted by the commission of continuing the hearings before the board, of further consideration, and, I suppose, discussion of this great question will surely result very soon in a business condition for which there will be no remedy whatever.

Very respectfully,

F. B. WITHERBEE.

—

FORT WORTH, TEX., *March 5, 1914.*

Mr. EDGAR E. CLARK, *Washington, D. C.*

DEAR SIR: I am taking the liberty of mailing you under separate cover copy of an article written by the president of this company, Hon.

George W. Armstrong, which is self-explanatory. This article appeared in every daily newspaper in the State, and is the third of a series which we hope in the end will accomplish a great good. I doubt if there is any other individual in the Southwest who creates more tonnage of freight than does Mr. Armstrong.

Yours, very truly,

TEXAS ROLLING MILL CO.,
Per BARNEY SMITH, *General Manager.*

—

CENTRALIA, WASH., *February 6, 1914.*

EDGAR E. CLARK,
Chairman Interstate Commerce Commission,
Washington, D. C.:

Your decision on railroad rate advance is awaited with great interest and anxiety. Many important improvements are being delayed pending settlement of this matter, and we believe that a decision on the question of rate advance will have a tendency to restore confidence and increase business activity. In dealing with this matter we sincerely hope that you will consider its relation to the commercial and industrial prosperity of the Nation.

CENTRALIA COMMERCIAL CLUB.

—

BUFFALO, N. Y., *January 2, 1914.*

Hon. G. B. MCGINTY,
Secretary Interstate Commerce Commission,
Washington, D. C.

DEAR SIR: Inclosed I am handing you a copy of resolution adopted by the transportation committee of the elevator owners and the transportation committee of the Corn Exchange of Buffalo, representing pratically 95 per cent of the grain trade of the city of Buffalo, which I would thank you to file as an expression of our views on the general rate case.

Yours, very truly, G. E. PIERCE.

—

BUFFALO, N. Y., *January 2, 1914.*

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: Resolution adopted by the transportation committee of the Corn Exchange and the elevator owners of Buffalo at their meeting held December 17, 1913, in respect to the proposed general advance in freight rates in official classification territory.

Whereas carriers in official-classification territory have filed petition with the Interstate Commerce Commission for rehearing in docket No. 3400, in the matter of advance in rates asking for general increase of 5 per cent on all freight rates, praying that the case may be reopened and further considered, owing to increased cost of operation of various kinds set out in their petition, the net return no longer being sufficient; and the commission being of the opinion, from a consideration of the allegations of that petition, the need of, and justification for additional revenue should be further examined by it at the present time; and

Whereas the commission thinks that such examination can be made more satisfactorily and more comprehensively in a general proceeding of investigation, instituted by the commission upon its own motion, than by a further consideration of this particular record, and further have denied the petition for a rehearing; and

Whereas the above committees have given considerable thought to this subject, respecting their attitude in the matter which they recognize as of great importance to the grain trade in general, the carriers as well as the public at large: Now, therefore be it

Resolved, First, that the committees are in sympathy with the purpose of granting such rates as will permit railroads to operate and maintain their properties so that adequate service may be given to the shipping public and at the same time pay a reasonable return on the money invested, after a thorough investigation by the Interstate Commerce Commission of the need of, and justification for, additional revenue, that body to determine from the facts the necessity for said proposed advance, and the reasonableness of the rates to be established thereby, consideration being given to certain localities where the rates are now excessive and unreasonable.

Resolved, Second, that the committee especially invites the commission's attention (1) to the fact that the movement toward higher transportation charges in official classification territory has in the past fallen to an undue and unreasonable extent upon the rail-and-lake rates. If, for the sake of argument, we concede the claim of carriers that increased cost of operation, taxes, etc., justified some increase in the all-rail interstate rates, we respectfully submit that such claim can not and does not apply to the rail-and-lake rates, which have been advanced since 1900, from and to Buffalo, approximately 14 per cent without any change in the all-rail rates, which fact not only precludes the claim that a fixed relation exists between the all-rail and lake-and-rail rates that requires them to be simultaneously changed, but establishes the further fact that traffic moving under these rates has already contributed in full measure to any reasonable advance; (2) that the present rates on ex-lake grain for export from Buffalo to New York, Boston, Philadelphia, and Baltimore (known as the "at-and-east rates") on basis of 5½ cents per bushel of 60 pounds to New York, with the usual port differentials to Boston, Philadelphia, and Baltimore, are excessive and unreasonable, having been advanced 100 per cent during the past 14 years.

We, therefore, are irrevocably opposed to any advance in the present rail-and-lake rates, and the ex-lake grain rates applying at-and-east and local grain rates from Buffalo, N. Y.

GEO. PIERCE,
Chairman Transportation Committee of the Elevator Owners,
Chairman Transportation Committee of the Corn Exchange of Buffalo.

—

ST. LOUIS, *April 24, 1914.*

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

HONORED SIRS: If you will pardon the liberty a humble citizen of this Republic takes in addressing you, why not let "Jones, who pays the freight"—otherwise the principal shippers of this country—decide the question as to the 5 per cent increase to be paid to the railroads? Take a "straw vote" of every large shipper in every city in this country and let the "majority decide." This can be accomplished within a week and will relieve the tension mightily.

Very truly and respectfully,

JOHN J. MILLER.

PHILADELPHIA, PA., *April 25, 1914.*

Mr. GEORGE B. MCGINTY,
Secretary Interstate Commerce Commission,
Washington, D. C.

DEAR SIR: Inclosed herewith you will please find letter under date of the 18th instant received from one of our largest consumers of limestone, the Worth Bros. Co., of Coatesville, Pa. The letter will explain itself, and it is only one of many of like kind from our various customers complaining of the deplorable condition of their business.

My business necessarily requires that I be on the road much of my time, and I come into contact with a large number of manufacturers and men who do things and get results and make the wheels of industry move, and without exception every one of them, to be on the safe side, is interested in seeing the railway companies of the country get the 5-cent advance asked for, to start to moving the wheels of manufacture that are now standing still, as a whole, over almost the entire country, and to give employment to the needy.

I trust you will use your best efforts to bring about at an early date a decision either one way or the other. As matters now stand, any delay is to be much regretted.

Personally I could cite you more than a dozen cases as familiar to me as our own, but I dare say you have the same information on your desk. Six or eight months ago we were employing more than 300 men, exclusive of the heads of the departments. To-day we have less than 100, and the outlook for May is very discouraging to say the least. You will agree with me that I have said enough upon the subject, and "A word to the wise is sufficient."

I would thank you for the return of the inclosed letter at your earliest convenience. Would also say, for your information, that I inclosed this letter to his honor President Wilson, and have just received its return.

Very respectfully, yours, WALTER T. BRADLEY.

—

COATESVILLE, PA., *April 18, 1914.*

WALTER T. BRADLEY,
Philadelphia, Pa.

GENTLEMEN: Owing to the extremely bad business conditions, and the present gloomy outlook in the business world, and the abundance of labor, which could be had to-day very materially lower than some time ago, we would now beg to inquire how much lower price you will now be able to name on limestone, such as we have been obtaining from you for our blast furnace.

Awaiting your reply by early mail, we remain,

Very truly, yours,

WORTH BROS. CO.,
L. T. WOGLE.

ROANOKE, VA., *April 8, 1914.*

Hon. WOODROW WILSON,
President of the United States,
White House, Washington, D. C.

SIR: I have taken the liberty to address these lines to you, and asking you to please use your good influence in behalf of a 5 per cent increase in freight rates now pending before the Interstate Commerce Commission.

Am a clerk employed in a railway office, and I fear that if the railroads do not get the 5 per cent increase, many a poor railway clerk will lose his position or his small salary will be reduced.

Sincerely hope you will give me some encouragement in this matter. I am,

Respectfully, A. RUSSOW, Jr.

EXHIBIT I.

SHIPPERS ATTEMPT TO INFLUENCE THE INTERSTATE COMMERCE COMMISSION IN THE MATTER OF FREE SERVICES GIVEN SHIPPERS BY THE RAILROADS.

Several hundred communications were received from shippers who were the recipients of free services from the railroads when it was rumored that the commission would forbid such favors in the future. These letters show that many of the same people who favored the rate increase were strongly opposed to charges for spotting, free lighterage, and similar free services.

NATIONAL SLACK COOPERAGE MANUFACTURERS' ASSOCIATION,
St. Louis, Mo., March 11, 1914.

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: Referring to the investigation being made at this time by the commission in case Docket No. 4181 relative to the matter of service heretofore furnished by the railroads in connection with the spotting of cars on so-called private sidings, the National Slack Cooperage Manufacturers' Association would like to be placed on record as opposing any charge being assessed by the railroads for the placing or spotting of cars unless there is a corresponding reduction in the rates now in effect.

It is but fair to assume that when establishing rates full consideration was given by the carriers to the terminal services involved, which include spotting of cars, it being hardly conceivable that the railroads would overlook such an important factor.

It would seem that discriminations, if there be any, could be eradicated by means other than the imposition of a uniform or graduated charge for spotting cars, which would be in addition to the published rates.

If the object of the present investigation is to arrive at ways and means of increasing the revenues of the carriers and results in a charge being imposed for spotting cars, we would respectfully submit the possibility of a condition being created which would discriminate against the shippers who are compelled to use private side-track facilities, because it is the duty of the railroads to furnish terminal facilities, and if for their convenience, as well as that of the shippers, a so-called private siding is constructed, the same service should be provided, including spotting of cars, as is furnished users of so-called public team tracks. Furthermore, it is the opinion of the National Slack Cooperage Manufacturers' Association that even if discrimination results from

prevailing conditions, such discrimination is not undue nor prejudicial to shippers who use public team tracks and who, on account of the very nature of their business, would not be in a position to avail themselves of private side-track facilities even were they offered. It can fairly be stated that the imposition of a specific charge for spotting cars would have the effect of discouraging the use of private sidings and in consequence further burden public team tracks, which are in many instances inadequate at the present time.

Respectfully,

R. L. DE LONG,
Chairman Freight Committee.

—

THE NATIONAL INDUSTRIAL TRAFFIC LEAGUE,
Kansas City, Mo., March 19, 1914.

Hon. JAMES S. HARLAN,
Commissioner, Interstate Commerce Commission,
Washington, D. C.

MY DEAR MR. COMMISSIONER: The commission has announced, in the "car-spotting" inquiry now being conducted in connection with the Eastern Advance Rate case, that final hearings thereon will be on the 12th and 13th of March, brief and statements to be filed by March 24, and oral argument on March 30 and 31.

Other dates are fixed, or to be fixed, for concluding hearings on other so-called special-service features.

This organization has always taken a pardonable pride in supporting the fairness of the Interstate Commerce Commission, our experience having been, on the whole, that the commission would never act on any matter without the most complete investigation and giving all interests full opportunity to present all the facts. The commission has never before refused to set hearings in such sections of the country, and at such times as would be most convenient and least expensive to that part of the interested public.

This was particularly true in the Advanced Rate case of 1910 and in the Classification case which followed soon after, in the latter case even going so far as to set hearings as far away from Washington as the Pacific coast.

Neither of these cases were of as vital importance to the general shipping public as the one now referred to, and yet the commission has thus far refused to set any hearing on this subject outside of Washington, and has proceeded with a degree of haste that, to put it mildly and with the utmost respect to the commission, seems unwarranted.

It is the view of this league that the proposal to charge for "car spotting" is revolutionary, and, if adopted, will deprive the public of a part of transportation now guaranteed under the law which your body is appointed to administer; that, however, is the business of our counsel now appearing before you.

The purpose of this communication is to point out to you as a member of the commission that if "car spotting" should be established as a special service, either by a specific order or by a recommendation of the commission, which would have all the effect of a specific order, it would apply in all territories of the United States and would result in depriving a vast number of shippers of this right without having had any chance whatever of having been heard on the subject, and, it might be said, to deprive them of property without due process of law.

I am not unmindful of the extreme pressure that is perhaps being brought to bear on your body and perhaps on the administration to dispose of the Advance Rate case, but above and beyond the importance of that is the right of the public to its day in court, and if this part of that question—which is injected and not the main issue—is to be decided in the very short time now allotted and without any public investigation outside of Washington, there will be a hue and cry raised that can not be put down.

I realize and appreciate that the commission should not be influenced by public clamor whenever it is proceeding in a manner that contemplates full and complete hearings that give all their opportunity to be heard, but it does not seem to our organization that that is being accomplished here.

Therefore, under the instructions of the organization, I am appealing to you as an individual member of the commission to exert your influence toward the end of having hearings in all parts of the country, and after due notice of such a public character that all may be informed and public announcement made to that effect promptly, and also that the commission will not conclude this matter until the completion of such hearings.

This action by the commission will have a decidedly quieting effect on commerce generally and will establish a renewed confidence in your body.

The public has been taught to rely on the one fact that your body does not act without having all the facts, but to proceed as at present announced will destroy this reliance.

The attitude of the league on this subject is of record in the proceedings, but for your personal information I inclose a copy of our resolution thereon, in addition to which a circular letter on the subject is being addressed to our members, a copy of which I have instructed be sent you direct.

I will appreciate your careful consideration of this matter, and earnestly hope that in its wisdom the commission will conclude to pursue the usual course of public hearing in all parts of the country involved for the reasons set forth.

The importance of the subject is my only excuse for the length of this communication.

In the sincere belief that the commission will so act in the matter as to justify a continuation of that confidence it has always commanded, I beg to remain,

Respectfully, H. G. WILSON, *President.*

Resolution adopted at a special meeting of the National Industrial Traffic League, Washington, D. C., February 25, 1914:

Whereas on February 12, 1914, the National Industrial Traffic League, through its executive committee, resolved that a petition be made to the Interstate Commerce Commission for "such reasonable time and opportunity as may be necessary for the shipping interests to lay before the commission all of the facts and circumstances pertaining to" the spotting of cars, ferry, and trap-car service, lighterage and drayage, and other similar services, and reconsignments and diversions in transit; and

Whereas on February 19 announcement was made by the commission that further hearings would be had on February 27 and 28 on said subjects, with oral argument thereon March 16 and 17; and, under such arrangement, interested shippers have had and will have no adequate opportunity to present all pertinent facts and circumstances to the commission; and

Whereas the questions raised are of great magnitude and importance, involving the proposed imposition of millions of dollars of switching and terminal charges, a departure from universal and long-standing practices, and a revolution in terminal traffic conditions not confined to official classification territory; and

Whereas the determination of these questions necessitates an examination of questions of cost to the carriers of the various services, cost to the shippers of the terminal services performed by them for the carriers, cost and value of the sidetracks and other terminal facilities furnished both by shippers and carriers, the value of the said services to shippers, the adequacy or inadequacy of existing terminal facilities and efficient operation thereof, and all the conditions and circumstances existing throughout the United States, and particularly in official classification territory; and

Whereas a determination of such questions can only be had after extended investigation, with full hearings at various points convenient to carriers and the shipping public: Now, therefore, be it

Resolved, That the National Industrial Traffic League respectfully petition the commission to defer any final consideration or determination of the said questions until after an extended investigation can be had, with a full opportunity to all shippers and interested parties to present all pertinent facts and circumstances at public hearings to be had at convenient times and places, after adequate notice.

THE NATIONAL INDUSTRIAL TRAFFIC LEAGUE,
H. G. WILSON, *President.*

Attest:

O. F. BELL, *Secretary-Treasurer.*

—

ILLINOIS MANUFACTURERS' ASSOCIATION,
Chicago, March 19, 1914.

JAMES S. HARLAN,
Chairman Interstate Commerce Commission,
Washington, D. C.:

Reported here and in New York commission has tentatively approved spotting tariffs of 5½ cents per ton, with a minimum charge of $2 a car, effective April 1, notwithstanding further hearings are to be held later. Information to this effect has been disseminated by the trunk-line association. Please let us know if this is correct.

JOHN M. GLENN.

—

GLONINGER & CO.,
Pittsburgh, Pa., March 11, 1914.

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: We desire to file a protest against the proposed charge by common carriers for spotting or placing of loaded or empty cars on individual sidings.

The charge for spotting cars will be a serious handicap to us in our business and to all other manufacturers of face, fire, and paving brick, as all manufacturers in this line with whom we are acquainted are situated practically as we are; many of them not so advantageously equipped.

We are manufacturers of brick used for facing of buildings. Our works are located at Vanport, Beaver County, Pa., on the C. & P. division of the Pennsylvania Co.

We have two sidings—one about 400 feet long, owned and maintained by the railroad company; one about 800 feet long, owned and maintained by ourselves.

The capacity of our works is about 700 carloads of brick per year.

We receive regularly about 4 carloads of coal per week, or about 200 per year. The coal is all received on the siding owned by the railroad company and about 95 per cent of our brick are shipped from the siding owned by ourselves.

The cost of spotting cars is very small and is now included in the freight charged on shipments. There is absolutely no advantage gained by any manufacturer in our line over any other by the present practice of spotting cars. In case a charge for spotting is imposed, it will be impossible for most manufacturers of brick to avoid paying whatever charge the railroad companies are permitted to make, as such works, as a rule, are so located that it is practically impossible to haul brick by wagon or otherwise and load them in cars on public-team tracks.

The switching of cars at our works occasions very little, if any, expense to the railroad company over and above what it would cost the company to place cars on or take them from public-team tracks. The cost of spotting, as already stated, is included in the freight rates, which are already higher than they should be. If a charge for spotting of cars is fixed at $2 per car, and is collected at both ends of the haul for short-haul movements, the addition to our present freight rate on short hauls will be equal to from 20 to 30 per cent. The present rate from our works to Pittsburgh, about 30 miles, is 65 cents per ton; minimum carload, 50,000 pounds. When our works were first established the rate over the same route was 50 cents per ton and the minimum carload 30,000 pounds. We are satisfied that at the present time it does not cost the railroad company as much to haul a 50,000-pound load from Vanport to Pittsburgh as it did to haul a 30,000-pound load over the same route when the rate of 50 cents was considered ample compensation for the service.

In the event that the railroad companies are permitted to make charge for spotting cars, it should only apply when cars are placed on schedule time.

At our plant switching is done once every 24 hours—sometimes before 7 o'clock in the morning; other times not until late in the afternoon. If we are diligent and load all the cars furnished before the scheduled hour for switching, and the pick-up or drag train does not reach our works until late in the afternoon, the gang of men we have for loading must be given some unprofitable work to keep them occupied until a new supply of empty cars is placed or they must remain idle.

If a charge for spotting cars is permitted, the railroad company should clean all cars before placing them or shippers should be paid for removing refuse and dirt from cars furnished. We now clean cars without compensation.

We own and maintain the siding on which we load 95 per cent of our product. The railroad company owns the siding on which we receive our coal. The majority of brick manufacturers have but one siding. Where a brick works is served by but one siding there is always more shifting to be done in placing cars than is necessary at our works. Where all the business of a works is on one siding there are often cars of coal partially unloaded at the time empties for loading brick are to be placed. Such coal cars must be taken out and shifted to another

track temporarily, the empties placed where wanted, and the coal replaced. Sometimes many shifts are required to do this on account of coal cars being sandwiched between cars being loaded with brick. The same is also true of loading cars that have been partially loaded with brick. They often have to be shifted in and out in order to place the coal where wanted. The siding on which our coal is received also serves our neighbors, the Vanport Brick Co. This siding is owned by the railroad company. Our works are located between the open end of siding and the works of the Vanport Brick Co. Often, after our coal is placed, when our men are unloading the cars, the railroad company, in order to do switching for the Vanport Brick Co., take our cars of coal from this siding, place them on the main track, inaccessible to us, until switching is finished and the cars replaced in their original location. During this time our coal wheelers are idle. If a charge for spotting such cars is put into effect, they should not be disturbed after being placed, or we should be allowed compensation for lost time.

This outline of the situation at one small manufacturing plant will, we think, indicate to your honorable commission that it will be practically impossible to devise any scheme for a fixed charge for spotting cars that will be fair to all manufacturers.

If it is decided to allow a charge for spotting cars, the charge should be fixed according to the service performed, and each case should be decided on its individual merits. This is impracticable.

Yours, respectfully,

GLONINGER & CO.,
By J. H. GLONINGER, *Proprietor.*

—

MARCH 17, 1914.

GLONINGER & Co.,
1507 Arrott Building, Pittsburgh, Pa.

GENTLEMEN: This will acknowledge the receipt of your letter of the 11th instant, in regard to the commission's investigation in the matter of increases in freight rates.

Your letter will be called to the attention of the commission and filed with the record in that proceeding.

Respectfully,

_____, *Secretary.*

—

NATIONAL BRICK CO.,
Chicago, March 11, 1914.

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: Acknowledging receipt of your circular letter of the 5th instant, regarding hearings bearing on "spotting service" at plants having private sidings, beg to advice that we certainly feel that such a charge would be a very unjust burden to place upon the shipper, plus the freight rate covering the loaded movement of the car from such plant to destination.

What inducement is there for an industry to provide land and private track facilities for handling its business if the furnishing of same entails an expense above that which would obtain if the business were handled on a public team track of a common carrier, and were there no private sidings (which are maintained without expense to the carriers so far as first cost and upkeep is concerned) would not the carriers have to entail a very heavy expense to furnish public team track facilities for all business now handled on private sidings? We certainly feel that the carriers have all the best of the proposition where private sidings are furnished and the slight additional distances traveled by engines to place cars at plants on private sidings is too small to mention, as compared to the expense the carriers would be put to were they compelled to furnish the facilities to take care of all of the business now done by them on private sidings.

We wish you to understand that our argument against a charge for spotting cars is against such a charge for the first placement of the cars at point of loading and does not in any manner apply as an argument against a charge being made by the carriers when they move a partly loaded car or a fully loaded car from one point in a plant (after the car has been spotted for loading or unloading) to another point in the plant, to finish loading or unloading. For such service we believe the carriers should be entitled to a reasonable charge.

Further, the contracts demanded by the carriers with all industries having private sidings grant the carriers the use of such private sidings for their own business whenever such sidings are not in full use of the industry to which they belong and if a charge is to be made by the carriers for making the first spotting of a loaded car or an empty car on the private sidings of such industries, would it not be also as fair and just for the carriers to pay the industries having private sidings a reasonable charge for all of the cars they place upon such sidings for their own use or benefit, or for the storing of empty cars for which they do not have room in their own yards, or for the unloading of freight or the loading of freight for parties other than the party who paid the cost for and in whose name the private siding stands?

We certainly feel that it would be unfair to assess an industry a charge for the service referred to when the carrier would not be compelled to reimburse the industry on an equal basis for all cars, other than those for the industry, placed upon said siding by the carriers for their sole benefit.

Yours, truly,

NATIONAL BRICK CO.,
By SHANK.

—

CHAMBER OF COMMERCE OF NORFOLK,
Norfolk, Va., March 11, 1914.

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: I beg to hand you herewith copy of resolutions passed by shippers and receivers (using private sidings) in the meeting held in the office of the Chamber of Commerce of Norfolk, Va., on March 10, 1914.

We beg your careful consideration of our plea.

Yours, respectfully,

CHAMBER OF COMMERCE OF NORFOLK,
W. A. COX, *Traffic Manager.*

Resolutions adopted at special meeting of shippers and receivers using private sidings.

Whereas there are 262 firms and individuals located at Norfolk and its environs (within switching limits) who are interested in the matter of the 5 per cent advance by transportation lines in the official classification territory; and

Whereas a meeting was held on this date of those interested specially in the feature pertaining to proposed charge for "spotting of cars"; and

Whereas at said meeting the subject was thoroughly discussed; and

Whereas it was the opinion of those interested that any additional charge for the service of "spotting" cars would be at variance with the theory that the rates as published contemplate transportation movement from point of shipment to final destination: Now, therefore, be it

Resolved, That the users and owners of private sidings within Norfolk switching limits are unalterably opposed to the assessment of any arbitrary charge for the "spotting" of cars, and indorse most heartily the efforts of the National Industrial Traffic League in opposition thereto; and be it further

Resolved, That a copy of these resolutions be presented to the honorable the Interstate Commerce Commission, Washington, D. C., asking their due consideration thereof.

CHAMBER OF COMMERCE OF NORFOLK,
W. A. COX, *Traffic Manager.*

Attested by:

C. F. BURROUGHS,
Chairman Freight Traffic Committee.

—

SMITH, KLINE & FRENCH CO.,
Philadelphia, March 11, 1914.

The INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

DEAR SIRS: We are informed that there may be some opposition to your issuing an order that railroads shall charge for services on private sidings. We, ourselves, have a private siding which is of the greatest value to us, extending about 300 feet along the side of one of our storehouses. In our opinion, however, any service on a private siding should be charged extra by the carrier, otherwise the carrier must be reimbursed by a general tax.

We therefore write to urge that a charge shall be made by the carriers for all services without any exception whatever on private sidings, such charge to be proportionate to the service performed.

Any exception to the rule will permit favoritism.

Respectfully,

SMITH, KLINE & FRENCH CO.,
HARRY B. FRENCH, *President.*

—

CUYLER & MOHLER,
Baltimore, March 11, 1914.

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: The apparent tendency toward fixed charges for lighterage, "spotting" cars, and delivery on switches appears to us as class legislation, for where such service is rendered it is usually because the beneficiaries are located too far from general terminals to avail themselves thereof, as only a limited number of establishments can be located near to such terminals, and consequently the present system of free lighterage within established limitations, as well as the practice of dropping off cars on sidings, switches, and sidetracks facilitates commercial interests in large cities without entailing much, if any, additional expense to the railroad carriers; also except for such deliveries it would be necessary to have far larger terminals, and even then, because of the congestion, the railroads would be put to greater expense than they are now under established conditions.

We sincerely hope that your honorable body will give these facts, and others not herein cited, due consideration and will not impose upon the business of the country any extra charges because of the features herein referred to. We believe the general business interests of the larger cities, and even of the country generally, would prefer to see the railroads granted the 5 per cent increase in rates they have been after rather than to have extras like those herein mentioned imposed upon them.

Very respectfully, CUYLER & MOHLER.

—

CLYMER BRICK & FIRE CLAY CO.,
Clymer, Pa., March 11, 1914.

The INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: In the matter of proposed 5 per cent increase in freight rates, we desire to enter our protest against any charge being made by the railroad companies for the alleged service of placing or spotting cars for loading or unloading on shippers' siding. This charge will operate against shippers who are limited to short hauls by reason of heavy commodities—such as brick, stone, etc.—and in favor of long hauls where the freight rates are higher. It is presumed that the charge would be made at each end of the haul and would therefore be equivalent to a considerable increase in freight. For instance, if the spotting charge were $2 at each end of the haul this would be $4 per car, and if this car should carry 25 tons at a rate of $1 per ton the spotting charges would be equivalent to an increase of 16 per cent on the present freight rate. It would be better for the short-haul shipper to grant the carriers an advance of 5 per cent straight rather than to discriminate in this way against the heavy commodity with the short haul.

Yours, very respectfully, CLYMER BRICK & FIRE CLAY CO.,
G. W. LENKERD, *Secretary.*

—

OLD COLONY BROKEN STONE & CONCRETE CO.,
Quincy, Mass., March 11, 1914.

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: With reference to a charge for "spotting" cars, which we understand you are now giving consideration, beg to state that any charge, however small, would be a great burden to our business.

The commodity tariff, I. C. C. No. F 765, applying to crushed stone is considerably higher than the tariff on either the Boston & Maine or Boston & Albany Railroads on the same commodity, the minimum rate on the Boston & Maine being 40 cents per gross ton and the New Haven minimum being 50 cents per net ton.

If "spotting" cars applies to the service of placing cars on our siding and on placing cars for delivery at destination, a charge of $2 per car would be equivalent to an increase of 33⅓ per cent on the minimum tariff for a carload of 24 tons. Such an increase would deprive us of a large part of our business.

We own our sidetrack, in which we have some $2,500 invested, and it is maintained at our expense.

We suggest for your consideration that the rates of the several railroads in this territory be equalized, and that the value of our commodity be considered in establishing a charge by the railroad for service on a private siding.

Yours, respectfully, EUGENE R. ATWOOD, *Treasurer.*

—

CHICAGO, ILL., *March 11, 1914.*

Hon. E. E. CLARK,
Chairman Interstate Commerce Commission,
Washington, D. C.

DEAR SIR: We are advised that the railroads, acting under the suggestion of your commission, are about to publish tariffs which will specify a charge of 7½ cents per ton, with a minimum of $2 per car for spotting cars for loading and unloading on switches and spurs built to manufacturing plants, etc. We believe that such a charge would be unjust and also extremely burdensome in some cases.

In the first place, this charge if allowed will be for a service similar to the placing of cars on team tracks, for which no charge is contemplated. For the most part, fire-brick plants, including our own, are located in isolated localities to which no team track is accessible. This is true for the reason that very large tonnages are handled by plants in this industry and incoming freight charges are avoided as far as possible by the location of the plants. The nature of the service performed by the railroad is identical with that performed for team-track shippers and receivers, viz, the mere placing of cars for loading and unloading and their removal when loaded or empty. The quantity of tonnage delivered by each plant, even the smallest, is far in excess of that received by the railroads at their team tracks in small towns where team tracks are located. The tonnage received by the railroads from the fire-brick manufacturers on their sidings is steady and large. To make this additional charge would be to discriminate in favor of team-track users. Some fire-brick manufacturers, including ourselves, own their own tracks. To deprive this class of this service would be to take away from them all return on the investment. This seems to us manifestly unjust. The service extended to us and others in this business is not comparable to the service extended to large industrial corporations, where there is a shifting of cars constantly, either empty, loaded, or partly loaded.

This charge would seriously disturb present competitive conditions in this industry. A large number of manufacturers have built their factories believing that the present charges would be permanent, and they could not by the exercise of reasonable foresight have seen otherwise. Some plants have all of their raw materials including coal adjacent to their works, and this material is transported by themselves at a cost not to exceed the unloading and rehandling costs of other plants who depend on railroad service for their supply of raw material; another class depends partly on the railroads for their supply, while another class depends entirely on the railroads for their supply. The latter class consists mostly of manufacturers who have built in small towns adjacent to the clay fields to secure the benefit of a better labor market. As between the extreme classes, i. e., those receiving no raw material by rail and those receiving all of their raw material by rail the burden on the latter class is extremely heavy, with varying degrees of burden in proportion to the tonnage received by each by rail. To state a specific case of two manufacturers, one receiving all and the other none of his raw stock by rail, and supposing the daily output of each to be 30,000 bricks, the first manufacturer would be at a disadvantage of $25 per day for the spotting item alone, as against his more fortunate competitor. This would mean 4 per cent to 5 per cent of his gross sales, and approximately an annual sum equalling 10 per cent of the capital invested. These extreme cases are not rare but are common.

If the railroads are denied their rate advances, every effort will be made by them to extend their charges in every possible direction, and placing a maximum charge on every alleged service. The small, independent manufacturers are especially vulnerable to this kind of attack, and we are confidently looking to your honorable commission to give us whatever protection is just and necessary.

Yours, respectfully,

THE PYRO CLAY PRODUCTS CO.,
Per WM. G. GRIFFITHS,
Secretary, Oak Hill, Ohio.

—

M. D. VALENTINE & BRO. CO.,
FIRE BRICK AND FURNACE BLOCKS,
Woodbridge, N. J., March 11, 1914.

Hon. E. E. CLARK,
Chairman Interstate Commerce Commission,
Washington, D. C.

DEAR SIR: The M. D. Valentine & Bro. Co., of Woodbridge, N. J., has in official classification territory 10 sidings. These sidings are used for loading outgoing freight and unloading inbound material.

We have no motive power of our own, and the railroad company charges us demurrage and for any extra service performed on these sidings. The only service performed by the railroad company is putting cars in and taking them out; that is, placing them in position to be loaded or unloaded.

At both of our plants the railroad companies use our sidings for drilling purposes for their own convenience, and at our works at Valentines, N. J., very often store their cars on portions of the sidings.

All the repairs necessary to these sidings—and the railroad companies are very particular to keep their sidings in conditions—are paid for by our company.

We consider it would be unjust and discriminatory to make any charge for spotting cars on these spur tracks, and wish to enter our protest.

The cost to the railroads for the services performed on these spur tracks is no greater than that performed for the general public in spotting cars for loading and unloading at the main freight station.

The spur tracks represent the most economical method that can be devised for handling freight that the railroads secure in this way.

The time that the railroad companies spend in handling the cars on our sidings is very little, and the time is entirely at their convenience.

Our company shipped during our fiscal year 1913 approximately 50,000 tons of clay and clay products.

Should we be compelled to make shipments from the main station, it would require considerable more work to the railroad company to handle a great many small shipments that we make in less-than-carload lots, where at the present time we can very often hold up a number of small shipments and make them up a way car on our own siding.

We have made an estimate, and as near as we can figure, should the charge for spotting cars on private sidings become operative, it would cost us approximately 75 cents a thousand on our fire brick.

Very truly, yours,

M. D. VALENTINE & BRO. CO.,
By F. R. VALENTINE, *Treasurer.*

—

BRIGHTON FIRE BRICK CO.,
New Brighton, Pa., March 11, 1914.

Hon. E. E. CLARK,
Chairman Interstate Commerce Commission,
Washington, D. C.

DEAR SIR: The Brighton Fire Brick Co. has one 410-foot siding, which is an ordinary spur track from the Blockhouse Run branch of the P. F. W. & C. R. W., located at New Brighton, Pa., and is used for both inbound and outbound material.

We consider it unjust and discriminatory to make any further charges for spotting cars on this siding, inasmuch as the work is all done by the P. F. W. & C. R. W. motive power, and the work consists merely in pulling out the loaded cars of material and placing empty cars for loading on our siding, a less service than that performed on most public sidings. The cost, therefore, to the railroad is absolutely no more than on public sidings, and we know of no better way that the railroads could get our tonnage, approximately 80,000 tons per year, than the method now in force, as on account of the kind of material shipped and on account of the isolated position of our plant it would be impossible for them to get it at a public loading station.

The service on our siding could not be more simple, and the time of making this service is in the hands of the railroad company; our convenience is not consulted.

We therefore consider any further charges outside of those now in force very unjust and discriminatory, and protest against any such an allowance.

Very respectfully, yours,

BRIGHTON FIRE BRICK CO.,
T. W. D. ADDENBROOK, *Manager.*

—

HAYES RUN FIRE BRICK CO.,
Orviston, Pa., March 11, 1914.

Hon. E. E. CLARK, *Washington, D. C.*

DEAR SIR: We understand the railroads are considering making a charge for the service of placing cars on or taking cars off of private sidings.

We have one siding here at Orviston, from the New York Central, which is 1,150 feet long and which has a branch spur of 350 feet. We consider it would be entirely unfair and discriminating to make any charge for placing cars and taking them off of a siding of this nature. The only work done on our siding by the railroad company is putting the cars on and taking them off; that is, that material shipped in can be unloaded and the outbound material loaded.

Our plant is located at Orviston, at which point there is no public siding, and our siding is used by the public; and even if there would be a public siding, a commodity of such large tonnage of brick could not be handled satisfactorily without a private siding. A commodity like brick, when so much tonnage must be handled to secure a profit, a charge for spotting cars or placing cars on the siding and taking them off would be a most serious handicap to our business. Therefore we protest most strongly against any charge of the railroad for placing cars on private sidings and taking them out.

Yours, very truly,

HAYES RUN FIRE BRICK CO.,
C. W. KELLER, *Manager.*

—

THE NATIONAL INDUSTRIAL TRAFFIC LEAGUE,
Chicago, Ill., March 11, 1914.

Hon. B. H. MEYER,
Commissioner Interstate Commerce Commission,
Washington, D. C.

DEAR SIR: At the request of our president I send you herewith copy of circular letter addressed to the membership of this organization in connection with the investigation as to spotting of cars.

Very truly, yours,

D. P. CHINDBLOM, *Assistant Secretary.*

THE NATIONAL INDUSTRIAL TRAFFIC LEAGUE,
Chicago, Ill., March 10, 1914.

To Members:

In the investigation of the proposed advance in rates in official classification territory now being conducted by the Interstate Commerce Commission the following questions have been presented, viz:

"Are the revenues of the carriers sufficient?"

"If not, how may they be supplemented?"

This has resulted in an inquiry by the commission as to whether or not the carriers are now performing any services free for which they should be compensated.

Special investigations are now being conducted by the commission in connection with the above questions to determine whether switching, placing, or delivering cars for loading and unloading on industry side tracks, privately owned or railroad owned, is a special service of this kind for which the carriers shall make a charge in addition to the freight rate.

These investigations also include the propriety of a charge against the shipper for trap or ferry car service and for certain other alleged special services such as reconsignments and diversions in transit.

The theory advanced by the attorney for the commission is that the term "transportation" should include only the road haul and the service to and from public team tracks and to and from public freight depots.

Heretofore the freight rate has included compensation for all services from the point of loading to the point of unloading regardless of whether the tracks or other facilities at terminals were railroad owned or privately owned, and has also included the trap or ferry car service.

The private side track and the trap or ferry car were encouraged and developed by the carriers to supplement their inadequate terminal facilities, or to enable carriers to participate in traffic otherwise inaccessible to them, and have lessened their investment and the cost of handling the traffic.

The league is unanimously of the opinion that "transportation" includes all of the railroad service and tracks and facilities devoted to the hauling of freight traffic, and that the published freight rates now include and always have included full compensation for these services. A departure from this long-established practice, requiring the carrier to add to the present freight rate a separate charge for receipt and delivery of freight, will deprive the shipper of the value of his investment in terminal facilities and transfer it to the carrier.

It is needless to emphasize the fact that if the charging for these so-called special services is established as a principle in official classification territory it will inevitably be applied in all sections of the country.

The league has employed counsel and will, within the limited time at its disposal, protect your interests as far as possible. The commission has, however, fixed March 24 as the final date for receiving statements and briefs upon this matter, these to be followed by oral arguments by counsel before the entire commission on March 30 and 31.

Believing that it is of the utmost importance that sufficient time shall be given for the investigation, the league urgently recommends that all shippers acquaint the members of the Interstate Commerce Commission with their views on these questions, and, either individually or through their commercial organizations, petition the commission to refrain from definitely and finally concluding this matter until such time as a full hearing, after due and adequate notice and with respect to the territory in which the shippers are located, has been given.

Immediate action should be taken, as the time now provided is unusually short.

Very truly, yours,

H. G. WILSON, *President.*

O. F. BELL, *Secretary-Treasurer.*

NATIONAL WHOLESALE LUMBER DEALERS' ASSOCIATION,
New York City, March 11, 1914.

Hon. JAMES S. HARLAN,
Interstate Commerce Commission,
Washington, D. C.

DEAR SIR: I herewith submit a resolution in reference to the "spotting of cars" which was adopted by this association at its twenty-second annual convention, held at Buffalo, N. Y., March 4 and 5. I would ask on behalf of this association, which is organized under the laws of the State of New York, that this resolution be afforded careful consideration by the commission and the lumbermen given an opportunity to be fully heard on the subject.

Yours, respectfully,

W. S. PHIPPEN,
Traffic Manager.

Resolution adopted by the National Wholesale Lumber Dealers' Association, in annual convention assembled, at Buffalo, N. Y., March 5, 1914.

Whereas the Interstate Commerce Commission having given notice of its intention to consider the advisability of the railroads making some charge in addition to freight rates for special services performed on behalf of shippers who have private tracks; and

Whereas lumber moving in carloads is a very desirable commodity for the railroads to handle, being loaded by the shipper and unloaded by the consignee, thereby relieving the carriers of labor cost and the maintenance of warehouse facilities; and

Whereas shippers and consignees having sidetracks, having stood the expense of the installation of same; and

Whereas the use of such private tracks increases the facilities of the railroads by relieving the congestion which would otherwise occur at terminals and public-team tracks and reduces the demurrage charges and railroad per diem charges by more promptly returning the cars to the railroad service than can possibly be done where lumber is to be hauled to or from public team tracks:

Resolved, That the National Wholesale Lumber Dealers' Association, with a membership of over 400 wholesale lumber dealers and manufacturers, in convention assembled, petitions the Interstate Commerce Commission that no additional charges be granted the railroads for spotting lumber cars on such private tracks until after such private-track owners and shippers may be fully heard in defense of the present custom.

NATIONAL WHOLESALE LUMBER DEALERS' ASSOCIATION,
Per E. F. PERRY, *Secretary.*
W. S. PHIPPEN, *Traffic Manager.*

BUFFALO, N. Y., *March 5, 1914.*

NATIONAL WHOLESALE LUMBER DEALERS' ASSOCIATION,
New York City, March 11, 1914.

Hon. JAMES S. HARLAN,
Interstate Commerce Commission, Washington, D. C.

DEAR SIR: I herewith inclose a resolution in reference to the proposed advance of 5 per cent in freight rates which was adopted by this association at its twenty-second annual convention held in Buffalo, N. Y., March 4 and 5, and would request that it be given due consideration.

Yours, respectfully,

W. S. PHIPPEN, *Traffic Manager.*

Resolution adopted by the National Wholesale Lumber Dealers' Association in annual convention assembled at Buffalo, N. Y., March 5, 1914:

Whereas the railroads in official classification territory are asking the Interstate Commerce Commission for an increase of 5 per cent in freight rates, urgently claiming the need of same; and

Whereas the members of this association are interested in a large way in the right and prompt adjustment of this claim: Therefore be it

Resolved, That we join in asking the commission to render at as early a date as possible its decision in the matter in the interest of the railroads, the lumber shippers, and the commerce of the country in general.

NATIONAL WHOLESALE LUMBER DEALERS' ASSOCIATION,
Per E. F. PERRY, *Secretary,*
W. S. PHIPPEN, *Traffic Manager.*

BUFFALO, N. Y., *March 5, 1914.*

MARCH, 11, 1914.

LOUIS D. BRANDEIS, Esq., *Washington, D. C.*

DEAR SIR: I hire five teams hauling my freight. I have been reading the testimony of traffic managers at Washington; so has my shipping clerk, who formerly worked for a railroad.

It is claimed that trap cars are loaded for the railroads by shippers, thus saving labor. My teams back into my shipping door, and I pay all the expense of loading my own wagons. I pay for the use of my wagons. I pay for the property where these wagons are loaded. I pay to maintain the alley abutting my property. I pay for the use of wagon and driver to take freight from my place of business to the freight house. I pay for time of wagon and man while waiting at the freight house to get to door to be unloaded, and when I ask my driver why he is delayed he says only 3 doors out of 20 were open and that there were two men trucking freight from each door; the balance of the men were unloading trap and tunnel cars, and that the men tell him this business comes all mixed up in cars and they must unload most of it before they can check it. Sometimes three cases for one man are in three different cars, and every day a lot of freight comes in these cars that they can not take, which must be returned free in a car to the shipper.

Now, when a trap car is loaded at a shipper's warehouse by his men he is through. The railroad furnishes car 48 hours, if necessary, to shipper. The railroad pays men to take charge of this car and haul it to the freight house for unloading. After car arrives at freight house the railroad performs every service on this freight. It does on mine with the exception that I send driver to help unload wagon. Trap-car shipper sends no one to help unload car. If goods are damaged between my plant and freight house, I get bad-order receipt. If goods are damaged in trap car on way to depot, railroad pays damage claim. If my team is held one hour at freight depot, I pay for delay. If trap car is held one or two hours, the shipper is under no expense for lost time.

The men from the Chicago Association of Commerce, who have special privileges, are about 2 per cent of the membership, and you are really representing 98 per cent of members and hundreds of small shippers who can not afford to hire high-priced traffic men who must show a profit or lose out, no matter who pays.

The universal-station plan is a scheme to put the burden of sorting and distributing freight on the railroads. The shippers of Chicago have less cause for complaint than any in the world. Every part of the city—north, south, west—have trunk-line facilities on both east and west roads. The tunnel is not a good commercial proposition and was built originally for a telephone conduit and later drifted into freight business through the influence of some big shippers who had business enough to force the railroads into absorbing their delivery charge. The same influence opened up central manufacturing district and offered free switching in and out via Chicago Junction Railway. The Midland Warehouse handles mixed cars for small charge, because the railroads absorb expense in and out.

The big houses here who have trap-car privileges also have branch mail stations to cancel stamps, but they must haul their parcel post and mail down to post office. United States absorbs nothing. This is as it should be. If I am paying expense of hauling to railroad, so should all my competitors. If they devise a plan cheaper, well and good; but our carriers should not haul for nothing. To me it is a case of common honesty. I can not understand how men in this age can sit on the witness chair and tell a body of intelligent men that they are doing work for railroads when they do load a mixed car, even for a junction point; the railroad must haul it from their plant, anyway.

The lighterage is just arranged to help the big fellows. The freight-house service is bad because the railroads will not hire men. They cut down on the poor devil who gets 20 cents an hour and take one hour to do work I would do in 15 minutes.

There are all sorts of real estate speculators working on plans to duplicate the central manufacturing district, and if these things continue the commission will have 50 applications for universal station privileges in Chicago. Every warehouse on the railroad tracks is a source of extra expense to the railroad on trap cars. Full carloads for big industries taking carload rate is entitled to some different consideration.

Put all merchants on L. C. L. business on the same basis. Nothing else is honest.

Yours, very respectfully,

A SHIPPER.

Interstate Commerce Commission, Docket No. 5860. In the matter of the propriety of imposing a charge for spotting cars on the private sidetracks of industries.

The American Window Glass Co., upon receipt of the circular dated at Washington, March 5, 1914, desires to urge upon the honorable Interstate Commerce Commission the broad scope of the matter that is before them, and ask that they give the same most careful consideration, as it is believed by the said company that if the commission makes an order or ruling that will justify the all-rail carriers in publishing tariffs demanding payment for the spotting of all inbound and outbound cars, the result will be so disastrous that the commission will be compelled to retreat, and the further they pursue the matter, insisting that these charges be collected, the more they will be compelled to withdraw.

It has always been the understanding of this company, and we presume of all companies, that charges for all spotting or switching performed by the carriers was included in the rate. Never to our

knowledge was there any other understanding in existence, until brought to our attention by the inadequate notice of the hearing during February 27 and 28, 1914.

We wish to further call the commission's attention to the fact that when cars are placed on private sidings, these sidings are not patrolled by the carriers, but the responsibility instead is placed upon the shipper or the receiver, whereas if the material were unloaded or loaded from the sidetrack or station of a carrier, this responsibility would rest with the carrier. So far as we have been able to learn, your commission has not taken into consideration the cost of loading and unloading cars so placed. It will be realized that were all of this material hauled to the freight station, the carrier would be compelled to load the material, and this would mean an expense as great, if not greater, than could be offset by the 5 per cent increase, which is now before the commission.

Furthermore, the commission has not taken into consideration the fact that private sidings are maintained by the industry for whose use they were constructed, and in nearly every instance, so far as this company is concerned, the American Window Glass Co. has paid for the majority of the sidetracks now in their plants, and it has also devolved upon this company to pay for the maintenance of sidings located at our plants that are owned by the carriers.

Upon estimating conservatively, we find that we have on an average per day 28 inbound cars and 25 outbound cars, or approximately 53 cars per day, that would require spotting, and no matter what figure not to be exceeded would be named by the commission, it can be readily seen the amount paid during one year for the service of spotting cars would run into thousands of dollars. Especially would this be true if the figure were to be fixed at $2 per car, the regular switching charge, or 50 per cent of this figure.

Those who have been closely in touch with industries having private tracks find that the same are of very great benefit to the carrier, not only as a matter of convenience, but, as well, relief of certain responsibilities. As stated before, it has always been the understanding between carriers and shippers, so far as we know, that the service of spotting cars was included in the rate, and we are satisfied these were the views taken by the carriers; otherwise, it is hardly reasonable to suppose that they would solicit industries to locate along their lines and install these private sidetracks to their plants at cost if it would not be of convenience to them.

We, therefore, trust the honorable Interstate Commerce Commission will go over this matter with great care, as they surely realize the gravity of the situation, and, in the end, refrain from making any order or ruling that will permit carriers to file tariffs quoting assessments for the service of so-called spotting of cars on private sidetracks.

AMERICAN WINDOW GLASS CO.,
WM. T. LOWE,
General Freight Agent.

—

WASHINGTON, D. C., *March 12, 1914.*

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: The attached resolution was passed by the chamber of Huntington, W. Va., February 28, 1914. Supplementing this resolution, we beg leave to state that the proposed charge of $2.50 per car for spotting cars for loading or unloading on private sidings would cost the shippers of Huntington approximately $5,350 per month. According to close estimate there are received at Huntington per month approximately 780 cars, and in the same period 1,360 cars forwarded that are handled to and from private sidings.

Inasmuch as a private siding, in a way, takes the place of like amount of trackage that would be required on public-delivery tracks owned by the railway company, and by placing cars on the private sidings relieves what would in a great many instances cause congestion on public-delivery tracks on account of lack of trackage facilities sufficient to take care of all the traffic were there no private sidings, it seems eminently unjust to impose a charge of $2.50 per car or any additional charge whatever upon the shipper having a private siding. It is our understanding that the freight rates include the terminal charges on inbound and outbound freight. In some cases, where railway yards are congested, the railway company frequently use private sidings for storage purposes, on account of lack of room on their own tracks to take care of the business promptly.

It is further our opinion that private sidings are a part of the terminal facilities of a railway company, as much so as public delivery tracks, and we therefore respectfully protest against any additional charge being assessed against shippers for spotting cars for the reasons stated.

Respectfully submitted.

HUNTINGTON CHAMBER OF COMMERCE,
Per C. S. SNOW, *Vice President.*

FEBRUARY 28, 1914.

To the honorable Commissioners of the Interstate Railway Commission, Washington, D. C.:

Responding to your circular of February 19, inviting an expression of opinion on the part of the shippers to the propriety of a charge by carriers for certain special services that are now performed by them without charge, in addition to the published rate, this chamber of commerce is already on record as favoring the application of the railroads for 5 per cent advance in the tariff rates, and is heartily so; but we desire, with equal emphasis, to enter our protest against the charge proposed to be made for placing cars for loading or unloading on sidings serving industries; in other words, "spotting cars."

The justice of our protest, we believe, rests upon the following facts:

Such sidetracks are for the most part located on ground owned or leased by the industries which they serve and not by the railroads, and in this way the trackage room and facilities of railroads are materially increased, the mileage of such tracks in almost all cities being far in excess of the regular sidetracks owned by the companies, and without them it would be impossible to handle terminal business. In many cases such sidetracks have been put in at the expense of shippers, who have been reimbursed only in part by the railroads.

In the second place, from an efficiency standpoint, we do not believe that these private sidetracks impose any additional burden upon the railroads; but on the other hand, they do afford them actual relief, and that when cars are placed on such sidetracks it is the duty of the railroad to so place them that they may be handled by the shippers, the shipper, of course, to use all available space on such siding for the loading and unloading of cars.

We have two roads—the Chesapeake & Ohio, with 53 private sidings, and the Baltimore & Ohio, with 41 private sidings. The yard room on both roads is exceedingly limited, and private sidetracks is the only practical relief to shippers, and we protest against penalizing them for providing these additional facilities.

For the same reasons, we likewise protest against the proposed charge for trap-car service. As a matter of fact, the Chesapeake & Ohio road has in the past urged shippers here to use this service where it was practical to do so, as a means of relief at their depots or loading platform. As these two questions are the only ones which affect Huntington shippers materially, we make no comment on the other five.

Respectfully,

HUNTINGTON CHAMBER OF COMMERCE,
H. A. ZELLER, *President.*

—

Before the Interstate Commerce Commission. Revenue of rail carriers in official classification territory. Docket No. 5860. Rate increases in official classification territory. I. & S. Docket No. 333. Protest of International Harvester Corporation to proposed advance in freight rates on export agricultural implements, as included in the official classification.

THE INTERSTATE COMMERCE COMMISSION:

Now comes the International Harvester Corporation, a corporation engaged in the manufacture and shipment for export of agricultural implements (as included in the official classification), and with agencies for the distribution and sale thereof located and established at numerous points in foreign countries, and protests against the proposed increase in the rates for the transportation of said freight from points within the United States to ports of transshipment, as set forth and contained in the tariffs of the several railroad companies, respondents in the above-entitled proceedings, and the participating and concurring carriers therein, which said tariffs were duly filed with this commission, effective November 15, 1913, but by order of the commission, in I. & S. Docket No. 333, were suspended until March 12, 1914, and thereafter for a further period of six months, pending a hearing by this commission concerning the propriety of said rates, to which said tariffs on file with this commission reference is hereby expressly made.

And the International Harvester Corporation avers that the said rates, which the respondent carriers propose to establish by said tariffs, are unjust and unreasonable, and are increases over the rates which were in effect at the time of the publication of the said tariffs; and, as its reasons for its said objection and protest to the proposed increases in said rates, as set forth in said tariffs, it respectfully represents:

(1) That the export traffic of said respondent carriers, when handled in such quantities as in the case of agricultural implements aforesaid, is a very desirable and remunerative traffic for said carriers. It moves in solid volume, and the loading of implements for export per car is materially heavier than the loading for domestic shipments. The average load for export is 35,000 pounds, as against an average of about 25,000 pounds for domestic. This has increased the earnings per car mile on export shipments of implements very materially. While the rate on domestic shipments of implements, Chicago to New York, is 30 cents per hundred and 25 cents per hundred on export (with a like differential to other Atlantic ports), yet the revenue from the export shipments considerably exceeds that from domestic, as the export cars load over one-third heavier than domestic and produce one-fifth more revenue per car than do the domestic shipments.

(2) Export shipments on implements during the period in which they move, from December to May in each year, are offered to the carriers in such volume as to enable them in many instances to move in trainload lots of from 25 to 40 cars per train, or to complete light train loadings with this tonnage, thereby reducing train-mile expense and increasing train-mile earnings.

(3) The revenue per net ton-mile on this traffic will run about 5.5 mills, as against from 3.8 to 4.6 mills on many other commodities shipped for export for equal or less distances; and the net car-mile revenue on said traffic will run from 9 cents to 14 cents, as against from 6 cents to 9 cents on many other commodities.

(4) Owing to the hazards of steamship transportation and delivery in foreign countries, it is necessary to completely box or crate these goods for export. On an average this crating amounts to 26 per cent of the total weight of the shipment, and on the basis of the export rate this percentage of increase in the charges is being paid primarily for the protection of the freight while beyond the borders of the United States, but incidentally is a material protection in the movement of the freight by rail to the seaboard.

(5) The hazard of the rail transportation from inland factories to seaboard is exceedingly small, and for the year 1913 the loss and damage claims of this company did not exceed one-fifth of 1 per cent of the total revenues of the carriers on said traffic.

(6) In addition to the foregoing transportation reasons against the proposed increase in the rates on agricultural implements for export there are many commercial and trade reasons why said rate should not be increased, affecting a sound public policy which should be considered by this commission. By the development of this export traffic it has been possible for the factories engaged in the manufacture of agricultural implements—and the articles enumerated thereunder in the official classification—to run at capacity throughout the year, thereby giving employment to thousands of American mechanics during periods of the year when otherwise these factories would be closed down or running light, and these men without employment. In promoting its said business in foreign fields this company is engaged in sharp competition with foreign manufacturers of similar goods. For example, there are in Great Britain at least 50 manufacturers of such goods, in Germany at least 25, and in France about 12. This competition the company is obliged to meet in order to market its products abroad, despite the additional expense involved in transporting its goods to foreign markets, which constitutes a great added burden in the cost of selling its goods abroad, and at present rates the price of these goods to the foreign consumer exceeds the price to the American farmer. In addition to this

expense, preliminary to the delivery of the goods at foreign destinations, there are in many instances landing charges, such as at Liverpool, for example, a lighterage charge of 55 cents per 2,240 pounds; in addition to this there are heavy import duties, as follows: On harvester machines, France, $1.05 on net weight; Germany, 43 cents on gross weight; on mowers, Russia, $1.08 net weight; on binding twine, France and Germany, 88 cents, all per 100 pounds. These additional charges are a handicap which this company is compelled to carry in order to market its products in the foreign markets, and any material increase in the rates for the general transportation of these products from the inland factories in the United States to the seaboard serves only to increase this burden.

(7) On the basis of the amount of freight charges paid the railroads for this company's exports during the commercial year ending October 31, 1913., said proposed 5 per cent increase would amount to approximately $45,000.

In addition to the conclusive reasons above set forth herein why the proposed increase or any increase in the rates on agricultural implements for export should not be permitted by this commission to become effective, it is respectfully submitted that the present rates on said implements for export yield an adequate, satisfactory, and remunerative return to the carriers participating therein, and that the respondents herein have not shown, nor can they show, that any increase in this particular rate is justified or warranted by any of the facts or circumstances relied upon or advanced by them in their general case now pending before this commission; and, as a practical matter, it is respectfully submitted that the present proceeding, involving as it does the increase of all rates applying in a certain territory and based upon the respondents' plea for additional revenue to meet a general increased cost of operation, necessarily presents for the consideration of the commission entirely different issues from those upon which this objector, under the law, has a right to have the justification of this particular increased rate tried and determined.

Wherefore International Harvester Corporation prays that this commission will consider this complaint and protest against the proposed increased rates or any increase in the rates on agricultural implements for export, as set forth in the tariffs filed as aforesaid, and will enter an order herein commanding the respondents to continue in effect the said rates as the same existed immediately prior to the filing of said tariffs.

But should this commission, in its final determination of the issues in the present proceeding, fail to enter such an order, or should it permit said proposed increased rates or any increase in the rates on agicultural implements for export to go into effect, this objector hereby reserves the right hereafter to file its formal complaint against said proposed increased rates or any increase in said rates on agricultural implements for export, and in accordance with the provisions of section 15 of the act to regulate commerce, as amended, asks that in a hearing involving said increased rates on agricultural implements for export the burden of proof to show that the increased rates are just and reasonable shall be upon the carriers.

Dated at Chicago, Ill., the 11th day of March, A. D. 1914.

INTERNATIONAL HARVESTER CORPORATION,
By GEORGE A. RANNEY, *Secretary.*

EDGAR A. BANCROFT,
SAMUEL D. SNOW,
Counsel for objector,
606 South Michigan Avenue, Chicago, Ill.

—

WASHINGTON, D. C., *March 16, 1914.*

Hon. JAMES S. HARLAN,
Interstate Commerce Commissioner, Washington, D. C.

DEAR SIR: I inclose herewith the protest of the International Harvester Corporation to the proposed advance in freight rates on agricultural implements, and articles listed in the official classification thereunder, for export. Will you kindly see that this protest is made a part of the record in I. and S. docket No. 333, and oblige,

Very respectfully, yours,

SAMUEL D. SNOW,
Attorney for International Harvester Corporation,
Harvester Building, Chicago, Ill.

—

RICHMOND, VA., *March 16, 1914.*

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: We are informed that the Interstate Commerce Commission has under advisement the propriety of allowing the railroads to make an extra charge over and above the regular published rates for the following service, viz:

(1) For handling trap or ferry cars.

(2) For placing cars for loading or unloading on private sidings.

Feeling that an extra charge on the part of the carriers for services of this kind would be very unjust, we are taking the liberty of writing to enter a protest against such a charge being allowed by the commission.

For the purposes of this argument the shipping public can be divided into two classes—(1) those who have private sidings and (2) those who use the tracks and terminal facilities furnished by the railroads. In our opinion, an imposition of an extra charge against the shippers of the former class would be a gross discrimination as compared with those of the latter class. The former have invested a large amount of capital in railroad tracks and in land on which these tracks have been constructed, with the result that the railroads themselves have escaped the necessity of a correspondingly large investment of capital. It is nothing more than right and proper, therefore, that these sidetracks and facilities should be used by the railroads without extra charge, it being very much more economical to the carriers to switch cars to and from these private sidings than to purchase and furnish to the public the additional terminal facilities that would be necessary were it not for the existence of these private sidings.

We trust, therefore, it will be the pleasure of the commission to decide without hesitation that no extra charge of this kind should be made, except, possibly, in some few instances where the conditions are extraordinary.

Yours, very truly,

MONTAGUE MANUFACTURING CO.,
By C. E. HUGHES, *Secretary.*

MONARCH HYDRATED LIME,
Carey, Ohio, March 16, 1914.

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: We wish to voice our protest against the proposition you are now considering of allowing railroads to make a switching charge of $2 per car for all cars spotted to private sidings for loading or unloading.

This is manifestly unfair to a manufacturing concern like this company that manufactures a low-priced, heavy commodity, for instance, crushed stone. The average selling price fo a carload of crushed stone is $20; your switching charge would be 10 per cent of the value of the product. The margin of profit is not large enough for the manufacturer to stand this loss himself, and therefore he must raise his selling price to his customer, which eventually throws the burden onto the ultimate consumer.

Our present freight rates to points to which we ship stone will average 40 cents per ton, or $16 per 40-ton car. An additional charge of $2 on this car would be equivalent to a raise of 12½ per cent in freight rate, and the railroads have asked for a raise of only 5 per cent.

Why should you refuse them a raise of 5 per cent on some commodities and then authorize them to collect a charge from us equivalent to a 12½ per cent raise on our commodity? This would be discrimination with a vengeance.

We think that after giving this matter due consideration you will decided that the plan proposed would be highly unfair.

Yours, very truly,

THE NATIONAL LIME & STONE CO.,
C. G. SPENCER, *Secretary-Treasurer.*

—

WELLS-ABBOTT-NIEMAN CO., MILLERS,
Schuyler, Nebr., March 16, 1914.

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: The railroads are, we understand, asking permission of you to make a charge for spotting or switching cars to warehouses or mills for loading, and they make the claim that the transportation rate does not and never has included any compensation for such services, and that it has always been furnished free.

The stand taken by them, if they mean to apply this claim to all cases of switching, is erroneous, and it would be more to the point if the shipper were to demand that the carrier load the freight into his car and that the carrier cooper or put in good condition his car, many of which are not in good condition to carry the goods for which they are furnished.

Steamboat lines do not require the shipper to load or stow away the freight on board their vessel. The shipper has only to deliver it at the vessel's side. If his warehouse is on the dock the steamship company receives the goods there and loads it at its own expense, or if the warehouse is not on the dock the shipper delivers it alongside the vessel and the steamship company loads at its expense.

To make a charge for switching or spotting cars in ordinary cases would be as unreasonable as for a dray line to make a charge for running their trucks from the stable to the point where the goods are to be received in addition to the usual transportation charge.

Furthermore, there is another case where the transportation line—that is, the dray line—does the loading at its own expense, but in case of railroads the shipper does that as well as putting the cars in condition at the shipper's expense, so that the railroad company may have less to pay for goods damaged in transit.

Another reason why it would be unfair and unreasonable for the railroads to exact a charge for switching or spotting cars in ordinary conditions is that on these sidetracks is the only logical or possible place where the railroads might have their cars loaded. It would be out of the question to have it done on their main tracks, and therefore they are put onto sidetracks to be loaded, because the railroads could not conveniently conduct their business if the cars were loaded on the main track; and so they build sidetracks, and yet they propose to ask the shippers to pay them for taking the cars off of their main track and setting them onto the sidetracks. In short, they ask the shippers to pay the cost of a service which is for the convenience and necessity of the railroad companies, besides which they wish the shippers to continue repairing the railroad companies' cars at their own expense.

What we have said here is not intended to apply where an unusual or extensive or long switching service is rendered by the railroad company.

Sincerely,

WELLS-ABBOTT-NIEMAN CO.,
C. ABBOTT, *President.*

—

THE GLOBE SOAP CO.,
Cincinnati, Ohio, March 16, 1914.

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: We are in receipt of your advice dated March 5, 1914, giving notice that written statements or briefs confined to the so-called "spotting service" will be accepted prior to March 24.

While the period between the hearings on February 12 to 14 and 27 did not afford us much time for preparation, still we did gather such data as we could and testified on March 2, giving all the facts at our command with regard to our situation and those of our neighbors at St. Bernard and Ivorydale.

We now desire, in addition to the facts stated in our testimony, to submit the following statement of our views in the premises, including our reasons therefor:

Counsel for the commission stated, in substance, in his introductory remarks at the hearing under dockets No. 5860 and No. 333 on February 12, that this free switching secured by a small number of large shippers, while a large number of small shippers have to pay drayage, constitutes a condition of discrimination against the large number of small shippers, and the commission refers to this switching in the Industrial Railways case, No. 4181, as a "gratuitous switching service."

We respectfully beg to submit that the spotting of cars on private tracks is not a free or gratuitous service and does not constitute a discrimination against the shipper or consignee who drays his freight. "Free and gratuitous" mean, quoting Webster, something "given without an equivalent or recompense," and perhaps the common definition would be "getting something for nothing."

As stated in our testimony, our factory is located in St. Bernard, a suburb of Cincinnati, and is situated, together with eight other firms, on a tract of land called the Ross estate, all of whom are served by a joint switching engine. The Ross estate consisted originally of a quarter section (163.33 acres); deducting for public easements for turnpikes and Miami & Erie Canal leaves net about 140 acres, and we desire at this time to ask permission to correct our previous testimony, in which we referred to this tract as about 75 acres.

We filed in our testimony a statement covering a period of nine days, showing the cost and time per car in switching and spotting at our plant, the total average time per car being 5 minutes 25 seconds, of which about two-thirds consists of sorting out the cars to be spotted from those to be weighed (for which weighing we pay an extra charge), the actual time consumed in spotting being about one-third of the average of 5 minutes 25 seconds. We now desire to give the commission the benefit of our records covering the interim from the first statement to date, and attach a statement, marked "Exhibit A," showing this information. This statement shows the average time per car since first statement of 5 minutes 9 seconds, and the average for the whole period from February 16 to March 14 of 5 minutes 14 seconds, an actual cost to the carriers of 30½ cents per car; but as the cuts of cars are broken up on our tracks and cars for the scale track or other points separated, work that is usually done in breaking up yards is being done on our tracks, because the N. & W. have no breaking-up yards of their own at Ivorydale or St. Bernard, the proportion of time of breaking up being conservatively estimated at two-thirds, leaving the real net time consumed in spotting 1 minute 45 seconds per car, or a cost of 10½ cents per car.

In return for the one and three-fourths minutes per car service mentioned above we render to the carriers what are in effect certain services in that they are saved the expense of providing certain facilities and of performing certain duties which they are required by law to do, and these facilities, if they could be reduced by some dollar-and-cents rule, save the carriers thousands where they spend hundreds of dollars in spotting. We mention a few, viz:

A car destined to a private track can and usually is placed on same upon arrival at destination. As a rule, such shippers are on a weekly credit list, and immediate delivery can be made, thus reducing per diem charges and releasing equipment quicker; again, many shippers reload what empties they make, saving switching and per diem and putting the car immediately back into service again. On the other hand, cars for team-track delivery are usually delayed for same cause; where there are several deliveries in a town it is often held for orders; when billing is delayed it must wait; in case of insufficient team-track facilities it must wait, and in cases of congestion it always does; and in all these cases it must be switched into a so-called "hold yard." But this is the easy part. Getting the car out is where the expense comes in. The writer has known cases in his railroad experience where 40 to 50 cars had to be switched to get out 1 or 2 cars. Then, again, there is the yard office work of checking these hold cars daily, keeping a record of them, and recarding them to the team track, to which should be added the risk of damage, theft, and fire, as the railroad underwrites all these when it keeps the car in its possession.

We relieve the carriers of the expense of furnishing reasonable and adequate facilities for the delivery and receipt of freight, which is one of their duties under the law, but the amount invested in private tracks is no criterion. To this should be added the price of valuable land, with space for teams between tracks, for the carriers would be required to buy land adjoining some street or public highway. Then, again, there would be the cost of keeping up the roadway between cars and salaries of additional delivery clerks and watchmen to police the yards.

In cases of cars unloaded on team tracks, the carriers are required to clean out the cars and often respot them before they can be loaded, while on private sidings this labor is performed by the shipper often without moving the car. On team tracks the yard clerk must seal and card the cars. We perform the service, furnishing our own seals.

In cases of blockades and congestions private tracks are literally a boon to the carriers. Our lead is a straight track and will hold 45 cars nicely. Time after time our business has been seriously delayed by one railroad appropriating our lead for storing cars. This is a common practice of carriers, here at least, four or five parties having mentioned similar cases recently. We gave a number of specific cases of this in our testimony.

The above are some of the services we render the carriers. The only return we receive is a switching service, costing in our case ——— per average car. Therefore we maintain that the service received is not a free or gratuitous one, as it is not given without equivalent or recompense. Our plant is an ordinary one, operated in the ordinary way, except, perhaps, for the joint engine, and is typical of many others here and elsewhere. The matter of joint switching in terminals is entirely in the hands of the carriers. Certainly the shippers should not be penalized if they elect to operate separately where unification of terminals is possible.

During the teamsters' strike in Cincinnati last summer and fall the private tracks saved Cincinnati from a famine. The strikers were ugly and many riots, with probable bloodshed and loss of life, were avoided by those private tracks by enabling the factories to continue operation, thus keeping thousands regularly employed and out of mischief, to say nothing of the privations their families would have suffered.

Counsel for the commission in cross-examination of witnesses at the recent hearing put to each one, with the exception of ourselves and one or two others, these two questions, in substance, viz:

First. Of what value is this service of spotting cars to your concern?

Second. If it should be decided that the railroads need more revenue, should such revenue be derived by a general increase of 5 per cent in all rates or by assessing a charge for spotting and similar services?

We desire to request the privilege of answering those questions now as the opportunity was not afforded us at the hearing.

First. The switching service of placing cars on our tracks is unquestionably of great value to us, so great we could not get along without it or the railroads and do a business of any magnitude. A tank car of soap stock en route from El Paso, Tex., would be switched approximately one-half of a mile on our tracks before placing, and the exact value of this service to us is exactly the same as the transportation service over any other particular half mile you may choose to select out of the 2,000-odd miles between El Paso, Tex., and St. Bernard, Ohio, and not one cent more or less.

Permit us to explain the basis for our statement above. Commercial customs practically prohibit the purchase of the bulk of our raw materials, such as cottonseed products, tallow, greases, etc., except in tank cars. A carrier is required by law to place a car somewhere where it will be possible for the consignee to unload it, and as the carriers do not provide facilities (i. e., pipe connections and live steam) on any public team tracks we are compelled to furnish such facilities at our expense, and it is primarily for this reason that all soap and candle factories, oil refineries, and other industries receiving or shipping material in tank cars are literally compelled to construct and maintain private tracks. As to whether it would be cheaper to dray such portion of our traffic as could be handled on a team track or to pay a spotting charge is an unanswerable question, for the simple reason there are no team tracks. Of the five railroads reaching St. Bernard and Ivorydale there are only approximately 40 car lengths of team tracks, which would only hold one day's business of any one of many shippers in that vicinity. We are, therefore, again compelled to provide these facilities for the carriers.

We contend that shippers may lawfully reap the benefit of any investment they may be able to make, even if smaller shippers can not afford or do not elect to do so, and that the value of such facilities purchased are of no concern to the carriers, to their competitors, or, in fact, to any one. The act to regulate commerce does not provide that rates shall be based upon their relative value to any shipper or group of shippers, if it did the whole structure of rates in the United States would have to be reconstructed to-morrow.

We respectfully beg to submit that the question of the relative value of these services may not be consistently investigated or considered by the commission in connection with this case, which is, as we understand it, an investigation to determine the amount (i. e., cost of service) that the carriers are supposed to be wasting in furnishing "free or gratuitous services" to a small number of large shippers; this question having risen in connection with their request for a 5 per cent increase, and the commission, and very properly so, desires light on the question as to whether they are properly conserving all of their present enormous income. In this particular instance, however, we contend that you have touched a situation that proves to be a great saving to the carriers instead of an expense, and instead of being a discrimination to the large number of small shippers is quite the reverse; in fact, an advantage to them.

As to the second question. We can not quite stretch our imagination to a point necessary to seriously consider the necessity of increasing the present income of the carriers by a general increase in freight rates, and while in our own particular case a nominal spotting charge or the actual cost might be cheaper for us, such a course would put the burden entirely upon the shoulders of "a small number of large shippers," who have already saved the carriers millions of dollars by the facilities they furnish; and such a course, we contend, would be a grave injustice and discrimination, devoid of all equity, and in effect would penalize the shippers who have assisted the carriers.

Private sidings constitute no discrimination against small shippers, as terminals would be badly congested if such provision was not made to take care of large industries; and as to the expense, the testimony in your hearings has tended to show that the cost of placing cars on team tracks was greater than on private tracks.

A charge for spotting would bring revenue only to the large roads, while the smaller ones, which it is claimed are particularly in need of money, would derive no revenue from this source. It is also problematical how much revenue would be derived in this way. If some shippers elected to furnish their own motive power there would be no revenue, and would not such a condition tend to create another discrimination against shippers who had to pay a spotting charge?

The rates for the transportation of freight have always been understood to cover the entire transportation service, and the cost of spotting, whether on private or railroad owned tracks or on public team tracks, should be treated as any other terminal charge and be deducted before prorating or absorbed. The private tracks are not a new institution. They were in existence before most of the present rates were established, and the present rates were made with due consideration to the cost of all terminal expenses, of which this service is only a small part.

In conclusion, we submit that a charge for spotting should not be made, nor should the spotting service be eliminated. If any of the present rates are not remunerative enough to cover all terminal expenses, including the spotting, then such rates should be increased; but even then the increase should be made only after a full and proper investigation of the facts and conditions surrounding each case, and not by a general horizontal increase that would only further complicate any inequalities that exist to-day.

We respectfully beg to suggest, in addition to our own views stated above, that our shippers of raw material and our customers, located in southern and western territory, are equally interested in this matter, for your decision must inevitably apply to the whole country, and as such territories have not had an opportunity to be heard at all, and many shippers in official classification territory have not had sufficient time to properly present their cases, we petition your honorable commission not to decide this great question upon the totally inadequate hearings that have been granted, and finally concluding this matter only after a full hearing, with due and adequate notice to all shippers in all territories.

Yours, very truly,

THE GLOBE SOAP CO.,
FRANK VAN SLYCK, *Traffic Manager.*
By ROBERT L. HIGBY, *Secretary.*

STATE OF OHIO, *County of Hamilton, ss:*

Frank Van Slyck, being duly sworn, says he is the traffic manager of the Globe Soap Co. and authorized to make this statement for and in behalf of said Globe Soap Co., and that the statement is true, to the best of his knowledge and belief.

FRANK VAN SLYCK.

Sworn to and subscribed before me this 16th day of March, 1914.

[SEAL.] HARRY MORETON, *Notary Public.*

EXHIBIT A.—*The Globe Soap Co.*

Date.	Crew in.	Crew out.	Total time consumed.	Number cars weighed.	Time consumed weighing.	Average time per car consumed in weighing.	Net time consumed in switching.	Number empties received.	Number loads received.	Number empties out.	Number loads out.	Total cars switched in and out.	Approximate average time consumed per car in switching.
			h. m.		*h. m.*	*m.*	*h. m.*						*m.*
Feb. 16	4.30	7.35	3 5	3	25	8	2 40	5	2	8	7	22	7
17	5.10	7.50	2 40	9	1 10	8	1 30	4	18	3	10	35	3
18	10.05	11.15	1 10		40								
	5.00	8.20	3 20	21	50	4	3	7	12	9	8	36	5
19	10.00	10.35	35		20								
	4.55	7.45	2 50	7	35	8	2 30	4	6	3	9	22	7
20	10.20	11.10	50		20								
	7.00	8.20	1 20	6		3	1 50	8	6	6	6	26	4
21	10.05	11.30	1 25		40								
	6.30	8.50	2 20	14	50	6	2 15	4	12	12	6	34	4
23	4.15	6.50	2 35	6	45	8	1 50	2	14			16	7
24	4.10	8.10	4	5	55	11	3 5	1	2	8	13	24	8
25	4.30	8.30	4	7	1	9	3	7	3	6	10	26	7
												241	
26	10.20	10.55	35		30								
	4.00	7.45	3 45	5	30	12	3 20	7	4	4	9	24	8
27	11.15	12.10	55		50								
	5.25	7.00	1 35	11		5	1 40	3	11	4	6	24	4
28	4.50	6.00	1 10				1 10	4	2	4	6	16	4
Mar. 2	4.50	8.30	3 40	13	1 10	8	2 30	5	15	6	9	35	4
3	10.20	11.00	40										
	5.25	7.00	1 35	3	15	5	2	3	6	3	7	19	6
4	10.30	11.30	1		25								
	4.00	7.30	3 30	9	35	7	3 30	3	10	7	7	27	8
5	9.30	10.10	40		45								
	4.00	7.00	3	11	30	7	2 25	12	4	7	6	29	5
6	10.10	11.10	1		30								
	4.00	7.15	3 15	8	30	8	3 15	3	19	6	7	35	6
7	10.00	11.20	1 20		50								
	4.00	5.00	1	9	10	7	1 20	2	8	3	3	16	5
9	9.55	11.05	1 10		40								
	4.00	7.10	3 10	11	10	5	3 30	3	21	7	9	40	5
10	2.00	3.05	1 5		25								
	5.05	8.15	3 10	7		4	3 50	5	11	2	8	26	9
11	10.50	11.30	40		40								
	5.45	8.15	2 30	15		3	2 30	1	17	6	8	32	5
12	10.50	11.35	45		45								
	6.30	8.30	2	14		3	2	7	6	15	8	36	3
13	10.15	11.40	1 25		1 25								
	5.45	8.30	2 45	10	30	12	2 15	7	15	7	9	38	4
14	10.30	11.50	1 20		1 24								
	6.30	8.00	1 30	15	30	7	1	4	10	7	5	26	2
												423	

NOTE.—Time consumed in weighing cars is deducted because a separate charge is made for this service.
General average time of 241 cars switched, 5 minutes 25 seconds per car, at $3.50 per hour, equals 31½ cents per car.
General average time of 423 cars switched, 5 minutes 9 seconds per car, at $3.50 per hour, equals 30 cents per car.
General average time of switching 664 cars, Feb. 16 to Mar. 14, inclusive, 5 minutes 14 seconds per car, at $3.50 per hour, equals 30½ cents per car.

MARQUETTE CEMENT MANUFACTURING CO.,
Chicago, March 4, 1914.

Hon. LOUIS FITZHENRY,
House of Representatives, Washington, D. C.

DEAR SIR: The Interstate Commerce Commission, in connection with their investigation of the Advanced Rate Case, where the eastern railroads are asking for a 5 per cent advance in freight rates, has developed the idea that the railroads can not place cars to industrial sidings for loading or unloading by industrial concerns without making a charge over and above the published rate, which heretofore has covered this service.

In giving consideration to this opinion expressed by the commission, some of the railroads have already begun publishing tariffs making a charge of 7½ cents per ton, with a minimum of $2 per car over and above the rate for public delivery. The present rates published by the the railroads have included the service of placing cars to industrial tracks at point of origin as well as destination. This is a practice that has been in effect for a long time and has always been considered proper, because undoubtedly the carriers in making their rates have included in the rate the cost of placing cars to industrial tracks.

All industries, as well as the railroads, in recent years have had to submit to an increase in the cost of equipment, materials, and labor. The railroads have not been permitted in many instances to advance their rates proportionately, but this suggestion of the commission seems discriminatory in that the burden will fall upon the industries, who are a great deal less in number than the general public, who will be affected by a general advance in all rates of 5 per cent.

It is a question if the shipper and the receiver can stand an increase of the character proposed. Both the shipper and receiver are affected, if they happen to have a siding. In the aggregate, the burden on the industrials will be greater than the 5 per cent advance asked for by the carriers. As an example, if a 50-ton car is shipped from one industry to another industry, and giving the carrier a return of $30 per car under present rates, the increase under the new plan would amount to 25 per cent. The switching charge at point of origin at 7½ cents per ton figures $3.75. The same charge would apply at destination, making a total increase on this shipment of $7.50, which is a 25 per cent increase over the present rate.

We feel that if the carriers can show the necessity of advancing their rates, the advance should be general, applying to one and all alike, and that the industries of this country should not be further discriminated against by the imposition of these additional switching charges, which will disturb conditions to an extent perhaps not thought of.

We earnestly urge that you oppose this plan, and your action in doing so will protect the industries of your State, as well as those of other States. You understand if the rates are advanced generally 5 per cent, the industries pay this advance the same as others, which seems to us to be the only equitable plan of advancing freight rates.

Thanking you kindly in advance for your consideration, we beg to remain.

Respectfully, yours,

GEO. WILLIAMS,
Sales Manager.

—

THE C. F. SAUER CO.,
Richmond, Va., March 16, 1914.

The INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: Referring to the railroad companies in the above petition, we are opposed to any arbitrary move taken by the railroad companies regarding private sidings, and we believe, further, that taking the city of Richmond, if the railroad companies were to close the private sidings owned by the various manufacturers of the city of Richmond, which cost these manufacturers considerable money to keep up, maintain, and pay taxes on, these same railroads would have to invest several million dollars of their own to handle the business in the city of Richmond.

We believe, further, that this same condition prevails practically in every city in the United States, and we think that any arbitrary charge for services of these tracks would cost the railroads considerably more money in the long run than it is now costing them.

We do not like to tell the Interstate Commerce Commission what is the trouble with the railroads. We believe that the gentlemen handling the railroads know their business, but this increased capital is growing faster than the country; and if they now want to add more terminals by forcing the disuse of private terminals, it will cost them considerable more capital, and later they will want more freight rates than we now have to pay, and we are opposed to it.

We have, at considerable expense, put in our tracks with the expectation of reaping the benefit of it, and we do not feel that the railroad companies have any right to confiscate or make these tracks useless or expensive to us at this date.

Yours, very truly,

THE C. F. SAUER CO.

THE CHARLES BOLDT CO.,
Cincinnati, Ohio, March 16, 1914.

Mr. GEORGE B. MCGINTY,
Secretary Interstate Commerce Commission,
Washington, D. C.

DEAR SIR: We wish to place before the Interstate Commerce Commission our protest of their final action at this time in the so-called free service being extended shippers having private siding. We feel that further and more full hearing should be given this matter, for our own investigation has shown us that the transportation lines are put to a far greater expense in maintenance of team tracks than is involved in private siding. A private siding is usually the property of the shipper who employs it, and no burden is placed upon the transportation line for its maintenance.

Furthermore to assess a terminal charge over and above the rate haul will tear down the structure upon which the great American shipping has been built, and would create chaos for a long time to come, and would probably result in loss of desirable territory to certain shippers.

The present arrangement is an equitable one, the terminal charges being included in the rate haul, and this feature is still recognized by transportation companies in adjusting rates, we knowing this from recent experience we had in our efforts to secure adjustment of rates applying between local points on the line in question, we calling to their attention the difference in their local rates and their portion of the through rate, and they stating that the difference was to cover the terminal charges at the originating and delivering points. Furthermore, there is no rule by which a just terminal charge could be provided for.

In looking into what would be a proper terminal charge at this point, at our plant we have found that the actual "spotting charge" of cars averages 10 cents per car; that the average charge of drilling and classifying cars for convenient placing averages from 10 cents to 14 cents per car; a total charge of drilling, classifying, and "spotting" was in no instance greater than 24 cents per car. A like service for our neighbor might entail a greater or less charge, and for either one of us to bear the burden of the other would be absolutely unfair.

The only way to increase the earnings of the transportation lines is an equitable adjustment of the rates.

Yours, truly,

THE CHARLES BOLDT CO.,
L. L. SHINOS, *Traffic Manager.*

—

THE JOBBERS & MERCHANTS' ASSOCIATION,
Springfield, Mo., March 16, 1914.

Hon. G. B. MCGINTY,
Secretary Interstate Commerce Commission,
Washington, D. C.

DEAR SIR: I hand you herewith copy of resolution adopted by this association in regard to investigation by the commission of the practices of carriers in regard to spotting cars, trap-and-ferry-car service, reconsignment, diversion, etc.

I wish to most earnestly protest against the commission taking any hasty action in regard to this matter, as it is one of grave importance as to demand the most careful consideration at the hands of the commission before any action is taken, which, in my estimation, would revolutionize the shipping and transportation conditions of the entire country.

Transportation has been conducted under the rules and practices of the carriers now in effect for a great many years, and to make such sweeping changes as contemplated would be disastrous to the shipping public in the extreme. Many of the facilities used by the carriers have been provided by the shippers at their expense, and if the carriers are to be permitted to make an additional charge for such services it would result in confiscation of the property of the individual to the carrier and would mean that owners of privately constructed tracks and other facilities would be forced to permit the carriers to use their property and pay them for doing so. This would mean confiscation of property without due process of law.

To change conditions and practices which have been in effect for years at a moment's notice, and which said charges are now and always have been included in the transportation charge, would demoralize transportation conditions as they effect the shippers and consignee.

I most respectfully urge that the commission give the full consideration to this matter to which it is entitled by reason of its importance and that no hasty action be taken, and that a thorough and comprehensive investigation of all the features involved in these practices be made by the commission before action of any kind is taken.

Very respectfully,

S. C. BATES, *Traffic Manager.*

Resolution.

Be it resolved, That our traffic manager be, and is hereby, authorized and directed to protest to the Interstate Commerce Commission against the conclusion of the investigation of the practices of carriers in spotting cars for loading and unloading, trap-and-ferry-car service, diversions, and reconsignments until a complete investigation by the commission has been made.

Be it further resolved, That charges for such service are now and always have been included in the transportation charge, and to change these conditions would revolutionize transportation to the disadvantage and detriment of the shipper and consignee. In many instances the facilities have been provided by the individual and relieve the carrier of congested terminals and greatly facilitate the handling of their business.

To make the charges contemplated would mean confiscation of the property of the individual without due process of law by reason of their being deprived of the uses and advantages of facilities made and provided at their expense, which, under the proposed plan of charging for spotting cars, would be used by the carriers and the shipper and consignee forced to pay to the carrier a charge for using their own property.

Be it further resolved, That we believe it to be to the best interests of the carriers and the shipping public alike that no hasty action be taken in this matter and that a complete and thorough investigation of the practices involved be made and that all interested parties be given an opportunity to be heard in the matter.

The above and foregoing resolution was adopted at a meeting of the Jobbers & Merchants' Association held on Monday, March 16, 1914.

Attest:

ARCH MCGREGOR, *President.*
S. C. BATES, *Secretary.*

CLEVELAND DIAMOND FIRE BRICK WORKS,
Cleveland, Ohio, March 16, 1914.

Hon. E. E. CLARK,
Chairman Interstate Commerce Commission,
Washington, D. C.

DEAR SIR: Referring to the question of charges for spotting cars on private sidings, we wish to register a most respectful but vigorous protect, as in considering our industry it would be both unjust and discriminatory, as it would eventually bring about a segregation of the refractory interests to points where all materials entering into the manufacture of our products could be obtained at one place, thereby depriving the carriers of a valuable source of revenue and working an inestimable hardship on those not so situated.

There are a large number of the plants in our industry that are situated at the base of their supplies, but on the other hand, a very large proportion, as in our case, assemble their materials at a given point, for one reason or another, and it would prove a great hardship to them.

Two-thirds of the aggregate tonnage in and out of plants which assemble their materials, consists of incoming supplies, which revenue would to a large extent be eventually lost to the carriers.

The services performed by the carriers in placing cars on private sidings is of the simplest nature, and the cost no greater than placing on a public team track or other general loading places, and represents the most economical method of handling large tonnages, and we can not see where there would be any discrimination claimed by so doing.

Respectfully, yours,

KNAUFF & ESTERBROOK,
C. C. ESTERBROOK.

—

TENNANT & HOYT CO.,
Lake City, Minn., March 16, 1914.

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: We are advised that you are making a special investigation for determining whether switching, placing, or delivering cars for loading and unloading on industry tracks, privately owned or railroad owned is a special service, and one for which the carrier should make a charge additionally to the regular freight rate, as the term transportation should include only the road haul and the service to and from public team tracks, and to and from public freight depots. It is our opinion that transportation includes all the railroad service and track facilities devoted to hauling the freight traffic, and the public freight charges has included compensation for their services.

We hope that no definite action is taken on this subject until a full hearing has been given as this is a big question and would effect all parts of the country, and should be given very careful thought before any decided action is taken.

Yours, very truly,

TENNANT & HOYT CO.,
By R. A. HOYT, *Vice President.*

—

RELIANCE QUARRY & CONSTRUCTION CO.,
Alton, Ill., March 10, 1914.

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: We understand there is a proposition before your commission to issue an order to railroad corporations to make a charge for spotting cars on private sidetracks. If the proposed order is intended to apply to free switching within an industry, we think it eminently fair and proper; but if it is intended to cover the mere delivery of an empty car for loading and its receipt loaded all upon the same private track without any other movement on part of the railroad company, we think it very unfair and discriminatory to the small industry, all the small plants whose business does not justify the purchase and operation of a private switching engine, and this covers 95 per cent of our industries. We favor discontinuance of free switching; we most respectfully, but most emphatically, protest against the issue of a rigid spotting charge for private sidetracks.

We beg to illustrate our own case on the sketch attached hereto. It covers a large majority of the small industries. We receive empty cars on our private sidetracks marked "A" and "B" between the points "E" and "F." We then spot the cars under the bins with car-mover bar in the hands of our loader. After loading, the cars are moved toward "A" and "B" by the same man. The loaded cars are then pulled out by the railroad company's switch engine. Each track holds four cars. We load from six to eight cars per day when running full capacity, which has not happened once since the last panic. There is no switching within the industry, barring a few rare exceptions, merely delivery and receipt upon the same track, the same movement exactly as receipt and delivery upon a team track or any sidetrack located upon the railroad company's right of way, most of which are already intensely congested and located upon high-priced real estate, and therefore more costly to the railroad company for spotting than spotting on private property which costs them nothing for occupancy. In our case it happens perhaps half a dozen times in a year that we ask a partly loaded car on track "A" be transferred to track "B," or vice versa, to complete quick loading of a "hurry-up" car. This service we would consider switching within an industry and subject to a legitimate charge by the railroad company—say, about 50 cents per car. It would cost them a few cents only; the work would never be done except when the switching engine is on the private tracks, anyhow, for delivering or receiving cars.

If the proposed spotting charge is intended to cover cars for private tracks only, industries located a few feet from the right-of-way line of a railroad company and loading directly onto a sidetrack located on the railroad company's right of way would have an immense advantage over other industries located a little farther away. It would amount to a fine private monopoly for the first-named industries, but it would cost the railroad company just as much to do their spotting as it would to do it for industries located like ours. In our case we could circumvent such a rule by relocating the plant at "G," but the cost of spotting would be exactly the same as now; there would be no difference in distance from the main track, or number of movements, to the present location or to such a new one, but the cost to us of such a relocation would be prohibitive and we would be obliged to abandon the industry unless we could unload the proposed private-track spotting charge onto the consumer.

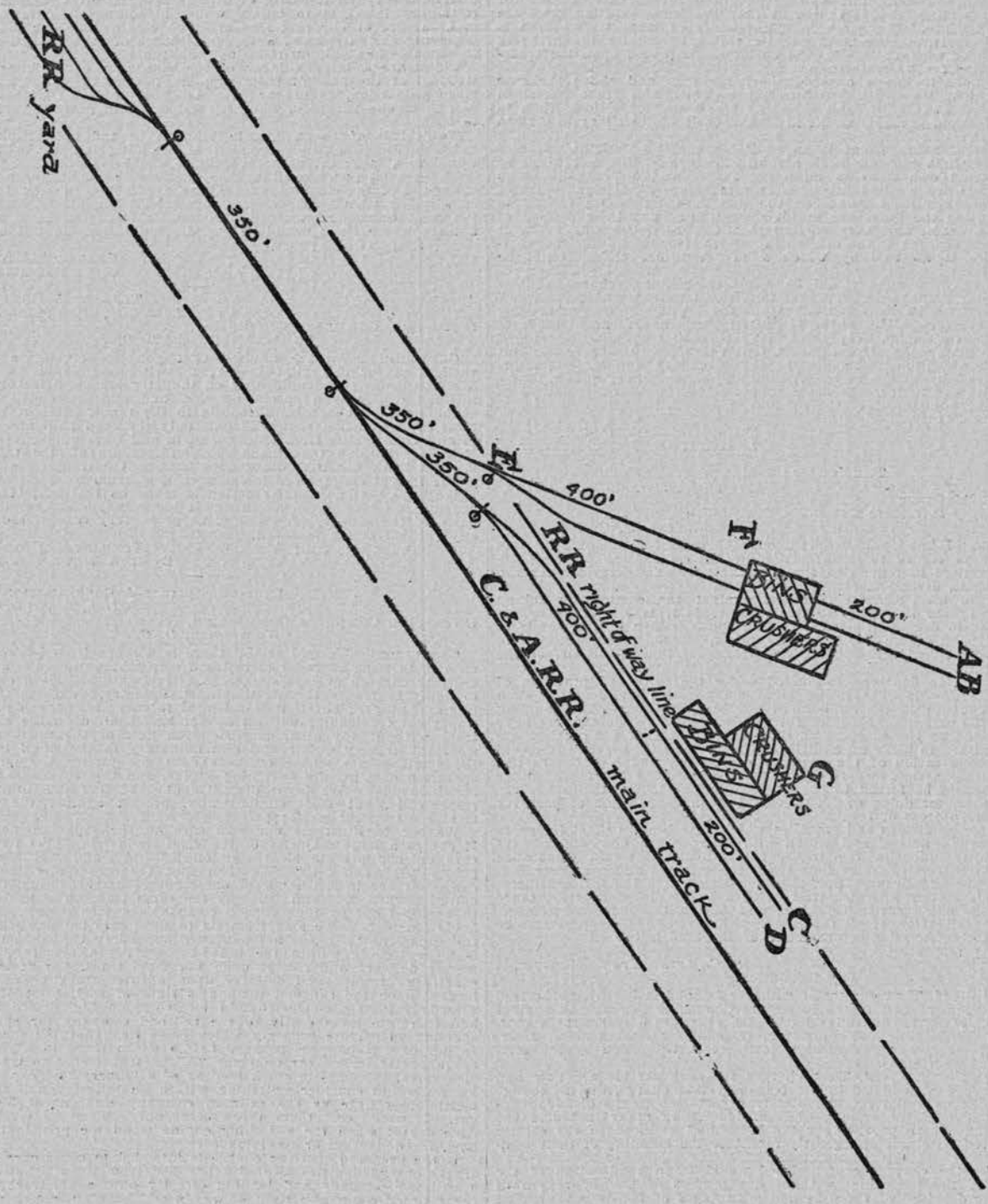
In considering this matter the value of the load should not be overlooked. A straight spotting charge per ton for a carload of leather—worth about $10,000 per carload—and moving from the private track

of a tannery about once a week could carry the charge in the sales price without injury; but four to eight carloads crushed stone per day—worth about $20 per car—could not bear the charge without destroying the industry. At 5 cents per ton, such a charge would be 10 per cent of the gross value of the carload of crushed stone and only one-fiftieth of 1 per cent of the gross value of the leather.

After you have given this matter due consideration, we trust that you will see the justice of our plea, and most respectfully request that you do not establish a spotting charge on cars for private sidetracks located upon grounds adjacent to a railroad right of way if the movements involved are covered by the delivery of an empty car for loading and its receipt loaded, or vice versa, upon the same private sidetrack.

Very respectfully, yours,

RELIANCE QUARRY & CONSTRUCTION CO.,
E. A. HERMANN, *President.*



GEO. S. GOOD FIRE BRICK CO.,
Patton, Pa., March 10, 1914.

HON. E. E. CLARK,
Chairman Interstate Commerce Commission,
Washington, D. C.

DEAR SIR: The proposed charge for spotting cars on private sidings is to our mind most unjust and discriminatory.

In our case we have at our small plant, with a capacity of only 40,000 bricks per day, constructed sidings, the aggregate length of which is nearly 4,000 feet, at a cost of approximately $20,000, and these sidings relieve the railroad company of an expenditure of something approaching the cost to us, so that they might handle the freight that we can offer them on the same basis as they would handle it for the general public.

In other words, if we did not construct our private sidings, we take it that the railroad companies would be obliged to do so in order to handle the freight that we would offer them, and it is no more work from any point of view for the railroads to place the cars on our sidings than it would be to place a car for any other shipper on the public sidings at or near the same point.

Quite the contrary in making a charge for this situation, it has always appeared to us that we were being discriminated against, for the reason that we were obliged to build and maintain our own side tracks for shipping and receiving our freight, whilst the general public had side tracks constructed by the railroads on which to receive and ship their commodities.

There is no additional work required on our siding, other than putting in empties and taking out loads, or vice versa, and in a very great many instances when a loaded car is placed on our siding it is not touched by the railroad people until it is taken out loaded with goods of our manufacture.

The interest charge alone on the cost of our sidings will equal $1.50 per car, and when the maintenance and depreciation are added to this

it makes at least a cost of $2 per car to us to keep these sidings into our property, the greater part of which charge would fall upon the railroads if we handed our freight to them as the general public does.

We fail to see a single argument in favor of allowing the railroads to charge for placing cars on private sidings under conditions such as we have, and we believe that this is typical of the very large majority of small manufacturers throughout the country.

Yours, very truly,

GEORGE S. GOOD FIRE BRICK CO.,
GEO. E. PRINDILLE, *General Manager.*

—

FRANK B. POPE, FIRE BRICK AND CLAY,
Pittsburgh, Pa., March 10, 1914.

Hon. E. E. CLARK,
Chairman Interstate Commerce Commission,
Washington, D. C.

DEAR SIR: The undersigned, Frank B. Pope, operating as the Sligo Fire Brick Co., at Sligo, Pa., and as the Mayport Clay Co., at New Mayville, Pa., produces at the latter point raw fire clay shipped to and used at his Sligo, Pa., works in the manufacture of fire brick.

The two points above mentioned are located on the lines of the Pennsylvania Railroad; the two sidings are the property of the railroad company, and in conjunction with service to the writer are used for the accommodation of local traffic. The service to us consists in the placing of cars for loading and unloading only, such work being done at the convenience of the railroad and at such time as regular shifting crews are performing the same work for accommodation of said local traffic.

The enforcement of this spotting charge would mean to us that same would have to be paid three times before our finished product is disposed of; that is, in the loading of raw material at New Mayville, unloading of same at Sligo, and reloading of finished product at Sligo. In dollars and cents it would mean 87 cents per thousand brick, and to our natural Pittsburgh market, with present freight rate of $3.50 per thousand brick, the increased freight would be 40.3 per cent.

We believe such a charge to be unjust and discriminatory, and herewith protest against same.

All of which is respectfully submitted.

Yours, very truly,

FRANK B. POPE.

—

PENNSYLVANIA FIRE BRICK CO.,
Beech Creek, Pa., March 10, 1914.

Hon. E. E. CLARK,
Chairman Interstate Commerce Commission,
Washington, D. C.

DEAR SIR: In reference to proposed spotting charges per Interstate Commerce Commission Docket 5860, I. & S. Docket 333, we submit the following information concerning our operation which, in our opinion, shows it would be unjust and discriminating to make any charge for spotting cars on our siding or spur tracks:

Our plant is located at Beech Creek, Clinton County, Pa., and our mines at Forge Run, Pa. Siding at the mines is 200 feet long, and the aggregate length of those at plant is 2,765 feet. No motive power owned by our company is used on these sidings, and, furthermore, said sidings were paid for by us. We are compelled to pay demurrage, and any extra service performed on these sidings by the railroad company is charged to us. The only service performed without extra charge is placing cars in position to be loaded or unloaded, and taking out the daily shipments.

The cost of this service is no greater than the cost of the same service formed for the general public in the spotting of cars for loading or unloading freight at team tracks or other central loading stations.

The average number of loaded cars in and out per month at our plant is 225, and the proposed spotting charge would increase our costs approximately $12,000 or $15,000 annually. Any charge of such a nature is unjust. No other method is as economical for the railroad for handling large tonnage quickly, and besides, the service on these sidings being of the simplest kind, the time of shifting and the details of the service given are entirely at the convenience of the railroad. Further, it is a decided discrimination between conditions surrounding our operation and those who are so situated that their raw material enters plant without being compelled to resort to the use of a common carrier.

If the railroads can give the general public their necessary requirements without adding a spotting charge for said service, there certainly can not be any sane reason for the railroads to make an unjust and discriminatory charge against industrial plants as proposed, and we respectfully request that same be not allowed.

We desire to be placed on record as protesting against this unjust charge.

Very truly, yours,

PENNSYLVANIA FIRE BRICK CO.,
J. P. WYNN, *General Manager.*

—

SHARON FIRE BRICK CO.,
Sharon, Pa., March 10, 1914.

Hon. E. E. CLARK,
Chairman Interstate Commerce Commission,
Washington, D. C.

DEAR SIR: Sharon Fire Brick Co., Sharon, Pa., has in official-classification territory three sidings. These sidings are ordinary spur tracks used for unloading inbound material and loading outbound crude and manufactured products—lengths as follows: One 2,000 feet long, but is used by railroad company as storage track also; one 500 feet long, and one 800 feet long.

The Sharon Fire Brick Co. does not use any motive power of its own on these sidings, demurrage is paid, and any extra switching is charged to us. The railroad company merely places the cars in position for loading and unloading.

We think that it would be unjust and very unfair to make charges for spotting cars on these tracks. As we ship in all our raw material, we would have to pay two charges, first, for loading at our clay mine or tipple, and then for unloading the same material, without counting another charge for the finished material. You can see what a large item this would be to this company. If the charge were 7½ cents per ton, it would cost us extra, over and above what it costs us now, 22½ cents per ton; and, also, it takes much more than a ton of raw material to make a ton of finished material. It would be such a burden to us that I doubt whether we could remain in business or not; in fact, it is a very serious doubt in my mind.

The cost to the railroads for the services performed on these sidings is no greater than the cost of the services performed for the general public in the spotting of cars for loading or unloading freight at team tracks or other central loading places.

We have gone to large expense to put in these spur sidings, and then to have the railroads charge us extra for loading and unloading material seems to us very unfair.

Very respectfully, yours,

SHARON FIRE BRICK CO.,
W. G. ROSE, *Secretary.*

—

ELK FIRE BRICK CO.,
St. Marys, Pa., March 10, 1914.

Hon. E. E. CLARK,
Chairman Interstate Commerce Commission,
Washington, D. C.

DEAR SIR: The Elk Fire Brick Co., with its general offices in St. Marys, Pa., has in official classification territory two spur sidings, one at St. Marys, Pa., and the other at Daguscahonda, Elk County, Pa.

Length and location: The one at St. Marys, Pa., is 3,000 feet in length, and the greatest distance any part of same is from main tracks of Pennsylvania Railroad Co. is 100 feet; the one at Daguscahonda, Pa., is 2,000 feet in length, and the greatest distance any part of same is from main tracks of Pennsylvania Railroad is 150 feet. The total length of these two sidings aggregates 5,000 feet.

Purpose: These are equipped by us for the convenience of the Pennsylvania Railroad Co. to deliver shipments to us of coal, sand, lumber, clay, and other raw materials for unloading, and for their further convenience to place empty cars for us to load our material, which we offer them for transportation.

Construction: (a) These sidings are constructed on our own property and strictly in accordance with the specifications of the Pennsylvania Railroad Co. We, however, at our own expense, graded and surfaced same, furnished all the material for construction, such as ties, rails, bolts, splices, etc., and we further paid the Pennsylvania Railroad Co. for all labor they expended in placing this material and preparing the siding for operation.

(b) The cost of these sidings represent an investment to us of $10,000.

Maintenance: (a) We furnished all material and labor for the proper maintenance of these sidings and are held responsible for such maintenance by the Pennsylvania Railroad Co.

(b) We maintain these at our own expense, the annual cost of which is $500, on an average.

Operation: On these sidings no motive power owned by the company is used, but the switching engines of the Pennsylvania Railroad Co. enter these sidings once each working day, pull the loaded cars, and refill the siding with empty cars, but very seldom "spot" them at the actual point where loading is done, as these sidings are built on gravity, so cars can be moved by our own men.

Demurrage and extra service: We pay demurrage on the average agreement plan where such occurs to cars on our sidings, and we pay extra for the moving of a car from one part of the siding to the other, or for any extra service performed by the railroads.

Results: Therefore it is evident that our construction and maintenance of these sidings save the Pennsylvania Railroad Co. by the use of our sidings annually as follows:

Interest on investment	$600
Maintenance	500
Depreciation	1,000
Total	2,100

This represents over 4 cents per net ton on our shipments of 50,000 tons per annum, which is the average for the past three years.

We respectfully submit that the item above mentioned would be an additional burden on the Pennsylvania Railroad Co. if public sidings were used to handle the same shipments. In that case the transportation company would be obliged to stand the entire expense without any additional revenue.

The cost to the railroad of the services performed is no greater than the cost of the services performed for the general public in the spotting of cars for loading or unloading freight at team tracks or other central loading places.

Our situation is typical of the clay-product industries of the United States, which industries, according to statistics of the United States Government, shipped 47,000,000 tons of freight by rail in 1912.

We consider it would be unjust and discriminatory to make any charge for spotting cars on our spur tracks, in view of the facts stated above. In fact, we feel that if any difference is to be made we feel that we should be paid for the saving these sidings effect to the transportation companies.

These spur tracks represent the most economical method that can be devised for handling the large tonnage of freight that the railroads secure in this way; the service on these sidings is of the simplest kind. The time of the shifting or handling is in the hands of the railroads in the vast majority of cases, and the details of the services are entirely at the convenience of the railroads.

If the railroads are, therefore, performing the services that are necessary to handle their traffic in the most economical way possible by means of these spur tracks, and they are also giving the general public their necessary requirements in the most economical way, there certainly can not be any depletion of the railroads' revenues, nor can there be any discrimination claimed.

We are prepared to furnish such other data as you may request, but we wish to go on record as saying we feel that such charges would be unfair to us and discriminatory. We receive and dispatch from these sidings approximately 3,000 cars per annum, and the net revenue accruing to the railroads from this traffic is between $100,000 and $125,000 per year, whereas an additional charge of $2 per car would mean a net loss to us of approximately $6,000 per annum.

We shall thank you to give this matter your consideration and sincerely hope that no such ruling will be made.

Yours, very truly,

J. D. RAMSAY, *President.*

—

BOSTON, MASS., *March 10, 1914.*

GEORGE B. MCGINTY,
Secretary Interstate Commerce Commission,
Washington, D. C.:

Does hearing on Thursday contemplate possibility of permission being given railroads to make charge for shunting cars onto sidetrack, or does it contemplate railroad shunting car on sidetrack without charge if they are left at place most convenient to carriers, and to charge for placing at some particular spot on sidetrack? Wire answer collect.

JAMES A. MCKIBBEN,
Secretary Boston Chamber of Commerce.

MINNEAPOLIS, MINN., *March 10, 1914.*

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.:

Hosmer's I. C. C. A 496, effective March 12, cancels Hosmer's I. C. C. A 493, supplement 2. Hosmer's I. C. C. A 493, effective April 1. Is I. C. C. A 496 suspended? Rush.

W. P. TRICKETT.

—

NEW HAVEN, CONN., *March 10, 1914.*

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.:

At your hearing March 12 we desire to oppose charges for tracing cars on private sidings. We own and maintain a siding at our expense. We feel that it is cheaper for the railroad to trace cars there than for them to maintain additional expensive bulk public sidings in the heart of the city.

THE CRITTENDEN BENHAM CO.,
Grain Dealers.

—

CHICAGO, ILL., *March 10, 1914.*

JAMES S. HARLAN,
Chairman Interstate Commerce Commission,
Washington, D. C.:

Reported here and in New York commission has tentatively approved spotting tariffs of 5½ cents per ton, with a minimum charge of $2 a car, effective April 1, notwithstanding further hearings are to be held later. Information to this effect has been disseminated by the Trunk Line Association. Please let us know if this is correct.

JOHN M. GLENN.

—

MARCH 10, 1914.

JOHN M. GLENN,
Secretary Illinois Manufacturers' Association,
76 West Monroe Street, Chicago, Ill.:

Your wire date to Commissioner Harlan. The matter of spotting charge on the ordinary private siding has been set down for further hearing March 12 and for argument March 30 and 31. It may be that the charge which you cite has reference to the service on plant railways beyond the point of interchange, the free performance of which was condemned by the commission in the Industrial Railways case.

SECRETARY.

—

THE MANUFACTURERS' ASSOCIATION OF JAMESTOWN, N. Y.,
March 10, 1914.

CHAIRMAN INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

DEAR SIR: There seems to be a disposition on the part of your commission, or of the railroad companies, to break in on a custom which has prevailed for many, many years, which is to make a charge for what you call "spotting cars" on a switch to permit of loading and unloading miscellaneous shipments, which are then taken to the freight station and distributed to the different consignees.

We believe that this commission should take into consideration that this custom, existing so long, has become a part of the system of shipping. There are many manufacturers who have built their own switches and some have paid for half of the cost of the switches, and which are really a part of the railroad because the railroad uses them continually for storage. Many factories have located outside of the congestion in cities on account of the decreased cost of land and to get onto the railroad track on purpose to enable them to load cars, as above described, as well as full cars of lumber, coal, etc.

In this city there are many factories located 2 to 3 miles from the freight station, and we believe this condition exists largely in other cities. This would be a tremendous hardship and cost to the manufacturers, which would eventually be put onto the consumer, who, we believe, are as much entitled to preference as the railroad companies.

Recently the manufacturers throughout the country have very considerately taken action in the matter on increased freight rates, and we believe generally have considered it necessary and have lent their efforts in the railroads behalf. This would be a very poor return should we be compelled to pay ferriage on cars loaded at the factory.

Operators at the freight stations say that it is much better for them to have these cars come in loaded from the factories and more economical for the railroad than to have them unloaded by teams.

The manufacturers' association of this city wish to ask you to consider this matter with the utmost consideration for those who are now situated—and there are many of them—as described above, and on whom it will entail a hardship if they are compelled to cart their product to the station or pay the ferriage charge.

Respectfully, yours,

J. M. HIMEBAUGH,
President of the Manufacturers' Association of Jamestown, N. Y.

—

THE TATTERSALL CO.,
Trenton, N. J., March 10, 1914.

The INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: In the public press, trade papers, and bulletins we see discussed the possibility of your commission recommending a charge for delivery of cars on private sidings, this in connection with the application made by the railroads for an increased rate of freight.

We know your body will give the most careful consideration to this innovation, and might we call to your attention our point of objection?

We conduct several retail yards for the handling of coal and mason-builders' supplies. We own our own land, trestles, and buildings, and paid the railroads for the laying of and the purchase price of rails, ties, etc. We are at a decided disadvantage now because we own our own facilities, due entirely to the railroad companies leasing these same kind of facilities to very many of our competitors under a system of rental that we are sure yields no return on investment—in fact, scarcely pays for repairs.

We are informed that we own the only coal yard of any size on the main line of the Reading road between Philadelphia and Bound Brook not owned by the railroad company. In this city, on the Pennsylvania Railroad, there are perhaps 30 coal yards, and there isn't a single one large enough to be really called a retail dealer not owned by the railroad company, and we venture the assertion the railroad companies do not collect sufficient rental to cover the actual expense of maintenance.

So the dealer who owns is already at a disadvantage—never name those who unload their cars in yards maintained by the railroad company at great expense, and for which service the dealer or consignee doesn't pay a nickel—so for goodness sake don't add another burden to the retailer, who has bought and built his own facilities with his own money.

Yours, respectfully,

THE TATTERSALL CO.,
JAMES C. TATTERSALL.

—

NEW YORK, *March 10, 1914.*

The INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: According to the inclosed clipping, from this morning's New York Times, I note that Mr. Thorne, of Iowa, states that the increase of the eastern railroads from 1890 to 1912 in capital stock was 92 per cent and in dividends 359 per cent. Did he bring out the average rate of dividends on the entire capital stock of the eastern railroads in 1890 and the average rate of dividends paid on the entire capitalization in 1912; and, if so, does the average rate show an increase in proportion to the increase in capitalization, and what ratio did the average rates of 1890 bear to those of 1912?

He states further that the dividends of 1913 were $12,000,000 greater than those of 1910. How much greater was the capitalization of 1913 than that of 1910?

It seems to me that a member of a State railroad commission should not take the position of opposing an increase in rates. His true position is of a judicial character. Any stand taken one way or the other is manifestly unfair.

Yours, truly,

WM. B. NEERGAARD.

From 1890 to 1912 the eastern railroads, Mr. Thorne asserted, showed these increases:

"In trackage, 53 per cent; in capital stock, 92 per cent, and dividends, 359 per cent." The dividends in 1912 exceeded those of any prior year, he said.

"They were $12,000,000 greater in 1913 than in 1910 when the eastern railroads began the agitation for the 5 per cent increase," he continued. "And this statement alone should prove conclusively that there is no real need for an increase in the freight rates."

Mr. Thorne's argument was that the accounts of eastern railroads dealing with maintenance and way were enhanced by all the carriers, beginning with 1910, out of all proportion to what would seem to be a normal business increase. He cited the accounts of many roads, and asked the commission whether they did not believe that the accounting was technically wrong, and had been made so to influence them in their decision on the proposed freight rates?

—

BERNET, CRAFT & KAUFFMAN MILLING CO.,
St. Louis, Mo., March 10, 1914.

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

DEAR SIRS: We have your circular of March 5 stating the hearing in the spotting case assigned for March 16 has been deferred to March 24.

For the following reasons this firm desires to go on record as being opposed to any charge being made for the spotting service.

For many years freight was loaded and unloaded at the expense of the transportation lines. It is now loaded and unloaded at the expense of the industries, shippers, and receivers of freight. We maintain that it is now unfair that the shippers should be called upon to pay the railroads for backing their vehicles up to the doors of the shippers to be loaded or for spotting the cars for the receivers to be unloaded.

In cases where the industries have participated in rate benefits through so-called private lines, we have nothing to say as to the remedy, but must respectfully and emphatically protest that because of the abuses in such cases transportation lines are not justified in punishing the shippers on spurs or switch tracks, which are owned and controlled exclusively by the railroad corporations who receive all the revenue from the carriage of the freight.

We therefore protest against the proposed rate.

Very respectfully,

BERNET, CRAFT & KAUFFMAN MILLING CO.,
F. E. KAUFFMAN, *President.*

—

J. B. COVER & CO.,
Lowell, Mass., March 10, 1914.

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: I referred to badly managed railroads in my letter to you under date of February 17, 1914.

It is bad management to pay Mr. Maurice McDonald $50,000 a year—about $137 a day—for being president of the Boston & Maine and Maine Central Railroads.

It is bad management for the railroads to continue to hold valuable real estate that they dropped the use of when they gobbled the competing lines. I herewith submit the assessor's valuation of three different lots of real estate in this city that I know of, and there is no question but that it is the same all along their lines.

Compel the railroads to confine their business to transportation as per their charters. Cut out their landlord and real-estate holdings. Cut salaries of the officials in half instead of allowing them to plunder their defenseless patrons; and in regard to your so-called car spotting beg to say that we are located on a short spur track together with about 20 other merchants. Said spur almost joins onto a freight yard that has no trucking facilities. Our train in made up in said yard, and all cars distributed at one switching once a day and the empty train pulled out the next. If same cars were switched in a mixed train in their freight yards, many of the cars would not be unloaded the following day and would have to be reswitched again and many times the next following day, sometimes the third and fourth, while if the same cars are placed on the spurs, all this extra switching in the freight yards is eliminated; besides this the spurs are terminals, and thus relieve the freight yards from congestion.

The land under the spur track, on which about 20 of the merchants referred to are located, is owned by the abuttors, many of whom are the merchants referred to.

Respectfully submitted.

J. B. COVER.

A. D. RUNYON,
Millington, N. J., March 10, 1914.

The INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: It has recently come to my attention that your commission is holding hearings with the railroad company regarding charging sidings for placing or spotting cars thereon. I would like to enter a protest against any such method being introduced on the ground that I think it will be unfair to the dealers handling freight. Receivers taking their freight from the public freight yard would have an advantage over persons having their private siding. It does not seem to me at all fair. I also think that a person receiving freight should be credited for unloading a car promptly, say, the day it arrives, thus releasing the car for the railroad company's use at once. He is invariably charged demurrage for the use of the car when not unloaded in 48 hours. It seems to me the rule should work both ways.

I would be pleased to hear from you regarding these matters, and greatly oblige,

Yours, very truly, A. D. RUNYON.

—

THE JOSEPH M. SMITH CO.,
Madison, N. J., March 10, 1914.

The INTERSTATE COMMERCE COMMISSION.

GENTLEMEN: As a business firm, with a railroad siding and handling hundreds of cars of coal, lumber, cement, and other building materials each year, we wish to protest against the proposed charges by the railroad companies for placing cars on our siding as being both unjust and unfair.

We unload all of our material direct from cars to our sheds and storehouses without any cartage by teams, and thereby save both time and expense by unloading more promptly and in one-quarter the time than from our freight yard, which is a quarter of a mile away.

We claim this is a great saving to the railroad company, as quite often the freight yard is congested with cars, and it would be impossible for our teams to get anywhere near the cars wanted, and especially in the case of coal, where it is now dumped over the bins and unloaded in five minutes' time.

This would be a great hardship and an unjust charge, and we hope and pray that your honorable body will not grant them this concession.

Respectfully,

THE JOSEPH M. SMITH CO.,
By A. P. SMITH, *Secretary.*

—

NATIONAL SEWING MACHINE CO.,
Belvidere, Ill., March 10, 1914.

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: In this city we have about one-half mile of private track connected with the Chicago & North Western Railway, and for more than 20 years past it has been the custom for the railway company to each day spot cars for loading and unloading.

The cars we load contain l. c. l. shipments of sewing machines, washing machines, and castings, and on an average we load daily about two such cars for our local transfer, two for the Chicago Wood Street station, and about one every other day for Chicago State Street station.

The incoming cars of l. c. l. merchandise so spotted average about one car a day.

We understand that you contemplate insisting on railroad companies charging for spotting such cars. To do this would work a great hardship on us, and if we refused to pay for such service and deliver the outgoing shipments at our local station it would certainly be a hardship on the railway, for the reason that at present they have no equipment suitable for handling such business, and as existing arrangements make the handling of this traffic cheaper for all parties concerned, we trust that you will not put into effect any rule of this kind that would be so detrimental to our interests.

Yours, truly,

NATIONAL SEWING MACHINE CO.,
JOHN W. ELDREDGE.

—

SMITH & DOVE MANUFACTURING CO.,
Andover, Mass., March 10, 1914.

CHAIRMAN INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

DEAR SIR: In connection with your hearing to be held on the 12th in regard to switching and spotting cars on spur tracks we beg to call your attention to two phases of the matter which occur to us as having an important bearing.

First, it does not seem to us that there should be any charge made for merely switching a car or cars onto a private sidetrack where the railroad is not called upon to place cars at particular positions and where it is relieved of providing trackage room in its own yards by reason of the maintenance of a private track or tracks on the part of the corporation. The cars must be switched somewhere, and it costs no more for the railroad to switch them inside of the controlling switch of a private siding than into a particular track in its own yards.

Second, the rule at present in operation on the Boston & Maine Railroad whereby a charge is made for placing on a private siding a car containing less than 6,000 pounds of freight often results in the unloading through the freight house of such a smaller amount of freight and the then placing of the identical car to be loaded on the consignee's private siding. This means more work and more expense for the railroad and should be provided for in some way.

Yours, very truly,

SMITH & DOVE MANUFACTURING CO.,
GEO. F. SMITH, *President.*

—

LA FAYETTE CHAMBER OF COMMERCE,
La Fayette, Ind., March 10, 1913.

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: Answering your inquiry of February 17, which was delayed pending the further advice of your later letter, will state:

1. There are 300 business concerns represented by 500 members of our association.

2. Thirty of these concerns are connected with one or more railroads by a private spur or siding.

3. None of these concerns enjoy trap-car or ferry-car service.

Very truly, yours,

LA FAYETTE CHAMBER OF COMMERCE,
ALBERT V. WEIGEL, *Secretary.*

—

EVENS & HOWARD FIRE BRICK CO.,
St. Louis, March 10, 1914.

Hon. E. E. CLARK,
Chairman Interstate Commerce Commission,
Washington, D. C.

DEAR SIR: With reference to the proposed charge for spotting cars on private sidings, Interstate Commerce Commission docket No. 5860. I. and S. docket 333:

The Evens & Howard Fire Brick Co., of St. Louis, have three sidings from 1,000 to 2,500 feet long for the loading and unloading of inbound and outbound freight, shipping over the railroads approximately 250,000 tons in and out during the year. On these sidings we have no private motive power, and demurrage and extra service is charged in all cases by the railroad companies for any service performed.

We consider it unjust discrimination to make a special charge for spotting cars where this charge is practically confined to those owning or operating private siding tracks while the general public, for whom the same service is rendered in exactly the same manner, is immune from this charge on account of using general team tracks. It is usually unnecessary to place cars at any particular point on our team tracks and is only necessary to run a cut of cars on the siding for loading, making the service of the simplest kind, and in most cases entirely at the convenience of the railroad company.

From the fact that the railroad companies have succeeded in getting numerous interests to locate on their lines through certain representations as regards handling their business, it certainly appears to us that the proposed car-spotting charge is entirely unjustified, and one that discriminates against the owners of private sidings.

We certainly hope no action will be taken on this matter without thorough investigation, and hope that those interested will be allowed to present their case to the commission.

Very truly, yours,

EVENS & HOWARD FIRE BRICK CO.,
R. S. RHOADS, *General Sales Manager.*

—

A. J. HAWS & SONS (LTD.),
Johnstown, Pa., March 10, 1914.

Hon. E. E. CLARK,
Chairman Interstate Commerce Commission,
Washington, D. C.

DEAR SIR: A. J. Haws & Sons (Ltd.), with its general office in Johnstown, Pa., has in its Johnstown plants six sidings, being 200 feet to 600 feet in length. These sidings are ordinary spur tracks and are used for unloading inbound material and loading outbound finished products.

On these sidings no motive power owned by the company is used, and any demurrage is always paid when due, and any extra service performed on these sidings by the railroad company is charged to us. The only service they perform is placing the cars on the sidings for unloading raw material and for the loading of the finished product.

Our situation is identical with most all the clay plants of the United States, which is a very large industry, and we believe shipped last year almost 50,000,000 tons of freight.

We consider it would be unjust and unfair to our company to make any charge for spotting cars on these spur tracks. This is work that has always been performed by the railroad company and we believe they should continue to do so.

The cost of the railroads in doing this work is no greater than the cost of service performed for the general public in the placing of cars to be unloaded at team tracks or warehouses. In addition, the first cost of these sidings and their maintenance are borne by our company, and the railroad companies are relieved to this extent both in the cost of their equipment and their operating expenses.

These spur tracks represent the only economical method of operating our plant and the time required in placing cars for loading and unloading. Hence, we claim any charge for doing this service is unfair and unjust. Since the railroads have always performed this service for the different smaller plants, we believe that any charge they would be allowed to make for spotting cars would be entirely unfair and unjust.

Yours, very truly,

A. J. HAWS & SONS (LTD.),
JAS. P. THOMAS, *General Manager.*

—

THE BOARD OF TRADE,
Portsmouth, Ohio, March 10, 1914.

Mr. GEO. B. MCGINTY,
Interstate Commerce Commission, Washington, D. C.

DEAR SIR: We wish to respectfully protest against a proposed charge of $2 per car for what is known as "spotting" cars, or loading or unloading on sidings serving industries.

We would respectfully protest against a charge of $2 per car, or a charge of any other amount, being generally applied to such usual and customary service upon the part of the railroads.

This protest is not intended to include switching upon industrial railroads, nor to include handling of large volumes of business by the locomotives of the common-carrier roads when such work should obviously be done by the private locomotives of a corporation.

Yours, truly,

TRANSPORTATION COMMITTEE, BOARD OF TRADE,
L. C. TURLEY, *Chairman.*

—

RISING & NELSON SLATE CO.,
West Pawlet, Vt., March 14, 1914.

J. T. MARCHAND,
Attorney, Washington, D. C.

DEAR SIR: I understand that there is some agitation between the commission and the railroads relative to private switches—that the railroads are endeavoring to have a charge of $1 made for placing cars on private switches. This ruling, I feel, would work an injustice to a great many people, as, without question, practically all sidings, except-

ing those in use at terminals where agents are located, would be considered as private switches.

We have numerous switches here on this branch that are located between stations and are maintained by the railroad, which, for an illustration, the one known as 154, at Warren's switch, required a new dock. In all probability there is more material loaded on this switch than any other switch on the branch, but the railroad at the time of the discussion termed it as a private switch. Owing to the limited loading room on the switch here at West Pawlet, and the congested condition as to teams and space, last year we built a switch off one of the company's switches on the main line, I should say, from four to six hundred feet, and have gone to considerable expense as to building a concrete dock and a small railroad to draw our slate on. It is a matter of benefit to the railroad in our having this private switch; and should the commission charge, as is being agitated, $1 for placing each car on the same, it would work out a great hardship and injustice.

I will be very frank to say that, as far as the slate business is concerned, we have about all the business can stand in freight rates, as they are averaging to get better than 33⅓ per cent of the value for hauling same, besides what they get for hauling coal and other material used in the manufacture of same.

Please let me know what position this matter is in, as to the $1 charge for placing cars on private switches.

Very truly, yours, THOS. S. NELSON.

P. S.—The private switch we had put in here at West Pawlet is within the yard limit of the station.

—

NEW ENGLAND PAPER & PULP TRAFFIC ASSOCIATION,
Boston, Mass., March 14, 1914.

Hon. J. S. HARLAN,
Commissioner, Interstate Commerce Commission,
Washington, D. C.

DEAR SIR: I respectfully bring to your personal notice a statement, copy of which is inclosed herewith, which I read into the record of the proceedings in I. C. C. Docket 5860, before Special Examiner Gerry, at the New Willard, at the close of the morning session of Friday, March 13. This statement and the request it embodies praying the commission to informally act in this matter of book-paper rates to bring about, if possible, an upward rather than a downward readjustment of this badly mixed schedule, is wholly in line with my testimony on paper rates at the hearing before Mr. Gerry, February 18, and in line with my letter to Mr. Brandeis, February 27.

Assuming, as I do, based upon my numerous talks with their traffic officers, the correct attitude of the Pennsylvania Railroad in the final showdown, I will state to you my belief that the only absolute bar against a prompt check in of tariffs putting book paper eastbound and westbound upon identical commodity description and rate basis, is the attitude of the Buffalo, Rochester & Pitsburgh Railway in refusing to mark up Johnsonburg, Pa., from Buffalo sixth to Rochester sixth.

As to the undoubted indifference of railroad officers to the dangers of the paper-rate situation following complaint from ourselves, Mr. Campbell and Mr. Dairymple did have a conference at Baltimore, January 29, with Messrs. Randolph and Dixon, and I think Mr. Daly, on this subject. I think it is not improper to quote the replies made to me by two railroad officers, both, it so happens, of the Pennsylvania Railroad, to my urgent solicitation that the big railroads compel an immediate reconstruction of book-paper rates upward. Freight Traffic Manager Robert C. Wright answered me by the illustration that a man who had been greatly annoyed by a boil on his leg, had ceased to note that affliction when a major operation of amputation was now being performed upon him. General Solicitor George Stuart Patterson replied to my suggestion that the Pennsylvania and the Erie exercise compulsion on the Buffalo, Rochester & Pittsburgh, with the retort "and draw indictments on ourselves for violation of the Sherman law." Traffic managers F. Laban and James Webster have both said to me that the book-paper rate situation was at the present moment clean beyond the power of the railroads to correct. I happened last night to meet on the street in New York Vice President E. S. Keeley, of the St. Paul road, who has immense interest in the transportation of paper and is an expert on these rates. Mr. Keeley was greatly interested in hearing of the statement I had read into Docket 5860, and said in effect that it was only by cooperative effort between the railroads, the manufacturers, and the commission, that the paper-rate situation could be saved from serious collapse.

I earnestly hope that you may deem that the good offices of the commission can be extended to an inquiry into the east and west bound book-paper rate structure, which is our immediate interest, and upon which we must act by formal complaint prior to April 1, according to the situation as it exists to-day.

Asking your pardon for the necessary length of this letter, copy of which I take the liberty of sending to Mr. Brandeis, I am, with great respect,

Very truly, yours, C. H. TIFFANY,
Secretary and Traffic Manager.

—

EDWARD W. WOOLMAN,
Philadelphia, Pa., March 14, 1914.

Judge JAMES HARLAN,
Interstate Commerce Commission,
Washington, D. C.

DEAR SIR: Inasmuch as the Pennsylvania Railroad Co. has filed Tariff I. C. C. 4478 with you for a 5 per cent advance in the freight rates on milk and cream consigned to Jersey City, N. J., and as the railroads leading into Philadelphia have increased their rates since 1907 as much as 76 per cent in some cases, we hereby protest against any further advance in milk and cream freight rates.

Although this proposed advance is not now asked for Philadelphia shipments, we are afraid that if the Jersey City advance is allowed it will be a short time only until Philadelphia is affected.

Prior to July 1, 1907, the rate on the Philadelphia division of the Pennsylvania Railroad per distance of 60 miles was 15 cents for 40 quarts or 100-pound can of milk, and the same rate was charged on the haul on the Wilmington & Northern with movement south to Wilmington and north on the Baltimore & Ohio to Philadelphia.

On July 1, 1907, a liquid-measure law passed by the State of Pennsylvania went into effect, and the railroads automatically took advantage of this change; a hundred pounds of milk then was charged as 46 quarts of milk, instead of 40 quarts, making a 15 per cent advance in the rate.

In April, 1911, the Pennsylvania Railroad installed iced refrigerator cars, increasing the rates an additional 15 per cent, claiming that the refrigeration of the cars required this advance in the rates. In 1912 the Baltimore & Ohio and the Philadelphia & Reading Railroad followed with the iced refrigerated cars and a 20 per cent advance in rates.

In May, 1912, the Pennsylvania Railroad issued new tariffs, making new shipping zones, which resulted in a further increase on the Philadelphia division to 26½ cents per hundred pounds or 46 quarts in the zone of 50 to 65 miles to Philadelphia. Thus the rate for 100 pounds of milk was increased from 15 cents in June, 1907, to 26½ cents in May, 1912, a total increase of over 76 per cent, the additional service rendered being iced refrigerated cars.

To Philadelphia the Pennsylvania Railroad Co. divides the haul of 100 miles into three zones instead of two zones to Jersey City and New York.

Milk is purchased both by Philadelphia and New York dealers in the same locality in the States of New York, Pennsylvania, and New Jersey.

We believe the present tariff is ample for the service rendered.

Yours, truly,

PHILADELPHIA MILK EXCHANGE,
HENRY N. WOOLMAN, *President.*

—

THE BIG BROTHERS AND THE BIG SISTERS,
Milwaukee, Wis., March 14, 1914.

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

DEAR SIRS: Is your commission acquainted with the fact that the various railroad companies of the country have a set of subcompanies sapping the life of the principal companies, securing for the railroad officials who form these subcompanies fat incomes and often great fortunes, while the stockholders of the railroad companies often have to be contented with a 6 or 7 per cent income from their investments?

They do—that is, their officers have a frame up of that character, along lines similar to the infamous old Credit Mobilier of early Union Pacific history. Recently I was employed by one of the great railroad companies at the headquarters and found that there is a car-wheel graft, a railroad-tie graft, a printing graft, and that the main company dare not buy supplies of any kind except of the grafting subcompanies. This system, of course, can not but act unfavorably upon the earning power of the stock, making their reports of earnings false, while the cream of the money earned by the road being milked goes into the pockets of the dishonest officials.

Yours, very sincerely, L. B. RING.

—

AMERICAN GLASS WORKS (INC.),
Richmond, Va., March 14, 1914.

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

Under Docket 5360, I. & S. Docket 333.

GENTLEMEN: In reference to the above petition of the railroad companies, while we are interested in the whole of the proposal, we are most particularly interested in proposal No. 2, "Placing cars for loading or unloading on sidings serving industries," noted by you as "spotting cars."

We are of the opinion that this is a very arbitrary move, and we can not see whether either the railroad companies or the shippers will be benefited by this. For instance, we are a glass manufactory, and we ship a good number of solid carloads every year. Now, it would cost the railroad company a great deal more, should we deliver these goods to the depot, to load the cars than it does by their placing a car on our siding and we load it ourselves. Then, again, in the event of our having to haul all received freight from the depot, it would cost the railroad company quite as much, if not more, to provide unloading accommodation as it would to place the car on our siding.

To be brief, we feel confident that this change from the present conditions would not benefit the railroad companies, neither would it benefit the shippers. In fact, it would mean extra expense to both.

We therefore ask your honorable commission not to change the present conditions in regard to the placing of cars for loading and unloading on private sidings.

We beg to remain,

Yours, very truly,

AMERICAN GLASS WORKS (INC.).

—

JOHN PRITZLAFF HARDWARE CO.,
Milwaukee, Wis., March 14, 1914.

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: We have been informed that your honorable commission is considering the advisability of allowing railroad companies to charge for "spotting" cars on private sidetracks.

While it is true that some private sidetracks are far distant from the main tracks of the railroads, and the spotting of the cars is on that account an expense to the railroad, this is not true in all cases, and in particular to our case.

We desire to enter a protest against this contemplated charge for the spotting of cars on our sidetracks for the following reasons, and trust you will see the justice of our contention:

First. Our sidetracks adjoin the main line of the Chicago, Milwaukee & St. Paul Railroad Co., and from the point of interchange to where our cars are spotted it is no farther than to one of the railroad company's regular team tracks. Therefore it can not cost the railroad company more to spot the cars on our tracks than on their own.

Second. In order to derive the benefit of a private sidetrack we gave up valuable ground and part of a seven-story building.

Third. As the ground occupied by the sidetracks is owned by us we pay the real-estate taxes on same.

Fourth. We paid for the laying of the track and maintain it at our expense.

The railroad company, therefore, is under no expense for wear and tear on track as it would were the tracks their own, nor for service other than it performs in placing cars on public delivery or team tracks.

Yours, truly, JOHN PRITZLAFF HARDWARE CO.,
FRED C. PRITZLAFF, *President.*

ZANESVILLE, OHIO, *March 14, 1914.*

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: Regarding the rate-advance case to come before you March 16 and 17, in which, we understand, the railroads are seeking a change from the free service of "spotting" cars to shippers owning a private spur track to a charge of up to $2.50 per car for "spotting," you may be interested to hear from the manufacturers of Zanesville, Ohio.

The Employers' Association of Zanesville, comprising the largest manufacturers, after careful consideration, feel that to allow the railroads such a charge would be placing a burden on the manufacturer, heavy and hard to operate under.

There have been revised classifications increasing our tariff rates. Every additional charge increases the cost of manufacture. To operate successfully, that workmen may be cared for at good wages; that plants may be kept up and made comfortable and safe for employees; that stockholders, to many of whom reduction in dividends would be greatly felt, may not be deprived of the income of their savings and investment, the operating charges of manufacturing must not increase. The manufacturer can not long stand such strains. Already conditions are manifest in our country that militate against the investment of money that will be hampered and taxed and charged to keep down its earning capacity. If it continues either the manufacturer is compelled to discontinue in self-defense or attempt to increase the cost of his product. If successful in the latter, on the consumer—the public—finally rests the burden, and we are worse off than before.

Another reason against such a spotting charge is that it discriminates. Many plants are so situated that the public track is available for their loading and unloading. They play upon this advantage to their customers, and it soon is an important factor.

Give the railroads this, and it is the old story over; something more will be demanded.

We believe they are not entitled to such a charge. Their business does not require it, and if such were the case some more equitable means of spreading the cost on all would be in order.

We therefore feel that this expression may be added light on this subject to you, and that your wisdom and earnest endeavor in behalf of justice and right may reach a decision in which all the manufacturers will feel consideration has been shown them as well as the railroads.

Very truly, yours,

THE EMPLOYERS' ASSOCIATION,
M. H. THOMPSON, *Secretary.*

E. BAILEY & SONS (INC.),
Patchogue, N. Y., March 14, 1914.

CHAIRMAN INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

DEAR SIR: We have been advised that your commission has under consideration a proposition to allow the railroads to make charge for spotting cars upon private sidings.

We are not thoroughly familiar with this proposition as it is being considered, but if we have been rightly informed we feel that this would be a very great injustice to those maintaining private sidings.

We maintain such private spurs at three points; namely, Patchogue, Islip, and Sayville, on the Long Island Railroad, which sidings were constructed at our own expense and are a great convenience to the Long Island Railroad, relieving their sidings of the congestion which would exist were our shipments loaded and unloaded on sidings belonging to the railroad company at the above points.

On the other hand, parties doing but very little business with the railroad, and having comparatively few cars placed, if such cars are placed on the railroad company's sidings, understand that no charge would be made.

We think that if your commission is going to allow the railroads to increase their revenues it should be done in a broad manner, which will not discriminate and which will place all shippers and consignees upon the same basis.

We have every confidence in your board, and know they will act in a manner which will be to the best interests of the public, but thought it would be proper for us to write with reference to this matter.

Yours, truly,

E. BAILEY & SONS.

A. LESCHEN & SONS ROPE CO.,
St. Louis, March 14, 1914.

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: We wish to make protest with your honorable body in the matter of free service performed by the carriers in the placing and spotting of cars on private sidings, which is now being considered by you and for which the railroad companies are now intending to make a charge.

We are located on the West Belt Line of the St. Louis Merchants' Bridge Terminal Railway Co., in the city of St. Louis, State of Missouri, and enjoy a private siding in connection with the aforesaid company.

We wish to submit the following: We have no objection to the 5 per cent increase in freight rates which the carriers in official-classification territory have requested and whose tariffs have been suspended by your honorable body until hearing and arguments can be presented and you decide as to the justification of same.

If, however, the carriers will be permitted to charge for spotting cars on private team tracks the increase would be borne only by shippers of heavy commodities and who have located on private sidings near a railroad track, upon the assurance of the railroad company that the switching and spotting of cars would be performed for them free of charge; and with this understanding in view their present location was selected, which, in many cases, caused them other inconveniences, in order to obtain the convenience the railroad company had offered to them when making their selection of location of their industries.

It is our contention that the charges for switching and spotting cars on our siding is figured in the through rate. The Chicago and New York rate is made up by allowing 6 cents terminal charges, namely, 3 cents at each end added to the charge for the mileage between the two points.

We further contend that it does not cost the carriers any more to spot car on our siding than it costs them to spot one on the team tracks of the Terminal Railroad Co., located in the different sections of this city. Further, when the carriers have a car placed on the team tracks of the Terminal Railroad Association in any part of the city, this charge is absorbed by the delivering carrier and is taken out of the through rate.

We are compelled to pay for the private track and must also pay for the maintenance of same. If all industries maintaining private sidings were to take delivery of their shipments and load their cars on public team tracks, carriers would be compelled to enlarge their team-track facilities, which would be a very heavy expense imposed upon them; and, further, it would reduce their available rolling equipment, as it very often occurs there is a congestion of freight en route and the carriers will offer from three to four times as many cars in one day as we usually receive; and if we were compelled to take delivery of such volume of tonnage from a team track, same could not be accomplished within the same time as under the present arrangement of the private siding, for it could readily be seen that we could not have on hand surplus equipment of drayage to handle such an increased volume and we could not at all times hire such facilities to cope with the situation, as such drayage facilities are not always available at any price. On the other hand, under the present arrangement when these congestions occur and the volume of tonnage is placed on our siding, same is handled almost as rapidly as the regular volume, for we can shift the labor forces in such a manner as to unload these cars and release equipment in the allotted free time.

There is a very large number of business establishments that can not consistently locate near a railroad to enjoy the private siding, as their business will not permit them to locate on the outskirts of the city or near a railroad, as they must be located within the business section of the town, hence they are compelled to dray their shipments.

Hoping that you will give this due consideration, we beg to remain,

Yours, truly,

A. LESCHEN & SONS ROPE CO.,
W. C. HENNING,
Secretary and Treasurer.
A. J. KOKE, *Traffic Manager.*

THE CONCORDIA MILLING CO.,
Concordia, Kans., March 14, 1914.

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: Relative to the proposed new charges by the railroad, for spotting cars, etc., we feel that such a step would be a great injustice to the shippers' rights.

It has been customary, every since the railroad began doing business in this country, for them to pick up and spot loads on straight competitive stuff.

It is our understanding, however, that on noncompetitive stuff they have made a switching charge unless located on their tracks.

We feel that the present arrangement should continue.

Yours, truly,

THE CONCORDIA MILLING CO.,
C. E. CURRAN.

ARMSTRONG PAINT & VARNISH WORKS,
Chicago, March 14, 1914.

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: In common with many manufacturers, we are greatly interested in the outcome of your decision as to the advance in freight rates.

There is one point about this entire controversy which we do not think has been brought up, at least not to our knowledge, and it is along the lines that we believe your honorable body is working, viz:

To work out economies for the railroads, which will effect them savings. After all, a saving is just as good as an increase in income.

This idea we have is that you ought to take action along some lines that would greatly restrict the outrageous charges that the Pullman Co. saddle onto the railroads and the consumer. Perhaps if the consumer continued to pay their exorbitant berth rates, they could be induced to cut their mileage charges to the railroad in half.

In common with a great many million citizens of this great country of ours, we have always looked on the Pullman Co. as being a very successful and flourishing type of parasite, and if there is any justice in that view, everybody concerned would welcome your grappling with it, and with a firm hand.

Yours, very truly,

ARMSTRONG PAINT & VARNISH WORKS,
E. R. ARMSTRONG.

THE MERCHANTS' FREIGHT BUREAU,
Little Rock, Ark., March 14, 1914.

Mr. GEORGE B. MCGINTY,
Secretary Interstate Commerce Commission,
Washington, D. C.

DEAR SIR: I have your circular letter of March 5 relative to the proposed increase of 5 per cent in freight rates in the eastern territory, as well as the matter concerning the spotting of cars.

We have already filed objection to any allowance to the carriers for placing cars to sidetracks and inddustries for loading or unloading at Little Rock, as such a rule would put some of our manufacturers out of business.

Conditions at Pittsburgh, Chicago, New York, and other large centers are entirely dissimilar; however, I assume that an increase in the revenue of the railroads by permitting a charge of this kind will be a burden wherever it is applied, as it will mean an extra expense for any manufacturer or wholesale merchants and other shippers who receive and forward carload freight, and incidentally a large increase in the revenue of the carriers.

I can not be present at the hearing in Washington on March 28, but will file a brief offering our objections to this proposed measure.

Yours, truly,

——— ———, *Traffic Manager.*

HIMMELBERGER-HARRISON LUMBER CO.,
Cape Girardeau, Mo., March 14, 1914.

Mr. G. B. MCGINTY, *Washington, D. C.*

DEAR SIR: Thank you for the advice of March 7, that tariffs mentioned in our letter of the 24th ultimo have been suspended until September 12 of this year.

At any time that a hearing is held on the rate to New Orleans, that was advanced by this tariff, we would like the opportunity of appearing

before the commission and stating how adversely such an advance would affect us.

You ask for a statement in writing concerning our views of the proposed 5 per cent advance, and probably the best summary of the situation we can give you is a copy of our letter to the American Lumberman when this matter was first being advocated by the railroads. It is our firm belief that some comprehensive system of pooling cars in connection with an arrangement for direct routing and for the proper valuation of physical properties would make unnecessary any advance of freight rates on a flat basis. Economies of operation will bring proper revenue if the railroads are run on lines similar to those that regulate the operation of private businesses. Any other plan but a thorough reformation of the business methods of railroads will be only of temporary benefit, and we do not think that the commission is established to put into effect makeshift methods.

We have a sincere admiration for the commission, and believe that it is a just body, seeking the truth in transportation affairs, with the idea that once the truth is known the remedy can be applied, and that this remedy will be enduring instead of being built upon the shifting sands of expediency.

Yours, truly,

HIMMELBERGER-HARRISON LUMBER CO.,
C. L. H.

GENERAL CHEMICAL CO.,
New York, March 14, 1914.

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

DEAR SIRS: Referring to your investigation of the question whether carriers should be additionally compensated for spur-track service, we are informed that you have fixed March 24 next as the last date on which statements and briefs in this connection will be received from those interested.

At this moment we can only say that our investments in sidings at our plants have been made in expectation and consideration of the continuance of the past and present uniform practice as regards spur-track service. The question arises, how the owners are to be reimbursed for the property and plant given over to these uses if the carriers are to receive additional compensation for service mentioned.

The importance to us of this question appears from the appended list of our works having spur tracks.

We therefore respectfully request that you refrain from concluding the matter until we have had reasonable opportunity to present our views after fair notice with respect to the territory involved.

Respectfully, yours,

GENERAL CHEMICAL CO.,
JAS. L. MORGAN,
Vice President and Secretary.

[Inclosure.]

Works.	Delivery line.
Chicago district:	
1. Hegewisch, Ill	P. Co. and Indiana Harbor.
2. Chicago Heights	Chgo. Hts. Term.—E. J. & E.
3. Chicago, 21st Street	C. B. & Q.
4. East St. Louis, Mo	St. Louis Term.—East Vandalia.
5. Willow, Ohio	C. T. & V.—B. & O. R. R.
6. Pittsburgh, Pa	Penn. R. R.
7. Newell, Pa	P. & L. E. R. R.
8. Easton, Pa	C. R. R. of N. J.
9. Buffalo, N. Y	Buffalo Creek Ry.
10. Syracuse, N. Y	N. Y. C. & H. R. R. R.
11. Undercliff, N. J	N. Y. S. & W. R. R.
12. Bayonne, N. J	C. R. R. of N. J.
13. Laurel Hill, N. Y	Long Island R. R.
14. Philadelphia, Pa	P. & R. Ry.
15. Camden, N. J	P. R. R.
16. Marcus Hook, Pa	P. R. R.
17. Baltimore, Md	B. & O. R. R.
18. Pulaski, Va	N. & W. Ry.
19. Fort Valley, Ga	Central of Georgia Ry.
20. Bridgeport, Conn	N. Y. N. H. & H. R. R.
21. Providence, R. I	N. Y. N. H. & H. R. R. R.

LACLEDE-CHRISTY CLAY PRODUCTS CO.,
St. Louis, March 14, 1914.

Hon. E. E. CLARK,
Chairman Interstate Commerce Commission,
Washington, D. C.

Subject: Interstate Commerce Commission docket 5860, I. & S. docket 333, with reference to charges for spotting cars on private siding.

DEAR SIR: This company has eight sidings within official classification territory, varying in length as follows: Three from 230 to 400 feet; two from 420 to 600 feet; one from 650 to 850 feet; one from 900 feet to 1,300 feet; one from 1,350 to 5,000 feet.

The latter being an industrial siding built by the railroad company at our expense and on our property and deeded to the railroad company.

These sidings are used for unloading and loading inbound and outbound raw materials and manufactured products.

No motive power owned by the company is used on these sidings. Demurrage is paid, and any extra or special service rendered on the part of the railroad is charged to us. The only service performed by the railroad on these sidings is putting the cars on and taking them off and placing them in position for loading and unloading.

These sidings are all located within the switching limits of the city of St. Louis, with the exception of two located in isolated spots on the outskirts of the city.

Conditions similar to ours are typical of all the clay-working industries of the United States. In 1912, according to statistics of the United States Government, the clay-working industries shipped over the railroads 47,000,000 tons of freight, of which this company shipped 129,000 tons of the total amount.

We would consider the making of any charge for spotting cars on these spurs unjust and discriminatory.

The service performed and the cost to the railroads for handling cars on these sidings or spur tracks is no greater than that rendered the general public for setting of cars at team tracks or other central loading places for loading or unloading freight.

The service on these sidings or spur tracks is of the simplest nature, and for handling the large tonnage of freight the railroad companies receive in this way, it represents the most economical method of handling freight. The railroads use their own pleasure as to the time of handling and shifting cars on these sidings, and in nearly all cases the details of the service are performed at the railroad companies' convenience.

If these sidings or spur tracks afford the railroads the most economical way possible necessary to handling their traffic, they are only rendering the general public their necessary requirements in the most economical way. No discrimination can be claimed, and there certainly can be no depletion of the railroad's revenue.

Therefore, in view of the railroads receiving their full revenue for their various line hauls on all freight inbound or outbound, there is no justice in imposing any additional charge for spotting cars on these sidings or spur tracks.

We, therefore, urge strongly against the allowance by the Interstate Commerce Commission for the spotting of cars on private sidings or spur tracks.

Yours, very truly,

LACLEDE-CHRISTY CLAY PRODUCTS CO.,
J. L. GREEN, *President.*

CITY OF MARTINSBURG,
EXECUTIVE DEPARTMENT,
Martinsburg, W. Va., March —, 1914.

Mr. GEORGE B. MCGINTY,
Washington, D. C.

MY DEAR SIR: Attached you will find clipping from one of our local papers. Referring to this clipping and your questions, I have no doubt that the board of trade, through its secretary, has answered the questions. Four or five members of the board of trade have private sidings, but none of them are used for loading less than carloads. Less than carloads is loaded through the companies' local warehouses. Now, if you will pardon the intrusion, I would call your attention to coal rates to this city. From Schuylkill Haven, Tamaqua, Pine Grove, Shamokin, Pa., and other contiguous points, the rate to this city is $2.20, while I note by testimony adduced before the commission, the Chicago rate is $2. The Baltimore & Ohio charge from Cumberland, Md., to this point (78 miles) $1.30 per ton and to Baltimore (178 miles) $1.40 per ton. The railroads ask for a 5 per cent increase, making the rates $2.32 and $1.36 per ton. We think these rates, if adopted, are excessive, and I am writing this at the instance of a number of citizens of this city, who would respectfully ask that the commission investigate these rates. We want to pay what is fair, equitable, and just, but we do not want to be discriminated against with the short haul. I thank you for your consideration.

Yours, truly,

D. H. STUCKEY.

Reference: Any bank in the city.

[Inclosure.]

BOARD OF TRADE TO FURNISH DATA—INTERSTATE COMMERCE COMMISSION ASKS FOR CERTAIN INFORMATION REGARDING LOCAL SHIPPERS.

The Martinsburg Board of Trade is in receipt of a letter from George B. McGinty, secretary of the Interstate Commerce Commission, in which Secretary McGinty acknowledges the receipt of the board's resolution indorsing the proposed 5 per cent freight-rate advance asked by the railroads of the East.

Secretary McGinty states that the commission is now engaged in a broad investigation involving certain propositions, and in relation to which they ask the following information:

1. How many business concerns are represented in your association?
2. How many of these concerns are connected with one or more railroads by a private spur or siding?
3. How many of these concerns now actually enjoy the privilege of loading less-than-carload shipments at their own factories, for reloading elsewhere, or similar service on inbound less-than-carload freight?

This matter will be immediately taken up by the board of trade and the required data forwarded to the commerce commission.

NATIONAL IMPLEMENT & VEHICLE ASSOCIATION
OF THE UNITED STATES OF AMERICA,
Chicago, March 13, 1914.

CHARLES C. MCCHORD, Esq.,
Member Interstate Commerce Commission,
Washington, D. C.

SIR: This association, representing as it does the manufacturers and distributors of the greater part of the country's output of farm-operating equipment, and thereby being the receivers of a great volume of incoming materials and outbound finished products, is greatly interested and concerned in the issues involved in connection with the proposed assessment of charges for the switching, placing, or delivering of cars for loading or unloading on industry side tracks and for other similar service.

The commission has announced that all statements and briefs in this case must be filed by March 24, and that oral argument by counsel will be heard by the entire commission on March 30 and 31. This allows of entirely insufficient time for the preparation of such statements and briefs by these interested shippers, and it will not enable them to present their contentions and views fairly and completely before the commission in the time allotted.

This association desires to urge, therefore, that you consider the gravity of the situation from the shippers' standpoint and that you and your associates of the Interstate Commerce Commission refrain from definitely and finally concluding this matter until such time as all interests have had reasonable notice in which to present their cases.

Yours, truly,

E. W. MCCULLOUGH.

THE UNITED STEEL CO.,
Canton, Ohio, March 13, 1914.

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: Under date of March 5 we mailed you a clipping from the American Metal Market, dated March 2.

From this clipping we understand that shippers having private siding are preparing, as requested by the Interstate Commerce Commission, to answer certain questions as per list sent them by the commission. This list of questions has not been furnished us, and we are very much interested in this question of spotting cars. Will you kindly mail us the blanks referred to, and oblige,

Yours, truly,

THE UNITED STEEL CO.,
R. B. ROBINSON,
Traffic Manager.

—

THE JAQUI CO.,
Morristown, N. J., March 13, 1914.

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: We learn that it is proposed by the railroads, with the sanction of your commission, to charge $3 per car for spotting cars on private switches. We wish to protest most strenuously against the allowance of any such charge to be promulgated. In the first place, we can not see that it costs the railroad any more to place cars on a private switch than it does on a working track in a public yard maintained by the railroad for that purpose, in addition to which the expense to the railroad of maintaining such yard not only amounts to considerable, but were it not for the maintenance of private switches by concerns doing business along the various lines the public yards of a railroad of a necessity would be obliged to be considerably larger than those now maintained at a very large additional cost to the railroad.

The majority of the private switches are on land owned by the concerns who are operating these switches and maintained by these parties, while the tracks in the yards are not only maintained by the railroads but they are obliged to pay taxes for the same and on property occupied by them. Furthermore we believe that such a charge would be discrimination against the party owning private switches, as the individual doing business from public tracks would not only have the advantage of not being obliged to maintain a large plant and heavy office expense but would have an additional advantage over the man with the private switch of $3 per car on every car of merchandise which he purchases before any other expense was thought of.

If it is absolutely necessary for the railroads to obtain a greater revenue than they are now obtaining, we have no particular objection, nor have any of the merchants of Morristown and vicinity with whom we have talked, providing it is not a discriminating rate affecting a certain class of receivers only and letting the rest off scot free.

We believe that the permission of this charge will net the railroads a far greater rate than the 5 per cent additional which they propose to add to their present rates, and this is particularly so in the case of short hauls. One place which we know of in particular would be put to an expense of $15,000 per year more by the $3 per car switching charge than it would by having 5 per cent added to the present tariff, and we believe that a charge which is not graduated according to the length of the haul is unjust, as such a fixed charge would add a greater percentage to said short hauls than it would to long ones.

We inclose a letter from Mr. N. Drake, of Newark, expressing his views of this matter, and we sincerely trust that your commission will not permit any such tariff to be issued. We would like to know the result of the hearing before your commission on Thursday, March 12, and if no decision was arrived at, and there are to be any further hearings on this question, we would like to be notified, so that a representation from this city, with authority to express the views of these freight handlers, may be heard in their behalf.

Very truly, yours,

THE JAQUI CO.,
E. A. CARPENTER, *Treasurer.*

—

N. DRAKE,
Newark, N. J., March 12, 1914.

THE JAQUI CO., *Morristown, N. J.*

DEAR SIR: In reply to yours of March 10, will say that, while I will be unable to go to the hearing at Washington, I think that it would be an imposition for the railroad to charge us for spotting or siding cars on our private switches. In the first place, it has cost us considerable money to locate along a railroad. The railroad charged us for putting in the sidings, and, certainly, if we pay for the ground and pay for putting in the siding, we should be entitled to have our cars put on the switches without an extra charge, as it will only relieve congestion in the yards and will furnish the railroad with much more track or yard facilities.

You are perfectly at liberty to use this letter if you choose.

Yours, respectfully,

N. DRAKE, *President.*

—

POTOMAC FIRE BRICK CO.,
Piedmont, W. Va., March 13, 1914.

Hon. E. E. CLARK,
Chairman Interstate Commerce Commission,
Washington, D. C.

DEAR SIR: Referring to the question of spotting cars on private sidings, we think the whole matter is covered by a letter of Harbison Walker Refractories Co., which we take the liberty of repeating and attaching to this.

POTOMAC FIRE BRICK CO.,
JOHN A. CALDWELL, *President.*

P. S.—We might add that this siding is largely used by the Baltimore & Ohio Railroad for other purposes than ours, although we built it and maintain it.

[Copy of Harbison-Walker's letter dated February 24, 1914.]

Hon. E. E. CLARK,
Chairman Interstate Commerce Commission,
Washington, D. C.

DEAR SIR: Subject: Referring to the question of charges for spotting cars on private sidings. Interstate Commerce Commission Docket 5860, I. & S. Docket 333.

Harbison-Walker Refractories Co., with its general offices in Pittsburgh, Pa., has in official classification territory approximately 70 sidings. These are ordinary spur tracks used for unloading inbound materials and loading outbound manufactured products, and vary in length as follows: Forty-four of them range from 190 feet to 950 feet, 21 from 1,000 feet to 1,850 feet, and 4 from 2,200 feet to 2,350 feet. There is one approximately 2 miles long, on which, however, there are five operations of our own, one mill and four tipples. This siding is also used by the general public.

On these sidings no motive power owned by the company is used; demurrage is paid and any extra service performed on these sidings by the railroad is always charged to us. The only service performed on these sidings by the railroad is putting the cars on and taking them off; i. e., placing them in position to be loaded or unloaded.

In several cases three roads use these sidings and in other cases two roads. These sidings are, in most part, located in small towns and villages and most of them in isolated spots.

Our situation is typical of the clay-product industries of the United States. These industries, according to statistics of the United States Government, shipped over the railroads about 47,000,000 tons of freight in 1912; of this amount our company shipped 800,000 tons.

We consider it would be unjust and discriminatory to make any charge for spotting cars on these spur tracks.

The cost to the railroads of the service performed on these spur tracks is no greater than the cost of the services performed for the general public in the spotting of cars for loading or unloading freight at team tracks or other central loading places.

These spur tracks represent the most economical method that can be devised for handling the large tonnage of freight that the railroads secure in this way; the service on these sidings is of the railroads in the vast majority of cases and the details of the service are entirely at the convenience of the railroads.

If, therefore, the railroads are performing the services that are necessary to handle their traffic in the most economical way possible by means of these spur tracks and they are also giving the general public their necessary requirements in the most economical way, there certainly can not be any depletion of the railroads' revenues, nor can there be any discrimination claimed.

The writer will be at the future hearings covering this question, and if so desired will read this statement.

Respectfully, yours,

HARBISON-WALKER REFRACTORIES CO.,
A. B. EWER, *General Freight Agent.*

—

RIDGWAY BRICK CO.,
Ridgway, Pa., March 13, 1914.

SECRETARY INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

DEAR SIR: We have noted the proposed increase in freight rates which the railroads hope to get by making a charge of 7½ cents a ton, or a minimum charge of $2 per car, for the spotting of cars.

There seems to be such a great difference in opinion as to what the term "spotting" means that we are accepting it in its broadest sense, and this would include the placing of a car on our siding at a point where we can either load it or unload it, as the case may be.

The condition at our brick plant is the same as that at almost every brick plant in the country, and that is we have our own siding for the purpose of loading and unloading material, and in connection with this an investigation would show that there is hardly a brick plant in the country but that loads brick at the plant, and for this reason there would be no discrimination between a manufacturer who has a siding and any other manufacturer of brick, as we do not believe you will find any other manufacturer without the siding.

It is true also that in nearly all instances face-brick plants are located at points where there is little, if any, congestion; and such being the case, it costs no more to place a car for loading or unloading on the siding of the brick plant than it would on a team-track siding in the railroad yards.

In our case, if we were to load on a team track belonging to the railroad company, we would have to haul at least 1 mile. In our busy season we load from 4 to 6 cars per day, and the team track available for loading in this yard will hold 8 cars. The average daily loading of cars by the plants of this town is from 16 to 20 cars, and this plainly shows that if we were to abandon our private siding by reason of a spotting charge the railroad would have to invest in the purchase of new land, the building of sidings, and the construction of roadways to the same to take care of the traffic which is now handled on private sidings. Having done this, it would cost them just as much to switch on their own sidings as it does to place cars on a private siding, and they would be out of pocket the difference between the maintenance cost of the sidings and the interest on the investment.

Should the question of extra haul come into this charge of spotting, it will be found that in a great many instances the railroad hauls loaded cars a less distance in placing on the siding of the consignee than they would haul the same car if placed on a team track. In connection with this it is well to note that on coal and similar material the last 500 feet of haul is worth no more than any other like haul from the loading points to the consignee's unloading point, and a 7½-cent per ton charge is out of all reason.

In our particular instance the siding is on the railroad company's land, said land not being a part of the original right of way, but was bought for a merely nominal sum to protect other rights of the railroad company; the railroad company constructed the siding, but we have paid for the same and given the railroad company a bill of sale for it. If the railroad company is to be allowed to charge for the spotting of cars—by this we mean the exact placing of cars on a siding such as ours—then we should be paid by the railroad company when they use our track, as is often the case, for the storage of crippled cars. It is a common practice with the railroad company at this point to cut a crippled car out of a through freight train and put the same on our siding. They may claim that they had a bill of sale for this siding and therefore we have nothing to say about it, but the one fact remains that it was our money that built the siding.

In the busy months we will have from 30 to 50 cars of coal per months, and possibly 4 cars of other material incoming. During this same time we will ship out from 100 to 150 cars. If the railroad company were to be allowed to charge us $2 per car for the placing of these cars on our siding for loading and unloading, as the case may be, we would pay them $350 to $400 per month for the service. The entire time taken by the switching crew to place the cars at exact points on our siding will not exceed 10 minutes per day over the time it would take if they were simply to kick the cars in. The switching crew understand thoroughly that the cars for loading must be put in first and the coal afterwards, so that with a proper arrangement of the cars when

coming to our siding, they usually pull out the empties and the loaded cars that are consigned out and then put in the empties, with the coal following, so that they have no extra switching movements. In the name of all that man could command, where would be the justice in allowing them to make a charge of $300 to $400 per month for this service?

In connection with all the above it should be borne in mind that brick rates generally have been so compiled by the railroad company that this cost of terminal work has been included, and we have so many inequalities to contend with at the present time that a further loading, as proposed, would almost break the camel's back.

We wish to enter our protest against this proposed charge, as it is uncalled for, unjust, and in many instances would establish discrimination, which we understand is just what the commission is now trying to dispense with. We will cite an instance: B has one siding on which all of his cars must be placed, whether same are to be loaded or unloaded, and for the placing of his coal or box cars for loading he is charged $2 per car. C, in the construction of his plant, has put in two sidings, on one of which incoming coal is placed for unloading, on the other of which box cars for loading are placed; as no particular point is designated, the railroad company kicks the cars in on the siding designated to receive them and no spotting charge is made. Assuming that each plant would handle 10 cars per day, B would have a charge of $20 to overcome in competing with the cost that C has to overcome, and on a plant making 40,000 brick per day, all other costs being equal, B would go into the market with a handicap of 50 cents per 1,000. This may not be discrimination as the commission understands it, but it certainly would be a rank injustice.

Assuming that a charge was permissible for spotting, then the railroad companies should be compelled to place a car at a point designated at such time as is convenient to the shipper. If they are to be allowed to charge us the price named for the placing of cars, we certainly would feel justified in demanding that these cars be placed at a time when we could load them and not at the convenience of the railroad company, as is now done. During the year just closed we have numerous instances where we have had to wait from two to six hours for cars, not because the railroad people did not have the cars, not because they did not have the engine and crew, but because it did not suit their convenience to serve us, while our neighbors just across the track from us, having the advantage of a connection with another railroad, can get their service at any time they ask for it. This may not be discrimination as the commission understands it, but it also is an injustice, as we see it.

As stated above, we object seriously to any charge such as that proposed by the railroad company being placed in force, and we wish to add our prayer to that of other manufacturers who are interested that this matter be given most careful consideration, and if it is investigated carefully at the various local points we are satisfied that the commission will not allow this increase in traffic charges, as that is what it will amount to.

Very truly, yours,

RIDGWAY BRICK CO.,
FRANCIS T. OWENS, *Treasurer.*

MERCHANTS COLD STORAGE & ICE MANUFACTURING CO.,
Richmond, Va., March 13, 1914.

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: Regarding the free service of carriers, which has arisen in connection with the general advance in rates proposed by carriers under docket No. 5360, I. & S. No. 333.

Unless the railroads in Richmond had the private sidings, it would be impossible for them to handle the business. Instead of making a charge for spotting cars, the railroads should make concession to the owners of sidings, as we have to clean the cars and load them; whereas, if they had yard room and freight sheds enough to handle the business and the shipments passed through their depots, they would have to load and unload all cars, which would require more trackage, freight sheds, labor, and clerk hire.

It would not, in our opinion, be fair to the enterprises having sidings and doing work for the railroad to pay for the privilege of doing it.

The classification of most of the goods we handle, which go south, makes the rate on less carload shipments the same as on carload shipments. This is another reason why we claim that an allowance should be made when goods are loaded at private sidings.

We are forwarding this, our protest, and feel sure that the request of the railroads will not be granted.

Yours, truly

MERCHANTS COLD STORAGE & ICE MANUFACTURING CO.,
THOS. S. HERBERT, *Manager and Vice President.*

THE COCKLEY MILLING CO.,
Lexington, Ohio, March 13, 1914.

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: We wish to file a protest with you in the most forceful language possible against the proposed charge by the railroads for spotting or placing cars for loading or unloading of merchandise. We are shippers of large quantities of flour, feed, grain, seeds, hay, etc., and such a charge would be a very great hardship as well as an injustice. We could give you many specific cases and will recite one. For instance, we have several grain elevators within a radius of 30 miles of our plant at Lexington, Ohio, and from which points we receive large quantities of grain.

If the proposed charge is allowed, a shipment of a car of wheat from the elevator at Bellville, 6 miles from Lexington, would entail the following charges: First, a possible charge of $2 per car for spotting the car at the Bellville elevator; to this would be added the freight from Bellville to Lexington of $12 per car, and when it arrives at Lexington there would be another charge of spotting at our plant of $2 per car. Instead of charging $12 per car, as is now the case, the charge would be $16 per car, or an increase of 33⅓ per cent.

We consider the proposal on the part of the railroad as preposterous, unreasonable, unjust, and we hope your honorable body will not see fit to countenance such a proposition on the part of the railroad. It should be remembered that the shipper is required to do all of the work pertaining to the loading of merchandise of nearly every description and the receiver is likewise required to perform the same duty, thus relieving the railroad from an immense amount of labor and expense.

Very truly,

THE COCKLEY MILLING CO.,
A. B. BEVERSTOCK, *President.*

M. J. GROVE LIME CO.,
Lime Kiln, Md., March 13, 1914.

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

DEAR SIRS: We notice by the papers that there is considerable discussion, both pro and con, as to a possible charge for the spotting of cars, and we want to bring to your commission that our company, who handle from 5,000 to 8,000 cars per year, approve of a charge for the spotting of cars, and if this was carried out it would assist in relieving the stringent conditions as claimed by the railroad companies.

The present rates now in effect should not be advanced, but other methods should be pursued in adjusting the differences.

Any shipper receiving, at the hands of the railroad company, service over and above the natural conditions should be willing to assume the additional expense relating thereto.

Very truly,

M. J. GROVE LIME CO.,
E. A. GROVE.

WARREN BROS. CO.,
East Cambridge, Mass., March 13, 1914.

SECRETARY INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

DEAR SIR: In regard to matter of switching and spotting cars on private sidings, ferry car service, etc.

The undersigned respectfully petitions that the matter of advance rates in eastern territory be decided upon its own merits, and that the matter of free services, which has been unexpectedly included into this investigation, be made subject of separate and exhaustive investigation.

The shippers have been given at various times to understand that published rates properly included these various services, and it is our opinion, these being a fact, that if any discrimination at present does exist, the proper solution is not an assessment of an additional charge for these services.

It is needless for us to dwell upon the extreme importance and far-reaching effect of any radical upturn of existing adjustments.

Yours, very truly,

WARREN BROS. CO.,
E. SUTCLIFFE, *Traffic Manager.*

THE GOULDS MANUFACTURING CO.,
Seneca Falls, N. Y., March 13, 1914.

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: We desire to add our individual emphasis to the petition of the National Industrial Traffic League presented to you a few days ago regarding free services performed by the railroad. We do not know that we can add anything to the record which has been brought out and which probably will be further emphasized during this hearing, except that our location in a small town instead of one of the larger centers does not change the relative relation of the industry to the railroad in a case of this kind. Our plant is the largest in this place and receives and ships probably as much as all the other industries put together. We have a large amount of money invested in sidetracks and a large trestle for raw material. The facilities at this station would not be sufficient to handle the business of the community if it were necessary to include our business with the other business, all of which is handled through the freight house and at team tracks. The railroad authorities admit that the operation of ferry car service to and from our plant saves them more than the cost of the service, as a large proportion of the outgoing shipments are not transferred from the ferry cars from our plant. The same is true of quite a large proportion of inbound shipments, the goods not being handled through the freight house, but delivered to the plant in the car received.

In investigating these services it should be borne in mind that instances of this kind, which effect a saving to the railroad of an amount equal or greater than the service performed, is certainly not free service. Your honorable body may make it possible for the railroad to increase their revenues by charging for such service, but we would respectfully call your attention to the fact that you are not helping the case of the whole body of shippers in eliminating discriminatory service. Instead of the local conditions working to the detriment of other shippers, or, as has been more commonly stated, the small shippers, the condition is just the reverse. We are not asking the small shipper to pay any of our freight charges, and do not believe that they are doing so. In investing thousands of dollars for the purpose of being in a position to take advantage of the services which have long been granted, we believe it is only fair to expect that such services should be continuous unless there is some discrimination shown.

It appeals to us that this investigation is of more importance to the shippers and railroads than the 5 per cent increase. The matter should be given very careful investigation and adequate time allowed to allow all concerns to be notified and given opportunity of presenting the facts.

Yours, truly,

THE GOULDS MANUFACTURING CO.,
L. J. STRONG.

CHICKASHA MILLING CO.,
Chickasha, Okla., March 13, 1914.

Mr. GEORGE B. MCGINTY,
Secretary Interstate Commerce Commission,
Washington, D. C.

DEAR SIR: In the matter before the commission in regard to the requirement by the commission of charges to be made by railroads in official classification territory for the spotting of cars to industrial tracks, whether the tracks be railroad-owned switches or privately owned switches, we desire to state that we feel that we are interested in the outcome of this hearing, for while the matter in hand at the present time does not refer to railroads in territory in which we are situated, the effect of any decision in this matter will probably extend over the whole country.

It is our understanding that the final date for filing briefs in this matter is set for the 24th of March, and the 30th and 31st of March are set as the dates for hearing testimony in the matter.

This is a new proposition, the like of which has never been brought before the shipping public of the United States, and in our opinion the principle advocated is entirely wrong and unjust.

We feel that too short a time is allowed in this matter for the presentation of the facts, and we feel that shippers of the country should have an opportunity, after due consideration, to express their views in the matter. We hope the Interstate Commerce Commission will see fit to give further time to this matter, so that the views of

shippers all over the country can be expressed and arguments made in opposition to this proposal.

Yours, very truly,

CHICKASHA MILLING CO.,
M. E. HUMPHREY, *Secretary.*

WATERTOWN CHAMBER OF COMMERCE,
Watertown, N. Y., March 13, 1914.

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: At a meeting of the board of directors of this organization held Thursday, March 12, the matter of the proposed charge to shippers and consignees for spotting cars and for service to private railroad sidings was considered, and the sentiment of the board was shown to be opposed to any such plan as an alternative to the proposed increase in freight rates.

It is the position of our board that such a charge for spotting cars and for service to private railroad sidings would prove a hardship to our industries; that such sidings are quite as beneficial to the railroad companies as to the manufacturers themselves. We also desire to point out that most of the sidings in our city were built and are maintained by the manufacturers and not by the railroad; and that the sidings relieve congestion in the freight yard, and thus greatly facilitate the freight service.

Yours, very truly,

WATERTOWN CHAMBER OF COMMERCE (Inc.),
F. H. LAMON, *Secretary.*

ST. LOUIS, MO., *March 13, 1914.*

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

In the matter of proposed 5 per cent increase in freight rates.

GENTLEMEN: We note that you will hold hearings and will accept statements and briefs filed before March 24 bearing on the question of service to private spur tracks.

There may be conditions under which an additional charge for switching service is justified, but we believe that an additional charge is not warranted in cases such as ours and requiring the service that we require.

We have a spur track from the Lesperance Street yard of the St. Louis, Iron Mountain & Southern Railway. This spur, as you will see from the attached tracing, serves several industries. The portion of the track assigned to our use was paid for by ourselves, and yet remains the property of the railroad and the railroad reserves the right to extend and use this track for other than our shipments.

We quote from an agreement between ourselves and the St. Louis, Iron Mountain & Southern Railway Co.:

"The second party (Monsanto Chemical Works) shall, without cost to the railway company, have city ordinance passed in the name of the railway company permitting construction, maintenance, and operation of the track" and, "the said second party shall pay all premiums on the bond required by the city under said ordinance."

"The railway company shall construct a spur track about 362 feet long to serve the chemical works of said second party, upon the terms and conditions contained in this agreement, for the purpose of receiving and delivering shipments made to or by second said party, and for use or extension by the railway company for any purpose which in the opinion of its general manager does not unreasonably interfere with the shipments of the second party.

"The railway company shall furnish the necessary crossing, planks, bumping-post rails, switching fixtures, spikes, etc., and perform the labor necessary to lay said track at the entire cost and expense of the second party, including the estimated cost of the grading, ties, and drains, to be furnished by the railway company, and the party of the second part shall at its own sole cost have the water meters and telephone poles that will interfere with the proposed new track moved so as to properly clear said track. The title to the said track, including all material entering into the construction thereof, shall at all times be and remain in the railway company."

We being within the switching limits of St. Louis, rates to or from St. Louis, which absorb switching, apply to or from our track.

The service performed by that railway company is to place cars on this track for loading or unloading, the understanding being that there will be one movement a day, whenever we have cars to deliver the railroad or the railroad has cars to deliver us. When the railroad has two or more cars to place on our track we do not demand that they spot each car separately, but all the cars are placed as switched, and any further movement is done by ourselves. Whenever we have carloads going out, we endeavor to use a car which has been placed on our track loaded, so that there is only one movement of this car for both transactions.

We are benefited by having carload freight placed on our track, as it is more convenient for us for unloading or loading. The railroad is also benefited. Cars placed on our track are, as a rule, loaded or unloaded the same day they are placed; whereas if placed on a team track and unloaded by wagon the car would be held probably two days, the full free time. The railroad being able to place our cars on our track does not have to provide room for these cars on team tracks in their yards. This helps to prevent congestion in these yards and also enables the road to do its team-track business with a smaller track space than would be the case if all carload business was placed on team tracks. Whether the railroad places a car on its team track or on our track, there is a switching movement involved and any extra expense there may be is compensated by the additional yard or track space furnished the railway, and entirely at our expense.

In addition to $85.58 paid by us for changing water meters, telephone and telegraph poles, etc., incidental to installing this track, we have paid the St. Louis, Iron Mountain & Southern Railway $985 with the idea that this installation would enable us to economize on our team hauling. It would now hardly be fair to exact a switching or other charge for placing cars on this track, unless it be provided that the railway company refund to us the amount we have expended for this track, and particularly as the title is and remains in the name of the railway company when the entire cost has been paid by us.

Mr. J. S. Devant, commissioner of the Memphis freight bureau, has stated that when franchises were granted the several railroads coming into Memphis, a provision was inserted that no switching charge ever should be exacted by the railroads of Memphis shippers who had built sidings to allow for local spottings. If this is true, any assessment of charges for a similar service in other localities would be a discrimination against the shippers and receivers of freight in those localities.

Respectfully submitted.

MONSANTO CHEMICAL WORKS,
W. R. PHEMISTU.

CANADIAN MILL & ELEVATOR CO.,
El Reno, Okla., March 13, 1914.

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: In reference to the proposed charging for spotting of cars to privately owned sidetracks or other industrial tracks owned by the railroad company, we wish to say that it seems to us that there is no further service performed by the railroad in delivering cars to tracks at private industries than there would be if such shipments were delivered to public team tracks.

It is our opinion that should such a charge be assessed it would result in the termination of the use of private industrial sidetracks and compel the railroads to receive this freight either over the platform or on public sidetracks, where the railroad would have to furnish men to check it into and out of cars, and consequently would result in larger expense to the railroads than they now incur in handling such shipments.

We believe that the custom of loading carload shipments at private sidetracks is a benefit rather than a detriment to the railroad interests, and instead of causing them an additional expense, for which they should charge the shipper, we believe that the situation is the other way around, and that the railroads are saved thereby expenses that the shipper bears through investment in sidetrack facilities.

Yours, very truly,

CANADIAN MILL & ELEVATOR CO.,
H. DITTMER, *Manager.*

COMMERCIAL CLUB OF ABERDEEN,
Aberdeen, S. Dak., March 13, 1914.

SECRETARY INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

DEAR SIR: We are informed by the Chamber of Commerce of the United States of America, in the matter of the proposed charge for service, such as spotting cars, industrial tracks, trap cars, etc., by the railroads, that it is the desire of the Commerce Commission to hear directly from commercial organizations over the country who have an interest in this matter, giving the data as to the number of firms affected at a given point, number of industrial spur tracks, and approximately what their business aggregates.

I have therefore compiled the following data: Number of firms affected by such services in Aberdeen, 36; number of such firms having industrial or spur tracks to their places of business, 32; approximate number of cars spotted during the year, 2,800.

In almost every instance the shippers represented by this organization are opposed to the proposed charge, for the reason that they believe that the general tendency of freight rates in this entire section in comparison with other portions of the country, and especially the country east of here, are high. This charge would place an added burden upon shippers of this part of the country without giving them any advantage by removing the disadvantage in comparative freight rates which already exists.

Respectfully, yours,

H. O. COOLEY,
Secretary.

Have you tried the "Key to the Northwest"?

UNION DRAWN STEEL CO.,
Beaver Falls, Pa., March 13, 1914.

Hon. E. E. CLARK,
Chairman Interstate Commerce Commission, Washington, D. C.

HONORED SIR: The newspapers and traffic magazines are full of information these days about hearings had and to be heard before your honorable commission in the matter of making a charge by carriers in official classification territory for spotting cars for loading and unloading on private spurs and sidetracks, also for trap and ferry car service.

This matter, we understand, is to be heard in oral argument before the commission at Washington March 16 and 17. This matter of a spotting charge by carriers is one in which we are greatly interested with other shippers and receivers of freight in Beaver County, Pa. We have tried to ascertain just what is intended by the term "spotting cars"; one authority states this charge is intended to cover what is sometimes called intermill switching—i. e., a car is placed at one point in the mill, partly loaded or unloaded, and switched by railroad power to another point in the same mill to be made entirely empty or completed loading. We are now paying for this service. Another authority advises that charge would be made for original placement of loaded or empty cars at unloading or loading platforms, the railroad simply putting cars in the clear from main line.

Won't you kindly advise us at your earliest convenience what is meant by the term "spotting cars," so that we will be fully posted in the premises?

Yours, very truly,

UNION DRAWN STEEL CO.,
By A. W. BOYD, *Traffic Manager.*

NATIONAL IMPLEMENT & VEHICLE ASSOCIATION
OF THE UNITED STATES OF AMERICA,
Chicago, March 13, 1914.

EDGAR E. CLARK, Esq.,
Chairman Interstate Commerce Commission,
Washington, D. C.

SIR: This association, representing as it does the manufacturers and distributors of the greater part of the country's output of farm-operating equipment, and thereby being the receivers of a great volume of incoming materials and outbound finished products, is greatly interested and concerned in the issues involved in connection with the proposed assessment of charges for the switching, placing, or delivering of cars for loading or unloading on industry sidetracks, and for other similar service.

The commission has announced that all statements and briefs in this case must be filed by March 24 and that oral argument by counsel will be heard by the entire commission on March 30 and 31. This allows of

entirely insufficient time for the preparation of such statements and briefs by these interested shippers, and it will not enable them to present their contentions and views fairly and completely before the commission in the time allotted.

This association desires to urge, therefore, that you consider the gravity of the situation from the shippers' standpoint and that you and your associates of the Interstate Commerce Commission refrain from definitely and finally concluding this matter until such time as all interests have had reasonable notice in which to present their cases.

Yours, truly,

E. W. MCCULLOUGH.

—

SAVAGE MOUNTAIN FIRE BRICK CO.,
Frostburg, Md., March 13, 1914.

Referring to spotting of cars on private sidings.—Interstate Commerce Commission Docket 5860, I. and S. Docket 333.

Hon. E. E. CLARK,
Chairman Interstate Commerce Commission,
Washington, D. C.

DEAR SIR: We wish to make a strong protest against this extra charge to us.

We built the siding at our own expense and the cost of maintaining same we bear also.

The Cumberland & Pennsylvania Railroad in our case is not put to as much trouble or expense as they are to many of the so-called public sidings.

If the amount suggested, 7½ cents per ton, be adopted on a cheap commodity like brick, it would handicap us against those who ship on public sidings.

Very truly, yours,

SAVAGE MOUNTAIN FIRE BRICK CO.,
JOHN A. CALDWELL, *Vice President.*

—

THE AMERICAN FACE BRICK ASSOCIATION,
Pittsburgh, Pa., March 12, 1914.

Relative to a proposed charge for the "spotting" of cars on private side tracks.

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

DEAR SIRS: The members of this association, numbering at present 26 selected manufacturers of face brick, whose output will probably exceed 50 per cent of the product manufactured in official classification territory, are deeply concerned in your present consideration of the propriety for a charge for the so-called free service of "spotting."

The manufacture of face brick is to-day upon a bitterly competitive basis. The supply of raw material—clays—is so widely distributed throughout the country that competition in every branch of the brick business is yearly increasing. The cost of manufacture is likewise on the increase, notwithstanding the fact that the progressive brick manufacturer is a keen student of efficiency methods, and is striving night and day to cut down the manufacturing cost. On the other hand, the average price of face brick per thousand brick has declined from $12.97 in 1895 to $11.62 in 1912, these figures being quoted from reports issued by the United States Geological Survey. You will note that as face brick will average 6 pounds in weight, the approximate average price per ton on the basis of the above 1912 figures would be $3.87.

We do not feel that a charge for "spotting" in the instance of face building brick would be either reasonable or just. The business is confined almost wholly to the movement of heavily loaded cars of extremely low-valued material. On account of the extremely limited liability for damage, the heavy average loading of cars, and the more than satisfactory per car per mile revenue returns, which can be shown by the selection at random of almost any face-brick rate, the transportation of brick under the present scale of charges is a highly desirable traffic, and, we believe, is bearing its full share and probably a great deal more than its proportion of the general transportation burden.

The nature of the business of manufacturing face building brick is such as to dispel the theory that the users of sidings are enjoying a preference over that of the competition which has to dray or truck its product to the team tracks of the railroad. The manufacture and sale of face brick would be an entirely illogical venture without adequate transportation facilities, and, for this reason, an investigation would develop the fact that very few, if any, face brick are manufactured in official classification territory not having direct access or railroad loading facilities in the nature of private spurs or side tracks.

An investigation of the conditions in this industry would probably disclose the fact that the vast majority of private sidings have been installed entirely at the manufacturer's expense, and that he annually pays out varying amounts for repairs for the very facility by which the railroads are able to secure an enormous tonnage which they would be deprived of were such facilities nonexistent.

The time between the announcement of the investigation as to the propriety of a charge for "spotting" cars and the date of the hearing was entirely inadequate for this association to collect statistics to show the impracticability and injustice of permitting a charge in addition to the present published rates. For this reason this association did not enter an appearance at this hearing. We did not feel that in such a state of unpreparedness we would be able to do justice either to you, the railroads, or ourselves; but if a later opportunity should be offered to the shipping public to present sound facts and correct figures with regard to this subject, we would like to have your early advice regarding.

Considerable uncertainty in the attitude of our members is occasioned by our ignorance of exactly what your body defines as "spotting." If it is consistent, we would very greatly appreciate your favoring us with a precise definition of the term "spotting." We would like to inquire, also, whether the commission, in the event its permission is given to the railroads to make a charge for "spotting," would consider the suspension of particular spotting tariffs, in order to make an investigation as to whether any charge is proper for the services rendered, or, if a charge is justified, to consider the reasonableness of same.

Thanking you in advance for favoring this office with any information bearing on this subject, we are,

Yours, respectfully,

THE AMERICAN FACE BRICK ASSOCIATION,
R. D. T. HOLLOWELL, *Secretary-Treasurer.*

THE ROBINSON CLAY PRODUCT CO.,
Akron, Ohio, March 12, 1914.

Hon. E. E. CLARK,
Chairman Interstate Commerce Commission,
Washington, D. C.

Subject: Referring to the question of charges for spotting cars on private siding. Interstate Commerce Commission Docket 5860, I. & S. Docket 333.

DEAR SIR: In an opinion rendered February 3, in case 4606, 29 I. C. C., 428–438, entitled "Youngstown Sheet & Tube Co. et al. *v.* Pittsburgh & Lake Erie Railroad Co.," the commission held, that "Where for a long period of time rates have been the same, and no complaint has been made in reference thereto, the presumption obtains that they are reasonable."

This opinion, we believe, is a logical one in all cases where the action on the part of the carriers is such that the element of unlawful practice does not enter, as has seemed to be the case in a recent investigation.

As you well know, the practice of placing cars on private sidings has obtained since the advent of steam railroads in this country, no complaint having been made by the transportation companies, nor is it our understanding that they are making complaint at the present time. It is therefore reasonable to suppose that inasmuch as loaded and empty cars have always been placed by the carriers without charge, and that as it has always been understood that the line rate covered this service, the presumption should obtain that the practice is a reasonable one.

We have recently noted that statements have been made to the commission that rates published by the carriers do not include the cost of terminal service. It is our understanding that it is a matter of record that the New York to Chicago basis, upon which the rate structure in Central Freight Association territory is based, includes a certain percentage of the rate for terminal service on the part of the carrier. Such being the case, a spotting charge would result in a charge for service included in the line rate.

We appreciate that the intention of the commission is to prevent discrimination, if it is found to exist; the action being a laudable one, however, we believe that as your investigation proceeds you will appreciate the numerous possibilities for discrimination to occur if a charge for the service in question were allowed.

This company operates seven plants for the manufacture of clay products. At two of these factories the volume of business is such that we have provided switch engines for the placing of cars for loading and unloading. At the remaining five factories cars are placed by the carriers on tracks owned by us. A large amount of money has been expended by this company in the construction of terminal facilities and upkeep of same.

Under these conditions, if the spotting charge is allowed, we must actually pay the carriers a premium on all business handled, as the small shipper will receive free terminal service while the larger one pays for terminal service on terminals furnished at considerable expense, the result being that the manufacturer with owned sidings is penalized for such an expenditure, notwithstanding the fact that the construction of private sidings is of direct benefit to the carrier.

The cost of placing cars for loading or unloading at our various factories will not exceed the cost for placing cars on public team tracks owned by the carriers in this territory. Under the proposed method of making a charge for placement of cars, numerous discrepancies will occur on account of failure to charge for each placement, unless the clerical force of the carriers is largely augmented, a condition in all probability that will not be changed.

A decision that would permit of a charge for service in question would raise the point of equalization of manufacturing conditions. The commission held, we believe, in the case entitled "In the matter of allowances to short-line railways," that the railroad companies could not lawfully do anything whatever that would tend to equalize manufacturing conditions between various manufacturers, neither do we believe that the commission has such powers conferred upon them by statute.

Yours, truly,

THE ROBINSON CLAY PRODUCT CO.,
ALVIN HILL, *Traffic Manager.*

—

BLISH MILLING CO.,
Seymour, Ind., March 12, 1914.

The SECRETARY OF THE INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

DEAR SIR: With reference to contemplated charge of the railroads for "spotting" cars, we wish to point out that this switching of empty cars into private sidings for loading by manufacturers is really economy for the railroad. For instance, our own plant is located within a few yards of the freight depot. Should a charge for switching become effective, we shall deliver all of our product to the local freight depot, secure bill of lading thereon, and this new process of loading would be very much cheaper for us. At practically no cost to us we could deliver all of our flour to the depot and could dismiss from our own loading force seven or eight men now engaged in loading out cars. The railroad company would have to hire probably more than this many men to load our stuff after it was delivered at the depot.

If this side of the question has not been brought to your attention, we believe it is worth considering.

Yours, very truly,

BLISH MILLING CO.
E. BLISH THOMPSON, *Secretary.*

—

CHAMBER OF COMMERCE OF THE CITY OF MILWAUKEE,
March 12, 1914.

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

In the Matter of Spotting Cars, etc.

GENTLEMEN: The members of this chamber of commerce are not willing to concede that the carriers are now performing services free for which they should be compensated.

It has always been understood that the freight rate has included compensation for all services from the point of loading to the point of unloading, regardless of whether the tracks or other facilities at terminals were railroad owned or privately owned.

So far as the grain received at Milwaukee is concerned, any new charge made in addition to the present line-haul freight rate would be charged against the grain and be at the expense of the producer.

In some instances, where millers or malters buy grain at other primary markets for shipment to Milwaukee, any additional charge for "spotting" of cars would be an expense to the manufacturer, and would have to be added to the cost of the manufactured article.

It hardly seems necessary at this time to review the situation with respect to the rates on grain to Milwaukee from points in Iowa, Minnesota, and South Dakota, which we feel are already too high without adding any further cost of transportation, and which subject is now in the hands of the commission for adjudication.

It is a well-known fact that bulk grain into or out of a primary market can not be handled on "team tracks." All elevators, flour mills, malting houses, etc., are necessarily located on sidetracks owned by the railway companies. In many instances the greater part of the expense of building such sidetracks was borne by the concern located on same. These sidetracks constitute a part of the railway companies' terminals. It would be a physical impossibility for the carriers to serve such industries from their team tracks.

To assess an extra charge for the loaded car from these industries at Milwaukee and then again at the final point of destination simply means the compounding of charges in addition to the line-haul freight rate, all of which would result in a general disturbance of commercial conditions and much higher cost of commodities to the consumer.

We respectfully urge that your honorable commission permit no additional charge for "spotting of cars" be assessed by the carriers.

Yours, respectfully,

GEO. A. SCHROEDER,
Manager Freight Bureau.

—

WOODWARD & SON,
Richmond, Va., March 12, 1914.

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: We understand that the Interstate Commerce Commission is considering the advisability of allowing or requiring the railroads to make an extra charge:

(1) For trap or ferry car service.

(2) For spotting cars for loading or unloading on private sidings.

As we feel that such an extra charge would be very unjust and inequitable, we are writing to protest against such a charge being allowed or imposed, especially in the second case mentioned above. The fact that a large percentage of the outgoing and incoming carload freight is loaded and unloaded from private sidings is of inestimable benefit to the carriers, whose terminals would otherwise be so congested that it would be practically impossible for them to handle anything like the present volume of business without a large additional outlay of capital. In other words, while it is undoubtedly beneficial to the shippers who own private sidings to have the railroads spot cars on these sidings for loading and unloading, we feel that it is still more beneficial to the carriers themselves to have these conditions exist, and that the imposition of an extra charge for spotting cars on such sidings would be detrimental to the interests both of the shippers and carriers.

Yours, very truly.

WOODWARD & SON.

—

THE QUEEN'S RUN FIRE BRICK CO.,
Lock Haven, Pa., March 12, 1914.

Hon. E. E. CLARK,
Chairman Interstate Commerce Commission,
Washington, D. C.

Subject: Question of spotting charge on cars on private sidings. Interstate Commerce Commission Docket 5860, I. & S. Docket 333.

DEAR SIR: Although this company has received no official notification of the proposed spotting charge, we have learned through the press and otherwise that the matter has been up for discussion before your commission for some little time.

It has always been our understanding that the present freight rates in the official tariffs published by the various railroads included the so-called spotting charge at the place of loading as well as the placing on private or public siding at the point of unloading.

This company has a private siding at its tipple at Queens Run Station, Pa., measuring 1,170 feet, on which the cars are shunted by the Pennsylvania Railroad, the actual placing of the cars under the tipple being taken care of by our own men. At our works in Lock Haven, however, we have a private siding with a total trackage of 3,396 feet from the point where it branches from the main line of the Pennsylvania Railroad. The railroad not only places the cars on this siding, but spots the cars for loading in front of the various kilns and also places our loaded coal cars and loaded clay cars on the trestle for unloading.

On the average 327 loaded cars are handled in and out on both sidings per month, and at the proposed charge of 7½ cents net ton for spotting the service would aggregate about $13,000 per year. We, at the present time, enjoy a rate of 15 cents net ton on raw material from Queens Run Station to Lock Haven, and with the proposed spotting charge of 7½ cents ton at both ends you can readily see that this freight would be increased 100 per cent. The aggregate increase of $13,000 per year above referred to would mean $1.30 per 1,000 on a production to 10,000,000, and it would seem to us that such a charge on the part of the railroad company would be most unreasonable.

The rate of 15 cents per ton on raw material is equivalent to 5 cents per ton mile, and it is our understanding that the average revenue to the railroads is not over three-fourths cent per ton-mile, which would indicate that the rate of 15 cents would cover any spotting service that may have been rendered by the railroad company.

Our plant is located in a town of about 8,500 inhabitants, and there are many similar plants located in this locality which have their private sidings and which, it has always been our understanding, were established as the most economical method of handling such traffic by the railroad company. The nature of the product would prohibit its being carted to any public terminal, and if such a thing were possible, the railroad company does not afford proper local facilities for such a method.

It would seem to us that a spotting charge of any kind would be unjust and discriminatory against fire-brick manufacturers, because in some cases these private sidings have been established and maintained by the individual companies, and for no other purpose than the most economical handling of their product by themselves and the railroads handling the traffic.

We therefore most certainly object to any such increase; and we sincerely trust that the matter may be viewed from all points before any definite action is taken, as if such a charge is made it would be a great hardship to the manufacturers and consumers of fire brick and other other fire-clay products.

Trusting therefore that the matter may have your favorable consideration, and thanking you for your attention, we are,

Yours, very truly,

THE QUEEN'S RUN FIRE BRICK CO.,
GEO. H. DIACK, *Secretary-Treasurer.*

—

THE HOLLY SUGAR CO.,
Huntington Beach, Cal., March 16, 1914.

Mr. G. B. MCGINTY,
Secretary Interstate Commerce Commission,
Washington, D. C.

DEAR SIR: Our attention has been called to hearings held before your honorable commission relative to possible propriety of carriers imposing charges in addition to the freight rate for the spotting of cars on private tracks.

We are uninformed as to the scope of your inquiry, or as to all the conditions under which tracks might be termed "private side tracks" within the meaning contemplated by the commission in its consideration of the subject, and in the formation of its opinion or possible rules relating thereto. However, it does occur to us that should the commission arrive at a conclusion that lines in official classification territory should make an extra and separate charge for placing cars on so-called "private side tracks" for loading or unloading, such a conclusion might carry with it the possibility of similar rules being promulgated later in western territory, either at the suggestion of the commission or with its approval. If the conclusions of the commission in this matter are fraught with the possibility mentioned, then we beg to submit that western shippers are interested equally with the shippers within official classification territory, in which case it seems to us that they should be afforded opportunity through public hearings at several points to lay before the commission evidence as to the conditions surrounding the operation of such tracks throughout the West.

Speaking for the beet-sugar industry, and taking this plant as an example, I beg to say that the carriers have never been given instructions to make certain switches at specified hours of the day, and that we have no intraplant switching, and consequently the occasion of publishing a charge therefor has not arisen. At our Colorado plants the Santa Fe publishes a charge for intraplant switching, but it is very seldom they move a load for us which does not move into the plant from an outside point, or move from the plant to an outside point.

Compensation for such service as spotting cars for sugar plants has always been included in the freight rate, as the necessity for such service was well known and thoroughly understood when rates were established from time to time, and the rates have contemplated the performance of the service. As a matter of fact, sugar beets, to the best of my knowledge, are always destined to a sugar plant, using what you might term "private side tracks." Sugar in carloads usually moves from a sugar plant. Therefore it can not reasonably be said that in fixing rates on beets and on sugar the services under consideration were not contemplated, as it is only in isolated cases, if at all, that either beets or sugar are handled in carloads without the necessity for such service. No discrimination between the receivers of beets and the shippers of sugar can be charged, as all require and all receive practically the same service. Conditions may vary somewhat, but I am under the impression they are substantially the same as to beet-sugar factories throughout the West.

If we are correct in anticipating that the far-reaching effects herein referred to might follow any possible ruling of the commission, or expression of an opinion by it on this subject as related to official classification territory, we respectfully urge that the matter be not determined until after a more extended investigation, including public hearings at convenient points in the West, of which we believe notice should be given far enough in advance to enable shippers to prepare accurate and comprehensive data to lay before your honorable commission.

Please advise us as promptly as possible of action taken, and oblige,

Yours, truly,

C. A. JOHNSON.

—

FORT SMITH TRAFFIC BUREAU,
Fort Smith, Ark., March 16, 1914.

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

SIRS: The receivers and shippers of freight of Fort Smith, Ark., members of the Fort Smith Traffic Bureau, a voluntary association for their mutual benefit and protection protest to your honorable body against the hurried conclusion of the investigation of the practices of the carriers in official classification territory, in matter of placing cars for loading and unloading, use of trap-car service, diversion in transit, reconsignment, and other privileges under tariff authority, without full and complete investigation of conditions obtaining in other parts of the United States subject to your jurisdiction and direction.

Many industries, warehouses, places of business, etc., in this city, are served by tracks reaching thereto from the main lines of the different carriers. Some of these tracks have been built wholly at the expense of the carriers, and where the same extend beyond the confines of the right of way, the ground used has been supplied at the cost of the individual, firm, or corporation benefited, or in the case of the use of streets and alleys, by proper city ordinance. In other cases, the ground and a large portion of the expense of constructing the switch have been paid for by the shipper.

These facilities seem beneficial to the carrier as well as to the shipper, as they relieve the carriers' terminals of congestion and aid in a more economical receipt and delivery of freight than if handled through regular freight stations, or to and from team tracks located upon the recognized right of way proper of the carriers.

It is understood that the present investigation does not comprehend conditions outside of the official classification territory, at the same time, it is our opinion that should the carriers in that territory be permitted to charge for this service, the carriers in other territories would undertake to inflict traffic with similar burdens.

In view of the different conditions attending these services at the various principal shipping points of the country, we respectfully ask

that sufficient time be given for consideration of this question to inquire into the facts as they relate to the shipping business of this city.

Respectfully,

B. D. CRANE,
Chairman.
F. B. DUNLOP,
ED. BALLMAN,
Executive Committee.
C. D. MOWEN,
Commissioner

—

LANSING, *March 5, 1914.*

LANGELAND MANUFACTURING CO.,
Muskegon, Mich.

GENTLEMEN: We have your favor of the 3d instant stating that you are under the impression that the rates on the Michigan railroads are to be raised some time in the early part of March, etc., and ask us to advise you if this change of rates simply means a 5 per cent advance in all rates, both classified and commodity, or if they propose to place commodity rates under tariff rates, and advising that you are particularly interested in lumber.

In reply we beg to advise that in compliance with the request of the commission the railroad companies during 1912 and 1913 made an entire recheck of all class rates in this State for the purpose of harmonizing them and removing discrimination. This would naturally result in reductions in some instances and advances in others, the final result representing about an average advance of 5 per cent, although no particular percentage was agreed upon. The tariffs carrying these new rates were filed to become effective November 15 last. The carriers of their own accord and without authority or permission from this commission saw fit also to change their commodity rates, advancing some by the regular method and others by canceling the commodity rate and advancing it to the sixth class, which in most cases was the way they treated the rate on lumber.

Just about the time when these new class rates showing these advances were ready for publication, the railroads of the entire country made application to the Interstate Commerce Commission to be permitted to enjoy a 5 per cent horizontal advance in all rates. Therefore the Michigan roads included their recheck advance in connection with the tariffs carrying this 5 per cent advance, which made the tariffs both State and interstate. The Interstate Commerce Commission suspended the tariffs effective November 15 until March 12. This commission having authority to suspend the effective date of tariffs in this State only 45 days, made an arrangement with the carriers in this State to suspend the interstate portion of the tariffs in question concurrently with the suspension of the Interstate Commerce Commission of the same tariffs. These have, with the Interstate Commerce Commission and agreement of the commission, been again suspended until September 12 next.

However, it is not understood that these suspensions affect the lumber rates, and at a conference recently held before this commission in Lansing, particular reference was had to lumber rates, the larger portion of the lumber interests of the State being represented at such conference. The Michigan Central, Lake Shore & Michigan Southern, Grand Trunk, and Detroit & Mackinac having previously been permitted to cancel their rates which were under suspension, carrying decided advances, and issue new tariffs representing a straight 5 per cent advance over the old rates, and which being lower than the rate carried in the suspended tariffs, were received for filing. These become effective March 12, and upon request of some shippers will be suspended 45 days pending investigation and hearing. At this conference, the roads operating in the western part of the State, being unable to arrive at a satisfactory rate with shippers, advised the commission they would at once prepare and file their idea of what would represent a proper advance in lumber rates and if the same were not satisfactory to shippers that they could, by giving a reason therefor, request the commission to suspend the effective date of those tariffs 45 days pending investigation and hearing.

For your information we would state that none of the roads concerned in this agreement have as yet filed any tariffs to take the places of the tariffs suspended, and we are writing several of them on this date to determine what, if any, action has been or is supposed to be taken in the near future. We think if you will address a letter of inquiry to Mr. J. C. Knox, secretary of the Hardwood Lumber Dealers' Association, Cadillac, Mich., he will be able to keep you in touch with all the conditions from time to time.

Respectfully, yours,

MICHIGAN RAILROAD COMMISSION,
(Signed) By C. L. GLASGOW, *Commissioner.*

—

FORT WORTH FREIGHT BUREAU,
Fort Worth, Tex., March 16, 1914.

Mr. GEORGE B. MCGINTY,
Washington, D. C.

DEAR SIR: Will you please be kind enough to refer to the petition inclosed with my letter of March 14 and change the dates shown in the first two lines of paragraph 2 to read March 30 and 31 instead of March 16 and 17.

Your kindness in making this change in the petition will be appreciated.

Yours, truly, R. O. MCCORMACK.

—

ELGIN, ILL., *March 17, 1914.*

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: My experience.—I was an employee of the Prussian State Railway from 1863 to 1871. Everybody had to pay for every service rendered, the laborer traveling fourth class to the King (at that time) traveling first class; no special privileges—I liked that—no free baggage, no children free, even dogs had to have a dog ticket. When I had a day off every three weeks a free ticket (pass) was furnished me to go home and see my parents, but no other member of my family was entitled to a pass.

American railways have been privileged, passed, and overcapitalized to death.

In 1872 I came to America and went into the mercantile business and liked it better. Having been in the dry-goods business for 31 years my experience in freight shipments has been varied. Concerning efficiency, there is lots of room for improvement, in my humble opinion.

I remember a case when a shipment of ladies' skirts, per Chicago & North Western, was consigned to me. The case was miscarried; I had to pay for the goods; the Chicago & North Western Railway Co. gave no satisfaction. A few months later the case was found in some freight house. Rats had raised families in the box and the goods damaged, out of season, out of style. The local agent offered me a few dollars' damages, which I refused to take. I went to the claim office in Chicago; was received by some kind of a lawyer; this hireling served short notice on me, if I would not accept I could sue and probably would have a lawsuit for the rest of my days. Very well; I accepted, took the goods, pocketed the loss, and kept shy of the Chicago & North Western.

Efficiency again.—Two years ago my store burned down; I put up a new building, white terra cotta front, manufactured near Chicago, shipped to Elgin, 38 miles, per Chicago & North Western Railway Co. The store was rented at $325 a month, and I agreed to have it finished September 1, 1912. One carload of the terra cotta was lost in transit; finally found after some twenty-odd days on a sidetrack at West Chicago. We could not finish the front and windows; the store was finished at the end of September. I lost a month's rent; felt like swearing; still I kept out of a lawsuit, because $325 do not go very far in fighting a powerful corporation.

Still there are two sides to every question; railroads, stores, banks, farmers are blessed or cursed with careless employees and hundreds of other troubles. Attending the hearing at Washington, I should like to, but it is impossible for various reasons.

Very respectfully, yours,

FRED SAUER.

—

THE COLORADO MANUFACTURERS' ASSOCIATION,
Denver, Colo., March 17, 1914.

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: Referring to hearings now before the commission in regard to charging for the spotting of cars on sidetracks, etc.

Inasmuch as this is one of the most important questions now before the commission and one in which the shippers throughout the entire country are very much interested, we would respectfully ask you to not hurry the ending of these hearings, but that you give time enough for each community which desires to do so an opportunity to be heard on this question before the commission.

Yours, truly,

F. W. MAXWELL, *Commissioner.*

—

THE WOODVILLE LIME & CEMENT CO.,
Toledo, Ohio, March 17, 1914.

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: We wish to register our protest against the plan of charging shippers who have use of private tracks to their plants a spottage or shifting charge per car. The unfairness and injustice of this proposition to the shipper is manifest, and the plan certainly is not based upon any sound principle, but has the appearance of having been devised as a "way" out. If the railroad companies are entitled to more money for their service, we can not see why it should not be given in the way of increased rates so that this extra will be borne by the consumers in general instead of loaded onto some manufacturers who happen to come by definition within the scope of the plan. A fixed charge per car, regardless of value or form of contents, is strictly opposite to the present system, and if you argue that it costs the railroad companies as much to spot one car as another and the value does not enter in, why should this same plan not be adopted for the haul as well as the spottage? In our opinion the adoption of this plan would create more complications in all freight shipments.

We handle on an average 7,500 cars per year and we certainly can not afford to stand this charge ourselves, as our selling price to-day is practically what it was three years ago, and in that time there has been much increase in the manufacturing expense—labor, repair parts, and general expense. In our business our price is a factory price and the dealer pays the freight.

Yours, very truly,

THE WOODVILLE LIME & CEMENT CO.,
Per G. H. FAIST.

—

MAYFLOWER MILLS,
Fort Wayne, Ind., March 17, 1914.

Mr. GEORGE B. MCGINTY,
Secretary of Interstate Commerce Commission,
Washington, D. C.

DEAR SIR: We are writing to urge a very thorough investigation of the talked-of charge for spotting cars on private sidings, if a move of this kind is contemplating.

In our case here, we are rendering the railroad a valuable service in loading the cars and move them on our siding with a car puller.

We have built our plant with a view of performing this service economically and do not believe it would be your purpose to waste this equipment and service which in the end, if taken away, would probably put us out of business.

Thanking you in advance for your consideration in this matter and trusting to hear from you, we remain,

Yours, very truly,

MAYFLOWER MILLS.

—

THE LEE LIME CO.,
Lee, Mass., March 17, 1914.

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: We wish to enter our protest against the proposed charge for switching cars to private railroad sidings, as it would be a hardship to us and change present competitive conditions. Our competitors could load their cars at the railroad siding without having to pay any switching charges; and since we handle about 2,000 cars per year, this would be a very serious handicap to us. It would be impossible to pass this charge on to the consumer, as in the case of increased freight rates.

Furthermore, it does not seem fair to charge $2 for switching a car of lime, which amounts to in the neighborhood of $120, when you will switch a car of paper, which amounts to from $1,500 to $1,800, for the same price. This means discrimination against low-priced, heavy commodities, and is manifestly unfair on the face of it. Will you please

advise if there is a switching charge when a private engine is owned and operated to do the switching at any plant?

Very truly, yours,

THE LEE LIME CO.,
By M. H. DEELY.

—

JOHN D. OWENS & SON CO.,
Owens, Marion County, Ohio, March 17, 1914.

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: We understand there is a move on your part to compel the railroad companies to make a switching charge for switching done on tracks located on private land. We are shippers of a large number of cars each year, and we wish to strenuously object to any proposition of this kind as a general one. It may be true there are cases where it would be advisable or considered fair or necessary that such an action should be taken. We personally do not, however, believe that it is possible to handle the railroad situation as a whole, but the only satisfactory way it can be handled is by sections, taking each railroad and each condition by itself. We personally feel that the larger responsibility for the railroads not making what they consider a fair profit or margin is up to themselves, inasmuch as that if they would handle the shipments promptly, save delays in cars, and make more mileage they would have no cause to ask for increased rates of any kind as a whole, and some sort of a plan that would penalize them for slow movement of freight would mean, in the end, more to their profit than any other plan. We remain,

Respectfully,

JOHN D. OWENS & SON CO.,
C. A. OWENS.

—

THE PFAU MANUFACTURING CO.,
Cincinnati, Ohio, March 17, 1914.

INTERSTATE COMMERCE COMMISSION,
Mr. GEO. B. MCGINTY, *Secretary, Washington, D. C.*

GENTLEMEN: The question of terminal charges on cars moved by the railroads on private sidings is the question before us to-day, principally Cincinnati, on account of being one of the first four of the large cities picked out for data concerning the propriety of charging for this service, also the amount to be charged.

We have always understood that the freight rate on shipments handled on private sidings included this terminal service. We, therefore, do not think it proper to assess an extra charge for this service. Inasmuch as this has been the universal practice, the rates have always applied on this service. That is one of the main reasons why factories have placed sidings upon their own property, to benefit by this advantage which the railroads offer. Inasmuch as one of the main reasons is that all the concerns having private sidings would handle their material through the freight houses as well as the team tracks, which now is the small shippers' point of receiving freight, there is not a railroad having facilities large enough to handle this volume of business with their present equipment, i. e., room, space in the open, as well as delivering freight houses.

We wish to make protest for charges of this caliber, and as we are a member of the Cincinnati Chamber of Commerce, who in turn are a member of the National Industrial Traffic League, we wish to back them up unanimously in their opinion that "transportation includes all the railroad service, tracks, and facilities devoted to the hauling of freight traffic and that the published freight rates now include and always have included full compensation for these services."

While we want to see the railroad companies prosper, which prosperity comes only through their revenues, principally on freight, we wish them to have sufficient capital to place good service and equipment at the shipping public's disposal, as well as terminals to handle freight in a manner to avoid delays, with reasonable delivery time, but we do object to assessing an extra charge for handling cars on private tracks to help make up this deficiency.

We trust that this with other protests will enable you to arrive at a definite conclusion, and, although the time is short, we hope that you will get full data to enable you to be governed thereby.

Very respectfully,

THE PFAU MANUFACTURING CO.,
Per J. KHAFMAN.

—

SHEPARD & MORSE LUMBER CO.,
Boston, Mass., March 17, 1914.

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: We have heard that you have under consideration authorizing the railroads to make an extra charge for switching to private switches.

The only private switch we use in the United States is located at Burlington, Vt., and is right close to the railroad yard. As far as we can see, it is just so much clear gain to the railroad to put the cars onto our switch, thus taking up room on our land and not on their own, and it costs them practically nothing more to do this.

Of course, it would be a considerable inconvenience to us, as well as an additional expense, to have to put our lumber on teams and cart it into our yard. We do not understand why if we provide the switch the railroad should make an extra charge to set the cars on it, when they are simply saving the expense of a switch of their own.

Furthermore, this business coming into Burlington is a very material part of the business they get. It would be rank injustice to charge anything extra, and, besides, business conditions in Burlington at present do not warrant additional expenses of any kind. Considering the keen competition we get from Canada, where lumber is dressed at the originating point, we have the greatest difficulty in running our Burlington plant on a paying basis; in fact, the last few years it has not been running on a paying basis on the average, and we have been obliged to very heavily curtail our product there, at present only doing about half our former amount of business. Any further burdens on the business there very likely will drive the whole of the planing-mill business into Canada. It is fast going there, anyway; that is, most of the border mills are doing very little business, and there is a large increase in the amount of planing being done in Canada.

Of course, the Canadian mills make a very large saving in freight, as they dress off about one-fifth of the lumber in the ordinary operation of dressing and matching, whereas when lumber is sent in and stopped in transit to be dressed at Burlington this saving in freight is largely or altogether lost on account of the regulations which you have in force and the tariffs, which only allow about 80 per cent of the weight to be shipped out on through bills. Furthermore, in the case of the Burlington through bills if we can not ship out cars of exactly the same weight that came in we are always at a loss, as if they run overweight we are obliged to pay the local rate of freight, and if underweight we get no allowance.

You will see, therefore, that any additional cost or charge for setting cars on the tracks of the lumber mills will be a serious burden and, from the Burlington standpoint at least, entirely uncalled for, and would appear to be unreasonable and unwarranted.

No doubt there may be some other cases entirely different, where the railroad has to switch the cars a considerable distance and where it would be cheaper for the railroad to set it in their own yard, but in the case of Burlington it certainly would be more expensive to the railroads if they had to provide facilities for handling all the lumber cars in their own yards.

If there is any further information as to the situation there which you might require we would be pleased to furnish it.

Yours, very truly,

SHEPARD & MORSE LUMBER CO.,
T. H. SHEPARD, *Treasurer.*

—

NEW BERN COTTON OIL & FERTILIZER MILLS,
New Bern, N. C., March 17, 1914.

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: We understand that you are considering the matter of allowing the railroads to tax industries for placing cars on private sidings at terminals, and we wish to enter our protest against such a charge, which we think would be very unjust. The cotton oil mills and fertilizer manufacturers are big shippers, and a tax of $2 per car for cars loaded or unloaded in their yards would be an expense that they should not be subjected to. We are of the opinion that the freight derived from products of our industries is as profitable to the railroad companies as any item they handle, as we load and unload the cars, and the railroads have only to furnish cars and haul them. We hope you will not allow the railroads to collect the shifting charge.

Yours, truly,

NEW BERN COTTON OIL & FERTILIZER MILLS,
C. L. IVES,
Treasurer and Manager.

—

THE POWHATAN LIME CO.,
Strasburg, Va., March 17, 1914.

CHAIRMAN INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

DEAR SIR: The pending investigation for the purpose of giving railroads adequate compensation for operating service has reached a point that menaces our industry with extinction. We refer to the contemplated charge of $2 per car for private switches.

We are manufacturing lime with a capacity of 10 carloads per day, and a fuel consumption approximately 1.6 cars per day. We have a by-product in rejected stone of 3 cars per day that we sell practically at cost. Should the $2 per car charge be applied to this movement we would be subject to a loss, when we run to full capacity of 14.6 cars, at $2 per car, or $29.20 per diem. At the present time we are not earning 6 per cent on the money invested, when taxes and upkeep are paid, consequently if this additional burden is imposed we will be forced out of business, which is equivalent to the confiscation of our property.

Low-priced heavy commodities will not bear a charge of this kind, and it can not be imposed without unreasonable discrimination in favor of higher-priced commodities. Take a carload of agricultural lime, which often sells at $3 per ton or less, and compare it with a carload of textile fabrics, or leather, or any of a hundred other products of high comparative value and work out the percentages.

It is manifestly unfair to select industries that produce in car lots and penalize them for having the courage and enterprise to risk their money in helping to solve the problems of high cost for the benefit of people generally. The railroads serve all, and all should bear a fair share of the cost of service.

Yours, very truly,

POWHATAN LIME CO.,
R. MCCOY,
Vice President and General Manager.

—

GLOBE KNITTING MILLS,
RAMBO & REGAR, INC.,
Norristown, Pa., March 17, 1914.

The INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: We wish to offer a protest against the proposed law to have the railroads make a charge for the switching and spotting of cars on private sidings.

It would seem to us that such a law would be unjust to those who have already gone to the expense of erecting and maintaining sidetracks, with the understanding that they should derive the benefit accruing from the most convenient and inexpensive way of handling freight. All shippers have an equal privilege in this matter, so that we can see no discrimination in favor of one over another, but it would certainly seem to us a step backward to make a law which would encourage old and expensive methods at a time when efficiency and economy are the uppermost points in the mind of the manufacturer.

Yours, respectfully,

RAMBO & REGAR, INCORPORATED,
Per H. K. R.

—

NEW YORK PRODUCE EXCHANGE,
BUREAU OF TRADE AND TRANSPORTATION,
New York, March 17, 1914.

Mr. GEO. B. MCGINTY,
Secretary Interstate Commerce Commission,
Washington, D. C.

DEAR SIR: In reference to the 5 per cent rate advance case, it is our understanding that some testimony was introduced at a previous hearing in Washington regarding time allowed by carriers for storage on flour, both domestic and export, when billed to New York, lighterage free. It is our further understanding that the commission intended, or rather intends, to hold a hearing in New York in the near future,

in which testimony will be taken applying exclusively to New York's interests in connection with the above.

If such a date has been set will you be good enough to advise me of same, and if it has not been set will you please keep our name before you in such a manner that we may be promptly notified when a date is set.

We note from your circular dated March 11 that on March 28, at Washington, the commission will receive testimony regarding the storage of freight at terminals and loading and unloading carload freight. Does this apply specifically to New York, or does it mean all other terminals other than New York, having in mind the one hearing that is to be held here?

Yours, very truly,

BUREAU TRADE & TRANSPORTATION,
CHAS. J. AUSTIN, *Manager.*

—

THE TRAFFIC BUREAU,
SIOUX FALLS COMMERCIAL CLUB,
Sioux Falls, S. Dak., March 18, 1914.

Hon. E. E. CLARK,
Chairman Interstate Commerce Commission,
Washington, D. C.

DEAR SIR: Referring to the question of "free terminal services" now being investigated by your honorable commission in connection with the eastern advance-rate case.

We understand March 24 has been fixed as the final date for filing briefs and statements. Not having been fully advised as to the progress of this case, we now find it impossible to present within the short time allowed any pertinent facts or to explain the particular circumstances of our interest in this feature of the case. If, however, the commission should decide to defer its final consideration and determination of this question for further investigation, we would appreciate the opportunity of presenting a brief statement of local conditions and the effect of supplementing the carriers' revenue by charging for the acceptance and delivery of freight to industries having privately controlled tracks.

The terminal facilities in the smaller cities of the West are radically different from those in the larger cities of the East and West. Industries are located almost without exception on tracks having one railroad connection. Freight handled by other lines must be through at least one and often two intermediate lines with a corresponding additional charge. These industries have been located without consideration of terminal delivery, by reason of the long existing practice of equalization and absorption by the competing carriers of such cost. If, however, this equalization is prohibited it is anticipated that serious results will follow.

Wherefore on behalf of the Sioux Falls shipping interests and at the instigation of this board of directors, I very respectfully ask that this honorable commission defer final action on the terminal feature of this case until a full hearing can be had, and, if consistent, this bureau be allowed to present a brief statement of its position.

Trusting that I may hear from you at your convenience, I beg to remain,

Most respectfully,

G. B. TUTHILL, *Chairman.*

—

CHAMBER OF COMMERCE,
Houston, Tex., March 18, 1914.

Mr. G. B. MCGINTY,
Secretary Interstate Commerce Commission,
Washington, D. C.

DEAR SIR: At a special meeting of the traffic bureau of the Houston Chamber of Commerce held this day for the consideration of the question which is now before the Interstate Commerce Commission in the matter of establishing, if deemed proper, charges for the spotting of cars on private industry tracks, the attached resolution was passed and is respectfully handed you with request that it be presented to the commission for their consideration.

Yours, very truly,

J. W. WILKINSON, *Traffic Manager.*

[Inclosure.]

Whereas the Interstate Commerce Commission has raised the question as to the propriety of railroad companies spotting cars on private tracks of consignees without an extra charge therefor, and is now conducting an investigation with particular reference to the territory covered by eastern trunk lines; and

Whereas a decision by the commission declaring such extra charge to be proper will affect not alone eastern trunk line's territory, but apparently will involve interstate traffic all over the country; and

Whereas in our judgment the fact that present rates invariably include the cost of switching service is practically established by the manner in which rates are fixed, with an increasing ton-mile charge for short distances, for which there can be no reason, other than to take care of terminal expense, of which switching is obviously a part; and

Whereas acting under conditions and practices which have prevailed for years without question, providing for free delivery of cars at warehouses located on private industry tracks, vast sums have been invested in private terminal facilities with full expectation of receiving therefrom the benefits such facilities have in the past yielded, the proposed action by the commission would deprive these business enterprises of the benefits to obtain which large private investments were made and would make them an asset of the carriers instead of their owners: Therefore be it

Resolved, That the traffic bureau of the Chamber of Commerce of Houston, Tex., earnestly protests against any definite action by the Interstate Commerce Commission on this matter for any section of the country until ample opportunity has been given all those whose interests are affected to present facts and argument in favor of a continuance of the existing arrangements. Be it further

Resolved, That a copy of these resolutions be forwarded at once to the Interstate Commerce Commission with our earnest request that hearings on this subject be held in various parts of the country, so that the full facts may be developed before closing the case or rendering a decision.

J. W. WILKINSON, *Traffic Manager.*

HOUSTON, TEX., *March 18, 1914.*

LAGARDE LIME & STONE CO.,
Anniston, Ala., March 18, 1914.

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: We understand that there is some discussion on making a charge in addition to the freight rate for handling cars on private siding.

We wish most emphatically to protest against any such move, as we believe this is unfair to shippers of lower-priced commodities shipped in large volume. For instance, a carload of lime, amounting to 12 tons in bulk, is sold at a maximum price at our works for $4.2; a carload of crushed limestone, amounting to 50 tons, has a market at approximately $30. To assess a charge of $2 per car on this, in addition to the freight, we believe is unjust, as a commodity which might at the same time be a luxury is taxed no more. Therefore we think that a flat rate per car is inconsistent, as various commodities have not the same relative value.

The burden of the advance would be borne by those who should least of all, and it appears to us that such a ruling would be working against the interest of the carload shipper who has a siding. We also believe that a ruling of this kind is quite in favor of high-priced commodities which could bear a proportional increase in the general freight-rate advance.

We trust that the commission will not pass favorably on any such proposition.

Very truly, yours,

BERNARD MCNULTY,
Vice President.

—

THE ALBANY CHAMBER OF COMMERCE,
Albany, Ga., March 18, 1914.

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

DEAR SIRS: On behalf of the shippers of our territory we desire to enter our protest to you against permitting the railroads to charge for switching to industries having sidetracks.

We consider a charge for placing cars on private sidings as unreasonable and as a new departure in the matter of transportation. The cost of this service has always been considered as included in freight rates, and when we consider the great advantages to the railroads in being relieved of the necessity of providing their own terminals to handle the business, it would seem unfair for the roads to ask compensation for their service.

As we understand the proposition, it is to charge a minimum tax of $2, regardless of the class of freight and the distance. In view of these facts, we wish to file our protest with you.

Yours, very truly,

ALBANY CHAMBER OF COMMERCE,
By EUGENE B. ADAMS, *Secretary.*

—

[The Western Grain Dealers' Association (Inc.); the Western Grain Dealers' Mutual Fire Insurance Association (Inc.).]

DES MOINES, IOWA, *March 18, 1914.*

Mr. G. B. MCGINTY,
Secretary Interstate Commerce Commission,
Washington, D. C.

DEAR SIR: We understand that the question of the carriers performing service for large shippers, such as spotting and switching cars, etc., is under consideration in connection with the hearing on the proposed 5 per cent rate advance.

Representing the interests of country grain shippers who operate elevators at country stations, located on the station sidetracks of the railroad companies, we desire to protest against any charge for switching and spotting empty or loaded cars in shipping or receiving grain from or to such country elevators, as there is certainly no special service performed in connection with such switching and spotting aside from what is necessary in the receiving and delivering of such cars of grain in transportation, all of which service is covered by the published tariff rate.

If such a charge is contemplated, we would respectfully ask you to advise, in order that we may offer testimony in opposition to such charge.

Will you kindly let me hear from you in reply, and oblige?

Very truly, yours,

GEO. A. WELLS, *Secretary.*

—

THE C. E. DE PUY CO.,
Pontiac, Mich., March 18, 1914.

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: Relative to the proposed charge for spotting cars, we wish to enter our protest.

In our case, the Grand Trunk has for several years been charging us an annual rental and interest on value of rails in our siding. To now make a charge for spotting cars, we consider would be a rank injustice. It costs them no more to place a car on our siding than it would to run it on any other of their sidings and not as much as it would to put it at some particular door of their freight house.

A large part of our business is reconsignment traffic, and on this they get an average of about $7 per car, which we consider pays them pretty well for handling our cars, especially as they formerly were satisfied with $3 per car, which was a rate of their own making and was supposed to cover the cost of handling.

To make a charge for placing cars on private or individual sidings would, we believe, be a clear discrimination in favor of parties doing business without an investment, as they handle their goods through the freight house where no charge for spotting is made. We sincerely hope they may not be allowed to carry out their intentions.

Yours, truly,

THE C. E. DE PUY CO.

—

THE SECHLER & CO.,
Cincinnati, Ohio, March 18, 1914.

The INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: In the matter of an increased charge being made by railroads for placing and withdrawing cars from private tracks and sidings.

We beg to petition you that no action be made to change the present status until the most exhaustive investigation has proved the justification for a charge being made.

If no private tracks or sidings existed to-day, the railroads would be absolutely unable, through the congestion on their own tracks, to handle the freight.

In the cost to themselves of investment or rent, owners of private sidings and side tracks are paying a charge for terminal facilities at the present time. The mere suggestion that your committee is considering a change of the established order of things in this regard is tending further to unsettlement. Real estate values and rentals, where property is contiguous to the railroad, have as much right as any other kind of property, and to make a discriminating charge for placing cars on such side tracks and siding would depreciate the value of such real estate or rentals.

Where it can not be shown that the private side tracks and sidings are serving the purpose of a saving to the railroads, they should be subject to a charge, or if the railroads are performing any act for those having such facilities, which is more than the economy to the railroads above referred to, a charge should be made, but most distinctly no charge should be made where privately-owned sidings and side tracks are furnished the railroads as part of their terminal facilities.

Very truly,

THE SECHLER & CO.
C. W. SHIPLEY, *President.*

—

MILWAUKEE, *March 18, 1914.*

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: We wish to enter our protest against the contemplated plan of having the railroad companies make a charge for "spotting" service, as we are positive that in our case, where we are continually receiving heavy blocks of marble weighing from 6 to 20 tons, that it is economy for the railroad company to use our sidetrack, with our competent unloading facilities, rather than have our cars tied up on their team tracks by their incompetent unloading arrangements.

Our sidetrack is connected with the Milwaukee road's canal yards track system, and might almost be considered a part of it.

We desire to call your attention to the congested condition of the railroad team tracks in this city, the lack of space to increase them, and the wholly incompetent yard facilities, and the consequent delay that would certainly occur in loading and unloading cars if the charge referred to is enforced and manufacturers are compelled to adopt team track service, wholly or in part.

We think, too, that the investment in nearly a quarter of an acre of land covered by our sidetracks should be considered an offset for any service rendered by the railroad company in placing cars thereon. We feel very confident that the railroad company will concede, in our particular case at least, that the use of our sidetrack in handling the large blocks referred to is an economical convenience to them, and that they would prefer to continue its use under present conditions rather than make any charge that may become necessary under changed conditions.

We trust that you will be able to rule against the enforcement of the charge referred to.

Yours, very truly,

GRANT MARBLE CO.,
D. E. ROBERTS,
Secretary and Treasurer.

—

NORWOOD SASH & DOOR MANUFACTURING CO.,
Norwood, Ohio, March 18, 1914.

The INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: If you please, we would like to impose on your honorable body in that we wish to herewith register our objection to the proposed charge by railroads for the spotting or placing of cars for our use on our private sidetracks at our plant at Norwood, Ohio, as we feel this would be unjust, unreasonable, and imposing on us a burden, and we wish to ask that you not render a final decision on this question until such time as you have been able to thoroughly investigate the conditions prevailing in this territory.

I note the theory advanced is that the term "transportation" should include only the road haul and the service to and from public team tracks and public freight depots. If you please, we would like to ask if this would not be considered a discrimination in favor of the small shipper, or anyone who elected to draying their goods to and from the railroad depots?

We believe that the freight rates named by the transportation company from point of origin to destination includes pay for service rendered us in the placing of cars consigned to us on our private sidetracks, and do not think the additional charge should be imposed.

Another reason is that it is a fact that our railroads have not the facilities in team track and freight house to handle our business in and out. It is therefore reasonable for us to contend that our private tracks are a part of this railroad system, and that they are using same to facilitate the handling of their business in and out of this station given them by this company, thereby reducing their expenses in the provision of necessary facilities, as well as a reduction of property owned by them in the matter of taxation.

The conditions in this immediate neighborhood, and I am quite sure in all other large industrial centers, have compelled the manufacturers to locate at such places as they could find convenient to the main line of the railroad and provide thereon sidings in order to assist the transportation companies in the transporting of our different commodities to and from our plants. With us the railroad company also uses our private tracks as storage tracks on which to place cars consigned to other industries until such time as they are able to get them switched out and placed to such industries.

We do quite an extensive business (outbound), and the larger portion of same are less than carload shipments on which the railroads carry at least 50 per cent at a first-class rate and possibly 30 per cent at third-class rate, the remainder at fourth class. I have compiled a statement of our outbound less than carload shipments for five months (October to February, inclusive) which shows that we loaded 349 cars, at an average weight of 17,622 pounds per car, with an average revenue earned by the Baltimore & Ohio of $53.05 per car.

I have timed for a week the placing of cars covering this particular class of shipments. The week ending March 14 we loaded 28 cars, at a cost to the railroad company of 11⅝ cents per car to place these cars for our loading (at a rate of $36 per day for their crew). Taking the average revenue earned on this class of shipments of the five months mentioned at $53.05, and taking into consideration that the railroad does not furnish the help to load any of this, we can not help but feel that you will agree with us that the charge of 11⅝ cents per car should be born by the transportation company and included in their rates. We therefore conclude that we are not unreasonable in asking you to hold in abeyance your final decision on this question until such time as you have been able to thoroughly investigate all conditions.

Thanking you for your very kind consideration, we remain,

Most respectfully,

NORWOOD SASH & DOOR MFG. CO.,
B. H. STOCKMAN, *Traffic Manager.*

—

BROWN-WALES CO.,
Boston, March 18, 1914.

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: Not being able to be present at the meetings held in reference to the petition of the railroads as to car spotting, we wish to enter our protest against any charge being made. We are not sure whether it would apply to our case.

We have a spur track into our building about 400 feet long, the building being located across the street from the New York, New Haven & Hartford Terminal. It already costs us quite a little additional to unload the cars, as we have to do it ourselves. Furthermore, the use of our track serves the railroad just so much storage room for the car while it is being unloaded. They only have to be shifted across the street—80 feet wide—into our building.

Under the above circumstances we think no charge should be permitted.

Yours, respectfully,

BROWN-WALES CO.,
WM. Q. WALES, *Treasurer.*

—

THE CHATFIELD & WOODS CO.,
Cincinnati, March 18, 1914.

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

SIRS: In the investigation of the so-called "free service," now in progress before your honorable body, growing out of the general investigation upon the application of the common carriers in the "eastern rate advance" case, we submit the following as the grounds upon which are based our belief that the service for placing or "spotting" cars on private tracks and switches and for movement of so-called "trap" or "ferry" cars from tracks serving private industries to and from the freight houses of the carriers are not "free" services.

The system of commercial transactions in America has grown up upon the basic principle that the railroad freight rate covers the full service given by the carrier in furnishing the car, a proper placement for loading, the conveyance of the loaded car, and its terminal delivery; that this rate is a complete rate, which includes not only the charge for the haul, but the charge for the use of the terminals at both ends of the line. (18 I. C. C., 310.)

That the terminal service to or from a private track is only equivalent to and costs the carrier no more than a corresponding service to or from the freight houses or team tracks of the carriers, and that the rates should not be so constructed as to compel an extra charge for like service. (18 I. C. C., 310.)

That to impose such an additional charge would result in discrimination against the owners and users of private tracks, which would in effect penalize such private owners to the extent of any extra charge which might be assessed, resulting in the cessation of progress in the location and construction of private industries to the detriment of the commerce and best interests of the country at large.

That such private facilities are of distinct assistance and advantage to the carriers in handling the traffic and to the public in relieving condition of congestion, which without the aid of such facilities would result greatly to the detriment of shippers not equipped with such private tracks.

In view of these and many other arguments which have been advanced in the course of this hearing we submit that the great importance of this question to the entire country and the grave results which would result from a decision reached without a complete consideration of all the features involved and its bearing upon all branches of industry will fully justify more prolonged investigation than has yet been given.

We therefore strongly urge upon your honorable commission that final action be withheld until opportunities have been given for still further and fuller hearings, both from the shippers and carriers in the territories affected.

Respectfully,

THE CHATFIELD & WOODS CO.,
A. E. SINGLETON,
Traffic Manager.

—

THE MERCHANTS' FREIGHT BUREAU,
Little Rock, Ark., March 18, 1914.

The INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: Herewith I inclose a formal protest of the Merchants' Freight Bureau, signed by the chairman and board of trustees; also by the Chamber of Commerce and the Little Rock Board of Trade, all of Little Rock, against the proposed charge of $2 per car for spotting or placing of cars to and from tracks to industries in Little Rock, which we desire filed on behalf of these organizations in the hearing that is set for March 28 concerning this proposition.

Yours, truly,

A. R. BRAGG, *Traffic Manager.*

[Inclosure.]

THE MERCHANTS' FREIGHT BUREAU,
Little Rock, Ark., March 18, 1914.

Mr. A. R. BRAGG,
Traffic Manager, Merchants' Freight Bureau,
Little Rock, Ark.

DEAR SIR: We hereby approve of this letter and your protest to the Interstate Commerce Commission against any charge for spotting or placing cars to and from so-called private tracks.

The contemplated action on the part of the railroads appears to us to be unreasonable, unjust, and entirely uncalled for. Many of these tracks in Little Rock are constructed entirely or partly by the shippers who are located on such tracks. We consider it only a subterfuge to

increase the rates already in effect, which we authorize you to oppose in every instance.

Yours, truly,

Jas. J. Mandelbaum, chairman; W. W. Dickinson; T. F. Brush; Little Rock Board of Trade, by Geo. R. Brown, secretary; Geyer & Adams Co., by Adolph Geyer, vice president; Scott Mayer Commission Co., Max Mayer, president; Plunkett-Jarrell Grocery Co., by J. T. Jarrell.

We concur in the above protest.

CHAMBER OF COMMERCE,
By C. C. KIRKPATRICK, *Secretary.*

[Inclosure 2.]

THE MERCHANTS' FREIGHT BUREAU,
Little Rock, Ark., March 17, 1914.

To the Merchants' Freight Bureau's board of trustees:

GENTLEMEN: I desire to bring to your attention a case now pending before the Interstate Commerce Commission in the matter of a charge for spotting cars to industries located on both private tracks and tracks partly and wholly owned by the railroad, which is now being operated in all territory east of the Mississippi River.

It has been suggested that in order to increase the revenue of the railroads that a charge of $2 per car be made for placing loaded cars both to and from all private tracks and tracks to industries in addition to the regular freight rate. Commercial organizations and individual shippers throughout the country have united in a protest to the Interstate Commerce Commission against the undue haste being used in undertaking to conclude the "car spotting" hearings in connection with the eastern advanced rate case in so short a time without giving an opportunity for hearings and investigation in all parts of the United States.

If the carriers are given permission to make a separate charge for spotting cars in official classification territory, the same principle would unquestionably be applied in all territories. It is well known that the carriers in all parts of the country are preparing to file tariffs providing for a separate charge for spotting cars in addition to the freight rate. The railroads east of the Mississippi River have already made application to the commission for permission to file such tariffs on 10 days' notice, but this permission has been denied and tariffs will be filed on statutory notice. Although the commission has not expressed itself on this question, the inference of carriers is that the commission will permit this charge to be made. Car-spotting services have always been included in the freight rate, and certainly the public should not be deprived of it without a full investigation as guaranteed by the act to regulate commerce.

If the minimum car charge of $2 per car is established, it would mean an expense to the shippers of Little Rock, in addition to the present freight rates, approximately $150,000 annually. In other words, it will result in discriminations and confiscation of property, and, on the basis proposed, about 25 per cent increase in the railroads' freight earnings.

I am, therefore, filing this protest with the Interstate Commerce Commission, and ask that each of you sign individually, acting for the entire organization, that we are unalterably opposed to the addition of any charge being made over and above the freight rates for the performance of these services, which are and always have been included in the transportation service covered by the published rates.

The present practice of spotting cars relieves the congestion at railroad terminals; facilitates car movement and car efficiency. To add an aditional expense to the regular transportation charge as proposed would be confiscatory and discriminatory. The present rates include all terminal charges. In many instances the individuals or corporations have provided terminal facilities, which should have been provided by the carriers, and in many instances, where tracks are partly paid for by individuals or corporations or when wholly owned by the railroads, such tracks are as beneficial to the shipper as to the carrier, and to make a charge for placing a car on such tracks would be discriminatory to the shippers and benefit only the carriers by an increase in their revenue, which the rate charge should and does include.

The present investigation is in official classification territory—that is, east of the Mississippi River—but if the carriers succeed in their proposition to charge for spotting cars in that territory it will be immediately adopted in other territories.

Yours, truly,

A. R. BRAGG, *Traffic Manager.*

—

NORTH SIDE BOARD OF TRADE OF THE CITY OF NEW YORK,
Borough of the Bronx, March 18, 1914.

This is to certify that at a meeting of the North Side Board of Trade of the city of New York held this day the following resolution was adopted:

Whereas a proposition is now pending before the Interstate Commerce Commission authorizing railroad corporations to impose and collect additional charges or fees for the spotting or placing of freight cars upon private switches and sidings of all kinds: And be it therefore

Resolved, That this board most earnestly protests against the adoption and enforcement of this proposition for the following, among other reasons, viz:

1. Because these charges would be an additional and unnecessary burden placed upon the owners of such switches and sidings and would largely increase the expenses to be paid by consumers of all produce and freight brought into the Borough of the Bronx and consequently increase the cost of living and most seriously impair the commercial growth and prosperity of this section of our city.

2. Because the adoption and enforcement of this proposition by the Interstate Commerce Commission would be a most unjust discrimination against this borough and seriously impair and retard the construction and operation of an industrial or marginal freight railroad in the southerly and easterly portion of the Bronx contiguous to Long Island Sound, and especially designed to facilitate the reception and delivery of manufactured materials and merchandise of all kinds directly at factory doors at regular New York rates of freight.

3. Because railroad companies should not be permitted or directed by the Interstate Commerce Commission to impose this additional burden upon the owners of these private switches or sidings, which are constructed and kept in repair by the owners of the real estate and who are yearly assessed and taxed therefor by the State and city authorities as part of the land and improvements.

Resolved, That a copy of these resolutions, duly attested by the secretary of this North Side Board of Trade, be forwarded to the Interstate Commerce Commission.

[SEAL.] CHAS. E. REID,
Secretary, One hundred and thirty-seventh Street and Third Avenue, New York City.

—

[H. E. Wills, assistant grand chief engineer and national legislative representative of the Brotherhood of Locomotive Engineers.]

WASHINGTON, D. C., *March 18, 1914.*

Hon. E. E. CLARK,
Member Interstate Commerce Commission,
Washington, D. C.

DEAR SIR: Some of our men are writing in to this office expressing a fear that the carrying out of the commission's recent suggestions in relation to the present practice by certain roads in connection with the spotting of cars for certain industrial plants will have the effect of throwing many of the members of the train-service organizations out of employment and cause a reduction in the wages of those who are kept on to do this work.

The industrial plants being allowed the car-spotting service, as a rule, pay a much lower wage to their engine crews than the railroad companies do; and these plants, it is said, are generally strongly opposed to the employment of members of labor organizations. If the suggestions of the commission have the effect of transferring this work from the railroad company to the industrial plant itself, it can readily be seen that our men will be injured thereby.

It seems to me this is a matter worthy of the consideration of the commission, and I would be pleased to be advised whether or not this phase of the question has been gone into by that body. Also, if you have any suggestions or comments to make in this connection, I shall be very glad to be given the benefit of the same.

With sincere regards, I am,

Very truly, yours,

H. E. WILLS,
Assistant Grand Chief Engineer and National Legislative Representative.

—

Before the Interstate Commerce Commission. I. C. C. I. & S. Docket No. 333. Petition of the Orange Commercial Club for postponement of hearing

The petition of the above petitioner respectfully shows:

I. That the Orange Commercial Club is an organization of the business interests of Orange, county of Orange, State of Texas, organized for the purpose of protecting the commercial and industrial interests thereof.

II. That this honorable commission has set for hearing on March 16 and 17 all facts and circumstances pertaining to the spotting of cars, ferry and trap-car service, lighterage and drayage and other similar services, also reconsignment and diversions in transit of all goods transported by railroad between various points in eastern territory, and that the principles involved in these matters will vitally affect the shipping interests of Orange, Tex., as well as those of the entire country; and further, that it is a practical impossibility for the shipping interests of Orange, Tex., and of the country, and for the railroads to intelligently prepare and present to this commission anything like reliable or specific information showing what the effect of adding a charge for the said terminal charges would be; and

III. That a departure from the long-established practice of including the terminal services in the freight rates, and requiring the carrier to make a separate charge for the receipt and delivery of freight will deprive the shipper of the value of his investment in terminal facilities and transfer it to the carrier.

IV. Wherefore this petitioner prays that this commission will postpone the hearing regarding these vital questions until a complete investigation shall have been had, with full opportunity extended to the shippers of Orange, Tex., and the country at large for presenting facts and circumstances in connection with this matter.

Respectfully submitted.

THE ORANGE COMMERCIAL CLUB,
E. W. ANDERSON, *Secretary.*

ORANGE, TEX., *March 18, 1914.*

—

CREAM CITY SASH & DOOR CO.,
Milwaukee, Wis., March 18, 1914.

The INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: We wish to enter our emphatic protest against the injustice of even suggesting a special charge for spotting cars on private sidings.

Our concern has several thousand dollars tied up in real estate investments that are being used by the railroads as private sidings to our plant. We are willing to admit freely that the service that the railroads render us is of material value. We also claim that the interest on the investment that we have here, that enables the railroad company to perform such service, more than offsets the value of this service.

The physical conditions of the city of Milwaukee are such that it would be practically impossible for the railroads here to furnish anything like adequate sidings for the loading of merchandise. We were hindered so much in our own individual case by this fact that we made this additional investment some three years ago, and any attempt to charge us for the spotting of cars on these sidings would be a distinct injustice that I am certain your commission will not countenance.

We might say, in a general way, that we believe that the railroad companies are entitled to an increase in their revenues and are in sympathy with this movement, but it should be general and not specific in its application—in other words, justice to all.

Yours, truly,

CREAM CITY SASH & DOOR CO.,
W. S. PADDOCK, *President.*

—

BALTIMORE FERTILIZER CO.,
Baltimore, March 18, 1914.

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: We desire to enter protest, especially against the proposed charge for placing cars on factory sidings that is being considered in connection with the railroad-rate case. We also protest against

the 5 per cent advance on fertilizer rates, which is already very profitable to railroads as a commodity and the class that they are considered, but the switching charge would be especially objectionable.

Yours, very truly,

BALTIMORE FERTILIZER CO.,
By H. S. ROOP, *President.*

—

PFEFFER MILLING CO.,
Lebanon, Ill., March 18, 1914.

Hon. E. E. CLARK,
Chairman Interstate Commerce Commission,
Washington, D. C.

DEAR SIR: The secretary of the Millers' National Federation, of which we are members, has sent us information in regard to special investigations now being conducted by Interstate Commerce Commission to determine whether switching, placing, or delivery of cars for loading and unloading on industry sidetracks is a special service for which the carriers shall make a charge in addition to freight rate.

In reference to this will say our opinion is that an industry instead of being charged specially for this service should be paid for the service they render the railroad company. For instance, it costs the railroad people no more to spot a car on an industry sidetrack than it costs them to spot a car on so-called "team" track. As a rule, when an empty car is placed for loading on industry sidetrack it is promptly cleaned coopered up, and loaded, and, as a rule, this car is loaded and ready to move within 24 hours. In other words, it is ready to move before the free time commences on the car. We are sure an investigation will show that empty cars that are placed for loading on so-called team tracks are idle at least 24 hours longer, on an average, than cars that are placed on industry sidetrack for loading. In addition, when railroad equipment is scarce and a car comes loaded to industry sidetrack it is hurriedly unloaded and reloaded with outbound product. On the other hand, if a loaded car is placed on so-called team track it is very likely delivered to a party who is not interested in reloading the car, and no doubt, as a rule, takes advantage of the full 48 hours free time in which to unload the car. We are sure if this matter is investigated in a broad way it will be found that industry sidetracks are a source of profit to the railroad company rather than source of expense in comparison to the business that is handled on team tracks. Besides there is another feature to consider; that is, as a rule, product that is loaded in cars on industry sidetracks is loaded more carefully, consequently there is less claim for damage against the railroad for loss in transit or damage in transit than there is on product that is loaded in cars on team track. There is another feature to consider: If product is loaded into cars on team track the railroad is put to the expense of having an employee at the car to check in the product as it is put in the car, whereas on industry sidetrack the shipper accepts B/L, subject to shipper's load and count, and if the cars arrive at destination with seals unbroken the railroad is relieved of all liability as far as checking out the contents of the car is concerned. Another feature to consider is that employees that load cars on industry sidetracks become very familiar as to whether the cars will carry the contents to destination without damage, and by rejecting cars that are not fit to load, in that way save the railroad people a large amount of money in the way of claims for damages to goods in transit. We are sure that anyone that has practical experience in this matter of loading cars on industry sidetrack can come to only one conclusion, that the industry sidetracks saves for the railroad company and is a source of profit to the railroad company rather than a source of expense as compared to team-track loading and unloading.

The industry sidetracks contribute much to the efficiency of the railroad company toward handling the business that they must take care of. For this reason the railroad companies in large cities arrange wherever they can to place sidetracks in conjunction with large distributing houses in order to get the cooperation of the shipper in the way of loading or unloading merchandise. If the railroad people would be compelled to handle all the business that is offered them under the same conditions that they handle team-track business their service would break down completely. The efficiency and cooperation that the industry track contributes saves the railroad company and the business interests of the country from annihilation. There is only one side to this question, and that is in favor of sidetracks for the large shipper.

Yours, truly,

PFEFFER MILLING CO.,
C. J. PFEFFER,
Secretary and Treasurer, Pfeffer Milling Co.

—

NEWBERN CHAMBER OF COMMERCE,
Newbern, N. C., March 18, 1914.

SECRETARY INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

DEAR SIR: I have the honor to inclose you herewith a resolution adopted by our chamber at a meeting held on March 17, 1914, relative to the matter now pending before the commission to allow railroads to charge for placing cars on private sidings.

Very truly, yours,

GEO. GREEN, *Secretary.*

At a meeting of the chamber of commerce, held at the courthouse in the city of Newbern, N. C., on Tuesday, March 17, 1914, the following resolution was unanimously adopted, to wit:

Whereas the Chamber of Commerce of Newbern has received information that the question of authorizing railroad companies to charge for placing cars on private sidings is now before the Interstate Commerce Commission; and

Whereas it is believed that such charge would be unreasonable and a burden upon traffic: Now, therefore be it

Resolved, That the Interstate Commerce Commission be, and it is hereby, requested to refuse to grant to railroad companies the right to charge anything in addition to the usual freight charges for placing cars on private sidings.

Resolved further, That a copy of this resolution be forwarded by the secretary to the Interstate Commerce Commission.

C. L. IVES,
President Chamber of Commerce.

Attest:
GEO. GREEN, *Secretary.*

INDIANAPOLIS CHAMBER OF COMMERCE,
Indianapolis, Ind., March 18, 1914.

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: We have the honor to submit the following for your consideration.

Very truly, yours,

INDIANAPOLIS CHAMBER OF COMMERCE,
L. H. LEWIS, *General Secretary.*

Whereas the Interstate Commerce Commission having instituted hearings concerning certain terminal services performed by carriers, particularly the switching of cars to and from private sidetracks for loading and unloading, also the handling of cars containing L. C. L. shipments from factories and warehouses to freight depots, called trap-car or ferry-car service; and

Whereas the view of the commission being that carriers are performing such services without receiving due compensation therefor, and that they may properly make an extra charge, in addition to the tariff rate, for setting cars on private sidetracks for loading and unloading, called "spotting," also assess extra charges to increase their compensation in connection with the trap-car service; and

Whereas the questions involved are of grave importance and far-reaching in effect as to the added burden of expense to be put upon shippers having large investments in plant and sidetracks, thus providing increased transportation facilities without cost to the carriers, and thereby relieving congestion at public team tracks and freight depots; and

Whereas the imposition of an extra charge for placing cars on private sidetracks would be revolutionary and disruptive of the long-established rule of transportation that the tariff rate stands for the movement from the point of loading to the consignee at destination for unloading, in the performance of which there is no free service rendered by the carrier; and

Whereas the carriers' rules governing trap-car service are ample to insure adequate revenue; and

Whereas the notice of these hearings being too short to afford interested parties reasonable time to prepare to meet the issue or opportunity to be heard: It is therefore

Resolved, That the Indianapolis Chamber of Commerce, on behalf of its many shippers and receivers interested, respectfully petition the Interstate Commerce Commission that final determination of these matters be deferred to admit of more extended investigation by public hearing in this city or other convenient places, on due notice, with opportunity for Indianapolis shippers to be heard.

INDIANAPOLIS CHAMBER OF COMMERCE,
O. D. HASKETT, *President.*

L. H. LEWIS,
General Secretary.

—

MARCH 21, 1914.

Mr. L. H. LEWIS,
General Secretary Indianapolis Chamber of Commerce,
Indianapolis, Ind.

DEAR SIR: This will acknowledge receipt of your letter of March 18 in regard to the commission's investigation in the matter of increases in freight rates.

Your letter will be brought to the attention of the commission and filed with the record in that proceeding.

Respectfully,

——— ———, *Secretary.*

—

THOMASVILLE STONE & LIME CO.,
Thomasville, Pa., March 18, 1914.

INTERSTATE COMMERCE COMMISSION.
Washington, D. C.

GENTLEMEN: We notice there is a proposal before your board to allow the railroad companies to charge $2 per car for spotting cars on private sidings.

As a corporation doing a small lime and stone business we wish to protest against this charge. We ship from 12 to 15 cars a day from our plant, and such a charge would mean $8,000 or $9,000 a year from us, whereas a shipper of a high-class commodity, who only ships a few cars a year, containing a much more valuable material than ours, would get off with a comparatively small charge. Large shippers will overcome this charge by doing their own shifting, and this puts the burden of the charge not only on small shippers but almost entirely on small shippers of a low-class commodity. From our knowledge of the stone and lime business we believe that such a charge would force most of the small quarries out of business, because their profit is so small they could not compete with the larger shippers who would be doing their own shifting.

If the railroad companies need the extra money, we hope you will allow them the increase in freights, so that the burden may be equally distributed among all shippers, and not placed entirely upon the small shippers of low-class commodities.

Yours, very truly,

THOMASVILLE STONE & LIME CO.,
J. C. GITTINGS, Jr., *General Manager.*

—

BUFFALO CHAMBER OF COMMERCE,
March 18, 1914.

Mr. GEORGE B. MCGINTY,
Secretary Interstate Commerce Commission,
Washington, D. C.

DEAR SIR: At a meeting of the board of directors of the Buffalo Chamber of Commerce, under date of March 10, 1914, further consideration was given to the subject of advance in rates in official classification territory, particularly to the investigation now being made by the commission with reference to special services performed by the carriers on shipments without charge in addition to the rate, and, after careful deliberation, resolution was passed as per copy attached, which is now submitted to the commission for careful consideration.

Very truly, yours,

FRANK E. WILLIAMSON,
Traffic Commissioner.

Resolution adopted by the board of directors of the Buffalo Chamber of Commerce at meeting held March 10, 1914.

Whereas on February 12, 1914, the National Industrial Traffic League, through its executive committee, resolved that a petition be made to the Interstate Commerce Commission for "such reasonable time and opportunity as may be necessary for the shipping interests to lay before the commission all of the facts and circumstances pertaining to the spotting of cars, ferry and trap-car service, lighterage and drayage, and other similar services, and reconsignments and diversions in transit"; and

Whereas on February 19 announcement was made by the commission that further hearings would be had on February 27 and 28 on said subjects with oral arguments thereon March 16 and 17, and under such arrangement interested shippers have had and will have no adequate opportunity to present all pertinent facts and circumstances to the commission; and

Whereas the questions raised are of great magnitude and importance, involving the proposed imposition of millions of dollars of switching and terminal charges, a departure from universal and long-standing practices, and a revolution in terminal-traffic conditions not confined to official classification territory; and

Whereas the determination of these questions necessitates an examination of questions of cost to the carriers for the various services, cost to the shippers of the terminal services performed by them for the carriers, cost and value of the sidetracks and other terminal facilities furnished both by shippers and carriers, the value of the said services to shippers, the adequacy or inadequacy of existing terminal facilities and efficient operation thereof, and all the conditions and circumstances existing throughout the United States and particularly in official classification territory; and

Whereas a determination of such questions can only be had after extended investigation, with full hearings at various points convenient to carriers and the shipping public: Now, therefore, be it

Resolved, That the Buffalo Chamber of Commerce respectfully petition the commission to defer any final consideration or determination of the said questions until after an extended investigation can be had, with full opportunity to all shippers and interested parties to present all pertinent facts and circumstances at public hearings, to be had at convenient times and places after adequate notice.

—

MERCHANTS & MANUFACTURERS' ASSOCIATION OF MILWAUKEE,
Milwaukee, March 18, 1914.

INTERSTATE COMMERCE COMMISSION.
Washington, D. C.

GENTLEMEN: In the matter of proposed 5 per cent increase in freight rates we desire to enter our protest against the propriety of a charge by carriers in addition to the rate for the spotting of cars on private or industrial tracks.

We believe transportation companies should be remunerated for special services, but do not consider that placing of cars on industry tracks for loading or unloading is special service.

Business has been built up and solicited on basis of private sidetrack facilities, which facilities are of equal importance to railroad and shipper.

It is a well-established principle that custom makes law, and which applies in particular to transportation, in that a carrier pursuing a certain custom with the shippers establishes a precedent and assumes an obligation that it is compelled to continue. This is a case in point. As before stated, business has been built up and solicited on basis of private sidetrack facilities, on the theory that to encourage the development of such private sidetracks was to facilitate transportation, relieve the congestion at public terminals, and, as a matter of fact, always considered as a terminal facility of the railroad, with the additional and very important factor they are generally built on property *owned and* furnished by the shipper, paid for by him and maintained at his expense.

It would seem under these conditions that the cost, which, we understand, is always the determining factor, is much less for placing a car on a private sidetrack than on a public or delivery team track.

Your honorable commission would also seem to hold this view in "Associated Jobbers of Los Angeles *v.* A. T. & S. F. Ry Co., 18 I. C. C., 310," and "Pacific Coast Jobbers and Manufacturers' Association *v.* Southern Pacific Co. et al., 18 I. C. C., 333."

We quote as follows from this decision:

"1. Charge of $2.50 per car exacted for delivering and receiving carload freight to and from industries located upon spurs and sidetracks within carriers' switching limits, found unlawful when such carload freight is moving incidentally to a system-line haul; charge found not unlawful when such carload freight is moving incidentally to a foreign line haul.

"2. The spurs and sidetracks which connect industries with a carriers' rails within switching limits found to constitute a portion of the carriers' terminal facilities.

"3. The delivery of a car upon an industrial siding found to be a substitute for delivery upon public team tracks, and, no additional service being involved, can not be made the basis for an additional charge.

"In this country the railroads have recognized by universal custom that it is but fair, where their team tracks are not used, to give delivery without extra charge at an industry track as equivalent service, although where the shipper provides tracks, land, and facilities the mere switching furnished by the carrier is in many cases by no means equivalent in cost to the expense attaching to delivery upon its own tracks.

"First, that the industrial track upon which the service was rendered was a terminal facility of the railroad and not a plant facility of the industry to which it led; and second, that the service for which the charge was made was the same service as that which was performed by the carrier in delivering freight at its depot or team tracks. * * *"

It seems manifestly unfair and discriminatory to exact a penalty from a shipper who furnishes terminal facilities at his own expense, and, in accordance with your own opinion as given above lessens the terminal expense to the carrier, as against a shipper who sees fit to utilize the terminal facilities of the carrier.

Sections 1797–1822, chapter 362, 1905, Wisconsin laws affecting the regulation of railroads provides:

"It shall be unlawful for any railroad to demand, charge, collect, or receive from any person, firm, or corporation a less compensation for the transportation of property or for any service rendered or to be rendered by said railroad, in consideration of said person, firm, or corporation furnishing any part of the facilities incident thereto. * * *"

Conversely, no greater charge could be made on intrastate traffic under this provision.

In view of the well-known fact that the lack of proper terminals at trade centers is a serious problem for our railroads to solve at present and for the future it would seem as if every effort should be made to encourage the private or industrial sidetrack by keeping them on a parity with the public or delivery team track, as it certainly furnishes terminal facilities to the carrier without expense.

It is frankly admitted, and it can not be denied, a private or industrial track is a necessary adjunct to the industry served, and it could not and would not dispense with it as it cheapens the cost of operation; it also, as is shown, performs the same service for the carrier.

In other words, the private or industrial track reduces the cost of service to both carrier and shipper.

This being a fact, why, then, should the carrier make an additional profit out of a terminal facility it does not furnish and for which the services rendered cost less than the same service on its own terminal?

This proposed charge seems to be based on a new theory—the value of the service to the shipper—and not on the cost to the carrier or in line with the axiom, "Necessity knows no law," takes advantage of the necessity of the industry having a private sidetrack, but ignores the fact that the carrier derives a corresponding benefit from this "private necessity" and much more than it does from its "public necessity," the public, or delivery team track.

In conclusion, it seems to us, to now charge for this spotting service is a step backward and not forward.

The physical valuation of railroads now under way by your honorable commission is to determine the valuation upon which earnings will be permitted.

There is no chance for dispute, as that fact is well known and admitted in advance, that the value for fixing the cost in placing cars at a private or industrial track in which the carriers have no investment and do not even keep in repair, must necessarily be much less than on public delivery or team tracks which they own, maintain, and on which they are taxed.

Yours, very truly,

A. W. CAMPBELL,
Traffic Secretary.

And the following members of the Merchants & Manufacturers' Association:

Pfister & Vogel Leather Co.; Albert Trostil Ins. Co.; Conrad Bros.; Grant Marble Co.; Northwestern Malleable Iron Co.; American Granite Co.; Geo. Ziegler Co.; John Schroeder Lumber Co.; Lindsay Bros.; Wisconsin Malleable Iron Co.; Pawling & Harness Supply Co.; Western Lime & Cement Co.; Union Lime Co.; Empire Lime & Stone Co.; Sheboygan Lime Works; Greenleaf Stone Co.; J. Geo. Schulz Co.; Rundle Mfg. Co.; Milwaukee Malting Co.; Milwaukee-Western Malt Co.; Nordberg Mfg. Co.; Gender, Paeschke & Frey Co.; The Cutler Hammer Mfg. Co.; Wrought Washer Mfg. Co.; The Bilter Mfg. Co.; The Milwaukee Coke & Gas Co.; The Northwestern Iron Co.; The Newport Mining Co.; Harrow Spring Co.; Newport Turpentine & Rosin Co.; The Harvest Farms Co.; Vera Chemical Co.; Chain Belt Co.; Worden-Allen Co.; Western Leather Co.; Illinois Leather Co.; Fred Rueping Leather Co.; United States Shoe Co.; Jung Secorney Co., by Fred Schneuke, secretary; The Kurth Co.; The Thomas Furnace Co., by John M. Thomas, president; Jos. Schlitz Brewing Co., C. J. Bertschy, traffic manager; Geo. A. Schroeder, manager chamber of commerce freight bureau; Fred Miller Brewing Co., by Chas. H. Hesser; Carl Miller Lumber Co.; Ph. Orth & Co.; North Avenue Fuel Co.; National Brake & Electric Co., G. C. Davison, traffic manager; Milwaukee Locomotive Mfg. Co.; National Steel Foundries; Westinghouse Electric & Mfg. Co.; United Pump & Power Co.; Universal Draft Gear Co., G. C. Davidson, traffic manager; Pabst Brewing Co., Chas. Zoilke, traffic manager; Schneider Furniture Co., per Walter R. Sizer; City Fuel Co., per Wm. Koenig; John Pritzlaff Hardware Co., per Fred C. Pritzlaff, president; Milwaukee Grains & Feed Co., H. P. Mueller, manager; Milwaukee Bridge Co., H. A. Merr, vice president; Milwaukee Reliance Boiler Wks., J. E. Sharp, president; Harley-Davidson Motor Co., J. G. Murray, traffic manager; Milwaukee Woven Wire Works, A. H. Stueror, secretary; Wisconsin Bridge & Iron Co., per Emil L. Fuhrmann, traffic manager; Smith, Barnes & Strohber Piano Co., per Emil L. Fuhrmann; The Fuller-Warren Co., J. H. Binner; Val Blatz Brg. Co., G. L. Diehl; Hansen Storage Co., S. N. Olsen, secretary; Charles Eggert; D. D. Werebler & Sons (Inc.), Geo. D. Werebler, president; Lewis F. Schoennett; Geo. Martin Leather Co.; Illinois Leather Co.; Geo. H. Smith Steel Casting Co., by F. E. Humers, secretary; Federal Rubber Mfg. Co., by W. A. Taylor, traffic manager; Kanawha Fuel Co., E. W. Morrison, secretary; Adolph Lentz; North Side Lumber & Fuel Co.; A. J. Lindermann & Hoverson Co.

—

WICHITA BUSINESS ASSOCIATION,
Wichita, Kans., March 18, 1914.

Mr. GEORGE B. MCGINTY,
Secretary Interstate Commerce Commission,
Washington, D. C.

DEAR SIR: The shippers in Wichita are greatly interested in the "car spotting" hearings in connection with the Eastern Advanced Rate case now before the commission, and they view with grave apprehension the efforts of the eastern carriers to establish separate charges for spotting cars, trap car service, etc.

At the meeting of the traffic bureau of the Wichita Business Association to-day the following resolutions were unanimously adopted:

"*Resolved*, That our tariff commissioner be, and he is hereby, instructed to emphatically and vigorously protest to the Interstate Commerce Commission against the proposed summary conclusion of the investigation of the practices of carriers in spotting cars for loading and unloading and the use of trap car service, diversion in transit, reconsignment, and other so-called free services, without a complete and comprehensive investigation by the commission in the territory affected; and be it further

"*Resolved*, That we are unalterably opposed to the addition of any charges being made over and above the existing freight rates for the performance of these services, which are and always have been included in the published rate. We believe that the present practice of spotting cars and the use of trap and ferry cars relieve the congestion on railroad terminals and facilitates car movement, facilitates car efficiency, and has provided railroad facilities at the expense of the individual and to the relief of the carrier, and to make these services separate from transportation, as proposed, would be revolutionary, confiscatory, and discriminatory, because:

"First. It is revolutionary, in that present through rates include in all cases all terminal charges to carriers' own terminal, and in almost all cases to the connecting line terminal;

"Second. It is confiscatory, because the individual has provided terminal facilities which should have been provided by the carriers, and, under the law, where the shipper furnishes the facility he is entitled to a reasonable compensation therefor, and to exclude this service from transportation would be confiscation of the private investment in side tracks and would greatly increase the cost of transportation; and

"Third. It is discriminatory, because the addition of a uniform service charge to all terminal services would mean a higher percentage of increase in the freight cost for the short haul and lower rate than for a longer haul and higher rate, and this discrimination would be unjust and unlawful and would result in a confusion, and, in some cases, in destruction of business."

It is our understanding that the present movement has resulted from certain alleged abuses in official classification territory. If abuses were found, they should, of course, be corrected; but we do not believe that the commerce of the country should be burdened with the charges proposed by the eastern carriers. At any rate, this principle should not be established until the commission has made a thorough investigation of the conditions in all territories.

The transit system of rates is used extensively in this territory, and the proposed charge for spotting cars, etc., would amount to confiscation of the property used for milling purposes. Furthermore, the situation with respect to industrial lines is quite different in this territory from that in official classification territory.

In view of all these facts, we respectfully urge the commission to withhold its approval from the system of charges proposed by the eastern lines.

Yours, very truly, MARTIN E. CASTO,
Traffic Commissioner.

—

ARMOUR FERTILIZER WORKS,
Chicago, March 18, 1914.

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: Commercial fertilizers are shipped for spring and fall planting, and mostly in car lots. The less than car lot movement is small, and fertilizers can not be shipped in mixed cars with many commodities.

The total movement of supplies and ingredients to fertilizer-manufacturing plants and manufactured fertilizer shipped to trade is between twelve and thirteen million tons, or some 550,000 to 600,000 carloads, per annum. Finished fertilizer tonnage is between 6,500,000 and 7,000,000 tons, not considering cotton seed, cottonseed meal, manures, and other forms of fertility used by agriculturists for manuring purposes.

About 80 per cent of the total fertilizer consumption is for spring crops and 70 per cent of the total yearly use is in the South under cotton, corn, and tobacco. The spring shipping season starts about January 15 and is practically ended by May 1. It is a rush movement and suffers from car shortages. Many plants ship 50 cars a day average during this period.

Commercial fertilizer factories cover large ground space and, owing to the nature of the business, are located on the outskirts of or away from populous centers. Such plants are invariably connected by switch tracks with railroads. Shipments from individual plants are heavy and it is impossible to make shipments in the short shipping seasons by other than tracks alongside plants. Team track or ordinary railroad terminal facilities are not suitable for the conduct of the business, and the tonnage could not be handled other than by industrial tracks.

Fertilizers and fertilizer materials are admitted into all countries free of duty on the ground that a duty charge would be a tax on fertility and against public policy.

The greater portion of the fertilizer consumed in the United States is outside of eastern-classification territory, where an increase in rates is being considered.

Using a Georgia basing point, and taking 10 points each in Alabama, Tennessee, and South Carolina in the center of the large fertilizer-consuming territory, the freight rate assessed against commercial fertilizer averages 6 cents per ton mile.

Taking a number of points within Georgia on intrastate movement, the rate runs from 3½ to 4 cents per ton mile.

These rates have been from the beginning of the industry continuously constructed upon a basis of including therein the cost to the carrier of spotting the cars within the industry where they are to be unloaded or loaded and taking the cars when unloaded or loaded from said points to the main line.

Phosphate-rock mines are all located on industrial tracks. They could not successfully compete without track facilities. The same is true of iron pyrites, sulphuric acid, and other fertilizer component mines and plants.

Keeping these points in mind, it appears to us the suggested car-spotting charge as applied to the fertilizer industry is not desirable and against public policy for the following reasons:

First. There is no discrimination between manufacturers, as all plants have track facilities.

Second. Although the charge is for a service, it increases the transportation cost of fertilizer in greater proportion than that of higher cost commodities, and is in effect discriminating and unjust.

Third. That the freight assessed against fertilizer-ingredient assembly and finished fertilizer distribubtion in the territory of largest consumption is already sufficiently high for the railroads to perform the necessary spotting without extra charge. That said rates are per se and relatively high enough to include and do include the cost of such spotting service incidental to delivery and receipt of cars on industry tracks, and have been so understood by the carriers, and the public to include the same, and that carriers' tariffs have provided for the receipt and delivery of cars on private sidetracks of industries located adjacent to main and branch lines of carriers and the expense of such service is included in and covered by the published rate of freight.

Fertilizer tonnage, aside from direct earnings on freight handled, brings to transportation companies greater return tonnage and heavier earnings than any other traffic they handle. These come from increased crops, surer crops, higher grade crops, decreased-cost crops, larger buying power on the part of the planter, and greater prosperity in the towns.

Fourth. That in the case of phosphate rock, coal, iron pyrites, sulphuric acid, fertilizer ingredients, etc., shipped in from mines or factory to commercial fertilizer plants for manufacture and distribution, each ton of material would pay a spotting charge at point of original shipment, then when unloaded at the fertilizer-manufacturing plant, again when shipped out as manufactured fertilizer to the farmer, and again, in many cases, when spotted on the track of the small town agent delivering fertilizer to the planter. Surely this is compounding a financial injury to an innocent consumer endeavoring to reduce his cost to grow farm products.

Fifth. That the fertilizer industry has largely at its own expense constructed track connection with the railroads, and that it is entitled to compensation in terminal switching for such investment and addition to transportation facilities, especially as all fertilizer plants have switch tracks and no advantage is gained by one manufacturer over another by such tracks.

Sixth. That anything which unnecessarily adds to the cost of preparation and distribution of soil fertility increases crop-growing cost and is against public policy.

In our own case the suggested charge would assume large proportions, as our total movement runs between 50,000 and 55,000 cars per annum.

The fertilizer business of this country is in its infancy. It more than doubles every 10 years. Fully 25 per cent of the cost of fertilizer is freight on ingredients and manufactured product. Is it wise to add to this transportation cost? We think not.

Respectfully, yours,

ARMOUR FERTILIZER WORKS,
CHARLES H. MACDOWELL,
President.

—

H. DITTLINGER ROLLER MILLS CO.,
New Braunfels, Tex., March 18, 1914.

The INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

HONORABLE COMMISSIONERS: Our attention has been called to a change that is proposed, by which the railroads can collect a charge for delivering cars on private sidetracks, and have no doubt that this proposed ruling is meeting with the vigorous protest that is deserved by the shippers.

Our plant is located on a spur or sidetrack of the Missouri, Kansas & Texas Railway, the construction of which did not cost the Katy a penny, but cost of constructions defrayed by a bonus, of which our firm paid about 75 to 80 per cent, and the balance was subscribed by the citizenship of our town. Our storage elevators are located this side of the track, as well as our loading platform, to which all the cars are spotted; and we contend that, especially in the matter of grain, delivery is not complete until the cars are spotted there at the elevator, where unloading can be effected.

We get one service or switch per day by the Missouri, Kansas & Texas, when our empties for loading are spotted, also wheat spotted for unloading, and our loads are taken out. During the day we do a good part of our own switching with our car puller and pinch bars.

Further, this sidetrack, or switch, on which we operate, is frequently used by the Missouri, Kansas & Texas for storing of cars, and also is frequently in use when they are doing switching service at the station.

Furthermore, much care must be exercised in the cleaning of the equipment and proper loading of the flour and feedstuff, so that products reach destination in good condition. This service is performed entirely by the shipper, as is also the unloading of the grain, after the cars are spotted at the elevator. The railroads usually find their equipments in better condition after it leaves our loading platform than when the same were delivered to us.

This matter is of vital importance to our industry, and we firmly believe that after you have given due consideration to the shippers' side you will agree with us that no charge should be assessed for the spotting of cars, either for unloading or loading at industries located on private tracks.

Yours, very truly, H. DITTLINGER ROLLER MILLS CO.,
R. MAGENFUTZ, *Secretary.*

—

MARCH 18, 1914.

Whereas a proposition is now pending before the Interstate Commerce Commission authorizing railroad corporations to impose and collect additional charges or fees for the spotting or placing of freight cars upon private switches and sidings of all kinds: And be it therefore

Resolved, That this board most earnestly protests against the adoption and enforcement of this proposition for the following among other reasons, viz:

(1) Because these charges would be an additional and unnecessary burden placed upon the owners of such switches and sidings and would largely increase the expenses to be paid by consumers of all produce and freight brought into the Borough of The Bronx and consequently increase the cost of living and most seriously impair the commercial growth and prosperity of this section of our city.

(2) Because the adoption and enforcement of this proposition by the Interstate Commerce Commission would be a most unjust discrimination against this borough and seriously impair and retard the construction and operation of an industrial or marginal freight railroad in the southerly and easterly portion of the Bronx contiguous to Long Island Sound, and especially designed to facilitate the reception and delivery of manufactured materials and merchandise of all kinds directly at factory doors at regular New York rates of freight.

(3) Because railroad companies should not be permitted or directed by the Interstate Commerce Commission to impose this additional burden upon the owners of these private switches or sidings which are constructed and kept in repair by the owners of the real estate, and who are yearly assessed and taxed therefor by the State and city authorities as part of the land and improvements.

Resolved, That a copy of these resolutions, duly attested by the secretary of this North Side Board of Trade, be forwarded to the Interstate Commerce Commission.

WILLIAM W. NILES, *President.*

CHARLES E. REID, *Secretary.*

SHERIDAN COMMERCIAL CLUB,
Sheridan, Wyo., March 18, 1914.

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: It has come to the notice of this organization that your commission is investigating the question of alleged special service rendered to shippers by carriers relative to spotting cars, etc., and to a proposed advance in rates in official classification territory.

Heretofore the freight rate has included compensation for all services from the point of loading to the point of unloading regardless of whether the tracks were railroad owner or private property, and the private sidetrack was encouraged and developed by the carriers to supplement their inadequate terminal facilities or to enable carriers to participate in traffic otherwise inaccessible to them, and have lessened their investment and the cost of handling the traffic.

We are of the opinion that "transportation" includes all railroad service and tracks and facilities devoted to the hauling of freight traffic, and that the published freight rates now include, and have always included full compensation for these services. To depart from this long-established practice, requiring the carrier to add to the present freight rate a separate charge for receipt and delivery of freight, will deprive the shipper of the value of his investment in terminal facilities and transfer it to the carrier.

As we understand that your commission has set March 24 as the final date for receiving statements and briefs upon this matter, we hereby petition the commission to refrain from definitely and finally concluding this matter until such time as a full hearing, after due and adequate notice and with respect to the territory in which the shippers are located, has been given.

Very truly, yours, H. E. FRYBERGER, *President.*
M. STEELE, *Secretary.*

WESTERN FRUIT JOBBERS' ASSOCIATION OF AMERICA,
Denver, Colo., March 19, 1914.

Mr. G. B. MCGINTY,
Secretary Interstate Commerce Commission,
Washington, D. C.

DEAR SIR: We are attaching hereto protest against proposed charge for spotting cars on private and industrial tracks.

We trust that this protest will be given consideration by the honorable commission.

Very truly, yours,

WESTERN FRUIT JOBBERS' ASSOCIATION OF AMERICA,
W. D. TIDWELL, *Secretary.*

[Inclosure.]

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.:

Protest against proposed charge for spotting cars on private and industrial tracks.

This organization, the Western Fruit Jobbers' Association of America, is duly incorporated under the laws of the State of Colorado and has for its principal object the upbuilding of the fruit and produce industry of the United States.

We, the said association, in behalf of the members who are growers, shippers, receivers, and distributors of fruit and produce, located in 126 of the principal markets in that territory including and extending from Detroit, Mich., to Los Angeles, Cal.; New Orleans, La., to Portland, Oreg.; and Louisville, Ky., to San Francisco, Cal., respectfully, but most earnestly and vigorously, protest against the proposed or suggested charge for spotting cars on private and industrial tracks, in so far as it may be applied to the fruit and produce industry in the United States, as it would be discriminatory, unjust, and unreasonable, and for the following reasons:

First. The rates on perishable freight, fruits and vegetables, as made up at the present time include in addition to the line haul the service of spotting cars for loading and unloading, liability while in transit, fast schedules, prompt handling at terminals, and all switching service, unless otherwise provided in the published tariffs on file with the commission.

Second. Shippers and receivers of fruits and vegetables throughout this country have constructed private tracks at large expense. Perishable food products must in their very nature be handled with care and promptness. The construction and use of these private tracks relieve congestion at terminals, facilitates quick loading and unloading, and is in reality a great saving to transportation companies.

Team-track property in every city is now hard to obtain and is very expensive; cars can be placed on private tracks as a rule much quicker and at less cost than to team tracks that are usually congested.

Private and industrial tracks used for unloading fruits and vegetables are and should be considered terminals.

Third. At the present time in practically all terminals and at stations on various lines the switching charges on fruits and vegetables are absorbed by the carriers enjoying the road haul when shipment originates at competitive points. This absorption of switching charges is taken care of in the making of through rates.

If there is to be a separate charge for switching and spotting service, then we must ask and will expect the through rate on fruits and vegetables to be materially reduced and a new system of rate making on these commodities be introduced.

To support and explain our objections and protests as above outlined, we would call the attention of the commission to the following facts:

FRUIT AND VEGETABLE INDUSTRY.

In the development of the fruit and vegetable industry in our country, many millions of dollars have been invested by transportation companies or carriers and our members, who will be hereinafter designated as "distributors."

The industry, so far as interstate business on domestic fruits and vegetables is considered, is just entering its fortieth year and may well be regarded as the baby industry of the United States. It has never asked or received special privileges from any source, but on the other hand it has required long hours, tremendous work, and short profits to bring it to its present volume and importance.

Freight rates are fixed, but the production and consumption, the supply and demand, the cost and selling of perishables is ever uncertain and changing. Freight charges are paid irrespective of market conditions, without regard to profit or loss to owners.

It is a benefit to the entire country, as well as to carriers, to permit and make it possible for every producer to reach the widest possible range of markets that can be opened to them by the railways with which they are served.

As an illustration, let us look at the raisin industry of California, which was started about the year 1876. At that time the supply of raisins for the United States came principally from Spain.

During the first year of California's venture, only 70,000 pounds of raisins were shipped East, while over 1,000,000 pounds of Spanish raisins were moved from eastern points westward. To encourage the industry, and we can safely say from a selfish or business motive—a rate much lower was made on eastbound than applied on westbound shipments. Yet within the short space of 15 years the California business grew to nearly 40,000,000 pounds, and the rate was justified.

The movement in the year 1912 was 190,000,000 pounds and the success of the raisin industry created a market for fresh or green grapes.

In 1912 the movement of green grapes amounted to 6,357 cars, and the deciduous fruit crop of California alone in the same year was in excess of 13,000 cars, the citrus crop of 1911–12 in excess of 40,000 cars.

In the beginning of this industry the railroads offered a rate on prospective business, the producer and distributor invested capital and brains and took all the chances.

What is said of the raisin and other fruit industry of California, applies to the entire fruit and vegetable industry, but we will cite another case—the cantaloupe industry.

This business is created by the wholesale distributor, who, in many cases, advances the grower the funds to pay land rent, purchase seed, meet living expenses while crops mature and for farm labor and harvesting. Without this assistance the business would not be produced for the railroads.

The transportation companies do not furnish facilities at the point of production for loading cars, but the distributor pays for a sidetrack, builds his own platforms and sheds, performs all the functions of loading, leaving nothing for the transportation company to do except to ice the cars and bill them out, the icing service being most amply paid for.

The distributor takes the chances—he may make a profit or may take a loss. The transportation company has a fixed charge based upon a profit and can not lose, provided the traffic is created for them.

These conditions apply in every State in the Union. Go where you will, north, east, south, or west, and you will find that in every producing section loading platforms, sheds, and warehouses are furnished by the shipper; and in every city and town the distributor aims to furnish every facility to the transportation company for the speedy unloading of these products.

Transportation companies do not load or unload carlots of fruits and produce, they do not store them—but expedited service is, or should be given. Small local shipments from producer to market are being discontinued, and our National Government is urging the assembling of these into carlots.

Without exception, there isn't an industry conducted in this country wherein cooperation between producer, carrier, and distributor is as essential to success as in the fruit and produce industry.

When we consider the millions of dollars invested in loading and unloading stations, tracks, and other facilities for prompt movement of perishables, and realize that these millions of dollars are furnished by consignor and consignee, it must be agreed that this industry has saved millions to the carrier and created millions of revenue for them.

As we travel over this vast and fertile country and see the millions of fruit trees that are being planted, and yet to bear, the thousands of acres of virgin soil that is being planted in order that our people located in towns and cities may be supplied with fresh vegetables, we are awakened to the importance—yes, the very necessity of transportation facilities that will give not only wide distribution, but the most efficient and speedy delivery. To do this, the carrier must, and is assisted in every possible way.

This association and its individual members are proud of the part they have played in building up the transportation facilities of our country, and the assistance given to the carriers in making the industry so large and profitable to the people of our country.

This is not a time to retard development, but it is our imperative duty to continue to advance the industry with every modern convenience.

RATES.

It is claimed by some that a freight rate is made only to cover cost of transporting from one given point to another. This idea is absurd, in so far as the rates on fruits and vegetables are regarded, and we would cite the commission to Interstate Commerce Commission Docket 5207, wherein it is admited by the carriers that the charge of $17.50 per car for loading and switching charges at Galveston on bananas is absorbed by carriers handling traffic, and is covered by the published through rates, and the same condition and principle applies at all points of origin.

It must be admitted that in making rates for the movement of perishables, fruit and vegetables, the transportation company takes into consideration the anticipated tonnage, cost of placing cars for loading, service given in getting commodities safely and quickly to the consuming market, placing cars advantageously at destination so that they may be unloaded promptly, and ever having a view of revenue and profit to the transportation company; yet, they can assess only such charge as the commodity will stand, in order that its sale to the ultimate consumer will not retard shipments.

We must also remember that the basic principle of rate making includes terminal charges, as well as regular line haul.

PRIVATE OR INDUSTRIAL TRACKS.

To facilitate the prompt handling of perishables, many transportation companies owning property within cities have leased on terms required and approved by the commission, building sites to distributors of fruits and vegetables. These distributors have erected valuable warehouses and expended large sums for improvements which enhance the value of the railroad property.

Be it remembered also that in many instances the distributor, at great cost, has purchased valuable trackage property, erected convenient buildings, and entered into a contract with the carrier or carriers whose track or tracks abut upon said property for prompt and efficient service.

The usual contract entered into by and between the distributor and carrier states that the distributor will grant, free of charge to the carrier, the necessary right of way for tracks—said right of way often being very valuable—and will pay cost of construction, and yet tracks shall be and are under full control of the carrier; and further, the carrier reserves the right to use these tracks for shipment or delivery of any freight which they—the carrier—may desire, which is by order of the commission.

In reality, the control of this private track passes to the carrier, yet these contracts usually specify that the carrier is released from liability after a car is placed upon said private track, and until a loaded car is actually switched to the main line it does not assume responsibility. These tracks are directly under the supervision of the commission, just as are the main lines, whether used or necessary in the transportation or delivery of property.

The inducements offered to these distributors are of mutual benefit; cars can be spotted by transportation companies on these private tracks with dispatch and the congestion at terminals relieved.

It would be manifestly a discrimination, unjust, and unreasonable to require the distributors to pay any sum, however small, for the privilege of loading or unloading their cars from tracks constructed under these conditions, and in many cases it would be in violation of contract.

Ample facilities for unloading perishables at team tracks could be required of all carriers, but the cost of obtaining property and maintenance of same would be much heavier than the present system and a burden to transportation companies in many ways, as well as to distributors.

MOVEMENT.

The movement of fruits and vegetables is perhaps the largest volume of interstate business of the transportation lines, and we believe that the average haul is longer than on any other commodities.

Factories and mills are built in various parts of our country to supply local demands. Nature governs the production of fruits and vegetables, and the season of production in every section is limited, but the demand covers a period of 12 months in the year; therefore as one crop in one section is exhausted we move supplies from another section, in order that the consumers in every section may be supplied. Fruits and vegetables are no longer luxuries, but are necessary articles of food in daily life.

On account of their perishable character, the utmost flexibility of rules is necessary to expedite loading and unloading in order to protect both product and the industry.

CONCLUSION.

The underlying principle of the law is to forbid discriminations, unreasonable rules, and unjust demands.

As an administrative body, the commission can not and will not stop at the surface of a transportation problem, but must reach the actual situation and examine into conditions, necessities, and requirements, not from one viewpoint only but from all, in order that justice may prevail and industry be promoted.

The question at issue can not be considered from one angle only; neither can it apply to any limited territory, as every section of our country must and will be effected.

The interests of the general public, the grower, shipper, distributor, transportation company, and the consumer would be seriously injured if perishables—fruits and vegetables—are not given every facility for prompt handling.

Let us emphasize most forcibly the importance of and saving to transportation companies through the services performed and facilities furnished by both consignor and consignee in loading and unloading fruits and vegetables.

We submit for your consideration the foregoing facts, and believe that restrictive rules can not safely be applied to all commodities. Fruits, vegetables, and perishable food products should have careful and special consideration.

The magnitude of the traffic and the possibility of enormous damage to the industry, and consequent curtailing of carriers' earnings, with attendant burden placed upon the consumer by what might appear as trifling charges is a most serious subject.

To impose additional charges for spotting cars would be discriminating, unjust, and unreasonable, and we respectfully urge the honorable commission not to disturb the present conditions as pertains to the fruit and produce industry.

Respectfully submitted.

THE WESTERN FRUIT JOBBERS' ASSN. OF AMERICA,
W. D. TIDWELL, *Secretary.*

—

LOS ALAMITOS SUGAR CO.,
Los Angeles, Cal., March 19, 1914.

Mr. G. B. MCGINTY,
Secretary Interstate Commerce Commission,
Washington, D. C.

DEAR SIR: I have been following accounts of hearing before your honorable commission regarding the possibility of carriers making special charges, in addition to the freight rate, for spotting cars on private tracks. I do not know how broad your inquiry is, or all conditions under which tracks might be termed private sidetracks. However, it seems that, should the commission arrive at the conclusion that lines in official classification territory should make an extra special charge for placing cars on so-called sidetracks for loading or unloading, that it might carry with it the possibility of similar rules being made later for western territory. If the conclusions of the commission have this possibility, it seems to us that western shippers are interested, in which case we should have an opportunity to set before the commission evidence as to the conditions surrounding the operation of such tracks in the West. Taking our own plant as an illustration, I want to state that carriers have never been given instructions to make certain switches at certain hours, and that we have no interplant switching, consequently the occasion of publishing a charge for such service has never arisen. Compensation for the service of spotting cars for sugar plants has always been included in the freight rate, as the necessity for this service was well known and fully understood when, from time to time, rates were established, and the rates that have been established have contemplated performance of this service.

Sugar beets are always destined, so far as I know, to a sugar plant using what might be called a private sidetrack. Carloads of sugar invariably move from a sugar plant, and therefore it can not fairly be said that in fixing rates on sugar and on beets the services mentioned were not contemplated, because it would be only in some isolated case, if ever, that either beets or sugar are handled in carloads without the necessity for such services. There can be no discrimination between the shippers of sugar and the receivers of beets, as all require practically the same service. So far as I know, practically the same condition that exists at our plant exists throughout all the sugar factories in the West. If we are correct in feeling that the far-reaching effects referred to may follow any ruling of the commission, as related to official classification territory, we would respectfully ask that determination of the matter be deferred until after a more extended investigation, and we believe that notice should be given far enough in advance of public hearings at various points throughout the West to allow the western shippers to prepare full and accurate data to lay before your honorable commission.

Please advise us at your earliest convenience of action taken and oblige.

Yours, truly, HENRY C. LEE, *Manager.*

—

MILWAUKEE, WIS., *March 19, 1914.*

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: With reference to the matter coming up before the commission in regard to the charging by the transportation companies for the spotting of cars, we can not see how the transportation companies will be benefited by such tariffs being put into effect. To have such tariffs go into effect would work great hardship on shippers, on the transportation companies, and on the consumers, who in the end pay the freight bill.

If the shippers were compelled to pay for spotting cars, they would load a great many less cars and would haul their wares to the transportation companies' freight houses or team tracks instead.

The transportation companies would then have to have better facilities for handling freight at their freight houses. They would have to have larger freight houses, more of them, more team tracks than they now have; in fact, they would be compelled to enlarge their terminal facilities to such an extent that the increased earnings from spotting cars would be more than eaten up by the interest and upkeep of the additional expense for the increased terminal facilities. Not only that, but they would have to have a great many more men at work in their freight houses loading and unloading cars at all times. They would receive a great many more claims for damage than they now do on account of improper packing of cars, as they would be compelled, if this tariff was put into effect, to load a great many cars that the shipper now loads. In fact, in the end, as we have stated above, a great hardship would be worked all around and no one would reap any benefit.

It seems more just to us to charge the transportation companies for loading cars after they are put in on our siding as it would for them to charge us for placing these cars. In some of our cars we use lumber as bracing. Why should we not charge them for this dunnage? They reap the benefit from the use of same as much, if not more, than ourselves, because our goods arrive in good condition and there are less damage claims to pay.

Why, then, should we not be entitled to imbursement for this lumber? There is as much in this argument as there is in the argument that if the switching or spotting service is worth anything to the shipper he should pay for it.

Last, but not least, in the end the consumer would pay all the additional freight charges, making the cost of living that much higher. If we are compelled to pay several dollars for the placing of empty cars, the same amount for the taking away of loaded cars, the consignee of our shipment being compelled to duplicate the same, by the time the goods reach the ultimate consumer they would cost him that much more than they do now, as it is the consumer, after all, who pays all the freight.

We have studied this matter very carefully and must submit that we can not come to any other conclusion than that this is a veiled attempt to increase the earnings of the transportation companies without having it appear that the rates have been raised, while, in effect, it is enlarging the charges for transportation. We think, in all justice to the people of this country and even to the transportation companies themselves, that such a tariff should not be allowed to go into effect.

We therefore most respectfully ask that your honorable commission prohibit this.

Yours, very truly,

A. J. LINDEMANN & HOVERSON CO.,
A. T. FROH.

—

WESTMINSTER, MD., *March 19, 1914.*

THE INTERSTATE COMMERCE COMMISSION.

DEAR SIRS: The attention of this, the Westminster Fertilizer Co., has been called to the proposed change of freights on cars of fertilizers, which, in our opinion, will work a serious hardship to our business.

We, by reason thereof, very respectfully submit our protest thereto for the following reasons:

First. It is proposed to impose the same charges on cars without reference to tonnage thereof, so that a 20-ton car would bear the same charge as one of double the capacity. The inequality and consequent unfairness of such a tax is manifest.

The proposed charge of $4 per car—that is, $2 at each end—means an addition of just that much on each car of goods without reference to quantity in car. Contracts on spring of all delivery of goods have been made on the basis of $1.25 per ton from this station. Now, to undertake a charge such as the proposed rate contemplates will result in serious trouble and great inconvenience, and will operate against the successful management of our business.

We feel that a rate not exceeding $1.30 per ton between this station and Baltimore would be fair, equitable, and just, and an encouragement to our trade and our patrons.

For this and other reasons we respectfully protest against the tax.

Very truly, yours,

WESTMINSTER FERTILIZER CO.,
By A. H. HUBER, *Manager.*
FARMERS FERTILIZER & FEED CO.,
By E. M. BISH, *Manager.*

—

MILWAUKEE TANNERS' FREIGHT BUREAU,
Milwaukee, Wis., March 19, 1914.

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: In the matter of the 5 per cent proposed increase in freight rates and circular by the commission dated Washington, March 5, 1914, I submit attached statement of freight forwarded and received tonnage in carload lots (does not include L. C. L. tonnage) of Pfister & Vogel Leather Co., who operate five tanneries—four in Milwaukee and adjacent thereto and one in Cheboygan, Mich.—for the tanning of sole leather exclusively.

All these plants are served by industry sidings; in no case are there team tracks of the carriers adjacent of convenient access or of any

feasibility, in consideration of the fact that the carriers could not, with their present limited public team-track facilities, effect delivery on such team tracks of the number of cars received and forwarded by this firm.

The industry tracks of the several tanneries are:

Menomonie tannery, 2,005 feet, Chicago & St. Paul Railway, exclusively costing the firm about $1,348.

Bayview tannery, 6,649 feet, Chicago, Milwaukee & St. Paul Railway, Chicago & North Western Railway, Grand Trunk Railway, costing the firm about $504.

Island tannery, 1,267 feet, Chicago, Milwaukee & St. Paul Railway exclusively. Real estate and tracks (which were then on the property) were purchased jointly and I am unable at this time to separate the cost of the tracks from the real estate value, but can secure the information if desired.

South Milwaukee tannery, 830 feet, costing $5,808, Chicago & North Western Railway exclusively.

Cheboygan, Mich., 2,700 feet. No approximate expense in dollars can be arrived at. Part land, labor, and material furnished by the firm and the Michigan Central Railroad, with various stipulations and agreements, which can be furnished if desired. The Detroit & Mackinac extended a track to the plant several years ago, under what understanding or agreements I am unable to state at this time, but can advise if necessary.

It can be seen that there is no relative comparison of cost of the several tracks at the different plants, ranging from a track built by the carriers to that at the South Milwaukee plant, costing the firm a large sum.

In some cases the tracks are on the land of the carriers, and in others the tracks are on the land belonging to the firm, and again the tracks are on land partly owned by the carriers and partly owned by the firm. The distance of the switching movement varies from one-car length, at the Menomonie tannery, to the longest of 830 feet, at the South Milwaukee tannery.

The attached statement shows a total of 6,336 cars were forwarded and received by this firm, and if charged at a flat rate per car of $2 would cost this firm $12,672.

I estimate a 5 per cent increase in the freight rate on the total tonnage of this firm (less than carload included) moving in official classification territory, would be 5 per cent of $250,000 annual freight expenditure, or $12,500; therefore but little difference exists between the cost of spotting 6,336 cars, at $2 per car, or a 5 per cent increase in the freight rates on tonnage in official classification territory.

If a 5 per cent increase was granted by the commission on traffic from and to all points, there would be a material difference.

Respectfully,

A. B. CASWELL, *Manager.*

Statement of carload freight forwarded and received by Pfister & Vogel Leather Co. from March 1, 1913, to March 1, 1914, Milwaukee tanneries.

MENOMONIE TANNERY.

Received:	Cars.
Hides	798
Coal	385
Soda	60
Lime	30
Salt	24
Acid	21
Oil	12
Bark extract	7
Lumber	5
Ammonia	3
Various	43
Total	1,388
Forwarded:	
Leather	199
Glue stock	180
Ashes	57
Offal	11
Hides	12
Various	35
Total	494

BAYVIEW TANNERY.

Received:	Cars.
Hides	589
Coal	468
Bark	566
Lime	51
Leather	65
Soda	45
Salt	28
Acid	18
Lyrobalans	18
Various	55
Total	1,903
Forwarded:	
Glue stock	129
Leather	71
Hides	11
Various	8
Total	219

ISLAND TANNERY.

Received:	Cars.
Hides	160
Coal	65
Lime	23
Salt	13
Soda	11
Oil	6
Acid	5
Total	281
Forwarded:	
Glue stock	63
Hides	26
Total	89

SOUTH MILWAUKEE TANNERY.

Received:	Cars.
Ashes	26
Coal	21
Oil	4
Spent bark	3
Various	8
Total	62
Forwarded	None

CHEBOYGAN (MICH.) TANNERY FOR YEAR 1913.

Received:	Cars.
Bark	879
Fuel	599
Hides	108
Various	88
Merchandise	4
Total	1,678
Forwarded:	
Leather	200
Glue stock	16
Hair	6
Total	222

LAWRENCEBURG, IND., *March 19, 1914.*

The INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

DEAR SIRS: The Lawrenceburg Roller Mills Co., whose principal place of business is at Lawrenceburg, Ind., are manufacturers of wheat flour and feed, drawing their supplies of raw material (approximately 1,500 cars annually) principally from the States of Indiana, Illinois, and Missouri and shipping the outbound products (approximately 3,000 cars annually) to points in C. F. A. trunk line and southeastern territory.

There are numerous reasons why we, as one of the thousands of shippers who will be affected, would protest against the proposed switching or spotting charge, a few of the more important of which are:

From the very beginning of railway transportation in the United States to the present day it has been the understanding of the industrial world and the theory on which the railroads themselves established rates that the schedules as published by them should be and have been adjusted sufficiently high to permit them to include cost of industry or team-track switching at both ends of transportation without extra charge.

Other branches of transportation serving the general public have likewise followed practically the same plan as the railroads. Our mail is collected at our door and delivered to its final destination at one charge; no extras added. The telegraph and express companies can be cited as other examples.

That the manner and method of collecting fares and rates for so long a period has not been disturbed must command recognition for its admirable efficiency. The precedent of including cost of industrial switching in the through rate having been once established and so considered among the master minds of our country, including some of your most honorable body, as properly included therein, has really become an unwritten law under which the railroads as well as the shippers have been governed for many years. There is no question but that this custom was so firmly impressed in the minds of the writers of the "act to regulate commerce" that no doubt can exist regarding the interpretation of their intention where it is specified in the sixth section of the act that railroads shall file tariffs covering charges for terminal, storage account, icing, etc. It was not their intention that the extra charges referred to be construed as including the ordinary delivery at an industrial switch track, but cover charges for extra services rendered by the carrier other than direct transportation between shippers. In support of our contention that the industrial switch is equally a convenience and a necessity for the railroads as well as the shippers, would cite reference to your decision in the case of the Association Jobbers of Los Angeles *v.* Atchison, Topeka & Santa Fe Railway Co., opinion No. 1251, which in part reads as follows:

"The spurs and sidetracks which connect industries with a carrier's rails within switching limits found to constitute a portion of the carrier's terminal facilites.

"The delivery of a car upon an industrial siding found to be a substitute for delivery upon public-team tracks, and, no additional service being involved, can not be made the basis for an additional charge."

The shippers in most cases have contributed largely to the construction of their switch tracks, having surrendered title to the property covered by same, for which the railroad, it being understood, would grant switching service without extra compensation therefor. Frequently these tracks are used by the carriers for the loading and unloading of freight consigned to or from parties other than those that were directly financially interested in the construction of such tracks. In fact, a large percentage of switch tracks considered private, in so far as they were constructed partially at the expense of private capital, have become virtually team tracks where freight for other favorably located industries may be loaded or unloaded. It is apparent, therefore, that industry switch-track delivery in general practice require no greater amount of time, labor, or expense than the ordinary team-track delivery, and that without the former the carriers would be utterly incapable to handle even the volume of traffic which ordinarily should be switched to the team track. Large industries have been induced to relocate their plants by the industrial bureaus of the railroads interested, in many cases the principal inducement offered being greater switching facilities. Millions of dollars have been invested in this manner without even the thought of the possibility of such investments being appropriated at any time.

The proposed charge for industrial switching or spotting on a per car basis we would protest as being inequitable and contrary to all pre-

cedents, rules, and basic principles of rate making or a basis for charge for transportation. The charge for transportation (rates) in any case between any two points must primarily be based on:

(1) Mileage.
(2) Cost of transportation.
(3) Competition.
(4) Value of commodity transported.
(5) Volume of commodity transported.

The first two items, in so far as concerns a switching charge, can be definitely computed and, as we have previously stated, have been and should be, included in the through rate.

Competition compels economic and industrial equalization in all its phases, and commerce in all branches must at times absorb inequalities in a small way to meet this force. Competition among the railroads during the past decade (rates having been equalized) has been, and will be, more pronounced in the future to give more exacting service, for which, together with other causes for increased cost of transportation, they may require additional revenue, but the method of obtaining such should be reckoned from an economic standpoint based on the proper fundamentals and not arbitrarily established. Innumerable changes and improvements for service and convenience have been made by the railroads traceable to competition, for which no extra charge has been made heretofore, but rather absorbed and considered as a part of the rates and fares collected. To disturb precedent, stifle competition, and arbitrarily tack on an additional charge in the case of industrial switching must naturally result in other extra charges for minor services performed, which have heretofore been considered included in the one charge paid for service rendered.

The industrial world, generally speaking, a few cases excepted, is disposed to look upon the railroads' request for 5 per cent increase in rates with no disfavor, providing the advance is made applicable from and to all points in the proper proportion in order to preserve their present equilibrium, under which large industries have been advantageously located and expanded.

If the railroads are justly entitled to additional revenue, the assessment, if one is to be made, should be on the beneficiaries in general and not as a tax on any proportion thereof. The proposed switching charge will be a direct discriminatory tax on low-rate commodities, such as all grains, including corn, wheat, rye, oats, and their products, salt and sugar, coal, coke, lumber, etc., including many of the ordinary necessities of life, the total tonnage of which aggregates approximately 60 to 70 per cent of the total transported by the railroads of the United States. Their value per hundredweight is many times (varying in individual cases) less than the value of higher-rate commodities, the carrier's risk consequently being proportionately reduced. These commodities are recognized as being marketed on a more closely competitive basis than other commodities taking higher rates.

A switching charge of $2 per car in our own business would approximately amount to 15 per cent increase in rates, and, in many instances, the switching charge would figure fully 1,000 per cent higher relatively than the "5 per cent increase" which is being asked for by the carriers. In milling-in-transit we are already compelled to pay an extra charge of one-half cent per hundredweight, minimum $3 per car, which, we maintain, fully compensates the carrier for the extra switching service performed. In fact, but it has no direct bearing on the subject at issue, the most severe competition we have to meet is from mills located in the southeastern territory, where no extra charge is made for the milling-in-transit privilege.

Summarizing, would state:

That the expense of industrial switching has been included in through rates for so many years and has become a custom of no small importance under which large investments have been made, which would be seriously impaired were a separate and distinct charge made for delivering cars on private sidings.

That the railroads consider the industry switch track a great asset, not only as a dependable source of tonnage, creating revenue, but as an additional facility with which to handle their constantly increasing volume of tonnage.

That the expense of delivery to industry switch track is not greater than to the ordinary team track.

That the industrial switching charge, as a substitute for the "5 per cent increase," will not collect the additional revenue on an equitable basis, but operate as a discrimination against low-value, low-rate, large-volume commodities as compared to commodities of higher value, higher rate, and smaller volume.

That the provisions of the act to regulate commerce, having been written and adopted when the long-established custom of including industrial switching in the through rates was being practiced, it should be understood that no such radical diversion from the methods of charging for transportation were contemplated.

That it is of utmost importance that the subject in question be given a most thorough investigation before definite action is taken, and to this end we would urge that the shippers be granted additional time than has been designated, in order to give them further opportunity to present their case.

Respectfully, yours,

LAWRENCEBURG ROLLER MILLS CO.
F. HUTCHINSON.

COLORADO MILLING & ELEVATOR CO.,
Denver, Colo., March 19, 1914.

CHAIRMAN INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

DEAR SIR: We desire to register with you our objection to the proposed plan of allowing railroads to impose a minimum charge of $2 per car for spotting cars at industries located on privately owned or railroad owned tracks which are not public service tracks. Such a rule would be revolutionary in its effect and a discrimination against thousands of industries. We respectfully urge that action upon it be deferred until abundant opportunity be afforded interested parties to set before you all facts in relation thereto. We hold that charges shown in present railway tariffs cover all terminal and transit services; also that an industry located on a private track is already at a disadvantage over one located on a public service track because they have a larger fixed investment. They facilitate the business of the railway companies and do it at their own expense. We can show our contention best by illustration.

Several years ago we became interested in a corporation formed for the purpose of building a 500-barrel mill and 80,000-bushel grain elevator at Twin Falls, Idaho. The Oregon Short Line Railroad Co. could not furnish a proper location on their public service track. We therefore purchased a site, and in order to get a sidetrack to it, we bought property at a cost of $4,300. Then we paid almost $1,000 for the construction of the track. The railroad company only contributed the iron; we paid for ties, grading, labor, etc. After doing all this we entered into a contract with the Oregon Short Line whereby they are permitted to use this sidetrack for their own purposes whenever they can do so without causing us serious inconvenience, and as a matter of fact, they have used it extensively. It does not cost the Oregon Short Line as much to do the switching to this mill over this private track as it would if the mill was located on a public service track; yet if we properly understand the proposed charge for spotting cars, if such a rule was to-day in effect on the Oregon Short Line, we would be obliged to pay at least $2 per car extra for every car set to the mill either for loading or unloading. We believe you will agree that such an additional charge would be unjust. If we were compelled to pay it, it would practically mean that the railroad company had been granted extra compensation without performing extra service; also that our property had been turned over to them free.

We could multiply illustrations indefinitely, but we believe it is unnecessary. We again most earnestly urge that action on this subject be suspended until there has been allowed ample time for full investigation.

Very truly, yours,

H. E. JOHNSON,
Assistant General Manager.

CADILLAC, MICH., *March 19, 1914.*

THE INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: The Michigan Hardwood Manufacturers' Association, consisting of about 75 firms of sawmill men of Michigan, as shown by the attached list, was represented at the hearing in docket No. 5860, in Washington, D. C., February 27-28, where the proposed spotting of cars charge was discussed, by its secretary, J. C. Knox, but as he was unable to remain over to the adjourned hearing on Monday, March 2, he was advised by Mr. Brandeis to present the views of his members in writing. Therefore, we desire to make the following statements:

Lumber as handled by all of our members is strictly a carload commodity, fully one-half of it moving in open cars, usually loaded to near the carrying capacity of the equipment used, at high rates as compared with other commodities similarly handled and furnishes a constant volume of tonnage to the railroads. Each of the industries is located on or adjacent to one or more railroads, and the railroad sidetracks, usually not of great length, extend into the yards and property of the shipper, and in many cases the shipper has given up very valuable property for the use of these tracks and furnished at least some part of the cost of their construction, by furnishing ties, grading, and other equipment.

Many of our members have their logs hauled in trainloads from sidetracks in the timber to the sawmill, where the timber is manufactured, the log haul ranging from a few miles to 100 to 250 miles, for which a specific rate is charged from point of shipment to destination.

It is customary and has been the practice of the carriers to place these cars on such sidings for loading or unloading and this service has always been included as a part of the through rate. Many of our members located in the larger cities have given up valuable property for the use of the railroad tracks. We realize that this is mutually advantageous to both the railroad and the shipper, but if the railroad was compelled to buy property adjacent to the mill of the shipper for said track purposes, it would cost them a large amount. These tracks save warehouse and team expense to the carrier and the switching is done as quickly on the tracks in the yards of the carriers as could possibly be done at the carrier's warehouse or team tracks and at no greater expense.

We wish to state that it is our view that no charge should be made for what is called the spotting of cars at the tracks of the shipper, as we consider that the railroads when making the rates contemplated they are covering this very important part of the work.

This association has gone on record as in favor of a 5 per cent advance in freight charges, providing this 5 per cent is equally distributed and covers its competitors in other territory outside of the official classification territory. The shippers in the lower peninsula of Michigan being located at the northwestern edge of the official classification territory come in sharp competition with manufacturers in the upper peninsula of Michigan, also in Wisconsin and Illinois located in western classification territory, where no advance in rates to the west has been contemplated, although the railroads serving the territory described at the request of the official-classification railroads, filed their tariffs for a 5 per cent advance covering Central Freight Association and trunk line territory.

On account of the railroads cutting off various commodity rates, both State and interstate, and filing no commodity tariffs at a 5 per cent advance, thus throwing the commodity rate on a classification basis, this association has been compelled to enter complaint with the Michigan railroad commission at Lansing and the Interstate Commerce Commission at Washington, against advances in excess of 5 per cent, and we have recently been advised by the carriers that it is their intention to correct such discrepancies, making only an advance of approximately 5 per cent.

Many lumbermen feel that the present rates on lumber throughout the country are on a too high a basis at present as compared with other low commodity rates and there should be no advance whatever in lumber rates. Nevertheless, if after the commission's investigations, it is decided that the carriers are entitled to an advance in rates, the members of our association will not oppose such an advance, providing such advance was fully equalized.

The understanding that prevails among shippers and receivers of lumber is that present rates include something to cover the acceptance and delivery of shipments at terminals, especially in all official classification territory. Many important cases decided by the commission, since its creation by the act of 1887, have involved lumber rates and in such proceedings the carriers in defense of rates attacked, have filed thousands of pages of record with testimony about the terminal expense which they assume in connection with the rates; or, in other words, many rates attacked as being excessive, unreasonable, or otherwise in violation of the statute have been explained and defended by the carriers and frequently adjudicated by the commission as being predicated upon, not only the line haul but some extraordinary expense in connection with the acceptance or delivery of the traffic at the terminal.

Unless the commission should make a very thorough and complete investigation of all the circumstances and conditions at each terminal,

any charge for terminal service added to the present rate must be entirely arbitrary, and it does not seem that any substantial benefit or justice can be accomplished by such method. We fear that the establishment of such an arbitrary charge for terminal service in addition to present or future rates would amount to an admission that present rates included nothing but the line haul.

We appreciate that present transportation conditions imposed upon the country at large is a burden which must be lifted or lightened, but surely that burden need not entirely rest upon shippers or receivers of freight who load or unload on private sidetracks. Such shippers, we think, have contributed less to the burden of the carriers than have the shippers who demand and have received the freight house and public team track service in congested terminals, where the cost of maintenance and operation must be greatest.

To endeavor to meet the present necessities of the carriers by an arbitrary addition to present rates of any amount per car for terminal service would seem to not only completely destroy every existing theory and principle of the rate making, but to also be entirely opposed to the conservative policy which has so successfully guided the commission during all its existence. Should the commission, after careful investigation and a complete survey of terminal conditions at all important points, decide that the terminal charge and the line-haul charge must be segregated, the experience gained in arriving at that decision by such method would qualify the commission to prescribe the method by which such segregation should be accomplished, and we are inclined to believe that something of that character must be accomplished sooner or later. Should the commission make such an effort the members of this association would contribute all within their power to the success thereof, but, as we understand the present situation, we can not agree that anything of tangible or permanent benefit can be accomplished by penalizing sidetrack delivery with an arbitrary charge per car of any amount.

We are, however, unalterably opposed to the spotting charge, and it would work great hardship to the lumbermen of Michigan to be charged for placing and removing cars from what is known as private sidings.

Very respectfully,

MICHIGAN HARDWOOD MANUFACTURERS' ASSOCIATION.
CHAS. A. BIGELOW, *Vice President.*
JOHN C. KNOX, *Secretary.*

—

List of members, Michigan Hardwood Manufacturers' Association, November 1, 1913.

Anderson Handle & Lumber Co., The, Alba.
Antrim Iron Co., Grand Rapids-Antrim.
Arcadia Lumber Co., Arcadia.
Batchelor Timber Co., Saginaw.
Boyne City Lumber Co., Boyne City.
Brownlee Co., The, Detroit.
Buckley & Douglas Lumber Co., The, Manistee.
Butters Lumber Co., Marshall, L'Anse.
Cadillac Handle Co., The, Cadillac.
Cartier-Holland Lumber Co., Ludington.
Charlevoix Lumber Co., Charlevoix.
Churchill Lumber Co., Alpena.
Cleveland-Cliffs Iron Co., Negaunee-Munising.
Cobbs & Mitchell (Inc.), Cadillac.
Culver & Son, M. A., Cedar.
Cummer-Diggins Co., Cadillac.
Day, D. H., Glen Haven.
Dayton Last Block Works, Gaylord.
Dennis Salt & Lumber Co., A. L., Grand Rapids.
East Jordan Lumber Co., East Jordan.
Embury-Martin Lumber Co., Cheboygan.
Fuller Co., P. C., Grand Rapids-Strongs.
Gilchrist, Estate of F. W., Alpena.
Greenwood Lumber Co., Ontonagon.
Grand Rapids Veneer Works, Grand Rapids.
Hanson & Sons, R., Grayling.
Island Mill Lumber Co., Alpena.
Jackson & Tindle, Buffalo-Grand Rapids, Pellston.
Jamieson, John A., St. Ignace.
Johannesburg Manufacturing Co., Johannesburg.
Jones & Kerry Lumber Co., St. Ignace.
Klise Lumber Co., A. B., Sturgeon Bay-Gilchrist.
Kneeland-Bigelow Co., The, Bay City.
Kneeland, Lunden & Bigelow Co., Bay City.
Lake Independence Lumber Co., Big Bay.
Lake Superior Iron & Chemical Co., Detroit-Newberry.
Lobdell-Emery Manufacturing Co., The, Onaway.
Loud, Brewster G., Rogers City.
Loud Lumber Co., The, Charles.
Michelson Lumber Co., N., Michelson.
Mitchell Bros. Co., Cadillac.
Murphy & Diggins, Cadillac.
Olds, M. D., Cheboygan.
Oval Wood Dish Co., The, Traverse City.
Peninsula Bark & Lumber Co., Sault Ste. Marie.
Richardson Lumber Co., Alpena-Bay City.
Robinson Lumber Co. (Inc.), Goodar.
Ross & Wentworth, Bay City.
Salling-Hanson Co., Grayling.
Sands Salt & Lumber Co., Louis, Manistee.
Smith & Hull Co., The, Traverse City.
Stack Lumber Co., Masonville.
Stephenson Co., The I., Wells.
Stephens & Co., Henry, Waters.
Stearns Salt & Lumber Co., The, Ludington.
Stratton Co., D. A., Atlantic Mine-Grand Rapids.
Von Platen, G., Grand Rapids-Boyne City.
Wagner, J. B., Marion.
Wells Lumber Co., J. W., Menominee.
Williams Bros. Co., Cadillac.
White Co., W. H., Boyne City.
Worcester Lumber Co. (Ltd.), Chassel.
Ward, Estate of David, Bay City-Orchard Lake.
Ward, Charles Willis, Lovells.
Young & Co., W. D., Bay City.

New members:

Northwestern Cooperage & Lumber Co., Gladstone.
D. N. McLeod Lumber Co., Garnet.
W. L. McManus Lumber Co., Petoskey.
Spies-Thompson Lumber Co., Menominee.
Strable Manufacturing Co., Saginaw.
A. M. Chesbrough, Thompson, Schoolcraft County.

MILWAUKEE, WIS., *March 19, 1914.*

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: We respectfully desire to protest any charge being made for placing cars for loading, as we believe this will place a burden on both shippers and receivers.

We handle in the neighborhood of 500 cars per month, which are shipped to the adjoining States, and we as a shipper are in direct competition with coal docks in adjoining States. Were we to pay a spotting charge it would give docks located in the State where shipments billed to an advantage over a company shipping interstate.

We are in direct competition, shipping coal into Illinois, with the coal shippers of Illinois.

We are in direct competition in Minnesota with the dock industries at Duluth, who would not be required to pay a spotting charge on intrastate business.

We believe the railway rates for movement should be sufficiently high to care for service such as we now receive, consisting in the railway company putting a string of empties on our lead track and we handle them with a cable and our men in loading.

When the last car in the string is loaded the railway company's engine removes the string of loads and replaces it with a string of empties. The time required to do our work varies from 10 to 20 minutes, according to weather conditions.

We feel that an attempt to charge for placing of empties to load, as applied to us, would result in discriminations, disturbances of trade interests, and would tend to create a demand for the carriers to provide additional team tracks for loading and burden them, which in a congested terminal like Milwaukee they could ill afford to take on.

Yours, very truly,

THE YOUGHIOGHENY & OHIO COAL CO.,
J. L. MCMAHON, *Western Managar.*

—

MASTIC WALL BOARD & ROOFING CO.,
Cincinnati, Ohio, March 19, 1914.

SECRETARY INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

DEAR SIR: We desire to vigorously protest against the suggested charge by railroad lines against shippers for placing and spotting cars on industry tracks, in lieu of the proposed general increase in freight rates, to increase the revenue of transportation lines.

Action of this kind would throw the burden for increasing the revenue of the railway lines entirely upon shippers who have a lot of money invested in tracks, put in at the solicitation of the carriers, to conveniently handle their volume of tonnage.

Such industry tracks were put in at a heavy expense for real estate and cost of constructing said tracks, and freight rates included full compensation for placing cars on said industry tracks. A departure from this long-established practice would be entirely unfair to such shippers, depriving them of their investment in terminal facilities and transfer it to the carriers without compensation.

We understand the commission has fixed March 24 for the final date for receiving statements and briefs.

The National Industrial Traffic League and other industrial organizations have filed petitions with the commission to refrain from definitely and finally concluding this matter until such time when more thorough investigation can be made and after due and adequate notice with respect to territory in which shippers are located has been given, and we sincerely trust the commission will defer definite action and give the shippers an opportunity to further prepare and file their arguments.

Yours, truly,

C. H. DUYFER, *Secretary.*

—

RICHMOND, VA., *March 19, 1914.*

Mr. GEORGE B. MCGINTY,
Secretary Interstate Commerce Commission,
Washington, D. C.

DEAR SIR: Referring to circular issued by the Interstate Commerce Commission, under date of March 11, advising hearings on the 5 per cent case, to be held March 28, 1914. It has been the policy of railroad companies for the past half century to encourage shippers to locate their plants and warehouses near their line of road so that they could put in private sidings to these factories and warehouses. This policy was not only adopted to secure business, but was also done with a view of economy and saving the railroad company expense in the loading and unloading of the freight. This matter has been thrashed out by the railroad people a great many times, and they have always reached the same conclusion, namely, that the loading and unloading of cars by the shippers and receivers was a saving to the railroad companies in clerk hire and labor rolls.

There is no doubt about it that the service performed by the shippers and receivers in handling freight more than compensates the railroad company for movement of cars to and from private sidings. We feel fully satisfied that when this matter has been gone through fully from its various angles it will be found that the railroad companies are the greatest beneficiaries under the private-track delivery system. This custom has been in vogue too long for any revolutionary measure to be adopted for its abrogation, and we think the best solution of the whole matter is to let it alone, and we hope this will prevail. Please make this part of the commission's file on this subject.

Yours, very truly,

WARNER MOORE & CO.,
J. S. POTTS.

—

VIRGINIA-CAROLINA CHEMICAL CO.,
THE SOUTHERN COTTON OIL CO.,
CHARLESTON (S. C.) MINING & MANUFACTURING CO.,
Richmond, Va., March 19, 1914.

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: Referring to the several circular letters issued in the matter of proposed 5 per cent increase in freight rates, closing with circular letter dated March the 5th, canceling hearings assigned for March the 16th and 17th, and announcing that statements and briefs dealing with the question of spotting and placing cars will be accepted at any time prior to March the 24th, and oral argument heard on Monday and Tuesday, March the 30th and 31st.

As representative of the Virginia-Carolina Chemical Co. and the Southern Cotton Oil Co.—the former manufacturing fertilizer at 41 points in Southern States and at Cincinnati, Ohio, and the latter operating crude cottonseed-oil mills at 81 points in Southern States, and

with refineries at 8 of said points, and manufacturing plants at Savannah, New Orleans, Chicago, and Bayonne, N. J., handling tonnage in the aggregate practically 100,000 cars per annum.

I respectfully submit that the present freight-rates practice and custom of the carriers has heretofore included compensation for the entire transit service, from point of loading, at shipper's spur track or siding, to destination, consignee's spur or siding.

It is generally known that the location of industries and extension of sidetracks thereto at convenient points adjoining the carrier's right of way and in cities has been encouraged and solicited for years by industrial representatives of the common carriers and by officials of transportation lines, because of the revenue returns that would result from the operation of said industries. In fact, I think it will be conceded by all that the commerce of the United States could not have grown and developed to its present mammoth proportions without the service of these sidetrack delivery points. Congestion at terminals, particularly in the larger cities, has ofttimes been a serious menace, sometimes resulting in loss and damage claims, and always in expense to the carriers, due to delay of equipment and increased delivery expense. If the carriers had not expanded their facilities by creating these added points, new delivery and receiving freight stations, established without a capital investment for buildings and platforms and the upkeep thereof, what has been a menacing congestion at times would have practically amounted to a thorough blockade or would have required a very much increased investment by the carriers in additional land for team tracks and freight warehouse facilities.

I respectfully submit that a matter of such great importance to commerce in general is a question entitled to the most complete investigation, and this is to petition the commission to defer any final determination until after full opportunity can be extended to all shippers and interested parties at public hearings to be had at convenient times and places after adequate notice.

Respectfully submitted.

H. W. B. GLOVER, *Traffic Manager.*

—

RAINBOW FERTILIZER CO.,
Montgomery, Ala., March 19, 1914.

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

SIRS: It is a cant saying that "Jones pays the freight"; it is also an axiom that "the consumer pays the freight."

The suggestion now being considered, or to be considered, by your honorable body, that the railroads be allowed a charge for switching their cars to industries having sidetracks and place this burden, in the case of fertilizers, upon the consumer, why, then, should we, the manufacturer, worry?

To induce the greatest consumption of fertilizers every effort has been made by the manufacturers of this article to deliver it to the consumer at the lowest possible cost. Fierce competition has succeeded in reducing the delivered cost of fertilizer to the consumer to such a low figure that profit to the manufacturer in these transactions has practically been wiped out. The recent published annual statements of the large fertilizer concerns confirm this.

Should your honorable body in your wisdom see fit to permit the railroads to charge for switching their cars, the cost must necessarily be added to the now prevailing prices for fertilizers. Those with a better turn for argument than the writer have told you that it is an unjust charge on the part of the railroads, no matter who in the end pay it, for the facilities afforded the railroads by the fertilizer plants in providing sidetracks for the empty cars, accepting or bearing the responsibility for the count of the contents of the cars, cost of loading, sealing them, and delivering these cars as a single packet to the railroads, is doing and performing gratuitously for them a service and responsibility that should be appreciated and paid for by the railroad, much less to be charged for by them.

Yours, respectfully,

W. A. GAYLE, *President.*

—

CHICKASHA, OKLA., *March 19, 1914.*

Hon. GEORGE B. MCGINTY,
Secretary Interstate Commerce Commission,
Washington, D. C.

DEAR SIR: It has come to the attention of the Commercial Club of Chickasha that a proposition is under consideration for the railroads to charge for spotting cars on industry tracks. We understand that the proposal now made applies only to that territory known as official classification territory, but we feel that the whole country is interested in this matter on account of the likelihood of any action in the present case being extended later to other parts of the country.

We understand, also, that briefs in the present case must be filed by the 24th, according to an order made by the Interstate Commerce Commission, and that hearings are to be held on the 30th and 31st instants.

We deem this question to be of great importance to the welfare of the industrial public, and we consider that it would be proper to allow more time for the discussion of this matter.

We ask that the Interstate Commerce Commission set a later date for the hearing of this matter, so that the shipping public may have time and opportunity to present their side of this matter.

Yours, very truly,

CHICKASHA COMMERCIAL CLUB,
By B. M. JOHNSON, *President.*

—

SHERIDAN MANUFACTURERS' ASSOCIATION,
Sheridan Wyo., March 19, 1914.

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: It has come to the notice of this organization that your commission is investigating the question of alleged special service rendered to shippers by carriers relative to spotting cars, etc., and to a proposed advance in rates in official classification territory.

Heretofore the freight rate has included compensation for all services from the point of loading to the point of unloading, regardless of whether the tracks were railroad owned or private property, and the private side track was encouraged and developed by the carriers to supplement their inadequate terminal facilities, or to enable carriers to participate in traffic otherwise inaccessible to them, and have lessened their investment and the cost of handling the traffic.

We are of the opinion that "transportation" includes all railroad service, and tracks and facilities devoted to the hauling of freight traffic, and that the published freight rates now include and have always included full compensation for these services. To depart from this long-established practice, requiring the carrier to add to the present freight rate a separate charge for receipt and delivery of freight, will deprive the shipper of the value of his investment in terminal facilities and transfer it to the carrier.

As we understand that your commission has set March 24 as the final date for receiving statements and briefs upon this matter, we hereby petition the commission to refrain from definitely and finally concluding this matter until such time as a full hearing, after due and adequate notice and with respect to the territory in which the shippers are located, has been given.

Very truly, yours,

J. E. SANDBORGH, *President.*

—

FOSTER PAVING BLOCK CO.,
Bradford, Pa., March 19, 1914.

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: It is rumored that the railroads may be allowed to charge for spotting cars and that this charge would be against the shipper. We wish to enter our protest against this, inasmuch as it would be a very serious matter with the heavy shipper, and would be worse than the 5 per cent flat increase in freight rates. I would therefore earnestly request that your honorable commission consider this thing very seriously before allowing any charge of this kind.

Yours, truly,

FOSTER PAVING BLOCK CO.,
C. E. FOSTER, *General Manager.*

—

ST. LOUIS, *March 19, 1914.*

Hon. E. E. CLARK,
Chairman Interstate Commerce Commission,
Washington, D. C.

DEAR SIR: Referring to question of spotting cars on private sidings, Interstate Commerce Commission special docket 5860, I. and S. docket 333.

The fire-brick department of the Mississippi Glass Co., with its general offices at St. Louis, Mo., has in the State of Missouri five sidings. They are the ordinary switches from the main trunk lines, used for unloading inbound material and loading outbound manufactured products, and vary in length—one about 425 feet long, three varying from 600 to 1,000 feet in length, and one 1,400 feet long. Besides these we receive a great deal of material from contractors loading on their sidings, which vary from 200 to 300 feet long; also on the sidings belonging to trunk lines. We have no motive power; service is performed by the railroads from which the spurs lead, and extra movements from point to point on said sidings are always charged for extra; demurrage is also charged.

Outside of the above, the only service by the railroad on our spurs is placing of cars for loading and unloading, and all of our tracks in the country towns are conveniently located at the stations, causing the local railroad crews no loss of time or inconvenience in going to and getting in and out of the same.

Our receipts and shipments are 100,000 tons annually. We find in looking over Government reports that the clay manufacturing industries of the United States ship upward of 47,000,000 tons of freight annually.

We would look upon it as an injustice and discriminatory for the railroads to make a charge for spotting cars on sidings. If the railroads were called upon to provide public facilities for the clay industries to ship their products it would mean a very heavy expenditure on their part for additional ground to accommodate tracks to take care of the shipments inbound and outbound, and no charge would be expected for spotting on public tracks. The cost of spotting cars on private tracks is no more than the same cost on public tracks.

That these sidings represent the most economical method of handling large tonnage of freight, there is no question; the cost of ground, construction, and maintenance is borne by the clay industries.

The service on private sidings is performed at times set by the railroad and always at their convenience. Finally, if the railroads are performing no more service on private sidings than they do on public sidings, and it has been shown that the immense tonnage handled on private sidings has been and is being done in an economical way for the railroads, there certainly can be no depletion of the railroads' revenue, nor any extra cost in handling this traffic. We therefore can not see the discrimination claimed.

Yours, very truly,

MISSISSIPPI GLASS CO.,
CHAS. W. PARKER,
Manager Fire Clay Department.

—

THE EMERY CANDLE CO.,
Cincinnati, March 19, 1914.

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: With reference to the 5 per cent case, in connection with which the proposition to make a charge for spotting cars is being considered, we respectfully request to be placed on record as protesting against such a charge, or at least to ask you to consider the advisability of postponing action in this matter, in view of its importance, until such time after full investigation has been made.

Our plant is located at Ivorydale, on the Cincinnati, Hamilton & Dayton Railroad, where we maintain private sidetracks at our own expense. Ivorydale is located about 8 miles from Cincinnati, and at this point the Cincinnati, Hamilton & Dayton does not maintain team tracks, so that we are entirely dependent on their switching service for both carloads and less than carloads in moving our freight.

We might mention, in passing, that rates to and from Cincinnati apply to Ivorydale.

By long-established practice the freight rate is considered to cover the service of placing cars for unloading and empty cars for loading on our tracks, and, in our opinion, this custom should not be deviated from. If, as seems to be shown by the railroads, insufficient revenue is obtained from the rates now in effect, a proper remedy, in our judgment, is to make proper increases in the rates on such commodities as can stand the increases, which, we respectfully suggest, would be the only equitable way of adjusting the railroads' difficulties. The conditions differ so widely in one plant as compared with another, and conditions in some parts of the country are so different from other territories as to render the matter of determining the amount for spotting cars a complex problem. The cost of such service might be very much higher in some locations than in others, and a charge which might be just in one case would be a discrimination in another. In our case, for instance, we have kept a careful record of the time consumed during 10

days—that is to say, from March 3 to March 14—in delivering and taking out our freight. This record shows that of 123 cars handled during those 10 days the highest number handled in 1 day was 25, and the smallest number handled in 1 day was 3 cars. The total time consumed in handling these cars in our plant was found to be 645 minutes. Of the total number of cars mentioned—123—30 cars were placed on our scale to be weighed; and, allowing for this paid service an average of 5 minutes per car, the total time is reduced to 495 minutes, making an average of 4 minutes per car for switching and spotting.

According to information which we have obtained, the cost of maintaining a switch engine is $35 per day, or $3.50 per hour. At this rate it has cost only 23 cents per car for switching and placing. We believe it has been suggested by your counsel that a charge of from 50 cents to $1 per car be made.

It is our view that, as an offset for the services rendered by the railroads to parties having private sidetracks, the facilities thus offered by shippers should be taken into account. In all shipping centers of any consequence, it is safe to say, railroad terminals would be totally inadequate to take care of all the freight were it delivered to team tracks or freight depots of the carriers, and it must be admitted that the maintenance of private sidings by large shippers is a decided benefit to the railroads.

Consider, if you please, also the very large tonnage now handled in private tank cars. This privately owned tank-car equipment not only relieves the railroads from investing in and maintaining a vast amount of rolling stock, but the transportation of freight in tank cars is made possible only by the use of the private sidings of shippers and receivers. The railroads have no facilities whatever in their depots or on team tracks for the unloading of tank cars, and it is of course out of the question that material could be hauled to depots or team tracks of the carriers for loading into tank cars.

In conclusion, we desire to go on record as favoring a proper increase in freight rates in preference to a charge being made for spotting cars.

Yours, truly,

THE EMERY CANDLE CO.,
H. GRUESSER, *Secretary.*

—

ROCK GLEN, N. Y., *March 19, 1914.*

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: According to the press reports, you people have under consideration the charge for placing cars on the sidings to be loaded. There is always two sides to every question, and it is certainly unfair to have to pay for placing cars on the siding and we load the cars for the railroad. If this is going to be brought about, the railroad ought to be made to pay for loading the cars or load them.

In a majority of the cases the cars are not detained over 24 hours. This agitation that Mr. Brandeis is agitating is causing uncertainty and hesitation through the country, and should be stopped.

Yours, very truly,

ROCK GLEN SALT CO.,
F. M. RELYEA.

—

COFFEYVILLE, KANS., *March 19, 1914.*

Mr. G. B. MCGINTY,
Secretary Interstate Commerce Commission,
Washington, D. C.

DEAR SIR: We have noted with much interest all of the developments in the above subject. In our opinion the very first fact that should be given consideration is the origin of the practice of carriers spotting cars on private tracks, either privately owned or railroad owned. We are inclined to the opinion that this practice originated with the carriers themselves, and, no doubt, an investigation of the past will reveal this state of affairs. Carriers have in the past encouraged the establishment of industries along their line of railway, and have offered to prospective investors and manufacturers seeking new locations convenient sites for the establishment of industries, together with private sidings into such industries, in order that in and out bound products could be handled conveniently, promptly, and with less expense than team-track service would require. In fact, to-day carriers almost without exception have industrial departments whose duties are, among other things, the locating of industries adjacent to their tracks.

Another feature to be considered is whether or not team-track delivery will guarantee to all receivers and forwarders of freight prompt service. This feature, we do not believe, is practical, and we doubt very seriously if there is a point of destination in the United States of only ordinary importance that team-track deliveries would take care of the business.

Aside from this it must be taken into consideration that there are numerous lines of industry in this country that from the very nature of the commodities handled demand delivery other than team tracks; for instance, the milling industry, the oil industry, the stone quarries, and other industries too numerous to mention.

So far as our business is concerned we know that it is absolutely impracticable to successfully operate our plants with team-track service, and you would perhaps agree with us that it is impossible to operate a milling industry if that industry could not secure advantage of deliveries other than public team tracks, and we do not believe that there is the slightest element of discrimination in the delivery of grain on private tracks, so far as this industry is concerned, for the reason that it is absolutely impossible to operate a mill and accept the delivery of grain on team track. In fact, we do not know of a milling institution in the country which operates in this manner. Therefore, so far as the milling industry is concerned, discrimination in a matter of private deliveries is eliminated.

And further, we are under the impression that the tracks on which our industry is located are not private tracks, in the strict meaning of the word, for we believe that if any shipper desired a shipment delivered on them for his convenience we would not be in position to deny the privilege.

From the information that we have been able to gather, this subject presented itself to the commission in connection with their investigation of the proposed advance of 5 per cent in the freight rates of the carriers operating in official classification territory, and the thought presented itself to the commission that if the revenues of the carriers were not sufficient for them to operate efficiently, that there was some other manner by which their revenues may be supplemented other than an advance in rates.

We urgently advocate efficient operation of the railroads in this country, and if the railroad representatives can submit sufficient proof to show that their revenues are not sufficient to meet all requirements of successful operation we are in favor of granting their request, and believe that revenues should be obtained in the manner that would offer the least resistance.

Obviously the same result will be realized, either by granting the carriers authority to advance their rates, or deny them this privilege and permit them to charge for spotting cars on tracks other than team tracks. Now, the question presents itself, Which of the two methods is the more practical? Can the industries of this country adjust themselves and continue their operations more successfully under a 5 per cent increase in freight rates, or is it more expedient to require them to discontinue receiving their freight on private tracks, unless the service of the carrier in placing their shipments on private tracks is paid for?

It occurs to us that the commisson should permit the increase of revenues, if this is necessary, in the manner that will offer the least resistance and in no way impair the service to industries, for it is very evident that if a charge is made for spotting cars on private tracks the shippers taking advantage of this delivery at the present time are going to provide themselves with equipment with which they can handle their own shipments from and to convenient points of interchange with the carriers that serve them.

This will necessitate enormous expenditures and bring about radical changes in conditions and necessarily impair the efficiency of the industry to serve their customers for a time at least, and if the desired result can be brought about by permitting an increase in rates, we believe that it would be more satisfactory to permit the carriers to increase rates to whatever extent it may be necessary, rather than compel them to increase revenues by charging for the spotting of cars on private tracks.

Of course there may be abuses and discriminations brought about by private deliveries in some lines of industry in various parts of the country, but these can no doubt be eradicated in a more satisfactory manner, for, as we have suggested before, there are some lines of industry in this country which, by the very nature of their business, require delivery on private tracks.

Therefore we trust that the commission will give very careful consideration to this proposition and also refrain from definitely and finally concluding this matter until such a time as a full hearing, after due and sufficient notice has been given to shippers and receivers of freight, in all parts of the country.

All lines of industry should be given ample opportunity to present their views and the commission should also investigate and determine whether or not those industries can conveniently operate their plants with team-track deliveries.

Yours, truly,

THE REA-PATTERSON MILLING CO.,
By W. M. CASEY.

—

ATHENS, GA., *March 19, 1914.*

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

DEAR SIRS: We respectfully protest against the proposed charge for placing cars on private sidings.

This company has provided itself with tracks at considerable expense, and loads over 1,000 cars out every year, and receives about the same number of cars in.

Our commodity—fertilizers—probably pays the railroads more than any other single commodity. Certainly this is the case in the Southern States. This charge would be a great handicap to our industry.

We understand that the proposal that has been submitted to you would make this charge on a carload of low-grade material or high-grade material. It seems to me that the rates on fertilizers are already excessively high, and this additional burden, we think, would be unjust.

The railroads in this city, and at other cities in Georgia, have recently, by authority of the State railroad commission, increased their switching charges, which has been a great tax upon us, and now if an additional charge is permitted it will be doubly hard.

The fertilizer industry has had two years that has brought many of them nearly to bankruptcy. We know one of the large companies that had to charge off a surplus of approximately $1,500,000, and created a deficit of approximately $1,500,000 in the operations of 12 months, ending July 1, 1913. This was a loss of $3,000,000. The earnings of our own company for the past two years have been extremely small.

Yours, very truly,

EMPIRE STATE CHEMICAL CO.,
By HARRY HODGSON,
Secretary and Treasurer.

—

CLEVELAND, OHIO, *March 19, 1914.*

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: The Pavers' Exchange of Cuyahoga County, Ohio, respectfully protest against any changes in the charges in addition to the present freight rate for the spotting or placing of cars on private sidings.

We believe that the charge for this service is rightly included in the freight rate, which should include all services from the loading point to the unloading point, whether the delivery is to privately owned sidings or public team track.

Public team tracks are comparatively few, and in the busy season are badly congested. The use of these team tracks is often impracticable and frequently impossible, making unnecessarily long hauls and delay to our work.

We believe that privately owned sidings are a necessity and a great benefit to the carriers as well as the shippers, and that owners of property adjoining railroads should be induced to construct and maintain private sidings, and their use be encouraged to relieve the congestion of public team tracks.

We further believe that an additional charge for spotting or placing of cars on private siding is unjust. At present we pay the owner of the siding $2 per car for trackage, and an additional charge for placing the car would create a hardship and be unjust.

For the above reasons we respectfully request that no hasty action be taken in this regard, but rather that a thorough investigation be made, and if a change in this present rate is found necessary same be not placed in force until due and adequate notice has been given shippers in respect to territories thus affected.

Respectfully submitted.

THE PAVERS' EXCHANGE,
CHESTER M. HARRIS, *Manager.*

OMAHA, NEBR., *March 19, 1914.*

Hon. E. E. CLARK,
Chairman Interstate Commerce Commission,
Washington, D. C.:

Omaha shippers generally are very much alarmed over prospect that car-spotting question is to be briefed and argued without further and more complete investigation of facts. In this position we are in substantial agreement with shipping and receiving interests of this entire section. We urge upon the commission propriety and necessity for full investigation, and ask that conclusion of presentation be deferred until such full investigation can be instituted and completed.

E. J. MCVANN.

—

FAIRMONT, W. VA., *March 19, 1914.*

Hon. E. E. CLARK,
Chairman Interstate Commerce Commission,
Washington, D. C.

DEAR SIR: Referring to the question of charges for spotting cars on private siding, Interstate Commerce Commission docket No. 5860, the Hammond Fire Brick Co., with general offices located in Fairmont, W. Va., and plant located at Hammond, W. Va., ships all its material and receives all inbound material on a sidetrack connected with the Wheeling division of the Baltimore & Ohio. This siding is practically all on the right of way of the Baltimore & Ohio Railroad and is used by our company as well as the general public, and while the railroad company at times considers this a private siding, up to the present time we have not made a thorough investigation as to whether it belongs to us or the Baltimore & Ohio Railroad, as it was put in at this plant about 1858 or 1860. The only service performed on this siding by the railroad company is the placing of empty cars and taking out the loaded ones once a day at their convenience.

We think it would be unfair for the railroad company to charge us for placing loaded cars and empty cars on this siding, as the expense is no greater if as much as it is for placing cars on the regular railroad team track. If the railroad company were to charge us for placing cars on our siding, it would make the charge for transportation of our material to local points very expensive, as the local rate in this section averages about 4 cents per ton-mile, and we think in this case they are taking into consideration the cost of placing cars at the place of loading as well as at destination.

We hope you will give this matter due consideration, as we are inclined to think the present local freight rates are entirely too high as compared with long-distance hauls.

Yours, very truly,

HAMMOND FIRE BRICK CO.,
WILBUR GRAFFINS, *Secretary.*

—

BOSTON, *March 19, 1914.*

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: Why, for goodness sake, should the business interests directly, and the whole people indirectly, suffer for the past sins of the stock-jobbing banker directors who have marketed so many issues of stocks, bonds, and notes (ostensibly to assist the railroads, but in reality for the profits the sales from such issues yielded them) that these railroad corporations are unable to now care for the interest on and the redemption of these issues, to say nothing of the imperative physical needs of the roads themselves?

Why, to correct the conditions that have already not only injured the railroads but the innocent investor, why should a further injustice be done by advancing rates which in themselves are damaging to business and the consumer? There is a better way. The investing public have already suffered enough for the gross and flagrant sins of the avaricious banking interests involved, and for which the investor may never expect to be wholly recompensed; but to liberate from the heaviest burdens bearing down on the railroads, instead of raising rates in further injustice, let these superfluous issues of stocks, bonds, and notes be diminshed, even arbitrarily and compulsory by legislation, if necessary. If a railroad corporation is able to care for its physical needs, its interest and redemptions, with one-half the present issue of security liabilities outstanding, cut these liabilities by agreement or compulsion right in half or in thirds, or according to the shrinkage demanded; give holders one for each two parts owned, or one part for each three held at present, or whatever other ratio may serve the purpose. Is this not much better than the further issuance of security liability (a request the courts wisely refused the N. Y., N. H. & H. R. R. recently), better than advancing rates, better than receivership? If this suggestion is carried out the smaller amount of securities will advance in price, dividends may again be commenced at no distant day, and it will prove the best adjustment that can possibly be made for all concerned; and although these smaller holdings must at the very best show original investors some loss, is this not better than a total loss of the original holdings—an alternative that seems to me to be in more than one instance inevitable? This arrangement or restitution from those responsible for piling these crushing liabilities on the corporations are the only two just methods that can be conceived for the adjustment of present railroad corporate and financial conditions. Please give these suggestions your serious consideration for the sake of all concerned.

Yours, very respectfully,

CHESTER R. LAWRENCE.

—

APRIL 2, 1914.

Mr. GEORGE B. MCGINTY,
Secretary Interstate Commerce Commission,
Washington, D. C.

DEAR SIR: In the matter of freight rate increase in official-classification territory, and in the matter of the proposed charge for spotting trap and ferry car service now before the commission, we beg leave, on behalf of ourselves as heavy shippers and receivers of freight, to file protest against these proposed charges, covering alleged free service, and to urge upon the commission the desirability of granting to the railroads their request for a horizontal increase in rates of 5 per cent, and we herewith summarize our views as follows:

1. Spotting is not a free service, but is an integral part of the entire transportation service, and the cost is included in the rate. If the freight rates for the entire service are now inadequate, this evil should be remedied not by setting up separate charges for terminal services, but by proper increases in the rates themselves.

2. Delivery and spotting on industrial or private tracks costs the carrier no more than delivery upon the team tracks, which latter delivery the carrier is obligated to make and for which no additional terminal charge is suggested.

3. The industrial spur is not a mere plant facility, but is of inestimable value to the carrier and to the shipping public at large, including the team-track shipper.

4. Delivery and spotting on industrial tracks does not constitute unjust discrimination against team-track shippers, and the latter class of shippers make no such complaint.

5. Spotting service for larger industries having several tracks and handling a large number of cars containing different kinds of commodities is relatively neither more expensive nor complex than the service rendered the smaller shipper.

6. If additional revenues are needed, it is manifestly unfair to attempt to assess a separate terminal charge on part or all of the carload and heavy or low-grade traffic, if, as claimed by prominent railroad officials such traffic is already paying, as compared with less than coarload and high-grade traffic, its full share, or more, of the transportation expense.

7. Additional revenues derived from spotting charge would accrue principally to the stronger and more prosperous roads.

8. If a spotting charge is allowed, discrimination will result between different classes of shippers using industrial spurs, and the revenues from the spotting charge will be much less than is now anticipated.

9. Protest is against a spotting charge for the initial placing of cars for loading or unloading. Second spotting or strictly intraplant movements should be and now are paid for.

We urge that this protest be brought to the attention of the commission promptly.

Yours, very respectfully,

THE COLUMBUS IRON & STEEL CO.

—

INDEPENDENT GRAIN & LUMBER CO.,
Mason City, Iowa, April 6, 1914.

Hon. C. B. MCGINTY,
Secretary Interstate Commerce Commission,
Washington, D. C.

DEAR SIR: We wish to file our protest against any charge to be made by the railroads for switching cars to coal bins or to elevators. We do not think this is fair inasmuch as the coal dealer and the elevator owner furnishes the storage for the railroads. If the rates are not adequate for the railroads, they should advance all their rates so that all kinds of commodities are advanced proportionately and not single out the coal and grain dealers and add further charge to that branch of the business for switching charges to coal bins and elevators where the facilities are furnished by the shipper for warehousing and storing of the commodities to be shipped, such as grain or coal. We think the railroads are entitled to fair earnings on their capital, and if the rates are not adequate there should be some advance on their regular rates, but it should be on all kinds of commodities.

Yours, truly,

A. J. ZINGRE, *Secretary.*

—

LARIMORE, N. DAK., *April 6, 1914.*

Hon. C. B. MCGINTY, *Washington, D. C.*

DEAR SIR: I see that the Interstate Commerce Commission has up for consideration that advancement of rates on all classes and commodities of freight in tariffs filed by the carriers throughout the country.

It seems as though the tariffs paid now are excessively high to merchants and consumers in this part of the country; for instance, the rate on coal from Duluth, something like 340 miles, is on soft coal $2.20 per ton, and on hard coal $2.30.

And the proposed plan of charging 7½ cents per ton, or a minimum of $2 per car, for setting cars on a sidetrack, in excess of the freight charged, would be excessive and is a slap at economy and benefits only the strong lines. And I want to protest against the adoption of any plan charging for spotting cars, the service of which is already included in the freight rate which we pay.

Yours, truly,

O. H. PHILLIPS.

—

PLAINVILLE, KANS., *April 7, 1914.*

Hon. G. B. MCGINTY,
Secretary Interstate Commerce Commission,
Washington, D. C.

DEAR SIR: We are advised there is a move on foot to place a charge of 7½ cents per hundred for spotting a car, and that this charge is over and above the regular rate charged.

Now, we are very much opposed to this charge for the reason it is misleading and does not appear as the true rate; for the reason that the switching or spotting charge adds to the cost, and if there must be an advance in rate, which this really amounts to, we want to see the rate advanced so that the total cost of the transportation will show on the face of the tariff.

In that way, when anyone gets the tariff or rate, they have the total charge, while otherwise they do not.

In other words, the rate we now have includes the switching charges and we do not see why there should be any change, and above all, we want the rate to continue to cover the switching charges, so that the tariff will show the total expense in making a shipment.

We thank you in advance for your consideration of the foregoing and will be pleased to go into the matter further if you so wish.

Yours,

THE PLAINVILLE MILL & ELEVATOR CO.

—

ATCHISON, KANS., *April 8, 1914.*

Hon. G. B. MCGINTY, *Washington, D. C.*

DEAR SIR: We notice the commission has up for consideration the advancement of rates, and that the carriers are making an effort to add an extra charge—the setting of cars on the side track, etc.

We wish to protest against any such charge being made, and wish you would use your influence to head off any such charge or advance as suggested by the carriers.

Thanking you in advance for the above favor,

Yours, truly,

ALEXANDER LUMBER CO.,
EFFINGHAM LUMBER CO.,
By ROBT. PINDER, *Secretary.*

KEARNEY, MO., *April 9, 1914.*

Hon. G. B. MCGINTY,
Secretary Interstate Commerce Commission,
Washington, D. C.

DEAR SIR: We understand from reliable sources that there is now pending with the Interstate Commerce Commission an investigation whereupon the railroads wish an advancement in rates, also an extra charge of $2 per car for setting or switching a car to an elevator upon a siding of which the railroad has granted a lease upon for elevators, etc. If this be true, it seems to us that it would be an unnatural and uncalled for expense for a grain man to have to pay to get cars moved around to the proper places for unloading and loading purposes. We think we now have an excessive rate into Kansas City from this point. The ruling rate is 6 cents in car lots of wheat, and 11½ to St. Louis. We are 25 miles from Kansas City. We will further say that we protest against any further advancement in freights, if such a thing can be avoided.

Respectfully, yours.

HENDERSON MILLING CO.

—

BELPRE, KANS., *April 9, 1914.*

Hon. G. B. MCGINTY,
Secretary Interstate Commerce Commission,
Washington, D. C.

DEAR SIR: It is our understanding that the railroads are asking for permission from the Interstate Commerce Commission to make a special charge for spotting cars for elevators, lumber companies, etc.; that this charge is to be 7½ cents per ton, with a minimum of $2 per car.

We feel that such action would be an imposition and an injustice to us, and if the rate for transportation is not high enough to sufficiently reimburse the carriers, we should much prefer that the raise be made in regular freight hauls rather than in switching charges.

Knowing that the commission will give this matter the attention and investigation it merits, we remain,

Yours, very truly,

THE FARMERS GRAIN CO.
D. GIBSON, *President.*
T. E. HARDY, *Secretary.*

—

HADDAM, KANS., *April 10, 1914.*

Hon. G. B. MCGINTY,
Secretary Interstate Commerce Commission,
Washington, D. C.

I hereby wish to put my name down as being against any advance in freight or switching charges. In fact, about one-half of the time when you ask them to spot a car for you it is not done, but it goes on their reports as being spotted, and, of course, in that case they would collect the $2.

Very truly, yours,

RAY KENTON,
Agent Duff Grain Co.

—

MEXICO, MO., *April 10, 1914.*

Hon. G. B. MCGINTY,
Secretary Interstate Commerce Commission,
Washington, D. C.

MY DEAR SIR: Knowing that there is a bill before your honorable body to consider the advancement of rates on all classes of commodities of freight in tariffs filed by the carriers throughout the country. Believing that the present freight rates on all classes of commodities are sufficiently high and adequate and any higher rates would be burdensome to the general public, we wish, therefore, to file with your honorable commission our protest against the adoption of any plan charging for spotting of cars, the service of which is already included in the freight rates which we pay.

Very sincerely and respectfully,

GUTHRIE & SON.

—

WASHINGTON, D. C., *April 11, 1914.*

Hon. JAMES S. HARLAN,
Chairman, and Members of the Interstate
Commerce Commission, Washington, D. C.

GENTLEMEN: Regarding the recent proposal that the railroads should add to the freight rates for spotting cars, or in other words, for terminal service, and without specific knowledge on my part of just what the proposal is, and supposing that the commission did have the subject under consideration, I beg to protest against any action upon the subject so far as the great stock markets and the handling of live stock and live-stock products, feed, and other products at the stock yards and markets for live stock throughout the West are concerned, except it be upon the fullest notice and fullest consideration. I do not mean to imply that the commission would pass upon the matter except after the fullest consideration and opportunity of those interested to be heard, but in some way the impression has gone out that the commission was about to do something in regard to a charge for spotting cars in connection with the eastern rate advance case, and many interests in the West fear that some precedent might be established which would not fit conditions in the West. It has been repeatedly considered by the commission that the through rates embraced the compensation for the terminal service in receiving and delivering traffic. It is peculiarly the case respecting live stock, live-stock products, the output of packing houses, feed, and supplies, with its handling on belt or terminal lines not located upon the trunk line tracks or side tracks as a rule. In a number of cases involving live-stock rates and the rates on live-stock products, the rates have been justified and fixed so as to embrace compensation for the entire service.

In the event the commission takes up the subject, we respectfully ask for the fullest investigation, and the adjustment of the rates in connection with terminal charges.

I will express the opinion that considering the long hauls on the traffic to which I have referred and the established usage, it would be unfortunate to attempt a readjustment on a basis of separating the compensation for terminal service from the rates.

Very respectfully,

S. H. COWAN.

WESTERN GRAIN DEALERS' ASSOCIATION,
Des Moines, Iowa, April 13, 1914.

Mr. G. B. MCGINTY,
Secretary Interstate Commerce Commission,
Washington, D. C.

DEAR SIR: The Western Grain Dealers' Association, an organization representing country grain elevator operators and shippers in the States of Iowa, South Dakota, northern Nebraska, and southern Minnesota, at its annual convention held at Cedar Rapids, Iowa, April 9 and 10, adopted the following resolution that you are respectfully requested to place on file with the Interstate Commerce Commission, namely:

"Whereas an effort is being made by the railroad companies to obtain authority to make a charge for spotting and switching cars to points on side and industrial tracks for the purpose of loading such cars to be transported on their line of road and for unloading such cars that have been transported on such line of road;

"Whereas grain dealers engaged in the shipping of grain have provided, at their own expense, elevators, warehouses, and coal bins along the several lines of railroad for the purpose of assembling for shipment in car lots, grain and produce to be transported, which is largely for the convenience of the railroad companies and a saving of much expense to them, and which elevators, warehouses, and coal bins the railroad companies insist upon being built of sufficient capacity to handle the business and to provide storage during times of scarcity of cars: Therefore

"*Resolved*, That a charge for placing cars at grain elevators for the purpose of being loaded with grain from such elevator will be unjust and unreasonable; and

"*Resolved*, That the secretary is hereby directed to place this matter before the Interstate Commerce Commission and to urge the commission to deny the railroad companies such or any like request; and

"*Resolved*, That if the Interstate Commerce Commission shall find that the railroads are entitled to further compensation for handling freight, we respectfully request and urge the said commission to add such needed amount to the general rate rather than to permit a specific charge for the special service of placing cars for loading and unloading, because a specific charge against the grain dealer will be unjust and unfair."

Very truly, yours,

GEO. A. WELLS, *Secretary.*

—

SANDUSKY, OHIO, *April 18, 1914.*

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: Our attention has been drawn to the fact that the railways of the country, in order to augment their revenues, have presented to your honorable body a proposition for your consideration and action which, if affirmatively decided, will allow them to make so-called "trap car" and "spotting" charges for services now rendered free of cost to shippers owning and maintaining their own sidings.

The flagrantly discriminating character of this proposal we believe warrants your positive disapproval, and together with thousands of other American manufacturers who have invested large amounts in providing themselves with their own switching facilities, we urge upon you the necessity of denying the railways the right to assess this additional tax upon us as against those who generally depend upon the free public deliveries provided by the railways at their own expense.

We recommend that the above is not the only reason for denying this request of the railways, but that there should be properly considered the matter of the advantages already accrued to them through the establishment and maintenance of these privately owned switches, in that they have distinctly been benefited practically free of cost in the matter of expanded terminals and relief of yard congestion.

If it is really necessary that the railways augment their earnings, let it be through a horizontal increase in freight rates, which, if allowed, would place the burden of such increase equally upon all shippers and thereby square with our ideas of fairness and justice.

We are unable to recommend to your honorable body what percentage in all equity this increase should be, if allowed at all, but shall rest in the sincere belief that through your wisdom this phase of the situation will be fairly decided at an early date.

Very respectfully, yours,

THE BAY VIEW FOUNDRY CO.,
E. L. MARSH, *Secretary-Treasurer.*

—

ST. LOUIS, MO., *March 24, 1914.*

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: With reference to the above subject now before the commission for consideration, we wish to lodge an earnest protest against the authorization by the commission of any such charge or charges for several reasons.

Aside from the fact that it will work a hardship on carload shippers (who furnish carriers with the larger portion of the total tonnage handled) we feel that this would lead ultimately to discriminations as between industries, affecting particularly grain and milling interests, who are forced to furnish their own facilities for the loading and unloading of bulk grain.

The natural result of such action—due to the heavy increase in l. c. l. freight which would inevitably follow—would be to force commercial interests to contend with crowded, congested, and inadequate terminal facilities.

The additional expense to carriers by reason of enlarged terminal and freight-house accommodations which would be necessary to care for the heavily increased volume of tonnage that carriers would be called upon to handle at freight houses and yards, which is now largely handled for them at industrial plants, together with the increases in force and in operating expenses which would naturally follow, would to a large extent destroy the value of a spotting or trap-car charge as a revenue producer.

What decrease might follow in the placing of cars on industrial tracks would be offset by the corresponding increase in the number of carloads placed on carriers' team tracks. It is doubtful whether the cost of the latter service would be appreciably less than the expense of the former.

The railroads prefer and encourage and, with the commission's approval, offer inducements through the medium of lower rates for shippers to deal in carload lots, and switching and spotting cars for such

carload business has always been recognized, and rightly so, as a transportation service paid for out of through rates for line haul. It remains a duty of the railroads, which they should not be permitted to evade, to keep carload shippers on a relatively fair working basis, affording them access to railroad terminals and freight houses with their product.

We therefore desire to go on record with an emphatic protest against this blow at carload shipping industries, which would be far less uniform and far more unjust than the proposed 5 per cent increase, which, aside from its merit (not under discussion here), would at least have the virtue of uniformity and fairness to all, an element which appears to be lacking in the charges proposed.

Respectfully, yours,

THE CORNO MILLS CO.

Dictated by H. H. Kennedy, traffic manager.

—

FREMONT, NEBR., *March 24, 1914.*

Hon. G. B. McGINTY,
Secretary Interstate Commerce Commission, Washington, D. C.

DEAR SIR: We understand that the Interstate Commerce Commission has up for consideration the advancement of rates on all classes and commodities of freight in tariffs filed by the carriers throughout the country.

We also understand that one method by which additional revenue is sought by the carriers is by the introduction of a tariff in which a charge of 7½ cents per ton, with a minimum of $2 per car, would be collected for setting cars on any sidetrack belonging to any coal or lumber company, grain elevators, etc.

We wish to protest with all the vigor possible against this method of increasing the revenue of the carriers. It would overturn all methods now prevailing or that ever have prevailed in the handling of carload freight. We think it unfair and unjust to discriminate against one class of shippers.

If in the judgment of the Interstate Commerce Commission, after hearing all the testimony offered on the part of receivers and shippers of freight throughout the country, it is right and proper to grant an advance in freights to the carriers, the fair way to do it is to grant an advance on all classes and commodities, such advance to be a part of the through rate and not covered under a terminal charge.

The spotting of a car, either for loading or unloading freight, comes within the proper duties of the railroad company and should be covered by their tariff rates. We assume that if the railroad is to make a charge for placing a car for unloading it will also make a charge for placing a car for loading. This means a charge at point of shipment and also at destination amounting in all to 15 cents a ton, and, in addition, it would lead to more or less wrangling and confusion. We believe this method of raising revenue very unwise.

Yours, truly,

CONSOLIDATED FUEL CO.,
By A. P. HOPKINS, *President.*

—

SIOUX CITY, IOWA, *March 24, 1914.*

Hon. G. B. McGINTY,
Secretary Interstate Commerce Commission, Washington, D. C.

DEAR SIR: We are advised that the railroads have prepared tariffs for filing with the Interstate Commerce Commission in which a charge of 7½ cents per ton, with a minimum of $2 a car, has been agreed upon.

We wish to protest against the adoption of any plan charging for the spotting of cars, and would suggest that if the commission are of the belief that the carriers should be granted an advance in rates, after hearing the testimony offered on the part of the receivers and shippers of freight throughout the country, then the fair thing to do is to grant the advance on all classes and commodities.

Yours, very truly,

S. CARLSON & SON,
By C. C. CARLSON.

—

WEIRTON, W. VA., *March 25, 1914.*

Hon. GEORGE B. McGINTY,
Secretary Interstate Commerce Commission, Washington, D. C.

DEAR SIR: We desire to enter our objection to the railroads being granted the privilege of making a charge for "spotting" or switching on private tracks, for which, we understand, they desire to ask a minimum of $2 per car.

To the multitude of smaller manufacturers who are not able to operate their own locomotives and switching crews such a charge would be a very serious burden, and it seems very unjust, in so far as the iron and steel business is concerned.

The rates on articles coming under iron and steel classification have been advanced so that the revenue per car is much greater than it is on the majority of other commodities.

The industry in which we are particularly interested—that is, tin plate—has been very adversely affected through the necessity of competing with foreign manufacturers, and we are now struggling in every way to reduce our operating costs so that we can properly compete with them and at the same time not affect our labor rates. Just at this time if we would have to absorb this charge for "spotting" it would be a very serious matter with ourselves and all other tin-plate manufacturers. Within the last year the rate to the Pacific coast on tin plate has advanced from 66.2 cents to 70 cents, notwithstanding the fact that the Pacific coast is one of the points where we have the most serious competition with foreign producers. If the railroads are entitled to some further remuneration, it would look to us more fair and equitable if some sort of a general advance be made and not simply transfer the burden from the railroads to the smaller industries, who are, by far, less able to carry it.

Feeling sure the matter will have your usual careful consideration, we are,

Very truly, yours,

PHILLIPS SHEET & TIN PLATE CO.,
E. T. WEIR, *President.*

—

NEW BRAUNFELS, TEX., *March 26, 1914.*

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

HONORABLE COMMISSIONERS: Recent newspaper articles pertaining to the latest move of the railroad companies in their endeavor to increase freight revenues have induced us to investigate this matter, and we are certain that our interests are in danger of being unjustly discriminated against. Therefore we ask you to kindly give this letter of protest your consideration.

The change we want to protest against is the proposed new scale of charges to be assessed by railroads for the service of switching and spotting freight cars at industries served by their lines. Should the railroads be permitted to put into effect this scheme, it would simply mean another unjust and discriminatory tax on the manufacturer, and it would be a charge that he could in no manner incorporate into his selling price.

In truth, the railroads are not entitled to even attempt to try and install this unjust tax on the revenue producers on their lines. We manufacturers are often put to a great expense to get spur tracks to our plants. We invariably have to furnish the right of way, do the grading, and, in many instances, are made to buy the ties and rails and pay for the laying of same before we can get the spur track into the plant. Should we then also have to pay the railroads to use the tracks for their convenience in handling the business they so earnestly solicit from us? True, the business most earnestly solicited is generally the competitive business, and heretofore the railroads have in general gracefully waived the switching and spotting charges on competitive business. Our State railroad commission has just recently entered an order which compels the railroads to absorb the switching charges on all cars spotted at industry tracks.

Are we to be penalized because we ship our products in carload lots and because we have made it convenient for the railroads to handle our business by building our plants so there will be no congestion, etc., because of inadequate handling room?

Now, regarding our own little business: During the year of 1913 we shipped a total of 3,175 carloads of crushed stone from our plant. These 3,175 cars represented a tonnage of 106,139 tons, or an average weight of 66,800 pounds per car. The carload minimum in our State is 50,000 pounds, and we are often furnished with cars with just this carrying capacity, and also often furnished with cars that will carry a maximum of 110,000 pounds. If the proposed change were put into effect it would naturally be to our interest to load all of our cars with 110,000 pounds, and in that manner pay a minimum for spotting and switching, as we feel sure this charge as contemplated intends to levy a certain amount per car and not so much per ton or hundred pounds. Would the railroads then furnish us with 110,000-pound capacity cars exclusively on request? Not much; they would be so swamped with orders for that capacity car that we would not see one per week.

Crushed stone is a commodity that sells for a very low price, and a switching and spotting charge of $1.25 at origin and $1.25 per car at destination on a 50,000-pound car would represent an advance in cost to us of 10 cents per ton, which amount is often as much as 20 per cent of the total revenue we get out of the stone. It would be most unreasonable to assess any additional charge on this low-priced commodity.

Another point we want to make is that we do not get but one car per day spotted for crushed stone loading. The balance of the cars we are to load are run out on our spur track above the crushing plant and when we have loaded the spotted car we have to drop the same into the clear below ourselves and pull the next car to the crusher. Now, no doubt, the railroad company would consider itself entitled to a switch and spot charge on every car we ship daily, whereas they really only spotted one car. We often load 20 cars per day; if they were able to put this through they would certainly derive a nice additional revenue at our expense.

Regarding the lime end of our business: During 1913 we shipped a total of 990 carloads of lime and the average carload weight was more than 24,000 pounds per car. The same switching applies for the lime plant as does for the stone crushing. It is all one operation, the lime-loading tracks merely being a continuation of the stone-loading tracks, and we have built our warehouses so that it is unnecessary to spot the cars at all; we can load them anywhere along the line as long as the railroad company will just run a line of empties in on our track.

Lime is also a commodity that brings little revenue per car and therefore a switching and spot charge at the plant will hurt more than a little bit. The switching charge would be at least 2 cents per barrel per car, and as the selling price is generally 50 cents per barrel f. o. b. our plant the proposed switching and spot charges would mean an addition of 4 per cent to our cost, and that is more than our present profit.

In our opinion the injustice in the demands of the railroads is that they want to increase their revenue at the expense of the manufacturer, which is against all fairness, as, with all due respect for the consumer, he is the one who should bear all the expenses, and if the railroads have to have more revenue it is the proper thing to get it by a general increase of earnings or rates and not by the shifting of the burden onto the shoulders of those who produce the business and thus also the revenue for the railroads. We contend that all charges for handling, transportation, use of equipment, etc., should be incorporated into a clear-cut and easily understood rate of freight and that all other service charges, etc., be eliminated. In this manner only will it be possible to put all on an even footing and charge to the consumer all handling from the manufacturing plant to his desired point of delivery.

We trust your honorable body will give this due consideration, and we shall be pleased to hear from you.

Very respectfully,

DITTLINGER LIME CO.,
H. DITTLINGER, *President.*

—

DES MOINES, IOWA, *March 26, 1914.*

Hon. G. B. McGINTY,
Secretary Interstate Commerce Commission,
Washington, D. C.

DEAR SIR: Understanding that a request has been filed by the railroad companies with your commission for permission to make a minimum charge of $2 per car for setting same on any sidetrack belonging to any coal, lumber, or grain company, we desire to file our protest against such a procedure.

It seems to us an injustice that shippers should be compelled to pay for the setting of the cars, as we think that any rates that are made should cover such service, and we believe it would be better for the business interests generally if rates are made to cover all ordinary services rendered by the carriers. If the present rates are inadequate, we believe they should be raised, but we believe whatever they may be they should cover all ordinary services.

Yours, truly,

GREEN BAY LUMBER CO.,
By K. E. JEWETT, *Secretary.*

CARRINGTON, N. DAK., *March 27, 1914.*

Hon. G. B. MCGINTY,
Secretary Interstate Commerce Commission,
Washington, D. C.:

If, after hearing all the testimony, the Interstate Commerce Commission are of the opinion that the carriers are entitled to an advance on all commodities, it would seem that the only fair way would be to make it in an advance in freight rates. To collect this through a system of charges for spotting cars would mean a hardship to those doing business which makes the spotting of cars necessary, while all others would escape.

Yours, truly, T. H. COUSINS.

—

STEARNS CO.,
Fruitdale, S. Dak., March 27, 1914.

Mr. G. B. MCGINTY,
Secretary Interstate Commerce Commission,
Washington, D. C.

DEAR SIR: We are informed that the railway companies have asked for an advance in the freight rates. If, after hearing all the evidence in this matter, you find an advance should be granted in the rates, we think it only fair and equitable that this advance should be on all classes of commodities. We wish to state that we are opposed to the adoption of any plan whereby the railroad companies will be allowed to charge for spotting of cars, the service of which is already included in the freight rate which we pay.

Yours, very truly, MELVIN B. STEARNS,
Secretary.

—

TRENTON, N. J., *March 27, 1914.*

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: We wish to go on record as being strongly opposed to the method proposed by your honorable commission to increase the revenue of railroad companies by having a charge made for car service accorded to owners of private sidings.

We ask you to please remember that these private sidings have been paid for and are being maintained at the expense of the owners and are not railroad property.

We ask you to please remember that the use of these private switches or tracks mean just as much economy to the railroad companies as to the owners of the tracks. The placing of cars on these private sidings relieves the sidetracks of the railroad companies both for storage of cars and shipping and delivering of freight contents. We venture to assert that the average cost to the railroad company of the loading and unloading of a carload of freight at the regular freight depot exceeds the expense to the railroad company of placing a carload of similar freight on a private siding.

Were the use of private sidings discontinued it would make necessary a great increase in the freight-handling facilities of all the railroad companies at their various stations. It would also mean that more time would be required in the loading and unloading of freight.

We respectfully ask, Why should the shipper who has gone to the expense of providing and maintaining a private siding be taxed for the benefit of either the railroad company or the receiver or shipper of freight using the terminal facilities of the railroad company? We respectfully suggest that nothing more than an ordinary logical sense of right and justice is required to answer our question in the affirmative. If the railroad companies are entitled to or deserving of some provision being made to insure increased revenue from the handling of freight, then we respectfully submit that a fair and equitable manner of increasing such revenue would be by a uniform increase of freight rates applicable to all shippers and receivers of freight alike.

We respectfully submit the foregoing for your consideration.

Very truly, yours,

THE ACME RUBBER MANUFACTURING CO.,
J. A. LAMBERT,
Treasurer and General Manager.

—

HOCKING VALLEY PRODUCTS CO.,
Columbus, Ohio, March 28, 1914.

Mr. GEORGE B. MCGINTY,
Secretary Interstate Commerce Commission,
Washington, D. C.

DEAR SIR: With reference to the proposed 5 per cent advance in freight rates or charge for spotting cars on private tracks, we beg to state that in the operation of 20 small coal mines we are now losing money, and are dependent upon the operations of our face-brick plant at Greendale, Ohio, to make good the losses on coal; but while our present rates on both brick and coal are exceedingly high, of the two evils we would much prefer that there should be a horizontal advance of 5 per cent in rates than to be compelled to pay for spotting cars, which would be a double charge, since charge for this service at both ends is included in the freight.

Charge for spotting cars would work a hardship on the smaller factories or shippers, since they could not afford to maintain engine and crew, while larger concerns might afford such expense, and it would probably eventually put the smaller concerns out of business.

Therefore we are unalterably opposed to charges for spotting cars; but, if deemed necessary, we favor 5 per cent horizontal advance in freight rates.

Yours, very truly,

D. E. REAGAN, *President.*

—

MEDFORD, N. J., *March 28, 1914.*

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: We understand there is a proposition before you asking that the railroads be allowed to charge a drilling or spotting charge on private sidings.

This proposition we strongly oppose as being impartial to consignors. The argument, we understand, now is that the private siding owner has the advantage over the fellow who has to haul his goods from the public siding. This is his advantage, because he bought and paid for the right and is paying for the right every year in taxes and upkeeps, etc., while the other fellow has to pay for it in the expense of haulage. They are on equal footings now, and any other arrangements would upset this.

We can not urge you too strongly in this matter. If the railroads really need more money, give it to them on every freight and ticket charge. Let us all pay the bill. Do not handicap a few for the sake of evading an issue.

Trusting you to see this matter fairly, we are,

Yours, truly,

JOS. H. HAINES & SONS.

—

IOWA CITY, IOWA, *March 28, 1914.*

Hon. G. B. MCGINTY,
Secretary Interstate Commerce Commission, Washington, D. C.

DEAR SIR: We understand that the railroads have a proposition before you looking to the establishment of a tariff providing for 7½ cents per ton charge on all cars set on private sidetracks.

As we understand this matter, if such a tariff was put in force it would place the merchant who maintains a place of business at the mercy of the scalper who delivers his merchandise direct from the cars. A moment's consideration will convince you, I am very sure, of the unfairness of such a proposition.

We desire to enter an emphatic protest against such an arrangement.

If in your judgment the railroads are entitled to an advance in rates, would it not be fairer to levy it on all commodities in like proportion and not inflict a penalty on the man who maintains a place of business, and who as a matter of convenience uses a sidetrack?

We trust that the proposition will be turned down emphatically.

Yours, truly,

R. L. DUNLAP LUMBER CO.,
By DUNLAP.

—

MINNEAPOLIS, MINN., *March 30, 1914.*

Hon. G. B. MCGINTY,
Secretary Interstate Commerce Commission,
Washington, D. C.

DEAR SIR: We simply wish to state that we should consider it very unjust and by no means within reason should any action be taken whereby a railroad company would be permitted to make a charge for spotting of cars on a sidetrack after they had been paid the regular rate of freight for the service of bringing such cars to point of destination, which service has always been understood and should be understood to cover the placing of the car where it could be unloaded.

Yours, very truly,

H. W. ROSS LUMBER CO.

—

MORRIS, MINN., *March 30, 1914.*

Hon. G. B. MCGINTY,
Secretary Interstate Commerce Commission,
Washington, D. C.

DEAR SIR: As I am aware that the Interstate Commerce Commission has up for consideration the advancement of rates on all classes and commodities of freight in tariffs filed by the carriers throughout the country, I am also aware that the carriers have prepared tariffs for filing with the commission in which a charge is made of 7½ cents per ton or a minimum of $2 per car for setting loaded cars for any coal or lumber company and grain elevators, etc., on any sidetrack. Now, I protest against the adoption of any plan charging for spotting of cars to any coal or lumber company, grain elevators, etc.

Yours, truly,

H. VAN KEMPEN.

—

CARRINGTON, N. DAK., *March 30, 1914.*

Hon. G. B. MCGINTY,
Washington, D. C.

DEAR SIR: We as shippers and receivers of commodities do protest against the adoption of any plan charging for spotting cars, the service of which is already included in the freight rate which we pay. If the Interstate Commerce Commission is of the belief that an advance in rates should be granted, then the only fair thing to do is to grant the advance on all classes and commodities.

Yours, very truly,

HAMMER-HALVORSON-BEIER ELAVATOR CO.,
Per FRED BEIER, *Secretary-Treasurer.*

—

DUBUQUE, IOWA, *March 30, 1914.*

Hon. G. B. MCGINTY,
Secretary Interstate Commerce Commission,
Washington, D. C.

DEAR SIR: It is our understanding that the Interstate Commerce Commission is considering recommending to the railroad companies that they asses the consignees to cover a switching charge for placing cars on sidetracks as required by the consignee for his unloading purposes; the suggested switching charge for this service to be, as we understand it, on a basis of 7½ cents per ton with a $2 per car minimum.

We desire to enter our protest against such a charge, as we believe that such a charge would work a very considerable hardship on the merchants and consumers in the small towns and rural communities, and also for the reason that we believe that a much fairer way for the railroad companies to receive renumeration for such service, if it is found that it is necessary that they should have renumeration for such service, that proper allowance should be made to cover such a charge in the regular published tariff rate in place of being collected in the way of a switching charge.

Yours, truly,

SPAHN & ROSE LUMBER CO.

—

NORTHWESTERN ELEVATOR CO.,
Minneapolis, Minn., March 30, 1914.

Hon. G. B. MCGINTY,
Secretary Interstate Commerce Commission,
Washington, D. C.

DEAR SIR: The matter now before the Interstate Commerce Commission in regard to the advance of freight by the railroads and the question that has been injected into it of adding an additional charge if the advance in freight rates is not granted, for spotting cars destined to a terminal market at a rate of 7½ cents per ton, with a minimum charge of $2 per car, would seem to me to establish a charge absolutely contrary to the spirit of rate making and to inaugurate an era of confusion throughout the country. It would seem to me, and I presume that would be equally true of 95 per cent of people who have anything to do with traffic, either as a shipper or receiver, that the

original rate should be enough to take care of the placing so that commodities in car lots should be placed at point of destination at the industry to unload without extra charge, except the rate from shipping point to destination, as much so as that empty cars should be spotted at an industry by the road upon which that industry is located on the basis of the rate charged from that point to point of destination. I would certainly wish to place myself on record, not as being opposed to an increase in the freight rates, if that is found to be necessary, but absolutely opposed to tacking on any supplementary charge such as that contemplated.

Yours, truly,

C. A. MAGNUSON, *President.*

—

COLUMBIA, PA., *March 30, 1914.*

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: We understand that you have under consideration the question of authorizing the railroad companies to make charge for removing or placing cars on private tracks, and we sincerely trust that you will not put this into effect, as it is certainly unfair to manufacturers and others who happen to have private tracks. This may be fairly regarded as a tax and not as a legitimate traffic charge. We think that it would be far better to grant the railroads in the eastern tariff classification territory the advance in freight rates; this would treat everybody alike.

Very sincerely,

COLUMBIA MANUFACTURING CO.,
J. H. OSTERLEY, *President.*

—

NEW YORK, *March 30, 1914.*

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: We desire to place ourselves on record as being radically opposed to any ruling of the commission favoring a car "spotting" or placing charge of any kind or amount.

If the railroads need an increase of revenue and the commission so decides, it should distribute this burden proportionately on all shippers and receivers of freight instead of putting it on shippers of industries owning private tracks.

This appears to be class legislation, and is so manifestly discriminatory in favor of those doing business on team tracks and railroad piers that we are unalterably opposed to it, and we feel that every owner of a private track, large or small, will take the same position.

The commission must take into consideration the fact that private sidings are put in, in the majority of instances, reluctantly—as they are a great expense, and the shipper himself must personally pay for the same—for the reason that the railroad sidings are not of sufficient length and capacity to handle the freight which comes in and out of the town, so if we were to all do away with our sidings on account of the tax which it has been suggested that you propose to place on them, then the railroad of necessity would have to have miles of tracks to take care of the business which would have to be erected at their own expense. Our siding at our factory in Camden was one of these.

We suffered delays and inconveniences for some years through the railroad being unable to handle our small business on their siding, and then as a last recourse—in order to hold our trade at all—we were compelled to put in our own siding, at our own expense, and there is also a yearly maintenance cost on this.

We are in favor of a reasonable advance in freight rates. We will go so far as to state that we believe the railroads are entitled to it, and it is a very serious matter to the country at large not to give it to them, but we are not in favor of this class legislation such as we understand you propose as an alternative for the relief sought by the railroads by an advance of general freight rates.

Respectfully,

WILCKES MARTIN WILCKES CO.,
L. MARTIN, *Vice President.*

—

MINNEAPOLIS, MINN., *March 31, 1914.*

Hon. G. B. MCGINTY,
Secretary Interstate Commerce Commission, Washington, D. C.

DEAR SIR: We understand that there is now before your commission for consideration the advancement of freight rates on all classes and commodities. If your commission is of the opinion that the carriers are entitled to a raise in freight rates, then the only fair and right thing to do is to allow a reasonable advance.

We are informed that included in the tariffs before you is a charge of 7½ cents per 100 pounds, or a minimum charge of $2 per car for placing cars on any sidetrack belonging to any coal or lumber company, grain elevator, etc. We feel that to allow the carriers to assess such a charge would be unjust and unfair, and we are taking this opportunity of placing ourselves on record as being opposed to this.

Yours, respectfully,

WELLES-THOMPSON CO.,
By H. HYNDMAN.

—

ALBERT LEA, MINN., *March 31, 1914.*

Hon. G. B. MCGINTY,
Secretary Interstate Commerce Commission, Washington, D. C.

DEAR SIR: We are informed that your commission has up for consideration the advancement of rates on shipments of coal; also that railroads are asking for permission to make a charge of about $2 per car for spotting cars of coal and coke at destination. We, of course, understand that railroads should receive adequate rates to handle the traffic, but we do not believe that it is fair to allow railroad companies to charge for spotting cars of coal or coke at destination, nor do we believe that it would be fair to allow the railroad companies to advance the rates on coal alone. If it can be shown that freight rates are not adequate, then we feel that all the rates ought to be advanced rather than coal alone.

Yours, truly,

SPELTZ GRAIN & COAL CO.,
THEODORE SPELTZ, *President.*

—

PHILADELPHIA, *March 31, 1914.*

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: As a dealer in coal, who unloads over 5,000 cars per year, we wish to be placed on record as being radically opposed to any ruling of the commission favoring a car spotting or placing charge of any kind or any amount. It would simply be class legislation, giving the teamster who unloads off railroad company's siding the advantage over dealers like myself, who have our own sidings. We would much prefer an advance in freight rates. It would be more equitable.

Yours, very truly,

RICHARD MCALLISTER.

—

DANBURY, IOWA, *April 3, 1914.*

Hon. G. B. MCGINTY,
Secretary Interstate Commerce Commission,
Washington, D. C.

DEAR SIR: We understand that the Interstate Commerce Commission has up for consideration the advancement of freight rates on all classes and commodities of freight in tariffs filed by the carriers throughout the country with the commission. "Are the present revenues of the carriers adequate? If not, how may they be supplemented?" We understand the carriers have prepared tariffs for filing with the commission in which a charge of 7½ cents per ton, with a minimum of $2 per car, has been agreed upon. This, of course, would mean that the minimum charge of $2 per car would be collected for setting cars on any sidetrack belonging to any coal or lumber company, even though the track did not belong to said company. This extra amount has heretofore been regarded as part of the rate, and if made effective it means a practical slap at economy and benefits only the strong lines.

We therefore ask if the Interstate Commerce Commission is of the belief that the carriers should be granted an advance in rates after hearing all the testimony offered on the part of the receivers and shippers of freight throughout the country. Then, we believe the only fair thing to do is to grant the advance on all classes of commodities, and we therefore protest against the adoption of any plan charging for spotting cars. The service is already included in the freight rate which we pay, and we hope that this will meet with your approval.

Yours, very truly,

MAPLE VALLEY LUMBER CO.,
P. C. KEITGES, *Manager and Secretary.*

—

COLUMBUS, OHIO, *April 3, 1914.*

The INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: As one of the largest shippers and receivers of freight in the city of Columbus, we beg leave to submit our views in connection with the question of "increase in freight rates or special charges" that is now before you for consideration.

We particularly refer to and enter a vigorous protest against the alternative proposition presented, that the public carriers be permitted to assess extra charges for what they term "special service," such as spotting cars, trap service, etc.

This, in our opinion, would be the most unreasonable, unsatisfactory, and unjust regulation that could possibly be established. It would be the cause of constant dissension and confliction between the shipper and receiver of freight, as the policy of paying an established rate has been so long in vogue that the addition of "special charges" over and above the tariff rate would create difficulty and confusion that would be almost impossible to overcome.

It would also react unfavorably on the consuming public, as applied to the manufacture of food produces, as there would be no permanent or consistent basis upon which to figure an established basis of cost, and which is possible under the plan of a fixed rate per 100 pounds, in the shipment of raw materials as well as the finished product.

If it is proven to the satisfaction of your honorable body that the public carriers are really entitled to an increase of revenue over and above what the present freight rates provide, we firmly believe that the plan of permitting a horizontal advance in freight charges would be far more satisfactory all around and appeal more favorably to the general sentiment of the public at large.

Respectfully submitted.

THE CAPITAL CITY DAIRY CO.,
M. LEO CORBETT, *Secretary.*

—

CHAMBER OF COMMERCE OF THE STATE OF NEW YORK,
New York, February 28, 1914.

Mr. GEORGE B. MCGINTY,
Secretary Interstate Commerce Commission,
Washington, D. C.

DEAR SIR: Your letter of February 17, addressed to the Chamber of Commerce of the State of New York, and which refers to the fact that this chamber is advocating an advance in freight rates, makes a number of inquiries, has been received and carefully considered.

You ask how many business concerns are represented in the chamber. It is practically impossible for us to give a reply to this question, for the reason that membership in this chamber is by individuals only, but the character of its membership is such that a large number of the great manufacturing and industrial companies are represented in the membership by their presidents or other officials.

You ask how many of the business concerns represented in the chamber are connected with one or more railroads by a private spur or siding. You are, of course, aware that there is but one railroad entering directly Manhattan Island, namely, the New York Central; and therefore many of the large manufacturing concerns located in this city have no direct rail connection, although much of the freight is handled by car floats from New York to the various railroad terminals in New Jersey.

Although New York City is the largest manufacturing city in the country, it is distinguished from most other localities by the fact that its manufacturing concerns are widely diversified among a large number of different industries, and there is no one or two or three great preponderating manufactures. The largest manufacturing industry in New York, as you know, is that of men's and women's clothing.

Unquestionably the large manufacturing and industrial concerns who are represented in our membership, but whose manufacturing establishments are in other parts of the country, are connected with railroads by private spur or siding, but information as to these spurs and sidings you are undoubtedly obtaining from other sources than this chamber.

Yours, very truly,

SERENO S. PRATT, *Secretary.*

SANDWICH, ILL., *February 24, 1914.*

Hon. CHARLES A. PROUTY,
Chairman Interstate Commerce Commission,
Washington, D. C.

DEAR SIR: It has come to our notice that the railroads of the country are petitioning your honorable body for a ruling under which they will be enabled to make a minimum charge of $2 per car for "spotting" cars and similar service, and that if your commission grants their prayer this charge will become a regular part of the tariff schedule.

If we are correctly informed, we wish to file an emphatic protest against action of this kind. We believe the granting of this request would impose a burden on shippers and increase revenues of the roads to an amount greater than the 5 per cent general freight rate advance which the railroads have been requesting, but instead of the burden falling upon all people it would, in our opinion, fall directly upon a comparatively few, namely, those large shippers whose business compels the use of switch tracks. These switch tracks are, as a rule, owned and maintained by the shipper, and in many cases, perhaps the majority; it does not cost the railroad much, if anything, more to locate or "spot" a car either for loading or unloading on the switch track of the shipper than it would to locate that car on a sidetrack owned and maintained by the railroad; and, further, it would be absolutely impossible for the railroads to handle the present volume of traffic without the use of the private switch tracks, which cost them nothing to install and maintain.

We are not opposed to a reasonable general increase in freight rates if the railroads can show that operating conditions justify them in making a demand for such increase, but we do wish to emphatically protest against an indirect advance which will fall directly upon the shoulders of a comparatively few shippers, and which must, in a large measure, be absorbed by these shippers and can not be added to the selling prices of their product.

We venture the hope that your honorable body will decide against this demand on the part of the railways.

Very respectfully, yours,

SANDWICH MANUFACTURING CO.,
E. C. MOSHER, *Assistant Secretary.*

—

CINCINNATI, *March 20, 1914.*

The INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: Referring to the additional charge for spotting cars on individual switches, which we note is to be decided by your honorable body March 24 to 31, we respectfully petition that no decision be reached without full and ample opportunity for consideration.

While not opposed to the general policy of giving the railroads additional revenue, we believe that charge for this service will result in penalizing manufacturers who have spent vast sums of money to improve their transportation facilities. Any increase to the railroad should come from all users of transportation in proportion to their use of that service, and not especially from those who by their own investments have contributed to reduce the costs to the railroad for the service rendered, as is the case where manufacturers load and unload their own cars.

Trusting therefore that full opportunity will be granted by your body to the shipping interests to present facts in support of the above, we remain,

Yours, very truly,

THE TRIUMPH ELECTRIC CO.,
J. C. HOBART, *President.*

—

BEAVER FALLS, PA., *March 21, 1914.*

Mr. GEORGE B. MCGINTY,
Secretary Interstate Commerce Commission,
Washington, D. C.

DEAR SIR: We have your favor of the 16th instant, and thank you for your prompt reply. We note the commission has not defined what is meant by the term "spotting cars," and we are therefore somewhat in the dark as to this matter. If the term is meant to cover original placement of cars to be loaded or unloaded on private sidings or spur tracks, at loading or unloading platforms, tipples, bins, elevators, etc., we, the Manufacturers' Association of Beaver County by its transportation committee, are unalterably opposed to a spotting charge by carriers for such service. This service has always been included in the rate of freight paid and should be continued as such. If we for our own convenience, and for the convenience of the carriers as well, construct and maintain private sidings or spur tracks into our plants, we should not be penalized to the extent of a spotting charge over and above the regular rate of freight.

If the business now handled on private sidings or spur tracks be transferred to railroad platforms or team tracks, the carriers could not handle it with present facilities without serious delays and losses to the business interests of your petitioners.

If in the opinion of your honorable commission it is found necessary and reasonable to grant carriers in official classification territory additional revenue, we pray that this additional revenue be secured by means of a slight advance in freight rates where the burden will be more reasonably proportioned, rather than by the assessment of a "spotting charge" where it will fall on a few.

Very respectfully,

MANUFACTURERS' ASSOCIATION OF BEAVER COUNTY,
WM. B. TODD, *Secretary.*

—

CHICOPEE FALLS, MASS., *March 21, 1914.*

THE INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: With reference to the hearing now being held in regard to the "spotting" of cars on private or industrial sidetracks, the writer, in the interest of his company, desires to submit the following objections to any ruling that will impose a charge for such service that has not already been the practice of the roads in this territory to impose.

We are located exclusively on the Boston & Maine Railroad, on what is known as a branch or spur track, and we have two sidetracks, one of which is exclusively located on Boston & Maine right of way and the other about one-half on Boston & Maine right of way and the other half on our own property, the latter track being one to accommodate coal cars, which are placed on a trestle over a coal pocket built by ourselves on our own property. This coal pocket accommodates two cars at a time. The balance of this track is used for unloading carloads or ferry cars. The first track referred to, which is about 700 feet long, is used for unloading incoming carloads and ferry cars and loading outgoing carloads and ferry cars. We positively, with a very few exceptions, have no cars "spotted"; i. e., if we are to understand that "spotting" a car means the placing of the car in a certain place under certain conditions. The cars on both our sidetracks are placed, regardless of position, as near as possible as they arrive in the train line before broken up in the yard. They are, you might say, "kicked in to us," and they are taken out under identically the same circumstances.

The full carloads are placed on one of the two sidings, according to our instructions. The ferry cars are at least 70 per cent loaded by the carrier for their own convenience, and are made up at junction points of the Boston & Maine or other roads before reaching Chicopee Falls; i. e., the above applies to the incoming cars. Outgoing cars are loaded by ourselves, either in full carload or any quantities in excess of 6,000 pounds, under the tariffs provided by the Boston & Maine, and are so loaded as to run to a junction or transfer point on the Boston & Maine or beyond there to break bulk for distribution. This latter service is for the convenience of the common carrier, and is done with their request, knowledge, and consent.

We handle from 10 to 20 cars per day, which, with the exception of full carloads and our coal cars, are all loaded for the convenience of the common carrier. If there is any convenience or advantage to our company on incoming so-called "ferry or trap cars" it is only that we receive the freight earlier than we would have if we had to take same from the public warehouse. If there is any advantage on loading out ferry cars which reverts to this company it is the additional time gained in reaching a logical transfer point for final distribution rather than having it rehandled two or three times. Each of the above is of particular convenience and advantage to the common carrier in that it permits of an opportunity to "scientifically" handle their inward and outward bound business at the least possible cost of labor and loss in damage, and the quickest possible distribution of their incoming and outgoing tonnage.

The terminal facilities of Chicopee Falls are such as they have been here without any change, with possibly a few exceptions, for something like 20 years. Any changes which have been made, which has resulted in more yard or terminal facilities, have been made at the expense of the shippers and receivers of freight, with the possible exception of about 400 feet of the sidetrack which parallels our property, and which is exclusively on the Boston & Maine right of way. Of this track we paid the expense of grading, tieing, and railing about 600 feet, the Boston & Maine paying the balance and using said 400 feet for storage and other purposes exclusively their own. They have positively not paid 1 penny toward the increase in yard facilities that were not for their own advantage and convenience, that the writer knows of, within a period of 20 years in Chicopee Falls.

The amount of time used daily in switching our tracks does not, except in storm periods, approximate daily more than one hour.

There is one other set of private tracks in Chicopee Falls where the time taken would average no more. The balance of the time taken for switching in these yards is on public tracks and for the public warehouse deliveries and outward movement of loaded freight.

All ferry cars which we load ourselves for placement on our tracks are charged for at the rate of $2 per car, and we pay for this service anywhere from $10 to $26 and $30 a week. Also any cars which we load out which do not have over 6,000 pounds are charged for at the rate of $2 per car, and we pay same. So far as we know we do not get something for nothing on the Boston & Maine; in fact we, in our opinion, pay for a great many things that should be gratuitous.

If there is a charge put on each and every car placed upon our tracks by the Boston & Maine (we have no industrial service of our own), then we shall refuse to receive upon our tracks anything but carload freight and will insist upon the ferry cars being unloaded at the depot or freight house.

For your information, before this rule is placed in effect to apply in Chicopee Falls, we would advise that very careful inspection be made of this point, and you can soon realize that refusal of the shippers to accept cars on their private tracks and pay any charge whatever for same and the demand of shippers that the same be placed at the freight house and unloaded by the carrier would within 48 hours block this yard so that movement in and out under any "scientific" conditions would be impossible.

As the writer understands it, the Fisk Rubber Co. has paid for every improvement along its property; has paid for all renewals and repairs, and must continue so to do; pays for all unloading and loading on its platform, and must continue so to do; pays for all insurance against fire, theft, and pilferage, and must continue so to do; pays for all liability insurance against accident on these tracks, and must continue so to do; in fact, pays for everything but the air we breathe.

We release all loads, with few exceptions, within a period of 24 hours as empties, or all empties as loads within the same period, and generally about 40 per cent of the loads in to-day are empty and go out as loads again to-morrow, making the loading and unloading of a single car in each and every instance within a period of 24 hours; and we have many of these cars every day. In other words, where it is expected that a shipper will use 48 hours to unload a car and 48 hours more to load it, we are performing both operations within a period of 24 hours, which, if you will note carefully, is a very heavy per diem saving on the part of the Boston & Maine when it is considered that we are loading and unloading from 10 to 20 cars per day.

We do not hesitate to state that if the use of the tracks paralleling our property were discontinued and the incoming and outgoing business unloaded and loaded on the public tracks and at the freight house that the present terminal facilities of the Boston & Maine would fail completely to meet the demands. We have, all told, approximately 1,000 feet of track paralleling our property which is devoted exclusively to incoming and outgoing tonnage of the Fisk Rubber Co. alone; and approximately we ship and receive during the year more tonnage than all the rest of the manufacturing concerns in Chicopee Falls combined, with the exception of the Chicopee Manufacturing Co., a large cotton concern here, and our tonnage compared to theirs shows the Fisk Rubber Co.'s tonnage a great deal in excess of theirs. They have private sidetracks, and should they take the same position we intend to take, if this rule is established, you can readily see what position the Boston & Maine will be placed in.

Finally, to apply Mr. Brandeis's "scientific" railroading propositions to this situation means that if this charge is to be placed in effect it will violate all contracts which were written, and because of which the present tracks paralleling our property were installed and for which we paid. Therefore, if this violation is forced upon the Boston & Maine, adequate compensation for the loss must be forthcoming to the Fisk Rubber Co. In addition to this the Boston & Maine must either refund to us the amount of moneys expended for installa-

tion and maintenance of these tracks, take a lease from us for the use of the iren, or pay us for the amount of labor involved in loading and unloading all less-than-carload freight. There are three options, any one of which means an enormous expense to the Boston & Maine if applied to all industrial tracks.

We have studied carefully through every means at our command the transportation problem, especially that applying to the placing of cars on private sidetracks for unloading and loading and the switching of them from such tracks as empties or for forwarding, and we have come to the conclusion that you can not show any authority for the position being argued that the rate does not include placement and delivery at the shipper's or consignee's order, and we have also come to the conclusion that your commission having already ruled repeatedly that the above is the fact can not now consistently reverse itself. If your commission sees fit to reverse itself in this case, then there is absolutely no value whatever in any ruling that the commission has made, as it would simply be a matter of a political change in order to bring about an entirely different interpretation of all tariffs; i. e., it would mean simply that the present Democratic Congress could pass a bill annulling the present interstate commerce act and abolish the present Interstate Commerce Commission and immediately repass the same interstate commerce act and have an entirely new set of commissioners appointed with the understanding that the rulings of the new commission would correspond to Democratic dictation, and should the people at the next election choose a Republican or Progressive Congress, the same thing could be done over again. The rulings of the commission should always be such as a shipper or consignee or the general public could feel would stand without question until national statutes constitutionally declared make them void in law and in fact.

Finally, we wish to state that if your commission finds that the present revenue of the carriers asking for the 5 per cent increase is not sufficient to meet their requirements for the upkeeping of their property and dividends on their legitimate stock, then we feel that you should grant the 5 per cent increase without any further argument on the question and not upset the practice of the carriers for something like 40 years. In other words, there are those located on the Boston & Maine tracks who have received these privileges free of charge for a period exceeding 21 years, and have thereby become in possession of a prescriptive right to these privileges indefinitely; and under the law the carrier, not being able to discriminate in favor of one shipper or consignee as against another, is bound under the common law to continue its past methods except wherein such discontinuance will not create an unnecessary hardship or expense in contravention of the established principles which as a quasi public corporation it must render. We, therefore, suggest that any change such as suggested by Mr. Brandeis in regard to the "spotting" and "placing" of cars on private tracks is not "scientific railroading," nor is it cooperative, but will, on the contrary, bring about such conditions as will render the common carriers unable to meet the business requirements of the country. Our argument is intended only to cover such services as are rendered by the carrier free of charge without any spirit of favoritism, discrimination, or thought of gain, and free from any spirit of actual or implied illegal rebate.

Respectfully submitted.

THE FISK RUBBER CO.,
F. R. LYMAN, *Traffic Manager.*

—

YORK, PA., *March 31, 1914.*

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: We notice your commission suggested that a charge of $2 shall be made by the railroad companies for placing all cars on sidings. This will be a decided hardship upon us as we receive every day approximately five cars of freight, and we ship every day from two to three cars of material. Should this ruling go into effect our only hope would be to dispose of our property and move our business nearer the freight station, which would enable us to dray our products, as the present margin of profit in our line of businsss would be seriously affected by this ruling. On the other hand, we would not seriously object to the 5 per cent increase in the freight rates as this would not be as much of a hardship to us as the $2 "spotting" charge.

We might say, as a matter of interest to you, we have been in business over 100 years, and 60 years ago we ran 20 freight cars of our own between this point to New York and elsewhere; but owing to the laws on private cars, etc., we have junked our cars and discontinued shipping in this way. We sincerely hope that after reflection you will not impose this tax upon us. We might also say, our hardest competition at the present time is the commission man who rents a $15 office and has no expenses, except personal expenses, and who sells carloads and less-than-carloads of material direct from the factory to the merchant, or manufacturer, or consumer. If our cost of goods is going to be increased by a charge of $2 per carload this will put us in an even worse position than we are to-day.

Thanking you for your kind attention, we are,
Yours, very truly,

P. A. & S. SMALL CO.,
Per GEORGE SMALL.

—

PORTLAND CHAMBER OF COMMERCE,
Portland, Oreg., March 20, 1914.

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: The opinion of the commission in docket 4181, the Industrial Railways case, and the published reports of the hearings now being held with respect to car spotting and other alleged free services by carriers, have been carefully read and studied.

Existing rates for transportation services include spotting of cars, etc., and should not be increased by adding a separate charge therefor.

Present practices of carriers relieve the congestion on railroad terminals and facilitate car movement, car efficiency is increased, and railroad facilities at the expense of the individual and to the relief of the carrier are provided. To separate the terminal and transportation services as proposed would be revolutionary, discriminatory, and confiscatory.

If the commission decides after considering the evidence before it that carriers are entitled to increased rates, that increase should be so made as not to place the burden on any particular class of traffic.

We realize that if the proposed plan, as a principle, is adopted in official classification territory it will be immediately adopted in all other territories.

We believe, therefore, that the settlement of this important question should not be unduly hastened, but that hearings should be held in various cities throughout the country so that shippers and others interested may fully present their views to the committee.

Yours, truly,

J. H. LOTHROP, *Manager.*

—

CEDAR RAPIDS, IOWA, *March 23, 1914.*

Hon. G. B. MCGINTY,
Secretary Interstate Commerce Commission,
Washington, D. C.

DEAR SIR: As the Interstate Commerce Commission has up for consideration of advancement of rates on all classes of commodities, and as we are interested in retail coal business, we take the liberty to protest against the adoption of any advance in rates and charging for spotting of cars. It would harm the smaller retailers and may put some out of business.

Yours, very truly,

RIVERSIDE FUEL CO. (INC.),
JOHN TLUSTY, *President.*

—

BEAVER FALLS, PA., *March 23, 1914.*

Mr. GEORGE B. MCGINTY,
Secretary Interstate Commerce Commission,
Washington, D. C.

DEAR SIR: If we understand the proposed charge for "spotting cars" it is to make a charge for picking up the car at the switch point and placing at the loading or unloading point, and a similar charge for picking up at loading point and carrying to switch point. We understand the amount suggested for this charge to be about $2 per car.

If our conception of this proposed ruling is correct, we wish to place ourselves on record as not favoring the "spotting-car" charge.

Our association represents a number of small industries who would have to absorb this as an additional cost charge, which could not be recovered through an advance in our prices. We estimate this advance on our crude materials would be about 2 per cent on the average cost of the material, and on the finished product of over 2 per cent on the average selling price, which, together, would add at least 3 per cent to our average costs.

The "spotting-car" charge at the loading point of our crude materials would without doubt be added to the price of such materials, which would make an additional charge to our costs, and has not been included in the above estimate of increased costs.

The small margin of profit in our industry can not stand this additional expense.

We do not include in these estimates the "spotting-car" charge at delivery points of our product, which would be an additional expense when absorbed by the shipper, when making f. o. b. delivery.

If, in the opinion of your honorable commission, it is found necessary and reasonable to grant the carriers additional revenue, we urge that this be secured by a slight advance in freight rates, where the burden will be distributed more reasonably than as an assessment for "spotting-car" charge, which would mostly fall upon the smaller industries, who depend upon the carrier to place their cars.

Respectfully,

TILE MANUFACTURERS' CREDIT ASSOCIATION,
F. W. WALKER, *Secretary.*

—

LEON, IOWA, *March 23, 1914.*

Hon. G. B. MCGINTY,
Secretary Interstate Commerce Commission,
Washington, D. C.

DEAR SIR: We wish to register our protest against the order the railroad companies are asking your commission to make, relative the spotting of cars at 7½ cents per ton, or a minimum rate of $2 for setting a car on a switch, so it can be handled by the dealer. It seems to us it would be very unfair to authorize a rate like this, for the reason that only the shippers in carload lots would be helping the revenue of the railroad company.

If the commission finds that the revenue from freight is not enough to pay a proper per cent on the money invested, the only fair and honest way to increase the revenue would be to raise the rate on everything in proportion, and not put the whole burden on one class of shippers. However, we believe that more efficiency on the part of the common carriers would have the effect of increasing their revenue.

Yours, truly,

BIDDISON COAL & GRAIN CO.,
C. G. BIDDISON.

—

WAUBAY, S. DAK., *March 23, 1914.*

Hon. G. B. MCGINTY,
Secretary Interstate Commerce Commission,
Washington, D. C.

We do not believe that the carriers should be granted the adoption of any plan charging for spotting cars at elevators and coal dealers, on sidetracks belonging to them, as the service is now included in the freight which we have to pay; furthermore, we do not see where it would benefit anyone but the strong lines. If the Interstate Commerce Commission believes that the carriers should be granted this advance in freight, then the only fair thing would be to grant the advance on all classes of freight and commodities.

Respectfully, yours,

FARMERS' GRAIN & FUEL CO.,
Per F. W. KUTIL, *Manager.*

—

HUBBARD, IOWA, *March 23, 1914.*

Hon. G. B. MCGINTY,
Secretary Interstate Commerce Commission,
Washington, D. C.

DEAR SIR: I see where the carriers of freight have prepared tariffs for filing with the commission, in which a charge of 7½ cents per ton, with a minimum of $2 per car, for setting cars on any sidetrack belonging to any coal or lumber and grain company.

I must say that this charge is not fair. If the carriers must have an advance in freight (which I do not think necessary), then the only fair thing to do is to grant the advance on all classes and commodities. I therefore protest against the adoption of any plan charging for spotting of cars, the service of which is already included in the freight rate which we pay.

Yours, very truly,

PFUND LUMBER CO.,
B. P. GREENFIELD,
Manager.

—

HORACE, N. DAK., *March 24, 1914.*

MR. G. B. MCGINTY,
Secretary Interstate Commerce Commission,
Washington, D. C.

DEAR SIR: I wish to register my protest to the commission to allow the railroads to further advance the freight rates, and especially the allowance of $2 per car setting at its terminal. There seems to be no end to the raising in freight rates by the railroads. As it is to-day, we pay 30 cents more a ton on coal than Fargo, which is only 10 miles distant. Many years the farmers raise a light crop, and as a result make less, and in many instances lose money, but there is no such a thing as any reduction in freight to ease up matters.

In case the Government does not do something to curb the greed of the railroads the result will be socialism in practice in a very short time.

It looks to me as if most of the requests of the railroads for advances are granted by the commission. The writer was at Bowman, N. Dak., four years ago, and the Chicago rate and Minneapolis rate to Bowman were practically the same, while there was a difference of over 300 miles in distance. And will conclude by protesting against any advance in rates, as we are overburdened by too high rates already, and am confident that the commission will endeavor to do justice to the public as well as to the railroads.

Yours, respectfully,

C. FREDRICKSON.

—

EASTON, PA., *March 24, 1914.*

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: We understand that there is a proposition before your honorable body, whether advanced by the railroad companies or others we do not know, to authorize and permit the railroad companies to put a charge on all cars placed for loading and unloading on sidings owned by parties other than the railroad companies themselves. This proposition seems to us most unjust. From our observations at Easton we believe it is a benefit to the railroad companies to be able to place cars on private siding for either loading or unloading. It reduces the glut of cars in the railroad companies' yards, and they do not have to move and switch about such cars in order to remove cars that have been unloaded and to place loaded cars at certain points in their yards for unloading, as they are almost constantly doing. Again, the values of carloads of merchandise vary or differ very greatly. Taking our lime, which is a cheap commodity, as an example, and placing a switching charge upon it the same as on other commodities in carloads, many of which are worth in value from 20 to 50 times the value of the car of lime, would certainly be unjust. I do not believe the lime business is in such a prosperous condition that the business will stand it, certainly not in this section. The constant increase of minimum weights by the railroads hampers the business and makes it more expensive to handle them in the smaller towns and cities. If the railroads must have additional income, we would prefer to see a small advance in rates on merchandise in general as the most equitable and just to all concerned.

Very respectfully, yours,

EASTON LIME CO.,
Per PURCELL.

—

ROCKFORD MANUFACTURERS' & SHIPPERS' ASSOCIATION,
Rockford, Ill., February 28, 1914.

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: We inclose herewith a resolution passed by the directors of the association at its recent meeting, which is self-explanatory, and trust that the matters and things involved therein will receive your most careful consideration.

Yours, very truly,

C. S. BATHER.

[Inclosure.]

Whereas the Interstate Commerce Commission have now under investigation the propriety of the proposed advance in freight rates between points in so-called official classification territory; and

Whereas in the said investigation the commission have propounded inquiries regarding so-called private-industry track service, including "spotting of cars" and "trap-car" service; and

Whereas the commission have raised the question of the propriety of imposing a charge for "spotting cars" and "trap-car" service aforesaid: Therefore be it

Resolved, That the Rockford Manufacturers' & Shippers' Association, representing, individually and collectively, the manufacturers and shipping interests of the city of Rockford, Ill., are opposed to and they do hereby protest against the proposal to permit the carriers to impose any extra charge or charges for "spotting of cars" or "trap-car" service aforesaid, for the following reasons, viz:

1. That "spotting cars" is and always has been considered delivery of the car and a legitimate part of the through transportation service.

2. That the cost of "spotting cars" is already included and should be included in the rates charged for the transportation of property from point of origin to destination thereof, which rates now include all terminal as well as other transportation expenses.

3. That if the service beyond the point of interchange between the rails of the carrier and the tracks of industries is a shipper's service; a part of the industrial operation of the plant, and not a service of transportation, as announced by the Interstate Commerce Commission in "Industrial Railways case" (29 I. C. C., 212), then and in that event such service is a local intrastate service exclusively within the jurisdiction and control of State authority.

4. That the "trap-car" and similar service of the carriers is a legitimate extension of their terminal facilities, open to all shippers who desire to avail themselves of the same, reciprocal among railroads and properly included within the through line charge, and

5. That the practice established by the carriers in the performance of this service should be maintained as at present.

And be it further

Resolved, That a copy of these resolutions be forwarded to the Interstate Commerce Commission as a means of voicing the vigorous protest of the Rockford manufacturers and shippers against the imposition of this proposed additional, unwarranted tax upon traffic.

ROCKFORD MANUFACTURERS' & SHIPPERS' ASSOCIATION,
By its directors—
P. A. PETERSON.
C. F. MANTINGHAM.
W. A. BROLIN.
T. F. HOPKINS.
C. S. BATHER.
A. T. BARNES.
T. D. REBER.
CHAS. ANDREWS, Jr.
A. S. BUHL.

—

CHICAGO, *February 23, 1914.*

THE SECRETARY INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

DEAR SIR: Referring to the decision handed down in the industrial railway case (No. 4181), being large shippers it appears to us that this "spotting" charge is an extremely unjust one, especially to those shippers who like ourselves have our own switches and sidetracks maintained at our own expense, and should a rule of this kind be put into effect it would be a discrimination, because there are many even larger shippers who do not maintain their own switch and sidetracks, and these charges would operate against those that did.

We do not wish to be understood to take a position against a general reasonable increase in rates such as has been advocated if properly used and which would affect all classes of shippers alike, but this service charge for "spotting" cars is an unjust charge, we think. We should like in this instance to have our letter filed as a protest and as evidence when this matter again comes before your commission, as we understand it will on the 27th or 28th.

Yours, very truly,

JOHN A. GAUGER & CO.

—

DETROIT, MICH., *February 26, 1914.*

THE SECRETARY INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: We learn that one of the matters coming before your commission is the question of charging for placing cars on private sidetracks.

There is more than one side to consider in this matter. From a shipper's standpoint, we claim that the railroad companies are ahead by placing the cars on private sidetracks. In the first place, it saves them money in not having to have additional tracks of their own and the additional buildings they would require, provided that all goods were carted to their warehouses. It also saves them money for trucking and rolling the goods from one part of the warehouse to another and the expense of loading the cars.

These expenses would be a great deal heavier than the expense they are put to in switching cars and placing them on a private sidetrack, and we very much doubt if the railroad companies would be in position and could afford the expense of providing facilities to take care of this business.

It costs the private sidetrack owners a lot of money in the investment. Had the railroad companies provided the same facilities the interest on the investment would be another large item.

We trust the commission will not saddle any additional expense on people who have been compelled already to invest their own private money on these tracks.

In regard to the advance in rates, we are in favor of giving the railroad companies sufficient rates so that they can get a fair return from their investment, keep up their equipment, and be in position to give good service. Good service is of more importance to a community than the few cents per hundred additional freight rate.

Very truly, yours,

PARKER, WEBB & CO.,
Per JAMES CRAIG, Jr., *President.*

—

CLEVELAND, OHIO, *February 26, 1914.*

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: As shippers we express our unqualified indorsement of the granting of the 5 per cent freight rate advance asked for by the railroads, and name our emphatic disapproval of and protest against the substitute plan of charging for "spotting," "setting" or shifting cars, which latter, to the shipper, is an indispensable convenience correlative with the primary broad idea of railroad service. We condemn the substitute plan as impracticable and one involving complexities and vicaria fraught with endless errors and contentions.

Yours, very truly,

THE DIAMOND PORTLAND CEMENT CO.,
Z. W. DAVIS, *President.*

—

CHICAGO MALLEABLE CASTINGS CO.,
West Pullman, Chicago, February 26, 1914.

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

DEAR SIRS: The commission's proposed spotting charge is raising a terrible howl in this vicinity.

I have no desire to go into lengthy correspondence, as no doubt you have been cited over 100 reasons why this extra burden should not become a law. It would seem to us that a reasonable horizontal increase of not more than 5 per cent should be granted the railroads, and then the "little fellow" would be satisfied that he is paying his share.

If the larger industries are compelled to pay this spotting charge, it will disturb the entire shipping world and will result, as usual, in people like ourselves getting soaked worse than ever.

We would like to see this matter cleaned up, so the wheels can turn and put some of our men who want to, but can not find, work enough to keep from starving.

Yours, truly,

J. T. LLEWELLYN, *Vice President.*

COSHOCTON, *February 24, 1914.*

The INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: We are informed that there is an intention on your part to have the railroads charge something like $2 per car for cars spotted in the factories. We herewith most emphatically wish to protest against such a charge, as same would simply be ruinous for us and we can not afford to spend $2 for every incoming car. We have a small sidetrack coming off the Wheeling & Lake Erie Railroad and the cars of raw material coming in are spotted every day, and if we should have to pay $2 per car that would mean an extra expense of something like $2,000 per year, which is certainly a big amount for a relatively small concern as we are; in fact, spotting charges as named above would practically amount almost to the 5 per cent freight increase which the railroads are trying to get from you and which you fortunately have so far denied them. We earnestly entreat you not to put into force such a rule, which would be ruinous for us. Would you kindly do us a favor and let us know whether there is anything in that rumor and whether or not this new rule is going to be applied.

Trusting to hear soon from you, we are,

Yours, very truly,

THE COSHOCTON GLASS CO.,
H. LIEWER, *President.*

ATLANTIC, IOWA, *March 23, 1914.*

Hon. G. B. MCGINTY,
Secretary Interstate Commerce Commission, Washington, D. C.

DEAR SIR: I see the Interstate Commerce Commission has up for consideration the advancement of rates on all classes and commodities of freight in tariffs filed by the carriers throughout the country.

Are the present revenues of the carriers adequate? Yes. The freight rate we pay is enough now to include spotting and sidetracking of any cars. Railroad service is not its best at any rate and we dealers have cars sidetracked for two weeks where we can't get them, and so it's my opinion that the rate is enough to include any extra charge. I protest against the adoption of any plan charging for spotting of cars, the service of which is already included in the freight rate which we pay.

Hoping this, with many others, will be considered in our favor, I am,

Yours, very truly,

ALBERT KUSKE.

During the delivery of Mr. LA FOLLETTE's speech,

The PRESIDING OFFICER (Mr. THOMAS in the chair). The hour of 2 o'clock having arrived, the Chair lays before the Senate the unfinished business, which will be stated.

The SECRETARY. A bill (H. R. 14385) to amend section 5 of an act to provide for the opening, maintenance, protection, and operation of the Panama Canal and the sanitation of the Canal Zone, approved August 24, 1912.

Mr. O'GORMAN. I ask unanimous consent that the canal bill be laid aside temporarily.

The PRESIDING OFFICER. There being no objection, the unfinished business will be temporarily laid aside. The Senator from Wisconsin will proceed.

After the conclusion of Mr. LA FOLLETTE's speech,

AGRICULTURAL APPROPRIATIONS.

Mr. GORE. As the junior Senator from New York [Mr. O'GORMAN] is not in the Chamber, I will state that I am requested by that Senator, who is in charge of the unfinished business, to renew the request that the unfinished business be agan temporarily laid aside, so that the Agricultural appropriation bill may be called up for consideration.

The PRESIDING OFFICER. If there be no objection to the request of the Senator from Oklahoma [Mr. GORE], the unfinished business will be temporarily laid aside. The Chair hears none.

Mr. MCCUMBER. Mr. President, I suggest——

The PRESIDING OFFICER. Does the Senator from Oklahoma yield to the Senator from North Dakota?

Mr. GORE. I presume the Senator from North Dakota desires to suggest the absence of a quorum.

Mr. MCCUMBER. If the Senator from Oklahoma has the floor, I will not ask him to yield.

Mr. GORE. I ask that the Agricultural appropriation bill may be laid before the Senate.

There being no objection, the Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 13679) making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1915.

The PRESIDING OFFICER. The pending question is on the modified amendment proposed by the junior Senator from Mississippi [Mr. VARDAMAN], which the Chair understands has been accepted by the chairman of the Committee on Agriculture and Forestry on behalf of the committee.

Mr. GORE. Mr. President, on the eve of adjourning yesterday I had decided to accept the last amendment tendered by the Senator from Mississippi [Mr. VARDAMAN] in order to perfect the pending amendment, and I trust that course will now be taken.

Mr. ASHURST. Mr. President——

The PRESIDING OFFICER. Does the Senator from Oklahoma yield to the Senator from Arizona?

Mr. GORE. I shall yield to the Senator from Arizona if he desires to address himself to this amendment.

Mr. ASHURST. I desire to address myself to this amendment.

Mr. GORE. I should like to ask the Senator does he desire to address himself to the amendment as it now stands or to the amendment after it shall have been perfected?

Mr. ASHURST. What little I have to say may be submitted now as well as three or four minutes later. Still, if the Senator from Oklahoma desires to perfect the amendment, I shall wait until he has done so.

Mr. GORE. I had rather perfect the amendment, so that the real amendment may be discussed.

Mr. ASHURST. Very well. I will secure recognition in a moment.

The PRESIDING OFFICER. The amendment as proposed to be perfected will be stated.

The SECRETARY. It is proposed to strike out of the amendment reported by the Committee on Agriculture and Forestry, at the bottom of page 20, all after the word "*Provided*," at the end of line 25, which is printed in italics, and in lieu thereof insert the following words:

That the entire expense of such service shall be defrayed from this appropriation, and such contributions as may be made by the States, counties, municipalities, and firms, farmers' associations, individuals, mercantile companies, and banking associations residing within said States wherein such work is to be done or service rendered.

Mr. GORE. Mr. President, I observe that the Secretary has read into the amendment the amendments tendered on the eve of adjourning yesterday. In this form the amendment is, of course, open to discussion, and I now yield the floor to the Senator from Arizona.

Mr. BRISTOW. Mr. President——

The VICE PRESIDENT. Does the Senator from Oklahoma yield to the Senator from Kansas?

Mr. BRISTOW. I wish to make an inquiry.

Mr. GORE. In just a moment.

Mr. BRISTOW. The amendment as reported by the committee is before the Senate, and, as I understand, the Senator from Mississippi [Mr. VARDAMAN] has offered an amendment to that as a substitute.

Mr. GORE. That is the parliamentary status of the matter.

Mr. BRISTOW. And the substitute permits contributions from private parties to the Government for the purpose of carrying on this agricultural work?

Mr. GORE. It permits contributions from certain private parties, individual farmers, and agricultural associations.

Mr. BRISTOW. The amendment as proposed by the committee forbids that.

Mr. GORE. The amendment as proposed by the committee does prevent that and would also prevent contributions by the States, counties, and municipalities. That is further than any member of the committee was disposed to go, I am sure.

Mr. BRISTOW. I want to understand the matter, because I do not believe that the Government ought to accept contributions for carrying on its work. I believe it is altogether proper for the Government to cooperate with counties or States——

Mr. VARDAMAN. Will the Senator permit me to interrupt him?

Mr. BRISTOW. In just a moment I will yield. I believe it proper for the Government to cooperate with counties or States in the carrying on of any public service, but I want an opportunity to vote against the Government accepting private contributions. So I must object to any amendment to the committee amendment being accepted without a vote being had upon it.

Mr. GORE. Mr. President——

Mr. ASHURST. Mr. President, I rather had a tacit understanding that I was to get recognition as soon as this amendment to the committee amendment was stated.

Mr. BRISTOW. My inquiry was simply to ascertain the parliamentary status, so that I would know just how to vote when the time came to vote.

Mr. GORE. I had intended to indicate a willingness to accept the substitute offered by the Senator from Mississippi [Mr. VARDAMAN], but, of course, in view of the suggestion of the Senator from Kansas [Mr. BRISTOW], I shall not attempt that course. So the substitute is pending for discussion and for amendment.

Mr. VARDAMAN. Mr. President, if the Senator from Arizona will yield for just a moment, with the consent of the chairman of the committee, I will say that I think, if the Senator from Kansas understood the proposed amendment to the committee amendment, he would not urge the objection which he has made to it.

The Senator from Kansas was doubtless here on yesterday when we discussed this question. The purpose of the committee's amendment was to prohibit the Government from working in partnership with the Rockefeller Endowment Association, or

whatever its name may be. In order to prevent that the language of the amendment precluded and prohibited the citizens of the States where the work is to be done and who are so vitally interested in the matter from contributing anything to this work for their own betterment. In some of the counties of Mississippi the National Government employs the man and pays a part of the salary, but the Government has not enough money to pay him the full salary, and so the citizens of the community, whose property is being protected and whose interests are being subserved and promoted, contribute enough to engage the service of a capable man for the entire year.

This work has gone on in Mississippi for the last year, and promises great results. To cut it off in this way will be a very serious injury and result detrimentally to the people of Mississippi and of other Southern States where this pest is being dealt with.

Mr. BRISTOW. Mr. President, I want to say to the Senator from Mississippi that I have no objection to the Government cooperating with the State of Mississippi or with any municipal, county, or State authority in the promotion of any public work. If there are private parties who want to contribute locally to help this work along, they can contribute to their State or county associations.

Mr. VARDAMAN. If the Senator will permit me, I will say that that is all that this amendment proposes to do.

Mr. BRISTOW. No; the Senator's amendment goes further than that. The Senator's amendment authorizes the Government to collect money subscriptions to carry on this work. That is what I object to. I say that the Government should raise its money in a public way by public taxation and spend it for public purposes, and not open subscription books for private parties to come in here and raise funds to help it carry on its business.

Mr. VARDAMAN. Mr. President, if the Senator will pardon me, the Government does not collect any money at all; it is collected by other people. The Government has nothing whatever to do with the collection of money. The people of the respective communities make up the money, and they simply go to the Government and say: "Here, let us help you help us." That is what they do; the Government has nothing in the world to do with raising this money; the Government does not make any suggestion to anybody to raise the money. The amendment proposed by me simply gives the people the privilege, if they see fit to do so, to raise the money and use it for their own benefit.

It is that character of cooperation which stimulates the spirit of self-help—self-reliance—and at the same time cultivates a patriotic regard for the Government and a correct understanding of its proper functions.

Mr. BRISTOW. Why should not the people in Mississippi contribute that money to their State direct and let the Government cooperate with the State in this public service?

Mr. VARDAMAN. There would be no objection at all to the Senator's suggestion if there were legislation which authorized the State to do that, but the Senator proposes by his objection to interrupt this system which is working now so very satisfactorily. There can not possibly be any harm come by permitting it to go on. Nobody in the cotton States is going to contribute to this fund with any sinister selfish motive or tainted money; the money is going to be contributed for the benefit of the farmers, of the cotton raisers, and for the benefit of the entire Nation, because if the pest is destroyed, which is sought to be destroyed by this legislation, it will add materially to the wealth of the entire Nation.

Mr. ASHURST. Mr. President, I see no objection to the amendment proposed by the Senator from Mississippi [Mr. VARDAMAN] to the amendment of the committee, but I believe it to be the duty of Congress to reject any and all donations, gifts, and bounties which may be offered by such men as Rockefeller or Andrew Carnegie. These men have exploited their country and accumulated vast wealth by devious means; but, worse than that, they have exploited the working people in a shameful and brutal way. One of these men—Andrew Carnegie—some twenty-odd years ago, indirectly caused the streets of Homestead to run red with the blood of workingmen.

Young Rockefeller recently testified that he would be willing to sink his entire investment in Colorado rather than yield to the demand of his employees that they be permitted to organize. This same Rockefeller, the beneficiary of organized millions of dollars, now declines to admit that labor is entitled to the poor boon of organizing itself. This same young Rockefeller has attempted to debauch an American Commonwealth, and the blood of innocent men, women, and children is on the hands of his barbarous agents, who have infested that State in the shape of armed and vicious gunmen, and who have in a cruel and cowardly manner hidden behind a specious pretense of martial law. I shall vote against the proposition that Carnegie, Rockefeller, or any other of their class shall be permitted to patronize this Government and thus indirectly obtain the approval of Congress.

When the lashings of an upbraiding conscience begin to sting some malefactors of great wealth, it appears to be quite the fashion for them to silence that monitor, lay on the flattering unction, and reconcile them to themselves by ostentatious gifts and bounties.

Instead of Congress indirectly approving of the conduct of Mr. Rockefeller by accepting his donation, it should pass a resolution reprobating and condemning in the most severe terms his inhuman treatment of some of his employees.

I shall now read from an editorial apropos of this subject from the New York World:

A MATTER OF PRINCIPLE.

Young Mr. Rockefeller repeats that the maintenance of certain labor conditions in Colorado is "a matter of principle which we could not concede or arbitrate."

To the feudal lords of mediæval Europe the attachment of the serf to the soil was a legal right and a matter of principle.

* * * * * * *

In England it was long a matter of principle that government should not restrict a woman's free right to crawl on hands and knees through low mine tunnels, dragging a carload of coal by a harness about her waist.

It is a matter of principle to some capitalists that parents shall be free to hire their little children to work long hours in shops.

That right of combination and organization, even if forced upon the unwilling, which Mr. Rockefeller would deny to workingmen, is defended by the lawyers of industrial monopoly as a matter of principle.

Mr. Rockefeller is correct in stating his "matter of principle." What he fails to note is that matters of principle are ever perishing in the development of human institutions. No matter of principle is big enough to stand out to the end against public necessity. For that matter, public necessity itself is a paramount matter of principle.

The VICE PRESIDENT. The question is on the amendment proposed by the Senator from Mississippi [Mr. VARDAMAN] to the amendment reported by the committee.

Mr. OVERMAN. Mr. President, I desire to ask the chairman of the committee a question. I notice an increase in this appropriation of some $300,000. Is it understood by the committee that the increase is to take the place of the money furnished heretofore by Mr. Rockefeller, and that it is to be used in the same manner?

Mr. GORE. Yes, sir; that is the object of the increased appropriation of $250,000.

Mr. OVERMAN. And it is to be used in the same manner?

Mr. GORE. To be used in the same way, and for the same purposes and objects.

Mr. OVERMAN. Very well.

Mr. CUMMINS. Mr. President, I desire to ask the chairman of the committee a question looking to an amendment which I shall offer to this paragraph; possibly it ought to be under consideration before the amendment now before the Senate is voted upon, and I will take the opinion of the chairman of the committee upon that point. I intend to propose that after the words "cotton boll" and before the word "weevil" there be inserted the words "and Argentine corn," so that it will read:

For farmers' cooperative demonstrations and for the study and demonstration of the best methods of meeting the ravages of the cotton-boll and Argentine corn weevil, $628,240.

I can easily see that in considering the instrumentalities through which the money is to be expended we ought to have in mind the point I intend presently to make. I do not care to enter upon the argument of it now, unless the chairman of the committee would prefer that we take it up at this time and have the whole purpose of the appropriation settled before we decide whether outside people shall be permitted to contribute anything to the service.

Mr. GORE. Mr. President, I think the suggested amendment is not necessary. There is another provision in the bill, carrying an appropriation of $114,500, for the investigation of insects affecting cereal and forage crops. Under that appropriation the work suggested by the Senator would properly come, and I have no doubt that were he to make the suggestion to the department the work would be promptly taken up.

Mr. CUMMINS. I shall deal with that subject when we reach it; but I thought it only fair to advise the chairman now that I did intend to offer the amendment to which I have referred. I will, however, after having given that notice, not attempt to present the merits of the subject at this time.

Mr. GORE. Mr. President, I will say to the Senator that the appropriation to which I refer will be found on page 48. If the Senator thinks the language of the provision on that page ought to be expended or specific direction included for the investigation of the particular pest to which he refers, I shall be very glad to cooperate with him in securing the proper wording.

Mr. SMITH of South Carolina. Mr. President, before the vote is taken, I want to call attention to the amendment offered by the Senator from Mississippi, and also to direct the attention of Senators to the fact that in my State the farm-demonstration work has had most unexpected and wonderful results. The average yield per acre of corn in my State before they organized corn clubs and interested the younger agriculturists in such work, was about 11 bushels an acre, while, according to the statement of the commission of agriculture in that State, last year the average yield was 20 bushels per acre. I should like also to call the attention of the Senate to the fact that in my State one Jerry Moore, a youth, produced something over 200 bushels of corn on 1 acre of ground.

In addition to that they have what is known as tomato clubs. That is the popular name for them; but they are organized for the purpose of teaching the girls on the farms throughout the State how to preserve the different fruits and vegetables, in order to encourage home economics. I think it would be disastrous if in a cause which is conceded to be a righteous cause, and not for the purpose of advertising or extolling those who have accumulated their millions in an unworthy manner, outside sources were cut off from all participation in this kind of work. I do not believe we should go that far and cut off the different kinds of legitimate business from making contributions. In my State especially, where there is a clear line of demarcation possible between the merchants and bankers and the agricultural classes, nothing has contributed to such a general feeling of community interest as the action of the bankers, merchants, and different financiers in contributing to this work, looking toward the development of home economics in the manner to which I have referred, in canning, in producing home gardening, and cooperating with the family in producing their own garden supplies. The results of the efforts put forth have been marvelous in my State in every department of agriculture.

I think the amendment offered by the Senator from Mississippi is broad enough and that it eliminates the very elements which we wish to eliminate. I sincerely hope that nothing will be done to curtail this cooperative spirit between the various departments of our industrial life in the several States. It would be a mistake; it would be disastrous. There is one young lady in my State, a Miss Parratt, who is devoting her life to the work of developing the old idea of preparing food for home consumption in order to reduce the cost of living, of which we hear so much to-day, and her efforts have been wonderful in the benefit which has accrued to our people. I sincerely hope that this work will not be retarded and that the amount appropriated will not be curtailed, nor any contribution prevented which the citizens of the several States may desire to make.

Mr. JONES. Mr. President——

The VICE PRESIDENT. Does the Senator from South Carolina yield to the Senator from Washington?

Mr. SMITH of South Carolina. I do.

Mr. JONES. I want to ask the Senator if the kind of work which he has just been describing is the work that is done under this appropriation?

Mr. SMITH of South Carolina. Yes.

Mr. JONES. What has that to do with the boll weevil?

Mr. SMITH of South Carolina. That is the very point, and I am glad the Senator has called my attention to it. If the Senator will read the provision, he will see that it reads:

> For farmers' cooperative demonstrations and for the study and demonstration of the best methods of meeting the ravages of the cotton-boll weevil, $628,240.

Only a part of the appropriation will be used for the purpose of checking the ravages of the boll weevil.

Mr. JONES. As a matter of fact, is not all this money being used for the farm-demonstration work, and is it not true that the indirect effect upon the boll weevil comes necessarily because of that work?

Mr. SMITH of South Carolina. Oh, no.

Mr. JONES. What is the particular work intended to be provided for? I want to say to the Senator that I am not opposed to this appropriation.

Mr. SMITH of South Carolina. I understand that.

Mr. JONES. I am glad to have the appropriation made, but I have an idea in some way that the boll weevil is mentioned in the paragraph because it got in a good many years ago and is simply kept in now as a basis for the appropriation, when, as a matter of fact, we are not able to do very much with it. What I want to ask the Senator is what is directly done under this appropriation to eradicate the boll weevil?

Mr. SMITH of South Carolina. The Senator has asked that question in the spirit in which I shall answer it. It has been found that the boll weevil, possessing peculiar habits and not eating anything from the surface, can not on that account be poisoned by the ordinary methods of poisoning and spraying. The insect has a proboscis and sucks its pabulum from the inside of the little bloom on the inside of the fruit. Therefore we can not reach him. The only method by which to curtail his ravages is by demonstrating early varieties of cotton and showing how to circumvent him by the use of certain kinds of fertilizer, by the preparation of the ground, by getting the cotton in before he comes out of hibernation, and getting a certain amount of cotton "set," as they call it. It is a misnomer to call the insect a "boll weevil." It would be nearer the truth to call him a "cotton bloom weevil," in that he feeds largely on the little shape or the little flower just before it blooms. This farm demonstration work is to teach the farmers how to counteract the effect of the boll weevil by the cultivation of the earlier varieties of cotton and the proper preparation of the soil and also by winter plowing to get rid of the weevil while in hibernation.

Mr. JONES. How is that done? That is, the Government itself does not have somebody do it, does it? Does it send an individual?

Mr. SMITH of South Carolina. The Government sends an individual, who goes from place to place, or comes to a certain place and has the farmers meet him, in order that he may demonstrate on a given farm how by winter preparation——

Mr. JONES. That is, the owner of the farm acts under the direction of this Government agent?

Mr. SMITH of South Carolina. That is right, with his neighbors around him.

Mr. JONES. How long has that been carried on?

Mr. SMITH of South Carolina. It has been kept pari passu with the advent of the weevil; and really they are preparing the States that they know the weevil will inevitably invade.

Mr. JONES. Have not those demonstrations been made in practically all the territory that has been visited by the boll weevil under the appropriations we have made?

Mr. SMITH of South Carolina. I will say to the Senator that if he is familiar with the ordinary methods of the farmer, and his peculiar genius, he knows that as long as the weevil is not with him he has an idea that the ravages of the weevil have been exaggerted. When the weevil does get into his territory he finds that the matter has not been exaggerated. These demonstrators go in advance and along with the weevil to teach the farmer how best to overcome the demoralization that Senators indicated here yesterday afternoon is accomplished in this way.

I wish to say to the Senator that no one but those who are thoroughly familiar with the conditions can appreciate them. Here are farmers, one-horse or two-horse or three-horse farmers who make up in the aggregate the great bulk of those that produce our staple crops. They are the men who have not facilities for keeping in touch with the advance of scientific work, as the Senator and I perhaps would do on our farms. It is essential for the general welfare for these demonstrators to be on the ground, and to warn the small farmer beforehand, and to help him when the calamity comes.

Mr. JONES. Can the Senator tell me about how much of this appropriation from year to year is actually used for the boll-weevil demonstration work and not for general farm demonstration work?

Mr. SMITH of South Carolina. I would not pretend to say. If the Senator has appreciated what I have attempted to explain, he will see that without the imminence of the boll weevil and without his presence there are certain forms of the demonstration that would not be necessary, but they go hand in hand. Where the weevil is present it means absolute demoralization unless some method is suggested by those who have had experience with him by which the farmer can, in a measure, overcome the disastrous results of his presence.

Mr. JONES. The reason why I am asking these questions is that I notice in the paragraph just preceding this an appropriation of $400,000 for farm demonstration work, "to investigate and encourage the adoption of improved methods," and so forth. I take it that under the next paragraph we can use and do use a very large amount of that money for exactly the same purposes for which the money in the preceding paragraph is used.

Mr. SMITH of South Carolina. If the Senator will allow me, the $400,000 carried in the preceding paragraph is used in a geographical division of the country under Dr. Smith. That is the northern section, where the conditions of farming are radically different from those in the southern section, which is under Dr. Knapp.

Mr. JONES. That brings up a new point. There is nothing in these paragraphs, of course, that indicates any geographical division.

Mr. SMITH of South Carolina. No; but it is true, nevertheless.

Mr. JONES. As I understand now from the Senator, the expenditure of the money carried by the preceding paragraph is confined to the States of the northern section?

Mr. SMITH of South Carolina. Yes.

Mr. JONES. And I understand that all the money carried in this paragraph is expended in the Southern States, and is not used anywhere else?

Mr. SMITH of South Carolina. Yes; that is true.

Mr. VARDAMAN. Mr. President, if the Senator from South Carolina will permit me, it is used in the fight against the boll weevil. It does not fix his geographical residence. It is against the boll weevil, wherever he can be found.

Mr. JONES. I wish to suggest to the Senator from Mississippi that the first part of this paragraph is not confined to the boll weevil. The first part of it says, "For farmers' cooperative demonstrations." That is independent of the boll weevil.

Mr. SMITH of South Carolina. Yes.

Mr. JONES. That has nothing to do with it.

Mr. SMITH of South Carolina. "And for the study," and so forth.

Mr. JONES. Oh, yes; it may be used for that purpose or for the boll weevil.

Mr. SMITH of South Carolina. Oh, no; it is a coordinate conjunction. It means that it shall be used for the purpose of demonstrating how best to meet the ravages of the boll weevil and for farm demonstration work.

Mr. JONES. Do they not use a part of this money in the Southern States purely for farm demonstration work?

Mr. SMITH of South Carolina. Yes.

Mr. JONES. Independent of the boll weevil?

Mr. SMITH of South Carolina. Yes.

Mr. JONES. That is what I thought.

Mr. SMITH of South Carolina. That is true; and then this additional amount is to be used for the fight against the ravages of the boll weevil, which, as a matter of course, is of interest to every man here.

Mr. JONES. Why, to be sure.

Mr. SMITH of South Carolina. I doubt if there is a man on the floor of the Senate who has not on his person now the product of cotton.

Mr. JONES. I do not doubt that. I told the Senator a moment ago that I was in favor of that appropriation. What strikes me about it is that it is not just exactly the proper thing to have the amount divided in this way. It seems to me we ought to have an appropriation for farm-demonstration work and not have it divided by any geographical lines. Let the money be expended all over the country, and then let us have an appropriation for the boll-weevil work also. I will stand with the Senator in voting for any amount that he deems necessary to stop the fearful ravages of that insect.

Mr. SMITH of South Carolina. The Senator will understand that it is not so much sectional as it is climatic; that there is an absolute difference between the nature of agricultural work in one section and its nature in another.

Mr. JONES. Oh, I understand that; but it is all farm-demonstration work.

Mr. SMITH of South Carolina. It is all farm-demonstration work, yes; and the Agricultural Department, not under this administration but under the previous administration, divided this work——

Mr. JONES. Oh, I understand that.

Mr. SMITH of South Carolina. So that the demonstrator in one section, thoroughly familiar with local conditions, would do the work there, and the demonstrator in the other section would do the work there; and they made this division just as nature had already provided it.

Mr. WARREN. Mr. President, if the Senator will permit me right there, these matters came to be divided in this way: We formerly provided a direct appropriation for the boll weevil. We afterwards provided by appropriation in succeeding years for farm demonstration. In providing for these experiments it was found, as we got along with the boll weevil, that the way to treat it was to send out these men who understood the matter to show the farmers how to plant their cotton, in what season to plant it, and so forth.

Mr. SMITH of South Carolina. That is correct.

Mr. WARREN. They send a man to the cotton fields to show the farmers how to handle the boll weevil. He comes and oftentimes shows them how to raise corn and other products as well. That is the reason why farm-demonstration work is mentioned in both and why the two appropriations became separated in this way.

As to the geographical division, I am not quite certain that there is a geographical division; but, so far as the Northwest is concerned, the Secretary of Agriculture has expended money only in such States and such counties as would cooperate and, as a general thing, furnish as much money, if not more, than the United States has provided for each locality.

Mr. SMITH of South Carolina. That is correct.

Mr. WARREN. That, as I understand, is the reason why these two amounts are not together in one paragraph.

Mr. SMITH of South Carolina. That is correct.

Mr. McCUMBER. Mr. President, then do I understand that this $628,240 is to be used only for demonstration and for work on those farms on which cotton is raised?

Mr. SMITH of South Carolina. Oh, no, no.

Mr. McCUMBER. I want to find out whether that is correct.

Mr. SMITH of South Carolina. The Senator will understand that this money is used for farm-demonstration work generally and to demonstrate how diversification can overcome the ravages of the boll weevil.

Mr. McCUMBER. Yes; but the point——

Mr. SMITH of South Carolina. One part of the item has reference only to cotton where it is necessary to teach the farmers how best to run their farms in the presence of the boll weevil. The other has no reference to the boll weevil at all, but covers general farm-demonstration work.

Mr. McCUMBER. Yes; but the cooperative demonstrations are under the particular section which provides that the $628,240 is to be used exclusively in the cotton States and in the cotton sections.

Mr. SMITH of South Carolina. Yes.

Mr. McCUMBER. Now, is that correct?

Mr. RANSDELL. Mr. President, I do not think that is strictly correct. I know that in the State of Louisiana, in the parish of Terrebonne, there is one demonstrator who works under the farmers' cooperative demonstration work among the sugar planters. Many of them are gradually getting ready to give up sugar. They can not raise cotton in that parish, and so this demonstrator is encouraging them to bring in fine varieties of hogs and cattle. He lives among those people. He goes from farm to farm, from place to place, throughout that big parish, and he tells them that if they will turn their attention to raising hogs and cattle and grain and hay crops they may make as much or more money than they ever did before. He has aided them very much in that business, and they are quite hopeful of making a success of hogs and cattle and hay and things of that kind, to which they have paid very slight attention heretofore. He is one of the employees of the farmers' cooperative demonstration work.

They also work in my State in the rice section, where there is no cotton. They help the rice farmers with this cooperative demonstration method, which has proved so effective. They are not confined in their efforts to cotton. The main purpose of the work is to fight the cotton-boll weevil; but, incidentally, they have gone into the rice section and into the sugar section of Louisiana to help the rice growers and the sugar growers.

Let me give a little illustration of how these demonstrators work. There is a man named Watson who represents the Department of Agriculture in the parish of East Carroll, where I live. I have had letters from my manager in the last few days telling me about how Mr. Watson has been operating on my plantation and how very helpful and effective he is, especially with my colored tenants and laborers.

The colored people have a great deal of faith in Uncle Sam. My manager, Tom Estes, might tell them one thing, and they would pay little attention to him; but when Mr. Watson, the Government representative, tells them that the National Government believes that such-and-such methods will be very beneficial to them, they heed him; and he is very helpful. He will spend a day or two on my place and then go to the adjoining place, and so on all over that parish. He goes over two parishes, East Carroll and Madison, from farm to farm. He is a very active, energetic, intelligent man. I think he gets a salary of about $1,500. His work is magnificent and most helpful to my people. That is purely the cotton section, but he knows how to raise oats; and he says to people: "You used to buy your oats in the North and the West. That is foolish. You can make 50 or 60 bushels of oats to the acre with all ease on the Louisiana soil if you cultivate it properly. Why buy your oats in the West?" He shows them how to cultivate and harvest oats, and Louisiana is rapidly becoming a great oat section. Our granaries used to be in the West. They are now rapidly getting to be in Louisiana. He tells them: "Why, you used to buy all your corn in the North and West. Why do that? You can make good corn in Louisiana. Do not make

cotton out of the proceeds of which to buy corn, but make all your corn at home, and grind your own meal at home." He says:

A few years ago every train or boat that came into your parish brought a large quantity of hay. The lands in Louisiana are better for hay than those of almost any other State in the Union. Why buy your hay in the West? Raise it here.

He is giving them the best advice along all of those lines, and that is in order to make a success of farming in the presence of the boll weevil. Formerly they could make cotton and buy hay, oats, and corn. Now they can not do it in the presence of the boll weevil. The cotton must, to some extent, be a side issue.

Mr. LANE. Mr. President, I should like to ask the Senator one question. In the light of his explanation, it strikes me that the people in the West and in the North are being asked to furnish the people in the South the money with which to put themselves out of business. [Laughter.] They are going to use the money to raise all these things which they now buy of us. I do not see anything profitable in that kind of a trade.

Mr. RANSDELL. I thought the Senator was a patriot. I thought he would like to see all sections of the country prosper, and I thought he would like to buy cheap cotton. He uses a great deal of cotton in his business. I believe he is a doctor of medicine when he is at home, and I thought he would like to have plenty of cotton, and have it cheap.

Mr. McCUMBER. I wish to express to the Senator from Louisiana my gratification to find that even the colored people down South have more confidence in Government certification, and so forth, than they have in State officers. I am doubly gratified to see this gradual conversion of the Senator toward this army of Government employees under Federal employment, with the livery of the Federal Government upon them, invading his State and running over it, doing work that could have been done just as well by the State, and perhaps could have been done a great deal better by the State than it could be done by the Federal Government.

I notice, however, that the Senator, and quite a number of others just the same way, whenever it touches home and gets down to something in which they are interested are not afraid at all of the Federal Government reaching over the State lines wherever it will be beneficial, but if we ask that it shall reach over the State lines up in our own section of the country we are met with the claim that "you are pressing the Government functions over State rights and subverting the State to the General Government." [Laughter.]

Mr. President, the real question I was asking after all was to find out whether or not any portion of this $628,240 was used except in the sections where cotton is raised. I did not mean to imply by my question that it necessarily referred to the very fields in which cotton was being raised, for I assumed you could not raise cotton and at the same time demonstrate the same field as a fit place for the cultivation of something else.

What I wanted to get at, however, was whether or not the portion of this paragraph which reads "for farmers' cooperative demonstrations" covered any territory other than that in the section in which you raise cotton. In other words, is any of that money to be spent up in the corn fields of Iowa?

Mr. GORE. Mr. President, does the Senator wish to have that question answered now?

Mr. McCUMBER. Certainly.

Mr. GORE. I will say that the six hundred and odd thousand dollar appropriation applies to 15 Southern States, including Maryland, where I believe no cotton is produced. The evolution of this appropriation came about in this way: It was started on account of the unusual ravages of the boll weevil. A small appropriation was made with a view to studying the boll weevil and exterminating the pest if possible. The department soon found that it could discover no parasite and no other way to exterminate the boll weevil outright. Relief could be obtained only through cultural methods. Through those experiments and demonstrations so great a benefit was produced in the sections involved that it was extended throughout the entire South, the appropriation being correspondingly increased. So great advantage inured to the farmers of that section from this demonstration work that it was afterwards extended to the Northern States, and the item of $400,000 included in the bill just preceding this $600,000 appropriation is designed for use in the Northern States.

At this juncture I will answer the Senator's question, propounded on yesterday, by saying that the Bureau of Statistics of the Department of Agriculture estimated in 1909 that the losses resulting from the boll weevil aggregated $88,000,000. The Census Bureau has recently issued a statement to the effect that $500,000,000 have been lost on account of the ravages of the boll weevil since the advent of that insect. During the last four years seven counties in Mississippi have sustained a loss of more than $30,000,000. In 1909 the crop in the seven counties was 190,000 bales. Last year and the year before it was 30,000 bales.

As I say, this effort to combat and counteract these ravages led to the demonstration work. Its success in the South induced the department to extend its benefits to the North. That has been done. The bill also carries an appropriation of $50,000 for demonstration work on reclamation projects. It carries $114,000 to investigate and to prevent the ravages of insects affecting cereals. It carries $41,500 to study the habits of and to find ways and means to exterminate insects which prey upon truck crops, vegetables, sugar beets, and the like; $135,000 are appropriated in the bill to study improved methods of cultivating grains of various kinds and diseases affecting grains.

The bill carries appropriations which make it entirely universal, so far as the country is concerned. No section is neglected, no pest is overlooked; or, if so, any Senator will certainly be a benefactor who will call the attention of the committee to any service it can render in this connection.

Mr. LANE. Under that invitation I call attention to the fact that the bill overlooks the codling moth, the woolly aphis, the hop louse, and other pests that we have out in our part of the country, the products of which you say you are not going to patronize any more. The woolly aphis is just as hard to kill as the boll weevil. You can hold it under water for an hour, and it will pop up as dry as an agricultural report at the expiration of that time.

Mr. GORE. I will join the Senator in getting some kind of a submarine that will hold it down indefinitely, then.

Mr. LANE. It is as hard to exterminate as any other pest. The only way yet discovered to do it is to destroy the tree infested by it—to dig it up and burn it.

Mr. GORE. The bill carries an appropriation for the investigation of insects that affect the apple trees and other fruit trees of the Senator's own section. It is impartial. It is nonsectional.

Mr. McCUMBER. I think the Senator from Oklahoma is right. That is covered in the paragraph for the investigation and improvement of fruits and the methods of fruit growing, harvesting, and packing, storing, handling, and shipping. I suppose that would cover the matter of insects and the trees as the trees are growing and the fruit is being cultivated. I wish, however, to call the attention of the Senator to the fact that he has left out a very important matter, and that is an appropriation for studying the best method of burning brush on lands. [Laughter.]

Mr. WARREN. If the Senator will allow me, there is $58,000 appropriated on page 48 to investigate——

Mr. GORE. If we could send certain fire-eating Senators to that section, they might be of service in that connection.

Mr. WARREN. If the Senator will allow me to finish what I have to say to the chairman of the committee, I should like to say a word on the subject.

Mr. GORE. I yield to the Senator.

Mr. WARREN. There is $58,000 appropriated for the investigation of insects affecting deciduous fruits, orchards, vineyards, and nuts, besides the item that the Senator from North Dakota mentioned.

Mr. McLEAN. Mr. President——

Mr. GORE. I wish to add one other suggestion. It may not be uninteresting to the Senator from North Dakota to know that the bill carries an appropriation of $10,000 for the investigation of fibrous plants in connection with the agricultural college of the State of North Dakota. I mention that last, but not as of least importance.

Mr. McCUMBER. I noticed that. I think it should have been put in with this other matter of brush clearing.

The VICE PRESIDENT. Does the Senator from North Dakota yield to the Senator from Connecticut?

Mr. McCUMBER. In just one moment. I notice in all the paragraphs one particular subject is included in the appropriation, and it struck me as rather peculiar that when we got down to the paragraph relating to the boll weevil we work in two subjects under the particular paragraph that might be wholly unrelated to each other. I do not think it has been fully explained as yet why the two subjects should be considered together.

But I want to ask the Senator why he makes the claim that the $400,000 in the preceding paragraph is to be used in any particular section of the country. It does not say that it is to be used in any particular section of the country. If we were

to take it as it reads undoubtedly the Agricultural Department can use the $400,000 wherever it sees fit, and if it exhausts the $628,240 in the matter of the extinction of the boll weevil it can take a portion of the appropriation of $400,000 and use it for farmers' cooperative demonstrations in any State the Secretary sees fit. Does the Senator state to me that without any question the appropriation of $400,000 in the preceding paragraph is to be used in any particular number of States?

Mr. GORE. My information is that that is the course pursued by the department. As I said, this demonstration work originated in the South. It proved especially advantageous there, so much so as to recommend itself to the department, and they have been extending it to other sections of the country. The $400,000 is to be used for that purpose.

Mr. KENYON. Mr. President——

The VICE PRESIDENT. Does the Senator from North Dakota yield to the Senator from Iowa?

Mr. McCUMBER. I yield to the Senator.

Mr. KENYON. I wish to suggest to the Senator from North Dakota that if he will consult page 179 of the hearings before the Committee on Agriculture of the House he will find there a table furnished by Dr. Galloway, in which he gives the estimate of the amount that will be used during 1915 of the appropriation of $400,000 for farm-management demonstration work, said amount being $138,430.

Mr. McCUMBER. That is, of the appropriation of $400,000.

Mr. KENYON. Of the appropriation of $400,000. That is all there is to use, except the addition which the House made of about $35,000, making substantially $172,000 that there is to be used in the North in farm-demonstration work. The balance of the appropriation, I understand, is to be used anywhere in the country.

Mr. McCUMBER. Then we get about two hundred and sixty and odd thousand dollars out of the $400,000, provided in the paragraph on page 20, that is to be used in the southern section of the country, and in addition all the $628,240. Is that correct?

Mr. KENYON. My attention was diverted, but I will say to the Senator that the appropriation to be used in southern States is $628,240. That is for farm demonstration work. I am not objecting to that as far as I am concerned.

Mr. McCUMBER. No.

Mr. KENYON. But the division is not fair as between northern and southern States. It is to be used in 15 southern States, as the Senator from Oklahoma has suggested. In the preceding paragraph it is $400,000, presumably to be used for farm demonstration work in the northern States, but out of that is a very large sum to be used for administration for farm economics, for special farm-management studies, for farm-management field studies, and it is to be used anywhere in the United States. So there is in fact left for farm demonstration work in the north about $172,000. I am not objecting to the southern appropriation, but the $172,000 is all that is to be used in the north in farm demonstration work. That is not sufficient for the northern demonstration work.

Mr. McCUMBER. Mr. President, I want to say one word about the amendment of the Senator from Mississippi [Mr. VARDAMAN], which is offered as a substitute. The Senator from Oklahoma says that by adopting the substitute of the Senator from Mississippi we have eliminated any objection that we may have to the use of the Rockefeller fund or any other fund that may be subscribed. I want to say to both those Senators that that is not our objection. The objection that we have is that the books of the Treasury of the United States ought not be open for private subscriptions of any kind, that whatever is necessary for the conduct of the Government should be raised by a proper method of taxation.

If it is proper to enhance the amount in our Treasury by a private subscription from Mr. Rockefeller or from any institution or association for a specific purpose, it is equally appropriate to open books for a hundred or a thousand different purposes in which private capital may be combined with the money of the United States to carry on any project. Now, that we object to. We object to that kind of an association or partnership.

I have not yet received a reason from the Senator from Mississippi or the Senator from Oklahoma why private persons or associations in any State, if they wish to raise a fund to assist in that particular State in any kind of farm demonstration, may not be able to do so, running on their own account and operating under their own system and receiving any cooperation or instruction from the Department of Agriculture without having to be made a part of the Government arm or Government function.

Those who would vote against this substitute do not wish to be understood as saying that any people may not help in a State by subscribing either to the State or to the county, or that they may create a society of their own and work entirely independently; but I do submit that the objection which was made by me yesterday, and which is made by the Senator from Kansas today, is sound and the Government ought to be run wholly independent of any individual assistance or any individual cooperation.

Mr. WILLIAMS. Mr. President, a moment ago the Senator from North Dakota [Mr. MCCUMBER] said that the amendment offered by my colleague [Mr. VARDAMAN] was offered as a substitute. I do not so understand the parliamentary situation. I understand that the Senator from Oklahoma [Mr. GORE] withdrew the amendment which was offered by him, and that he then adopted the amendment offered by my colleague so that that amendment itself can now have an amendment offered to it as a substitute.

Mr. McCUMBER. Let me say to the Senator that that has not been adopted.

Mr. WILLIAMS. I should like to ask the Vice President whether I am right about the parliamentary situation or not.

Mr. McCUMBER. The Senator from Oklahoma suggested his willingness to accept the amendment of the Senator from Mississippi as a substitute, but I do not understand that it has been adopted by the Senate.

Mr. WILLIAMS. I did not say that it had. I am making a parliamentary inquiry as to what the actual situation is, and I made a statement of it as I understand it to be.

The VICE PRESIDENT. The Chair understands that the Senator from Oklahoma has not withdrawn the amendment proposed by the committee, but the Senator from Mississippi [Mr. VARDAMAN] has moved to amend the amendment of the committee.

Mr. WILLIAMS. That being the case, a motion to amend the amendment to the amendment would, of course, not be in order. I want to say a few words, Mr. President, about the situation as I understand it.

The VICE PRESIDENT. The Chair will state for the information of the senior Senator from Mississippi that the Chair is of the opinion that under Rule XVIII the Senator from Mississippi has a right to offer an amendment.

Mr. WILLIAMS. I have a right to offer a substitute to the amendment offered by my colleague?

The VICE PRESIDENT. Undoubtedly. The substitute is a separate question and may be voted on separately under Rule XVIII.

Mr. WILLIAMS. Then I want to do that.

There is lying before me a letter from the Secretary of Agriculture to the chairman of the Committee on Agriculture and Forestry, and in that letter the Secretary of Agriculture suggests a provision to cover this point. That provision seems to me to be more satisfactory than the pending amendment to the amendment, and it is substantially the provision which was offered by the chairman of the committee on yesterday. Indeed, they are identical, I believe.

Mr. GORE. Yes.

Mr. WILLIAMS. It was offered by the chairman of the committee yesterday and subsequently substantially, not technically, withdrawn. I want to offer it as a substitute for my colleague's amendment, with a modification which consists simply in inserting after the words "agricultural societies or associations" the words "or banking associations."

I will send the amendment to the desk in a few moments as I propose to offer it, but before I offer it I want to read the letter from the Secretary of Agriculture and the substitute suggested by him, so that Senators may be in possession of the actual situation. The Secretary says:

APRIL 30, 1914.

Hon. T. P. GORE,
Chairman Senate Committee on Agriculture and Forestry.

DEAR SENATOR GORE: I have been considering rather carefully the amendment made by the Senate committee to the paragraph providing for farmers' cooperative demonstration work, on page 20, line 25, of the Agricultural bill, which increases the appropriation to $628,240 and adds the following clause:

"*Provided*, That the entire expense of such service shall be defrayed from this appropriation and no contribution or endowment for said purpose shall be received or accepted from any individual, firm, company, or corporation."

That was the language as it appeared in the bill from the Senate Committee on Agriculture and Forestry when the bill was introduced in the Senate. The Secretary goes on:

I feel quite sure that the Senate committee did not have certain facts in mind when it inserted this proviso. The department has been cooperating with State, county, and municipal agencies, including State universities, colleges, and schools, as well as with farmers' organizations and other local agricultural bodies and individual farmers in

the South, and these agencies are contributing to the work nearly a half million dollars annually.

Nearly half a million dollars annually, Mr. President—very nearly as much as this entire proposed appropriation of $620,240.

You will agree—

Continues the Secretary—

that this disposition on the part of the communities to help themselves should be encouraged rather than discouraged. We should not be placed in a position where we can not cooperate with proper agencies. It would be unfortunate to lose this large local fund.

The proviso as it stands would have disastrous effects on the demonstration work. It would disrupt our machinery and render it largely ineffective and futile. The earnest and effective cooperation of the localities has been the most important factor in the situation.

I will pause to say, what you all know, that when a man cooperates by contributing of his own money he is much more apt to cooperate additionally by work and by attendance upon the lectures and work of the demonstrator. The Secretary continues:

Such cooperation has been secured from the beginning of the work. I am convinced that it is not the desire of your committee to prevent cooperation along the lines to which I have directed your attention, but rather to prevent cooperation with such corporations or organizations as the general education board or the Rosenwald foundation. In order to avoid all the difficulties and yet to secure absolutely what the committee has in mind, I would suggest that the item on page 20, line 25, be amended to read as follows:

"For farmers' cooperative demonstrations and for the study and demonstration of the best methods of meeting the ravages of the cotton-boll weevil, $628,240: *Provided*, That the expense of such service shall be defrayed from this appropriation and such funds as may be contributed by State, county, and municipal agencies, agricultural societies or associations, and individual farmers."

The amendment which I propose to offer as a substitute is precisely what I have read, except that after the words "agricultural societies or associations" I have inserted "or banking associations," and then would follow "and individual farmers." I have inserted "banking associations" because the bankers throughout the South have contributed very largely to help their neighbors who are farmers in stamping out this pest in so far as there has been any real stamping out at all. The result practically has been very disappointing. Little by little they are learning to cope with it. Out upon the prairies there is nothing for the boll weevil to hibernate under during the wintertime and thus in some parts of Texas they have substantially destroyed it; but when it has made its appearance in the rich Mississippi Valley country and in a good part of the timber belt of the South, where, when you plow down the grass completely on Monday and it rains on Tuesday it is up ready to plow down again by Thursday, and where therefore the boll weevel has sufficient of every sort of thing for hibernation during the winter, the practical results have not thus far been what we had hoped for.

I want to say in this connection that I look forward with more hope to the birds than to almost anything else. I agree with the Senator from Connecticut [Mr. McLEAN] upon that subject very largely. I have noticed that wherever a new flora or a new fauna are introduced into a country where they had not previously existed they are apt for a time to be very destructive pests. The English rabbit, for example, was introduced into Australia and the whole population had to turn out for years and fight the English rabbit. They built immense ditches, filled them with oil, drove the rabbits across, set fire to the oil—in short, did everything in the world, individually and publicly. The Australian colonies appropriated very large sums of money. I remember when the English sparrow first made his appearance in this country. A few years after he made it all the western farmers came to Congress—and I was then a member of the Agricultural Committee of the body at the other end of the Capitol—and wanted to get appropriations to meet that trouble. After awhile the English rabbit ceased to be a pest in Australia. A great many things learned that they could eat the English rabbit. The English rabbit found that certain parasites began to get upon him that hitherto he had not known. In other words, he met what life meets with everywhere—other life to keep it down. In the course of time other life learns how to attack it, and to minimize what menace there may be in its overmultiplication. The English sparrow here is not now bothering anybody very much, although it is a pretty pestiferous bird, especially early in the morning if he is near the window and you want to sleep.

My hope is that the boll weevil will find lesser bugs to infest it and that the native birds will learn to eat the boll weevil. I have some hope of it, because a few years ago they found very few boll weevils in the craws of the quail down in my country. Now, they find more. It is in the nature of all animals that they stand off and look askance at a strange animal until they get acquainted with him. Then after a while one species learns that another is good to eat, or a parasite of some sort learns that the body of the stranger is a good place wherever to go to hibernate or to find a place for his sustentation by sucking blood, or a nesting place to lay eggs, or something of that sort.

Thus far the work, with all the genius, all the activity and energy, all the intelligence of the Agricultural Department—although all these have been present in an almost superlative degree—has been disappointing in its results.

But I go on now reading this letter. The Secretary continues:

Under a clause such as I have indicated the department would be permitted to cooperate with all proper legitimate agencies, including States, agricultural clubs, schools, counties, farmers' associations and clubs, agricultural societies of all kinds, agricultural associations, and individual farmers.

If the amendment suggested by the Secretary of Agriculture is adopted with the modification which I have placed in it—the addition of the words "banking associations"—he might have added that he would have the cooperation of "the local financial strength of the cotton belt." The Secretary continues:

The department would not be permitted, however, under the clause which I have suggested to use the funds from banks, funds or passes from railroads—

With my modification they would be permitted to use the funds from local banks and banking associations, and I think that permission ought to be granted—

or funds received directly or indirectly from such organizations as the Rosenwald Foundation, the International Harvester Co., or the General Education Board. It would seem perfectly proper for the department to accept and use volunteer funds contributed by States, colleges, schools, and public agencies, such as farmers' clubs, and, in fact, the success of the work largely depends upon cooperation with such agencies.

Very truly, yours,

D. F. HOUSTON, *Secretary*.

Mr. President, I am of the opinion that the Senator from Oklahoma, the chairman of the Committee on Agriculture and Forestry, made a mistake when he expressed his willingness to have the amendment on page 2 of the letter I have just read, the amendment as suggested by the Department of Agriculture, sidetracked. The amendment proposed to be put in its place includes all "individuals," as well as all of these agencies, and it includes all "firms," with the limitation only that they shall be resident within the States of the cotton belt.

Mr. GORE. Mr. President, as I understand, the only difference between the amendment which the Senator now proposes and the pending amendment is the phrase "mercantile associations."

Mr. WILLIAMS. Oh, no; it is not.

Mr. GORE. I withdraw the amendment.

Mr. WILLIAMS. It is "individuals." The amendment which the Agricultural Committee offers reads "individual farmers" and the amendment before the Senate reads "individuals."

Mr. GORE. I did not catch the distinction.

Mr. WILLIAMS. I beg the Senator's pardon, I did not hear him.

Mr. GORE. I will not further interrupt the Senator now.

Mr. WILLIAMS. Very well. This is not a very large question, in my opinion; I do not much care about it one way or the other, except that I have a sincere sympathy with what was said a moment ago by the Senator from North Dakota [Mr. McCUMBER]. I have no objection—on the contrary, I am rather anxious—that those whom the Government is helping should help themselves; that they should help the Government to help themselves; but I have rather a jealousy of an outside influence, with no motive of self-interest, covering itself under a cloak of philanthrophy, perhaps for ulterior purposes. There is a vast difference between an individual farmer's contributing to save the industry in which he has his money and his life wrapped up and some great financial organization stepping in for purposes, good or bad, known for a certainty only to itself.

Mr. WEST. Mr. President, I should like to ask the Senator from Mississippi a question. Why are railroad interests excluded from making these contributions? I notice in my State they take a great deal of interest in the development of the country through which they pass.

Mr. WILLIAMS. Yes; and, by the way, in that connection, Mr. President, I want to say that some of the best demonstration and exhibition work that has been done in the South was done by the Southern Railway under the presidency of Mr. Finley, who died not very long ago; and I suppose that work will be continued under the presidency of Mr. Fairfax Harrison. That, however, is not done as a contribution to the Federal Government, I will say to the Senator from Georgia [Mr. WEST], and that work will go on. The railroads did it on their own initiative and on their own account, independently of the Government. They furnished their trains when farmers held their institutes for demonstration purposes, carrying perhaps a professor of the agricultural college along, and carrying a car that contained

exhibits of agricultural products. The men who went with it would take the things out of the car at a little village, show just what had been done, and say, "This corn was raised at the rate of 100 bushels to the acre on certain ground in a certain county." The railroads very frankly undertook the work in order to build up prosperity along the lines of the roads for the purpose of ultimately building themselves up as carriers of the products raised along their lines. I repeat, that work will, I hope, go on, and no one desires to interfere with it; but if a railroad were permitted to help pay the salaries of State or Federal officials, whether in demonstration or other work, that would be a totally different proposition. So if they were permitted to contribute to a Government salary fund for that purpose, it would be a totally different proposition, because there at once a danger would intrude itself, a possibility of danger at any rate, and that would be the influence and effect upon the popular mind, perhaps blinding it to the abuses and exploitations of the railroads because of gratitude for public contributions.

It is not well anywhere to have the people fed upon largesses, whether of corn, as they were in ancient Rome, or upon largesses of any other sort, for two reasons: First, it makes them lose their magnificent self-respect, and, in the second place, they are unconsciously bribed; they are, consciously or unconsciously, warped when they come to consider meting out exact and equal justice to the contributing party under the laws of the State or county. As I understand, that is the distinction in a case of this sort. I thought that the Senator from Virginia [Mr. MARTIN] on yesterday failed to make in words, though I think he feels, the distinction. To go down to the State of Virginia to devote great wealth to build up schools or to do other things for the public benefit is one thing, and I do not object to any man's money being taken for purposes of doing good—where his money is doing good—but I do object to any man becoming the *real* employer of public servants while these public servants are the *nominal* employees of the Nation, the State, or the county. It seems to me the distinction is obvious; at any rate, it is clear to my mind, whether I am right or wrong.

Now, to go back to the Mexican boll weevil. I was deflected from it for a moment. I hope this rule which I have referred to, and which I have illustrated by the history of the English rabbit in Australia and the English sparrow here, and which I might illustrate in a great many other ways by referring to a great many other pests that have come along in the course of time and have gradually proved to be innocuous, will begin to operate after a while upon the boll weevil. For that reason I think there ought to be not only the very utmost care in not extirpating such birds as are insectivorous, but that the Department of Agriculture ought, if possible, to find birds in other countries which eat hard-shelled insects feeding in the beginning upon the inside and not upon the outside of plants, like the Mexican boll weevil, and import them and turn them loose in the United States.

Thus far the department has helped immensely in a certain way; not that they have gotten rid of the boll weevil, but that they have taught the cotton farmers how they may to a certain extent outdistance him in the race to the goal of maturity; in other words, to raise a species of cotton of such early maturing character and by such cultural methods so hastening maturity that the boll is too hard, by the time great numbers of the boll weevil get upon the ground and begin every day and night to produce their kind, for much, or at any rate the maximum, harm to be done. You can not count the damage the weevil is doing by a mere comparison of bales of cotton produced before and after its advent, although that alone is enormous. For example, a few years ago I had a tenant who raised 125 bales of cotton which he sold at 27½ cents per pound. That was not sea-island cotton, of course, but long-staple upland cotton. I had another tenant at another time who sold some 50 bales of cotton at 32 cents while common cotton was selling at from 10 to 11 cents a pound. Long-staple cotton takes a long time to mature, and you can not raise it successfully with the boll weevil. Not only that, but this early maturing species of cotton being introduced for the purpose of outdistancing the boll weevil—outgrowing and outrunning him—is often even below the staple of the ordinary midland upland; and when that is worth x cents per pound, let us say, this new cotton will be worth x minus 1 or minus 1½ cents per pound.

I thought to utter these words because I do not want Senators to regard this from the standpoint of mere locality or section. There is nothing of more importance to the agricultural prosperity of the United States, outside of raising meat and bread, than the raising of cotton.

It is of importance to you of the North and West, and I will tell you why—and this I want to impress upon you. If I, for example, am forced out of the cotton business, I can raise as good corn as you can, and perhaps better. Some dozen boys in Mississippi, members of corn clubs, raised over 100 bushels of corn to the acre. I can raise as good oats as you can, or perhaps better; I can compete with you in raising hay, hogs, horses, mules, and cattle; I can compete with you in raising pretty nearly everything, except flax and barley and wheat; and when I do come into the market with those things, instead of raising the thing that is naturally adapted to my climate, I increase the supply of those things far beyond the normal increase, and, the demand not being increased abnormally at all, down goes the price of your product; your corn in the Middle West goes down; your hogs and your cattle and your meat go down; in other words, the more you can make me raise cotton the less of other things is it my interest to produce and the more will I buy from you the things which are adapted to your climate and soil; the better for you and the better for me.

It is no more wise agriculture to have a given farmer raise everything in the world than it is to have a country's fiscal laws fixed with the idea that it shall produce everything in the world. If a man can raise enough cotton upon an acre of land to buy 100 bushels of corn, which is what he can do when he raises a bale of cotton to the acre, at 10 cents a pound, and corn is worth 50 cents a bushel, then it is folly for him to throw that land out of cotton and go to raising corn, say, at the rate of 25 bushels to the acre—I told you a moment ago what the Mississippi soil could do in corn—but the average corn production of the State of Mississippi, if I remember correctly, is 19 bushels to the acre. If, however, our people are forced into growing corn as a main crop, we will raise 40 or 50 or 60 bushels to the acre; and, instead of buying it from you with cotton that we have raised much cheaper, we will compete with you in the corn markets of the world, or we will feed it to hogs and compete with you in the meat markets of the world, and we will both suffer, as producers, by lower prices for corn and meat, and you will in addition, as consumers, by higher prices for cotton. So much for that.

Now, Mr. President, I move as a substitute for the pending amendment to the amendment the amendment on page 2 of the letter sent by me to the desk, which I ask the Secretary to read to the Senate.

The SECRETARY. In lieu of the amendment offered by Mr. VARDAMAN to the amendment of the committee, Mr. WILLIAMS proposes the following:

Provided, That the expense of such service shall be defrayed from this appropriation and such funds as may be contributed by State, county, and municipal agencies, agricultural societies or associations, banking associations, and individual farmers.

Mr. VARDAMAN. Mr. President, I am very much interested in the perfection of this provision. I have no pride of authorship; I do not care anything about the amendment proposed by me, nor shall I insist upon its adoption, if a better amendment shall be offered. But I know what the people of the South need; I am familiar with their wants and their desires. The people of the State that I have the honor to represent in this Chamber are solicitous of amending the terms of this measure, and their interest alone shall guide me in the further consideration of this bill.

It is known to the people of the South particularly, and to others who have given this subject serious thought and consideration, that the money contributed or appropriated by the Federal Government is not half enough to carry on this work to a successful issue. That the Senate may understand the interest which is being taken in this matter, I have a few telegrams which I am going to read:

JACKSON, MISS., *April 20, 1914*.

Senator JAMES K. VARDAMAN,
Washington, D. C.:

Senate amendment on cooperative demonstration feature of Agricultural appropriation bill prevents State, county, or individuals from contributing; in Mississippi one-half of the fund is thus raised. Please use every effort to retain for our people this right; letter follows.

H. E. BLAKESLEE,
Commissioner of Agriculture for State of Mississippi.

That is from the commissioner of agriculture of Mississippi, a man who has given a great deal of thought and study to this question. He is a man of the highest character and fidelity to duty; has distinguished his career in the office he now holds. From the Business Men's Club at Tupelo, Miss., I have a letter which tells the same story. It says:

TUPELO, MISS., *April 22, 1914*.

Mr. JAMES K. VARDAMAN, *Senator*,
Washington, D. C.

DEAR SIR: I learn by the press that an amendment to the appropriation bill for demonstrating-farm work has been added that would prohibit any county, corporations, or individuals, contributing money to be used for supplementing this appropriation.

Our people are just waking up to the importance of this work, and are willing contributors to same, yet the small appropriation made by the Government is a great incentive to this movement, and I believe the wording of this amendment should be so changed as to make local contributions available.

Very respectfully,

BUSINESS MEN'S CLUB,
Per E. C. HINDS, *President.*

I have quite a number of other communications, Mr. President of the same tenor which I shall not read, but which I ask to have published in the RECORD along with my remarks.

The VICE PRESIDENT. Without objection, that may be done.

The communications referred to are as follows:

COLUMBUS, MISS., *April 28, 1914.*

Hon. JAMES K. VARDAMAN,
Washington, D. C.:

I understand the purpose of the amendment is to separate the work from the influence of malefactors of great wealth, but in doing so it will destroy the work in this State. For instance, Clay County pays her county demonstrator $1,500, of which the Government pays $500, the board of supervisors $600, and the people of West Point $400; Winston County the same, which is representative of all the work in this State. A literal construction of the amendment would stop all this and seriously cripple the movement all over the State. The amendment could be so worded that it would accomplish its purpose without rebuking the cooperation and support which the people of our State are giving the work.

THE DISPATCH.

—

THE PROGRESSIVE CLUB,
Clarksdale, Miss., April 28, 1914.

Hon. JAMES K. VARDAMAN,
United States Senate, Washington, D. C.

MY DEAR SENATOR: There is an amendment to the general agricultural bill now pending in the United States Senate which says:

"For farmers' cooperative demonstrations and for the study and demonstration of the best methods of meeting the ravages of the cotton-boll weevil, $628,240: *Provided*, That the entire expenses for such services shall be defrayed from this appropriation and no contribution or endowment for said purpose shall be received or accepted from any individual, firm, company, or corporation."

The Clarksdale Progressive Club views this with considerable consternation. We have only recently succeeded in securing the exclusive services of a farm-demonstration expert, who gives his entire time to Coahoma County. The major portion of his salary is paid by Coahoma County. If the above amendment passes it would exclude the Government from accepting any local financial cooperation of any kind whatever, and we would lose the services of our Government expert, which we have gone to much time, trouble, and expense to secure.

Of course I can speak for Coahoma County only, but I believe I am safe in saying that every county in the South similarly situated with us will take the same view of this matter.

Any aid which you may give us in this emergency will be greatly appreciated by this organization.

Very truly, yours,

RUFUS JONES, *Secretary.*

—

JACKSON, MISS., *April 21, 1914.*

Hon. JAMES K. VARDAMAN,
United States Senate, Washington, D. C.

DEAR SIR: Following up our telegram of yesterday, the amendment referred to is the one offered by the Senate committee to the general agricultural appropriation bill, and reads as follows:

"For farmers' cooperative demonstrations and for the study and demonstration of the best methods of meeting the ravages of the cotton-boll weevil, $628,240: *Provided*, That the entire expense of such service shall be defrayed from this appropriation and no contribution or endowment for said purpose shall be received or accepted from any individual, firm, company, or corporation."

We interpret this to mean that all cooperation with boards of trade, business men, and boards of supervisors will be cut off. You notice that the language says that the entire expenses of such service shall be defrayed from this appropriation.

As the Board of Trade of Jackson and the Board of Supervisors of Hinds County are paying three-fourths of the salary of the demonstration agent in Hinds County, the passage of this amendment will destroy our agents' work for this year. We consider the farmers' demonstration work a great agency for bringing back prosperity to our stricken section, and we feel that you can do Hinds County, Miss., and the whole South a great service by defeating this amendment.

With kindest regards and best wishes, we remain,

Very truly, yours,

JACKSON BOARD OF TRADE.
WALTER A. SCOTT, *President.*
JAMES B. LUSK, *Secretary.*

—

WEST POINT, MISS., *April 25, 1914.*

Senator JAMES K. VARDAMAN,
Washington, D. C.

DEAR SENATOR: Referring to my telegram to you from Jackson asking that you defeat amendment to farmers' demonstration appropriation. This is an important work in our State, and by allowing counties to assist in the work and getting some assistance from outside sources the department covers a greater territory and does better work than it otherwise could do. I inclose a clipping from Memphis Commercial which might be overlooked. Know you will look after the interest of Mississippi, and submit this for your consideration. You, being on the ground, can be best judge of way to handle this subject.

With kind personal regards, I am,

Your friend, ISHAM EVANS.

Mr. VARDAMAN. In so far as the amendment suggested by the Secretary of Agriculture goes it is all right, but when you limit the contributors to farmers and bankers or to banking associations you put the burden upon people in Mississippi who are the least able to carry it. The greater part of the money that will be contributed will come from the merchants, manufacturing companies, millmen, lawyers, doctors, by all the business people living in the community. If the farmers were able to carry on this work unaided it would not be necessary to call upon anybody else. This proposed legislation would be wholly unnecessary. The farmers of that country, and especially in that section where the boll weevil has been doing its disastrous work for the last five or six years, are the very ones who are not able to contribute to the fund, and it is an outrage that the more fortunate members of the communities should be denied the privilege of contributing to it. I submit, Mr. President, that anyone living within the State who will give for the patriotic purpose of exterminating this pest and helping the farmer who is carrying already an unbearable burden in this unequal fight ought to be permitted to contribute.

Personal ambitions to serve, partisan advantage to promote, or any other sort or variety of personalities have no place in the consideration of this measure.

There are some lumber companies in Mississippi that own large tracts of land. The timber has been cut off these lands and they are selling it to people who are coming there to build their homes. In order to make that land valuable these large enterprises are contributing money for the extermination of the boll weevil, or teaching a method or system of agriculture which will enable the people to get around and defeat the ravages of the weevil. Should these millmen be marked as the malefactors of great wealth, denied the privilege of promoting the interests of the State and the community in which they live? That is what will happen if the amendment proposed by the senior Senator from Mississippi shall be adopted.

I do not want to crucify Rockefeller; I do not want to use any of his tainted money, but I do not believe that the law should be so written that people within the State should be denied the privilege of contributing to this great work which means so much to the inhabitants of the afflicted section. I am perfectly willing to accept the amendment proposed by the Agricultural Department, if it shall be amended so as to permit all who should contribute to the fund to do so. My amendment covers it all. I think it should be adopted.

In order to bring the matter to an issue, Mr. President, I move to table the amendment offered by the senior Senator from Mississippi.

Mr. MARTIN of Virginia. Mr. President, I make the point of order against all of the amendment which follows the amount appropriated—namely, the proviso—that it is general legislation on an appropriation bill.

Mr. SMITH of Georgia. In other words, Mr. President, it is an affirmative piece of legislation limiting the right to use money in connection with this work. It amounts to general legislation; and, as I understand the Senator from Virginia, he makes the point that it can not be put on an appropriation bill over objection.

Mr. MARTIN of Virginia. It is more than a limitation. As the Senator says, it is a positive, affirmative provision that it shall not be used in connection with certain other moneys. It is plainly, in my judgment, a violation of the rule.

Mr. GORE. Mr. President, I think under the precedent recently established by the presiding officer this proviso is certainly not subject to a point of order. It is a clear limitation upon the money appropriated by this section of the bill; and under that precedent it is certainly in order.

I may say that if the Chair sustains the point of order, I shall conform the proviso to the ruling recently made by the Chair. I do not intend that this proviso shall go out on a point of order in this way.

Mr. CLARKE of Arkansas. Mr. President, ordinarily I should not undertake to defend every ruling I happened to make during my casual service in the chair, but the ruling that was made on the occasion to which the Senator from Oklahoma refers was made upon full consideration by me, and I am prepared to defend it, so far as my own vote and action are concerned. I do not think it has anything to do with the matter that is now presented to the Chair. In that case there was a proposal to increase the salary of the Assistant Secretary of Agriculture——

Mr. GORE. Mr. President——

The VICE PRESIDENT. Does the Senator from Arkansas yield to the Senator from Oklahoma?

Mr. CLARKE of Arkansas. I do.

Mr. GORE. The Senator from Arkansas is mistaken as to the precedent I had in mind.

Mr. CLARKE of Arkansas. I beg pardon, then.

Mr. GORE. It was the ruling of the presiding officer when the Post Office appropration bill was pending before the Senate. That is the precedent I had in mind.

Mr. CLARKE of Arkansas. While occupying the chair I had made a ruling that where a bill contained an appropriation it was competent for the Congress to prescribe the method in which it should be actually disbursed; but that rule has no application to the conditions here.

This provision does not undertake to say how this money shall be expended, except that it shall be devoted to a purpose of this kind. The limitation to which the present point of order is addressed denies to other people the right to contribute money for the same purpose. It has nothing whatever to do with the manner in which the money expended by the National Government shall be paid out. It goes beyond that, and creates affirmatively a rule of exclusion. If the point that it is general legislation is to be interposed, a case is made that justifies its application here.

The VICE PRESIDENT. The Chair has in mind the former ruling, and believes it states the ruling correctly. That was a limitation upon the use of the money appropriated, stating that it should be used only for certain specific purposes, or that it should be used for certain specific purposes; the Chair is not clear which.

In this case the Chair is of the opinion that, standing alone, the first part of the proviso—

That the entire expense of such service shall be defrayed from this appropriation—

would be clearly in order, and germane to the appropriation; but coupled with the statement—

and no contribution or endowment for said purpose shall be received or accepted from any individual, firm, company, or corporation—

the Chair believes it to be general legislation, and believes it is the purpose of the Committee on Agriculture and Forestry to announce as an affirmative statement of statutory law upon the part of the Congress of the United States that no individual, firm, company, or corporation shall make any contribution to be used for the purpose of farmers' cooperative demonstration work or for demonstrating the best methods of meeting the ravages of the cotton-boll weevil.

The Chair thinks this is not such a provision as was formerly ruled upon by the Chair. Taking it as a whole, the Chair believes that it is general legislation, and that the point of order is well taken.

Mr. GORE. Then I ask unanimous consent to disagree to the rest of the proviso.

The VICE PRESIDENT. The Chair thinks that would be included.

Mr. WILLIAMS. The point of order takes out the whole proviso.

Mr. GORE. I did not so understand the ruling of the Chair.

Mr. WILLIAMS. The Senator's point of order applied to the whole proviso; did it not?

Mr. MARTIN of Virginia. Yes.

Mr. GORE. Then I offer the following amendment:

Provided, That no part of this sum of $628,240 shall be used in connection with any money contributed or tendered by the General Education Board or any like organization.

I think that certainly is within the precedent hitherto established.

Mr. MARTIN of Virginia. I make the same point of order against that language.

The VICE PRESIDENT. The Chair will be compelled to overrule that point of order. The Chair thinks it is within the power of Congress to limit the way in which an appropriation shall be used, and has so ruled heretofore.

Mr. WILLIAMS. You might as well put in the Rosenthal matter while you are about it.

Mr. GORE. I said, "any like organization." I never heard of that concern before, but it sounds to me a good deal like the other.

Mr. MARTINE of New Jersey. It begins with an "R," anyhow. [Laughter.]

Mr. WARREN. I wish to ask the chairman of the committee if he expects to allow the appropriation which was raised from $378,240 to stand at $628,240?

Mr. GORE. I do; because undoubtedly the receipt of money from the General Education Board will be discontinued by the Department of Agriculture whether we insert the proviso or not. I may say to the Senator from Virginia that he will be defeating his own end if he should persevere in his opposition, because I feel certain that the Department of Agriculture will not continue to accept the $250,000 from the General Education Board even though this bill should remain silent on the subject. In order to carry out the purpose which he has in view—that is, not to discontinue this demonstration work—I hope the amendment I have offered will be adopted by the Senate.

Mr. KENYON. May we have the amendment stated?

The VICE PRESIDENT. The Secretary will state the amendment.

The SECRETARY. The Senator from Oklahoma [Mr. GORE] proposes to insert the following proviso:

Provided, That no part of this sum of $628,240 shall be used in connection with any money contributed or tendered by the General Education Board or any like organization.

Mr. NORRIS. Mr. President, I desire to inquire of the Chair whether in passing on the point of order that was made, and holding the amendment out of order, it did not follow that the amount included in the amendment also went out. It seems to me, if I understand the parliamentary situation, that the Senator from Oklahoma ought to have his amendment include striking out the $378,240 and inserting the amount which was part of the other amendment.

Mr. GORE. I do not think that is necessary at all. The proviso has no reference to the $628,240 as the amendment was originally pending here.

The VICE PRESIDENT. The point of order was raised as to the proviso, and not as to the amount, as the Chair understands.

Mr. GORE. And if the proviso had been stricken out on the point of order, without any other proviso being offered, the $628,240 would have remained in the bill.

Mr. NORRIS. If that be true, we have an amendment to vote on which ought to be acted on before the Senator's amendment is voted on. The change of the amount is necessarily an amendment.

Mr. GORE. That is true.

The VICE PRESIDENT. No; that is not true. The question is on the amendment as amended.

Mr. GORE. I rather think the point made by the Senator is well taken, because the Committee on Agriculture and Forestry reports that the amount appropriated by the House bill should be raised from $378,240 to $628,240.

The VICE PRESIDENT. The Committee on Agriculture and Forestry proposed an amendment to strike out $378,240 and insert $628,240 and a proviso. A point of order was made on the proviso, and sustained by the Chair. Thereupon the Senator from Oklahoma moved to amend by the insertion of the words which have been read, which of course is an amendment to the amendment of $628,240. The question is on the amendment to the amendment.

Mr. OLIVER. Mr. President, before the amendment is acted upon I wish to express my dissent from the whole amendment, including the addition to the amount.

I wish to say, as a Member of the Senate, that I do not want to be considered as consenting to the refusal upon the part of the Government to allow any citizen or any association to help in the operations of the Government with money or with any other kind of assistance that seems best to them. I wish to say, further, that in my opinion if the people of the section affected by this evil had not a liberal and paternal Government with an apparently exhaustless treasury to draw upon they would not be so quick to refuse the assistance tendered by the General Education Board.

I hope that upon the adoption of this amendment, proviso and all, there will be a call of the yeas and nays, so that those who are opposed to gratuitously voting $250,000 of the public money when it is not necessary will have an opportunity of expressing their opinion.

The VICE PRESIDENT. The question is on agreeing to the amendment to the amendment.

The amendment to the amendment was agreed to.

The VICE PRESIDENT. The question now is on agreeing to the amendment as amended.

Mr. OLIVER. On that I call for the yeas and nays.

The yeas and nays were not ordered.

The VICE PRESIDENT. The question is on agreeing to the amendment as amended.

The amendment as amended was agreed to.

Mr. TOWNSEND. May I ask what the amendment is?

The VICE PRESIDENT. The Secretary will state the amendment for the benefit of the Senator from Michigan. It has been adopted.

The SECRETARY. The amendment as amended reads as follows:

On page 20, line 25, after the words "cotton-boll weevil," strike out "$378,240" and insert "$628,240: *Provided*, That no part of this sum of $628,240 shall be used in connection with any money contributed or tendered by the general education board or any like organization."

Mr. OLIVER. I ask for a recount of the number seconding the call for the yeas and nays on the adoption of the amendment.

Mr. VARDAMAN. What is the question now?

The VICE PRESIDENT. There is not any question pending. The yeas and nays were called for, and the request was not seconded by one-fifth of the Members present.

Mr. VARDAMAN. That is all right.

The VICE PRESIDENT. The amendment has been adopted.

The SECRETARY. The next amendment passed over is, on page 23, line 4, "Purchase and distribution of valuable seeds," where the committee proposes to strike out all of the item as printed in the House bill.

EXECUTIVE SESSION.

Mr. SMITH of Georgia. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to, and the Senate proceeded to the consideration of executive business. After seven minutes spent in executive session the doors were reopened, and (at 6 o'clock and 2 minutes p. m.) the Senate adjourned until to-morrow, Wednesday, May 6, 1914, at 12 o'clock meridian.

NOMINATIONS.

Executive nominations received by the Senate May 5, 1914.

COLLECTORS OF INTERNAL REVENUE.

Julius F. Smietanka, of Chicago, Ill., to be collector of internal revenue for the first district of Illinois, in place of Samuel M. Fitch, superseded.

Edward D. McCabe, of Peoria, Ill., to be collector of internal revenue for the fifth district of Illinois, in place of Percival G. Rennick, superseded.

PROMOTIONS IN THE NAVY.

The following-named ensigns to be assistant naval constructors in the Navy from the 21st day of April, 1914:

Walter W. Webster.
Beirne S. Bullard.
Ernest L. Patch.

CONFIRMATIONS.

Executive nominations confirmed by the Senate May 5, 1914.

CONSULS.

J. Paul Jameson, at Antung, China.
Adolph A. Williamson, at Dalny, Manchuria.
Charles L. L. Williams, at Nanking, China.
Edwin L. Neville to be consul at Tansui, Taiwan.
Albert W. Pontius to be consul at Newchwang, China.
Willys R. Peck to be consul at Tsingtau, China.

FIRST ASSISTANT COMMISSIONER OF PATENTS.

James T. Newton to be First Assistant Commissioner of Patents.

ASSISTANT COMMISSIONER OF PATENTS.

Robert F. Whitehead to be Assistant Commissioner of Patents.

UNITED STATES ATTORNEY.

Stephen C. Perry to be United States attorney for the district of Maine.

UNITED STATES MARSHAL.

Henry Behrendt to be United States marshal, eastern district of Michigan.

POSTMASTERS.

GEORGIA.

E. D. Colson, Ocilla.

ILLINOIS.

Charles C. Clymore, Vienna.
P. B. Colwell, Wyoming.
Fred A. Ehringer, Washburn.
David McFadden, Milford.
Charles S. Murphy, Warren.
William Clyde Stewart, Kirkland.

OKLAHOMA.

William I. Bowen, Halleyville.

HOUSE OF REPRESENTATIVES.

TUESDAY, *May 5, 1914.*

The House met at 12 o'clock noon.

The Chaplain, Rev. Henry N. Couden, D. D., offered the following prayer:

Behold, O God our Father, these Thy children, who wait upon the touch of Thy spirit to uphold, sustain, and guide them in the legislative acts of the hour. Touch their understanding, reason, conscience, will. Encourage right acts; discourage untoward contentions, that they may serve well the people whom they represent, have the approving conscience, and thus fulfill the law and the prophets. For Thine is the kingdom, and the power, and the glory forever. Amen.

The Journal of the proceedings of yesterday was read and approved.

ENROLLED BILL SIGNED.

Mr. ASHBROOK, from the Committee on Enrolled Bills, reported that they had examined and found truly enrolled bill of the following title, when the Speaker signed the same:

H. R. 5993. An act authorizing the city of Montrose, Colo., to purchase certain public lands for public-park purposes.

ENROLLED BILL AND JOINT RESOLUTION PRESENTED TO THE PRESIDENT FOR HIS APPROVAL.

Mr. ASHBROOK, from the Committee on Enrolled Bills, reported that this day they had presented to the President of the United States, for his approval, the following joint resolution and bill:

H. J. Res. 242. Joint resolution authorizing the Secretary of War and the Secretary of the Navy to loan equipment, for the purpose of instruction and training, to sanitary organizations of the American National Red Cross; and

H. R. 7951. An act to provide for cooperative agricultural extension work between the agricultural colleges in the several States receiving the benefits of an act of Congress approved July 2, 1862, and of acts supplementary thereto, and the United States Department of Agriculture.

NAVAL APPROPRIATION BILL.

Mr. PADGETT. Mr. Speaker, I move that the House resolve itself into Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 14034, the naval appropriation bill.

The motion was agreed to.

The SPEAKER. The gentleman from Kentucky [Mr. JOHNSON] will take the chair.

Accordingly the House resolved itself into Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 14034, the naval appropriation bill, with Mr. JOHNSON of Kentucky in the chair.

The CHAIRMAN. The Committee of the Whole House on the state of the Union will come to order for the consideration of the bill H. R. 14034, which the Clerk will report by title.

The Clerk read as follows:

A bill (H. R. 14034) making appropriations for the naval service for the fiscal year ending June 30, 1915, and for other purposes.

Mr. PADGETT. Mr. Chairman, last Friday there was an amendment offered, after line 5, page 33, which was passed over at the request of the gentleman from Illinois [Mr. MANN]. I wish to return to it.

Mr. MANN. I have no objection.

Mr. PADGETT. I will ask that that be reported and voted upon.

The CHAIRMAN. Without objection, the Clerk will report the amendment referred to.

The Clerk read as follows:

Amend, page 23, after line 5, by inserting as a separate paragraph the following:

"Naval station, Port Royal, S. C.: The Secretary of the Navy is hereby authorized to pay, from appropriations 'Contingent, Bureau of Yards and Docks,' for the fiscal year 1913, voucher in favor of the Vilter Manufacturing Co., for $4,937 for an ice-making and refrigerating plant for the naval disciplinary barracks, Port Royal, S. C., furnished by said company under contract dated April 23, 1913, with the Secretary of the Navy; and the accounting officers of the Treasury are hereby authorized and directed to allow in the accounts of Passed Assistant Paymaster D. W. Rose credit for payments amounting to $1,184 made by him to said company under contract dated November 5, 1913, from appropriations 'Contingent, Bureau of Yards and Docks,' for the fiscal year 1914, on account of said ice-making and refrigerating plant."

Mr. MADDEN. Mr. Chairman, I make a point of order against that. It is a claim, and it ought to go to the Committee on Claims.

The CHAIRMAN. A point of order is raised against the amendment.

Mr. PADGETT. I hope the gentleman from Illinois will reserve his point of order and let me explain it.

Mr. MADDEN. I will reserve it; yes.

The CHAIRMAN. The gentleman from Illinois [Mr. MADDEN] reserves the point of order.

Mr. PADGETT. I will say, Mr. Chairman, that this is out of the current appropriation, and the Secretary made the contract for this refrigerating plant at this place, and they have gone ahead with it. When the vouchers went in the Comptroller of the Treasury ruled that they could not be paid out of the fund, and this is to authorize the payment. We do not ask for any additional appropriation. It is simply to pass the vouchers. It does not carry any appropriation.

Mr. MADDEN. The Secretary of the Navy had not any right to make the contract until he had an appropriation, had he?

Mr. PADGETT. He had an appropriation and thought he had authority to make the contract out of the appropriation he had. It was a mistake as to whether or not he could make it out of the contingent appropriation.

Mr. MADDEN. Was it something that we had to have there?

Mr. PADGETT. Yes; an ice plant and refrigerating plant to take care of the enlisted men. This is not for an additional appropriation.

Mr. MADDEN. I have no disposition to embarrass the situation.

Mr. PADGETT. They want an authorization to make the payment under the contract which has already been let.

Mr. MADDEN. The only reason I rose at all, Mr. Chairman, is the fact that I believed the Secretary of the Navy had not any power to make the contract and that he exceeded his authority, and this would probably be a claim against the Government of the United States and ought to be sent to the Committee on Claims for consideration and allowance. But if the situation is such as to make it obvious that this ought to be done I am not going to object and do not make the point of order, Mr. Chairman.

The CHAIRMAN. Without objection, the point of order will be withdrawn.

There was no objection.

The CHAIRMAN. The question is on agreeing to the amendment.

The amendment was agreed to.

The CHAIRMAN. The Clerk will read.

Mr. PADGETT. Mr. Chairman, I ask unanimous consent to return to page 28, beginning with line 13, for the purpose of offering the provision that was contained in the original bill as reported with reference to the increase of the chaplains.

The CHAIRMAN. Is there objection?

Mr. STAFFORD. I object.

The CHAIRMAN. Objection is made by the gentleman from Wisconsin [Mr. STAFFORD]. The Clerk will read.

Mr. PADGETT. Mr. Chairman, I ask unanimous consent to return to page 38 for the purpose of offering an amendment, as a new paragraph, at the bottom of the page.

The CHAIRMAN. Is there objection?

Mr. MANN. Reserving the right to object, Mr. Chairman, let us know what it is.

Mr. PADGETT. Yes; I will state what it is and have it read for information.

The CHAIRMAN. Without objection, it will be read for information.

The Clerk read as follows:

At the bottom of page 38, as a separate paragraph, add the following:

"Toward the purchase and preparation of necessary sites, the purchase and erection of towers and buildings, and the purchase and installation of machinery and apparatus of high-power radio stations, to cost not to exceed $1,000,000, to be located as follows: One in the Isthmian Canal Zone, one on the California coast, one in the Hawaiian Islands, one in American Samoa, one on the Island of Guam, and one in the Philippine Islands, $400,000, to be available until expended."

The CHAIRMAN. Is there objection?

Mr. MANN. Reserving the right to object, I suppose the gentleman intends that it shall come in after line 24, page 38?

Mr. PADGETT. No. This is not the end of the bureau. The bureau continues on page 39 and following. This is in engineering, and a working appropriation. This would not be a part of that total. On page 39 the Steam Engineering Bureau continues.

Mr. MANN. The appropriation that is in the bill provides for the purchase of sites for radio stations.

Mr. PADGETT. That is shore stations here. That is not a part of the authorization made in 1912. There was an authorization in 1912, at a cost not to exceed $1,000,000, and carrying an appropriation of $400,000 for the establishment of the six radio stations named, beginning at the Isthmus, and one on the California coast, and then Hawaii, Samoa, Guam, and the Philippine Islands, and $400,000 was appropriated.

There was no appropriation in 1913. The department thought that the progress of the work would be such that they would not need it this year; but it has progressed more rapidly than they expected, and they sent in a supplemental estimate. I intended to offer it when we reached this, but overlooked it.

Mr. MANN. Are these stations all under construction now?

Mr. PADGETT. All, I believe, except the one in Guam. They think that perhaps with the development which is going on in radiography they can reach from Samoa to the Philippine Islands without the one at Guam.

Mr. MANN. How many of these stations are there?

Mr. PADGETT. Six.

Mr. MANN. They are to cost $1,000,000 altogether?

Mr. PADGETT. That is what is estimated. That is the authorization, and $400,000 has been appropriated heretofore.

Mr. MANN. Will they be able to complete the work with the $1,000,000?

Mr. PADGETT. They thought so.

Mr. MANN. Do they still think so.

Mr. PADGETT. That is what I understand from them; yes.

Mr. MADDEN. I make the point of order against that part of the paragraph which——

The CHAIRMAN. The Chair will state to the gentleman from Illinois that consent to return to the paragraph has not yet been given. Is there objection?

Mr. MADDEN. I reserve the right to object.

Mr. FOSTER. It seems to me there was a provision in the naval bill of two years ago——

Mr. PADGETT. In the bill of 1912.

Mr. FOSTER. In the bill of 1912 there was an authorization for this.

Mr. PADGETT. That is correct, and the limit was fixed at $1,000,000.

Mr. FOSTER. This is to provide the appropriation under that authorization?

Mr. PADGETT. Yes.

Mr. MURDOCK. How many wireless stations have we?

Mr. PADGETT. These stations belt the world. You may call them international stations. They reach from here to the Philippine Islands, and in connection with the telegraphic and cable facilities from there we will be able to communicate clear around the world. We have other stations at our different navy yards, but they are local.

Mr. MURDOCK. What is the station across the Potomac?

Mr. PADGETT. That is one of the international stations. That is a high-powered station. That is now in communication with the Eiffel Tower, in Paris.

Mr. MURDOCK. Does the gentleman know what that station costs?

Mr. PADGETT. I do not. That was not built under this authorization.

Mr. MURDOCK. What distinction does the gentleman make between high-power stations and others?

Mr. PADGETT. The high-power stations reach much farther in their communications. For instance, this high-power station over here at Arlington is in communication almost every night with the Eiffel Tower, in Paris, France. The low-powered stations reach out five or six hundred miles along the coast.

Mr. MURDOCK. Are these six proposed stations low-powered stations?

Mr. PADGETT. They are high-power stations. They have already been authorized, and they are in course of construction now, and this is just one of the appropriations to carry out that authorization. They were authorized in 1912, to cost not to exceed $1,000,000.

Mr. MURDOCK. Are we the only nation in the world which is putting this series of stations around the world?

Mr. PADGETT. I am not prepared to answer that. I do not know.

Mr. MURDOCK. Are those stations when constructed supposed to be absolutely for our use?

Mr. PADGETT. Yes; and under our control absolutely.

Mr. MURDOCK. The gentleman said this was a world series.

Mr. PADGETT. I mean in their scope of operations.

Mr. MURDOCK. Can we reach around the world with them after they are constructed?

Mr. PADGETT. I so understand; yes.

Mr. MURDOCK. I do not see how, if we merely go to the Philippines. What about the rest of the circuit of the world beyond that?

Mr. PADGETT. Guam and San Francisco and the Samoan Islands and the Philippine Islands would put us in communication with the continent of Asia. Here in Washington we are in communication with the Eiffel Tower in Paris, and there is

telegraphic and cable service from Paris to the east coast of Asia.

Mr. MURDOCK. But we would not be using our own apparatus wholly in going around the world.

Mr. PADGETT. With all these others. The Eiffel Tower would not be ours, but when we get to Samoa and the Philippine Islands we have taken the scope of the Pacific Ocean, and when we go across to Europe we have taken the scope of the Atlantic Ocean and could reach our shores.

Mr. MURDOCK. Does the gentleman know whether this station across the Potomac here is in actual use?

Mr. PADGETT. Oh, yes; it is in daily use.

Mr. MADDEN. Sure, it is.

Mr. PADGETT. They are using it now in correcting the longitude of the ocean and this country with reference to Europe, and they are in nightly communication with the Eiffel Tower in France.

Mr. MURDOCK. And it is in daily use?

Mr. PADGETT. Yes.

Mr. MURDOCK. I wish the gentleman could inform the House how much that station cost.

Mr. PADGETT. I will get it; but that was not built within this appropriation.

The CHAIRMAN. Is there objection to the request made by the gentleman to return to the paragraph indicated?

There was no objection.

The CHAIRMAN. The clerk will report the amendment.

The Clerk read as follows:

At the bottom of page 38 add as a separate paragraph the following——

Mr. PADGETT. Mr. Chairman, as it has just been read I ask that the further reading be dispensed with.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. MADDEN. Mr. Chairman, I reserve a point of order against that part of the paragraph which makes $400,000 immediately available.

Mr. PADGETT. No; it is not made immediately available, but it says, "to be available until expended." This is a public work, and it is necessary to make it available until expended.

Mr. MADDEN. Not to be immediately available?

Mr. PADGETT. No.

Mr. MADDEN. I should like to have the amendment read for information, Mr. Chairman.

The CHAIRMAN. The clerk will report the amendment.

The amendment was again read.

The CHAIRMAN. Without objection, the point of order is withdrawn.

There was no objection.

The amendment was agreed to.

The Clerk read as follows:

INCREASE OF THE NAVY.

That for the purpose of further increasing the Naval Establishment of the United States, the President is hereby authorized to have constructed two first-class battleships carrying as heavy armor and as powerful armament as any vessel of their class, to have the highest practicable speed and greatest desirable radius of action, and to cost, exclusive of armor and armament, not to exceed $7,800,000 each.

Mr. PADGETT. We have reached in the regular consideration of the bill the increase of the Navy, on page 53, and the first paragraph relates to the construction of battleships. I wish to submit a request for unanimous consent that there may be two hours' debate upon that paragraph and amendments which may be offered thereto, one hour of that to be controlled by the gentleman from Missouri [Mr. HENSLEY] and one hour by myself.

The CHAIRMAN. Is there objection?

Mr. CALDER. Reserving the right to object, will the gentleman include in that request any amendment that may be offered to this paragraph relative to building one of these ships in the navy yard?

Mr. PADGETT. No; that will be excluded.

Mr. CALDER. Will the gentleman see that I have five minutes out of that hour?

Mr. PADGETT. Yes.

Mr. WITHERSPOON. Reserving the right to object, I want to ask the gentleman if he will not agree to give our side 1 hour and 15 minutes. An hour has been allotted out to members of the committee, and the gentleman from Illinois [Mr. BUCHANAN] wants 10 minutes. I should like 5 minutes myself.

Mr. PADGETT. Mr. Chairman, I will agree to 1 hour and 10 minutes on a side.

The CHAIRMAN. Is there objection?

Mr. FOWLER. Mr. Chairman, reserving the right to object, I desire to ask the chairman of the committee if his request is broad enough to include all amendments to the paragraph?

Mr. PADGETT. It includes all amendments to the paragraph relating to battleships except the question of the construction of one in the navy yard.

Mr. FOWLER. I desire to offer an amendment to this paragraph as a limitation on the expenditure for the purpose of securing an investigation as to the price and quality of the armor and armament and other materials furnished the Government. I would like to know from the gentleman how much time can be devoted to this amendment.

Mr. PADGETT. This paragraph is exclusive of armor and armament. The gentleman could offer his amendment to a subsequent paragraph. This authorizes the construction of battleships, but expressly states that it is exclusive of armor and armament.

Mr. FOWLER. What provision in the bill provides for armor and armament?

Mr. PADGETT. On page 55 there is a provision relating to the purchase of armor and armament.

Mr. FOWLER. How much is appropriated in that provision?

Mr. PADGETT. Fourteen million eight hundred and seventy-seven thousand five hundred dollars.

The CHAIRMAN. Is there objection?

Mr. GOLDFOGLE. Reserving the right to object I want to ask the chairman of the committee whether his limit of debate contemplates taking in the discussion upon the propositions which will undoubtedly be offered to require the building of one battleship at a Government yard.

Mr. PADGETT. I just stated to the gentleman's colleague that it would not; that there would be an additional discussion on that amendment when it comes up.

The CHAIRMAN. The request of the gentleman from Tennessee is for unanimous consent that debate on this paragraph shall be limited to 2 hours and 20 minutes—1 hour and 10 minutes on each side; 1 hour and 10 minutes to be controlled by the gentleman from Missouri [Mr. HENSLEY] and 1 hour and 10 minutes by himself.

Mr. MANN. With leave to offer amendments.

Mr. PADGETT. With the right to anybody to offer amendment during that time, to be voted on after the conclusion of the debate.

Mr. MANN. The debate is not to cut off amendments?

Mr. PADGETT. No; they can offer amendments, and they will be debatable during the two hours and then voted upon after the debate is closed.

The CHAIRMAN. Is there objection?

There was no objection.

The CHAIRMAN. General debate is limited to 2 hours and 20 minutes, one half to be controlled by the gentleman from Missouri [Mr. HENSLEY] and the other half by the gentleman from Tennessee [Mr. PADGETT]. The Clerk will read the paragraph.

The Clerk read as follows:

INCREASE OF THE NAVY.

That for the purpose of further increasing the Naval Establishment of the United States, the President is hereby authorized to have constructed two first-class battleships carrying as heavy armor and as powerful armament as any vessel of their class, to have the highest practicable speed and greatest desirable radius of action, and to cost, exclusive of armor and armament, not to exceed $7,800,000 each.

Mr. WITHERSPOON rose.

Mr. MAHER. Mr. Chairman, I desire to offer an amendment to the paragraph.

The CHAIRMAN. The gentleman from New York is recognized.

Mr. HENSLEY. Mr. Chairman, I raise the point of order that the gentleman from Mississippi, a member of the committee, was on his feet.

The CHAIRMAN. The Chair did not see the gentleman from Mississippi, and the gentleman, being a member of the committee, is recognized. The Chair will recognize the gentleman from New York later.

Mr. WITHERSPOON. Mr. Chairman, I offer an amendment to strike out the paragraph.

The Clerk read as follows:

Amend, on page 53, by striking out the paragraph, lines 6 to 12, inclusive.

The CHAIRMAN. The Chair takes it for granted that these amendments will be presented and voted upon after the general debate.

Mr. BARTLETT. Mr. Chairman, a motion to strike out the paragraph can not be considered until the paragraph itself has been perfected, if there are any efforts to do that.

The CHAIRMAN. The Chair was just saying that he took it for granted that the amendments would be offered for in-

formation and considered pending, but not to be acted upon until after the expiration of the general debate.

Mr. MAHER. Mr. Chairman, now I offer my amendment.

Mr. MANN. I suggest to the gentleman from Tennessee that he ask unanimous consent that the amendments may be offered and considered pending.

Mr. PADGETT. Mr. Chairman, I ask unanimous consent that all amendments may be offered now and to be pending.

The CHAIRMAN. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

The CHAIRMAN. The Clerk will report the amendment of the gentleman from New York [Mr. MAHER].

The Clerk read as follows:

Page 53, line 12, after the word "each," insert the following: "At least one of the said battleships hereby authorized shall be built and constructed at a Government yard."

Mr. STAFFORD. Mr. Chairman, do I understand that the amendments are being read for information?

The CHAIRMAN. They are read for information and pending.

Mr. MANN. I reserve a point of order on the amendment offered by the gentleman from New York.

Mr. BUCHANAN of Illinois. Mr. Chairman, I have an amendment that I would like to have read and pending.

The Clerk read as follows:

Page 53, line 8, after the word "construct" strike out the word "two" and insert "one."

Mr. MOORE. Mr. Chairman, may I inquire before the gentleman from Tennessee begins his speech, whether there will be an opportunity for argument on the amendment offered by the gentleman from New York [Mr. MAHER] at the end of the 2 hours and 20 minutes' debate?

Mr. PADGETT. It was stated that there would be argument on that proposition after this was disposed of.

Mr. CALDER. After the two-battleship proposition is disposed of.

Mr. PADGETT. Mr. Chairman, I will yield 10 minutes to the gentleman from Georgia [Mr. TRIBBLE], a member of the committee.

Mr. TRIBBLE. Mr. Chairman, on May 24, 1912, I stated on the floor of this House:

I stand for a fighting Navy and an efficient Navy and a sea Navy, and not a land Navy. This bill carries too much money and nothing to show for it.

On February 24, 1913, I said again:

I believe in the policy of battleship construction sufficient for our country's defense. I believe we should keep abreast of the times and keep our Navy up to date. Put the old battleships in reserve and build new, up-to-date battleships.

I then undertook to show that the bill then before the House carried $15,000,000 more than it should. The bill now before the House shows my position then correct, as the bill with one battleship is $15,000,000 less.

The bill of 1912 provided for one battleship and six destroyers. The bill for 1913 carried an appropraition of $140,000,000. The present bill before this House carries an appropriation of $139,000,000. The bill for 1913 carried one battleship. This bill, which is less, provides for two battleships, thus enabling us to build two battleships with less money and providing amply for all expenses.

I stated in 1913 that the bill carried too much money and nothing to show for it, and that I approved of battleship construction. This bill carrying two battleships and less than the bill of 1913 I am going to support. [Applause.]

I have frequently advocated on the floor of this House a good Navy. I am one of the peace advocates, Mr. Chairman, and I stood here on the floor of this House and cast my vote to go into Mexico with tears in my eyes. I did not want to send our boys there, and I know that the President of the United States did not want to send our boys there, and I know that the Secretary of State did not want to send our boys there. President Wilson and Secretary Bryan have been the champions of peace in this country for 25 years, and yet these great apostles of peace have shed American blood on a foreign soil. The situation there is such that they could not help it.

I am here to say to you, Mr. Chairman and gentlemen of this House, that we are likely to become embroiled in war any time, and war comes at a time when we least expect it. My State has no navy yard; I have no personal interest to serve locally for my State by advocating an adequate Navy. My action is prompted by a patriotic desire to furnish protection in case of war to every American citizen, looking to the interest and the welfare of our common country. I also hope to avoid war in being prepared to defend the flag that floats over American citizens in all our possessions. I say to you, gentlemen, that the State of Georgia is patriotic, and I believe the citizens of my district desire me to vote for two battleships. Mr. Chairman, I say to you that the State of Georgia is patriotic, and I am prepared to prove that by the facts. When the Spanish-American War broke out the youths of my district and the youths of the State of Georgia enlisted, and volunteered side by side with the middle-aged and old, and went to the front. When that noble band was drafted out the records will show that Georgia stands second in the number of soldiers who went to the front in the defense of our country on foreign soil in Cuba. [Applause.] First of all came the State of Tennessee, and by the side of her stood Georgia, and I am proud of that record. Mr. Chairman, we can not avoid wars. The God of Heaven approves peace; it is noble, religious, and patriotic to work, talk, and strive for peace; but nations are composed of human beings, and we have not yet reached that high state of civilization when men have ceased to fight. Future generations will look back upon the Civil War period and wonder why it was that this war could not be avoided. We look back upon the records of that war and we are absolutely appalled. Twenty-eight thousand men on the Federal side fell at the Battle of Chancellorsville. I am not informed as to the number who fell on the Confederate side, but it was great—probably 20,000. You will be surprised to know that 559,328 men lost their lives in the Civil War on the Federal side—a half million of men. The number of Confederates is indefinite, but sufficient to say the loss was great. If we can avoid the horrible consequences of war by being prepared with an adequate Navy, I feel that my responsibility on the Naval Committee authorizes me to aid in giving the people such increase as the facts authorize. We do know the era of perpetual peace has not arrived, and therefore we must prepare for war. I have seen on this floor men who vote against an increase of the Navy stand here and call upon Members of this House to go to war with foreign countries. You have seen it, too.

I do not criticize them, Mr. Chairman, but peace advocates frequently bring on a war. It is not always the fighting men and the adequate-Navy men who are in favor of war and bring on war. We have our complications on the Pacific coast with oriental people. We have to deal with a race problem there, and I have seen men upon the floor of this House assert that this Government should drive out the Japanese and establish white supremacy. Now, Mr. Chairman, that is not so easy to do. When you begin to check the invasion of the Japanese peril you will need battleships and not speech making, and sometimes that kind of talk brings on war. Mr. Chairman, it takes three years to build a battleship. Suppose we stop building battleships; suppose we had stopped building battleships three or four years ago. Either one of several foreign nations could have driven us from the sea in short order in case such nation had questioned the Monroe doctrine when President Wilson sent the fleet to Mexico. Navies can not be bought from foreign countries when hostilities begin. Germany smarts under our application of the Monroe doctrine, because her citizens do the greater part of commercial business with Mexico, and Central and South America. The Germany Navy is superior to the American Navy, and, unless we keep building, Japan and France will both be superior to the American Navy in a very short while.

Where would we stand if we had quit building battleships six years ago? The policy up to two years ago has been to build two or three battleships each year. The last two years we have been building only one battleship. Gentlemen say that we have sufficient battleships now to meet any nation upon the seas except the British Empire. Suppose that is true; suppose we quit building battleships and we should become embroiled with foreign trouble three, four, or five years from now, how would our battleships compare with battleships of foreign countries who are continuing to build? It is absolutely preposterous to stand on the floor of this House and say that the battleships of 1898 can combat the battleships that are being built in 1914. Why, it is child's play. The *Oregon* was great and good in its day; it was a monster; it was the greatest vessel then built. The Navy of 1898 was adequate and sent the enemy to the bottom of the sea. The *Oregon*, then new, was the star performer; but, Mr. Chairman and gentlemen, the battleship *Oregon* would now be as impotent as an infant in the hands of a grown man placed at the mercy of a battleship of modern construction. [Applause.]

Mr. Chairman, in case of war a weak Navy would be wiped from the sea, the Panama Canal would be captured, the Philippine Islands would fall into the hands of the enemy, and our country be subject to invasion. How could we retake our possessions? We could not buy a navy. Our wealth would not help us to buy. So we would be forced to a humiliating settlement

or wait several years to build a Navy sufficient to drive away the foreign foe.

Mr. Chairman, as long as we have foreign possessions, maintain the Monroe doctrine, and continue to be a world power in commerce and trade, it seems to me we are forced to support an adequate Navy. Therefore, as we have only built two battleships in two years, I shall vote for two this year. [Applause.]

The CHAIRMAN. The time of the gentleman has expired.

Mr. TRIBBLE. I ask unanimous consent to extend my remarks in the RECORD.

The CHAIRMAN. The gentleman from Georgia asks unanimous consent to extend his remarks in the RECORD. Is there objection. [After a pause.] The Chair hears none.

Mr. HENSLEY. Mr. Chairman, I yield five minutes to the gentleman from Indiana [Mr. GRAY].

Mr. GRAY. Mr. Chairman, a few days ago, when I made the statement in this House that the completion of the Panama Canal would double the power and efficiency of the Navy, I was taken by surprise on having that statement refuted and the claim made that instead of the completion of the Panama Canal increasing our power it would in fact "increase our weakness." The Panama Canal was built under the authority of the War Department, and the military and naval experts supported that department on the grounds that it would be increasing our military and naval power. The War Department acted upon that assurance, the Congress acted upon that assurance, all public officials at that time acted upon that assurance, the President of the United States acted upon that assurance. Mr. Taft was Secretary of War a part of the time during the construction of the canal; he was President part of the time; and I want to quote him as one of the authorities, both as Secretary of War and as President, upon which I made my statement. In 1908, when Mr. Taft was Secretary of War, the head of the department under which the canal was constructed, and, I assume, speaking advisedly, he said, on July 28, 1908, in an address at Cincinnati, Ohio:

> It has created such an organization that in six years certainly, and probably in less, the Atlantic and Pacific will be united, to the everlasting benefit of the world's commerce, and the effectiveness of our Navy will be doubled.

Later, when President of the United States, and, speaking as President upon proper and official assurance gained while acting in the authority of two high offices, on October 5, 1909, in an address at Fairmount banquet, San Francisco, Cal., he said:

> But I want to call attention to the fact that if in two or three or five years we have a Panama Canal it in itself will double the efficiency of our Navy.

I think, Mr. Chairman, I was warranted in my statement that I made at that time. But I find there is a difference between then and now. Then the Panama Canal was to double our naval power and efficiency. Now it will "double our weakness." Then the Panama Canal was to be a great military asset, and now it is a great naval liability. Then the Panama Canal was to dispense with any further increase in the Navy. Now it is made the sole grounds for an imperative naval increase. There is a difference between then and now. The Navy was used at that time to promote the canal, and now the canal is used to further promote the increase of the Navy.

But, Mr. Chairman, this is certainly a day of revelations and surprises. Yesterday peace was only a dream and international agreement only a phantom. We are not only assured of possibilities of peace to-day by the advocates of a big Navy, but we are assured of the success of international agreement. They tell us the Panama Canal is in great danger from Great Britain, but the honorable Secretary of the Navy has told us, at page 627 of the committee hearings, that England could only send half of her Navy here; that she must keep the rest of it in the North Sea. But our friend from Alabama [Mr. HOBSON] goes still further and assures us that England would not fight us at all, or, using his exact language, "I do not contemplate our ever having a war with England." So we have a new assurance of peace, and certainly we will not have to increase our Navy to protect the canal from England. The Secretary of the Navy, speaking further, has told us that Germany could only send half of her Navy against the United States, as a part must be kept near her shores. But the gentleman from Alabama [Mr. HOBSON] says that Germany would secure an understanding with other nations not to fight her while she fought the United States, and then she would bring all her Navy here to destroy the canal. I would not advise any of our friends to hold their breath until Germany secured an agreement with powers friendly to the United States not to fight her while she destroyed our canal. If this is all these men have to offer, we are safe from England and Germany.

But, Mr. Chairman, there is still one more nation waiting to destroy the canal and against which a further increase of our Navy is urged, and that is Japan. The United States has 39 battleships. Japan has 19 and is 10,000 miles away. We have had no advice that Japan could be successful in securing by international agreement with Russia and China an understanding not to attack her while she was destroying our canal, and therefore we must assume that Japan could not withdraw more than one-half of her navy, or 10 battleships, for use in American waters. Now, Japan, if bent on destroying our canal, would come with her 10 ships 10,000 miles from her base of supplies and engage all our 39 ships at the canal, all our fortifications and coast defenses, against all our mines planted about the mouth and entrance to the canal, and against all our torpedo boats, and, plowing through and over and past them all, would enter and destroy the canal. This would indeed be serious if our friends were in earnest, but we must be charitable and treat it as a jest. [Applause.]

Mr. PADGETT. Mr. Chairman, I yield five minutes to the gentleman from Kansas [Mr. MURDOCK].

Mr. MURDOCK. Mr. Chairman, I have always stood for a large Navy, and my stand upon the question has been based on my belief in the needs of the country. But I have always had considerable sympathy with those Members of the House who from year to year have attacked our method of building our battleships and have protested particularly against the compulsion put upon Congress in the matter of monopoly's price for armor plate. In this connection, I want to pay a word of tribute to the present Secretary of the Navy, Mr. Daniels. He first attracted my attention to his personality and gained my esteem by a show of regard for the rights of enlisted men in the Navy. He further appealed to me, latterly, when he eliminated with a fine sense of equality the officers' wine mess. And, in my observation, from the beginning of his term he has made an unusual effort toward economy. During the hearings before the Naval Committee—I think it was in January—the present Secretary gave some rather remarkable testimony, and if I can get it in in my time I am going to read it into the RECORD, because it has not been done before. Mr. Daniels, in answering a question, said:

> In nearly everything we buy for the Navy—that is, the big items—the price has been fixed by monopoly.

And further along he said:

> I was in office but a short time when I was troubled because of the fact that we had no competition whenever we came to buy the very costly things needed in the Navy. The last Congress authorized the building of battleship *No. 39*, and when we advertised for bids the three companies that make armor plate made an identical bid. I requested the representatives of the companies to come to Washington, and told them that the law required them to make affidavit that they were not in any combination or in any agreement to keep up the price, and I asked them if they were advertent of that law. They said they were, and that they had not had any conference before making their identical bids. I told them that I was "from Missouri," and that when three companies, on contracts amounting to very large sums, made identical bids to a cent, that the burden of proof, to my mind, was on them to show that they had not either talked about it or that it was not a case of telepathy.
>
> I canceled all the bids and refused to award any contract, and told them that we must have competition. Well, the matter went on. We found that going into this battleship there were certain things—like bolts, turbine rotor drums, steel plates, angle irons, and some iron and steel materials—which were made by smaller companies that could not make armor plate. So we advertised, divided the material that was to go into the battleship, and in that way we secured competition on everything except armor plate. By reason of that competition we bought the specially treated steel for battleship *No. 39* for $378,261 less than we had paid for the specially treated steel for battleship *No. 34*.

While the department saved on this lesser material, however, the three companies which make armor plate held the Government up on armor plate. Afterwards the representatives of the three companies were called before the Secretary of the Navy, and finally one of them was awarded the contract on armor plate, but with the understanding that the company securing the contract could sublet the work. And the work was sublet to the two other companies. So the combination remained. So this great Government was held by the throat by this monopoly.

Now, here is a question that I would like to ask in all seriousness: The Secretary of the Navy sits at the same counsel table with the Attorney General of the United States. Here is a straight-out violation of the law; here is a combination in restraint of trade; here is a monopoly; here is a witness of high integrity, of entire credibility, who testifies that this is a monopoly; here is a great Government which is the victim of that monopoly; what is the matter with the Attorney General of the United States? [Applause.] Why does he sit silent and permit this Government to suffer this wrong? Why does he not get busy? I ask the question in a humble spirit of inquiry. I will get no answer from any source. [Applause.]

The CHAIRMAN. The time of the gentleman has expired.

Mr. HENSLEY. Mr. Chairman, I yield 25 minutes to the gentleman from Texas [Mr. HARDY].

Mr. HARDY. Mr. Chairman, in the position I assume now I am following the teaching of the great Democratic leaders we have followed for the last five or six years. In opposition to the two-battleship program I am following the leadership of CHAMP CLARK, JOHN SHARP WILLIAMS, and OSCAR UNDERWOOD, and, until recently, of the chairman of the Naval Affairs Committee, Mr. PADGETT.

But I desire to submit the reasons conclusive to my mind for my earnest opposition to the naval bill reported by the Naval Affairs Committee authorizing two more dreadnaughts.

First. These two warships begin a Democratic program which means for new battleships an initial increase in expenditure of about $34,000,000 for their construction, and the same amount for each of the remaining three years of this administration, making in all $136,000,000 for new dreadnaught construction alone, and when built each of these new ships will cost for maintenance $1,000,000 per annum, making altogether a maintenance increase of $8,000,000 per annum.

Should the present administration be so fortunate as to be continued in office eight years, and continue this two-dreadnaughts-per-year program, we would build in the eight years 16 new dreadnaughts. The cost of these big ships is mounting, and the cost of maintenance is mounting. With such a program we are heading toward two billions on the Navy in eight years.

Second. All parties agree that our present Navy is top heavy—that is, largely useless for want of colliers, submarines, torpedo boats, and other auxilliary craft, for which this bill properly carries many millions of dollars, and future bills must carry many more if our ships now built and building or hereafter authorized are to be available.

Third. It is undisputed that we now have more ships in our Navy than we can furnish with officers or men. I think we should at least let our battleship program halt till we catch up with it.

Fourth. There is a strongly controverted, all-important question, to wit, whether the future long-range naval gun will use the armor-piercing or the explosive shell. If the former, then the heaviest armor to resist the piercing shell is the greatest desideration. If the latter—that is, the explosive shell—shall prove effective at the longer range, then heavy armor is useless, perhaps even detrimental, since it would only retard the speed of the vessel and cause it to sink more quickly when its bottom or side was blown in from explosion against its side or under the water within 40 or 60 feet of it.

The experts are about evenly divided on the question, but the evidence, from experiments, seems to me to be with the explosive shells. Nobody, I think, really knows which side of this controversy is right; but it is sure that in future naval battles many dreadnaughts will be sunk by explosive shells, and it is probable that before the vessels we now authorize are afloat they will be more dangerous to their own crew than to an enemy, having the latest and longest range guns and explosive shells. In 10 years speed and lightness may be worth more than size and heavy armor, and these big ships only be fit for scrap.

Fifth. The explosive shell is not the only enemy of the big ship. Submarines and torpedo boats are coming more and more to the front, and if they only reasonably meet the belief and expectations of the ablest naval experts the big ship is doomed. Upon the fatal effectiveness of the submarine experts agree. England and Germany are spending more and more for the submarine. England is in the main building smaller ships and Germany is striving more for speed and lightness than for impenetrable armor. She seems to be turning to high-speed, thinly armored battle cruisers with long-range guns. The scientist and expert may go into the details and technicalities of the question. I have given its sum up in plain terms. But I will call attention to some extracts.

[From the Army and Navy Register, Washington, D. C., April 11, 1914.]

THE PASSING OF THE DREADNAUGHT.

[From London Truth.]

"The displacements of the latest British battleships," said Mr. Churchill in reply to a question put to him last week, "are considerably smaller than those of almost all the latest battleships constructing for foreign powers whose dimensions are published." This is true even of British ships already completed. It is still more of the very last ships ordered.

* * * * * * *

When the British admiralty suddenly halts, faces about, and starts retracing its steps, it is evident that something big is happening or is expected to happen.

* * * * * * *

The truth is that the development of submarine and aerial navigation and of wireless telegraphy, the enormous increase in the effective range of the torpedo, and the final victory of the gun over armor (which is now a pretty generally accepted fact) have impressed all who look ahead with the conviction that we are on the eve of a complete revolution in naval warfare, in which the battleship is not unlikely to disappear altogether. It is becoming more and more difficult to believe that the issue of any naval war will be determined in future by engagements between heavily armed ships on the surface of the sea. But I believe it to be the accepted doctrine in the best-informed naval circles that, as things are at present, no battleship dare venture into waters in which submarines are known to be lurking.

Against these craft a battleship is absolutely defenseless, unless when she is lying at anchor with torpedo nets out, and at the present moment no one can see how she ever is to be defended.

* * * * * * *

In the face of all this it is not necessary to inquire very closely what happened at last year's naval maneuvers. * * * We see that, immediately on top of this, the Admiralty have decided to reduce the size of their next batch of battleships and to build more powerful submarines, with a greater speed and an increased radius of action. We can draw our own conclusions. It is not merely that a new type of battleship is once more going to supersede the old, but that a new element is coming into naval warfare which threatens to supersede the battleship herself.

* * * * * * *

The same deadly weapon which would make it impracticable for a foreign power to dispatch an army to this country may make it a very risky business for us to send an army out of it; but even that may not be an unmixed evil. The next thing we can see for certain is *the unwisdom of spending any more money than we can possibly help upon battle fleets until we are better assured than we are at present that it will ever be possible for such craft to strike a blow against an enemy well provided with submarines.*

* * * * * * *

What a satire is all this upon the heated controversies and agitations that have raged round the problem of national defense during the last few years, upon all the squandering of money that they have led to, all the international rivalries and animosities! While the naval alarmists are still thinking in terms of dreadnaughts and drawing up their calculations of dreadnaughts afloat and unborn generations of dreadnaughts to come the brief day of the dreadnaught has begun to wane before our eyes. While military agitators are demonstrating on platforms and in the press our powerlessness to deal with the foreign foe when he lands our seamen have forged new weapons undreamed of by Drake or Nelson, which are already making the transport of a foreign army to the British coast an enterprise that no soldier in his senses would think of.

[From the Times, London, March 18, 1914.]

SUBMARINE PROGRAM.

(Extract from statement of Winston Churchill on the Navy estimates made in the House of Commons Mar. 17, 1914.)

The submarine program of the year is large enough, in view of our effective lead in this type of vessel, but further effort will be required in the near future on account of what is going on elsewhere; £1,150,000 is taken for submarines, and the house very properly does not desire to know how many craft will be built for that money. That would unduly reveal the design. We are increasingly convinced of the power of the submarine and the decisive part which this weapon, aided perhaps in some respect by the seaplane, may play in the naval warfare of the future. It is sufficient at the moment to say that the whole system of naval architecture and the methods of computing naval strength are brought under review by the evergrowing power, radius, and seaworthiness of the submarine and by the increasing range and accuracy of its fatal torpedoes.

Mr. Chairman, the whole testimony before the Naval Affairs Committee, I believe, corroborates and confirms every statement and conclusion I have just quoted, and I am through with this phase of the question, except to say that of course our great dreadnaughts will be effective against feeble, defenseless countries like Mexico; and if that is what our Navy is for, God pity us.

Sixth. We have had an earnest discussion about the cost of armor plate. The Secretary of the Navy is convinced and I think the gentleman from Tennessee is convinced that the trusts, in the matter of armor plate and equipment, have been holding up the Government. In every part of the equipment except the armor plate our present Secretary has been able to break into the combination and secure some competition, resulting in the saving of about $800,000 on two vessels; but on the armor plate there are but three firms of builders, and there is no competition. They make the Government pay all they can extort. They first asked $464 per ton, all bids being the same, and when the Secretary rejected all their bids they came down together to $450 per ton. The combination is world-wide. Under these conditions our Government experts and officials have been investigating the actual cost of making armor plate. The very able member of the committee, Mr. WITHERSPOON, tells us that the Government can itself make the armor at $279 per ton, while the chairman, Mr. PADGETT, brings in his proof to show that it would cost the Government to make it from $279 to $400 per ton, according to the size of the Government plant and the amount made per annum. If we had a plant to make 20,000 tons a year, and made that much, he says it would cost $279 per ton, while if we had a plant to make 10,000 tons per year, and made that much, it would cost $314 per ton, and if we had a plant to make 5,000 tons per year, and made that much, it would cost us $354 per ton.

Now, I am going to take the chairman's figures. Each battleship calls for about 8,000 tons of armor plate. If we must build two, that would call for 16,000 tons per year, and if we place its cost between that of the cost of the 10,000 and 20,000

ton plant, at, say, $300 per ton, we would save on those two ships $2,400,000. This is the best estimate our Government officials or the chairman [Mr. PADGETT], who all favor two battleships, can make. But the chairman says they are not certain about it. The Secretary of the Navy declared that he would only submit to the trust price because he felt compelled to, because we were in their power and must submit to be held up. The Secretary advised and the committee have provided in this bill for a still further investigation of this whole cost matter, and I am persuaded it will turn out like our investigation of powder cost when the Powder Trust held us up. I think it will turn out that the half has not been told. We built our powder plant and the trust powder price tumbled from 85 to 53 cents per pound, while the powder made in the Government plant costs less than 40 cents. Mr. Chairman, I do not like to be held up, and the fact that the robber—excuse the term—is patriotic does not make me like it any better. [Applause.]

Since we are now building five big ships, using the trust's armor plate, at the trust's prices, I for one wish to contract with them for no more; to build no more till we can build our own plant and make our own armor plate. By the time we can complete the five ships now authorized our plant will be ready to operate, and what we build then will not be induced by the persuasion and agitation of big corporations, whose profits prompt them to drive the world to bankruptcy in war preparations. Why, Mr. Chairman, the gentleman from Alabama [Mr. HOBSON] claims that the United States will win in this battleship fury by building until the other nations, not so rich as we, will be unable to build; that is, will be bankrupt. I want to make it so no man will be interested in making war tools and making war.

Seventh. Mr. Chairman, I have a better argument than I have made or am going to make or can make against this two-dreadnaught-battleship program. That better argument is the speech the gentleman from Tennessee [Mr. PADGETT] made in this House on March 31, 1910. I do not insert it, because it is already in the RECORD, and those who wish may read it. But I want to use Mr. PADGETT then against Mr. PADGETT now, not for the argument ad hominem but because he is now the bulwark of the two-battleship program.

Then he said:

Standing before you this afternoon and measuring my words with the facts before me—and in my judgment I can substantiate them and make them good—I say there is no necessity either from the standpoint of our domestic conditions or our international relations for the construction each year of two battleships. The construction of one battleship will not only maintain the efficiency and the adequacy of the American Navy, but it will add a proper increase to the development of the American Navy.

And he proceeded to make good with a splendid array of facts and arguments. He continued:

Now let me call your attention, if you please, to some tables. Japan and Russia have been held up before the country and before this Congress. I have taken the pains to analyze the situation with reference to them, and I have the documents here. Let us make a comparison between Japan and the United States first.

He then proceeded to make the comparison, giving the items of naval strength of each nation, and after a clear demonstration he concluded with this short sentence:

If we had our fleet divided and put one-half in the Pacific, we would have more there than Japan has.

Then he denounced the war scare as—

A nightmare to stimulate the growth of naval hysteria in this country in order to foster the propaganda that I believe is set afoot and maintained by the beneficiary interests in this country that profit out of the spending of thirty or forty million dollars a year out of the naval program of this country.

And he related this incident:

I will not call names, but one of the admirals came before our committee and asked that the doors might be closed, that the stenographers might be excluded, and that he might speak to the committee in executive session. This was some years ago, and he proceeded with bated breath to tell us of the nearness of impending disaster and conflict with Germany, and he dilated upon that question at length, and I sat and listened to it for quite a while, and after he had proceeded for some time I could not escape the temptation, and when I had the opportunity I said to him, "Admiral, do you think this will take place and they can catch us before we can get home?" [Laughter.]

Mr. WILSON of Illinois. What did he say?

Mr. PADGETT. He smiled.

Then he declared, by quoting from Mr. Fairbanks:

America is at peace with the world. There is nothing that can mar the peaceful relations of the United States to the other nations of the world except our own inconceivable folly.

Then Mr. PADGETT was not scared. Oh, that he were not scared now! Possibly our trouble with Mexico has scared him, but that trouble will be long past before the ships we authorize now can be built.

Then he made this statement:

Now I desire to invite your attention, if you please, to another phase of this question. We have at the present time 2,824 naval officers of all grades. We have an authorized enlistment of 42,000 enlisted men. You will find in the hearings of Capt. Usher, who appeared before the committee in behalf of the Bureau of Navigation, in answer to my question, a tabulated statement showing the number of men necessary and required to man our present complement of ships on a peace basis and on a war basis. On a peace basis it requires 3,652 officers and 60,902 men, or, if you please, a shortage of 828 officers and 18,902 men. On a war basis, to fit out and man the ships we now have, it would require 3,890 officers and 72,281 men.

And further on he said:

Now I want to call your attention to this fact, that Admiral Pillsbury, Chief of the Bureau of Navigation, in his annual report in 1908, said that it takes on an average six years to train a man-of-war's man; so that it takes twice as long to train and to qualify a man to operate the ship as it does to build the battleship.

In these statements he seems to me to have demonstrated that we have not the men or officers to make available the ships we now have, and could not get them in less than five or six years; then why build more?

But he continued, quoting from the Secretary of the Navy:

We are tying up the big cruisers, and transferring the men from the cruisers to the new battleships.

And quoting from President Roosevelt:

No fighting ship of the first class should ever be laid up save for necessary repairs.

And from Mr. Roosevelt further:

To put a new and untrained crew upon the most powerful battleship and send it out to meet a formidable enemy is not only to invite, but to insure, disaster and disgrace. If the officers and men are not thoroughly skilled in and have not been thoroughly trained to their duties, it would be far better to keep the ships in port during hostilities than to send them against a formidable opponent, for the result could only be that they would be either sunk or captured.

All this seemed to me then, and still seems, good cause for suspending dreadnaught building.

Surely, our Navy is far stronger now than Japan's. If it is not stronger, it is at least very close to that of Germany; and there is no war or rumor of war with either of those nations. There is no more likelihood of war with Germany that there was when the timid admiral asked Mr. PADGETT's committee to close its doors, so he could a tale unfold. Our Navy is stronger now than it ever has been. I am no more scared now than Mr. PADGETT was in 1910.

Then the gentleman showed our superiority over Germany as clearly as he did our superiority over Japan. I can not quote his whole speech, though it is worth quoting. Is it any wonder, then, that the gentleman from Missouri [Mr. HENSLEY] here the other day exclaimed, "I beseech the gentleman to tell me why he has changed." In reply the gentleman from Tennessee said:

Let me say, gentlemen, that the chairman has not changed his purposes or his ideas. In the preparation of this bill I had before me the same general purposes, wisely and judiciously, patriotically and honestly to administer the trust committed to me, bearing in mind the environments by which we were surrounded, the circumstances in which we were placed, and the developments that have taken place, to deal with the honor, the welfare, and the protection of the country, and a wise distribution of the people's money that I had in 1910.

It was a round mouthful of words, but was it more? He also said that he had voted to increase the post-office expense and he had voted for certain other increased expenditures which seemed to me to have no relation to the Navy. "Times change," he said, "and we change with them." Most profound. But does it satisfy? Does it answer any or all of his speech of 1910? Does it show where he was mistaken or wrong in 1910? He attacks Mr. WITHERSPOON's arguments, but he does not answer his own. The nearest specific attempt he makes is the following (see CONGRESSIONAL RECORD, Apr. 25, 1914, p. 7269):

My friend, Mr. HENSLEY, read a portion of my speech that I made in 1910. Let me read it:

"The Reichstag a few years ago fixed by law a definite program authorizing the construction of 16 battleships between 1907 and 1917. Up to the present time, of those 16 she has 8 building that constitute a part of her 30, so that in 1917, if she builds the other 8, she will have 38 battleships, and if we only build 1 a year from now until 1917, added to the 33 we have got, we will have 40 first-class battleships as against her 38."

What are the facts? I said conditions change and vary. At the present time, counting her battleships and dreadnaughts because they are simply different types of the same thing, and the battle cruisers and the *Worth* and the *Brandenburg* that have been eliminated from the fighting line, she has 48 to-day. What has the United States, including, if you please, the 3 that have been eliminated and they have been complaining about? We have 39—

That brief paragraph is substantially, it seems to me, the only answer he gives to Mr. HENSLEY's request for the reasons of his conversion—the only answer he now makes to his great speech of 1910. It seems to me remarkable. If, as he stated in 1910, Germany then had 22 battleships built and 8 building and now has 48 battleships, she must have completed and built in the 4 years intervening 26 battleships, or 6½ ships per year, while her program, as he then stated, was 16 ships in 10 years. Then he told us Germany would have 38 battleships in 1917; now he tells us she has 48 battleships in 1914. Which one of these speeches is correct? When did Germany change her program?

Has Germany or even England ever averaged 6½ battleships per annum for four years in succession?

In passing let me say that against Mr. PADGETT's urgent eloquence we built two battleships in 1910 and two in 1911, so we are two ships ahead of the program he then said would keep us ahead of Germany up to 1917.

Mr. Chairman, did Germany have any such program as stated by Mr. PADGETT in 1910? If so, has she changed it, and when, and how? Was he mistaken in 1910? Is he mistaken now? But supposing the chairman's present statement that Germany now has 48 and we 39 battleships, and the inference he leaves to be drawn that she is stronger than we in proportion as she has more battleships is correct. What difference would that have made to the gentleman in 1910? At that time "he was not afraid"; "the invader was not coming in his day or his children's day."

Then "nothing could mar our peace with other nations but our own inconceivable folly." (CONGRESSIONAL RECORD, 61st Cong., p. 4064.)

Then it was "better to develop homes than build battleships." (Ib., p. 4065.)

Then our Navy was topheavy, and he was urging fewer battleships and more colliers and necessary auxiliaries to make the ships we have effective. (Ib., p. 4063.)

Then we had only about two-thirds the men and officers to man our ships, and he said it took six years to train a man-of-war's man. (Ib., p. 4065.)

Then we were, he said, tying up numbers and numbers of our fighting ships for lack of men, and transferring the men to new battleships. (Ib., p. 4065.)

Then a battleship tied up went to ruin, and to put a new and untrained crew on a big ship was to invite disaster and disgrace. (Ib., p. 4065.)

Then shortage of men and officers made piling up battleships futile. (Ib., p. 4065.)

Then our earlier and smaller ships were not negligible in fighting value, and he quoted Dewey.

Then Germany's 20 battleships were far inferior to ours. (Ib., 4066.) Is not that what Mr. WITHERSPOON says now?

Then old ships with new machinery, and so forth, were good as new. (Ib., 4066.) Is not that WITHERSPOON speaking now?

Then he was at odds with HOBSON and at one with WITHERSPOON, and had a very similar argument with Mr. HOBSON that Mr. WITHERSPOON now has with Mr. PADGETT about the relative strength of the German and the United States Navies. (Ib., 4067.)

Then he asked, "When you go back to your voter, will you tell him * * * that we set apart $12,000,000 for construction and $1,000,000 to operate a battleship that is not needed from any point of view or under any just consideration?" (Ib., 4069.)

Then he declared, "I appeal to your judgment and your patriotism, and I ask you, Is it not time to call a halt in this mad hysteria of naval development and apply something toward the development and improvement of our country?" (Ib. 4168.)

Then Mr. HOBSON asked him, in substance, if his people would not make a sacrifice in the legitimate defense of our country and its vital interests; and he replied, "I would be glad to say to the gentleman that for the legitimate defense of the country the patriotism of these men would prompt them to make any sacrifice, but the gentleman cunningly states his proposition. I deny that this is a legitimate defense; it is an unnecessary and wasteful extravagance of the public money." Further on he adds, "I have stated and restated that one battleship was extravagant," and "that an excessive Navy built under the stimulus of agitation, fostered and encouraged by the beneficiaries of such a policy, is a menace to the peace of the world." (Ib., 4169.)

Does the brief paragraph I have quoted from the speech of the gentleman a few days ago answer all or any of his powerful argument of March 31, 1910? I believed that speech when I heard it was unanswerable. It has not been answered. I still believe it is unanswerable. I believe it showed that the building of one great battleship yearly was extravagant, and the building of two yearly was folly and futile waste of the public money.

Would that the gentleman from Tennessee would abandon the party of naval hysteria, supported by the interests that profit by the policy, and join with us in resisting this extravagance and futile waste of the public money.

In the name of our civilization, the growth of 6,000 years of human upward struggle; in the name of the human intellect, rising above brutal ferocity; in the name of our flag, which has stood for over a hundred years for all that has been highest in earth's history; in the name of altar, home, and country; in the name of labor, which has toiled through all the countless ages to bear the burden of all wars; in the name of womanhood, which has borne in silence and heartache and horror the sorrow and suffering and cruelty and shame of war's brutality; in the name of all war's victims, the stricken, outraged, and murdered innocents of all ages and nations; in the name of sisterhood and motherhood, of brotherhood and fatherhood; in the name of humanity; in the name of holy mercy, and of a just God who will not hold us guiltless of the shedding of blood; I protest against this bill. War for defense of our freedom, our fireside, our country—yes; with every dollar of our wealth, every drop of our blood—but this is not for defense; it is for mastery over sea and mastery over land, and our flag is turning into a symbol of power and domination, not of freedom, justice, and mercy. Its folds float over us, and it brings no visions or voices to our minds save of the fires of burning houses, the sinking of ships, the drumbeat and the smoke and din of battle, and the groans and cries of the wounded and dying, and bloodstained heroes only claim in death the honor of its sacred folds.

Let us change that. I would not have our flag always only wrapped around the form of him who lived by the sword or died by the sword. I would see it ofttimes wrapped around the coffined forms of those who went down into the raging sea in lifeboats or stood at the engine's throttle or dared the fury of flames to save life, the form of the moral hero who dared to do right when the world frowned and mocked. Yea, I would see it twined with the white pure cross of Christianity and wrapped around the form of the patient, tired mother who, after life's long, lean years of labor, of suffering, and of sacrifice, sleeps and rests at last. Amid the changing times and tides of life I would like to gaze on its stars and stripes and have them fade into scenes of heyday and joy and plenty, with mirth and music and song, the fruition of a sober and righteous nation.

I would have that flag a fit emblem for those who love home and happiness and mercy and hate iniquity and penury and whose passion is peace. [Loud applause.]

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. HARDY. I will ask leave, Mr. Chairman, to extend my remarks in the RECORD.

The CHAIRMAN. The gentleman from Texas [Mr. HARDY] asks unanimous consent to extend his remarks in the RECORD. Is there objection?

There was no objection.

Mr. PADGETT. Mr. Chairman, I yield five minutes to the gentleman from Ohio [Mr. FESS].

The CHAIRMAN. The gentleman from Ohio [Mr. FESS] is recognized for five minutes.

Mr. FESS. Mr. Chairman, there is no man on the floor of this House who has been more interested in the movement for peace than I have been. There is no one who has watched with greater interest the different activities identified with our own country on behalf of peace than I. I recall that in 1843 the first newspaper started in this country or any other country designedly intended to develop the spirit of peace was the American Citizen, established by Elihu Burritt, and it was through his agitation that the first international peace conference known in the history of the country or of any country was held, and our country was very prominent in it. It was in this conference that Burritt and the Tappans took an advanced position for peace.

That same movement still continues. Identified or associated with it is another movement, known as the Interparliamentary Union, in which our country has been and is now very active. Identified with the peace movement is still another movement which found its expression in the first Hague conference, where 26 nations, through their representatives, sat under the same roof in the interest of peace; and also the second Hague conference, in which 44 nations deliberated upon the question of finding a substitute for war. While I believe as much as any man in this Chamber that we ought to develop the spirit of peace, and while I know that the fruits of peace are superior to the fruits of war, yet I for one can see as our main function in the development of this public opinion in support of peace the directing of the public mind along lines of peaceful pursuits, not by ceasing to build for the preparation of a war that might come, but rather for the organization of this public opinion by associations that lead to such expressions as The Hague conference and the numerous other organizations designed to cultivate a conviction for world disarmament. Our country has had its very best expression of its conviction for peace in that latest proposition for the creation of an arbitral court of justice which was suggested by our Secretary of State and favorably considered by the second Hague conference. Before that time the far-reaching expression of peace on the part of our country

was suggested by our representative in the first Hague conference, Andrew D. White, which was made when the conference was about to adjourn without any decisive action. Through that suggestion we have The Hague tribunal of arbitration. It was given vital meaning when we induced Germany to submit the Venezuelan trouble to it. I want to state, as a believer in the movement for peace, that this country has an important function to perform. But, gentlemen, I raise this significant question: Is it our duty to stop the preparation for what may come, and is most likely to come when not prepared, at the very moment when our problems are being complicated, and when we are coming rapidly to be a world power? I mean just what I say. I will join any man on this floor to lead in the movement for disarmament; but it would be, in my judgment, suicide to disarm ourselves without disarmament on the part of Germany and of Great Britain and of Russia and of France. [Applause.]

I believe in disarmament, and as a Member of this House I will vote for a measure that looks to the disarmament of the nations, if the nations will join us; but I will not vote to disarm while all the world is voting to arm.

Our friend, the distinguished Member from Texas [Mr. HARDY], devoted nearly his entire time and argument against the distinguished chairman of this committee [Mr. PADGETT], because, as he alleged, he had changed his mind. I doubt whether the chairman has changed his mind. If he did, it was because conditions changed, which justify a change of mind. There is a different plan of armament in vogue in the world to-day from what it was five years ago. Germany has new plans of building, and other countries have new plans of building, and for us to watch these countries in this program for national defense and to sit quiet with little or no attention, and declare that God will take care of idiots and children and Americans is perfectly silly to me. [Applause.]

The CHAIRMAN. The time of the gentleman from Ohio has expired.

Mr. FESS. It seems to me that we ought to prepare for the emergency that probably will come if we are not prepared. If my friend indulges in criticism of the distinguished chairman because he spoke some time ago one way and speaks now in a different way, I will cite the gentleman to a distinguished case of a change of opinion.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

Mr. PADGETT. Mr. Chairman, I will yield to the gentleman five minutes more.

The CHAIRMAN. The gentleman from Ohio [Mr. FESS] is recognized for five minutes more.

Mr. FESS. Mr. Chairman, I was just about to say that when the President of this Nation, for whom I have great respect and whose ability I very highly regard—when he changed his views upon a question that stirred this Nation as few questions have stirred it, I did not find fault with the President for doing it, but rather commended him, not because I agreed with his opinion. That is his own business, and if he has a reason for changing he does not need to question what the American Congress would say about his change; and, if I do not mistake, my friend the Member from Texas also indorsed that change by voting with the President. When the President changed his "watchful waiting" policy we both voted with him. It is not a matter as to what was done 2 years ago or what was done 10 years ago. Our duty is to act in the present hour; it is what I shall do now. And I say to you, gentlemen, that while I believe we ought to move to the time when we can see universal peace, if possible, peace does not come by declining to prepare for war. Peace does not come because we can not fight. Peace comes when you can command it and not until that time. You will not change human nature by irresolution and inaction. The only way for us to insure the peace of the world is to concentrate the ability to command it in the peaceful nations of this earth, and you will not do it until you have accomplished that particular purpose.

Mr. CALLAWAY. Mr. Chairman, will the gentleman yield?

Mr. FESS. To-day we have the largest undefended coast line of any nation on the globe. I do not mean we are totally defenseless. To-day we are becoming the most marvelous sea power in our building for the future that the world knows, provided we but embrace the opportunities that are opening.

The CHAIRMAN. Does the gentleman yield?

Mr. FESS. I think I shall have to yield to my friend, but I suggest to him not to take up all of my time.

Mr. CALLAWAY. If having a great sea power keeps us out of war, of course that will do it, as we are comparatively greater than the nations we expect to get into war with. But how does the gentleman explain our difficulty with Mexico?

Mr. FESS. I am sorry the gentleman has asked that question. I think if a little better wisdom had been used, if our State Department would have employed some vigor of diplomacy, we would not be in it. [Applause on the Republican side.] I am sorry, I say, the gentleman asked that question.

Mr. CALLAWAY. The gentleman says that if we are prepared for war we will be able to command peace. Does the gentleman think that the bullies that go around the country commanding peace get more peace than the man who goes about in a more peaceful way?

Mr. FESS. I would say to my friend that he is assuming a position that I do not think is justified. In other words, my friend would say, "If we did not have any battleships, we would never have war." Why, the day was when there were no battleships, yet war was the rule instead of the exception. I want to remind my friend from Texas that from 1688 until 1815, a period of 127 years, 54 of those years were spent in actual fighting in 12 different wars between France and England. This is the famous contest for the supremacy of the sea, in which England won at last. In those 127 years there were 54 years of actual fighting. I refer to this as but one example of contest between two highly civilized powers. Then we did not have great armaments. Wars will cease in the proportion that we are able to compel them to cease, and the time is rapidly coming when we can not afford to go into war. I do not mean we should enter the world's rivalry in armament, but we must be able to police the seas. Would the gentleman—I will not put it in that way, for I do not want him to take up my time. This Nation is a little more than 100 years old, and yet in that brief period it has become one and three-quarters times wealthier than the next wealthiest nation on the globe. I do not think this Nation, which has reached this position of development in its rank among the nations, which is now leading out into larger spheres of influence, and which has become such a world power, ought to assume that there will never be any more trouble. I do not think it the part of wisdom for us to rely upon that. Our problems are complicating in the degree that we become a commercial power. We can not grow in power and influence without increasing our national responsibility, and it seems to me that if we command the Pacific, as we certainly will, and if we embrace our influence on the Atlantic, we must build up our commerce, our merchant marine, and at the same time be able to command the respect of the powers that are jealous of us—in a word, to maintain a position of peace. Otherwise I fear we are destined for war. I know my friends will laugh at, if not ridicule, the statement I am about to make. You may call it a paradox. I am a man of peace. I believe our greatest future is in the work of peace. I have been identified with these peace movements and have advocated the various activities in church, college, and in the press. I have not been much of a propagandist, but I have been interested and active in seeing a public opinion created to disarm the nations, but I have taken this position: You can not eliminate from human nature the heroic element, and you can not avoid the consequences of that fact. [Applause.]

I have little sympathy in the profession of certain propagandists that we must cease to sing patriotic songs to emphasize the meaning of the flag, because it instills a martial spirit.

The heroic in us is innate. The best we can do is to direct it in the channels of peaceful pursuit. But in that case it does not comport with the highest wisdom to either disarm or allow our armament to decay by nonaction, while our neighbors are continuing their naval programs.

We may not keep out of war. It may be forced upon us. Too often we find a fawning pretension for peace forcing us into situations where a struggle seems necessary for the sake of our national honor. There is no surer cause of war than a policy that convinces an enemy that we want peace at any price. Peace at any price leads to inevitable war or national humiliation. I repeat, the way to insure peace in the world is to concentrate the fighting ability in the hands of the peaceful nation. I shall therefore vote to build two battleships in the belief that I am doing it in the interest of peace rather than war.

Mr. PADGETT. I yield five minutes to the gentleman from California [Mr. J. R. KNOWLAND].

Mr. J. R. KNOWLAND. Mr. Chairman, in the light of recent events it may be illuminating to quote from some of the speeches delivered by those opposed to any increase of the Navy when the naval bill was before the House a year ago.

I want to quote first from the gentleman from Texas [Mr. DIES] who on February 22, 1913, used these words:

The cry is for armies and for navies, and I say that in the light of history there is not a scintilla in the history of the nations of the earth to justify a standing Army or a great Navy in this Republic. We are

separated from the politics of Europe by a great ocean. As long as we stay upon this hemisphere—ample it is indeed to support all of the children of the generations to come—and attend to our own business unless we are rushed into a war by loud-mouthed jingoes against the peace and security and happiness of this country we shall remain at peace.

I ask the gentleman, Who are the "loud-mouthed jingoes" who precipitated the trouble to the south of us? The gentleman also said:

Mr. Chairman, I challenge the historians of this House to point to a single nation that ever existed upon the earth that was completely fitted by geography to do without an Army and Navy to maintain free institutions except the United States.

France can not do it; she has got to have an army and navy. Germany can not do it. England can not do it. Japan can not do it. But God has placed us upon this continent, separated from the world by seas and impassable barriers of nature, and if we run to military seed, as every other republic has done in the past, if some general—some Diaz or Huerta—comes on horseback and finally this Republic goes down in the night of military despotism, as every republic in every age of the world has done, we will owe it to the fantastic Don Quixotes, who tax the people to fight windmills of their own imagination.

I think we have all become convinced that a navy is of great utility on certain occasions, as very strikingly illustrated by recent events.

On February 24 the gentleman from Arkansas [Mr. GOODWIN] used these words:

Mr. Chairman, I repel as abhorrent the thought of the possibility of war or continued heavy appropriations of the people's money to prosecute great wars when none are likely to follow.

The gentleman from Virginia [Mr. SAUNDERS], always so eloquent, said on February 26 of last year:

Secure in our solitary grandeur in the western world, like a mighty eagle in its eyrie, too just to make wanton war and too great to be lightly assailed, we may well aspire to be the arbiter of nations and by the inspiration of our example bring to pass the reign of perfect peace.

The Democratic leader [Mr. UNDERWOOD], then in favor of but one battleship, used these words—

Mr. HENSLEY. Will the gentleman yield right there?

Mr. J. R. KNOWLAND. I would like to yield to the gentleman.

Mr. HENSLEY. I will say that the gentleman maintains the same position to-day.

Mr. J. R. KNOWLAND. The gentleman from Alabama [Mr. UNDERWOOD] used these words:

Our own honesty and our own moral courage protect us against attacks, and if we want to go into the battle fields of the world and attack other people unjustly we are only pirates and national highwaymen. I hope that the proposition for the building of one battleship will be the proposition adopted by this House.

On February 26, 1913, the gentleman from Indiana [Mr. CLINE] said:

The mission of this Nation is to teach the world an example "of high-minded foreign policy." Let us throw the moral force of that example into every quarter of the world and stand for freedom and popular government. We are the world's teacher of national peace and personal liberty. We do not need great navies to eat out the substance of the people nor foreign allies to enforce a despotism against alien races. I would rather have the protection of the two great oceans of the world bordering on us than either the triple and quasi alliance of the great navies of Europe to guard the peace, happiness, and liberty of the people.

The gentleman from Alabama [Mr. BURNETT], on February 26, speaking upon the same subject, said:

Of whom are we afraid, and with whom do we anticipate war? Certainly not with Japan, a bankrupt nation, who could not borrow $100,000,000 if the life of the Empire depended on it. These cries of war have been raised by jingo politicians until we have ceased to be frightened by them. Let us talk peace and internal development a while and give the disappointed agitators for war a respite from their arduous labors.

I simply quote these remarks, uttered a little over one year ago, to impress upon this House and the country the fact that wars come unexpectedly. It is when we least expect trouble that we have always encountered it. [Applause.]

I have always favored an adequate Navy and I urge this policy as an advocate of peace. I believe that this Nation should join in all peace movements, but until there is a universal agreement it would be almost criminal for us to neglect our Navy. As a Member of Congress I do not propose to take that responsibility.

It is easy indeed in times of peace to dilate upon the remote possibility of war. When war comes the very men who oppose any increase of the Navy would be the first to criticize the Government if, through the inadequacy of our Naval Establishment, reverses were met with. We of the Pacific coast have always favored liberal appropriations for both the Army and Navy. We are cognizant of the great problems confronting us on that ocean. At the opening of the canal we desire that this Government shall have a fleet adequate to protect both coasts—a fleet large enough to divide into two units, one for each great ocean.

I shall vote for two battleships. I shall also vote that at least one of these ships be constructed at a Government yard. Since I have been a Member of this body I have fought consistently in favor of the policy of constructing a part of the Government ships in navy yards. It was a difficult and uphill fight at first, but the result has demonstrated the wisdom of the policy. We now have a yard on the Atlantic—the New York Navy Yard—and on the Pacific—the Mare Island Navy Yard—equipped for shipbuilding, and these yards have made good in the building of colliers and battleships. This policy has resulted in a reduction in the cost of ships by private shipbuilding concerns, in expediting construction, and in maintaining at the yards organizations of trained mechanics, essential in times of peace as in times of war. I hope there will be an amicable adjustment of our present difficulties to the south. We must be prepared, however, at all times for every emergency. As a Member of Congress I stand ready to support the President should a foreign foe confront us. When that time comes, and it is necessary for the Chief Executive to utilize the Army and Navy, I desire that he have at his command a force adequate to meet any situation. [Applause.]

Mr. PADGETT. I yield five minute to the gentlemen from Illinois [Mr. MADDEN].

Mr. MADDEN. Mr. Chairman, I am for peace, but would not hesitate to wage war if the Nation's honor is at stake. I would like to see the nations of the world on a permanent peace basis, and to that end would favor a plan having in view the discontinuance of warship building. But unless all the great powers agree upon such a program this Nation must continue to keep its Navy up to a proper state of efficiency. We can not afford to discontinue our naval program while other nations push theirs forward. Our Navy, both in ships and men, should be kept up to such a standard as will command the respect of the world and insure the protection of our interests on the Atlantic and Pacific Oceans. We can not allow our great coast line to go unprotected. We must be ready to meet any emergency. To be prepared for war is the best insurance for peace. While other nations continue to increase their navies this Nation can not abandon its means of defense. We would be properly chargeable with neglect of duty if we do not use every precaution for the defense of our rights, and for that reason I favor the construction of two battleships. I hope, however, the time will soon come when all the world will cease to talk war and enter into a compact for universal peace.

While on this subject I wish to say that I regret our trouble with Mexico, and I hope and pray that there will be no actual war between the United States and our sister Republic. Such a war is too horrible to contemplate. It will mean widows and orphans throughout both lands, maimed men, death, suffering, want, sorrow, and misery for a generation, bitter hatred where friendship and good feeling should prevail. It will cost the lives of thousands of our young men and the expenditure of untold treasure; result in the devastation of vast fertile areas, bringing starvation and want and suffering to innocent men, women, and children, and sorrow into every home in both Republics.

I would like to see peace and happiness and prosperity on every inch of American soil. I would like to see a feeling of friendship among the peoples of every American Republic. I would like to see the doctrine of liberty carried into every household. I would like to see the United States blaze the way to this end.

I would of course defend the Nation's flag and protect its rights in every land, on every sea. I would give every American citizen everywhere the protection of the flag and defend him in the exercise of his rights with all the power of the Government. I would hesitate to use the power of the Government to protect investments of American citizens in foreign nations. I would encourage thrift, industry, frugality, and patriotism at home and protect every citizen in his right to the enjoyment of the accumulations of his honest efforts here, but I do not think American citizens who take the risk of foreign investments have any right to complain if the Government to which they owe allegiance refuses to place the lives of its young men in jeopardy, fighting to preserve investments in other lands about which it has not been consulted.

The greed of American citizens who make investments in other lands should not be encouraged by the Government. Such citizens should be given to understand that the blood of our best youth will not be shed to settle their quarrels with business rivals. I would make it treason, punishable as such, for any person in the United States to engage in the business of financing, encouraging, or abetting war in another nation with a view to involving the United States. I would deny domicile in this country to any person so engaged, and I favor the enactment of laws to this end.

Mr. HENSLEY. Mr. Chairman, I yield 10 minutes to my colleague on the committee, Mr. BUCHANAN of Illinois.

Mr. BUCHANAN of Illinois. Mr. Chairman, I rise to protest against the useless expenditure of the public funds by au-

thorizing two battleships. I am in favor of an efficient Navy. I am in favor of preparing for our defense, but we now have a magnificient and an efficient Navy. In making this protest, Mr. Chairman, I am fully convinced that I am expressing the sentiment of a large majority of the wageworkers of our country. The working people of this age are not being deceived by the argument that these expenditures of money are for their benefit, except, of course, in those localities where navy yards may give a few men positions where they would not otherwise have employment. But if it is good policy for the Government to appropriate money to give men work, let us appropriate it for something that can be used.

I have not the time nor disposition and am not prepared to establish what I believe is true—that which was stated by my friend the gentleman from Texas in regard to the weapons of destruction on battleships. I feel fully convinced that inside of 10 years battleships that are now being constructed will be practically useless as far as their being used in war. Not only have we submarines to destroy them, but there are air craft, and it is not impossible that we will have wireless electricity that will be able to explode the magazines of these battleships at a long distance.

Therefore I am convinced that battleships which you now authorize to be built, by the time they are constructed, will be of no use. The labor people of this country whose sentiment is expressed through organized labor, are exercising their influence throughout the world for peace. You hear little said here except about building battleships, or the weapons of war; you hear little said about the men that must man the battleships and who ought to be counseled in some way or other as to whether we are or not to have war. Anyway, the labor movement of this country and of the world is exercising its influence to prevent war.

To bear out what I have said in regard to the labor people, I want to read a letter which I received from an organization in Danville. It is as follows:

DANVILLE, ILL., *February 28, 1914.*

Hon. FRANK BUCHANAN, M. C.,
Washington, D. C.

DEAR SIR: I notice by the papers that you voted in the negative on the two-battleship program.

Allow me to extend to you my heartiest congratulations for so doing, as that expresses the sentiments of the labor organizations in this community.

I have inclosed a copy of resolutions, which were passed by the Danville Trades and Labor Council, and unanimously indorsed by Vermilion Lodge 473, International Association of Machinists, which was in response to a circular letter sent out by Lodge 174, International Association of Machinists, Washington, D. C., requesting all local lodges to urge their respective Congressmen and Senators to support the two-battleship program.

Again thanking you for the support rendered in the interest of the working class as a whole, and assuring you that if the opportunity ever presents itself whereby we could give you any assistance we would be glad to do so, I am,

Yours, for anything that is to the interest of the working class,
[SEAL.] W. T. RIZER,
Recording Secretary Local 473, I. A. of M., Danville, Ill.

This is the resolution in response to the request:

INTERNATIONAL ASSOCIATION OF MACHINISTS,
VERMILION LODGE, NO. 473,
Danville, Ill., January 23, 1914.

Whereas the legislative committee, Columbia Lodge, No. 174, of the International Association of Machinists, has appealed to the Danville Trades and Labor Council and Local 473, International Association of Machinists, for moral support wherein they ask that we favor the construction of more battleships instead of lessening battleship construction, giving as a reason to obtain said support that at a time when work is becoming slack throughout the country it is unwise to aggravate the condition by adopting a policy of naval construction that will throw thousands of workingmen out of employment; and

Whereas we know that the construction of battleships are intended for war purposes, and that all the expenses of all the wars in all the world in all time have been paid with the results of productive labor, always resulting in the working class paying all the expenses of all wars; and

Whereas we realize that in war soldiers cease to produce wealth, and finally soldiers actually destroy wealth; and

Whereas we believe that war appropriations could be applied in a more beneficial way to society in general: for instance, the cost of the Civil War amounted to $31,521,815,230.60. This sum, if applied to another way, would pay for a $1,700 home and also for $400 worth of furniture for each house for a total population of 90,000,000 people, estimating 6 per family in each home. Or this sum would pay all the salaries of 25,000 school-teachers, at $625 per year, from the birth of Christ to the year 1909, and leave sufficient to establish 50 universities, each institution provided with $10,000,000 worth of buildings and equipment, and each institution provided also with a $10,000,000 endowment fund for running expenses; and

Whereas we believe the members of the aforesaid lodge are promoting war, even though they would have it appear to the contrary, by asking for increased construction of battleships; and

Whereas we believe that whoever would understand war must give special attention, first, to the economic interpretation of history; second, to the class struggle, considered historically and currently; and, third, to surplus value, produced by the workers, but legally escaping from their control to the capitalist class, as a result of the institution of private ownership and private control of the collectively used means of production: Therefore be it

Resolved by the Danville Trades and Labor Council and Vermilion Lodge, No. 473, International Association of Machinists, That we disapprove of the appeal made by the aforesaid Lodge No. 174, believing that occasional literary and oratorical snowballs ignorantly, gracefully, and grammatically tossed in the direction of hell (for war is hell) will have no effect on the general temperature of that warlike region; and be it further

Resolved, That the two inclosed petitions intended for to be sent to our Congressmen and Senators be left blank, and that a copy of these resolutions be sent to Lodge No. 174 and the monthly journal of the International Association of Machinists for publication.

DANVILLE TRADES AND LABOR COUNCIL,
JOHN F. DEMLOW,
P. R. CHRISTENSON,
GEO. W. BERRY.
Resolution Committee.

Adopted by Local No. 473, International Association of Machinists, January 26, 1914.

H. A. WISE, *President.*
W. T. RIZER, *Recording Secretary.*
EDWARD M. METHE,
PERCY MOLYNEAUX,
FRED WITTIG,
Resolution Committee.

Now, Mr. Chairman, that is evidence of what the members of organized labor are thinking at this time about war. I can produce many resolutions that have been passed throughout the country by the American Federation of Labor and of national organizations, bearing out the statement that this sentiment exists in all labor organizations. I have a letter from the Chicago Federation of Labor asking my influence to secure peace in Mexico. It is as follows:

CHICAGO, ILL., *April 22, 1914.*

HON. FRANK BUCHANAN, M. C.,
Washington, D. C.

DEAR SIR: At the regular meeting of the Chicago Federation of Labor, held Sunday, April 19, 1914, representing over 250,000 working men and women, resolutions were unanimously passed, as follows:

"Whereas the relations between the United States and Mexico are strained and war seems to threaten; and

"Whereas the commercial interests are doing their utmost to bring about intervention in Mexico which would be profitable to them, placing great wealth in their hands, fixing the attention of the American people upon Mexico, and taking it away from the industrial questions upon which the organization and life of labor depends; and

"Whereas the burden and suffering of war are always placed upon the working classes, while the glories and profits are never shared with them; and

"Whereas war with Mexico would develop military ideals which would submerge the constructive ideals for which organized labor stands; and

"Whereas intervention by America would not operate to give the lands of Mexico to the people of Mexico, but would result in untold sufferings to Americans, which would not help the workers of either nation: Therefore be it

"*Resolved,* That the Chicago Federation of Labor commends President Wilson for his efforts to restrain the greed of the commercial interests and to protect the American people from the horrors of war; and be it further

"*Resolved,* That we recommend that the President, the Cabinet, and the Members of Congress be urged to exhaust every possible means to prevent the United States from becoming involved in the struggle with Mexico; and be it further

"*Resolved,* That a copy of this resolution be forwarded to the President, the Secretary of State, and the Illinois Members of the House of Representatives and the Senate."

Respectfully submitted.

CHICAGO FEDERATION OF LABOR,
JOHN FITZPATRICK, *President.*
E. N. NOCKELS, *Secretary.*

It will cost more than $30,000,000 to construct two battleships. The wageworker must bear the burden of taxation to build and maintain them. We now have all the battleships that there is a possibility of there being a need for, therefore the authorization of these two battleships is a reckless waste of the public funds.

Mr. PADGETT. Mr. Chairman, I yield 15 minutes to the gentleman from Alabama [Mr. HOBSON].

Mr. HOBSON. Mr. Chairman, the world, as a rule, is controlled by moral and spiritual forces in the end, and the whole trend of human society, unless it is degenerating, is in the direction of the control of human affairs by principles in accord with the moral laws of the universe.

I feel that the United States is clearly the most advanced organization that has yet arisen in the history of the world undertaking to embody the moral laws in the Nation's activity. At Mobile President Wilson announced in effect—it is called the proclamation of Mobile—that the United States would never annex a foot of territory by conquest. I believe that even a superficial examination of historic incidents of this Nation's relations with the outside world will confirm the proposition I have laid down, that we are the foremost Nation in all the world to regulate our conduct by the moral law.

But that very fact puts upon us great responsibilities. We not only embody more than any other nation in our organic law and our statutes and principles underlying our institutions of the moral law, but we are the most potential instrumentality the world has even seen to promote and extend the

sphere of influence of the moral law amongst the nations of the world.

To me a nation, like an individual, has a beautiful and glorious responsibility of being an agent, sharing with the Almighty the execution of the great laws of evolution, the great laws underlying life and the universe.

The responsibility that America has upon her is to promote as rapidly as possible the reign of justice and right, liberty, free institutions, the rights of men—those conditions under which the men and women of the world could in the shortest time and most consecutively develop most in character. That responsibility is the greatest responsibility the Nation has. It is its contribution to the evolution and uplift of humanity, and it is that responsibility that ought to make us very thoughtful and earnest in deciding upon our relationship and what is beneath our relationship with the outside world. A corollary to President Wilson's proclamation of Mobile would be: America will never annex any territory in the Western Hemisphere by conquest, and neither shall any other nation. A corollary to her occupation of the Philippine Islands, with the underlying principle that we are there for their good and will in time give them self-government and retire ourselves, is that no other nation shall occupy the Philippines for purposes of oppression or even for purposes of ruling over those people against their consent. When we announce the Monroe doctrine, that the Western Hemisphere shall not be subject to the colonial policies of the Governments of Europe that are based on the principle of aggrandizement, each nation getting advantage in its own colony, and that instead of this there shall be the prinicple of equality of opportunity for all, we should add that we do not ask special privileges at the hands of any people in the Western Hemisphere, and neither shall we permit any other nation to demand special privileges. When we announce that we adhere to the open-door policy in China, to the principle of equality of opportunity there, we are morally under obligation to announce that no other nation shall despoil China for selfish advantage.

America occupies this position of leadership to extend the principles of equality of opportunity, justice, and fair play, a fair chance for all the sons of men in the world. This responsibility is very great, and when we come to analyze the process of expansion of the moral forces we will find this to be the case. It can come only with organization amongst men, ever widening, and the development of civilization causes the unit of organization to extend all of the time from the family to the clan, from the clan to the tribe, from the tribe to the nation, and ultimately there will be an organization of the nations of the world, a world government. Another thing that is involved is not merely the physical barriers between peoples, but the average standard of character already evolved, and the progress of the moral forces of the world can only keep pace with the average standard of character of the men of the world. When we come to investigate and analyze the average standard of character of the nations of the world, we see that we have not yet reached the point where they can get together and work out their differences according to the laws of justice and right. It is like being on the frontier, with a responsibility of preserving those conditions of order under which all of the civilizing and elevating forces can operate without interference. That is analogous to the position of America to-day. When we combine with this the appreciation that we have more property really exposed than all of the countries of the world combined, and that we have no army, then it is clear that if an enemy that has a great army gets control of the sea he can strike us on our mainland, in the Panama Canal; he can strike us in Porto Rico and Hawaii and in the Philippines, whereas if we get control of the sea, with the other nation having a big army, we can not harm the other nation, we can not strike her. Getting down to the last analysis it means that America in the Atlantic, which washes the shores of Europe and the Western Hemisphere, ought to have a navy at least the equal of any great military nation of Europe, and that in the Pacific, which washes the shores of Asia, of Alaska, of the Panama Canal, and of our outlying possessions, we ought to have a fleet as large as any military nation of Asia. That means we ought to have a fleet in the Atlantic as large as the navy of Germany and in the Pacific a fleet as large as the navy of Japan. That would mean this. A navy develops very rapidly.

If you are not up to date, you are outclassed. It is the most rapidly developing of all of the industries. Old ships should not be ranged and lumped in with the new. The revolution that brought in the dreadnaught class is the starting point for determining the strength of modern navies. Starting with that point, we have Germany authorizing about three and a half dreadnaughts a year, and by the dreadnaught I include the dreadnaught proper and the battleship cruiser, and we have Japan authorizing about one and a half a year. So, since 1907, America ought to have been authorizing about five battleships a year, and we have not done so. The naval estimates for new construction will show this is just about what has been taking place. We have been authorizing less than two, a little more than one and a half, when we ought to have been authorizing five. I know we have spent large sums of money, but Members ought to realize that those sums are not expended upon new construction. Our Navy is very expensive to maintain, and we have not yet adopted any definite policy to make it more economical. What we ought to do is to have a Navy up to date, and have a large reserve number of battleships out of commission.

Mr. DICKINSON. Mr. Chairman, will the gentleman yield?

Mr. HOBSON. Just one moment.

Mr. DICKINSON. It is just for a question. Do I understand the gentleman from Alabama to say that he is in favor of the United States maintaining a navy as large as the navy of Germany in the Atlantic, and a navy in the Pacific——

Mr. HOBSON. Oh, I will ask the gentleman to please hurry up—yes; that is what I have said.

Mr. DICKINSON. As large as the navy of Japan?

Mr. HOBSON. Yes.

Mr. DICKINSON. My recollection is that a few years ago when the gentleman spoke in my home town he advocated a Navy on the part of the United States as large as the combined navies of all of the European nations.

Mr. HOBSON. The gentleman is mistaken. If we want to start now a legitimate naval policy, this year would call for about five dreadnaughts. I believe that they ought to be divided into three types, and that three of them ought to be of the dreadnaught-proper class, and that two of them ought to be of the fast-dreadnaught or of the battleship-cruiser class.

And I am going to offer an amendment to that effect, a separate paragraph for fast dreadnaughts, and discuss that question. I am going to offer an amendment for some of these fast dreadnaughts of which we have none. But the proposition I want to impress upon the Members here is that our naval program to carry out our national policy is very simple. It does not require our initiative at all. It is simply that with the responsibility we have for the promotion of the moral forces of the universe, for our own self-preservation we ought to have this fleet on the Atlantic and this fleet on the Pacific, so that each year we can take the German law—the Germans have been farsighted enough to have their program follow a law for several years, through a number of years—we can take the German law and the amendments to that law—they are continually making amendments increasing the law—and we can find out what will be the expenditures for the next few years from Germany and the same from Japan and then fix our program equal to a combination of the two. [Applause.]

The CHAIRMAN (Mr. JOHNSON of South Carolina). The time of the gentleman has expired.

Mr. PADGETT. Mr. Chairman, I will ask the gentleman from Missouri [Mr. HENSLEY] to use the remainder of his time.

Mr. HENSLEY. Mr. Chairman, I yield 30 minutes to my colleague on the committee, Mr. WITHERSPOON, of Mississippi. [Applause.]

Mr. WITHERSPOON. Mr. Chairman, the facts with reference to the American Navy have been so fully discussed that it is not my purpose to attempt any repetition of the arguments in general debate. I do desire, however, to call the attention of the committee to two policies, on one or the other of which the administration of the American Navy must be conducted. These two policies are radically different in principle, in purpose, in results, in method, and in all moral qualities. One of these policies, which I will call the "battleship policy," seems to me to be founded on the principle, not that the power of the Navy is proportioned to the destructive force of the guns and the skill of the men in shooting, as Admiral Vreeland testified is the real test, but on the principle that its power is proportioned to the units in the fleet, and on the further principle that the construction of battleships affords large profits to capital and employment to labor. How much profit there is in the construction of a $36,000,000 naval program I do not know, but I feel absolutely certain that the profits are big enough to result in a dangerous combination between the plutocracy of our country and the devilish militarism which now controls the expenditures of 70 per cent of Federal taxes, and is rapidly substituting a plutocratic empire for the Union of our fathers. [Applause.] There are, however, a number of instances developed in this investigation which enable us to measure with some accuracy the amount of waste and graft with which this bill is loaded. The difference between $440 which we will be compelled to pay

for the armor plate of these two battleships and the real cost of the construction of the armor plate—$279—that difference, or $161 per ton, multiplied by 16,000, makes $2,570,000, which is the amount of the damnable graft that you are asked to vote into these two battleships.

Mr. SHERWOOD. Will the gentleman allow an interruption?

Mr. WITHERSPOON. I will allow—excuse me just a moment; I will answer you—I will allow the gentleman, and only the gentleman, to ask me one question, because I will not have time to answer questions.

Mr. SHERWOOD. The statement was made this morning on the floor—an intimation—that we needed more battleships on account of the coming Mexican War. Is it not true that the old battleship *Oregon*, which is about to be discarded, could whip the whole Mexican Navy on any sea or ocean in the world?

Mr. WITHERSPOON. Yes; a dozen like it put together. Now, another instance is powder. This bill carries an appropriation for about 7,000,000 pounds of powder that can never be used in time of peace nor in time of war, because if we had a war that lasted long enough to wear out every gun in the Navy we would not near get to the 7,000,000 pounds of powder for which you are asked to waste this money. There is another instance of graft and waste that characterizes the battleship policy. Take, for instance, the question of shells. We have been paying $274 apiece for our large projectiles. That is what the "good" trusts of America have been charging us for I do not know how many years.

Mr. SHERWOOD. Is that the 13-inch shell or the 12-inch shell?

Mr. WITHERSPOON. The 12 and 14 inch. Now, some time ago the department advertised for bids, and an English concern—Hadfield & Co.—knowing that we were being robbed on shells, bid $189 a shell and got the contract. The next contract that was let, these same American trusts, that had been charging us $274 apiece, discovered what the real worth of shells was and bid $165.

The difference between $274 and $165, or $109 apiece, gives you a sort of measure per shell of the waste and graft and dishonesty that is involved in the battleship policy of the American Government. When the first draft of this bill came before your committee it contained a provision for the establishment and an extension of our gun factory that was to cost $2,225,000. The Chief of the Bureau of Ordnance told us that we did not need any such extension for the ships that are now authorized, and that we did not need any such extension for the two battleships carried in this bill, and that we did not need it at all except for some remote battleships which might be built in the distant future, and the testimony was so overwhelming that that piece of graft was even knocked out of the bill by the subcommittee which reported it. I could go on and give you instance after instance, but that is the battleship policy. It is to collect huge sums of money from the people and pay it out in certain localities and to certain great concerns to produce profit to capital and employment to labor. Mr. Chairman, what time did I begin and how much time have I consumed?

The CHAIRMAN. The gentleman has consumed 10 minutes.

Mr. WITHERSPOON. Another thing I want to call attention to about this policy which I think throws some light upon the question whether it is right or wrong. Any policy that is right, just, and fair and honest I think seeks no support in misrepresentation and falsehood. This policy, as I have shown you, has been propagated by a slander of the American Navy, an attempt to stigmatize it as inferior in order to bolster up an unrighteous cause.

They indulge in comparisons with foreign navies and leave out 17 of our armored vessels, 32 of our big guns, and in every other way try to make you and the American people believe that we have an inefficient, obsolete Navy. That statement has, I submit, been demonstrated to be false, and no man has attempted on the floor of this House to show—and no man can successfully show—any truth in this charge against our Navy. What do you think of a policy that has to resort to misrepresentation and falsehood in order to bolster it up? Truth never goes hand in hand with graft, waste, and wrong, and one of the marks of a wrong policy is the resort to misrepresentation and deception.

But they say that this policy is inspired by patriotism; that the naval officers who advise it and the 17 naval statesmen on the Naval Affairs Committee who report it are all inspired by patriotism. For the sake of argument I am willing to concede that in them is centered all the love of country that exists around here, and for the sake of argument I am perfectly willing to admit that the gentleman from Missouri [Mr. HENSLEY] and the gentleman from Illinois [Mr. BUCHANAN] and the gentleman from Indiana [Mr. GRAY] and I are utterly devoid of patriotism. Concede all that, and I ask you what is the value of their patriotism when it results in a policy identically the same as the policy you would have if it were inspired by greed and avarice? Suppose you had a bill here written by a regular grafter, devoid of patriotism, and what sort of a bill do you think he would write? This bill carries $139,000,000. How many millions do you think a grafter would want it to carry? This bill provides for two battleships. How many battleships do you think men would write into it if they were controlled solely and exclusively by their self-interest? Why, when you authorize two battleships a year that results in the construction of six battleships all the time, because it takes three years to construct one.

Now, there are only six corporations in the United States that can build battleships, and when you authorize two a year you authorize enough to keep them all going all the time. [Applause.] How many do you think they would authorize if they had to write this bill? Would they authorize more than they could build, or would they authorize the same number that these 17 naval statesmen have authorized? This bill carries provision for 7,000,000 pounds of powder that we can never use. How many do you think the Powder Trust would write into the bill if it had the right to do so?

Another characteristic of this battleship policy is that it is cold, heartless, pitiless, merciless. It has no mercy and no pity for the great masses of the poor who have to pay for this waste and extravagance. It does not stop to consider that the mortgaged debt on the home of the poor farmer must be increased to gratify this vicious taste. It does not stop to consider that the poor laborer whose earnings are just enough to make both ends meet, every time he buys a pound of sugar or a sack of tobacco, or a garment to put on his back or that of his children, must contribute to this enormous waste. It is utterly deaf to his appeals for mercy. In all this bill there is not as much mercy for the laborer, there is not as much pity for the farmer, there is not as much sympathy for the masses of the poor as there is in the heart of a hungry cat for the helpless mouse upon which it leaps. [Applause.]

But I shall have to present this battleship policy to you, and if your conscience will help your stomachs, swallow it down. Let me call your attention to the other policy. The other policy aims wholly and exclusively at the improvement of the Navy, at the increase of its power and efficiency, and is utterly oblivious to all other considerations. We believe that this can be done in a number of different ways, and I want to give you just a few illustrations.

In the first place, all the naval officers and everybody agree on the proposition that the most important factor in the power of a navy is the men. More important than guns and ships are the men. We have had it beaten into us ever since I went on that committee that we have not officers enough to use the ships which we already have. One officer told us that it would take the academy 20 years to turn out enough officers for the ships that we have now. Why, then, do you want more ships? But not only the number of the men and officers on ships, but more important still than that is their skill in shooting. All this war preparation amounts to absolutely nothing unless you can hit the enemy's ship, and that is skill which can only be acquired by long practice. We now give our men 12 shots a year for each one of these guns. I believe that shooting a big gun on a battleship at an enemy 7 miles away requires more practice to be skillful than it does to shoot birds on the wing, and a man who did not shoot but 12 times a year in bird hunting would not kill one bird out of five hundred. The admirals have told you that they have tried it in the Marine Corps, and the target practice there, which is 300 shots a year for each man, has resulted in increasing the efficiency of that corps 1,000 per cent, and that one company there now is equal to five of a few years ago. Target practice will make a ship that can hit five times as often as the enemy's ship equal to just five of the enemy's ships, if they are equal in every other respect.

How much time have I, Mr. Chairman?

The CHAIRMAN. The gentleman has seven minutes remaining.

Mr. WITHERSPOON. Briefly, we have 78 big guns in our Navy that are 35 calibers long. I have shown you by the ballistic tables in this argument that to substitute 45-caliber guns for those 35 caliber would double their destructive force. And all of that could be done for about one-tenth of what it costs to build one battleship, and would increase the power and the efficiency of the Navy ten times as much as to add two more battleships to it.

I wish I had time to discuss a number of other questions affecting the good of the Navy which have never been investigated, because we spend all our time trying to squander the public funds. One thing, we have not a single navy yard on either coast to which a badly wounded battleship could ever get in time of war except at Puget Sound. If we had been studying the good of the Navy, we would have had that thing corrected; but we do not have time to do that. I could go on and show you a great many other things that have occurred to me. I could show you how we could increase the power and efficiency of the Navy at a small cost, and I honestly believe we could double its efficiency and power and still reduce this appropriation from $140,000,000 to $100,000,000, if we had an opportunity. But where the whole time is taken in driving toward these useless battleships, it paralyzes all efforts to improve the Navy. [Applause.]

Here are the two policies. They are so radically different, so antagonistic one to the other, having such different objects and purposes, that you can not blend them. The two can not go together. You must take the one or the other. You can not blend the moonbeam on the cloud with the shadow in the cave. You can not blend the tint upon the cheek of the flower with the filth in the gutter. You can not blend the smile of love with the frown of hate. And you can not blend the patriot's love for his country with the selfish greed of the grafter. [Loud applause.]

Neither can that courage, that patriotism, that self-sacrifice which has always covered the American Navy with glory ever be blended with the insatiable passion for gold and the impudent clamor for profits in more battleships. [Applause.] The two antagonistic forces can not long coexist in the same character, for the stronger force will overcome and subdue and finally expel the weaker from the heart. You must choose the one or the other. For my part, I have seen the slimy fingers of commercialism clutching the white throat of the American Navy, and I have done now all that I could do to break asunder its unholy grip.

My country, 'tis of thee,
Sweet land of liberty,
Of thee I sing.

[Prolonged applause.]

Mr. PADGETT. Mr. Chairman, I listened with much interest and pleasure to the gentleman who has just taken his seat. He uttered some very beautiful sentiments; among them one sentiment that appealed to all of us, that you could not blend patriotism with graft. I agree with the gentleman absolutely, and as there is no effort and no attempt to blend patriotism with graft, it was an academic statement.

It is equally true, Mr. Chairman, that the patriotism which is not practical, that patriotism that lies supine, that patriotism that is neglectful of the interests of the country, that patriotism that fails to look to the environment in which one's country is placed and allows the country to be placed in a condition where it is defenseless, becomes criminal. [Applause.]

The gentleman from Texas [Mr. HARDY], following the lead of the gentleman from Missouri [Mr. HENSLEY], paid me a distinguished tribute in quoting extensively from a speech I made in 1910. As I said in reply to the gentleman from Missouri [Mr. HENSLEY], I repeat now, that the same motives and the same purposes that moved me at that time I still cherish. But conditions change, and men change with them. Countries change. Our environments differ, and the man who would move his actions according to the environment of 1910 when dealing with problems in 1914 is a lightning-bug statesman. His headlight is toward the stern of the ship. [Laughter and applause.]

Mr. Chairman, let me call the attention of the committee to a few facts. In 1910 the American Navy, by all the authorities in the world, was classed as second in efficiency and in fighting power. In 1914 it is classed by every naval authority in the world as No. 3, much behind Germany.

In 1910, of which I was speaking, what were the conditions that had just preceded us? Great Britain had recently before that time reduced its appropriation for new construction from $66,000,000 a year to $57,000,000, and was contemplating a further reduction to $52,000,000 a year, and the expenditures of all the other naval powers outside of the United States showed no practical increase over previous years. During the next two years Great Britain further reduced its new construction to $44,000,000, instead of, as it had been, $66,000,000; Russia reduced hers from $20,000,000 to $19,000,000; France from $22,500,000 to $21,000,000; and the United States had reduced its from $43,000,000 to $24,000,000. I speak in round figures.

What are the facts now? In 1913 Great Britain raised its appropriation for new construction to $81,500,000, Russia raised hers to $59,000,000, Germany hers to $55,000,000, and France to $45,000,000; and for the fiscal year 1914–15 England has increased her appropriation for new construction to $89,412,000, Germany hers to $49,889,000, France to $53,531,500, Russia to $66,750,846, and the amount carried in this bill that gentlemen here characterize as "graft" is $36,000,000 for the new construction in the Navy.

Gentlemen should deal with facts. Theories are beautiful, but facts are what appeal to intelligent, thoughtful men. We are dealing with conditions. The gentleman referred to the unhappy relation existing at this time with the country immediately south of us. It has called to your attention and has emphasized the important part that the Navy would play in case of trouble. With the country south of us without a navy, if the Navy of the United States is so important and so essential, what would be the necessities and the demands upon the Navy if we had a similar trouble with one of the great naval powers of the world, and what part would our Navy play greater than it is playing now?

The gentleman said "Liberty," and that reminded me of the fact that Patrick Henry said upon one occasion, memorable in the history of this country, that "Eternal vigilance is the price of liberty." And I say here in this company to-day that ever preparedness is the preserver of liberty. [Applause.]

You can not speak of liberty in the abstract and say "Eternal vigilance is the price of liberty," except eternal vigilance adapts itself to existing environments and learns the lesson and teaches the principle that liberty is preserved by preparation. The gentleman from Mississippi [Mr. WITHERSPOON] spoke very beautifully and touchingly a moment ago about—

My country, 'tis of thee * * * I sing.

Ah, yes; all of us. But, my countrymen, I never want the time to come in the history of this country when the American people, like the people of Israel in the days of old, shall hang their harps on the willows and sing of the disasters and of the defeats of their country. [Applause.] I want us ever to sing the glory, the triumphs, and the power of our country, and never with harps hanging upon the willows to sing of the humiliation of our country. I want us ever to be ready, so that we can say to the world, "We stand upon high ground; we stand for manhood; we stand for womanhood; we love peace, and we shall have peace even if we shall have to command it."

No man can have peace, no country can have peace, as long as it is in a condition where it can be kicked and butted as every other nation in the world may see fit to do. We must maintain ourselves in condition to uphold the peace and the dignity of our country, and that is what your Committee on Naval Affairs has reported in here.

But gentlemen have come in here from time to time and used the word "grafters" and all sorts of words imputing and insinuating improper purposes and improper motives. It appears in the testimony, in the statement of the Secretary of the Navy, that he submitted this proposition of two battleships to the President of the United States before he submitted it to the Congress, and it met the personal and official approval of President Wilson, and was submitted to Congress in obedience to and in conformity with the approval of President Wilson.

Was that graft? Is the President particeps criminis in graft? Is the Secretary of the Navy, who, as the representative of the people of this country, has charge of the affairs of this great department, and who has shown by his acts, as well as by his declarations, his purpose to scrutinize and to eliminate from the administration of his office every improper practice and to secure the best terms possible for the people of this country, who has saved hundreds of thousands of dollars already in the administration of his office—is he particeps criminis in graft when he submits this proposal? The gentleman from Mississippi [Mr. WITHERSPOON] stood upon this floor and paid a deserved and just tribute to the men of the Navy. Are these men of the Navy, who have stood in the front of battle and who have risked their lives and have dedicated their lives and their honor to the glory and the protection of the country, when they come here and give us the benefit of their study and their knowledge and their experience upon these questions, when they tell us that every consideration of patriotism and of self-preservation, every consideration of the welfare and the perpetuity of our Government demands of us that we have these two ships—are they, then, in the language of the gentleman, no longer to be trusted, are they no longer to be considered as honorable men, but as grafters, working in the interest of the trusts and the combines? Gentlemen, such arguments as that do not address themselves to the judgment and the intelligence of thoughtful men. They find no lodgment in honest hearts, when everything is laid open and we can understand and know the facts.

In conclusion, when we come to vote upon this matter, I address myself to you as American citizens interested in the welfare, the prosperity, the glory of the American people, interested in living up to the American history of the past and moved by an honorable purpose to preserve unstained and unsullied the dignity, the manhood, the glory of this country for the history that is to be made in the years to come. [Applause.]

Mr. Chairman, I ask for a vote.

Mr. GRAY. Mr. Chairman, I wish to offer an amendment to the amendment offered by the gentleman from New York [Mr. MAHER].

The CHAIRMAN. The gentleman from Indiana offers an amendment, which the Clerk will report.

The Clerk read as follows:

Page 3, line 12, after the word "each," strike out the period and insert the following:

"Both of the battleships hereby authorized shall be built and constructed at a Government navy yard."

Mr. MANN. I make a point of order that that is not an amendment to the amendment offered by the gentleman from New York [Mr. MAHER].

Mr. GRAY. I offer it, then, simply as an amendment, if you make your point of order.

The CHAIRMAN. Does the Chair understand the gentleman from Indiana to withdraw his amendment?

Mr. GRAY. I will withdraw it to offer it again.

Mr. MANN. Does he offer it as an amendment to the amendment or an amendment to the bill?

The CHAIRMAN. The gentleman offers it now as an amendment to the bill.

Mr. GRAY. I do not care how I offer it, so long as it is offered.

Mr. MANN. Under the order that was entered, is debate on this amendment in order? This is an amendment proposing to build in a navy yard.

Mr. GRAY. Have I the right to offer it as a substitute if this amendment is not in order?

Mr. MANN. I think so. I think the gentleman has the right to offer the amendment. Is debate on this amendment closed or not?

Mr. PADGETT. Debate upon the paragraph with reference to the number of ships, and so forth, has been concluded by agreement. The question whether ships shall be built in Government navy yards is left open for discussion

Mr. MANN. The amendment of the gentleman from Indiana and the amendment of the gentleman from New York [Mr. MAHER] also were in reference to where the ships should be built.

Mr. PADGETT. Yes; that question was left open.

Mr. MANN. If that amendment is to be discussed, why not let it wait until the other matter is disposed of?

Mr. GRAY. I asked the chairman when I could offer this, and he said to offer it right away. I am simply complying with his suggestion.

Mr. MANN. I have no desire to have it discussed, as far as I am concerned.

Mr. KONOP. Let us vote on the ships.

Mr. BROWNING. I reserve a pont of order on the amendment.

The CHAIRMAN. The Chair is in doubt as to whether the gentleman has made his point of order in time.

Mr. MANN. The amendment has not yet been reported as a separate amendment.

The CHAIRMAN. That is correct. The gentleman from Indiana now offers an amendment to the bill, which amendment the Clerk will report.

The Clerk read as follows:

On page 53, in line 12, after the word "each," strike out the period and insert the following:

"Both of the battleships hereby authorized shall be built and constructed at a Government navy yard."

Mr. BROWNING. I reserve a point of order on that amendment.

Mr. HARDY. A parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. HARDY. The gentleman from New York [Mr. MAHER] offers an amendment to have one of these ships built in a Government navy yard. Would not the amendment of the gentleman from Indiana, in order to determine its place in the category of motions, be more properly offered as a substitute for the amendment of the gentleman from New York?

The CHAIRMAN. The Chair does not feel called upon to determine that question at this time. The gentleman from Indiana [Mr. GRAY] came to the Chair with an amendment, which the Chair did not read, and asked the Chair when he should offer it. The Chair, without making a ruling, expressed the opinion that he could offer it whenever he chose after the expiration of the debate.

Mr. BROWNING. A parliamentary inquiry.

Mr. HARDY. A parliamentary inquiry, Mr. Chairman.

The CHAIRMAN. The gentleman from Texas.

Mr. HARDY. Would it not be in order to move that as a substitute for the amendment of the gentleman from New York?

The CHAIRMAN. That point has not been reached yet.

Mr. BROWNING. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. BROWNING. As I understand, this amendment will not be voted on until after we decide on the number of battleships to be constructed.

The CHAIRMAN. The amendment properly comes up after the question has been determined whether the paragraph shall remain in the bill as reported by the committee.

Mr. BROWNING. Because if the amendment is offered now, I wish to make a point of order against it.

The CHAIRMAN. The Chair understands that the gentleman at this point reserves a point of order upon the amendment offered by the gentleman from Indiana, and the Chair will recognize him for that purpose at the proper time, but this is not the proper time.

Mr. MANN. The gentleman from Mississippi [Mr. WITHERSPOON] offers an amendment to strike out the paragraph. Of course, under the rules, any amendment to perfect the paragraph has to be voted upon before the amendment to strike out the paragraph. Both these amendments in reference to where the battleships shall be built are to perfect the paragraph, and, I think, would have to be voted upon first, unless by unanimous consent that is put over.

Mr. BARNHART. In the event that the House should decide that it would build only one battleship, or none at all, then the amendments would be of no use.

Mr. MANN. I am perfectly willing to have it put over; but the House might vote it or strike it out on the question as to whether the battleships were to be built in a navy yard or not.

Mr. BARNHART. The proper time to consider it would be after we decide the other matter, whether we shall have any battleships.

Mr. MANN. Not from a parliamentary point of view.

Mr. PADGETT. Mr. Chairman, I will ask that the vote be taken on the question as to whether or not we shall have one battleship or two or none; and then vote on the question of where they may be constructed.

Mr. MOORE. A parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. MOORE. I desire to offer an amendment to the amendment offered by the gentleman from New York [Mr. MAHER].

Mr. CALDER. Why not determine first whether we shall build one or two ships.

Mr. MOORE. My inquiry is whether or not it is now in order to offer an amendment to the amendment offered by the gentleman from New York [Mr. MAHER].

The CHAIRMAN. The Chair is of opinion that it is in order.

Mr. MOORE. Then I present an amendment to the amendment offered by the gentleman from New York [Mr. MAHER], which I send to the desk.

The Clerk read as follows:

Add the following to the Maher amendment: "Unless it shall be found that but one Government yard is equipped to build a battleship."

Mr. CALDER. To that I make a point of order.

Mr. BROWNING. I reserve a point of order.

Mr. MOORE. Mr. Chairman, the point of order being reserved, is it in order to discuss the point of order?

Mr. PADGETT. Mr. Chairman, I ask now that the vote be taken upon the question whether there be one battleship or two, and then that a vote be taken on whether the paragraph authorizing any may be voted upon, and, after that is done, that the vote may be taken on these other amendments.

The CHAIRMAN. Is there objection?

Mr. J. M. C. SMITH. Reserving the right to object, would it be in order to offer an amendment now and have it pending?

The CHAIRMAN. It would.

Mr. J. M. C. SMITH. I offer the following amendment.

Mr. BARNHART. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. BARNHART. According to the statement of the chairman of the committee, if two battleships are decided upon those in favor of one battleship or none will have no opportunity to express their preferences.

Mr. MANN. There is an amendment pending for one battleship.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Amendment by Mr. J. M. C. SMITH:
On page 53, at the end of line 12, add the following: "That all materials used in the battleship or battleships authorized shall be purchased and procured in the United States."

Mr. PADGETT. To that I reserve a point of order.

Mr. ROBERTS of Massachusetts. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. ROBERTS of Massachusetts. Is the amendment of the gentleman from Indiana [Mr. GRAY] pending before the committee?

Mr. MANN. It is pending; it was reported.

Mr. ROBERTS of Massachusetts. If so, I desire to offer an amendment to that amendment.

The CHAIRMAN. The Chair is of the opinion that the amendment offered by the gentleman from Indiana [Mr. GRAY] is pending, and the Clerk will report the amendment to the amendment.

The Clerk read as follows:

Add to the amendment of Mr. GRAY the following:
"And the Secretary of the Navy is hereby authorized to equip such navy yards as he may designate in which the battleships herein authorized are to be built with the necessary building slips and equipment, and the sum of $200,000, or such part thereof as may be necessary, is hereby appropriated for each navy yard designated by the Secretary of the Navy in which the battleships are to be constructed."

Mr. JONES. To that, Mr. Chairman, I reserve a point of order.

Mr. PADGETT. Now, Mr. Chairman, I ask that a vote may be taken on the amendment offered to strike out "two" and insert "one."

The CHAIRMAN. Without objection, the vote will be put that way, and the Clerk will report the amendment.

The Clerk read as follows:

Page 53, line 8, after the word "constructed" strike out "two" and insert "one"

Mr. MOORE. A parliamentary inquiry, Mr. Chairman.

The CHAIRMAN. The gentleman will state it.

Mr. MOORE. When the gentleman from Tennessee, chairman of the committee, was arranging about time for discussion of the general battleship proposition, I made an inquiry as to whether there would be any time for arguing these amendments, and was told that that would come after the general discussion; that is to say, the 2 hours and 20 minutes discussion.

Mr. PADGETT. I stated that all amendments were concluded except the one of where the battleships should be built.

The CHAIRMAN. The question is on the adoption of the amendment just reported.

The question was taken; and on a division (demanded by Mr. HENSLEY and Mr. BUCHANAN of Illinois there were 80 ayes and 128 noes.

Mr. HENSLEY. Tellers, Mr. Chairman.

Tellers were ordered, and the Chair appointed as tellers Mr. PADGETT and Mr. BUCHANAN of Illinois.

The committee again divided; and the tellers reported that there were 91 ayes and 148 noes.

So the amendment was rejected.

The CHAIRMAN. The next amendment to be voted upon is the Moore amendment offered to the Maher amendment.

Mr. MANN. Mr. Chairman, I ask unanimous consent that the vote may now be taken on the Witherspoon amendment.

Mr. PADGETT. I ask unanimous consent that a vote may now be taken on the Witherspoon amendment, to strike out the paragraph, and then, having disposed of that, we can perfect it with the other amendments.

The CHAIRMAN. Is there objection? [After a pause.] The Chair hears none.

The question was taken; and on a division (demanded by Mr. WITHERSPOON) there were 41 ayes and 152 noes.

So the amendment was lost.

The CHAIRMAN. The question now is on the amendment offered by the gentleman from Pennsylvania to the Maher amendment, which the Clerk will report, and the amendment to the amendment.

The Clerk read as follows:

Amendment by Mr. MAHER:
On page 53, line 12, after the word "each," insert the following: "At least one of the said battleships hereby authorized shall be built and constructed at a Government yard."

Mr. MANN. I reserve a point of order on the Maher amendment.

Mr. BROWNING. And I make the point of order against that amendment.

The CHAIRMAN. The gentleman from Illinois reserves a point of order to the amendment and the gentleman from New Jersey makes a point of order against the amendment to the amendment.

Mr. BROWNING. No, Mr. Chairman, I make it against the Maher amendment first.

Mr. MURDOCK. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. MURDOCK. The Chairman first proposed that the amendment to the Maher amendment should be read, and the Clerk was about to read the amendment to the amendment, when the point of order was made by the gentleman from New Jersey [Mr. BROWNING].

Mr. MANN. The gentleman is late. When the gentleman from New York [Mr. MAHER] offered his amendment this afternoon, three hours ago, I reserved the point of order upon it.

Mr. MURDOCK. I realize that; but latterly just at this moment the Chairman asked the Clerk to read the amendment to the amendment.

Mr. MANN. The point of order had not been disposed of.

The CHAIRMAN. The gentleman from Kansas will no doubt remember that when the gentleman from New Jersey [Mr. BROWNING] rose some minutes ago for the purpose of reserving the point of order to the amendment, the Chair noted his reservation. The gentleman rose to a parliamentary inquiry, to know whether or not his reservation of a point of order at that time was in order. The Chair answered him by saying, in substance, that he would be recognized at the proper time, and in the clamor the Chair was endeavoring to recognize the gentleman from New Jersey, in order that he might make or reserve his point of order.

Mr. BROWNING. Mr. Chairman, I make the point of order that it changes existing law, and limits the power of the Secretary to build these vessels wherever he pleases.

Mr. MAHER. Mr. Chairman, is it not too late to make that point of order now?

The CHAIRMAN. The Chair has just held that it is not.

Mr. FITZGERALD. Mr. Chairman, will the gentleman state what law this changes?

The CHAIRMAN. The Chair was about to suggest to the gentleman from Tennessee [Mr. PADGETT], having charge of the bill, that he would be very glad to hear him upon the point of order.

Mr. PADGETT. Mr. Chairman, the amendment as written, I think, is subject to the point of order. It is not a limitation and does not purport to be, but is a direction, and it is held that wherever there is direction contained in an amendment on an appropriation bill which will direct or control the discretion of the Secretary it is legislation, and, therefore, is subject to the point of order. This does not purport to be a limitation, but is a direction to the Secretary.

Mr. FITZGERALD. Mr. Chairman, there is no law which authorizes these ships. There is no authority which confers upon the President the right to construct them at any place. The authority for the construction of these ships is contained in the paragraph in the bill. There is no statute authorizing ships for the Navy. This paragraph authorizes the President to have constructed two battleships. It is clearly legislation, because anything that empowers the President to do something which he can not do at the present time is legislation. The President has no power to have constructed two battleships or one battleship or any battleship.

The CHAIRMAN. The point of order comes too late from the gentleman from New York, if he makes it to the paragraph.

Mr. FITZGERALD. I am not making a point of order to the paragraph, Mr. Chairman, but I am calling the attention of the Chair to the fact that this paragraph itself is legislation, because it confers an authority which does not now exist. There is no law authorizing the President or any official to have ships constructed for the Navy. That authority is contained in this paragraph, and any germane limitation upon the authority to construct must be in order. This is the legislation which gives the authority to have the ships constructed.

Mr. MURDOCK. Mr. Chairman, will the gentleman yield?

Mr. FITZGERALD. Yes.

Mr. MURDOCK. Is not the history of this item this, that originally it was held out of order by the Chair and that the committee overruled the Chair on an appeal from his decision?

Mr. FITZGERALD. Mr. Chairman, this old provision has a very peculiar history. It was held that authority to construct ships for the Navy is in order on a naval appropriation bill. It is clearly legislation, because there is no authority in any existing law to add ships to the Navy. This provision gives the authority to add ships to the Navy, and if it gives the authority to add ships to the Navy, any provision that is germane to the provision granting that authority must be in order.

Mr. MANN. Mr. Chairman, will the gentleman yield for a question?

Mr. FITZGERALD. Certainly.

Mr. MANN. Do I understand the gentleman to say that, in his opinion, a battleship provision is subject to a point of order?

Mr. FITZGERALD. Mr. Chairman, I have not expressed any opinion on that question at all.

Mr. MANN. I am asking the gentleman from New York whether he does express the opinion that the battleship provision is subject to a point of order as new legislation?

Mr. FITZGERALD. But I have not expressed any opinion on that question.

Mr. MANN. The gentleman said it is legislation; and if it is legislation, it is not in order.

The CHAIRMAN. The Chair will settle that dispute by holding that if it were subject to a point of order it is not so now.

Mr. MANN. I understand that, Mr. Chairman, but I wanted to lead up to another question, and that is whether the gentleman from New York thought the rest of these items were subject to a point of order?

Mr. FITZGERALD. Mr. Chairman, the gentleman is as well informed upon these questions as I am.

Mr. MANN. Having been in the chair on the consideration of a number of naval appropriation bills.

Mr. FITZGERALD. And sometimes having been overruled. It has been decided that a provision authorizing additional battleships is in order upon a naval appropriation bill. There is no authority in any statute to build battleships, and any provision in a bill which confers an authority upon the executive officer which he has not at the present time is certainly legislation. If it be not legislation, it can not be defined.

The CHAIRMAN. What does the gentleman say to this proposition? If the paragraph in the bill originally was subject to a point of order, and a point of order was not made, may it not now be perfected by germane amendments?

Mr. FITZGERALD. There is no doubt at all of that, Mr. Chairman.

Mr. PADGETT. It is not subject to a point of order and it has never been so held.

Mr. SAUNDERS. Mr. Chairman, if this paragraph was subject to a point of order, and no point of order had been made, the answer to the question of the Chair would be in the affirmative, namely, that the paragraph could be perfected by a germane amendment. That principle, however, does not fit this situation. In the first place this paragraph is not subject to a point of order.

The CHAIRMAN. Is the Chair correctly informed this is an exception to the general rule?

Mr. SAUNDERS. This is the exception argued a few days ago. In the second place the amendment offered by the gentleman from New York is not a germane amendment to this paragraph authorizing the construction of two battleships. After the power is afforded for the construction of battleships, the authorities have the right to exercise a discretion as to where those battleships may be built, so that the amendment of the gentleman from New York proposing to limit the discretion of the authority of the official charged with the building of the ship, is certainly not a limitation. It does not perfect in anywise this particular paragraph. He proposes something that is not germane, namely, a proposition to limit the discretion of the President or the Secretary with respect to the yard or place at which the ship may be built. A limitation of discretion is certainly legislation, and on that ground the amendment of the gentleman from New York is subject to the point of order.

Mr. MAHER. Mr. Chairman, a similar amendment to the one I have offered has been offered in this House for some years past. In the Sixtieth Congress I find a similar amendment was offered here at that time on this bill. I will read to you what the Chairman of that committee held at that time. This is the Sixtieth Congress, first session, page 4807, House proceedings. After considerable discussion on both sides on the amendment pro and con, here is what the Chair said:

> The Chair is prepared to rule. The Chair has not before him the ruling made at the last Congress, although the impression and recollection of the Chair is that the amendment was then offered to a succeeding paragraph in the bill. But the paragraph now before the committee contains the provision that the Secretary of the Navy may build the vessels herein authorized by contract or in such navy yards as he may designate. That provision of itself might be considered legislation, but, if so, any amendment germane to it would be in order. The Chair thinks the amendment offered by the gentleman from New York is germane, and the Chair therefore overrules the point of order.

The Chairman at that time was the gentleman from Illinois [Mr. MANN].

Mr. BROWNING. What is the amendment?

Mr. MAHER. An amendment similar to the one I have offered.

Mr. BROWNING. Will the gentleman be kind enough to read it?

Mr. MAHER. The amendment was:

> Strike out the words "by contract or in navy yards, as hereinafter provided," on lines 1 and 2 of page 76, and add, after the word "eight," on line 7, on page 76, the following provision: "At least one of such battleships shall be built and constructed, under the direction of the Secretary of the Navy, at one of the navy yards; the other of said battleships may also be constructed at one of the navy yards, in the discretion of the Secretary of the Navy, or by contract, as hereinafter provided."

Mr. BROWNING. Was the point of order made?

Mr. MAHER. Yes.

Mr. BROWNING. What did the Chair state?

Mr. MAHER. The Chair ruled it was not subject to the point of order at that time.

Mr. BROWNING. Who was the Chairman?

Mr. MAHER. The gentleman from Illinois [Mr. MANN].

Mr. GOLDFOGLE. Mr. Chairman, I have a clear recollection of the amendment to which my colleague [Mr. MAHER] referred as having been ruled on during the Sixtieth Congress. The gentleman from Illinois [Mr. MANN] was in the chair. The amendment was offered by me. The question arose whether the amendment was germane, and the point of order was made against the amendment. The question arose as to whether the amendment was in order, it directing the place where one or more battleships should be built by the Secretary of the Navy, who in the bill was given discretion, as in the present pending bill he is given discretion, to build the ships; and after discussion, as the Chair will find in the RECORD to which my colleague a moment ago alluded, the gentleman from Illinois [Mr. MANN] then being in the chair ruled the amendment in order. The situation as then presented is no different from the situation now presented. So, upon the authority of the gentleman from Illinois, as well as upon the authority in another case that substantially presented the same phase in the succeeding Congress, I respectfully submit the amendment is germane and in order.

Mr. JONES. Mr. Chairman, I desire to direct the attention of the Chair to a ruling upon a proposition similar to this. On April 20, 1900, the naval appropriation bill was under consideration——

The CHAIRMAN. What is the section?

Mr. JONES. I am reading from section 3864 of Hinds' Precedents, volume 4:

> On April 20, 1900, the naval appropriation bill was under consideration in Committee of the Whole House on the state of the Union, when Mr. J. J. FITZGERALD, of New York, offered to the provision for building new vessels the following amendment: "To be constructed under the supervision and direction of the Secretary of the Navy in such of the navy yards of the United States as are best adapted therefor."

Now, that amendment was, in substance, precisely the same as the amendment which is now offered under like conditions by the gentleman from New York. I do not think there will be any question as to that. I will continue to read:

> Mr. George E. Foss, of Illinois, made a point of order against this amendment.
>
> After debate the Chairman said:
>
> "It appears to the Chair that the natural interpretation of the language just read by the gentleman from New York [Mr. FITZGERALD] is that under the construction of the present law by the Secretary of the Navy there is no law for building any of these vessels in the navy yards, but that legislation would be necessary in order to authorize that."

It will be observed, Mr. Chairman, that the gentleman from New York admits the same thing by this amendment. The Chair then proceeded in these words:

> This is the interpretation the Chair would put upon the language which the gentleman has just read. Aside from that, however, the question now before the Committee of the Whole is whether this provision is new legislation or whether it is a limitation of the appropriation. There are several decisions to which the attention of the Chair has been called. One of them reads in this way: "Provisions that bids for the construction of naval vessels should be limited to bidders having adequate plants and not having over a specified number of vessels under construction were held to be in the nature of legislation and not a limitation."
>
> That decision would seem to throw a good deal of light upon the question of order on this amendment, which provides that the Secretary of the Navy shall construct these vessels "in such navy yards of the United States as are at present established therefor." This would seem to be a parallel case. The Chair therefore, following the decision made in the Fifty-fifth Congress, sustains the point of order.

Now, Mr. Chairman, the gentleman from New York [Mr. FITZGERALD] appealed from this decision, and the ruling of the Chair was sustained upon a vote by tellers of 82 ayes to 74 noes. This is a ruling exactly in point, and if the Chair follows it he must hold that this is new legislation and not in the nature of a limitation.

Mr. GOLDFOGLE. Mr. Chairman, the gentleman from Virginia [Mr. JONES] failed, I am afraid, to recognize the fact that the amendment offered by my colleague [Mr. MAHER] is in precisely the same language and applied to substantially the same kind of a paragraph as the amendment which was offered by me in the Sixtieth Congress, to which I have already alluded. So that the case, as it appeared when the gentleman from Illinois [Mr. MANN] was in the chair, is exactly the same and stands on all fours with the one now presented upon the present point of order. There is not a particle or shade of difference between the two cases. The Secretary being given discretion in the bill to build the ships, it is within the power of the House to say where those ships shall be built, and so it was ruled on my amendment, and there is no distinction that can fairly be made between these two cases. It will be remembered that the amendment that was ruled in order had reference to the ship afterwards named the *Florida*. In a later Congress—I can not turn to the pages in the RECORD just now—an amendment was offered by my colleague [Mr. CALDER], which was at first ruled out, but afterwards, at a later stage, ruled in. It was practically the same in language as the amendment now offered by my colleague [Mr. MAHER]. So you have the two authorities for ruling in this amendment.

Mr. GRAY and Mr. MANN rose.

The CHAIRMAN. The gentleman from Indiana is recognized.

Mr. GRAY. Mr. Chairman, I am not a parliamentarian, and I do not claim such expert knowledge. I simply want to make an inquiry. I understand we have power in this bill to determine the number of ships; I understand that we have power to determine the size of the ships; I understand we have power to determine the type of the ships; we have power to specify the number of guns and the type of guns; we have power and authority here to incorporate a thousand modifications and variations; in fact, the full power of authorization in every phase and detail of full and complete construction. The question I wanted to ask is why this great and broad power of full authorization does not include the lesser power as an incident to the main object, to specify where the ships are to be built and how they should be manufactured and constructed?

Mr. GOLDFOGLE. And so it was held in the preceding cases.

Mr. GRAY. I was making an inquiry and waiting for some gentleman to enlighten me as to by what principle such incidental power is excluded under such full and general authority.

Mr. MANN. Mr. Chairman, I have a good deal of hesitancy in expressing an opinion on any point of order on the naval bill, because for a number of years I occupied the position of Chairman while the naval bill was under consideration, and was compelled to make a good many rulings when I thought I had the matter fresh in my mind, and I might make an argument now contrary to some of the rulings I made then. If so, I should think better of the ruling than I do of the argument.

However, Mr. Chairman, there are certain principles involved, it seems to me. The ruling is that an appropriation for a new battleship is in order because it is a continuation of a work in progress, to wit, that of building up a navy. But this item is not any appropriation at all. There is no appropriation carried in the paragraph under consideration. It is, as suggested by the gentleman from New York [Mr. FITZGERALD], who would not follow out quite the logic of his position, a pure matter of legislation, an authorization to the President to construct two battleships, like an authorization to construct two revenue cutters or an authorization to construct a public building, or an authorization to construct lighthouse tenders, the appropriation either following or being in separate items.

Now, this item is under consideration, and no point of order was made on the paragraph that fixes a limit of cost upon it; that fixes the character of it as to armor and armament; and that fixes the speed of it. I have no doubt, unless I have ruled differently, that we can proceed now and provide through legislative provisions concerning the authorization which we have given to the President. If we had a bill pending before us providing that the President might construct two revenue cutters, or four revenue cutters, plainly, as a matter of legislation, we could say that they should or should not be built in a navy yard—the same power, it seems to me, that we have here. If this item were an item appropriating $15,000,000 or $30,000,000 for the construction of a certain character of battleships, then that would not be legislation. The legislative provision would not be in order.

The CHAIRMAN. The Chair is compelled to admit that with him there is some doubt surrounding this proposition. However, he finds that the building of these ships is authorized. There is no direction anywhere, of which the Chair is aware, that they shall be built by contract. Neither does the Chair know of any direction providing that they shall be built in Government navy yards. The natural supposition, however, is that if the Government is authorized to build them, the Government itself should build them if it can, and, therefore, in a Government navy yard. Being somewhat in doubt, for those reasons, the Chair overrules the point of order.

Mr. MAHER. Mr. Chairman, I wish to speak on the amendment.

The CHAIRMAN. The gentleman from New York [Mr. MAHER] is recognized.

Mr. STAFFORD. Before the gentleman proceeds, may we have the amendment read?

The CHAIRMAN. The Clerk will again report the amendment.

Mr. MURRAY of Massachusetts. And the amendment to the amendment.

Mr. MOORE. May the amendment to the amendment be read in connection with the amendment?

The CHAIRMAN. The Clerk will report the amendment, and then report the amendment to the amendment, so that the committee may have full information.

The Clerk read as follows:

Amendment by Mr. MAHER:
On page 53, line 12, after the word "each" insert the following:
"At least one of the said battleships hereby authorized shall be built and constructed at a Government yard."
Amendment to the amendment by Mr. MOORE:
Add to the amendment the following:
"Unless it shall be found that but one Government yard is equipped to build a battleship."

Mr. CALDER. Mr. Chairman, I reserved a point of order against that amendment which has just been read. I did at the time it was offered.

The CHAIRMAN. A point of order is reserved against the amendment.

Mr. CALDER. I make a point of order.

Mr. MANN. It is not subject to a point of order.

The CHAIRMAN. Does the gentleman reserve it or make it?

Mr. CALDER. I make the point of order.

The CHAIRMAN. The Chair overrules the point of order.

Mr. SABATH. Mr. Chairman——

The CHAIRMAN. The gentleman from New York [Mr. MAHER] has the floor.

Mr. SABATH. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. SABATH. Some time ago the gentleman from Indiana [Mr. GRAY] introduced an amendment to the amendment offered by the gentleman from New York [Mr. MAHER]. May I inquire what became of that amendment?

The CHAIRMAN. That amendment has been discussed to some extent. The Chair thought it was understood that that amendment was offered as a separate amendment.

Mr. SABATH. Would not that be in order now as an amendment to the amendment offered by the gentleman from New York? It deals directly with the subject matter.

The CHAIRMAN. It has been held that it was offered as a separate amendment.

Mr. SABATH. The gentleman from Indiana offered an amendment that both of these battleships, instead of one, should be built in a Government navy yard. Consequently it must be in order, and it is in order.

Mr. GRAY. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The Chair is of the opinion——

Mr. KINKEAD of New Jersey. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. KINKEAD of New Jersey. Was not the gentleman from New York [Mr. MAHER] recognized before the parliamentary inquiries were made?

The CHAIRMAN. The Chair recognized the gentleman from New York under the five-minute rule. The gentleman from Illinois [Mr. SABATH] then rose to a parliamentary inquiry, which the Chair will determine for him by the time the gentleman from New York has concluded.

Mr. GRAY. Mr. Chairman, I rise to a parliamentary inquiry.

Mr. GOLDFOGLE. Mr. Chairman, I rise to a question of order.

The CHAIRMAN. The Chair will state that business can not be transacted in so much confusion. The gentleman from New York [Mr. MAHER] has the floor and will proceed.

Mr. MAHER. Mr. Chairman, there have been some radical changes made in the Government construction of battleships during the past 10 years. Prior to 1903, when the first battleship was built in the Brooklyn Navy Yard, it had been customary for private contractors to take about three years to

build battleships, as in the case of the *Georgia* and the *Nebraska*, and they were seldom completed within contract time, which was usually exceeded by six or eight months. As compared to this, the *Connecticut*, built by the Government in 1903–4, was launched in 16 months after the keel was laid. This is an important consideration in the construction of modern battleships, considering the fact that a ship is out of date in less than 10 years and practically useless in 20 years.

A battleship costing $15,000,000 would depreciate at that rate about a million dollars a year; so that if the Government, by continuing its policy of constructing some of its own battleships, can thereby force private contractors to reduce the time required for building from three years to one year, as at present is the case, it would be economy even if each ship built by the Government cost $2,000,000 more than by contract.

The *Connecticut*, which was built in a navy yard, cost only about 5 per cent more than its sister ship built by private contract; and this added expense was entirely made up by the fact that the workmanship on the Government-built vessel excelled that of the other to such an extent that thousands of dollars were saved in repairs of the navy-yard-built ship, according to the records.

Much has been made of the alleged fact, by the opponents of Government construction, that the *Florida*, which was built at a navy yard, cost nearly $2,000,000 more than its sister ship, the *Utah*, which was built by contract. However, much of this excess cost, it has repeatedly been asserted on the floors of Congress, was due to overhead charges for maintaining the navy yard, most of which would have existed whether there had been any ship at the navy yard or not; so that the costs charged to the battleship were not all caused by the building of the ship, and should not be counted as a part of its cost.

It has also been brought to our attention that contractors building battleships for the Government about that time were losing several hundred thousand dollars on their contracts, due perhaps to their efforts to discourage Government construction, knowing that if it could be shown that Government construction was much more expensive comparatively that there would be a chance of having the Government shops put out of commission, and they could go back to their old practices and recoup their losses.

Whatever the facts might be with regard to the cost of the *Florida*, the more recent efforts at battleship construction in navy yards have been toward lower costs and still faster records.

When the *Pennsylvania* was let to the Newport News Shipbuilding Co. in 1913 the bid by the New York Navy Yard was only about $35,000 more than the bid of the concern that got the contract, and the bid of the Mare Island Navy Yard exceeded the Newport News Co. by only $12,000; either of these differences is a mere bagatelle.

As to the relation of the navy-yard bids to the actual cost of the work, it can be cited that the cost of the battleship *New York*, which has just been completed by the New York Navy Yard, was $659,635.41 less than the original estimate by that navy yard according to the latest facts available at the Navy Department. Furthermore, the battleship *New York* was launched in 12 months and 19 days after the keel was laid, a record that is worth much in these days of rapidly changing designs in war vessels.

It is now predicted that a battleship can be built at a navy yard in about 10 months and at less cost than formerly, unless Congress destroys the present splendid organization of its own shipbuilding establishments by failing to have battleships built there.

In order to maintain a trained and efficient force for construction work in our navy yards it is necessary to build continually, otherwise both equipment and working force will become demoralized and unable to compete successfully with the shipbuilding contractor.

Congress can assist in Government shipbuilding by making the appropriation at such a time as will enable the navy-yard officials to lay the keel of one battleship not later than two weeks after the launching of the last ship. If this method is adopted, it will prove to be a great saving to the Government. It will also provide a continuity of employment for the mechanics and laborers. At a recent meeting of the Committee on Labor the Secretary of the Navy, Mr. Daniels, stated that in his opinion the Government-built ship was the best, and he further stated that there was less repair work on the Government-built vessel.

Mr. DALE. Mr. Chairman, will the gentleman from New York yield?

The CHAIRMAN. Does the gentleman yield to his colleague?

Mr. MAHER. I have not time. Let me state these figures.

Mr. DALE. Let me ask a question.

Mr. MAHER. Well, go ahead.

Mr. DALE. Is it not a fact that the Secretary of the Navy, Mr. Daniels, publicly commended the employees and attachés of the Brooklyn Navy Yard, who were instrumental in so speedily equipping the *New York* previous to her sailing down to Mexico?

Mr. MAHER. Yes; it is a fact.

From the statement received from the Navy Department it seems that the *New York* has been required to bear the expenses of everything that is a direct charge against the yard, whether it be gratuities which are created by Congress or Executive orders, or indirect charges (overhead) from which the ship was exempt. The contract was awarded to the Newport News Shipbuilding Co. to build the *Texas*, at a cost of $5,885,695, they being the lowest bidder; in addition to the contract price $55,000 will be added to cover the cost of changes which is being done by the navy-yard force, making a total of $5,940,695; while the *New York* allotment was $6,490,000, exclusive of indirect charges, both ships to be completed in 36 months.

The statement shows that the *New York* will cost $6,956,442; included in these figures are expenditures covering $382,218.17 for annual leave, holidays, disability, which are gratuities, having been created by act of Congress or Executive orders. The act of February 1, 1901, gives 15 days' leave of absence to all employees who have been continuously employed for one year. The act of May 3, 1908, provides that employees injured in the performance of their duties and have been absent for 15 days shall be paid their regular rate of pay that they would have received had they been employed until they are able to resume their duties. Holidays cover the payment of seven regular holidays, namely, New Year's Day, Washington's Birthday, Decoration Day, Fourth of July, Labor Day, Thanksgiving Day, and Christmas Day; and for the past three years the Saturday half holiday during the three summer months has been granted. It has been decided that the expense incurred by leave, holidays, and disability are not charged against a new ship, nor does it appear as a charge against any repair work, and I fail to see why it should be included in the expense of a new ship being built in the yard. This charge would exist and must exist—new ship or old ship—all work must be suspended on these days; for this reason it is a charge that should be borne by the Government at large.

Classified employees are charged with $287,070; this is a special allotment paid out of increase of Navy pay of classified employees covering clerical and drafting expenses; this is the only place that this expenditure appears; no provision is made to charge this against any work; there is but one way that this could be arrived at, and that is by estimate or pro rata.

The greater part of the material used in the construction of a new ship is delivered on lighters and railroad cars, and is handled by laborers and riggers assigned to this work; the only expense incurred is the labor of these men and this the ship pays for directly; still if the material was handled for use in repair work, part of the cost would be charged to the ship as an overhead charge.

The construction period of the *New York* was 36 months; she was placed in commission in 35¾ months, that is, April 15, and on April 26 sailed from this yard, less than 36 months, and something that has never been equaled either by private or Government yards.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. MAHER. Mr. Chairman, I would like to have one minute more.

Mr. SABATH. Mr. Chairman, I ask unanimous consent that the time of the gentleman be extended two minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. MAHER. Just one minute. Now, Mr. Chairman, I will discuss the charges:

INDIRECT OR OVERHEAD CHARGE.

This account shows an expenditure of $855,430.38. This represents approximately 33 per cent of the total labor charges expended for building the *New York*. It is divided into two classes, namely, shop and general expense, and covers a large scope in navy yards.

SHOP EXPENSE

Is divided into subheads, such as supervision—that is, the masters, quartermen, leading men, planners, and progress man—repairs to shops, repairs to buildings, cleaning, repairs to hand tools, fuel, light, and power. The repairs mentioned cover,

in fact, the upkeep of shops. Some of the charges might be considered fair; still, as they cover the upkeep of the plant, this class of work would have to be done whether a ship is building or not. No shop is used exclusively for the work in connection with the building of a new ship. Tool and machine repairs should be charged against the plant.

GENERAL EXPENSE

Covers cleaning the yard. The cost of cleaning the ship is charged against the ship; that is paid for directly. Minor repairs to derricks, shears, cranes, floats, punts—that are used for mooring and docking a ship—upkeep of dry docks. What has a new ship to do with these items? It is almost 2 years before she is ready to be dry-docked; for 14 months she is being built on the ways. How can she be charged with any of the general items? All the ship wants is space enough to be built. The bulk of her work is done in close proximity to where she is lying, and this applies to her whole construction period. She not only bears her own burden—that is, the supervisors that have charge of her building—but a large part of the expense of the yard, as these figures are based on productive labor of the entire yard. Take, for example, when the yard is full of ships undergoing repairs; she has to saddle part of their expense. As a further illustration, with no work in the yard other than a ship being built on the ways, she would be required to carry the entire expense of the yard, with the result that overhead charges would almost be equal to the direct charge.

For the purpose of comparison the following is quoted:

Ship.	Length.	Keel laid.	Launched.	Time to launch.
	Feet.			*Months.*
Connecticut	456	May 10, 1903	Sept. 29, 1904	16
Florida	521	Mar. 9, 1909	May 12, 1910	14
New York	573	Sept. 11, 1911	Oct. 30, 1912	13

Note the size of the ships and the length of time required to launch. This is but one of the many instances that proves that the *New York* is a record ship.

Total expenses of the *New York* as reported		$6,056,442.55
Less leave, holiday, and disability	$392,218.17	
Classified employees	287,070.00	
Indirect	855,430.38	
		1,534,718.55
		5,421,724.00
Charge all clerical force	287,070.00	
And 40 per cent of indirect	342,172.00	
		629,242.00
		6,050,966.00

If we deduct pay for holidays and half holidays, it will be demonstrated that the *New York* cost no more than its sister ship the *Texas*. We should take into consideration the fact that the *Texas* is now in the New York yard receiving a general overhauling. The work done at a private yard is being torn out of that ship, and the mechanics in the yard are installing new apparatus. They had to tear out the fuse boxes overhead and put them in the bulkhead to prevent the possibility of an explosion in the ship, which could be brought about by a mechanic reaching up to the fuse box and thereby creating an arc and causing serious damage, and perhaps blowing up the ship without anybody firing a shot at her.

The CHAIRMAN. The time of the gentleman from New York has again expired.

Mr. MANN. I ask unanimous consent, Mr. Chairman, to extend my remarks in the RECORD.

The CHAIRMAN. Is there objection to the gentleman's request?

There was no objection.

Mr. BROWNING. Mr. Chairman, there is only one navy yard in the United States that is equipped to build these large battleships, and that is the Brooklyn yard.

Mr. CALDER. Mr. Chairman, will the gentleman yield?

Mr. BROWNING. Yes.

Mr. CALDER. Can not the Mare Island Navy Yard?

Mr. BROWNING. No; not a battleship. A large vessel can be built there, but not a big battleship.

Mr. CALDER. I think it can build a battleship. I beg the gentleman's pardon.

Mr. BROWNING. Now, Mr. Chairman, the Brooklyn Navy Yard has just laid the keel of battleship *No. 39*, and in my opinion that ship can not be launched before April, and probably not before June, of next year.

Mr. Chairman, there is another consideration to be taken into account in building these ships in navy yards, and that is the quality of the work in construction. I have been told by prominent Navy officers that there are no better ships built than those constructed by the New York shipbuilding plant, located in my city, and I have no reason to doubt but that the Newport News Shipbuilding & Dry Dock Co. can build just as good ships.

Now, I want to put some figures in the RECORD that are official, accompanied by a statement that is official, contained in a letter written by Admiral Watt, Chief of the Bureau of Construction.

On the *New York*, which has just been finished in the New York Navy Yard, for labor there was expended on the hull $1,902,817.26; on machinery, $671,078.63; a total of $2,573,895.89.

The cost of the material on the hull was $1,654,399.51; the cost of material for machinery was $1,164,498.60, a total of $2,818,898.11.

The indirect charges on the hull were $641,567.52 and on the machinery $213,862.86, a total of $855,430.38.

Now, here comes a remarkable item. The amount of money that was paid for leave to mechanics and workmen amounted to $174,911.73, and for holidays $177,227.40; the amount paid for leave and holidays of classified employees in the construction of the *New York* amounted to $28,930; a total for leave and holidays of $381,069.13.

The disability charges amounted to $40,079.04. The total cost to the Government by reason of construction of this battleship in a navy yard, exclusive of armor and armament, was $6,956,442.55.

The *Texas*, sister ship of the *New York*, which was built by contract at Newport News, cost $5,830,000, a difference in favor of the battleship *Texas* of $1,126,442.55.

Now, I have another very striking illustration. The cost of U. S. battleship *Florida*, built by the Government in the New York Navy Yard, was as follows:

For labor on hull, $2,197,478.41; labor on machinery, $670,734.68; a total for labor of $2,868,213.09.

Indirect charges on hull, $751,013.98; indirect charges on machinery, $222,270.05; a total of $973,284.03.

Cost of material on hull, $1,286,047.13; cost of material for machinery, $1,167,592.80.

The total cost of the hull was $4,234,539.52, and the total cost of the machinery was $2,060,597.53, making the total cost of the ship, exclusive of armor and armament, $6,295,137.05.

Her sister ship, the *Utah*, built under contract in the Camden (N. J.) yard, cost $4,018,930.80. The cost of the work performed by the Government, after delivery, on account of changes and improvements, was $126,297.54. The total cost of the *Utah*, exclusive of armor and armament, was $4,145,228.34.

The battleship *Florida*, the sister ship of the *Utah*, built in the Government navy yard at Brooklyn, cost $2,140,908.71 more than the *Utah*.

Gentlemen, as I said the other day in some remarks that I made, we need our navy yards with their splendid equipment and magnificently trained artisans and workmen, but we also need the efficient and prompt service rendered by the private establishments.

Now, I do not understand the position of my friends on the other side of the House, or those who wish to build these vessels in Government yards. They are pledged to economy, and there is no economy in building a ship in a Government yard. They cost anywhere from $1,000,000 to over $2,000,000 more than ships built in private yards.

Mr. GOULDEN. I should like to ask my friend from New Jersey whether he does not consider the construction done in Government yards as superior to that done in private yards?

Mr. BROWNING. I do not; and every naval officer I have ever talked to has told me there was no ship ever built that was better constructed than the ships built in the Camden (N. J.) yard.

Mr. GOULDEN. Is not that the opinion of naval authorities, that the Government-built ships are better?

Mr. BROWNING. It is not. Those with whom I have talked on the subject are naval experts. The only opinion I have ever heard expressed to the contrary was that of the Secretary of the Navy, Mr. Daniels.

Mr. GOULDEN. He is a good man.

Mr. BROWNING. He is a very good man. I have nothing to say against him, personally, but I think he is mistaken.

Mr. FITZGERALD. Mr. Chairman, 13 years ago I commenced the agitation in this House to utilize the Government establishments for the construction of vessels for the Navy. At that time the proposition was opposed, on the ground that the Government yards were inadequately equipped; that the cost would be greater; and, as asserted by a distinguished Member of the other House, that if a battleship were ever laid down in

a navy yard, he did not expect to live to see the day it would be finished.

In the second session of the Sixty-second Congress—the last Congress—we authorized the construction of two battleships—the *Texas* and the *New York*. The *Texas* was put under contract with the Newport News Shipbuilding Co. The *New York* was assigned to the New York Navy Yard. The *Texas* was commenced three months earlier than the work was commenced on the *New York* at the navy yard. Last week the *New York* sailed for Mexican waters, fully equipped, ready to participate in whatever events may transpire there. The *Texas*, built by the Newport News Shipbuilding Co., is now in the New York Navy Yard being finished, after the constructor has completed his work. [Applause.]

When Government yards were first utilized for the construction of battleships, contractors took from 36 to 40 months in excess of the contract time in which to complete them. Now, vessels authorized for the Navy, because of the keen competition of the Government yards, are completed within the time fixed by contract. Investigations conducted during a series of years demonstrate that we manufacture powder for the Army and for the Navy more cheaply than we can purchase it. We manufacture all kinds of equipment, large and small arms, more advantageously than they are purchased, and yet it is continuously asserted that in the construction of ships the cost in a Government yard is much in excess of the cost in a private establishment. The truth is, and it is a notorious fact, that for many years it was impossible for Congress to ascertain just what it was costing to build ships in Government yards. By the system of cost accounting previously in vogue, items of every description that should have been charged against the maintenance of the yard, whether there were ships under construction or not, were charged to the cost of the ships, while the yard maintenance was relieved from much expense.

I have never advocated, and I do not believe it to be wise policy, as the facts have demonstrated, to build all the ships authorized for the Navy in Government yards. But I believe that a fair share of them should be built there. I believe that we have authorized nearly $500,000,000 for ships for the Navy, and about $35,000,000 of that amount has been expended in Government yards. It seems to me that it can not be claimed that such a sum is an unfair proportion to spend in utilizing the Government's own plants, equipped and maintained at an enormous cost, and which, if not utilized for the construction of ships, will be permitted to remain practically idle for the benefit of the private establishments.

Only 10 days ago, Mr. Chairman, I attended a banquet in this city of the Society of American Naval Engineers. Mr. Homer Ferguson, formerly a constructor in the Navy, now the business manager of the Newport News Shipbuilding Co., made a very instructive speech, and in insisting that the private yards should be given opportunity to do Government construction he pointed out that there would be no difficulty in replacing a plant, that there would be no trouble to replace equipment, but that a personnel built up by years of effort once dissipated could rarely, if ever, be brought together again. The New York Navy Yard for the last 12 years has been engaged in Government construction. Built there were the *Connecticut*, the *Florida*, the *New York*. The keel of battleship *No. 39* has just been laid down. If it be good business for private establishments to retain skilled and efficient men, it is equally advisable for the Government to do so. The Government should keep together in its own interest the force of skilled mechanics gathered from all parts of the country and welded into an efficient, economical organization. No private establishment would think for a moment of dissipating such a force and why should the Government, why should Congress permit it to be scattered and picked up by private constructors to the disadvantage of the Government? [Applause.] Such action would be indefensible. I hope the amendment will be adopted.

Mr. ROBERTS of Massachusetts. Mr. Chairman, I desire to offer a substitute for the amendment of the gentleman from New York and the amendment offered by the gentleman from Pennsylvania.

The CHAIRMAN. There is one substitute already pending, but the Clerk will read the gentleman's amendment for information.

The Clerk read as follows:

Page 53, line 12, insert: "At least one of the said battleships hereby authorized shall be built and constructed at a Government yard, said yard to be designated by the Secretary of the Navy, and the sum of $200,000, or so much thereof as may be necessary, is hereby appropriated to equip the navy yard so designated with the necessary building slips and equipment for the construction of said battleship."

Mr. JONES. To that, Mr. Chairman, I make a point of order.

The CHAIRMAN. It is not offered now. The Chair permitted it to be read for information, as there is already a substitute pending.

Mr. PADGETT. Mr. Chairman, I ask unanimous consent that the debate on the amendment offered by the gentleman from New York [Mr. MAHER] and the amendment offered by the gentleman from Pennsylvania, and substitutes thereto, may close in 25 minutes—the gentleman from California [Mr. CURRY] to have 5 minutes, the gentleman from New York [Mr. CALDER] to have 5 minutes, and the gentleman from Virginia [Mr. JONES] to have 10 minutes, and I to have 5 minutes.

The CHAIRMAN. The gentleman from Tennessee asks unanimous consent that all debate on this paragraph and amendments close in 25 minutes, the time to be disposed as he has indicated. Is there objection?

Mr. RAGSDALE. Reserving the right to object, Mr. Chairman, I want to ask the gentleman from Tennessee what is the relative cost of a battleship constructed in a navy yard and one constructed in a private yard?

Mr. PADGETT. It costs more to construct one at the navy yard, but if the gentleman will listen to what I have to say I will give him an answer more in detail.

The CHAIRMAN. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. CURRY. Mr. Chairman, we have two navy yards fully equipped and manned to construct a dreadnaught. One is at Mare Island and the other at New York. The Mare Island yard has not as yet constructed a battleship, but we hope in the near future to have one to build. If we do, we will build a ship which will be a credit to the yard and the pride of the Nation. That Mare Island has an adequate equipment is shown by the fact that two years ago the yard was inventoried and appraised at nearly $12,000,000.

The agitation for building Government ships in Government yards was started in the city of Vallejo in the year 1900. Vallejo is the home city of the employees of the Mare Island Navy Yard. Mr. Roney and Mr. Campbell were the leaders in that agitation; they carried on a Nation-wide propaganda of education. The idea was bitterly opposed and fought, not only by business interests but by a number of newspapers, and conscientiously by some officials.

At that session of Congress Admiral Bowles appeared before the Committee on Naval Affairs of both Houses of Congress and stated that it would take a year longer and cost a million dollars more to construct a battleship in a Government yard than it would to construct it in a private yard. He was wrong, honestly and conscientiously wrong. The result of that fight was that the *Connecticut* was built in the Brooklyn yard and the *Louisiana* at Newport News. The *Connecticut* did cost a little more money than did the *Louisiana*, but the money saved since that time by less repairs being required on the navy-yard built ship has more than made up the difference in the original cost.

Mr. JONES rose.

Mr. CURRY. I can not yield, for I have not the time. While we have constructed no battleship, we have built all kinds of other ships. We built the colliers *Intrepid*, *Prometheus*, and the *Jupiter*. The *Jupiter* has only been recently constructed. She is the largest electrically propelled craft in the world, being 542 feet long. All the ships built at Mare Island have been awarded in competition with private and public yards. We have underbid the private yards and other navy yards for every ship assigned to us, and we have always built them within the estimates and the appropriations and have never had to come to Congress for a deficiency.

Recently the two gunboats *Monocacy* and *Palos* were built at Mare Island. The *Monocacy* was built for $80,000 less than the appropriation and $18,597.10 less than the estimate. The *Palos* was built for $125,000 less than the appropriation and $6,000 less than the estimate. I believe it is good business judgment to equip the yards for battleship-building work. The opportunity for the yards to bid against private yards has saved the Government a great deal of money, even when the contracts went to the private yards, because it has reduced the bids of the private yards to such an amount that there has only been a reasonable margin of profit for the contractor. I would like to see both of the ships provided for in this bill assigned to Government yards, although I do believe that it is good governmental policy to encourage private yards by giving them some of the ships to build—perhaps later on, when we have three to build instead of two. But the battleships provided for in this bill should both be constructed at Government yards. Capt.

Bennett, the commandant, and his predecessor, Admiral Mayo, have both officially stated that Mare Island is equipped to construct a battleship.

Mr JONES. Mr. Chairman, there are two amendments pending, one providing for building one battleship at a Government yard and the other, in the nature of a substitute, providing for the building of both ships at Government yards. Mr. Chairman, it may be as well to state in the beginning that if it should be decided that both ships are to be built at Government yards they will never be built, since it is a fact, known to every gentleman on the floor of this House who is familiar with the subject, that there is only one Government yard in the United States, and that the Brooklyn yard, which is equipped to build the battleships provided for in this bill.

Mr. Chairman, on the 16th day of March last the keel of the battleship *No. 39* was laid at the New York Navy Yard. It was stated by the commandant of the yard, Admiral Gleaves, on that occasion in a speech to the employees, that this battleship could be launched in 10 months. I have a letter from Admiral Watts in which he informs me that, judging from the rate of progress made on the *New York* battleship, *No. 39* should be launched about May 1, 1915.

I am further informed by competent judges who have had wide experience in the construction of battleships that *No. 39* can not be launched earlier than July 1, 1915, and I have no idea that she will be. Nobody can attach any importance to the statement of Admiral Gleaves made amid the environment and in the circumstances under which he spoke. Moreover, Admiral Gleaves is not a naval constructor; but, on the contrary, a nontechnical man who possesses no special knowledge of shipbuilding. The naval constructor and the engineer officer who built the *New York* and who are building *No. 39* have never, I venture to affirm, made such an absurdly preposterous statement as that attributed to Admiral Gleaves. Their opinions would be worth something, and if they agreed with Admiral Gleaves we should be quickly told so.

If, then, it shall be decided that one ship is to be built at a Government yard, it will mean that only one of the two battleships provided for in this bill will be built within any reasonable period.

A good deal has been said about the relative cost of constructing ships in Government yards and in private yards. A gentleman a few moments ago asked what was the difference in this cost. May I say to him that nine ships all told, up to this time, have been constructed in Government yards, and that those nine ships cost the Government $7,799,000 more than the aggregate of the responsible bids made by private yards for the building of those ships.

Mr. Chairman, much has been said also about the *New York* and the *Texas*. These are sister ships, built from the same drawings, and, by the way, the drawings were made by designers at the Newport News private yard which built the *Texas*, at a cost of $237,000. This private yard was required to furnish the designs and detail plans which cost it this large sum to produce to the New York Navy Yard, to be used in the construction of the *New York*. The New York Navy Yard paid the Newport News Shipbuilding & Dry Dock Co. for copies of all their important drawings, including the designs and detail plans of which I have spoken, just $3,248.75. Had the Government paid for these drawings and plans what they actually cost the Newport News private yard, the cost of the *New York* would have exceeded that of the *Texas* by more than a million and a third dollars.

I hold in my hand a letter addressed to me by the Secretary of the Navy on the 13th day of April last, in which he gives the total cost of the *New York* to the Government as $6,956,000 in round numbers. Please remember that this is the ship the gentleman from New York [Mr. FITZGERALD] has been telling us of. The Newport News Co., under contract, built the sister ship, the *Texas*, for $5,830,000, or more than a million dollars less than the Government built the *New York* for. Yet gentlemen from New York ask that this ship be constructed in a yard which is equipped with only one building way, and that building way now occupied by battleship *No. 39*, which will not be launched, in all probability, before the 1st of July, 1915. Until it is launched the keel of no other battleship can be laid at that yard.

Mr. Chairman, in view of these facts will this body deliberately vote to build this ship in a yard which can not lay its keel, according to the statement of the Chief of the Bureau of Construction and Repairs, for a year from this time? The gentleman from New York [Mr. MAHER] and the gentleman from California [Mr. CURRY] have both made statements which are absolutely incorrect and which the gentleman from California would not permit me to correct whilst he had the floor. These gentlemen both said that whilst the original cost of Government-built ships was larger than that of contract-built ships, the repairs to the private-built ship cost more than the repairs to the Government-built ship, and both of them instanced the *Connecticut*, built at the New York Navy Yard, to prove their statements. I recently addressed a letter to Admiral Watt and asked him to give me the facts in regard to this. I asked him to tell me what had been the amount expended for repairs on the *Connecticut* and what had been the amount expended for repairs on the *Louisiana*, the sister ship to the *Connecticut*, built at the Newport News yard. I have his letter here. It is dated April 1, 1914, and in it he says that the repairs, commencing in 1906 and running down to March 15 of this year, upon the *Connecticut* amounted in all to $917,610.06, whilst those on the *Louisiana* for the same period amounted to $885,915.75. These are the exact figures, and they show that the *Connecticut* has cost the Government more for repairs than has the *Louisiana*. And yet gentlemen stand here and state that the contrary is true, although they offer no proof to sustain their unfounded statements. It not only cost the Government over a million dollars more to build the *New York* than it cost to build her sister ship, the *Texas*, but it has cost more to repair Government-built ships than it has to repair private-built ships. There can be no question as to the correctness of my figures, because I obtained them from the highest official sources. Gentlemen who speak for the New York Navy Yard can produce nothing to sustain their contention. They make their statements in the face of accurate and absolutely reliable figures, furnished by the Navy Department.

Mr. Chairman, something has been said about the *New York's* having gone to Mexico, whilst the *Texas* is at the New York Navy Yard. I wish to say as to this that if the *Texas* is at the New York yard she is there because the Secretary of the Navy ordered her there to receive certain additions to her equipment not named in the specifications under which she was constructed. For instance, there are certain engineering hatches and some changes in the magazines which the Newport News company was never asked to make. Then, turret sights are being installed and bore sighting of guns done, all of which is work which the Government always does and which it will not permit any private contractor to do. It is to have this work done that the *Texas* has been sent to New York, and any intimation that work done on her at Newport News was not done according to the specifications under which she was built is not true.

The *Texas* has had her test trial, and it was a severe one. She has been accepted conditionally, as are all contract-built Government ships.

The *New York* has never had her engines tested in any trial trip, and she is not complete to-day and will not be for two months to come, notwithstanding she has left the yard. There never has been a battleship built that it did not require at least two months to complete after she had been commissioned, and the *New York* will prove no exception to this rule.

I may also state in this connection that the Government requires a cash guaranty from all contract builders of Government ships. It retains for 6 months and 10 days after the first test trial has been made $100,000 of the contract price of every contract-built battleship, in order to cover any undiscoverable defects that may develop in that time. So much for the unwarranted assumption and baseless insinuations in regard to the *Texas*. She cost more than a million dollars less than the *New York*, and she is certainly as good if not a better ship.

The CHAIRMAN. The time of the gentleman has expired.

Mr. MOORE. Mr. Chairman, may I ask that the arrangement made a little while ago may be amended so as to have an extension of five minutes?

The CHAIRMAN. Is there objection?

Mr. PADGETT. I was going to say the gentleman had momentarily stepped out of the Chamber, and I had overlooked the fact that he was the author of the amendment which is pending, and I neglected to include him. I now ask that debate be extended for five minutes and that time be given the gentleman.

The CHAIRMAN. Is there objection to the request of the gentleman from Tennessee? [After a pause.] The Chair hears none, and it is so ordered.

Mr. CALDER. Mr. Chairman, those of us who advocate the building of battleships in navy yards have no quarrel with the gentleman from Virginia [Mr. JONES]. He represents the Newport News Shipbuilding district, and, like the good Representative he is, is here opposing the building of ships in navy yards, and if he succeeds hopes that the Newport News Shipbuilding Co. will get its share of this work. Much has been said whether the Brooklyn yard can build this vessel if this amendment is agreed to. There is no doubt of it. The keel of battleship *No. 39* was laid on the 16th day of March,

1914, and the naval constructors of that yard tell me that she will positively be launched inside of 12 months, and they maintain they are correct in this because the battleship *New York*, now in Mexican waters, was launched within 13 months after her keel was laid. They say they are in a state of preparedness, with everything ready, and there is not the slightest doubt that on the 15th of next March battleship *No. 39* will be in the water.

I maintain that the policy adopted by Congress 13 years ago under the leadership of the gentleman from New York [Mr. FITZGERALD], the gentleman from Massachusetts [Mr. ROBERTS], and the gentleman from California [Mr. J. R. KNOWLAND] in building part of our naval program in a Government navy yard has been a very wise one. Previous to the construction of the *Connecticut* at the Brooklyn Navy Yard, in 1904, it took from four to five years to build a battleship of 15,000 tons by contract and at a cost in some cases as high as $350 a ton. Since Congress has insisted that the Navy Department build some ships at Government yards, the time consumed for construction has been reduced to three years—a saving in time of two years, and in view of the deterioration in value of a battleship a saving in money to the Government of $1,000,000 on each ship. I have referred to the cost per ton of building ships by private contract under the old conditions, but with navy-yard competition and an eight-hour restriction the Newport News Shipbuilding Co. built the *Texas* for $218 a ton—a saving through this competition, as against the old price, of nearly $2,000,000. Permit me to lay before the committee a comparison of the cost and time consumed in building the battleships *New York* and *Texas*. These ships are of 27,000 tons displacement. For the building of the *New York* 36 months was allowed from May 1, 1911, when her keel was laid. She was finished and on her way to actual service April 26, 1914—5 days less than the 36 months specified. The construction of the *Texas* began December 17, 1910. Under the terms of contract with the Newport News Shipbuilding Co. she should have been delivered December 17, 1913. She was not delivered to the Government until March 4, 1914, and is still at the Brooklyn Navy Yard having her gun sights installed and otherwise being prepared for service. She will not be ready to go to sea until May 12, making a total of five months' time consumed more than the *New York*, constructed as she was at the Brooklyn Navy Yard.

We are willing to stand or fall on the record of these two ships in matter of time consumed in construction, cost of the two ships, and the real value of the respective vessels.

It is not disputed that the contract-built ship took five months longer to complete for actual use. As to the relative cost: In the naval bill of June 24, 1910, two battleships were authorized of 27,000 tons displacement, at a cost of not exceeding $6,000,000, each exclusive of armor and armament, and on an amendment offered by me the Navy Department was directed to construct one of these battleships at a navy yard. At the following session the department submitted estimates to Congress which indicated that it would cost a great deal more to build at the navy yard, and sought to repeal the provision requiring the building of one of these battleships at a Government yard. In this they were unsuccessful, and Congress increased the limit of cost of the Government-built ship from $6,000,000 to $6,400,000 and provided that the latter amount should be exclusive of overhead or indirect charges. Mr. Chairman, in view of the attitude of the department at that time the letter I have in my hand from Chief Naval Constructor Watt is very interesting. Now, the facts are it was entirely unnecessary to increase the limit of cost of the Government-built ship. In this letter the figures show that, exclusive of the indirect or overhead charges and armor and armament, the battleship *New York's* cost to complete was $5,392,794, over $1,000,000 less than the limit of cost fixed by the act of March 4, 1911, and $659,635.41 less than the estimate of the department for the construction of this vessel and $557,901 less than the actual cost of the sister ship *Texas*, built by the Newport News Shipbuilding Co., the contract price of which was $5,885,695, with the additional expenditure of $55,000 for work performed at the Brooklyn Navy Yard.

As to the relative value of these two ships, permit me to pay my respects to the magnificent battleship *Texas* and to say to the gentlemen from Texas in this body: It is a ship worthy the greatness of your State; if ever put to the test, I am certain it will shed glory on the name it bears. I have examined every part from hold to the upper deck while she lay at the Brooklyn Navy Yard receiving the final finishing touches which that great yard put on her after leaving the hands of her builders; and across the pier lay the *New York*, the flagship of Admiral Winslow, easily the finest ship in the American Navy, complete in every detail. I was present at her launching; built at the navy yard at Brooklyn by American workmen under living and humane conditions, and, as I stated a moment ago, for over one million less than the limit of cost and for $659,000 less than the department's estimates. Have you read what the Secretary of the Navy said of this vessel, as printed in the Brooklyn Daily Eagle recently:

"The celerity and promptness with which the Brooklyn Navy Yard prepared the dreadnaught *New York* on such short notice," said Secretary Daniels, "was striking proof of the efficiency and preparedness of that yard for any emergency. It is also an answer to objections that the navy yards can not build ships as well as private yards and have them ready. It may be cited that the *New York*, built at the Brooklyn yard, was put in condition to go to sea earlier than the *Texas*, built at a private yard. When the *New York* left the Brooklyn yard she was splendidly equipped, and is another evidence of the efficiency of navy-yard construction."

The battleship *New York* left the harbor of New York for Mexican waters on Sunday morning, April 26. I knew of her intended sailing and watched her from the Brooklyn Bridge as she turned her head majestically down the East River and sailed out to sea. The people of New York City were proud; she carried the flower of our youth in her crew, and we were confident if called into action fresh from our workmen she would give a good account of herself.

Those of us who have argued in favor of building some of the battleships at the navy yards have maintained that it kept them in a state of preparedness in case of emergency; this was never better exemplified than in the past few weeks in the navy yard at Brooklyn. We were completing the *New York* and were busy laying the keel of battleship *No. 39*, having employed on these two ships over 1,500 men. There was at the yard undergoing repair and alteration the *Texas*, *Washington*, *North Dakota*, and supply ship *Celtic*, when orders came from Washington to get these vessels ready for sea. Work was temporarily suspended on *No. 39*, and the entire well-organized and efficient force of men was put to work getting these other ships prepared. The work was completed, and the *New York*, *Washington*, *North Dakota*, and supply ship *Celtic* are to-day with the fleet in Mexican waters and the *Texas* will leave by May 15.

As a further reason for the adoption of this amendment let me call the attention of the committee to the battleship *Pennsylvania*, now being constructed by the Newport News Shipbuilding Co. for $7,275,000. This vessel is 31,400 tons displacement, and is the same size as battleship *No. 39*, now being constructed at the Brooklyn Navy Yard, which yard estimated to build her for $7,303,000, or only $28,000 more than the bid of the Newport News Co.; and I am reliably informed by a very prominent officer of the Navy that this sum will be reduced by over $500,000 as a result of the competition obtained by the department for the material to be used; so that battleship *No. 39* when completed will cost nearly $500,000 less than the price paid the Newport News Co. for the *Pennsylvania*. The navy yards are now competing with the private yards on more equal terms than in the past. Formerly the private yards worked 10 hours per day and the navy yards worked 8 hours; now both work 8 hours. It is true that a little better wages are paid by the Government than the contractor and that the men work under better conditions, but with this incentive to work and the improved machinery installed by the Government we are able without difficulty to compete as to cost and excell both as to time required and the character of the ship.

The two battleships authorized under the paragraph just agreed upon are to be known as *Nos. 40* and *41* and will be 32,000 tons displacement, and the limit of cost, exclusive of armor and armament, is fixed at $7,800,000. There is not the slightest doubt that if this amendment providing that one shall be built at a navy yard is agreed to that it can be built within the contract time and the limit of cost, and that every naval expert will agree that it will be a better ship than one built by contract at a private yard.

The great navy yard at Brooklyn is proud of its achievements. We have built there in the past 10 years the battleships *Connecticut*, *Florida* and *New York*, the finest of their respective classes in the American Navy; the great collier *Vestal*, and have under construction battleship *No. 39*, which will be launched, so the commandant, Capt. Gleaves, states, before the end of the year, and we will then be ready to be given the building of one of the two battleships just authorized as soon as her plans are ready.

Mr. Chairman, the people of Brooklyn are proud of their skilled mechanics that have made it possible for us to produce these great warships. We are part of the great metropolis of the Nation, and the patriotic impulses of the people of our city have been moved by witnessing the building and launching of these vessels. We thank the House for extending us this consideration in the past and ask for a favorable vote on

this amendment, so that we may continue to reflect credit on our city and the country in the matter of building ships for the American Navy.

When the section authorizing the building of two battleships was acted upon this afternoon I voted for it, and have during my 10 years of service in the House always voted to build two battleships a year. I am in favor of continuing the program of building two battleships a year for at least the next six years, unless an international agreement can be obtained by the great maritime powers that they shall gradually reduce their naval armament. Previous to the Spanish-American War this country was so situated that we did not need to compete in the matter of the size of our Navy with Great Britain, Germany, Russia, France, and Japan, but the result of that war, bringing to us Porto Rico, Guam, the Philippine Islands, and Hawaii, and since then the building of the Panama Canal, compelled this Nation to maintain a first-class Navy at the highest state of efficiency. The preparedness of the Navy in its occupation of Vera Cruz only a few days ago—which occupation, in my judgment, will do more ultimately to settle the Mexican question without further loss of life—was simply an evidence of the necessity of this country being constantly prepared not to destroy nations and men but to help preserve the peace of the world. And so, Mr. Chairman, I am in favor of the program recommended by the Naval Committee.

I know that the amount carried—$140,000,000—is considerable; but when you stop to think of the fact that there are more chauffeurs running automobiles in the State of New York alone than there are men in the United States Navy, and that it cost more last year for the rubber tires on the automobiles used in the United States than it did to conduct the entire Navy, including the building and repair of ships, it can readily be seen that we are not going beyond our ability to maintain this Navy. We are now a world power. We are the strong Nation of the Western Hemisphere. Nothing else will do more to maintain the peace of this hemisphere—and, in fact, the peace of the entire world—than the United States maintaining a navy strong enough to compel every other nation on earth to observe peace. When the time comes, and I hope it will, to call a halt on the further extension of our Navy, I will be one of those who will add my voice and vote to that end; but that time, Mr. Chairman, has not yet arrived.

I think it fitting that I should insert in these remarks some observations on the youth of Brooklyn who were the first ashore at Vera Cruz, Mexico, on April 21, in answer to the call of duty, and who fell on that day and the succeeding day. Two of them—John F. Schumacher, coxswain, of 161 Harmon Street, Brooklyn, and Albin Eric Stream, ordinary seaman, residing at 227 Sixty-seventh Street, Brooklyn—laid down their lives for the honor of the flag, and Arthur Berstein, seaman, 30 Thatford Avenue; Eugene J. Grey, ordinary seaman, 73 Devoe Street; George G. Craig, ordinary seaman, 556 Hamburg Avenue; Charls D. Cameron, ordinary seaman, 108 Doscher Street; John L. Bennett, coxswain, 167 Sands Street; Hugh Aloysius Boyle, ordinary seaman, 235 Concord Street; and Frederick Nanz, ordinary seaman, 463 Himrod Street, were wounded in that conflict. These nine young men knew no fear. They were, like every other soldier and sailor, enlisted for whatever service they were called upon to perform. Their example is an inspiration to every other young man of our great city; and, while we sympathize with their families and express the hope that the wounded will soon recover, we know their names will go down in the history of the Navy as Brooklyn's contribution to the furtherance of peace and civilization of benighted Mexico, torn and rent by civil strife; soon, I hope, to be restored to peace and prosperity.

Mr. MOORE. Mr. Chairman, the amendment offered by me is intended to accentuate the fact of the consolidation of Federal shipbuilding in one navy yard.

Incidentally all of us do the best we can for our localities, and I suppose a Member of Congress who does not stand up for his city or for his district falls short of being a Representative. For that reason I intend to commend the gentlemen from New York for their splendid presence this afternoon when the question of the Brooklyn Navy Yard is involved. They are here, Democrats and Republicans alike, firm and united. Indeed, the fact that they are here so solidly and on time is worthy the attention and, I would venture to say, the approval of our official timekeeper from Connecticut [Mr. DONOVAN]. [Laughter.]

But the fact is that the Brooklyn Navy Yard is the only navy yard equipped to build a battleship. Now, it has been so since I have been a Member of this House, and each time the naval bill has come here attention has been called to it. I do not envy Brooklyn or New York. I admire their splendid delegation and the force and energy they put into a movement of this kind. I hope they will get what they want.

Mr. DONOVAN. Will the gentleman yield?

Mr. MOORE. Yes; I will yield to the official timekeeper from Connecticut for a question.

Mr. DONOVAN. Will you not admit that you have been as faithful and earnest and painstaking when matters pertaining to Philadelphia have come up in the House as almost anyone else? You will admit that, will you not?

Mr. MOORE. That is true.

Mr. DONOVAN. You will admit when it came to putting a finger in the pork barrel for Philadelphia you were there?

Mr. MOORE. That may be true.

Mr. DONOVAN. And everybody knows they are not always present except when the pork barrel is around. I do not want it to go abroad that the Member from Philadelphia is ever absent when the pork barrel is passed around.

Mr. MOORE. I am glad to have the gentleman make that speech. I will have it printed and circulated throughout my district as a tribute to the activity of the "gentleman from Pennsylvania." And if the gentleman from Connecticut was more active in getting "pork" for Connecticut, to improve his rivers up there, he would be more popular with his own constituents. Sometimes in his criticism of others he forgets to do justice to himself.

Now, it is a good thing for New York to get together. It is a fine tribute to organization for these men to stand shoulder to shoulder and put another ship in the Brooklyn Navy Yard, which is already bulging out with battleships and has no room for more.

But, Mr. Chairman, the whole profession of the party in power is against monopoly. You crowd out private shipbuilding concerns because, as you charge, they effect a combination. You interfere with the work of the men employed by these companies because, you say, they monopolize the work, and yet year after year, even after your attention is called to it, you come along and vote everything you have the power to vote into one navy yard. It is said there is another navy yard equipped to build battleships. It is said that Mare Island is so equipped. That statement does not seem to be borne out by the facts.

Mr. FITZGERALD. Will the gentleman yield?

Mr. MOORE. I will yield.

Mr. FITZGERALD. The present Democratic Secretary of the Navy is the only Secretary of the Navy who ever awarded a vessel to be constructed in the League Island Navy Yard.

Mr. MOORE. And the Democratic Congress passed an act which solemnly bound him to do it, but now you fail to give the Philadelphia Navy Yard the ways on which to build the ship. You have put the ship up in the air and told us to go there and build it. The gentleman from New York knows how ridiculous that is. He is faithful and loyal to his party, and I am going to ask him to vote for an amendment I shall offer later on to stand by the law that he himself helped to pass in this House.

Now, Mr. Chairman, if there are two navy yards equipped to build battleships, there is nothing to fear from the passage of my amendment. If the one at Mare Island is so equipped, as the gentlemen from California contend, then there will be Government competition in the building of battleships the moment this amendment passes. But so long as you continue to sit here and vote that each battleship shall be built in a navy yard, and you refuse to other navy yards the means to build battleships that you give to Brooklyn, just so long will you maintain a governmental monopoly at Brooklyn, which is as much a monopoly in its way as any private monopoly against which you complain. [Applause.]

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. MOORE. That is all, Mr. Chairman.

The CHAIRMAN. The question is on the adoption of the amendment.

Mr. PADGETT. Mr. Chairman, I am not going to attempt to make a speech. I simply want to make a plain statement to the membership of the House.

I am not opposed to the development of our navy yards and to giving them all the work that they can properly and legitimately transact. I have a letter here, which I will put in the RECORD for information, coming from the Secretary of the Navy, with reference to the cost, up to the present time, of the two sister ships, the *New York*, built in the navy yard at Brooklyn, and the *Texas*, built in a private yard. It shows that the amount expended, as shown by this itemized statement, is

$1,040,000 more upon the *New York* in the Government yard than upon the *Texas* in the private yard. Here is the letter:

NAVY DEPARTMENT,
Washington.

Subject: Cost of battleships *Texas* and *New York*.

MY DEAR MR. PADGETT: 1. Referring to your letter of the 17th instant, requesting certain data relative to the cost of battleships *Texas* and *New York*, in reply to which the department, in its letter of March 21, 1914, stated that it was necessary to obtain certain of the desired detailed information on the *New York* from the navy yard, New York, there is given below such of the data requested as have been furnished to date by the New York Navy Yard relative to the cost of battleship *New York*, exclusive of armor and armament:

	Hull.	Machinery.	Total.
Labor:			
Expended to Mar. 1, 1914	$1,825,308.66	$634,735.19	$2,460,043.85
Estimated to complete	77,508.60	36,343.44	113,852.04
Material:			
Expended to Mar. 1, 1914	1,535,685.51	808,024.60	2,343,710.11
Estimated to complete	118,714.00	356,474.00	475,188.00
Indirect:			
Expended to Mar. 1, 1914	615,447.12	202,269.30	817,716.42
Estimated to complete	23,120.40	11,593.56	37,713.96
Leave [1]			174,911.73
Holiday [1]			177,227.40
Disability [1]			40,079.04
Classified employees employed in construction of New York but charged to current appropriations (estimate of commandant)			287,070.00
Leave and holiday of classified employees employed in construction of the New York (estimate of commandant)			28,930.00
Cost to Government of hull and machinery by reason of construction in navy yard, according to returns received from New York			6,956,442.55

[1] Resulting from construction of New York and charged against appropriation "Increase of the Navy; construction and machinery."

2. Attention is invited to the fact that the above total cost to the Government of the *New York* is subject to modification as the final actual cost of work covered by the estimates to complete may be either more or less than the estimates mentioned above.

3. The above statement of total cost to the Government of the construction in navy yard—New York—includes expenditures for indirect charges under the existing system of bookkeeping; also expenditures for leave, holiday, and disability which have resulted by reason of the construction of the *New York*. Such expenditures are lodged against the appropriation "Increase of the Navy, construction, and machinery," which appropriation covers the cost of hull and machinery for the *New York*, but are excluded from the "limit of cost" of the ship by the phraseology of the appropriation act of March 4, 1911.

4. The above total cost to the Government of the *New York* includes also the charges for classified employees while engaged in drafting, accounting, and clerical work for the *New York*. In accordance with statute law such charges are covered by the annual working appropriations and therefore are not included in the "limit of cost" of the vessel, although such expenditures result from the construction of the vessels.

5. In reply to your request for information as to any overhead charges which would enter into the construction of the ship by private contractor which are not included in the navy yard cost, the following items are items of cost to private contractors which are not included in the "limit of cost" nor in the "indirect charges" under the present system of cost accounting of the ship built in the navy yard:

Officers' salaries.
Clerical force, draftsmen, civilian assistants, subinspectors, expert aids, chemists, watchmen, messengers, etc.
Leave, holiday, and disability.
Ship insurance throughout periods of construction and trial trips.
Expenses of trial trips. By reason of conducting trials of Government-built vessels after commissioning and "shaking-down cruise," expenses of same are lodged against cost of maintaining in commission and not against cost of construction.
Expenses of receiving, testing, and handling stores.
Depreciation, fire insurance of plant.
Interest on money invested, taxes.
Repairs made to buildings, railways, plant machinery, and equipment, when such repairs are in excess of the limits for various items of indirect charges made against the *New York*, as per accounting system now in force. These limits are $25 and $100.

6. As regards the cost of the above items, it will be noted that the cost for clerks, draftsmen, etc., leave, holiday, and disability are shown above. There is no information available showing what would be the cost of the remaining items.

7. The commandant of the navy yard, New York, reports that the total expenditures to March 1, 1914, on battleship *New York*, together with the small estimated amounts to complete the vessel, indicate a performance lower than the original estimates by $413,750.50 under hull, and $245,884.91 under machinery, or a total of $659,635.41.

8. The cost of the battleship *Texas*, is as follows: Hull and machinery, cost under contract, including changes during construction, $5,885,695.

9. There will also be additional expenditures on the *Texas*, chargeable to the limit of cost, by reason of work performed by the Government subsequent to delivery, on account of changes and improvements. The actual cost of this work is not available, as the work has not been completed. The estimated cost of same is $55,000.

Sincerely yours,
JOSEPHUS DANIELS.

Hon. LEMUEL P. PADGETT, M. C.,
Chairman Committee on Naval Affairs,
House of Representatives, Washington, D. C.

Mr. COOPER. Mr. Chairman, will the gentleman permit an interruption?

The CHAIRMAN. Does the gentleman from Tennessee yield to the gentleman from Wisconsin?

Mr. PADGETT. Yes.

Mr. COOPER. I wanted to ask the gentleman whether certain overhead charges had not been made against the *New York* that are not charged against the *Texas*? I so understand.

Mr. PADGETT. The *Texas* is a contract ship. That is a stated sum. There is a detailed statement here of overhead charges that are not included in this estimate cost of the *New York*. But I want to say that even with the fact that the ship *New York* has cost more than the *Texas*, I would still favor the placing of a ship in the navy yard in order to hold our organization if I thought it was needed. But it is not needed at this time.

Now, what are the facts? On March 16, 1914, which is just about or a little more than a month ago—five or six weeks—the keel of the battleship *No. 39*, which is a much larger ship than the *New York*, was laid. I have a letter here from the department, which I will put in the RECORD, stating that that ship will not get off of the ways until about the 1st of July, 1915. This letter is as follows:

MAY 5, 1914.

Hon. LEMUEL P. PADGETT,
Chairman Committee on Naval Affairs,
House of Representatives.

MY DEAR MR. PADGETT: As you will see by the inclosed memorandum, the technical bureaus disapprove the building of a battleship either at New York or Mare Island out of the coming appropriation. This simply means that we are not yet prepared to do what I would wish. Next year it would look more propitious. New York will have launched No. 39, and without further expense we could start another battleship; this year is too soon.

* * * * * * *

In any event, I hope you will be able to leave the department to act as may be best, with only the usual legislation defining the placing of all building in navy yards in the event of a combination.

Very sincerely, yours,
JOSEPHUS DANIELS.

Mr. MAHER. Mr. Chairman, will the gentleman yield for a question?

The CHAIRMAN. Does the gentleman yield?

Mr. PADCETT. I regret I have not the time. The yard can build but one ship at a time.

Mr. MANN. Will the gentleman yield?

Mr. PADGETT. Yes.

Mr. MANN. Did not the commandant of the Brooklyn Navy Yard state that he would launch that ship in 10 months?

Mr. PADGETT. I do not know whether he did or not. That statement was made by some one. But I have the official statement here of the department, dated of this date, as to when they would get it off.

Mr. CALDER. Mr. Chairman, will the gentleman yield?

Mr. PADGETT. Not now. Another thing: The battleship *New York* is a ship of about 27,000 tons, and *No. 39* is 31,400 tons, a much larger ship. The *New York* was on the ways 13 months, and they estimate that this ship, being 4,500 tons larger than the *New York*, will take about 15½ months to get off of the ways.

Now, Congress meets in December, and we will appropriate at the next session, which closes on the 4th of March, either for one battleship or for two battleships; I do not know which. Either one of those ships can be placed in the navy yard at Brooklyn and will meet all of the requirements.

Mr. CALDER. Mr. Chairman, will the gentleman yield?

The CHAIRMAN. Does the gentleman from Tennessee yield to the gentleman from New York?

Mr. PADGETT. The sum total of a direction or authorization to put this ship in the navy yard is simply to delay its construction, according to the statement here, about one year.

Mr. CALDER. Will the gentleman yield now, please?

Mr. PADGETT. I am not in favor of delaying the construction.

Mr. CALDER. Will the gentleman yield?

Mr. PADGETT. Yes.

Mr. CALDER. How long will it take to prepare the plans of these battleships after the naval bill becomes a law?

Mr. PADGETT. It is stated here that they will have them ready for advertisement the 15th of October.

Mr. CALDER. One more question, if the gentleman pleases.

Mr. PADGETT. Yes.

Mr. CALDER. We authorized the building of battleship *No. 39* on the 4th of March last year?

Mr. PADGETT. Yes, sir.

Mr. CALDER. It was just 1 year and 12 days after that before we laid the keel of *No. 39*.

Mr. PADGETT. That is true. But *No. 39* was 4,500 tons larger than the *New York*. But these two ships—*Nos. 40* and *41*—to be authorized in this bill are substantial reproductions of *No. 39*, with certain improvements; and they state here that

they will have the plans ready and the specifications, and will advertise for the construction by the 15th of the coming October.

The CHAIRMAN. The time of the gentleman from Tennessee has expired.

Mr. PADGETT. Now, Mr. Chairman, I am going to put this memorandum in the RECORD:

NAVY DEPARTMENT,
Washington, May 5, 1914.

[Memorandum for Hon. LEMUEL P. PADGETT, Member of Congress, chairman Committee on Naval Affairs, House of Representatives.]

Subject: Battleship building at navy yards.

DEPARTMENT'S POLICY.

It is the policy of the department to develop shipbuilding at navy yards, the extent to be measured by the importance and capacity of each yard. This extent may range from a coal barge to a battleship, and embraces these as well as tugs, gunboats, submarines, destroyers, and all the fleet auxiliaries, such as supply ships, transports, colliers, oilers, and the like.

The advantages claimed for a development of shipbuilding at the navy yards are:

(1) A check upon the cost of private shipbuilding. Congress has repeatedly vested authority in the department to use the navy yards "should it reasonably appear" that the Government is deprived "of fair, open, and unrestricted competition." While the department does not anticipate such a condition to arise, the possession of adequate facilities, together with the knowledge and experience gained in the navy yards, safeguard the public interests. As here stated, no inference is warranted that private shipbuilding shall suffer hardship, for the department considers it as an asset for war of great value.

(2) An increased efficiency and preparedness of the working force due to a more uniform and steady employment of workmen. Retention of trained employees is the ambition of the department. Navy yards are primarily repair and emergency yards. Sudden expansion in necessity is impossible with a fluctuating labor roll.

(3) An improved morale of yard service from master workman to the lowest laborer or messenger. The inculcation of an esprit de corps in navy yards engaged in shipbuilding is easy. Officers and men have a common pride in the launching of a vessel which they have seen grow up under their eye and hand. Throughout her building they have become imbued with a common spirit which commands success.

(4) The expenses of inspection and trial trips are eliminated, changes are under ready control, and throughout the building is regulated by the same routine that applies to all Navy work. Some of the very officers that helped to build her will go to sea in her when built.

CRITERIA.

Before a navy yard is allowed to engage in shipbuilding it is made to show:

(1) A lower bid than a private contractor.
(2) That no special equipment is required, or such equipment only as may be of permanent value.
(3) That there is no extraordinary increase in the plant required.
(4) The extent of the staging, cranes, and ways that are required.
(5) The labor market and industrial conditions of the vicinity.
(6) The objectionable supervising and drafting force.

BATTLESHIP BUILDING.

The highest expression of the shipbuilding art is the battleship. These are governing principles for the assignment of a battleship to a navy yard, namely:

Shipbuilding culminating in a battleship should be a process of gradual growth. A yard should pass through the stages of small shipbuilding to the larger. So will it surely acquire the experience and training essential to produce that most wonderful work—a modern battleship.

In a logical development of our shore establishments it will be found that we require two large naval bases on each ocean. At these the navy yards should reach their greatest development. Hence these should be the ones selected for battleship building. At these will be needed, with threatening war, all the resources the department can command of workmen and material. It will then be the department's policy to allow such moderate shipbuilding at the smaller yards as may be needed for the advantages to be realized, but to reserve the battleship building for the yards attached to the naval bases on which in time of stress the greatest reliance must be placed.

NEW YORK AND MARE ISLAND.

To-day we have but one yard in which a battleship can be built; that is New York. Battleship No. 39 is now under construction there.

Two oilers of 14,500 tons displacement have geen awarded to the Mare Island Yard for building—the *Maumee* and *Kanawha*. Further equipment would have to be provided to make it possible to build a battleship at Mare Island. New York and Mare Island are the only two yards which can be considered as properly developed at the present time for battleship building without a large expenditure of money, time, and training.

NEW YORK.

1. The following questions are asked and answered:

(1) What delay would it occasion if one of the new battleships were ordered built at the New York Navy Yard?

Hull: The keel of battleship *No. 39* was laid March 16, 1914. The average elapsed time between laying of the keel and launching, in the case of the last six battleships, is about 15 months. Since battleship *39* is considerably larger than either of those ships it will probably require at least 15½ months from the date of laying keel until date of launching; that brings her date of launching about July 1, 1915. If battleship *No. 40* or *41* is to be built at New York Navy Yard, this would place the earliest date of laying of her keel about July 15, 1915. The plans and specifications for battleship *40* and battleship *41* will be ready for advertisement about August 1, 1914; opening of bids about October 1, 1914; placing of contract about October 15, 1914. If one of these vessels is to be built at the New York yard, the keel should be laid by March, 1915. It is probable, therefore, that there would be a delay of at least 4 months on this score—in the case of the new battleship. The New York yard is not equipped with draftsmen and other facilities for the rapid designing of details for two battleships of somewhat different design, even though one be at a considerably advanced state of construction, it being noted that in the cases of the *Florida*, *New York* and battleship *39* the principal plans have been purchased from the private shipbuilders that had contracts for sister ships; a similar procedure can hardly be expected in the case of the next battleship, and in this case there would be an additional time element required; considering the time lost before laying the keel—estimated at about 3 months—it is probable that at least 6 months would be required for building this battleship over and above the time that would be required if contract were placed with a private builder.

Machinery: It is estimated that a delay of about one year would result in so far as the machinery is concerned.

2. In order to avoid delay, could we construct two at the New York Navy Yard contemporaneously?

Hull: Two battleships could not be built simultaneously at the New York yard without very extensive additions to the facilities of the yard—additions that would require at least several years to complete and whose prosecution could not advance advantageously while one battleship should be on the stocks.

Machinery: Two could be built contemporaneously with the delay of one year, as before stated.

3. If two were attempted, would it not inflate our organization so that afterwards it would give great trouble?

If two battleships should be attempted simultaneously, even after the completion of alterations referred to above, the organization would be so inflated as to require an average force for the 30-month period of construction of fifteen hundred men more than are at present required for one battleship, and upon completion of one ship there would have to be a discharge of this additional force unless a new ship should follow simultaneously. It is of great importance to keep the force as uniform as practicable.

Of course if we could be assured that we might continue indefinitely to keep two battleships on the stocks, violent fluctuations in the organization would be avoided.

4. If two were constructed at the New York Navy Yard, what would be the cost of building ways, slips, additional machinery, etc.?

Hull: At the present time the New York yard is provided with facilities for building only one battleship at a time, and the ship-fitting appliances for this are crowded to the limit. In order to build two battleships simultaneously, it would be necessary to provide another building slip and additional ship-fitting facilities. The navy-yard authorities have carefully investigated schemes for extending the building facilities of this yard and have submitted an ideal scheme of improvements involving the abandonment of the present slip, the razing of certain shop buildings, and the erection of extensive ship-fitting sheds and building slips under cover, the estimated cost of the New York yard being $1,344,730, and the work would extend over several years. Whether this particular scheme should be followed or not, the erection of facilities for building an additional battleship, including a slip for the same, would involve a very large expenditure.

Machinery: To build two contemporaneously and without loss of time would necessitate the building of a new foundry and an extension of the machine shop, both of which improvements are now almost a necessity. The cost would be about $480,000 for these improvements.

Note.—The following extract from a report on the New York Navy Yard, dated September 5, 1913, and made to the department by the board of inspection for shore stations, is of interest:

"SHIPBUILDING WAYS.

"The yard possesses building ways upon which some of the largest battleships have been constructed. There is a second set of ways in existence upon which the U. S. S. *Maine* was built, but it is now in such a dilapidated condition and is so short in length that, in order to use it for battleship work, it will be necessary to strengthen the foundation as well as to tear down certain buildings to secure space for keel blocks, as well as room for the assembling of material. There is a third possible site for building ways to the westward of the existing ways, but such construction would necessitate heavy expenditure in securing foundations, replacing buildings that will have to be torn down, and in the erection of a Gantry crane for handling material.

"The board does not consider it advisable to recommend the extension of the smaller building ways or the development of any new ways for the construction of battleships, since it is considered that naval interests would be better subserved by building a second battleship at some other naval station on the Atlantic coast in case the department should desire to undertake the construction of two such vessels at one time.

"By reason of the unsatisfactory ship-fitters' shop that exists at the yard, it is not considered that the construction of two battleships should be assigned to the yard, since the cost of the hull work of both vessels would be excessive, as compared with the price at which such vessels could be obtained from a private shipbuilding company or by assigning to two separate yards the construction of a single vessel. The board considers that, rather than undertake the construction of two vessels at the same time at a single navy yard, the development of battleship construction ought to be effected at a second navy yard, since naval interests would be better subserved thereby."

MARE ISLAND.

The following questions are asked and answered:

1. Can a battleship like *No. 39* be built at the Mare Island Navy Yard?

Machinery: With the present equipment, it can not be built at Mare Island.

Hull: The Mare Island yard is not equipped to build a battleship.

2. If not, what would be the additional cost to fit the yard to construct a battleship of this design?

Machinery: An expenditure of $125,000 would be required to equip this yard with the necessary boring mill, lathes, planers, etc.

Hull: It is estimated by the navy-yard authorities that it would cost $117,400 in addition to the purchase of a floating crane, which the department estimates at $450,000, to equip this yard.

Total for additional equipment, $692,400.

3. What are the estimates of cost of construction at Mare Island?

Machinery: It is not possible to give estimates of the cost of construction at Mare Island; however, it is believed that it would be slightly in excess of the cost at New York, probably 5 per cent more.

Hull: It is not possible to give reliable estimates. When the *Pennsylvania's* bids were called for, Mare Island furnished one lower than the New York yard. This bid was criticized on the basis of the large experience of the latter yard in building battleships. Besides, the bid did not take account of the additional shop facilities and other improvements that would be required.

Ordnance: An important item in considering the availability of Mare Island for battleship building is the excess of cost of shipments to

Mare Island over those to New York City, as estimated on the basis of battleship *No. 39*.

	Tonnage.
Turrets, complete, exclusive of armor	1,268
Broadside mounts	187
Broadside guns	110
Armor	8,000
Total	9,565

From Washington to New York, at 15½ cents per 100 pounds ($3.47 per ton)	$33,190.55
Washington, D. C., to Mare Island, Cal., by rail, over land-grant road, $1.77 per 100 pounds ($39.65 per ton)	381,252.25
Washington to Mare Island via Panama, 70 cents per 100 pounds ($15.68 per ton)	149,179.20
To Mare Island, Cal., by rail, over land-grant road	381,252.25
To New York	33,190.55
Difference	348,061.70
To Mare Island via Panama	149,179.20
To New York	33,190.55
Difference	115,988.65

The additional cost of shipments from Washington to Mare Island over shipments to New York by rail is $348,061.70, and it is probable that all shipments will have to be made by this route by reason of the time required as well as the fact that divided shipments are made.

CONCLUSION.

From all of the foregoing it must be evident that—

1. The department desires to encourage shipbuilding in the navy yards.
2. Only the New York yard is at present equipped for building a battleship and can build only one at a time.
3. The Mare Island yard is the only other yard sufficiently developed in shipbuilding to be intrusted with a battleship, but it is not equipped for the work.
4. However, the department hopes that the Congress will see its way clear to leave the question an open one, not restricting it to either private or navy-yard building. If it is decided that one or more battleships must be navy-yard built, funds for the necessary yard equipment must be provided.

Mr. PADGETT. Mr. Chairman, I am going to ask that the committee rise, since under the previous order the House will take a recess at 5 o'clock. But when we get into the House I am going to ask to modify that order, so that we can run still later to-night. I think we can finish the bill.

Mr. MANN. I do not think the modification can be made.

Mr. PADGETT. I move, Mr. Chairman, that the committee do now rise.

The motion was agreed to.

The committee accordingly rose; and the Speaker having resumed the chair, Mr. JOHNSON of Kentucky, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill (H. R. 14034) making appropriations for the naval service for the fiscal year ending June 30, 1915, and for other purposes, and had come to no resolution thereon.

RECESS.

Mr. PADGETT. Mr. Speaker, under the order previously made the House would recess at 5 o'clock until 8 o'clock, for the consideration of the Private Calendar. I desire to submit a request for unanimous consent to modify the recess order, so that the House may continue in session not later than 7 o'clock to-night, and then recess until 8. I think in that time we can finish the bill.

Mr. SHERWOOD. I object.

The SPEAKER. The gentleman from Ohio [Mr. SHERWOOD] objects.

Mr. PADGETT. That is the end of it.

The SPEAKER. Under the special order the House will take a recess until 8 o'clock to-night, and the gentleman from Ohio [Mr. BULKLEY] will act as Speaker pro tempore.

Accordingly (at 5 o'clock p. m.) the House took a recess until 8 o'clock p. m.

EVENING SESSION.

The recess having expired, the House was called to order by Mr. BULKLEY, Speaker pro tempore.

The SPEAKER pro tempore. The Clerk will read the special order for this evening.

The Clerk read as follows:

On motion of Mr. POU, by unanimous consent,

Ordered, That on Tuesday, May 5, 1914, the House stand in recess from 5 o'clock p. m. until 8 o'clock p. m., and that a session be held from 8 o'clock p. m. until 11 o'clock p. m. for the consideration of bills upon the Private Calendar which are not objected to.

The SPEAKER pro tempore. The Clerk will report the first bill on the calendar.

SARAH B. HATCH.

The first business on the Private Calendar was the bill (H. R. 8811) to execute the findings of the Court of Claims in the case of Sarah B. Hatch, widow of Davis W. Hatch.

The Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Sarah B. Hatch, widow of Davis W. Hatch, of Bexar County, Tex., the sum of $3,000, being the amount found due for timber taken and used by United States troops in the winter of 1865 and 1866 and the spring of 1866, as set forth in the findings of fact filed by the Court of Claims on March 28, 1910, and printed as House of Representatives Document No. 857, Sixty-first Congress, first session.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. MANN. Mr. Speaker, these bills have to be considered in Committee of the Whole House unless it is waived.

Mr. BYRNES of South Carolina. I ask unanimous consent that this bill be considered in the House as in Committee of the Whole.

Mr. FOSTER. I ask unanimous consent that all bills on the Private Calendar be considered in the House as in Committee of the Whole.

The SPEAKER pro tempore. The gentleman from Illinois asks unanimous consent that all bills on the Private Calendar be considered in the House as in Committee of the Whole. Is there objection?

There was no objection.

The SPEAKER pro tempore. Is there objection to the present consideration of this bill. [After a pause.] The Chair hears none.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

CHARLES W. HAMMOND.

The next business on the Private Calendar was the bill (H. R. 7633) for the relief of the personal representative of Charles W. Hammond, deceased.

The Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury of the United States is hereby authorized and directed to pay to the personal representative of Charles W. Hammond, deceased, the sum of $68 for services in carrying the mail between Macon and Albany, Ga., in 1860 and 1861.

The Clerk read the following committee amendment:

In line 4, after the words "to pay," place a comma and insert the words "out of any money in the Treasury not otherwise appropriated."

The amendment was agreed to.

The bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed.

JAMES P. BARNEY.

The next business on the Private Calendar was the bill (H. R. 9147) to restore First Lieut. James P. Barney, retired, to the active list of the Army.

The bill was read, as follows:

Be it enacted, etc., That the President be, and he is hereby, authorized to restore First Lieut. James P. Barney, retired, to the active list of the Army of the United States with the rank of first lieutenant of Cavalry, his name to appear on the active list of the Army of the United States next below that of First Lieut. Francis H. Ruggles: *Provided*, That such restoration shall be in temporary excess of the number authorized only until such time as a vacancy shall occur in the grade of captain of Cavalry: *Provided further*, That prior to his restoration to the active list this officer shall have passed an examination to the grade of lieutenant of Cavalry, as prescribed by regulations of the War Department under the terms of the act of Congress approved October 1, 1890.

The following committee amendments were read:

On page 1, line 8, after the word "*Provided*," strike out the rest of said line, together with all of lines 9 and 10, and line 11 up to and including the word "Cavalry," and insert in lieu thereof the following: "That the number of officers shall not be increased by reason of the passage of this act."

Also, on page 1, strike out all of line 13 and insert in lieu thereof the following: "a physical examination for promotion to the grade of first lieutenant, as."

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. MANN. Mr. Speaker, reserving the right to object, there does not seem to be very much information in the report in this case. We have a letter from the Secretary of War, but no statement as to the age of the man, the length of his service, the character of his service, or the reason for his retirement heretofore.

Mr. GARD. Mr. Speaker, Mr. Barney is a Virginian who has been in the service 10 or 12 years and had service of at least five or six years during that time in the Philippines. He incurred an illness while in the Philippines in the line of duty, and it was necessary to have two distinct surgical operations

performed on him, and as the result of the operations he was retired on account of physical disability incurred in the line of duty. Since then he has recovered his health. He is a very efficient soldier. He has had charge of the instruction in marksmanship, and he has desired for two years or more to get back into the active service of the Army. I think his age is 36 years, and his present condition is vouched for by a number of reputable physicians. He is ready at this time to enter the service.

Mr. KAHN. I will say that at the present time he is receiving the pay and allowance of a first lieutenant. If restored, he will receive the pay and allowance of a captain. He appeared before the committee and seemed to be a young man in vigorous health.

Mr. MANN. Is it the expectation that the committee amendments will be agreed to?

Mr. GARD. Yes.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

There was no objection.

The committee amendments were agreed to.

The bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed.

JOSEPH L. DONOVAN.

The next business on the Private Calendar was the bill (S. 1808) for the relief of Joseph L. Donovan.

The Clerk read the bill, as follows:

Be it enacted, etc., That the President of the United States be, and he is hereby, authorized to nominate and, by and with the advice and consent of the Senate, appoint Joseph L. Donovan, late a captain in the Twenty-second Infantry, United States Army, a captain of the Infantry in the Army of the United States, and when so appointed he shall be placed on the retired list of the officers of the Army.

The SPEAKER pro tempore. Is there objection?

Mr. STAFFORD. Reserving the right to object, I notice from the report of The Adjutant General that this officer seeking to be restored to the retired list was sickly before he saw any service; that is, before he saw any real Army service. I read from the medical report that in 1894 he had acute muscular rheumatism, and later that he had the measles. According to the record he had about as complete a record of disease as you might expect from any Army officer.

I would like to inquire of the gentleman from California what this man could receive as a pension to which he would be entitled for having received injuries incurred while in line of duty, and what different allowance he would receive if restored to the retired list?

Mr. KAHN. I do not know just what pension he would be entitled to. This officer graduated at West Point.

Mr. STAFFORD. What pension is a captain allowed, because he was retired as a captain?

Mr. KAHN. No; he was not retired at all.

Mr. STAFFORD. He resigned.

Mr. KAHN. He resigned at a time when he was mentally unbalanced. Every captain in the regiment advised the colonel not to accept his resignation. He should have been retired for physical disability; but instead of that the colonel of the regiment did send his resignation on to Washington, and it was accepted.

If the gentleman will look over the papers on file in the case he will find a signed statement made by his fellow officers to the colonel of the regiment urging that his resignation be not accepted. This man was severely wounded in 1899 and afterwards went insane. He was sent to an insane asylum and was treated there for several months. Subsequently he was discharged as cured, went back to the Philippines, and entered the campaign against the Moros. He was exposed to all the hardships and rigors of that campaign. While in that campaign he became obsessed with the idea that his accounts were not right and he resigned. Of course his accounts must have been right or his resignation could not have been accepted. The officers with whom he was associated realized the condition of his health and urged the colonel not to accept the resignation. He should have been sent before a medical board of survey and should have been retired for disability.

Mr. STAFFORD. Of course the gentleman does not question but that he has a pensionable status?

Mr. KAHN. I do not think he has.

Mr. STAFFORD. For injuries received in the service that are the cause of his present physical condition? That is the basis of the claim for reinstatement.

Mr. KAHN. I do not know whether he has a pensionable status.

Mr. STAFFORD. Can the gentleman give us the reason why the War Department at one time returned an unfavorable report in the case?

Mr. KAHN. I do not know, but I had a talk with Gen. Wood subsequent to the time that that favorable report was sent to the committee. Gen. Wood said that he had looked up the record of this man and found that he was an exceedingly brave and efficient officer, and that on the retired list he could be of considerable service to his country doing the work that retired officers can do. He is a comparatively young man, and, in my judgment, he would be very efficient in the recruiting service and work of that kind.

Mr. STAFFORD. I think the record shows he is not only a physical but a mental wreck. It is one of those unfortunate cases, and the question in my mind is whether he would not have a pensionable status which would compensate him for injuries which he received in the Philippine service. He certainly has a meritorious record.

Mr. KAHN. I think he still carries the bullets he received.

Mr. STAFFORD. I do not feel inclined to press the objection.

Mr. MANN. Mr. Speaker, will the gentleman yield?

Mr. KAHN. Certainly.

Mr. MANN. As I understand, this man had an attack of what we usually call insanity—two distinct mental disturbances, in fact.

Mr. KAHN. Yes.

Mr. MANN. And he resigned while in one of those mental disturbances?

Mr. KAHN. Yes.

Mr. MANN. The other captains protested against the acceptance of his resignation?

Mr. KAHN. Exactly.

Mr. MANN. But the adjutant of the regiment declined to favorably consider their request because of the nature of the offense which had caused his resignation. Does the gentleman know what the nature of the offense was? I will not ask him to state what it is.

Mr. KAHN. I do not know. The information I have is that the man became obsessed with the idea that he was indebted to the Government. Of course that could not have been, or his resignation would not have been accepted.

Congress on one or two occasions has placed men on the retired list under similar circumstances. I recall the case of Detchmandy, in the Fifty-seventh Congress, and the gentleman may recall it. He was a very efficient officer in the Philippines and participated in the campaign against Aguinaldo. He was mentally unbalanced and resigned under somewhat similar circumstances to those existing in Capt. Donovan's case, and subsequently Congress restored him to the retired list.

Mr. MANN. Well, as I understand, the committee believes that this man sent in his resignation at a time when he was mentally irresponsible?

Mr. KAHN. Absolutely.

Mr. MANN. And that he ought to have been retired then.

Mr. KAHN. Exactly so.

Mr. MANN. Instead of his resignation being accepted.

Mr. KAHN. Exactly so.

Mr. MANN. I am opposed to these bills putting men on the retired list under ordinary circumstances, but if the committee is absolutely satisfied that he resigned only because he had an attack of insanity at the time, I think it puts a different light upon the case.

Mr. KAHN. The committee felt that way.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill? [After a pause.] The Chair hears none.

The bill was ordered to be read a third time, was read the third time, and passed.

FRANK ELLSWORTH M'CORKLE.

The next business in order on the Private Calendar was the bill (H. R. 3432) to reinstate Frank Ellsworth McCorkle as a cadet at United States Military Academy.

The Clerk read as follows:

Be it enacted, etc., That the President be, and he is hereby, authorized to reappoint as cadet at the United States Military Academy, without regard to age or the existence of vacancies, Frank Ellsworth McCorkle.

The SPEAKER pro tempore. Is there objection to the present consideration of this bill?

Mr. WINGO. Mr. Speaker, I would like to have some explanation of the bill.

Mr. McKELLAR. Mr. Speaker, I will say for the benefit of the gentleman and the House this is one of a number of cadets who were dismissed from the academy, and who have been all

restored except two others and this one. The others were restored, and I believe two did not ask to be restored. Six, I think, have already been restored by the Senate. A bill was passed by the Senate, and afterwards passed the House. These nine cadets were charged with having taken a glass of beer at some little town near West Point, and were dismissed from the academy on that account.

Mr. LANGLEY. Just one glass?

Mr. McKELLAR. I will see whether it was one glass or not; I have the facts here. I am mistaken about that; I will say for the benefit of Mr. LANGLEY and other gentlemen of the House it is two glasses of beer. These cadets were dismissed because of that. This was wrong, of course, but I think all these boys should be given another chance. The sentences of three of these boys were suspended, and they were kept in the academy. Congress has passed an act for the relief of the other three, and now this is the last one who is asking for relief. The committee thought this boy ought to have another chance.

Mr. WINGO. Did they all commit the same offense?

Mr. McKELLAR. Yes.

Mr. WINGO. All they did was to take a couple of glasses of beer?

Mr. McKELLAR. I am not sure how much each of the other cadets took.

Mr. WINGO. I do not care anything about the number——

Mr. McKELLAR. This boy took two glasses of beer. That is all the offense with which he is charged, and the committee thought he ought to be given an opportunity to redeem himself.

Mr. GOULDEN. How many of these boys were there originally?

Mr. McKELLAR. Nine.

Mr. GOULDEN. And seven have been readmitted?

Mr. McKELLAR. Six have been readmitted, and two have not made application for readmission, as I am informed.

Mr. GOULDEN. Why did not this boy make application earlier?

Mr. McKELLAR. He made application, but it happened Mr. ANTHONY, his Representative, introduced a bill in the House, and the House method of getting at this thing is a much slower method than where a bill is introduced in the Senate.

Mr. GOULDEN. We discovered that long ago.

Mr. KAHN. Mr. Speaker, as a matter of fact a similar bill was reported to the House in the last Congress, but died upon the calendar because it was reported out late in the session.

Mr. McKELLAR. I will say to the gentleman from New York, if he will give me his attention for a moment, Mr. KAHN has called my attention to this fact, that the Committee on Military Affairs of the House reported this bill at the last session, but it died on the Private Calendar. That accounts for the delay.

Mr. GOULDEN. I hope the gentleman will see it does not die at this session.

Mr. McKELLAR. I thank the gentleman.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill? [After a pause.] The Chair hears none.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

GEORGE P. HEARD.

The next business in order on the Private Calendar was the bill (H. R. 2728) for the relief of George P. Heard.

The Clerk read as follows:

Be it enacted, etc., That the Secretary of War be, and he is hereby, authorized and directed to allow George P. Heard, late captain, Medical Corps, United States Army, to take the examination prescribed by law and under the regulations for the government of the Army for the grade of major in the Medical Corps: *Provided*, That if the said George P. Heard successfully passes the required examination the President is hereby authorized and directed to appoint him a major, Medical Corps, upon the active list of the Army, to rank from December 15, 1910: *Provided further*, That nothing herein contained shall be construed to carry back pay.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. MANN. Mr. Speaker, reserving the right to object, this bill apparently proposes to restore a man to the Army, giving him advanced rank to date back to December 15, 1910. Does not the gentleman think this is going some to retire a man to the Army and give him advanced rank dating back three or four years?

Mr. McKELLAR. Well, that was the date on which, it seemed to the committee, he ought to have been allowed to take that examination, and we think there was no reason why he should not.

Mr. MANN. He took an examination and failed in it, and under the law was dismissed.

Mr. McKELLAR. All line officers have the right to take a second examination; and I will say to the gentleman that he was very, very close to the mark, as he will see by the record here. I hope the gentleman will not object to it.

Mr. MANN. I do not think it is proper to date back these restorations.

Mr. McKELLAR. I am not going to be captious about that, and if the gentleman feels that there ought to be some revision, if he will offer an amendment I do not know but that I will agree to it. I hope he will make it as mild as possible and give this gentleman a chance.

Mr. MANN. I do not know what the amendment ought to be, whether it should be to strike out "to rank from December 15, 1910." or not.

Mr. McKELLAR. This has been on the calendar. It was reported out last year, and it came up and failed because of the termination of the session.

Mr. MANN. It was reported out only on January 30. It has not been very long.

Mr. McKELLAR. It was reported out at the last session of Congress.

Mr. MANN. I beg the gentleman's pardon. It was reported out on January 30.

Mr. McKELLAR. This present bill was reported out at this session, of course, but a similar bill was reported out at the last session of Congress. Of course, this bill was not——

Mr. MANN. I am talking about this bill.

Mr. McKELLAR. Now, if the gentleman from Illinois will suggest what amendment he desires to offer——

Mr. MANN. I do not think I know enough about it to suggest an amendment, but I am opposed to restoring a man to the Army and giving him an advanced rank in the restoration, and then dating back the rank three or four years.

Mr. McKELLAR. I will suggest to the gentleman I will offer an amendment on page 1 of the bill to strike out the last two words on page 1, and down to the colon in line 2 on page 2, "to rank from December 15, 1910." I will move to strike out those words.

Mr. MANN. I suppose then some gentleman will go over and urge the Senate to restore the language, and then the House, under the gentleman's leadership, will agree to the amendment.

Mr. McKELLAR. I will say to the gentleman if I agree to strike out those words I am not going to urge any such amendment as that in the Senate.

Mr. MANN. I know the gentleman would not go to the Senate. I would not accuse him of that.

Mr. McKELLAR. Mr. Speaker, in order to meet the objection, I move——

Mr. MANN. If the gentleman will agree to offer the amendments and support them, and strike out the language he speaks of, and also the words "and directed" in line 4, page 1, so it will simply give the President authority to appoint the man——

Mr. McKELLAR. I am inclined to think that that ought to be done, anyway.

Mr. MANN. I do not think we can direct the President.

Mr. McKELLAR. I think not.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. STAFFORD. Mr. Speaker, reserving the right to object, I think there should be another clause similar to the other bills reported from the Committee on Military Affairs of this character, to the effect that the number of officers shall not be increased by reason of the passage of this act. It is not intended to increase the number of officers just to accommodate a man who could not pass his examination and who now wishes to get back in the service.

Mr. MANN. The last proviso ought to go out, and the gentleman can insert it in that. If the gentleman's amendment goes through, there is no necessity for providing it shall not carry back pay.

Mr. McKELLAR. Why not strike it all out?

Mr. STAFFORD. I suppose the gentleman has no objection to including the language that I refer to?

Mr. McKELLAR. What is that?

Mr. STAFFORD. Providing the number of officers shall not be increased by reason of the passage of this act.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill? [After a pause.] The Chair hears none. Does the gentleman from Tennessee desire to offer an amendment?

Mr. McKELLAR. Mr. Speaker, I offer the following amendment to the bill:

In line 4, page 1, of the bill strike out the first two words, "and directed."

Mr. KAHN. Also the same in line 10.

Mr. McKELLAR. Also the same words in the last line of page 1. I offer those amendments to page 1.

The SPEAKER pro tempore. The Clerk will report the amendment.

The Clerk read as follows:

Page 1, line 4, strike out the words "and directed," and on page 1, line 10, strike out the words "and directed."

The SPEAKER pro tempore. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. McKELLAR. Mr. Speaker, I now offer the following amendment: In line 1, page 2, strike out everything in the paragraph after the word "Army," and insert in lieu thereof the words:

Provided further, That the number of officers shall not be increased by reason of the passage of this act.

The SPEAKER pro tempore. The Clerk will report the amendment.

The Clerk read as follows:

Page 2, strike out all after the word "Army," in line 1, and insert the following: "*Provided further*, That the number of officers shall not be increased by reason of the passage of this act.

The SPEAKER pro tempore. The question is on agreeing to the amendment.

The amendmeat was agreed to.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill as amended.

The bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed.

Mr. McKELLAR. Mr Speaker, I ask that the report of the committee be published in the RECORD. This report is as follows:

The Committee on Military Affairs, to whom was referred the bill H. R. 2728, having considered the same, report thereon with a recommendation that it do pass, and in support of this recommendation submit the following report:

Dr. George P. Heard entered the service at Fort McPherson July 13, 1901. He was honorably discharged from the service December 15, 1909. The following is his record while in the service:

GENERAL SUMMARY OF EFFICIENCY REPORTS.

1903. Maj. C. L. Hodges, Twenty-third Infantry, Parang, P. I.: In charge of town near by during prevalence of cholera. Performance of duty, excellent. General summary of habits, conduct, bearing, professional zeal, ability: Excellent. Condition of discipline, capacity for command: Good.

1904. Col. J. T. Van Orsdale, Seventeenth Infantry, Cotabato, P. I.: General summary: Excellent.

Maj. C. L. Hodges: Attention to duty: Excellent. General summary of professional zeal, bearing, appearance, intelligence, etc.: Good.

Lieut. H. C. Bonnycastle, Parang, P. I.: General summary: Very good to excellent.

1905. Capt. Durfee, Seventeenth Infantry: General summary: Excellent to good.

1906. Lieut. Col. G. H. Torney, General Hospital, Presidio, San Francisco: General summary: Very good to good.

1907. Lieut. Col. G. K. Hunter. General summary: Excellent to very good.

1908. Capt. Walter Cox, Medical Corps, Camp Bumpus, P. I. General summary: Very good to good.

1909. Col. Crampton, Medical Corps, chief surgeon, Philippines Division. States he has had little opportunity to observe, but gives general summary of good.

1909. Col. C. A. P. Hatfield, Camp McGrath: General summary: Good.

It will be seen from the foregoing that Dr. Heard was in service in the Philippine Islands for a little more than five years. That during a portion of this time an epidemic of cholera prevailed in the post where he was stationed, and that his performance of duty at such a time is declared by his officer in charge to have been excellent. A careful examination of the foregoing report shows that it is one that any officer surgeon in the Army might feel proud of.

On March 17, 1910, Maj. Gen. Leonard Wood, with whom Dr. Heard had served in the Philippine Islands, and who knew personally of the facts about which he spoke, stated of Dr. Heard:

"George P. Heard, late captain, Medical Corps, United States Army, served under my command in Mindanao, P. I., during the years 1903, 1904, and 1905. His professional reputation was excellent, and his discharge of duty marked by zeal and efficiency. His work while in charge of the hospital at Cotabato was especially notable for its excellence. His standing as an officer was excellent.

"LEONARD WOOD,
"Major General, United States Army."

Under the same date Gen. Wood wrote the following letter to Dr. Heard:

HEADQUARTERS DEPARTMENT OF THE EAST,
Governors Island, New York City, March 17, 1910.

DEAR DR. HEARD: I inclose herewith statement concerning your service in Mindanao which I hope will be of service to you. I remember very well your excellent work there, especially at Cotabato. I am exceedingly sorry to hear that you are no longer in the service.

With kind regards, very truly, yours,

LEONARD WOOD.

DR. GEORGE P. HEARD,
New York Post Graduate Medical School,
303 East Twentieth Street, New York City.

As to how Dr. Heard was esteemed both as a man and as a soldier by his brother officers in the Army is shown by copies of the following correspondence:

FORT BENJAMIN HARRISON, IND.,
August 29, 1910.

DEAR HEARD: I have just returned from a practice march and find your letter of August 22, and I can't tell you how surprised and sorry I was to hear of your failure on examination for promotion. I feel sure that something other than your ability as a medico must have been involved. (Probably you forgot to give the command "March" after giving "Prepare to pass obstacles.")

Our experiences in the Cotabato Valley, in 1904, are only too fresh in my memory, and the many expressions I then heard from officers and men of your constant care and attention to business.

I will never forget your tireless energy and care of Private Lemmuel and myself when they got us at Bulacan; nor will I ever be able to express my gratitude to you for pulling me through without any after effects.

Seriously, Medico, I am not much of a hand at writing or talking, but if you want to be reinstated, just gather together that command of doughboys you served with in the valley, march them up to the "powers that be," and they will tell a few things that are not known to your superiors, nor are they on record—of duty well and faithfully performed.

You spoke of writing to my father. You know he has been on leave in China and Japan, and has only just returned to his station.

Sincerely hoping that you will succeed in being reinstated, if you so wish,

Yours,

C. K. LEWIS,
First Lieutenant, Tenth Infantry.

—

FORT D. A. RUSSELL, WYO., *March 15, 1910.*

To whom it may concern:

I am personally acquainted with Capt. George P. Heard, late of the Medical Corps, United States Army, and served with him at Camp McGrath, Batangas, P. I., for about eight months in 1908 and 1909; and I take pleasure in certifying to his steady attention to his professional duties as a medical officer and to his ability as a physician and surgeon, as evidenced by the results within my personal observation of his services to officers and enlisted men and their families stationed at Camp McGrath.

FRED J. HERMAN,
First Lieutenant, Ninth United States Cavalry.

—

FORT MCPHERSON, GA., *February 28, 1910.*

To whom it may concern:

George P. Heard served under me for several months at Cotabato and in the valley of the Rio Grande of Mindanao, P. I., 1904. I had opportunity to observe his conduct as post surgeon, etc., and can report that same was to my entire satisfaction. The hospital was always in good condition and he was attentive to his duties in caring for the men, performing surgical operations, etc.

JOHN T. VAN ORSDALE,
Colonel Seventeenth Infantry.

—

FORT D. A. RUSSELL, WYO., *March 15, 1910.*

I hereby certify that Capt. George P. Heard, late of the Medical Corps, United States Army, attended myself and family at Camp McGrath, P. I.; that I found him eminently satisfactory and very attentive in his professional calls at my house where there was a sick baby. I greatly preferred him to any other medical officer stationed at Camp McGrath, and considered him one of the best medical officers I ever came in contact with.

ROBT. STERRETT,
First Lieutenant, Ninth Cavalry.

—

FORT D. A. RUSSELL, WYO., *March 14, 1910.*

To whom it may concern:

I was stationed with Dr. George P. Heard at Camp McGrath, P. I., for a period of about eight months. During part of this period he acted as post surgeon.

It was the general opinion among the officers of the garrison that he was the most efficient medical officer at the post.

He is a man of exceptionally good habits, was always attentive to his duties, and performed all his duties in an exceptionally efficient manner.

Respectfully,

GEO. W. WINTERBURN,
First Lieutenant and Squad Adjutant, Ninth Cavalry.

—

FORT D. A. RUSSELL, WYO., *March 16, 1910.*

To whom it may concern:

I have served for a considerable time in the same post with Dr. G. P. Heard. I consider that for zeal in his profession and for care and attention to cases intrusted to him this officer was decidedly above the average Army doctor. His reputation in these respects was excellent.

EDWARD CALVERT,
First Lieutenant, Ninth Cavalry.

—

FORT BLISS, TEX., *March 1, 1910.*

MY DEAR HEARD: Your letter just received and was glad to hear from you. Yes; I had learned about your case and was very sorry to hear it, and have always believed that they made a great mistake.

It has been a long time since Camp Jossman, and I find it pretty hard to remember facts as they then existed, though our experience there should be vividly impressed on my mind.

As near as I can remember the circumstances it was on muster morning of October, 1902, when Maj. Evans and myself visited the hospital for the purpose of mustering the absentees in hospital. I remember that there were three or four men sick in the hospital and you said that you was afraid that they had cholera. This was, I should say,

about 9.30 or 10 o'clock a. m. At about 4 p. m. one of the men died with the cholera, and our epidemic, if you would call it such in medical parlance, was on. As far as your deserting the job, I know and believe that you did absolutely everything in your power to prevent the spread of the disease, and the mere fact that it was so prevented shows in itself that you was on the job all the time. I do not believe anyone could have performed more noble and self-sacrificing service than you did in those trying days, when we didn't know who was the next to go. Yours was the hardest task of all. When the fact that all of these cases of cholera, with possibly the exception of one, were actually traced to the negligence of the persons who had the disease, i. e., drinking water at unauthorized places, and the fact that the cholera did not spread to the command, it is conclusive proof to my mind that some one was responsible for the satisfactory results, and to my mind you should be given credit for them.

I think it would be well for you to get a letter from Col. Evans and from Chaplain Dougherty; they both knew the state of affairs that existed in those days.

It is all very well for the man back at the desk and out of danger of the operations to criticize and say what should have been done. But it's a far different matter to be up face to face with the proposition with only thin air and very little of it to separate you from the dreadful consequences of contracting the cholera.

Heard, I believe you did all you could and have always upheld your actions when they were discussed; and if you were fired from the corps on this charge it should be removed.

My kindest regards and best wishes. Hope you get your bill through all O. K.

Sincerely,

W. H. WALDRON,
Captain, Twenty-third Infantry.

—

FORT D. A. RUSSELL, WYO., *March 8, 1910.*

To whom it may concern:

This is to certify that I have known Capt. George P. Heard, Medical Corps, United States Army, for about a year, and that during the time he served as a medical officer at Camp McGrath, P. I., his conduct as a man was above reproach, and it was universally conceded that his services as a physician were all that could be asked, and generally above the average in his corps.

It would be superfluous for me to add anything to the good name of Capt. Heard.

Very respectfully,

S. B. PEARSON,
Captain, Ninth Cavalry.

—

To whom it may concern:

I take pleasure in stating that I was stationed at Batangas, P. I., while George P. Heard was serving there as captain in the Medical Corps, and had occasion to call for his professional services at different times for myself and family. I always considered him unusually attentive to duty; in fact, I think I was treated for ear trouble by every medical officer stationed there for two years, and none of them gave as much personal attention to my case as did Dr. Heard, and with good results.

I think it was generally considered that he was very attentive to duty, and his judgment was relied upon; I think also that it was the general impression that Dr. Heard could always be relied upon to respond cheerfully to calls from the poorer classes of natives (charity cases); the same can not be said of all of his colleagues.

Personally, I considered Dr. Heard's proficiency and attention to duty as much above the average as compared with other officers of the same grade and experience.

W. H. MCCORMACK,
Captain, Ninth Cavalry.

—

HEADQUARTERS DEPARTMENT OF THE EAST,
CHIEF QUARTERMASTER'S OFFICE,
Governors Island, New York Harbor, March 15, 1910.

To whom it may concern:

This is to certify that I have known Dr. George P. Heard since July, 1902. He was formerly a surgeon in the Medical Corps, United States Army, and while serving in that capacity was stationed with me at Bacalod, Negros Island, P. I., and afterwards at Camp Jossman, Guimaras, P. I.

I have personal knowledge of the fact that he was, during his service at these two places, attentive to his work and successful in his efforts during critical times in the presence of serious outbreaks of cholera. While serving at Camp Jossman, I understood, he was subjected to criticisms of the chief surgeon, Department of the Visayas. It gives me great pleasure to state that it is within my knowledge that there was nothing in Dr. Heard's conduct at that time that did not then have the cordial support of the officers serving with him, including his commanding officer, Maj. W. P. Evans, Twenty-ninth Infantry (now lieutenant colonel, General Staff). On the contrary, his attention to duty, his practical intelligence, and his courage to do what he believed to be right appealed to his fellow officers and won their commendation.

I have always rated Dr. Heard among the surgeons I have known in the Army as one of those who possess high professional attainments and courage.

Very respectfully,

B. H. WELLS,
Captain and Quartermaster, United States Army.

—

FORT D. A. RUSSELL, WYO., *April 15, 1910.*

Dr. GEO. P. HEARD, *Columbus, Ga.*

MY DEAR DOCTOR: I have been intending to drop you a line for some time expressing my regret at your separation from the service. It was my pleasure and fortune to serve with you some time in Camp McGrath, Batangas, and you may rest assured that I and my family had the greatest confidence in you and regarded your professional ability equal to any and superior to most doctors that we have served with.

With best wishes for your future success, I am,

Sincerely,

F. S. ARMSTRONG,
Captain, Ninth Cavalry.

FORT MCPHERSON, GA., *April 27, 1910.*

Dr. G. P. HEARD,
New York Post Graduate Medical School, New York, N. Y.

MY DEAR DOCTOR: Your letter of April 9 received, and I take pleasure in stating in writing that I knew you in the years 1904–5, while I was district governor, Cotabato district, and while you were post surgeon at Cotabato. I always considered you a most efficient, faithful, and conscientious doctor and noted many instances in which you went out of your way to help sick and destitute Moros.

I was personally very sorry to hear you had failed in your examination and hope you will be successful in getting a reexamination, and I am sure you do yourself credit. You may show this letter if you think it will help you, but I trust you can succeed without its doubtful aid.

Yours, most sincerely,

R. O. VAN HORN,
Captain, Seventeenth Infantry.

—

PAY DEPARTMENT, UNITED STATES ARMY,
DEPARTMENT OF THE MISSOURI,
Omaha, Nebr., May 9, 1910.

To whom it may concern:

This is to certify that I have known Dr. George P. Heard the past two years and during that time he had occasion to treat my wife successfully during a very severe illness lasting over a month. I feel that her recovery was in a great measure due to his untiring efforts on her behalf.

I have always considered him a most willing worker and a good officer.

E. M. SUPLEE,
Captain, Paymaster, United States Army.

—

PHILIPPINE CONSTABULARY SCHOOL,
Baguio, P. I., July 25, 1910.

To whom it may concern:

I had the pleasure of knowing Capt. G. P. Heard, assistant surgeon, United States Army, under circumstances of close official and personal relations for the period of about one year at Cotabato, Mindanao, 1904–5. Of his surgical and medical work I had opportunity to judge from his treatment of my company and of many indigent Moros. After an experience of 11 years in the Philippines and being constantly in the company of Army surgeons I consider Capt. Heard the most efficient one I have met. Personally he is a big-hearted southern gentleman, whom I would trust as a brother.

JOHN R. WHITE.
Lieutenant Colonel, Assistant Director Philippine Constabulary.

—

CAMP MCGRATH,
Batangas, P. I., August 12, 1914.

MY DEAR DR. HEARD: Upon my return from China, July 11, I found your letter and misplaced it. It has just turned up.

While I wish you all success in your efforts to be reinstated in the Medical Corps, I do not know what I can say to help except that your not passing the examination was totally unexpected, as I and others know you to be capable and able to do so.

Your treatment and care of my son, Lieut. Lewis, when he was dangerously wounded in Mindanao, from his account of it to me, showed that you possessed not only the skill of the surgeon but the gentleness of the nurse as well. I am sorry that this is all I can say, but to me it means a great deal.

Yours, sincerely,

THOS. J. LEWIS,
Major, Thirteenth Cavalry.

Dr. GEORGE P. HEARD,
Columbus, Ga.

—

WASHINGTON, D. C., *March 16, 1910.*

Dr. George P. Heard, late captain, Medical Corps, United States Army, was my associate at Camp McGrath, Batangas, P. I., from July, 1908, to March, 1909. From daily observation of him and his work I formed a high opinion of his attention to duty and professional ability. I have heard other medical officers and line officers who were associated with him commend him highly.

He had the confidence of the entire regiment (Ninth Cavalry) with which he served as above.

I was much surprised at his failure of promotion, and can not but believe that he was unfortunate in his examination therefor. I should like to see Dr. Heard given another opportunity for reinstatement, as, in my opinion, an officer is not capable of doing his best work before an examining board while serving in the Philippines.

R. S. WOODSON,
Major, Medical Corps, United States Army.

—

HEADQUARTERS NINTH CAVALRY,
Fort D. A. Russell, Wyo., March 18, 1910.

Dr. GEORGE P. HEARD,
Columbus, Ga.

MY DEAR DOCTOR: Your letter of recent date duly received, and I am glad to be able to bear testimony as you request. You served with my command at Camp McGrath, P. I., for quite a length of time. I was well satisfied with your attention to duty, which was commendable. I feel assured, from my personal observation and from the criticism I have heard, that your professional attainments are excellent. Your conduct as a man and an officer were, during the time I knew you, excellent.

If this statement of facts will be of service to you, I shall be well pleased.

With best wishes for your future welfare, believe me,

Very sincerely, yours,

C. H. WATTS,
Lieutenant Colonel Ninth Cavalry.

—

FORT LAWTON, WASH.,
OFFICE OF COMMANDING OFFICER,
July 10, 1910.

To whom it may concern:

This is to certify that Dr. G. P. Heard, late captain and assistant surgeon, United States Army, served for several months under my command on Guimaras Island, near Iloilo, P. I., as surgeon of my bat-

talion, during which time I found his services entirely satisfactory. He seemed a painstaking, zealous, and capable surgeon, and I was greatly surprised to learn of the circumstances of his separation from the service.

An outbreak of cholera in my command occurred while he was with it, for which, before the cause of the epidemic became known, he was officially criticized. It subsequently became known that the disease was contracted by some enlisted men who broke camp at night and joined a party of Philippine camp followers at a little barrio a couple of miles from camp, where they became infected by eating and drinking insanitary food and drinks with the natives. Appropriate measures were promptly taken and the epidemic stamped out without infecting any other members of the command.

W. P. EVANS,
Colonel Twenty-fifth Infantry.

—

HEADQUARTERS DEPARTMENT OF THE LAKES,
OFFICE OF CHIEF SURGEON,
Chicago, Ill., May 13, 1910.

MY DEAR DOCTOR: In reply to your letter of the 4th instant requesting a testimonial with a view to restoration to the service, desire to state that I have always regarded you as a bright, intelligent, and active medical officer. The services rendered during your recent tour in the Philippines and while under my medical charge were performed very satisfactorily to the command with which you served and to the chief surgeon of the department. You have always enjoyed the reputation of being very studious and an officer of excellent habits.

Yours, very sincerely,

L. M. MAUS,
Colonel, Medical Corps, United States Army.

Dr. GEORGE P. HEARD,
New York Post Graduate Medical School, New York City, N. Y.

—

FORT RILEY, KANS., *April 22, 1910.*

Dr. GEORGE P. HEARD,
New York Post Graduate Medical School, New York, N. Y.

MY DEAR DOCTOR: I know of nothing which has so surprised me as has the fact that you have failed in your examination for promotion in your corps in the Army. At Fort Wingate, N. Mex., you served under my command as post surgeon for one year and four months and it gives me pleasure to be able to state that during that entire period your duties were peculiarly well performed. Your hospital was a model of perfect sanitary arrangements. During the period of service with my command from August, 1906, to December, 1907, your professional zeal and fidelity to your duties were so marked as to win my entire approbation. During your whole service with me I never knew of your indulging in the use of intoxicating liquors at all. I can not, therefore, understand your failure to pass your examination and I feel that you should be granted another opportunity to show that you possess all of the qualifications expected of our medical officers, as I am convinced that you have this technical knowledge and can prove it if afforded the opportunity.

Very respectfully,

GEORGE K. HUNTER,
Colonel Seventh United States Cavalry.

—

VANCOUVER BARRACKS, WASH., *April 13, 1910.*

MY DEAR DOCTOR: I was much pleased to get your letter which reached me to-day. Its coming causes my memory to revert to the stirring times of the war in the Cotabato Valley, at which time you so ably filled the position of post surgeon at Cotabato.

I do not wish to flatter you, but really I feel it is but due to yourself that I should express my appreciation of the manner in which you performed your duties while serving under me. Your attention to duty, your solicitation for the welfare of and attention to the sick, your markedly courteous treatment of all, and your success in the treatment of cases, some of which were of unusual seriousness, all tend to show and to prove conclusively your entire fitness in a personal and professional line for the position you held.

You impressed me most favorably and I am free to confess that I know of no surgeon whom I would rather have under my command than yourself.

With kindest regard and best wishes,

Yours, very sincerely,

G. K. MCGUNNEGLE,
Colonel First Infantry.

In May, 1906, Dr. Heard was examined for the purpose of determining his fitness for promotion to a captaincy, and after such examination the Surgeon General of the Army, George H. Torney, being president of the board, duly accepted the examination and he received his promotion to a captaincy.

In October, 1909, Dr. Heard was again directed to stand an examination to determine his fitness for further promotion. This examination was taken in Manila, and the board reported unfavorably, claiming that the general average of Dr. Heard was 73.2 per cent, when the minimum requirement was 75 per cent. (See report of Secretary of War.)

While at Camp Presidio, the board in Washington confirmed this report and Dr. Heard was duly but honorably discharged from the Army.

The bill simply provides that Dr. Heard be allowed to take the examination prescribed by law under the regulations for the government of the Army for the grade of major, in the Medical Corps, and provides further, that if he successfully passes the required examination, the President is authorized to appoint him a major, but nothing in the bill provides for any back pay.

The committee wishes to call attention to the fact that Dr. Heard's examination papers showed, according to the report of the board, that he made an average of 73.2 per cent, when 75 per cent was required. The examination showed such a record as would justify either average.

The committee is of the opinion that Dr. Heard should be permitted to stand another examination. Another consideration with the committee is that all other line officers are allowed to stand a second examination, and the committee does not see why these medical officers should not have a second opportunity to stand this examination, and especially in view of the fact that the difference between the required per cent and the per cent which the board found Dr. Heard had made is so very small.

The committee recommends that the bill be passed.

The SPEAKER pro tempore. The Clerk will report the next one.

WILLIAM P. HAVENOR.

The next business in order on the Private Calendar was the bill (H. R. 6052) for the relief of William P. Havenor.

The Clerk read the bill, as follows:

Be it enacted, etc., That the patent issued January 6, 1910, to William P. Havenor for the south half of the southeast quarter of section 6 and lot 1 of section 7, township 6 south, range 34 east, Boise meridian, containing 121.27 acres, is hereby confirmed, and the Secretary of the Interior is hereby authorized and directed to issue patent to the said William P. Havenor for the northeast quarter of the southwest quarter of section 6, township 6 south, range 34 east, Boise meridian, containing 40 acres, an additional homestead entry. And also a patent for lot 7 and the east half of the southwest quarter of section 6 and the northeast quarter of the northwest quarter of section 7, township 11 south, range 37 east, entered under the desert-land laws, providing it is shown that the said William P. Havenor has complied with all the requirements of the homestead and desert-land laws of the United States applicable to said entries, notwithstanding the fact that the said William P. Havenor had been commissioned as a deputy mineral surveyor of the United States.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

There was no objection.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

Mr. FRENCH. Mr. Speaker, I just wanted to offer an amendment touching the form, to strike out a period at the top of page 2, line 1, and insert a comma, and begin the next sentence with "and," using a small letter.

The SPEAKER pro tempore. The Clerk will report the amendment.

The Clerk read as follows:

Page 2, line 1, strike out the period after the word "entry" and insert a comma and insert a small "a" to the word "and."

The SPEAKER pro tempore. The question is on agreeing to the amendment.

The amendment was agreed to.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the amended bill.

The bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed.

The SPEAKER pro tempore. The Clerk will report the next bill.

JOHN S. M'KINNEY.

The next business in order on the Private Calendar was the bill (S. 3192) waiving the age limit for appointment as cadet engineer in the Revenue-Cutter Service of the United States in the case of John S. McKinney.

The Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is hereby authorized to waive the age limit for the appointment of cadet engineers in the Revenue-Cutter Service, as required by the act of June 23, 1906, in the case of John S. McKinney, and that the Secretary of the Treasury is authorized to permit the said John S. McKinney to participate in the next competitive examination to be held for the position of cadet engineer in the Revenue-Cutter Service.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. MANN. Reserving the right to object, I would like to ask my distinguished friend from Georgia [Mr. ADAMSON], now the chairman of the Committee on Interstate and Foreign Commerce, if that committee is going to break over the rules of the past and start in on special legislation for the Revenue-Cutter Service?

Mr. ADAMSON. Mr. Speaker, in the hearings on this bill the committee examined the officers of the Revenue-Cutter Service. I confess that, with the great caution customary to the members of that committee, we approached the consideration of this Senate bill with care. We had hearings, and after the hearings we determined that this was a meritorious case, and that it was not necessary to break over any rules in order to report the Senate bill.

I think I can briefly state the facts to the House. This young man had a good deal of experience in the Navy. He desired to be a cadet in the Revenue-Cutter Service, and he filed his application for an examination. Before he was examined the sundry civil bill passed, prohibiting the appointment of any further cadets.

Mr. MANN. Oh, the gentleman——

Mr. ADAMSON. Just wait a moment——

Mr. MANN. The gentleman has forgotten this case for the moment and is thinking of another case that came up a number of years ago.

Mr. ADAMSON. No; it was this case, if the gentleman will wait a moment. Then the next sundry civil bill passed, chang-

ing that and permitting further appointments. This young man renewed his application and expected to be examined, but, unfortunately, the President vetoed that sundry civil bill. Afterwards the House passed the same bill, and it was signed, but the young man's birthday had come along too fast, and a month before that bill was signed he got too old.

Now, he thinks that, considering all these various and sundry facts and vicissitudes, he ought to be allowed to take the examination for appointment in that service. During the consideration of the subject it appeared from an examination of the revenue-cutter officials that the service is short of eligibles; that there are vacancies existing now; and that at the examination which was held after this young man became too old to take it they lacked one of having enough. They all like him; they indorse him; they think he is competent; they think he will pass the examination; and they do not think he ought to be deprived of the examination or the service deprived of his ability on account of this series of accidents. I hope my genial and affable friend will be satisfied with this explanation, which is a simple statement of the facts as brought out in the hearings, and that he will not regard this as any unpardonable infraction of the rules which have so long distinguished that committee by their observance rather than by their breach.

Mr. MANN. We passed an act in 1906, I believe—the gentleman from Georgia [Mr. ADAMSON] and I, and others in our committee and in the House—fixing the age limit of entrance for engineer cadets at 26 years. At that time there was one man who had already taken the examination. The age limit was fixed after he took his examination. We did pass a private bill to permit that boy to be admitted, because after he took the examination we cut him out by legislation. Now that is given as a reason why we ought to pass this bill, although the case does not exist here at all. I think the bill to which I refer is the only bill we ever passed out of our committee for personal legislation in the Revenue-Cutter Service since the gentleman and I went on the committee in 1897. There are on this calendar two bills for personal legislation in the Revenue-Cutter Service, and they always say, "Why, they can do that in the Navy." Well, the Navy Committee is weak sometimes [laughter] in heart, at least, but the great Committee on Interstate and Foreign Commerce ought to stand up straight, and if they will not do it I will help them.

Mr. ADAMSON. Mr. Speaker, I would not for the world differ with my distinguished friend on matters of judgment, for he is an exceedingly judgmatical man [laughter]; but when it comes to comparisons all of us have the right to take a fling at it with our judgments, whether they be good or bad. Now, our committee has changed somewhat in personnel, it is true, since the days when the gentleman was chairman of it, and perhaps it suffers in some respects even as to the chairmanship. [Laughter.]

Mr. MANN. It is still a great committee.

Mr. ADAMSON. The gentleman himself was not the distinguished chairman of the committee at the time the first precedent was established.

Mr. MANN. No; if I had been, that precedent would not have been established.

Mr. ADAMSON. But the gentleman and I were both on the committee when the precedent was established, and we did not defeat it or object to it; and when it comes to a comparison, I ask the gentleman to allow the House to decide if this is not fully as justifiable a case as the other. It is true we did not legislate this man out just after his examination; but a series, a concatenation of misfortunes, part of them legislative and part executive, happened to deprive him of the examination when he was young enough; and he is able to stand the examination. Since the gentleman from Illinois went off of that committee the Revenue-Cutter Service has met with a good deal of trouble at the hands of other committees besides ours. Another great committee of this House has taken the liberty to legislate a good deal about the Revenue-Cutter Service, and in the sundry civil bill for the year 1913 it did legislate this man out of a chance to stand the examination. He had his hopes revived when the sundry civil bill for the next year contained a provision restoring his lost opportunity, authorizing seven cadets to be examined. He went to work and prepared for that examination. Unfortunately President Taft vetoed that bill. He was still young enough when it was vetoed, but before the bill could be passed again and signed, the young man got to be too old. If that is not being legislated out of opportunity, it is mighty near it. We had some legislative and some executive and other things happen, and old man Tempus kept on working; and it looks as though there was a complication of diseases, that make it a much harder case, a much stronger appeal to the discretion of the committee and of the House than the precedent which the gentleman and I helped to set. I hope the gentleman in this case will concede that it is not such a great infraction of the rules, and a violation of the dignity of our great committee as at first it may have appeared to him; and I do hope his good nature will remain with him until this bill can be passed. [Applause.]

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. MANN. I object.

JOHN W. CANARY.

The next business in order on the Private Calendar was the bill (H. R. 932) for the relief of John W. Canary.

The bill was read.

The following committee amendment was read:

Strike out all after the enacting clause and insert the following: "That the Secretary of the Treasury be, and he is hereby, authorized and directed, out of any money in the Treasury not otherwise appropriated, to pay to John W. Canary, $461.50 for his services as first lieutenant Company I, Second Regiment Indiana Volunteer Cavalry, from October 31, 1863, to March 4, 1864."

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. MANN. Reserving the right to object, where does the committee get the amount named in the bill, $461.50?

Mr. LOBECK. It is stated in the report:

The Treasury Department reports to your committee that if paid as a first lieutenant from October 31, 1863, to March 4, 1864, inclusive——

Mr. MANN. Yes; I read that.

Mr. LOBECK. Let me finish it—

deducting amount received as first sergeant, the amount due is $461.50.

Mr. MANN. That possibly is the inference of the committee, or the clerk of the committee who prepared the report. The committee inserts the findings of the court, in which Judge Atkinson stated, apparently, that—

Said difference of pay and allowances being $54.40.

Now, the committee gets the report from the Treasury Department showing that the Court of Claims was mistaken. I think the House would be entitled to the report from the Treasury Department. The gentleman will find in the opinion of Judge Atkinson, on page 2 of the report:

The claimant was, he alleges, commissioned by the governor of the State of Illinois October 24, 1864, as first lieutenant of Company I, Fifty-second Illinois Volunteer Infantry. At the date of his said commission and for some time prior thereto he had been first sergeant of his company and was enrolled and paid as such by the War Department up to the date that he was mustered in as first lieutenant, viz, December 17 of said year, and he now petitions Congress to allow him the difference in pay of a first sergeant and that of first lieutenant from the date of his commission to the day he was mustered in as a commissioned officer, said difference of pay and allowances being $55.40.

Mr. LOBECK. That is not in this case; that is in the case of John W. Acker.

Mr. MANN. That may have been simply the opinion of the court.

Mr. LOBECK. The opinion was delivered in the case of Acker. He was a member of Company I, Fifty-second Illinois Volunteer Infantry, and Canary was a member of Company I, Second Indiana Volunteer Cavalry.

Mr. MANN. Did the committee have the letter from the Treasury Department?

Mr. LOBECK. Yes.

Mr. MANN. Why was it not included in the report?

Mr. LOBECK. I did not make up the report; the clerk of the committee made up the report.

Mr. MANN. It seems to me that if the committee leaves it to the clerk to make up the report, the report should give the information on which the committee makes its findings.

Mr. LOBECK. This man Canary was first sergeant up to October 24, 1863. He was made a lieutenant and acted as such up to March 4, 1864, but was paid as a sergeant. The Treasury Department says that the difference between the pay would be $461.50. For a precedent of this case you will find it on page 4 of the report, where it says:

For precedent for paying claims of this character see joint resolution approved July 11, 1870, entitled "Joint resolution amendatory of joint resolution approved July 26, 1866," is hereby so amended and shall be so construed that in all cases arising under the same any person who was duly appointed and commissioned, whether his commission was actually received by him or not, shall be considered as commissioned to the grade therein named from the date his commission was actually issued by competent authority, and shall be entitled to all pay and emoluments as if actually mustered at such date: *Provided*, That at the date of his commission he was actually performing the duties of the grade to which he was so commissioned, or if not so performing such duties, then from such time after the date of his commission he may have actually entered upon such duties.

Mr. STAFFORD. Will the gentleman yield?

Mr. LOBECK. Yes.

Mr. STAFFORD. Can the gentleman give the House the reason why this claimant's application was rejected by the War Department when he applied under the general act of February 24, 1897? I direct attention to the last two lines on page 2 and the first three lines on page 3, which read as follows:

The act of February 24, 1897 (29 Stats., 593), makes provision for the pay of this class of officers, but limits it to such as can come within some of its provisions. The claimant made application for payment under that law, and was refused upon the decision of the War Department that he did not come within the provisions above mentioned; hence the introduction of the bill quoted and its reference to this court.

Mr. LOBECK. That refers to the Acker case.

Mr. STAFFORD. The report says the Canary case is on all fours as the Acker case. As I understand the facts, this man was commissioned by the governor of the State, and he did not receive the commission from the National Government until some time later. He may not have been performing the duties. There is nothing in the report to show that he performed the duties.

Mr. LOBECK. Oh, yes; there is.

Mr. STAFFORD. I mean there is nothing in the report of the department.

Mr. LOBECK. I read the report of the department, and this report was made up and I approved it.

Mr. STAFFORD. I understood the gentleman to say that this report was made up by the clerk. I do not challenge anything that the gentleman has gone over himself and states as a fact.

Mr. LOBECK. I read in the report of the department of his appointment as lieutenant October 31, and also the record of his service as contained in the records filed with the Committee on War Claims that accompanied the bill. It says that he actually did serve both in the field and that he recruited men for the service because his company had got below the actual number needed on account of loss of men in service.

Mr. STAFFORD. I direct the gentleman's attention to the opinion of Judge Atkinson, where he says:

From what has been said above the conclusion of the court is that this is not in any sense a legal claim against the United States, and is equitable only in so far as the Government received the benefits resulting from the services of the men who were enlisted by claimant to become volunteer soldiers in the United States Army.

Is it the purpose of the committee to compensate all these old, stale claimants whose claims have been rejected when they were presented under the general law?

Mr. LOBECK. This claim was not rejected. The report says, on page 2:

It may be asked why this claim was not referred to the Court of Claims "for the investigation and determination of facts" under section 151 of the Judicial Code, and the answer is, that such reference has been made and without results.

The fact is the man actually served as lieutenant from the time when appointed and did actual service and has not been paid, and probably his commission was delayed in being issued on account of the hurry of actual war and did not reach him until March 4.

Mr. STAFFORD. All these men acted, but they were commissioned by the governor, who did not have authority to award commissions binding on the National Government.

Mr. LOBECK. There was the usual red tape to go through before the commission could be issued, and still the men in the meantime were giving their services on the fields of battle to the country and Nation.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

There was no objection.

The committee amendment was agreed to.

The bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed.

THEODORE DEHON.

The next business in order on the Private Calendar was the bill (H. R. 10201) for the relief of the heirs of Theodore Dehon.

The Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the heirs of Theodore Dehon the sum of $500, for the seizure of 100 bushels of rice, under misinformation, by Capt. Armstrong, and used to feed freedmen in Colleton district, South Carolina, in November, 1865.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill? [After a pause.] The Chair hears none. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

JAMES S. CLARK.

The next business in order on the Private Calendar was the bill (H. R. 13240) for the relief of James S. Clark.

The Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the legal representatives of James S. Clark, of Fayette County, Ky., the sum of $1,886, in full compensation for personal property taken and used and damages done in the use and occupation of real estate, all belonging to said James S. Clark, by the Army of the United States during the War with Spain in the months of August, September, October, November, and December, 1898, in and about the establishment and maintenance of a military camp at Camp Hamilton, in said county and State.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill? [After a pause.] The Chair hears none. The Clerk will report the committee amendments:

The Clerk read as follows:

Line 7, strike out the figures "$1,886" and insert in lieu thereof the figures "$250."

Line 8, strike out the words "damages done in the."

The SPEAKER pro tempore. The question is on agreeing to the committee amendments.

The committee amendments were agreed to..

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill as amended.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

The title was amended so as to read: "A bill for the relief of the legal representatives of James S. Clark, deceased."

BALEY W. HAMILTON.

The next business in order on the Private Calendar was the bill (H. R. 8808) for the relief of Baley W. Hamilton.

The Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury of the United States not otherwise appropriated, to Baley W. Hamilton, of Rockport, Spencer County, Ind., the sum of $146, in full compensation for the loss of a horse during the Civil War, while he was a private in Company F, First Regiment Indiana Volunteer Cavalry.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. STAFFORD. Mr. Speaker, reserving the right to object, I see in the exhibits in this bill that there is great confusion as to whether this claimant ever owned a horse.

Mr. LOBECK. Mr. Speaker, there is a good deal of evidence, I will say to the gentleman, that he did own the horse.

Mr. STAFFORD. The gentleman will concede that there is a great deal of evidence in the record that shows that he never owned the horse.

Mr. LOBECK. But the preponderance of evidence is the other way.

Mr. STAFFORD. But the gentleman will agree that there is evidence on both sides.

Mr. LOBECK. The preponderance of evidence is in favor of the man's owning the horse. The gentleman from Indiana [Mr. LIEB] is personally familiar with the case, having introduced the bill, and I would prefer to have him take charge of the bill from now on.

Mr. LIEB. Mr. Speaker, there is no controversy about the ownership, because this man Baley W. Hamilton was the owner of this horse. The horse was in the battle at Marks Mills, Ark., in 1864.

Mr. STAFFORD. I direct the attention of the gentleman to the report of the second comptroller, as found on the bottom of page 3 of the report:

The second comptroller was also led to believe, as indicated in disallowance, that claimant was not in possession of horse on or about the date of the battle in which it was alleged horse was lost.

What has the gentleman to say about that?

Mr. LIEB. Mr. Speaker, I will say that when this Baley W. Hamilton had turned the claim over to the claim agent here he filed part of the papers, and during the time this was under consideration in the department he was requested to furnish more evidence. In the interim the agent had died, and the man was too poor to get another, and he did not have anyone else to take up his claim, and it laid dormant until 1888, when the Representative in Congress took it up. They were short of one affidavit, and that was furnished by the man who sold the horse. There are also affidavits here of two or three others, who testified that he did own the horse, who knew that he bought the horse from this man Barnnett. The affidavits are all here.

Mr. STAFFORD. There is considerable conflicting testimony, but I do not care to take the time of the House further, as the amount is very small and a good many years have elapsed since the facts occurred about which he could testify. I will give the benefit of the doubt to his failing memory.

Mr. HOWARD. Mr. Speaker, I would like to ask the gentleman from Indiana one question.

Mr. LIEB. I yield to the gentleman.

Mr. HOWARD. There is not any doubt about this being an Indiana horse? It was not an Arkansas horse?

Mr. LIEB. I do not know. He bought the horse down there. It might have been an Arkansas horse.

Mr. HOWARD. But he had the bona fide title to the horse?

Mr. LIEB. He bought the horse and paid for it with his own money.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill? [After a pause.] The Chair hears none. The Clerk will report the committee amendments.

The Clerk read as follows:

Line 7, strike out the figures "$146" and insert in lieu thereof the figures "$123.93."

Line 8, after the word "horse" insert the words "and equipment."

The SPEAKER pro tempore. The question is on agreeing to the committee amendments.

The committee amendments were agreed to.

The bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed.

NAPOLEON B. GIDDINGS.

The next business in order on the Private Calendar was the bill (H. R. 851) for the relief of the legal representatives of Napoleon B. Giddings.

The Clerk read as follows:

Be it enacted, etc., That the Secretary of War is hereby authorized and directed to cause to be investigated the circumstances of the alleged taking from Napoleon B. Giddings, in January, 1847, at Santa Fe, N. Mex., and depositing with A. B. Dyer, lieutenant of ordnance, United States Army, by order of Sterling Price, colonel commanding the Army in New Mexico at that time, of 140 kegs of gunpowder, and to ascertain and determine the reasonable market value of such powder at that time and place, and whether the same, or any part thereof, was ever returned or delivered back to said Giddings, and the final disposition of such powder; and if the same, or any part thereof, was never returned to or delivered back to said Giddings, then to certify to the Secretary of the Treasury the amount of the reasonable market value at that time and place of the powder so never returned or delivered back to said Giddings; and the Secretary of the Treasury is hereby authorized and directed to cause to be paid to the legal representatives of said Napoleon B. Giddings, the said amount so certified by the Secretary of War to be the reasonable market value of such powder as aforesaid.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. MANN. Mr. Speaker, reserving the right to object, the claim here is, as I understand it, that the owner of the powder, or the man who became owner of the powder, and in whose behalf this bill is introduced, had a debt to him of $1,950, and he took 140 kegs of powder in payment of the debt. The powder was then taken away from him; and 140 kegs of powder, 25 pounds to the keg, he says was worth $1.50 a pound, which would make $5,250. Now, does not the gentleman think it is going some for a man who can not collect a bill and takes merchandise for it and then wants from the Government three times what it cost him under doubtful circumstances?

Mr. GREGG. Will the gentleman yield for a moment? I want to call attention to the fact that this does not appropriate any money at all.

Mr. MANN. I understand; it never gives us another chance at it.

Mr. GREGG. It directs the Secretary of War to investigate and ascertain and determine what is the reasonable market value.

Mr. MANN. Determine the market value at the time, and the man swears the market value of the property was $1.50 a pound, and there were 3,500 pounds, for which he paid by collecting a debt of $1,950.

Mr. GREGG. I take it it means the Secretary of War should consider all that in passing upon the value of the property.

Mr. MANN. I do not see how the Secretary of War could. I do not know what the value of the property is or was, and how are you going to fix what the value was at that time, and it is quite likely that at that particular place, under the circumstances of war and a desire to get powder, it may have had a fancy value; I do not know.

Mr. BOOHER. I will say to the gentleman from Illinois it is easy enough for the department to ascertain what they paid for powder at that time at Santa Fe. Santa Fe was in the possession at that time of the United States troops. It had been threatened——

Mr. MANN. But the United States did not buy powder at Santa Fe.

Mr. BOOHER. I think they did.

Mr. MANN. Oh, no.

Mr. BOOHER. Where did they get it? How did the Army get its supply down there?

Mr. MANN. Took the powder there; they did not buy powder on the ground.

Mr. BOOHER. But they know what they paid for it.

Mr. MANN. And they are not buying powder at Vera Cruz.

Mr. BOOHER. Did not they buy powder during the Mexican War, and do not they know exactly what they paid for it?

Mr. MANN. They brought or sent it there.

Mr. BOOHER. That would be the market price, with freight added.

Mr. MANN. Not at all.

Mr. STAFFORD. It is stated——

Mr. MANN. He states the powder is worth in the market $1.50, although he got $5,250 worth of powder for collecting a debt of $1,950.

Mr. STAFFORD. The report shows the powder was not taken for the use of the Government——

Mr. BOOHER. No; I desire to state——

Mr. STAFFORD (continuing). Until such time as it was safe to permit it to be vended. It was for the protection of the owner, and this powder was deposited with the Government, and the report shows, if I am not mistaken, that the owner never called upon the Government for his powder.

Mr. BOOHER. Oh, the report does not show anything of the kind. If the gentleman will read the report it will show that he called for the powder repeatedly.

Mr. MANN. He shows that he left the country and never went there afterwards.

Mr. BOOHER. The gentleman is mistaken about that.

Mr. MANN. It is in the report.

Mr. BOOHER. The gentleman says he left the country—he left the country with the Army to join Col. Price's regiment——

Mr. MANN. He left the country.

Mr. BOOHER (continuing). And served with that regiment during that war, and he also served and became a lieutenant colonel in the Federal Army in the War between the States.

He was the first Delegate in Congress from the Territory of Nebraska. He was not the kind of a man that the gentleman is trying to make out that he was.

Mr. MANN. Here is the statement and affidavit of the gentleman to the effect that two or three days thereafter deponent left Santa Fe and returned to his home in Missouri, and had never returned to Santa Fe, N. Mex., and so forth, "since which time deponent has never been notified that the property would be delivered up to him," and so forth. I think I was warranted in saying that the gentleman left the country. Of course I do not know, but I take it from his own statement.

Mr. BOOHER. That is correct. He joined——

Mr. MANN. That is in the report.

Mr. BOOHER. He joined Col. Price's regiment, went back to Santa Fe, and accompanied that regiment to California. That was his history. He came back to the country after the close of the Mexican War and his service in California, and then went to Nebraska and became the first Delegate in Congress from Nebraska.

Mr. MANN. His statement was that he left down there two or three days after the 1st of March, 1847, and went to Missouri.

Mr. BOOHER. Yes, sir.

Mr. MANN. And this powder was not taken from him until about the 1st day of January, 1847.

Mr. BOOHER. Yes.

Mr. MANN. And if between January, 1847, and March 1, 1847, he went to California and got back, it would be a hurried trip in those days, when there was no railroad transportation.

Mr. BOOHER. The gentleman has not a right to put that construction on my language.

Mr. MANN. I understood the gentleman to say that.

Mr. BOOHER. I did not say it that way. I said he went to Santa Fe and joined Price's regiment, and then went to California with that regiment for the relief of Fremont.

Mr. MANN. He went back to Missouri and did not return to Santa Fe.

Mr. BOOHER. Whether he went to New Mexico and joined it or not, I do not know, but I know his history is that he joined that regiment.

Mr. MANN. He ought to put that in his affidavit. He said he went home. Is the gentleman willing to accept an amendment to insert after the word "Giddings," in line 4, page 2, the language "and in the opinion of such Secretary the circumstances of the case render the United States liable for the full value of such powder," and then to insert after the word "Giddings," in line 7, "but not to exceed the sum of $1,950"?

Mr. BOOHER. I am willing to accept the last amendment of the gentleman, because I think that is fair. I think the value that Col. Giddings put on this powder in his affidavit was the retail price of that powder, and the gentleman knows that would not be the market value the Government would pay. The market value of the powder if they paid for it would be what the Government was paying for powder at that time, and no doubt the records of the War Department would show it. Now, if the gentleman thinks the $1,950 he paid for it is sufficient, I will not object to the amendment.

Mr. MANN. He did not pay for it. He took that in cancellation of a debt.

Mr. BOOHER. He took that in part payment. He canceled that much of it. We ought to make the statement fairly. I do not know how much they owed him, but he took that in part payment of his debt, and took it at that price. And it seems to me—and I want to be frank—that ought to be a fair value for his property, and I will agree to that amendment. I do not like to agree to the other.

Mr. MANN. Here are the circumstances of the case. There is absolutely nothing to show the Government is liable for this powder. The Government seized the powder with the direction that it should be returned to this man when he asked for it and it was suitable to give it back to him. He asked for it before he left Santa Fe, but he left Santa Fe almost within a month of the time it was seized, and they did not desire powder in the hands of private individuals there at the time. I do not know what became of the powder, and there is nothing here to indicate it.

Mr. BOOHER. The presumption is that the party who took it got the benefit of it.

Mr. MANN. The Government did not seize this powder because it wanted to use it at all. It seized it so that other people could not use it. Now, it seems to me if the Secretary investigates the case and finds the Government is liable, it may be proper to pay it, but to direct the Secretary to pay it when the Government may have a complete equitable defense would hardly seem fair.

Mr. BOOHER. Well, does the gentleman think that if they had any other defense than is set out here in the report they would have made it? There has been no time when the Government has said it was not liable for this powder, and this bill has been reported repeatedly since the Thirty-fifth Congress, in both House and Senate, time and time again.

Mr. MANN. There is nothing in the report to show that the Government ever said it was liable.

Mr. BOOHER. No; but the Government was liable for the value of that powder unless the Government shows that it returned the powder to the man that it belonged to.

Mr. MANN. I do not know what the law may be. The Government may be seizing arms out in Colorado now and impounding them, and Government officials might be saying to a man from whom they take arms that he is entitled to get them again. Is the Government liable for the value for the arms the moment it seizes them?

Mr. BOOHER. Oh, no.

Mr. MANN. I do not know whether it is or not. I do not pretend to say. But if a man will not go back and get the arms, that would make the Government liable the moment it seized them.

Mr. BOOHER. Suppose the man did demand the return of the arms and the Government refused to give them up?

Mr. MANN. The man demanded this powder within practically a month at that time, but they are not willing to let the powder go out. It might have been used against the Army. Whether he could have gotten it or not I do not know. It seems to me that that would be a very fair amendment, to let the Secretary of War determine whether the circumstances render the Government liable.

Mr. GREGG. What is the amendment, please? I did not hear it.

Mr. BOOHER. What was the first amendment which the gentleman proposed?

Mr. MANN. To insert, after the word "Giddings," in line 4, page 2, the words "and in the opinion of such Secretary the circumstances of the case render the United States liable for the value of such powder," so that in making the investigation he shall investigate the circumstances and make the findings and have the facts that make the Government liable to pay the money.

Mr. GREGG. I do not see any objection to that amendment.

Mr. BOOHER. I will agree to that amendment. Now, the other amendment—let us talk about that for a moment. I do not know whether that is a fair amendment or not. Would it not be better to put in the price of powder at that time?

Mr. MANN. There was no price of powder at that place except to private individuals. Powder may have been worth $10 a pound at Santa Fe at that time.

Mr. ELDER. I think the price of powder would be the amount it was worth at the nearest place at which it could be bought, plus the freight to Santa Fe.

Mr. MANN. No; the price that prevailed at the place where the Government seized it would be the market value.

Mr. ELDER. What I was trying to suggest was that if the powder was worth more than $1,950 the claimant is entitled to it.

Mr. MANN. Suppose at a certain place—for example, at Tampico, Mexico—eggs are a dollar apiece. What does the Government have to pay? A dollar apiece—the price in China or at Tampico?

Mr. ELDER. The price at Tampico. The Government bought no powder in Santa Fe. The only other way to arrive at it would be to find out what price was being paid for powder at Santa Fe, what the Government was paying in the closest open market, plus the freight to Santa Fe.

Mr. MANN. I think that is true. But here is a man who says the value of powder there was $1.50 a pound.

Mr. ELDER. If it is worth more than $1,950 he should not have been deprived of the price.

Mr. MANN. He ought to be paid what he paid for it.

Mr. BOOHER. He has waited 67 years for it. I am inclined to think if we do not accept the gentleman's proposition he will object to my bill, and the claimants will not get anything. I have suffered at his hands three times already on this bill, and I will now accept his proposition. [Laughter.]

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

There was no objection.

Mr. BOOHER. Now, Mr. Speaker, will the gentleman from Illinois send up that amendment?

The SPEAKER pro tempore. The gentleman from Illinois [Mr. MANN] offers an amendment, which the Clerk will report.

The Clerk read as follows:

Page 2, line 4, after the word "Giddings," insert the words "and in the opinion of such Secretary the circumstances of the case render the United States liable for the value of such powder"; and after the word "Giddings" in line 7, page 2, insert the words "but not to exceed the sum of $1,950."

The amendments were agreed to.

The bill as amended was ordered to be engrossed and read a third time, and was accordingly read the third time and passed.

On motion of Mr. BOOHER, a motion to reconsider the last vote was laid on the table.

SNARE & TRIEST CO.

The next business in order on the Private Calendar was the bill (S. 1369) for the relief of the Snare & Triest Co.

The bill was read.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. MANN. I object.

FLORINE A. ALBRIGHT.

The next business in order on the Private Calendar was the bill (H. R. 6880) to carry out the findings of the Court of Claims in the case of Florine A. Albright.

The bill was read as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, directed to pay, out of any money in the Treasury not otherwise appropriated, to Florine A. Albright the sum of $14,640, in full compensation for stores and supplies taken by the United States Army during the Civil War, and reported by the Court of Claims in Senate Document No. 466, Fifty-ninth Congress, first session.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. STAFFORD. I object.

Mr. ELDER. I wish the gentleman would reserve the right to object.

Mr. STAFFORD. I have no objection to reserving the right.

Mr. ELDER. I thank the gentleman for that. I should like to make as short and succinct a statement as possible in regard to this bill.

A great many years ago, I think about 1872, a claim was filed, originally by Sterling T. Austin and later by his heirs, for some cotton, mules, and other property taken by the Government in East Carroll Parish, State of Louisiana. It was finally held by the Court of Claims that some $59,000 of cotton was taken. As a matter of fact, there was between $200,000 and $300,000 worth of cotton taken, and the court found that there was $14,640 worth of mules and other property taken.

There were two different provisions of law, one in regard to cotton and the other in regard to captured and abandoned property; and in order not to mix these two claims they finally

dropped from the amount the mules and other property taken and concentrated their efforts on the cotton; and in 1898, during a Republican Congress, in face of the findings of the Court of Claims that Sterling T. Austin had been constructively disloyal, Congress passed a bill, and the claim of $59,000 for cotton was paid. In a long debate in the House, found on page 2484 of the CONGRESSIONAL RECORD of 1898, it was made to appear that while the Court of Claims had held this man to be constructively disloyal, purely for the reason that he lived in the South, yet as a matter of actual fact he had been loyal to the Union, so far as it was possible and convenient to his health in those trying times, and that he was entitled to his money. For this reason, as I say, Congress passed a bill to pay the claim for the cotton. Now, this bill is for the remaining amount, for the mules and other property, besides the cotton. The Court of Claims has found that the Government did take this property, and as a matter of simple justice I think the Government ought to pay for it.

A little history in this particular case: While the Government has only paid $59,000 for cotton taken, it actually received, according to the proof, over 1,200 bales of cotton from this man, a two years' crop, and it actually brought between $200,000 and $300,000; but all they could establish with absolute certainty was this amount of $59,000, as well as this amount of $14,640 for other property.

This happened in the neighborhood of Vicksburg, where the fighting was very hot, and the Union officers testified that this man was a Union sympathizer, and that all that had ever been done that could be held against him, outside of living within the Confederate lines, was that two or three of his negroes out of several hundred were taken by the Confederates and used in building embankments and entrenchments, and that he did not dare resist their use.

He was later appointed postmaster in the little town of Lake Providence in the seventies, during the hot days of reconstruction. His son, under a Government rule, was appointed probate judge there. Both father and son were killed in that town on the same day as a result of the ill feeling over the southern question. While I have no sympathy with them, being a southerner, yet I think as a matter of justice these people are entitled to this money, and in my opinion they were unquestionably loyal to the Union during the war. It is a matter of doing simple justice.

The Government takes the property of these people without the right of law. The only right they had was the right of necessity, a necessity that war brings on. The Court of Claims has found that this property was taken and used by the Government. Now, why should not the Government pay them? A Republican Congress, as I said a moment ago, an overwhelming Republican Congress, in the face of this same finding held that they were not really disloyal but loyal to the Union. If necessary I would like to read to the gentleman from the CONGRESSIONAL RECORD of 1898 what some Republican leaders said in that case in regard to this particular claim.

Mr. MANN. Was that in the House?

Mr. ELDER. It was. Mr. Mahon said, "I yield 20 minutes to the gentleman, Mr. Updegraff."

Mr. MANN. Mr. Speaker, will the gentleman yield?

Mr. ELDER. Certainly.

Mr. MANN. Does not the gentleman think that this is a claim which ought to be considered and discussed in the House? It can not be done very well upon a Unanimous Consent Calendar. I think the claim will be reached some time for real consideration.

Mr. ELDER. I think it can get real consideration now. I realize that if any gentleman does not want it considered he can put it hors de combat.

Mr. MANN. I have no objection to its being considered now, but I want to say to the gentleman that I shall want to be heard on it for at least half an hour whenever it is considered.

Mr. ELDER. The gentleman understands that if this is not taken up now it will not be considered at all.

Mr. MANN. I think the gentleman is mistaken; I have had some experience in the House.

Mr. ELDER. Of course the gentleman has had much more experience than I have, but in the shape the calendar is in I do not think we will get to consider it.

Mr. MANN. This bill is on top of the calendar, and one of these days the War Claims Committee will have a day undoubtedly, and, in my opinion, this bill will be reached.

Mr. ELDER. Does not the gentleman think there is enough merit in it to be passed by the House? I know that the gentleman from Illinois wishes to do the fair thing, and this has been already passed on by a Republican House.

Mr. ROBERTS of Massachusetts. Will the gentleman yield?

Mr. ELDER. Certainly.

Mr. ROBERTS of Massachusetts. Does the gentleman from Louisiana think it is fair to other Members who have bills on the calendar, the understanding being that only those receiving unanimous consent shall be taken up, to inject his bill at this time, knowing that it will invite a long discussion and therefore shut out any possible consideration of many bills behind it that, if they could be reached, would go through without objection?

Mr. ELDER. I do not think it is unfair because any Member can shut off discussion by objecting to even an explanation. We certainly, even in cases of unanimous consent, can not expect all bills to go through without some little discussion.

Mr. ROBERTS of Massachusetts. The gentleman has already consumed 15 minutes.

Mr. ELDER. I would like to have half an hour.

Mr. STAFFORD. Mr. Speaker, when I made the original objection I had read the report and was fully acquainted with it, and recognized that it was an important claim amounting to $14,000, and involving the claim of loyalty on the part of the claimant. I thought it would expedite business to object, and I reserved the objection to accommodate the gentleman from Louisiana.

The SPEAKER pro tempore. Does the gentleman from Wisconsin object?

Mr. STAFFORD. I object.

EDWARD WILLIAM BAILEY.

The next business on the Private Calendar was the bill (H. R. 5832) for the relief of Edward William Bailey.

The Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed, out of any money in the United States Treasury not otherwise appropriated, to pay to Edward William Bailey, of Portsmouth, Va., the sum of $1,500, for injuries resulting from the total loss of one eye and the serious impairment of the other eye, caused by a wound received by him at the hands of a target party of United States sailors and marines, while engaged at target practice at St. Helena, near Norfolk, Va., on or about November 7, A. D. 1890.

The SPEAKER pro tempore. Is there objection to the consideration of the bill?

Mr. MANN. I object.

MARGARET M'QUADE.

The next business on the Private Calendar was the bill (S. 1922) for the relief of Margaret McQuade.

The Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay to Margaret McQuade, widow of the late Edward McQuade, alias Edward Quade, out of any money in the Treasury not otherwise appropriated, the sum of $840, as compensation for the death of the said Edward McQuade, alias Edward Quade, caused by and in the performance of his duties as an employee in the Government service in the War Department.

The SPEAKER pro tempore. Is there objection?

Mr. STAFFORD. Mr. Speaker, reserving the right to object, I would like to inquire of the chairman of the committee as to the policy of compelling the Government to pay claims for injuries received by a Government employee in performing services of a private character for a Government official, as I believe this case is. I believe McQuade was at the time a driver for Secretary Dickinson. He was driving the Secretary's child and the governess for pleasure, and while he was driving the horses became riotous. He did his duty and saved the occupants of the carriage, but he himself suffered injury. Why should not Secretary Dickinson, for whose benefit he was virtually performing the service, be the person responsible for compensating his widow for the injuries?

Mr. POU. I will say to the gentleman that this man who lost his life was an employee of the Government, and was detailed by his superior officer to the position of driver for the Secretary of War. He had no control over his assignment. He could not resign, and he is as much an employee of the Government as any other of these persons for whose death we compensate.

Mr. STAFFORD. While he was an employee of the Government, yet it was a service that he was not performing for the Government, but was performing for the Cabinet officer personally.

Mr. POU. Certainly he was performing service for the Government, because the Government furnishes these Cabinet officers with drivers. The man was not master of his own actions; he was strictly in line of duty.

Mr. STAFFORD. In line of duty of his employer, Secretary Dickinson, but not performing the work of the Government.

Mr. POU. Secretary Dickinson did not employ him.

Mr. STAFFORD. Yes; but Secretary Dickinson was availing himself of his services for doing some personal work.

Mr. MANN. Mr. Speaker, will the gentleman yield?

Mr. STAFFORD. Certainly.

Mr. MANN. The Government provides Cabinet officers and the President with carriages for all purposes. The Government also provides the drivers, and it is intended that those carriages shall be used by the wives of the Cabinet officers and by the wife of the President. We provide the drivers. If we are going to pay any Government employee compensation for injuries received why should not these drivers stand in the same position as anyone else, no matter whom they are driving? We provide the carriage not merely for the use of the Cabinet officer to go from his home to his office, but for the use of his wife and his children, if he wishes to give his children the use of it. We assign the man to do the driving just like any other employee. I do not see any distinction.

Mr. STAFFORD. Then I assume the gentleman's position, carried to a logical end, would mean that if one of these chauffeurs operating automobiles for the Government, assigned by the Government for the benefit of officials, for official service, should utilize the automobile in social-function work——

Mr. MANN. But, if the gentleman will permit, we expressly forbid that these automobiles shall be used for social-function work.

Mr. STAFFORD. The gentleman will pardon me, but if in doing that social-function work the chauffeur is injured, I take it, according to the gentleman's logic, the Government is liable for the injury.

Mr. MANN. The gentleman evidently does not get the distinction. We especially provide that the vehicles owned by the Government, except those for the President and the Cabinet officers and the secretary of the President, shall not be used for social functions, but we have always provided these carriages for use socially of the wives of the members of the Cabinet or for the wife of the President. The gentleman would not contend for a minute that with several automobiles for the use of the President it was not proper for the President's wife to ride in one for social purposes?

Mr. STAFFORD. Oh, no.

Mr. MANN. But, for instance, in the case of the vehicle that is provided for the use of the Printing Office the law forbids that it shall be used for anything except official purposes. That prohibition does not extend to these Cabinet officers, and hence the distinction. These drivers are employees of the Government while performing these social functions, and they can not refuse to perform the services. They have to perform that work if they are employed at all.

Mr. STAFFORD. Mr. Speaker, I recognize that this claim is most meritorious. I assume this widow is in needy circumstances, and yet I question whether the Government should be responsible——

Mr. GREEN of Iowa. Mr. Speaker, will the gentleman yield a little further?

Mr. STAFFORD. For injuries arising out of employment which is not of a governmental character, such as the work in this instance. I yield to the gentleman from Iowa.

Mr. GREEN of Iowa. Mr. Speaker, this bill was before the House in the last Congress, and the very question which the gentleman now raises was very fully discussed at that time for, I think, three-quarters of an hour or an hour. After going very carefully over the matter, at the conclusion of the discussion every one I think concluded the man was performing a proper governmental service and the bill went through unanimously.

Mr. STAFFORD. Mr. Speaker, I recognize that I missed much during the two years that I was out of Congress, and I suppose that this was when this bill was considered last. Inasmuch as it was given favorable consideration at that time and the House unanimously believed it was a proper claim, I shall not raise objection at this time.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill? [After a pause.] The Chair hears none. The question is on the third reading of the Senate bill.

The bill was ordered to be read a third time, was read the third time, and passed.

T. J. SEMMES.

The next business in order on the Private Calendar was the bill (H. R. 11381) for the relief of the estate of T. J. Semmes, deceased.

The Clerk read as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he hereby is, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Myra E. Semmes, executrix and sole legatee of T. J. Semmes, late of New Orleans, deceased, $395.55 in full payment for rents collected by the United States during the Civil War from property owned by the said T. J. Semmes and situate at New Orleans, La.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill? [After a pause.] The Chair hears none.

The committee amendment was read, as follows:

Page 1, line 6, strike out the words "and sole legatee."

The amendment was agreed to.

The bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed.

RICHARD C. REED.

The next business in order on the Private Calendar was the bill (S. 3997) to waive for one year the age limit for the appointment as assistant paymaster in the United States Navy in the case of Landsman for Electrician Richard C. Reed, United States Navy.

The Clerk read as follows:

Be it enacted, etc., That the age limit for appointment as an assistant paymaster in the United States Navy in the case of Landsman for Electrician Richard C. Reed, United States Navy, be, and the same is hereby, waived for one year.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. MANN. Reserving the right to object, who has charge of the bill?

Mr. WITHERSPOON rose.

Mr. MANN. May I ask the gentleman what is a "landsman for electrician"?

Mr. WITHERSPOON. I suppose I can give a correct answer to that question, as the gentleman from Illinois has already told me how to answer it.

Mr. MANN. I did not know.

Mr. WITHERSPOON. The title, as I understand it in the Navy—I never heard of it until this bill came up——

Mr. MANN. I understand this man is now in the Navy as an enlisted man holding that title?

Mr. WITHERSPOON. Yes, sir.

Mr. MANN. In the electrical department, and took an examination for appointment as paymaster, and they were slow in marking up his papers for some reason, or marking up the papers.

Mr. WITHERSPOON. His papers were passed. It seems he had to be examined to get an appointment as assistant paymaster, and his papers were examined and approved on the day before he became 26 years old. The law provided that he could not be appointed after he is 26 years old. Now, it also provided that he had to be appointed by the President and confirmed by the Senate, and it happened on this one day on which he was to get his appointment the President was out of town and the Senate not in session, so he lost it on account of no fault of his, and the committee thought that that provision of the law should be waived in his case.

Mr. STAFFORD. Will the gentleman yield?

Mr. WITHERSPOON. Yes, sir.

Mr. STAFFORD. Does not the gentleman think it is a bad practice to make a special rule for just one individual? Why not raise the age limit? Is it not class legislation of the worst sort?

Mr. WITHERSPOON. I do not think so. I do not think it is ever a bad practice to do what is right.

Mr. STAFFORD. Have not a thousand and one persons outside the service the same right to have the age limit raised?

Mr. WITHERSPOON. Yes; I think if a thousand persons should take the examination and pass it satisfactorily and it be determined that they ought to be in office, and then the authorities should delay the examination of those papers until the day before the age limit was reached and then the President and Senate should leave the city, I think that thousand should have the limit waived in their case.

Mr. STAFFORD. The gentleman is aware that the same condition may occur in different branches of the civil service where the age limit is reached and the person is no longer eligible, and yet you are favoring this person just because he is in the service to-day.

Mr. WITHERSPOON. No; I do not think another case like this will occur in a thousand years. That is my judgment about it.

The SPEAKER pro tempore. Is there objection? [After a pause.] The Chair hears none.

The bill was ordered to be read a third time, was read the third time, and passed.

EMORY SCOTT LAND.

The next business in order on the Private Calendar was the bill (H. R. 1366) for the relief of Emory Scott Land.

The bill was read.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. MANN. I object.

The SPEAKER pro tempore. The gentleman from Illinois objects, and the Clerk will report the next bill.

CAPT. HAROLD L. JACKSON, RETIRED.

The next business in order on the Private Calendar was the bill (H. R. 4492) to restore Capt. Harold L. Jackson, retired, to the active list of the Army.

The bill was read.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. MANN. Mr. Speaker, I object.

Mr. COPLEY. Mr. Speaker, I wish my colleague would reserve his objection until this matter has been presented.

Mr. MANN. I will reserve the objection for a moment.

Mr. GARRETT of Tennessee. Does the gentleman intend to object in the end?

Mr. MANN. Well, sometimes a gentleman may give such information——

Mr. GARRETT of Tennessee. Then we will end the agony now.

Mr. COPLEY. The agony is just beginning, I will say to the gentleman.

Mr. GARRETT of Tennessee. If it is the purpose of the gentleman from Illinois finally to object, I will end the agony now.

Mr. FOSTER. Maybe we can overcome the gentleman from Illinois [Mr. MANN].

Mr. COPLEY. I hope my colleague will reserve his objection.

Mr. MANN. So far as I am concerned, I am reserving it.

Mr. COPLEY. Now, Mr. Speaker, this is the situation: This matter has been presented to the Military Affairs Committee of this House three separate times, and in each instance has been unanimously reported favorably to this House. The bill has passed the House once and it has passed the Senate twice. The first time it passed the House and Senate it reached the President too late for his signature. It was not vetoed, but did not become a law. If any man will read the bill and read the committee's report, I am sure there must be some reason for his objection that I do not know, and it will give me great pleasure if my colleague will give his reasons for objecting to the bill.

Mr. MANN. I can tell the gentleman very quickly that I am opposed to any bill that restores a man in the Army and puts him back to the same rank and relative position he would have held if he had not been retired. I think it is a lot of gall for anybody to want to go back in the Army at the same place he was when he went out.

Mr. COPLEY. This man was retired involuntarily. He has again recovered his health, and he has served on active duty all but about six weeks since the time he was retired.

Mr. KAHN. Will the gentleman yield?

Mr. COPLEY. With pleasure.

Mr. KAHN. This is an unusual case. This man was examined by the medical officers of the Army, who held he was afflicted with Bright's disease. The young man thereupon was retired. The years rolled on. He protested against the decision of the Army board of survey that found he had Bright's disease, and he could get no satisfaction. If he had had Bright's disease, he would have been dead long ago. As a matter of fact, he has been examined a number of times since then, and they have always found that he did not have Bright's disease, and the committee felt that under those circumstances where the disease of the man was erroneously diagnosed by the board through no fault of his he ought not to suffer in consequence.

Mr. MANN. Here is one of those cases where if a Member of Congress had Bright's disease, or thought he had——

Mr. KAHN. He did not think so.

Mr. MANN. Or his constituents thought he had something more fatal and kept him home for two years and he wanted to get back, he would want to go back at the top. The rest of the Members of Congress never look at it in that way.

Mr. COPLEY. The fact of the matter is that this man was retired involuntarily. He wanted to go back, and his colonel told him if he went back he would be retired, and he was retired, but has been in active service ever since. He was mentioned in special orders in the Philippines. He has been doing active service, and he wants to get back, and the report of the committee itself is in these words:

The bill simply allows the officer an opportunity of appearing before an examining board, with a view of determining whether he is fit mentally and physically for active service. If he is, he may be restored to the active list. If he is not, he remains where he is.

The Committee on Military Affairs, to which this bill was referred, considers this an act of simple justice, and so reports. Now, I hope my colleague will not press his objection.

The SPEAKER pro tempore. Is there objection?

Mr. MANN. I am very sorry not to accommodate my colleague, but I am very fixed in my views on this. I object.

Mr. COPLEY. Mr. Speaker, I give notice now that the House may as well adjourn. I will object to every private bill that comes up to-night from now on.

Mr. MANN. The gentleman will never get his bill through, anyhow.

Mr. COPLEY. I do not care. I will never get it through anyhow if you can help it, and you know it.

Mr. MANN. The gentleman will not help his cause in that way, either.

Mr. COPLEY. I have no cause that I know about.

The SPEAKER pro tempore. The gentleman from Illinois [Mr. MANN] objects. The Clerk will report the next bill.

JOHN W. HYATT.

The next business in order on the Private Calendar was the bill (H. R. 4744) to authorize the appointment of John W. Hyatt to the grade of second lieutenant in the Army.

The bill was read, as follows:

Be it enacted, etc., That the President be, and he is hereby, authorized, by and with the advice and consent of the Senate, to appoint John W. Hyatt, late a second lieutenant in the Sixteenth Regiment United States Infantry, to the grade of second lieutenant in the United States Army: *Provided*, That prior to such appointment the said John W. Hyatt shall pass, in a manner satisfactory to the Secretary of War, the physical examination required of candidates for appointment as second lieutenant.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill? [After a pause.] The Chair hears none.

The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, was read a third time, and passed.

The SPEAKER pro tempore. The Clerk will report the next bill.

ERIK J. AANRUD.

The next business in order on the Private Calendar was the bill (H. R. 4318) to authorize the Secretary of the Interior to cause patent to issue to Erik J. Aanrud upon his homestead entry for the southeast quarter of the northeast quarter of section 15, township 159 north, range 73 west, in the Devils Lake land district, N. Dak.

The Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Interior be, and he is hereby, authorized and directed to cause patent to issue to Erik J. Aanrud upon his homestead entry for the southeast quarter of the northeast quarter of section 15, township 159 north, range 73 west of the fifth principal meridian, serial No. 02727, Devils Lake land district, N. Dak., notwithstanding his two prior entries, which embraced 120 acres: *Provided*, That the present entry for 40 acres be in all other respects complete and proper.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

There was no objection.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

The SPEAKER pro tempore. The Clerk will report the next bill.

THOMAS J. LEARY.

The next business in order on the Private Calendar was the bill (H. R. 3960) to correct the lineal and relative rank of First Lieut. Thomas J. Leary, Medical Corps, United States Army.

The Clerk read the bill, as follows:

Be it enacted, etc., That the President be, and he is hereby, authorized to advance First Lieut. Thomas J. Leary, Medical Corps, United States Army, to the grade of captain in the Medical Corps with rank of captain from the 5th day of August, 1912, and to cause his name to appear upon the lineal list of captains of the Medical Corps next below that of George D. Heath, of the same corps: *Provided*, That he shall successfully pass the examination for promotion from the grade of first lieutenant to the grade of captain in the Medical Corps as required by existing law: *Provided also*, That he shall receive pay as captain only from date of acceptance of his commission as such under the terms of this act.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. MANN. I object.

The SPEAKER pro tempore. The gentlaman from Illinois objects.

Mr. HOWARD. I hope the gentleman will withhold his objection.

Mr. MANN. I will withhold it.

Mr. HOWARD. This is not a restoration of this officer to the service.

Mr. MANN. It is a worse case than that.

Mr. HOWARD. No, sir. If the gentleman will permit me to explain this case, I think he will not interpose any objection.

Mr. MANN. If the gentleman wants to explain it for my benefit, he does not need to do it, because I am thoroughly familiar with the case.

Mr. HOWARD. There are some facts in this case that are not included in the report I drew and which, if known at the time, I would have incorporated.

Mr. MANN. Let me ask the gentleman a few questions.

Mr. HOWARD. Yes.

Mr. MANN. This man was in the Medical Corps in the Philippines?

Mr. HOWARD. Yes, sir.

Mr. MANN. And resigned and went out of the service, and about a month afterwards he applied for appointment in the service again, and was appointed again? He went in as a lieutenant, and now, having gotten back in, he wants to be put at a higher place than he holds now, a little lower than he would have held if he had remained in the service, and does not want to take any of the punishment that comes from leaving the service?

Mr. HOWARD. Yes; he takes the punishment of the loss of 15 files.

This gentleman is a constituent of Mr. VARE, of Pennsylvania. The circumstances are these: Lieut. Leary's father was stricken with serious illness in Pennsylvania. He received this information just four days before he left the Philippine Islands, after serving in the treatment of cholera at an isolated post in the Philippines. At the time he received this message from his relatives as to the serious illness of his father he resigned from the service. It took him 29 days to cross the Pacific Ocean and land in California. Upon his landing in California he received a communication from his relatives, which was then and there waiting for him, to the effect that the doctor had pronounced his father so much better that it would be unnecessary to come home to help take care of him, whom he thought was a helpless invalid.

He immediately telegraphed to the War Department, asking to withdraw his resignation. Surg. Gen. Torney directed him to stand another examination, and he stood that examination immediately afterwards in Washington; and in all he was out of the service less than 40 days. That is, from the day he left the Philippine Islands to the day he stood the examination for readmission to the service, he was out of the service only 40 days.

Now, I want to say this to the gentleman from Illinois: This young fellow is an exceptionally fine officer. He has lost 119 files by this resignation. Every classmate that entered with him will not only be pleased, but will be delighted if he is advanced to the rank that they now have attained. But he goes to the foot of it, and he loses 15 files in addition. He is still in the Medical Corps. If the young man loses these files, the promotion being very slow in the Medical Corps, before this young doctor, Leary, who is now 34 years old, will be a major in the Medical Corps at the present rate of promotion he will be an old man. He is now performing a large per cent of all the surgical operations that are performed in the Walter Reed Hospital in this town. I have only met him once or twice in my life.

There is not a finer young officer in the United States Medical Corps than this young man, and under the circumstances of his resignation I think his affection for his father and his willingness to give up a service to which he was devoted should receive due consideration. He was not running away from any service that might be obnoxious to him. He had spent much time in this cholera camp, diagnosing cases over there in an isolated camp where he could not even visit his wife and baby.

The circumstances of his resignation and reentry into the service make this an exceptional case; and in view of the magnificent record of this young man, who has willingly accepted his medicine, I hope the gentleman will not object to it. This bill was inspired by the late Surg. Gen. Torney. It was favorably recommended by Mr. Stimson when he was Secretary of War, and under this administration the department have heartily concurred in the recommendations of the former Secretary of War, and have said that because of the exceptionally fine record of this young man they would be delighted to see him receive the relief which this bill will give him.

Mr. VARE. Will my colleague yield?

Mr. HOWARD. Certainly; with pleasure.

Mr. VARE. Has not this young surgeon had actual charge of the Walter Reed Hospital during the last two years?

Mr. HOWARD. Yes.

Mr. VARE. Has he not been a special assistant to Maj. Rhodes?

Mr. HOWARD. In fact, when Maj. Rhodes was detailed to the White House under the former administration this young Dr. Leary, as I am informed, had absolute charge of that great hospital out there. I am frank to say that if I thought this was doing anybody an injustice I would not espouse the cause of this young man or urge the passage of this bill; but it does absolutely nobody an injustice. He goes to the foot of his class, and he is penalized 15 files by his resignation, which absolutely amounted to nothing, in view of the fact that immediately upon his arrival in Washington he sought an examination and went back into the service. I know the gentleman from Illinois is averse to bills of this character; but this young man is in the service. He resigned under a misapprehension as to the condition of his father, and immediately upon being correctly informed as to the condition of his father's health he made an application and stood the examination for reentry into the service, and has never shrunk from any duty imposed. In view of this fact, it seems to me that Congress could well strain a point and give him this relief. He goes to the foot of his class.

Mr. VARE. Will my colleague yield again?

Mr. HOWARD. With pleasure.

Mr. VARE. As I understand it, if Lieut. Leary was promoted to be a captain he would not take the place of any other captain?

Mr. HOWARD. Absolutely nobody.

Mr. VARE. He would take the last captaincy?

Mr. HOWARD. The last captaincy in his class, at the foot of the list. He has lost 15 files, and everybody below him—all of the lieutenants in the grade in which he now is—would welcome the passage of this bill.

Mr. MANN. There are some very good Army officers who have got the notion into their heads that they can get promotion by special acts. The first thing that an Army officer ought to learn is that he must suffer the consequences of any act that he performs; that personal solicitation will not remove the consequences; and an Army officer who does not learn that is not much good in the service if he gets back and is advanced. I honor the young man if he resigned on account of the health of his father, but he is the one to take the consequences, not the men who remained in the service. I am utterly opposed to advancing men in the Army by acts of Congress, which are acts of special favoritism at the best, and the case of this young man probably would never have received any consideration if he had not been living in Washington.

Mr. HOWARD. Will the gentleman permit me to interrupt him? I want to say that this young man is not seeking any influence of any congressional aid.

Mr. MANN. He is seeking the influence of all congressional aid.

Mr. HOWARD. Just as I stated awhile ago, the introduction of this bill in the last Congress—when it was favorably reported and put on the calendar, but never reached on account of the congestion of business—was inspired not by young Leary, but by the late Surg. Gen. Torney, who had a very great affection for this young man, and considered him one of the best men in the medical corps. He is a bright, willing young man, expert in his profession, and I hope the gentleman from Illinois will not object to this bill, but will let it pass. It hurts nobody.

The SPEAKER pro tempore. Is there objection?

Mr. MANN. I object.

Mr. POU. Mr. Speaker, I want to say here that we have just 50 minutes left. There is going to be opportunity later for discussion of all contested bills, and I think we ought to have the regular order from now on, in justice to gentlemen who have bills on the calendar. I demand the regular order.

STEPHEN MORRIS BARLOW.

The next business on the Private Calendar was the bill (H. R. 9536) for the relief of Stephen Morris Barlow.

The Clerk read the bill in full.

The SPEAKER pro tempore. Is there objection to the consideration of the bill?

Mr. MANN. I object.

CHARLES A. DAVIDSON.

The next business on the Private Calendar was the bill (H. R. 3041) to carry into effect the findings of the Court of Claims in the cases of Charles A. Davidson and Charles M. Campbell.

The Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of the money in the Treasury not otherwise appropriated, the sum of $750 to Charles A. Davidson, and the sum of $750 to Charles M. Campbell, late clerks of United

States courts in Indian Territory, in pursuance of the findings of fact reported to the United States Senate by the Court of Claims in the cases of Charles A. Davidson and Charles M. Campbell *v.* The United States, No. 14046, congressional.

The SPEAKER pro tempore. Is there objection?

Mr. DAVENPORT. Mr. Speaker, I would like to read a letter which I received from the Department of Justice. It is as follows:

OFFICE OF THE ATTORNEY GENERAL,
Washington, D. C., May 5, 1914.

Hon. JAMES S. DAVENPORT,
House of Representatives.

DEAR SIR: Permit me to acknowledge your letter of May 2, inclosing a copy of House bill 3041, Sixty-third Congress, first session, and a report upon it by Mr. STEPHENS of Mississippi, from the Committee on Claims, and to say that the facts pertaining to the claims of Charles A. Davidson and Charles M. Campbell are fairly and accurately reported by the court in the findings of fact certified to Congress.

I have no further objection to urge to the payment of these claims.

Very truly, yours,

J. C. MCREYNOLDS, *Attorney General.*

The SPEAKER pro tempore. Is there objection?

There was no objection.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

W. W. BLOOD.

The next business in order on the private calendar was the bill (H. R. 1515) for the relief of W. W. Blood.

The Clerk read the bill as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury of the United States not otherwise appropriated, to W. W. Blood, of Greenville, Plumas County, Cal., the sum of $439.09, in full payment for all work and labor done and performed by him for the Government of the United States or its official representatives at the Indian school near Greenville, Indian Valley, Plumas County, Cal., during the year 1907.

The SPEAKER pro tempore. Is there objection?

Mr. STAFFORD. Reserving the right to object, I would like to get some information, besides that contained in the report, as to the reason why this man did not receive compensation from the department for the work performed. There is nothing in the report to show why he was not paid by the department.

Mr. RAKER. By reference to the report of the department for this year the gentleman will find that by the time he got around to get his pay the time limit under section 3690 of the Revised Statutes had passed and the appropriation had lapsed.

Mr. MANN. I would like to ask how he managed to get such a report out of the Assistant or Acting Assistant Secretary of the Interior where he says:

In view of the facts as developed by the investigation made, it appears Blood actually performed work and furnished material from which the Government benefited, and that he has an equitable claim.

The department has no authority to pay anything but a legal claim, and the department knows it.

Mr. RAKER. There is no question that had the money not been returned to the Treasury or lapsed the man would have received his money.

Mr. MANN. Oh, the department does not pay equitable claims.

Mr. RAKER. The Greenville Indian School is about 150 miles from where I live. I am acquainted with the school, the conditions, and the man. The man performed the work and furnished the material, and the money had been appropriated for building the school.

Mr. STAFFORD. Was the work accepted as soon as performed?

Mr. RAKER. It was, and the record so shows.

Mr. STAFFORD. I can not find anything in the report; otherwise I should not have asked the gentleman the question.

Mr. RAKER. I take it to be in the report; I think it is.

Mr. DONOVAN. Mr. Speaker, I demand the regular order. This session was to be for uncontested cases.

Mr. STAFFORD. This may be an uncontested case.

Mr. DONOVAN. But it was to be for cases where there was no objection.

The SPEAKER pro tempore. The regular order is to put the question. Is there objection?

Mr. STAFFORD. Reserving the right to object, Mr. Speaker——

Mr. DONOVAN. The gentleman must object or not.

Mr. STAFFORD. Mr. Speaker, if we can not reserve the right to object, we might as well quit right here.

Mr. DONOVAN. This was to be for cases where there was no objection.

Mr. STAFFORD. If the gentleman from Connecticut will withhold his demand for the regular order. Here is a case where the report is defective, where it does not show the reason why the claim was not paid by the officer, and the Acting Secretary of the Interior says that it is an equitable claim. The inference arises that it was not a legal claim, and therefore the department refused to pay it. The gentleman from California, who is acquainted with the facts, is giving those facts to the House, so that we can come to some decision on it.

Mr. MANN. Mr. Speaker, I agree with the gentleman from Connecticut that we ought to get through, and I object.

Mr. RAKER. Mr. Speaker, I want unanimous consent to proceed for about three minutes.

Mr. MANN. I object.

Mr. RAKER. Just a moment, gentlemen.

Mr. MANN. The gentleman will get his bill up later.

Mr. RAKER. No; I do not think there is a chance for it to come up later.

The SPEAKER pro tempore. The regular order is demanded.

Mr. RAKER. Mr. Speaker, this bill passed the House twice last year by unanimous consent.

Mr. MANN. No; I think the gentleman is mistaken. I think I objected to it once.

Mr. MOORE. Mr. Speaker, a parliamentary inquiry.

The SPEAKER pro tempore. The gentlemen will state it.

Mr. MOORE. When a bill is objected to under the rule under which we are now proceeding, the objection does not take it off the calendar?

The SPEAKER pro tempore. No.

Mr. MOORE. It remains on the calendar, for consideration later on?

The SPEAKER pro tempore. That is correct.

Mr. RAKER. Mr. Speaker, I ask unanimous consent that I may proceed for one minute.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. RAKER. Mr. Speaker, I want to call the attention of the committee to the fact that this bill was reported in the last Congress, and unanimously passed the House when it came up on the calendar. It went over to the Senate, but did not pass because of the fact that there was not time. In fact, it passed the House twice. It passed the House in a general omnibus bill, and then the Senate struck it out of the bill with half a dozen others. It then came back.

Mr MANN. Mr. Speaker, if I did not object to this bill last year I fell down, because I had it marked bad.

Mr. RAKER. Mr. Speaker, I guess we might just as well quit to-night on this. I do not think there is a quorum present. There is no use of saying that a bill is bad, when the Members of this House last year passed it twice.

The SPEAKER pro tempore. The time of the gentleman from California has expired. The Clerk will report the next bill.

MOSES M. BANE.

The next business in order on the Private Calendar was the bill (H. R. 7553) for the relief of the estate of Moses M. Bane.

The Clerk read the bill.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. MANN. I object.

Mr. RAKER. Mr. Speaker, reserving the right to object——

The SPEAKER pro tempore. The gentleman from Illinois objects, and the Clerk will report the next bill.

ELIZABETH MUHLEMAN.

The next business in order on the Private Calendar was the bill (H. R. 12191) for the relief of Elizabeth Muhleman, widow, and the heirs at law of Samuel A. Muhleman, deceased.

The Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is hereby authorized and directed to pay to Elizabeth Muhleman, widow, and the heirs at law of Samuel A. Muhleman, deceased, out of any money in the Treasury not otherwise appropriated, the sum of $1,000, in full compensation for the death of said Samuel A. Muhleman on February 14, 1898, caused by injury received on the 9th day of June, 1893, while employed as a clerk in the Record and Pension Office, War Department, while located in Ford's Theater at the time of its collapse.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. RAKER. Mr. Speaker, reserving the right to object, I would like to have the gentleman explain the bill.

Mr. STAFFORD. Mr. Speaker, will the gentleman yield?

Mr. RAKER. Yes.

Mr. STAFFORD. Has the gentleman read the report in this case?

Mr. RAKER. Mr. Speaker, like the gentleman, I go over all of these matters.

Mr. STAFFORD. I am certain if he has read the report in this case he will not ask for any further information, because it is a very clear case.

Mr. RAKER. Who has charge of the bill?

Mr. POU. Mr. Speaker, I will say that it was reported by the gentleman from Mississippi [Mr. STEPHENS].

Mr. MANN. Mr. Speaker, I demand the regular order.

The SPEAKER pro tempore. Is there objection? [After a pause.] The Chair hears none. The Clerk will report the committee amendment.

The Clerk read as follows:

Page 1, lines 4 and 5, strike out the words "and the heirs at law."

The SPEAKER pro tempore. The question is on agreeing to the committee amendment.

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

The title was amended so as to read: "A bill for the relief of Elizabeth Muhleman, widow of Samuel A. Muhleman, deceased."

THOMAS B. M'CLINTIC.

The next business on the Private Calendar was the bill (S. 661) for the relief of the widow of Thomas B. McClintic, deceased.

The Clerk read the bill, as follows:

Whereas Thomas B. McClintic, late passed assistant surgeon and a commissioned officer in the United States Public Health and Marine-Hospital Service, contracted the Rocky Mountain spotted fever while performing his duty as assistant surgeon in the special work of investigating the causes of Rocky Mountain spotted fever in the State of Montana, and in which special work he had been exclusively engaged for the best part of two years last past, and in which he was engaged when he contracted the disease of Rocky Mountain spotted fever, of which he died in Georgetown University Hospital in the city of Washington on the 13th day of August, 1912: Therefore

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the widow of Thomas B. McClintic, deceased, the sum of $5,760, being the amount of salary and allowances for two years.

The SPEAKER pro tempore. Is there objection?

Mr. STAFFORD. Mr. Speaker, I reserve the right to object.

Mr. FLOOD of Virginia. Mr. Speaker, I desire at the proper time to offer two amendments, and I would like to state what they are now. In line 3, on page 2, I desire to move to strike out the figures "$5,760" and insert "$2,880," and in line 4, page 2, I desire to strike out "two years" and insert "one year."

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

There was no objection.

Mr. FLOOD of Virginia. Mr. Speaker, I offer the amendments to which I have just referred.

The SPEAKER pro tempore. The Clerk will report the amendments.

The Clerk read as follows:

Page 2, line 3, strike out "$5,760" and insert in lieu thereof "$2,880."

Page 2, line 4, strike out the word "two" and insert the word "one."

The SPEAKER pro tempore. The question is on agreeing to the committee amendments.

The amendments were agreed to.

The bill as amended was ordered to be read a third time, was read the third time, and passed.

SAMUEL HENSON.

The next business in order on the Private Calendar was the bill (S. 1171) for the relief of Samuel Henson.

The Clerk read the bill.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. MANN. Mr. Speaker, I object.

HYACINTHE VILLENEUVE.

The next business in order on the Private Calendar was the bill (H. R. 6260) for the relief of Hyacinthe Villeneuve.

The Clerk read the bill, as follows:

Be it enacted, etc., That upon the filing in the Department of the Interior of a proper reconveyance to the United States, previously recorded in the county wherein the land lies, of the southeast quarter of the northwest quarter of section 15, township 162 north, range 57 west, fifth principal meridian, in the Devils Lake (N. Dak.) land district, accompanied by a duly certified abstract showing title in the United States, free of liens and encumbrances, the party or parties making such reconveyance shall be entitled to select, in lieu of said tract, 40 acres of vacant, surveyed, nonmineral, and unoccupied public lands.

SEC. 2. That upon the acceptance by the Secretary of the Interior of such reconveyance of the land above described, the patent issued therefor to the Santa Fe Pacific Railroad Co. shall be canceled and the homestead entry made for said land on December 5, 1908, by Hyacinthe Villeneuve passed to patent.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill? [After a pause.] The Chair hears none, and the Clerk will report the committee amendments.

The Clerk read as follows:

Page 2, line 1, insert the word "unreserved."

Page 2, line 2, after the word "lands," insert "*Provided*, That the selection made under such exchange be made within two years after the approval of this act.

The SPEAKER pro tempore. The question is on agreeing to the committee amendments.

The committee amendments were agreed to.

The bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed.

JOSEPH HODGES.

The next business in order on the Private Calendar was the bill (S. 540) for the relief of Joseph Hodges.

The Clerk read as follows:

Be it enacted, etc., That the Secretary of the Interior is hereby authorized to issue a patent to Joseph Hodges for the following-described lands: The southwest quarter of the northeast quarter and the south half of the northwest quarter of section 29; the south half of the northeast quarter and the southeast quarter of the northwest quarter of section 30; the west half of the southeast quarter and the west half of the northeast quarter of section 15; the southwest quarter of the southeast quarter of section 10, all in township 13 north, range 5 east of Salt Lake meridian, upon the transfer by the said Joseph Hodges to the United States of the northeast quarter of the southeast quarter of section 3; the southwest quarter of the southwest quarter of section 26; the southwest quarter of the southwest quarter of section 27; the south half of section 16, all in township 14 north, range 4 east of Salt Lake meridian, situate in the Cache National Forest: *Provided*, That upon the reconveyance of the surrendered lands they will become a part of the Cache National Forest.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. STAFFORD. Mr. Speaker, reserving the right to object, I notice there is no information whatsoever contained in the printed sheet called a report on this case. The House is entirely without any information as to——

Mr. MANN. There is a supplemental report.

Mr. HOWELL. There is a very full report. This bill simply provides an exchange of land in the national forest for lands outside. It has met the approval of the Department of Agriculture and the Secretary of the Interior.

Mr. GRAHAM of Illinois. I will say to the gentleman from Wisconsin that the committee gave it very careful attention, inquired a couple of times of the department in reference to it, and I believe it is entirely meritorious.

Mr. STAFFORD. Will the gentleman inform the House as to the practice of this committee in submitting a report consisting of four lines which does not contain any information at all?

Mr. GRAHAM of Illinois. Mr. Johnson was assigned to make the report, and I presume he inadvertently made that report and afterwards made a fuller report. He made the report, I presume, in order to get it on the calendar, and then made a fuller report as soon as he had time to do so. The second report is very complete.

Mr. STAFFORD. On the statement of the gentleman that this matter has been given full consideration, and having had handed me the complete report known as the supplemental report, I withdraw the objection.

The SPEAKER pro tempore. Is there objection? [After a pause.] The Chair hears none.

The bill was ordered to be read a third time, was read the third time, and passed.

REBECCA C. PEPPER.

The next business in order on the Private Calendar was the bill (S. 2563) for the relief of Rebecca C. Pepper.

The bill was read.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. MANN. Mr. Speaker, I object.

Mr. GRAHAM of Illinois. Will my colleague reserve the right to object?

Mr. MANN. Not at this time in the evening.

Mr. GRAHAM of Illinois. It is really very meritorious.

Mr. MANN. I went over the report, and I do not think so.

Mr. GRAHAM of Illinois. I would be glad to state to the gentleman——

Mr. MANN. If I had time, I would be glad to hear the gentleman, but not at this time.

The SPEAKER pro tempore. Does the gentleman object?

Mr. MANN. I object.

GEORGE W. CARY.

The next business in order on the Private Calendar was the bill (H. R. 1517) for the relief of George W. Cary.

The Clerk read as follows:

Be it enacted, etc., That the Secretary of the Interior is authorized to investigate the status of section 14, township 38 north, range 8 east, Mount Diablo meridian, within the State of California, to determine whether said lands were settled upon by George W. Cary prior to the issuance of an allotment to Annie Roseberry, Indian; and if the said

Secretary of the Interior does so determine that the said lands were settled upon, he is hereby authorized and empowered to cancel the trust patent issued to the said Annie Roseberry and to award said Annie Roseberry another allotment equally satisfactory upon any vacant public lands he may determine, and to allow George W. Cary the right to make a homestead entry upon said lands upon which he has settled within three months of the date of the passage of this act.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill? [After a pause.] The Chair hears none. The Clerk will report the committee amendments.

The Clerk read as follows:

Page 1, line 4, after the word "of," insert the words "the southeast quarter of southwest quarter and west half of southeast quarter section 11, and the northwest quarter of northeast quarter of."

The question was taken, and the amendment was agreed to.

The Clerk read as follows:

Page 2, line 3, strike out the words "equally satisfactory" and insert "not exceeding 160 acres."

The question was taken, and the amendment was agreed to.

The Clerk read as follows:

Page 2, line 7, after the word "passage," insert the words "and approval."

The question was taken, and the amendment was agreed to.

The bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed.

JAMES HARVEY DENNIS.

The next business in order on the Private Calendar was the bill (H. R. 11040) to carry out the findings of the Court of Claims in the case of James Harvey Dennis.

The Clerk read as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to L. Helen Dennis, administratrix of the estate of James Harvey Dennis, deceased, the sum of $26,538, in accordance with the findings of the Court of Claims reported in Senate Document No. 619, Sixty-second Congress, second session, said sum to be accepted and receipted for in full of said claim against the Government. *Provided*, That the said L. Helen Dennis shall file in the Treasury Department a certificate showing her appointment as administratrix of said estate and a certified copy of her bond, which bond must be at least equal in amount to the sum hereby appropriated: *And provided further*, That if said L. Helen Dennis be dead or no longer holding said office, payment shall be made to her successor upon his or her complying with the same requirements as herein provided with respect to the said L. Helen Dennis, administratrix.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. MANN. Mr. Speaker, reserving the right to object, I would like to ask one question of the gentleman from Kentucky, who introduced the bill and in the last Congress reported the bill, whether the committee had before it the findings of the Court of Claims made, I think, in 1890, or some time along there? I have been trying to get hold of those findings for a long time and never have been able to get them; and while they are referred to in the report, in a way, I would like to know whether the committee had those findings?

Mr. CANTRILL. We quote from the findings of the Court of Claims.

Mr. MANN. Oh, no; I beg the gentleman's pardon. There is a statement here as to what the Court of Claims found.

Mr. CANTRILL. As to what the Court of Claims found; yes.

Mr. MANN. And a letter from one of the judges of the Court of Claims, written 12 or 15 years after the Court of Claims had made its report, as to what it had found, and apparently there were some very long and complicated findings.

Mr. CANTRILL. I will state to the gentleman from Illinois, if he will permit me, from my own personal knowledge, I know that Maj. Dennis lost on this contract over $200,000.

Mr. MANN. That does not interest me at all, even if he lost $2,000,000. We do not want to pay him anything that we do not owe him.

Mr. CANTRILL. The Court of Claims, in going through all the claims, reported this one of $6,500. The claim has been favorably reported by the Senate six different times and it has passed the Senate six different times. It has eight favorable reports of the House of Representatives behind it, and it has passed the House twice. At the last session of Congress it passed the House and passed the Senate, but in separate bills. There have been fourteen favorable reports by Congress on this bill.

Mr. MANN. I know that; but that does not count for anything at all. I am not disposed to object to the consideration of the claim, although it seems remarkable and strange that this committee could have never presented to either body of Congress the facts on which the claims were founded—the finding of the Court of Claims. I do not know whether the committee ever had them. If so, nobody has ever put it in any of the reports.

Mr. CANTRILL. But the judge of the court and the clerk of the court reported the finding of the Court of Claims——

Mr. MANN. The opinion of the judge that was written some 14 years after he had made a finding, as to what his finding was, is not worth the snap of your finger.

The SPEAKER pro tempore. Is there objection? [After a pause.] The Chair hears none. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, was read a third time, and passed.

ELLIS P. GARTON, ADMINISTRATOR.

The next business in order on the Private Calendar was the bill (H. R. 9092) for the relief of Ellis P. Garton, administrator of the estate of H. B. Garton, deceased.

The bill was read in full.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. MANN. I object.

The SPEAKER pro tempore. The gentleman from Illinois objects, and the Clerk will report the next bill.

REFUND OF DUTIES ON WILD-CELERY SEED.

The next business in order on the Private Calendar was the bill (H. R. 1781) providing for the refund of certain duties incorrectly collected on wild-celery seed.

The bill was read, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to William A. Avis, of New York, N. Y., the sum of $434.30, being the amount incorrectly collected on 4,343 pounds of wild-celery seed imported at the port of New York on November 3, 1909, entry No. 273,740.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill? [After a pause.] The Chair hears none.

The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

QUITCLAIM TO LAND, HAMPDEN COUNTY, MASS.

The next business in order on the Private Calendar was the bill (H. R. 3334) authorizing the quitclaiming of the interest of the United States in certain land situated in Hampden County, Mass.

The bill was read, as follows:

Be it enacted, etc., That the Secretary of War is hereby authorized and directed, by quitclaim deed for and on behalf of the United States, to convey to John D. McKnight and William H. McKnight, or their heirs and assigns forever, all right, title, and interest it may have in and to all of that plat or parcel of ground described as containing 40 rods of land together with a right of way "situated in Springfield in Hatch's pasture, so called, near Garden Brook," Hampden County, Mass., and acquired by the United States through the deed of Solomon Hatch, dated September 14, 1825, recorded September 15, 1825, in book 75, at page 186 of the records of Hampden County.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill? [After a pause.] The Chair hears none.

The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

L. V. THOMAS.

The next business in order on the Private Calendar was the bill (H. R. 10172) for the relief of L. V. Thomas.

The bill was read, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay to L. V. Thomas the sum of $2,000, out of any money not otherwise appropriated, for personal injuries received while working on the Panama Canal in the employ of the Panama Canal Commission as a carpenter.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill? [After a pause.] The Chair hears none. The Clerk will report the amendment.

The Clerk read as follows:

Page 1, line 5, strike out "$2,000" and insert "$1,680."

The SPEAKER pro tempore. The question is on agreeing to the amendment.

The amendment was agreed to.

The bill as amended was ordered to be engrossed and read a third time, was read a third time, and passed.

JAMES STANTON.

The next business in order on the Private Calendar was the bill (H. R. 3428) for the relief of James Stanton.

The bill was read, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay to James Stanton, of Leaven-

worth, Kans., out of any money in the Treasury not otherwise appropriated, the sum of $1,912.40, the same being for extra work performed by said James Stanton on a contract with the War Department, dated June 8, 1908, for grading, paving, curbing, and rock hauling on Grant Avenue, Fort Leavenworth, Kans.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill? [After a pause.] The Chair hears none. The Clerk will report the amendment.

The Clerk read as follows:

Page 1, line 10, after the word "Kansas," insert the following: "*Provided*, That no part of the said sum shall be paid to the said James Stanton unless he has carried out a certain agreement, under a contract dated August 27, 1907, namely, that he would keep the said road in satisfactory condition for a period of five years from the completion of the work under the last-named contract and that, in case of his refusal or failure to fulfill said agreement, any amounts which may have been expended by the United States for keeping this road in a satisfactory condition during the five-year period shall be deducted from the said sum of $1,912.40, and shall be available to reimburse the War Department for such necessary expenditures as same are made: *And provided further*, That the Government does not relinquish any of the rights secured to it under the guaranty bond of the said James Stanton, in the Massachusetts Bonding & Insurance Co., dated January 4, 1910, should the said sum of $1,912.40 prove insufficient for defraying the cost of the work necessary to place and keep the road in such satisfactory condition during the said five-year period."

Mr. MANN. Mr. Speaker, the spelling of the word "five" in line 18 should be corrected by the Clerk.

The SPEAKER pro tempore. Is that part of the amendment?

Mr. MANN. That is in the amendment.

The SPEAKER pro tempore. By unanimous consent the correction will be made. Is there objection?

There was no objection.

The SPEAKER pro tempore. The question is on agreeing to the amendment.

The amendment was agreed to.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

The SPEAKER pro tempore. The Clerk will report the next bill.

ORMOND M. LISSAK.

The next business in order on the Private Calendar was the bill (H. R. 1133) for the relief of Lieut. Col. Ormond M. Lissak.

The bill was read.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. MANN. I object.

The SPEAKER pro tempore. The gentleman from Illinois [Mr. MANN] objects. The Clerk will report the next bill.

RELIEF OF CERTAIN FIRE INSURANCE COMPANIES.

The next business in order on the Private Calendar was the bill (H. R. 4480) to reimburse certain fire insurance companies the amounts paid by them for property destroyed by fire in suppressing the bubonic plague in the Territory of Hawaii in the years 1899 and 1900.

The bill was read.

Mr. MANN. Let that bill go over.

The SPEAKER pro tempore. The gentleman from Illinois [Mr. MANN] objects. The Clerk will report the next bill.

HENRY LA ROQUE.

The next business in order on the Private Calendar was the bill (H. R. 14229) for the relief of Henry La Roque.

The Clerk read the bill, as follows:

Be it enacted, etc., That Henry La Roque, an Indian of the White Earth Indian Reservation in the State of Minnesota, be, and he is hereby, permitted to appeal within 90 days after the passage of this act from the decree entered in the United States Circuit Court of Appeals for the Eighth Circuit on the 8th day of July, 1912, in a suit wherein the United States is the appellant and Henry La Roque the appellee to the Supreme Court of the United States, giving such notice or notices and taking such proceedings as are required by law and practice in such cases to effect such appeal. To enable such appeal to be taken and perfected the time therefor and for all notices and proceedings provided in the law or practice to be given or taken is hereby extended until the expiration of the period of 90 days from and after the passage of this act.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

There was no objection.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

The SPEAKER pro tempore. The Clerk will report the next bill.

JAMES EASSON.

The next business in order on the Private Calendar was the bill (H. R. 900) for the relief of James Easson.

The Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay to James Easson, of Racine, Racine County, Wis., the sum of $300, being the sum unlawfully collected from him by the board of enrollment, namely, $300, to furnish a substitute when drafted for service in the Army, he not being a citizen of the United States at the time.

With a committee amendment.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

There was no objection.

The SPEAKER pro tempore. The Clerk will report the committee amendment.

The Clerk read as follows:

Page 1, line 5, after the word "Wisconsin," insert the words "out of any money in the Treasury not otherwise appropriated."

The SPEAKER pro tempore. The question is on agreeing to the amendment.

The amendment was agreed to.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

The SPEAKER pro tempore. The Clerk will report the next bill.

RELIEF OF LEGAL REPRESENTATIVE OF GEORGE E. PAYNE, DECEASED.

The next business in order on the Private Calendar was the bill (H. R. 9851) for the relief of the legal representative of George E. Payne, deceased.

The Clerk read the bill, as follows:

Be it enacted, etc., That the claim of the legal representative of George E. Payne, deceased, of New Orleans, La., for personal property taken by United States officers, and for the crop of sugar sold by the sequestration commissioners, and the net proceeds transferred by them to the Quartermaster's Department, and used for the public good and for the use and occupancy of the plantation of said deceased, taken by United States Army officers, and turned over to the United States Treasury agent, and by said agent leased to William Spear for the year 1864, and for the use and occupancy of the Freedman's Bureau for the year 1865, be, and the same is hereby, referred to the Court of Claims of the United States for adjudication, at the fair and reasonable rental and the value of the property taken and used as aforesaid, on the evidence heretofore presented and such other evidence as may be adduced, any statute of limitation to the contrary notwithstanding: *Provided, however*, That it be shown to the satisfaction of the court that said George E. Payne did not give any aid or comfort to the late Civil War, but was throughout the war loyal to the Government of the United States.

With a committee amendment.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

There was no objection.

The SPEAKER pro tempore. The Clerk will report the committee amendment.

The Clerk read as follows:

Page 2, line 1, strike out the word "of" and insert the word "by."

The SPEAKER pro tempore. The question is on agreeing to the amendment.

The amendment was agreed to.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

The SPEAKER pro tempore. The Clerk will report the next bill.

DAVID C. M'GEE.

The next business in order on the Private Calendar was the bill (H. R. 2705) for the relief of David C. McGee.

The Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay to David C. McGee, late of Company I, Fiftieth Regiment Illinois Volunteer Infantry, out of any money in the Treasury not otherwise appropriated, the sum of $165, in full of his claim for balance due him as bounty by reason of reenlistment in the United States Army during the War of the Rebellion.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

There was no objection.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

MRS. H. G. LAMAR.

The next business in order on the Private Calendar was the bill (H. R. 14197) for the relief of the legal representatives of Mrs. H. G. Lamar.

The bill was read, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, directed and required to pay, out of any moneys in the Treasury of the United States not otherwise appropriated, to the legal

representatives of Mrs. H. G. Lamar, late of Macon, Ga., now deceased, the sum of $226.66, the same being for the rent of one building from October 27, 1865, to November 30, 1865, located in Macon, Ga., and occupied as quarters for the commanding officer and staff of the United States Army of the district of Columbus, Department of Georgia, under a contract of lease made with said Mrs. H. G. Lamar by Capt. W. A. Rankin, assistant quartermaster, and dated October 27, 1865.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. MANN. Reserving the right to object, I should like to ask the gentleman from Nebraska [Mr. LOBECK], who made the report, whether it is the policy of that committee to get any report from the War Department on these bills?

Mr. BARTLETT. I can state to the gentleman——

Mr. MANN. No; I should like to hear from a gentleman on the committee whether it is the policy of the committee to refer these bills to the War Department?

Mr. LOBECK. We did not refer this bill, and I understand it is not the policy of the committee to do so.

Mr. MANN. Where a claim is made against the War Department for use and occupancy, is it the policy of the committee to ask any questions of the War Department?

Mr. LOBECK. I will refer that question to the chairman of the committee.

Mr. GREGG. It has not been the policy of the committee to refer them unless there was some complicated state of facts.

Mr. MANN. I am not speaking of this particular case, although I think it ought to have been referred.

Mr. GREGG. It is not the policy of the committee to refer them unless a case involves a complicated state of facts.

Mr. MANN. I suppose the committee assumes that all that the claimants say is true, and that it is not necessary to ask the War Department anything about it.

Mr. GREGG. We do not assume that, where the facts are complicated and the War Department has the facts.

Mr. MANN. You never know whether the War Department has the facts or not unless you ask them. You do not know what the records of the War Department will disclose.

Mr. BARTLETT. This was never presented through the War Department.

Mr. GREGG. We had the original papers in this case.

Mr. MANN. That does not affect the question. You do not know what records the War Department may have.

Mr. BARTLETT. I will state to the gentleman that these claims were never presented to the War Department. This old lady took them and put them in a trunk, and they were not found until a long time afterwards.

Mr. MANN. But the War Department ought to have a record of having given the papers. Does not the gentleman admit that?

Mr. BARTLETT. I think so. I think it would be well for the committee to ask for the information which the department has in these cases.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

There was no objection.

The bill was ordered to be engrossed and read a third time, and was accordingly read the third time and passed.

SAMUEL M. FITCH.

The next business in order on the Private Calendar was the bill (H. R. 10122) to credit Samuel M. Fitch, collector of internal revenue, first district of Illinois, on the books of the Treasury Department with the sum of $1,500 for cigar stamps lost or stolen in transit.

The Clerk read the title of the bill.

Mr. COPLEY. Mr. Speaker, I make the point of order that there is no quorum present.

Mr. STAFFORD. Is not this a bill introduced by the gentleman from Illinois [Mr. MANN]?

Mr. COPLEY. I think so; yes.

Mr. STAFFORD. Does not the gentleman know that that is so?

Mr. COPLEY. I know that that is so; yes.

Mr. RAKER. I hope the gentleman will withdraw the point of order and let us pass that bill.

Mr. MANN. Was it my friend from Aurora who objected?

Mr. COPLEY. I did not object to anything. I made the point that there is no quorum present. That is not an objection.

Mr. RAKER. I hope the gentleman will do as I did. I looked around and found that there was a quorum present, and then did not want to make the point.

Mr. FOSTER. Let us be generous.

Mr. COPLEY. Mr. Speaker, yielding to the solicitation of men who have suffered to-night, I withdraw the point of no quorum.

The SPEAKER pro tempore. The point is withdrawn. The Clerk will report the bill.

The bill was read.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. FOWLER. Mr. Speaker, I object.

LILLIAN J. HARTLEY—LEAVE TO WITHDRAW PAPERS.

By unanimous consent, at the request of Mr. HART, leave was granted to withdraw from the files, without leaving copies, the papers in the case of H. R. 17803, Sixty-first Congress, second session, granting a pension to Lillian J. Hartley, there being no adverse report thereon.

LEAVE OF ABSENCE.

By unanimous consent, leave of absence was granted—

To Mr. STEPHENS of Mississippi, for 10 days, on account of sickness of his mother.

To Mr. SHERLEY, indefinitely, on account of sickness.

ADJOURNMENT.

Mr. POU. Mr. Speaker, the hour of 11 o'clock has arrived, and I therefore move that the House do now adjourn.

The motion was agreed to; accordingly (at 11 o'clock p. m.) the House adjourned until Wednesday, May 6, 1914, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS.

Under clause 2 of Rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1. A letter from the Secretary of the Treasury, transmitting copy of a communication from the Secretary of War submitting an estimate authorizing and directing the accounting officers of the Treasury to credit the sum of $862.50 in the accounts of First Lieut. A. Moreno, special disbursing officer, United States Army (H. Doc. No. 961); to the Committee on Claims and ordered to be printed.

2. A letter from the Secretary of the Treasury, transmitting an additional estimate of appropriation for repairs to revenue cutters for the fiscal year ending June 30, 1914, in the sum of $6,444.50 (H. Doc. No. 962); to the Committee on Appropriations and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII, bills and resolutions were severally reported from committees, delivered to the Clerk, and referred to the several calendars therein named, as follows:

Mr. FLOOD of Virginia, from the Committee on Foreign Affairs, to which was referred the bill (H. R. 11179) authorizing the Secretary of State to extend invitation to foreign countries to send delegates to the Fourth International Congress on Home Education, reported the same without amendment, accompanied by a report (No. 620), which said bill and report were referred to the House Calendar.

Mr. J. M. C. SMITH, from the Committee on Public Buildings and Grounds, to which was referred the bill (H. R. 7298) to increase the limit of cost of the public building at Smyrna, Del., reported the same with amendment, accompanied by a report (No. 622), which said bill and report were referred to the Committee of the Whole House on the state of the Union.

Mr. JOHNSON of Utah, from the Committee on the Public Lands, to which was referred the bill (S. 1087) authorizing the exchange of certain lands within the Fishlake National Forest, Utah, reported the same without amendment, accompanied by a report (No. 623), which said bill and report were referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII, private bills and resolutions were severally reported from committees, delivered to the Clerk, and referred to the Committee of the Whole House, as follows:

Mr. SHERWOOD, from the Committee on Invalid Pensions, to which was referred the bill (S. 4168) granting pensions and increase of pensions to certain soldiers and sailors of the Civil War and certain widows and dependent relatives of such soldiers and sailors, reported the same with amendment, accompanied by a report (No. 616), which said bill and report were referred to the Private Calendar.

He also, from the same committee, to which was referred the bill (S. 4352) granting pensions and increase of pensions to certain soldiers and sailors of the Civil War and certain widows and dependent relatives of such soldiers and sailors, reported

the same with amendment, accompanied by a report (No. 617), which said bill and report were referred to the Private Calendar.

He also, from the same committee, to which was referred the bill (S. 4552) granting pensions and increase of pensions to certain soldiers and sailors of the Civil War and to certain widows and dependent relatives of such soldiers and sailors, reported the same with amendment, accompanied by a report (No. 618), which said bill and report were referred to the Private Calendar.

He also, from the same committee, to which was referred the bill (H. R. 16294) granting pensions and increase of pensions to certain soldiers and sailors of the Civil War and certain widows and dependent relatives of such soldiers and sailors, reported the same without amendment, accompanied by a report (No. 619), which said bill and report were referred to the Private Calendar.

Mr. McKELLAR, from the Committee on Military Affairs, to which was referred the bill (H. R. 10719) to remove the charge of desertion from the military record of Joseph P. Leiter, reported the same with amendment, accompanied by a report (No. 621), which said bill and report were referred to the Private Calendar.

PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills, resolutions, and memorials were introduced and severally referred as follows:

By Mr. EDWARDS: A bill (H. R. 16295) appropriating $1,000,000 for the use of the United States Public Health Service in encouraging rural sanitation, with special reference to the prevention and suppression of malaria and typhoid fever; to the Committee on Appropriations.

By Mr. RAKER: A bill (H. R. 16296) to provide for issuing of patents for public lands claimed under the homestead laws by deserted wives; to the Committee on the Public Lands.

By Mr. SUTHERLAND: A bill (H. R. 16297) providing for the survey of the Monongahela and Cheat Rivers in West Virginia and Pennsylvania, the Tygarts Valley River, the West Fork River, the Little Kanawha River, and the Kanawha River, and their tributaries, in West Virginia; to the Committee on Rivers and Harbors.

By Mr. HEFLIN: A bill (H. R. 16298) to incorporate the Mothers' Day Association; to the Committee on the Judiciary.

By Mr. DOOLITTLE: A bill (H. R. 16299) to amend section 24, chapter 2, of the Judicial Code of the United States; to the Committee on the Judiciary.

By Mr. HINDS: A bill (H. R. 16300) providing for the establishment of a lobster-rearing station at some suitable point on the Atlantic coast; to the Committee on the Merchant Marine and Fisheries.

By Mr. RUCKER: Resolution (H. Res. 503) providing for the consideration of S. 2860; to the Committee on Rules.

PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. SHERWOOD: A bill (H. R. 16294) granting pensions and increase of pensions to certain soldiers and sailors of the Civil War and certain widows and dependent children of soldiers and sailors of said war; to the Committee of the Whole House.

By Mr. ANTHONY: A bill (H. R. 16301) granting an increase of pension to Jesse J. Spencer; to the Committee on Invalid Pensions.

Also, a bill (H. R. 16302) granting a pension to Kate Morgan; to the Committee on Invalid Pensions.

By Mr. BELL of Georgia: A bill (H. R. 16303) granting a pension to William J. Hayes; to the Committee on Pensions.

Also, a bill (H. R. 16304) granting an increase of pension to Celia P. Edmondson; to the Committee on Pensions.

By Mr. BURNETT: A bill (H. R. 16305) to reimburse Henry Weaver, postmaster at Delmar, Ala., for money and stamps stolen from said post office at Delmar and repaid by him to the Post Office Department; to the Committee on Claims.

By Mr. COX: A bill (H. R. 16306) granting a pension to Sarah A. Hammond; to the Committee on Invalid Pensions.

By Mr. DICKINSON: A bill (H. R. 16307) granting an increase of pension to Thomas J. Crosby; to the Committee on Invalid Pensions.

Also, a bill (H. R. 16308) for the relief of George W. Colbert; to the Committee on Military Affairs.

By Mr. HENSLEY: A bill (H. R. 16309) granting an increase of pension to Jacob M. Lincoln; to the Committee on Invalid Pensions.

By Mr. KINKEAD of New Jersey: A bill (H. R. 16310) granting an increase of pension to Nelson Ransier; to the Committee on Invalid Pensions.

By Mr. MERRITT: A bill (H. R. 16311) granting an increase of pension to Jennie E. Nelson; to the Committee on Invalid Pensions.

By Mr. POST: A bill (H. R. 16312) granting an increase of pension to V. B. Littleton; to the Committee on Invalid Pensions.

Also, a bill (H. R. 16313) granting an increase of pension to David R. Riley; to the Committee on Invalid Pensions.

Also, a bill (H. R. 16314) granting an increase of pension to Junius F. Whiting; to the Committee on Invalid Pensions.

By Mr. REED: A bill (H. R. 16315) granting an increase of pension to Michael F. Conway; to the Committee on Invalid Pensions.

By Mr. RUSSELL: A bill (H. R. 16316) granting a pension to Eliza J. Glover; to the Committee on Invalid Pensions.

By Mr. SCULLY: A bill (H. R. 16317) granting an increase of pension to Hannah Johnson; to the Committee on Invalid Pensions.

By Mr. SELDOMRIDGE: A bill (H. R. 16318) granting a pension to Helen E. Kilburn; to the Committee on Invalid Pensions.

By Mr. SWITZER: A bill (H. R. 16319) granting a pension to Clara Murray; to the Committee on Invalid Pensions.

Also, a bill (H. R. 16320) for the relief of Samuel Reigle; to the Committee on War Claims.

By Mr. BYRNS of Tennessee: A bill (H. R. 16321) granting an increase of pension to Margaret A. Bennett; to the Committee on Pensions.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

By the SPEAKER (by request): Memorial of George H. Harris, of Sybertville, Pa., providing for the pension of the relatives of the soldiers and sailors killed at Vera Cruz, Mexico; to the Committee on Pensions.

Also (by request), memorial of sundry citizens of Hoboken, N. J., protesting against the war between the United States and Mexico; to the Committee on Foreign Affairs.

By Mr. ANTHONY: Petition of M. T. Williams and other citizens of Valley Falls, Kans., favoring rural credits legislation; to the Committee on Banking and Currency.

Also, petition of H. Truefitt and other citizens of Centralia, Kans., favoring certain pending pension legislation; to the Committee on Invalid Pensions.

Also, petition of 231 citizens of McLouth, Kans., favoring national prohibition; to the Committee on the Judiciary.

By Mr. BAILEY (by request): Petitions of J. D. Roberts, J. L. Evans, T. D. Williams, David Jones, John O. Jones, Rees John, C. G. Williams, Emanuel Jones, N. Griffiths, E. L. Roberts, John E. Reese, A. C. Roberts, C. C. Harris, Gethue Davies, Berry Thomas, C. D. Evans, Philip Evans, Simon Johnson, John Thomas, Thomas Casker, William Davies, William H. Thomas, G. H. Price, D. H. Abrams, H. R. Harris, D. T. Davies, Bert Gibbons, John Andrews, Griffith Powell, R. T. Ellis, Samuel Steele, W. S. Williams, Joseph Thomas, D. E. Webber, T. J. Edwards, Thomas Edwards, John A. Thomas, William O. West, Joe Edwards, Henry Will, Thomas Edwards, Norman Price, George Thomas, John P. Jones, William Ramstedt, F. B. Ferner, George Legg, and W. H. Jones, all of Johnstown, Pa., for passage of House joint resolution 168, relative to national prohibition; to the Committee on the Judiciary.

By Mr. BROWNING: Petitions of 2,500 citizens of Camden, Gloucester, and Salem Counties, and 56 citizens of Essex, Hudson, Bergen, Cumberland, and Union Counties, all in the State of New Jersey, protesting against national prohibition; to the Committee on the Judiciary.

Also, petition of 81 citizens of Gloucester and Salem Counties, N. J., protesting against national prohibition; to the Committee on the Judiciary.

By Mr. BUTLER: Petitions of 96 citizens of West Chester; the Haddington Woman's Christian Temperance Union, of Philadelphia; 2,795 citizens of Spring City; 267 citizens of Wayne; 350 citizens of Chester; 929 citizens of Darby; 523 citizens of Lansdowne; 200 citizens of Lincoln University; 675 citizens of

Oxford; 280 citizens of Eddystone; 83 citizens of Broomall; 21 citizens of Toughkenamon; 32 citizens of Garrettford; 215 citizens of Moores; and sundry citizens of Chester, Rutledge, and Morton, all in the State of Pennsylvania, favoring national prohibition; to the Committee on the Judiciary.

By Mr. CANTOR: Petition of various voters of the twentieth congressional district of New York, protesting against national prohibition; to the Committee on the Judiciary.

By Mr. CARR: Petition of 45 citizens of Mount Morris, Pa., favoring national prohibition amendment to the Constitution of the United States; to the Committee on the Judiciary.

By Mr. CONNELLY of Kansas: Petitions of 85 citizens of Lucas, 120 citizens of Hill City, 16 citizens of Wakeeny, 90 citizens of Lucas, 15 citizens of Wakeeny, 135 citizens of Phillipsburg, 14 citizens of Wakeeny, and 25 citizens of Athol, all in the State of Kansas, favoring nation-wide prohibition; to the Committee on the Judiciary.

By Mr. COX: Petition of sundry citizens of Jeffersonville, Ind., favoring national prohibition; to the Committee on the Judiciary.

By Mr. DALE: Petition of sundry voters of the fourth congressional district of New York, protesting against national prohibition; to the Committee on the Judiciary.

By Mr. DERSHEM: Petition of 41 citizens of Mount Union, Pa., favoring national prohibition; to the Committee on the Judiciary.

By Mr. DICKINSON: Petition of 53 citizens of Clinton, Mo., favoring the passage of a bill to amend the postal and civil-service laws (H. R. 12928); to the Committee on the Post Office and Post Roads.

Also, petition of 66 citizens of Clinton, Mo., against the passage of the Sunday-observance bill (H. R. 7826) entitled "A bill to provide for the closing of barber shops in the District of Columbia on Sunday," etc.; to the Committee on the District of Columbia.

By Mr. DILLON: Memorial of Phil Kearney Post, No. 7, Grand Army of the Republic, Department of South Dakota, protesting against any change in the American flag; to the Committee on the Judiciary.

By Mr. DOOLITTLE: Petition of sundry citizens of the State of Kansas, favoring establishment of bureau of farm loans; to the Committee on Banking and Currency.

By Mr. DRUKKER: Petition of various voters of the seventh congressional district of the State of New York, protesting against national prohibition; to the Committee on the Judiciary.

By Mr. EAGAN: Petition of sundry citizens of the eleventh congressional district of New Jersey, against national prohibition; to the Committee on the Judiciary.

By Mr. ESCH: Petition of sundry citizens of Milwaukee County, Wis., favoring woman's suffrage amendment to the Constitution; to the Committee on the Judiciary.

By Mr. FLOOD of Virginia: Petition of sundry citizens of Guinea Mills, Va., against Sabbath-observance bill; to the Committee on the District of Columbia.

Also, petition of sundry citizens of Guinea Mills, Va., favoring House bill 12928, to amend postal laws; to the Committee on the Post Office and Post Roads.

By Mr. GERRY: Petitions of 11 residents of Providence; 37 residents of South Kingston; 26 residents of Providence; 33 residents of Warwick; 10 residents of Warwick; 21 residents of Scituate; 18 residents of River Point; 32 residents of Providence; the First Congregational Church of River Point, 300 members; the Coventry Women's Club, Anthony, 115 members; Greenville Grange, No. 37, Patrons of Husbandry, 53 members; a Double Gold Medal Contest, 200 members, of East Greenwich; and a Double Gold Medal Contest, 300 members, of Providence, all in the State of Rhode Island, urging the passage of legislation providing for national prohibition; to the Committee on the Judiciary.

Also, petition of 30 residents of Arctic, R. I., protesting against the passage of legislation providing for national prohibition; to the Committee on the Judiciary.

Also, petitions of the Oak Lawn Baptist Church, of Oak Lawn; the Citizens' No-License Committee of Westerly; the Woman's Christian Temperance Union of Woodville; Hon. C. D. Sharp, of Providence; Joseph A. Latham and Walter E. French, of Providence; George W. Amison, of Providence; and Herbert M. Clarke, of Arctic, all in the State of Rhode Island, urging the passage of legislation providing for national prohibition; to the Committee on the Judiciary.

By Mr. GOEKE: Petition of various voters of Shelby County, Ohio, favoring national prohibition; to the Committee on the Judiciary.

By Mr. GRAHAM of Pennsylvania: Petition of various voters of the second congressional district of Pennsylvania, protesting against national prohibition; to the Committee on the Judiciary.

Also, petition of 2,803 citizens of Philadelphia, Pa., favoring national prohibition; to the Committee on the Judiciary.

Also, memorial of the Chamber of Commerce of the United States, favoring enactment of law establishing a court of patent appeals; to the Committee on Patents.

Also, petition of the Erie (Pa.) Foundrymen's Association, relative to antitrust legislation; to the Committee on the Judiciary.

By Mr. GRIEST: Petitions of Rev. J. E. Keene, of Lititz; sundry citizens of Lancaster; Rev. J. M. Rinker, of Millersville; J. A. Snyder and O. H. Wenger, of Strasburg; the Methodist Episcopal Church and the Woman's Christian Temperance Union, of Lancaster, all in the State of Pennsylvania, favoring national prohibition; to the Committee on the Judiciary.

By Mr. GUERNSEY: Petition of sundry citizens of Bangor, Me., favoring national prohibition; to the Committee on the Judiciary.

By Mr. HINEBAUGH: Petition of sundry citizens of the twelfth congressional district of Illinois, against national prohibition; to the Committee on the Judiciary.

By Mr. HOWELL: Petitions of Salt Lake Lodge, No. 83, Railway Carmen of America; the bartenders' union; and Fred Roundy, president, and Joseph Ward, secretary, for the Salt Lake Union, all of Salt Lake City, Utah, protesting against national prohibition; to the Committee on the Judiciary.

Also, petition of B. F. Doran, Charles McClure, Sam Piccols, M. L. Lewison, Frank Wilson, Edward Allen, Fred M. Schultz, Alfred E. Noble, George Klenke, Christina A. Schultze, and others, all of Salt Lake City, Utah, protesting against House joint resolution 168 and Senate joint resolutions 88 and 50, relative to national prohibition; to the Committee on the Judiciary.

By Mr. HULINGS: Petition of 40 citizens of Mercer, Pa., favoring national prohibition; to the Committee on the Judiciary.

By Mr. KAHN: Petition of the Chamber of Commerce of San Francisco, Cal., favoring appropriation for erection of new buildings for the United States Marine Hospital at San Francisco, Cal.; to the Committee on Naval Affairs.

By Mr. KETTNER: Petition of sundry citizens of California, against national prohibition; to the Committee on the Judiciary.

Also, petition of the San Diego County (Cal.) Federated Trades and Labor Council, relative to strike conditions in Colorado; to the Committee on the Judiciary.

By Mr. KONOP: Petition of the Wisconsin Woman Suffrage Association, favoring woman's suffrage amendment to Constitution; to the Committee on the Judiciary.

Also, petition of the Epworth League of Antigo, Wis., favoring national prohibition; to the Committee on the Judiciary.

Also, petition of Harmony Grange No. 563, favoring Bathrick farm-credit bill; to the Committee on Banking and Currency.

By Mr. LOFT: Petition of 68 citizens of the thirteenth congressional district of New York, against national prohibition; to the Committee on the Judiciary.

By Mr. LONERGAN: Petition of citizens of Boston, Mass., favoring mediation in the Mexican situation; to the Committee on Foreign Affairs.

By Mr. McCLELLAN: Petitions of sundry citizens of Cobleskill, Linlithgo, the Friends and Reformers of Tillson, the American Mechanics of Rifton, 55 citizens of Plattekill, and the Ministers' Club of Hudson, all in the State of New York, favoring national prohibition; to the Committee on the Judiciary.

Also, petition of 30 citizens of Kingston, N. Y., protesting against national prohibition; to the Committee on the Judiciary.

By Mr. MAGUIRE of Nebraska: Petition of 377 citizens of Lincoln, Nebr., favoring national prohibition; to the Committee on the Judiciary.

By Mr. MERRITT: Petitions of various voters of Norfolk and Moira, the Woman's Christian Temperance Unions of Lawrence and Massena, and various voters of Malone, all in the State of New York, favoring national prohibition; to the Committee on the Judiciary.

By Mr. O'SHAUNESSY: Petition of sundry citizens of Warren, R. I., favoring women's suffrage; to the Committee on the Judiciary.

Also, petition of the League of Improvement Societies in Rhode Island, relative to McLean law for protection of migratory birds; to the Committee on Agriculture.

Also, petition of Harry Cutler, Providence, R. I., favoring House bill 15733, to celebrate half century of negro emancipation; to the Committee on Industrial Arts and Expositions.

Also, petition of sundry citizens of Iverton, Providence, Newport, R. I., and J. M. Brownell and George R. Hicks, of Portsmouth, R. I., favoring national prohibition; to the Committee on the Judiciary.

Also, petition of A. J. Magoon & Son, of Providence, R. I., relative to House bill 11321, regarding patents for designs; to the Committee on Patents.

By Mr. PAIGE of Massachusetts: Petition of 200 voters of the thirty-sixth congressional district of New York, protesting against national prohibition; to the Committee on the Judiciary.

By Mr. PATTEN of New York: Petition of 132 voters of the eighteenth congressional district of New York, against passage of Hobson-Sheppard-Works resolutions, relative to national prohibition; to the Committee on the Judiciary.

By Mr. PLUMLEY: Petitions of the Methodist Episcopal Church of Barnard and the Woman's Christian Temperance Union of Plainfield, Vt., favoring national prohibition; to the Committee on the Judiciary.

By Mr. REILLY of Connecticut: Petitions of sundry citizens of New Haven, Conn., protesting against national prohibition; to the Committee on the Judiciary.

Also, petition of William E. Weathers and Herbert Benvil, favoring "One hundre years of peace celebration"; to the Committee on Foreign Affairs.

Also, petition of New Canaan Equal Franchise League, favoring passage of the Bristow-Mondell resolution enfranchising women; to the Committee on the Judiciary.

Also, petition of the National Shoe Wholesalers Association, protesting against extension of Parcel Post Service; to the Committee on the Post Office and Post Roads.

Also, petition of sundry citizens of Massachusetts, approving stand taken by the President in Mexican trouble; to the Committee on Foreign Affairs.

By Mr. SCULLY: Petition of various business men of Metuchen and Woodbridge, N. J., favoring passage of House bill 5308, relative to taxing mail-order houses; to the Committee on Ways and Means.

By Mr. J. M. C. SMITH: Resolution adopted by the National Association of Vicksburg Veterans, petitioning Congress to commemorate the semicentennial of the ending of the Civil War; to the Committee on Military Affairs.

Also, resolution adopted at a mass meeting in Faneuil Hall, Boston, urging action by Congress to disclaim annexation of any Mexican territory; to the Committee on Foreign Affairs.

By Mr. TAVENNER: Petition of R. W. Kinnett, of Roseville, Ill., favoring passage of the Stevens bill, relative to price maintenance; to the Committee on Interstate and Foreign Commerce.

By Mr. TOWNSEND: Petition of 6,369 voters of the tenth New Jersey congressional district, protesting against national prohibition; to the Committee on the Judiciary.

By Mr. TUTTLE: Petitions of sundry citizens of Chatham, Pine Rock, and Dover; 576 citizens and 40 members of the Young Men's Christian Association, of Successunna; 300 citizens of Plainfield; the Baptist Church and 62 citizens of Summit; and 345 citizens of Cranford, all in the State of New Jersey, favoring national prohibition; to the Committee on the Judiciary.

Also, petition of Elizabeth (N. J.) Board of Trade, protesting against extension of parcel-post service; to the Committee on the Post Office and Post Roads.

Also, petition of the National Wholesale Lumber Dealers' Association, favoring 1-cent letter postage; to the Committee on the Post Office and Post Roads.

Also, memorial of the United Irish-American Societies of the State of New Jersey, protesting against the repeal of the canal tolls exemption; to the Committee on Interstate and Foreign Commerce.

Also, petition of 2,905 citizens of the fifth congressional district of New Jersey, against national prohibition; to the Committee on the Judiciary.

By Mr. WALLIN: Petition of 814 voters of the thirtieth New York congressional district, protesting against national prohibition; to the Committee on the Judiciary.

By Mr. WILSON of New York: Petitions of sundry voters of the third congressional district of New York and the Brooklyn Quartette Club, of Brooklyn, N. Y., protesting against national prohibition; to the Committee on the Judiciary.

By Mr. YOUNG of North Dakota: Petitions of the Stacey Fruit Co. and others, of Bismarck, N. Dak., protesting against changing of standard size of cranberry barrels; to the Committee on Interstate and Foreign Commerce.

SENATE.

WEDNESDAY, *May 6, 1914.*

The Chaplain, Rev. Forrest J. Prettyman, D. D., offered the following prayer:

Almighty God, we come to Thee day by day because whatever of merit there is in us must come from Thee. Our very conscious life, with its feeling of dependence, rests upon our sense of the absolute and the infinite. Thou art and Thou art a rewarder of them that diligently seek Thee. We pray that Thou wilt enable us to do Thy will, that we may know the doctrine that it is of God, and that our lives may be brought even at this moment into a more blessed accord with Thy will. For Christ's sake. Amen.

The Journal of yesterday's proceedings was read and approved.

MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by J. C. South, its Chief Clerk, announced that the House had passed the bill (S. 661) for the relief of the widow of Thomas B. McClintic, deceased, with amendments in which it requested the concurrence of the Senate.

The message also announced that the House had passed the following bills:

S. 540. An act for the relief of Joseph Hodges;

S. 1808. An act for the relief of Joseph L. Donovan;

S. 1922. An act for the relief of Margaret McQuade; and

S. 3997. An act to waive for one year the age limit for the appointment as assistant paymaster in the United States Navy in the case of Landsman for Electrician Richard C. Reed, United States Navy.

The message further announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H. R. 851. An act for the relief of the legal representatives of Napoleon B. Giddings;

H. R. 900. An act for the relief of James Easson;

H. R. 932. An act for the relief of John W. Canary;

H. R. 1517. An act for the relief of George W. Cary;

H. R. 1781. An act providing for the refund of certain duties incorrectly collected on wild-celery seed;

H. R. 2705. An act for the relief of David C. McGee;

H. R. 2728. An act for the relief of George P. Heard;

H. R. 3041. An act to carry into effect findings of the Court of Claims in the cases of Charles A. Davidson and Charles M. Campbell;

H. R. 3334. An act authorizing the quitclaiming of the interest of the United States in certain land situated in Hampden County, Mass.;

H. R. 3428. An act for the relief of James Stanton;

H. R. 3432. An act to reinstate Frank Ellsworth McCorkle as a cadet at United States Military Academy;

H. R. 4318. An act to authorize the Secretary of the Interior to cause patent to issue to Erik J. Aanrud upon his homestead entry for the southeast quarter of the northeast quarter of section 15, township 159 north, range 73 west, in the Devils Lake land district, N. Dak.;

H. R. 4744. An act to authorize the appointment of John W. Hyatt to the grade of second lieutenant in the Army;

H. R. 6052. An act for the relief of William P. Havenor;

H. R. 6260. An act for the relief of Hyacinthe Villeneuve;

H. R. 7633. An act for the relief of the personal representative of Charles W. Hammond, deceased;

H. R. 8808. An act for the relief of Baley W. Hamilton;

H. R. 8811. An act to execute the findings of the Court of Claims in the case of Sarah B. Hatch, widow of Davis W. Hatch;

H. R. 9147. An act to restore First Lieut. James P. Barney, retired, to the active list of the Army;

H. R. 9851. An act for the relief of legal representative of George E. Payne, deceased;

H. R. 10172. An act for the relief of L. V. Thomas;

H. R. 10201. An act for the relief of the heirs of Theodore Dehon;

H. R. 11040. An act to carry out the findings of the Court of Claims in the case of James Harvey Dennis;

H. R. 11381. An act for the relief of the estate of T. J. Semmes, deceased;

H. R. 12191. An act for the relief of Elizabeth Muhleman, widow of Samuel A. Muhleman, deceased;

H. R. 13240. An act for the relief of the legal representatives of James S. Clark, deceased;

H. R. 14197. An act for the relief of the legal representatives of Mrs. H. G. Lamar; and

H. R. 14229. An act for the relief of Henry La Roque.

ENROLLED BILL SIGNED.

The message also announced that the Speaker of the House had signed the enrolled bill (H. R. 5993) authorizing the city of Montrose, Colo., to purchase certain public lands for public park purposes, and it was thereupon signed by the Vice President.

PETITIONS AND MEMORIALS.

The VICE PRESIDENT presented a petition of the Board of Trade of Hilo, Hawaii, praying for an appropriation for the construction of a breakwater at Nawiliwili Harbor, Island of Kauai, Territory of Hawaii, which was referred to the Committee on Commerce.

He also presented petitions of sundry citizens of Indianapolis, Attica, and West Lebanon, in the State of Indiana; of Gardiner and Biddeford, in the State of Maine; of Detroit and Benzonia, in the State of Michigan; of Upland and Glendale, in the State of California; of McKees Rocks, Pa.; of Chicago, Ill.; of Carthage, N. Y.; of Glen Alpine, N. C.; of Fort Hill, Idaho; and of Mansfield, La., praying for the adoption of an amendment to the Constitution to prohibit polygamy, which were referred to the Committee on the Judiciary.

Mr. GALLINGER presented petitions of the congregations of the Congregational Church of North Weare; the Congregational Church of Langdon; the Protestant Churches of Keene and the First Congregational Church of Keene; of the Christian Endeavor Society and the Sunday School of the Congregational Church of West Concord; and of the Christian Endeavor Society of Merrimack County, all in the State of New Hampshire, praying for the adoption of an amendment to the Constitution to prohibit the manufacture, sale, and importation of intoxicating beverages, which were referred to the Committee on the Judiciary.

He also presented memorials of Fred D. Crawford and 18 other citizens of Lancaster, Woodville, and Benton; of 82 citizens of Derry, 248 citizens of Dover, 46 citizens of Keene, and 15 citizens of Greenland, all in the State of New Hampshire, remonstrating against the adoption of an amendment to the Constitution to prohibit the manufacture, sale, and importation of intoxicating beverages, which were referred to the Committee on the Judiciary.

He also presented a memorial of Typographical Local Union No. 152, of Manchester, N. H., remonstrating against the proposed increase in postage rates on second-class mail matter, which was referred to the Committee on Post Offices and Post Roads.

He also presented the petition of Mrs. Charles E. Tenney, of West Lebanon, N. H., praying for the adoption of an amendment to the Constitution granting the right of suffrage to women, which was ordered to lie on the table.

He also presented a petition of the Central Labor Union of Lebanon, N. H., praying for the enactment of legislation to increase the wages of compositors and bookbinders in the Government Printing Office, which was referred to the Committee on Printing.

He also presented the petition of J. A. Tufts, of Exeter, N. H., praying for the enactment of legislation creating a division on kindergarten education in the Bureau of Education, which was referred to the Committee on Appropriations.

He also presented a memorial of the American Association of Landscape Architects, of Rochester, N. Y., remonstrating against the abandonment of the half-and-half plan for the payment of the expenses of the District of Columbia, which was referred to the Committee on the District of Columbia.

Mr. BURLEIGH presented a petition of sundry citizens of Wytopitlock, Me., and a petition of the congregation of the Methodist Episcopal Church of West Scarboro, Me., praying for national prohibition, which were referred to the Committee on the Judiciary.

Mr. WORKS presented petitions of the Ministerial Union of Salinas, and of the congregations of the First Presbyterian Church, the First Christian Church, and the First Methodist Church, of the Young Men's Christian Association, and the Church Federation, all of Watsonville, in the State of California, praying for national prohibition, which were referred to the Committee on the Judiciary.

Mr. DILLINGHAM presented a petition of the congregation of the Methodist Church of Barnard, Vt., and a petition of sundry citizens of Plainfield, Vt., praying for the adoption of an amendment to the Constitution to prohibit the manufacture, sale, and importation of intoxicating beverages, which were referred to the Committee on the Judiciary.

Mr. SHIVELY presented petitions of the congregations of the Methodist Episcopal Church of Mooresville and the Home Presbyterian Church, of Indianapolis, and of the Woman's Home and Foreign Missionary Society of Preston Church, of Greencastle, all in the State of Indiana, praying for the adoption of an amendment to the Constitution to prohibit polygamy, which were referred to the Committee on the Judiciary.

He also presented petitions of the congregations of the Grace Lutheran Church, of Elkhart, and the First Presbyterian Church of Elkhart, and of the First Baptist Sunday School of Elkhart, all in the State of Indiana, praying for the enactment of legislation providing for Federal censorship of motion pictures, which were referred to the Committee on Education and Labor.

He also presented a memorial of the Manufacturing Association of Evansville, Ind., remonstrating against any further extension of the Parcel Post System, which was referred to the Committee on Post Offices and Post Roads.

He also presented a petition of Washington Camp, No. 33, Patriotic Order Sons of America, of Indianapolis, Ind., praying for the enactment of legislation to further restrict immigration, which was ordered to lie on the table.

He also presented a petition of the Federation of Labor of Fort Wayne, Ind., praying for the enactment of legislation to grant pensions to certain civil-service employees, which was referred to the Committee on Civil Service and Retrenchment.

Mr. BRANDEGEE presented a petition of the Woman's Christian Temperance Union of Croton, Conn., praying for national prohibition; which was referred to the Committee on the Judiciary.

He also presented a petition of Camp Kirkland, No. 18, United Spanish War Veterans, of Winsted, Conn., praying for the enactment of legislation granting pensions to widows and orphans of soldiers and sailors of the Spanish-American War, which was referred to the Committee on Pensions.

Mr. PAGE presented a petition of the congregation of the Advent Christian Church, of Vernon, Vt., praying for national prohibition, which was referred to the Committee on the Judiciary.

Mr. DU PONT presented a petition of sundry citizens of Wyoming, Del., praying for national prohibition, which was referred to the Committee on the Judiciary.

Mr. JOHNSON presented petitions of sundry citizens of Livermore Falls, Me., praying for national prohibition, which were referred to the Committee on the Judiciary.

Mr. NORRIS presented a petition of the Nebraska Conference of the Evangelical Lutheran Augustana Synod of America, praying for national prohibition, which was referred to the Committee on the Judiciary.

Mr. POINDEXTER presented a petition of Local Branch Congregations Association of Eastern Washington and Northern Idaho, of Odessa, Wash., praying for national prohibition, which was referred to the Committee on the Judiciary.

He also presented a memorial of the Central Labor Council of Tacoma, Wash., remonstrating against the conditions existing in the mining districts of Colorado, which was referred to the Committee on Education and Labor.

DONATION OF CANNON.

Mr. CHAMBERLAIN, from the Committee on Military Affairs, submitted a report (No. 484) accompanied by a bill (S. 5495) authorizing the Secretary of War to make certain donations of condemned cannon and cannon balls, which was read twice by its title.

He also, from the same committee, to which were referred the following bills, reported adversely thereon, and the bills were postponed indefinitely:

A bill (S. 5437) authorizing the Secretary of War to donate to the town of West Warwick, R. I., condemned cannon and balls;

A bill (S. 5380) authorizing the Secretary of War to deliver to the city of Pittsburg, Okla., one condemned bronze or brass cannon;

A bill (S. 5377) authorizing the Secretary of War to donate to the town of Nottingham, N. H., condemned cannon and balls;

A bill (S. 5105) authorizing the Secretary of War to donate to the H. G. Libby Post, No. 118, Grand Army of the Republic, in the town of Newport, State of Maine, one bronze or brass cannon or fieldpiece, with its carriage and cannon balls;

A bill (S. 5156) donating a brass or bronze cannon to the incorporated town of Alden, Iowa;

A bill (S. 5257) authorizing the Secretary of War to donate to the General Hazen Post, No. 258, Grand Army of the Republic, Lincoln, Kans., one bronze cannon and sufficient shells to make two pyramids;

A bill (S. 4668) authorizing the Secretary of War to deliver to the village of Ellsworth, Wis., two condemned bronze or brass cannon;

A bill (S. 4669) authorizing the Secretary of War to deliver to the town of Eagle River, Wis., two condemned bronze or brass cannon;

A bill (S. 5006) authorizing the Secretary of War to donate to the Grand Army of the Republic Post at Chariton, Iowa, two brass or bronze cannon or fieldpieces, with their carriages and a suitable outfit of cannon balls;

A bill (S. 5059) authorizing the Secretary of War to donate one cannon to the town of New Preston, Conn.;

A bill (S. 4285) authorizing the Secretary of War to donate to the hall of Topeka Post, No. 71, Grand Army of the Republic, for use in its plat in the Mount Auburn Cemetery, in Topeka, Kans., four cannon or fieldpieces;

A bill (S. 4286) authorizing the Secretary of War to donate to the O. M. Mitchell Post, No. 69, Grand Army of the Republic, Osborne, Kans., two cannon or fieldpieces;

A bill (S. 4287) authorizing the Secretary of War to donate to the city of Concordia, Kans., two cannon or fieldpieces;

A bill (S. 4388) authorizing the Secretary of War to donate to the Masonic homes property at Elizabethtown, Pa., four brass or bronze cannon or fieldpieces, with their carriages, and a suitable outfit of cannon balls;

A bill (S. 4544) authorizing the Secretary of War to donate to Custer Post, No. 25, Grand Army of the Republic, at Cherokee, Iowa, two brass or bronze cannon or fieldpieces, with their carriages, and a suitable outfit of cannon balls;

A bill (S. 4645) authorizing the Secretary of War to donate to Post 305, Grand Army of the Republic, Towanda, Kans., one cannon or fieldpiece;

A bill (S. 4403) authorizing the Secretary of War to donate to the city of Stafford, Kans., one cannon;

A bill (S. 4429) authorizing the Secretary of War, in his discretion, to deliver to the Fort Totten Indian School, at Fort Totten, in the State of North Dakota, one condemned cannon, with its carriage, and outfit of cannon balls;

A bill (S. 4438) authorizing the Secretary of War to donate to Wadsworth Post, No. 7, Grand Army of the Republic, of Council Grove, Kans., two cannon or fieldpieces; and

A bill (S. 4510) authorizing the Secretary of War, in his discretion, to deliver to the city of Hope, in the State of North Dakota, one condemned cannon, with its carriage, and outfit of cannon balls.

FISH-CULTURAL STATIONS ON COLUMBIA RIVER.

Mr. JONES, from the Committee on Fisheries, to which was referred the bill (S. 4854) to authorize the establishment of fish-cultural stations on the Columbia River or its tributaries in the State of Oregon, reported it with amendments and submitted a report (No. 485) thereon.

BRIDGE ACROSS BAYOU MACON, LA.

Mr. SHEPPARD. From the Committee on Commerce, I report back favorably, without amendment, the bill (S. 5291) to authorize Edmund Richardson or the parishes of East Carroll and West Carroll, La., or both, to construct a bridge across Bayou Macon at or near Epps Ferry, La., and I submit a report (No. 483) thereon. I ask for the immediate consideration of the bill.

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill.

The bill was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

PUBLIC BUILDING AT PENSACOLA, FLA.

Mr. KERN. From the Committee on Public Buildings and Grounds, I report back favorably, without amendment, the bill (H. R. 12291) to increase the limit of cost for the extension, remodeling, and improvement of the Pensacola, Fla., post office and courthouse, and for other purposes.

Mr. BRYAN. I ask unanimous consent for the present consideration of the bill.

The VICE PRESIDENT. Is there objection to the present consideration of the bill?

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill, which was read, as follows:

Be it enacted, etc., That the act entitled "An act to increase the limit of cost of certain public buildings, to authorize the enlargement, extension, remodeling, or improvement of certain public buildings, to authorize the erection and completion of public buildings, to authorize the purchase of sites for public buildings, and for other purposes," approved June 25, 1910, be, and the same is hereby, amended, so as to increase the limit of cost for the extension, remodeling, and improvement of the Pensacola, Fla., post office and courthouse in the sum of $30,000, or so much thereof as may be necessary to complete said extension, remodeling, and improvement.

The bill was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

BILLS AND JOINT RESOLUTION INTRODUCED.

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. OLIVER:

A bill (S. 5489) making appropriation for payment of certain claims in accordance with findings of the Court of Claims, reported under the provisions of the acts approved March 3, 1883, and March 3, 1887, and commonly known as the Bowman and the Tucker Acts; to the Committee on Claims.

By Mr. JAMES:

A bill (S. 5490) granting a pension to Marvel J. Nash (with accompanying papers); to the Committee on Pensions.

By Mr. TOWNSEND:

A bill (S. 5491) for the relief of the legal representatives of Capt. Harrison S. Weeks and Alexander McCook Guard; to the Committee on Claims.

By Mr. OVERMAN:

A bill (S. 5492) authorizing the Secretary of War to donate two condemned bronze or brass cannon or fieldpieces and a suitable outfit of cannon balls to the city of Lenoir, N. C.; to the Committee on Military Affairs.

By Mr. JONES:

A bill (S. 5493) granting an increase of pension to Francis M. Stults; to the Committee on Pensions.

By Mr. JOHNSON:

A bill (S. 5494) for the relief of the legal representatives of Henry Prince, and others; to the Committee on Claims.

By Mr. OLIVER:

A bill (S. 5496) authorizing a credit in certain accounts in the office of the Auditor for the War Department (with accompanying paper); to the Committee on Claims.

By Mr. NORRIS:

A bill (S. 5497) authorizing the issuance of patent to Arthur J. Floyd for section 31, township 22 north, range 22 west of the sixth principal meridian, in the State of Nebraska; to the Committee on Public Lands.

By Mr. CRAWFORD:

A bill (S. 5498) to secure cooperation between the Interstate Commerce Commission and the State railway boards and commissions of the several States in correlating, changing, and establishing intrastate rates, charges, and fares which indirectly affect interstate commerce in the transportation of passengers and property by public carriers, and providing for procedure relative thereto; to the Committee on Interstate Commerce.

By Mr. RANSDELL:

A bill (S. 5499) making appropriation for the construction of a roadway and walks leading to and around the Chalmette Monument, Chalmette, La.; to the Committee on Military Affairs.

By Mr. O'GORMAN:

A bill (S. 5500) for the relief of the legal representatives of Joseph H. McArthur, and others; to the Committee on Claims.

By Mr. CHAMBERLAIN:

A joint resolution (S. J. Res. 145) authorizing the President to detail Lieut. Frederick Mears to service in connection with proposed Alaskan railroad; to the Committee on Military Affairs.

AMENDMENTS TO RIVER AND HARBOR APPROPRIATION BILL.

Mr. JONES submitted an amendment intended to be proposed by him to the river and harbor appropriation bill, which was referred to the Committee on Commerce and ordered to be printed.

Mr. SHIVELY submitted an amendment intended to be proposed by him to the river and harbor appropriation bill, which was referred to the Committee on Commerce and ordered to be printed.

EMPLOYMENT OF STENOGRAPHER.

Mr. O'GORMAN submitted the following resolution (S. Res. 350), which was read and referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

Resolved, That the provisions of the resolution of April 6, 1914, authorizing the Committee on Interoceanic Canals to employ temporarily a stenographer be extended for 30 days from the adoption of this resolution.

AFFAIRS IN MEXICO.

Mr. SHEPPARD. I have here a brief statement from the Dallas Morning News of May 3, 1914, by my colleague [Mr. CULBERSON], on the Mexican situation, which I should like to have printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

[From the Dallas Morning News, Sunday, May 3, 1914.]

Yesterday Senator CULBERSON gave out an interview in support of President Wilson's Mexican policy, as follows:

"Every class of our citizenship throughout the country, and especially every Democrat, should uphold the President in his policy with Mexico. Necessarily the President has information on the subject not in possession of the general public, and which can not in the nature of things be made public, at least for the present, which influences, if not controls, his action. Under such conditions the people should rely upon his judgment and discretion to do what is just and wise for the United States. He is by the Constitution clothed with authority to deal with foreign nations, and the character of President Wilson particularly is such that this power may be safely placed in him and in his administration.

"POLICY IS WISE.

"Besides this, the policy which he is pursuing in the matter is, I think, the wise one, and reflects the best sentiment of the American people. In its breadth and essentials this policy seeks to avoid war with Mexico by all means consistent with our domestic and foreign interests and the national honor. To the great mass of thinking Americans war is a fearful thing and should be the very last resort. War with Mexico, while not the most serious one we could engage in, would be calamitous enough. It would mean, primarily, the loss of many of our brave men in battle and bring sorrow to many homes. It would necessitate the raising of an army of from 250,000 to 500,000 men, the expenditure of hundreds of millions of dollars out of the Public Treasury, an increase in Federal taxation, with a possible bond issue, an indefinite increase of the pension list, and, after a long and distressing guerrilla warfare, which would reflect no added glory upon American arms, it would offer a dangerous temptation to annex territory which we do not need and a population which we can not assimilate or absorb. Above all this even, perhaps it would dishonor us as a Christian nation for engaging in a useless and preventable conflict with a comparatively helpless people.

"PRESIDENT'S PLAN.

"These, as they present themselves to me, are the fundamental principles which govern President Wilson in his course with Mexico. To carry them out, his plan has been to give the Mexican people an opportunity to settle their contentions among themselves, to refuse to intervene, which would mean war, in the contest, and to decline recognition of the government of Huerta. Obviously it is the wise course to allow the Mexicans to adjust these differences themselves if they can do so without encroachments upon our rights or where cruelties are not so widespread and revolting as to raise a question of broad humanity. This is the American doctrine of local self-government and national autonomy.

"So far the situation has not justified the United States in interposing in the contest, because no invasion of their rights has occurred which can not be adjusted short of war, and the cruelties practiced have been sporadic rather than general, not reaching the stage, as in Cuba in 1898, where a whole people were threatened and involved. The latest incident, at Tampico, where seamen of the United States were arrested, while it was the culmination of indignities offered to the United States, was manifestly an act which was adjustable short of war, and which, when satisfactory reparation was not made on demand, the President was warranted in redressing by reprisals and seizure of ports.

"The principal complaint in some quarters, however, is that the President should have recognized Huerta, and it is claimed that if he had done so the rebellion would long ago have been suppressed. Whether such action would have followed recognition of Huerta, in view of subsequent events, is extremely doubtful. It is true the President would have had precedents had he recognized Huerta as the head of the de facto Government of Mexico, but the United States established precedents in government for themselves, and for one I am proud that we had a President who in this instance went directly to the root of things and declared the wholesome and godly doctrine that treachery and assassination would find no refuge here."

PRESIDENTIAL APPROVALS.

A message from the President of the United States, by Mr. Latta, executive clerk, announced that the President had, on May 2, 1914, approved and signed the following acts:

S. 656. An act granting to the trustees of the diocese of Montana of the Protestant Episcopal Church, for the benefit of "Christ Church on-the-Hill," at Poplar, Mont., lots 5, 6, and 7, in block 30, town site of Poplar, State of Montana; and

S. 3403. An act to abolish the office of receiver of public moneys at Springfield, Mo., and for other purposes.

CHESAPEAKE & DELAWARE CANAL.

Mr. SAULSBURY. Mr. President, I desire to give notice that on Friday next, the 8th instant, after the remarks of the Senator from West Virginia [Mr. GOFF], I shall address the Senate briefly relative to the Chesapeake & Delaware Canal.

AFFAIRS IN MEXICO.

The VICE PRESIDENT. The Chair lays before the Senate a resolution coming over from a previous day, which will be stated.

The SECRETARY. Senate resolution 349, by Mr. LIPPITT.

The VICE PRESIDENT. The resolution has been read.

Mr. LIPPITT. Mr. President, I have presented this resolution to the Senate and I should like to have immediate consideration of it. I have done so because the suspicion that our Government is aiding or abetting or conniving at or even condoning the atrocities of the villainous Villa is so sickening a suggestion to me that I have been loath to believe that it can possibly be true. But the circumstances that are continually coming to our attention, the expressions of opinion and belief on the part of people close to the administration have been so frequent that it is being forced upon me that the purpose of the Mexican policy of the administration is to do some such thing as has been expressed in the article which accompanies my resolution.

The policy the President intended to pursue toward Mexico was very plainly set forth by him in the message he submitted to Congress. In his message of August 27, after calling attention to the friendship this country had and ought to have for the Mexican people and our desire to aid and assist them in every possible way, he goes on to say what our duty is under those circumstances.

It is now our duty—

He says—

to show what true neutrality will do to enable the people of Mexico to set their affairs in order again and wait for a further opportunity to offer our friendly counsels.

Later on in the same message he says:

I deem it my duty to exercise the authority conferred upon me by the law of March 14, 1914, to see to it that neither side to the struggle now going on in Mexico receive any assistance from this side the border.

Further on:

We can not in the circumstances be the partisans of either party to the contest that now distracts Mexico or constitute ourselves the virtual umpire between them.

He also says:

We should let everyone who assumes to exercise authority in any part of Mexico know in the most unequivocal way that we shall vigilantly watch the fortunes of those Americans who can not get away, and shall hold those responsible for their sufferings and losses to a definite reckoning.

Then he says:

That can be and will be made plain beyond the possibility of a misunderstanding.

That message was read on the 27th of August, and in it the President says that a definite reckoning can be had. Up to date, however, no attempt has been made to get any recompense for the people who have been suffering by the loss of their property and the death of their relatives in the struggle in northern Mexico. No later than two weeks ago Monday, April 20, in the message which the President read to the two Houses of Congress, after reiterating his great desire to be the friend of Mexico and to help them he again asserts the duty of impartiality. He says:

The people of Mexico are entitled to settle their own domestic affairs in their own way, and we sincerely desire to respect their right.

Nevertheless he says in another part of the same message that—

If armed conflict should unhappily come as a result of his attitude—

Referring to Huerta—

of his attitude of personal resentment toward this Government, we should be fighting only Gen. Huerta and those who adhere to him and give him their support.

Mr. President, when I consider those statements of the purpose of this administration and of our Government toward the distracted people of Mexico, and when I see the acts that are being performed from day to day in connection with those circumstances in Mexico, I confess that I find my mind in a maze. The contradiction between what is done and what is said ought to be done is so great that I almost feel that I am going hand in hand with Alice among the tipsy-topsy conditions of Wonderland.

The facts are that in the one part of Mexico, a very large part of Mexico, there has been peace and order, so far as I know, during the entire year now passed. In another part of Mexico there has been a perfect carnival of crime and carnage, such a carnival as in modern times we can not find a parallel to, a carnival whose confetti has been flying bullets and whose cheers have been changed into the cries of dying men and women; and those flying bullets, Mr. President, have been American bullets fired from American guns that we have sent across the American border and put into the hands of Mr. Villa and his associates with the consent and the approval and the encouragement of the President of the United States.

It is impossible for me to see how we are observing the strict duties of neutrality when we take action such as this.

Mr. NORRIS. Mr. President——

The VICE PRESIDENT. Does the Senator from Rhode Island yield to the Senator from Nebraska?

Mr. LIPPITT. Yes; Mr. President.

Mr. NORRIS. I wished to ask the Senator if he thought it was good practice for the Senate to call on the President——

Mr. LIPPITT. Mr. President, I am going to say only a few words more, and I will answer the question of the Senator in those few words.

Mr. NORRIS. I have not yet finished asking it.

Mr. LIPPITT. Very well; I will listen to the Senator's further question.

Mr. NORRIS. I wanted to ask the Senator whether he thought it was proper for the Senate to pass a resolution which in effect asks the President of the United States to answer an item appearing in a newspaper, regardless of what the conditions may be anywhere?

Mr. LIPPITT. I supposed that was the question the Senator was going to ask. When I interrupted him, I thought he had finished his question. I will answer it in just a minute or two.

I was saying, Mr. President, when I was interrupted, that the conditions which seemed to exist in Mexico were such and the acts that we have taken in connection with them were such as made our professions of neutrality seem very insincere.

I had just referred to the effect of American arms going over our border and coming into the hands of the insurrectionists.

Two weeks ago, in connection with the incident in Tampico, brought about by the overzealous action of a subordinate of the Mexican Government, Congress was asked to pass in the utmost haste an act of approval of the course of the President; and we were told that the reason why such haste was necessary was because the Government wished to seize the customhouse at Vera Cruz for the purpose of preventing the landing at that port of the cargo of a German ship then about due, consisting of a large consignment of arms and ammunition destined for Gen. Huerta and that part of the Mexican people whom he represented.

Even while the Senate was deliberating upon what course we thought should be pursued in the matter, the President was so anxious to prevent the landing of this cargo that he took upon himself the responsibility of acting without waiting to hear the result of our deliberations. Even while this matter was being discussed here in the Senate on Tuesday night a fortnight ago we received the news of the landing of our sailors and marines at Vera Cruz, of a battle, if it may be dignified by that term, that occurred, of the death of some of our own people, and of the death of some 200 innocent Mexican people, civilians largely, who had had no connection with any offensive action toward our Government. In short, Mr. President, we find in these two actions an apparently definite purpose to aid and assist the people who are responsible for the atrocities in the north of Mexico and to discourage and impede those who have maintained law and order in and around that part of Mexico which adjoins the City of Mexico.

Mr. President, I am bringing this matter up for this purpose: The Senator from Nebraska [Mr. NORRIS] has asked me why I dignify a newspaper report by asking the President to reply to it. I am dignifying that newspaper report because it represents and voices rumors and things that are more direct than rumors which are current all through the city of Washington, indicating that the President of the United States and his advisers are in every way in sympathy with the progress of Gen. Villa's army and are hoping for its success. If that is the policy of the administration, it seems to me that we should have it plainly set before this body.

Mr. President, we are liable at almost any minute to be called upon to act upon what may be the most important question that will ever come before any of the men who now sit in this body, a question of declaring war against the Mexican people or against some part of the Mexican people, a war whose termination it is not in the power of any man to foresee. At any moment some unfortunate incident may occur that will so inflame the minds of our own people or of the Mexican people, or perhaps of some other nation whose affairs are being inextricably mixed up with the Mexican situation, that we can not deliberate upon our course with calmness and in the manner that such a question should be approached. In the message which the President delivered here two weeks ago he said:

> I do not wish to act in a matter possibly of so grave consequence except in close conference and cooperation with both the Senate and House.

Mr. President, the time for conference is to-day, while we can consider these questions without the pressure of warlike excitement; and it seems to me it is the duty of this administration, which to a peculiar degree is pledged to frankness and to candor, which is pledged to candor to a degree that no other administration that ever occupied the White House has been pledged—I say it is the duty of that administration to speak to this body, to the American people, and to the people of the whole world in such a way that there shall be no misunderstanding and no secrecy about the position which we occupy on this very grave subject.

I am aware that I am but a single Member of this body, but as a Member of this body I want to do my duty in regard to this very momentous question in the very best way I can; and with that desire and duty prominent in my mind, I say now that there is no way in which it can be properly exercised unless complete information is laid before this body as to what has occurred in the relations of this Government with Gen. Villa and Mr. Carranza and the people whom they represent, of what negotiations have occurred between them, of what instructions were given to William Bayard Hale when he went as the envoy of the President to confer with them, of what correspondence is going on now, and a presentation of this whole matter in such a way that we shall know exactly on what premises we are acting, and therefore shall be able to decide with wisdom what our course should be.

I trust the resolution will have favorable consideration.

Mr. STONE. Mr. President, the Senator from Nebraska [Mr. NORRIS] asked a pertinent question, whether the Senator from Rhode Island [Mr. LIPPITT] thought it proper for the Senate to call upon the President to make formal answer to newspaper items, whether in the form of news, so called, or in the form of editorials. Of course it is not a proper thing for the Senate to do, and, Mr. President, I had supposed that every Senator knew that; I had supposed that even the Senator from Rhode Island knew that much. The Senator presented this clipping from a Washington paper, known to be intensely hostile to the President, that he might make it the basis of what he supposes to be an attack upon the administration.

Mr. President, I care nothing especially about Villa. I think it true that many things he is reputed to have done deserve condemnation. The Senator from Rhode Island denounces Villa and those with whom he is associated. I do not defend them, neither do I approve of the defense the Senator from Rhode Island seems disposed to make of Huerta, who is not only guilty of treason, but whose hands are red with the blood of his chieftain who trusted him.

The Senator speaks of the occurrence, the unfortunate occurrence, at Vera Cruz. He seems to think that this Government is not justified in the course taken there, although Congress in advance—at least the House in advance—gave to the President its consent and approval to take such action as might be necessary to vindicate the honor of our flag; and the whole Congress has approved of what he did, except, possibly, the Senator from Rhode Island, who now speaks in disparagement of what was done.

Mr. LIPPITT. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Missouri yield to the Senator from Rhode Island?

Mr. STONE. Yes.

Mr. LIPPITT. Mr. President, I simply want to say that I think there was nothing in my remarks that expressed either approval or disapproval of what was done there in regard to the incident of the boat crew of American sailors. I simply called attention, or meant to call attention, if I expressed myself as I intended, to the fact that extraordinary haste was demanded for the purpose of preventing a supply of ammunition being received by one of the contestants in the Mexican situation.

Mr. STONE. I know what the Senator said.

Mr. LIPPITT. I do not want what I said to be twisted into something that I had not at all in my mind to discuss, and I think I did not discuss.

Mr. STONE. The Senator did criticize; if he did not mean to criticize, I confess my inability to understand him. He did criticize what was done at Vera Cruz, and lamented, as all of us do, the loss of American lives in the conflict there. Then he proceeded to charge against the administration the guilt of taking the lives of some 200 innocent Mexicans. The "snipers," who were firing at our boys from cover night and day, in violation of all the known rules of civilized warfare, making themselves liable to court-martial if captured, the Senator from Rhode Island seems to regard as "innocent Mexicans" for whom our hearts should pour out a flood of sympathy.

Mr. President, the Senator says that we were overhasty in taking possession of the customhouse at Vera Cruz because a German vessel was approaching laden with arms and munitions of war for Huerta's army. There is no doubt that the fact that that vessel was due at that port hastened the action taken by the administration. For myself I stand here to approve what the President did. We were then in an acute controversy with the Huerta government, for reasons well understood; we had made a peremptory demand upon Huerta, which had been insolently refused, and the President was taking the only means at his command to enforce the ultimatum or to punish Huerta and his following for what they had done.

The Senator from Rhode Island criticizes and blames the President for what he did. The Senator thinks that the administration should have sat quiet and remained inactive and per-

mitted rapid-firing guns and field cannon and rifles and millions of rounds of ammunition to be delivered into the hands of Huerta's men to be used against our flag and our soldiery when they were about to land and take possession of Vera Cruz. The Senator would seem to be in deep sympathy with the Mexicans because of this deprivation. I am sorry to find a Senator on this floor in that state of mind and heart.

Mr. LIPPITT. Mr. President, while the Senator from Missouri is growing indignant over the situation of a cargo of arms arriving at Vera Cruz, will he also tell us whether he approves of the permission that has been in force for several months by which American arms have been put into the hands of all the rebels in northern Mexico, which will just as distinctly and inevitably be turned against this Government as any other arms that are in Mexico? Let us have a little consistency here.

Mr. STONE. Oh, Mr. President, the Senator can defend Huerta if he wishes to do so; he can put his senatorial arm about him and hold him up as one deserving of praise if he wishes to do so. I am not defending either Huerta or Carranza.

The Senator wishes to know about the order of the President raising the embargo on the exportation of arms across our southern border. Mr. President, the Senator seems to forget, if he ever knew it, or knowing, seems to ignore, the fact that until we took possession of Vera Cruz arms and munitions of war manufactured in the United States were just as accessible to Huerta and his forces as to Carranza and his forces after the embargo was raised. As for that, the doors had always been open to Huerta; they had never been closed against him until now.

The Senator says we should not have lifted the embargo and let American arms and munitions go across the Rio Grande into the hands of the constitutionalist forces; that those guns are now turned upon Americans; that the bullets with which these people in northern Mexico are slaying Americans are American bullets. Mr. President, as a matter of fact, I have not known that any of the arms allowed to be imported into northern Mexico from the United States have been used against American troops or citizens. When and where has anything of that kind been done? If the Senator had confined himself to a possible situation—that is, if he had said that these arms might in future be used against us in case of war between this country and the Carranza-Villa forces—he would have been nearer correct. So far, however, the people who received these arms crossing the Rio Grande have made no demonstration of hostility against the United States, but up to this time have maintained a strict neutrality in our conflict with the Huerta government.

The Senator, however, is so possessed of partisan bias and spleen that he could not let pass an opportunity to incorporate in the RECORD an attack upon the President of the United States, and to make that attack the basis of observations that are out of place here at this time. Mr. President, it is absolutely silly to think of calling upon the President of the United States to answer such newspaper articles as that the Senator has recited in his resolution. Why, if that is permissible, if that sort of thing is allowed, then Senators who feel like the Senator from Rhode Island can every day clip from the newspapers things of a similar kind and call upon the President to say whether in fact they are true; in other words, they can have the President of the United States constantly before the Senate answering newspaper attacks upon him, perhaps anonymous attacks, or maybe attacks made under the authority of the management of the papers themselves. Such a procedure would be not only absurd, it would be absolutely silly.

I move to lay the resolution on the table.

Mr. CLARK of Wyoming. Mr. President, will the Senator allow me just a moment before making that motion?

Mr. STONE. Yes.

Mr. CLARK of Wyoming. I wish to ask the Senator a question.

Of course we are all intensely interested in the situation in Mexico—all of us, from the President to the humblest citizen of the Republic, the President perhaps not more so than some others. This resolution perhaps is subject, perhaps not, to the criticisms showered upon it by the Senator from Missouri, the chairman of the Committee on Foreign Relations. While the resolution calls attention to the newspaper clipping, the purpose of the resolution is, if possible, and if not incompatible with the public interest, to get some idea of the position which the President and his administration assume in regard to the forces and the conditions in northern Mexico.

It is rumored, as the Senator knows—and we can get nothing except from the newspapers or rumors, because neither the President nor his administration nor the Foreign Relations Committee nor its chairman have taken the country into their confidence as to the conditions that exist there, and the relations that may or may not exist between this administration and the Villa forces—there is a well-defined notion, which I fear is growing by reason of not being contradicted or by reason of not being openly discussed, that there is some sort of an arrangement whereby the Government of the United States in some way is bound up in the fortunes of the constitutionalists of Mexico.

What I wish to ask the Senator before the motion is made is whether the Senator is in a position where he can give us any information as to what situation we are in with regard to the Carranza forces? We know, of course, how we stand in regard to Huerta and his forces. Is there any information that a long-suffering and patient Senate can have at this time from the information which the Senator himself perhaps possesses as to the situation of this country with regard to the Carranza forces?

Mr. STONE. Mr. President, it grieves my heart to know that my friend from Wyoming is oppressed with the thought that there is a growing fear among the people that the administration is doing something wrong and indefensible.

Mr. CLARK of Wyoming. Mr. President——

Mr. STONE. I think I can reassure the Senator, and perhaps relieve to some extent his apprehension——

Mr. CLARK of Wyoming. If the Senator can do so, I shall be glad to have him.

Mr. STONE. By expressing a very emphatic opinion that the American people are not disturbed, not uneasy, not apprehensive that the President of the United States is going to commit, much less that he has committed, any act to the discredit of this Government.

Mr. CLARK of Wyoming. The very definite assurance of the Senator in relation to that matter is very satisfactory. [Laughter.]

Mr. STONE. I thought I could satisfy the Senator. [Laughter.]

Mr. President, one word as to the question, What are the relations between the United States and Mexico? I had supposed everybody knew that, especially that an American so astute, studious, and well informed as the Senator from Wyoming knew it. If he does not know it, however, I will give him further assurance in order to quiet his dread apprehensions.

We are in possession of Vera Cruz. We have landed there a force of soldiers and marines, and we are holding that city. Our quarrel is with Huerta and Huerta's forces, because of what they had done. We have taken possession of Vera Cruz as an incident to or as a result of our conflict with the Huerta government. We have no alliance or war with Carranza. Carranza and his forces are at war with Huerta, not with us. If they care to prosecute that war without taking any step hostile to this Government and our people, I do not believe it is the desire or intention of the administration, or of this Congress, or, with few exceptions, of the people of the United States to force a war with the Carranza and Villa forces. If they continue in their present course, I confess I can see no reason for opening hostilities with them; and I do not think any hostile movement on our part will be made against them so long as they attend to their own affairs and go on along the lines they are now following and have declared it to be their purpose to pursue.

Another thing which perhaps the Senator is not aware of is that the representatives of three Latin-American countries, the three principal ones, are now engaged, with the consent of this Government and Gen. Huerta, in an effort to bring about an adjustment of all the troubles in the Republic of Mexico, with the hope that an orderly Government may be established there and peace preserved.

I renew my motion.

The VICE PRESIDENT. The question is on the motion to table the resolution.

Mr. LIPPITT. Mr. President, will the Senator withhold that motion for just a minute?

Mr. STONE. I will not. I move to lay the resolution on the table.

The VICE PRESIDENT. The question is on tabling the resolution.

The motion was agreed to.

PANAMA CANAL TOLLS.

Mr. O'GORMAN. I ask unanimous consent that the canal bill may be laid before the Senate in order that the Senator from Kentucky [Mr. BRADLEY] may address himself to that measure.

There being no objection, the Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 14385) to amend section 5 of an act to provide for the opening, maintenance, protection, and operation of the Panama Canal and the sanitation of the Canal Zone, approved August 24, 1912.

Mr. BRADLEY. Mr. President, the issue presented in the proposed repeal of free tolls is not and can not be made political. Even if it had been political, it passed beyond the realm of politics when, in 1912, the three leading political parties indorsed the exemption of coastwise vessels from tolls. But if this were not true, the issue is of such paramount national importance that it is as far above politics as the stars are above the sea.

A distinguished Representative has said that in the consideration of this question, "towering above all other considerations, is the necessity to retain the Democratic Party in power." I regret that such a thought should have ever entered the brain of any American, much less have found utterance. For a half century I have persistently fought, the greater portion of the time against seemingly overwhelming odds, for the Republican Party. I love that party with almost an idolatrous devotion, but, much as I love it, I would rather see it go down in defeat than see a stain placed upon the honor and glory of the Republic.

The only question presented, Mr. President, is shall we gratify the President and reverse 100 years of national policy by surrendering the sovereign right to control our domestic concerns into the hands of an insatiable foreign power?

I fear there are some who do not appreciate the true gravity of the situation. The bill under discussion not only repeals the provision exempting coastwise vessels, but repeals the provision granting exemption to vessels of the United States and her citizens from the maximum charge of $1.25 per ton on ships of commerce. Therefore, should this bill pass, this Government will be placed upon exact equality with all other nations. However, substantial as these concessions are, they will not satisfy Great Britain, who protests against the exclusion of her railroad or trust owned ships from the canal and against free tolls to Panama. By the last objection she strikes at the very existence of the canal, as under its provisions we secured title from Panama to the territory through which the canal is constructed.

For these reasons the issue involved is one of the most vital and far-reaching importance that has ever been presented to the Congress of the United States. Upon its fate depends our right for all time to come to regulate a canal constructed on our own territory and paid for by our own people. Once surrendered we can not regain it, for by enacting the law we confess the violation of a solemn treaty, the commission of a dishonorable act.

The canal will cost the enormous sum of $400,000,000. The extent of that expenditure may be realized when we reflect that to aggregate that sum it would require an accumulation of $1,000,000 each year for 400 years.

The construction of a canal at some point across the Isthmus has been the dream of centuries, and no nation on the globe save this would have had the courage, the genius, the enterprise, and the ability to make that dream a reality.

If in the beginning the people of this country had known the vast sum required to construct it and had believed for a moment that after the payment of that sum we would be charged with its management, repair, and defense, and would make all nations entirely equal with our own in sharing the benefits, it never would have been undertaken.

I am as much in favor of strictly observing the Nation's honor as any Member of this body, but I do not believe there is any foundation for the charge that in enacting the present law Congress was guilty of violating the treaty in the slightest degree. I am equally well satisfied that the passage of the proposed bill will not only prevent the enlargement of our merchant marine, but will seriously cripple our already insignificant and languishing commerce. Not only so, but I am equally confident that it will swell almost incalculably the already enormous commerce of Great Britain and deliver us, bound in commercial chains, into her hands and the hands of the great transcontinental railroads of Canada and the United States.

But the matter of dollars and cents fades into insignificance when we reflect that a repeal will be an acknowledgment of the criminal bad faith of Congress and an humble and servile surrender of the sovereign right to control our domestic concerns.

Never has there been, concerning any public question, such persistent efforts made to becloud the facts and mislead the public mind, not only as to the meaning, but also the wording, of the Hay-Pauncefote treaty. The transcontinental and shipowning railroads have at all times bitterly opposed the construction of this canal and are now actively engaged in the effort to repeal, because they know that water competition will greatly reduce the vast profits they have been accumulating for years and release the people from their greedy clutches. Another agency has been at work—the Carnegie Peace Foundation. Many thousands of dollars have been contributed by the latter to send broadcast over the Nation and countries abroad literature favoring Great Britain's contention in the attempt to convince the people that the Congress of the United States could not and did not honestly exempt American coastwise vessels from toll. Nor has this expenditure been confined alone to the Peace Foundation in the dissemination of literature and in other directions. The transcontinental railroads of Canada and the United States and railroad and trust-owned ships have been actively engaged in the same direction. In the first place, a number of newspapers were induced, through misrepresentation, cajolery, and otherwise, to publish articles favorable to the British view. Ministers of the gospel, inspired by love of peace and fear of war, expressed themselves favorably, in many instances having either not read or understood the treaty; and a considerable number of college professors, in many instances to obtain notoriety, and probably in some instances to qualify themselves for the receipt of a Carnegie pension, expressed themselves antagonistically to their own country. Now and then a lawyer was persuaded to give an opinion. Some of these persons were never heard of before. After all of these expressions were obtained, they were carefully collated and published in pamphlet form, at least three enlarged editions of which were printed and circulated by the million throughout the United States and other countries. This plan was well conceived and was not only carried out in part before the law was enacted, but has been persistently prosecuted since its passage up to the present time. The passage of the law seemed to have had no effect on the ardor of this propaganda, its fight having been persisted in with increased vigor. The full effect of these publications can not well be estimated.

Mr. Andrew Carnegie, who came here from Scotland a poor office boy and succeeded in acquiring a collossal fortune, has founded what is known as the Peace Foundation, which is combined, I am told, with a publication known as the Peace Advocate. Thousands of this publication, in addition to pamphlets issued by the foundation, have been circulated throughout the United States and in foreign lands, especially Great Britain.

Mr. Carnegie conceived the idea some years ago of uniting this country with Great Britain under the name of the "United States of Great Britain," and selected these agencies to bring it about, operating at all times in the sacred name of peace (?). He has been active and untiring, whether entirely on his own responsibility or as the agent, in part, of Great Britain I can not say. In order to impress his views favorable to a union of this country and Great Britain he wrote and published, about a year ago, a book entitled, if I remember correctly, "Triumphant Democracy," the second part of which is designated "A Look Ahead." In this remarkable publication he said:

> The greater union would be one in which although she—England—would not be all powerful, yet she would *undoubtedly be first*, and regarded with all the deference due to age and motherhood.
>
> Numerous as would be the States comprising the reunited nation, each possessing equal rights, still *Britain, as the home of the race, would ever retain precedence*, first among equals. However great the number of the children who might sit around her in the council *there would never be but one mother, and that mother Britain.*

He would have us ignore the nations whose brave sons assisted in our struggle for liberty. He would have us forget the kindly offices of Russia, who prevented Great Britain from recognizing the independence of the Southern Confederacy, not because she loved the South, but to separate our country so that it might more easily be the prey of her insatiable greed, and in gratitude to Great Britain for the wrongs inflicted upon this Nation in the past form a union offensive and defensive against them. And this man Carnegie, hand in hand with the shipowning and transcontinental railroads and the coterie that surrounds him are attempting to persuade American citizens to surrender the sovereignty and honor of their country.

Not only have misrepresentations been made in many instances, but mutilated portions of the Hay-Pauncefote treaty as well as portions of the Clayton-Bulwer treaty, which had no force because expressly superseded by the first-named treaty, have been scattered promiscuously over the country. Whenever any individual indorsed their views he was at once advertised as a most wonderful and learned man, and in this way many hitherto comparatively obscure persons have been surprised to hear for the first time their varied and distinguished accomplishments through the public press. Some slanderers have even gone so far as to say Mr. Roosevelt opposed free tolls, notwithstanding the fact that he has time and again vigorously stated the contrary, accepted a nomination for Presi-

dent on a platform declaring in favor of free tolls in good faith, made a campaign on that platform in good faith, and to-day continuing that good faith stands by his platform.

Showing the character of the methods that have been resorted to, newspapers have in many instances published as correct the following as part of the treaty:

The canal shall be free and open to the vessels of commerce of all nations on terms of entire equality, so that there shall be no discrimination against any such nation, or its citizens or subjects, in respect of the conditions or charges of traffic or otherwise.

In the first place, it will be observed that the words "*and of war*" following the words "vessels of commerce" were omitted, for if inserted they would most naturally suggest to every reader that it was preposterous that this Government would agree that all the war vessels of foreign countries should have equal rights with its own.

In the second place, the words "*observing these rules*," following the words "all nations," were omitted, because if inserted they would naturally suggest that certain rules were to govern, and on inquiry it would be found that these rules were prescribed by the *United States alone for the government of her own canal;* and that the United States, having provided the rules under which her canal should be free and open to the vessels of commerce and war of all nations observing her rules, was necessarily not included in the expression "all nations," as she could not be expected to make rules for the government of herself. Many good people have been misled by this false publication and in consequence prejudiced against free tolls.

But notwithstanding the large sums of money expended by the Peace Foundation and the transcontinental and other railroads in the dissemination of literature, and notwithstanding the misrepresentations in the public press, the large majority of the newspapers, the large majority of leading statesmen, including a majority of the Congress of the United States, the three leading political parties, and fourteen millions of voters have indorsed the granting of free tolls to the coastwise vessels of the United States.

To the confusion of the American people it has been stated in certain newspapers and magazines, in Congress, and other places that because the Bard amendment offered to the treaty, striking out article 3 and substituting a new article giving the United States "the right to discriminate in respect of the charges of traffic in favor of vessels of its own citizens engaged in the coastwise trade," was defeated in the Senate that it necessarily follows the Senate surrendered that privilege.

That amendment was offered by Senator Bard to the *first* Hay-Pauncefote treaty, of February 5, 1900, which was amended and ratified by the Senate, but rejected by Great Britain, and has no reference to the existing treaty, on account of which we might contend that Great Britain refused to accept the treaty because the amendment was not adopted with as much earnestness as our adversaries make their contention.

The Senate was in secret session when the Bard amendment was defeated, and hence, under the rules, remarks of Senators were not reported. But the contention that the defeat of the Bard amendment was the surrender by the Senate of all claim by the United States to discriminate in favor of its coastwise vessels is not only contradicted by the treaty itself, which is amply specific, but by the testimony of Senators then present. Ex-Senator Bard says:

When my amendment was under consideration *it was generally conceded* that even without that specific provision the rules of the treaty would not prevent our Government from treating the canal as part of our coast line, and consequently could not be construed as a restriction of our interstate commerce forbidding the discrimination in charges for tolls in favor of our coastwise trade, *and this conviction contributed to the defeat of the amendment.*

Senator LODGE, one of the 11 Senators who voted against toll exemption and who now favors its repeal, said, July 20, 1912, in open Senate, in speaking of the Bard amendment:

I voted against it in the belief that it was unnecessary; that the right to fix tolls, if we built the canal, or it was built under our auspices, was undoubted. *I knew that was the view of Senator Davis—*

Now dead—

who was at the time the chairman of the committee. I certainly so stated on the floor.

I personally have never had any doubt that the matter of fixing tolls must necessarily be within our jurisdiction, and when I referred to going to The Hague as useless, I did not mean because our case was not a good one. I meant because, in the nature of things, we could by no possibility have a disinterested tribunal at The Hague.

Senator CLAPP, July 17, 1912, in the Senate, in speaking of the Bard amendment, said:

I know I was here at the time, although I do not recall all of the speeches. But while some of us voted—insisting in some instances that these things should be explicit, and in others voting with the majority upon the ground that they were covered, anyhow. I believe, both with reference to the coastwise trade and especially with reference to the question of fortifications, that many of the votes cast against those express conditions were cast upon the theory that without them we nevertheless had the right to do them.

Mr. O'GORMAN. That the provisions were unnecessary.

Mr. CLAPP. Yes; that they were necessary.

Senator PERKINS stated, August 6, 1912, in the Senate:

I wish to state that Senator Davis, of Minnesota, was at that time chairman of the Committee on Foreign Relations. He was, as is conceded by all, an authority on international law, and took the view stated by the Senator from New York, and that stated by the Senator from Washington. There is no question about it, that the rules we did make were to govern other nations than ourselves.

On March 6, 1914, the Washington Post published an interview with ex-Senator Marion Butler, of North Carolina, as follows:

I remember that when the article of the treaty was under consideration which provides that the canal shall be open to the vessels of all nations on the same terms, that several Senators suggested the propriety of adding a provision expressly exempting our domestic commerce through coastwise vessels.

The prompt response to this proposition on the part of the Senators having the treaty in charge was that such an amendment was unnecessary, because the treaty was so understood by the contracting parties.

Similar statements have been made by ex-Senators Foraker, Beveridge, Towne, Turner, Kearns, Deboe, Dubois, Pritchard, Mason, and CLARK of Wyoming—15 in all.

The testimony is overwhelming that the opinion then was that the treaty as written secured the right embraced in the amendment.

Before the tolls law was passed, but after its provisions were well known, Mr. Innes, of the British embassy, in a communication to Secretary Knox, July 8, 1912, said:

As to the proposal that exemption shall be given to vessels engaged in the coastwise trade, a more difficult question arises. If the trade should be so regulated as to make certain that only *bona fide* coastwise traffic, which is reserved for the United States vessels, would be benefited, it may be no objection could be taken. * * *

I digress a moment to remark that ample testimony has recently been given before the Interoceanic Canals Committee that such a regulation can be made.

In another portion of his communication Mr. Innes says:

The proposal to exempt all American shipping from payment of the tolls would, in the opinion of His Majesty's Government, involve an infraction of the treaty, nor is there, in their opinion, any difference in principle between charging tolls only to refund them and remitting tolls altogether. The result is the same in either case, and the adoption of the alternative method of refunding the tolls in preference to that of remitting them, *while perhaps complying with the letter of the treaty*, would still contravene its spirit.

It is true *there is nothing in the Hay-Pauncefote treaty to prevent* the United States from subsidizing its shipping, and if it granted a *subsidy His Majesty's Government could not be in a position to complain.*

Now, it will be observed that, taken all in all, this is a very mild and insufficient protest, as well as very unreasonable, coming from a Government that for years has subsidized its vessels and which will continue to subsidize every vessel which it sends through the canal, and which gave subsidies to its ships years ago in violation certainly of the spirit of its treaty with the United States.

Following the communication of Mr. Innes on November 14, 1912, nearly three months after the law had passed, Sir Edward Grey, Secretary of State of Foreign Affairs of Great Britain, before he had seen the proclamation of President Taft, published the preceding day fixing the rate of tolls, addressed a letter to the State Department, which the British ambassador handed to Secretary Knox on the 9th of December, along the lines of the previous communication from Mr. Innes, but greatly elaborating the same and discussing objectionable portions of the toll-exemption law approved August 24. In this letter he suggests submitting the question to arbitration, which was substantially agreed to by Secretary Knox.

While these negotiations, which gave promise of probable early adjustment, were pending, and before Secretary Knox answered the letter of Secretary Grey, the enemies of free tolls in America actively increased the dissemination of literature, and a bill was introduced to repeal the law. This most naturally resulted in the encouragement of Great Britain. This Foundation, operating in the holy name of peace by sending out its seditious matter, was doing an act which eventually may cause war.

On January 17, 1913, Secretary Knox answered the letter of Secretary Grey in such a lucid and convincing manner as to scatter his contentions to the winds. The effect of this answer, however, was greatly weakened by the persistent activity of some of our own people.

Now, arbitration can not be thought of, for under the dictation of the President an attempt is being made to repeal the law, thereby conceding everything to Great Britain.

There are some who profess to believe that exemption of our coastwise vessels would be a subsidy. So far as I am concerned, I would not approve subsidies except in self-defense. Had we adhered to the laws adopted by our fathers instead of being wheedled out of our rights by Great Britain, or, having

failed in this, had we adopted subsidies, we would not be compelled now to pay foreign ships more than $175,000,000 annually for carrying our commerce, but would ourselves be carrying all of it and a great part of the world's commerce besides. Eventually, in order to develop our merchant marine, we must pay subsidies or repeal our navigation laws, abrogate the treaties made thereunder, and return to the system of discriminating duties established by the fathers and recognized in the tariff bill lately adopted.

Excluding the cost of the Panama Canal, we have expended more than $700,000,000 in the construction of canals and the improvement of rivers and harbors in which no tolls have been exacted. Democrats have universally voted for appropriations for this purpose. All of this has been done to relieve our commerce.

The exemption from tolls to our own vessels passing through our own canal is not, in the strict sense of the word, a subsidy. But if it is a subsidy, then the exemption from toll on our rivers and in our harbors and canals—for instance, in the Soo Canal, whose commerce greatly exceeds any that may be anticipated in Panama—is also a subsidy.

We all know that subsidies are unpopular with many of our people, and hence appreciate the artfulness of the position assumed by Secretary Grey that Great Britain could not object to the adoption of subsidies as applicable to the canal. He knew that the mere mention of the word "subsidy" is as exciting to some citizens of the United States as a red flag is to a bull.

But it is strange that for so many years we have relieved interstate commerce from payment of tolls in all our own waters and heretofore no attempt has been made to denominate it as a subsidy. It is strange it took our Democratic friends so long to discover that these were subsidies. If we are, on the plea of a subsidy, to obtain no benefit in the Panama Canal, in order to be consistent we should give no benefit to our ships in any of our waters, but should have the Government authorities collect tolls from all our citizens engaged in water interstate commerce, thus increasing the cost of transportation to the consuming public.

So far as the canal is concerned, if we pass this bill we shall, of course, draw infinite consolation from the fact that we have encountered and conquered pestilence, have removed mountains, have accomplished the most wonderful engineering feat known among men, have by a majestic construction united the two oceans at the enormous expense of $400,000,000, have bound ourselves to maintain the neutrality of the canal against the world, have expended and will continue to expend many millions in fortifying and policing the same and keeping it in repair, all for the benefit of the other nations of the world as much as for our own, they to reap substantially all the benefits on account of the limited amount of our commerce when compared to theirs, without any expense or responsibility, while we bear all the burdens. However, in the language of Ambassador Page, we may say to Great Britain that—

> It adds to the pleasure of the building that great work that you will profit by it.

But the exemption to coastwise vessels is not a subsidy. The lexicographers tell us that a subsidy is "a sum of money granted for a purpose." Pray tell me how the exemption of interstate vessels from the payment of tolls in our own canal can be tortured into the payment of a sum of money granted to them. We pay them no money. We simply allow them to use our property without the payment of money to us. And why? Is it for the purpose of swelling the fortunes of those engaged in our coastwise trade? By no means, but for the purpose of cheapening freights to our people. If an American coastwise vessel pays, say, $6,000 for the privilege of passing through the canal, that amount will be added to cost of freight and be paid by the American consumer if the goods are shipped into the interior; by the producer if they are shipped outside the interior. Instead of remitted tolls being a subsidy to the shipowner it is a benefit bestowed on the American people. A subsidy, however, would be far better than a surrender of our rights and the injury or destruction of our commerce.

The transcontinental railroads of the United States and Canada have not only had entire control over commerce shipped from coast to coast, but upon a large percentage of the commerce moving from the interior to the coasts and have ruled with a rod of iron. They see in the exemption of coastwise ships from toll a serious menace to their monopoly. Hence their representatives have appeared before the Interoceanic Committee and vociferously protested against it. The present law closed the canal against ships owned by these and other railroads for the purpose of preventing them from perpetuating their monopoly; in other words, to bring about an active competition between land and water transportation. No sane man can doubt that should the law remain in force, by reason of the great difference between land and water rates immense benefits will accrue to the people of the United States. This has been fully established by proof recently before the committee. But without enlarging now on this point, I refer to a speech of great power, a speech of a distinguished man, President Wilson, at Washington Park in the campaign of 1912, which will hereafter be quoted at length. Speaking of the good that will result from the present law which he now seeks to have repealed, he said:

> It provides for free toll for American ships through the canal and prohibits any ship from passing through which is owned by any American railroad company. You see the object of that, don't you? We don't want the railroads to compete with themselves, because we understand that kind of competition. We want water carriage to compete with land carriage, so as to be perfectly sure that you are going to get better rates around the canal than you would across the continent. [Applause.]

The people were pleased with the speech and Mr. Wilson was pleased with himself.

> The farmers of this country are, in my judgment, just as much concerned in the policy of the United States with regard to that canal as any other class of citizens of the United States.
>
> Everything that is done in the interest of cheap transportation is done directly for the farmer as well as for other men. So that you ought not to grudge the millions poured out for the deepening and opening of old and new waterways. [Applause.]

The people were still pleased, and so was Mr. Wilson.

Nearly all of our canals were built by private enterprise, but the Government has obtained control of a large majority of them in order to remove charges on commerce; and those of which the Government has not obtained control are under the management of railroads. In some instances the roads have operated canals at a loss in order to break down competition and to maintain freight charges on their lines. But we are told that the Panama Canal is differently situated from the others, because it involves the commerce of the world. This might be true if there were across the Isthmus a natural thoroughfare. As far as international law can be regarded as settled, while commercial ships may of right pass through artificial canals, yet the nation that constructs them may annex such conditions to their use as it chooses. (Moore's Int. Law Dig., vol. 3, p. 268.)

It is contended by some that the act exempting tolls was not carefully considered, and hence is entitled to but little weight. In view of the facts such a contention is as unjust as it is untrue. However, it is quite in harmony with the many misrepresentations which have been made concerning the treaty, and is only a part of a carefully prepared scheme in some quarters to prejudice the people of the United States against the action of Congress and bring her representatives into disrepute.

The bill was considered with great care. After it had been debated in Committee of the Whole and a majority and minority report were made in the House, six days were consumed in debate, and on May 21, more than two months after the minority report was filed, by a majority of 19 votes, the bill passed the House.

The bill was reported to the Senate and referred to the proper committee May 24. After thorough investigation by the committee it was favorably reported June 12, and after exhaustive debate, on August 9, nearly two months after the report was made, it was adopted—44 for and 11 against—and this, too, in the very teeth of Great Britain's protest which had in the meantime been made to the State Department.

June, 1912, after the vote by the House and before the vote in the Senate, the Republican convention indorsed and nominated Taft for President. In view of the fact that he had declared in favor of toll exemption, his nomination was an approval of that doctrine.

July 2, 1912, the Democratic convention declared in its national platform:

> We favor the exemption from tolls of American ships engaged in coastwise trade passing through the Panama Canal. We also favor legislation forbidding the use of the Panama Canal by ships owned or controlled by railroad carriers engaged in transportation competitive with the canal.

August 7, 1912, the Progressive Party in its platform declared:

> The Panama Canal, built and paid for by the American people, must be used primarily for their benefit. We demand that the canal shall be so operated as to break transportation monopoly now held and misused by the transcontinental railroads by maintaining sea competition with them; that ships directly or indirectly owned or controlled by American railroad corporations shall not be permitted to use the canal; and that American ships engaged in coastwise trade shall pay no tolls.

If there was a single word of objection to these declarations in any one of the conventions, I have never heard of it. Indeed, it seemed that the exemption of American vessels from tolls had become the fixed policy of the American people.

In the campaign that ensued the speakers of each party lauded the statute, no one more strenuously than Mr. Wilson, who had accepted his nomination not only with alacrity but with the utmost Christian resignation.

In view of the fact that the law had passed, notwithstanding the protest of Great Britain, our people have made large investments in the building of ships for coastwise trade, and the repeal of the law would inflict great damage upon them and would be an act of bad faith on our part. However, if Great Britain is satisfied, their wrongs amount to nothing.

To the profound astonishment of the American people—and, for that matter, I doubt not of the people of the civilized world—on the 5th of March, 1914, President Wilson delivered a message to Congress earnestly insisting that the toll exemption should be repealed.

That surprise grew out of the fact that the Chief Magistrate of the United States asked that his Government should surrender its sovereign rights. The surprise, however, was increased in this country by reason of the President's repudiation of the platform on which he was nominated, which he heartily indorsed during the campaign, and on which he was elected. Not only did the Democratic platform indorse the exemption from tolls of coastwise vessels, but the same platform concluded with this lofty, earnest, and, as was then supposed, honest declaration:

> Our platform is one of principles which we believe to be essential to our national welfare. Our pledges are made to be kept when in office as well as relied upon during the campaign, and we invite the cooperation of all citizens, regardless of party, who believe in maintaining unimpaired the institutions and traditions of our country.

The President and many Senators seem not to have seriously regarded this declaration or the speech of the Secretary of State before the Pennsylvania House of Representatives, May 13, 1913, in which he said:

> If a man after his election finds something which he can not honestly support, what ought he to do? Violate his conscience? No. Then what? He should resign and let the people select a man to do what they would have him do. * * *
>
> A platform is binding upon every honest man who runs upon that platform. * * *
>
> The representative who secures office upon a platform and then holds the office and betrays the people who elect him is a criminal worse than the man who embezzles money intrusted to him.

And, notwithstanding these high-sounding declarations, Mr. Bryan now favors the repeal, having evidently concluded that the rule laid down by him does not apply to a Secretary of State.

I do not refer to these inconsistencies through any burning desire or with the hope to prevent any Democrat from committing them, but simply to show how untenable and unreliable is the judgment of any man who thus shifts from one position to another and who has no respect for his party platform.

An attempt, however, is being made to justify the President and those who support him by referring to another plank in the platform denouncing subsidies. The two planks do not necessarily conflict, because free tolls do not constitute a subsidy in the sense the word is ordinarily used; but if they do, it follows inevitably that the Democratic Party did not deal honestly with the people in making two conflicting declarations in order to obtain votes from those having divergent opinions.

However this may be, Mr. Wilson heartily and without qualification indorsed free tolls and is in morals now estopped from taking a contrary position, except, at least, in case of the direst extremity.

An effort is made to escape the binding force of the platform on the ground that the general declaration against subsidies precedes the special indorsement of free tolls. But the repealants forget that the universal rule of construction is that a special provision always stands superior and paramount to a general declaration. Such was the decision In re City Trust Co. (121 Fed., 708), and two of the judges joining in that opinion are now judges of the Supreme Court.

There is another universal rule of construction, that in order to arrive at the true intent the whole instrument shall be considered. There is no trouble in applying that rule in this instance. The Democratic Party did not regard exemption from tolls to American vessels in domestic waters as a subsidy, and for years, by its votes in Congress, had recognized such exemptions. Neither did they regard such exemption as any more a subsidy than the provision contained in the Underwood tariff law giving a 5 per cent advantage or rebate to American ships engaged in the foreign trade over the ships of other nations carrying imports into the United States. And although more than 20 foreign powers have protested against this law, neither the President nor his adherents have proposed its repeal. Probably if we are so unpopular abroad, that law has contributed to it more than any other cause.

So it is there is really no conflict in the Democratic platform.

It is not only fair but eminently proper in discussing this remarkable message to call attention to the fact that the President not only accepted a nomination on a platform indorsing that exemption, but during the campaign earnestly commended its justice and propriety. And right here I pause to inquire if he had spoken before the people in that campaign as he speaks now does any sane man believe he would have been elected? But now that Mr. Wilson has been elected he does not hesitate to condemn the bridge that carried him over. What are the reasons for this remarkable change? He does not ask the repeal as a matter of *policy alone*, but to use his own words as a matter of *justice and wisdom*. Hence, it will not do to say that he is asking it merely to avoid complications. Contrast this statement with his speech during the campaign at Washington Park, N. J., August 15, 1912, after the bill had passed. Speaking of the opening of the canal he said:

> What interest have you in opening it *to the ships of the world?* We don't own the ships of the world. * * * The chief road by which your crops travel to the Orient is through the Suez Canal. They don't go around by the Pacific. * * * The western farmer therefore has to ship his crops across the continent in order to reach the ships that are to take that road. And when his crops reach the port do they find American ships waiting for them? Not at all. In most years not a single ship carrying the American flag goes through that canal [Suez] carrying freight. * * *
>
> One of the great objects in cutting that great ditch across the Isthmus of Panama is to allow farmers who are near the Atlantic to ship to the Pacific by way of the Atlantic ports, to allow all the farmers on what I may, standing here, call this part of the continent to find an outlet at ports of the Gulf or the ports of the Atlantic seaboard and then have coastwise steamers carry their products down around through the canal and up the Pacific coast or down the coast of South America.
>
> Now, at present there are no ships to do that, and one of the bills pending—passed, I believe, yesterday by the Senate as it had passed the House—provides for free tolls for American ships through that canal and prohibits any ship from passing through which is owned by any American railroad company. You see the object of that, don't you? [Applause.] We don't want the railroads to compete with themselves, because we understand that kind of competition. We want water carriage to compete with land carriage, so as to be perfectly sure that you are going to get better rates around the canal than you would across the continent. * * *
>
> Everything that is done in the interest of cheap transportation is done directly for the farmer as well as for other men. So that you ought not to grudge the millions poured out for the deepening and opening of old and new waterways.
>
> *Our platform is not molasses to catch flies. It means business. It means what it says.* It is the utterance of earnest and honest men, who intend to do business along those lines and who are not waiting to see whether they can catch votes with those promises before they determine whether they are going to act upon them or not.
>
> They know the American people are now taking notice in a way in which they never took notice before, and gentlemen who talk one way and vote another are going to be retired to very quiet and private retreats.

I wonder if this last statement is prophetic of the disposition the people will make of Mr. Wilson should he again offer for the Presidency.

But let us return to this wonderful message:

> In my own judgment, very fully considered and maturely formed, the exemption *constitutes a mistaken economic policy from every point of view, and is, moreover, in plain contravention of the treaty with Great Britain* concerning the canal concluded on November 18, 1901.

It would have been more illuminating had the President explained why he accepted a nomination on, and heartily indorsed by act and speech, a disreputable platform "*in plain contravention of a treaty*" by which act, if he is correct, the Nation was dishonored.

Was he in earnest when he accepted the nomination? Was he in earnest when he spoke in New Jersey? The exemption was just and wise, yea, even politic, then. If he did not act and speak frankly then, he should confess it now and admit that his platform did not "mean business," but was "molasses to catch flies." If on the other hand he has changed his mind, he should have said so and not appear, as he now does, before the American people speaking in two different ways with two different voices. He does not suggest an arbitration, which Great Britain proposed—and which was substantially agreed to by Secretary Knox—and which would now be acceptable to her, but asks that the law shall be repealed, although Innes, representing Great Britain, has admitted that the exemption of bona fide coastwise vessels might not be objectionable.

Again, the President says:

> Whatever may be our own difference of opinion concerning this much-debated measure, *its meaning is not debated outside the United States.*

Even if this statement were true, it might have occurred to his mind, at least, that the interest of people in the canal outside the United States is opposed to ours, and hence such an opinion, even if it existed, should cause no surprise. But the statement is untrue.

On April 10, 1913, Hon. George C. Butte, M. A., one of the most profound German lawyers of Heidelburg, issued and had printed an article in a celebrated German periodical at Munich—

Jahrbuch des Völkerrechts—thoroughly vindicating the position of the United States. This article was printed as a Senate document May 5, 1913, on motion of the distinguished Senator from New York [Mr. O'GORMAN], and must have come to the notice of the President. His may be said to be an unprejudiced view, the opinion of a writer in a foreign land. On account of the clearness of statement and wonderful force of this article, I will make extensive quotations.

In the beginning of the article he says:

He deceives himself grievously who believes the United States made the stupendous sacrifice of human energy and public money necessary to build the Panama Canal, the greatest liberty man has ever taken with nature, with any other purpose in view than the national advantage of the United States—commercial and, above all, political advantage. * * * Equally clear also is the fact that the United States never thought of selfishly appropriating the canal as a national monopoly. It was to be a great open highway to bring remote nations and peoples into closer relation with one another; it should be dedicated to the commerce of the world as an exalted agency of peace, in the control of a liberty-loving people, for the promotion of human happiness and the spread of the blessings of civilization. Nor is there anything necessarily incompatible in these positions. No one underestimates the benefits to mankind of the Suez Canal because the builders thereof draw a 30 per cent dividend annually. * * *

Every presumption of good faith in the observance of a treaty is to be allowed in favor of a nation as against a charge of treaty violation when a difference of opinion has arisen as to the meaning of the treaty involved. The burden of proof rests upon the nation charging the violation. * * *

Such pretentions and demands, when coupled with a direct or covert allegation of treaty violation in the event they are not complied with, acquire a wholly unjust importance by reason of the unfortunate but undeniably actual circumstance that the mere charge of treaty violation always places the nation against which it is made under suspicion in the minds of many and imposes upon it the unfair burden of proving a negative, namely, that it has done no wrong.

In the present controversy between Great Britain and the United States it is an important fact that the construction placed by Great Britain upon the Hay-Pauncefote treaty, if recognized, will result in an unquestionable and an unmixed national profit to Great Britain.

* * * * * * *

The questions involved are provisions of internal legislation affecting directly only the domestic affairs and the subjects of the United States, and as such may not be annulled or even called in question by any foreign court, arbitral or otherwise. This proposition is so elemental, striking as it does to the very root of the doctrine of national sovereignty, that no nation having reasonable ground for believing that this proposition arises ought to be criticized for entertaining an honest doubt as to the propriety of submitting itself to an arbitration. * * * The conclusion is irresistible that the parties never intended that vessels of commerce and of war of all nations observing these rules should be entitled to use the canal "on terms of entire equality" with the United States, but on terms of equality among themselves. * * *

The persistent efforts of the British Government, vigorously supported by transcontinental railway lines, to accomplish the repeal of the act of August 24, 1912, have up to this time met only with rebuffs in and out of Congress. It is believed that the American Nation will remain steadfast in the face of unwarranted demands, conscious of honorable motives as respects foreign powers, and firm in upholding her sovereign right to legislate as to her own property and her own subjects as she sees fit. * * *

It seems that in Germany the influences against free tolls are clearly understood.

As showing the present opinion in Germany, I quote the following special dispatch from Berlin to the Washington Post of March 7, 1914:

It has been years, if, indeed, such a case every occurred before, since the United States so openly backed down before England—years since it so openly felt and said it no longer was absolute in its own sphere, but dependent upon other powers.

In these words Count von Reventlow, the noted naval critic and writer on international topics, summarized to-night his view of Wilson's latest move on the canal tolls question.

Even in Great Britain there are those who agree that the toll exemption is right.

The Law Magazine and Review of London is the leading publication of its kind in England. In its November number, 1912, appear articles written by eminent British authorities, Edward S. Cox-Sinclair and C. A. Hereshoff Bartlett, LL. D., fully sustaining the position of our Government. These articles are exceedingly able and exhaustive, and I regret that time will not justify quotations therefrom; however, they were inserted in the CONGRESSIONAL RECORD a year ago, on motion of the distinguished Senator from New York [Mr. O'GORMAN], and surely did not escape the eye of the President.

Following the reply of Secretary Knox on January 17, 1913, to Sir Edward Grey, the Manchester (England) Guardian said:

By the American navigation laws, as by all navigation laws, coastwise traffic is reserved to American registered ships. As none but American ships can make a voyage, say, between San Francisco and New York, there can be no question of discrimination against other ships. This coastwise traffic was an American monopoly before the Hay-Pauncefote treaty, and a monopoly it remains. * * * As America retains the monopoly, we fail to see how any question of discrimination can arise against a second party who does not exist, so far as coastwise traffic is concerned. The real grievance against the bill in its amended form is not against its morality but something much narrower. It may with fairness be said that the American definition of coastwise shipping is so wide that it includes practically all American shipping. * * * Our foreign office, when it concluded the Hay-Pauncefote treaty, should have foreseen this practical difficulty, and it could then with reason have pressed for the restriction of the American definition of coastwise traffic.

In March, 1913, the Irish Industrial Journal published, I believe, in Dublin, said:

According to the Irish Times the phrase "all nations" includes the United States. Therefore the United States can not discriminate against themselves. According to this interpretation *all* vessels must pass through on the same terms. There must be equality. It would, however, be absurd to hold that a country could not discriminate in the case of its own vessels. How, then, could equality be established among nations which do not discriminate against themselves? To hold this view would be equivalent to denying the United States jurisdiction in their own country.

It must be admitted, therefore, that the United States Congress has the power to make the laws governing its own affairs. It has power certainly to make regulations concerning its domestic traffic. Let us take the case of traffic passing between New York and San Francisco. This clearly is domestic traffic. * * * It is interstate commerce, and is not foreign. No country could subject her coasting commerce to foreign regulations.

* * * * * * *

"Would Irishmen permit the United States to interfere with the Dublin port and docks board in fixing dues on vessels trading from Liverpool to Dublin?" * * * "Yet this is what is proposed by an Irish journal, in the face of the fact that the Panama Canal is built on American territory by American capital." * * * "The merits of the case are equal and the comparison is fair." * * * "The treaty should be interpreted: 'We, the United States, guarantee equality to you' (all nations). This appears to us to be the common-sense interpretation. A man can not contract with himself. When the United States throws open her canal to all nations on equal terms she is in the position of a host throwing open his house to his guests. When he says to his friends, 'Come you all to my house,' he surely does not include himself." * * * "It is evident that a man can not contract himself in his own house, neither can a man (or a nation) enter into an engagement with himself. Consequently the phrase 'all nations' can not include the United States, nor consequently its shipping, which can be exempted." * * * "The British people were simply guaranteed equality with all other nations bar the United States."

* * * * * * *

"Now, a treaty can only bind in the form of a contract. The Hay-Pauncefote treaty is lacking in the essentials of contractual obligation. The subject matter was uncertain, the agreement was conditional, there was no consideration, and it was not competent for ambassadors to surrender sovereign rights. As regards the first point, it is contended that the negotiations (in the Clayton-Bulwer treaty) had the Nicaraguan scheme in mind, and that it was to be a joint enterprise undertaken by the United States and Great Britain.

If this was a true version of what was in the minds of the parties, then the Hay-Pauncefote treaty involves no contract, as the subject matter has vanished. In any event, the agreement depended on a canal being built and was therefore conditional. Then there is the question of consideration, without which no contract can lie. We may well ask what did the United States receive by way of remuneration or benefit of any kind for making the treaty. The consideration for the use of the canal is the payment of dues. The consideration for being permitted to construct it might be stated to be in the fact that Britain agreed to withdraw her opposition to the construction. But if she had no legal right to oppose the canal project, she could not waive it as a legal consideration. Finally, there is the question of territorial sovereignty and the rights of the United States over its own shipping which could not be affected by any treaty obligations. * * *

In passing her coasting trade free she does no injury to us, for the carrying trade between the States has been confined to vessels under her flag ever since the first days of the Republic. The whole agitation is well known to be inspired by the American and Canadian railway companies.

It seems that in Ireland the agencies at work for repeal are fully understood.

But what is most surprising is that the President seems not to have read the letter of Mr. Innes of July 8, 1912, to Secretary Knox, in which he says:

If the trade can be so regulated as to make it certain that only bona fide coastwise traffic which is reserved for United States vessels would be benefited by this exemption, it may be that no objections could be taken.

And yet in the face of these expressions from eminent sources the President says the "meaning of the treaty *is not debated outside of the United States. Everywhere else the language of the treaty is given but one interpretation, and that interpretation precludes the exemption I am asking you to repeal.*"

After the message was delivered, in April last, the London Daily Telegraph published the following editorial:

We on our side should endeavor to realize the peculiar difficulties of the situation as to Panama. What the Americans have to deal with there is not, as many English critics have assumed, a mere question of canal tolls. It is not even a question solely of American versus foreign shipping.

Interwoven with it are various domestic questions of greater or less difficulty. Perhaps the most difficult of them all arises out of the competition between American coasting steamers and the transcontinental railways. Part of the object of exempting coasting vessels from canal tolls was to enable them to reduce their freight rates and to force a similar reduction on the transcontinental roads.

This, it will be observed, is a purely domestic affair. Foreigners are not interested in it except, perhaps, indirectly as holders of transcontinental railroad stocks. The coasting lines are practically all owned in the States, and that may explain the special favor with which they are regarded in Congress.

* * * * * * *

There are really two issues involved—a special one affecting the administration of the Panama Canal and a much broader one involving the moral and legal right of the United States under existing treaties to discriminate in favor of its own coastwise shipping.

While foreign critics naturally fix their attention chiefly on the first issue, it is equally natural that in the minds of American citizens the second should be most prominent.

Coastwise shipping is already a recognized principle of American policy. It has been applied in a variety of ways, and this, it may be contended, is the first occasion on which its application has been challenged.

An American champion of discrimination may plausibly ask why it should be excluded from the Panama Canal when it is permissible on every other foot of the United States coast line.

The Canal Zone is, in law and in fact, American territory and subject to all the territorial rights of the United States. That being so, why should not the general law and policy of the United States in such matters equally apply to it?

* * * * * * *

When the British public realize the larger question which lies behind it, namely, the general claim of the United States to discriminate in favor of its coastwise shipping, they may see that a settlement of the smaller question will not carry them far while the larger one remains open.

* * * * * * *

Already European shipowners find themselves in this dilemma. Their system of rebate affords an undeniable precedent for the refunding of canal tolls to American coasting ships. While they continue in force no European Government, British, French, or German, which recognizes them, can object to their American counterpart.

Again, immediately following the message, a London dispatch in giving the position assumed by the British newspapers (March 6), says:

The Daily News styles the message as one of the most perfectly phrased documents of modern times. The editorial admits that the United States might have an abstract right not to impose tolls on the American coastwise shipping, just as Great Britain has the right to abstain from participation in the Panama-Pacific Exposition, but that such actions would be mistakes.

So well satisfied are the nations of the earth with the justice and right of the exemption of United States coastwise vessels from payment of toll, notwithstanding their interest, that not one of them has made a protest to the United States except Great Britain.

But we are told in the message that—

We are too big, too powerful, too self-respecting a Nation to interpret with too strained or refined a reading the words of our own promise just because we have power enough to give us leave to read them as we please.

We have not given them a strained or refined reading. No such action is necessary. In making our construction we have considered the plain and simple words of the treaty. Rather, I should say, "We are too big, too powerful, too self-respecting a Nation" to surrender our sovereignty to Great Britain.

Continuing, the President says:

We ought to reverse our action without raising the question whether *we were right or wrong.*

In other words, we should not contend for the interest of our country, even if we are right.

Some years ago a distinguished officer of the American Navy proposed the toast, "Our country. May she be always right; but right or wrong, our country." But our President has varied the toast by substantially saying, "Great Britain, right or wrong."

The Members of this body, after mature deliberation, enacted the law. Now those who favored it are asked to stultify themselves. The trouble seems to be with the President that he thinks he is not a part of the country, but that the country and Congress are a part of him. He dictated a tariff bill and a currency bill. The antitrust bills, it is said in the press, did not suit him and were withdrawn in order that he might revise them. However subservient his party may have been to his will in these economic questions, it can not and dare not submit now on a question so seriously affecting our country's honor.

Those who voted for the law are asked to reverse their action, to sacrifice their self-respect, to eat their words in support of his foreign policy. The request is an insult, and the President should be plainly told that Congress is neither his slave nor his Trilby.

It would be interesting to know when the President reached his conclusion. It is a significant fact that in the week preceding April 26, 1913, a cable dispatch from London announced that Ambassador Bryce had informed the British Government that President Wilson favored the British view that the United States could not rightly or justly relieve its coastwise traffic from the payment of tolls. This was unofficially denied from Washington, but never denied in Great Britain. From that time it has been persistently stated from time to time in the public press that "President Wilson favored the repeal of the toll exemption." Some believed this report, but in the main it was discountenanced. In view of the present conditions, it seems that the report from London and the reports in our home press were true, and that as far back as a year ago the President reached his lately announced conclusion. If this be true, why did he for so long withhold that conclusion from Congress? He and he alone can answer.

The failure to speak sooner might be attributed to the fact that the President was not until recently impressed with the necessity of appeasing Great Britain, were it not that, through the newspapers on the evening of the day he delivered his message and on the morning of the following day, he stated to his callers that—

there was nothing in international relations that was critical—

But explained—

that the administration has found it embarrassing to deal with foreign nations, not one of which believed that the United States has been keeping its contract under the Hay-Pauncefote treaty, and all of which are suspicious of our good faith.

From these statements it appears that our coy and blushing President merely desired to be relieved of embarrassment, and that to accomplish this we were asked to surrender our right of sovereignty to Great Britain.

To the accomplished reporter of the Courier-Journal the President denied that any "especial foreign situation is critical," but indicated that "it is uncomfortable and insecure to try to deal with people who think one is an outlaw." The correspondent then asked the President "if any foreign Government had communicated a formal sentiment of that kind," whereupon he replied, "A man can tell whether another one likes him or not without receiving a formal letter on the subject."

So it is, we find that the President is asking us to sacrifice the important and far-reaching right that we have to manage our own canal, built with our own money, and upon our own soil, in order to relieve him of "embarrassment" or "discomfort and insecurity in dealing with people who think he is an outlaw and who do not like him."

In his estimate of the sentiment of foreign nations, the President disagrees with Mr. Bryan, who recently, in speaking of our position internationally, said, "We occupy, to-day, a proud position among the nations."

However, the conduct of foreign nations concerning our present war with Mexico show that even if any apprehension existed at the date of the President's message it was entirely groundless.

The message of the President, as said, is nothing short of an insult to those Members of Congress who voted for the present law. He knew when he delivered it that the toll-exemption law had been carefully considered and debated in both Houses before it was enacted. He knew that the law was the deliberate act of Congress, notwithstanding the pending protest of Great Britain, and yet he charges Congress not with having erred but with having acted in "plain contravention of the treaty." In other words, he charges that Congress deliberately violated a solemn treaty and besmirched the Nation's honor. If this be true, necessarily Congress dishonored itself and reflected discredit on the American people. And, to add insult to injury, having thus condemned us, he asks us to confess the truth of his charge by repealing the law. Surely no self-respecting Congress will tamely submit to this insult, much less confess his guilt. Even if he speaks truly, it will not reflect any more credit upon us to comply with his request than it reflects upon the thief to drop stolen goods and plead guilty. He does not even propose, what would be willingly accepted by Great Britain, that we should arbitrate. He simply says in substance, there is nothing to arbitrate; Congress has been guilty of dishonorable conduct, and should make amends by repealing the obnoxious act.

Our Chief Magistrate should hold the honor of Congress in the highest esteem; but, instead, he places the seal of criminality upon the great law-making body of the United States. And not only so, but upon the three great political parties, which in 1912 indorsed the law; and last, and worse than all, upon the 14,000,000 voters who approved the law. Carried to its legitimate conclusion, he brands himself with dishonor in approving this dastardly conduct of Congress by act and speech during the campaign.

But he says in his message: "I ask this of you in support of the foreign policy of the administration." If this be true, why was it necessary for him to charge by implication bad faith on Congress? Certainly it would at most have been sufficient to have said that, in his judgment, our action was "a mistaken economic policy." Why not have simply asked for the repeal on the ground that it was absolutely necessary to the carrying out of his foreign policy? Even this would have been a very vague and unsatisfactory request, because of his failure to speak candidly and give his reasons for making it, but it would at least have been respectful to Congress.

However, if his only reason is to enable him to carry out his foreign policy, in view of the policy he has pursued with Mexico, that reason would furnish the very best ground for refusing to grant the request. The trouble has been that the administration until recently made a feeble stand, with the dove of peace

in one hand and a jug of grape juice in the other, proclaiming in mellifluous tones, "In hoc signo vinces."

I agree that the President has been actuated by an honest endeavor to procure peace and a constitutional government in Mexico. The trouble, however, is that his ideals are too exalted to be realized. The great majority of her people are not fitted for constitutional government. There is too much of ignorance, too much of insatiable ambition, too much of rapine, too much of internal strife, too much of butchery. You might as well undertake to establish a Sunday school in hell as real constitutional government in Mexico by Mexicans. I had intended, Mr. President, to fully discuss the President's Mexican policy, but owing to present complications will refrain.

Now, what was his foreign policy at the time he read his message? We did not know; for, unlike other Presidents, he failed to tell. It is doubtful whether he himself knew. He declined to take us into his confidence. He gave no explanation for his own change of opinion. He gave no reason for the action he asked us to take. He only states that he desires it done in order to help him carry out a policy which he does not disclose. Whether we would have deemed that policy wise if we had known what it was we can not tell. We were simply asked to blindly trust him.

We were sent here by constituents who rely upon our loyalty and ability to decide for ourselves and to exercise independence, not to be dictated to by the Executive, but to act as we see it in the interests of the people and of the country. We were not sent here to implicitly obey the presidential mandate as to what laws we shall enact or repeal. This is not a one man's Government, but a Government of 100,000,000 of freemen.

Great Britain, when humored, has never been satisfied with less than complete submission to her will. Her whole history has been one of blood and conquest. She has assisted in the advance of civilization, but not for civilization's sake, only for conquest, and in so doing has covered her hands and conscience with innocent blood. She has never been our friend except as she believed it to be for her own advancement.

Her demands are not only without foundation, but are unjust and impudent as well. This is our canal, built with our own money, on our own soil. She will obtain more benefit from it than any other nation—indeed, more than all others combined—because of her immense merchant marine and the establishment of a new route to Australasia and her Asiatic possessions. She owes no obligation and assumes no responsibility connected with the canal. She denied us the right to engage in her coastwise trade, as we have denied her the right to engage in ours. This is our domestic affair as much as the navigation of our canals at the north or the navigation of the Mississippi. We agreed that the canal should be open to her and all other nations observing our rules on terms of entire equality, but we did not agree to waive our superior rights, much less to deny ourselves entire equality, and this we will do if we surrender our right to control our own property exclusively, which right is not only inherent but is specifically asserted in the treaty, and deprive our coastwise vessels of exemption, while all other vessels passing through the canal are subsidized.

The President in his message on the Mexican situation said:

> The people of Mexico are entitled to settle their own domestic affairs in their own way, and we sincerely desire to respect that right.

When I heard that utterance I wondered why a right should be so fully conceded to the people of Mexico which he was unwilling to concede to the people of the United States.

If we concede partially the demands of Great Britain now, we will be compelled to concede more, even to the extent of becoming involved with Panama as to the title to the canal. Besides, if we yield so readily to Great Britain we will be considered an easy mark by other nations and furnish them an incentive, aye, even an invitation, to demand concessions.

When the President saw the rising storm of the Nation's wrath he attempted to still it and at the same time obtain votes for the repeal by saying through the public press that the repeal of the exemption clause could not be regarded as an interpretation of the treaty, because it would be a legislative act, and that by such repeal the United States would merely show a disinclination to raise the question of discrimination, but does not by its act limit any future policy of the Government. Such a position, in my judgment, does not reflect credit upon the President's intelligence.

The majority of the committee now reports, in order to meet the views of the President and with the hope of preventing the defeat of the bill, this amendment:

> The passage of this act, or anything therein contained, shall not be construed as waiving, impairing, or affecting any rights possessed by the United States, under treaty or otherwise.

To say that the passage of the bill shall not be construed as a waiver or to affect any rights possessed by the United States, when it repeals an express assertion of right under the treaty, is self-contradictory.

A highwayman demands your pocketbook. You promptly surrender it, accompanied with a statement that your action is not to be construed as impairing or affecting your rights in any way.

Secretary Grey and Ambassador Bryce each suggested to Secretary Knox that the complaint of Great Britain as to free tolls could be removed by a repeal of the law. The repeal, in other words, is all that she seeks, and when that is accomplished Great Britain is satisfied to that extent. She cares nothing for the declaration in the amendment, because she knows that a declaration that we do not intend to surrender a right when we at the same time by repeal actually surrender that right is the merest moonshine.

But it will be said that hereafter we can pass another law providing for free tolls. If we repeal the present law, we will never enact a similar statute, because we have repealed it at the instance of Great Britain as well as the President of the United States, both of whom claim that it is a violation of the treaty. The passage of this bill is necessarily an interpretation of the treaty, because it is the response of Congress to the request of the President, who himself interpreted the treaty in his message.

Did he not in that message say to Congress that the exemption was "*in plain contravention of the treaty*"? Did he not thereby say that under the treaty we were not entitled to such an exemption? And did he not on this ground urge a repeal?

Now, if Congress complies with his request does it not say necessarily thereby that it agrees with the President that we are not entitled to the exemption and that the law is in plain contravention of the treaty? The United States by such action would not merely show a "disinclination to raise the question of discrimination"; it would, on the contrary, completely surrender its right to make such a discrimination. That surrender would be for all time, because if the United States should hereafter attempt to assert it, the act of Congress could and might well be pleaded in estoppel on the theory that other nations had changed their position and acted upon it.

If the United States is entitled to the exemption and that right has been properly asserted by Congress, why repeal the law? How does it happen that we have this question before us? Would we be considering it if the President had not made his request, based upon the assertion that the law "is in plain contravention of the treaty"?

Neither the purpose nor the effect of the amendment will deceive the American people. If the repealants conscientiously believe the law is wrong, why not boldly stand for its repeal? Why sugar coat the pill? The effect of the medicine will be just the same.

Much encouragement has been given the repealants on account of the statements of ex-Ambassador Choate and Chargé White. These gentlemen were located in London at the time the Hay-Pauncefote treaty was negotiated. Their letters to Senator MCCUMBER forcibly manifest their interest in the question at issue. Mr. Choate says, answering the Senator:

> I answer both these questions *most emphatically* in the affirmative. The phrase quoted "vessels of commerce and war of all nations" *certainly* included our own vessels and was so *understood* by our own State Department and by the foreign office of Great Britain. It was *understood* by the same parties that these words also included our vessels engaged in the coastwise trade.

It was not sufficient to say, "I answer both of your questions in the affirmative," but he deemed it necessary to add "*most emphatically*" in his answer concerning "vessels of commerce and war of all nations," and lest the earnestness of his answer might be questioned, he adds that the phrase "*certainly*" included our own vessels, and so forth. This sounds more like the statement of a deeply interested party than that of an ex-American ambassador. He then proceeds to tell the *understanding* at both the foreign and home offices. It might be ordinarily thought that one man could not be at two places 3,000 miles apart at the same time, but such a thought could not be entertained for a moment concerning this omnipresent individual. How could he know what was the *understanding* in the United States? Only by intuition or correspondence. Now, all the correspondence has been preserved, and if it is not shown by it that the understanding was derived by him from correspondence we must assume that he spoke from intuition or supposition; and even if his letters show that such was *his* opinion it must not be forgotten that the treaty as amended was ratified afterwards and its language must control in any event. Besides, his statements as to the "*understanding*" are not legal evidence. It may be he thought that as he so understood it no one should

be permitted to understand it otherwise. Not content with this statement, he proceeds to make an argument to sustain his *understanding*. If he had stated a fact, why bolster it up with an argument? Unfortunately his argument conflicts with his premises. He says:

When we came to the negotiation of the last treaty *there was no question* that as between the United States and Great Britain the canal should be open to their citizens and subjects on equal terms, and should also be open on like terms to the citizens and subjects of every other State that brought itself within the category prescribed. *On that point there was really nothing to discuss*, and in the whole course of the negotiations *there was never a suggestion on either side* that the words "the vessels of commerce and of war of all nations" meant anything different from the natural and obvious meaning of these words.

Now, if this be true, and it certainly must be, for Mr. Choate says it is, if there "was no question" about it, if "*there was really nothing to be discussed*," if "*there was never a suggestion on either side that the expression meant anything different from the natural and obvious meaning of the words*," pray how could Mr. Choate know what was the understanding except from his own construction by implication? It might with equal truthfulness be said on the other side that for the very reasons he gives such exemption was believed to exist. Continuing, he says:

Such language admitted of the exemption or exception of no particular kind of vessels of commerce and of war of any nation, whether of vessels engaged in foreign trade or coastwise trade—

And he adds in a sarcastic vein—

or of black or white vessels. * * * It is true that in many treaties there have been specific exceptions of vessels in the coastwise trade, and it would have been easy to insert it here. But nobody ever suggested that there should or could be such an exception or exemption inserted *by implication* in this treaty.

Now, Mr. Choate knew, or at any rate being a distinguished lawyer skilled in diplomacy and learned in treaty interpretation, as well as conversant with all the treaties between this country and Great Britain, should have known that our treaty of 1815 with Great Britain provided:

That no higher or other duties or charges shall be imposed in any of the ports of the United States on British *vessels* than those payable in the same ports by the *vessels* of the United States, nor in the ports of His Britannic Majesty's territories in Europe on the *vessels* of the United States than shall be payable in the same ports on British *vessels*.

He knew then that, notwithstanding this treaty did not exclude or exempt any vessel of any character, that for 86 years Great Britain had charged the United States on its vessels from four to six times as much as it charged on its own coastwise vessels, thus construing the treaty not to apply to her coastwise vessels, to which construction the United States never objected. He knew, too, that during the same period the United States had given the same construction to the treaty and had preferred her coastwise vessels as against the vessels of Great Britain. He knew, too, that the Supreme Court of the United States in Olsen *v.* Smith (195 U. S.) had construed the treaty and held that it did not apply to coastwise vessels.

In other words, he knew that both countries had so construed this treaty long before the negotiation of the Hay-Pauncefote treaty, of which construction it must be presumed the representatives of both countries had full knowledge and in making the present treaty must have considered the same. He knew, too, that there is no better settled principle of international law than that the intention of the contracting parties may generally be fairly and safely determined by instituting a comparison of the present treaty with treaties between the same parties whether prior, posterior, or contemporary concerning the same subject. (Phillimore's (English) International Law, 103.) And yet, notwithstanding all this, he makes the statement quoted, which is in direct conflict with the facts and rules of international law, as well as the decision of the Supreme Court of the United States and the long-continued construction of the treaty of 1815 by both countries. The words "vessels of commerce" were no more general that the word "vessels." For these very reasons there was no necessity for any specific exemption in the treaty, even if the United States comes within the expression "all nations."

Mr. Choate argues that five-sixths of the shipping of the United States is coastwise, and it is therefore inconceivable that we should have intended, without saying a word on the subject, to exempt approximately the entire shipping of the United States.

In the first place, he fails to recognize the fact that the small volume of our foreign shipping is due entirely to the advantage Great Britain has taken of our credulity and friendship by violating in spirit her treaties by the payment of large subsidies to her vessels.

But his assumption that approximately the entire coastwise shipping will pass through the canal is, as he knows, the grossest exaggeration. Only a small portion comparatively will go through the canal, as there are only 29 coastwise ships qualified to pass—more than 300 being prohibited from its use because owned by railroads.

He then expresses the hope that his statement will aid Senator McCUMBER in his argument for repeal. I have no doubt this hope was sincere.

Continuing, he says:

I have read, so far as accessible, the arguments made thus far in the House of Representatives on the pending question and have observed very little discussion of the question what the language of the treaty means, but the whole discussion seems to rest upon prejudice and the proposition that we ought not to submit to British dictation.

That the CONGRESSIONAL RECORD was "accessible" to him there can be no doubt, and in view of the numerous able speeches made in that body on the construction of the treaty his statement made March 31 is manifestly untrue.

Mr. White, who was the understudy of Mr. Choate, says:

That the exemption of our coastwise shipping from the payment of tolls was never suggested to nor by *anyone* connected with the negotiation of the treaties in this country or in England, and that the words "all nations" and "*equal terms*" were *understood* to refer to the United States as well as all other nations.

It will be observed that the words "*equal terms*" referred to by Mr. White are not in the treaty. How, then, could there have been an understanding concerning words not embraced in the treaty? Like Mr. Choate, he seems to have been ubiquitous. The statements of Choate and White conflict with those of Secretary Hay in his explanation of the history of the treaty sent to the Senate Committee on Foreign Relations at the time the present treaty was pending. He there says:

The United States *alone, as the sole owner of the Canal as a purely American enterprise, adopts and prescribes the rules by which the use of the canal shall be regulated* and assumes the entire responsibility and burden of enforcing, without the assistance of Great Britain or of any other nation, its absolute neutrality.

It was also believed—

Said Secretary Hay—

that this change would be in harmony with the national wish, that this great international waterway would not only *be constructed and owned, but exclusively controlled and managed by the United States.* * * *

The whole theory of the treaty is that the canal *is to be entirely an American canal.* * * * When constructed *it is to be exclusively the property of the United States, and it is to be managed, controlled, and defended by it.*

Referring to the history of the third clause in the first Hay-Pauncefote treaty, which was omitted from the present treaty—

The high contracting parties will, immediately upon the exchange of the ratifications of this convention, bring it to the notice of the other powers and invite them to accede to it—

And so forth, Mr. Hay says:

Thus the whole idea of contract right in the other powers is eliminated.

And so forth.

The distinguished Senator from Massachusetts, on the 17th day of July, 1912, said, in the Senate:

When I reported that treaty my own impression was that it left the United States in complete control of the tolls upon its own vessels. I did not suppose then that there was any limitation put upon our right to charge such tolls as we pleased upon our own vessels, or that we were included in the phrase "all nations."

Referring to the treaty in another portion of the same speech he said:

I was familiar with the work that was done upon it in London at the time it was concluded there and finally agreed to, and I was very familiar with it here. Although, as the Senator from Georgia correctly said, the question was not raised at that time, I personally have never had any doubt that the matter of fixing the tolls must necessarily be within our jurisdiction.

In view of all these statements, the representations of Mr. Choate and Mr. White as well are manifestly incorrect. Nor must it be forgotten that Mr. Choate is a leading member of the Peace Foundation and more than a year ago volunteered a speech in favor of Great Britain, which was printed and distributed by that organization. But the treaty itself clearly refutes their representations, and it is certainly the best evidence of what the agreement was. It is the solemn written contract between the parties, and in the absence of any charge of fraud or mistake its terms can not be varied by oral testimony. And we shall bear in mind that from the day it was ratified up to July, 1912, when Innes wrote to Secretary Knox—a period of 11 years—no attempt was made to construe the words "all nations" as including the United States.

We have been told by the learned Senator from Massachusetts [Mr. LODGE], for whom I have the greatest admiration and most profound respect, that with the beginning of 1909 the United States occupied a higher and stronger position among the nations of the earth and possessed a greater influence in international affairs than at any period of our history, but that this exalted position and commanding influence have been largely lost and the United States is now regarded by other nations with dis-

trust, and in some cases with dislike. Now, what nations distrust or dislike us? It is true that, so far as Colombia is concerned, she dislikes us—and why? We offered her fair terms in order that we might undertake the construction of a canal in which the civilized world was interested, and she refused to accept. Later, after Panama had seceded, we purchased the privilege from her and paid the consideration. If any blame attaches to this transaction, it attaches to Colombia, who, like the dog in the manger, while she would not and could not accomplish anything herself, refused to allow another nation to accomplish it.

Then, we have a controversy with Great Britain concerning tolls, and abrogated one of our treaties with Russia. I do not believe that Russia distrusts or dislikes us, for she peacefully seeks another treaty; nor do I see how Great Britain can distrust or dislike us, because we are conscientiously contending, as the Senator from Massachusetts believes, for our rights under a treaty.

I deny that we are distrusted or disliked by the nations of the world. On the contrary, I quite agree with Secretary Bryan that the United States occupies a proud position among the nations of the world. We can not afford nor should we be expected or called upon to purchase the good will of any nation by surrendering a well-grounded right. A purchased friendship can not be relied upon.

The Senator agrees that, under the treaty, Congress had the right to exempt our coastwise shipping, but because there is a difference of opinion among the people of the United States concerning that right he thinks the exemption should be repealed. When we consider how this difference of opinion, in a large degree, was brought about and how slight it is at best, comparatively speaking, I am unable to see why it should be made a controlling factor such as to induce any Member of this body to surrender his convictions and vote to deprive the people of the United States from exercising a great and important right.

The Senator says that the settlement of the matter is easy; that no one denies that under the treaty the United States can collect tolls from its coastwise ships and repay them. Conceding this to be true, why should we thus climb over the house in order to go through the garden gate?

But however fair and easy the Senator's solution of the trouble may seem to him, he is mistaken in saying that no one denies that such a course can be rightfuly pursued. Mr. Innes, in his letter of July 8, 1912, said:

> The proposal to exempt all American shipping from the payment of tolls would, in the opinion of His Majesty's Government, involve an infraction of the treaty, nor is there, in their opinion, any difference in principle between charging tolls only to refund them and remitting tolls altogether. The result is the same in either case, and the adoption of the alternative method of refunding the tolls in preference to that of remitting them, while perhaps complying with the letter of the treaty, would still contravene its spirit.

In other words, while Great Britain objects to the United States exercising this right, yet she will not send a single ship through the canal that will not have its tolls refunded or be given a subsidy direct.

If the United States is lacking in influence or standing to-day, it is not on account of the tolls question, but because of its weak, vacillating, and uncertain policy of "watchful waiting" with Mexico. If we abandon our sovereignty over the canal to Great Britain, all other nations will know that we did it with the purpose of purchasing immunity for a continuation of our "watchful waiting" policy under which we have accomplished nothing and under which there can be no peace.

In making the Clayton-Bulwer treaty the United States disregarded the Monroe doctrine, and this is the fruitful source of all of our woe. Great Britain had no rights in Central America that we were bound to respect, because in her attempt to acquire territorial rights she had deliberately violated the Monroe doctrine. The United States, in order to avoid strife, entered into the compact, thereby assuming an unnecessary burden.

That treaty became obsolete by reason of its violation by Great Britain; hence there was no necessity for us to enter with Great Britain into the Hay-Pauncefote treaty, but again, in the interest of peace and to prevent friction, we negotiated it.

Great Britain knew when the Clayton-Bulwer treaty was made that her trumped-up claims were without merit. Equally well, when the Hay-Pauncefote treaty was negotiated, she knew that we were under no obligations to enter into it and were treating with her merely to cultivate friendly feelings.

But these concessions have only emboldened her to make her present demands. Nothing so nerves the arm of a bully as to be impressed with the belief that he is feared by his adversary. Prior to the adoption of the Clayton-Bulwer treaty, from comparatively a short while after the discovery of America, the feasibility of the construction of the canal had been discussed without any substantial result. The first material advance, in my judgment, was made by the United States in negotiating a treaty with New Granada in 1846, by which New Granada guaranteed to the United States that the right of way or transit across the Isthmus of Panama upon any modes of communication that then existed or might thereafter be constructed should be open and free to the Government and citizens of the United States, guaranteeing also equality of tolls and exemption from import duties on merchandise shipped to New Granada for exportation beyond. In consideration of these privileges the United States guaranteed to New Granada the perfect neutrality of the Isthmus and the rights of sovereignty and property which New Granada had and possessed over the said territory.

Great Britain, seeing the purpose of the United States, and believing the most available route for the canal would be across Nicaragua, set to work to trump up some sort of claim in the territory through which it was supposed the canal would have to pass. For this purpose she claimed that there was a settlement of British subjects at the Belize, on the coast of Central America, which was of the most insignificant dimension and had no substance or form of territorial dominion. British woodcutters were there under an ancient Spanish license of timber cutting, and nothing more. She also undertook to establish a protectorate along the Mosquito Coast over a small tribe of Indian savages, which was so inconsequential as not even to have a name.

Under this insignificant plea Great Britain was anxious to be made a party to a treaty looking to the construction of the canal. At the time the Clayton-Bulwer treaty was negotiated neither the United States nor Great Britain had the slightest idea of constructing the canal. Their purpose and agreement was to afford protection to any person or persons who should undertake its construction. Neither of them agreed to expend a single dollar in its erection or for its maintenance.

As the Clayton-Bulwer treaty only had this object in view, it was agreed in article 1 that neither—

> the United States nor Great Britain will ever obtain or maintain for itself any exclusive control over the canal; that neither will erect or maintain any fortifications commanding the same or in its vicinity, or occupy or fortify, *or colonize*, or assume or exercise any domain over Nicaragua, Costa Rica, *the Mosquito Coast, or any part of Central America;* nor will either make use of any protection which either affords or may afford, or any alliance which either has or may have to or with any State or people for the purpose of erecting or maintaining any such fortifications, or of occupying, fortifying, or *colonizing* Nicaragua, Costa Rica, *the Mosquito Coast, or any part of Central America;* or of assuming or exercising dominion over the same—

And so forth. This was the basis of the treaty, and the canal to be constructed is specifically described in the preamble as—

> *between the Atlantic and Pacific Oceans by the way of the River San Juan de Nicaragua and either or both of the lakes of Nicaragua or Managua to any port or place on the Pacific Ocean.*

Article 2 provided, in case of war between the parties, the vessels of either traversing the canal were to be exempted from blockade, detention, or capture by either, and this protection was to extend from the two ends of the canal to such distance as thereafter should be found expedient.

Article 3 provided, that in the event the construction should be undertaken upon fair and equitable terms by parties having the authority of the local Governments through whose territory the same should pass, that such persons and their property used or to be used shall be protected from commencement to completion by both parties from unjust detention, confiscation, seizure, or any violence.

Article 4 provided, that the parties should use their influence with any State, States, or Governments possessing or claiming to possess jurisdiction or right over the territory which the canal should traverse to induce them to facilitate its construction in order to procure a free port at each end of the canal.

Article 5 binds the parties, when the canal is completed, to protect it from interruption, seizure, or unjust confiscation and to guarantee the neutrality thereof so that it should be forever open and free and *the capital invested therein secure.* Both Governments, or either of them, on six months' notice by one to the other, reserved the right to withdraw their or its protection or guarantee if both Governments, or either, should deem the persons managing the canal should adopt such traffic regulations as were contrary to the spirit or intention of the treaty by making unfair discrimination in favor of one of the contracting parties over the other, or should impose oppressive exactions or unreasonable tolls upon passengers, vessels, and so forth.

The sixth article provided, that the parties shall invite other nations to enter into stipulations with them similar to those entered into by them in order that such other States may share in the advantages of having contributed to the work; and, further, that each should enter into treaty stipulations with

such of the Central American States as they might deem advisable for the purpose of more effectually carrying out the design of the treaty, namely, that of constructing and maintaining the said canal as a ship communication between the two oceans on equal terms to all and protecting the same.

The seventh article merely provided that a preference may be extended to such persons or company as may first offer to commence the same.

Article 8 agrees to extend their protection *by treaty stipulations* (the stipulations not then being made) to any other practicable communication by canal or railway across the Isthmus connecting North and South America, it being understood that the parties constructing or owning same should impose no other charges or conditions of traffic than the United States and Great Britain should approve, and that said canal or railway should be open to the citizens and subjects of the two Governments on equal terms and to other nations who are willing to grant thereto similar protection.

These conditions were eminently wise and proper, because each Government was equally bound in all respects, and neither agreed to expend any sum in building the canal. Of course, neither party could erect fortifications on the canal, because the canal was to be built on foreign territory.

Concerning the reprehensible conduct of Great Britain connected with this treaty, President Pierce said, May 15, 1856:

> It was with surprise and regret that the United States learned * * * that a military expedition under the authority of the British Government had landed at San Juan del Norte, in the State of Nicaragua, and taken forcible possession of that port, the necessary terminus of any canal or railway across the Isthmus within the territory of Nicaragua.
>
> It did not diminish to us the unwelcomeness of this act on the part of Great Britain to find that she assumed to justify it on the ground of an alleged protectorship of a small and obscure band of uncivilized Indians, whose proper name had even become lost to history, who did not constitute a State capable of territorial sovereignty, either in fact or in right, and all political interest in whom and in the territory they occupied Great Britain had previously renounced by successive treaties with Spain when Spain was sovereign to the country and subsequently with independent Spanish America.

For 50 long years after this treaty was made, Great Britain did not take a single step to promote the construction of a canal. Her whole object in making the treaty was to hamper the United States, because she well knew that when completed the canal would not only largely advance the commerce of the United States, but in case of war overwhelmingly increase its power.

In the meanwhile she deliberately violated her solemn obligation in the treaty not to colonize or assume or exercise any domain over "*the Mosquito Coast or any part of Central America.*"

The Senate Committee on Foreign Relations, on January 10, 1891, called specific attention to violations of the treaty in a report unanimously agreed upon and signed by John Sherman, George F. Edmunds, William P. Frye, William M. Evarts, J. N. Dolph, John T. Morgan, Joseph E. Brown, H. B. Payne, and J. R. Eustis, certainly a most distinguished array of American statesmen.

In that report attention was directed to the conduct of Great Britain preceding the treaty as to the Belize and Mosquito Coast, which I have already referred to. Speaking of the conduct of Great Britain after the making of the Clayton-Bulwer treaty as to the violation of her agreement not to colonize, the report says:

> The next step taken after the convention of 1850 was in 1853, when a legislative assembly was constituted to manage the affairs of the settlement. This was followed by a convention between Great Britain and Guatemala in 1859 for the establishment of the boundaries between what the treaty chose to call "Her Britannic Majesty's settlement and possessions in the Bay of Honduras" and the territories of Guatemala, etc.
>
> By this treaty that which was before a licensed industrial establishment became instantly a possession of the British Crown. The settlement government continued until 1862, when the settlement was declared a colony of the British Crown and a regular colonial establishment was set on foot; and so from that time to this the form and substance of a regular colonial government as a part of Her Majesty's dominions has continued. It is understood that its geographical dominion has been vastly enlarged from the licensed woodcutting limitations and boundaries that existed in 1850. All this has taken place systematically and persistently, notwithstanding the declaration of Her Majesty's Government that it should not "colonize or assume or exercise any dominion over * * * the Mosquito Coast or any part of Central America." * * *
>
> In view of all these considerations the committee is of opinion that the United States is at present under no obligations, measured either by the terms of the convention, the principles of public law, or good morals, to refrain from promoting, in any way that it may deem best for its just interests, the construction of this canal, without regard to anything contained in the convention of 1850.

Considering the violation of the Clayton-Bulwer treaty which rendered it obsolete and the fact that material changes in the condition of affairs had taken place, it was neither the interest nor the purpose of this Government to be further bound. That we had the right to disregard the treaty is fully sustained by all international law writers and by every principle of right and justice.

The pretense in some quarters that Great Britain in entering into that treaty surrendered certain valuable rights which constituted a consideration on her part is ridiculous. She yielded nothing except a right of way over the territory she had acquired in violating both the treaty and the Monroe doctrine and her supposed ability to delay the enterprise until another treaty could be made. However, this concession, in view of the fact that the canal is constructed along another route, amounts to nothing.

Before the present treaty was ratified, however, and as part of the history leading up to its negotiation, it is proper to remark that President Grant had said:

> I commend an American canal on American soil for the American people.

President Hayes said, December 1, 1879:

> The policy of this country is a canal under American control. The United States can not consent to surrender their control to any European power. It is the right and duty of the United States to assert and maintain such supervision and authority over any interoceanic canal across the Isthmus that connects North and South America as will protect our national interests.
>
> It will be the great ocean thoroughfare between our Atlantic and Pacific shores and *virtually a part of the coast line of the United States.* Our merely commercial interest in it is greater than that of all other countries, while its relation to our power and prosperity as a nation, to our means of defense, our unity, peace, and safety, are matters of paramount concern to the people of the United States.

Later, President Harrison said, speaking of the canal:

> Our national policy now, more than ever, calls for its control by this Government.

In December, 1898, President McKinley said:

> That the construction of such a maritime highway is now more than ever indispensable to that intimate and ready intercommunication between our eastern and western seaboard demanded by the annexation of the Hawaiian Islands and the prospective expansion of our influence and commerce in the Pacific, and that our national policy now more imperatively than ever calls for its control by this Government, are propositions which I doubt not the Congress will duly appreciate and wisely act upon.

As stated, four Presidents—Grant, Hayes, Harrison, and McKinley—plainly stated the object, character, and purposes of the canal, among other things that it would form a part of the coast line of the United States, before the Hay-Pauncefote treaty was entered into. Not only so, but Secretary Blaine in a letter to Minister Lowell November 19, 1881, said:

> The Clayton-Bulwer treaty was made more than 30 years ago under exceptional and extraordinary conditions, *which have long since ceased to exist, conditions which were at best temporary in their nature and which can never be reproduced.*

Mr. Blaine objected to the "perpetuity" of the treaty on the ground (1) that it bound the United States not to use its military force in any precautionary measure, while it left the naval power of Great Britain perfectly free and unrestrained, ready at any moment of need to seize both ends of the canal and render its military occupation on land a matter entirely within the discretion of her "Majesty's Government"; (2) that it embodied "a misconception of the relative positions of Great Britain and the United States with respect to the interests of each Government in questions pertaining to this continent," and impeached "our right and long-established claim to priority"; (3) that it gave the same right through the canal to a warship bent upon an errand of destruction to the United States coasts, as to a vessel of the American Navy sailing for their defense, and that the United States *demanded* for its own defense the right to use only the same provision as Great Britain so emphatically employed in respect to the Suez route by the possession of strategic and fortified posts and otherwise for the defense of the British Empire; (4) that only by the supervision of the United States could the Isthmian Canal "be definitely and at all times secured against the interference and obstruction incident to war"; (5) that "a mere agreement of neutrality on paper between the great powers of Europe might prove ineffectual to preserve the canal in time of hostilities," and that if, in the event of a general European war, one of their naval powers should seize it, the United States might be obliged to enter upon a "defensive and protective war" in order to support her own commerce; (6) that while the European powers had often engaged with one another in war "in only a single instance in the past hundred years" had the United States "exchanged a hostile shot" with any of them, and that, as it is improbable that "for a hundred years to come" such an incident would be repeated, the "one conclusive mode" of preserving the neutrality of the canal was to place it under control of the United States as the Government "least likely to be engaged in war, and able in any and every event to enforce the guardianship which she shall assume"; (7) that since the treaty was made the number of French and German vessels frequenting the Cen-

tral American coasts had greatly and relatively increased; (8) that the expected aid in the construction of the canal from British capital, which the treaty was designed to secure, had not been realized, and that owing to the great development of the United States foreign capital could not in future enter as an essential factor into the determination of the problem. In conclusion Mr. Blaine said:

The following is a summary of the changes necessary to meet the views of this Government:

"1. Every part of the treaty which forbids the United States fortifying the canal and holding the political control of it in conjunction with the country in which it is located to be canceled.

"2. Every part of the treaty in which the parties agree to make no acquisition of territory in Central America to remain in full force. As an original proposition this Government would not admit that Great Britain and the United States should be put on the same basis, even negatively, with respect to territorial acquisition on the American continent, and would be unwilling to establish such a precedent without full explanation. But the treaty contains that provision with respect to Central America, and if the United States should seek its annulment it might give rise to erroneous and mischievous apprehensions among a people with whom this Government desires to be on the most friendly terms. * * * The acquisition of military and naval stations necessarily for the protection of the canal and voluntarily ceded to the United States by the Central American States not to be regarded as a violation of the provisions contained in the foregoing. * * *

"4. The clause in which the two governments agreed to make treaty stipulations for a joint protectorate of whatever railway or canal might be constructed at Tehuantepec or Panama has never been perfected. No treaty stipulations for the proposed end have been suggested by either party, although citizens of the United States long since constructed a railway at Panama and are now engaged in the same work at Tehuantepec. It is a fair presumption, in the judgment of the President, that this provision should be regarded as obsolete by the nonaction and common consent of the two governments.

"5. * * * In assuming as a necessity the political control of whatever canal or canals may be constructed across the Isthmus, the United States will act in entire harmony with the governments within whose territory the canals shall be located."

In the light of the foregoing declarations of Mr. Blaine and those of four Presidents of the United States, the present treaty was negotiated. Great Britain therefore was not and could not have been misled either as to the intention or claim of the United States.

By the Hay-Pauncefote treaty Great Britain conceded substantially everything embraced in the amendments made by the Senate to the first Hay-Pauncefote treaty and the changes made in the present treaty before its adoption, and Secretary Hay, who negotiated the treaty in a memorandum, which he sent to the Senate Committee on Foreign Relations, said:

The whole theory of the treaty is that the canal is to be *an entirely* American canal. * * * When constructed it is to be *exclusively the property of the United States,* and *is to be managed, controlled, and defended by it.*

And yet, despite all the foregoing facts and circumstances, it is contended that the United States was included in the expression "all nations observing these rules," and can not discriminate in favor of its own commerce. In other words, it is contended that the Hay-Pauncefote treaty gave England more than the Clayton-Bulwer treaty and relieved her at the same time of every liability under the Clayton-Bulwer treaty. The language of the treaty, however, is so plain that its meaning can be easily seen within its four corners.

Even the facts and circumstances which preceded the treaty, plainly as they point to its solution, need not be resorted to. The meaning is plain and simple.

Under the Clayton-Bulwer treaty the rules to be observed were jointly prescribed by the two powers, but under the present treaty the rules were made by the United States alone. When the Hay-Pauncefote treaty was made it was declared—

First. That the treaty should *supersede the Clayton-Bulwer treaty.*

Second. That the canal should be constructed under the auspices of the United States, either directly at its own cost or otherwise as stated.

Third. That subject to its provisions—not the provisions of the Clayton-Bulwer treaty—*the United States should have and enjoy all the rights incident to the construction, as well as the exclusive right of providing for the regulation and management of the canal.*

Before going further it is proper to add that Great Britain was relieved of every responsibility she assumed in the Clayton-Bulwer treaty. She had no responsibility in enforcing neutrality or in protecting the canal in any way. She simply stood forth with perfect freedom from any responsibility, and was not to furnish a single dollar to construct this mighty enterprise. She was even relieved from taking part in the making of rules. Besides, as the canal was not built on the Nicaraguan route, her concessions in the old treaty became valueless, and the only consideration the United States received was her consent that the old treaty should be superseded, which was not necessary, because by reason of her violation of the old treaty it had become a dead letter; and notwithstanding Great Britain was, without any consideration, relieved of every burden and every responsibility or liability, for which she really gave nothing in return, she now claims equal benefits with the United States, who assumed all expense and every burden.

The canal being the property of the United States, our Government alone adopted the rules and specifically set them out in the treaty. The United States said, in effect, "I built the canal and paid for it, but, notwithstanding, I will give all nations the right to use it on equal terms who observe my rules."

"1. The canal shall be free and open to the vessels of commerce and of war *of all nations observing these rules,* on terms of entire equality, so that there shall be no discrimination against any such nation, or its citizens or subjects, in respect of the conditions or charges of traffic or otherwise. Such conditions and charges of traffic shall be just and equitable."

The canal was already free and open to the vessels of the United States. It was not necessary, therefore, to declare that it should be free and open to them, and it is certainly ridiculous to suppose for an instant that the United States, which was sovereign, should make rules for herself. Neither can it be supposed that she should observe her own rules. Her only purpose was to make rules which, if observed, would allow all nations entire equality in the use of her own canal. Surely it can not be contended that the United States made rules which would compel her to make just and equitable charges of toll on her own commerce, for this she would certainly do. And yet the contention of the repealants lead to the ridiculous conclusion that the United States was so apprehensive lest it might charge too much on its own commerce it concluded to adopt rules to prevent such action.

Suppose I should establish a public park in Washington and adopt rules for its conduct and management, declaring that it shall be open on terms of entire equality to all who observe my rules, and that there shall be no discrimination against any in respect to the conditions or charges for its use. What sane man would contend that I embraced myself and could not enter or use my own park without paying the same charge as all others? Suppose I should say in my rules for the government of all the people that they should not enter the park on Sunday, would any man with a thimble full of brains contend that I could not enter my own park on that day?

As well said by ex-Secretary Olney and substantially reiterated by Secretary Knox:

The treaty is a contract by which the United States as owner and proprietor fixes the terms on which it grants the use of the canal to its customers, and hence it can not be contended with any reason that in fixing the use of its canal to its customers the United States regarded itself as one of its customers.

The position of Great Britain is amusing if it were not made with so much seriousness. During the Civil War a Union cavalryman, coming upon an infantryman sitting beneath the shade of a tree, asked, "Have you got airy dollar?" and being answered affirmatively, as he dismounted remarked, "I'll get right down and play you a game of 'seven-up' for who shall have it." His conception of equity is similar to that entertained by Great Britain. Talk about the United States violating the treaty! It is Great Britain who proposes to violate the treaty. She is notorious for violating treaties with the United States. She violated the treaty of Ghent, the treaty (1819) concerning the fisheries off the coast of Newfoundland and Labrador; she violated the Clayton-Bulwer treaty of 1850 and the treaty of Washington (1871).

In the course of this debate we have been cited to the wonderful liberality of England concerning our commerce in the Welland Canal and reminded how she released her hold on the United States, notwithstanding her treaty advantages. This grows out of the protest of Secretary Grey of November 14, 1912, in which he refers to the generosity of Great Britain in yielding to the United States.

In the treaty of Washington—article 27—proclaimed July 4, 1871, Great Britain agreed to urge upon Canada to secure the citizens of the United States the use of the Welland Canal on terms of equality with the inhabitants of Canada. But notwithstanding the treaty, prior to 1893 our wheat and grain paid a freight of 20 cents per ton through this canal, while the Canadian Government allowed a rebate of 18 cents per ton on wheat carried as far as Montreal, which gave the Canadian shipper a rate of only 2 cents a ton.

England having ignored our protest, on August 23, 1888, President Cleveland sent a vigorous message to Congress on the subject, but Great Britain continued her policy.

July 26, 1892, President Harrison approved the act to enforce reciprocal relations between the United States and Canada. On August 18 he issued a proclamation placing a toll of 20 cents per ton on freight passing through the St. Marys Falls Canal going to any Canadian port. On February 21, 1893, he withdrew

these tolls on assurance by Great Britain that our freight in the Welland Canal would be handled at Canadian rates. So it appears that Great Britain, instead of being generous, was forced to yield to our demands.

But let us pursue the language of the Hay-Pauncefote treaty a little further. It is stipulated that the canal shall be free and open to "the vessels of *commercé and of war* of all nations observing the rules." Can it be doubted that the canal is free and open to the "vessels of commerce and of war" of the United States aside from rules made by the United States? But what are the vessels of commerce of all nations? Surely, even if our rules apply to us, they do not embrace vessels engaged in our coastwise trade. For a hundred years both Great Britain and the United States have ruled that under the treaty of 1815 neither country can engage in the coastwise traffic of the other, and each can discriminate in favor of its coastwise trade as against the foreign commerce of the other, notwithstanding the treaty uses the word "vessels" without any qualification. Therefore the same construction must apply here to the general term "vessels of commerce," and hence the coastwise vessels of the United States are exempt.

But if we are to allow the construction of our adversaries, that the canal shall be free and open to the vessels of commerce of all nations, it follows that it must be open also to *the vessels of war* of all nations who observe the rules on terms of entire equality. I know it has been said by a Democratic Representative that no man but a fool would contend that the rule had anything to do with vessels of war of the United States. I quite agree with the distinguished commentator. And if such an interpretation is evidence of imbecility, it is equal evidence of imbecility to declare that the rule has any reference to the vessels of commerce of the United States. The two classes of vessels are specified in the same sentence and connected by the copulative conjunction "and." It can not be said that vessels of commerce of the United States are included and vessels of war excluded. I quite agree that neither are included. But if the United States vessels of war are included, then, as Mr. Sumner has said, "the ridiculosity of the proposition becomes palpably apparent." To say that the canal shall be free and open to the vessels of war of all nations upon terms of entire equality would be to deprive the canal of all importance as a defense for our country, and instead make it the active agent of its destruction. Not only so, if the rules we adopt apply to the United States, we will be compelled to pay toll every time one of our vessels of war passes through the canal. This rule applied to all foreign nations is reasonable, but the contention that it applies to the United States is the height of absurdity.

Again, if one of the six rules adopted applies to the United States, they all apply, for they are all enumerated under the expression, "The United States adopts * * * the following rules." Now, let us see where this construction will lead. It is provided:

> The canal shall never be blockaded, nor shall any right of war be exercised nor any act of hostility be committed within it.

If this applies to the United States, then we could not blockade the canal for our own safety, and could not send a vessel of war through it for our defense. Again, this rule is perfectly reasonable as to foreign nations, but unreasonable as to the United States.

Rule 3 provides:

> Vessels of war of a belligerent shall not revictual nor take any stores in the canal except so far as may be *strictly necessary;* and the transit through the canal shall be effected with the least possible delay—

And so forth.

If this rule applies to the United States and we should happen to be a belligerent we could not revictual nor take any stores in our own canal "except so far as may be *strictly* necessary." If we should take one biscuit more than necessary we would be open to the severest condemnation, and even if we took no more than was strictly necessary we would be compelled to eat as we ran in order that we might pass through the canal "with the least possible delay." It might be well enough to apply this rule to foreign vessels, but it would certainly be ridiculous to apply it to ours.

Rule 4 provides:

> No belligerent shall embark or disembark troops, munitions of war, or warlike materials, except in case of accidental hindrance of the transit, and in such case the transit shall be resumed with all possible dispatch.

This rule might well apply to foreign nations, but to apply it to the United States would seriously cripple our right of self-defense and place us more or less at the mercy of the nation with whom we were at war.

Rule 5 declares:

> The provisions of this article (3) shall apply to waters adjacent to the canal, within 3 miles of either end. Vessels of war of a belligerent shall not remain in such waters longer than 24 hours at any one time, except in case of distress, and in such case shall depart as soon as possible; but a vessel of war of one belligerent shall not depart within 24 hours from the departure of a vessel of war of the other belligerent.

If this rule applies to the United States when a belligerent, and we should deem it necessary to send out a vessel of war to await the coming of an enemy, if the enemy did not arrive within 24 hours, we would have to run back into the canal like a squirrel to its hole, and, after spending a short while, return; and if the enemy did not appear in the next 24 hours, we would have to run back again, and thus play hide and seek until the enemy appeared. And when he did appear, if we should engage him and he should attempt to depart, we could not follow him until we had waited for 24 hours, by which time pursuit would be idle. It is true we might remain more than 24 hours if we were in distress, and the only way in which we could remain longer would be to get in that condition.

I know that war terminates all treaties as between the countries at war. But when a treaty has been made by one nation with all the nations of the world that observes its rules, which rules govern it as well, under such treaty it can not blockade the canal, even in time of war, against the nations with which it is at peace.

I am aware it has been conceded by the British Government that the United States, being the sovereign charged with the protection of the canal, can exercise belligerent acts. But this concession only strengthens the position that, as the rules applying to a condition of belligerency do not govern the United States, none of the others apply, because they are all adopted together and are not subject to separation.

The sixth rule more forcibly, if possible, than the others demonstrates that the rules we have made do not apply to the United States. By its provisions——

> The plant, buildings, and all works necessary to the construction of the canal, * * * in time of war as in time of peace, shall enjoy complete immunity from attack or injury by belligerents and from acts calculated to impair their usefulness as part of the canal.

I dare say no Senator will be bold enough to contend that this rule applies to the United States, for if it does it would appear in case of belligerency that the United States, fearing it would attack or injure or do some act to impair the usefulness of its own canal, concluded to establish a rule in order to prevent such a terrible catastrophe.

So it is, as each rule is considered, the contention that it applies to the United States becomes more and more absurd, until we are absolutely amazed that sensible men should occupy such an untenable and nonsensical position.

The intention and plain interpretation of the treaty is that the United States, after building this majestic structure, threw it open to all nations that would observe its rules on terms of "entire equality," guaranteeing neutrality as between them in case of belligerency and agreeing that the charges for traffic should be just and equitable.

The United States being the owner of the canal, and under the plain and positive language of the treaty having "*all the rights incident to the construction,* as well as the *exclusive right of providing for its regulation and management,*" had the undoubted right as sovereign to make rules for its government, declaring that as to all nations that observed those rules the canal should be free and open on terms of entire equality. But it does not operate its own canal by virtue of any rules; it uses it as the owner. If its own right of use, like that of other nations, is made dependent upon its rules, and it should violate them, it would forfeit the right to use its own canal. Such an idea is monstrous and can not be entertained for a moment.

This is an international treaty, affecting only international affairs. National and domestic subjects are not included in its terms, for as to these every free and self-respecting nation exercises unlimited sovereign power. The surrender of this sovereign power can not be inferred, but must be expressed in the plainest and clearest terms, if indeed it can be surrendered, under any circumstances. Our coastwise traffic is exclusively domestic. Under our laws and treaties all nations are positively prohibited from engaging in it, and have been for a hundred years. Under that traffic we do not compete with any foreign nation. We are prohibited by treaty and laws from engaging in the coastwise traffic of every foreign nation. Every nation on the globe reserves this traffic as a purely domestic concern. The fact that our coastwise trade will pass through the canal does not alter or affect its character. It is confined to American ports and American vessels owned and controlled

by American citizens. Great Britain can not compete with us and has conceded through her representative, Innes, that "it may be" we have the right to exempt all bona fide coastwise vessels. This contention as to coastwise traffic is correct, even if the rules apply to the United States. But as these rules do not apply to the United States, it is at perfect liberty to exempt all its commerce of every character.

Not only was Great Britain released from responsibility and all protection of the canal, but the United States flatly refused to allow the insertion of article 3 of the first Hay-Pauncefote treaty binding her to bring the treaty to the notice of other powers and invite them to adhere to it. The memorandum of Secretary Hay shows this was done deliberately, the United States taking the position that the adoption of that article might be construed as making other powers parties to the contract and giving them contract rights in the canal, "which was *peculiarly an American affair.*" Besides, it is stated that none of these powers had anything to part with in consideration for the privilege.

Here again the absolute right of the United States to control was plainly manifested.

The provision requiring that other nations who obtained the benefits of the canal should observe the rules provided by the United States was inserted to meet the views of Lord Lansdowne, who thought if this should not be done other powers would have an advantage over Great Britain, who had bound herself to observe the rules, in that they would not be similarly bound. So it is Lansdowne agreed that the United States had authority to settle this matter and only asked equality of treatment as between *other countries and his own*, not as between his country and the United States.

In the first Hay-Pauncefote treaty the United States was prohibited from erecting fortifications. This was omitted from the second treaty, but it was provided that the United States should "be at liberty to maintain such military police along the canal as may be necessary to protect it against lawlessness and disorder." Afterwards when the United States undertook to fortify the canal, Great Britain made a feeble protest, but finally withdrew it. This again proves conclusively that five of the six rules provided by the United States were not regarded by Great Britain as having any control over or in any way appertaining to the action of the United States. If five or six rules did not include the United States in the expression "all nations," how can it be true that the remaining rule includes it? Either all or none have application to the United States as being embraced in the words "all nations." This concession as to five rules was rendered absolutely necessary by every principle of common sense, because an attempt to apply them led to a manifest absurdity. When fully considered, the application of the first rule is equally absurd, but this could not be conceded by Great Britain without surrendering her whole contention.

However, even if rule 1 does apply, it can not be held to embrace coastwise ships. The rule provides:

> There shall be no discrimination against any such nation or its subjects in respect of the conditions or charges of traffic or otherwise.

After the treaty of 1815 between the United States and Great Britain heretofore referred to, Congress passed a law providing for the exemption of coastwise steam vessels of the United States from the payment of pilotage charges. Promptly a British subject instituted suit, contending that this law was a violation of the treaty. In that case, Olsen *v.* Smith (195 U. S., 332), Justice White held that there was no merit in the contention; that the treaties had reference alone to ships engaged in the foreign trade, and did not apply to coastwise vessels. It will be observed there was no exception as to coastwise vessels in the treaty, though Great Britain had for nearly 100 years uniformly charged our foreign ships from three to six times more than her coastwise vessels.

Said the Supreme Court in the Olsen case:

> What we do or omit to do with regard to our coastwise trade is of no concern to any nation, for they can not complain with regard to a traffic in which they have no interest. No regulation, exemption, or privilege which we see fit to grant to our coastwise trade is a just subject of complaint, for it does not concern vessels engaged in the foreign trade.

This opinion was rendered more than 10 years ago, and has never been questioned or objected to by Great Britain.

The Hay-Pauncefote treaty does not apply to or in anywise affect coastwise vessels of either country, as they had been otherwise provided for both by treaty and statute. The language in the Hay-Pauncefote treaty is similar to that in the treaty of 1815. But it is said this is only a decision of an American court and can not govern Great Britain. This contention is without force, because the Supreme Court only recognized and reiterated the interpretation theretofore pursued by Great Britain for 90 years. Both countries having acted upon this construction must be held to have considered it applicable to the language employed in the present treaty, especially as there is no specific statement to the contrary. By instituting a comparison of a treaty in dispute with other treaties, whether prior, posterior, or contemporary upon the same subject between the same parties, the intention may generally be fairly and safely ascertained. (Phillimore's International Law, 103.)

But it is not necessary that we should refer to the treaty to ascertain our rights. Independent of the treaty, our rights are established by ownership, and we could not legally surrender them by treaty.

While Great Britain denies the right of the United States to exempt her coastwise or other vessels of commerce, nevertheless she agreed to the treaty negotiated with Colombia January 22, 1903, in which the United States guaranteed that Colombia should have the right to transport over the canal its vessels, troops, and munitions of war at all times free of charge. Now, how could the United States confer a right on Colombia which it did not possess and could not exercise for its own benefit? By agreeing to that treaty Great Britain in effect conceded the right of the United States to free vessels both of commerce and war. It can not be contended that the consent of Great Britain conferred any right to make the treaty, for the United States under the treaty was conceded all rights incident to the construction of the canal as well as the exclusive right of providing for its regulation and management. Great Britain had no more right than any other nation observing the rules. The whole effect of the act of Great Britain was to concede to the United States the power to confer such rights on Colombia.

On November 18, 1903, only 10 months after the treaty with Colombia, which was not ratified, Panama, having seceded from Colombia and been recognized by Great Britain, made a similar treaty with the United States, except that she granted territory, in which it was agreed that she should have substantially the same toll rights theretofore given Colombia. Great Britain, having full knowledge of this transaction, never made any objection until November 14, 1912, twelve years after the treaty was proclaimed, when Secretary Grey entered his objection in his letter to Secretary Knox—although Chargé Innes, July 8, 1912, made no complaint—to the granting of free tolls to Panama.

I have said, and I repeat it, that the objection to granting free tolls to Panama involves our title to the territory where the canal has been constructed. That grant was a part of the consideration to Panama for the territory. If we can not guarantee the rights conferred on Panama the treaty is in peril. For 12 long years after the treaty was proclaimed Great Britain remained silent. She saw hospitals crowded with the victims of yellow fever; she witnessed the death of hundreds of Americans engaged in that great and perilous construction; she saw the removal of mountains and the erection of locks involving enormous expense, and never raised her voice, for she knew that on account of her immense merchant marine she would obtain as much benefit from the canal as the whole world beside. But when she saw that the canal was almost completed, and when every other nation was rejoicing, she, and she alone, raised her voice in solemn protest. She misled the United States by reason of her silence and she misled the United States by reason of her consent that the same privileges should be accorded to Colombia. Morally, if not legally, she is by reason of her conduct estopped from all complaint. Having failed to speak when she should have spoken, equity and good conscience require that she should now remain silent.

The Republic of Panama made an exceedingly valuable concession, many millions of times more valuable than the chips and whetstones conceded by Great Britain, a concession that no other nation in the world could make, accepting certain compensation and privileges therefor, by reason of which she was entitled to preference over every other nation by every principle of international law, a principle recognized by Great Britain herself concerning our treaty with the Hawaiian Islands.

In 1876 the United States entered into a treaty with Hawaii by the terms of which mutual trade concessions were made. Before that treaty Great Britain and Hawaii made a treaty containing the most-favored-nation clause. Notwithstanding this, Great Britain admitted, using her own language:

> As the advantages conceded the United States are expressly stated to be given in consideration as an equivalent for certain reciprocal concessions on the part of the United States, Great Britain can not, as a matter of right, claim the same advantage for her trade under the strict letter of the treaty of 1851.

Our adversaries lay great stress on the expression in the preamble of the treaty, "without impairing the general principle of neutralization established in article 8 of that convention" (meaning the Clayton-Bulwer treaty).

This expression does not directly or indirectly confer rights on Great Britain equal to those possessed by the United States. It simply means, as shown by the treaty itself, that the United States, in case of war, will not allow the canal to be used by one belligerent foreign nation to the detriment of any other. Of course it does not mean that the United States will preserve the neutrality of the canal against itself in case of war or otherwise. The word "neutral" implies the existence of no less than three parties, for the United States as one party could not preserve the neutrality of the canal except as between two belligerent parties.

It is contended that the term "general principle of neutralization" includes all regulations of traffic. This contention is without merit. It means freedom from attack, and nothing more. In Moore's International Law Digest "neutralization" is defined:

Strictly speaking, the term "neutralization," when applied to a canal, refers to a condition under which the canal would be closed to the ships of war of belligerents. The term, however, has come to be used in a broader sense than this, so as to include an arrangement whereby protection is sought to be guaranteed against hostile attack or hostile interruption, while the same freedom of use is sought to be assured in war as in peace.

Those who favor the repeal universally resort to article 8 of the Clayton-Bulwer treaty and argue that the canal is "open to the citizens and subjects of the United States and Great Britain on equal terms."

In the first place, they forget that article 1 of the present treaty specifically provides that "*the present treaty shall supersede*" the Clayton-Bulwer treaty.

There is absolutely no part of the old treaty left in force. To supersede means "to set aside," "to render useless." In other words, the Clayton-Bulwer treaty was rendered useless and was set aside by the new convention.

But we are told it is revived as to article 8 by the statement in the present treaty that it is adopted "without impairing the 'general principle' of neutralization established in article 8." The "*general principle*" is not impaired, it is true, but the particular characteristics of the article are destroyed. When we examine the facts and circumstances connected with and expressed in article 8 it becomes manifest that only "the *general* principle" is not impaired. By reference to that article it will be seen in the first place that it provided—

They hereby agree to extend their protection *by treaty stipulation* to any other practical communications—

And so forth.

They did not agree to extend their protection *then*, or the words "by treaty stipulation" would not have been used. They would have been entirely superfluous. But waiving this, they agreed then and there to so extend their *joint* protection to any other practical route. No one will contend that in the new treaty Great Britain extended its joint or separate protection to any route.

Again in that article it was declared to be *jointly* understood by the *two Governments* that—

The parties constructing or owning the same should impose no other charges or conditions of traffic thereupon than the aforesaid *Governments* shall approve of as just and equitable; and that the same canals or railways, being open to the citizens and subjects of the United States and Great Britain on equal terms, shall be open on like terms to the citizens and subjects of every other State which is willing *to grant thereto such protection* as the United States and Great Britain engage to afford.

Now, as has been said, in the first place, it is apparent at that time that it was not contemplated that either the United States or Great Britain should construct the canal, for they bound themselves to protect the parties who constructed or owned it, and all other nations, in order to enjoy equality, were to grant similar protection. Under the old treaty Great Britain bound herself to protect, while under the present treaty she does not bind herself to protect. Under the old treaty neither the United States nor Great Britain was to construct the canal; under the present treaty the United States alone is charged with that responsibility. Under the old treaty the charges were to be approved by *both* Governments; under the new treaty the United States *alone* fixes the charges, agreeing that they shall be just and equitable. Under the old treaty the rules for the government of the canal were made *jointly* by the two countries; under the present treaty the United States *alone* makes these rules.

In other words, the joint enterprise of 1850 became the single enterprise of 1901. The conditions and considerations being changed, the obligation is necessarily changed. The language of the present treaty makes it perfectly plain, not that the rules governing the Suez Canal are to govern the Panama Canal, but the language is specific that the "United States, as the basis for the neutralization of the said canal, *adopts the following rules*, substantially as embodied in the convention of Constantinople for free navigation of the Suez Canal; *that is to say*," and so forth.

The rules are then set forth fully and with perfect clearness. By "substantially" is meant the substance of the rules as applicable to the difference in circumstances and conditions surrounding the two canals. Hence, to make everything certain, *the rules are themselves inserted* in the treaty, and hence we are relieved of any consideration of the old treaty in order to determine them. It is unnecessary to theorize as to what the rules are, because they are described as the "*following rules*" and then specifically set out. To say that Great Britain, who was entitled to equal treatment with the United States under the Clayton-Bulwer treaty, now that she is relieved of every burden expressed in that treaty, in consideration of which she was to have this privilege, while she escapes the burdens is to retain the privileges is ridiculous. The consideration having failed the privilege granted by reason thereof necessarily fails. To say that Great Britain, who was to have equal privileges with the United States in a canal to be built by *third persons*, now that the United States agrees to build the canal or have it built, is to retain the privilege is outside the realm of reason. Again, the consideration having failed, all equality fails, for there can not be benefits where there are no burdens.

It is plain that the neutralization referred to in article 8 of the Clayton-Bulwer treaty is the freedom which flows from *joint* protection and *joint* responsibility, for if the United States and Great Britain, together with the other nations, extend protection, such protection conclusively establishes the neutrality of the canal as among them.

When the present treaty was sent to the Senate it was accompanied by a carefully prepared statement of Secretary Hay showing all that occurred during its negotiation, including all amendments proposed and considered after the action of the Senate on the first Hay-Pauncefote treaty, which Great Britain declined to accept.

This statement fails to show, either directly or indirectly, that there was any contention during all that time that the principle of neutrality contained in the present treaty applied to the equal treatment or equality of rates with Great Britain. On the contrary, it shows that every mention of neutralization had reference to a state of belligerency.

Great Britain was largely induced to agree to the present treaty—

Says Secretary Hay—

because she was relieved entirely from the making of rules for neutralization, from the enforcing of neutrality, and the maintenance of the security of the canal.

To this may be added she was relieved from all expense.

The contention of Secretary Grey in his protest was a mere afterthought, as by including in neutralization the fixing of equality of rates, and so forth, he hoped to hinge a claim that the United States could have no preference concerning her own commerce.

Lord Lansdowne, in his memorandum submitted August 3, 1901, showing that he fully understood the meaning of the term "substantially" as used in the description of the rules adopted, in speaking of the rules for neutralization, said:

In form the new draft differs from the convention of 1900, under which the high contracting parties, after agreeing that the canal might be constructed by the United States, undertook to adopt certain rules as the basis upon which the canal was to be neutralized. In the new draft the United States intimate their readiness "to adopt" *somewhat similar rules* as the basis of the neutralization of the canal. It would appear to follow that the whole responsibility for upholding these rules and thereby maintaining the neutrality of the canal would henceforward be assumed by the Government of the United States.

Again he says:

The change of form is an important one; but in view of the fact that the whole cost of the construction of the canal is to be borne by that Government, which is also to be charged with such measures as may be necessary to protect it against lawlessness and disorder, his Majesty's Government is not likely to object to it.

I have nowhere seen a more comprehensive definition of the word "neutralization" as used in the treaty than in a very able address delivered by the junior Senator from Arkansas [Mr. ROBINSON] before the Michigan State Bar Association, July, 1913. Said he:

This term has an accepted meaning in international law. It relates to a state of war The rules of the treaty are therefore applicable in case of war and in nowise control the operation of the canal in time of peace. They are designed to secure in spite of conflicts the uninterrupted use of this canal, to preserve it from seizure or destruction—the obligation to maintain neutrality imposed by the treaty on the United States implies its right to do the very things forbidden by the rule to other nations—to blockade the canal, to embark and disembark troops, and to take munitions of war; to blockade the canal against the warships of any belligerent seeking to occupy the canal for naval purposes. * * *

The rules of neutralization do not establish the theory of identical tolls, but they do deny any nation at war with another the right to use the canal for offensive purposes or to the exclusion of others.

But suppose we admit for sake of argument that the principles of neutralization apply to identical tolls. That would by no means apply to the United States, for she is making rules for the government of her own canal as to all nations observing those rules and not for the government of herself.

Adopting, however, the construction contemplated by the repealants, that the United States is governed by the rules she has made for the government of others, then it follows that the canal shall be free and open to the vessels of commerce and of war of the United States *on terms of entire equality*, so that there shall be no discrimination against it or its citizens in respect to the conditions or charges of traffic, *or otherwise*. Now, if this be true, how can it be open on terms of entire equality to the United States, which notoriously refuses to grant subsidies to her ships, if the ships of the world which are subsidized are to be allowed to use the canal on terms of equality with her? How can their use under such circumstances be on entire equality with hers? How can her ships without exemption be placed on entire equality with those of Great Britain, who pays subsidies annually of more than $9,000,000? How can the United States compete with these subsidized ships? There is but one way in which this competition can be met, but one way in which we can be placed on terms of entire equality and that is by exempting our vessels from tolls; and if the construction contended for is correct it necessarily gives us a perfect right to exempt our vessels from the payment of tolls in order that we may have this entire equality. It can not for a moment be supposed that the United States is to be the only country on earth that shall pass its unsubsidized ships through the canal in competition with the subsidized vessels of the world. If this be true, then our commerce will be completely eliminated from the canal, in and about which we have paid $400,000,000. All our citizens can do will be to sit on the banks and witness the flags of all nations save their own floating in triumph over the canal. Truly an uninspiring picture to an American.

Mr. Chamberlain, United States Commissioner of Navigation, recently stated before the Interoceanic Committee that we have only 363 coastwise vessels of sufficient tonnage to use the canal, and that according to his information 92 per cent of these are owned or controlled by railroads, and hence are prohibited from using the canal. So that we have only 29 coastwise ships to use in the canal. He further stated that to compel our coastwise vessels to pay toll through the canal would mean ruin for them unless subsidized. And yet the repealants would deny exemptions, knowing that subsidies will not be granted to our coastwise vessels. Even if we are allowed the exemption we will not be placed upon entire equality with Great Britain and other nations. More than one-half of the commerce passing over the canal will be British commerce. It is estimated that it will require a large sum yearly for the upkeep of the canal and that for some time at least our annual deficit will amount to $7,000,000. This being true, one-half of that amount will be expended for the benefit of Great Britain, who will receive at least one-half the benefits.

And if we are to be governed by terms of entire equality, even aside from what I have said, how could such equality exist unless all nations of the earth should share equally with us the total cost of this stupendous construction and its annual upkeep?

Concerning the remission of tolls as against subsidized ships, President Taft in his message of December, 1911, said:

> I am confident that the United States has the power to relieve from the payment of tolls any part of our shipping that Congress deems wise. We own the canal; it was our money that built it. We have the right to charge tolls for its use. These tolls must be the same to everyone, but when we are dealing with our own ships the practice of many Governments in subsidizing their own merchant vessels is so well established in general that a subsidy equal to the tolls can not be held to be a discrimination in the use of the canal. The practice in the Suez Canal makes this clear.

So that whether the United States is or not included in the expression "all nations" the exemption of coastwise vessels is justified.

Four Presidents of the United States before the Hay-Pauncefote treaty was made distinctly said, in substance, that the canal was to be an American canal built and controlled by the United States.

After the treaty was adopted two other Presidents gave their construction of its meaning.

Mr. Roosevelt has spoken repeatedly, but for the sake of brevity I refer only to the following:

> I believe the position of the United States is proper as regards coastwise traffic. I think we have the right to free bona fide coastwise traffic from tolls. I think this does not interfere with the rights of any other nation, because no ships but our own can engage in coastwise traffic. There is no discrimination against other ships when we relieve the coastwise trade from tolls. I believe the only damage that would be done is the damage to the Canadian Pacific Railway. * * * I do not think it sits well on the representatives of any foreign nation * * * to make any plea in reference to what we do with our own coastwise traffic.

In another message to Congress President Taft said:

> After full examination of the Hay-Pauncefote treaty and of the treaty which preceded it, I feel confident that the exemption of the coastwise vessels of the United States from tolls and the imposition of tolls on the vessels of all nations engaged in the foreign trade is not a violation of the Hay-Pauncefote treaty.

Again, in a memorandum submitted to Congress at the time he approved the bill exempting coastwise vessels from the payment of tolls, after setting out the rules adopted by the United States in the treaty, he said:

> Thus it is seen that the rules are but a basis of neutralization intended to effect the neutrality which the United States was willing should be the character of the canal and not intended to limit or hamper the United States in its sovereign power to deal with its own commerce, using its own canal in whatever manner it saw fit.

These utterances are in full accord with the statements of Secretary Knox and the public utterances of Stimson, Secretary of War, and Nagel, Secretary of Commerce and Labor.

Our course in exempting coastwise vessels has been approved by six Presidents; impliedly by the Supreme Court of the United States; by three Secretaries of State; by the governors of a number of States; by ex-Secretary of State Olney; by ex-Attorney General Bonaparte; by Hon. Frank Fuille, law officer of the Isthmian Canal Commission; by Hon. Hannis Taylor and other distinguished writers on international law; by a number of the great judges of Federal and State courts; by a large majority of leading statesmen and publicists in this country and a considerable number abroad; indirectly by Mr. Innes, head of the British legation; by a majority of both Houses of Congress in enacting the law; by the three leading political parties in their platforms in 1912; by the recorded votes of 14,000,000 American freemen; and by President Wilson while a candidate for President.

But if the repealants are correct in their contention it follows that the treaty-making power surrendered the right of sovereignty of the United States to control her domestic concerns, surrendered the welfare of her people, and endangered the safety and materially injured, if not destroyed, her commerce, those who negotiated and ratified it under the law of nations not only acted beyond their authority but betrayed their country, and consequently the treaty is utterly void.

In Vattel's Law of Nations, section 160, the rule is laid down:

> Since in the formation of every treaty the contracting party must be vested with sufficient powers for the purpose, a treaty pernicious to the state is null and not at all obligatory, as no conductor of a nation has the power to enter into engagements to do such things as are capable of destroying the state, whose safety the government has intrusted to him. The nation itself, being necessarily obligated to perform everything required for its preservation and safety (book 1, sec. 16, etc.), can not enter into engagements contrary to its indispensable obligations.

Heffter (German writer), in his work on International Law, lays down the rule that a state may repudiate a treaty "when it conflicts with the rights and welfare of the people." (98.)

Hautefeuille (French writer) declares:

> A treaty containing the gratuitous cession or abandonment of an essential natural right * * * is not obligatory. (109.)

Bluntschli (German writer) expresses the opinion:

> A State may hold treaties incompatible with its development to be null and void. 455–456. (See Hall's International Law (English), 374, citing the three foregoing authorities with approval.)

Woolsey's International Law declares:

> When a treaty-making power flagitiously sacrifices the interest of the nation it represents such treaty has no binding force. The treacherous act of the government can not be justly regarded as the act of the nation and forms should give way to reality. Moreover, the other party to the treaty ought not to draw advantage from the iniquity of an agent whom it has itself tempted. (Sec. 101–104.)

And last, though by no means least, our own Hannis Taylor, whose great work on international law is recognized as a leading authority throughout the world, fully sustains the principles enunciated in the authorities cited.

We are flippantly, at times almost insultingly, told that our objection to repeal is in the interest of the coastwise ship monopoly, and on this groundless assumption we are arraigned by our adversaries. The question has been asked, "Will we hide behind the flag while we burglarize the American Treasury for the benefit of the coastwise shipping interest?" Even if the charge were true, it is better by far that we should favor a monopoly to our own people than to grant a monpoly to Great Britain with her subsidized ships, the transcontinental railroads of Canada, and the English-owned railroad of Lord Cowdray in Mexico. But the charge is absolutely and manifestly false. I will retort, "Shall we hide behind what we are pleased to call the honor of our country in order to rob the American people for the benefit of the transcontinental and ship-owning railroads and Great Britain?" It is an old game, as old

as time, that in order to accomplish unfair designs and prevent suspicion the guilty party should call the other "thief" first. Great Britain proceeded upon this theory when she charged us with violating the treaty, and some of her friends in Congress have proceeded on the same theory when they charge us with acting in the interest of a monopoly. But the people of the United States can not be deceived by this fallacious accusation. They know that in the law granting free tolls to our coastwise ships there is a clause prohibiting all trust and railroad owned ships from passing through the canal.

The proof before the Interoceanic Committee shows that the transcontinental and other railroads protested against the exemption, and proof before the Lobby Investigating Committee shows that the railroads spent a considerable sum of money in the employment of a lobbyist to prevent the incorporation in the law of the provision to prevent ships owned or operated by any railroad, or in which any railroad may have a direct or indirect interest, from competing with traffic through the canal.

But this is not all. The Tehuantepec Railroad, crossing Mexico south of Mexico City, connects Puerto Mexico, on the Gulf or Atlantic side, with Salina Cruz, on the Pacific, and is 190 miles long. It was built under contract with the Mexican Government by S. Pearson & Son, under the personal direction of Sir Weetman Pearson, alias Lord Cowdray, of England. The Mexican Government paid for the building and Sir Weetman negotiated the Mexican bonds. The road, with both the harbor improvements, cost $65,000,000.

After the road was completed in 1902, Sir Weetman, alias Lord Cowdray, took it over upon a contract with the Diaz government for 51 years, Mexico retaining only the right of inspection. Otherwise the property belongs completely to Lord Cowdray for that period. So it appears that this is essentially a British road.

The exemption of our coastwise vessels from the payment of tolls through the canal will destroy the usefulness of this road.

The American-Hawaiian Steamship Co. is almost its sole customer. It clears its ships in New York for Puerto Mexico. There it unloads, and freights its cargoes over the Salina course by way of Lord Cowdray's railroad. It charges $12 a ton freight from New York to Honolulu, and vice versa. Of this amount it pays Cowdray's road $4 on each ton.

In 1911 it carried 788,820 tons, all of which save 90,000 was American coastwise traffic. All these facts appear in the testimony of Mr. Dearborn, president of the road, before the House committee.

The contract between the railroad and the steamship company terminates with the opening of the canal, the result of which will be a yearly loss to the road of $2,952,280.

President Dearborn explained further that the steamship company would save 12 days now lost in unloading, reloading, and crossing from ocean to ocean.

Lord Cowdray is the English oil king. He owns the Tampico oil fields, in addition to an equal interest with Sir Lionel Carden in those lying near his road. Great Britain is now turning her battleships into oil burners, and depends on Cowdray for the oil to operate them. Doubtless the foregoing facts, among others, caused Great Britain to so quickly recognize Huerta's government. The great interest of Great Britain in protecting her subjects, and incidentally herself, by defeating coastwise-ship exemption is therefore apparent in Mexico. This, connected with the protection of the commerce of the transcontinental railroads of Canada, shows the gigantic British interests that are at stake.

These great interests are warring on our commerce simply because they know that their monopoly will be destroyed by toll exemption of coastwise vessels and the inhibition on trust and railroad owned ships from using the canal. So that instead of the friends of free toll fighting for monopoly, the shoe appears to be on the other foot. The interest of 29 coastwise vessels pales into utter insignificance when contrasted with that of the transcontinental and shipowning railroads and the English-owned Mexican railroad. These great monopolies will be fostered and fattened by denying exemption to the coastwise vessels of the United States.

Much has been said concerning the Suez Canal. It is unfortunate, considering her conduct, that Great Britain should even refer to that subject.

It is claimed for Great Britain that she only asks the United States to accord the same treatment in the Panama Canal that she accords in Suez. This is untrue. While it is true the rules of the convention of Constantinople apply to all vessels in time of war or peace without distinction of flags, "the rights of Turkey as the territorial power," together with the sovereign rights of the Sultan and the rights and immunities of the Khedive, are reserved. Nor must it be forgotten that Great Britain, who now so earnestly pleads for neutralization, is not bound to that principle in Suez. When the powers interested met in London in 1885, Sir Julian Pauncefote submitted this memorandum defining the British position:

> The British delegates in presenting this draft of a treaty as the definite regulation intended to guarantee the free use of the Suez Canal, think it their duty to formulate a general reservation as to the application of these provisions in so far as they may not be compatible with the transitory and exceptional condition of things actually existing in Egypt, and may limit the freedom of action by their government during the period of the occupation of Egypt by the forces of Her Britannic Majesty.

Nothing being accomplished at that meeting in 1887 a new draft of a convention was signed at Paris by Great Britain and France, subject to the concurrence of other powers interested. This draft was submitted to the other powers by Lord Saulsbury, accompanied with a note containing the reservation made by Sir Julian Pauncefote as above set out and was signed by the representatives of Great Britain, Germany, Austro-Hungary, Spain, France, Italy, the Netherlands, Russia, and Turkey, subject to the reservation. All the powers named except Great Britain are bound to respect the neutrality of the canal and to guarantee its free use by the ships of commerce and of war of all nations at all times.

As long as Great Britain occupies Egypt, whenever she concludes that it is to her interest to disregard this convention and utilize the canal for purposes of war she is at liberty to do so. She may exclude belligerent ships and close the canal to all commerce, as did Sir Garnet Wolseley in 1882.

The same man—Pauncefote—who thus procured a free hand for Great Britain in the Suez Canal, signed the treaty which it is claimed binds our country to do at Panama what Great Britain refused to do at Suez. Great Britain induced the powers to respect the neutrality of the Suez Canal, although she refused to do it; and now she contends that the United States is bound to guarantee the neutrality of the Panama Canal and give her equal rights of passage through it for all her ships.

But for a moment I call your attention to the dastardly conduct of Great Britain concerning the Suez Canal.

Prior to the opening of that canal the Mediterranean was a closed sea and all the commerce on it from the Far East was carried under the flags of Great Britain and Holland.

When De Lesseps was engaged in constructing the canal for a corporation, Great Britain, seeing that when completed it would admit other nations as competitors to her commerce, through Lord Palmerston placed every obstacle in the way of De Lesseps. He induced Said Pasha to withdraw 20,000 laborers from the canal and engage them in raising cotton. Of course this action delayed the construction of the canal.

However, in 1867, despite all difficulties, the canal was completed. Great Britain at once determined to obtain control of it, and Disraeli inaugurated the necessary steps to accomplish that end. He took advantage of the strained financial condition of Ismail Pasha, who had forced the Khedive to buy a sufficient number of shares in the canal company to give Egypt a certain control in the management, and bought these shares for Great Britain.

Great Britain, in order to accomplish her object, after the completion of the canal, proceeded to make herself its mistress. She fortified Gibraltar, Malta, and Cyprus, on the Mediterranean side of the canal, and at the outlet of the Red Sea she acquired the island of Perim, which she fortified. Having obtained these positions of vantage, she proceeded to occupy Egypt.

Notwithstanding these steps of aggression, Great Britain then professed that she would observe the principle of neutrality regarding the canal, but later, as we have seen, she made her occupation of Egypt the excuse for the reservation made by Pauncefote.

When Arabi Pasha revolted in 1882 he declared he would not violate the neutrality of the canal except at the last extremity, and only in case of some act of English hostility at some point of the canal.

Great Britain, always on the alert, saw her opportunity, and, on the pretense of her ownership of stock in the canal, but really for the purpose of obtaining full control, in August, 1882, forcibly took possession of the canal, tied up shipping at the gates or passing places, and put a gunboat at each end.

Rear Admiral Goodrich, of the United States Navy, reported these facts to his Government with a statement that he had "protested against this act of violence and spoliation."

Great Britain refuses to be bound by the rules which she seeks to make applicable to other nations, "but acts always and

everywhere consistent with the fundamental principles of her foreign policy, seizes whatever she can, holds all she has, and proclaims loudly her desire to preserve equal rights and to distribute the benefits of her Christian civilization."

In order to incite the interior of the country against free tolls it is contended that the exemption of coastwise vessels will not benefit the people except along the coasts.

If the producers of cotton in the interior of Texas and in other Southern States will have a new and cheaper outlet for their cotton, if the farmers of the Central West will have another and cheaper route over rivers connecting with the canal or otherwise by which to ship their grain, cattle, and manufactured articles and will be enabled to obtain articles at much cheaper rates from distant States of the Union than they can by rail, how can it be said that they will not be benefited?

A distinguished Representative said:

When you say that if you reduce the freight rates on the coast the rates in the interior will not be reduced, you might as well say that if you reduce the level of the water along the edges of a great lake that the interior of the lake will not be reduced.

So that while trade will continue between the coasts the people of the Middle West will get lower rates and new markets.

He gives an apt illustration of the coast trade. Canned salmon is one of the large industries along the Pacific coast, amounting to $30,000,000 last year. It can be shipped through the canal to New Orleans, thence up the Mississippi to St. Louis cheaper than by rail. Such a shipment can be made much cheaper through the canal and will result in material good to the consumer.

Recently an experimental shipment of barley was made from San Francisco to St. Louis by way of Panama. First by ship to Panama, thence by rail across the Isthmus to Colon, thence by ship to New Orleans, thence by barge up the Mississippi to St. Louis. The cost was $4,200 less by this method than by rail, although the bulk was broken to cross the Isthmus by rail.

Free coastwise ships will result in cheaper lumber, cheaper fruit, cheaper barley, and other articles from the western coast, all of which will be of great benefit to the consumer.

Of course all that has been said concerning shipments from the western coast applies with equal force to shipments from the eastern coast. Nor is there any weight in the argument that railroads will increase their rates. On the contrary, the exact opposite will result.

The railroads, of course, have a great advantage, on account of rapidity of shipment, but to maintain this will be compelled to reduce their rates.

Competition is the life of trade. Suppose the rate should be reduced from New York to Spokane and into Idaho and Montana and that part of the country, so that it is less than from Chicago, what would be the result. Chicago would simply reduce her rates to prevent New York from taking her market.

The persistent fight by the railroads before the committee recently in favor of repeal very plainly shows whether their rates will be reduced.

After expending $400,000,000 to build the canal, besides the millions we will be compelled in the future to expend to police, defend, and keep it in repair, shall we allow Great Britain, who gave substantially no consideration for the valuable rights she obtained under the treaty, perfect equality with the United States, thus destroying our commerce, weakening our national defense, and surrendering the right to control our domestic concerns? And especially shall we do all these things when she, by attacking the treaty with Panama, is endangering our title to the canal itself?

I have always been an advocate for peace. No one more dreads and despises war; but I am opposed to buying peace with money or by the sacrifice of the Nation's rights. I am opposed to peace at any price. Peace can not reign at the expense of justice and honor unless it be the peace of cowardice, the peace of despotism, or the peace of death.

A nation's integrity is its most priceless possession, and its sacrifice ever has been and ever will be the certain prelude to its destruction.

Our forefathers, in 1776, when this Nation was a weakling, fought and died to vindicate a great principle. They sought no compromise, but with heart and brain inspired with right and patriotism, they wrung independence from Great Britain. Again, in 1812, they fought and died to preserve their commerce and avenge the insults and outrages inflicted upon them by the same power.

The same country is now attempting to violate its treaty and is demanding that we surrender our right to regulate domestic affairs.

The people of the United States did not surrender in 1776; they did not surrender in 1812; and, with the graves of their forefathers around them, their spirits hovering over them, the inspiration of their deeds within them, and the flag proudly floating above them, they will not surrender now.

The PRESIDING OFFICER (Mr. MARTINE of New Jersey in the chair). What is the pleasure of the Senate?

Mr. O'GORMAN. I suggest the absence of a quorum.

The PRESIDING OFFICER. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Ashurst	Gallinger	O'Gorman	Shively
Bankhead	James	Oliver	Smith, S. C.
Bradley	Kenyon	Page	Thomas
Bristow	Kern	Perkins	Thompson
Burton	Lane	Pomerene	Vardaman
Chamberlain	Lea, Tenn.	Robinson	West
Chilton	Lee, Md.	Saulsbury	Williams
Clark, Wyo.	Lippitt	Sheppard	Works
Clarke, Ark.	McCumber	Sherman	
Cummins	Martine, N. J.	Shields	

Mr. LANE. I wish to announce the unavoidable absence of the Senator from Minnesota [Mr. CLAPP] on the business of the Senate in connection with committee work.

Mr. POMERENE. I desire to announce that the junior Senator from Missouri [Mr. REED] is necessarily detained from the Senate on important business.

Mr. SHIVELY. I desire to announce that the senior Senator from Missouri [Mr. STONE] is detained from the Senate on important business. He is paired with the Senator from Wyoming [Mr. CLARK].

The PRESIDING OFFICER. Thirty-eight Senators are present—less than a quorum.

Mr. SHIVELY. I ask that the names of absent Senators be called.

The PRESIDING OFFICER. The Secretary will call the names of absent Senators.

The Secretary called the names of absent Senators, and Mr. BRYAN, Mr. MARTIN of Virginia, Mr. NORRIS, Mr. OVERMAN, Mr. OWEN, Mr. SMITH of Georgia, Mr. SMOOT, Mr. SWANSON, and Mr. WARREN answered to their names when called.

Mr. LA FOLLETTE, Mr. HOLLIS, Mr. BURLEIGH, Mr. DILLINGHAM, and Mr. CRAWFORD entered the Chamber and answered to their names.

The PRESIDING OFFICER. Fifty-two Senators have answered to their names. A quorum of the Senate is present.

Mr. BRISTOW. Mr. President, I had intended to address the Senate this afternoon on the canal bill, but I understand it is desired to have an executive session. Therefore I shall not undertake to address the Senate to-night, but shall do so to-morrow afternoon, following the address of the junior Senator from New York [Mr. O'GORMAN], unless something should interfere.

Mr. SHIVELY. Mr. President, I desire to say to the Senator from Kansas that it is not the purpose to move at this time for an executive session, but to do so later, if the Senator will proceed with his remarks.

Mr. O'GORMAN. Mr. President, I ask that the canal bill be temporarily laid aside.

The PRESIDING OFFICER. Without objection, that will be done.

Mr. SMITH of Georgia. Before that is done I should like to give notice that on Monday, May 11, immediately after the close of the morning business, I desire to address the Senate upon the Panama Canal bill.

Mr. O'GORMAN. I desire to say a word further. The reference by the Senator from Kansas to an executive session was based upon information which I conveyed to him, and my information was based upon that given to me by Members on this side.

PROPOSED INCREASE OF RAILROAD RATES.

Mr. OWEN. Mr. President, on yesterday it was suggested by the Senator from Wisconsin [Mr. LA FOLLETTE] that he had not seen anywhere in the public press any denial from the President of the United States of the newspaper editorials to the effect that the President was in favor of having an increase in the freight rates of the railways.

I wish to have recorded in the RECORD the fact that on the 6th of April the President, in his usual interview at the White House with the various representatives of the leading metropolitan papers of the country, was asked this question by some of them:

They say you are trying to get an increase of the railroad rates, Mr. President?

He replied:

You know, I explained to you gentlemen before that I could not express any opinion about that, because the commission is a semijudicial body, and it would not be proper for me to do so.

HYACINTHE VILLENEUVE.

H. R. 6260. An act for the relief of Hyacinthe Villeneuve, was read twice by its title.

Mr. SMOOT. Mr. President, a few days ago the Senate passed a bill identical with the one that the Chair has just presented to the Senate. For that reason I desire to ask that immediate consideration of the House bill be granted, and then I shall enter a motion for a reconsideration of the vote——

Mr. OWEN. I feel compelled to call for the regular order on this matter.

Mr. SMOOT. This is the regular order.

Mr. OWEN. I think the unfinished business is the regular order. It should be.

The PRESIDING OFFICER. That, the Chair understands, has been laid aside. The Chair rules that this is the regular order. It is a message from the House of Representatives.

Mr. SMOOT. This is a message from the House of Representatives, laid before the Senate by the Presiding Officer.

Mr. OWEN. What has become of the regular order?

The PRESIDING OFFICER. The Chair understands that it was temporarily laid aside.

Mr. OWEN. A request was made that it be temporarily laid aside, but the request has not been granted by the Senate. It requires unanimous consent.

The PRESIDING OFFICER. The Chair understands that this was at the request of the chairman of the committee.

Mr. OWEN. I understand that, but it has to be laid aside by unanimous consent.

The PRESIDING OFFICER. The Chair is informed that at the request of the chairman of the committee a message of this character may be laid before the Senate at any time.

Mr. OWEN. Mr. President, I shall not insist on this procedure at this time, but I shall insist upon the regular order hereafter.

The PRESIDING OFFICER. The Senate will take cognizance of that.

Mr. SMOOT. I was stating that a bill identical with the one before the Senate passed the Senate the other day, and I now ask that this bill be immediately considered. Then I shall enter a motion to reconsider the vote of the Senate by which the bill passed the Senate the other day.

The PRESIDING OFFICER. A motion is made by the Senator from Utah that House bill 6260 shall be immediately considered.

Mr. GALLINGER. What is the title of the bill?

The PRESIDING OFFICER. The Secretary will state the title of the bill.

The SECRETARY. An act for the relief of Hyacinthe Villeneuve.

Mr. SMOOT. It grants title to a piece of land in North Dakota. The Senator from North Dakota asked unanimous consent the other day for the consideration of the bill; it was granted and the bill passed.

Mr. GALLINGER. I simply imitate the suggestion that so often emanates from the Senator from Utah in saying that this is a bad form of legislation, and that the bill ought to go to a committee; but I shall not make any point against it.

Mr. SMOOT. I wish to say to the Senator that if a bill identical with this had not already passed this body, I never would have asked for the present consideration of the bill.

Mr. GALLINGER. Similar bills have come here under similar circumstances, and the Senator has very wisely suggested that they ought to go to committees; but I shall not make the point.

Mr. SMOOT. Let it go to the committee, then.

Mr. GALLINGER. No; I do not make the point at all. I am willing that the bill shall be considered.

The PRESIDING OFFICER. Is there any objection to the immediate consideration of the bill?

Mr. OWEN. I think it ought to go to the committee.

The PRESIDING OFFICER. Objection is made. The bill will be referred to the Committee on Public Lands.

ELIZABETH MUHLEMAN.

Mr. OVERMAN. I ask the Chair to lay before the Senate the bill received to-day from the House of Representatives for the relief of Elizabeth Muhleman, widow of Samuel A. Muhleman, deceased.

The SECRETARY. H. R. 12191, an act for the relief of Elizabeth Muhleman, widow of Samuel A. Muhleman, deceased.

Mr. OVERMAN. There is on the calendar a bill (S. 4060) for the relief of Elizabeth Muhleman, widow, and the heirs at law of Samuel A. Muhleman, deceased, which was reported by me April 1 from the Committee on Claims. I ask that the bill just received from the House of Representatives be substituted on the calendar for the Senate bill.

The PRESIDING OFFICER. Without objection, that action will be taken.

Mr. OVERMAN. I ask that the Senate bill be postponed indefinitely.

The PRESIDING OFFICER. Without objection, it is so ordered.

HOUSE BILLS REFERRED.

The following bills were severally read twice by their titles and referred to the Committee on Military Affairs:

H. R. 851. An act for the relief of the legal representatives of Napoleon B. Giddings;

H. R. 2728. An act for the relief of George P. Heard;

H. R. 3432. An act to reinstate Frank Ellsworth McCorkle as a cadet at United States Military Academy;

H. R. 4744. An act to authorize the appointment of John W. Hyatt to the grade of second lieutenant in the Army; and

H. R. 9147. An act to restore First Lieut. James P. Barney, retired, to the active list of the Army.

The following bills were severally read twice by their title and referred to the Committee on Public Lands:

H. R. 1517. An act for the relief of George W. Cary;

H. R. 3334. An act authorizing the quitclaiming of the interest of the United States in certain land situated in Hampden County, Mass.;

H. R. 4318. An act to authorize the Secretary of the Interior to cause patent to issue to Erik J. Aanrud upon his homestead entry for the southeast quarter of the northeast quarter of section 15, township 159 north, range 73 west, in the Devils Lake land district, North Dakota; and

H. R. 6052. An act for the relief of William P. Havenor.

The following bills were severally read twice by their title and referred to the Committee on Claims:

H. R. 900. An act for the relief of James Easson;

H. R. 932. An act for the relief of John W. Canary;

H. R. 2705. An act for the relief of David C. McGee;

H. R. 3041. An act to carry into effect findings of the Court of Claims in the cases of Charles A. Davidson and Charles M. Campbell;

H. R. 3428. An act for the relief of James Stanton;

H. R. 7633. An act for the relief of the personal representative of Charles W. Hammond, deceased;

H. R. 8808. An act for the relief of Baley W. Hamilton;

H. R. 8811. An act to execute the findings of the Court of Claims in the case of Sarah B. Hatch, widow of Davis W. Hatch;

H. R. 9851. An act for the relief of legal representative of George E. Payne, deceased;

H. R. 10172. An act for the relief of L. V. Thomas;

H. R. 10201. An act for the relief of the heirs of Theodore Dehon;

H. R. 11040. An act to carry out the findings of the Court of Claims in the case of James Harvey Dennis;

H. R. 11381. An act for the relief of the estate of T. J. Semmes, deceased;

H. R. 13240. An act for the relief of the legal representatives of James S. Clark, deceased; and

H. R. 14197. An act for the relief of the legal representatives of Mrs. H. G. Lamar.

H. R. 14229, an act for the relief of Henry La Roque, was read twice by its title and referred to the Committee on the Judiciary.

H. R. 1781, an act providing for the refund of certain duties incorrectly collected on wild-celery seed, was read twice by its title and referred to the Committee on Finance.

AGRICULTURAL APPROPRIATIONS.

Mr. GORE. I ask unanimous consent that the Senate resume the consideration of the agricultural appropriation bill.

There being no objection, the Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 13679) making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1915.

Mr. GORE. I ask that the Secretary read the amendment on page 18, that was passed over when it was first reached.

The PRESIDING OFFICER. Without objection, that will be done.

The SECRETARY. On page 18, line 13, it is proposed to strike out "$80,580" and insert:

$180,580: *Provided*, That of the sum thus appropriated, $100,000 shall be used for furnishing the primary markets in the cotton-growing States with a set of samples as standardized by the Government, and a sample of the bleached and unbleached yarns made from the different grades, showing the waste, tensile strength, and bleaching quality thereof.

Mr. GALLINGER. Mr. President, I will ask the Senator having the bill in charge if that proviso is not in the nature of a subsidy? We have heard a great deal about subsidies to the shipping interests of the country. Before this bill is passed I wish to call attention to various items in the bill that are direct subsidies to certain interests, and this is one of them.

Mr. GORE. Mr. President——

The PRESIDING OFFICER. Does the Senator from New Hampshire yield to the Senator from Oklahoma?

Mr. GALLINGER. I yield, because I am seeking information.

Mr. GORE. I do not care to interrupt the Senator from New Hampshire. I thought he had finished.

The PRESIDING OFFICER. The Senator from New Hampshire still has the floor.

Mr. GALLINGER. I am glad to be interrupted, Mr. President. I have raised the question in all seriousness.

Mr. GORE. It was, of course, the desire of the committee to rally as much support in behalf of the Agricultural appropriation bill as possible, and we thought that by inserting a subsidy we would have the unanimous and enthusiastic support, at least, of the senior Senator from New Hampshire.

Mr. GALLINGER. Would the Senator have any objection to my introducing as an amendment to this bill a provision taken from a bill that I introduced to rehabilitate the merchant marine, giving a subsidy to the shipping interests?

Mr. GORE. I have no objection whatever to the Senator introducing any bill or any amendment for which he feels disposed to stand sponsor.

Mr. GALLINGER. Would the Senator support that amendment?

Mr. GORE. I would not.

Mr. GALLINGER. The Senator admits that this is a subsidy, and the other is a subsidy.

Mr. GORE. There are subsidies and subsidies.

Mr. SMOOT. Mr. President——

The PRESIDING OFFICER. Does the Senator from New Hampshire yield to the Senator from Utah?

Mr. GALLINGER. I yield to the Senator.

Mr. SMOOT. If that is the object of this amendment, I certainly shall make a point of order against it. I now make the point of order that it is general legislation on an appropriation bill; it increases an appropriation, and is not estimated for.

Mr. SMITH of South Carolina. Mr. President, I wish to call the attention of the Senate to the fact that in this bill we are spending several million dollars for the purpose of demonstrating to the farmer the best method by which we can increase his output. It seems to me it comes with ill grace for any Member on this floor to vote for an appropriation to teach the farmer how to make a larger crop and then make no effort to give him any knowledge as to the value of what he does make.

I am the author of this amendment. I proposed it for the reason that we have before us a demonstration in the form of these yarns, made under an appropriation secured by me to the last Agricultural appropriation bill, showing that the trade on account of the grades which it has arbitrarily fixed is making a difference of anywhere from $15 to $20 per bale; whereas by this test of the relative value of the different grades the Department of Agriculture has demonstrated that no such actual difference exists.

You and I are dependent for the textiles of this country upon the southern cotton grower. The only way you can make him prosperous is to make his work profitable. I do not see how any Member on this floor can vote millions of dollars for the purpose of increasing the output, and then make no appropriation whatever to teach those who produce the raw material what it is worth.

I have here a letter from the Department of Agriculture on this very point, which I ask to have read.

Mr. SMOOT. Before the Senator asks to have the letter read, I wish to ask him in all seriousness how it is possible to give information as to the different grades of cotton, showing the waste, the tensile strength, and the bleaching qualities, when it is——

Mr. SMITH of South Carolina. Here it is.

Mr. SMOOT. Wait a minute; I was asking a question. I know that one manufacturer can take half a bale of cotton, and another manufacturer can take the other half of the same bale, and the first one can work the cotton through one mill, and the other manufacturer can work the other half through the other mill, and the tensile strength of the yarn produced will not be the same.

Mr. SMITH of South Carolina. The Senator from Utah is not going to stand here, before an intelligent body of men, and introduce any such argument as that, for the reason that he knows that No. 1 yarn is a certain number of yards to the pound, and the increased twist determines the number of that yarn.

Mr. SMOOT. The Senator does not go far enough. Why does he not go further and explain, if he knows, about the manufacture of——

Mr. SMITH of South Carolina. Oh, I would leave all knowledge of all affairs to the Senator from Utah.

Mr. SMOOT. I have not asked the Senator to do that; but I do know that I can take a 30 or 40 or 60 run yarn made by one mill, and take the same number of yarn, or what are supposed to be——

Mr. SMITH of South Carolina. Ah!

Mr. SMOOT. Made by another mill, and the tensile strength will not be the same.

Mr. SMITH of South Carolina. Precisely. Now, I will ask the Senator from Utah a question.

Mr. SMOOT. Therefore, I say, who is going to judge as to what the strength should be? Is the department going to do so? If so, in what mill shall it be made—one in New Hampshire, one in North Carolina, one in South Carolina, or where?

Mr. SMITH of South Carolina. Mr. President, the Senator from Utah, as a matter of course, encyclopedic as he is, will understand that the department has also demonstrated that the speed of the gin had nothing whatever to do with the value of the cotton ginned. Before this appropriation of mine was secured authorizing the department to test it, that was another fiction by which the farmers of this country were systematically robbed.

The manufacturers would get a certain kind of cotton, and on account of its appearance they would declare that it was gin-cut cotton, that it was not in good form, and therefore that the farmers should lose from 1 to 2 cents a pound, or from $10 to $15 a bale. The department has proven that the speed of the gin has nothing to do with the quality of the output. The department standardized the grades of cotton, from good ordinary to middling fair—nine grades—five full grades and four half grades. The department took samples from the exchanges of the country and out of the whole made an average which represented the uniform grades of upland cotton produced in the South. It then sent some of each grade of this cotton to the mills at Danville, Va., and some of it to the textile department at Clemson College, S. C., and elsewhere, I believe. It was spun at these places with the same speed, with the same humidity, and with the same mechanical conditions surrounding it. As a result it was found that good ordinary bleached and good ordinary unbleached, as represented on this card, were practically the same as the other grades so far as tensile strength and bleaching qualities were concerned.

As a practical cotton grower, I want to call the Senate's attention to the fact that here is the middle grade; all below that grade brings a lower price and all above it brings a higher price. The trade made a difference of $15 per bale between middling and good ordinary. Under the impartial test of the department, made at Clemson College and at Danville, it was proven, as shown on this card, that there is practically no difference in the yarns made from the grades from middling fair to good ordinary. But the trade makes a difference of $15 a bale between middling and good ordinary, and $30 a bale between middling fair and good ordinary.

The department has impartially spun this yarn under conditions that should characterize every well-organized mill, using upland cotton, under the same mechanical conditions, with the same humidity and the same speed of the spindle, and has reached this result. I ask the Senator from Utah if some mill wants to make a little more time, thereby injuring the fiber by reckless speed, is he going to stand here and advocate that the farmer shall be penalized for such a manufacturer's benefit—that these samples shall not be given the farmer to protect him from this very condition?

Mr. SMOOT. Mr. President, the question asked by the Senator from South Carolina has nothing to do with what the tensile strength and bleaching quality of a certain size yarn may be in different sections of this country. The Senator knows that in some parts of the country the water has a great deal to do with it; again, the machinery has a great deal to do with it, as well as the humidity. This is the case with any size of yarn spun from any graded cotton.

Mr. SMITH of South Carolina. Then does the Senator from Utah mean to say that he is going to penalize the grower of cotton because some manufacturer increases the speed of his spindles to a point where it absolutely breaks the fiber, and because such a manufacturer happens to be located in a place where certain meteorological conditions or climatic conditions make it unprofitable to spin the stuff, when the department

has demonstrated that under right conditions—which are easily made available, because they have the very same in Clemson, the very same in Danville, and the very same in Fall River—it is easy under the modern processes of milling to get the same conditions in every mill?

When in a well-regulated mill, running with the same speed, with an artificial condition within the breaker room and the picker room and the slasher room you can without any additional cost produce the same condition in New England that you do in the South, and the same condition in the South that you do in New England, surely the Senator from Utah is not going to come here and say that because our mills have had a condition of speed and of climate that might not make the product as good in one as in the other he is going to penalize the grower and penalize the producer of the raw material because some man wants to use an old, worn-out system and thereby enrich himself at the expense of those who produce the cotton.

Mr. McCUMBER. Mr. President, I am always interested when it comes to grading cotton. I want, first, to answer the suggestion made by the Senator from Utah [Mr. SMOOT], that these samples would be of no benefit, because you could not compel a purchaser to buy according to such samples; but, after all, does not the Senator think it would put the seller upon fighting ground, at least, if he had a sample before him that he could compare with his own, and say, "Mine is just as good or better than that sample"? Would not it put him in a position, anyway, to demand his rights?

I am quite well satisfied that if we could have such a thing as Government standardization of grain, and we could have a sack of No. 1 northern, No. 2 northern, and No. 3 northern at every principal place of primary market, the farmer could come in, take a handful of it, then take a handful of his own wheat, compare them, and weigh them, it would help him considerably in demanding and securing the right kind of a grade if he happened to run up against one of the kind of grain buyers of whom the Senator from Minnesota [Mr. NELSON] spoke the other day, who are altogether responsible for our sufferings in my particular State. So I am in favor of that; but I want to ask the Senator from South Carolina a question before he goes away. As I understand, we now have Government standardization of cotton?

Mr. SMITH of South Carolina. Yes.

Mr. McCUMBER. Was that fixed by law?

Mr. SMITH of South Carolina. It was fixed by law.

Mr. McCUMBER. By the law of Congress?

Mr. SMITH of South Carolina. By the law of Congress.

Mr. McCUMBER. How on earth did the Senator get votes enough in the Senate to pass a bill to standardize cotton?

Mr. SMITH of South Carolina. I will state to the Senator from North Dakota that that miracle happened before I came here.

Mr. GORE. Mr. President——

The VICE PRESIDENT. Does the Senator from North Dakota yield to the Senator from Oklahoma?

Mr. McCUMBER. Yes.

Mr. GORE. I wish to say to the Senator from North Dakota that the Government has prepared a series of standard grades for cotton under an appropriation carried in an Agricultural appropriation bill, and it is proceeding to prepare grades of corn and of other grain under a similar provision in the Agricultural appropriation bill.

There is no law requiring cotton sold for interstate commerce to be sold on the basis of those standard grades. I have introduced a bill, which is now in the Committee on Agriculture and Forestry, requiring the standardization of cotton grades and requiring the persons who grade cotton for interstate shipment to use the official standard grades of the Government. I have introduced a like bill respecting grain grades, and it is my hope, with the earnest cooperation of the Senator from North Dakota, that we shall, sooner or later, be able to pass both of those measures through the Senate and through the other House of Congress, so that the use of these standard grades will be required in interstate commerce respecting both cotton and grain.

With the permission of the Senator from South Carolina [Mr. SMITH], I will proceed to say that it is estimated by the Department of Agriculture that the cotton producers of Texas alone lose $40,000,000 a year because the information respecting the actual utility of different grades of cotton is not in the possession of farmers and that utility is not acted upon in the trade. Now, there is no compulsory method of obliging purchasers to pay these prices based on these different utilities, but it is a matter of education. I assume that a farmer on 160 acres of land in Utah or in California, covered with rock and cactus, might be willing to sell it for one price, but if he knew it contained a gold mine he might exact a little higher price. When the producers of cotton learn that the actual utility in the different grades of cotton does not differ in accordance with the commercial grades, as they have hitherto existed in the trade, the farmer will probably insist on a little more generous price, or, at any rate, that is the hope of the department and the hope of those in the Senate who are concerned in the welfare and prosperity of the cotton producers of the South.

Mr. McCUMBER. I have no doubt in the world, Mr. President, that this would be most beneficial. You can very often take advantage of the seller of an article when he does not know what the article itself is worth, but if he has some standard by which to go, if he has some sample with which he can compare his own, then reading the market price of a particular thing that he has to sell, he will undoubtedly hold it until somebody will give him the grade to which it is entitled. If we furnish him the information that will enable him to determine to what grade he is entitled, I think we shall have done a great deal for him.

I, for one, can not agree with the Senator from Utah [Mr. SMOOT] that we could not afford to spend a hundred thousand dollars for this purpose, that might help the cotton growers in the saving of millions of dollars upon a single year's crop.

Mr. THOMAS. Mr. President——

Mr. McCUMBER. Just a moment. What has perhaps surprised me, Mr. President, more than anything else in this matter, is how we could get anything of this kind through, especially if the Senator from Alabama had been present and had opposed it with such eloquence as he uttered against grain standardization, stating that you might just as well have standardization for carrots and cabbages, and had the Senator from Missouri [Mr. REED] also been present, who declaimed against grain standardization, saying it was just as foolish to have standardization of grain as it would be to have standardization for turnips, eggs, and so forth—with that sentiment, which it seemed three-fourths of the other side agreed was logical, and voted accordingly the other day, I confess it has been a matter of great surprise to me how on earth we could have gotten a bill through the Senate which provided for Federal standardization of cotton.

In addition to that, I call attention to the fact that it will take something of an army of Federal employees to carry on this demonstration, to see that this work is done and that the farmers have an opportunity to see the demonstrating work done; it will take a great many more than it would have taken in all of the cities to have graded grain under the operation of the bill which I advocated the other day. It will take several times as many persons to carry into effect this provision; and yet that bill was assailed from all sides upon the ground that it was proposing to interject into the commerce of the country a great Federal machine with many Federal employees.

For the life of me, Mr. President, I can not see the difference between a Federal employee who goes to Minneapolis and grades a carload of wheat and a Federal employee who goes down to New Orleans and inspects and grades a bale of cotton. To me they look just exactly the same; and yet my friends from the cotton section, with the exception of a few of them—and I especially want to except my good friend from South Carolina [Mr. SMITH]—argued as to the viciousness of the appearance of a Federal inspector of grain up in Minnesota; and yet how lovely he appeared when he got down to New Orleans to inspect their cotton; how welcome he would be as a Government employee in the State of Louisiana and yet how objectionable he would be in the State of Minnesota or of Missouri or of Illinois. I now yield to the Senator from Colorado.

Mr. THOMAS. Mr. President, I quite agree with the Senator from North Dakota that there is no difference whatever between an inspector engaged in the work which he has described in Minneapolis and one engaged in the work which will under this amendment have to be done at New Orleans; but I should like to ask this question: If it be true—and I have no doubt the statement is well founded—that the State of Texas alone has lost $40,000,000 because of the lack of something of the sort described in this amendment, would it not be well for the losers of the $40,000,000 to put up the hundred thousand dollars which is desired for this purpose instead of asking Uncle Sam to do it?

Mr. McCUMBER. Well, Mr. President, I find myself forced to agree with those who think that Uncle Sam can do that work pretty well, because under his control it is done on a scientific, organized plan, and can probably be more effectively done than it can be done by the States. Furthermore, I do not know that the States have the information that is necessary to carry on this work. I am willing, at any rate, to grant them that amount. I know that this money could be spent in

very many ways that would not be as valuable to the country as it would be in increasing the cotton crop.

I am speaking upon this question at this time, because in the very next paragraph I shall offer an amendment to provide for the standardization of grain, not the inspection of grain by Federal employees, because the vote which was taken here the other day rather frightened me upon that proposition; but as all who spoke against inspection were in favor of Federal standardization, at least so far as their utterances went, I hope to have inserted in the bill, following this clause, a pro ision that has been proclaimed to be satisfactory to the entire trade of the country, and while it is not satisfactory to the farming element of the country, at least it is a step in the right direction; so I am going to appeal to those Senators who feel that the toilers in our fields should have protection to support me in that amendment.

Mr. President, I want to say a word with reference to the point of order. I think the point of order might possibly be leveled against the increase of the appropriation, but certainly I can not see how it is possible to claim that it is new general legislation. If I understand the rules correctly, when you provide for the expenditure of a certain sum of money for a certain purpose, you may also provide how it may be used to carry out that purpose, and an amendment that simply declares how the money appropriated is to be spent is not new legislation nor is it general legislation, because it is directed only against the method of the expenditure of that particular sum.

I have to-day been looking up the precedents on this subject, and I think probably I would be justified in calling the Chair's attention to a statement made by Vice President Fairbanks when he was in the chair. I will not read it now; but he declared that the precedents are very conflicting, so conflicting upon the subject of what constitutes general legislation that the Chair had nothing to follow in the line of precedents. The question has generally been submitted to the Senate, and the Senate itself has determined whether an item was general legislation or otherwise, according as to whether or not it wanted to pass the particular legislation. My examination of the authorities convinces me that the then Vice President was entirely correct in that statement, and that we really have no rule established by precedent as to what constitutes general legislation. We have this rule, however, Mr. President—and this is the particular thing I want to call to the Chair's attention—as stated by Senator Frye when President pro tempore of the Senate in a number of instances, whenever an item appropriates money for a particular purpose we can introduce and attach an amendment setting forth how the appropriation is to be carried into effect; in other words, we can limit it or in any way determine how the money shall be expended.

Mr. JONES. Mr. President, I want to ask the Senator from South Carolina a question, if he will allow me. Can he tell me how many sets of these samples this $100,000 will provide?

Mr. SMITH of South Carolina. The Department of Agriculture has made an estimate, and it says that—

If instead of furnishing full sets of grades—

That is, including what is called the half grades——

Mr. JONES. Would those be full sets?

Mr. SMITH of South Carolina. I think they will be sufficient. The department says:

If instead of furnishing full sets of grades the five principal grades—good ordinary, low middling, middling, good middling, and middling fair—were furnished, approximately 6,500 sets of grades and exhibits of yarns, etc., could be furnished.

That would take about $100,000.

Mr. JONES. In whose keeping or charge will these sets be placed?

Mr. SMITH of South Carolina. They will be placed in the hands of the buyers—that is, in the hands of the sworn weighers who are stationed at these places—and I have an amendment which I propose to offer to take care of that by providing that where sets shall be furnished the Secretary of Agriculture shall secure a proper individual to take care of them.

Mr. JONES. How are they made responsible for the safekeeping of these sets of samples?

Mr. SMITH of South Carolina. The samples are already put in such shape that they only need to be displayed, and the buyer, the individual, the sworn weigher, will himself be responsible for them. Very little care is necessary after they put them up in the form in which they now put them up.

Mr. JONES. Suppose a man takes a set of samples and puts them in his pocket and they are never again seen?

Mr. SMITH of South Carolina. Well, I suppose arrangements can be made, just as is now the case in sending out seed to the different farmers of our State for demonstration work.

Mr. JONES. As I understand, these samples are to protect the sellers of cotton from the men who buy. If you furnish the samples and put them in charge of the men who buy, it seems to me that there would be every inducement for them to get rid of the samples in some way, inadvertently or otherwise.

Mr. SMITH of South Carolina. I will state to the Senator that if we proceed on the supposition that no man will do his duty we will not get anywhere.

Mr. JONES. I do not understand that the men in whose hands these samples are placed are officials of the Government.

Mr. SMITH of South Carolina. Oh, no; but they are a check. The farmers demand them. They make requisition and indicate to the Department of Agriculture that they—the sellers, the producers—have made requisition. When they have made this requisition, and the samples are placed in the hands of the proper officials, the farmers will certainly see that the officials will always have the samples where they will be available for the farmers' benefit.

Mr. JONES. That is what I am trying to ascertain—in whose hands the sets of samples are going to be placed, and who is to be responsible for them. It seems to me that if we are going to make an appropriation of this kind we ought to make some provision specifying in whose hands the samples are to be placed, and providing for holding those persons responsible for their safe-keeping, and for their having the samples available whenever the sellers come in to sell. It seems to me that we shall find ourselves, at the end of the current year, with a demand for another $100,000 to replace samples that have been lost, inadvertently laid aside, misplaced, or something of the sort.

Mr. SMITH of South Carolina. I think that could be very well left to the Secretary of Agriculture. I intended to propose an amendment to the bill providing that these samples shall be furnished at such shipping points as he may prescribe, at the demand of the patrons of those shipping points.

Mr. JONES. Why not say "under such rules and regulations as may be prescribed by the Secretary of Agriculture"?

Mr. SMITH of South Carolina. Precisely; that is the point I make—"under such rules and regulations as the Secretary of Agriculture may prescribe for their safekeeping and proper exhibition."

Mr. McCUMBER. Mr. President, I was about to suggest to the Senator that even without the amendment the Secretary would undoubtedly make the necessary rules. He already has that authority; and I doubt not that there would not be a single little store, perhaps, in any town where cotton was marketed that would not be very glad to keep the samples there for the inspection of customers.

EXECUTIVE SESSION.

Mr. SHIVELY. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to, and the Senate proceeded to the consideration of executive business. After six minutes spent in executive session the doors were reopened, and (at 5 o'clock and 50 minutes p. m.) the Senate adjourned until to-morrow, Thursday, May 7, 1914, at 12 o'clock meridian.

NOMINATIONS.

Executive nominations received by the Senate May 6, 1914.

ASSISTANT REGISTER OF THE TREASURY.

John Floyd King, of the District of Columbia, to be Assistant Register of the Treasury, to fill an existing vacancy.

UNITED STATES ATTORNEY.

Edward C. Knotts, of Carlinville, Ill., to be United States attorney, southern district of Illinois, vice William A. Northcott, whose term expires May 6, 1914.

UNITED STATES MARSHALS.

Cooper Stout, of Murphysboro, Ill., to be United States marshal for the eastern district of Illinois, vice Charles P. Hitch, whose term has expired.

Christopher C. Gewin, of Greensboro, Ala., to be United States marshal for the southern district of Alabama, vice Gilbert B. Deans, whose term has expired.

POSTMASTERS.

ILLINOIS.

George H. Luker to be postmaster at Staunton, Ill., in place of Henry A. Fischer. Incumbent's commission expired April 1, 1914.

KANSAS.

Celia Hughes to be postmaster at Weir, Kans., in place of Philip Moore. Incumbent's commission expired April 20, 1914.

James W. Morphy to be postmaster at Russell, Kans., in place of Lavelle H. Boyd. Incumbent's commission expires June 2, 1914.

KENTUCKY.

George W. Snyder to be postmaster at Warsaw, Ky., in place of W. B. Graham. Incumbent's commission expires May 19, 1914.

LOUISIANA.

E. O. Lalande to be postmaster at Napoleonville, La., in place of E. T. Dugas. Incumbent's commission expired January 26, 1914.

Washington J. P. Prescott to be postmaster at Garyville, La., in place of Robert E. Rosenberger. Incumbent's commission expires May 24, 1914.

MAINE.

Alfred T. Hicks to be postmaster at Auburn, Me., in place of Winchester G. Lowell. Incumbent's commission expired April 12, 1914.

Morrill McKenney to be postmaster at Richmond, Me., in place of Thomas G. Herbert. Incumbent's commission expires May 31, 1914.

MARYLAND.

Thomas Y. Franklin to be postmaster at Berlin, Md., in place of Charles C. Mumford. Incumbent's commission expired May 2, 1914.

Oliver C. Giles to be postmaster at Elkton, Md., in place of George M. Evans. Incumbent's commission expired March 28, 1914.

MASSACHUSETTS.

Lawrence J. Dugan to be postmaster at Webster, Mass., in place of William I. Marble. Incumbent's commission expired December 13, 1913.

John M. Hayes to be postmaster at North Abington, Mass., in place of Ernest W. Calkins. Incumbent's commission expired April 29, 1914.

William J. Kenney to be postmaster at Attleboro, Mass., in place of John A. Thayer. Incumbent's commission expired March 31, 1914.

Eugene Meagher to be postmaster at Rockport, Mass., in place of William Parsons. Incumbent's commission expired March 17, 1914.

MICHIGAN.

Edgar W. Farley to be postmaster at Yale, Mich., in place of E. Harvey Drake. Incumbent's commission expires May 25, 1914.

H. W. Hagerman to be postmaster at Sturgis, Mich., in place of Chauncey J. Halbert. Incumbent's commission expires June 2, 1914.

James A. King to be postmaster at Manistee, Mich., in place of William J. Barnhart. Incumbent's commission expired April 1, 1914.

Charles E. Lovejoy to be postmaster at Milford, Mich., in place of John E. Crawford. Incumbent's commission expired April 1, 1914.

F. W. Richey to be postmaster at Dowagiac, Mich., in place of Julius O. Becraft. Incumbent's commission expired March 17, 1914.

MINNESOTA.

Michael J. Daly to be postmaster at Perham, Minn., in place of George M. Young. Incumbent's commission expired April 13, 1914.

MISSOURI.

Henry S. Hook to be postmaster at Jamesport, Mo., in place of James C. Harrah. Incumbent's commission expired March 28, 1914.

MONTANA.

Clemens H. Fortman to be postmaster at Helena, Mont., in place of George W. Lanstrum. Incumbent's commission expires May 17, 1914.

Samuel Hilburn to be postmaster at Kalispell, Mont., in place of James R. White. Incumbent's commission expires May 31, 1914.

NEBRASKA.

J. O. Blauser to be postmaster at Diller, Nebr., in place of Samuel C. Hutchinson. Incumbent's commission expired January 12, 1914.

Claude J. Brown to be postmaster at Lynch, Nebr., in place of Albert C. McFarland. Incumbent's commission expired March 1, 1913.

Thomas T. Osterman to be postmaster at Blair, Nebr., in place of Wesley J. Cook. Incumbent's commission expired April 20, 1914.

Edward W. Roche to be postmaster at Kimball, Nebr., in place of Isaac Roush. Incumbent's commission expired December 17, 1912.

NEW JERSEY.

John J. O'Hanlon to be postmaster at South Orange, N. J., in place of Frederic B. Taylor. Incumbent's commission expired April 20, 1914.

George N. Smith to be postmaster at Wildwood, N. J., in place of J. Albert Harris. Incumbent's commission expired February 21, 1914.

CONFIRMATIONS.

Executive nominations confirmed by the Senate May 6, 1914.

PROMOTIONS IN THE NAVY.

Rear Admiral Charles F. Pond to be a rear admiral.
Commander Thomas Washington to be a captain.
Lieut. Commander James P. Morton to be a commander.
Capt. Walter McLean to be a rear admiral.
Asst. Naval Constructor Alexander H. Van Keuren to be a naval constructor.
Asst. Naval Constructor Edwin G. Kintner to be a naval constructor.
Asst. Naval Constructor Fred G. Coburn to be a naval constructor.
Pharmacist Richard F. S. Puck to be a chief pharmacist.

POSTMASTERS.

CALIFORNIA.

George R. Bellah, Oxnard.
Wright S. Boddy, Oakdale.
James A. Lewis, Carpinteria.
Lottie L. Miracle, Campbell.
Joseph Scherrer, Placerville.
James F. Trout, Avalon.
J. D. Wagnon, Sonoma.

KENTUCKY.

Goalder Johnson, Hickman.

MICHIGAN.

Peter F. Gray, Lansing.
John Loughnane, Lapeer.

VERMONT.

Patrick H. Harty, Saxtons River.

WYOMING.

Perle R. Herrin, Hanna.

WITHDRAWAL.

Executive nomination withdrawn May 6, 1914.

Thomas E. Glass to be postmaster at Jackson, Tenn.

HOUSE OF REPRESENTATIVES.

WEDNESDAY, *May 6, 1914.*

The House met at 12 o'clock noon.

The Chaplain, Rev. Henry N. Couden, D. D., offered the following prayer:

Our Father in heaven, let Thy kingdom come in all fullness and possess our minds and hearts, that with a clearer vision, a wider sweep of knowledge, and a more earnest desire to do Thy will we may work together with Thee for the destruction of evil, that righteousness may be established in the earth, the longings of our souls be fulfilled, and all the world rejoice together in peace and happiness. In His name. Amen.

The Journal of the proceedings of yesterday was read and approved.

MEMORIAL EXERCISES AT NAVY YARD, BROOKLYN, N. Y.

Mr. FITZGERALD. Mr. Speaker, I ask unanimous consent for the present consideration of the concurrent resolution which I send to the Clerk's desk.

The Clerk read as follows:

House concurrent resolution 39.

Resolved by the House of Representatives (the Senate concurring), That for the representation of the Congress at the exercises to be held at the navy yard in Brooklyn, N. Y., on Monday, May 11, 1914, in honor of the men of the Navy and Marine Corps who lost their lives at Vera Cruz, Mexico, there shall be appointed by the Vice President 7 Members of the United States Senate and by the Speaker 15 Members of the House of Representatives.

SEC. 2. That the expenses of the committee shall be defrayed in equal parts from the contingent appropriations of the Senate and House of Representatives.

The SPEAKER. Is there objection to the present consideration of the resolution?

Mr. MANN. Reserving the right to object, will the gentleman from New York make some statement in reference to the resolution.

Mr. FITZGERALD. Mr. Speaker, on Monday morning next, May 11, the bodies of some 18 sailors and marines who were killed at Vera Cruz, Mexico, are to arrive in Brooklyn upon a United States battleship. Memorial exercises are to be held at the navy yard and, according to the statements that have appeared in the public press, the President, the Secretary of the Navy, the Admiral of the Navy and his staff, on behalf of the Government, are to be present, and the city of New York is officially to participate in these ceremonies. For that reason I offer this resolution, which provides that the Congress shall be officially represented at these ceremonies.

Mr. SABATH. May I inquire of the gentleman what the resolution provides as to the number of Representatives and Senators? I have introduced a similar resolution asking for 50 Members of the House and 15 Members of the Senate.

Mr. FITZGERALD. I have not seen the gentleman's resolution.

Mr. SABATH. I introduced it this noon, and that is the reason I made the inquiry.

Mr. FITZGERALD. This resolution provides for 7 Members of the Senate and 15 Members of the House. My recollection is that usually the representation of the House is larger than the representation of the Senate, but the Senate can fix its representation as it sees fit.

The SPEAKER. Is there objection to the present consideration of the resolution?

There was no objection.

The resolution was considered and agreed to.

IRRIGATION OF ARID LANDS.

Mr. CONNELLY of Kansas. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the subject of irrigation of arid lands.

The SPEAKER. The gentleman from Kansas asks unanimous consent to extend his remarks in the RECORD on the subject of arid lands. Is there objection?

There was no objection.

CHANGE OF REFERENCE.

The SPEAKER. The bill (H. R. 9628) to refund to the corporate authorities of Frederick City, Md., the sum of $200,000, exacted of them by the Confederate Army under Gen. Jubal Early, July 9, 1864, under penalty of burning said city, was by mistake referred to the Union Calendar. It should be on the Private Calendar. Without objection, the correction will be made.

There was no objection.

LAWS RELATING TO THE JUDICIARY.

The SPEAKER. The unfinished business is the bill (H. R. 15578) to codify, revise, and amend the laws relating to the judiciary.

Mr. MURDOCK. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. MURDOCK. If under the rules a Member should make a motion to dispense with Calendar Wednesday, and that motion should carry, what would be before the House?

The SPEAKER. The naval appropriation bill.

Mr. MURDOCK. There would be no chance to get to either one of the calendars?

The SPEAKER. To answer the gentleman further, of course you could not get the naval appropriation bill up without a vote of the House. If that was voted down, then the ordinary business would be before the House.

Mr. MURDOCK. Which would be the call of committees.

Mr. BARTLETT. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. BARTLETT. If there was a privileged bill on the calendar, that would be in order.

The SPEAKER. Of course, and as a matter of fact, there are two appropriation bills on the calendar.

Mr. MURDOCK. But they would have to be called up, and if they were not called up the Speaker would order a call of committees.

Mr. MANN. Nothing else is privileged.

The SPEAKER. There might be some other privileged matter. Under the rule the House automatically resolves itself into Committee of the Whole House on the state of the Union.

Accordingly the House resolved itself into Committee of the Whole House on the state of the Union, with Mr. RUSSELL in the chair.

The CHAIRMAN. The House is now in Committee of the Whole House on the state of the Union for the consideration of a bill of which the Clerk will report the title.

The Clerk read as follows:

A bill (H. R. 15578) to codify, revise, and amend the laws relating to the judiciary.

Mr. WATKINS. Mr. Chairman, on last Wednesday section 13 was temporarily passed so as to allow some information to be obtained. I now ask that that section be read.

The Clerk read as follows:

SEC. 13. In all States and Territories where there are reservations or allotted Indians the United States district attorney shall represent them in all suits at law and in equity.

Mr. WATKINS. For the purpose of getting the matter properly before the House I will move to strike out the last word and ask the Clerk to read the communication from the Commissioner of Indian Affairs, which I send to the desk.

The Clerk read as follows:

DEPARTMENT OF THE INTERIOR,
OFFICE OF INDIAN AFFAIRS,
Washington, May 5, 1914.

Hon. JOHN T. WATKINS,
Chairman Committee on Revision of Laws,
House of Representatives.

MY DEAR MR. WATKINS: I have your letter of April 30, wherein you ask for information as to the provision in the act of March 3, 1893 (27 Stat. L., 631), whereby United States attorneys are called upon to represent Indians in suits at law and equity, and which provision is section 13 of H. R. 15578, a bill to codify, revise, and amend the laws relating to the judiciary.

This provision of law is important and necessary, and should not be stricken from the bill under consideration by your committee.

Not many of the Indians, considering the entire population, are in a position to employ counsel to represent them in legal proceedings. There are but few tribal attorneys, and it is doubtful whether it might be considered a part of their duties to represent the Indians. This section of law therefor affords, in many instances, the only means of procuring counsel for the Indians in order to prosecute or defend their rights, and is a necessity of which they should not be deprived.

I earnestly recommend that the item be left in the bill.

Very truly, yours,

CATO SELLS, *Commissioner.*

Mr. STEPHENS of Texas. Mr. Chairman, in the State of Oklahoma each of the Five Civilized Tribes have employed an attorney at a stipulated price, who attends to all the business of these Indians as tribes and as allotted individuals. What I desire to ask the gentleman is whether or not the authorization of the United States attorneys under this section 13 would in any way repeal the law regulating the duties of these employed attorneys by the tribes?

Mr. WATKINS. From the communication which I have had read from the Commissioner of Indian Affairs I do not think so. They are familiar with the facts in the matter, and they say the section should be left in for the protection of the Indians, and that it would in no way conflict with any other law.

Mr. STEPHENS of Texas. I think it necessary that they should be represented by competent counsel. There are no Indians that have employed attorneys except the Five Civilized Tribes.

Mr. GREEN of Iowa. This section in the bill is the present law?

Mr. STEPHENS of Texas. Mr. Chairman, I asked the question in order to know what would be the result if there was a conflict between the two authorities. I suppose they will settle that among themselves. I think the law is a good one. I have no objection to it.

Mr. WATKINS. Mr. Chairman, I withdraw the pro forma amendment.

Mr. STAFFORD. I think some action ought to be taken on section 13.

The CHAIRMAN. The gentleman can make a motion to strike the section out if he desires.

Mr. WATKINS. Mr. Chairman, it was simply passed over for further consideration.

Mr. STAFFORD. With no motion pending?

Mr. WATKINS. No.

Mr. STAFFORD. Did the gentleman ask to return to that section?

Mr. WATKINS. Yes; on last Wednesday I asked to postpone consideration of that section until to-day, and this morning the section has been reread, and a communication from the Commissioner of Indian Affairs has been read to show that it is necessary to remain in the statute.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

SEC. 36. Every clerk of a district court or circuit court of appeals, before entering upon the duties of his office, shall give bond to the United States in a sum not less than five thousand and not more than forty thousand dollars, to be determined by the Attorney General, with sufficient sureties, to be approved by the court for which he is appointed, faithfully to discharge the duties of his office, and to lawfully account for, pay over, and disburse all moneys received by him as clerk;

and seasonably to record the decrees, judgments, and determinations of the court for which he is clerk. Whenever the business of the courts in any judicial district shall make it necessary in the opinion of the Attorney General for the clerk to furnish greater security than the official bond theretofore given, a bond in a sum not to exceed $40,000 shall be given when required by the Attorney General, who shall fix the amount thereof. It shall be the duty of the district attorneys, upon requirement by the Attorney General, to give 30 days' notice of motion in their several courts that new bonds, in accordance with the terms of this section, are required to be executed; and upon failure of any clerk to execute such new bonds his office shall be deemed vacant. All bonds given by the clerks shall, after approval, be recorded in their respective offices, and copies thereof from the records, certified by the clerks respectively, under seal of court, shall be competent evidence in any court. The original bonds shall be filed in the Department of Justice.

Mr. WATKINS. Mr. Chairman, I offer the following committee amendment, which I send to the desk and ask to have read.

The Clerk read as follows:

Page 15, line 9, after the word "appeals," insert the words "including the clerks of the district courts for Hawaii and Porto Rico."

The CHAIRMAN. The question is on agreeing to the amendment.

Mr. STAFFORD. Mr. Chairman, I should like to inquire of the chairman of the committee whether there is any necessity for extending the provision to include the district courts of the Territory of Alaska?

Mr. WATKINS. Mr. Chairman, in the organic act of Alaska that is provided for and it is not necessary.

Mr. STAFFORD. Does not the gentleman think there should be some provision incorporated in the codification?

Mr. WATKINS. No; that will be attended to when we reach that in its regular order, if we ever succeed in doing so.

Mr. STAFFORD. If the chairman is to give consideration to that later, I do not want to press it.

The CHAIRMAN. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. WATKINS. Mr. Chairman, I have another committee amendment, which I send to the desk and ask to have read.

The Clerk read as follows:

Page 15, line 14, after the word "office," strike out the words "and to lawfully account for, pay over, and disburse all moneys received by him as clerk" and insert in lieu thereof the following: "And to lawfully account for all moneys received or earned by him as clerk."

Mr. WATKINS. Mr. Chairman, the object of the amendment is simply to compel the clerk to account for the money earned by him as well as fees received by him.

Mr. STAFFORD. Mr. Chairman, will the gentleman yield?

Mr. WATKINS. Yes.

Mr. STAFFORD. I understand that under the existing practice the clerks are entitled to collect certain prescribed fees, and then if the fees are in excess of the salary for that office he is obliged to turn the excess amount over to the Government. Would not this provision compel him to turn all of the fees over, regardless of whether they are a part of his salary or not?

Mr. WATKINS. Yes; it would require him to account for them, but not to absolutely turn them over.

Mr. STAFFORD. I understood the amendment proposed by the gentleman was to account for and pay over all moneys received and earned?

Mr. WATKINS. Mr. Chairman, I will state to the gentleman the status. Further on in the bill the gentleman will find that the clerks are placed on a salary basis. They are required to charge certain fees of office. Those fees of office are accounted for and paid over, but while they are paid over, if there is an excess over the amount of the salary which is designated in the bill, which is $5,000, that excess goes into the Treasury. If it does not reach more than that amount, then the clerk in effect retains the fees, but the fees must be accounted for and paid over. In other words, the clerks are to be paid salaries, but at the same time they account for and pay over the fees of office.

Mr. STAFFORD. At the present time, as I understand it, all the clerks are on a fee basis.

Mr. WATKINS. Yes; they charge fees and collect those fees, and by the provisions of this bill if the fees aggregate more than $5,000, then the fees are turned over into the Treasury, and if they do not amount to more than $5,000, the salary of the clerk is paid out of the fees.

Mr. STAFFORD. The salary of all clerks at the present time is not in excess of $5,000, provided the fees equal that amount?

Mr. WATKINS. That is correct, so far as this bill provides.

Mr. STAFFORD. And it is proposed in a subsequent provision in this bill to change that system and prescribe definite salaries for the clerks?

Mr. WATKINS. That is, they are placed on a salary basis, and the reason for that is this: There were clerks of the district court and clerks of the circuit court, and those clerks are now doing only the work of the district court, because the circuit courts have been abolished. In effect, they have double the work that they used to have. They used to get $3,500 and fees.

Mr. STAFFORD. The provisions which the committee have incorporated in the bill prescribe stated salaries for the clerks. Has the gentleman followed the bill recommended by the Committee on the Judiciary, which is now upon the calendar, prescribing the salaries of clerks?

Mr. WATKINS. No. That bill has not yet become a law. We did not feel authorized to incorporate that because of the fact that the commission which was authorized to do that class of work had not passed upon it. Wherever the commission, authorized to embody in their revision new laws, and they recommend it, we incorporate that new law, but unless the law had actually been passed by Congress we did not feel authorized to insert any new law.

Mr. STAFFORD. Did the committee incorporate in this instance and in the other instances the recommendations of the commission without passing upon the merits of the proposition?

Mr. WATKINS. I might say that largely we did.

The CHAIRMAN. The time of the gentleman from Louisiana has expired.

Mr. STAFFORD. Mr. Chairman, I ask that his time be extended for five minutes.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. WATKINS. Mr. Chairman, I will say that there are several instances in which I, as chairman of the committee, and members of the committee would have slightly changed the phraseology, and in some instances we might possibly have changed the substance, if it had not been for the fact that we were afraid of causing a confusion and a conflict with the decisions already rendered and bringing about an entanglement. For that reason we were so cautious as to go substantially by the recommendations of the commission until we came to a law that had been repealed or amended. When that had been done, we felt compelled under our duties to leave out the law repealed and put the language of the new law in the bill.

Mr. STAFFORD. Now, as I recall—perhaps my memory is at fault—when the joint committee, of which Judge MOON was chairman, had charge of this judiciary title in the Sixty-first Congress, it was stated that they did not necessarily follow the recommendations of the commission, but that in many instances they departed from the recommendations and failed to incorporate their recommendations in their report. Am I correct or not in that position?

Mr. WATKINS. I will state to the gentleman that being a member of the Committee on the Revision of the Laws at that time, and having passed upon that bill, I can state correctly that almost entirely the report of the commission was adopted. There may have been some few instances where the phraseology was slightly changed or an instance or two where the idea of the commission might have been changed, but they were rather the exceptions if at all. I believe I understand what the gentleman is referring to, and that was the abolition of the circuit courts; but that was the recommendation of the commission, if that is what the gentleman had in mind.

Mr. STAFFORD. It was not only limited to that instance throughout that large bill, but the committee departed from the recommendations of the permanent codification commission.

Mr. WATKINS. I just received on yesterday a letter from Hon. W. D. Bynum, a member of that commission, in which he calls my attention to the fact that the proposition by the gentleman is not correct, but that in fact, substantially to all intents and purposes, the entire codification as recommended by the commission was enacted in the bill known as the judiciary title No. 1.

Mr. STAFFORD. Now, that brings up the question which was before the committee last week, as to the inability of the committee to obtain the very valuable notes and work compiled by the joint committee, which, upon the death of Senator Heyburn, were transferred to the Secretary of the Senate for safe keeping. As I recall, the gentleman said he made a request upon the Secretary or some person connected with the Senate for the use of these papers and that they were refused. I am authoritatively informed—and I am considerably interested in this, as all members of the committee are, because we know that the attorney assigned by the Department of Justice, Mr. Lott, who is still connected with the service, was a most painstaking and efficient official and performed very conscientious work in going over the report of the commission——

The CHAIRMAN. The time of the gentleman has again expired.

Mr. STAFFORD. Mr. Chairman, I ask unanimous consent that the gentleman's time may be further extended for five minutes.

The CHAIRMAN. The gentleman from Wisconsin asks unanimous consent that the time of the gentleman from Louisiana may be extended for five minutes. Is there objection? [After a pause.] The Chair hears none.

Mr. STAFFORD. And that that data is now available for the committee, if they desire it—that the Secretary of the Senate replied to the gentleman when he received the chairman's request that it was only necessary to have some order of the Senate, so that the Senate might be able to have this data now in their possession returned whenever it was necessary, and that the Secretary of the Senate, in his letter to the gentleman, requested him to call upon him and arrange for an interview with some Senator who was a member of this joint committee, whereby some arrangement could be made, and that thereafter he received no reply whatsoever from the gentleman, the chairman of the committee.

Mr. WATKINS. Now, in reply, I wish to state, to begin with, that Judge Lott was a most valuable employee to the Joint Committee on Revision of the Laws of the House and Senate, as well as a member of the former commission, the labors of which ceased in 1906, and that Mr. Bynum was also a very valuable member of that commission to codify and revise the laws.

Mr. STAFFORD. He was a member of the commission?

Mr. WATKINS. He was a member of the commission, a very able man, a very efficient man from my experience in doing this work, and I have been in communication with both of them. More than that, I have been in communication with the brother of Senator Heyburn, who was also employed as a special employee by the Joint Committee on the Revision of the Laws, and have had assistance for a part of the time of Judge Lott during the arrangement of this bill, preparing the bill for the House, and I was assured that there would be no trouble at all; and following the suggestion of each and every one of them that there would be no trouble at all in having the papers which went in the report of the Senate placed in the hands of the committee which was doing the actual work of codification, I have no complaint to make of the Secretary of the Senate as to the course he took. I do not intend to reflect upon him at all. We were advised as to the location of these papers, and I addressed, with all respect and deference, this communication, and when it was received it had such conditions and such requirements connected with it I did not feel like it was necessary, that with the assistance which the committee had and in the progress we were making with it and with the benefits which we were deriving from the work which we had before us of the commission, the volume containing the work of the commission, we did not consider it necessary that we should comply with the conditions as a prerequisite that were put upon us by the Secretary of the Senate.

Mr. STAFFORD. As I understand the situation, the Secretary of the Senate only stated that at that time he could not deliver over this valuable data, but that he requested an interview with the gentleman so as to have an order of the Senate passed whereby these documents could be transferred to the committee—to my mind a very reasonable request—and that no notice whatsoever was taken by the gentleman or his committee to that request; and the reason for making the request for an interview was this, that Senator SUTHERLAND, who was formerly a member of that joint committee, believed that this joint committee would probably be re-created; and if it is the Senate will have need again of this valuable compilation.

Now, for one I recognize that this data as compiled by Mr. Lott would be of valuable service to the committee, and as this bill is likely to consume all the Calendar Wednesdays from now until the end of the session, and as the committee could have the use of that between Wednesdays to go over, I can see where the committee could obtain most valuable information for the use of the House if the gentleman would but apply to the Secretary for those documents.

The CHAIRMAN. The time of the gentleman has expired.

Mr. WATKINS. Mr. Chairman, I would like to have just two or three minutes to answer that last question.

Mr. STAFFORD. Mr. Chairman, I ask unanimous consent that the gentleman may proceed for three minutes.

The CHAIRMAN. The gentleman from Wisconsin asks unanimous consent that the gentleman from Louisiana may proceed for three minutes. Is there objection? [After a pause.] The Chair hears none.

Mr. WATKINS. I will state to the gentleman that while the requirements of the Clerk do not on their face appear unreasonable, it was not, on account of the controversy which had arisen with reference to the re-creation of this joint committee, deemed advisable by the chairman of the Committee on Revision of the Laws to comply with the requirements and stipulations made by the Secretary of the Senate. It is not necessary to go into detail to explain why this joint committee has not been re-created. But there are reasons which are supposed by some to be sufficient reasons. It may be that it is best that the joint committee should not be appointed. I do not know. That is in controversy. But, so far as the chairman of the Committee on Revision of the Laws is concerned, the bill has been introduced by the chairman as an individual Member of the House, to ask for the appointment of this joint committee, and that has laid in the committee room without any action on it at all.

Mr. STAFFORD. The gentleman will agree that this work on which Mr. Lott was engaged for so many years, and which is now in possession of the Senate, would be a valuable aid to his committee in passing upon these sections, because it represents the work of Mr. Lott, who was employed for years and years by the commission and later by the joint committee.

Mr. WATKINS. I suppose it would; but we did not know of the location of it until we had nearly finished the bill.

Mr. STAFFORD. Until about March of this year?

Mr. WATKINS. Along about there.

Mr. GREEN of Iowa. Mr. Chairman, I ask that the amendment be again reported. I could not hear it distinctly before.

The CHAIRMAN. Without objection, the amendment will be again read.

The amendment was again reported.

Mr. GREEN of Iowa. Mr. Chairman, I do not understand the necessity for this amendment. I do not wish to be captious, but it seems to me that the language as it stands now is superior to that which is proposed by the amendment. A clerk can not account for moneys that he does not receive, and I fail to see the object of this provision.

Mr. WATKINS. Will the gentleman permit an interruption?

Mr. GREEN of Iowa. Certainly.

Mr. WATKINS. I will say to him that the clerk simply accounts for moneys. He is not required to pay over any money which he does not receive, but he simply accounts for it, because he charges up every item in his fee bill when he does the work, and the Government is to get the benefit of it, and the officials of the Government must know to whom to look to make collection of the amount.

Mr. GREEN of Iowa. I fear the gentleman has not correctly taken the definition of the word "account." In my opinion it does not include such action as is referred to by the chairman. I think that a man can not account for funds which he has not received.

Mr. WATKINS. You will see the words "pay over" were left out of the amendment.

Mr. GREEN of Iowa. It is true the words "pay over" are left out of the amendment, but that does not help the situation. All of this language, in my judgment, could be left out of the bill without any injury, because if a clerk correctly discharges the duties of his office as is provided by the language preceding——

Mr. BARTLETT. May I suggest to the gentleman that certainly the word "disburse" ought not to be left out of the bill, because the clerk is the register of the court, and he holds the money that is deposited with the register of the court, and he disburses it, and only disburses it upon certain orders of the judge? He deposits it in the bank and pays it over to those entitled to it. I think the word "disburse" should be left in the bill.

Mr. GREEN of Iowa. But that is left out by the amendment, as I understand.

Mr. BARTLETT. That is left out. And the words "pay over" ought to be left in, because he has to account for and pay over the amount that is received for salaries. If the fees in the office exceed the amount paid for salaries, he has to pay that over to the United States and account for it.

Mr. GREEN of Iowa. I will say that if any of these words appear in the bill, this word "disburse" ought to be there also.

Mr. BARTLETT. I think so, too.

Mr. GREEN of Iowa. I think the amendment as now proposed——

Mr. MANN. Will the gentleman from Iowa [Mr. GREEN] yield for a question?

Mr. GREEN of Iowa. With pleasure.

Mr. MANN. As I understand the amendment, it only requires the clerk to account for the fees received or earned. It does not require him, as the present bill reads, to pay over the money. So would it not be the case that fees earned, but not received, the clerk would account for by so stating?

Mr. GREEN of Iowa. That would be true only, I think, as to fees which have been actually received. I am at a loss to understand how a man can account for money he has never received.

Mr. MANN. This does not say "moneys." This says "fees earned." He can account for fees earned as earned, but not collected, as it seems to me, under that amendment.

Mr. GREEN of Iowa. The original provision was "moneys earned." I have forgotten the exact provision in the amendment.

Mr. MANN. No; this provision is to lawfully account for and pay over and disburse all moneys received by him as clerk. I do not know that the word "moneys" would make any difference. This provision requires him to pay over.

The CHAIRMAN. The time of the gentleman from Iowa [Mr. GREEN] has expired.

Mr. GREEN of Iowa. Mr. Chairman, I ask unanimous consent to proceed for three minutes more.

The CHAIRMAN. Is there objection? [After a pause.] The Chair hears none.

Mr. MANN. Now, under the amendment he is not required to pay over moneys that he has earned but not collected, but to account for them. In other words, he has to account for all the fees earned. He may account for them as being part not collected. If he collects them, then he must account for the disposition of the money. I am using positive language, but I am asking for the gentleman's judgment more than expressing a judgment of my own.

Mr. GREEN of Iowa. I am inclined to think the gentleman from Illinois is correct as to the words "pay over," which ought to go out of the bill in any event, because the clerk receives certain money which he may not be required to pay over. But the clerk also earns money that he never receives, and, therefore, in my judgment, is under no obligation to account for it other than to make the necessary record in his books, which he would do if he discharged the duties of his office faithfully.

The CHAIRMAN. The time of the gentleman has expired. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. WATKINS. Mr. Chairman, I offer the following amendment.

The CHAIRMAN. The Clerk will report the amendment offered by the gentleman from Louisiana.

The Clerk read as follows:

Page 15, line 22, strike out the word "forty" and insert the words "one hundred."

The CHAIRMAN. The question is on agreeing to the amendment.

The amendment was agreed to.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

SEC. 37. In case of a breach of the condition of a bond of a clerk of a circuit court of appeals or district court, the United States or any person thereby injured may institute suit on said bond, and thereupon recover such damages as shall be legally assessed, with costs of suit, for which execution may issue in due form. If individual suing fails to recover in the suit, judgment shall be rendered and execution may issue against him for costs in favor of the defendant; and in case the United States shall fail to recover, costs of the suit shall be borne by the Government.

Mr. BARTLETT. Mr. Chairman, I move to strike out the last word.

The CHAIRMAN. The gentleman from Georgia moves to strike out the last word.

Mr. BARTLETT. This is a new law. Why is it necessary, I will ask the gentleman from Louisiana, to provide, if the party fails to recover his suit, judgment shall be rendered and issued for costs? Is not that the law now?

Mr. WATKINS. That is with reference to some of the other officials.

Mr. BARTLETT. It is so in all cases except in equity cases.

Mr. WATKINS. We wanted it to apply to all.

Mr. BARTLETT. In every case except equity cases, I understand, that is the practice in the courts of the United States. In a common-law suit, where the party is cast in the suit, judgment for costs follows, unless it be in certain classes of suits where the plaintiff does not recover as much damages as costs, in which event the plaintiff recovers only so much costs as damage. I do not see why it is necessary that in a common-law suit you should say that in case the Government fails to recover, the cost shall be assessed against the Government, as in a case where an individual fails to recover. A chancery judge can in an equity case apportion the costs among the parties according to what he may deem proper and equitable. In a common-law suit it follows, as a matter of course, that the costs follow the verdict and the judgment. I do not see any necessity for this, and I therefore ask why.

Mr. WATKINS. The other officials have this provision applying to them. This is simply made to cover the clerk also.

Mr. GREEN of Iowa. Mr. Chairman, I would like to ask the chairman of the committee a question, whether in line 14, before the word "individual," on page 16, the article "the" is not stricken out?

Mr. MANN. That word "individual" should be stricken out and the words "such party" inserted there.

Mr. GREEN of Iowa. I agree with the gentleman. Mr. Chairman, I move to amend by striking out the word "individual" in line 14 and in lieu thereof inserting the words "such party," in accordance with the suggestion of the gentleman from Illinois [Mr. MANN].

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Amend, page 16, line 14, by striking out the word "individual" and inserting in lieu thereof the words "such party."

Mr. GREEN of Iowa. Yes. Strike out the word "individual."

Mr. BARTLETT. That might not do, because that might refer either to the Government or the individual.

Mr. MANN. It is identically the language used in section 24. It is the same thing.

Mr. GREEN of Iowa. The word "individual" is not proper there, because it might be a corporation or a firm.

Mr. BARTLETT. I recognize that. Mr. Chairman, I move to strike out all of that paragraph after the word "form," in line 14 of page 16, down to the word "Government," because, it seems to me——

Mr. MANN. If the gentleman will permit, this language in section 37, as to the clerks' bonds, should be the same as it is in section 24 as to marshals' bonds, and, with the change suggested by the gentleman from Iowa [Mr. GREEN], it is identically the same. The other is old law.

Mr. BARTLETT. It may be old law. I will accept the suggestion of the gentleman from Illinois. It occurs to me that lawyers in enacting statutes ought to know the law as it has been ever since the judiciary act of 1789 was passed, and that the party cast in a suit pays the costs in the case.

Mr. MANN. When you provide in the same law for suits on marshals' bonds and on clerks' bonds it should be the same. The other change has already been made.

Mr. BARTLETT. All right. Mr. Chairman, I will withdraw my proposed amendment.

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Iowa [Mr. GREEN].

The amendment was agreed to.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

SEC. 38. The said bond shall remain, after any judgment rendered thereon, as a security for the benefit of the United States or any person injured by breach of the condition of the same, until the whole penalty has been recovered; and the proceedings shall always be as directed in the preceding section.

Mr. BARTLETT. Mr. Chairman, I move to strike out the last word.

The CHAIRMAN. The gentleman from Georgia moves to strike out the last word.

Mr. BARTLETT. I would like to ask the gentleman from Louisiana if that is put in here as new law?

Mr. MANN. I will say to the gentleman that that is the identical language in section 25 as to marshals.

Mr. BARTLETT. I understand the report on this bill proposes to say that the existing law is printed in roman and amendments are printed in italics.

Mr. MANN. I do not think this provision has been in as to clerks' bonds. They are trying to make it uniform as to clerks' bonds, the same as with respect to marshals' bonds.

Mr. BARTLETT. I understand; but I again repeat, Mr. Chairman, that we are simply saying something as new that is a hundred years old. We all know it is as old as the law and as the bond itself.

Mr. MANN. That is true. I suppose it is done more as a matter of convenience than anything else.

Mr. BARTLETT. We are simply writing into the statute what has been the common law in the country and what has been the practice of the courts for over 100 years in this country and for 200 years in England.

The CHAIRMAN. Without objection, the pro forma amendment will be withdrawn. The Clerk will read.

The Clerk read as follows:

SEC. 40. Every clerk of a district court shall, within 30 days after the adjournment of each term thereof, forward to the Solicitor of the Treasury a list of all judgments and decrees, to which the United

States is a party, which have been entered in said court during such term, showing the amount adjudged or decreed in each case for or against the United States, and the term to which execution thereon will be returnable. He shall also at the close of each quarter, or within 10 days thereafter, report to the Commissioner of Internal Revenue all moneys paid into court on account of cases arising under the internal-revenue laws, as well as all moneys paid on suits on bonds of collectors of internal revenue. The report shall show the name and nature of each case, the date of payment into court, the amount paid on account of debt, tax, or penalty, and also the amount on account of costs. If such money, or any portion thereof, has been paid by the clerk to any internal-revenue officer or other person, the report shall show to whom each of such payments was made; and if to an internal-revenue officer, it shall be accompanied by the receipt of such officer.

Mr. MANN. Mr. Chairman, I move to strike out the last word.

The CHAIRMAN. The gentleman from Illinois moves to strike out the last word.

Mr. MANN. I would like, if I may, to get a little more accurate understanding of what the italics mean in this bill and as to part 2 of the report of the committee. In this section, line 12, there are inserted in italics the words "is a party," and on page 39 of part 2 of the report of the committee is given what purports to be the existing law that is covered by section 40. But that does not begin to cover what is in this section. It may be that that is an error in part 2 in not containing section 797 of the Revised Statutes, which I have not examined. What I read may be in the existing law:

Every clerk of a district court shall, within 30 days after the adjournment of each term thereof, forward to the Solicitor of the Treasury a list of all judgments and decrees to which the United States is a party—

And so forth. I do not find that language under the head of section 40 as existing law in part 2 of the report. Now, is that the existing law, and inadvertently omitted from part 2 of the report?

Mr. WATKINS. It is inadvertently omitted. I do not know whether it was done at the Printing Office, or where.

Mr. MANN. I am not criticizing it or seeking to embarrass the committee in any way. I simply want to fix definitely in my mind what the italics mean. When you insert the italics "either party," I want to know whether that is or is not the existing law.

Mr. WATKINS. That was through an oversight at the Printing Office, or at some other place.

Mr. MANN. That might easily happen. I have no criticism to make of an oversight of that sort.

Mr. WATKINS. I will say to the gentleman, however, that the words "either party" are new words, which have been substituted for the words "or parties."

Mr. MANN. That is all right.

The CHAIRMAN. If there be no objection, the pro forma amendment will be withdrawn, and the Clerk will read.

The Clerk read as follows:

SEC. 45. If any clerk of any district court or circuit court of appeals of the United States shall willfully refuse or neglect to make any report, certificate, statement, or other document required by law to be by him made, or shall willfully refuse or neglect to forward any such report, certificate, statement, or document to the department, officer, or person to whom, by law, the same should be forwarded, the President of the United States is empowered, and it is hereby made his duty in every such case, to remove such clerk so offending from office by an order, in writing, for that purpose. Upon the presentation of such order or a copy thereof, authenticated by the Attorney General of the United States, to the judge of the court whereof such offender is clerk, such clerk shall thereupon be deemed to be out of office, and shall not exercise the functions thereof. Such district judge, in the case of the clerk of the district court, shall appoint a successor; and in the case of the clerk of a circuit court of appeals, the circuit judges shall appoint a successor. And such person so removed shall not be eligible to any appointment as clerk or deputy clerk for the period of two years next after such removal.

Mr. BARTLETT. Mr. Chairman, in line 10, page 19, it provides that—

Upon the presentation of such order or a copy thereof, authenticated by the Attorney General of the United States, to the judge of the court whereof such offender is clerk, such clerk shall thereupon be deemed to be out of office and shall not exercise the functions thereof.

Ought there not to be some provision made for something further than the mere presentation of the order to the judge? Ought there not to be some record made somewhere in the court of the receipt of the order and of the fact that the clerk has been removed?

Mr. WATKINS. It is an official order, and this is the old law.

Mr. BARTLETT. It may be the old law, and yet it may be objectionable. There ought to be some record of the removal in the court from which the clerk is removed, not simply the presentation of an order to declare the office vacant. I do not care to do anything more than simply to call attention to it.

The CHAIRMAN. If there be no objection, the pro forma amendment will be considered as withdrawn, and the Clerk will read.

The Clerk read as follows:

SEC. 50. No person shall at any time be a clerk or deputy clerk of a United States court and a United States commissioner without the approval of the Attorney General; and no marshal or deputy marshal, attorney or assistant attorney of any district, jury commissioner, clerk of marshal, no bailiff, crier, juror, janitor of any Government building, nor any civil or military employee of the Government, except as in this chapter provided, and no clerk or employee of any United States justice or judge shall have, hold, or exercise the duties of United States commissioner. It shall not be lawful to appoint any of the officers named in this section receiver or receivers in any case or cases now pending or that may be hereafter brought in the courts of the United States.

Mr. BARTLETT. Mr. Chairman, in the existing law there is a provision that clerks or deputy clerks must not be related to the judge within a certain degree of affinity or consanguinity.

Mr. WATKINS. Yes.

Mr. BARTLETT. That seems to have been left out. There is a provision in the existing code that the clerk or deputy clerk shall not be related to the judge in the fourth degree of affinity or consanguinity. Here you fix the qualifications of the clerk and prescribe certain things that shall disqualify him; but if this is a revision of the law, if you leave out the prohibition with reference to relationship, why does not that repeal the existing provision?

Mr. WATKINS. This simply relates to the holding of two offices at one time by the same person. It does not refer to the qualifications as a whole. The other provision still stands. This does not repeal it at all.

Mr. BARTLETT. This says—

No person shall at any time be a clerk or deputy clerk of a United States court and a United States commissioner without the approval of the Attorney General—

and you here prescribe what a man shall not do; and one of the exceptions to the existing law is left out of the qualifications.

Mr. MANN. Mr. Chairman, I move to strike out the last word. Under section 45 you provide for the removal of a clerk. He is at once removed upon the presentation of a certain order. Then you provide that the court may appoint a clerk. When can that newly appointed clerk perform any duties as clerk?

Mr. WATKINS. Immediately after he is appointed and gives the bond which is required of all clerks and takes the oath.

Mr. MANN. Section 50 says that no man shall at any time be a clerk without the approval of the Attorney General. Now, when you remove a clerk instantly, upon the presentation of a paper to him, and the district court appoints a clerk, is it possible to get the instantaneous approval of the Attorney General for the appointment?

Mr. WATKINS. There would be no objection to inserting the words "when he is qualified under the general law"; but the law covers that when it provides how he shall be appointed and how he shall be qualified. That would apply to the clerk so appointed as well as to any other clerk.

Mr. MANN. I suppose the matter must be covered somewhere in some way, if such a clerk has ever been removed; but here you provide that the clerk instantly goes out of office. Now, the court must have some one to perform the duties of clerk. Therefore you provide that the court may appoint a clerk. Then you provide that the clerk can not act until his appointment has been approved by the Attorney General.

Mr. WATKINS. There is a provision in the statute that the deputy clerk shall perform the duties of clerk until the successor of the clerk has qualified.

Mr. MANN. That may cover it.

Mr. BARTLETT. The old law covers that.

Mr. MANN. He can not act as clerk until after his appointment has been approved by the Attorney General.

Mr. BARTLETT. That is true.

Mr. WATKINS. That is correct; but the deputy clerk goes on with the work until the new clerk is qualified.

The CHAIRMAN. If there be no objection, the pro forma amendment will be considered as withdrawn, and the Clerk will read.

The Clerk read as follows:

SEC. 52. The judge of the district court of each district shall appoint a stenographer for such court, who shall hold his office during the pleasure of the judge: *Provided*, That when there are two or more judges for the same district each judge shall be entitled to appoint a stenographer for his court. Before entering upon said office he shall take and subscribe an oath well and truly to perform the duties of the same and shall file said oath with the clerk of the court.

Mr. MANN. I move to strike out the section. Is this now provided for by law in any way?

Mr. WATKINS. No; it is not.

Mr. MANN. How does it get into a codification bill?

Mr. WATKINS. It was recommended by the commission. It is placed here for the purpose of facilitating the progress of trials in the courts.

Mr. MANN. Oh, well, I do not think it will facilitate the progress of trials. Here is a proposition to have practically no one permitted to serve as stenographer in a court except the official stenographer, or some employee of the official stenographer. In a large city that is rank monopoly and ought never to be permitted. It is proposed to insert that in a codification bill. In my city, where the courts or some of them are sitting all the time, of course one stenographer can not do the work. That means that you will have an official stenographer who will have a lot of employees. That means usually that people who want correct transcripts do not want to take the transcript of the official stenographer, although they will have to pay for it.

Now, why should they be put to that burden? What is the trouble with existing conditions? It may be necessary while a court is seldom in session to have an official stenographer there and pay him a salary. We do not have to pay official stenographers salaries in these places where the courts are continuously in session, or in session much of the time, and I can see no reason why the Government should do it. How many judges are there?

Mr. GREEN of Iowa. Will the gentleman yield?

Mr. MANN. I am trying to get some information as to why this unusual provision should appear in a codification bill.

Mr. GREEN of Iowa. There is no provision now to pay a reporter.

Mr. MANN. There is no provision in this bill for paying the salary of the reporter. Section 93 says it shall be fixed by the Attorney General.

Mr. GREEN of Iowa. It might be added also that in the rural districts the Federal courts do not sit in continuous session and the reporter would not have a great deal to do. If he was employed at any ordinary salary he would get a great deal more than his services would be worth.

Mr. MANN. Section 93 provides for a salary to be fixed by the Attorney General, payable monthly, and in addition that they may collect and receive of the party requiring a transcript the sum of 10 cents per folio for the same. Of course you could not expect a stenographer to do all the work for the salary that he would receive. There is no reason in New York City, Philadelphia, Chicago, and various other places in the country where the courts are practically in continuous session for giving a monopoly to the judge as to designate who may take down the testimony in his court. He may appoint one stenographer, but there may be a dozen employed. The stenographer will let that out, hire others, and then get a rake-off on it. That is what will be done. It will become a public scandal if this provision goes into the bill. We will be paying a stenographer a salary, and in my town the chief stenographer may be making ten or twenty thousand dollars on the side and having the work done by persons whom he employs. And this in a codification bill, too; I do not see any excuse for it.

Mr. SCOTT. Mr. Chairman, I desire to call attention to the further fact, in addition to what the gentleman from Illinois has said, that in the rural districts—and when I say "rural districts" I mean such States as Iowa, Minnesota, the Dakotas, and Nebraska—and all through the West, the Federal courts sit at numerous places in the district. They only hold court a few days at a time in one division. It is customary, and I think almost universal, for the Federal courts to use the official stenographers of the local courts. To illustrate, in my city, which is a small one, we have four official stenographers. There is never any difficulty in having one or even two of these to attend the sessions of the Federal court. That is a great convenience locally throughout the division in which the court may be sitting. It is a convenience in this way, that when attorneys desire transcripts of evidence to perfect records they can get access to the local stenographers very easily and get their work done quickly. Otherwise, if the stenographer follows the court about, they have to send off to some other division. With four or five divisions within a district you never know where the stenographer is if he is following the court about. You write for a transcript, and he is probably off in another division 50 or 60 miles away by the time you get your letter there. It requires from a week to two weeks to get the smallest transcript of these cases, whereas you can get the accommodation almost immediately where the record is kept in the place where the reporter resides and where the notes are filed. It seems to me this would be followed by great inconvenience throughout the larger parts of the country.

Mr. WATKINS. Mr. Chairman, when the gentleman from Illinois first made the motion to strike out the section he asked as to the number of district judges. From the best data I have there are 92 district judges, not including Alaska, Porto Rico, and the Hawaiian Islands. On the proposition to strike out the section, I will say that the commission has recommended that there be official court stenographers provided for, and they give this as a reason for it:

> The value of shorthand notes of testimony and other proceedings in expediting trials and insuring accuracy in bills of exception and transcripts on appeal is abundantly established in experience. It is believed to be desirable that this duty shall be performed by a sworn officer of the court, with such provisions as will secure the preservation of the notes. The laws of nearly all the States provide for court stenographers, and there are abundant considerations of convenience and economy which dictate that the laws of the United States should no longer fail to do so.

There is a vast difference between stenographers who are competent to be appointed as official stenographers of courts and a stenographer who might be called into the case in the city or hamlet, jerked up all of a sudden and placed in court to take stenographic notes of a technical nature. The trial might be full of technical features that the ordinary stenographer would not be familiar with. It is a great detriment to the work, for a green stenographer who may be able to take and transcribe notes from dictation in a law office, or a stenographer taken from a counting house who was not an expert in legal work, on account of the mistakes and errors that he would fall into. In such cases it is a great detriment to the parties litigant, and is in every way objectionable.

Now, Mr. Chairman, this is purely for the purpose of putting them on an official basis, to regulate their conduct by rules established by the court, and make them amenable to the court under those rules. I think it is proper that official stenographers should be provided for. Not only do the commissioners recommend this, but this particular provision has been gone over carefully by those who are interested in seeing that the laws are properly enforced and that only proper laws are passed, and that the official conduct of the court shall be governed as far as possible by certain rules and regulations established by order of the court. This is not a hasty conclusion which the committee has come to, but it is after due and careful deliberation that these various sections were put into this codification.

Mr. MANN. Mr. Chairman, I appreciate the fact that this committee did not insert these sections in the bill but that they came originally through the commission that was appointed.

It was not the duty of the commission to insert it, nor was the commission composed of those practical lawyers who knew about such things. It is absolutely impossible in the large cities to comply with this provision and ever get the work properly done. What can you expect of a stenographer, for instance, who is requried to make a transcript with a provision in the law that when such service is rendered on behalf of the United States, or when the judge requires such a copy to assist him in rendering a decision, the stenographer shall make no charge? I understand that is the provision of the bill. Does the gentleman so understand it?

Mr. LLOYD. On page 93 there is a provision in the bill which authorizes the payment of a salary to the stenographer.

Mr. MANN. I understand; but what are you going to do about the salary? Here is a case, we will say, where the United States is one of the parties, and the trial may proceed for three or four months. That is not such an infrequent case. Does the gentleman think that we can fix a salary under which a stenographer will furnish a transcript of the testimony to the Government for that length of time for nothing?

Mr. LLOYD. Section 93 provides that the stenographer of the district court shall receive such salary as the Attorney General shall from time to time determine. If there was such a case as that which the gentleman states and the attention of the Attorney General were called to it, he would be entitled to see to it that the individual receive proper compensation.

Mr. MANN. I do not think he would. I do not think the Attorney General can fix a salary for a particular case.

Mr. BARTLETT. He has to have the money appropriated first with which to pay it.

Mr. MANN. And he can not fix it, anyway, unless the money is appropriated. In the one case you will not get a good report, because it would take a corps of stenographers to take the testimony for three months, and you could not get the work done if they received no compensation except a salary, because that would mean they would furnish the transcript for nothing. In the case of a private individual, you will not get good official stenographic work done for him.

Mr. LLOYD. I do not know how it will work out in the city courts, but I know that in the State courts, especially in the State of Missouri, with which I am somewhat familiar, we had this very trouble, and we changed the law so as to provide that every circuit court should have its official stenographer. The circuit judge appoints a stenographer, and since that law has been in effect we have had very little trouble with transcripts and very little trouble with the stenographers. Prior to

that time in many places in the State of Missouri the courts were not able to secure good stenographers; but now the stenographer receives a salary and receives compensation, and the result is that we have competent people.

Mr. MANN. I have no objection to a provision which would authorize the court to appoint a stenographer where it is necessary to have an official stenographer to get a transcript of the testimony.

Mr. LLOYD. But we have found this in Missouri: That the wisest course was to provide for official stenographers. Then there is never any question about what the record is, because the official stenographer's record is the record. Prior to that time, not having an official stenographer, very frequently questions arose as to what the testimony was.

Mr. MANN. And the question very frequently will arise now as to what the testimony is, because you will not get competent stenographers in this way. We have some official stenographers in our town, in some of the State courts, and, for aught I know, they perform very good service; but they do not receive a salary, nor do lots of lawyers accept their services, and they keep perpetually rowing about it, as I understand.

Mr. LLOYD. Mr. Chairman, I feel very sure that under the national law it would be the same thing as under the State law. Under the State law, where the judge appoints a stenographer, he feels to some extent responsible for the character of the person that is employed, and the result is that we have the very best stenographers there are employed by the courts.

Mr. MANN. Yes; but the gentleman knows perfectly well that one stenographer can not take the testimony. We have five or six stenographers to take the proceedings of this House, which only lasts five or six hours a day.

Mr. LLOYD. But the court will be just as particular in selecting two stenographers as in selecting one.

Mr. MANN. The court can select only the chief stenographer. He has nothing to say about the subordinates who will be hired to perform the work, giving a rake-off to the chief.

Mr. LLOYD. But that chief stenographer is responsible to the court, and if the work is not properly done it may be expected that the chief stenographer will lose his place. That is what the gentleman would do and what any sensible man would do in administering the law.

Mr. MANN. You can not do it. I have had practice enough to know that this is not workable.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois.

The question was taken; and on a division (demanded by Mr. WATKINS) there were—ayes 10, noes 10.

Mr. MANN. Mr. Chairman, I would demand tellers if there was any way of getting them; but considering the fact that it takes 20 Members to order tellers and there are only 20 Members present, 10 voting the other way, I shall not make the demand. I am not going to make the point of no quorum, because this bill was dead when it was born.

So the amendment was rejected.

Mr. MANN. Mr. Chairman, I move to strike out the first word "shall" on page 21, line 25, and insert in lieu thereof the words "may, at his discretion."

Mr. LLOYD. Mr. Chairman, we have no objection to that amendment.

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Illinois.

The amendment was agreed to.

Mr. NORTON. Mr. Chairman, I offer the following amendment:

Line 25, page 21, strike out the words "a stenographer" and insert in lieu thereof the word "stenographers."

Mr. LLOYD. Would it not be better to add the words "or stenographers," and then if only one stenographer be needed only one will be appointed, and if he needs more than one it would give him authority to appoint more than one.

Mr. NORTON. Yes; I think it would be better wording, and I will offer that as an amendment. On page 21, line 25, after the word "stenographer," insert the words "or stenographers."

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Page 21, line 25, after the word "stenographer," insert the words "or stenographers."

Mr. BARTLETT. Mr. Chairman, I do not think that this amendment ought to be adopted. The present provision is one which I thought ought to have been stricken out; but as long as we have got it we ought to keep it as good as we can. The present provision is that the judge of the district court of each district shall appoint a stenographer for such court, and so forth, and it also provides on the next page where there are two or more judges for the same district, each judge shall appoint a stenographer for his court. Now, there are some districts in which there are two district judges—Alabama has three judges and two districts, so we will have in one district a judge who can appoint a dozen stenographers.

Mr. NORTON. I think he should have that right.

Mr. MANN. May I ask the gentleman a question?

Mr. BARTLETT. Yes.

Mr. MANN. The gentleman knows in a good many districts the district court holds court in a number of different cities.

Mr. BARTLETT. Yes.

Mr. MANN. Now, in those cities in general there are local stenographers.

Mr. BARTLETT. Yes.

Mr. MANN. Now, we pay the expenses of the judge traveling around $10 a day in addition to his compensation, but we aim to have deputy marshals and deputy clerks in those towns. Why should not we have a local stenographer in those towns to act as stenographer for the court instead of requiring an official stenographer to travel around with the judge at probably an expense of another $10 a day?

Mr. BARTLETT. Well, I do not think we ought to have the judge to appoint one man to be the official stenographer of the court. His compensation is to be fixed by the Attorney General and the provision carried in the legislative, executive, and judicial appropriation bill provides for the money for the payment of stenographers.

Mr. NORTON. Will the gentleman yield?

Mr. BARTLETT. Yes.

Mr. NORTON. If the gentleman lived in a district where the court was held in five or six different towns——

Mr. BARTLETT. That is exactly my condition; I live in a district where the court is held in a number of towns.

Mr. NORTON. Would not the gentleman prefer to have a stenographer appointed by the court in his town who would take the testimony in the court in session in that particular town, so that if he wanted a transcript he could get it readily and promptly rather than to be obliged to search all over the district to find where the court stenographer may be at any certain time?

Mr. BARTLETT. I have had some experience in the testimony taken in certain investigations in the district, and in my State the lawyers have certain difficulties in securing transcripts in cases where these stenographers are appointed by the judge. I think myself that the judge ought not to be permitted to appoint but one of these stenographers permanently, and if the court needs another stenographer in another case or in a particular emergency, why, then, we may be able to secure them, but to have a Federal judge or any other judge to appoint all over the district an unlimited number of stenographers, without any limit, according to this amendment, does not seem to me to be proper. He is not supposed to appoint one for each town he holds court in. He may appoint a stenographer in every district, and I am not willing, as far as I am concerned, to confer that power upon the Federal judiciary.

The CHAIRMAN. The time of the gentleman has expired.

Mr. NORTON. Mr. Chairman——

Mr. WATKINS. I did not understand whether the gentleman rose to discuss the amendment.

Mr. NORTON. To discuss the amendment.

Mr. WATKINS. Then I will wait until the gentleman has finished, as I would like to be heard on the amendment.

Mr. NORTON. Mr. Chairman, I know from what experience I have had with this subject in the court practice that local stenographers to take the testimony in cases that might be tried in any certain town or city where the court may be held are much more satisfactory to the practicing attorneys than to have but one official court stenographer. As has been admitted by all in debate on this subject, no one stenographer will be able to take all the testimony in any judicial district. It will be necessary for him to secure assistance, and I see no good reason why the court should not be given authority to appoint local stenographers in different towns or cities where the court may be held. I believe this amendment should be adopted and that it will facilitate the work of the court and be most satisfactory to all practicing attorneys.

Mr. WATKINS. Mr. Chairman, when the proposition was up to strike out the entire section, the gentleman from Illinois [Mr. MANN] contended that it would give an opportunity for the judges to appoint their favorites, and it would be squandering the public money to allow a man to appoint a stenographer and pay the salary to some favorite of his, but now the question is not to appoint one, but to appoint innumerable stenographers. If it is possible to conceive the idea that a district judge, a judge of the United States court, would take advantage of the opportunity which might be afforded him to select one steno-

rapher and use that to the detriment of the Government and be extravagant in the use of that stenographer, the argument would certainly be a great deal stronger on that line if any number of stenographers were allowed to be assigned by the judge. I do not concede, for my part, that the judges would take such advantage of the opportunity which they might have to practice what is sometimes called graft, but I do consider that if this amendment as now offered, allowing judges to appoint any number of stenographers which they see proper to appoint be adopted, it will be a great injustice to the Government, it will be an extravagance, and it will not be in line with economy.

Mr. NORTON. If the gentleman will permit, if a judge can appoint more than one stenographer, the gentleman says it will not be economy to the Government. These stenographers are not paid a salary unless the salary is authorized by the Attorney General, and if they do the work in their local towns or cities, their compensation need only be 10 cents a folio under the law. Is not that correct?

Mr. WATKINS. No; the salary is to be fixed by the Attorney General; he fixes the salary——

Mr. NORTON. But under the provisions of this bill stenographers are to receive 10 cents a folio, and the stenographer's salary over and above this may be merely nominal.

Mr. WATKINS. Later on in this bill which we are considering the salary is provided for.

Mr. NORTON. I understand in section 93 of this bill provision is made for the compensation to be paid stenographers.

Mr. WATKINS. Now, Mr. Chairman, there are districts in which the judges hold courts at four, and in some instances, perhaps, five different places, and at each one of those places the judge would naturally want a stenographer, and if this bill allowed a salary to each one of those stenographers, it would be vastly more than the mileage to which reference has been made here in this argument. Instead of being in the line of economy and reform it would be a most outrageous extravagance to allow any such liberty or opportunity as this on the part of the judges to appoint an indiscriminate number of stenographers. The salary will be fixed for each stenographer, and it is not to be supposed, if a man is going to devote his time and be set apart as official stenographer, that he would be satisfied with anything less than a reasonable salary for the reservation of his time. He might be permitted to do outside work, of course. Still, he would expect to receive a reasonable salary. I hope the committee will vote down the amendment.

Mr. STAFFORD. Will the gentleman yield?

Mr. WATKINS. Certainly.

Mr. STAFFORD. I assume the stenographers receive a stated salary at the present time?

Mr. WATKINS. No; they are on a fee basis.

Mr. MANN. There are no official stenographers.

Mr. STAFFORD. I understand that there are official stenographers.

Mr. WATKINS. No; there are no official stenographers. They are stenographers of the court, but they get so much a folio.

Mr. STAFFORD. I know that in the district court of Milwaukee there is a certain woman who has been connected with that court for 40 years.

Mr. WATKINS. I suppose she is efficient.

Mr. STAFFORD. She is a most efficient stenographer, and I thought she had some direct appointment. Certainly her services have the approval of the various district judges who have served in that court.

The CHAIRMAN. The question is on the amendment.

Mr. MANN. Mr. Chairman, I would like to be heard. A few years ago we had an impeachment trial, where one of the charges that was preferred was that Judge Swayne, I think it was, had taken $10 a day for his traveling expenses, the law providing, as I recall, that he should be paid his expenses not to exceed $10 a day. And he, and, as it developed, other judges, under the custom just took the $10 per day without regard to the actual expenses which they were granted. Now, if we pay the judge $10 a day while he is traveling from one place to another and sitting and holding court at a place where he does not live, as we do, we will be paying the stenographer the same thing. That does not look like economy to me. Take North Dakota, the State from which the gentleman comes who offered the amendment, and the distances are quite long. Now, what is the idea in saying that you have to have a stenographer to travel around with the judge instead of employing a stenographer at the town where the court is held? It will not add to the expense; quite far from it. It will save the Government an expense of probably $10 a day for most of the year. And if you have 93 stenographers—of course, they will not all be traveling, because in some States the judges do not hold court in different places—it will amount to quite a tidy sum. If I could get that amount for a year, I would retire now.

Mr. TAGGART. Will the gentleman yield?

Mr. MANN. I will.

Mr. TAGGART. Would there not be considerable difficulty in finding a competent stenographer at various places?

Mr. MANN. If he does not find a competent stenographer, he would not have to appoint one there. This does not require the judge to appoint a stenographer, but to give him permission to appoint more than one stenographer in his district, so that he may appoint an efficient stenographer in those cities where he holds court, and the Attorney General will fix the salary accordingly.

Mr. TAGGART. That is true; but would it lead, now, to this kind of trouble: Here is a party who is entitled to have a stenographer paid by the Government in the trial of a case that he is in, plaintiff or defendant. That is, in a civil case. In fact, the defendant in a criminal case is entitled to a transcript of testimony, as I understand it, and that is paid for by the Government——

Mr. MANN. There is no such provision in existing law or in this bill.

Mr. TAGGART. Is not there a provision of that kind in this bill?

Mr. MANN. No.

Mr. TAGGART. But here is the point, though. Independent of who pays for it, if we had a lawsuit we would be entitled to have a competent stenographer to take that testimony.

Mr. MANN. That is true; and we never have any difficulty in getting one. But the gentleman has not reached his point yet, and I am waiting for it.

Mr. TAGGART. The point is that it will be practically impossible to secure a competent court stenographer every place that the court might sit.

Mr. MANN. I am not discussing that question. I am discussing the question of whether he shall have power, if he is going to name an official stenographer, to only name one for his district, or whether he shall have the power to name one at the different places where he holds the court, instead of requiring the official stenographer to travel around with him at the expense of the Government. Now, we would have more than one judge if it were not for the fact that we have to pay the judges practically the same salary. They would have nothing to do most of the time. But the stenographers may be employed for a week or two weeks, in the course of a year, at one time, and do not have to get a year's salary for that. Their salaries can be graded accordingly.

The CHAIRMAN. The question is on agreeing to the amendment.

Mr. WILLIS. Mr. Chairman, I desire to be heard on the amendment. I want to call the attention of the committee to what will be done if we adopt the pending amendment. This section 52 proposes to so change the law that it shall read that the judge of the district court, in his discretion, may appoint a stenographer or stenographers for such court. Now, turning to section 93, it will be observed that this same bill provides that the stenographers of the district court shall recieve such salaries as the Attorney General shall from time to time determine. Taking those two sections together, it will be seen that if you adopt this amendment, here is what you propose to do: You propose to give to one officer of the Government authority to appoint as many minor officials of this particular character as he may desire—stenographer or stenographers. He may appoint one in every township, if he wants to do so, or in every school district. It is not likely that he would appoint that many, but he has unlimited authority to appoint stenographers. You give to one officer of the Government authority to appoint as many officials as he pleases, and then you give to another officer of the Government authority to fix the salaries of those minor officials. I do not believe that is wise legislation. It abdicates the power of Congress and concentrates too much authority in the hands of executive and judicial officers.

Mr. MANN. The gentleman knows that to be the law as to clerks and deputy marshals and other officials. I do not know whether it has been abused or not. If so, I never heard of it.

Mr. WILLIS. I know that is the law, but I do not believe in adding to an unwise law. I voted for the gentleman's amendment to strike out this whole thing and leave the appointment of stenographers as it now exists.

Now I yield to the gentleman from North Dakota.

Mr. NORTON. I was going to ask whether the gentleman thought this provision would be more abused than the provision for the appointment of clerks and the designation of the salaries of the clerks?

Mr. WILLIS. Well, I do not care to enter into a comparison of abuses. It seems to me this furnishes an opportunity for abuse. As a general principle of legislation, I do not believe it is wise to give to one officer authority to appoint minor officials without limit as to number and then to give to another official of the Government the authority to fix the salaries of those minor officials. I do not believe that is wise legislation, either in State or Nation.

Mr. NORTON. The gentleman's argument, then, presumes that whenever an opportunity is allowed for a district judge or the Attorney General of the United States to make abuses under the law, they will do so?

Mr. WILLIS. I do not presume anything of that kind; but I think that when this Congress is legislating it ought not willfully and with its eyes open pass a law that invites abuse. We ought, as far as possible, to prevent abuses instead of making it convenient and easy for the officials of the Government to abuse the law. That is what you do here—that is, to let one officer appoint as many minor officials as he pleases, and then let another officer fix the salaries as he pleases. I think you are entering upon unwise legislation. I think there should be a limit fixed by law as to the number of officers and the compensation paid.

Mr. SCOTT. Mr. Chairman, will the gentleman yield?

Mr. WILLIS. I yield to the gentleman from Iowa.

Mr. SCOTT. Does not the gentleman think that when one officer appoints a minor official and another fixes the salary they would be a check, one upon the other?

Mr. WILLIS. I think perhaps it would not be as bad that way as it would be to have the same officer appoint and fix the salaries. The point I make is that we ought not to have either one. We ought to have the number fixed by law, and in the same way we ought to have the compensation fixed. By the method proposed it would leave the whole thing subject to executive and judicial lawmaking. We simply invite abuse. I do not say that abuses will come surely, but I do not think we should invite abuses.

Mr. GORMAN. Mr. Chairman, will the gentleman yield?

The CHAIRMAN. Does the gentleman from Ohio yield to the gentleman from Illinois?

Mr. WILLIS. Certainly.

Mr. GORMAN. Does not the gentleman think we could so amend section 93 as to prevent abuse, the only abuse suggested by the gentleman, that too much may be paid out as salaries or too many people put on salaries?

Mr. WILLIS. If we adopt this amendment—which I hope we shall not do—I shall join with the gentleman in an effort to amend section 93. But "sufficient unto the day is the evil thereof."

Now, the amendment proposed is one that enlarges unduly the authority of the judge in the appointment of stenographers, and that is the amendment I am seeking to defeat. I think it ought to be defeated.

Mr. GORMAN. I will help you defeat it.

Mr. WILLIS. Good.

Mr. STAFFORD. Mr. Chairman, the question before the committee is one that resolves itself largely into one of convenience to practitioners. Under the present system, whether it has authority of law or not, the strenographers, by reason of the large fees that they are enabled to charge for transcripts of testimony, accompany the judges when they go to the respective places for holding court. Nearly every practitioner knows that stenography has advanced that far that you can find expert stenographers in every place where a court holds its session who will be expert enough to take the testimony.

There is this point that comes to my mind: That the practitioners appearing in these respective places should have their convenience considered in the transcript of testimony. Under the existing practice, when this perambulatory stenographer accompanies the court, immediately after the close of the session he or she returns to his or her headquarters. It may be difficult for an attorney to have his case made up by the transcription of the minutes because the stenographer is separated from the branch city where the court has been held for a brief session.

Now, so far as abuse of appointment by the court is concerned, every power may be abused, but certainly we have the right to trust implicitly the district judges, that they will not abuse this authority.

Now, the Attorney General's office, upon the recommendation of the district judge, has authority to appoint ad libitum assistant district attorneys to assist the district attorney, and fix their salaries up to a certain amount, and this provision has not been abused. In this section 93 there is ample safeguard provided so as to prevent abuse.

Mr. TAGGART. There is authority to allow the judge discretion to appoint more than one?

Mr. STAFFORD. Yes.

Mr. TAGGART. And if he finds one who is wholly satisfactory he can accompany him to the different places? Is that the idea?

Mr. STAFFORD. It leaves it to his discretion.

Mr. TAGGART. I am opposed to the Attorney General having the power to fix the salary of any stenographer.

Mr. STAFFORD. I will say to the gentleman that that is a matter that can come up in connection with section 93, where we provide the salaries and the fees which they are entitled to receive, and we can easily limit the salaries of the stenographers there, as may be seen, and allow them to take the fees that are customary in the case of court stenographers connected with State courts.

Mr. BOOHER. Mr. Chairman, will the gentleman allow me to ask him a question?

The CHAIRMAN. Does the gentleman from Wisconsin yield to the gentleman from Missouri?

Mr. STAFFORD. Yes.

Mr. BOOHER. What objection would there be to permitting the district judge to appoint a stenographer at each place where he holds court?

Mr. STAFFORD. That is the very intention of this amendment, to give him that power, whereas under the existing phraseology he has not the authority.

Mr. BOOHER. In that event the salary should be fixed at so much per diem for the time actually spent in court, and then for the fees for the transcript?

Mr. STAFFORD. That will be considered when we reach section 93.

The CHAIRMAN. The question is on agreeing to the amendment.

The question was taken; and the Chairman announced that the noes seemed to have it.

Mr. MADDEN. A division, Mr. Chairman.

The committee divided; and there were—ayes 19, noes 18.

Mr. MADDEN. Mr. Chairman, I think I shall make the point of no quorum.

Mr. DONOVAN. Tellers, Mr. Chairman.

The CHAIRMAN. The gentleman from Connecticut asks for tellers. Those in favor of ordering tellers will rise and stand until they are counted. [After counting.] Nine Members, not a sufficient number, and tellers are refused.

Mr. MADDEN. I make the point of no quorum, Mr. Chairman.

The CHAIRMAN. The gentleman from Illinois makes the point of no quorum. Evidently there is no quorum present. The Clerk will call the roll.

The Clerk called the name of Mr. ABERCROMBIE.

Mr. MADDEN. I withdraw the point of no quorum, Mr. Chairman.

Mr. GARRETT of Texas. I object. The roll call had commenced.

The CHAIRMAN. One name had been called. The Chair understands that after the point of no quorum has been made and the call has begun, it can not be dispensed with.

The Clerk proceeded to call the roll, when the following Members failed to answer to their names:

Adair	Drukker	Hulings	Montague
Anderson	Eagan	Humphreys, Miss.	Moon
Ansberry	Elder	Jacoway	Morin
Anthony	Fairchild	Jones	Moss, Ind.
Ashbrook	Ferris	Kahn	Moss, W. Va.
Austin	Fess	Keister	Mott
Baltz	Fields	Kelly, Pa.	Nelson
Barchfeld	Finley	Kennedy, Conn.	O'Hair
Bartholdt	Flood, Va.	Kent	Palmer
Beall, Tex.	Floyd, Ark.	Kettner	Patten, N. Y.
Brockson	Fordney	Kiess, Pa.	Patton, Pa.
Brodbeck	Gardner	Lafferty	Peters, Me.
Browne, Wis.	Garrett, Tenn.	Langham	Peters, Mass.
Burke, Pa.	George	Lee, Pa.	Phelan
Butler	Gerry	L'Engle	Platt
Callaway	Gittins	Lenroot	Porter
Campbell	Godwin, N. C.	Lesher	Prouty
Cantrill	Goldfogle	Lever	Rainey
Carew	Goodwin, Ark.	Levy	Reed
Carlin	Green, Iowa	Lindbergh	Reilly, Conn.
Clancy	Griffin	Lindquist	Riordan
Clark, Fla.	Gudger	Linthicum	Rothermel
Clayton	Hamill	Logue	Sabath
Coady	Hardwick	McCoy	Scully
Connolly, Iowa	Hart	McDermott	Seldomridge
Copley	Hawley	McGuire, Okla.	Sells
Covington	Hayes	McLaughlin	Shackleford
Crisp	Hobson	Mahan	Sharp
Decker	Houston	Maher	Sherley
Dershem	Howard	Martin	Slayden
Dooling	Hoxworth	Merritt	Slemp
Doughton	Hughes, Ga.	Miller	Sloan
Driscoll	Hughes, W. Va.	Mondell	Smith, N. Y.

Stanley	Townsend	Wallin	Williams
Stephens, Miss.	Treadway	Walsh	Winslow
Stevens, N. H.	Tuttle	Webb	Witherspoon
Talbott, Md.	Vare	Whaley	Woodruff
Temple	Vollmer	Whitacre	Woods

The Speaker having resumed the chair, Mr. RUSSELL, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee, having under consideration the bill (H. R. 15578) to codify, revise, and amend the laws relating to the judiciary, found itself without a quorum, whereupon he caused the roll to be called, and 282 Members responded to their names, and he herewith reported the names of the absentees to the House.

The SPEAKER. A quorum having appeared, the committee will resume its sitting.

The House accordingly resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 15578) to codify, revise, and amend the laws relating to the judiciary, with Mr. RUSSELL in the chair.

Mr. WATKINS. Mr. Chairman, we renew the request for tellers.

Mr. BURNETT. Mr. Chairman, a parliamentary inquiry. What is the question upon which tellers were demanded?

The CHAIRMAN. The Clerk will report the amendment for the information of the committee.

The Clerk read as follows:

On page 21, in line 25, after the word "stenographer" insert the words "or stenographers."

The CHAIRMAN. The Chair would like to state that it is his belief that the vote on this amendment was final before the point of no quorum was made. The Chair wants to state the condition as it was at the time. The amendment was presented to the House, and the vote was taken upon the amendment viva voce, then by division, and upon the division the amendment was carried. Then tellers were called for, and there were not a sufficient number to order tellers, so that tellers were refused. Then the point of no quorum was made. The opinion of the Chair and the information which he has on the subject is that the vote upon the amendment was final, but the Chair is ready to receive further light upon that question.

Mr. BARTLETT. I think the Chair is wrong. You can not decide the proposition of a quorum being present at a time when it was not present. If I am correctly informed, as soon as tellers were refused, the point of no quorum was made. It was demonstrated by the vote upon the division that there was not a quorum present, and it developed upon the call for tellers that there was no quorum present. Therefore less than a quorum could not decide the question as to whether tellers should or should not be ordered. There being no quorum present, the House was without power even to pass upon the amendment or to refuse tellers. It could do nothing without a quorum.

The CHAIRMAN. The Chair has not passed upon the question. He has only stated his impression. Knowing that this question would come up, he asked the gentleman from Alabama [Mr. UNDERWOOD], who thinks as the Chair thinks; but the Chair wishes to decide this question correctly, and will be glad to have any light upon it.

Mr. WILLIS. Mr. Chairman, I want to submit for the consideration of the Chair the following facts which the Chair has already stated quite fully. A division was had and the Chair announced that the ayes have it.

Mr. NORTON. A parliamentary inquiry, Mr. Chairman.

The CHAIRMAN. The gentleman will state it.

Mr. NORTON. What is before the House?

Mr. DONOVAN. A point of order, Mr. Chairman.

The CHAIRMAN. The gentleman will state it.

Mr. DONOVAN. The gentleman from North Dakota can not take the gentleman from Ohio off his feet by a parliamentary inquiry while the gentleman is addressing the Chair.

Mr. WILLIS. I yielded for the purpose, but finding out what the gentleman wanted, I want now to address myself to the parliamentary situation. The committee had divided and the Chair announced that the ayes had it. Thereupon a call was made for tellers. The Chair announced that tellers were refused, and immediately the point of no quorum was made by the gentleman from Illinois [Mr. MADDEN].

Mr. STAFFORD. Is the gentleman entirely accurate in his presentation of the facts? The facts are that a viva voce vote was taken, and the Chair declared that the noes had it. The gentleman from North Dakota demanded a division. A division was had, and there were 19 in favor and 18 opposed, and the Chair declared that the ayes had it, and thereupon a demand for tellers was had, but not a sufficient number arose, and the Chair declared that there was not a sufficient number. Then after the Chair declared that there was not a sufficient number the gentleman from Illinois made the point of no quorum.

Mr. WILLIS. That is substantially what I stated. As soon as the demand for tellers was made and the Chair announced that tellers were refused the point of no quorum was made. My contention is that as soon as the committee found itself without a quorum that invalidated the proceedings immediately antecedent to the time when the absence of a quorum was shown. A quorum now being present, proceedings must begin anew at the point where the last uncompleted matter was taken up, that is, where the call for tellers was made. Therefore it seems to me that the call of the gentleman from Louisiana for tellers is in order at this time.

Mr. NORTON. Mr. Chairman, the facts in this case have been stated, and what is the proper parliamentary proceeding is now the question. The facts are that a viva voce vote was taken and announced by the Chair as being carried. Then there was a call for tellers. Those in favor of tellers were asked to rise and a count was taken, and the Chair declared that the request for tellers was denied. If the question of no quorum was to be raised, it should have been raised before the Chair declared the demand for tellers was denied. If a vote in the Committee of the Whole House is ever to be final, it must be when tellers are asked for and denied by the Chair. I call for the regular order.

Mr. MADDEN. Mr. Chairman, I wish to submit to the Chair this thought: It became evident to me as a member of the committee that there was no quorum present, and the purpose of my making the point of no quorum was, in effect, to challenge the right of those having voted to pass upon the question finally. The mere fact that the point of no quorum was made is notice of that challenge. I submit to the Chair that nothing less than a quorum can act upon a question before the body if any Member present challenges the right of that number of less than a quorum to act. That challenge having been made, and the Chair having ascertained that no quorum was present, the action of the committee acting with less than a quorum is void. A quorum was afterwards developed by a roll call, and a quorum is now present, and it seems to me that the whole question must be referred back to a quorum through the quorum of the committee considering the subject matter on which the challenge was made. So I submit to the Chair that the action of the committee was not final, and can not be final, as long as the challenge is presented until at least a quorum of the committee is present and takes action. It seems to me that no one can raise the question of doubt as to the lack of the power of any number of Members present less than a quorum to take final action on any question before the House.

Mr. SISSON. Mr. Chairman, the House of Representatives, by the Constitution, as well as the Committee of the Whole House on the state of the Union, requires a quorum to be present for the transaction of business. The moment that it appears that less than a quorum is present, the action on that particular matter is vacated until you have a quorum. The precedents are uniform, so far as the question of the Constitution is concerned in the House. The same rule of construction must apply in Committee of the Whole House on the state of the Union, and the rules of the House require that there must be 100 Members present for the transaction of business.

Now, if it develops upon a demand for tellers that no quorum is present, then the fact that the Chair determines that there is no quorum present vitiates the whole proceeding, because the only way to determine whether or not the committee determines to take a vote by tellers is by a rising vote. If during that proceeding it should develop that no quorum was present, the mere fact that the Chair on a viva voce vote declared it carried does not amount to anything if it is determined upon the call for tellers that no quorum was present. That is all one contemporaneous proceeding. The gentleman has a right to demand tellers if dissatisfied with the Chair's decision on the viva voce vote, because that is the way adopted in Committee of the Whole to determine whether the Chair's decision is correct. When he appeals from the decision of the Chair he appeals and is entitled to an actual count; and being entitled to an actual count, the thing is not decided until he exhausts his remedy, and if it should develop that no quorum is present he is entitled to have a quorum, and has a right to demand whether or not the Chair's hearing was accurate in determining the question.

If that were not true, we would be in the anomalous situation of a man demanding tellers without there being anything like a quorum present, and then he would not raise the question if by the teller vote he should carry it. Suppose he had

tellers and carried it, he would not raise the question, but when he finds there is no quorum present it is his right to demand that a quorum shall be present.

Mr. LLOYD. Suppose it should occur now that tellers were refused; what would be the situation?

Mr. SISSON. If a quorum is present and tellers refused, it would be the decision of the Chair and the decision of the committee.

Mr. LLOYD. The gentleman's position is that no valid action has been taken in the case because it was developed that no quorum is present. Now he says if we should decide to raise the question of tellers and tellers were refused, then the action would be valid.

Mr. SISSON. Because a quorum has declined to grant tellers. *The committee* that has the right to act is declining to do it. Those people who acted heretofore had no authority to decline to grant tellers.

Mr. LLOYD. But that does not make valid that which is invalid; and the gentleman says that which has been done thus far is invalid, and the amendment was adopted.

Mr. SISSON. But the gentleman entirely loses sight of this fact, that a quorum of the committee can validate that which otherwise would be invalid. The very action of the majority of the committee, if there is a quorum present, taking that position settles the question.

Mr. NORTON. Mr. Chairman, will the gentleman yield?

Mr. SISSON. Yes.

Mr. NORTON. In a viva voce vote, when the question of tellers is raised, when is the action completed?

Mr. SISSON. I do not understand.

Mr. NORTON. When the vote is taken by rising vote, and tellers are demanded, when is the vote completed? Is it not completed when the Chair declares that tellers are denied, if there is not a sufficient number for tellers?

Mr. SISSON. No.

Mr. NORTON. The action is not then completed?

Mr. SISSON. Oh, because it is not then completed, if it should develop on that denial that no quorum was present. The Chairman has no right, nor has the committee any right, to bind anyone when a quorum is not present.

Mr. NORTON. If a quorum is present, is it not complete when the Chair declares that tellers are denied?

Mr. SISSON. If the committee declines to grant tellers, and a quorum is present, it is final, because the majority of a quorum has the right to act and bind the committee; but when you have no quorum present, then they have no right to bind the committee, no right to put an amendment on the bill, nor can the Chair's hearing determine that fact when as a matter of fact it is shown by actual count that no quorum is present.

Mr. NORTON. Then the gentleman admits that when a quorum is present and tellers are denied, the action is final?

Mr. SISSON. Final, because a quorum has the right to make it final.

The CHAIRMAN. The Chair is ready to rule. The gentleman from Louisiana has requested that the vote on the call for the tellers be again taken. The Chair will hold, after conferring with authorities upon the subject, that we must begin where we left off, the fact having been shown that there was no quorum present at the time the former vote was taken. The question is on ordering tellers. Those in favor of ordering tellers will rise and stand until counted. [After counting.] Twenty-six, a sufficient number, and tellers are ordered. The Chair appoints the gentleman from Louisiana, Mr. WATKINS, and the gentleman from North Dakota, Mr. NORTON, to act as tellers.

Mr. WATKINS. Mr. Chairman, before the committee divides, I ask unanimous consent that the amendment be again reported.

The CHAIRMAN. Is there objection?

There was no objection.

The Clerk again reported the amendment.

The committee again divided; and the tellers reported—ayes 15, noes 46.

So the amendment was rejected.

Mr. WILLIS. Mr. Chairman, I desire to invite the attention of the gentleman from Louisiana to this fact. The language in line 25, as I understand it, has been amended so that it reads:

The judge of the district court of each district may, at his discretion, appoint a stenographer for such court, etc.

I believe that was the amendment adopted. Is the gentleman satisfied with the language which follows on page 22, in lines 2 and 3, where it reads:

Provided, That when there are two or more judges for the same district each judge shall be entitled to appoint a stenographer for his court.

Does the gentleman think that is consistent with the other line as amended?

Mr. WATKINS. Yes; I think so.

Mr. WILLIS. It does not seem to me it is; but, if the gentleman is satisfied, I am not disposed to object to it.

Mr. GOLDFOGLE. Mr. Chairman, I would like to inquire what the situation is. As I understand it, with reference to the appointment of stenographers in a court, suppose there are three or four judges?

Mr. WATKINS. Each one has the right under that section to appoint a stenographer.

Mr. GOLDFOGLE. Without regard to the number of parts that the court holds?

Mr. LLOYD. Each judge has the right to appoint a stenographer.

The Clerk read as follows:

SEC. 53. Such stenographers shall, under the direction of the judge, attend all sessions of the court and take full stenographic notes of the testimony, and of all objections, rulings, exceptions, and other proceedings given or had thereat, except when the judge dispenses with his services in a particular cause or with respect to any portion of the proceedings therein. The stenographer shall file with the clerk forthwith the original stenographic notes taken upon a trial or hearing. He shall perform such other duties as the judge may from time to time require.

Mr. TOWNER. Mr. Chairman, I offer the following amendment which I send to the desk and ask to have read.

The Clerk read as follows:

Page 22, line 9, after the word "testimony" insert the words "and identify the record evidence in any trial, hearing, or proceeding."

Mr. TOWNER. Mr. Chairman, the object of the amendment is simply this. The language of the section is that he shall attend all sessions of the court and take full stenographic notes of the testimony, but apparently the phrase that should follow stating the things of which he should make stenographic notes was omitted. There is nothing there except the indication that he should take stenographic notes of the sessions of the court. Of course, that is not what is intended. What is meant to be reported are the trials and proceedings, and that is what is specified in my amendment. Besides, it is not only the evidence that is to be taken, but it is also necessary that he should identify the record testimony. Of course, it would not be desired, especially in cases where very voluminous record testimony was taken, that the reporter should transcribe all of the record evidence. It is only necessary that he should identify it and make it a part of the record. It seems to me that the chairman should have no objection to this amendment. I have another following it.

Mr. WATKINS. If I knew what the other was, I might not have any objection to it.

Mr. TOWNER. This stands on its own merit.

Mr. WATKINS. Standing that way alone, I do not see any particular objection to it. It may be coupled, however, with something else.

Mr. TOWNER. There is nothing that would be objectionable.

Mr. BARTLETT. I should like to have the amendment again reported.

The CHAIRMAN. Without objection, the Clerk will again report the amendment.

There was no objection, and the Clerk again reported the amendment.

Mr. TOWNER. So that it will read:

Such stenographers shall, under the direction of the judge, attend all sessions of the court and take full stenographic notes of the testimony, and identify the record evidence in any trial, hearing, or proceedings—

And so forth.

Mr. WILLIS. Does the gentleman think that comes in at the proper place, with what follows at the end of line 9?

Mr. BARTLETT. And he ought to identify the objections as well.

Mr. WILLIS. If the gentleman will read the amendment, and read what follows at the end of lines 9, 10, and 11, he will see it will not make any sense at all.

Mr. BARTLETT. It ought to identify the objections as well as the whole record.

Mr. STAFFORD. Will the gentleman yield there——

Mr. TOWNER. I confess I do not see any inconsistency.

Mr. STAFFORD. Why does not the general language found in line 10, "and other proceedings given or had thereat," cover the specific case instanced by the gentleman's amendment?

Mr. TOWNER. Well, I am inclined to think it would, except it leaves the language in lines 8 and 9 so that it does not identify the duty at all of the stenographer, "and shall take full stenographic notes, testimony, and"—and what?

Mr. STAFFORD (reading). "And shall take full stenographic notes of the testimony and"——

Mr. TOWNER. What?

Mr. STAFFORD. "Of all objections, rulings, exceptions, and other proceedings given or had thereat." We all know when an attorney presents any documentary evidence it is noted by the stenographer, and I suppose that general language covers just the case instanced by the gentleman's amendment.

Mr. TOWNER. The difficulty is this: It says, "and of all objections, rulings, and exceptions and other proceedings given or had thereat." What does "thereat" refer to? It refers, under the language as stated now, to the proceedings of the sessions of court. That is what is meant. My amendment follows the word "testimony," and it would read, "notes of the testimony in any trial, hearing, or proceeding."

Mr. STAFFORD. Does not the gentleman think that if this general language is not broad enough to comprehend the case instanced that it would be better to insert it after the word "thereat," in line 11, as suggested by the gentleman from Ohio [Mr. WILLIS]?

Mr. TOWNER. I have a further amendment in regard to that matter.

The CHAIRMAN. The time of the gentleman has expired.

Mr. WILLIS. Mr. Chairman, I desire to be heard against the amendment unless we can have some understanding as to its meaning. I have looked at the amendment very hurriedly, but I call the attention of the gentleman to how it would read as proposed. I will read the section as it would be if the amendment were adopted:

Such stenographers shall, under the direction of the judge, attend all sessions of the court and take full stenographic notes of the testimony and identify the records of the evidence in any trial or proceeding, and of all objections, rulings, exceptions—

And so forth.

That does not convey the meaning the gentleman wants; it would not be good English. I do not desire to oppose the gentleman's amendment, but does not the gentleman think there is force in that?

Mr. TOWNER. I think the language of the whole section might be greatly improved.

Mr. WILLIS. The gentleman had better withdraw the amendment and fix it up.

Mr. TOWNER. Mr. Chairman, I desire to withdraw the amendment for the present.

The CHAIRMAN. The gentleman from Iowa asks unanimous consent to withdraw the amendment. Is there objection? [After a pause.] The Chair hears none.

Mr. TOWNER. Mr. Chairman, I desire to submit another amendment.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Page 22, line 11, after the word "thereat," strike out the remainder of line 11, all of line 12, and down to and including the word "therein" in line 13, and insert in lieu thereof the following: "Upon the request of either of the parties to the litigation or the order of the court or judge."

Mr. TOWNER. Mr. Chairman, this amendment is based upon what I think to be a serious objection to the language used as reported by the committee, where direction is given for the taking of stenographic notes of the testimony and objections and rulings, that under the terms of the bill the power is given absolutely to the judge to dispense with the services of a reporter in any particular case or with respect to any portion of the proceedings therein. I can hardly think that the chairman of the committee or the committee would desire to give such power as that to the court or judge. That provision would allow the court or judge at any time merely by his order and with or without reason to deprive litigants of a complete record and thereby deprive them of their right to an appeal. This would amount to a denial of the right to a fair and impartial trial and a denial of justice. It would allow the court or judge to say that some part of the proceedings should not be reported that might be vital to the interest of some of the parties to the litigation. I can hardly think that that can be desired. Certainly it would not be safe to litigants, and for that reason I have inserted in lieu of that language that the right to have a case reported shall exist in all cases and shall be granted upon the request of either of the parties to the litigation or upon the order of the court or judge. That is, either of the parties to the litigation may ask that the matter shall be reported, or if the parties to the litigation do not desire it reported and the judge himself should desire it reported he may order that it be done. It must be evident such a provision would be very much safer for all parties concerned and work injustice to none.

Mr. STAFFORD. Will the gentleman yield?

Mr. TOWNER. Certainly.

Mr. STAFFORD. This is rather a technical criticism, but it may have some potency. The gentleman notices that the clause relating to the stenographers contains the phrase "attend all sessions of the court and take full stenographic notes," and I would inquire whether this clause would not modify the requirement of the stenographer to attend all sessions of the court, and would not the gentleman's amendment find a better place after the word "and," in line 8, so as to read:

Attend all sessions of the court and, upon the request of the parties to the proceedings, or judge, take full stenographic notes of the testimony and of all objections—

And so forth.

Mr. TOWNER. I think there would be no objection to its being inserted at that place. I certainly object—and I think it is a serious objection, a vital objection—to the provision of the bill giving the power to the court to prevent a record being made in any case. Such a power might be used—and certainly would be used—in such a way as to deprive litigants of a fair trial and of their right to an appeal. It is a dangerous power, too great and too dangerous to be granted to any person under any circumstances. I hope that the chairman and the members of the committee will accept this amendment.

Mr. GOLDFOGLE. Mr. Chairman, I ask that the amendment may be again reported.

The CHAIRMAN. Without objection, the Clerk will again report the amendment.

The amendment was again reported.

Mr. GOLDFOGLE. Mr. Chairman——

Mr. BARTLETT. There is a period after that. The words "stenographer shall file" do not follow after that sentence.

Mr. GOLDFOGLE. Mr. Chairman, I offer as a substitute that all words on line 11, beginning with the word "except," and all the words on line 12 and part of the words "proceedings therein," on line 13, be stricken out, and a period be inserted after the word "thereat," on line 11, so that there shall be stricken out the words:

Except when the judge dispenses with his services in a particular cause or with respect to any portion of the proceedings therein.

The CHAIRMAN. The Clerk will report the substitute.

The Clerk proceeded to read the substitute.

Mr. BARTLETT. A point of order, Mr. Chairman. There is already an amendment pending, offered by the gentleman from Iowa [Mr. TOWNER], to strike those words out and to substitute something, and this is a mere division.

The CHAIRMAN. Is not that all one amendment?

Mr. BARTLETT. Yes, sir; to strike out and insert.

The CHAIRMAN. The Chair understands it is one amendment. Now, this is a substitute to that. Is not that in order? The Chair thinks so.

Mr. TOWNER. This is only omitting a part of the motion to amend.

Mr. GOLDFOGLE. I think a substitute is in order to strike out the whole.

Mr. STAFFORD. Mr. Chairman, I respectfully submit the preference is always given to motions to perfect the text. This motion of the gentleman from Iowa is to strike out and insert, and that is a preferential motion to a motion to strike out, and must first be put. It does not preclude the gentleman from New York [Mr. GOLDFOGLE] offering his amendment in case the amendment of the gentleman from Iowa is refused. But at the present time it is not in order.

The CHAIRMAN. The Clerk will report both amendments.

The Clerk read as follows:

Amendment offered by Mr. TOWNER:
"Page 22, line 11, after the word 'thereat,' strike out the remainder of line 11, all of line 12, and down to and including the word 'therein,' in line 13, and insert in lieu thereof the following:
"'Upon the request of either of the parties to the litigation or the order of the court or judge.'"

Mr. BARTLETT. I call the attention of the Chair to section 449 of the Manual——

The CHAIRMAN. Now, the Clerk will read the substitute offered by the gentleman from New York [Mr. GOLDFOGLE].

The Clerk read as follows:

Substitute offered by Mr. GOLDFOGLE:
"Page 22, line 11, insert a period after the word 'thereat' and strike out the words:
"'Except when the judge dispenses with his services in a particular cause or with respect to any portion of the proceedings therein.'"

Mr. BARTLETT. Mr. Chairman, the amendment of the gentleman from Iowa [Mr. TOWNER] is to strike out the same words that the gentleman from New York offers to strike out, and to insert in their place certain substantive words and material. That must be first put before the motion to strike out the paragraph or section.

The CHAIRMAN. The amendment offered by the gentleman from New York is to strike out the same words as by the amendment offered by the gentleman from Iowa. The gentleman from Iowa asks to insert some other words to take their place, while the substitute of the gentleman from New York is to strike out and substitute nothing.

Mr. BARTLETT. That is it, exactly.

The CHAIRMAN. The Chair feels, with that understanding of the facts, that the amendment offered by the gentleman from Iowa should first be voted upon. Does the gentleman from New York [Mr. GOLDFOGLE] wish to be heard?

Mr. GOLDFOGLE. I do not desire to be heard on the point of order. I desire to be heard on the amendment offered by the gentleman from Iowa [Mr. TOWNER].

The CHAIRMAN. The gentleman from New York is recognized.

Mr. GOLDFOGLE. Mr. Chairman, I agree with the gentleman from Iowa that the power given to a judge in the bill as proposed is rather a dangerous power. It may be exercised, possibly, to the great disadvantage and detriment and injury of a party litigant. And I recall cases in the appellate courts, both in my State and in other States in the Union, in which reversals were ordered upon matter appearing in the record in both civil and criminal cases, which reversals would not and could not have taken place had the record not disclosed fairly the proceedings had upon the trial. Comments of counsel frequently form a legitimate place in the record of a trial. There are a variety of things that occur to the mind of the lawyer who has had experience in the trial of causes, which require a record of them to be made in the trial proceedings. In the case of a judge who would be inclined to be arbitrary or obstinate I can conceive that many things that ought to find place in the record would not be there because of an order of the judge to the stenographer to keep them out. Under our system of judicature, under our very liberal system that obtains in courts of justice, I am quite unwilling to allow the power to be vested in any judge to keep out of the record such matters as he may desire to keep out, but which have a proper place in the trial record. That is really the power that would be given a judge under the proposed bill.

Now, so far as the matter which the gentleman from Iowa [Mr. TOWNER] would substitute for that which he seeks to have stricken out is concerned, I am again apprehensive that if that matter were inserted it might also lead to abuse. I would like to be with the gentleman from Iowa in his amendment, but on the spur of the moment I am inclined to think that the amendment would be even too broad a power to confer.

Mr. TOWNER. Mr. Chairman, will the gentleman yield?

Mr. GOLDFOGLE. Certainly; with pleasure.

Mr. TOWNER. I will say to the gentleman from New York that I can conceive of no possible combination of circumstances that would permit any injustice being done, for this reason: As the section would stand then, it compels the reporting by the reporter of all of the trials and transactions that occur, unless the parties to the suits themselves waive it.

Mr. GOLDFOGLE. But you say "either party."

Mr. TOWNER. Yes.

Mr. GOLDFOGLE. You mean that either party might request it be left out, and then the judge could order it left out. I have not kept closely in mind the language of your amendment.

Mr. TOWNER. No, indeed; it is the other way. Either of the parties may request that this shall be done; either of the parties to the litigation may request that the report shall be made, or the judge himself may make the request that the report shall be made, so that any party who desires a full record, no matter what side he may be on, has the power to ask that there shall be a full record of the testimony taken.

Mr. GOLDFOGLE. Why should not a full record be made in every case? I want to say this to the gentleman from Iowa: I am not, of course, acquainted with the methods pursued in the courts in some of the States far distant from my State, but in my State, especially in my district—the southern district of New York—we take full record of the proceedings on the trial. We take the testimony in full; we mark the exhibits; and when the record is made up you have a perfect disclosure on it of what took place upon the trial between the court, the witnesses, and the counsel.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. TOWNER. Mr. Chairman, I ask unanimous consent that the gentleman's time may be extended for five minutes.

The CHAIRMAN. Is there objection to the gentleman's request?

There was no objection.

Mr. TOWNER. Let me say to the gentleman from New York that there are very many transactions in the courts where neither party desires all of the evidence taken—a great many transactions, in fact, where neither party nor the judge himself considers it of sufficient importance that any of it should be taken—and that, of course, saves a lot of trouble and expense. The parties to the suit have the right to preserve their rights by asking—either of them or any of them—that the full record shall be made, so that their rights may be fully preserved, if they desire. And even if the parties themselves might not desire the evidence to be taken and preserved, if the judge, for his own protection, desired that the evidence be taken and preserved, he has the right to make the order. So that it seems to me that everything possible that is necessary to preserve justice, or the opportunity for justice, to any party is preserved in the amendment.

Mr. GOLDFOGLE. Do I understand that in the State of Iowa the record is not completely made up by the stenographer, as, for instance, the taking down of the testimony, the objections, and the exceptions, and the charge of the court to the jury?

Mr. TOWNER. Certainly, in cases where it is desired; but the gentleman will understand that there are a great many cases that are tried where this is not done and where the parties do not desire it to be done.

Mr. GOLDFOGLE. It is not so over my way.

Mr. TOWNER. Oh, I think there must be in every court a great many of those proceedings that are not necessary to be preserved.

Mr. GOLDFOGLE. I understood a little while ago that each judge was to have the right to appoint a stenographer. Now, if that means anything at all, it means that a stenographer shall attend the court, that he shall take down the proceedings of the trial, so that the evidence or transcript of his minutes may be called for, and that whether for purposes of appeal or for some other purpose, the opportunity shall be afforded to the litigants to have that transcript furnished.

Mr. TOWNER. Certainly. There is no trouble about that.

Mr. GOLDFOGLE. That being so, why should there be anything in this act which would require any party to make a request in the first instance to have the case reported in full?

Mr. TOWNER. I will say to the gentleman that from a long experience on the bench I can safely say that in more than one-half of the transactions in the court, proceedings of various kinds, ex parte and otherwise, there is no necessity whatever that the entire proceedings should be reported, and nobody requires or asks that they shall be reported.

Mr. GOLDFOGLE. I have not reference to ex parte proceedings. I have reference to trials, both civil and criminal. And I want to say to the gentleman that after a very long experience on the bench I know that over my way they take upon the trial full notes of the proceedings; so much so that the appellate court has no difficulty at all in learning from the record what has taken place upon the trial, what the judge has done, and what he has said, so that the tribunal may be enabled intelligently to pass upon the questions presented for review.

Mr. TOWNER. Certainly. That is always the case whenever there is a trial or any contest whatever.

Mr. GOLDFOGLE. Would not the gentleman think it would be just as well to leave out all the words beginning with the word "except" down to the period, instead of inserting the words that the gentleman desires to have inserted?

Mr. TOWNER. No; because that would compel the stenographic reporting of all transactions of the court.

Mr. GOLDFOGLE. The gentleman means all the ex parte proceedings, and so on?

Mr. TOWNER. Yes.

Mr. GOLDFOGLE. I do not think that any judge cares to have ex parte proceedings taken down. I have no reference to them.

Mr. BARTLETT. Mr. Chairman, will the gentleman yield?

The CHAIRMAN. Has the gentleman from New York [Mr. GOLDFOGLE] concluded his remarks?

Mr. GOLDFOGLE. I have.

The CHAIRMAN. The gentleman's time has expired.

Mr. BARTLETT. Mr. Chairman, the gentleman proposes in his amendment, which I think is a proper one, that in those cases in which the parties think that they are of sufficient importance to have the services of a stenographer, or where the court itself shall direct it, whether the parties agree or not, and the case appears to be to him of sufficient importance, he then directs the stenographer to report the case, and it is only in those cases that it is compulsory upon the stenographer to take down the testimony. Is that correct?

Mr. TOWNER. The gentleman is correct in this, either party may demand—either party to the litigation.

Mr. BARTLETT. If one party declines and the other desires it, the judge can direct him to do it?

Mr. TOWNER. Yes.

Mr. BARTLETT. And if neither party desires it, the judge on his own motion can order it?

Mr. TOWNER. Yes.

Mr. BARTLETT. So that it depends upon either the wish or the views of one party to the suit, or the judge, as to the necessity of requiring this service?

Mr. TOWNER. Yes. This would leave it in this condition, that either party or the judge could demand that it be taken, whether the other party wishes it, or the judge wishes it, or not. His demand would be sufficient to require that the evidence be taken; or, if the parties themselves do not demand it, the judge may order it, so that in any case where any party to the litigation whatever might seek or require it, the opportunity will be given to have full record made.

Mr. BARTLETT. The gentleman understands that the Supreme Court of the United States, in the new rules which they have adopted, have endeavored to abolish the old method of bringing up everything that occurs in the court. They have adopted a new rule—which I think is a good one—which requires the parties to present the facts and what transpired in the trial in a narrative form, instead of embracing questions and answers and arguments pro and con and what the court said. The records of the courts have become so voluminous by pursuing the old method which the gentleman from New York [Mr. GOLDFOGLE] has referred to, of taking down every answer and every question and every objection and argument, that the court could hardly wade through them; and the Supreme Court, in the new rules they have promulgated, have provided what we have had in Georgia for 20 years, that you can not send up the stenographic report of what occurred and the questions and answers and all in that way, but that you shall present it in as concise a narrative form as the nature of your case will permit. That is what the Supreme Court requires now.

Mr. TOWNER. That is the rule also in our courts on appeal, I will say to the gentleman, and has been for many years.

Mr. GOLDFOGLE. Mr. Chairman, will the gentleman yield?

The CHAIRMAN. Does the gentleman from Iowa yield to the gentleman from New York?

Mr. TOWNER. Yes.

Mr. GOLDFOGLE. Of course the gentleman from Georgia is right, so far as cases on appeal are concerned, because the record is made up in narrative form from the transcript of the stenographer's minutes of what occurred upon the trial.

Mr. BARTLETT. I understand.

Mr. GOLDFOGLE. Now, what I had reference to when I made my argument was that in the first instance, in the court in which the trial takes place, there should be a stenographic report of the matters that legitimately should go into the record, and the judge ought not to have the arbitrary power to say to a stenographer, "Do not take that down, and do not take this down"; so that when you come to make up your case on appeal in narrative form, lo and behold, you find many things omitted that ought fairly to be presented to the appellate court in order that it may determine whether the objections made were tenable, or whether, as in a case that is now present in my mind, a very recent case in my State, the court can say that the whole atmosphere of the trial was such that it could not be said the appealing party had a fair trial.

Mr. BARTLETT. There is no difference between the gentleman from New York and myself on that subject. I think whatever occurred in court, where the case is of sufficient importance to require the services of a stenographer, should be taken down; and if the gentleman had practiced law in the courts down where I live he would know from experience the absolute necessity for such a practice.

Mr. RUCKER. Mr. Chairman, I beg the indulgence of the committee for a few moments, in order to make a very important statement, which may involve a slight violation of the rules governing debate in the House. A long time ago, so long almost that "the memory of man runneth not to the contrary," Michael Gill filed a contest against the gentleman from Missouri [Mr. DYER]. That contest was referred to Committee on Elections No. 3. In due time the testimony was taken and filed. Arguments were heard months ago, and months ago the committee reached a final conclusion. Several days ago at least a report was prepared, as I am informed, and printed for the examination and approval of members of that committee before being formally filed in the House. I am informed that the report has been agreed to by all those who favor it, a majority, in number, of the committee, but it has not yet been filed, and the Lord only knows when it will be filed.

Let me say that there is no disposition on earth on my part to utter one word which, by any kind of implication or construction, might reflect upon or criticize any of the members of the committee; but I believe I am justified in saying that members of the committee are pleading with the chairman to file the report, which has been agreed upon, and let the House take such action thereon as in its wisdom it should take. I have no doubt the distinguished chairman of that committee, who is now present and hears what I say, has some reason for his action in this matter in failing and refusing to file the report. It may be that at some time in the dim past some other contest hung fire like this one, but it does seem to me, with all deference and respect to the distinguished gentleman, the chairman of the committee, that no good reason can be shown why, when a committee of this House has solemnly reached a conclusion, that conclusion should not be furnished in a report to the House. I want to say in behalf of the Missouri delegation that there is some anxiety about this matter; but I want to say, further, that not one of them, to my knowledge—and I believe I am correctly advised—has taken any part, certainly no objectionable part, in this contest in any wise. All we have done was quietly to await the action of a committee of this House, without seeking in any manner, shape, or form to affect its action. But the committee having acted, we now feel that we have a right to demand, or I prefer to say, we feel we have a right to respectfully request, the chairman of the committee to take that committee's report out of his pocket and file it with the Clerk of this House, where it ought to be.

I make these remarks, Mr. Chairman, in the best of good humor, confessing my superb regard for the distinguished chairman and his great ability; but I have tried to make them pointed enough and plain enough, if possible, to induce the good gentleman to tell us when the House of Representatives may have the benefit of the deliberations and judgment of his great committee.

Mr. STAFFORD. Regular order, Mr. Chairman.

Mr. GOLDFOGLE. Mr. Chairman, the gentleman from Missouri [Mr. RUCKER] was right when he said he was digressing from the legitimate line of debate on this bill. I appreciate the good nature of the gentleman from Missouri, and want to thank him for the very kind compliment that he paid to the chairman of the Committee on Elections No. 3; but I would like to say to the gentleman from Missouri that he is a little in error with regard to the facts in the case to which he referred. If this were the time to enter upon a discussion of the facts and a recital of the details, I would be better enabled to enlighten the gentleman from Missouri as to the course——

Mr. RUCKER. Will the gentleman yield?

The CHAIRMAN. Does the gentleman from New York yield to the gentleman from Missouri?

Mr. GOLDFOGLE. In a few moments. I say I would be better enabled to enlighten the gentleman, if light were at all needed, as to the time it took to hear and determine the matters in controversy in that election case and to prepare in proper form and present to the House the committee report. However, I permit myself very briefly to call attention to the fact, not because it has a place in this debate, but so that I may in kind return my respects to the gentleman from Missouri, and to assure him that I am appreciative of his good nature. It was not until the beginning of the second session of this present Congress that in due course of practice and procedure of the House, with which, of course, the gentleman from Missouri is thoroughly familiar, the testimony in the case reached the committee. The testimony is embraced in two volumes, comprising 2,205 closely printed pages. The type in which it is printed is so small that really it has been most trying to the eye. If the record were printed in the type we are accustomed to use for appeal cases in my State, it would probably take up some 4,000 or 5,000 pages at least. In the type in which we print the hearings of committees it would likely make 7,000 or 8,000 if not more pages of print.

Mr. RUCKER. Will the gentleman yield?

Mr. GOLDFOGLE. Pardon me. I will yield to the gentleman from Missouri as soon as I complete my statement as to the record in the case. It is not before me now, but I think I have a clear recollection.

The briefs were voluminous. There was no desire on the part of the chairman of the Elections Committee, and there never will be a desire on the part of the chairman of the committee to determine any election case in any partisan spirit. I think I can speak for the committee over which I am privileged to pre-

side when I say I do not believe there was any desire on the part of members of that committee to determine the questions in any hasty or partisan way.

Mr. RUPLEY. Mr. Chairman——

Mr. RUCKER. Will the gentleman yield now?

The CHAIRMAN. Does the gentleman yield?

Mr. GOLDFOGLE. I yield to the gentleman from Missouri for a question.

Mr. RUCKER. Having decided all the questions contained in this voluminous record, why will not the chairman present the report of the committee?

Mr. GOLDFOGLE. In a moment I will tell the gentleman from Missouri, in the same spirit of good nature which he referred to me. The briefs submitted, I was about to say, were quite voluminous, the authorities cited were many, the questions that were presented were complex, and after we had gone through this record, after we had heard a motion to take further testimony, and after we concluded upon what we would do, the report was drawn. It was sent as a matter of courtesy to the different gentlemen of the committee before it was to be filed, so that if anything was to go in, or anything had been omitted by error, it might be corrected, and all questions avoided as to matter, form, or substance. I told some gentlemen, not that I need state it now, but the gentleman from Missouri is so extremely good-natured I can not resist telling him, that the chairman of the Committee on Elections No. 3 will, within a very short time, submit the report for the action of the House in the manner in which reports have usually been submitted, according to my experience and what I believe to be the practice of the House.

Mr. RUCKER. Mr. Chairman, the gentleman from New York having told me that the good-natured chairman will in a very, very short time make his report, and having taken so long a time——

Mr. GOLDFOGLE. Oh, the gentleman is in error; he did not take a long time. I am afraid my friend, who has had a long experience in the House and is a distinguished and able Member, has forgotten the course that these elections cases generally run. I know the gentleman has been very busy with the business of the House, that he has his hands full of matters in his own committee, and I know how ably he presides, and I know that the gentleman would not want to rush headlong into anything.

Mr. RUCKER. This case was settled long and long ago.

Mr. RUPLEY. Will the gentleman yield?

Mr. GOLDFOGLE. For a question.

Mr. RUPLEY. I am a member of the Elections Committee No. 3.

Mr. GOLDFOGLE. I trust the gentleman from Pennsylvania will recognize the fact that in this Committee of the Whole is not the place where the internal matters of the committee are to be discussed.

Mr. RUPLEY. I trust the gentleman from New York will recognize the fact that this is the place and the forum.

Mr. GOLDFOGLE. To pass upon the report of the committee?

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. RUCKER. Mr. Chairman, I ask that the time of the gentleman be extended three minutes.

The CHAIRMAN. The gentleman from Missouri asks that the time of the gentleman from New York be extended three minutes. Is there objection?

Mr. STAFFORD. I object.

Mr. RUPLEY. Mr. Chairman, I desire to address the Chair in my own right.

The CHAIRMAN. The gentleman from Pennsylvania.

Mr. RUPLEY. Mr. Chairman, I desire to interrogate the chairman of the Committee on Elections No. 3.

Mr. GOLDFOGLE. I raise a question of order.

The CHAIRMAN. The gentleman will state it.

Mr. GOLDFOGLE. The matter on which the gentleman desires to interrogate the gentleman from New York has no place now, while we are under the five-minute rule upon a revision of the laws in the Committee of the Whole House on the state of the Union.

Mr. RUCKER. A parliamentary inquiry.

The CHAIRMAN. A point of order is now before the House. The gentleman from Pennsylvania has the floor, and the gentleman from Missouri can not take him off his feet by a parliamentary inquiry.

Mr. RUPLEY. Mr. Chairman, I have listened to the discussion between the distinguished gentleman from Missouri [Mr. RUCKER] and the chairman of Elections Committee No. 3, the gentleman from New York, on the contest pending in this election between Michael J. Gill and Congressman Dyer. As a member of that committee I have insisted——

Mr. GOLDFOGLE. Mr. Chairman, I raise a question of order.

The CHAIRMAN. The gentleman will state it.

Mr. GOLDFOGLE. I raise the point of order that the matter to which the gentleman has reference is not germane to the bill now under consideration.

The CHAIRMAN. The point of order is well taken.

Mr. RUCKER. Will the gentleman from Pennsylvania yield?

Mr. RUPLEY. Yes.

Mr. RUCKER. Mr. Chairman, is it in order to move to suspend the rules long enough for the gentleman from Pennsylvania to ask the gentleman from New York one question?

The CHAIRMAN. The gentleman can not move to suspend the rules in Committee of the Whole.

Mr. RUCKER. I was not sure that it could be done, but I wished to find out.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Iowa.

Mr. TOWNER. Mr. Chairman, a suggestion was made by the gentleman from Wisconsin [Mr. STAFFORD] that perhaps the better place for the insertion of this amendment would be in line 8 instead of where the language is stricken out in line 11. I think that that is true, and with the consent of the committee I will change my amendment so that the insertion shall follow the word "and" in line 8. So that part of the section will read as follows:

Such stenographers shall, under the direction of the judge, attend all sessions of the court, and upon the request of either party to the litigation, or the order of the court or judge, take full stenographic notes of the testimony and of all objections, rulings, exceptions, and other proceedings given or had thereat.

The CHAIRMAN. Is there objection to the request of the gentleman from Iowa to modify his amendment as suggested?

There was no objection.

The CHAIRMAN. The Clerk will report the amendment as modified.

The Clerk read as follows:

Page 22, line 8, after the word "and," insert the words "upon the request of either of the parties to the litigation, or the order of the court or judge." And on the same page, line 11, strike out the words "except when the judge dispenses with his services in a particular case, or with respect to any portion of the proceedings therein."

The CHAIRMAN. The question is on the amendment.

The amendment was agreed to.

Mr. GOLDFOGLE. Mr. Chairman, I withdraw the amendment that I offered.

The CHAIRMAN. Without objection, the gentleman from New York withdraws his amendment.

There was no objection.

The Clerk read as follows:

SEC. 54. The stenographer shall, upon request, furnish, with all reasonable diligence, to the defendant or his attorney in a criminal cause, or a party or his attorney in a civil cause, a copy from his stenographic notes of the testimony and proceedings, or a part thereof, upon the trial or hearing, upon payment by the person requiring the same of the fees provided elsewhere in this title: *Provided*, That he shall make no charge for such services when rendered on behalf of the United States or when the judge requires such a copy to assist him in rendering the decision.

Mr. IGOE. Mr. Chairman, I offer the following amendment, which I send to the desk and ask to have read.

The Clerk read as follows:

On page 22, line 26, after the word "decision," insert the following: "*Provided also*, That in criminal cases punishable by imprisonment or death, where the defendant shall have been found guilty, a transcript of the evidence shall be furnished the defendant for use on appeal or writ of error in any court of review, and the cost of furnishing same shall be borne by the Government of the United States, provided the defendant shall make request therefor and shall file with his request a statement under oath that he is without means to pay the cost thereof and is unable to procure funds with which to pay the same."

Mr. IGOE. Mr. Chairman, I would like to state that this amendment was prepared by the gentleman from Illinois [Mr. GORMAN], who is not here at the present time. I think the amendment is a good one and should be adopted. It explains itself. The purpose of the amendment is to give the defendants in criminal cases who are unable to pay for a transcript the right to secure, on filing an affidavit of inability to pay, a copy of the testimony taken in the criminal cases at the expense of the United States Government.

Mr. BARTLETT. Mr. Chairman, will the gentleman yield?

Mr. IGOE. Yes.

Mr. BARTLETT. What are the requirements in the affidavit that he must make?

Mr. IGOE. He files a request for the transcript, together with a statement under oath that he is unable to pay for it and is unable to procure funds with which to pay for it.

Mr. WATKINS. Mr. Chairman, it is perfectly evident that every defendant—at least, a large majority of them—will avail

himself of this privilege, if the man is on trial for a criminal offense, particularly if he is guilty—if, in other words, he is a criminal not yet convicted. If he has been so badly disposed toward the law of the country as to violate the criminal laws, it is perfectly evident that he will always make this application and affidavit. I do not think that on a mere statement, whether sworn or unsworn, of the ordinary defendant in a court on the criminal docket we ought to grant this privilege at the expense of the Government. On the other hand, however, if there was sufficient showing made to satisfy the court that the defendant was a pauper, that he was not able to bear the expense, then it may be it would be proper for the Government to go to the expense of furnishing him with his testimony; but I shall certainly oppose the amendment unless the wording of it is so modified as to leave it clearly within the discretion of the court to say whether a sufficient showing has been made to justify the court in coming to the conclusion that the defendant is not financially able to bear the expense of the transcript.

Mr. TOWNER. Mr. Chairman, the matter raised by this amendment is really of considerable importance. I wish it might be more carefully considered by the committee. I think there ought to be some provision by which under some circumstances an indigent man charged with a serious crime could procure for his aid in appeal a copy of the testimony. I think there is no provision in the bill by which this can be secured, and it might result in a denial of justice. On the other hand, there are a great many cases that would come within the amendment that the gentleman has offered; for instance, cases against the postal laws and against the revenue laws, where the penalty is imprisonment, which are comparatively unimportant and in which, without an application made to the court or judge, the right ought not to be given to the defendant to procure the copy of the transcript of the evidence at the expense of the Government. My idea would be, if the amendment could be changed so that the application should be made to the court, and by him granted in his discretion, except in capital cases or in cases where the punishment might be imprisonment for life; and I think in such cases the man ought to have the right to the transcript whether or not the court orders it; in all other cases, I suggest it would be better if it were left to the judge to determine whether it should be granted.

Mr. IGOE. Does the gentleman mean that it should be left to the discretion of the court altogether, or does he mean to leave it to the court to determine whether the defendant is able to pay?

Mr. TOWNER. Yes; and whether it should be done at the expense of the Government.

Mr. IGOE. I would like to suggest I would be willing to modify the amendment, if it would meet the approval of the committee, so that the judge of the court might pass upon the affidavit and inquire into the facts as to the ability of the defendant to pay for the transcript, leaving it, therefore, to the judge to determine.

Mr. TOWNER. Would it not be necessary only to add to the amendment the words "at the discretion of the court"?

Mr. IGOE. I do not know that it would be very much of an improvement to leave it to the discretion of the court, both as to the ability to pay and as to whether the application should be granted. The judge might be a little bit backward about granting a free transcript in certain cases.

We know of one very prominent case very recently where the court indicated all through the trial a disposition to belittle the defense, and if one of the defendants in a case of that sort should apply for a transcript the judge might be unwilling to grant the request.

Mr. TOWNER. Mr. Chairman, I will say to the gentleman that if he will modify his amendment, even as he says, I will support it, although I would be better satisfied if it were left to the discretion of the court.

Mr. IGOE. Then I ask unanimous consent to modify my amendment by striking out the last proviso and inserting the following:

Provided, The defendant shall make request therefor and shall prove to the satisfaction of the judge that he is without means to pay the cost thereof and is unable to procure funds with which to pay the same.

Mr. WATKINS. Mr. Chairman, I think there will be no objection to that verbiage unless it is intended to strike out all of it after the word "provided."

Mr. IGOE. In the amendment I offered?

Mr. WATKINS. Oh, yes.

Mr. IGOE. This is an amendment to my amendment.

Mr. WATKINS. Yes.

The CHAIRMAN. The Clerk will report the amendment as modified.

Mr. TOWNER. I think perhaps it should read "provided also," because it follows the language "provided."

The CHAIRMAN. The Clerk will report the amendment as modified.

The Clerk read as follows:

Strike out the last proviso in the amendment and insert in lieu thereof the following: "Provided the defendant shall make request therefore and shall prove to the satisfaction of the judge that he is without means to pay the cost thereof and is unable to procure funds with which to pay the same."

Mr. STAFFORD. Now, Mr. Chairman, may we have the amendment reported as amended?

The CHAIRMAN. The Clerk will report the amendment as amended.

The Clerk read as follows:

Page 22, line 26, after the word "decision," insert the following: "*Provided also*, That in criminal cases punishable by imprisonment or death, where the defendant shall have been found guilty, a transcript of the evidence shall be furnished the defendant for use on appeal or writ of error in any court of review, and the cost of furnishing same shall be borne by the Government of the United States, provided the defendant shall make request therefor and shall prove to the satisfaction of the judge that he is without means to pay the cost thereof and is unable to procure funds with which to pay the same."

The question was taken, and the amendment was agreed to.

The Clerk read as follows:

SEC. 55. The stenographer shall attend to the duties of his office in person, except when excused for good and sufficient reason by order of the court, which order must be entered upon the minutes of the court. When the stenographer of any court has been excused in the manner provided by this section, the court may appoint a stenographer pro tempore, who shall take the same oath and perform the same duties and receive the same compensation during the time of his employment as the regular stenographer.

Mr. STONE. Mr. Chairman, observing men have noticed for same time a nation-wide propaganda against the progressive policies of the present administration. It seems to be the hope of certain powerful interests, by a campaign of misrepresentation of the laws already enacted, to deter President Wilson from carrying out his program. The objection really is not so much to what has been accomplished as to what is in prospect. The gigantic trusts and monopolies that have had their unholy hands on the throats and in the pockets of the American people seek to prevent the passage of legislation that will require them to comply with the rules of fair trade and that will make those personally liable for violations of the antitrust law suffer for their wrongdoing. If they should direct their efforts against the particular measures which they wish to defeat, their motives would be manifest and their movement would fail. Instead they attack other matters of less or no concern to them and pursue the attack with vigor and venom in the belief that thereby they will cause our able and courageous President to think it expedient to abandon his plans for further legislation until this manufactured storm about completed legislation has subsided.

Generally the misleading statements appear anonymously as news articles, sometimes in the larger city dailies, but more often in the patent insides of country weeklies innocently purchased by the editors from the ready-print trust. In this way the authorship is seldom fixed and, therefore, responsibility for the false utterances is avoided. It is only occasionally that such erroneous statements are made by an individual of prominence under such conditions as to reveal his identity.

Such an instance occurred recently in my home city of Peoria, Ill. On the evening of April 27 Hon. Frank O. Lowden delivered an address to a Republican club there. Mr. Lowden was formerly a Member of this House, but is now known chiefly because of his connection with the Pullman Co., a corporation which, by requiring the traveling public to give generous tips for service which the company ought to provide and by other economies, has been enabled in the last few years to issue over 100 per cent in stock dividends, pay 8 per cent cash dividends on its stock regularly, and accumulate an enormous surplus. In the course of his remarks he presented as facts things so utterly false that his announcement of them must be attributed either to pitiful ignorance or to dastardly design. If unchallenged, their tendency would be to destroy confidence, cause business depression, and bring disaster upon the country. In referring to the Federal reserve act, which established a new banking and currency system, Mr. Lowden said:

Under its provisions the Federal Reserve Board have the power to suspend for 30 days the requirement that notes be redeemed in gold, and to continue this suspension for 15 days further from time to time. Many men fear that in times of great financial stringency the board may, yielding to the tremendous pressure which will be brought upon them, so use this power that the whole question of fiat money will have to be fought over again, particularly in view of the fact that the new currency provided for is not to be issued by the banks, as it should be, but by the Government. For it will be easy to make those who never have favored the gold standard believe that the value of the currency to be issued depends not upon the requirement of its redemption in gold, but upon the fact that the Government has issued it.

The contention that the Federal reserve notes are not at all times and under all circumstances redeemable in gold is absurdly false. Section 16 of the Federal reserve act states:

The said notes shall be obligations of the United States, and shall be receivable by all national and member banks and Federal reserve banks, and for all taxes, customs, and other public dues. They shall be redeemed in gold on demand at the Treasury Department of the United States, in the city of Washington, D. C., or in gold or lawful money at any Federal reserve bank.

Nowhere is there a provision which under any possible construction gives to the Federal Reserve Board authority to suspend this requirement for redemption. In order to give double assurance that Federal reserve notes are always redeemable in gold it is provided in section 26 that—

Nothing in this act contained shall be construed to repeal the parity provision or provisions contained in an act approved March 14, 1900, entitled "An act to define and fix the standard of value, to maintain the parity of all forms of money issued or coined by the United States, to refund the public debt, and for other purposes."

The act of March 14, 1900, just mentioned, is familiarly known as the gold-standard law, and provides:

That the dollar consisting of 25.8 grains of gold nine-tenths fine, as established by section 3511 of the Revised Statutes of the United States, shall be the standard unit of value, and all forms of money issued or coined by the United States shall be maintained at a parity of value with this standard, and it shall be the duty of the Secretary of the Treasury to maintain such parity.

The Secretary of the Treasury may, for the purpose of maintaining such parity and to strengthen the gold reserve, borrow gold on the security of United States bonds, issue one-year gold notes bearing interest at a rate not to exceed 3 per cent per annum, and so forth.

The ordinarily astute Mr. Lowden surely allowed his boldness or recklessness to lead him into this unwarranted assault upon the Federal reserve act. It was uncomplimentary to the audience which he addressed to assume that their intelligence would accept such an absolutely baseless assertion. No well-informed and truthful banker will attempt to sustain him in the argument which he advanced. His position is entirely untenable, and candor should compel him to admit the fact and undertake to correct the wrong which his public criticism has caused.

Perhaps Mr. Lowden will endeavor to justify his charge by quoting the first part of division (c) of section 11 of the Federal reserve act, wherein the Federal Reserve Board is authorized and empowered—

To suspend for a period not exceeding 30 days, and from time to time to renew such suspension for periods not exceeding 15 days, any reserve requirement specified in this act.

The power to suspend the reserve requirements does not affect nor qualify the redemption features of the law. The reserve requirements are set forth in detail in section 19. They specify the per cent of the demand deposits and of the time deposits which a bank must keep in its vaults and in the Federal reserve bank of its district, and the amount of gold held by the Federal reserve banks to redeem outstanding Federal reserve notes. A suspension of these requirements would permit the holding by a bank of a less amount in its vaults and in the Federal reserve bank of the district. This would enable a bank in an emergency to pay out more than it would ordinarily be permitted to do in order to satisfy an unusual demand to liquidate liabilities, but it does not alter the character of the money used to make payments nor to redeem Federal reserve notes. Any confusion on this subject is cleared by the first proviso under division (c) of section 11, which immediately succeeds the portion heretofore quoted, and which is as follows:

That it (Federal Reserve Board) shall establish a graduated tax upon the amounts by which the reserve requirements of this act may be permitted to fall below the level hereinafter specified.

The remainder of division (c) is devoted to a schedule of penalties to be increasingly applied as the gold reserve held against Federal reserve notes falls below 40 per cent. There is not the slightest suggestion anywhere in the Federal reserve act that the suspension of the reserve requirements involves more than the amount of the reserves. The penalties prescribed refer wholly to a possible deficiency in the amount of the gold reserve and not at all to a change in the character of the reserve.

The power conferred by the Federal reserve act upon the Federal Reserve Board to suspend the reserve requirement is not a new proposition, nor has it proved a dangerous one. A power analogous to this was exercised by the Comptroller of the Currency with respect to national banks for nearly 50 years. Section 5191 of the national-bank act provides that—

The Comptroller of the Currency may notify any association whose lawful money reserve shall be below the amount above required to be kept on hand to make good such reserve; and if such association shall fail for 30 days thereafter so to make good its reserve of lawful money, the comptroller may, with the concurrence of the Secretary of the Treasury, appoint a receiver to wind up the business of the association, as provided in section 5234.

Under section 5191 of the national-bank act, the Comptroller of the Currency was explicitly authorized to tolerate for a period of 30 days a violation of the reserve requirements of the act without applying a penalty. This power was often abused, and violations were tolerated for several years instead of for a single month. The penalty prescribed for the offense indicated was so radical that it was not applied in the whole history of the national banking system. The Federal reserve act does not lodge this power in one man, but commits it to a board of seven men and charges them with the duty of prescribing and enforcing a reasonable penalty for violation of law. The power to suspend reserve requirements as to their amount was included in the law because three times within 60 years the British Parliament has found it necessary to sanction by law similar suspensions in order to arrest panics in Great Britain. It will rarely if ever be used, but it is important that the Federal Reserve Board should have this power. Even if used, it does not mean that "the whole question of fiat money will have to be fought over again." That might result if such action were allowable as was taken in 1907, when, under the old system, banks refused not merely to pay deposit liabilities in gold or lawful money, but refused to pay out money or currency of any kind.

The suggestion that Federal reserve notes constitute a fiat currency reaches the height of the ridiculous. The most casual survey of the conditions governing the issuance of this currency and the securities provided for its redemption disproves such an insinuation.

The Federal reserve act provides that the Federal Reserve Board may, in its discretion, issue to a Federal reserve bank, on application, currency in amount equal to collateral presented and indorsed by the Federal reserve bank and the member banks and deposited with it as security for such currency issues, the collateral thus deposited being notes, drafts, or bills of exchange arising out of actual commercial transactions, or being issued or drawn for agricultural, commercial, or industrial purposes, or the proceeds of which have been used or are to be used for such purposes, having a maturity not not exceeding 90 days except in the case of certain agricultural paper, where a longer maturity is allowed.

This currency is issued by the United States Government, is its obligation, and is redeemed by the United States Government in gold if presented to it for redemption. The credit of the United States alone has proved sufficient to make the greenback as good as gold, but the Federal reserve notes have behind them not only the credit of this great Republic, representing $125,000,000,000 of property and the strongest and most virile Nation with the most stable form of government that the world has ever known, but besides have behind them in array of other securities which would be ample in themselves.

What are these other securities?

First, there is the obligation of a trusted citizen to a member bank upon his negotiable paper of a qualified class based upon an actual commercial transaction. Experience has shown that the probability of failure of that security is about 1 in 10,000.

Second, there is the obligation of the member bank that indorsed the commercial paper. The probability of a bank in good standing which has been extended accommodation by the Federal reserve bank failing within 90 days is about 1 in 25,000. Before the Government of the United States can lose by the issuance of a Federal reserve note on commercial paper of the kind required both the trusted citizen and the member bank must fail within the same 90 days. The probability of failure of these two securities occurring within the same 90 days would be 1 in 10,000 multiplied by 25,000, or 1 chance in 250,000,000.

These two securities for Federal reserve notes, the individual credit of the drawer of the commercial paper and of the member bank which indorses it, have been sufficient in other countries, as in Germany, which emits legal-tender notes against commercial paper, and also in France, that has the right to issue legal-tender notes against commercial paper taken by the Bank of France for discount.

However, under the Federal reserve system a chance for loss, so remote as to be in the ratio of one to two hundred and fifty million, is protected by a series of additional safeguards. The Federal reserve notes are further secured by the stock of the member bank in the Federal reserve bank, by the reserves of the member bank on deposit in the Federal reserve bank, by the double liability of the stockholders of the member bank, by the 40 per cent gold reserve, by the surplus and earnings of the Federal reserve bank, by the first lien upon all the assets of the Federal reserve bank, by the double liability of the member banks belonging to the Federal reserve bank, and by the double

liability of the stockholders of the member banks of the Federal reserve bank.

It seems inconceivable that the Federal reserve notes, protected as they are in these various ways, should be compared with fiat currency which has behind it only the Government credit. Other objections have been urged to the system, but no critic of the Federal reserve act, save Mr. Lowden, whether banker, business man, or specialist, has had the audacity to seriously contend that the Federal reserve notes are not entirely safe. As a practical fact the security behind the Federal reserve notes is many times more than sufficient to satisfy the obligation before the holder would reach the United States Treasury, but superimposed upon the 10 lines of security already outlined is the obligation of the United States. To express solicitude about the soundness of such currency is to exhibit sheer foolishness. Sensible people will not be deceived nor alarmed by such an unfounded complaint, by such an obvious pretense. The outcry of Mr. Lowden will prove futile, because to be otherwise it would require such a degree of simplicity and credulity among the people as has never been witnessed since the world began.

The Federal reserve notes are not only sound but their volume can be increased or decreased to meet the requirements of trade and commerce. Our country has never before had an elastic currency. At times it was redundant and encouraged reckless speculation with the consequent reaction and depression. At other times it was so stringent that the rates of interest became exorbitant, and business of all kinds was practically paralyzed.

The President recommended the character of currency which should be authorized when in the course of his message on banking and currency he said:

> We must have a currency, not rigid as now, but readily, elastically responsive to sound credit, the expanding and contracting credits of everyday transactions, the normal ebb and flow of personal and corporate dealings.

The great purpose outlined by the President has been accomplished in the Federal reserve act. Everyone has recognized for years the necessity of making provision for the varying currency demand. All nations which have a modern financial system have long had such a currency. Yet distinguished but now discredited Republican leaders in Congress delayed and denied relief from year to year, until the demands of the people changed to reproaches. Under the leadership of a Democratic President, who yields neither to greed nor to declamation, who has the courage and the constancy to fulfill his promises, the Sixty-third Congress has provided for such a currency as will give prompt and efficient relief.

The complaint of Mr. Lowden, that the new currency "is not to be issued by the banks, as it should be, but by the Government," will meet with the hearty concurrence of every Wall Street financier, but will not get a favorable response from the great masses of the American people. The President voiced the will of an overwhelming majority of the people of this country when in the course of his message he suggested that—

> The control of the system of banking and of issue which our new laws are to set up must be public, not private, must be vested in the Government itself, so that banks may be the instruments, not the masters, of business and of individual enterprise and initiative.

Deep-rooted in the American mind is the idea that control of the currency is a function of sovereignty, not to be surrendered to banks or private interests; that the people's money ought to be issued and controlled by the people's Government. Inasmuch as all business and industry are dependent for success upon the volume and the circulation of currency, its issuance should be controlled by the Government for the public good, not by large individual banks, whose policy would be directed by their own profit and interests. Such great power should be exercised for the benefit of all the people and not for the enrichment of a few. It is only through accredited Government officers that the people can act in this matter, and it is far preferable to intrust this power to representatives of the people than to private individuals, who have no public responsibility and hence no obligation to work for the public betterment in preference to their own selfish interests.

No, Mr. Chairman, instead of being made the object of bitter attack, the Federal reserve act deserves to be warmly welcomed by all who value and who would preserve the rights of the people. It is freighted with reforms and benefits. It remedies the weaknesses and deficiencies and corrects the evils of the national-bank system. It avoids the vices and dangers and monopolistic tendencies of the Aldrich scheme which the Republican Party proposed. It embodies so much of all established systems as has been shown by the stress and storm of experience to be free from defect, supplemented by what experience has shown to be lacking. It serves alike and without partiality or injustice all classes and interests and promotes all legitimate business. It will save the country in the future from the paralyzing influence of monopoly of money and bank credits; effectively prevent panics which have heretofore threatened our whole financial structure; avoid the prospect of disaster always imminent while Wall Street could put into the maelstrom of stock operations the hundreds of millions of dollars of the reserves of interior banks by requiring that hereafter reserves shall be kept in the Federal reserve banks to be dedicated to the development of commerce, agriculture, and manufactures in the Federal reserve district where the money belongs; create a discount market where commercial paper can be readily discounted, thus enabling banks to extend to customers all prudent and legitimate accommodation; permit the extension by banks of their activities into foreign fields, so that it will be possible for them to handle a vast amount of highly profitable business which American business men are accustomed to turn over to foreign institutions, for the simple reason that under the old order of things American banking institutions were not allowed to establish foreign branches; and provide a more effective and less expensive method of domestic exchange and collection and also a system of examination and publicity which better safeguard the banking operations of the country.

The system will stand the test of fair disputation. Yes; it will survive even the crafty and shameless assaults which a desperate political exigency has caused to be directed against it. Seven thousand four hundred and eighty-two out of a possible seven thousand four hundred and ninety-seven national banks have already signified their intention to join the system, thus assuring its success and at the same time hurling the lie into the faces of those who prophesied its failure through the refusal of the banks to join. Under its beneficent operation and despite the pretended anxious doubts and chilling fears of political marplots who to regain lost power or to intimidate persons charged with a public duty would bring upon their countrymen the ruin which they affect to decry, this mighty Republic is destined to advance rapidly and continuously along the pathways of progress and prosperity.

Mr. TOWNER. I would like to ask the chairman of the committee if he does not think the language in line 6, the word "may" should be changed to "shall." If it leaves the power in the discretion of the judge whether, when a vacancy occurs, he may or may not appoint a stenographer to act in his stead, would not that act as a means by which a report of the transactions of the court might fail?

Mr. WATKINS. I will state to the gentleman there may be some case in which it would not be absolutely necessary for the court at once to appoint the stenographer. The word "may" was left in the discretion of the court ad interim—that is, at the time the vacancy occurs and the time of appointment of a permanent stenographer—and I do not think there would be any danger in leaving it to him. It is possible there may be occasion when it would not be necessary at once to go to the expense or for the court to take the trouble of selecting some one to appoint at that particular time. Sometimes judges go away to spend their vacations, and there may be contingencies in which it would not be absolutely necessary to appoint the permanent stenographer. The word "shall" is peremptory, and would force him at once to make the appointment.

Mr. TOWNER. I think, perhaps, that might be true; but I merely desired to suggest that to the chairman. Of course, taken in connection with the amendment already adopted by the committee, it allows parties to proceedings to demand that the evidence shall be taken, and I think perhaps no harm can be done.

The Clerk read as follows:

> SEC. 57. The following and no other compensation shall be taxed and allowed to attorneys, solicitors, and proctors in the courts of the United States, to district attorneys, clerks of the circuit courts of appeals and district courts, marshals, commissioners, jury commissioners, stenographers, witnesses, jurors, and printers, in the several States and Territories, except in cases otherwise expressly provided by law. But nothing herein shall be construed to prohibit attorneys, solicitors, and proctors from charging to and receiving from their clients, other than the Government, such reasonable compensation for their services, in addition to the taxable costs, as may be in accordance with general usage in their respective States, or may be agreed upon between the parties.

Mr. STAFFORD. Mr. Chairman, I move to strike out the last word for the purpose of obtaining some information. I notice that in the present paragraph the committee has inserted two new classes—jury commissioners and stenographers. I assume that jury commissioners at the present time have no stated salary or stated fees, and in the bill as proposed the gentleman is going to limit the fees of the jury commissioners.

Mr. WATKINS. They are fixed at $3 a day.

Mr. STAFFORD. Does the gentleman intend to change the present regulations, so far as jury commissioners are concerned?

Mr. WATKINS. I see no cause for it.

Mr. STAFFORD. Very well. I withdraw the pro forma amendment.

The CHAIRMAN. The pro forma amendment is withdrawn, and the Clerk will read.

Mr. WATKINS. Excuse me for just a moment. I want to answer the gentleman's question properly.

Mr. STAFFORD. I direct the attention of the chairman to section 92, page 59.

Mr. WATKINS. That is what I was going to say; I was mistaken about the compensation. I had in mind jurors instead of jury commissioners. It is $5 a day for jury commissioners; and I had in mind jurors when I answered the question.

The Clerk read as follows:

SEC. 59. The United States district attorney for each of the following judicial districts of the United States shall be paid, in lieu of all fees, per centums, and other compensations, an annual salary, as follows: For the northern and middle districts of the State of Alabama, each $4,000; for the southern district of the State of Alabama, $3,000; for the district of Arizona, $4,000; for the eastern and western districts of Arkansas, each $4,000; for the northern district of California, $4,500; for the southern district of California, $4,000; for the district of Colorado, $4,000; for the District of Columbia, $6,000; for the district of Connecticut, $2,500; for the district of Delaware, $2,000; for the northern and southern districts of Florida, each $3,500; for the northern district of Georgia, $5,000; for the southern district of Georgia, $3,500; for the district of Idaho, $4,000; for the northern district of Illinois, $10,000; for the southern and eastern districts of Illinois, each $5,000; for the district of Indiana, $5,000; for the northern and southern districts of Iowa, each $4,500; for the district of Kansas, $4,500; for the eastern and western districts of Kentucky, each $5,000; for the eastern district of Louisiana, $3,500; for the western district of Louisiana, $2,500; for the district of Maine, $3,000; for the district of Maryland, $4,000; for the district of Massachusetts, $5,000; for the eastern district of Michigan, $4,000; for the western district of Michigan, $3,500; for the district of Minnesota, $4,000; for the northern and southern districts of Mississippi, each $3,500; for the eastern and western districts of Missouri, each $4,500; for the district of Montana, $4,000; for the district of Nebraska, $4,000; for the district of Nevada, $4,000; for the district of New Hampshire, $2,000; for the district of New Jersey, $5,000; for the district of New Mexico, $4,000; for the southern district of New York, $10,000; for the northern, western, and eastern districts of New York, each $4,500; for the eastern district of North Carolina, $4,000; for the western district of North Carolina, $4,500; for the district of North Dakota, $4,000; for the northern and southern districts of Ohio, each $4,500; for the eastern and western districts of Oklahoma, each $4,000; for the district of Oregon, $4,500; for the eastern district of Pennsylvania, $6,000; for the middle and western districts of Pennsylvania, each $4,500; for the district of Rhode Island, $2,500; for the eastern and western districts of South Carolina, $4,500, $2,500 of which shall be for the performance of the duties of district attorney for the western district; for the district of South Dakota, $4,000; for the eastern, middle, and western districts of Tennessee, each $4,500; for the northern, southern, eastern, and western districts of Texas, each $4,000; for the district of Utah, $4,000; for the district of Vermont, $3,000; for the eastern district of Virginia, $4,000; for the western district of Virginia, $4,500; for the eastern and western districts of Washington, each $4,500; for the northern and southern districts of West Virginia, each $4,500; for the eastern and western districts of Wisconsin, each $4,000; and for the district of Wyoming, $4,000.

Mr. CALDER. Mr. Chairman, I submit the following amendment.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

"Page 27, line 20, after the word 'western,' strike out 'and eastern,' and in line 20, after the word 'northern,' insert the word 'and,' and in line 21, after the word 'dollars,' insert 'for the eastern district of New York, $6,000.'"

Mr. CALDER. Mr. Chairman, this amendment, if agreed to, will fix the compensation of the United States district attorney of the eastern district of New York at $6,000. The salary he receives now is $4,500. The eastern district of New York is composed of the counties of Kings, Queens, Suffolk, Nassau, and Richmond in that State, and contains a population of 2,500,000 people; all of the great Boroughs of Brooklyn, Queens, and Richmond, of the city of New York, besides the counties of Nassau and Suffolk are contained in the district. In this district we have five State's attorneys, or county district attorneys, and in the county of Kings, which contains the Borough of Brooklyn, the district attorney receives a salary of $10,000 a year. In the county of Queens he receives $8,000 and in the counties of Richmond, Nassau, and Suffolk $5,000. The salary of $4,500 was fixed many years ago when the population and business of this district was small comparatively. In the old days most of the business in that part of the State was transacted in the southern district, which was the old city of New York. Four years ago Congress created an additional judge in the eastern district, and since then the business has more than doubled.

Mr. BARTLETT. Will the gentleman yield for a question?

Mr. CALDER. With pleasure.

Mr. BARTLETT. Is it not a fact until recent years the district attorneys were entitled to certain fees as compensation——

Mr. CALDER. Yes.

Mr. BARTLETT. And that in addition to their salary?

Mr. CALDER. Yes.

Mr. BARTLETT. But in recent years, I do not recollect exactly the date, although I could obtain it in a moment, we have fixed the salary of the district attorneys at a certain amount instead of paying fees?

Mr. CALDER. Yes.

Mr. BARTLETT. And the compensation that we have fixed for the district attorney in this district to which the gentleman has reference is not commensurate with the duties he has to perform and the service he has to render?

Mr. CALDER. That is so.

Mr. BARTLETT. And in order to get the class of lawyers who ought to be in a position to discharge these important duties the salary ought to be sufficient to attract to it that class of lawyers that can perform the duties best?

Mr. CALDER. Mr. Chairman, the gentleman from Georgia is correct. Forty-five hundred dollars paid a man fit to be district attorney in the great city of New York, I am sure you will all agree, is nowhere near enough.

Mr. BARTLETT. I do not think it is enough for a United States district attorney in any district in the United States.

Mr. CALDER. I agree with the gentleman on that, too, especially as to this great city, where we pay the county district attorney a salary of $10,000, and in the other counties in that district more than the amount the United States Government pays. This man has four assistants under him, and the place ought to attract the very best legal talent we have. And the pay—$4,500—I am sure the committee must agree, is not sufficient.

Mr. BARTLETT. Not only that, if the gentleman will permit me, but take the district in which I live, the southern district of Georgia. The southern district of Georgia is provided a district attorney, at $3,500, and the northern district a district attorney, at $5,000, the northern district embracing Atlanta, where they try a thousand cases, I presume, a year, and transact other important business.

I do not know what the policy was of the former administration, and I am not criticizing it; but the policy pursued by this administration, which I think is a proper one—and probably the gentleman has not had the experience I have—is that when you undertake to secure the appointment of a district attorney, the first question asked by the Attorney General or those who represent him is whether or not he will agree to give all of his time to the office of district attorney. In other words, they are not satisfied—and I have no doubt that is the correct policy—to appoint a prominent lawyer to the office of district attorney if he will not agree to give all of his time to the office, or if he is to devote part of his time to professional duties not connected with his office. I have had this experience recently: A prominent lawyer in my district desired to be appointed district attorney; he desired to have the appointment more in recognition of his services to the party and on account of his position at the bar and the honor of the office than for any salary attached to it. He was asked the question if he would devote all of his time to the office. The Assistant Attorney General inquired of me how a man of that standing and position in the legal profession could agree to devote all of his time to the office at a salary of $3,500. I replied that he desired the office not for the salary, but for the honor of the position. His practice paid him more than that, but we happened in this case to be able to present a lawyer who was willing to serve the Government in an honorable position and to be recognized as a part of the Democratic administration, and because he had served the party loyally for many years as a member of the Democratic Party as State chairman. I said, "I do not see how he could afford to take it, but he desires the office in order that he may discharge the duties of it under this administration." So I say again, I do not believe any of the salaries of these district attorneys are commensurate with the duties of the office and in many instances do not secure that class of lawyers that ought to be appointed to fill such a high and important position, where they have to contend with the ablest lawyers of the country.

The CHAIRMAN. The time of the gentleman from New York [Mr. CALDER] has expired.

Mr. CALDER. Mr. Chairman, I ask unanimous consent for about three minutes more.

The CHAIRMAN. Is there objection? [After a pause.] The Chair hears none.

Mr. BARTLETT. It will not do to say that because there are some prominent and able lawyers who do accept this office and who do perform satisfactorily the duties of it that therefore the salary is enough, and if they do not like it they need not

apply for it. Members of the legal profession, which is a high and noble profession, have something else in view rather than the dollars that can be made out of it. There is something else to be attained in this honorable profession of a lawyer than the mere money he can make out of it. So far as I am concerned, I think the gentleman from New York [Mr. CALDER] is right in endeavoring to give to this office in New York a salary commensurate with the duties to be performed, and which should attract to that office the very best legal talent that we can secure. The fact that the salaries are not made higher in my district or in my State will not prevent me from supporting the gentleman's amendment.

Mr. CALDER. Mr. Chairman, I thank the gentleman for his interruption. He has stated the case a great deal better than I could. I simply want to add this for the information of the gentlemen present: We have two district judges in this district constantly employed in trying cases, and this office has four assistant district attorneys in addition to the district attorney. It is very difficult to get the type of men that we require to transact the business.

In conclusion, Mr. Chairman, I want to call attention to the fact that the business transacted in the office of the United States district attorney for the eastern district of New York is much greater than that transacted in the eastern district of Pennsylvania, which includes the city of Philadelphia, where the salary is $6,000. The United States district attorney's office in Brooklyn is filled by the Hon. William J. Youngs, a very able lawyer and a man who has filled the place most acceptably. If it were not for the fact that he has other means, he could not afford to hold the place, and when his term expires it will be very difficult to get another man for the position who is anywhere near his equal unless the compensation is increased. I sincerely trust my amendment will be agreed to.

Mr. BROWN of New York. Mr. Chairman, I do not wish long to delay the committee from the consideration of this bill to codify, revise, and amend the laws relating to the judiciary, which bill is some 194 pages in length, but I can not let pass this opportunity to say a few words in support of the amendment offered by my colleague from New York [Mr. CALDER]. His amendment, as the members of the committee will recollect, is to increase the salary of the United States attorney for the eastern district of New York from $4,500 a year to $6,000 a year.

To bring the matter home to the committee, I will state that the population of Kings County, which comprises the old city of Brooklyn, now a part of Greater New York, according to the advance sheets just published by the Census Bureau, has reached the amazing figure of 1,833,696; the population of Queens County, also included within the city of Greater New York, is 339,886; the population of Richmond County (Staten Island), which is also included in the city of New York, is 94,043; the population of Nassau County, which lies within the first congressional district, according to the census of 1910, was 83,930; and the population of Suffolk County, which also lies within the first congressional district, was 96,138. Therefore the combined population of the area included within the eastern district of New York reaches the huge figure of 2,447,693 persons.

The committee will readily understand that the civil cases alone tried in this district in themselves are sufficient to entitle the district attorney to his present compensation, entirely aside from the criminal suits continually being prosecuted by him.

The distinguished gentleman from Georgia [Mr. BARTLETT], a member of the Appropriations Committee, has taken occasion to refer for the sake of comparison to the business done in the eastern district of Pennsylvania, which includes the city of Philadelphia. I notice from the report of the Attorney General for the fiscal year ended June 30, 1913, that in the eastern district of Pennsylvania, where the United States attorney receives a salary of $6,000 and his three assistants receive a total of $8,000, the number of cases commenced was 277, as against 220 in the eastern district of New York, where the three assistants of the United States attorney receive only $6,400 a year, but that during this same period 166 cases were terminated in the eastern district of New York as against 110 in the eastern district of Pennsylvania. Curiously enough, the judgments rendered in favor of the United States varied only $100 in the two districts, this difference being in favor of the eastern district of New York. Ten years ago in the eastern district of New York there were but 98 suits pending, whereas last year there were 192 suits pending.

The Federal Government has already recognized the increase in the amount of business to be done in the courts by assigning an additional judge to the eastern judicial district, so that there are now two judges continually trying cases in the city of Brooklyn. Mr. Chairman, while I believe that the mere presentation of these figures should be adequate to show the reasonableness of the amendment now pending before the committee, yet I desire to state further that under the present administration it is required of the United States attorney that he shall devote his entire time to the business of the Government. In the eastern district of New York the district attorney is confronted with the ablest lawyers in New York City, who have retainers from the corporations who employ them, in many cases, I should judge, amounting to over $50,000 a year. New York attracts the best legal talent from all over the country, and it is a fact known to all that, while the scale of living in New York may be higher than in most other places, the compensation paid the man of brains and ability is more than commensurate with the scale of living. If the Government is to be represented by a district attorney able to meet on an equal basis the best legal brains in the city, he should receive at least a reasonable compensation as judged by the standards of the locality.

While it is eminently fitting that this amendment should be proposed by the only Republican Congressman within the eastern district of the State of New York, it is no less fitting that the responsible majority party should take to itself the credit of enacting into law this much-needed increase in compensation. The present district attorney is a Republican, of whom no man—in my presence, at least—has said anything but good. If this amendment shall speedily be enacted into law, as I hope it may, he will receive the benefits of it during the remainder of his term of office. I am both glad and proud to have some little part in recognizing the distinguished services of a man who has served his country, no less than his party, these many years with great credit to himself and with entire satisfaction to his country.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. CALDER].

The amendment was agreed to.

Mr. BARTLETT. Mr. Chairman, I move, on page 26, line 18, to strike out the words "three thousand five hundred" and insert "four thousand."

Mr. STAFFORD. Mr. Chairman, I wish to be recognized in opposition to the amendment, if no one wishes to speak in favor of it. Of course, every Member here—and there are not many here, not more than 25—can rise and propose amendments to increase the salary of the district attorneys of their respective districts. I do not know what the position of the chairman is going to be toward this program, but, of course, if we are going to make a wholesale increase of salary——

Mr. BARTLETT. Only one amendment offered now.

Mr. STAFFORD. Yes; but there will be many more.

Mr. IGOE. I have one.

Mr. STAFFORD. The gentleman from Missouri says he has one. We are going to load down this bill, and the result will be that instead of it being a codification it will be a bill for the increase of salaries.

Mr. IGOE. Will the gentleman yield?

Mr. STAFFORD. I will be glad to do so.

Mr. IGOE. Do you not believe it will be a good time to increase the salaries of these officers, if they need to be increased?

Mr. STAFFORD. The gentleman has been here long enough to know that it is not the regular way to raise salaries.

Mr. IGOE. You can not do it on an appropriation bill.

Mr. STAFFORD. The Judiciary Committee has reported to the House a bill revising the salaries of the clerks of the United States courts, and the salaries recommended will curtail their income under the present fee system. If there is merit in these respective propositions, they should go through the regular channel and not be submitted here haphazardly for the judgment of this very meager assembly.

Mr. BARTLETT. Mr. Chairman, may I interrupt the gentleman just a moment?

Mr. STAFFORD. If the Members are going to proceed with this policy, I serve notice now that there must be a quorum present.

Now, the gentleman from New York [Mr. CALDER] advanced a very meritorious case, and——

Mr. MAPES. Mr. Chairman, will the gentleman yield?

Mr. STAFFORD. Not at the present time. I took occasion to send for the report of the Attorney General, in order to compare the work in that district with the work in the only other district in the country where the district attorney is receiving $6,000, namely, in the eastern district of Pennsylvania. The work done in the eastern district of New York was nearly twice as much as that done in the eastern district of Pennsylvania. I thought the gentleman made out a very meritorious case. I was waiting to hear from the chairman of the committee as to his policy. Perhaps he is waiting to have each

one who is concerned with our respective district attorneys and looking after their interests to rise here and move to increase their salaries; but I say to the chairman of the committee and to the other Members here that it is not fair to the Members who are absent to take them unawares and report these increases in this way. If this practice is going to be continued, I serve notice that it will require a quorum to go on with the consideration of this bill.

Mr. GARRETT of Texas. Mr. Chairman, will the gentleman yield?

Mr. STAFFORD. Yes.

Mr. GARRETT of Texas. Why does the gentleman say that it is not fair to the absent Members when they are well aware that this bill is now under consideration?

Mr. STAFFORD. Because in the consideration of similar bills it was the policy of this House not to pursue any such practice, and because the chairman of the committee stated that it was not to be the policy to amend this bill in any unusual manner.

Mr. BARTLETT. May I interrupt the gentleman to say that it was upon a bill identical with this that the salaries of the Supreme Court judges were increased?

Mr. STAFFORD. Yes; and they were increased at a time when there was not a quorum present, when the Members were downstairs at luncheon. I well remember that occasion, and the committee was taken unawares, as the committee is now being taken unawares. If that is the policy, well and good. Let us have a quorum here.

Mr. BARTLETT. Mr. Chairman, I dissent from the statement of my friend from Wisconsin that this is not the proper place to do it. This is the proper place in which it should be done. This is a bill revising the Judicial Code of the United States, providing for the officers and the salaries of these officers. It is a bill which provides for the offices of district attorneys in the various districts and the salary attached to each, like the other Judicial Code bill, providing for the courts and the judges and the salaries of the judges; and it was in that very bill that we fixed the salaries of the judges of the Supreme Court in 1911, providing the salaries that they now receive. At that time the salary was only $12,000. Nobody ought to be taken unawares, Mr. Chairman. Every Member of the House knows, or should know, that this bill is now being considered. Less than two hours ago we had a call of the House, in which two hundred and odd Members were present.

Mr. STAFFORD. That was before the ball game began.

Mr. BARTLETT. Well, Mr. Chairman, the gentleman from Wisconsin knows as well as I do, from his experience and service in this House, that all legislation, especially the details of a bill in this House, in this Congress, are worked out by the few faithful men who stay and give attention to business, as the gentleman from Wisconsin always does.

Mr. STAFFORD. I thank the gentleman.

Mr. BARTLETT. The gentleman from Wisconsin, whether there is a ball game going on or not, or any other amusement, is here attending to the duties that his constituents have intrusted to him.

Mr. STAFFORD. I appreciate the bouquets which the gentleman is handing me, but I shall not be swerved thereby from my position.

Mr. BARTLETT. I am not attempting to swerve the gentleman from his position. He knows and everybody else knows that it is true that he, among others who remain here, is endeavoring to perform his duty as best he understands it.

Take the State of Georgia. The gentleman will see that it is divided into two districts, the northern and the southern. In the northern district the district attorney gets $5,000, and in the southern district he gets $3,500.

Mr. COX. Mr. Chairman, will the gentleman yield?

The CHAIRMAN. Does the gentleman from Georgia yield to the gentleman from Indiana?

Mr. BARTLETT. I do.

Mr. COX. What is the comparison between the business in the northern district and that in the southern district?

Mr. BARTLETT. I have not the report of the Attorney General before me. I did not anticipate that the question would be brought up. But it is not so disparaging as to pay one $3,500 and the other $5,000.

Mr. COX. Will the gentleman yield to another question?

Mr. BARTLETT. Yes.

Mr. COX. Was there any trouble in finding good lawyers who would be glad to fill the place in the southern district of Georgia?

Mr. BARTLETT. We have only had the chance in 20 years to find a man. We are trying now to find somebody.

Mr. COX. Has the place been filled by a Democrat?

Mr. BARTLETT. No; it is not now filled by a Democrat.

Mr. COX. Can the gentleman inform me how many applicants there are for that job?

Mr. BARTLETT. There are four.

Mr. COX. I presume they are good lawyers?

Mr. BARTLETT. They are very good. But the Democrats are willing to serve the Democratic Party and the country for very small pay, and are willing to serve for an amount of pay which would be very large pay to a Republican in my country.

Mr. GARRETT of Texas. Mr. Chairman, will the gentleman yield?

The CHAIRMAN. Does the gentleman from Georgia yield to the gentleman from Texas?

Mr. BARTLETT. Yes.

Mr. GARRETT of Texas. I was just going to ask my friend from Georgia as to the difficulty in finding men to fill the places, so far as he is concerned. Would he have any difficulty in finding men who would be willing to come here as Members of Congress at that salary?

Mr. BARTLETT. A great many would come, and some would be willing to come at one-half the present salary, and be well paid, at that. [Laughter.]

The CHAIRMAN. The time of the gentleman from Georgia has expired.

Mr. DONOVAN. Mr. Chairman, is it necessary for me to make a pro forma motion?

The CHAIRMAN. The gentleman can move to strike out the last word.

Mr. DONOVAN. Just a word, Mr. Chairman. How is that we get back to page 26? I thought that had been passed. By what sort of legislative proceeding do you turn back? We acted upon fixing the salary of the district attorney in one of the New York districts, and now by some species of legerdemain you go back.

Mr. BARTLETT. No. That is in the same paragraph.

The CHAIRMAN. There are three pages in this paragraph. The paragraph was read, and it is subject to amendment.

Mr. DONOVAN. Mr. Chairman, I did not expect you to answer the question. I supposed some of these legislative sharps around here would be able to answer. This bill, as I understand, Mr. Chairman, is read by the clerks; and, of course, they read it in rotation. All that part has been read and passed, and we were up to page 27, line 20. Now, this gentleman gets up here, on account of the success of the Member from the Brooklyn district in getting an increase of salary for an official there, and he takes it upon himself that no one will notice it, and goes back and offers an amendment.

Mr. BARTLETT. The gentleman is mistaken about that.

Mr. DONOVAN. The gentleman can take his seat for a moment. He has lots of time to talk. Now, let us see who is it we are raising the salary for? We might as well have a little truth. No one can deny that this court is to the United States a petty court; that it bears the same relation as a petty court to a State.

The principal part of its business is the trial of cases of infringements of the public acts. What are they? How much ability and brains does it take to fine a man who has failed to destroy the stamp on a cigar box? How much ability and brains does it take for the United States to secure a conviction and fix the penalty on some one who has not procured his special license for the sale of whisky? How much brains and ability in a lawyer does it take to punish some one for sending scurrilous matter through the mails on a post card? As I say, these are comparatively small matters. The salaries mentioned are, as a rule, ample, and lawyers are nearly committing murder in order to get appointed to these positions. Even my friend the gentleman from New York [Mr. GOLDFOGLE] is having his life made a burden the way they are beseeching him, trying to get an appointment for some lawyer in his locality. He is unable to attend to the duties of his office as Congressman on account of the greed of the legal brethren. My friend from Georgia [Mr. BARTLETT] rose from his seat, violating the legislative rules of procedure, on account of the gentleman from New York [Mr. CALDER] pulling a piece of pie out of this little legislative proceeding, and he tackles it and offers an amendment. Now, I am going with the gentleman from Wisconsin [Mr. STAFFORD], and if you are going to do this business you shall do it officially, with a sufficient number, right now.

Mr. COX. Mr. Chairman, I move to strike out the last word. I am in absolute sympathy with the statement made by the gentleman from Wisconsin [Mr. STAFFORD], and desire to back him up, that if you get any more of these increased salaries through here you have got to do it with a quorum. I did not oppose the motion of the gentleman from New York [Mr. CALDER], because I was looking to the chairman of the codifica-

tion committee, who brought this bill in here, to oppose the amendment.

Mr. WATKINS. Will the gentleman yield for an interruption?

Mr. COX. Yes; I will.

Mr. WATKINS. I have investigated the question and have ascertained the immense amount of work that is done in that district, and am surprised that a greater increase was not asked for. The work there thoroughly justifies the increase.

Mr. COX. I sat quietly by waiting for the chairman to oppose the amendment or to make some statement in explanation of his position, but I never heard him open his mouth. It has been my observation upon the floor of this House that when amendments are offered to a bill the man in charge of the bill makes a statement about it one way or the other, either opposing the amendment or admitting it. I know that the man who stands upon the floor of this House and says one word in behalf of the Treasury of the United States is engaging in a thankless task. He is met with the statement that persons could be got to come here to Congress at half the salary we are drawing, and I say that could be done, and probably with greater ability than the average membership of this House.

Mr. BARTLETT. May I interrupt the gentleman?

Mr. COX. Just for a minute.

Mr. BARTLETT. I did not intimate anything of that sort. I said that those people who would come here for that amount would be well paid for the kind of service they could render.

Mr. COX. Master minds like Daniel Webster, Henry Clay, John C. Calhoun, and Thomas H. Benton never drew to exceed $8 per day, either as Members of this House or of the other body, and they only drew that $8 per day when Congress was in actual session. I do not subscribe to the doctrine that you have got to pay tremendous salaries before you can get a man commensurate to fill a job or a position. That rule may hold good in certain sections of this country, but it is the exception and not the rule. In Indiana the position pays only $5,000 a year, and yet I know that there was a tremendous struggle among men of my party out there to get that job, since this administration went into power, and I know that one of the ablest men of the bar of the State of Indiana was finally selected to fill that place, a man about whom there is no question but what he can go into any city and earn from $10,000 to $15,000 a year. And yet he took the job. That was a matter of his own concern. Why he wanted it I do not know, but he took it.

Mr. BARTLETT. Will the gentleman yield?

Mr. COX. For a question.

Mr. BARTLETT. Does not the gentleman think that this lawyer he refers to in Indiana would consider it somewhat of an honor to be a part of this great Democratic administration?

Mr. COX. I have no idea of what his controlling thought was. It evidently was not money; it probably was power. There are no doubt men in this House serving on a salary of $7,500 a year who, if they would stop and go into some business, would earn four times that amount of money. So it is not money all the time that men struggle for; it is power, influence, position. I do not subscribe and never have subscribed to the doctrine that we ought to pay salaries in order to get high-class, brainy men, because you will get them with the salaries that they are drawing at the time they are appointed.

Besides, here is another thing which is an evil everywhere: Men know when they are elected to the office, or when they are appointed to the office, exactly what the salary is, but immediately they begin a crusade to get the salary increased. That is true in my State, and I imagine it is true in other States in this Union. They know what the salary is before they are elected, but as soon as they are elected they conceive the idea of their great and grave importance, and they rush off to the legislature or Congress and exert themselves to get their salaries increased.

The CHAIRMAN. The time of the gentleman from Indiana has expired.

Mr. COX. Mr. Chairman, I ask for two minutes more.

The CHAIRMAN. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. COX. Men who are seeking these appointments now as district attorney know exactly what their salaries will be and they are willing to accept them, willing to work under them, and yet we are asked to increase them. But, as I said a while ago, the man who opposes these increases of salary, who says a word in behalf of the Treasury of the United States or of the taxpayers, is flaunted right and left, is ridiculed in every conceivable way that it is possible to ridicule him.

For one, Mr. Chairman, while I am on the floor of this House—and I am usually here—whether the chairman of the committee opposes the increases or not, you will never get another one through until you have a quorum to get it in. If we have to stand here when the roll is called every 30 minutes, it is going to be called. Because here is the place to do it, here is the bill, here is the foundation on which to build your increase of salary, and here is the time to do it. Because Members are absent is no reason why you who are interested in the increase should not offer them, and if they are offered a quorum is going to be called for, and if Members are in the city these proposed increases in salaries are going to be put in or defeated, one way or the other. [Applause.]

Mr. GARRETT of Texas. Mr. Chairman, in making an inquiry a moment ago of the gentleman from Georgia, I did not mean to cast any reflection on the integrity or the fidelity of any Member of this House. The gentleman from Indiana [Mr. Cox] seems to have taken exception because I asked the question if the gentleman from Georgia did not think that there were men who would come to Congress for half the price now provided by law. I think that there are men who would come to Congress, and be glad to get here, free of charge, not to serve the country but to serve some other special interest while they were here. [Applause.]

I believe that there are men who would be glad to be appointed district attorney, free of charge, in order that they might serve some other special interest rather than that of the Government of the United States. My query was in reply to a statement made by the gentleman from Indiana when he seemed to predicate his objection to this increase on the ground that some men might be found that would want the job and would be willing to take it. I do not know whether there was merit in the New York cases or not. I do not think the gentleman from Georgia would offer an amendment that he did not conscientiously believe was right and proper, but, Mr. Chairman, I have observed in the short time that I have been in this House that the loudest cry is made against the increase of salary of some little clerk or doorkeeper on some proposition to raise the salary of some little officer $100, but when you come to the great appropriation bills carrying hundreds of millions of dollars they pass the House without a roll call. I saw that very thing done less than a month ago—a bill passed this House appropriating over $100,000,000 out of the Treasury of the United States and not a man raised his voice against it or questioned one item in it. And yet men get up on the floor of this House, if you attempt to raise the salary of some worthy man to a living wage, and attempt to belittle men who are simply desirous of paying public officials a reasonable compensation for their services.

As far as I am concerned I am willing that every public servant should be paid a reasonable salary for honest services rendered the people. As far as the question of a quorum is concerned, I believe that there ought to be a quorum here every day when the House convenes, and that it should be kept here, and that Members should be in their seats all the time to transact the public business. [Applause.]

Mr. METZ. Mr. Chairman, I move to strike out the last two words. I have listened with very much interest to what the gentlemen have said, and I quite agree with what they have said as to the value of the services that these gentlemen render. I know the conditions in the Brooklyn office, and I am very glad that the amendment in respect to that office has been agreed to.

I ask unanimous consent to extend my remarks in the RECORD upon the subject of salaries.

The CHAIRMAN. The gentleman from New York asks unanimous consent to extend his remarks in the RECORD. Is there objection?

There was no objection.

Mr. DONOVAN. Mr. Chairman, I am going to raise the point of order that we have no right to consider this matter. It has been passed. We have passed the page to which the amendment is offered, and we are up to line 21, on page 27. We can not go back this way promiscuously and offer amendments. The gentleman can ask unanimous consent to go back and make the motion.

Mr. BARTLETT. Mr. Chairman, there is no point of order in that.

Mr. DONOVAN. The gentleman should ask unanimous consent to go back and make his motion.

Mr. BARTLETT. Mr. Chairman, the gentleman is mistaken in respect to that. Let me proceed for just a moment and I am satisfied that when the gentleman's attention is called to it he will realize the error into which he has fallen. On page 26, line 1, section 59 begins, and on page 28, line 24, section 59 ends. In that section, which is all one paragraph, are contained provisions for the salaries for all of the district attor-

neys, commencing with Alabama and ending with Wyoming; and in that section is a provision for the salary for the district attorney for the eastern district of New York and for the southern district of Georgia. They are all in one paragraph, all in one section; and we have proceeded no further than that section.

The CHAIRMAN. Does the gentleman from Connecticut desire to be heard upon the point of order?

Mr. DONOVAN. Just one word. We are now reading this bill for amendment under the five-minute rule. We have read all of that portion to which the amendment has been offered. We have gone by it.

Mr. BARTLETT. We have not got by it.

Mr. DONOVAN. And we have gotten down to line 21, on page 27. That is our legislative proceeding—we are reading the bill for amendment. We have passed that page of the bill, and if the gentleman desires to make the motion he should ask unanimous consent to go back so that he may offer it at the proper point. That is all I care to say.

The CHAIRMAN. The Chair will state upon the point of order made by the gentleman from Connecticut that under the rules and practices of the House, in the reading of a bill the second time for amendment, it is read by paragraphs. This paragraph now before the committee covers three pages. The entire paragraph has been read, and when read it is subject to amendment in any part of it.

Mr. DONOVAN. Mr. Chairman, will the Chair permit an interruption?

The CHAIRMAN. Yes.

Mr. DONOVAN. The rules do not require a second reading. You have to get unanimous consent to have the Clerk report it again. It has to be by unanimous consent after we have gotten by a point.

The CHAIRMAN. The bill is being read now for the second time. The entire paragraph or any part of it is open to amendment. It is not necessary that the amendments should be offered first to the first part of the paragraph, and so on. An amendment could be offered to the last paragraph first or to the first paragraph last. Any part of the entire paragraph is subject to amendment at any time until the entire paragraph is finally passed. This entire paragraph is now before the committee, and the point of order is overruled.

The question is on the amendment offered by the gentleman from Georgia.

Mr. DONOVAN. Mr. Chairman, is not the chairman of the committee that has this matter in charge going to say anything?

Mr. STAFFORD. Let us have a vote, so that we may see what the feeling of the committee is.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Georgia.

The question was taken; and on a division (demanded by Mr. BARTLETT) there were—ayes 15, noes 15.

So the amendment was rejected.

Mr. WATKINS. Mr. Chairman, I wish to state that, in view of the fact that I have been notified that there will be some other amendments to this section, and in view of the fact that it has been stated that a quorum would be demanded in case there were other motions made along this line, I move that the committee do now rise.

Mr. MURDOCK. I think the gentleman ought also to state that it is now 5 minutes of 5 o'clock.

Mr. STAFFORD. Mr. Chairman, it was not my purpose to make the point of no quorum if the motions were defeated.

The CHAIRMAN. The question is on the motion of the gentleman from Louisiana that the committee do now rise.

Mr. MURDOCK. Division, Mr. Chairman.

The CHAIRMAN. A division is called for.

The committee divided; and there were—ayes 30, noes 11.

So the motion that the committee rise was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. RUSSELL, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill H. R. 15578, and had come to no resolution thereon.

SUPPLEMENTING EXISTING LAWS AGAINST UNLAWFUL RESTRAINTS AND MONOPOLIES.

The SPEAKER. The Chair recognizes the gentleman from Alabama [Mr. CLAYTON]. [Applause.]

Mr. CLAYTON. Mr. Speaker, I desire to call the attention of the House to the fact that I have this day made a report on the bill H. R. 15657, a bill which is entitled "To supplement existing laws against unlawful restraints and monopolies, and for other purposes."

Mr. MURDOCK. Mr. Speaker, will the gentleman yield?

Mr. CLAYTON. Certainly.

Mr. MURDOCK. Does that now complete the bills on trust matters that the gentleman will report?

Mr. CLAYTON. I think it does. I think I may say that this bill is comprehensive and embraces the subject matter which was contained in the several tentative bills which the committee had under consideration and with which the gentleman from Kansas is familiar.

Mr. BARTLETT. Does it include the bond-issue proposition?

Mr. CLAYTON. No. The Committee on the Judiciary did not have jurisdiction of that subject. That belongs to the Committee on Interstate and Foreign Commerce.

Mr. STAFFORD. Will the gentleman yield?

Mr. CLAYTON. With pleasure.

Mr. STAFFORD. Can the gentleman inform the House as to his plans for early consideration of the bill?

Mr. CLAYTON. I have asked the Committee on Rules to bring in a special rule for its early consideration.

Mr. STAFFORD. What is the form of the rule as expressed in the request of the gentleman?

Mr. CLAYTON. Well, it is in the usual form in like cases.

Mr. STAFFORD. How much time for debate?

Mr. CLAYTON. It was suggested by this rule that general debate should be had for 16 hours and 4 hours under the five-minute rule. It has since been suggested that perhaps it would be wise for the Committee on Rules to amend the latter proposition so as to make the time for debate under the five-minute rule longer than 4 hours.

MEMORIAL EXERCISES, BROOKLYN NAVY YARD, N. Y.

The SPEAKER. The House this morning passed a concurrent resolution (No. 39) authorizing the Speaker to appoint 15 Members to go to the funeral exercises of the sailors and marines killed at Vera Cruz. The Chair finds on investigation there are 18 of them and he wants to appoint Members from each district that had one, and in addition to that he would like to appoint the gentleman from New York [Mr. FITZGERALD] who introduced the resolution, the gentleman from New York [Mr. CALDER] who is the only Republican Member from New York, and Mr. MAHER, who represents that navy yard where these services are to take place, so the Chair would like to appoint 21 Members.

Mr. GARRETT of Tennessee. Mr. Speaker, I ask unanimous consent to reconsider the vote by which the concurrent resolution was passed.

The SPEAKER. The gentleman from Tennessee asks unanimous consent to reconsider the vote by which the concurrent resolution was passed. Is there objection? [After a pause.] The Chair hears none.

Mr. GARRETT of Tennessee. Mr. Speaker, I ask unanimous consent that the resolution may be amended so as to provide for 21 Members.

The SPEAKER. The gentleman from Tennessee asks unanimous consent that the resolution be amended so as to provide for 21 Members. Is there objection?

Mr. GOLDFOGLE. Mr. Speaker, reserving the right to object, did we understand the Chair correctly to say that it was the desire of the Chair to appoint a Member from each district from which came one of these men who fell at Vera Cruz?

The SPEAKER. Yes.

Mr. GOLDFOGLE. The reason I asked that is that one of the men from my district fell there, and I wanted to be certain.

The SPEAKER. The Chair would request all Members in whose district one of these sailors or marines lived to inform the Chair, so that he can get the name. Is there objection? [After a pause.] The Chair hears none. The question is on the amendment.

The question was taken, and the amendment was agreed to.

The question was taken, and the resolution as amended was agreed to.

ENROLLED BILL AND JOINT RESOLUTIONS SIGNED.

The SPEAKER announced his signature to enrolled bill and joint resolutions of the following titles:

S. 5445. An act for the relief of Gordon W. Nelson;

S. J. Res. 97. Joint resolution authorizing the President to extend invitations to foreign Governments to participate in the International Congress of Americanists; and

S. J. Res. 142. Joint resolution authorizing the Vocational Education Commission to employ such stenographic and clerical assistants as may be necessary, etc.

LEAVE OF ABSENCE.

By unanimous consent, Mr. JACOWAY was granted leave of absence, for two days, on account of serious illness in his family.

ADJOURNMENT.

Mr. WATKINS. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 1 minute p. m.) the House adjourned to meet to-morrow, Thursday, May 7, 1914, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS.

Under clause 2 of Rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1. A letter from the Secretary of War, transmitting, with a letter from the Chief of Engineers, reports on preliminary examination and survey of mouth of Bayou St. John, Orleans Parish, La. (H. Doc. No. 963); to the Committee on Rivers and Harbors and ordered to be printed, with illustrations.

2. A letter from the Secretary of War, transmitting, with a letter from the Chief of Engineers, reports on preliminary examination and survey of Rock River, with a view to securing a channel 7 feet deep from the dam at the head of the feeder of the Illinois & Mississippi Canal, at or near Sterling, Ill., to the city of Janesville, Wis.; also with a view to ascertaining whether, for the maintenance of navigation, storage reservoirs are necessary at or near the headwaters of said river, and to determine what portion of the cost of said improvement should be borne by owners of water power and others (H. Doc. No. 964); to the Committee on Rivers and Harbors and ordered to be printed, with illustrations.

3. A letter from the Secretary of the Treasury, transmitting copy of a communication from the Secretary of War submitting an estimate of appropriation in the sum of $25,000 required for the service of the War Department for the fiscal year ending June 30, 1915 (H. Doc. No. 965); to the Committee on Appropriations and ordered to be printed.

4. A letter from the Secretary of the Treasury, transmitting copy of a communication from the Assistant Secretary of Commerce reporting, under section 4, act June 17, 1910 (36 Stat., p. 537), claim for damages which has been considered, adjusted, and determined by the Commissioner of Lighthouses in favor of the Fleming Contracting Co., of New York (H. Doc. No. 966); to the Committee on Appropriations and ordered to be printed.

5. A letter from the Secretary of the Treasury, transmitting supplementary estimate for the public-building work within the limits of cost previously authorized (H. Doc. No. 967); to the Committee on Appropriations and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII, bills and resolutions were severally reported from committees, delivered to the Clerk, and referred to the several calendars therein named, as follows:

Mr. OLDFIELD, from the Committee on Patents, to which was referred the joint resolution (H. J. Res. 257) authorizing the Commissioner of Patents to exchange printed copies of United States patents with the Dominion of Canada, reported the same without amendment, accompanied by a report (No. 624), which said joint resolution and report were referred to the House Calendar.

Mr. FERGUSSON, from the Committee on the Public Lands, to which was referred the bill (H. R. 15799) to provide for stock-raising homesteads, and for other purposes, reported the same without amendment, accompanied by a report (No. 626), which said bill and report were referred to the Committee of the Whole House on the state of the Union.

Mr. CLAYTON, from the Committee on the Judiciary, to which was referred the bill (H. R. 15657) to supplement existing laws against unlawful restraints and monopolies, and for other purposes, reported the same with amendment, accompanied by a report (No. 627), which said bill and report were referred to the House Calendar.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII,

Mr. McKELLAR, from the Committee on Military Affairs, to which was referred the bill (H. R. 962) for the relief of William H. Shannon, reported the same with amendment, accompanied by a report (No. 625), which said bill and report were referred to the Private Calendar.

CHANGE OF REFERENCE.

Under clause 2 of Rule XXII, committees were discharged from the consideration of the following bills, which were referred as follows:

A bill (H. R. 1432) granting a pension to Martha J. Curry; Committee on Pensions discharged, and referred to the Committee on Invalid Pensions.

A bill (H. R. 12949) for the relief of William S. Colvin; Committee on the Post Office and Post Roads discharged, and referred to the Committee on Claims.

A bill (H. R. 7455) granting an increase of pension to William T. Marshall; Committee on Invalid Pensions discharged, and referred to the Committee on Pensions.

A bill (H. R. 11729) granting an increase of pension to Effie Haywood Woodruff; Committee on Invalid Pensions discharged, and referred to the Committee on Pensions.

PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills, resolutions, and memorials were introduced and severally referred as follows:

By Mr. OLDFIELD: A bill (H. R. 16322) amending sections 476 and 477 of the Revised Statutes of the United States; to the Committee on Patents.

By Mr. DILLON: A bill (H. R. 16323) to amend section 237, chapter 10, of the Judicial Code; to the Committee on the Judiciary.

By Mr. HELGESEN: A bill (H. R. 16324) to make Pembina, N. Dak., a port through which merchandise may be imported for transportation without appraisement; to the Committee on Ways and Means.

By Mr. ASWELL: A bill (H. R. 16325) to waive any and all claims of the United States to lands within the private-land claims located in township 6 north, range 3 west, in the State of Louisiana; to the Committee on the Public Lands.

By Mr. MOORE: A bill (H. R. 16326) to increase the pension of those who lost limbs in the military or naval service of the United States during the Civil War of 1861 to 1865, inclusive; to the Committee on Invalid Pensions.

By Mr. UNDERHILL: A bill (H. R. 16327) to provide an appropriation for the erection of a building within which to install a Government exhibit at the Panama-Pacific International Exposition; to the Committee on Industrial Arts and Expositions.

By Mr. CARLIN: A bill (H. R. 16328) to authorize the use of the property of the United States at Mount Weather, near Bluemont, Va., as a summer White House; to the Committee on Agriculture.

By Mr. SABATH: Joint resolution (H. J. Res. 261) for the appointment of a committee to attend the funeral ceremonies over the bodies of the Nation's dead who fell at Vera Cruz, to be held at New York City, Monday, May 11, 1914; to the Committee on Rules.

PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ANSBERRY: A bill (H. R. 16329) for the relief of Jackson Brown; to the Committee on Military Affairs.

By Mr. BATHRICK: A bill (H. R. 16330) granting a pension to Florence Wood Hayden; to the Committee on Invalid Pensions.

By Mr. FITZHENRY: A bill (H. R. 16331) granting a pension to Samuel Stauffer; to the Committee on Invalid Pensions.

By Mr. HOBSON: A bill (H. R. 16332) granting a pension to Sarah B. Scott; to the Committee on Pensions.

By Mr. JOHNSON of South Carolina: A bill (H. R. 16333) granting a pension to Joanna C. Roper; to the Committee on Pensions.

By Mr. LEE of Pennsylvania: A bill (H. R. 16334) granting an increase of pension to Joseph E. Freeston; to the Committee on Invalid Pensions.

By Mr. LEWIS of Maryland: A bill (H. R. 16335) granting an increase of pension to John Brown; to the Committee on Invalid Pensions.

By Mr. McCLELLAN: A bill (H. R. 16336) granting a pension to Charles Black; to the Committee on Invalid Pensions.

Also, a bill (H. R. 16337) granting an increase of pension to Orra M. Duncan; to the Committee on Invalid Pensions.

Also, a bill (H. R. 16338) granting an increase of pension to John Gray; to the Committee on Invalid Pensions.

By Mr. O'SHAUNESSY: A bill (H. R. 16339) granting an increase of pension to Mary E. Davis; to the Committee on Invalid Pensions.

By Mr. SCULLY: A bill (H. R. 16340) granting an increase of pension to Amelia Lefferson; to the Committee on Invalid Pensions.

By Mr. SELLS: A bill (H. R. 16341) granting an increase of pension to Romain M. Hawkins; to the Committee on Invalid Pensions.

By Mr. SUTHERLAND: A bill (H. R. 16342) granting a pension to Elizabeth Jordan; to the Committee on Invalid Pensions.

By Mr. SWITZER: A bill (H. R. 16343) granting a pension to William H. Whittaker; to the Committee on Pensions.

By Mr. WOODRUFF: A bill (H. R. 16344) granting an increase of pension to Hezikiah B. Hulbert; to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

By the SPEAKER (by request): Petition of the Cores Fratries Association of Cosmopolitan Clubs, protesting against section 47 of the immigration bill, No. 103; to the Committee on Immigration and Naturalization.

Also (by request), petition of sundry citizens of Grove City, Pa.; Upland, Cal.; Harvard, Ill.; Glen Alpine, N. C.; Benzonia, Mich.; Biddeford, Me., and West Lebanon, Ind, protesting against practice of polygamy in the United States; to the Committee on the Judiciary.

Also (by request), petition of sundry citizens of Silex, Mo., favoring national prohibition; to the Committee on the Judiciary.

Also (by request), petition of the American Society of Landscape Architects, protesting against ending the half-and-half plan of taxation in the District of Columbia; to the Committee on the District of Columbia.

By Mr. AINEY: Petition of 19 voters of Bridgewater, Pa., and 26 voters of Falls, Pa., favoring national prohibition; to the Committee on the Judiciary.

By Mr. ALLEN: Petition of William Miller and 138 other citizens of Cincinnati, Ohio, protesting against national prohibition; to the Committee on the Judiciary.

Also, memorial of the Hamilton County (Ohio) Woman's Suffrage Association and the Susan B. Anthony Club, of Cincinnati, Ohio, favoring woman suffrage; to the Committee on the Judiciary.

By Mr. ANSBERRY: Petitions of sundry citizens of Ohio, against national prohibition; to the Committee on the Judiciary.

Also, petition of the suffrage associations of Henry and Putnam Counties, Ohio, favoring woman suffrage; to the Committee on the Judiciary.

By Mr. ASHBROOK: Petition of the suffrage clubs of Coshocton and New Philadelphia, Ohio, favoring woman suffrage; to the Committee on the Judiciary.

By Mr. BAILEY: Petition of Dr. F. S. Hoover, of Brownsville, Pa., protesting against amendment to House bill 6282; to the Committee on Ways and Means.

Also, petition of L. C. Bailey, of Saxton, Pa., favoring passage of House bill 13305, relative to setting prices at which goods may be sold; to the Committee on Interstate and Foreign Commerce.

Also, petition of the Board of Trade of Chester, Pa., protesting against Federal ownership of the telephone and telegraph; to the Committee on Interstate and Foreign Commerce.

Also, petition of various voting citizens of Summerhill Township, Pa., favoring national prohibition; to the Committee on the Judiciary.

By Mr. BAKER: Petition of sundry citizens of the second congressional district of New Jersey, against national prohibition; to the Committee on the Judiciary.

Also, petition of 450 citizens of Wildwood, N. J., and sundry citizens of Fairton, N. J., favoring national prohibition; to the Committee on the Judiciary.

By Mr. BARTON: Petition of the Nebraska Church Federation, favoring national prohibition; to the Committee on the Judiciary.

Also, memorial of the Grand Island (Nebr.) Commercial Club, protesting against national prohibition; to the Committee on the Judiciary.

By Mr. BROWN of New York: Petitions of 384 citizens of the first congressional district of New York, against national prohibition; to the Committee on the Judiciary.

Also, petition of sundry citizens of Suffolk County, N. Y., protesting against national prohibition; to the Committee on the Judiciary.

By Mr. BROWNING: Petitions of 22 citizens of Camden; 62 citizens of Williamstown; 25 citizens of Sewell; 60 citizens of Barnesbow; 50 citizens of Aldine; and 57 citizens of Haddon Heights, Audubon, and Clementine, all in the State of New Jersey, favoring national prohibition; to the Committee on the Judiciary.

Also, petition of the Eighth Ward Branch, Socialist Party, of Camden, N. J., relative to strike conditions in Colorado; to the Committee on the Judiciary.

By Mr. BRUCKNER: Petitions of John Hoelzel, the George N. Remhardt Co., and Fred Burker, all of New York City, protesting against national prohibition; to the Committee on the Judiciary.

Also, petition of C. Klein, of New York, and Rupert Fichte, of Bedford Park, N. Y., favoring the passage of the Bartlett-Bacon bill (H. R. 1873); to the Committee on the Judiciary.

Also, petition of the American Federation of Labor, relative to amending House bill 15657; to the Committee on the Judiciary.

By Mr. BYRNS of Tennessee: Papers to accompany House bill 16321, for increase of pension to Margaret A. Bennett, widow of R. A. Bennett; to the Committee on Pensions.

By Mr. CARTER: Petition of the United Mine Workers of America, of Adamson, Okla., relative to intervention in mine troubles in Colorado; to the Committee on the Judiciary.

By Mr. COOPER: Petition of sundry citizens of Franksville, Wis., favoring House bill 12928, to amend the postal laws; to the Committee on the Post Office and Post Roads.

Also, petition of sundry citizens of Franksville, Wis., against Sabbath-observance bill; to the Committee on the District of Columbia.

Also, petition of sundry citizens of Sharon, Wis., favoring national prohibition; to the Committee on the Judiciary.

Also, petition of sundry citizens of Milwaukee County, Wis., favoring equal suffrage; to the Committee on the Judiciary.

By Mr. CRAMTON: Petitions of H. E. Runnels & Son, of Port Huron, Mich., and the Owl Drug Store, of Mount Clemens, Mich., asking the passage of the Stevens bill (H. R. 13305) for the fixing of standard prices; to the Committee on Interstate and Foreign Commerce.

By Mr. CURRY: Petitions of 45 citizens of Stockton, 3 citizens of Martinez, and 101 citizens of Napa, all in the State of California, against national prohibition; to the Committee on the Judiciary.

By Mr. DONOVAN: Petition of the New Canaan (Conn.) Equal Franchise League, favoring woman suffrage amendment to Constitution; to the Committee on the Judiciary.

By Mr. DYER: Memorial of a street meeting in Washington, D. C., favoring report on House resolution No. 1, enfranchising women; to the Committee on the Judiciary.

Also, petition of Anton Kucera and members of Glass Bottle Blowers, Branch No. 5; F. Hy Koch, James H. McTague, and E. W. Dunn, all of St. Louis, Mo., against prohibition; to the Committee on the Judiciary.

Also, memorial of the Chamber of Commerce of the United State of America, favoring law establishing a court of patent appeals; to the Committee on Patents.

Also, petition of M. B. McMullen, of Mojave, Cal., favoring passage of the Bartlett-Bacon bill (H. R. 1873); to the Committee on the Judiciary.

Also, memorial of the National Association of Vicksburg Veterans, relative to aid, etc., in the reunion of the North and South to be held at Vicksburg, Miss.; to the Committee on Military Affairs.

Also, petition of the Socialist Party of St. Louis, of St. Louis, Mo., relative to investigation of mining troubles in Colorado; to the Committee on the Judiciary.

By Mr. ESCH: Papers in support of House bill 16220, granting an increase of pension to Edward K. Hill; to the Committee on Invalid Pensions.

Also, papers in support of House bill 16278, granting a pension to Adelaide Doty; to the Committee on Invalid Pensions.

By Mr. FESS: Petition of the Research Club of Georgetown, relative to erection of a monument to U. S. Grant in Georgetown, Ohio; to the Committee on the Library.

Also, petition of the Woman's Christian Temperance Union and Woman's Franchise League of Logan County, Ohio, demanding action on the suffrage amendment; to the Committee on the Judiciary.

By Mr. GARNER: Petitions of 300 citizens of Brownsville, Tex., and 250 citizens of Harlingen, Tex., favoring national prohibition; to the Committee on the Judiciary.

By Mr. GRAHAM of Pennsylvania: Memorial of the Board of Trade of Chester, Pa., opposing Government ownership of public utilities; to the Committee on the Judiciary.

Also, petition of the Woman's Christian Temperance Union of Shirleysburg, Pa., favoring national prohibition; to the Committee on the Judiciary.

By Mr. GRIEST: Resolution adopted by the Erie Foundrymen's Association, of Erie, Pa., protesting against the enactment of legislation as proposed by the so-called omnibus antitrust bill; to the Committee on the Judiciary.

By Mr. HART: Petition of various voters of the sixth congressional district of New Jersey, protesting against national prohibition; to the Committee on the Judiciary.

Also, petition of sundry citizens of the State of New Jersey and Kingsland (N. J.) Methodist Episcopal Church Brotherhood, favoring national prohibition; to the Committee on the Judiciary.

By Mr. HUMPHREY of Washington: Petition of sundry citizens of Carrollton, Wash., against Sabbath-observance bill; to the Committee on the District of Columbia.

By Mr. IGOE: Petition of A. H. Moss, St. Louis, Mo., against national prohibition; to the Committee on the Judiciary.

By Mr. KENNEDY of Rhode Island: Petition of the First Baptist Church and Bible School of Lonsdale, R. I., favoring national prohibition; to the Committee on the Judiciary.

By Mr. KETTNER: Petitions of the Presbytery of Riverside, Cal.; sundry citizens of Pasadena; the Pentecostal Church of the Nazarene, of Cucamonga; and the California "Dry" Federation, all in the State of California, favoring national prohibition; to the Committee on the Judiciary.

By Mr. KIESS of Pennsylvania: Petitions of sundry citizens of the fifteenth congressional district of Pennsylvania, favoring national prohibition; to the Committee on the Judiciary.

By Mr. KINKEAD of New Jersey: Petition of various voters of the eighth congressional district of New Jersey, protesting against national prohibition; to the Committee on the Judiciary.

By Mr. LIEB: Memorial of the Evansville Manufacturers' Association, of Evansville, Ind., protesting against further extension of the Parcel Post System; to the Committee on the Post Office and Post Roads.

By Mr. McCLELLAN: Petition of 46 citizens of the twenty-seventh congregational district of New York, against national prohibition; to the Committee on the Judiciary.

By Mr. MADDEN: Petition of sundry citizens of Chicago, Ill., protesting against national prohibition; to the Committee on the Judiciary.

By Mr. MOORE: Petition of the Board of Trade of Chester, Pa., opposing Government ownership of public utilities; to the Committee on the Judiciary.

Also, resolution of the Erie Foundrymen's Association, protesting against hasty consideration of so-called trade-commission bills; to the Committee on the Judiciary.

By Mr. MORIN: Petitions of sundry citizens of Pittsburgh and others of the State of Pennsylvania and the Angelo Myers Distillery, of Philadelphia, Pa., protesting against national prohibition; to the Committee on the Judiciary.

By Mr. MOSS of Indiana: Petitions of 1,965 citizens of Vigo County, Ind., and 124 citizens of Vermilion County, Ind., against national prohibition; to the Committee on the Judiciary.

Also, petition of 86 citizens of Parke County, Ind., favoring House bill 12589 relative to hunting of game; to the Committee on Agriculture.

By Mr. MURRAY of Oklahoma: Petitions of 56 citizens of Ivanhoe, 59 citizens of Chelsea, and the Pentecostal Church of the Nazarene of Isabelle, all in the State of Oklahoma, favoring national prohibition; to the Committee on the Judiciary.

By Mr. O'SHAUNESSY: Petitions of sundry citizens of Block Island, Newport, and Central Falls, all in the State of Rhode Island, favoring national prohibition; to the Committee on the Judiciary.

By Mr. PAIGE of Massachusetts: Petitions of 337 citizens of Gardner, 81 citizens of West Brookfield, 275 citizens of Athol, 18 citizens of Westminster, 560 citizens of Barre; 271 citizens of Boylston, 325 citizens of Clinton, 1,700 citizens of Fitchburg, 528 citizens of Leominster, all in the State of Massachusetts, favoring national prohibition; to the Committee on the Judiciary.

By Mr. RAKER: Resolutions by the Pacific Coast Gold and Silversmiths' Association, favoring House bill 13305, the Stephens bill, fixing a resale price; to the Committee on Interstate and Foreign Commerce.

Also, letters from 23 residents of Valley Springs, Cal., protesting against the passage of House joint resolution 168, relative to national prohibition; to the Committee on the Judiciary.

Also, memorial from the National Association of Vicksburg Veterans, asking for an appropriation from Congress to pay camp expenses of the reunion of Civil War (North and South) veterans, at Vicksburg, October, 1914; to the Committee on Appropriations.

Also, letter from the officials of the American Federation of Labor, suggesting amendments to House bill 15657, relative to antitrust legislation; to the Committee on the Judiciary.

Also, resolutions by the chamber of commerce, San Francisco, Cal., favoring the appropriation of $500,000 for the erection of new buildings for the United States marine hospital in San Francisco; to the Committee on Naval Affairs.

Also, resolutions by the Vallejo Trades and Labor Council, Vallejo, Cal., favoring House bill 11522, by JOHN I. NOLAN, providing for a minimum wage of Government employees of the Mare Island Navy Yard, etc.; to the Committee on Reform in the Civil Service.

By Mr. SUTHERLAND: Papers to accompany bill for relief of Elizabeth Jordan; to the Committee on War Claims.

By Mr. TAYLOR of Arkansas (by request): Petition of sundry citizens of Hot Springs, Ark., favoring Federal motion picture commission; to the Committee on Agriculture.

By Mr. TAYLOR of New York: Petitions of sundry citizens of Suffern, White Plains, Stony Point, and Katonah, all in the State of New York, favoring national prohibition; to the Committee on the Judiciary.

Also, petition of 76 citizens of the twenty-sixth congressional district of New York, against national prohibition; to the Committee on the Judiciary.

Also, petition of sundry citizens of White Plains and Brooklyn, N. Y., against Sabbath-observance bill; to the Committee on the District of Columbia.

By Mr. TUTTLE: Petition of various voters of the fifth congressional district of New Jersey, protesting against national prohibition; to the Committee on the Judiciary.

Also, petitions of various business men of Westfield, Madison, Roselle, German Valley, Morristown, and Rahway, all in the State of New Jersey, favoring passage of House bill 5308, relative to taxing mail-order houses; to the Committee on Ways and Means.

Also, petitions of sundry citizens of Mendham, Summit, Madison, Dover, Chathams, Plainfield, Elizabeth, Cranford, Roselle Park, Boonton, Port Morris, all in the State of New Jersey, favoring national prohibition; to the Committee on the Judiciary.

By Mr. WILLIS: Petition of the Delaware High School, of Delaware, Ohio, representing 435 people, in favor of the adoption of House joint resolution No. 168, relating to national prohibition; to the Committee on the Judiciary.

Also, petition of Monnett Hall, Ohio Wesleyan University, Delaware, Ohio, representing 130 people, favoring the adoption of House joint resolution No. 168, relating to national prohibition; to the Committee on the Judiciary.

By Mr. WILSON of Florida: Petition of 76 citizens, the Woman's Christian Temperance Union, and the Baptist Young People's Union of Tallahassee, Fla., favoring national prohibition; to the Committee on the Judiciary.

By Mr. WILSON of New York: Petitions of sundry citizens of Queens and Kings Counties, N. Y., protesting against national prohibition; to the Committee on the Judiciary.

By Mr. WOODRUFF: Petitions of sundry citizens of Iosco, Crawford, Bay, Arenac, Presque Isle, and Ogemaw Counties, all in the State of Michigan, against national prohibition; to the Committee on the Judiciary.

SENATE.

THURSDAY, *May 7, 1914.*

The Chaplain, Rev. Forrest J. Prettyman, D. D., offered the following prayer:

Almighty God, we pray that we may feel the sacredness of our citizenship in a land so great and so free. Thou hast called upon Thy servants in this Senate to write the laws of a Christian Nation. We have not yet exhausted the treasure of divine revelation in the making of a nation. So do Thou grant unto them the grace to seek divine help that all Thy will may be written into the laws and into the life of this great Nation.

We remember to-day we are receiving back to their native soil the bodies of the boys of the Navy who gave their lives in obedience to the call of their country. Their blood is a part of the purchase price of the sacred inheritance that we have received. Grant us, we pray Thee, deeper convictions than ever before of our solemn obligations to men and to God, and to be such men as that we may be worthy of the trust that Thou dost commit to us. For Christ's sake. Amen.

The Journal of yesterday's proceedings was read and approved.

EMPLOYMENT OF CONVICTS IN FOREIGN COUNTRIES.

The VICE PRESIDENT laid before the Senate a communication from the Secretary of Commerce, transmitting, in further response to a resolution of November 10, 1913, an additional report from the American consul general at Berlin, Germany, on the employment of convicts in foreign countries, which, with the accompanying paper, was referred to the Committee on Printing.

FINDINGS OF THE COURT OF CLAIMS.

The VICE PRESIDENT laid before the Senate a communication from the assistant clerk of the Court of Claims, transmitting a certified copy of the findings of fact and conclusion filed by the court in the cause of the Methodist Episcopal Church South, of Campbellsville, Taylor County, Ky., claimants, *v.* United States (S. Doc. No. 479), which, with the accompanying paper, was referred to the Committee on Claims and ordered to be printed.

MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by J. C. South, its Chief Clerk, announced that the House had passed a concurrent resolution providing for representation of the Congress at the exercises to be held at the navy yard in Brooklyn, N. Y., on Monday, May 11, 1914, in honor of the men of the Navy and Marine Corps who lost their lives at Vera Cruz, Mexico, etc., in which it requested the concurrence of the Senate.

ENROLLED BILLS SIGNED.

The message also announced that the Speaker of the House had signed the following enrolled bills, and they were thereupon signed by the Vice President:

S. 540. An act for the relief of Joseph Hodges;

S. 1808. An act for the relief of Joseph L. Donovan;

S. 1922. An act for the relief of Margaret McQuade; and

S. 3997. An act to waive for one year the age limit for the appointment as assistant paymaster in the United States Navy in the case of Landsman for Electrician Richard C. Reed, United States Navy.

PANAMA CANAL TOLLS.

Mr. THORNTON. Mr. President, I am compelled to leave the Chamber shortly, and I now give notice that at the conclusion of the routine morning business on next Saturday I will desire to address the Senate on the Panama Canal tolls question.

PETITIONS AND MEMORIALS.

Mr. CUMMINS. I present a memorial numerously signed by citizens of the second congressional district of Iowa, remonstrating against the adoption of an amendment to the Constitution to prohibit interstate liquor traffic. I ask that the memorial may be received and referred to the Committee on the Judiciary.

The VICE PRESIDENT. The memorial will be referred to the Committee on the Judiciary.

Mr. CUMMINS. I present petitions numerously signed by citizens of Davenport, Boone, and Russell, in the State of Iowa, praying for the adoption of an amendment to the Constitution to prohibit interstate liquor traffic. I ask that the petitions may be received and referred to the Committee on the Judiciary.

The VICE PRESIDENT. The petitions will be referred to the Committee on the Judiciary.

Mr. TILLMAN. I have here a letter addressed to me, which I ask may be read.

The VICE PRESIDENT. The Secretary will read the letter.

The Secretary read as follows:

MONAGHAN BAPTIST CHURCH,
Greenville, S. C.

Whereas ex-Senator Carman, in his lecture this afternoon in the city of Greenville, S. C., on Mormonism, suggested that the citizens of this Commonwealth request their representatives in both Houses of the United States Congress to use their influence to adopt the proposed amendment to the Constitution of the United States prohibiting polygamy:

Resolved, That it is the sense of this audience, assembled at Greenville, S. C., this 4th day of May, 1914, that it is the patriotic duty of the United States legislative branch of the Government of the United States to make the pending amendment against polygamy into an article in the Constitution of the United States.

Submitted by C. W. Smith.

P. S.—This paper was read to an audience of 1,800 or 2,000 people in the tent of the Red Hall Chautauqua last night, and was unanimously adopted by the audience. I sincerely hope that you will consider our wishes.

The VICE PRESIDENT. The letter will be referred to the Committee on the Judiciary.

Mr. HOLLIS. I present a letter addressed to me, which I ask may be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

MANCHESTER, N. H., *May 1, 1914.*

Hon. HENRY F. HOLLIS,
United States Senate, Washington, D. C.

DEAR SENATOR HOLLIS: I run a market at 609–613 Elm Street, Manchester, N. H., dealing in meats, fish, and groceries. I have noticed a great reduction in the retail prices of staple articles of food used in every household since a year ago.

I herewith submit the actual retail prices for such articles in my own store for the months of April, 1913, and April, 1914:

	April, 1913.	April, 1914.
Best creamery butter, per pound	$0.42	$0.30
Storage creamery butter, per pound	.38	.36
Best cream cheese, per pound	.24	.22
Good cheese, per pound	.18	.18
Skimmed cheese, per pound	.12 to .15	.12 to .15
Best fresh eggs, per dozen	.26 to .28	.24 to .25
Good eggs, per dozen	.24	.20 to .22
Pea beans, per quart	.10	.08
Evaporated apples, per pound	.12	.12
Patent flour, per barrel	6.00	5.50 to 5.75
Oatmeal, per pound	.03½	.03
Salt pork, per pound	.13 to .15	.10 to .12
Pure leaf lard, per pound	.18	.13
Pure lard, per pound	.18	.15
Substitute lard, per pound	.15	.12
Hams, skinned backs, per pound	.13	.10
Hams, regulars, per pound	.20	.17
Smoked shoulders, per pound	.18	.15
Fresh prime beef, first cut, per pound	.14 to .15	.12½ to .14
Fresh prime beef, second cut, per pound	.22	.17
Chuck beef, per pound	.20	.15
Boiling beef, per pound	.16 to .18	.12 to .13
Round steak, per pound	.14 to .15	.10 to .12
Sirloin steak, prime beef, per pound	.22 to .25	.18 to .20
Pork loins, per pound	.32	.25
Sugar, per pound	.40 to .45	.25
	.22	.16
	.06	.04½

I feel that you are entitled to know of this great reduction in the cost of living in the largest city of the State of New Hampshire, and I shall be pleased to have you lay these facts before the United States Senate.

Respectfully, yours,

MOISE VERRETTE.

Mr. BRISTOW presented a memorial of sundry citizens of Hooker, Okla., remonstrating against the enactment of legislation compelling the observance of Sunday as a day of rest in the District of Columbia, which was referred to the Committee on the District of Columbia.

He also presented petitions of sundry citizens of Kansas, praying for national prohibition, which were referred to the Committee on the Judiciary.

He also presented a petition of sundry citizens of Hooker, Okla., praying for the enactment of legislation to grant a compensatory time privilege to employees of the Post Office Department, which was referred to the Committee on Post Offices and Post Roads.

Mr. BURTON presented a petition of the American Genetic Association, praying for the enactment of legislation to provide a literacy test for immigrants to this country, which was ordered to lie on the table.

He also presented a petition of sundry citizens of Ohio, praying for the enactment of legislation to provide for the celebration of the so-called "One hundred years of peace among English-speaking peoples," which was referred to the Committee on Foreign Relations.

He also presented a petition of sundry citizens of Ohio, praying for a settlement of the Mexican difficulties without resort to armed intervention, which was referred to the Committee on Foreign Relations.

He also presented petitions of sundry citizens of Ohio, praying for an appropriation of $100,000 for the enforcement of the so-called migratory bird law, which were referred to the Committee on Appropriations.

He also presented a petition of sundry citizens of Ohio, praying for Federal aid in remedying the conditions existing in the mining districts of Colorado, which was referred to the Committee on Education and Labor.

He also presented petitions of sundry citizens of Ohio, praying for the adoption of an amendment to the Constitution to prohibit the manufacture, sale, and importation of intoxicating beverages, which were referred to the Committee on the Judiciary.

He also presented memorials of sundry citizens of Ohio, remonstrating against the adoption of an amendment to the Constitution to prohibit the manufacture, sale, and importation of intoxicating beverages, which were referred to the Committee on the Judiciary.

Mr. LODGE presented a petition of the congregation of the First Baptist Church of Waltham, Mass., praying for the adoption of an amendment to the Constitution to prohibit the manufacture, sale, and importation of intoxicating beverages, which was referred to the Committee on the Judiciary.

Mr. BURLEIGH presented a petition of sundry citizens of Enfield, Me., praying for the adoption of an amendment to the Constitution to prohibit the manufacture, sale, and importation of intoxicating beverages, which was referred to the Committee on the Judiciary.

He also presented a petition of the Woman's Christian Temperance Union of Calais, Me., praying for national censorship of moving pictures, which was referred to the Committee on Education and Labor.

Mr. KENYON presented petitions of sundry citizens of Iowa, praying for the adoption of an amendment to the Constitution to prohibit the manufacture, sale, and importation of intoxicating beverages, which were referred to the Committee on the Judiciary.

Mr. WORKS presented telegrams in the nature of memorials from members of the Grain Trades Association of California and of the German-American League of California, remonstrating against the adoption of an amendment to the Constitution to prohibit the manufacture, sale, and importation of intoxicating beverages, which were referred to the Committee on the Judiciary.

He also presented a petition of the Woman's Social and Helping Hand Club, of San Francisco, Cal., praying for the enactment of legislation providing for Federal censorship of motion pictures, which was referred to the Committee on Education and Labor.

He also presented a telegram in the nature of a petition from the Woman's Christian Temperance Union of Visalia, Cal., praying for the adoption of an amendment to the Constitution to prohibit the manufacture, sale, and importation of intoxicating beverages, which was referred to the Committee on the Judiciary.

Mr. PAGE presented the petition of Charles N. Prouty, of Spencer, Mass., praying for the adoption of an amendment to the Constitution to prohibit the manufacture, sale, and importation of intoxicating beverages, which was referred to the Committee on the Judiciary.

Mr. BRADLEY presented memorials signed by 4,707 individual citizens of the State of Kentucky, remonstrating against the adoption of an amendment to the Constitution to prohibit the manufacture, sale, and importation of intoxicating beverages, which were referred to the Committee on the Judiciary.

Mr. KERN presented a memorial of sundry citizens of Wayne, Ind., and a memorial of the Hotel and Restaurant Keepers' Association and the Indiana Hotel Keepers' Association, of Indianapolis, Ind., remonstrating against national prohibition, which were referred to the Committee on the Judiciary.

He also presented a petition of local branch, Railroad Trainmen's Association, of Seymour, Ind., praying for the enactment of legislation to further restrict immigration, which was ordered to lie on the table.

Mr. McLEAN presented a petition of Camp Kirkland, No. 18, United Spanish War Veterans, of Winsted, Conn., praying for the enactment of legislation to pension widows and orphans of veterans of the Spanish-American War, which was referred to the Committee on Pensions.

Mr. WARREN presented resolutions adopted by the Anti-saloon League of Wyoming, representing 500 people, favoring national prohibition, which were referred to the Committee on the Judiciary.

CALLING OF THE ROLL.

Mr. McCUMBER. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Ashurst	Goff	O'Gorman	Sutherland
Bankhead	Hitchcock	Oliver	Swanson
Borah	Hollis	Overman	Thomas
Brady	Hughes	Owen	Thompson
Brandegee	James	Page	Thornton
Bristow	Johnson	Perkins	Tillman
Bryan	Jones	Pittman	Townsend
Burleigh	Kenyon	Robinson	Vardaman
Burton	Kern	Root	Walsh
Chamberlain	La Follette	Sheppard	Warren
Clapp	Lane	Shively	Weeks
Clark, Wyo.	Lea, Tenn.	Simmons	West
Clarke, Ark.	Lodge	Smith, Ga.	Williams
Cummins	McCumber	Smith, Md.	Works
Dillingham	Martine, N. J.	Smoot	
Gallinger	Norris	Sterling	

Mr. WALSH. I wish to announce the continued absence of my colleague [Mr. MYERS] on account of illness and to state that he expects to be in attendance on his duties next week.

Mr. MARTINE of New Jersey. I desire to announce that the junior Senator from South Carolina [Mr. SMITH] is unavoidably absent on official business.

Mr. TOWNSEND. I announce that the senior Senator from Michigan [Mr. SMITH] is absent on important business. He is paired with the junior Senator from Missouri [Mr. REED] on all votes. I desire this announcement to stand for the day.

Mr. SMOOT. I wish to announce the unavoidable absence of the junior Senator from Wisconsin [Mr. STEPHENSON].

The VICE PRESIDENT. Sixty-two Senators have answered to the roll call. A quorum is present.

INSPECTION AND GRADING OF GRAIN.

Mr. McCUMBER. Mr. President, I have here a letter in the form of a petition, or the substance of a petition, from the editor of the Cooperators' Herald, a farm paper in my State. I have stricken out certain portions of it, and I ask that the balance, that which has not been stricken out, may be read.

The VICE PRESIDENT. Is there objection? The Chair hears none, and the Secretary will read as requested.

The Secretary read as follows:

FARGO, N. DAK., *May 4, 1914.*

Senator P. J. McCUMBER,
United States Senate, Washington, D. C.

DEAR SENATOR McCUMBER: I read with profound sorrow and regret the defeat of your splendid grading and inspection bill, which has been before the Senate so long.

In view of the unanswerable arguments advanced during the course of the debate on the bill by yourself and by Senator GRONNA, of the vast amount of reliable data and evidence gathered during the hearing on your bill and upon the bill introduced by Senator GRONNA while he was a Member of the House, and in view of the fact that every farmers' organization, national or otherwise, in the country has, time and again, unequivocally indorsed your bill, I confess I am at a loss to understand the attitude of the Senate toward the most important and the most neglected and discriminated against industry in our country, the agricultural industry.

It is not necessary for me to add anything to the vast array of facts and arguments that have been presented to the Senate and to the House to prove the dire need of direct Federal inspection and grading of farm products, even were I able to do so, so I will content myself with expressing the hope that you and your colleague, Senator GRONNA, will press every opportunity to secure the adoption of your bill, either as a rider to the Agricultural appropriation bill, if not too late, or as an amendment to the Gore-Lever bill, which, I understand, is to come up soon, and which, I understand, has the indorsement of the grain exchanges of the country.

Friends of the farmer are unalterably opposed to any legislation of this character that falls short of direct Federal inspection. They are unalterably opposed to Federal supervision of State or board inspection, or any other subterfuge.

The grain combine, as represented by the grain exchanges, is always strongly represented at Washington whenever any legislation affecting the selfish interest of that powerful combine is before the Senate or House. On the other hand, farmers of the country are practically unorganized, and such organizations as they have are without the means to maintain a lobby at Washington.

No class in the United States has been more long suffering; no class desires more sincerely to believe that the men whom it has helped to place and maintain in high positions are at all times impelled by honesty of purpose and patriotic motives, and, I believe, no class has more reason, because of treatment received, to call in question those attributes than the agricultural class.

May we hope that the principles embodied in your bill, that North Dakota's Senators have worked and fought for so conscientiously, consistently, and so long, shall be enacted into law before the adjournment of the present Congress.

Sincerely, yours,

GEO. L. NELSON,
Editor the Cooperators' Herald.

REPORTS OF COMMITTEES.

Mr. SHIVELY, from the Committee on Pensions, submitted a report (No. 489), accompanied by a bill (S. 5501) granting pensions and increase of pensions to certain soldiers and sailors of the Regular Army and Navy and of wars other than the Civil War, and to certain widows and dependent relatives of such soldiers and sailors, which was read twice by its title, the bill being a substitute for the following pension bills heretofore referred to that committee:

S. 106. Henry Lottner.
S. 549. Harriet Pierson Porter.
S. 1649. Sigmund L. Messing.
S. 1747. Susan A. Reynolds.
S. 2978. Rosina Freer.
S. 3025. Roland J. Patrick.
S. 3102. William W. Oglesby.
S. 3387. Bernhart Levyson.
S. 3978. Willis D. Clark.
S. 4607. Mary Adair Kendall.
S. 4642. Rose Schroeder.
S. 4650. Maud M. Whitton.
S. 4911. Charles F. Pegg.
S. 4915. John W. Thomas.
S. 4963. Freddie O. J. Horne.

S. 4971. George Wash.
S. 4972. Dock J. Miller.
S. 4984. Michael A. Clark.
S. 5117. Leo S. Baumgart.
S. 5153. John W. Fessel.
S. 5162. Alice M. Robinson.
S. 5179. Alexander M. Clark.
S. 5268. Alfred A. Stampp.
S. 5292. David Britton.
S. 5332. Emory A. Hilkert.
S. 5334. Robert Layman.
S. 5376. James G. Smith.
S. 5394. Virginia C. Sawyer.

Mr. SHIVELY, from the Committee on Pensions, to which was referred the bill (H. R. 14234) granting pensions and increase of pensions to certain soldiers and sailors of the Civil War and certain widows and dependent children of soldiers and sailors of said war, reported it with amendments, and submitted a report (No. 490) thereon.

Mr. WORKS, from the Committee on Fisheries, to which was referred the bill (S. 4977) to establish a fishery experiment station on the Pacific coast of the United States, reported it with an amendment and submitted a report (No. 491) thereon.

Mr. SMOOT, from the Committee on Public Lands, to which was referred the bill (S. 5316) authorizing the survey and sale of certain lands in Coconino County, Ariz., to the occupants thereof, reported it without amendment and submitted a report (No. 492) thereon.

Mr. CLAPP, from the Committee on Indian Affairs, to which was referred the bill (H. R. 11246) for the restoration of annuities to the Medawakanton and Wahpakoota (Santee) Sioux Indians, declared forfeited by the act of February 16, 1863, reported it without amendment and submitted a report (No. 493) thereon.

Mr. NORRIS, from the Committee on Public Lands, to which was referred the bill (S. 5092) for the relief of Charles A. Spotts, reported it without amendment and submitted a report (No. 494) thereon.

Mr. JONES (for Mr. THORNTON), from the Committee on Fisheries, to which was referred the bill (S. 5313) to regulate the taking or catching of sponges in the waters of the Gulf of Mexico and the Straits of Florida outside of State jurisdiction; the landing, delivering, curing, selling, or possession of the same; providing means of enforcement of the same; and for other purposes, reported it without amendment and submitted a report (No. 488) thereon.

PUBLIC BUILDING AT OSAGE CITY, KANS.

Mr. SWANSON. From the Committee on Public Buildings and Grounds I report back favorably, without amendment, the bill (S. 5066) to increase the authorization for a public building at Osage City, Kans., and I call the attention of the Senator from Kansas [Mr. BRISTOW] to the report. It is a very urgent measure, and I ask unanimous consent for its present consideration.

The VICE PRESIDENT. Is there objection to the present consideration of the bill?

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill, which was read as follows:

Be it enacted, etc., That to enable the Secretary of the Treasury of the United States to give effect to and execute the provisions of existing legislation authorizing the acquisition of land for the site and the erection of a public building at Osage City, Kans., the limit of cost heretofore fixed by Congress therefor be, and the same is hereby, increased $5,000, and the Secretary of the Treasury is hereby authorized to enter into contracts for the completion of said building within its limit of cost, including site.

Mr. SWANSON. The bill provides for an increase of $5,000 in the appropriation for the erection of a public building at Osage City, Kans. The Secretary of the Treasury estimates that it will require $7,000 additional to construct the building according to the plans and specifications, which originally provided for an expenditure of $50,000. A bid, however, could not be secured to erect the building for that sum. I therefore move an amendment to the bill, on page 1, line 8, after the word "increased," to strike out the sum "$5,000" and to insert in lieu thereof "$7,000," as recommended by the Treasury Department.

The amendment was agreed to.

Mr. GALLINGER. Mr. President, I observe that the Senator from Virginia suggested that this was an urgent matter. I will inquire if the Senator is informed as to what progress is being made in the Office of the Supervising Architect in making these improvements? I ask the question for the reason that months ago a bill was passed appropriating money for a very much-needed improvement in the post office in my home city, but inquiry of the Supervising Architect has always brought a reply that the work of the bureau was so far behind that no definite information could be given as to when the work would be taken up. Is this particular bill different from others, and will this appropriation be spent in the near future or will it go in with the others that are being delayed?

Mr. SWANSON. Mr. President, this bill provides for the increase of the appropriation in order that the plans and specifications which have already been prepared and the money for which has been appropriated may be carried out, the bids having been in excess of the amount appropriated. As soon as this increase is granted, new bids will be asked for, according to the plans and specifications. If they are within the appropriation, they will be accepted and the construction of the building will be proceeded with.

In connection with the delay of other public buildings, I wish to say that we are about seven years behind in the construction of buildings which have been authorized. A joint committee of the House and Senate was appointed to investigate this matter and to ascertain if we could not hasten the construction of these buildings. The delay has been largely occasioned because nearly 100 employees in the Supervising Architect's Office were dismissed a few years ago, not having been provided for in the appropriation bill, and therefore the means of making plans and specifications and contracts having been greatly reduced, the Supervising Architect's Office has been unable to provide the plans and specifications for the construction and improvement of buildings.

Mr. GALLINGER. Mr. President, I thank the Senator from Virginia for giving me the explanation. I did not intend to indulge in any criticism, but there is a condition that in some way ought to be remedied. It is bad enough to have the construction of new buildings postponed year after year, but it is infinitely worse to have such a condition as exists in my home city, where the public business is being carried on to the detriment of the Government and the people, an appropriation having been made months ago to remedy the trouble and nothing being done to remedy it.

Mr. SWANSON. I will say to the Senator from New Hampshire that the joint committee to which I have referred has made its report. We have provided a plan by which we hope that the buildings authorized can be constructed in three years.

I should like to say in this connection that the fault has not been with the Treasury Department, either under this administration or under the former administration. Senators think buildings can be constructed promptly and quickly, and yet when the department has asked for architects to prepare plans and to supervise the construction, Congress has refused to pay the force necessary to do the work which they have directed to be done. If Congress will provide a force sufficient to prepare plans, prepare for construction and the supervision of such buildings, they can be and will be promptly and properly constructed. I hope when the recommendations of the joint committee come before the Senate for consideration and action that those who have been complaining of the delay in the construction of buildings will aid us to get sufficient force to have this work properly and promptly done.

Mr. GALLINGER. Mr. President, as I have already said, I did not intend to indulge in any criticism, but I will venture to suggest to the Senator from Virginia, who is an influential member of the committee, that I trust a suggestion will be made to the Treasury Department and to the Supervising Architect that it would be well to take up cases exactly like this one and the one in my home city and give relief where buildings already exist, rather than to expend energy and money in constructing new buildings for the present. I think it is important that we should have adequate facilities where buildings are now constructed, rather than that we should hasten to construct new buildings, the construction of which can wait without any detriment to the public service. That is all I desire to say.

Mr. SWANSON. I fully concur in what the Senator from New Hampshire has said.

The bill was reported to the Senate as amended, and the amendment was concurred in.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

FEDERAL BUILDING AT SALISBURY, MD.

Mr. SWANSON. From the Committee on Public Buildings and Grounds I report back favorably, without amendment, the bill (S. 4158) to reduce the fire limit required by the act approved March 4, 1913, in respect to the proposed Federal building at Salisbury, Md., and I submit a report (No. 486) thereon. It is a very urgent bill, and I ask unanimous consent for its present consideration.

The VICE PRESIDENT. Is there objection to the present consideration of the bill?

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill, which was read, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized to disregard the provisions contained in the public building act approved March 4, 1913, requiring 40 feet open space for fire protection about the proposed Federal building at Salisbury, Md., or to reduce the space required thereby to such an extent as he may deem necessary.

The bill was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

SIERRA NATIONAL PARK, CAL.

Mr. WORKS. From the Committee on Public Lands I report back favorably without amendment the bill (H. R. 13770) to consolidate certain forest lands in the Sierra National Forest, Cal., and I submit a report (No. 487) thereon. It is a matter of urgency, and I ask unanimous consent for the present consideration of the bill.

The VICE PRESIDENT. Is there objection to the present consideration of the bill?

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill.

The bill was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

The title was amended so as to read: "A bill to consolidate certain forest lands in the Sierra National Forest and the Yosemite National Park, Cal."

LIEUT. FREDERICK MEARS, UNITED STATES ARMY.

Mr. CHAMBERLAIN. From the Committee on Military Affairs I report back favorably without amendment the joint resolution (S. J. Res. 145) authorizing the President to detail Lieut. Frederick Mears to service in connection with proposed Alaskan railroad, and I ask unanimous consent for its present consideration.

The VICE PRESIDENT. Is there objection to the present consideration of the joint resolution?

Mr. BORAH. Mr. President, I am not going to object to the consideration of the joint resolution, but I shall object to any further requests for unanimous consent to consider bills this morning.

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the joint resolution, which was read, as follows:

Resolved, etc., That the President of the United States be, and he is hereby, authorized to detail and require Lieut. Frederick Mears, United States Army, to perform service in connection with the location and construction of the railroad or railroads in the Territory of Alaska provided for in act of Congress approved March 12, 1914.

The joint resolution was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

Mr. CHAMBERLAIN. In connection with the passage of the joint resolution I desire to have put in the RECORD a letter from the Secretary of the Interior giving the reasons why this request was made.

The VICE PRESIDENT. Without objection, that action will be taken.

The letter referred to is as follows:

THE SECRETARY OF THE INTERIOR,
Washington, May 6, 1914.

Hon. GEORGE E. CHAMBERLAIN,
Chairman Committee on Military Affairs,
United States Senate.

MY DEAR MR. CHAMBERLAIN: Pursuant to the provisions of the act of Congress approved March 12, 1914, being an act to authorize the President of the United States to locate, construct, and operate railroads in the Territory of Alaska, and for other purposes, the President selected Lieut. Frederick Mears, of the United States Army, to perform services in connection with this work. Lieut. Mears is the chief engineer of the Panama Railroad. He is not, however, an officer of the Engineering Corps of the Army or Navy, and the Secretary of War advises me that the proposed detail is not authorized by the act of March 12, 1914, supra, and is forbidden by section 1222 of the United States Revised Statutes, and that in case of other details of officers of the Army to perform civil duties it has been found necessary to procure special legislative authority for such designation.

Lieut. Mears is in the city, and it is the President's desire that he should proceed at once to Alaska, and at the President's request I inclose a joint resolution which I trust that you will see fit to introduce and on which we hope for prompt action.

Cordially, yours,

FRANKLIN K. LANE.

BILLS AND JOINT RESOLUTION INTRODUCED.

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. BRYAN (for Mr. FLETCHER):

A bill (S. 5502) for the relief of James D. Butler; to the Committee on Claims.

By Mr. HUGHES:

A bill (S. 5503) granting a pension to Lillian J. Hartley; to the Committee on Pensions.

By Mr. JONES (for Mr. THORNTON):

A bill (S. 5504) to authorize the Secretary of Commerce to provide additional inspection of the fisheries of Alaska, and authorizing the purchase or construction of vessels and boats to be used in connection therewith; to the Committee on Fisheries.

By Mr. WORKS:

A bill (S. 5505) granting a pension to Josephine C. Sumner (with accompanying papers); to the Committee on Pensions.

By Mr. CLAPP:

A bill (S. 5506) for the relief of Cyrus Kennedy; to the Committee on Military Affairs.

By Mr. OWEN:

A bill (S. 5507) to correct the military record of Stephen W. Parker; to the Committee on Military Affairs.

By Mr. BORAH:

A bill (S. 5508) granting an increase of pension to Martha G. Lee (with accompanying papers); to the Committee on Pensions.

By Mr. McLEAN:

A bill (S. 5509) granting an increase of pension to Burnum W. Francis (with accompanying papers); to the Committee on Pensions.

By Mr. VARDAMAN:

A bill (S. 5510) for the relief of the heirs of Jacob Kuykendall; to the Committee on Claims.

By Mr. CHAMBERLAIN:

A joint resolution (S. J. Res. 146) to authorize the President to raise the organization of the Regular Army on certain occasions to its prescribed statutory maximum strength; to the Committee on Military Affairs.

AMENDMENTS TO RIVER AND HARBOR BILL.

Mr. MARTINE of New Jersey submitted an amendment intended to be proposed by him to the river and harbor appropriation bill, which was referred to the Committee on Commerce and ordered to be printed.

Mr. BURTON submitted two amendments intended to be proposed by him to the river and harbor appropriation bill, which were referred to the Committee on Commerce and ordered to be printed.

Mr. SHIELDS submitted an amendment intended to be proposed by him to the river and harbor appropriation bill, which was referred to the Committee on Commerce and ordered to be printed.

PANAMA CANAL TOLLS.

Mr. WORKS. I submit an amendment to the Panama Canal tolls bill and ask that it be read.

The VICE PRESIDENT. The Secretary will read as requested.

The Secretary read as follows:

Strike out the amendment reported by the committee and insert in lieu thereof the following:

"*Provided*, That neither the passage of this act nor the imposition upon or collection of tolls from the ships of this country or its citizens for passing through the Panama Canal shall deprive the United States of the right as owner of said canal to exempt from the payment of such tolls any and all ships of the Government and its citizens at any future time, nor shall this act be construed as a waiver of such right or as an acceptance of or consent to such a construction of any treaty with a foreign country as will deny or abridge the same."

Mr. WORKS. I ask that the amendment may be printed and lie on the table subject to call.

The VICE PRESIDENT. That action will be taken.

EFFECT OF TARIFF LEGISLATION ON AGRICULTURE—ADDRESS BY SENATOR PENROSE.

Mr. OLIVER. Mr. President, I have an address, delivered at Sharon, Pa., on the 30th ultimo by my colleague [Mr. PENROSE], upon the subject of the injury to agriculture and our national welfare by the Democratic tariff. I ask unanimous consent that it may be printed in the RECORD.

The VICE PRESIDENT. Is there any objection to the request of the Senator from Pennsylvania?

Mr. SIMMONS. Mr. President, I could not hear the Senator. I do not know what the paper contains.

Mr. OLIVER. The paper, Mr. President, contains some very valuable statistics as to the effect of the recently enacted tariff bill upon the agricultural interests of the country. It was delivered by my colleague at Sharon, Pa., on the evening of the 30th of last month.

The VICE PRESIDENT. Is there any objection to the address referred to by the Senator from Pennsylvania being printed in the RECORD?

Mr. SIMMONS. Mr. President, I think it is an exceedingly bad practice to be printing in the RECORD speeches delivered outside of the Chamber by Senators, but if the request comes from the senior Senator from Pennsylvania [Mr. PENROSE] I shall not feel like objecting to it. I do feel like saying, however, that it is a very bad precedent to establish.

Mr. MARTINE of New Jersey. Mr. President, I should like to say that I have been regaling myself this morning with reading one of the Philadelphia papers, and I think it is utterly unnecessary to publish any more of the effusions of the colleague of the Senator from Pennsylvania. The Philadelphia papers are just chock full of the calamity howl, death, desolation, stagnation, and woe that is perpetrated in the daily press of Philadelphia by the distinguished senior Senator from Pennsylvania [Mr. PENROSE]. Everything is cloudy and gloomy, and there is no hope for mankind hereafter, because of the enactment of a Democratic tariff bill.

I do not think it is necessary to encumber the RECORD with any more of it. You can buy for 1 cent the Philadelphia Inquirer or one of the other Philadelphia papers, and you will fairly see the magnificent, stalwart form of Senator PENROSE pictured on every page. It finally winds up with the statement that he is going to spread his gospel; that he is even going to invade the State of the Senators from Indiana, and there tell the tale of sadness and woe that the Democratic Party has brought on this land. [Laughter.]

I am opposed to depressing mankind further. I felt sad after I read this speech, and, great God, I do not want another page in any document spread with like propaganda.

Mr. OLIVER. Mr. President, I am glad to find that the Senator from New Jersey at last realizes the effect of this act, to the passage of which he was a party, and realizes the injurious effect that it is having on the country. However, I do not think that is pertinent to the present proposition. I only wish to say that the facts contained in this address will find their way into the RECORD sooner or later. If they are included in this way it may save 15 or 20 minutes of the time of the Senate at a future period, because I wish to assure Senators that they will go into the RECORD.

The VICE PRESIDENT. Is there any objection to printing the address in the RECORD? The Chair hears none, and the address of the senior Senator from Pennsylvania will appear in the RECORD.

Mr. MARTINE of New Jersey. Mr. President, I object.

The VICE PRESIDENT. The Chair has ruled.

The address is as follows:

THE INJURY TO AGRICULTURE AND OUR NATIONAL WELFARE BY THE DEMOCRATIC TARIFF.

(Address by Hon. BOIES PENROSE, United States Senator from Pennsylvania.)

The Democratic administration has been in power for a little over a year. Its first important legislative act, the tariff, has been in effect a little more than six months. This is a comparatively short period. It would have seemed almost incredible, at the time this act was passed, that in six months thereafter its great feature would stand out clearly as a great national blunder. Yet this has come to pass. And now this blunder is practically admitted by the leading authority in the Democratic Party in the matter with regard to which the blunder was made. I refer to this because the matter is one of fundamental national importance and of great interest at this time to the people of Pennsylvania.

ITS EFFECT ON AGRICULTURE.

This blunder concerns the great industry of agriculture. As to Pennsylvania, the manufactures of the State are so much in evidence that many of our people do not realize that Pennsylvania is a great agricultural State also. But it is noted for the number, good management, and general excellence of its farms and for its large agricultural production.

A recent report of the Department of Agriculture of the United States practically admits that in our country to-day the incentive to more farming and better farming is wanting. This report from the department Bureau of Statistics says:

> However desirable increased production of farms may be from the consumers' standpoint, it does not follow that such increased production would result in any increase in the cash income per farm or per capita of farm population, or that prices paid by consumers would be any lower.

The meaning of this, which is brought out further in the report, is that, as the increase of crops would simply result in a lowering of the price at which the farmer must sell, he has no practical incentive to apply increased labor and improved and more scientific methods to his industry. But the welfare of all our people requires that the production of our agricultural industry be increased as much as possible and that more scientific methods and better organization be established in this industry throughout our country. As the products of our country increase, our purchasing power increases, and with it come better homes and more comforts of life, better education and advantages for our children, and the increase of individual energies and capacities and of all that makes life useful and satisfactory. This is as true for the agricultural industry as for any other industry. Farms are really factories for the manufacture of crops, and must have the same sort of intelligent consideration and regard that manufacturing establishments need. It is remarkable that it should be thought that the farmers should be always content with small returns for their hard work, so fundamentally necessary for the public welfare. Why, in fact, should not the pursuit of agriculture in the United States yield as much return for investment and labor as is obtained in other business enterprises?

But we are now brought face to face with the fact, and reminded of it by the Department of Agriculture, that the natural and necessary inducement to encourage our farmers to greater efforts, better methods, and increased production has been seriously impaired. Here is a most serious economic discouragement introduced to disturb the excellent progress that has been under way, and which the farmers have been making for themselves in a businesslike way, and by means of many useful associations for self-help and cooperation, like the granges and other notable organizations. And the farmers have been going ahead to work out better methods for marketing their products in the cities, so that avoidable wastes, delays, and maladjustments between producers and consumers should be eliminated and the city consumers more efficiently and more cheaply served. And now the Department of Agriculture of the United States, in its comment upon the situation in this matter, plainly admits that what the consumers really need is better marketing and distribution of our own farm products, and not the free entry of all sorts of foreign products, which inevitably discourages and delays progress in really satisfying the consumers' needs. The department says in its report:

> The long line of distributers and middlemen between the farmer and consumer are in a position to take advantage of the market and to a certain extent control the market in both directions, because they are better organized to keep informed of crop and market conditions and to act promptly than either farmers or consumers, who are not organized, and as individuals are helpless. The high prices paid by consumers, ranging from 5 to nearly 500 per cent in some cases more than the farmer receives, indicate that there is plenty of room for lowering the cost of farm products to consumers and at the same time largely increasing the cash income per farm without increasing farm production. This condition is undoubtedly a marketing problem, which will have to be solved by better organization of farmers and improved methods of marketing.

That our resources are such as to enable our own farmers to vastly increase their production when they have the proper incentive is made clear in the latest annual report of the Secretary of Agriculture. The Secretary says:

> The situation is one about which many have become pessimistic, but of course there is no ground for thinking that we have yet approximated the limit of our output from the soil. As a matter of fact, we have just begun to attack the problem; we have not even reached the end of the pioneering stage, and have only in a few localities developed conditions where reasonably full returns are secured. With a population of less than 95,000,000 living on more than 3,000,000 square miles, it is unreasonable to speak as if our territory had been much more than pioneered. The population per square mile in the Union does not exceed 31, and ranges from seven-tenths of 1 in Nevada to 508 in Rhode Island. It is less than 76 per square mile in any State in the Union except in 8 Eastern States and in Ohio and Illinois; less than 50 in any Southern State; less than 43 in any State west of the Mississippi except Missouri; less than 25 in the great States like Texas, Washington, Nebraska, Oklahoma, Kansas, and California; less than 10 in the Dakotas, Oregon, and Colorado; and less than 5 in most of the Rocky Mountain Commonwealths.
>
> Look at it from another point of view. According to the best statistics available, it appears that the total arable land in the Union is approximately 935,000,000 acres; that only about 400,000,000 of this is included in farms and improved; that over 100,000,000 is unimproved and not included in farms; and the remainder is unimproved lands included in farms. But there is another thought. What about the efficiency of the work on the land now under cultivation? What part of it may be said to be reasonably, efficiently cultivated? What part of it is satisfactorily cultivated and is yielding reasonably full returns? The opportunity for guessing in this field is unlimited, but, according to the best guesses I can secure, it appears that less than 40 per cent of the land is reasonably well cultivated and less than 12 per cent is yielding fairly full returns or returns considerably above the average.
>
> * * * * * * *
>
> We have been suddenly brought face to face with the fact that in many directions further production waits on better distribution and that the field of distribution presents problems which raise in very grave ways the simple issue of justice; that under existing conditions in many instances the farmer does not get what he should for his product; that the consumer is required to pay an unfair price; and that unnecessary burdens are imposed under the existing systems of distribution there can be no question.

The Democratic tariff threw away many duties and reduced duties all along the line on manufactured articles; and yet the greatest feature of this tariff is that it has put farm products practically on the free list at one blow. This was one of the great objects of the Democratic tariff. A great deal of popular

excitement had been aroused about what is known as the high cost of living, and the Democratic Party maintained that this was caused by the Republican tariff—especially by the duties on farm products—and that the only thing to do was to remove these tariff duties on farm products and reduce the other duties radically.

The Republican Party maintained that the high cost of living prevailed all over the world, and occasioned as much comment, or more, in other countries as in the United States; and that, as it was a world-wide phenomenon, the most sensible thing to do was to carefully examine into the causes of it and determine the true remedy and then proceed in this country to do our part in applying the remedy. This is characteristically the Republican way of meeting a difficulty, the constructive way, the way by which good and lasting results are secured and prosperity maintained. And the Republican Party gave warning that to sacrifice the tariff was not the way to correct the high cost of living, but was the way into greater difficulties and serious distress.

NEW COMPETITION BUT NO REDUCTION IN THE COST OF LIVING IN THE CITIES.

But the Democratic Party used its power to enact its tariff under the whip and spur of the President, and in such shape as pleased the President, without careful scrutiny by a scientific tariff commission such as the Republican Party sought to establish and which the welfare of the great interest of agriculture and of all our people urgently requires. Now after six months of this tariff, which the Democratic President and his party promised would reduce the cost of living, it is admitted that it has given no relief to the consumer and can scarcely be expected to do so in the future. The defenders of this Democratic tariff are hard pressed to find a single instance of the lowering of prices of any food products to the consumers in the cities, to those for whose sakes it was said that the Republican rates of duty would have to be sacrificed. The sacrifice has been made, and at the expense of the American farmers, but no benefit has been obtained from the free importation of farm products to offset the injury to the farmers. The people of the cities are not getting their food supplies cheaper. The Democratic promise of a reduction in the cost of living has broken down and is now discredited.

THE ONLY WAY TO HELP THE CONSUMERS IN THE CITIES.

As the Department of Agriculture makes clear in its report, the only way by which the actual consumers in the cities can get cheaper food is through better methods of marketing and distributing our own food products. This is recognized also by the present Postmaster General, who is making heroic efforts to bring the city consumer and farm producer together by means of the parcel post. This problem of distribution, from its very nature, must be worked out by and through our own farmers. They have taken up their part of the task in the right spirit and with good effect. The people of the cities must, however, cooperate and do their full share. The task is a great one and calls for all the aid that the cities can render, and they can and must aid with their great resources and facilities, their training and skill in organization and business enterprise, and the intelligence and aggressiveness which have made American business men known and respected the world over. The city people must not forget that they must do their part also in securing a larger production of American farm products.

Our own farmers and our farm production are discouraged by the present tariff policy and the net result is a worse condition than before, to which the great depression of industry generally adds further difficulty. It was a great blunder—and worse than a blunder—to throw away our tariff on farm products and bring against the domestic market of our own farmers the unrestricted competition of farm products from all over the world, including the products of the cheapest and most degraded labor to be found in the world. In this serious injury to our farmers Pennsylvania, in common with the other great agricultural States, suffers greatly.

DAIRY PRODUCTS.

Throughout Pennsylvania the market for dairy products is a matter of great importance to the farmers. The Democratic tariff has cut the tariff rates drastically on such products. Under the Republican tariff butter was dutiable at 6 cents per pound. The present rate is only 2½ cents per pound. This is a reduction of almost 60 per cent. The result is shown in the statistics of recent imports, and a comparison with the imports under the Republican tariff makes clear the tremendous effect of the change.

During the four months from October, 1912, to January, 1913, both inclusive, under the Republican rate the imports of butter and substitutes therefor were 470,175 pounds, valued at $122,313. In the corresponding four months one year later, October, 1913, to January, 1914, both inclusive, under the present Democratic tariff, the imports have amounted to the enormous total of 4,575,079 pounds, valued at $1,031,759. This sudden increase in these imports, which the domestic market must absorb, amounts to 4,104,904 pounds, valued at $909,446. The first month under the new tariff was October, 1913. The imports of butter and substitutes during this month were 463,399 pounds, more than seventeen times the imports of the same month one year before; but for the next month, November, 1913, the imports were 1,069,617 pounds, considerably more than double the imports of October. It is evident that the real effect of the new rates did not have time to appear in the imports of October. Hence the imports of the following few months afford a much truer indication of what to expect under the new rates. During these months the imports steadily increased. The average monthly imports during November, December, and January amounted to 1,370,560 pounds. These figures indicate yearly imports of not less than 16,446,720 pounds.

The imports of cheese and its substitutes have also increased greatly. The duty on this important dairy product was reduced from 6 cents per pound to 20 per cent ad valorem. In 1912, a normal year, the rate of 6 cents was equivalent to about 32 per cent ad valorem, so that this reduction was almost 40 per cent. During the first four months under the new tariff the increase in the imports of this article amounted to 6,254,068 pounds, valued at $927,511. The probable annual importations under the new rates, judging from the imports of November, December, and January, will amount to not less than 78,128,420 pounds.

Cream, which under the Republican tariff was dutiable at 5 cents per gallon, is now on the free list. Milk, both fresh and condensed, is also now absolutely free of duty. The increase in the imports of cream during the first four months of the new tariff, over those of the corresponding period of one year before under the former tariff, amounted to 183,035 gallons, valued at $167,078. The imports of milk increased in the same period from $66,531 worth to $322,211 worth. A great deal of condensed milk is now being imported and has cut off a very important part of the American farmer's market for domestic milk for condensation. It is reported that new arrangements are now actively under way for great additional importations of milk, both fresh and condensed, and it is certain that our farmers have only begun to experience the effect of free trade in these articles. And it is now announced that the American manufacturers of condensed milk will pay American dairymen lower prices for milk during the six months beginning April 1, because of the tariff changes. However, the consumers of condensed milk will not get it any cheaper.

CORN.

In Pennsylvania the greatest crop is corn, as in so many of our great agricultural States. In 1911 Pennsylvania had 1,435,000 acres in corn and the yield was 63,858,000 bushels. The State has steadily increased its acreage and yield of corn since 1909. And to-day it would like to and could go on to produce much more corn, as could also our other States. But the Republican duty of 15 cents per bushel has been swept away, and corn is now on the Democratic free list, and corn is being brought in in enormous quantities, principally through the Atlantic ports, from Argentina and other distant countries.

Without a comparison of the actual figures it is hard to realize what this new competition means. We have now at hand the Government statistics of imports for the first four months under the new tariff, from October 4, 1913, to the end of January of this year. During the corresponding four months one year ago the imports of corn into the United States amounted to 258,684 bushels, valued at $139,766, and yielded some revenue to the United States Treasury. During the corresponding four months one year later, the first four months under the new tariff, the imports of corn amounted to the enormous total of 7,004,159 bushels, valued at $4,656,216, and yielded no revenue whatever to the United States Treasury, but entered without toll into the American market.

The farmers of Pennsylvania, into which a great deal of this corn has gone, will realize before long what this new competition means. And they will understand the extent of it when they consider that this importation during only one-third of a year is about 11 per cent of the entire production of corn in the great State of Pennsylvania throughout an entire year. If these imports continue at the present rate throughout the year, they will amount to about a third of the entire production of Pennsylvania in that period.

Of course, with an agricultural product, it can not be predicted with certainty that the imports of one period of four months will continue at the same rate throughout the whole year. There are certain seasons for crops, and crop conditions vary. And yet, as corn can come into our markets free of any

duty from all countries where corn can be grown, and as additional arrangements for new and greater importations will naturally be made with every passing month, it is not improbable, since far greater importations are indicated by the statistics now at hand, that the imports of corn for the year 1914 will exceed the average annual corn crop of Pennsylvania.

It is reported that the recently harvested corn crop of Argentina will be much greater than any crop heretofore produced in that country. As the greater part of the Argentine crop is exported, it is practically certain that much larger quantities of Argentine corn will come to the United States in the near future, and that the free access to our markets will encourage a still larger production in Argentina next year. And now it is reported that Russia will make a Government monopoly of the sale and export of grain produced in that country and develop by special efforts the greatest possible amount of exports. The free access to our markets invites and encourages this great foreign development as well as the one in South America, and all this must be at the expense of our own agricultural development.

OATS.

Oats constitute a great crop in Pennsylvania. In 1911, 31,720,000 bushels were produced from 1,212,000 acres, an average yield per acre of 28½ bushels. This crop was a substantial increase over the yield as reported by the census for the year 1909. Under the Republican tariff the duty on oats was 15 cents per bushel. The Democratic tariff, now in effect, has cut down this rate to only 6 cents per bushel, a reduction of 60 per cent. With the Republican tariff in effect, the imports during the four months from October, 1912, to January, 1913, both inclusive, were 23,580 bushels, valued at $11,679. With the Democratic tariff in effect, the imports of the corresponding four months one year later, from October, 1913, to January, 1914, both inclusive, the first four months under the new tariff, amounted to the interesting total of 16,194,145 bushels, valued at $5,628,405.

Here is as much as one-half of the annual production of Pennsylvania, as much as is obtained by the hard work of Pennsylvania farmers from 568,215 acres, coming in from all over the world. The statistics show that the imports in October, 1913, the first month under the new tariff, do not indicate the full effect of the tariff, for the imports in the following month, November, were twice as much as in October, and were greater in December than in November. The average monthly importations during November, December, and January amounted to 4,556,450 bushels. At this rate throughout the year the yearly importations would amount to 54,577,400 bushels, or about one and two-thirds times the annual output of Pennsylvania.

POTATOES.

The Republican rate of duty on potatoes was 25 cents per bushel. The Democratic rate is only 10 per cent ad valorem, or no duty if imported from countries which impose no duty on potatoes from the United States. The situation in this matter is something like that with wheat—we have not yet begun to experience the full effect of what is practically a free-trade tariff. However, we are now experiencing a great deal of the effect. Under the first four months of the new tariff potatoes came in free of duty to the amount of 2,183,187 bushels. During the same period potatoes dutiable at 10 per cent came in to the amount of 1,078,508 bushels. The total of these imports is 3,261,695 bushels, valued at $1,478,819. What this means can be realized when it is remembered that in the corresponding four months one year before, under the Republican tariff, the imports were 79,500 bushels, valued at $84,641. The increase in the short period, with the full power of the new tariff not exercised, amounts to 3,182,195 bushels, valued at $1,394,178.

HAY.

The duty on hay was cut from $4 to $2 per ton. In the first four months under the low rate 64,633 tons were imported. This is an increase of 10,410 tons over the imports of the corresponding four months one year before. If the comparison is made with reference to the last three months for which statistics are available, the increase is greater.

CATTLE.

Under the Republican tariff the duty on cattle was 27½ per cent ad valorem when valued at more than $14 per head and $3.75 per head on those valued at not more than $14. This specific duty was equivalent to about 27½ per cent on the imports of 1912. The Democratic tariff has made all cattle free of duty. The imports have more than trebled. Under the Republican rate 136,087 head of cattle came in during the four months from October 1, 1912, to January 31, 1913. In the corresponding period one year later, the first four months under the Democratic tariff, 431,921 head of cattle came in. The increased imports are very largely from Mexico, notwithstanding the disturbed conditions in that country. When order is restored there, the Mexican exports of cattle to the United States must increase greatly beyond these recent numbers.

SHEEP.

Sheep are also free of duty under the Democratic tariff. The Republican rate was 75 cents per head if less than 1 year old and $1.50 per head if more than 1 year old. These specific duties averaged from 14 to nearly 19 per cent ad valorem in 1912. Under free trade in sheep, during the first four months of this policy, 124,588 head of sheep came in, valued at $276,231, the average import value being $2.22 per head. During the corresponding four months one year before, under the Republican rates, the imports were 9,430 head, valued at $50,821, the average import value being $5.39 per head.

MEATS.

Fresh meats are now on the free list under the Democratic tariff. Imports have increased greatly. For the first four months under the new tariff there have been imported 44,764,396 pounds of beef and veal, 1,055,470 pounds of mutton and lamb, and 401,014 pounds of pork, a total of 46,220,880 pounds of fresh meats, valued at $3,754,023. The imports of such meats under the Republican tariff were included in the group called "all other meat products" prior to July 1, 1913, and hence an exact comparison of these recent importations with those of the corresponding period of one year ago can not be made. But as all the imports during this period of one year ago of all the articles in the group called "all other meat products" amounted to only $536,804 and the recent imports of fresh meats alone amounted to seven times this amount, the enormous increase in the imports of meats is clearly shown in the statistics.

EGGS.

The statistics also indicate the great quantities in which new imports of eggs are coming in, although under the classification of import statistics an exact comparison of the first four months under the new tariff with the corresponding four months one year ago can not be made, as eggs were then included with other articles. During the first four months under the new tariff 2,885,561 dozen eggs were imported. The large importations did not begin to come in until last December. The statistics indicate importations of about 12,000,000 dozen eggs during a year. During the fiscal year 1912, under the Republican tariff, 1,098,702 dozen eggs were imported. The Republican rate of duty was 5 cents per dozen. The Democratic tariff has eggs on the free list.

BUCKWHEAT.

Buckwheat is an important crop in Pennsylvania, which in 1911 had a larger acreage in this crop than any other State and raised 6,373,000 bushels, or 36.31 per cent of all the buckwheat raised in the United States. Under the Republican tariff the duty on buckwheat was 15 cents per bushel of 48 pounds, and the duty on buckwheat flour was 25 per cent ad valorem. Under the Democratic tariff both buckwheat and buckwheat flour are on the free list. The imports of buckwheat are not separately reported in the Government statistics, but it is well known that large quantities have been coming in during the past few months, almost all of which are imported directly by the millers and used instead of American buckwheat.

SECTIONAL DISCRIMINATION.

The Democratic administration did not apply its policy of free trade in agricultural products to the whole country without favoritism. The southern farmers were not treated as harshly as were the northern farmers. The northern farmers must have corn, buckwheat, and other grains on the free list, but the southern farmers were granted a protective duty on rice. The northern farmers must contemplate potatoes on the free list, but the farmers of Virginia, North Carolina, and other Southern States enjoy a protective duty on peanuts.

Fruit such as is produced by the northern farmers is subject only to a very low rate of duty, but the lemons and oranges of Florida have a protective duty. The wool produced in Northern States is on the free list, while the Angora goat hair produced in Texas enjoys a protective tariff. These discriminations in favor of southern farmers are a practical admission of the truth that protective duties develop agricultural production and prosperity.

THE IMPORTANCE OF THE REPUBLICAN POLICY FOR AGRICULTURE.

In striking contrast with the mistaken policy toward agriculture exhibited in the present tariff, the Republican policy has been and is to bring to bear the influences that make for a great increase in our own production and subsequent prepara-

tion of foodstuffs. This is the really constructive policy which is of genuine service to all our people. It is of advantage not only to Pennsylvania, but to all the States. And it is the only policy that will give us a permanent benefit.

It is not generally realized that we have enormous areas of undeveloped lands in our own country. In fact, the development of domestic agriculture has only fairly begun in a number of the Western States. In North Dakota only about one-fourth of the land is under cultivation. In the eastern part of Montana lies a great agricultural territory which has hardly begun to be cultivated. Those who have made a careful study of our agricultural possibilities demonstrate that we can raise in the United States all the food needed to supply eight times the present population. In Pennsylvania, although a State of great agricultural development, there is a great deal of productive land unused or insufficiently used.

The great force and, in fact, the only force that will lead to the development of these resources is sufficient inducement to farmers to incur the risk and labor incident to cultivating them. This inducement must be an adequate return for the labor and risk. Take the country through and through and it must be admitted that comparatively few farmers receive as yet an adequate return for their unremitting toil and constant investment. By giving to the American farmers a reasonable advantage in the American market, to which they are by their citizenship entitled, we will supply the needed inducement for them to extend their enterprise and best efforts to the more thorough cultivation of farms now in use and to the cultivation of land that is now idle and unproductive. Another evidence of the error of the Democratic policy and of the value of the Republican policy is to be found in a report recently issued by the committee on statistics and standards of the Chamber of Commerce of the United States. This report is thoroughly scientific and disinterested. It shows that there is no foundation for any apprehension that our population increases faster than our domestic food supply can and should increase.

This chamber of commerce is a nonpartisan association made up of chambers of commerce and boards of trade throughout the country. It has nothing to do with politics and makes its investigations and reports according to the actual facts ascertained in a businesslike and thorough way, and its reports are for the information and guidance of all men. The report of this body on the food supply shows a great increase in the domestic output of agricultural products, much beyond the increase of population and its requirements, and goes on to say:

> It is entirely within the possibility of modern scientific farming, economically and profitably, to increase the yields of most food crops in a very large measure at comparatively small expense. In some cases the possibility of increase, under these conditions, of certain products runs as high as 100 per cent and more. An instance in point is that of the production on 10 acres, by a boy in South Carolina, of 228 bushels of corn per acre, as against an average of 28 bushels all over the United States. The innumerable instances of what can be done in this direction and the steadily broadening work of the Federal Department of Agriculture and the State agricultural colleges throughout the country give assurance that we may expect a steady increase in production per acre in the coming years. If, therefore, we survey the field in sober thought rather than the Cassandra-like spirit of prophecy, the outlook seems to be for a greater variety, increasing abundance, and a more reasonable price of food for the people.

On the other hand, to keep our doors thrown open to the free entry of the agricultural production of the world is to subject our farmers, our own fellow citizens, to the competition of the cheapest labor in the world and to hold back from our people the normal incentive to fully develop their own lands while adding to such incentive for foreign peoples. There are enormous areas of undeveloped lands in the newer countries of the world, in South America and Australia, and also in Siberia and other parts of Asia, in Russia, and in many parts of Africa. Throughout the world there is a rapid increase in the production of food products in excess of the increase in the world's population. Hence the level of prices of such products must be low and may go much lower. Improved processes of packing and transportation bring to our doors the competition of these products in a way that is very threatening for our own producers. And with these importations sanitary inspection can not be as thorough as with the home-grown article, and our farmers are at a disadvantage in this matter as well as in the matter of price.

THE REPUBLICAN POLICY THE ONLY ONE THAT WILL HELP CONSUMERS AND PRODUCERS.

The flood of importations of foreign products can accomplish nothing toward the solution of this problem, but has the effect of discouraging our own farmers, diminishing their output, and withdrawing from them the practical and necessary inducement to find and establish the proper method of distribution. And under this discouragement and in the lack of an effective marketing system the younger people will continue to leave the farms and enter the cities, there to enter into the intense competition for employment and to add to the wage troubles and unemployment that are so heartbreaking to the workers of the cities.

Only that which helps the producers can help the consumers. If we really want to reduce the cost of living, we must turn away from the destructive policy of the Democratic Party. We must repeal the present tariff and establish one that will fairly recognize the American farmer and the American laborer. The American farmer is entitled to especial consideration in our tariff. His industry is the basis of our life and prosperity. He should be the last to be deprived of protection. He should receive constant and liberal encouragement, not by words alone but by the positive effect of the economic situation, to raise more and better crops, to adopt the successful methods of more intense and more diversified farming, to install machinery wherever possible, to study and experiment for better marketing, and to supply his home and environment with more conveniences and attractions for himself and his family.

Everything of this sort will amply repay the American people. The protection and encouragement of the farmer will be the real relief and welfare of all the people of the cities. It will, in fact, be the salvation of the cities and the Nation from evils of socialistic ideas and perils of revolutionary discontent, which, if allowed to run on, will threaten the very existence of the Republic. Only upon the foundation of the large and lasting welfare of the American farmer can the strength of the Nation continue. The great and powerful interests in the cities—the merchants, the manufacturers, the bankers, and all who have prospered greatly—owe it to their country, as well as to themselves, to devote their best thought and attention, even to the point of sacrifice if it were necessary, to secure for the American farmers every encouragement for their best efforts and a generous prosperity for them and theirs.

DIPLOMATIC HISTORY OF THE PANAMA CANAL (S. DOC. NO. 474).

The VICE PRESIDENT laid before the Senate the following message from the President of the United States, which was read:

To the Senate of the United States:

In response to the resolution of the Senate of the 29th ultimo, calling for certain correspondence relating to the so-called tripartite convention concluded in 1909 between the United States, Colombia, and Panama, and for correspondence not heretofore communicated relating to the "Hay-Concha protocol," I transmit herewith a report of the Secretary of State containing the correspondence called for.

WOODROW WILSON.

THE WHITE HOUSE, *May 7, 1914.*

Mr. HITCHCOCK. I ask that the message of the President and accompanying papers be printed with Senate Document No. 474 and that they be referred to the Committee on Foreign Relations.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

MEMORIAL EXERCISES, BROOKLYN NAVY YARD.

The VICE PRESIDENT laid before the Senate the following concurrent resolution (No. 39) of the House of Representatives, which was read and referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

> *Resolved by the House of Representatives (the Senate concurring).* That for the representation of the Congress at the exercises to be held at the navy yard in Brooklyn, N. Y., on Monday, May 11, 1914, in honor of the men of the Navy and Marine Corps who lost their lives at Vera Cruz, Mexico, there shall be appointed by the Vice President 7 Members of the United States Senate and by the Speaker 21 Members of the House of Representatives.
>
> SEC. 2. That the expenses of the committee shall be defrayed in equal parts from the contingent appropriations of the Senate and House of Representatives.

PANAMA CANAL TOLLS.

Mr. O'GORMAN. I ask that the Panama Canal bill be laid before the Senate.

There being no objection, the Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 14385) to amend section 5 of an act to provide for the opening, maintenance, protection, and operation of the Panama Canal and the sanitation of the Canal Zone, approved August 24, 1912.

Mr. O'GORMAN. Mr. President, on the 7th day of August, 1912, by a vote of 44 to 11, the Senate declared that vessels engaged in the coastwise trade shall be exempted from the payment of tolls passing through the canal. I ask that the Secretary read the record of that vote.

The VICE PRESIDENT. Without objection, the Secretary will read as requested.

The Secretary read as follows:

In favor of exemption—

Ashurst	Cummins	Martine, N. J.	Simmons
Bacon	Dillingham	Massey	Smith, Ariz.
Borah	Fletcher	Newlands	Smith, Ga.
Bourne	Gallinger	O'Gorman	Smith, S. C.
Bristow	Johnson, Me.	Overman	Smoot
Bryan	Johnston, Ala.	Page	Stone
Burnham	Jones	Perkins	Swanson
Catron	Kenyon	Pomerene	Thornton
Chamberlain	Kern	Reed	Townsend
Clapp	La Follette	Sanders	Williams
Crawford	Martin, Va.	Shively	Works

Opposed to exemption—

Brandegee	Fall	Nelson	Root
Burton	Gronna	Oliver	Wetmore
Crane	Lodge	Penrose	

Mr. O'GORMAN. A bill is now pending before us to repeal the coastwise exemption, but the advocates of the bill do not seem to be in accord as to the reasons why Congress should reverse itself. Some of those who support the repeal are opposed to the exemption on economic grounds; others recognize its economic advantages but believe that the Panama Canal act violates the Hay-Pauncefote treaty. Others approve the existing law, and while insisting that it does not contravene the provisions of the Hay-Pauncefote treaty, nevertheless favor the repeal because the Executive has requested that this action be taken.

The question is an important one and its wise solution will tax the intelligence and patriotism, perhaps the courage and independence, of every Senator. Our action on the pending measure may mark an epoch in the history of the Republic; its influence may be felt by our posterity. Whether we shall deserve their censure or gratitude will depend upon the manner in which we shall meet the responsibility which now confronts us. If we perform our duty as become Senators of the United States and vote according to our judgment and convictions, I believe that no Senator now or hereafter will have to reproach himself with having abandoned his country when her honor and security called for his defense.

The bill comes from the committee without recommendation, a motion to report it favorably having been defeated by a vote of 5 to 9.

Mr. President, I intend to consider briefly the legal, economic, and political aspects of this question. In my judgment, the British claim has neither law nor justice to sustain it. I hope to be able to establish: First, that the exemption of the coastwise vessels constitutes a wise, economic policy, and is not affected by the Hay-Pauncefote treaty; second, that if coastwise vessels fall within the terms of the treaty, the exemption does not constitute a violation thereof; third, that the canal has been constructed on territory over which the United States exercises the power of sovereignty, while the canal contemplated by the treaty was to be built on alien soil and, therefore, the Hay-Pauncefote treaty is wholly inapplicable.

I shall not at this time attempt to trace the history of the numerous efforts made from time to time during the past century to construct an interoceanic canal. It will be remembered that in 1903 the Republic of Panama ceded to the United States in perpetuity a tract of territory 10 miles wide extending for 40 miles from the Atlantic to the Pacific Ocean. The Supreme Court of the United States, in Wilson against Shaw (204 U. S., 33), decided that the sovereignty of the United States over this tract, known as the Canal Zone, is the same as over any other part of the United States, and that was the specific concession made by the British Government in its second note of protest. It is part of our country. It is territory of the United States and constitutes part of our coast line. Unaided and alone, the United States built the canal through this zone and thus connected the two oceans. In the prosecution of this vast undertaking the United States has expended over $400,000,000. Its construction by American enterprise on American soil at the expense of the American people is the greatest engineering achievement of this or any other age. Unselfishly we offer its advantages to all the nations of the world. It is estimated that it will cost the United States not less than $5,000,000 annually for the maintenance and operation of the canal, and upward of $10,000,000 annually for its military defense, which, together with $12,000,000 annual interest upon the original investment, will make an annual charge of $27,000,000.

In our legislation two years ago Congress provided that the tolls should not exceed $1.25 per ton, with lower rates for ships in ballast, and it has been estimated that for some years 10,000,000 tons will annually pass through the canal at an average of $1 a ton, or $10,000,000 annually. The canal will not, therefore, be self-sustaining, and the United States, the owner of the canal, will for a long period be required to suffer an annual loss of upward of $17,000,000, which will be borne alone by the taxpayers of this country. In limiting the toll rate at $1.25 per ton, and in fixing the specific rate at $1.20 under the presidential proclamation, pursuant to the statute, Congress was required to meet the competition of the Suez Canal, now controlled by Great Britain, the toll rates for that canal at the present time being $1.20 per ton. It was not possible, therefore, to fix a toll rate on a basis of securing a reasonable return upon the cost of construction and maintenance.

In the legislation referred to Congress did not discriminate between American and foreign vessels engaged in over-seas trade. American vessels engaged in foreign trade are required to pay the same tolls that are paid by foreign vessels. Congress, however, did provide that American coastwise vessels shall be exempt from the payment of tolls.

The right to make this exemption has been challenged by the British Government, and the claim has been made that the exemption constitutes a violation of the Hay-Pauncefote treaty. There will be a subsequent reference to the details of this treaty. For the present it is sufficient to state that it is urged on behalf of Great Britain that under its terms vessels of all nations, including American "vessels of commerce and of war," are to be treated alike with respect to toll charges.

If we assume that this interpretation of the Hay-Pauncefote treaty is the correct one, it would nevertheless follow that the exemption of coastwise vessels can not constitute a violation of any of its provisions. Under international law the word "vessels" when used in a treaty, unless the contrary meaning is clearly apparent, refers only to vessels engaged in international or over-seas trade. It does not relate to vessels engaged in local or domestic trade. The words "vessels of a nation" have received among commercial countries their own interpretation by long custom and acquiescence, and are accepted as embracing only such vessels as ply between one foreign country and another, so that in the negotiation of treaties the contracting parties never have in contemplation coastwise vessels of either country. This principle is not only sanctioned by the usages of Great Britain and the United States, but has been distinctly recognized by the Supreme Court of the United States.

In the treaty of commerce and navigation which was concluded with Great Britain on July 3, 1815, six months after the treaty of Ghent, it is provided on behalf of Great Britain that—

> No higher or other duties or charges shall be imposed in any ports of Great Britain on vessels of the United States than those payable in the same ports by vessels of Great Britain.

Notwithstanding this provision as to equality in the treatment of ships, Great Britain for upward of 40 years after the adoption of the treaty of 1815 openly discriminated in favor of her coastwise shipping. Great Britain changed her policy under the treaty of 1815 only in recent years, when she opened her coastwise trade to the vessels of other nations.

The propriety of Great Britain's preferential treatment of her coastwise shipping under the treaty was never questioned. We pursued the same course regarding our coastwise shipping, and our right to do so was expressly affirmed by the decision of the Supreme Court of the United States in the case of Olsen against Smith (195 U. S., 332). In that case, the owner of a British vessel entering the port of Galveston protested against the payment of pilotage charges on the ground that American coastwise vessels being exempt from such charges, British vessels should also be exempt, and invoked the treaty of 1815, which provided on behalf of the United States that "no higher or other duties or charges shall be imposed in any ports of the United States on British vessels than those payable in the same ports by vessels of the United States." This case reached our Supreme Court, which decided against the contention that the discrimination complained of constituted a violation of the treaty, and the court in an opinion by Chief Justice White said:

> Nor is there merit in the contention that as the vessel in question was a British vessel coming from a foreign port, the State laws concerning pilotage are in conflict with the treaty between Great Britain and the United States, providing that "no higher or other duties or charges shall be imposed in any ports of the United States on British vessels than those payable in the same ports by vessels of the United States." Neither the exemption of coastwise steam vessels from pilotage resulting from the law of the United States nor any lawful exemption of coastwise vessels created by the State law concerns vessels in the foreign trade and therefore any such exemptions do not operate to produce a discrimination against British vessels engaged in foreign trade and in favor of vessels of the United States in such trade. In substance, the proposition but asserts that because by the law of the United States steam vessels in the coastwise trade have been exempt from pilotage regulations, therefore there is no power to subject vessels in foreign trade to pilotage regulations, even although such regulations apply, without discrimination, to all vessels engaged in such foreign trade whether domestic or foreign.

Great Britain's uniform practice under the treaty of 1815 and her acquiescence in the interpretation placed upon that treaty by the Supreme Court of the United States establish her understanding as well as ours, that when the words "vessels

of commerce and of war" were used in the latter treaty they were not intended to embrace vessels engaged in coastwise trade. The contention that coastwise vessels do not fall within the contemplation of treaty obligations finds further support in the British note of July 8, 1912, which contains the first objection made by Great Britain and which seems to have been induced by the fear that all American vessels, including those engaged in foreign trade, were to be exempt from the payment of tolls in the canal. In that note, after pointing out objections to the exemption of all American vessels, the British Government stated:

> If the trade should be so regulated as to make it certain that only bona fide coastwise traffic, which is reserved for the United States vessels, would be benefited by this exemption, it may be that no objection could be taken.

It alluded to the possible difficulty of confining such vessels to strictly coastwise trade, but it distinctly recognized the principle for which the American Government contended, and this concession has never been withdrawn by the British Government. Only American vessels are engaged in American coastwise trade, and the provisions of the Panama Canal act make it clear that the exemption is to be restricted to vessels engaged in that trade, and that there will be no difficulty in confining the exemption to vessels devoting themselves exclusively to the coastwise trade was made clear by abundant and satisfactory evidence given before the committee in its recent hearings, and notably by the evidence of Mr. Chamberlain, the Commissioner of Navigation, who said, in substance, that there would be no difficulty in so administering the law that the ships in the coastwise trade would be confined strictly to the coastwise trade and therefore come within the recognition contained in the British note of July 8, 1912.

As foreign vessels are not permitted to compete with American vessels in this trade, it can not be claimed that the exemption of coastwise traffic works a discrimination against foreign ships. As held in Olsen against Smith, supra, the exemption of coastwise vessels does not concern vessels in the over-seas trade and therefore can work no discrimination against British vessels engaged in the foreign trade. There can be no discrimination where there is no competition. Moreover, the phrase "vessels of commerce" is not applicable, for another reason, to vessels that ply between domestic ports. There is a manifest distinction between vessels of commerce and "coastwise trade." Wharton's Law Dictionary, a British authority, defines commerce as:

> The intercourse of nations in each other's produce and manufactures in which the superfluities of one are given for those of another and are the reexchange with other nations for mutual wants. There is a distinction between commerce and trade. The former relates to our dealings with foreign nations, colonies, etc.; the latter to mutual dealings at home.

Now I am quoting from British authority which marks the distinction between commerce and trade and the consequent distinction between vessels of commerce and vessels in trade, one being international and the other being purely local.

In the Encyclopædia Britannica and the International Encyclopedia commerce is defined as—

> Commerce. In its general acceptance a term denoting international traffic in goods or what constitutes the foreign trade of all countries as distinguished from domestic trade.

A "vessel of commerce" is therefore a vessel engaged in international trade. The treaty speaks of "vessels of commerce and of war." The two classes of vessels referred to would necessarily exclude vessels that are neither vessels of commerce nor vessels of war. And for the reasons indicated the treaty excludes vessels engaged in the coastwise or domestic trade. They are not vessels of commerce within the authorities cited.

It follows, therefore, that the criticism of Congress for exempting coastwise vessels is not well founded, and that the law as enacted is supported by reason and precedent. The justice of our position is recognized by that portion of the English public that is not blinded by prejudice and cupidity. The Guardian, an influential newspaper published at Manchester, England, expressed itself as follows:

> The amendment limiting the exemption from tolls to coastwise traffic is important for this reason: By the American navigation laws (as by all navigation laws) coastwise traffic is reserved to American registered ships. As none but American ships can make a voyage, say, between San Francisco and New York, there can be no question of discrimination against other ships. This coastwise traffic was an American monopoly before the Hay-Pauncefote treaty, and a monopoly it remains, for no one has alleged that the treaty suspends the navigation laws—

That claim has not been made yet, but grant this concession and the time is not far distant when you will have to consider it in this body—

> As America retains the monopoly, we fail to see how any question of discrimination can arise against a second party who does not exist, so far as coastwise traffic is concerned. The real grievance against the bill in its amended form is not against its morality, but something much narrower. It may with fairness be said that the American definition of coastwise traffic is so wide that it includes practically all American shipping. An American vessel may leave San Francisco, touch at Hawaii in the Pacific, double Cape Horn, call at Porto Rico, and finally discharge its cargo at New York without ever losing its coasting character. Our foreign office, when it concluded the Hay-Pauncefote treaty, should have foreseen this practical difficulty, and it could then with reason have pressed for the restriction of the American definitions of coastwise traffic to those limits which hold in European courts. There may still be a chance of so restricting the definition of coastwise traffic, and every effort should be made to use it. But if we are to hope for success we must at any rate give the United States Congress the credit for wanting to do the right thing. We must not begin to call names or stir up passion.

This is a suggestion that might be heeded by American as well as British critics of the provisions of the Panama Canal act of 1912.

Ex-President Roosevelt, in whose administration the Hay-Pauncefote treaty was adopted, justifies the exemption in the following language:

> I believe that the position of the United States is proper as regards this coastwise traffic. I think that we have the right to free bona fide coastwise traffic from tolls. I think that this does not interfere with the rights of any other nation, because no ships but our own can engage in coastwise traffic, so that there is no discrimination against other ships when we relieve the coastwise traffic from tolls. I believe that the only damage that would be done is the damage to the Canadian Pacific Railway. * * * I do not think that it sits well on the representatives of any foreign nation * * * to make any plea in reference to what we do with our own coastwise traffic, because we are benefiting the whole world by our action at Panama, and are doing this where every dollar of expense is paid by ourselves. In all history I do not believe you can find another instance where as great and expensive a work as the Panama Canal, undertaken not by a private corporation but by a nation, has ever been as generously put at the service of all the nations of mankind.

The Panama Canal bill, as it passed the House of Representatives in June, 1912, contained the exemption of coastwise vessels. The Senate Committee on Interoceanic Canals amended the bill so as to extend the exemption to American vessels engaged in over-seas trade. The protest of the British Government and the concession that the exemption of coastwise trade would be unobjectionable largely influenced the Senate in rejecting the amendment proposed by the Senate committee and confining the exemption to the coastwise trade as provided in the House bill. In view of the concession of the British Government it may well excite surprise that this question still remains the subject of controversy. Having conceded that objection does not lie against the coastwise trade exemption, it is difficult to find a reason for the continued agitation of the subject or for the unfounded assertion so frequently made that the exemption constitutes a violation of the treaty. I think these considerations to which I have asked your attention clearly establish that coastwise vessels do not come within the contemplation of the treaty, and that this was conceded by Great Britain. This disposes of my first contention.

Now, let me direct the attention of the Senate to my second proposition, namely, that there is no violation of the treaty even if it be held to apply to our coastwise shipping. In other words, I contend that the treaty imposes no restraint on the United States respecting the regulation of American shipping in its use of the canal.

On December 12, 1846, the United States made a treaty with the Republic of Colombia, then New Granada, under which the United States acquired a right to construct a canal or railway at Panama. Three years later, in 1849, the United States entered into negotiations with Nicaragua for the construction of a canal across Nicaragua. Great Britain, however, sought to control the American Isthmus, as she had already secured control of both ends of the proposed Suez Canal. She had been seizing territory on one pretext or another along the coast, and assumed a protectorate over a tribe of Indians known as the Mosquito Indians, who dwelt on the eastern coast of Nicaragua. It has never been seriously claimed that Great Britain had any title to this land. It was Spanish territory down to the time of the establishment of the Republic of Nicaragua, and thereafter was part of the soil of Nicaragua.

We had concluded our Mexican War and appealing to our supposed necessities, Great Britain insisted upon participating in the control of any canal that might be built at that point. Under the Monroe doctrine it was not necessary for the United States to ask the consent of any foreign power to carry on such an undertaking. As I have said, we had already secured canal rights in the Republic of Colombia without the consent of Great Britain, but the unwarranted intervention of Great Britain nevertheless resulted in the Clayton-Bulwer treaty of 1850, which marks one of the most dismal pages of our diplomatic relations.

At this point I ask leave to insert in my remarks the Clayton-Bulwer treaty, which I shall not read.

The PRESIDING OFFICER (Mr. HITCHCOCK in the chair). Without objection, permission to do so is granted.

The treaty referred to is as follows:

CLAYTON-BULWER TREATY OF APRIL 19, 1850.

The United States of America and Her Britannic Majesty, being desirous of consolidating the relations of amity which so happily subsist between them, by setting forth and fixing in a convention their views and intentions with reference to any means of communication by ship canal which may be constructed between the Atlantic and Pacific Oceans by the way of the river San Juan de Nicaragua and either or both of the lakes of Nicaragua or Managua, to any port or place on the Pacific Ocean, the President of the United States has conferred full powers on John M. Clayton, Secretary of State of the United States, and Her Britannic Majesty on the Right Honorable Sir Henry Lytton Bulwer, a member of Her Majesty's most honorable privy council, knight commander of the most honorable Order of the Bath, and envoy extraordinary and minister plenipotentiary of Her Britannic Majesty to the United States, for the aforesaid purpose; and the said plenipotentiaries having exchanged their full powers, which were found to be in proper form, have agreed to the following articles:

ARTICLE I.

The Governments of the United States and Great Britain hereby declare that neither the one nor the other will ever obtain or maintain for itself any exclusive control over the said ship canal; agreeing that neither will ever erect or maintain any fortifications commanding the same or in the vicinity thereof, or occupy, or fortify, or colonize, or assume, or exercise any dominion over Nicaragua, Costa Rica, the Mosquito coast, or any part of Central America; nor will either make use of any protection which either affords or may afford, or any alliance which either has or may have to or with any State or people, for the purpose of erecting or maintaining any such fortifications, or of occupying, fortifying, or colonizing Nicaragua, Costa Rica, the Mosquito coast, or any part of Central America, or of assuming or exercising dominion over the same; nor will the United States or Great Britain take advantage of any intimacy, or use any alliance, connection, or influence that either may possess with any State or Government through whose territory the said canal may pass, for the purpose of acquiring or holding, directly or indirectly, for the citizens or subjects of the one, any rights or advantages in regard to commerce or navigation through the said canal which shall not be offered on the same terms to the citizens or subjects of the other.

ARTICLE II.

Vessels of the United States or Great Britain traversing the said canal shall, in case of war between the contracting parties, be exempted from blockade, detention, or capture by either of the belligerents; and this provision shall extend to such a distance from the two ends of the said canal as may hereafter be found expedient to establish.

ARTICLE III.

In order to secure the construction of the said canal, the contracting parties engage that if any such canal shall be undertaken upon fair and equitable terms by any parties having the authority of the local Government or Governments through whose territory the same may pass, then the persons employed in making the said canal, and their property used, or to be used, for that object, shall be protected, from the commencement of the said canal to its completion, by the Governments of the United States and Great Britain, from unjust detention, confiscation, seizure, or any violence whatsoever.

ARTICLE IV.

The contracting parties will use whatever influence they respectively exercise with any State, States, or Governments possessing or claiming to possess any jurisdiction or right over the territory which the said canal shall traverse, or which shall be near the waters applicable thereto, in order to induce such States or Governments to facilitate the construction of the said canal by every means in their power. And, furthermore, the United States and Great Britain agree to use their good offices, wherever or however it may be most expedient, in order to procure the establishment of two free ports, one at each end of the said canal.

ARTICLE V.

The contracting parties further engage, that when the said canal shall have been completed, they will protect it from interruption, seizure, or unjust confiscation, and that they will guarantee the neutrality thereof, so that the said canal may forever be open and free, and the capital invested therein secure. Nevertheless, the Governments of the United States and Great Britain, in according their protection to the construction of the said canal, and guaranteeing its neutrality and security when completed, always understand that this protection and guarantee are granted conditionally, and may be withdrawn by both Governments, or either Government, if both Governments, or either Government, should deem that the persons or company undertaking or managing the same adopt or establish such regulations concerning the traffic thereupon as are contrary to the spirit and intention of this convention, either by making unfair discriminations in favor of the commerce of one of the contracting parties over the commerce of the other, or by imposing oppressive exactions or unreasonable tolls upon the passengers, vessels, goods, wares, merchandise, or other articles. Neither party, however, shall withdraw the aforesaid protection and guarantee without first giving six months' notice to the other.

ARTICLE VI.

The contracting parties in this convention engage to invite every State with which both or either have friendly intercourse to enter into stipulations with them similar to those which they have entered into with each other, to the end that all other States may share in the honor and advantage of having contributed to a work of such general interest and importance as the canal herein contemplated. And the contracting parties likewise agree that each shall enter into treaty stipulations with such of the Central American States as they may deem advisable, for the purpose of more effectually carrying out the great design of this convention, namely, that of constructing and maintaining the said canal as a ship communication between the two oceans for the benefit of mankind, on equal terms to all, and of protecting the same; and they also agree, that the good offices of either shall be employed, when requested by the other, in aiding and assisting the negotiation of such treaty stipulations; and should any differences arise as to right or property over the territory through which the said canal shall pass between the States or Governments of Central America, and such differences should in any way impede or obstruct the execution of the said canal, the Governments of the United States and Great Britain will use their good offices to settle such differences in the manner best suited to promote the interests of the said canal, and to strengthen the bonds of friendship and alliance which exist between the contracting parties.

ARTICLE VII.

It being desirable that no time should be unnecessarily lost in commencing and constructing the said canal, the Governments of the United States and Great Britain determine to give their support and encouragement to such persons or company as may first offer to commence the same, with the necessary capital, the consent of the local authorities, and on such principles as accord with the spirit and intention of this convention; and if any persons or company should already have, with any State through which the proposed ship canal may pass, a contract for the construction of such canal as that specified in this convention, to the stipulations of which contract neither of the contracting parties in this convention have any just cause to object, and the said persons or company shall moreover have made preparations, and expended time, money, and trouble, on the faith of such contract, it is hereby agreed that such persons or company shall have a priority of claim over every other person, persons, or company to the protection of the Governments of the United States and Great Britain, and be allowed a year from the date of the exchange of the ratifications of this convention for concluding their arrangements, and presenting evidence of sufficient capital subscribed to accomplish the contemplated undertaking; it being understood that if, at the expiration of the aforesaid period, such persons or company be not able to commence and carry out the proposed enterprise, then the Governments of the United States and Great Britain shall be free to afford their protection to any other persons or company that shall be prepared to commence and proceed with the construction of the canal in question.

ARTICLE VIII.

The Governments of the United States and Great Britain having not only desired, in entering into this convention, to accomplish a particular object, but also to establish a general principle, they hereby agree to extend their protection, by treaty stipulations, to any other practicable communications, whether by canal or railway, across the isthmus which connects North and South America, and especially to the interoceanic communications, should the same prove to be practicable, whether by canal or railway, which are now proposed to be established by the way of Tehuantepec or Panama. In granting, however, their joint protection to any such canals or railways as are by this article specified, it is always understood by the United States and Great Britain that the parties constructing or owning the same shall impose no other charges or conditions of traffic thereupon than the aforesaid Governments shall approve of as just and equitable; and that the same canals or railways, being open to the citizens and subjects of the United States and Great Britain on equal terms, shall also be open on like terms to the citizens and subjects of every other State which is willing to grant thereto such protection as the United States and Great Britain engage to afford.

ARTICLE IX.

The ratifications of this convention shall be exchanged at Washington within six months from this day, or sooner if possible.

In faith whereof we, the respective plenipotentiaries, have signed this convention and have hereunto affixed our seals.

Done at Washington the nineteenth day of April, anno Domini one thousand eight hundred and fifty.

JOHN M. CLAYTON. [L. S.]
HENRY LYTTON BULWER. [L. S.]

Mr. O'GORMAN. Mr. President, a careful reading of this instrument discloses a design on the part of Great Britain to prevent the United States from building, or acquiring control over, an interoceanic canal until it suited the purpose or convenience of the British Government. Under the provisions of the treaty neither the United States nor Great Britain could acquire the exclusive control over the canal, and neither Government was to erect or maintain any fortifications commanding the same, or occupy, fortify, or colonize, or assume any dominion over Nicaragua, Costa Rica, the Mosquito Coast, or any part of Central America. These were the only self-denying clauses of the treaty. Neither country undertook to build the canal, but they agreed that in the event of a canal being constructed they would offer it their protection, provided the owner of the canal established reasonable and equitable rates. The self-denying clause of this treaty never embraced Panama; it never embraced Colombia; it never embraced New Granada; and did not affect the rights which the United States secured under the treaty of 1846 to build a canal or railway at that point. While there may be a popular impression that Central America embraces Colombia or Panama, that impression is an erroneous one. That Central America embraces that part of this continent which lies between Mexico and Colombia before the revolution in Panama, and that it did not embrace Panama or Colombia, is made clear by some correspondence to which I shall call your attention.

It will be noted that the self-denying clauses of the treaty were confined in their operation to Central America, and, as stated by Mr. Clayton in his note of July, 1850, to the British ambassador—

> the expression "Central America" was intended to, and does, include all the Central American States of Guatemala, Honduras, San Salvador, Nicaragua, and Costa Rica. There had recently existed a Republic called Central America composing these identical countries.

As stated by Lord Clarendon in his note to Ambassador Buchanan, under date of May 2, 1854:

> It is generally conceded that the term "Central America"—a term of modern invention—could only appropriately apply to those States at one time united under the name of the "Central American Republic," and now existing as five separate Republics.

As I have remarked, Colombia was not one of those Republics, and the self-denying provision of the Clayton-Bulwer treaty imposed no restraint upon the United States respecting the con-

struction of a canal or a railway at Panama at any time since 1846.

I have already stated that under this treaty neither Government undertook to construct the canal. The canal was to be constructed by private persons or corporations, and when constructed, if the rates of traffic fixed by the owner were reasonable and just, in the judgment of the two Governments, they would offer the owners their joint protection. If the charges were not just and equitable, the United States and Great Britain would withhold their protection, and if such protection were tendered and accepted, it could be withdrawn by either country on giving six months' notice to the other if the owner of the canal failed to maintain reasonable rates of traffic.

It will be noticed that in article 8 of this treaty the contracting parties embodied a general stipulation whereby they agreed to extend their joint protection by future treaties to any other isthmian communication at Panama or Tehuantepec, whether by canal or railway, so long as the persons building the same charged fair and equitable rates, but not otherwise.

In this connection I should emphasize the fact that the provisions of the Clayton-Bulwer treaty were concluded really with the seventh article of that treaty, and the eighth article was a general declaration that in the future, by other treaties, agreements, and stipulations, they were prepared to extend a like protection to the builder of any canal or railway at Tehuantepec or Panama.

As I have said, a repudiation of exclusive control is confined to Central America under article 1 of the treaty provision, whereby both Governments agreed that neither would acquire exclusive control of a canal. Under the language of the treaty that self-denying provision is restricted to a canal constructed in Central America, and particularly at Nicaragua. The reference in article 8 to Tehuantepec and Panama does not extend the provisions of article 1, providing that neither Government will acquire exclusive control.

Great Britain asserted no rights in Panama. Her alleged rights under the Mosquito protectorate affected only the coast of Nicaragua, and this was the region where it was expected the canal would be constructed under the preceding provisions.

The provisions of article 8 in this treaty are executory and commit the signatories to no definite obligation capable of enforcement without further negotiations. If occasion arises, the purposes of article 8 are to be carried out in futuro by treaty stipulations. The conditions which may invite the extension of the joint protection of the two Governments under this article are that private persons will build a canal or railway and operate it on reasonable terms to be approved by the two Governments, with the further provisions that the canal or railway shall be open on equal terms to the citizens and subjects of both countries and such other nations as shall unite in the protection thereof. The protection is always conditional upon the rate charges being approved by both Governments. If either Government should disapprove the traffic rates the plan would fail, the protection would be withheld, and the provisions of article 8 would necessarily become inoperative. The same result would follow if the owner of the canal did not desire or refused to accept the protection of the two Governments.

In a note to Ambassador Lowell, under date of November 19, 1881, for communication to the British Government, Secretary Blaine said:

> The clause in which the two Governments agree to make treaty stipulations for a joint protectorate for whatever railway or canal might be constructed at Tehuantepec or Panama has never been perfected. No treaty stipulations for the proposed end have been suggested by either party, although citizens of the United States long since constructed a railway at Panama and are now engaged in the same work at Tehuantepec. It is a fair presumption, in the judgment of the President, that this provision should be regarded as obsolete by the nonaction and common consent of the two Governments.

In a note to Ambassador Lowell, under date of May 8, 1882, Secretary Frelinghuysen calls attention to the fact—

> that for 30 years the Panama Railway has been maintained without other protection than that of the United States and the local sovereign.

As I have pointed out, the entire treaty contemplates the building of a canal or railway by private persons who, in those disturbed sections, would probably need the protection of some stable government.

Articles 3, 7, and 8 refer to "the parties" and "the persons or company" constructing the canal or railway. It must be obvious that no protection would be required if either Government constructed the canal or railway at Panama, and in that event no question regarding the charges of traffic could arise. In fact, the language of article 8 could not apply to a canal or railway built by a government, and as we have seen, it was never invoked in behalf of the Panama Railway; and the United States under its treaty with New Granada in 1846 had the same right to build a canal as to build a railway at that point. Its right in that respect was never impaired until by diplomatic blunder the second Hay-Pauncefote treaty was agreed upon. In a word, both countries, under article 8, agreed to enter into further engagements looking to the joint protection of the private owners of a canal or railway that might be constructed at Panama or Tehuantepec.

The United States was influenced, in part, to enter into the Clayton-Bulwer treaty on the representation that British capital would promote the enterprise. The capital was never supplied. The construction of the canal under the treaty was never undertaken, and the treaty itself was a never-ending source of dispute and controversy. Great Britain's alleged protectorate over the Indian tribe, consisting of three or four thousand savages, was all that she yielded for the execution of this treaty, and this alleged protectorate was something she did not actually possess in her own right. The Indian tribe had no independent sovereignty, and had not asserted nor proclaimed its independence of Nicaragua. There was, therefore, no basis for the protectorate and, as stated by Mr. Bayard, when he was Secretary of State in 1888, "The English act was a mere usurpation."

Notwithstanding the stipulation of the Clayton-Bulwer treaty, that neither nation was to erect or maintain any fortification or occupy or fortify or colonize or assume any dominion over Nicaragua and the other countries named, Great Britain continued to maintain her alleged protectorate over the Mosquito Indians, and retained her occupation of the mouth of the San Juan River, and continued to enlarge her colony at Belize for more than 10 years after the adoption of the treaty. During this period the United States made repeated protests against Great Britain's violations of the treaty obligations without avail.

Finally, by a treaty made between Great Britain and Nicaragua on January 28, 1860, Great Britain agreed that her dominion in Nicaragua and her protectorate over the Mosquito Indians should expire six months after the ratification of that treaty, which did not occur until August, 1860. It will be observed that by this treaty Great Britain merely promised to do what she had undertaken to do 10 years earlier in the Clayton-Bulwer treaty. The record, therefore, establishes beyond dispute that for 10 years after 1850, Great Britain persistently violated and disregarded the provisions of the Clayton-Bulwer treaty. There were other equally flagrant violations of the treaty by Great Britain, and as no steps were taken to build the canal, the instrument in time was regarded as abandoned and obsolete. In treaties, as in other contracts, breaches by one of the contracting parties work an abrogation of the instrument at the election of the aggrieved party.

As I have remarked, nothing was done with a view to the construction of the canal contemplated by the treaty of 1850. There were repeated, persistent violations of the treaty by Great Britain, and her refusal to grant redress when objection was made by our State Department led our people in time to look upon the entire project as abandoned.

Years afterwards interest in an interoceanic canal was revived, and in 1869 President Grant sent a message to Congress recommending the construction of an isthmian canal under the sole control of the United States.

In 1877, President Hayes, in his message to Congress, declared that—

> the policy of this country is a canal under American control. The United States can not consent to the surrender of this control to any European power, and that such a canal shall be virtually part of the coast line of the United States.

President McKinley, in his second message to Congress, declared that—

> the construction of such a maritime highway is now more than ever indispensable to the intimate and ready intercommunication between our eastern and western seaboards, and our national policy now more imperatively than ever calls for this control by this Government.

Whatever had been the views of the United States in the early days regarding a divided control over an isthmian canal, this declaration of President McKinley in 1900 crystallized the sentiment of the American people at that time.

John Hay, then Secretary of State, had been ambassador to Great Britain, and notwithstanding the abandonment of the Clayton-Bulwer treaty, he urged that we enter into a new treaty, so that the old one of 1850 might be formally terminated. His negotiations resulted in the first Hay-Pauncefote treaty of 1900, which reads as follows:

> The United States of America and Her Majesty the Queen of the United Kingdom of Great Britain and Ireland, Empress of India, being desirous to facilitate the construction of a ship canal to connect the Atlantic and Pacific Oceans, and to that end to remove any objection which may arise out of the convention of April 19, 1850, commonly called the Clayton-Bulwer treaty, to the construction of such canal

under the auspices of the Government of the United States, without impairing the "general principle" of neutralization established in Article VIII of that convention, have for that purpose appointed as their plenipotentiaries:

The President of the United States, John Hay, Secretary of State of the United States of America,

And Her Majesty the Queen of Great Britain and Ireland, Empress of India, the Right Hon. Lord Pauncefote, G. C. B., G. C. M. G., Her Majesty's ambassador extraordinary and plenipotentiary to the United States;

Who, having communicated to each other their full powers, which were found to be in due and proper form, have agreed upon the following articles:

ARTICLE I.

It is agreed that the canal may be constructed under the auspices of the Government of the United States, either directly at its own cost or by gift or loan of money to individuals or corporations or through subscription to or purchase of stock or shares, and that, subject to the provisions of the present convention, the said Government shall have and enjoy all the rights incident to such construction, as well as the exclusive right of providing for the regulation and management of the canal.

ARTICLE II.

The High Contracting Parties, desiring to preserve and maintain the "general principle" of neutralization established in Article VIII of the Clayton-Bulwer Convention, *which convention is hereby superseded,* adopt, as the basis of such neutralization, the following rules, substantially as embodied in the convention between Great Britain and certain other powers, signed at Constantinople October 29, 1888, for the free navigation of the Suez Maritime Canal, that is to say:

1. The canal shall be free and open, in time of war as in time of peace, to the vessels of commerce and of war of all nations, on terms of entire equality, so that there shall be no discrimination against any nation or its citizens or subjects in respect of the conditions or charges of traffic, or otherwise.

2. The canal shall never be blockaded, nor shall any right of war be exercised nor any act of hostility be committed within it.

3. Vessels of war of a belligerent shall not revictual nor take any stores in the canal except so far as may be strictly necessary; and the transit of such vessels through the canal shall be effected with the least possible delay, in accordance with the regulations in force, and with only such intermission as may result from the necessities of the service.

Prizes shall be in all respects subject to the same rules as vessels of war of the belligerents.

4. No belligerent shall embark or disembark troops, munitions of war, or warlike materials in the canal except in case of accidental hindrance of the transit, and in such case the transit shall be resumed with all possible despatch.

5. The provisions of this article shall apply to waters adjacent to the canal, within three marine miles of either end. Vessels of war of a belligerent shall not remain in such waters longer than twenty-four hours at any one time except in case of distress, and in such case shall depart as soon as possible; but a vessel of war of one belligerent shall not depart within twenty-four hours from the departure of a vessel of war of the other belligerent.

It is agreed, however, that none of the immediately foregoing conditions and stipulations in sections numbered one, two, three, four, and five of this article shall apply to measures which the United States may find it necessary to take for securing by its own forces the defense of the United States and the maintenance of public order.

6. The plant, establishment, buildings, and all works necessary to the construction, maintenance, and operation of the canal shall be deemed to be part thereof, for the purposes of this convention, and in time of war as in time of peace shall enjoy complete immunity from attack or injury by belligerents and from acts calculated to impair their usefulness as part of the canal.

7. No fortifications shall be erected commanding the canal or the waters adjacent. The United States, however, shall be at liberty to maintain such military police along the canal as may be necessary to protect it against lawlessness and disorder.

[ARTICLE III.]

[The High Contracting Parties will, immediately upon the exchange of the ratifications of this convention, bring it to the notice of the other powers and invite them to adhere to it.]

ARTICLE IV.

The present convention shall be ratified by the President of the United States, by and with the advice and consent of the Senate thereof, and by Her Britannic Majesty; and the ratifications shall be exchanged at Washington or at London within six months from the date hereof, or earlier if possible.

In faith whereof the respective plenipotentiaries have signed this convention and thereunto affixed their seals.

Done in duplicate at Washington the 5th day of February in the year of our Lord one thousand nine hundred.

JOHN HAY.
PAUNCEFOTE.

(Amendments appear in italics. Article III was stricken out by Senate.)

This treaty was deemed objectionable when it came before the Senate for ratification. It did not abrogate the Clayton-Bulwer treaty, but merely extended it. Moreover, it provided that the "high contracting parties," namely, the United States and Great Britain, would establish the rules regulating the use of the canal and maintain its neutralization. That is, the United States would build the canal but Great Britain was to be a partner in its management. By this language Great Britian sought to preserve the joint control provided for by the Clayton-Bulwer treaty. It also prohibited the fortification of the canal.

The Senate endeavored to improve the treaty by amendments. It inserted a clause providing that the Clayton-Bulwer treaty was superseded; also that none of the rules numbered 1, 2, 3, 4, and 5 should apply to measures which the United States might find necessary to take for securing by its own forces the defense of the United States and the maintenance of public order.

The Senate also struck out the provision in article 3 permitting other powers to join in the treaty. The British Government refused to approve this treaty as amended by the Senate, and it was consequently abandoned. Under date of December 4, 1901, the second Hay-Pauncefote treaty was submitted to the Senate and ratified. It read as follows:

The United States of America and His Majesty Edward the Seventh, of the United Kingdom of Great Britain and Ireland, and of the British Dominions beyond the Seas, King, and Emperor of India, being desirous to facilitate the construction of a ship canal to connect the Atlantic and Pacific Oceans, by whatever route may be considered expedient, and to that end to remove any objection which may arise out of the convention of the 19th April, 1850, commonly called the Clayton-Bulwer Treaty, to the construction of such canal under the auspices of the Government of the United States, without impairing the "general principle" of neutralization established in Article VIII of that convention, have for that purpose appointed as their plenipotentiaries:

The President of the United States, John Hay, Secretary of State of the United States of America;

And His Majesty Edward the Seventh, of the United Kingdom of Great Britain and Ireland, and of the British Dominions beyond the Seas, King, and Emperor of India, the Right Honorable Lord Pauncefote, G. C. B., G. C. M. G., His Majesty's Ambassador Extraordinary and Plenipotentiary to the United States;

Who, having communicated to each other their full powers, which were found to be in due and proper form, have agreed upon the following articles:

ARTICLE I.

The high contracting parties agree that the present treaty shall supersede the aforementioned convention of the 19th April, 1850.

ARTICLE II.

It is agreed that the canal may be constructed under the auspices of the Government of the United States either directly at its own cost, or by gift or loan of money to individuals or corporations, or through subscription to or purchase of stock or shares, and that, subject to the provisions of the present treaty, the said Government shall have and enjoy all the rights incident to such construction, as well as the exclusive right of providing for the regulation and management of the canal.

ARTICLE III.

The United States adopts, as the basis of the neutralization of such ship canal, the following rules, substantially as embodied in the Convention of Constantinople, signed the 28th October, 1888, for the free navigation of the Suez Canal, that is to say:

1. The canal shall be free and open to the vessels of commerce and of war of all nations observing these rules, on terms of entire equality, so that there shall be no discrimination against any such nation, or its citizens or subjects, in respect of the conditions or charges of traffic or otherwise. Such conditions and charges of traffic shall be just and equitable.

2. The canal shall never be blockaded, nor shall any right of war be exercised nor any act of hostility be committed within it. The United States, however, shall be at liberty to maintain such military police along the canal as may be necessary to protect it against lawlessness and disorder.

3. Vessels of war of a belligerent shall not revictual nor take any stores in the canal except so far as may be strictly necessary; and the transit of such vessels through the canal shall be effected with the least possible delay in accordance with the regulations in force, and with only such intermission as may result from the necessities of the service.

Prizes shall be in all respects subject to the same rules as vessels of war of the belligerents.

4. No belligerent shall embark or disembark troops, munitions of war, or warlike materials in the canal, except in case of accidental hindrance in the transit, and in such case the transit shall be resumed with all possible dispatch.

5. The provisions of this article shall apply to waters adjacent to the canal, within 3 marine miles of either end. Vessels of war of a belligerent shall not remain in such waters longer than twenty-four hours at any one time, except in case of distress, and in such case shall depart as soon as possible; but a vessel of war of one belligerent shall not depart within twenty-four hours from the departure of a vessel of war of the other belligerent.

6. The plant, establishments, buildings, and all works necessary to the construction, maintenance, and operation of the canal shall be deemed to be part thereof, for the purposes of this treaty, and in time of war, as in time of peace, shall enjoy complete immunity from attack or injury by belligerents, and from acts calculated to impair their usefulness as part of the canal.

ARTICLE IV.

It is agreed that no change of territorial sovereignty or of international relations of the country or countries traversed by the beforementioned canal shall affect the general principle of neutralization or the obligation of the high contracting parties under the present treaty.

ARTICLE V.

The present treaty shall be ratified by the President of the United States, by and with the advice and consent of the Senate thereof, and by His Britannic Majesty; and the ratifications shall be exchanged at Washington or at London at the earliest possible time within six months from the date hereof.

In faith whereof the respective plenipotentiaries have signed this treaty and hereunto affixed their seals.

Done in duplicate at Washington, the 18th day of November, in the year of our Lord one thousand nine hundred and one.

JOHN HAY. [SEAL.]
PAUNCEFOTE. [SEAL.]

This treaty differs from the first Hay-Pauncefote treaty in several respects. The prohibition against fortification is eliminated. Under article 1, the Clayton-Bulwer treaty is expressly superseded and terminated. The rules that are to regulate the government of the canal are to be adopted by the United States alone, and the burden of maintaining the neutralization of the canal necessarily falls upon the United States alone.

The reference to the "general principle" of neutralization in the preamble is, in a strict sense, no part of the treaty. It

merely indicates the reason or the occasion for making it. A preamble can not of itself confer any power. In the construction of statutes the title or preamble can not restrain or extend the import of the enacting clause. It can not be permitted to introduce doubt or uncertainty where otherwise none would exist. Moreover, article 8 of the Clayton-Bulwer treaty, referred to in the preamble, treats of a joint protection. The only reference to neutralization in that treaty is found in article 5.

The canal referred to in the first Hay-Pauncefote treaty was the same canal described in the Clayton-Bulwer treaty, namely, a canal to be constructed at Nicaragua.

Senators, this is important in reference to the plea which we have heard so frequently that Great Britain gave up some valuable right. She never had a right in Panama until it was conferred upon her by the second Hay-Pauncefote treaty. The restraint exercised by Great Britain was enlarged in the second Hay-Pauncefote treaty by extending the treaty to any canal "by whatever route may be considered expedient." This modification was made so as to embrace Panama, and the concession can not be defended as a wise one, inasmuch as the right of the United States to construct a canal at that point without the consent of Great Britain was not affected by the Clayton-Bulwer treaty. This diplomatic blunder can be explained only upon the theory that our negotiators did not know that Panama was not part of Central America in 1850, although the records of the State Department would have disclosed that fact, and the same information might have been ascertained in any encyclopedia.

The new treaty contains a further provision found in article 4 that the general principle of neutralization or the obligation of the contracting parties shall not be affected by any change of territorial sovereignty of the country traversed by the canal. The meaning of this provision is that the rights of the parties shall not be affected by a change in the sovereignty which may occur after the canal is constructed. It can have no application to a condition such as prevails here where the canal was constructed on territory of the United States, even though acquired after the execution of the treaty. If sovereignty had been acquired by the United States after the construction of the canal, then this provision would be applicable.

Subdivision 1 of article 3 is the provision of the treaty which is the basis of the controversy and under which the supporters of the British contention claim that the expression "all nations observing these rules" embraces the United States, overlooking the obvious distinction between the nation that makes, establishes and promulgates the rule and the nations that observe the rule.

In other words, it is said that Great Britain and other nations have the same rights to the use of the canal that the United States has. If that be so, what compensation does the United States derive from the investment of $400,000,000 and for the $17,000,000 annual deficit in the operation of the canal? The United States must have some rights not enjoyed by other nations, because it is declared that the United States shall have all the rights incident to the construction as well as the exclusive right of regulation and management. What can these rights be if they are not rights of ownership and control, subject only to the permission of other nations to make use of the canal on such terms as the United States may impose?

What discrimination is there among the nations so using the canal by permission of the United States if all are treated alike? If you accept the British view, what are the rights we possess incident to the construction?

What is our status? Do we own the canal, or are we only an international caretaker, with no special privilege except to foot the bills and to maintain a sufficient military force to defend the canal and preserve its neutrality? Did we engage in this great undertaking primarily for the United States, and incidentally for the rest of the world, or primarily for the world, without any particular advantage to the United States? Is our only reward the glory of the achievement? In all the history of recorded time did any nation ever act so improvidently as we have acted, according to the views of the British advocates? If we entered into a contract such as is claimed by Great Britain, where were the men whose duty it was to protect the rights of the American people? The British contention is so shocking to one's sense of justice, so abhorrent to every principle of equality and morality, that it needs more to establish it than the doubtful, ambiguous, and highly technical interpretation which is the sole reliance of those who defend the British pretensions. The clearest and most persuasive proof is required to destroy rights of sovereignty, and that we are sovereign in the Panama Canal has been decided by the Supreme Court of the United States, and is expressly recognized by the British Government in its second note of protest. It will be noted that under article 3 the United States adopts six rules and provides that the canal shall be free and open to "vessels of commerce and of war" of all nations observing these rules on terms of entire equality.

The first rule provides for equitable charges of traffic.

The second prohibits acts of war within the canal.

The third prohibits any vessel of war of a belligerent taking on stores in the canal.

Under rule 4, no belligerent shall embark or disembark troops in the canal.

Under rule 5, vessels of war of a belligerent shall not remain in waters adjacent to the canal longer than 24 hours, and that a vessel of war of one belligerent shall not depart within 24 hours of the departure of a vessel of the other belligerent.

The sixth rule provides that the building and accessories of the canal shall enjoy immunity from attack or injury by belligerents.

The rules apply to vessels of war as well as to vessels of commerce. If one rule applies, all apply. Under the terms of the treaty Great Britain, Germany, Russia, Japan, or any other foreign nation can not blockade the canal or exercise any act of war or commit any act of hostility within it; but will it be said that the United States can not close the canal when necessary for the security of our people and the protection of our coasts? As I shall show later on, our right to close the canal and exercise acts of war within it is recognized by the British Government, but I am now seeking the meaning of the language employed in the treaty.

A foreign battleship must pay toll, but it surely never was intended that an American battleship must pay toll passing through our own canal. To whom would it be paid? Must the United States charge itself and at the same time receive payment of a toll on its own ships of war going through its own canal? In the pursuit of an enemy, must the progress of an American battleship be arrested in the canal until its commander pays dues or tolls to the American officers in charge? Can this be seriously contended? If toll must be paid by an American ship of commerce, then toll must be paid by an American battleship, because section 1 of article 3 applies to "vessels of commerce and of war." Where the rule is operative, it affects both classes of ships. Vessels of war of a belligerent must not be revictualed or take on stores in the canal nor shall any right of war be exercised within it. They must not embark or disembark munitions of war or warlike material. Will it be claimed that it was intended that these provisions should also apply to the United States? In considering treaties we must seek the intention of the parties, and if the British interpretation were deemed possible, can it be believed that the treaty would ever have been adopted or ratified by the United States Senate?

Vessels of war of belligerents shall not remain in the canal or waters adjacent longer than 24 hours at one time, and the vessels of war of one belligerent shall not depart within 24 hours of the enemy. Must we observe this rule in time of war? For it must be remembered that the rule that treaties are suspended in time of war has no application to this treaty which, by its terms, applies in time of war as well as in time of peace. If the fleet of an enemy seeks passage through the canal, must a fleet of the United States wait 24 hours until it resumes the pursuit of the foe? In such a case must the American forces at the canal maintain a neutral attitude instead of having our forts fire upon the ships of the enemy and destroy them? These are the inevitable consequences of the British contention. If the rule as to equality of tolls applies, then we are bound by all the other rules.

There are six rules, and, as I have said, if one applies to the United States all apply. Again the language: "So that there shall be no discrimination against any nation"; if we accept the British interpretation and hold the United States to be one of the "all nations," then we have the absurd situation of prohibiting our country from making charges that will discriminate against herself.

Note the words, "the nations observing these rules shall use the canal on terms of entire equality." How can an owner be on terms of entire equality with the mere grantee of a privilege? Where a foreign country fails to observe the rules, its ship will not be permitted to use the canal. Will it be claimed that the United States will be denied the use of the canal if it fails to observe the rules which it establishes?

Who would prohibit the United States from using the canal if it neglected to observe any of these rules? Who could prohibit the ships of the United States from using the canal? Was it ever contemplated by the negotiators that such a contingency could arise? The other nations, however, for whom the United States makes these rules, do stand on an entire equality, and it is to them that the term "all nations" refers.

That the British Government at the time the second Hay-Pauncefote treaty was negotiated understood that it was our purpose to retain the exclusive control over the canal, and that Great Britain was willing to consent thereto, is apparent from the notes of the conference between Secretary Hay and Lord Lansdowne. After the words, "the canal shall be free and open to the vessels of commerce and of war of all nations," Lord Lansdowne proposed to add "which shall agree to observe these rules"; and further on the words "so agreeing," after the clause declaring "that there shall be no discrimination against any nation," and so forth, so that it would read: "That there shall be no discrimination against any nation so agreeing to observe these rules." It is plain that the nations "which shall agree to observe these rules" and "so agreeing" could not embrace the United States, because it was the United States with whom the other nations would agree.

Secretary Hay objected to this suggestion and stated that there would be opposition "because of the strong objection to inviting other powers to become contract parties to a treaty affecting the canal." He suggested, as a substitute for Lord Lansdowne's amendment, that "the canal shall be free and open to all nations observing these rules," and instead of "any nation so agreeing" he proposed "any such nation." I beg the attention of Senators to this language. Lord Lansdowne accepted this amendment, which he declared "seemed to be equally efficacious for the purpose which we had in view, namely, to insure that Great Britain should not be placed in a less advantageous position than other powers, while they stopped short of conferring upon other nations a contractual right to use the canal.

The nations, therefore, with which Great Britain was to enjoy equal rights were the nations which had no contractual rights in the canal, and it is apparent that Lord Lansdowne did not regard the United States as embraced in this class.

These views are strengthened by the declarations made by Lord Lansdowne in his conference with Ambassador Choate regarding the treaty. In the letter of Ambassador Choate to Secretary Hay, under date of October 2, 1901, the ambassador states, speaking of Lord Lansdowne, with whom he was negotiating the treaty: "He has shown an earnest desire to bring to an amicable settlement, honorable alike to both parties, this long and important controversy between the two nations. In substance, he abrogates the Clayton-Bulwer treaty and gives us an American canal, ours to build as and where we like; to own, control, and govern, on the sole condition of its always being neutral and free for the passage of the ships of all nations on equal terms, except that if we get into a war with any nation we can shut its ships out and take care of ourselves."

Nothing could be clearer from this statement than that the prohibitions against blockade and acts of hostility in the canal were not intended to apply to the United States. As Lord Lansdowne stated:

If we get into war with any nation we can shut its ships out and take care of ourselves.

If the other rules were not to apply to the United States, and it must be clear that they do not, rule 1 can not be held applicable without violating every principle of construction.

In Ambassador Choate's note to Secretary Hay under date of August 16, 1901, again speaking of Lord Lansdowne, Mr. Choate states: "He recognizes our desire to reserve the power of taking measures to protect the canal at any time when we are engaged in war"; that "contingencies may arise when it might be of supreme importance to the United States that they should be free to adopt measures for the defense of the canal at a moment when they were themselves engaged in hostilities," and "the necessity" and, of course, "the right of the United States to interfere temporarily with the free use of the canal by the shipping of another power."

That the words, "all nations," as used in section 1 of article 3 did not embrace the United States is again made clear by two statements—one made by Lord Lansdowne and the other by Lord Pauncefote, as communicated by Ambassador Choate to Secretary Hay in two notes—one under date of August 16, 1901, and the other under date of August 20, 1901. In the first note Ambassador Choate said:

Lord Lansdowne claims to desire only that the other nations, parting with nothing, should not be on a better footing with respect to the canal than Great Britain, who parts with so much, and that she shall not be bound by these stringent rules of neutrality while the others are not so bound.

Now, Senators, is it possible to have any doubt as to the meaning of this language? I repeat it:

Lord Lansdowne claims to desire only that the other nations, parting with nothing—

Surely he does not refer to the United States, because we have parted with more than all the rest, indeed we have parted with all that has been expended upon this enterprise—

Lord Lansdowne claims to desire only that the other nations, parting with nothing, should not be on a better footing with respect to the canal than Great Britain, who parts with so much, and that she shall not be bound by these stringent rules of neutrality while the others are not so bound.

Does it not appear from this note as well as from the preceding note, to which I called your attention, that at that time while negotiating the treaty England's only insistence was that she should have the same right as the other powers, which were contributing nothing to the enterprise?

Well, the other nations that part with nothing are not on a better footing than Great Britain. We are treating them all alike, but England now changes her position.

In the note of August 20, 1901, Ambassador Choate said, referring to a conference with Lord Pauncefote on the previous day:

I went over with him fully the two points which I had discussed with Lord Lansdowne and in my answer to you. He recognizes the full force of what I had to say as to the inexpediency of inserting the words, "which shall agree" and "so agreeing" in clause 1 of article 3, after the striking out by the Senate of article 3 in the Hay-Pauncefote treaty. He should emphatically favor omitting them, and thought his Government would assent to the omission; and he seemed to agree that making it read "all nations observing these rules," etc., would reach their object, which is that Great Britain and all other nations should be served alike and be on an equal footing as to obligation to observe the neutrality of the canal.

As the United States was required to maintain the neutrality of the canal, and as it was the only Government charged with that duty and responsibility, the obligation of observing the neutrality plainly rested upon the other nations that were permitted to use the canal with the consent of the United States. I submit that the reasonable interpretation of the language employed in the treaty and the declarations of the negotiators manifest a clear distinction between the rights of the United States and the permission granted to other nations to use the canal on terms of equality to be imposed by the United States.

In the proposed treaty with Colombia, known as the Hay-Herran treaty, in 1903, which was negotiated by Secretary Hay, vessels, troops, and munitions of war of Colombia were made exempt from the payment of tolls through the canal. In 1909, in the proposed treaty with Colombia negotiated by Secretary Root, a like provision was inserted. The proposal to exempt Colombia's ships was called to the attention of the British Government, and in a note to Secretary Root, January 11, 1909, Ambassador Reid quotes Sir Charles Hardinge of the British Foreign Office as follows, speaking of the pending Colombian treaty:

He said it was their duty to protest against any inequality in the treatment accorded foreign nations in the use of the canal, and that Colombia was now as much a foreign nation as any other.

This language would certainly imply the recognition of a distinction between the United States and "foreign nations."

In this connection it should also be noted that a similar exemption is contained in the treaty with Panama ratified in 1904 and acquiesced in by the British Government for many years. Not until the second note of protest regarding the exemption under the Panama Canal act of 1912 did the British Government intimate that the exemption to Panama in 1904 constituted a violation of our obligations. The pending Colombia treaty contains a similar exemption; but if the British contention prevails, the exemption must be denied the country that built the canal and which must bear the burden of maintaining it and defending its neutrality.

That the United States is not embraced in the expression, "all nations," and that we have the power under the treaty to relieve any part of American shipping from the payment of tolls, is the deliberate judgment pronounced by ex-President Taft, Philander C. Knox, ex-Secretary of State Richard Olney, Secretary of State under President Cleveland, and Senator Lodge, who conferred with Ambassador Choate in London during the treaty negotiations. In his message to Congress, under date of December 21, 1911, President Taft said:

I am very confident that the United States has the power to relieve from the payment of tolls any part of our shipping that Congress deems wise. We own the canal. It was our money that built it. We have the right to charge tolls for its use. These tolls must be the same to everyone; but when we are dealing with our own ships, the practice of many governments of subsidizing their own merchant vessels is so well established in general that a subsidy equal to the tolls, an equivalent remission of toll, can not be held to be a discrimination in the use of the canal. The practice in the Suez Canal makes this clear. The experiment in tolls to be made by the President would doubtless disclose how great a burden of tolls the coastwise trade between the Atlantic and the Pacific coast could bear without preventing its usefulness in competition with the transcontinental railroads. One of the chief reasons for building the canal was to set up this competition and to bring the two shores close together as a

practical trade problem. It may be that the tolls will have to be wholly remitted.

Senator LODGE, in a speech delivered in the Senate on April 9, 1914, said:

I was a member of the Foreign Relations Committee of the Senate which reported the amendments to the first Hay-Pauncefote treaty. I had some part in framing those amendments, and, owing to the death of Senator Davis, I was in charge of the treaty when, as amended, it was ratified by the Senate. It so chanced that I was in London when Mr. Choate and Lord Lansdowne were concluding the negotiations which resulted in the second Hay-Pauncefote treaty, and I was familiar with the discussions which then took place. When the second Hay-Pauncefote treaty was sent to the Senate it devolved upon me to report the treaty to the Senate. I mention these facts merely to show that I was in a position to be familiar with all the proceedings which ultimately resulted in the ratification of the second Hay-Pauncefote treaty. I took the view then that under the terms of the treaty of November 18, 1901, the United States was at liberty to exempt its own vessels of commerce from the payment of tolls if it saw fit to do so, and I voted against the Bard amendment, which made this right explicit, because I thought it needless. * * * The opinion which I formed in 1901 as to our rights under the treaty I have never changed. I hold it now as I did 13 years ago.

Secretary Hay, in his statement to the Senate Committee on Foreign Relations, accompanying the second Hay-Pauncefote treaty, said:

The whole theory of the treaty is that it (the canal) is to be exclusively the property of the United States, and is to be managed, controlled, and defended by it. * * * The United States alone is the sole owner of the canal and as a purely American enterprise adopts and prescribes the rules by which the use of the canal shall be regulated.

I commend those words to those Senators who are prone to speak of this waterway as an international canal when every President for 50 years who has spoken of it, nearly every Secretary of State who has had to deal with it, and the Secretary of State who negotiated this particular treaty invariably speak of it as an American canal, to be controlled and governed by the United States.

Ex-Secretary Olney, in his address read before the annual meeting of the American Society of International Law, in Washington, D. C., on April 25, 1913, said:

The single point is, are the words "all nations" inclusive or exclusive of the United States? It seems difficult to successfully contend that the United States is included.

(*a*) The treaty is a contract by which the proprietor of a canal fixes the terms upon which it grants the use of the canal to its customers.

(*b*) It was needed for that purpose only; it was not needed to fix the terms upon which the United States and its nationals—its cestui que trust—should use the canal, because its use, without tolls or otherwise, as the United States might choose, is a necessary incident of its ownership of the canal. It can not reasonably be argued that, in fixing the terms for the use of its canal by customers, the United States looked upon itself as one of the customers.

(*c*) The words "under construction" are in substance the first of a set of six rules adopted by the United States as the basis of the neutrallization of the canal. But the other five certainly apply only to parties other than the United States, so that there is the strongest reason for holding that the first of them is to be given a like application. * * * The principle is well settled that a State conveys away its rights of sovereignty or property only by terms which are clear and express and are not susceptible of any other reasonable construction. If the terms are vague and of doubtful import, the presumption is against the State's intention to part with or abridge its jurisdictional or property rights. * * * In short, the treaty is an instrument by which the proprietor of a canal fixes and states the terms of use to its customers. There is an utter absence of evidence that the United States regarded itself as one of its customers.

With our legal and moral rights so well sustained how can we justify their abandonment to a nation concerning which President Buchanan said in his message of 1857:

Since the origin of the Government we have been employed in negotiating treaties with that power, and afterwards discussing their true intent and meaning.

I now invite your attention to my third proposition that treaties do not apply to changed conditions, and that therefore the Panama Canal is not burdened by the provisions of the Hay-Pauncefote treaty. It will be observed that the Hay-Pauncefote treaty was adopted in 1901, that it was the expectation of both nations that the canal would be built on foreign soil, and that for the protection of the canal it was distinctly stipulated that the rights of the parties would not be affected by any subsequent change of sovereignty of the territory over which the canal was constructed, that is, change of sovereignty after its construction.

At that time, as well as for 50 years before, the contemplated route was through the Republic of Nicaragua. Two years after the adoption of this treaty, we entered into a treaty with the Republic of Panama whereby it conferred upon the United States in perpetuity all the rights of sovereignty possessed by the Republic of Panama over this stretch of land of 40 miles from ocean to ocean. The doctrine is well established in international law that all treaty engagements are necessarily subject to the general understanding that they shall cease to be obligatory as soon as the conditions upon which they were executed are essentially altered. Hall, a well-recognized British authority, declares in his work on international law, that—

neither party to a treaty can make its binding effect dependent at will upon conditions other than those contemplated at the moment when the contract was entered into; and, on the other hand, a contract ceases to be binding so soon as anything which formed an implied condition of its obligatory force at the time of its conclusion is essentially altered.

Mr. Oppenheimer, professor of international law in the University of Cambridge, in his work on international law, states that—

It is an almost universally recognized fact that vital changes of circumstances may be of such a kind as to justify a party in notifying an unnotifiable treaty. The vast majority of publicists, as well as all the Governments of the members of the family of nations, agree that all treaties are concluded under the tacit condition rebus sic stantibus.

Hannis Taylor, the American authority on international law, states the rule as follows:

So unstable are the conditions of international existence and so difficult is it to enforce a contract between States after the state of facts upon which it was founded has substantially changed, that all such agreements are necessarily made subject to the general understanding that they shall cease to be obligatory as soon as the conditions upon which they were executed are essentially altered.

England invoked this rule in her own defense when she was accused by the European powers with violation of the neutrality provisions of the Suez Canal convention. In a convention of the powers a protest was made against the action of Great Britain, and Lord Pauncefote, the joint author of the Hay-Pauncefote treaty, stated the position of Great Britain as follows:

Senators, apply this language to the conditions with which we are concerned:

That Egypt having become British territory since the construction of the canal and the agreement between the powers, Great Britain could not be bound by the neutrality provisions adopted, so far as they affected Egypt, because it was a recognized principle of international law that treaties are only operative so long as the basic or fundamental conditions upon which they are based continue, and that in the event of a fundamental change, such as a change of sovereignty of the soil, any nation which is a party to such treaty could honorably contend that *it was inoperative as to her newly acquired territory.*

This contention of Lord Pauncefote was upheld by the British Government, and England proceeded to fortify her newly acquired territory and continued to maintain it in a fortified condition, notwithstanding the neutrality provisions of the Suez Canal convention to the contrary. In her second note of protest Great Britain reluctantly concedes that—

now that the United States has become the practical sovereign of the canal His Majesty's Government do not question its title to exercise belligerent rights for its protection.

If the canal contemplated by the treaty had been constructed the United States, under the British interpretation, could not exercise belligerent rights. The concession that we may now enjoy belligerent rights recognizes a changed condition which makes the entire treaty inoperative. Where a vital change takes place in the conditions in reference to which a treaty is made international law does not permit one of the parties to the treaty to determine which of its provisions survive and which are extinguished. The treaty must stand or fall as a whole. Under the doctrine recognized by the British Government the treaty is inoperative as to the newly acquired territory of the United States, and the canal constructed on American territory at Panama is no more affected by the Hay-Pauncefote treaty than would be a canal built across any other part of the soil of the United States.

It is not disputed that when the treaty was negotiated both Governments assumed that the canal would be constructed on alien territory and not on the soil of the United States.

Our sovereignty over the territory in question being admitted, and it must be admitted, because it is conceded by Great Britain and determined by the Supreme Court of the United States, it must follow that the canal as constructed was not the canal contemplated by the Hay-Pauncefote treaty, and that the provisions of that instrument have, consequently, no relation to the undertaking. It is true that in the treaty which we made with the Republic of Panama it was stipulated that we would use the canal for the purposes stated in the Hay-Pauncefote treaty, but Great Britain was not a party to that treaty and its rights could not be impaired or enlarged by any provision of an instrument to which it was a stranger. At best, the reference to the Hay-Pauncefote treaty contained in our treaty with Panama was but an indication of a general purpose of neutralization which we were prepared to recognize in the operation of the canal. If we desired it, Panama could now relieve us of this promise and the world could not complain. That the provisions of the Hay-Pauncefote treaty were not deemed binding on the United States or on the Republic of Panama with respect to the canal actually constructed is apparent from the circumstance that in our treaty with Panama

we expressly exempt vessels of the Republic of Panama from the payment of tolls passing through the canal, notwithstanding the Hay-Pauncefote provisions as to the equality of treatment of all nations.

These considerations I submit amply justify the legislation enacted by Congress two years ago. The exemption of coastwise vessels from the payment of tolls may be supported on any one of the three grounds just asserted.

ECONOMIC PHASES.

Mr. President, I now desire to make a few observations regarding the economic phases of this legislation.

For more than 30 years the transcontinental railroads of the country used their powerful influence and resorted to every device to prevent the construction of an isthmian canal.

I do not believe that there is a Senator in this body who will have the temerity to deny the accuracy of that statement, that for 30 years the transcontinental railroads interposed every conceivable obstacle to the construction of a canal connecting the two oceans. Railroads dread water competition because that means cheaper railroad rates. No railroad ever secured control of a competing water line on this continent without destroying competition. Now that the canal is built, the same malign influence is endeavoring to minimize its service to the public.

It was recently reported by a committee of the House of Representatives that 92 per cent of the vessels engaged in coastwise trade are controlled by the railroads of the country, or shipping consolidations which are operated in defiance of the antitrust laws of the land. If these ships, backed by the power of railroads, were allowed to use the canal there would be an end to competition in transportation because, as Mr. Wilson said in his speech on August 15, 1912, "Railroads will not compete with themselves."

Judge Prouty, and Mr. Lane, now Secretary of the Interior, who were for many years members of the Interstate Commerce Commission, appeared as witnesses before the Interoceanic Canals Committee two years ago and gave it as their judgment, based on their knowledge and experience, that the only effective way to secure competition and prevent the railroads from making the canal a corporate asset was to exclude all railroad-controlled vessels.

By the act which the pending bill seeks to amend Congress not only prohibited railroad-controlled vessels from using the canal when in competition with the railroads, but conferred jurisdiction upon the Interstate Commerce Commission to compel railroads in all parts of the country to dispose of their interests in their competing water transportation lines.

It may be argued that proper competition could be secured by a reasonable regulation of rates by the Interstate Commerce Commission, but the regulation of rates can only serve to correct abuses after they develop and oppress the public, while the exclusion of railroad vessels from the canal is an absolute preventive of the abuse.

Moreover, it gives encouragement to independent shipbuilders to construct vessels to engage in the canal trade and thus develop an important American industry.

Exempting coast craft from the payment of tolls will reduce the cost of shipping through the canal to a minimum, and thereby compel competing roads in the United States and Canada to reduce their rates to a competitive basis. The more expensive you make water transportation the greater latitude you extend to the railroads in the fixing of their rates. Place a toll on the domestic shipping and for every dollar you collect by way of a toll you enable the railroads to make a corresponding increase in their rates.

Every ton of freight carried through the canal at $1.20 a ton will enable the competing railroads in the United States and Canada, as well as at Tehuantepec, to charge at least that amount as additional freight; and on a freight car carrying 50 tons of freight from ocean to ocean the railroads will receive $60 more than they would if the ships went through without the payment of tolls. It would be just as fair to cry railroad subsidy under these circumstances as it is to charge ship subsidy.

The proper use of the Panama Canal must result in large direct and greater indirect benefit to the people of the country. It can aid in the revival of the American marine, and we shall be again enabled to carry the American flag on the peaceful missions of commerce to the ports of all the world, including those of our sister American Republics.

The view of the British public on this subject is reflected in a article in the London Times of August 13, 1912, from which I quote:

> The bill (canal act) will offer facilities for foreign-built tonnage to be registered under the American flag. There is, however, a proviso that such tonnage must be placed at the disposal of the United States Government in the event of war. It would seem, therefore, that however willing British shipowners would be to place their ships under American register, this provision is sufficient to deter them from doing so. * * *
>
> If the bill becomes a law, it will prove little short of disastrous to British shipowners. With their best brains and energy devoted to the work, the United States will now proceed to turn out vessels on a wholesale scale, and aided by their freedom from Panama Canal dues there is little to prevent them from entering with success all those trades in which British shipowners are now the principal carriers.

Pass this bill and you will surely earn the approval of the British press and the gratitude of the British shipowners.

Mr. President, military and economic reasons alike induced us to embark on this vast undertaking. There was a time in our history when American ships handled three-fourths of our transportation business between here and Europe, but British cruisers like the *Alabama*, the *Shenandoah*, and the *Florida* destroyed our commerce during the Civil War and drove our flag from the ocean.

In 1901 we carried but 16 per cent of our export trade, and 11 per cent of our import. In 1900 not one American merchant vessel went to or came from Germany, Russia, Sweden, Norway, Denmark, The Netherlands, Italy, Austria, Hungary, Greece, or Turkey. Two small American vessels came to the United States from France; one in ballast. One American sailing vessel came from Belgium in ballast, and one American vessel cleared for Spain. There cleared for or entered from Great Britain 11 American sailing vessels, and 2 small steam vessels went to Great Britain in ballast.

The American flag was never such a rarity on the North Atlantic between the United States and Europe. The mail steamships *St. Louis*, *St. Paul*, and *New York* were practically all we had during 1900 in the North Atlantic. There has been no improvement in our foreign shipping since then.

Our participation in shipbuilding and in the trading, underwriting, and banking incident to navigation was correspondingly low. Contrast this record with certain years before the Civil War, when our flag was seen on every sea, and when we carried 89 per cent of our exports and 95 per cent of our imports in American bottoms. The transportation in foreign bottoms consumes a large part of our cargo, and what we spend for the carriage of our products goes out of the country never to return. If carried in our own ships it would increase our credit abroad, and our imports, if carried in American vessels, would increase our wealth at home.

Our commerce should not be abandoned to the monopoly of foreign nations. We are now in the grip of a foreign steamship trust. All of our carrying trade is controlled and directed by the foreigner. American commerce is made to pay tribute to the steamship interests of London, Hamburg, and Rotterdam. Our commerce has prospered, but we have permitted our navigation to perish. Our American marine has been destroyed, and it was hoped that the Panama Canal would mean its restoration, but the influences that have swept away our shipping now are endeavoring to keep it off the sea. Navigation should keep pace with our commerce. As Jefferson said: "The marketing of our productions will be at the mercy of any nation which has possessed itself exclusively of the means of carrying them, and our politics may be influenced by those who command our commerce." Although Jefferson said this in 1703, was it not prophetic, and does it not describe our condition to-day? We have no control of our own trade. The foreign shipper, the foreign merchant, the foreign banker, and the foreign underwriter fatten upon American commerce.

But it is said that the American vessels engaged in the coastwise trade have a monopoly and need no further assistance; that if any assistance is to be offered by the Government the American ships in the foreign trade should get the benefit of it. It is quite true, as I have shown, that the American merchant marine is sadly in need of encouragement. It is said that we now have but 15 ships engaged in the over-seas trade on the Atlantic and the Pacific Oceans. In 1912, 3,000 British vessels passed through the Suez Canal, and during that entire year only 2 ships flying the American flag passed through the canal. England and Germany control the trade of South America, which would be ours if we had a merchant marine worthy of the Nation. Our foreign shipping is practically destroyed. It is estimated that we give more than $300,000,000 a year to the owners of foreign ships that thrive on our commerce. It was hoped by some that the exemption to the coastwise trade might be followed in the near future by a like exemption to the few American ships now engaged in the foreign trade, but deny this privilege to the coastwise vessels now and you make it forever impossible to confer it upon the ships engaged in over-seas trade.

I repeat that one of the chief purposes of the canal was to secure free competition by water route through the canal so as to regulate and control the railway rates on the American

and Canadian Railway and the Tehuantepec Railroad through Mexico, now under the control of a British syndicate whose fortunes are vitally affected by this legislation. There was another and even more important purpose—the use of the canal in naval operations.

The canal is a military necessity to the United States. We could only by enormous expense maintain permanently on the east and west coast a naval force strong enough to meet unaided any possible opponent. By enabling the Pacific and Atlantic squadrons to unite at short notice the Panama Canal doubles America's naval strength. The canal is therefore primarily a strategical undertaking.

During a recent cruise of the fleet from the Atlantic to the Pacific coast, an ordinary maneuver undertaken in time of peace, the Government found it necessary to charter 40 foreign steamers to provide fuel for the warships. It is humiliating to confess that this great Nation in time of war must depend upon foreigners for our auxiliary fleet. Japan is building 50 ocean ships for her merchant navy. We are building none. Japan can carry 200,000 troops at one time, while we can not carry more than 15,000. Japan has an auxiliary navy of half a million trained sailors. We have not 10,000 auxiliary sailors in the United States.

Mr. President, no patriotic American can contemplate the disappearance of our merchant marine without grave apprehensions as to the consequences to our commercial and naval prestige.

SUBSIDY.

But the opponents of the existing law, seeking an excuse for violation of party pledges, profess to discover that the exemption constitutes a subsidy. Realizing that the reasons first assigned for the repeal have made no impression upon the people, some cunning strategist has resorted to the old expedient of dragging a red herring across the trail in order to divert attention from the real question. What is a subsidy? Some who use the word have a loose conception of its meaning.

A subsidy is a gift of public funds from the Government to a private person or corporation to aid in the establishment or support of an enterprise deemed advantageous to the public. A failure to impose a tax is not a subsidy. No money is taken out of the Treasury for the benefit of the coastwise shipping, and if tolls were imposed it is altogether problematical as to how much money would be derived from that source for the public benefit.

If you want a fitting illustration of a subsidy, I would commend you to the provisions of the pending Agricultural appropriation bill, in which you are applying millions of the public money to the benefit of a particular class of our people at the expense of all the other people of the country. This Agricultural appropriation bill, which is largely composed of subsidies, has been passed by a Democratic House, will be passed by a Democratic Senate, and will probably be approved by a Democratic President. I do not make these remarks in criticism of the Agricultural appropriation bill, for I shall vote for it, but I desire to call attention to the fact that there are very many, even in this body, who wink at subsidies when they help them or their people, while they grow frantic at the thought of supporting an alleged subsidy in which they or their people may be supposed to have no particular interest.

The United States has expended more than $800,000,000 in river and harbor improvements and the building of canals, not including the Panama Canal. There are 12 of these canals throughout the country and during the last fiscal year more than $2,000,000 was expended in their care and operation. As improved water transportation has operated as a regulator upon competing railroads, the public at large has been regarded as the beneficiary of the public moneys appropriated for these purposes. The State of New York has paid out more than $200,000,000 in the construction and maintenance of its canals, but it makes no charge to any vessel using them, believing that the public is fully compensated by the influence the canals exert in the regulation of railroad rates. Now, for the first time in the history of our country, it is claimed that this practice constitutes a subsidy.

The railroad influence is persistent and we meet it at every point. While the railroads had a monopoly of the coastwise vessels it was not thought that the vast sums of money paid out of the Treasury annually for waterways constituted a subsidy, but now that the railroad vessels can not use the Panama Canal the cry is raised that the Government is giving a subsidy to the independent shipowners who may use this waterway. We now hear the cry of subsidy from men, many of whom have grown gray in the defense of privilege and monopoly. Every attorney of the transcontinental railroads, American and Canadian and the allied interests, is hoarse shouting "subsidy." The Tehuantepec Railroad of Mexico, controlled by a British syndicate, fears competition, and its defenders join in the chorus and shout "subsidy"; men who have become masters in the art of political jugglery will assure you that it is a subsidy, but the American people will not be deceived by such protestations.

Before the Panama Canal act of 1912 excluded railroad and trust-controlled vessels from the canal it was estimated that one-tenth of the entire tonnage passing through the canal would represent coastwise shipping, and that if the tolls were exacted from the coastwise vessels they would amount approximately to $1,200,000 a year; but as only 8 per cent of the coastwise vessels are under independent control, and that 8 per cent, as testified by the Commissioner of Navigation, Mr. Chamberlain, constitutes but 29 vessels fit to pass through the canal, the amount of tolls that would be paid by these vessels on the basis above mentioned would probably not exceed three or four hundred thousand dollars a year.

Last year we spent more than $40,000,000 to improve the rivers, harbors, and canals of the country, but no toll or charge will be imposed on any vessel in order to secure a return on this outlay. If it is a subsidy to permit American coastwise vessels to use the Panama Canal without charge, then for these many years we have been paying subsidy to the vessels which formed part of the vast railroad monopoly of the country.

Our Government has expended more than $120,000,000 for the improvement of the Mississippi River, $23,000,000 for the improvement of the Ohio River, and $11,000,000 for the improvement of the Missouri River. We have spent $24,000,000 on the St. Marys Falls Canal. These improvements were made, and the money was paid out of the Treasury for the benefit of the American people. The improvements on the Mississippi, Missouri, and Ohio Rivers were mainly for the purpose of facilitating commerce to and from the Gulf of Mexico. In like manner the Panama Canal was to perfect the waterway system of the United States so as to unite the two oceans and connect the two coasts, thereby permitting barges to be loaded at Pittsburgh or St. Louis or Kansas City and conveyed to San Francisco, Seattle, and other points on the Pacific coast, bringing back the products of that region for distribution to the Gulf coast and the Mississippi Valley.

The domestic commerce of the United States exceeds that of any other nation. More than 40,000,000 tons passed through the Soo Canal in 1912. This is three times greater than the entire traffic on the Suez Canal, but not a dollar of toll was collected on this vast traffic. It costs the Government for the upkeep of the Soo Canal, direct and indirect, millions of dollars every year, but no vessel using this canal is required to pay a toll or other charge for the privilege.

Surely if it is a subsidy to exempt independent coastwise shipping from the payment of tolls in the Panama Canal, where the amount collected would be comparatively small, it is a more reprehensible subsidy to spend millions every year on the Soo and other canals for the benefit of a railroad-controlled shipping.

Perhaps those who claim that the exemption constitutes a subsidy will doubtless explain why they have never raised their voices against the so-called subsidy while the railroads were enjoying the benefit of the system, and why the cry of subsidy was first heard only when a patriotic effort was made to build up an independent coastwise shipping trade freed from the domination of a grinding railroad monopoly.

In 1884 in the river and harbor act it was provided that—

> No tolls or operating charges shall be levied upon or collected from any vessel, dredge, or other water craft for passing through any lock, canal, canalized river, or other work, for the use of and benefit of navigation, now belonging to the United States or that may be hereafter acquired or constructed.

We have never departed from this policy, and those who claim the Panama exemption is a subsidy must reverse the national policy and repeal the law of 1884. Since the adoption of our Constitution in 1789, the uniform policy of the Government has been an untaxed commerce between the States. In the maintenance of this policy we have scrupulously avoided the imposition of any tax or toll on our vessels engaged in interstate commerce. Why should this policy be abandoned? Have the people of the country, by any vote or other declaration, demanded the change? That we have prospered under this policy; that it was wise and sagacious, will not be denied by any student of our growth and development. If it is a subsidy to allow one of our coastwise ships to pass through the Panama Canal without the payment of the tax, then have we not, both parties, Democrats and Republicans, supported similar subsidies for more than a century? If you impose a tax on our vessels going through the Panama Canal, how can you consistently allow our vessels to pass through the St. Marys

Falls canal and other artificial waterways without the payment of toll? Do you have one rule for one section of the country and another rule for a different section? Are we to have free tolls only where it will benefit the railroads, and charge tolls only where it will burden the independent shippers who are competing with the railroads? In either case the railroads will be the only beneficiaries of your proposed legislation. I can not believe that such action by the Congress of the United States will commend itself to the American people.

In truth, an exemption from tolls does not differ economically from the remission of tariff duties. Each of them tends to encourage competition by reducing cost. The payment of tolls will be no burden to the shipowner, because he will simply add the toll to the freight charge, and this will be paid first by the American shipper and then by the American producer and the American consumer.

Is every refusal of the Government to tax its shipping a subsidy? Thomas Jefferson advocated the imposition of discriminatory duties in our tariff and also in our navigation law. This was the principle written into the tariff law at the last session of Congress, which carried a 5 per cent discriminatory rate in favor of goods brought in American ships. Was that a subsidy? Why not? Does it not invite our shippers to use our ships instead of foreign ships? Does it not give somebody 5 per cent of our taxes? Who will get this money—the ships, or the shippers, or both? Or will its benefits finally reach the consumer? This 5 per cent tax exemption was enacted by a Democratic House and a Democratic Senate, and was approved by a Democratic President. During its passage through the House and through the Senate the conscience of no Democrat prompted him to rise up in his place and protest against a Democratic Congress giving a subsidy of that kind in a Democratic tariff bill.

Mr. President, in the same tariff bill provision is made for free shipbuilding material. If the Democratic Party is opposed to indirect as well as direct subsidies, why did it not impose tariff charges on this importation? Some one is benefited by the remission. In these matters, as well as in the Panama Canal exemption, we have pursued a well-defined policy of keeping our ships as free from the burden of taxes as we can, in order that our country might do in a negative way what all foreign countries are doing for their shipping in an affirmative way.

I know it is said that free tolls will simply enrich the shipowner and confer no benefit on the producer and consumer. Well, if free tolls will not decrease the cost to the consumer, imposing tolls on the other canals of the country will not increase the cost to the consumer. I suppose you will make your system uniform. Perhaps this is a part of a program to impose tolls on the shipping on the other canals of the country. This policy was suggested by Prof. Emory Johnson before our committee, and if adopted it will at least have the merit of treating the lake, the river, and canal shipping alike.

PARTY PLEDGES.

Those who seek to justify the betrayal of party pledges must invent an excuse or openly confess that the declaration of principles adopted at the Baltimore convention was a mere sham to be used only for the purpose of deceiving the American electorate and not for the purpose of being redeemed honestly. When before did the Democratic Party violate party pledges? When did it repudiate a solemn covenant with the American people?

Unusual care was taken at the Baltimore convention to adopt a platform which could be scrupulously respected by the party and its candidates. To avoid the possibility of the candidates repudiating the platform, or any part of it, the platform, at the suggestion of the leader of the party, although carefully considered and unanimously approved by the committee on resolutions days before, was not presented to the convention and adopted by that body until after the candidates had been selected. It is within the memory of the members of the committee that we pursued this course on the advice of the then leader of our party, who declared that he did not want any contest or issue between the candidates and the platform.

This was the first time in the history of political conventions that such a course was pursued.

I can not stop to contemplate what would have become of Democratic prospects in the last presidential campaign if the free-toll plank of the platform had been rejected or repudiated before the election; but it was not rejected. It was approved and pressed upon the attention of the public in every section of the country. Its economic advantages were pointed out by the nominees of the party and the thousands of public speakers who advocated their cause. It was given prominence in the campaign textbook which was distributed throughout the country by the national Democratic campaign committee, and yet it was as much a subsidy in 1912 as it is now.

Let us not deceive ourselves, Senators, the free-toll plank was the one dominant American note in the campaign of 1912, and its value to the Democratic Party can not be disparaged when it is recalled that the convention of the Progressive Party adopted the same plank, that the nominee of the Republican Party had already pledged himself to the same principle, and that 14,000,000 citizens of this country by their votes have declared their adherence to this principle. We are now asked to repudiate their declaration, to ignore their rights, and to treat them with a contempt to which American citizens will never submit.

When we talk of national honor we may be suspected of insincerity if we do not recognize that a violated party pledge is the rankest kind of political perfidy. We surely owe at least the same good faith to the American people that we profess to feel for a foreign nation.

The American people, not the British Government, restored the Democratic Party to power, and if we retain power it will be by the favor and confidence of the American people and not by the grace of Great Britain. If we prove recreant to our trust the American people will render a verdict whose lesson will have a salutary influence on the public men of the future. A party platform should be regarded as a confession of faith by the party promulgating it and should be held sacred and inviolate.

How can we hope to retain the confidence of the American people when we have no respect for our party pledges? To what sinister influence will the people attribute this duplicity on the part of a great political party? It is no defense to say that delicate foreign relations justify the repudiation. There can be no condition in our foreign affairs that can excuse the abandonment of vital national rights. If, as the result of war, a conqueror imposed such terms upon us we could accept them as the issue of a struggle, but a self-respecting people can not freely submit to such conditions. Is the Democratic Party prepared to confess itself guilty of a betrayal of a public trust? Will it admit to the country that it secured office by false pretense? What confidence can the people have in such a party so devoid of respect for its own pledges? We secured office under a solemn promise to the American people which we are now asked to repudiate.

Those who say we must act because the President so advises have a very erroneous conception of the senatorial office. They forget our powers and responsibilities, as well as the limitation imposed by the Constitution on the Executive. We are too important a branch of the Government to allow our action to be controlled by the request, caprice, or dictation of any other branch of the Government.

Of all the departments the Senate is the only body possessing legislative, executive, and judicial functions. With the House we legislate; with the President we share the duty of making appointments and adopting treaties; and in the impeachment of public officers we perform judicial functions. I shall never tolerate the degradation of the Senate. I shall never consent to making it subordinate or subject to another branch of the Government. The President is discharging his duty as he sees it. He has his duties to perform under the Constitution and I have mine. No one impugns his honor or patriotism. I simply challenge his judgment. It can not be vindicated, and posterity will condemn it.

For nearly a century the national convention has been the highest authority for the declaration of party principles—the promulgation of the party creed, binding upon all alike. The party doctrine as pronounced by a national convention can be changed only by another national convention. The power is not lodged with a President or a congressional caucus to regulate or modify.

I should prefer to stand with the President, but I have never bolted a Democratic candidate nor a Democratic platform, and I do not intend now to take my place with the repudiators of party pledges. In this emergency every Senator will act according to his own lights. Some may find an excuse for the disregard of party obligations, but as I view it, a party platform is the plighted word of men of honor declaring what their policies will be if they attain power. It is either that or a shifting, dishonest, unconscionable pretense whereby a confiding electorate is misled.

Never until now has the party of Jefferson been exposed to this base imputation upon its honor and integrity. And those who clung to the old Democratic Party in its days of adversity—those who, undismayed by repeated defeats, remained loyal to its candidates and its principles—should not now be asked to

do it a wrong greater than any which its avowed opponents are capable of inflicting upon it.

Senators, I beg you to pause while there is still time and avert a disaster which now threatens the party and the Nation.

NATIONAL HONOR.

But it is said that our national honor is affected and that, right or wrong, we should accept the claim of Great Britain. Since when have we become so weak that we dare not assert our national rights? When we were colonies of Great Britain we did not yield to her demands "whether right or wrong," and I hope that we have not become so unworthy the heritage of liberty won for us by the blood and sacrifice of the patriots of the Revolution that now, after 138 years of independent existence as a nation, we are ready to yield to her unjust exactions.

Are we to abandon the Monroe doctrine when every sentiment of the American people calls for its maintenance? Must we cower before the mailed fist and give the first manifestation of national decline? No nation can respect another that does not respect itself. Surely the most that can be claimed by the British advocate is that the question of the interpretation of the treaty is involved in doubt. If that be so, by what right or authority do we resolve the doubt against our own people? Have we no liberty of action? When have we become so feeble that we can not retain advantages of our own? Have we not the same right that England has to place our own interpretation on the treaty and support it by reason and precedent? Yet we are told, "right or wrong," we should submit. Whence came these standards in the affairs of nations? England has never applied them to herself.

In matters personal to ourselves we may surrender our private rights, if we will; they are ours, and our action affects ourselves alone, but acting as trustees for a nation, can we in honor or justice surrender their rights and interests without rhyme or reason? We may ransack all the authorities on international usage; we may explore all the pages of diplomatic relations, and I venture to assert that no precedent can be found in the history of any country for this extraordinary proposal.

Reason, common sense, justice, and patriotism alike cry out and condemn it. The American people will never consent to it. We, who, for a brief hour, are clothed with their authority are but their servants, and under our system of laws the people recognize no master or ruler in affairs of government. They themselves are sovereign, and they will never condone this threatened spoliation and sacrifice.

While the exemption of coastwise shipping is not a subsidy, if, after an experimental period, it seemed wise to repeal it, I should not hesitate to vote for such a proposition, but to repeal the exemption now is to confess to the world that President Taft and the Congress of the United States violated a solemn treaty, and that under the stress of coercion we are constrained to change our course. To repeal the exemption at this time would involve the further concession that we are not in absolute control of the canal; that it is an Anglo-American and not an American canal, as John Hay declared it would be. The British contention, if upheld, would impose a restriction upon our sovereignty and recognize the right of a foreign government to a voice in the regulation of our domestic concerns. These complications must arise once you recognize Great Britain's right to tell us what we may or may not do in our treatment of our own shipping.

If I would counsel the President, I would remind him that whatever we owe foreign nations we owe more to the American people. It is idle to talk of national honor when we seek to meet unfounded demands by inflicting injustice and dishonor upon our own people. I would urge the strict observance of every international obligation founded on right and justice, but I would defy the powers of the earth before I would permit encroachments upon our rights of sovereignty.

I shall never furl the standard of the United States and lay it at the feet of a foreign nation. In a contest between my country and a foreign Government, I shall take my place with my own people. I will not enlist in the forces of the enemy. I shall be just to my own people before I become generous to those who would invade our national rights. We are sent here to protect American rights and not to sustain foreign aggressions. We have no mandate to barter away national rights. The people look to us to defend them; and if we fail them the people are betrayed.

Mr. President, we have accomplished the greatest task of all time. We have made two oceans one, and yet in a spirit of friendship to all the world we offer to the nations of the earth the use of the greatest achievement of all the centuries. Contrast our conduct with that of England. Which is more honorable? We give where we might withhold. She selfishly demands what belongs to us. England controls more than one-half of the shipping of the world. The canal will confer a greater benefit upon her than upon all the other nations of the earth combined, and yet, although we grant her this princely benefaction, she would deprive our people of their just rights in their own canal. Did the world ever witness such ingratitude, selfishness, and rapacity?

Friends of the British contention dwell on the moderation of Great Britain in surrendering its discriminatory policy in the Welland Canal when it was discovered that her policy violated the reciprocal treaty with the United States made in 1871. But the history of the incident shows that for years Canada deliberately violated the treaty and was forced to abandon its violation only when the United States took retaliatory measures against her in 1892. In that contest Great Britain yielded reluctantly, unwillingly, and tardily, and while her conduct could not to be defended, except at intervals on the floor of the United States Senate, she did not admit that she was in the wrong. To-day she is forcing us to yield, although we are in the right; right according to Mr. Roosevelt, who was President when the treaty was framed; right according to the Supreme Court of the United States, which interpreted a similar treaty; right according to President Taft, in whose administration the canal was built; and right according to the judgment of 12,000,000 American citizens as recorded at the polls in November, 1912.

Those who see something to commend in the conduct of Great Britain regarding the Welland Canal controversy might find it profitable to recall the message of President Cleveland to Congress on August 23, 1888, in which he stated:

> The navigation of the Great Lakes and the immense business of carrying trade growing out of the same have been treated broadly and liberally by the United States Government and made free to all mankind, while the Canadian railroads and navigation companies share in our country's transportation upon terms as favorable as are accorded to our own citizens. The canals and other public works built and maintained by the Government along the line of the Lakes are made free to all—

Free to American and free to Canadian shipping.

> In contrast to this condition, and evincing a narrow and ungenerous commercial spirit, every lock and canal which is a public work of the Dominion of Canada is subject to tolls and charges.

And of the toll of 20 cents a ton which Canada imposed upon American and Canadian shipping in her own canal she at once devised a system by which Canadian shipping would secure a rebate of 18 cents a ton, thereby imposing a net charge of 2 cents a ton upon Canadian ships and retaining a charge of 20 cents a ton on American ships, when just across the waterway this generous Government of ours was placing all of our lakes and canals freely and without charge of any kind at the disposal of Canadian as well as American shipowners.

It is surprising at this late date to find a Canadian, much less an American, defending the morality or justice of this action. And this practice was resorted to at the very time that Canadian ships were enjoying the use of American canals and other public works without the payment of any charge whatever.

In his note to Ambassador Bryce, dated November 14, 1912, Sir Edward Grey, secretary of state for foreign affairs of Great Britain, referring to the treaty of Washington, said:

> Your excellency will no doubt remember how strenuously the United States protested, as a violation of equal rights, against a system which Canada had introduced of a rebate of a large portion of the tolls on certain freight on the Welland Canal, provided that such freight was taken as far as Montreal—

Note this language, Senators—

> and how in the face of that protest the system was abandoned.

It is apparent that Sir Edward Grey was not familiar with the circumstances that induced his Government to alter the system of rebates to Canadian shippers. The system was not abandoned because of the protest of the American Government, but because of a proclamation issued by President Harrison on August 20, 1892, under authority of Congress, which provided, as a retaliatory measure, that after September 1, 1892, a toll of 20 cents a ton should be imposed—

> on all freight passing through the St. Marys Falls Canal in transit to any port of the Dominion of Canada, whether carried in vessels of the United States or of other nations.

The protests of the Government of the United States, made in 1888 and again in 1891, against Canada's disregard of the provisions of the treaty of 1871, had no effect. She was brought to her senses, however, by the retaliatory measure of August, 1892, and in consequence she discontinued her discrimination against American shipping in Canadian waters. Canada abandoned her discrimination not because of our protests, but under stress of punitive legislation by the American Congress.

Senators, our countrymen are a justice-loving people. They respect treaty obligations. The foul slander that we are an outlaw nation is as false as it is unpatriotic and un-American to assert it. Our record, I am sure, will bear comparison with that of Great Britain. The pages of history of every nation in the world, without an exception, teem with instances of treaties she has violated and wrongs she has perpetrated. No nation has been immune from her selfish greed and lust of power, and now before we take the final step in this unwise and mistaken policy, fraught with infinite mischief for the future, let us pause and remember that while we may placate England we shall have to answer to the American people.

Senators, this issue will grow to proportions overshadowing all other questions. It is not impossible that we shall render a decision that will offend the judgment of the American people; but if we do so, I venture the prediction that another Congress will correct the wrong.

President Taft declared, when this question was presented to him, that we had not violated the treaty, and by cogent and unanswerable logic established his contention. Why should this administration seek to undo what has been done by the administrations that constructed the canal and built it on American soil? What respect can foreign nations have for the United States if the act of a President of the Republic in international relations is to be repudiated by his successor? Not since 1776 has Great Britain been allowed a voice in our domestic affairs. What think you would be England's attitude if our positions were reversed? Would she yield her vital interests to foreign dictation, or would she contemptuously rebuke the insolence of a nation making the demand? If we would retain the independent sovereignty of the United States over the canal we must resist this insidious effort to compel our relinquishment of the most strategic point within our national domain.

I know there is a vague suspicion that diplomatic reasons require this national abasement, but my judgment, maturely formed and based upon such information as is available, is that the gravity of our international relations has been grossly, though unconsciously, exaggerated. The American people want peace, but they fear no power on earth. Shadows can not disturb a brave man. They should not alarm a brave and intrepid people. A nation worthy the respect of the world can not relinquish sovereign rights under threat from a foreign power.

I am as jealous of our national honor as any man, but in my judgment our national honor requires no sacrifice such as is proposed. If you encourage a doubt as to the spirit with which Americans are prepared to uphold the interests of our country—if you are ready to yield national rights—you may soon find that you will have to contend with more than one enemy for your station among the nations of the earth. The national humiliation which threatens us can be averted only by giving in the Senate of the United States a reflection of the high and resolute spirit of confidence and patriotism that animates the American people.

Subservience and shame will never elevate a nation or win her respect. National safety can be secured only by firmness and dignity. Yield once to unjust demands and you will be called upon to resist fresh exactions. Why confuse the issue by dwelling on our solemn obligations and suggesting the need of protecting our national honor? Who has assailed our national honor? Whence came the blow? Unfortunately it has been dealt by some of America's own sons. Is there dishonor in upholding the rights of the American people against the wiles of an avaricious competitor for the trade and commerce of the world? In the golden days of the Republic this was patriotism, but according to the new dispensation it is dishonor. Have we in truth become a decadent Nation—where the first claim to distinction is treachery to your own and subserviency to the oppressor?

There was once a national spirit which believed in the honest observance of party pledges, the maintenance of national integrity, and the preservation of the Monroe doctrine, which warned the monarchies of Europe to keep their hands off of this continent.

This spirit is not dead. If there be any who think it is not abroad throughout the land, they do not know the American people. Those who defend American rights may be called jingoes, but it will not weaken their devotion to their country. How familiar the cry of jingo so persistently uttered against those who are not ashamed or afraid to speak up for the pride and dignity of the Republic. It has been the weapon of every political hireling who sought obsequious compromise with foreign aggression. It has been hurled at every man who has stepped out of the conservative miasma to unfurl the flag in the pure sunlight of an unpurchaseable freedom. It was the Tory's epithet for James G. Blaine, because he remembered that he was an American. It was the Tory's epithet for Grover Cleveland, when, in the Venezuelan controversy, he uttered the memorable words:

> There is no calamity which a great nation can invite which equals that which follows a supine submission to wrong and injustice and the consequent loss of national self-respect and honor, beneath which are shielded and defended a people's safety and greatness.

Senators, we owe no debt of gratitude to England. We exist as a Nation, not because of her friendship but in spite of her hostility. If we owe her any expression of gratitude, it is that which liberty owes to tyranny for opportunity—the opportunity to wring from oppression a permanent separation and a glorious independence.

This bill is misnamed. It should be entitled, "A bill to exalt British commerce and destroy American shipping" or "A bill to expand the glory of the British Empire and humiliate the United States." Senators, when I think of the greatness of this Nation, of its vast natural resources, its plains and valleys golden with the harvests that feed the world, its tremendous commercial and industrial centers, its ore-ribbed mountains, and, above all, its mighty army of intelligent, liberty-loving people, and when I contemplate what its genius and its sacrifices have done for the enlightenment and happiness of mankind, I stand aghast at the proposal that we yield supine obedience to a monarchy beyond the sea.

Mr. President, it is useless to pretend that we are dealing with an economic question. The request to repeal was not based upon that ground. Disguise it as you will, the controversy rests upon international grounds. It has been charged that Congress and President Taft are guilty of a breach of faith. As a nation we are charged with breaking our word. Enact the repeal and you confess an act of deliberate national dishonor, because the act of 1912 was passed and President Taft approved it after the protest of Great Britain. If we were wrong in 1912 we should confess our shame and make restitution, but that we were right is established by the great weight of legal authority and the judgment of the Nation. And believing we were right the confession implied in the proposed repeal would expose us to the shame and reproach of the world. The canal was built for military and commercial purposes, and if we now surrender our sovereignty over its waters we may not be able to sustain our military rights in the future without a struggle. And the day may not be far distant when our necessities will compel us to declare to the world that our control of our own canal can not be challenged by any power.

No Senator questions the patriotism and high purposes of the President, but if legislation is to be made dependent upon his will alone, no one can predict the mischief to which such a precedent will expose this Government in future years. The welfare of one hundred millions of freemen can not be dependent upon the judgment of one man. For the making of the laws of the Nation Congress is responsible, and this responsibility can not be evaded. The fathers of the Republic wisely placed a limitation on the power of the Executive, and these limitations can not be disregarded without doing violence to the Constitution which we have all solemnly sworn to uphold.

We may not always have a President who will command in such a high degree the confidence which the American people repose in the present Executive. If the Congress of the United States is to vote blindly with regard to great public questions, trusting alone to the Executive, and acting on his judgment, whether right or wrong, we invite a danger which may involve this country in grave peril and which may at any time produce a national catastrophe.

Let me read to you a few lines from Woodrow Wilson, the publicist, in his Congressional Government, on page 233, speaking of the powers of the President:

> His only power of compelling compliance on the part of the Senate lies in his initiative in negotiation, which affords him a chance to get the country into such scrapes, so pledged in the view of the world to certain courses of action, that the Senate hesitates to bring about the appearance of dishonor which would follow its refusal to ratify the rash promises or to support the indiscreet threats of the Department of State.

Let us take heed of this admonition, and as patriots and Senators perform our duty as our own conscience and judgment dictate.

Mr. President, I believe that the passage of this bill compromises the dignity and honor of the country, and before the deed is consummated I enter my solemn protest against what I conceive to be a betrayal of the American people.

This question of tolls is but an incident in a great contest, now in its initial stage, which may determine the control of the Panama Canal for all time. The construction of the canal will rank among the world's wonders, but the opinion of mankind will pronounce the surrender of our sovereignty over it a colossal blunder and a triumph of British diplomacy.

Mr. BRISTOW. Mr. President, it is with hesitation that I address the Senate following the powerful speech which has just been made by the junior Senator from New York [Mr. O'GORMAN], an address which for unanswerable argument, close and compact reasoning, and lofty patriotism has not been excelled in this Chamber for many years. But I desire to invite the attention of the Senate for a short time to a layman's view of the bill which is pending.

All efforts to construct a canal from the Atlantic to the Pacific waters between the two Americas failed until the experience of the United States during the Spanish-American War demonstrated its necessity as a means of national defense as well as of commercial advantage. Then we determined to build the canal.

The first move was the making of a new treaty with Great Britain to supersede what was known as the Clayton-Bulwer treaty of 1850.

Why the United States should be required to obtain the consent of Great Britain before she could construct a canal across the Isthmus of Panama is a question that naturally comes to the mind of every patriotic American. The answer is that for centuries England has assumed a commercial dominion of the earth and requires other nations to get her consent to any important enterprises that might affect the world's commerce. Our Government was foolish enough in 1850 to accede to this presumption on the part of Great Britain and entered into a treaty by which, in substance, it was agreed that neither party would acquire control of a canal at Nicaragua nor obtain possession of territory for that purpose, but that in the event a canal was built both nations would defend it and protect its neutrality under certain agreed conditions and that it should be open to the use of the citizens of each upon exactly the same terms for all of their commerce. Subsequent events demonstrated that England never intended to construct the canal; she was evidently throwing out her lines for the future. While its construction by private capital only was contemplated in this treaty, the effect of the treaty was that if ever built under American supervision or by our Government England would help us defend it, and for such protection would be given the same rights as America in its use. To us in this day it appears that for our country this was a one-sided and indefensible treaty. It in fact provided a joint control of the canal and tied us hand and foot so far as any independent action was concerned. It was obtained by Great Britain at a time when our statesmen apparently were desirous of satisfying England and stopping her aggressions on this continent.

A NEW TREATY MADE.

After the Spanish-American War, when we had decided to construct the canal, it was claimed by some that for us to undertake to do so without the consent of Great Britain would be a violation of the Clayton-Bulwer treaty. Others insisted that the treaty was obsolete and had been frequently ignored by England and that we ought formally to declare it void and proceed to construct the canal upon our own motion. The result was, however, that Secretary Hay made a new treaty to supersede the existing one. Doubtless he thought this could be accomplished with less friction with England than to ignore or abrogate the old treaty.

The new treaty was entered into and ratified by both Governments in 1901. It provided in general that we could construct the canal and establish rules for its government, that it should be neutral, and all nations that complied with the rules which we prescribed should be treated equally in its use. The canal was begun and the work pushed with vigor and has been attended with extraordinary success. Two years ago such progress had been made that it was thought advisable for Congress to provide for its government and operation when opened. The Panama Canal act of August 24, 1912, was the result.

THE MONOPOLY OF TRAFFIC VIA PANAMA BY THE RAILROADS.

That bill was in the committee for weeks. Extensive hearings were held and every interest concerned was consulted. The greatest controversy before the committee was with the transcontinental railroads. Those railroads practically had controlled traffic by way of Panama since 1878—when there was in operation what was known as the transcontinental railway pool. This pool for a time paid the Panama Railway Co. approximately a million dollars a year for the privilege of controlling its rates between the eastern and western coasts of the United States. That was what these American railroads paid to suppress competition via Panama.

Upon the passage of the interstate-commerce act this pool became unlawful and it was discontinued. Then these railways resorted to another device to destroy Panama competition. The Southern Pacific acquired control of the Pacific Mail Steamship Co., and through that company, by various devices and intrigues which I will not take the time to relate, was able to force the Panama Railroad Co. to enter into an exclusive through billing arrangement with the Pacific Mail on all coast-to-coast trade, which effectively closed the Panama route to all competitors of the railroads. By various means the control of these rates has been maintained by the transcontinental railways down almost to the present time.

This throttling of isthmian traffic and competition by the railways has been a great burden to the commerce of large sections of our country. In order to maintain this commercial dominion the railways have crushed companies, firms, and individuals who have tried to operate vessels in competition with them. They have bottled up the harbors of cities and laid heavy commercial embargoes on communities. Their high-handed methods resulted in vigorous protest and finally led to the incorporation into the bill of a provision forbidding ships owned or controlled by the railroads from the use of the canal. The railroads thus seeing the dominion of the Panama route which they had so long enjoyed about to pass away from them fought the bill with dogged persistence and intense bitterness. Every device known to the ingenuity of professional lobbyists was employed to defeat those provisions that sought to free the commerce of the seas from their tyrannical grip. Their purpose was plain. The canal was about to become a great waterway to be used by ships free from their dominion, and genuine competition in transcontinental traffic was about to be realized by the American people. This the railroads were determined to prevent. They had destroyed effective water competition on all of our rivers and lakes. They had driven from the inland waterways of the country or whipped into submission every competing craft, and they were determined not to lose control of the Panama route after the canal was constructed. But, be it said to the honor of the American Congress, they failed. The provisions which they fought were retained in the bill, and the canal was freed from their stifling grip.

THE CANAL-TOLLS ACT INDORSED BY ALL PARTIES AND CANDIDATES.

It was ordained by the law to be a free and independent water highway. Railroad-owned and trust-controlled ships, those modern pirates of the sea, were barred from the use of the canal, and independent ships in our coastwise trade that compete with the railroads were given free passage. Defeated in Congress, the railroads then shifted their line of battle. They joined their English allies—the Canadian Pacific and the Mexican National Railway, which is operated by an English company—and moved on our Government through diplomatic channels. Great Britain was induced to protest against the bill, but her protest was met by Secretary Knox and Mr. Taft with patriotic firmness. They refused to accede to her demands and resisted her unwarranted assumption. The bill passed, was signed, and met the approval of the American people. It was accepted by all political parties. The Democratic national convention indorsed the policy by the following clear-cut and conclusive declaration in its platform. It said:

> We favor the exemption from tolls of American ships engaged in coastwise trade passing through the Panama Canal. We also favor legislation forbidding the use of the Panama Canal by ships owned or controlled by railroad carriers engaged in transportation competitive with the canal.

Mr. Wilson, the candidate for President nominated by that convention on that platform, in the campaign commended the policy. In a speech at Washington Park, N. J., to the farmers, August 25, 1912, he said:

> One of the great objects in cutting that great ditch across the Isthmus of Panama is to allow farmers who are near the Atlantic to ship to the Pacific by way of Atlantic ports; to allow all the farmers on what I may, standing here, call this part of the continent to find an outlet at ports of the Gulf or the ports of the Atlantic seaboard, and then have coastwise steamers carry their products down around through the canal and up the Pacific coast or down the coast of South America.
>
> Now, at present there are no ships to do that, and one of the bills pending—passed, I believe, yesterday by the Senate, as it had passed the House—provides for free tolls for American ships through that canal and prohibits any ship from passing through which is owned by any American railroad company. You see the object of that, don't you? We don't want the railroads to compete with themselves, because we understand that kind of competition. We want water carriage to compete with land carriage, so as to be perfectly sure that you are going to get better rates around the canal than you would across the continent. * * *
>
> Our platform is not molasses to catch flies. It means business. It means what it says. It is the utterance of earnest and honest men, who intend to do business along those lines and who are not waiting to see whether they can catch votes with those promises before they determine whether they are going to act upon them or not.

THE PRESIDENT'S CHANGE OF POLICY.

This declaration of the Democratic platform and the unequivocal indorsement from Mr. Wilson, the record that Mr. Taft, the Republican candidate for the Presidency, and his Secretary of State, Mr. Knox, had made, and Mr. Roosevelt's

well-known views on the subject gave those of us who had been fighting for freedom of transportation by way of the canal reason to believe that we had won for the people a substantial victory. However, the forces of evil never sleep. Greed is always alert. Avarice is relentless in its efforts. And right-thinking people who understood the significance of the fight that had been won were amazed when it was recently announced that President Wilson had changed front; that while he formerly had declared the canal act good, he now pronounced it bad; while he had been against the railway and English contention before the election, he was now favorable to it.

On March 5, 1914, he read a message to Congress, in which he said:

I have come to ask you for the repeal of that provision of the Panama Canal act of August 24, 1912, which exempts vessels engaged in the coastwise trade of the United States from payment of tolls, and to urge upon you the justice, the wisdom, and the large policy of such a repeal with the utmost earnestness of which I am capable.

* * * * * * *

We ought to reverse our action without raising the question whether we were right or wrong, and so once more deserve our reputation for generosity and for the redemption of every obligation without quibble or hesitation.

I ask this of you in support of the foreign policy of the administration. I shall not know how to deal with other matters of even greater delicacy and nearer consequence if you do not grant it to me in ungrudging measure.

Compare this utterance with the Democratic platform and Mr. Wilson's New Jersey speech, and then tell me what you think of the declaration of the President that "our platform is not molasses to catch flies. * * * It means what it says." Mr. Wilson now demands that Congress reverse its action, but does not say why he has changed his mind nor give us any reason why we should change ours. He says the law is a violation of the Hay-Pauncefote treaty, but it seems strange to us that his keen and analytical mind did not discover that before the election. Why should we accept this newborn opinion of Mr. Wilson without any reason assigned or argument produced?

THE TREATY OF 1815 AND ITS INTERPRETATION BY THE SUPREME COURT.

But, regardless of the vacillating views of the President, let us consider the language of the treaty and the construction that must be placed upon it in the light of history.

In 1815 the United States and Great Britain made a treaty, which, among other things, contained the following provision:

No higher or other duties or charges shall be imposed in any of the ports of the United States on British vessels than those payable in the same ports by vessels of the United States.

The construction of this language ordinarily would be that all vessels of the United States and of Great Britain should pay exactly the same port charges in United States ports. But the provision has never been so applied to the coastwise commerce of either country; that is, commerce between the ports of the United States and between the ports of Great Britain. Happily, the meaning of this provision of this treaty has been judicially determined by the Supreme Court of the United States. In 1895 the State of Texas passed a law exempting vessels engaged in the coasting trade of the United States from port charges. An English vessel claimed that such law infringed upon the treaty, and went into court. The case is known as Olsen versus Smith, and is found in One hundred and ninety-fifth United States Supreme Court Reports, page 332. It was heard and determined by the Supreme Court of the United States, and the decision was rendered by Mr. Justice White, now Chief Justice. In that decision Mr. Justice White said:

Neither the exemption of coastwise steam vessels from pilotage, resulting from the law of the United States, nor any lawful exemption of coastwise vessels created by the State law, concerns vessels in the foreign trade, and therefore any such exemptions do not operate to produce a discrimination against British vessels engaged in foreign trade and in favor of vessels of the United States in such trade.

That is, the Supreme Court decided that since our navigation laws do not permit any foreign ships to engage in coastwise commerce, the exemption of coastwise ships from port charges was not a violation of the treaty.

The result is that two ships—one American and one English—may leave Liverpool en route to New York and they sail into the harbor side by side; both pay the same harbor charges, and no discrimination can be made against the English ship and no favor can be extended to the American ship. But an American ship bound from Boston to New York can enter the harbor side by side with these two other ships, and the Boston ship is permitted to enter free from any port charges. Such is the interpretation of that treaty by the highest judicial authority in the land. The language contained in the treaty of 1815 was more specific and definite as to equal charges than is the language found in the Hay-Pauncefote treaty. England accepted this decision without protest; in fact, she herself for a hundred years had practiced the same discrimination in favor of her own vessels engaged in her coastwise commerce.

ARTICLE 3 OF THE HAY-PAUNCEFOTE TREATY.

Now, with that decision in force, and such being the uniform and universal practice of the nations, the diplomatic officers of the two Governments in 1901 entered into a treaty in regard to the construction of the Panama Canal. In article 3 of this treaty, which contains the subjects in controversy, certain stipulations were agreed upon and the following rules were adopted by us for the government of the canal:

ARTICLE 3.

The United States adopts as the basis of the neutralization of such ship canal the following rules, substantially as embodied in the convention of Constantinople, signed the 28th October, 1888, for the free navigation of the Suez Canal—that is to say:

1. The canal shall be free and open to the vessels of commerce and of war of all nations observing these rules, on terms of entire equality, so that there shall be no discrimination against any such nation, or its citizens or subjects, in respect of the conditions or charges of traffic or otherwise. Such conditions and charges of traffic shall be just and equitable.

2. The canal shall never be blockaded, nor shall any right of war be exercised nor any act of hostility be committed within it. The United States, however, shall be at liberty to maintain such military police along the canal as may be necessary to protect it against lawlessness and disorder.

3. Vessels of war of a belligerent shall not revictual nor take any stores in the canal except so far as may be strictly necessary, and the transit of such vessels through the canal shall be effected with the least possible delay, in accordance with the regulations in force, and with only such intermission as may result from the necessities of the service.

Prizes shall be in all respects subject to the same rules as vessels of war of the belligerents.

4. No belligerent shall embark or disembark troops, munitions of war, or warlike materials in the canal except in case of accidental hindrance of the transit, and in such case the transit shall be resumed with all possible dispatch.

5. The provisions of this article shall apply to waters adjacent to the canal, within 3 marine miles of either end. Vessels of war of a belligerent shall not remain in such waters longer than 24 hours at any one time, except in case of distress, and in such case shall depart as soon as possible; but a vessel of war of one belligerent shall not depart within 24 hours from the departure of a vessel of war of the other belligerent.

6. The plant, establishments, buildings, and all works necessary to the construction, maintenance, and operation of the canal shall be deemed to be part thereof, for the purpose of this treaty, and in time of war, as in time of peace, shall enjoy complete immunity from attack or injury by belligerents and from acts calculated to impair their usefulness as part of the canal.

These are the rules which we have adopted for the control of the canal. The United States is the proprietor, the owner, and operator of this great international highway, and in its management it has agreed to prescribe these rules and has assumed the responsibility of enforcing them. Let us consider the rules in detail. First, we agree that—

The canal shall be free and open to the vessels of commerce and of war of all nations observing these rules on terms of entire equality, so that there shall be no discrimination against any such nation or its citizens or subjects in respect of the conditions or charges of traffic or otherwise. Such conditions and charges of traffic shall be just and equitable.

England claims that the term "all nations" in this paragraph includes the United States itself, and that we have no right to pass our own ships engaged in domestic commerce, a traffic in which under our navigation laws the ships of no other nation can engage, through the canal for any less toll charges than are charged English ships engaged in any kind of commerce. If the same rule of construction is applied to this language that is applied to that of the treaty of 1815, it can not be held that the term includes our coastwise trade. That has been settled by our Supreme Court and accepted by Great Britain.

THE PHRASE "ALL NATIONS" DOES NOT INCLUDE THE UNITED STATES.

The reading of the rules demonstrates that by their nature the term "all nations" can not include the United States, but refers to all nations other than the United States, it being the proprietor who prescribes the rules for all of the nations to comply with; and it agrees that all who do comply with the rules so prescribed shall be treated with entire equality. A careful reading of the rules forces us to this conclusion. Let me repeat the first clause of rule 1:

The canal shall be free and open to the vessels of commerce and of war of all nations observing these rules on terms of entire equality.

This language applies to "vessels of war" as well as to "vessels of commerce"; both kinds of vessels are mentioned in the clause. If under this provision the vessels of commerce of all nations are to have the same privileges as those of the United States, then the vessels of war of all nations must be accorded the same treatment. Let us consider to what this construction will lead. If we were engaged in a war with Japan, if we accept the English interpretation of this treaty as Mr. Wilson asks us to do, it inevitably follows that we have agreed that Japan's battleships shall pass through the canal "on terms of entire equality" with our own; that they shall enjoy every privilege that our battleships enjoy. From the English point of view we have agreed in this treaty that the canal, which

has been constructed on American territory by American genius and paid for wholly by the American people, shall be used by the fleets of our enemies when seeking to attack us upon exactly the same terms as our own fleets. Does any sane man believe that the American people will tolerate such a policy?

Why have we made the great sacrifice necessary in the construction of the canal? Why have we poured into it hundreds of millions of the people's money and sacrificed the lives of some of our best citizens? Was this great sacrifice made to give our enemies a military advantage in attacking us in time of war? That is the inevitable result of England's claim, as she insists that we can enjoy no privilege that is not accorded to every other nation, though the other nations have not contributed a dollar nor made any sacrifices in its construction.

THE FORTIFICATION OF THE CANAL.

Let us consider the other rules that we have adopted, remembering that in interpreting rule 1, if the term "all nations" includes the United States, then the term must be applied to all of the other rules in the same way, for one rule is just as binding as another. The treaty specifically states that the nations using the canal shall observe not this rule but "these rules"—not one rule, but all of them—and then proceeds to set forth the "rules" that are to be observed. Rule 2 is as follows:

The canal shall never be blockaded, nor shall any right of war be exercised nor any act of hostility be committed within it. The United States, however, shall be at liberty to maintain such military police along the canal as may be necessary to protect it against lawlessness and disorder.

The English construction is that not only must the vessels of commerce and of war of all nations, including the United State, be permitted to use the canal upon "terms of entire equality," but that the United States can not blockade it nor exercise in connection with it any right of war. The rule provides that the canal shall never be blockaded, yet we are erecting at both ends of the canal probably the most powerful fortifications in the world. The guns that guard the Pacific entrance are protected by a breastwork of a thousand feet of solid granite, and these powerful engines of war can hurl seaward for a distance of more than 20 miles shells weighing over 2,000 pounds. When these fortifications are completed, if properly manned and handled, the combined navies of the world could not force an entrance into the Pacific mouth of the canal. The Atlantic defenses are no less powerful. Are these tremendous fortifications made under the provision which permits us to "maintain such military police along the canal as may be necessary to protect it against lawlessness and disorder"? Every intelligent human being knows that these fortifications are there to be used by us to protect the canal and exercise our dominion over it in times of war; to defend it against enemies and to protect our national rights. They are there for the purpose of enabling us to maintain its neutrality and to enforce the rules which we have adopted for its government. England has made no protest against these fortifications; she admits that they are necessary so that we can protect and defend the canal. Under this treaty we assume the entire responsibility for its defense, while under the former treaty, which this supersedes, England agreed to defend it jointly with us. While she admittedly is released from all responsibility of its defense, still she claims that she relinquishes none of her rights or privileges in its use.

Rule 3 reads as follows:

Vessels of war of a belligerent shall not revictual nor take any stores in the canal, except so far as may be strictly necessary; and the transit of such vessels through the canal shall be effected with the least possible delay in accordance with the regulations in force, and with only such intermission as may result from the necessities of the service.

Prizes shall be in all respects subject to the same rules as vessels of war of the belligerents.

If the English interpretation, which Mr. Wilson accepts, is correct, then the United States, if at war with any other country, could not revictual its warships in the canal or on its own territory adjacent to the canal. It could not take on stores, and its vessels would have to be passed through with the least possible delay. The very statement of the case demonstrates its absurdity.

RULE 4. No belligerent shall embark or disembark troops, munitions of war, or warlike materials in the canal, except in case of accidental hindrance of the transit, and in such case the transit shall be resumed with all possible dispatch.

That is, from the English point of view, we have agreed that we shall never embark or disembark troops, munitions of war, or warlike materials in the canal, except in case of accidental hindrance in the transit, and in such case the transit shall be resumed with all possible dispatch. If that is the correct interpretation, we are violating this provision of the treaty now, because we are continuously embarking and disembarking troops and munitions of war on canal-territory.

RULE 5. The provisions of this article shall apply to waters adjacent to the canal, within 3 marine miles of either end. Vessels of war of a belligerent shall not remain in such waters longer than 24 hours at any one time, except in case of distress, and in such case shall depart as soon as possible, but a vessel of war of one belligerent shall not depart within 24 hours from the departure of a vessel of war of the other belligerent.

That is, the English construction requires that if we were at war with Japan and a Japanese fleet should appear at Panama, we would by this treaty be compelled to allow it to pass through the canal unhindered; and if we had on the Atlantic side a powerful fleet, we have agreed to let the Japanese men-of-war have 24 hours' start en route to our Atlantic ports before our fleet shall follow them. If the English construction is right, then that is what we have pledged the nations of the earth that we will do. Of course it is absurd.

An analysis of these five rules demonstrates to any open mind that our Government would never have entered into such an agreement as is indicated by the English contention. If such an interpretation had been suggested to the American people when the proposition was before them for consideration, it would never have been ratified. The people would never have consented to the expenditure of such an enormous amount of money for its construction if they had known that they were to have no control over it when completed. This is the testimony of many Senators who were Members of the Senate when the treaty was approved.

Those rules by their very nature must apply to all nations other than the United States, and by them we have agreed to treat such nations with entire equality in the use of this canal; we have agreed to give none of them a preference over the others in time of peace or war. If France and England should be engaged in hostilities, English vessels and French vessels would enjoy exactly the same privileges in the use of the canal. If Japan and Germany were engaged in a war, we have agreed that Japanese and German vessels shall be treated with absolute equality. And we have also agreed that the merchant ships of all nations that are competing in the trade of the world shall be given exactly the same treatment as to charges, and so forth. These things we, as proprietor of the canal, have agreed to do. These rules we have agreed to maintain, and we are preparing to be able to enforce them.

THE INTERPRETATION OF COMMON SENSE.

The interpretation which I have indicated was put upon this treaty by Mr. Roosevelt, during whose administration it was agreed to and ratified. It has been so interpreted by President Taft, Mr. Roosevelt's successor, who was familiar with the events at the time. It has been so interpreted by Senator LODGE, of Massachusetts, who was the member of the Committee on Foreign Relations who reported the treaty to the Senate for ratification. It has been so interpreted by Secretary Knox, who was Attorney General under the administration of Mr. Roosevelt, and afterwards a Member of the Senate, and later Secretary of State under Mr. Taft. It is the interpretation that was put upon the treaty by both branches of the American Congress in the year 1912, when the present law was enacted. It is the interpretation put upon the treaty by the Democratic national convention, in which the present Secretary of State was a commanding figure. It is the interpretation put upon the treaty by the present President of the United States when he was a candidate for election. It is the interpretation of common sense, and it is the only interpretation consistent with patriotic Americanism.

By the Clayton-Bulwer treaty England assumed joint responsibility with us in the protection of the canal, and for such responsibility in the event that we constructed the canal she would have enjoyed equal rights with us in its use, though we would have provided all the money; she would have expended none.

The treaty was one-sided and very distasteful to the American people. It would have been abrogated if it had not been superseded. This England knows. Yet now she has the effrontery to claim that under the present treaty she has all the rights she had under that treaty and none of the responsibility. It certainly is an interesting proposition for the patriotic American to reflect upon when he is told that the Hay-Pauncefote treaty relieves England from all the responsibility for the defense of the canal which the Clayton-Bulwer treaty imposed, but forfeits to her none of the rights or privileges in its use. Such an astounding proposition is almost inconceivable, yet that is the English interpretation which Mr. Wilson asks us to accept.

THE ECONOMIC ASPECT INCIDENTAL.

I shall not discuss at length the economic question, because in this controversy it is only incidental. The great issue here

is our sovereignty over this canal, which will cost us $400,000,000, and is of vital importance to our national defense.

In the enactment of the existing law Congress has applied the same rule to the canal that it applies to all other domestic waterways. We have expended more than $700,000,000 on the improvement of our waterways and harbors. This vast sum has been spent for the aid of navigation and commerce. Of this amount approximately $300,000,000 has been expended on the Mississippi River and its tributaries. Millions have been spent upon canals. About 200 locks on our canals and rivers are now being operated by the Government, and hundreds of officers and men are being employed on that work. Yet not a dollar is charged American coasting vessels for the use of canals, rivers, or harbors.

American vessels engaged in the coastwise trade sail upon our rivers and pass through all of our canals free of tolls. They are permitted to enter every harbor in the United States without the payment of port charges. That has been our national policy. Whether we should change it or not is a proper question for the consideration of Congress. But there is no justification in changing that policy for the Panama Canal only because it is to be a real competitor with the transcontinental railways. The law of 1912 makes no distinction between the Panama Canal and the other canals which the Government has constructed and operates. It applies the same rule to Panama that is applied to all others. It is claimed by some that we should now change our policy, so far Panama is concerned; and they allege that this exemption of tolls is a subsidy to American ships and is only beneficial to a trust. This statement is made because our navigation laws require all vessels engaged in the coastwise trade to be built in American shipyards and manned and operated by American seamen. These provisions of the law therefore cut out of our domestic commerce foreign ships and give the business exclusively to Americans. However, they give no man or set of men a monopoly, because the field is open to all American citizens. You might as well say that officeholding in the United States is in the hands of a trust, because only American citizens are allowed to hold office.

The argument that free tolls benefits a trust can have no valid effect, however, because the law which it is sought to change makes it impossible for a trust to profit by free tolls, as it specifically provides that neither trust-controlled nor railroad-owned ships shall be permitted to use the canal. This waterway is the only one in the United States that is by law made free from monopoly, yet it is now proposed to tax its use while traffic on all others goes free. The fact is that there is no monopoly of coastwise trade, and all well-informed people know it. But if there were, its very existence would bar it from profiting by the use of the canal, because under the terms of the law its ships could not use it. The law provides that—

> No vessel permitted to engage in the coastwise or foreign trade of the United States shall be permitted to enter or pass through said canal if such ship is owned, chartered, operated, or controlled by any person or company which is doing business in violation of the provisions of the act of Congress approved July 2, 1890, entitled "An act to protect trade and commerce against unlawful restraints and monopolies."

The allegation of the "repealers" that free tolls benefits only a trust or monopoly is not an honest argument. The truth is that if railroad-owned and trust-controlled ships had not been barred from the canal we would never have had this repeal bill before us. That is where the shoe pinches, and that is where this controversy started. This ingenious and dishonest argument has been used by designing men to confuse the public mind and cover up the real purpose of this bill, and many sincere and patriotic people have been misled by their declarations.

OF ADVANTAGE TO THE FARMING INTERESTS.

As I have said, I shall not discuss at length the economic advantages of free tolls, because that is not the vital question. However, I will say in passing that the tollgate is a relic of the past, and it will never be restored upon American highways nor will it ever be permanently established on any American waterway. To anyone who will study the question, there is conclusive evidence that free tolls would be of inestimable advantage to all of the people, especially those engaged in agricultural pursuits, not only on the Pacific coast but from the foothills of the Rocky Mountains to the Atlantic seaboard. The greatest necessity of our vast farming region to-day is cheap transportation for its products, and the canal, if free, will become a powerful factor in bringing that about. Excessive freight rates is to-day the heaviest burden upon the farmers of the Middle West. In this era of free trade for farm products our own markets are open to the foreign farmer at cheaper freight rates than those charged our own people, and I will further suggest that it seems to me if this administration was as much interested in preserving and enlarging the markets for the American farmer as it seems to be in preserving and increasing the freight rates for the railroads, it would be rendering the country a far more valuable service. But I will not at this time pursue that branch of the subject further. Let the law stand as it now is, and if later we need the revenue that could be obtained by taxing our domestic commerce, then we can easily provide a system of tonnage tax via Panama and on all of our waterways so as to obtain the revenue desired. For the present it is not necessary.

The important question now is not "Shall we exempt coastwise commerce from tolls?" but "Have we the right to control our own canal constructed on our own soil with our own money?" Why does Great Britain complain of the exemption of tolls at Panama, while she has never complained of the exemption of port charges on coastwise vessels in American ports? Evidently because she has domestic ports and vessels of her own which she desires to favor and which she has favored for over a century, and she can not claim the right to favor her own vessels engaged in domestic trade in her ports and at the same time object to us favoring our vessels when engaged in domestic trade in our ports. However, she does not own an isthmian canal and we do, and she can claim the right to use our canal without danger of having to yield a similar privilege to us, so she insists that she has the same rights in the use of that canal which we have, though she has not expended a cent in its construction nor has she any responsibility as to its maintenance and defense. England owns about half the merchant vessels that sail the seas. She will therefore use this great waterway as much as all other nations. She is the greatest world empire; the sun never sets upon her widely extended dominions. These vast possessions that reach every quarter of the earth are bound together by commercial routes and business ties. Her ships mark out the paths of ocean commerce. This canal which we have built brings her in closer touch with all her enormous world-wide interests. It benefits her more than all the remainder of Europe. In its construction we have rendered her the greatest service ever rendered to one nation by another in the commercial history of the world, and this has been done without price or reward. Commercially, the canal will be of far greater advantage to her than to us. Probably five times as many English as American vessels will pass through it. In the face of this condition it certainly is an astounding proposition for England to ask us to incur all of the risk, bear all the burden of construction with the attendant dangers of failure, take all the chances of inadequate revenues for maintenance, make up the deficiencies, if any occur, from our Treasury, and then give her all the advantages in every detail that we have in the use of the canal. Yet that is what England asks, and Mr. Wilson proposes that we shall give it to her, "right or wrong," because she asks it. We have constructed the canal at our own expense on territory which we acquired and paid for, but she says, "You have no rights that I can not enjoy equally with you. 'Tis true you pay the bills—but I enjoy the fruits." And to add to the hilarity of the occasion the American ambassador at the English court in a public address recently declared that it gave us great pleasure to realize that this canal was to be of far greater benefit to England than to ourselves, which statement we are told was vociferously cheered by his English audience. Search the pages of modern history if you will, and where can another such illustration of nerve and burlesque be found? I have no unfriendly feeling toward the people of Great Britain. England was the home of my ancestors. I want our Nation to have the most cordial relations with the British Empire, but we owe a duty to our own country and her people that is superior to that of any other country on the earth. Let me ask in this connection, Why should we make such great national sacrifice for English welfare and profit? Has she ever endeared herself to us by acts of national generosity?

While thousands of the English people have always been friendly to this Republic, yet the Government of Great Britain has never found our country in a critical position but that she showed an unfriendly attitude. To win our national existence we had to defeat her armies; to establish our commercial freedom on the seas, we had to sink her ships of war; to maintain our national unity, we had to defend ourselves against her dishonorable diplomatic intrigues and the violations of her treaties; to protect the rights of our fishermen on the Atlantic waters, we were compelled to sacrifice an empire in the Northwest that was ours by every right. She has been our enemy in every hour of need, and never once since the Revolutionary patriots shed their blood at Bunker Hill has she not rejoiced when misfortune befell us. But never has the audacity of her selfishness been more manifest than at the present time, and unfortunately for this country we are represented at the British court by an

ambassador who, in his eagerness to obtain English smiles and flattery, apparently forgets the interests of his own country. Indeed, it seems to me that the present administration in its anxiety to please the foreigner is too willing to sacrifice the interests of our own people. It has opened up the home market of the American farmer to his foreign competitor; it now proposes practically to surrender the sovereignty of the canal to Great Britain without compensation; and, as the crowning act of this policy, it recommends that with humble apology we contribute twenty-five millions of the money of our own people to soothe the feelings of the political adventurers now in control of the Colombian Government.

ENGLAND PRACTICALLY CONCEDED OUR RIGHT.

The preposterous claim of Great Britain was rejected by Secretary Knox, and the right of the United States to exempt her coastwise vessels from tolls was practically admitted by Mr. Mitchell Innes, in charge of the British diplomatic office in Washington, in a letter, under date of July 8, 1912, in which he says:

> As to the proposal that exemption shall be given to vessels engaged in the coastwise trade, a more difficult question arises. If the trade should be so regulated as to make it certain that only bona fide coastwise traffic which is reserved for United States vessels would be benefited by this exemption it may be that no objection could be taken.

By this statement the English Government practically conceded the point at issue, and if certain Americans had not at that time rushed to her aid against their own Government, this controversy would not be now before the American Congress. Unfortunately, after this concession had been suggested by the English representatives; after this diplomatic victory had practically been won by Mr. Taft and Mr. Knox, and American sovereignty established, the senior Senator from New York [Mr. ROOT] made a vehement speech in the Senate in behalf of the English claim. Then began one of the most systematic efforts to develop a false American public opinion that has ever been made in the history of the United States.

This speech of Mr. ROOT, as well as other literature upon the English side was circulated by the hundreds of thousands and millions, and paid for out of the funds of the Carnegie Peace Foundation Association, an organization endowed by Andrew Carnegie. Thousands of dollars have been expended in disseminating this English view throughout the country and misleading public opinion. This campaign has been ingeniously carried on. This literature has been distributed to hundreds of thousands of teachers, professors in colleges, ministers, lawyers, and other professional men in a most insidious and skillful way. These thoughtful men and women, receiving but the one side of the argument, have been led to believe, in many instances, that we have been guilty of a wrong to Great Britain; that we have violated a sacred promise and obligation; that we have done a dishonorable act. This association, alleged to be organized for the promotion of peace, has used its enormous resources to slander its own Government and stir up strife in its own country. I have been advised that the Secretary of State, Mr. Knox, felt keenly this unwarranted interference when the negotiations between the two countries were in progress, and I am told that he believes that had it not been for such interference the incident would long since have been closed to the satisfaction of both nations, barring, of course, the selfish interests of the transcontinental railroads in the controversy. England quickly took advantage of her powerful American allies, and as a result we have this bill before us now. In all her diplomatic history, as varied and questionable as it has been, she probably has never won such a unique and surprising victory. And the American Republic, as weak and ineffective as has been her diplomacy, probably in all her disappointments has never experienced such a humiliating episode.

THE GREATEST ACHIEVEMENT OF THE CENTURY.

Senators, we are about to complete the construction of a canal severing the two American continents. It has been the dream of three centuries. Its accomplishment is the greatest achievement of the kind in the history of the human race. It has been worked out in a climate the most deadly in which white men have ever toiled. Others have tried and failed. France strove desperately for success. She searched the recesses of the earth for men who could withstand the deadliness of the climate, but all of her efforts ended in failure. Three out of four of the men who had been employed by her on this work were killed by climatic diseases. Yellow fever was a scourge, and malignant malaria was no less fatal. But through the genius, the patriotic industry, and the inflexible determination of the Medical Corps of the United States Army we conquered the climate itself and made Panama as healthy as Washington. This, the greatest engineering achievement of history, has been wrought by American engineers and accomplished by American genius. Some of our best men have given their lives to this mighty task, and now after these heroic sacrifices, which stir the patriotic ardor of every loyal American, are we to yield our sovereignty over its waters? Others may answer this question as they will, but for me I say, Never while the story of Bunker Hill is a cherished memory or the Mississippi River is an American possession. The canal is ours, the product of our industry and genius. Built with the hundreds of millions cheerfully contributed by our people, it is dedicated by us to the service of mankind upon terms that are just, but which we must prescribe independently of the coercive influence of any other nation. Let us not now blot the history of this heroic achievement by an act of subserviency to English arrogance or American greed. But let us stand upon our proprietary rights as the builder of the canal and invite the nations of the earth to profit by its use, pledging equal, just, and fair treatment to all, the weak as well as the strong.

Mr. O'GORMAN. I ask that the canal-tolls bill be temporarily laid aside.

The VICE PRESIDENT. Without objection, that will be done.

MIRICK BURGESS.

Mr. KERN. I move that the Senate proceed to the consideration of executive business.

Mr. GALLINGER. Will the Senator withhold the motion a moment?

Mr. KERN. I withhold the motion.

Mr. GALLINGER. I desire to ask unanimous consent for the consideration of the bill (S. 5065) to correct the military record of Mirick Burgess. It will take but a moment, and if it leads to debate I will withdraw it.

The Secretary read the bill; and there being no objection, the Senate, as in Committee of the Whole, proceeded to its consideration.

The bill had been reported from the Committee on Military Affairs with an amendment, to strike out all after the enacting clause and insert:

> That in the administration of any laws conferring rights, privileges, and benefits upon honorably discharged soldiers, Mirick Burgess, who was a private of Company I, Third Regiment New Hampshire Volunteer Infantry, and of Company H, Twelfth Regiment United States Infantry, shall hereafter be held and considered to have been discharged honorably from the military service of the United States as a member of the last-named company and regiment on March 28, 1863: *Provided*, That no pay nor bounty shall accrue or become payable by reason of the passage of this act.

The amendment was agreed to.

The bill was reported to the Senate as amended, and the amendment was concurred in.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill for the relief of Mirick Burgess."

CODIFICATION OF MINING LAWS.

Mr. SMOOT. I ask unanimous consent for the present consideration of Senate bill 4373, to provide for a commission to codify and suggest amendments to the general mining laws. I will say to the Senator from Indiana that if it leads to any discussion at all I will withdraw the request.

The Secretary read the bill; and there being no objection, the Senate, as in Committee of the Whole, proceeded to its consideration.

The bill had been reported from the Committee on Mines and Mining with amendments.

The first amendment was, on page 1, line 3, after the word "shall," to insert "nominate and, by and with the advice and consent of the Senate," and in line 5, after the word "members," to strike out "one of whom shall have had practical experience in the operation of mines, one a lawyer of experience in the practice of mining law, and the third a member of the United States Geological Survey," and insert "two of whom shall be lawyers of large experience in the practice of mining law and one a mining engineer who shall have had practical experience in the operation of mines," so as to make the section read:

> That the President shall nominate and, by and with the advice and consent of the Senate, appoint a commission of three members, two of whom shall be lawyers of large experience in the practice of mining law and one a mining engineer who shall have had practical experience in the operation of mines.

The amendment was agreed to.

The next amendment was, in section 2, page 2, line 8, after the word "laws," to strike out "*Provided*, That said code shall not deal with lands containing deposits of coal, oil, gas, phosphates, or soluble potassium salts," so as to make the section read:

> SEC. 2. That it shall be the duty of the commission so appointed to prepare for the information and use of the President and Congress a

tentative code of laws providing for the location, development, and disposition of mineral lands and mining rights in the lands of the United States, including the Territory of Alaska, as in the opinion of the commission are best adapted to existing conditions and will correct defects or supply deficiencies in existing general mining laws.

The amendment was agreed to.

The next amendment was, in section 3, page 2, line 15, after the word "desirable," to strike out "amendment" and insert "amendments," so as to make the section read:

SEC. 3. That the commission shall hold public hearings in the principal mining centers in the western United States and Alaska; invite and receive suggestions and opinions bearing upon or relating to existing mining laws or desirable amendments thereof; and may also consider the laws and experience of other countries with respect to disposition and development of mines and minerals.

The amendment was agreed to.

The next amendment was, in section 4, page 2, line 21, before the word "shall," to strike out "That on or before the 1st day of January, 1915, the commission" and insert "That within one year after the passage of this act, at which time the said commission shall expire, it"; and in line 24, before the word "tentative," to strike out "fully drafted," so as to make the section read:

SEC. 4. That within one year after the passage of this act, at which time the said commission shall expire, it shall submit to the President full report as to its operations, conclusions, and recommendations, including in or transmitting with said report a tentative code of mineral laws, as provided in section two hereof, and within 30 days from receipt thereof the President shall transmit the same to Congress with his recommendations.

The amendment was agreed to.

The next amendment was, in section 5, page 3, line 3, after the word "commissioners," to strike out "not in the Federal service," so as to make the section read:

SEC. 5. That each of said commissioners shall receive a salary of $500 per month, and for the payment thereof and of the actual and necessary expenses of the commission, including traveling expenses, the sum of $25,000, or so much thereof as may be necessary, is hereby appropriated out of any money in the Treasury not otherwise appropriated.

The amendment was agreed to.

The bill was reported to the Senate as amended, and the amendments were concurred in.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

GEORGE P. CHANDLER.

Mr. HITCHCOCK. I ask unanimous consent for the present consideration of the bill (S. 1703) for the relief of George P. Chandler.

The VICE PRESIDENT. Is there objection? The Secretary will read the bill.

The Secretary read the bill; and there being no objection, the Senate, as in Committee of the Whole, proceeded to its consideration. It provides that in the administration of the pension laws George P. Chandler, who was a private of Company F, One hundred and ninety-first Regiment Pennsylvania Infantry Volunteers, shall hereafter be held and considered to have been discharged honorably from the military service of the United States as a member of said company and regiment on the 27th day of September, 1864. But no pension shall accrue prior to the passage of this act.

The bill was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

POSTAL SAVINGS-BANK FUNDS.

Mr. KERN obtained the floor.

Mr. BRYAN. Mr. President——

Mr. KERN. I yield to the Senator from Florida.

Mr. BRYAN. I ask unanimous consent to take up the bill (H. R. 7967) to amend the act approved July 25, 1910, authorizing a Postal Savings System. I understand there is to be no further debate upon the bill. I have expected to get it up to-day and get it out of the way one way or the other. The Senator from New Hampshire [Mr. GALLINGER] was absent when the bill was last before the Senate. I apprehend that he does not desire to discuss it, and, so far as I know, no one else does. I should like to get the bill passed in whatever shape the Senate determines upon, so that it may get into conference and whatever legislation we propose to enact on the subject may be out of the way.

Mr. SMOOT. I will say to the Senator that I have no objection at all, but the Senator from Massachusetts [Mr. WEEKS], who is not in the Chamber, I understand desires to offer an amendment. For my own part, I would not object at all to the consideration of the bill at this time.

Mr. BRYAN. It was understood yesterday that the chairman of the Committee on Agriculture and Forestry, who has in charge the Agricultural appropriation bill, would not call it up to-day, and I think it was pretty well known that as soon as the speeches were delivered, for which notices had been given on the calendar, we would then take up the postal savings-bank bill.

Mr. SMOOT. I was not aware of that, and I suppose there may be Senators not now here who were not aware of it. Really I think we ought to try to get the Senators here who have signified their intention to offer amendments to the bill before its final passage.

Mr. BRYAN. The Senator will have time to do that.

Mr. SMOOT. Not if the bill is to be passed this afternoon.

Mr. BRYAN. I do not know, of course, where the Senator from Massachusetts is. I do not know where he has gone.

Mr. GALLINGER. Mr. President, I have offered an amendment to the bill.

Mr. BRYAN. That is the amendment which is pending.

Mr. GALLINGER. I am quite willing, so far as I am concerned, to have a vote taken upon that amendment at any time. I have no disposition to delay the bill. I hope my amendment will be agreed to. At any rate I will take my chances. But the Senators from Massachusetts are greatly interested in the bill, and I really think they ought to be present when it is considered. However, I do not speak for either of the Senators from Massachusetts except to make this suggestion.

Mr. BRYAN. I will say to the Senator from New Hampshire that both the Senators from Massachusetts have discussed the bill, and I notified the junior Senator from Massachusetts that at any opportunity which would occur I would call it up and he placed no objection in the way of the consideration of the bill whenever it could be reached.

Mr. NORRIS. Does the Senator expect to dispose of the bill this afternoon?

Mr. BRYAN. Yes; that is what I had hoped to do.

Mr. NORRIS. I should like to say to the Senator that I have no disposition to delay it and would just as leave go ahead with it now as at any time; but I have an amendment that I am going to offer as soon as the pending amendment is out of the way, and that amendment will probably bring on some debate. I anticipate that there will be some discussion upon the amendment, although, as far as I am personally concerned, I am just as willing to take it up now as at any other time.

Mr. KERN. The only difficulty I see about an immediate vote is that several Senators were informed there would be an executive session immediately upon the conclusion of the speeches which were to be made to-day. Whether any of those gentlemen desire to be present when the bill is considered I do not know.

Mr. GALLINGER. I will appeal to the Senator from Florida, who is always fair-minded, that those of us who desire to amend the bill, if he will allow it to go over, will assist him in getting early consideration.

Mr. BRYAN. Very well, Mr. President; but I want to give a general notice now that I shall expect to ask that the bill be taken up at any and every opportunity that may offer.

Mr. GALLINGER. I think it is proper the Senator should give that notice.

Mr. BRYAN. I withdraw the request for the present.

EXECUTIVE SESSION.

Mr. KERN. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to, and the Senate proceeded to the consideration of executive business. After 8 minutes spent in executive session the doors were reopened and (at 5 o'clock and 10 minutes p. m.) the Senate adjourned until to-morrow, Friday, May 8, 1914, at 12 o'clock meridian.

NOMINATIONS.

Executive nominations received by the Senate May 7, 1914.

PROMOTIONS AND APPOINTMENT IN THE NAVY.

Lieut. Commander Frank H. Brumby to be a commander in the Navy from the 9th day of April, 1914.

Lieut. Frank R. McCrary to be a lieutenant commander in the Navy from the 5th day of March, 1914.

Ensign Kinchen L. Hill to be a lieutenant (junior grade) in the Navy from the 6th day of June, 1913.

Lieut. (Junior Grade) Weyman P. Beehler to be a lieutenant in the Navy from the 22d day of February, 1914.

Asst. Naval Constructor Roy W. Ryden to be a naval constructor in the Navy from the 30th day of April, 1914.

Asst. Naval Constructor Waldo P. Druley to be a naval constructor in the Navy from the 30th day of April, 1914.

William McKinney, a citizen of Kansas, to be an assistant surgeon in the Medical Reserve Corps of the Navy from the 1st day of May, 1914.

CONFIRMATIONS.

Executive nominations confirmed by the Senate May 7, 1914.

COLLECTORS OF INTERNAL REVENUE.

Edward D. McCabe to be collector of internal revenue for the fifth district of Illinois.

Julius F. Smietanka to be collector of internal revenue for the first district of Illinois.

UNITED STATES MARSHAL.

Christopher C. Gewin to be United States marshal for the southern district of Alabama.

PROMOTIONS IN THE NAVY.

ASSISTANT NAVAL CONSTRUCTORS.

Walter W. Webster.
Beirne S. Bullard.
Ernest L. Patch.

POSTMASTERS.

CONNECTICUT.

Andrew Leary, South Norwalk.

KANSAS.

L. L. O'Meara, Onaga.

KENTUCKY.

James D. Via, Clinton.
Frank K. Wylie, Princeton.

MONTANA.

Clemens H. Fortman, Helena.

NORTH CAROLINA.

James D. Babb, Murfreesboro.

OHIO.

William J. Murphy, Cleveland.

SOUTH DAKOTA.

George M. Barnett, Carthage.

TEXAS.

J. J. Evans, Bloomington.

HOUSE OF REPRESENTATIVES.

THURSDAY, *May 7, 1914.*

The House met at 12 o'clock noon.

The Chaplain, Rev. Henry N. Couden, D. D., offered the following prayer:

We bless Thee, infinite Spirit, our heavenly Father, for that germ of divinity which Thou didst implant in the heart of man which makes him a living soul and which has ever been pushing him out of darkness into light, out of ignorance into knowledge, out of error into truth, out of the animal into the spiritual; the earnest which promises victory for all who strive for the mastery under the spiritual leadership of Thy Son Jesus Christ. Amen.

The Journal of the proceedings of yesterday were read and approved.

CONTESTED-ELECTION CASE—GILL V. DYER.

Mr. GOLDFOGLE. Mr. Speaker, by direction of the Committee on Elections No. 3, I present a report (No. 629) in the case of Michael J. Gill versus L. C. Dyer, from the twelfth district of the State of Missouri. There was an understanding that the minority should have leave to present and file its views, and I should like to ask the gentleman from Illinois [Mr. MCKENZIE], the ranking member of the minority, whether he is prepared to file the minority views.

Mr. McKENZIE. Mr. Speaker, I will say to the gentleman from New York that we are not prepared, and I had the impression that when the majority report was filed that we then should have an understanding as to the number of days to which we would be entitled in which to prepare the minority views.

The SPEAKER. How many days does the gentleman wish?

Mr. McKENZIE. I would like to have 10 days, Mr. Speaker.

Mr. RUPLEY. Mr. Speaker, I would like to interrogate the gentleman from Illinois [Mr. MCKENZIE]. Do you recollect that at the last meeting of the Election Committee No. 3 you requested time in which to prepare minority views?

Mr. McKENZIE. Yes, sir.

Mr. RUPLEY. Was that not more than 20 days ago?

Mr. McKENZIE. As I remember it, I said at that time that I would desire at least a week's time in which to prepare the minority views.

Mr. RUPLEY. The thought of your fellow committeemen at the time was that during that interim the minority on that committee were to prepare the minority views and file them with the majority report at an early date in the House of Representatives.

Mr. McKENZIE. Is the gentleman speaking for the Republicans on that committee or for himself?

Mr. RUPLEY. I am speaking in answer and responsive to the declarations of the members of the minority on that committee at the time of our last committee meeting.

Mr. McKENZIE. I will say, Mr. Speaker, that the gentleman is not expressing my views nor my intention, and neither can he speak for me.

The SPEAKER. What the Chair wants to find out is how much time the gentleman desires, so that the Chair may put the question.

Mr. McKENZIE. I would like to have 10 days, Mr. Speaker.

The SPEAKER. The gentleman from Illinois [Mr. MCKENZIE] asks for 10 days in which to file the views of the minority in the case of Gill versus Dyer. Is there objection?

Mr. GOLDFOGLE. Mr. Speaker, reserving the right to object, I should like to ask the gentleman from Illinois [Mr. MCKENZIE] whether, in view of the attitude of the committee and of the expressed desire on the part of a number of the committee to bring this matter to an early conclusion, 8 days might not suffice, or 7 days?

Mr. McKENZIE. The chairman of the committee has been very gentlemanly in this matter; if satisfactory to him, I will try to do that in order to hasten this case along.

The SPEAKER. The gentleman from Illinois [Mr. MCKENZIE] asks for 8 days in which to file the views of the minority in the case of Gill versus Dyer. Is there objection?

Mr. BUCHANAN of Illinois. Mr. Speaker, reserving the right to object, I would like to ask the chairman of the committee about how much time will be taken to consider this report?

Mr. GOLDFOGLE. That is quite difficult to answer. I would, however, answer the gentleman from Illinois by saying, as I said here yesterday, that the testimony in the case is very voluminous. There are a number of questions of law arising, and that have been so far disposed of by the committee. The briefs were quite voluminous, and, of course, I am quite unable to answer the gentleman from Illinois as to the precise time it will take to dispose of the matter on the floor.

Mr. BUCHANAN of Illinois. I would like to ask my colleague if he could not prepare this minority report in about four days? Four days is a great deal of time at this period of the Congress, and probably after that we will have more important legislation before the House. It seems, due to the fact that delay has been so great in regard to this report, that four days ought to be sufficient.

Mr. MANN. Mr. Speaker, would the gentleman from Illinois [Mr. BUCHANAN], my colleague, permit me to make a suggestion? It has always been the custom of the House that the minority be given a reasonable time in election cases in which to file their views after the majority report has been presented to the House. Sometimes they have had two or three weeks. I think this is a very limited time proposed in comparison with the precedents heretofore.

Mr. BUCHANAN of Illinois. I do not want to be unreasonable, but I would like to see the work that is before the House expedited as much as possible.

Mr. UNDERWOOD. Will the gentleman from New York yield?

Mr. GOLDFOGLE. With pleasure.

Mr. UNDERWOOD. I think in the case where the right of a Member to a seat in this House was involved it has always been customary to allow the minority a reasonable time in which to present its views, and, with the pressure of other business, I do not see where it is going to be possible for the gentleman from Illinois [Mr. MCKENZIE] to get that report ready before 10 days, and I can not see any reason why the gentleman's request should not be granted, that his side of the House may have a full opportunity to present their views properly.

Mr. GOLDFOGLE. Mr. Speaker, I want to say that I thoroughly agree with the gentleman from Alabama [Mr. UNDERWOOD]. No one is more conscious than I of the difficulty that presented itself throughout this entire case in reaching a final conclusion; and, as the gentleman from Alabama very properly observed, in the case of a sitting Member it is customary to afford a reasonable time to prepare minority views. It is but fair that such opportunity be given him. It is true the gentle-

man from Illinois [Mr. McKENZIE] had a copy of the committee print of this report, but I can well understand the difficulty that possibly attends the preparation of the minority report. There was considerable difficulty in the preparation of the majority report.

The SPEAKER. Is there objection to the request of the gentleman from Illinois [Mr. McKENZIE], that he be permitted 8 days in which to file the views of the minority in the case of Gill versus Dyer?

Mr. BUCHANAN of Illinois. I have no objection.

The SPEAKER. The Chair hears no objection.

Mr. DONOVAN. Mr. Speaker——

The SPEAKER. For what purpose does the gentleman from Connecticut rise?

Mr. DONOVAN. I reserve the right to object in order to ask the chairman of the committee a question. I would like to ask him when the majority came to a conclusion? How long ago was it?

Mr. GOLDFOGLE. I understand the matter has been disposed of, Mr. Speaker, so far as giving the minority the right to file their views is concerned.

The SPEAKER. Oh, no. The Chair tries to be fair about these things. The gentleman from Connecticut [Mr. DONOVAN] was on his feet claiming recognition.

Mr. GOLDFOGLE. Certainly.

The SPEAKER. Does the gentleman intend to answer the question of the gentleman from Connecticut [Mr. DONOVAN]?

Mr. DONOVAN. How long ago did they come to a conclusion?

Mr. GOLDFOGLE. The gentleman means how long ago they agreed upon the report?

Mr. DONOVAN. Yes.

Mr. GOLDFOGLE. Why the report was agreed upon, as nearly as memory serves me, a little over a fortnight ago. The understanding was that the report should be in print and sent to the different Members before submission. Our understanding was carried out.

Mr. DONOVAN. Was it not more than six weeks ago?

Mr. GOLDFOGLE. No.

Mr. RUPLEY. Mr. Speaker——

Mr. DONOVAN. You have had this nearly 14 months in your possession. Have you not found it out in 14 months?

Mr. GOLDFOGLE. No, Mr. Speaker. The gentleman is in error about the time the committee reached its conclusion and determined on the form of the report.

The SPEAKER. Does the gentleman from Pennsylvania [Mr. RUPLEY] desire recognition?

Mr. RUPLEY. Yes, Mr. Speaker. Reserving the right to object, in answer to the inquiry of the gentleman from Connecticut [Mr. DONOVAN], I desire to state that the committee reached a definite conclusion on the 13th of April, and after many hearings; and at this time the minority Members promised, as I understood, and agreed within a very short time to prepare a minority report. But now nearly a month has passed and nearly three weeks since the report of the majority was prepared and more than 10 days since that report was printed.

The SPEAKER. Is the gentleman seeking to object to the minority having the right to file a report here in the contested-election case?

Mr. RUPLEY. I do not object to the minority having the right to file a report, but I do object to any delay in this case, because we have decided that the electors of the twelfth district of Missouri have elected Michael J. Gill as their Representative, and that district has been represented for about 14 months by one who we have declared by a large vote in the committee was not elected by the electors of the twelfth Missouri district.

The SPEAKER. Is there objection to the request of the gentleman from Illinois [Mr. McKENZIE] that the minority shall have 8 days in which to file their views in the contested election case of Gill against Dyer? [After a pause.] The Chair hears none.

Now, the Chair wants to make a remark himself. From now on he is going to exercise whatever authority he has in recognition to crowd through the appropriation bills and the other necessary business of this House. [Applause.]

Mr. GOLDFOGLE. Mr. Speaker, I would like to ask the gentleman from Illinois [Mr. McKENZIE] whether he has any objection to setting down the consideration of this election case for the 20th of this month?

Mr. UNDERWOOD. Mr. Speaker, I would like to ask the gentleman from New York [Mr. GOLDFOGLE] to withhold his request. This is a privileged matter, and when the time comes of course it will be taken up and disposed of.

Mr. FITZGERALD. And it would delay Calendar Wednesday. [Laughter.]

Mr. GOLDFOGLE. Mr. Speaker, I accede to the request of the gentleman from Alabama [Mr. UNDERWOOD].

AMERICAN REFUGEES FROM MEXICO.

Mr. MURRAY of Oklahoma. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the treatment and condition of the refugees from Tampico, Mexico, by printing a letter written me by I. K. Berry, an orange and pineapple farmer of Tampico, but formerly a citizen of Oklahoma, a brother of Col. G. M. Berry, a very prominent citizen of Pawnee, Okla., and one of the strong members of the constitutional convention of our State.

The SPEAKER. The gentleman from Oklahoma [Mr. MURRAY] asks unanimous consent to insert in the RECORD a letter from one of his constituents, who is a refugee from Mexico. Is there objection.

There was no objection.

Mr. MURRAY of Oklahoma. The statement of the conditions and treatment of these refugees constitutes a very grave and sad incident, and one which I feel should not be condoned, excused, or extenuated, because it may affect the future protection of American citizens, their homes, and property in foreign lands.

The letter written me and the information sent is as follows:

GALVESTON, TEX., *May 4, 1914.*

Hon. W. P. MURRAY.

DEAR SIR: I have been a citizen of Oklahoma since 1875 until last January two years ago. I am a brother of G. M. Berry, who was in the constitutional convention with you at Pawnee, Okla. I went to Tampico, Mexico, and invested everything I had in an orange, pineapple, and fruit farm just 1 mile from the center of Tampico. From December 10 to the 13th the fight between the rebels and federals shot through my house and orchard and did me a great deal of damage, federals taking my horses and stock away from me after the fight was over. But on February 5 following, the Huerta soldiers tore down my fences and took possession of my orchard, dug trenches, tore down trees, and ruined my fruit, and there was from 200 to 250 camped there from February 5 up to the present, night and day, and about the 18th of April they ordered me to leave the place, broke open my house, and carried off and destroyed all the furniture I had. On the 20th I sent a Mexican boy out there to try to put up the fences and try to protect my house. He came back to Tampico and told me they were tearing my house down and threatened to kill him if he came back there again.

I was stopping with a friend in Tampico on Tuesday, the 21st of April, when news reached Tampico that the American soldiers had taken Vera Cruz. Mobs of Mexicans gathered on every corner shouting to kill the Americans, and a general mob marched up and down the streets, six or seven hundred strong, shooting through houses, smashing in windows, and yelling, "Death to the Americans!" We succeeded in getting to the gunboat about 10 miles out in the ocean under the German and English flags. I did not have time to make arrangements financially, or even to get a change of clothes for myself and son. I have a wife, two daughters, and a son here in Galveston, without the financial means of support. I have money in Tampico, but I can't get it in Galveston. If you can use your influence to have us returned to Tampico, either by water or rail, we will assuredly appreciate it. We have money in Tampico, but here we are paupers, and there are hundreds of others in the same condition. I wish to congratulate you on your remarks in regard to our President's policy in Mexico. If we had enough men in Congress with the backbone that you have, we would not have been dragged off from our homes and our property that we paid large prices for and have them destroyed by those Mexican villains or thieves.

I wish to thank you for what you have already done in our interest and assure you that we all appreciate it.

Yours, respectfully, I. K. BERRY.

Mr. Berry also sent me the following statement of himself and 371 other Tampico refugees, drawn up on landing in Galveston Harbor—a story of absolute and positive disgraceful conduct of the American Republic:

STATEMENT OF FACTS GIVEN TO THE PEOPLE OF THE UNITED STATES BY 372 TAMPICO REFUGEES ABOARD THE STEAMSHIP "ESPERANZA," LYING IN QUARANTINE IN GALVESTON HARBOR.

AMERICAN PROTECTION IN MEXICO.

During the battle between federals and rebels, which raged in the suburbs of Tampico from April 6 to 11, during which much American property was destroyed and Americans driven from their homes and occupations, bitter feeling on the part of the Mexicans toward Americans, whom they curiously blame for all of Mexico's troubles during the past three years, became so intense after the battle that many Americans with all kinds of business in the surrounding country considered it unsafe to move beyond the outskirts of Tampico, and could only do so on special passes issued by Gov. Zaragosa, which allowed them to pass the three federal gunboats anchored in the Paunce River, as most of the traffic for 100 miles in the vicinity of Tampico is handled on rivers. The railroads have been abandoned for months.

This bitterness in Tampico became general and nearly to the extent of viciousness, the Americans keeping as closely as possible to their homes and places of business, with self-reliance and confidence in themselves and that of their flag to protect their lives and property wherever they might be.

At nearly the height of this dangerous crisis, and through somebody's stupidity, the flagship *Dolphin*, cruiser *Chester*, and gunboat *Des Moines*, in the harbor and already stripped for action, raised anchor at 9 a. m. April 21 and sailed tranquilly out to sea, withdrawing the last vestige of American protection in Tampico, and with them went from the breasts of 2,000 Americans, men, women, and children, who witnessed it, the last hope, admiration, and pride in their American citizenship and the American flag.

The removal of these vessels and this protection at this crisis of extreme danger and exposure to the mercy of a population who have

only a thin crust of civilization, little reason, and no morals, was little short of an administrative and naval crime. On the Americans who were left behind it had the effect of a funeral procession, which might be followed by many others before the day was done.

No explanation for the withdrawal of the fleet was offered, none as to whether it would ever return. It was still lying tranquilly at anchor on the high seas on April 24, apparently waiting for the fragile Mexican gunboats to come out.

While Americans, at about 4 p. m. April 21, were anxiously discussing the misfortune caused by the removal of the fleet, and now that every man must be the protector of his own life and that of his family, his little interests having been already abandoned, the news of the Battle of Vera Cruz reached Tampico.

Brown, howling mobs, armed with clubs, stones, and pistols, immediately congregated all over the city, parading the streets and howling for "Gringo" blood.

To a Mexican everything with a white face is a hated "Gringo."

Americans immediately rushed to their homes or places of imaginary safety. Englishmen and Germans appealed to their consuls and were hurried aboard their cruisers and merchant ships near the customhouse.

There was but one small American ship in the harbor, a private yacht, which did not dare to display her American flag.

The American consul, Miller, working like a Trojan, with a serious and almost hopeless situation, to preserve the lives of his countrymen, was in consternation. Hundreds of Americans could not reach him through the mobs to ascertain his plans for their protection, if he had any.

Poor Miller, the United States consul, deserted by the American fleet like the rest, left Tampico on a British ship, under the British flag, with the last of the American refugees. American women were refused asylum on British ships until British women were all aboard.

Some 150 Americans, men, women, and children, assembled at the Southern and Imperial Hotels, locked themselves in, and made the best, hurried preparations they could to sell their lives as dearly as possible.

A mob of approximately 600 infuriated Mexicans smashed the windows of American hotels and residences and wrecked Sanborn's American drug store in the corner of the Southern Hotel, beat the hotel doors for two hours in their quest for American blood and possession of the American flag which floated over the hotel. The flag remained and was still floating there when the imprisoned refugees finally left the hotel at midnight.

The American administration, not content with subjecting 2,000 of their citizens and countrymen to these dangers and insults, must force them to drink the cup of its dregs, to assassinate the last vestige of pride for their citizenship and flag by permitting, if they knew it at all, the spectacle of two German officers from the German cruiser *Dresden* coming ashore and notifying the Mexican authorities that if the mobs did not disperse immediately German marines would disperse them, and rescuing the fortified American inmates of the Southern and Imperial Hotels, and taking them at midnight in a drenching rainstorm aboard the German cruiser *Dresden*, where they finally arrived in safety with the exception of a few cut heads and bruises, thankful to God and the German officers that it was nothing worse.

With shame to American manhood, American administration, and naval capacity, and sense of responsibility, be it said, that every American man, woman, and child, abandoned by the only force that should have protected them, was sneaked out of Tampico on ships flying the German and British flags, commanded by German and British officers.

The American yacht *Wakiva*, of the Huastoca Petroleum Co., anchored 2 miles below Tampico, was notified by the Mexican gunboat that if she moved she would be sunk. She finally left the harbor flying the British flag.

The American yacht *Wild Duck*, to which many of the Americans were transferred from the German cruiser *Dresden*, were taken out to the large American fleet at sea, flying the German flag and in command of a German naval officer from the cruiser *Dresden*.

The spectacle of the American administrative blundering stupidity and humiliation at Tampico is ended, and 2,000 disgusted Americans who experienced it are on their way to their own country, with all their little worldly possessions abandoned to the mercy of semisavages. Many of these refugees are without friends or resources in the United States, too old to secure occupation in the already crowded field of competition, and with only the clothing they, their wives, and children wore in the hurried flight from their homes in the endeavor to preserve their lives.

LEAVE OF ABSENCE.

By unanimous consent, leave of absence was granted as follows:

To Mr. BROWN of New York, for three days, on account of illness in his family.

To Mr. JACOWAY, for five days, on account of illness in his family.

To Mr. SMITH of Texas, indefinitely, on account of important business.

To Mr. KIRKPATRICK, for three weeks, on account of important business.

MEMORIAL EXERCISES, BROOKLYN NAVY YARD, N. Y.

The SPEAKER. There being a large attendance here, the Chair will repeat the statement that he made last night, that he intends to appoint the 18 men on this honorary committee from the 18 districts where the sailors and seamen who were killed at Vera Cruz lived, and the gentlemen will please hand in their names.

ALBIN ERIC STREAM.

Mr. GRIFFIN. Mr. Speaker, I ask unanimous consent to insert in the RECORD a eulogy of Albin Eric Stream, a youth of 17, residing in my congressional district, who on the 22d of April, 1914, was killed at Vera Cruz, Mexico, in the defense of his country's honor.

The SPEAKER. The gentleman from New York [Mr. GRIFFIN] asks unanimous consent to extend his remarks in the RECORD on the subject indicated. Is there objection?

There was no objection.

MOTHERS' DAY.

Mr. HEFLIN. Mr. Speaker, I ask unanimous consent for the present consideration of a resolution that I have sent to the Clerk's desk. It is similar to the resolution passed last year in May on the subject of Mothers' Day. As I wish to leave the city this afternoon after the vote on the naval bill, I would like to have consent to have this resolution considered now by the House.

The SPEAKER. The gentleman from Alabama [Mr. HEFLIN] asks unanimous consent for the present consideration of the resolution, which the Clerk will report.

The Clerk read as follows:

House joint resolution 263.

Whereas the service rendered the United States by the American mother is the greatest source of the country's strength and inspiration; and

Whereas we honor ourselves and the mothers of America when we do anything to give emphasis to the home as the fountainhead of the State; and

Whereas the American mother is doing so much for the home, the moral uplift, and religion, hence so much for good government and humanity: Therefore be it

Resolved, etc., That the President of the United States is hereby authorized and requested to issue a proclamation calling upon the Government officials to display the United States flag on all Government buildings and the people of the United States to display the flag at their homes or other suitable places on the second Sunday in May as a public expression of our love and reverence for the mothers of our country; and be it further

Resolved, That the second Sunday in May shall hereafter be designated and known as Mothers' Day, and it shall be the duty of the President to require its observance as provided for in this resolution.

The SPEAKER. Is there objection to the present consideration of the resolution?

There was no objection.

The joint resolution was passed.

CONTESTED-ELECTION CASE—GILL V. DYER.

The SPEAKER. The report presented by the gentleman from New York [Mr. GOLDFOGLE] this morning in the contested-election case of Michael J. Gill against L. C. Dyer, on behalf of Committee on Elections No. 3, will be referred to the House Calendar.

Mr. MANN. I take it that it will be printed.

The SPEAKER. The Chair orders the majority report and the views of the minority to be printed.

NAVAL APPROPRIATION BILL.

Mr. PADGETT. Mr. Speaker, I move that the House resolve itself into Committee of the Whole House on the state of the Union for the further consideration of H. R. 14034, the naval appropriation bill.

The motion was agreed to.

The SPEAKER. The gentleman from Kentucky [Mr. JOHNSON] will take the chair.

Accordingly the House resolved itself into Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 14034) making appropriations for the naval service for the fiscal year ending June 30, 1915, and for other purposes, with Mr. JOHNSON of Kentucky in the chair.

The CHAIRMAN. The question is on the adoption of the amendment offered by the gentleman from Pennsylvania [Mr. MOORE] to the amendment of the gentleman from New York [Mr. MAHER].

Mr. MANN. Mr. Chairman, I ask that the amendment be reported.

The CHAIRMAN. The Clerk will report the amendment offered by the gentleman from New York [Mr. MAHER] and also the amendment to the amendment offered by the gentleman from Pennsylvania [Mr. MOORE].

The Clerk read as follows:

Amendment offered by Mr. MAHER:

On page 53, line 12, after the word "each," insert the following: "At least one of the said battleships hereby authorized shall be built and constructed at a Government yard."

Amendment offered by Mr. MOORE to the amendment of Mr. MAHER:

Add the following to the Maher amendment: "Unless it shall be found that but one Government yard is equipped to build a battleship."

Mr. ROBERTS of Massachusetts. Mr. Chairman, I ask that the substitute for those two amendments offered by myself be read.

The CHAIRMAN. There is a substitute offered by the gentleman from Indiana [Mr. GRAY], and the gentleman from Michigan [Mr. J. M. C. SMITH] offered an amendment to that substitute.

Mr. ROBERTS of Massachusetts. The RECORD for last Tuesday does not show that the gentleman from Indiana [Mr. GRAY] offered any substitute. He offered an amendment to the bill

and then an amendment to the amendment, but it nowhere appears that he offered his proposition as a substitute for the amendment of the gentleman from New York [Mr. MAHER]. I call the attention of the Chair to the fact that I did offer a substitute for the amendment of the gentleman from New York [Mr. MAHER] as proposed to be amended by the gentleman from Pennsylvania [Mr. MOORE]. If the Chair will turn to pages 8417 and 8418 of the RECORD of last Tuesday he will see, at the bottom of the first column, on page 8417, that the gentleman from Indiana [Mr. GRAY] secured recognition and said:

Mr. Chairman, I wish to offer an amendment to the amendment offered by the gentleman from New York [Mr. MAHER].

The Chairman had the Clerk report the amendment. Then the following occurred:

Mr. MANN. I make a point of order that that is not an amendment to the amendment offered by the gentleman from New York [Mr. MAHER].
Mr. GRAY. I offer it, then, simply as an amendment, if you make your point of order.
The CHAIRMAN. Does the Chair understand the gentleman from Indiana to withdraw his amendment?
Mr. GRAY. I will withdraw it to offer it again.
Mr. MANN. Does he offer it as an amendment to the amendment or an amendment to the bill?
The CHAIRMAN. The gentleman offers it now as an amendment to the bill.
Mr. GRAY. I do not care how I offer it, so long as it is offered.
Mr. MANN. Under the order that was entered, is debate on this amendment in order? This is an amendment proposing to build in a navy yard.
Mr. GRAY. Have I the right to offer it as a substitute if this amendment is not in order?

Then the gentleman from Illinois [Mr. MANN] answered him as follows:

Mr. MANN. I think so. I think the gentleman has the right to offer the amendment. Is debate on this amendment closed or not?

The gentleman from Indiana merely inquired if he had the right to offer his amendment as a substitute, and was informed by the gentleman from Illinois [Mr. MANN] that he had, but it nowhere appears that he did offer it as a substitute.

Mr. FITZGERALD. What does the Journal show?

The CHAIRMAN. The Journal does not show anything about it, because it was in Committee of the Whole; but the gentleman from Massachusetts [Mr. ROBERTS] will see that on page 8421 an inquiry was propounded by the gentleman from Wisconsin [Mr. STAFFORD]; that in the meantime the gentleman from Indiana [Mr. GRAY] was endeavoring to offer his substitute, and the Chair was clearly of the opinion and is now that the substitute was offered.

Mr. ROBERTS of Massachusetts. Does the Chair have in mind the inquiry made by myself, which appears on page 8418?

Mr. ROBERTS of Massachusetts. Mr. Chairman, a parliamentary inquiry.
The CHAIRMAN. The gentleman will state it.
Mr. ROBERTS of Massachusetts. Is the amendment of the gentleman from Indiana [Mr. GRAY] pending before the committee?

Not the substitute.

The CHAIRMAN. A substitute is an amendment.

Mr. ROBERTS of Massachusetts. Then—

Mr. MANN. It is pending; it was reported.
Mr. ROBERTS of Massachusetts. If so, I desire to offer an amendment to that amendment.
The CHAIRMAN. The Chair is of the opinion that the amendment offered by the gentleman from Indiana [Mr. GRAY] is pending—

And the chair put my amendment to the amendment of the gentleman from Indiana.

The CHAIRMAN. A very plain statement of the situation is this: The gentleman from Indiana [Mr. GRAY] offered his proposition first as an amendment. He next offered it in the shape of a substitute. The Chair will add, in explanation of what he has heretofore said, that the reading clerk informs the Chair that whether the paper offered by the gentleman from Indiana be an amendment or a substitute, it was not reported——

Mr. ROBERTS of Massachusetts. The RECORD shows that it was, Mr. Chairman. It was read on page 8417 as an amendment.

The CHAIRMAN. It was read as an "amendment," but the gentleman from Indiana [Mr. GRAY] afterwards changed it to a "substitute," and the clerk says that after he changed it from an amendment to a substitute it was not read.

Mr. BROWNING. Mr. Chairman, I reserved a point of order on that amendment.

The CHAIRMAN. Which amendment?

Mr. BROWNING. The amendment of the gentleman from Indiana [Mr. GRAY]. Now, what has become of that point of order?

The CHAIRMAN. It is not disposed of. It is still reserved. But we are now discussing matters that may not be reached at all. The Chair suggests that it is well enough to let it go until we get to it.

Mr. BROWNING. I want to make the point of order when the proper time comes.

The CHAIRMAN. The Chair does not know of anybody or any condition that has disposed of the point of order which the gentleman says he has reserved.

Mr. GRAY. Mr. Chairman——

The CHAIRMAN. In one minute.

Mr. ROBERTS of Massachusetts. It seems to me it makes considerable difference——

The CHAIRMAN. The Chair wishes to hear the gentleman from New Jersey [Mr. BROWNING]. What does the gentleman from New Jersey wish to say?

Mr. BROWNING. I reserved that point of order, and when the proper time comes I want to make it. If this is the proper time, I want to make it now.

The CHAIRMAN. The Chair does not think this is the proper time. The gentleman has reserved it, and his rights in that respect will be respected.

Mr. ROBERTS of Massachusetts. If the Chair will permit me a moment, it seems to me it makes considerable difference whether the proposition of the gentleman from Indiana [Mr. GRAY] is considered as a substitute for the amendment of the gentleman from New York [Mr. MAHER] as amended by the gentleman from Pennsylvania [Mr. MOORE]. If it is considered a substitute, then it is not possible to amend the proposition of the gentleman from Indiana as I have proposed to do, and it is not possible to offer the amendment to the amendment of the gentleman from New York [Mr. MAHER] as amended by the gentleman from Pennsylvania [Mr. MOORE], as I have proposed in a substitute for those two motions.

The CHAIRMAN. The Chair will explain by saying that when the committee rose on day before yesterday afternoon the amendment offered by the gentleman from New York [Mr. MAHER] was pending; and that pending with it was the amendment thereto offered by the gentleman from Pennsylvania [Mr. MOORE], and also that the paper offered by the gentleman from Indiana [Mr. GRAY] was pending as a substitute. That was the understanding of the Chair. If the RECORD shows something else, the Chair does not know just what disposition can be made of it. That was certainly the understanding of the Chair.

Now, the Chair will hear the gentleman from Indiana.

Mr. GRAY. To clear up the parliamentary situation and to conform to the parliamentary situation brought about by reason of numerous amendments pending, I will withdraw my amendment, which was offered as a substitute, and accept the amendment offered by the gentleman from Massachusetts [Mr. ROBERTS], and then offer my amendment again as a substitute for the amendment offered by the gentleman from New York [Mr. MAHER], which is as follows:

Page 53, line 12, substitute for the amendment offered by the gentleman from New York [Mr. MAHER] and all amendments thereto the following:

"Both of the battleships hereby authorized shall be built and constructed at a navy yard by the Government, and the Secretary of the Navy is hereby authorized to equip such navy yards as he may designate in which the battleships herein authorized are to be built with the necessary building slips and equipment, and the sum of $200,000, or such part thereof as may be necessary, is hereby appropriated for each navy yard designated by the Secretary of the Navy in which the battleships are to be constructed."

May I briefly state here that the object of this amendment providing for the construction of all battleships at a navy yard by the Government itself is not only to secure all the profits flowing from these appropriations to the workingmen constructing these vessels instead of going to a special few ship contractors, long shown and now admitted to be operating under an agreement among themselves, stifling all competition, but it is also for the purpose of taking the profits and financial inducements out of war and preparations for war and confining naval appropriations to the legitimate and necessary requirements for adequate and proper national defense.

Mr. ROBERTS of Massachusetts. I suggest to the gentleman from Indiana that he ask unanimous consent to modify his substitute by adding to his original motion my amendment to it. That will cover the point that both he and I have in mind.

Mr. GRAY. I have already rewritten my amendment and put it in on paper and made the same include the amendment of the gentleman from Massachusetts [Mr. ROBERTS], and I now ask unanimous consent to withdraw my amendment pending and offer this in lieu thereof.

The CHAIRMAN. The gentleman from Indiana can not withdraw his amendment except by unanimous consent, neither can he accept the amendment of the gentleman from Massachusetts except by unanimous consent. Does the Chair understand the gentleman to withdraw the substitute he heretofore offered?

Mr. GRAY. Yes.

The CHAIRMAN. Is there objection?

Mr. FITZGERALD. I object for the present.

The CHAIRMAN. The question is then on the adoption of the amendment offered by the gentleman from New York [Mr. MAHER], with an amendment offered by the gentleman from Pennsylvania [Mr. MOORE]. The question will come first on the adoption of the amendment to the amendment offered by the gentleman from Pennsylvania [Mr. MOORE].

Mr. BUCHANAN of Illinois. Mr. Chairman, can we have that amendment reported?

The CHAIRMAN. Without objection, the amendment will be once more reported.

Mr. MOORE. Mr. Chairman, I ask the indulgence of the Chair for a half a minute. This amendment is about to be acted upon, and I do not think Members fully understand it. I merely want to say——

Mr. FITZGERALD. I object to any debate.

The CHAIRMAN. Debate is exhausted, and the question is on the amendment to the amendment.

Mr. BUCHANAN of Illinois. Mr. Chairman, I thought the Clerk was to report the amendment.

The CHAIRMAN. The Clerk will report the amendment to the amendment.

The Clerk read as follows:

Add to the amendment of Mr. MAHER the following:
"Unless it shall be found that but one Government yard is equipped to build a battleship."

The CHAIRMAN. The question is on agreeing to the amendment to the amendment.

The question was taken, and the amendment to the amendment was rejected.

The CHAIRMAN. The question which now arises is: Has the gentleman from Indiana [Mr. GRAY] a substitute before the House? He sent one up, which he offered as a substitute, and which the Clerk will report. The situation is this: On day before yesterday the gentleman from Indiana offered an amendment, which he afterwards, as the Chair understood, changed and offered as a substitute.

Mr. MANN. A parliamentary inquiry, Mr. Chairman.

The CHAIRMAN. The gentleman will state it.

Mr. MANN. Did the gentleman from Indiana withdraw his amendment?

The CHAIRMAN. He endeavored to, but the gentleman from New York [Mr. FITZGERALD] objected.

Mr. MANN. Did not the gentleman from Massachusetts offer a substitute?

The CHAIRMAN. The Chair understands that the gentleman from Indiana [Mr. GRAY] desires to withdraw his substitute offered day before yesterday and offer in lieu thereof a substitute embodying his own ideas as well as those of the gentleman from Massachusetts [Mr. ROBERTS].

Mr. MANN. Did not the gentleman from Massachusetts offer a substitute on Tuesday, which is still pending?

The CHAIRMAN. The gentleman from Massachusetts [Mr. ROBERTS] offered a substitute when the Chair was under the impression—and the Chair is still under that impression—that a substitute offered by the gentleman from Indiana was pending, and therefore held that the substitute offered by the gentleman from Massachusetts [Mr. ROBERTS] was in the third degree and not in order.

Mr. MANN. Of course a substitute is not in the third degree; but I understood that the Chair held that the amendment offered by the gentleman from Indiana was an amendment, and that he was now seeking to withdraw it and offer it as a substitute. If that was the case, unless the Chair ruled it out of order——

The CHAIRMAN. The gentleman from Indiana desires to withdraw the former substitute offered by himself and offer one in lieu of that embodying both his idea and the amendment offered by the gentleman from Massachusetts [Mr. ROBERTS].

Mr. JONES. I reserve the right to object.

Mr. MANN. I was not here all of Tuesday, but I understood the Chair to say that there was an amendment offered to the Gray amendment also.

The CHAIRMAN. That is correct. The gentleman from Michigan [Mr. J. M. C. SMITH] offered an amendment to what is known as the Gray substitute.

Mr. ROBERTS of Massachusetts. The RECORD shows clearly and my recollection is clear that I asked the Chair if the amendment of the gentleman from Indiana was pending and was informed by the Chair that it was. That appears on the bottom of page 8418 of the RECORD. Thereupon I offered the amendment, and it is the amendment which the Chair ordered reported, and the point of order was reserved. That was an amendment to the amendment, but it has not been decided yet and held out of order. That is the parliamentary situation.

The CHAIRMAN. The amendment offered by the gentleman from Michigan was to the bill.

Mr. ROBERTS of Massachusetts. And my amendment had no reference to that. My amendment was to the amendment offered by the gentleman from Indiana [Mr. GRAY].

The CHAIRMAN. The amendment of the gentleman from Massachusetts was read only for information.

Mr. ROBERTS of Massachusetts. It does not say so. It says:

The CHAIRMAN. The Clerk will report the amendment.

The CHAIRMAN. The Chair and the gentleman from Massachusetts are somewhat at cross purposes, because the gentleman from Massachusetts offered two amendments. Much of the difficulty between the Chair and the gentleman from Massachusetts has been caused by his reference to one amendment and the Chair's to another.

Mr. ROBERTS of Massachusetts. That is what I am trying to straighten out.

Mr. MANN. Mr. Chairman, there is a very simple way out of it. The gentleman can offer the amendment over again.

Mr. ROBERTS of Massachusetts. Mr. Chairman, what I wanted to call to the attention of the Chair was what I thought was the agreement at the time when we entered the debate on battleships, and that was that amendments could be offered, to be pending, on the proposition as to where the ships should be constructed.

The CHAIRMAN. The Chair is still of the opinion that his first statement straightened the matter out, and that is that the Maher amendment is before the committee, and then that the Moore amendment to that came next. That has been disposed of. The Chair is of opinion that the Gray amendment is next in order.

Mr. ROBERTS of Massachusetts. Mr. Chairman, it depends on whether the Chair holds that to be an amendment or a substitute.

The CHAIRMAN. That is the question we have to get over, whether the gentleman offered it as a substitute or as an amendment. The gentleman first offered it as an amendment and afterwards changed it, as the paper itself shows, to a substitute.

Mr. ROBERTS of Massachusetts. Mr. Chairman, I desire to make a parliamentary inquiry. I desire to know if I am right in my understanding of the parliamentary situation. I understood, and I think many of the Members also understood, that when we fixed the time for debate upon the number of battleships, the question was left open as to when or where or how battleships should be constructed, and at that time it was understood that amendments should be offered and be pending.

The CHAIRMAN. The Chair agrees with that statement.

Mr. ROBERTS of Massachusetts. And that opportunity would be given to further offer amendments before the matter was concluded. In other words, that amendments did not have to be offered at that particular time.

The CHAIRMAN. The Chair agrees with that statement.

Mr. ROBERTS of Massachusetts. I now ask the Chair whether it is in order to offer an amendment at this time?

The CHAIRMAN. The Chair thinks so.

Mr. FITZGERALD. An amendment where?

Mr. ROBERTS of Massachusetts. To this provision where and when the ship shall be built.

The CHAIRMAN. The Chair believes the whole matter will be facilitated if we now take up the proposition offered by the gentleman from Indiana and first vote upon the amendment offered by the gentleman from Massachusetts to that substitute. If the Chair is permitted to go along, he will direct that the vote be taken on the amendment offered by the gentleman from Massachusetts to the substitute offered by the gentleman from Indiana.

Mr. ROBERTS of Massachusetts. Mr. Chairman, that is satisfactory.

Mr. BROWNING. Mr. Chairman, I make the point of order against the amendment.

The CHAIRMAN. Upon what ground?

Mr. BROWNING. That it is new legislation and is not germane.

Mr. JONES. Mr. Chairman, the amendment has not been read. I reserve the point of order.

The CHAIRMAN. That is true, but we have before the committee the substitute offered by the gentleman on Tuesday last.

Mr. FITZGERALD. Mr. Chairman, let it be reported, as well as the amendment offered by the gentleman from Massachusetts.

The CHAIRMAN. Without objection, that will be once more reported.

The Clerk read as follows:

Substitute by Mr. GRAY for the Maher amendment:
"Page 53, line 12, after the word 'each' strike out the period and insert:
"'Both of the battleships hereby authorized shall be built and constructed at a Government navy yard.'"

Mr. BROWNING. Mr. Chairman, I make the point of order that that is new legislation and curtails the authority of the Secretary of the Navy or the President.

The CHAIRMAN. On Tuesday last the Chair ruled upon the amendment offered by the gentleman from New York [Mr. MAHER], and this amendment, in the nature of a substitute, is practically parallel with that.

The Chair therefore overrules the point of order. The Clerk will now report what is known as the Roberts amendment to the Gray substitute.

The Clerk read as follows:

Add to the amendment of Mr. GRAY the following:
"And the Secretary of the Navy is hereby authorized to equip such navy yards as he may designate in which the battleships herein authorized are to be built with the necessary building slips and equipment, and the sum of $200,000, or such part thereof as may be necessary, is hereby appropriated for each navy yard designated by the Secretary of the Navy in which the battleships are to be constructed."

Mr. JONES. Mr. Chairman, I make the point of order against that amendment or substitute. The Chair has practically decided that question heretofore.

Mr. MANN. Mr. Chairman, just a word upon the point of order. The Chair first decided that an appropriation as an appropriation item in the bill was not in order for the purpose of constructing these building slips, a decision which, I think, was entirely correct; but here is a legislative item in the bill not making any appropriation at all and simply giving authorization for the construction of battleships. The Chair has ruled that we may insert as an amendment to that a provision that one of the ships or both of the ships may be built in a navy yard or navy yards, because the item is not an appropriation, but it is an authorization—a legislative item. The amendment of the gentleman from Massachusetts is germane, as it seems to me; and if you can direct a battleship to be built at a navy yard, then I think it is germane to provide the facilities at the yard with which to build the battleship.

Mr. JONES. Mr. Chairman, may I ask the gentleman a question?

Mr. MANN. Just one moment. It is true it is legislation, but legislation is in order, because the whole paragraph is legislation.

Mr. JONES. Did I understand the gentleman to say that this does not make any appropriation?

Mr. MANN. It does not.

Mr. JONES. It does specifically appropriate $200,000.

Mr. MANN. I refer to the paragraph in the bill. I say that it does not make any appropriation.

Mr. JONES. The amendment does, and it is to that that I make the point of order. It specifically appropriates $200,000.

Mr. MANN. Yes; but when there is a paragraph that is legislation in a bill, it is subject to a germane amendment which makes an appropriation. But the Committee on Naval Affairs has gotten into the habit—maybe a correct one; I expect it is—that instead of making an appropriation for battleships it makes an authorization for battleships, which is pure legislation; but because it was legislation the Chair held that you could add a germane amendment to it, a provision that one of the ships should be built in a navy yard. You could also add that one of the ships could be built in a private yard, because it is legislation, and when you have entered upon the domain of legislation any germane amendment to it is in order.

Mr. JONES. But, Mr. Chairman, that is with reference to the ships; this is in reference to a navy yard.

Mr. MANN. I understand.

Mr. JONES. This is legislation in reference to ships. Now, this proposes new legislation with reference to several navy yards in the United States.

Mr. MANN. If the gentleman claims that the amendment is not germane and the Chair should hold it is not germane, of course it is not in order——

Mr. JONES. It is not germane in the first place, and, in the second place, it is new legislation.

Mr. MANN. But the whole paragraph is legislation. Now, it seems to me that if we direct that a ship shall be built in a navy yard, it is a germane amendment to provide the facilities at the yard for building, as a matter of legislation. Certainly if the committee should report a bill as a legislative bill in the House to provide for the building or authorization to the Secretary to have the battleships built in a navy yard, it would be germane to add to the legislative bill a provision fixing facilities at the navy yard ample to equip it so that it could build the battleships.

Mr. JONES. At the outset, let me say, Mr. Chairman, that this is a most preposterous proposition. This is a proposition to authorize the Secretary of the Navy to expend $200,000 to equip any navy yard not now so equipped to build the battleships provided for in this bill. Now, the chairman of the Committee on Naval Affairs made it absolutely plain on the last day upon which this bill was under discussion that there was no such navy yard which could be so equipped at anything like this sum. He quoted from a communication from the Secretary of the Navy to the effect that it would cost more than $600,000 to equip the Mare Island yard to build one of these battleships. This yard, as is well known, is the only navy yard aside from the New York yard that now has a building way and equipment of sufficient capacity to build a large ship, and it will require, according to naval authority, an expenditure of more than $600,000 to provide the necessary equipment to enable it to build a modern battleship. No other yard, save only the New York yard, which now has the necessary equipment, can be equipped to build one of these ships for less than $1,000,000. For these reasons the adoption of this amendment would not accomplish the purpose of those who advocate it.

Mr. FALCONER. Will the gentleman yield?

Mr. JONES. Certainly.

Mr. FALCONER. Since there is something like $12,000,000 or $14,000,000 invested at the Mare Island yard, why not invest $600,000 more to put that Government yard in shape so as to build a Government battleship?

Mr. JONES. I will answer the gentleman by saying that no proposition to expend $600,000 to equip the Mare Island yard is before the House. The proposition before the House is to expend $200,000, and not a cent more, to equip some navy yard, to be designated by the Secretary of the Navy, to build one of these battleships, and I am endeavoring to point out that there is no navy yard which can be so equipped for anything like this sum. It will require more than $600,000 to equip even the Mare Island yard, and yet this amendment limits the expenditure to $200,000.

Mr. ROBERTS of Massachusetts. Will the gentleman yield?

Mr. JONES. I will.

Mr. ROBERTS of Massachusetts. Does not the gentleman recall the appropriation made for the Brooklyn yard for the construction of the *Connecticut* there of $175,000, and that with the expenditure of that money the *Connecticut* was built at that yard?

Mr. JONES. Mr. Chairman, the gentleman knows perfectly well that the New York yard was partially equipped before this $175,000 was appropriated. He also knows, I think, that the Secretary of the Navy has informed us, and that as late as two days ago, that it will cost more than $600,000 to equip the Mare Island yard to build one of these battleships. If the Mare Island yard can not be equipped for $600,000, no other yard can be save only the New York yard, which already has the necessary equipment.

The CHAIRMAN. The Chair will be glad to hear the gentleman on the point of order.

Mr. JONES. I wish to speak to the point of order. Mr. Chairman, the gentleman from Illinois [Mr. MANN] made a very ingenious argument, but it is the same that has been made from the beginning of the discussion of this bill to the present time. In the first place, the amendment is not germane. It is, moreover, new legislation. The paragraph which it is proposed to amend relates to the building of battleships. The amendment seeks to increase the amount named in the paragraph by $200,000, that additional sum to be expended in equipping a navy yard to be selected by the Secretary of the Navy at which to build one of the battleships. An amendment that relates to, or provides for, the improvement of a navy yard is not, in my opinion, germane to a provision that relates wholly to ships. It is new legislation, because it is not authorized by existing law, and the appropriation which it carries is not to continue any work now in progress. The Chair held an item to equip the Philadelphia yard so as to enable it to build a transport out of order, and if that ruling is to be followed, then this amendment must also be held to be out of order.

The CHAIRMAN. The Chair does not agree with the gentleman from Virginia that the case which he has just stated is parallel to the one which is now before the committee. The amendment offered by the gentleman from Massachusetts [Mr. ROBERTS] reads as follows:

And the Secretary of the Navy is hereby authorized to equip such navy yards as he may designate in which the battleships herein authorized are to be built with the necessary building slips and equipment, and the sum of $200,000, or such part thereof as may be necessary, is hereby appropriated—

Mr. JONES. May I ask the Chair a question right there?

The CHAIRMAN. Yes.

Mr. JONES. It was stated when that other item was under consideration that the law, and the law was cited, permitted the Secretary of the Navy to designate the navy yard in which that transport should be built. And the argument was predicated upon that statute. And then the item proceeded to appropriate $200,000 to equip the yard. I can not see, with all deference to the Chair, why this is not exactly the same.

The CHAIRMAN. If the gentleman from Virginia had indulged the Chair for just a moment longer the Chair would have read an amendment which was at one time offered by the gentleman from Massachusetts [Mr. ROBERTS] to the same paragraph in this bill, which can be found in section 3837 of Hinds' Precedents, volume 4, and which reads as follows:

Provided, That the Secretary of the Navy shall build at least one of the battleships, one of the armored cruisers, and one of the gunboats herein authorized in such Government navy yard or navy yards as he may designate; and for the purpose of preparing and equipping such navy yard or navy yards as may be so designated for the construction of such ships the sum of $175,000, or so much thereof as may be necessary, is hereby appropriated for each of the navy yards in which the Secretary of the Navy may direct any such ship or ships to be built.

To that a point of order was made. The occupant of the chair at that time, Mr. Sherman, sustained the point of order. An appeal was made to the committee, and the committee overruled the Chair. The present occupant of the chair is of the opinion that these two amendments are practically the same, and will adhere to the former judgment of the committee as expressed on that occasion. The Chair will also further state that he holds that this amendment is germane, and upon the two points made overrules the point of order.

The question is on the adoption of the amendment offered by the gentleman from Massachusetts [Mr. ROBERTS] to the substitute offered by the gentleman from Indiana [Mr. GRAY].

The question was taken, and the Chair announced that the ayes seemed to have it.

Mr. JONES. Division, Mr. Chairman.

The committee divided; and there were—ayes 97, noes 11.

So the amendment was agreed to.

Mr. PADGETT. Mr. Chairman, I wish to offer an amendment to the amendment offered by the gentleman from Indiana [Mr. GRAY] as amended by the recent vote, to strike out the word "two" and insert the word "one," so that it will read "one of the battleships."

The CHAIRMAN. The motion made by the gentleman from Tennessee——

Mr. BUCHANAN of Illinois. Mr. Chairman, I raise a point of order on the amendment. The amendment that this is a substitute for provides for that amendment.

Mr. PADGETT. I can move to amend a substitute.

Mr. FITZGERALD. The rule is that there may be but one amendment offered to a substitute.

Mr. BUCHANAN of Illinois. I make the point that there can be only one amendment to a substitute.

Mr. PADGETT. This amendment offered by the gentleman from Indiana [Mr. GRAY] provides that both of the ships shall be built in a navy yard. I move to strike out the word "both" and insert "one."

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Amend the Gray amendment by striking out the word "both" and inserting the word "one."

Mr. PADGETT. I can move to amend the substitute.

Mr. FITZGERALD. The rule is that there may be but one amendment offered to a substitute.

Mr. BUCHANAN of Illinois. I make the point that there can be only one amendment to a substitute.

The CHAIRMAN. The Chair will not pass upon the question at this time as to whether or not it is an amendment in the third degree, because he does not feel that it is now necessary to do so. But the amendment offered by the gentleman from Tennessee [Mr. PADGETT] is the Maher amendment in substance, which is pending.

Mr. MANN. I think the amendment offered by the gentleman from Tennessee [Mr. PADGETT] is in order. It is true that by itself it would be in effect the Maher amendment, but the committee has the right to take a substitute. Take the actual case, and the House has added to the Gray substitute a provision it may wish to incorporate in the bill. Now, the House may wish to change "two" to "one," and do it on this substitute, and if the Chair should rule it could not do it this way then they would have to go to the trouble of voting another amendment to the Maher amendment.

The CHAIRMAN. The Chair sees the reason suggested by the gentleman from Illinois [Mr. MANN]. The Chair would like to suggest to the gentleman from Tennessee that his amendment is not complete in striking out "both" and inserting "one." It would be one battleship, at least.

Mr. PADGETT. I move, Mr. Chairman, to strike out the words "both of the battleships" and insert "one of the battleships."

Mr. MANN. That is all right.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Strike out the words "both of the battleships" and insert "one of the battleships."

Mr. GRAY. The committee has already voted and decided upon the construction of one battleship at a Government navy yard. Can we now go back and make another decision on the same proposition? If this is true, then there is no final determination of any question considered by the House.

Mr. PADGETT. We have voted down the one.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Tennessee [Mr. PADGETT].

The question was taken, and the Chair announced that the noes seemed to have it.

Mr. PADGETT. Division, Mr. Chairman.

The committee divided; and there were—ayes 90, noes 50.

Mr. GRAY and Mr. BUCHANAN of Illinois demanded tellers.

Tellers were ordered. Mr. PADGETT and Mr. GRAY took their places as tellers.

The committee again divided; and the tellers reported—ayes 102, noes 55.

So the amendment was agreed to.

Mr. ROBERTS of Massachusetts. Mr. Chairman, I ask unanimous consent that the amendment offered by myself to the Gray amendment and adopted be changed by the Clerk so that it will read in the singular. The Chair and the committee will recall that the Gray amendment provided for the building of two battleships in navy yards, and by the action of the House they have just limited the number to one, and my amendment was adopted when the proposition was before the House to build two. So it will be necessary to change the words that are plural to the singular, and change the verbs to correspond.

The CHAIRMAN. Without objection, the change will be made. [After a pause.] The Chair hears no objection. The question now is on the adoption of the Gray substitute as amended.

The question was taken, and the Chair announced that the ayes seemed to have it.

Mr. JONES. Division, Mr. Chairman.

The committee divided; and there were—ayes 111, noes 17.

So the substitute as amended was agreed to.

The CHAIRMAN. The question now is on the Maher amendment as modified by the substitute.

The amendment was agreed to.

The CHAIRMAN. The Clerk will report the amendment offered by the gentleman from Michigan [Mr. J. M. C. SMITH].

The Clerk read as follows:

Page 53, add to the paragraph, at the end of line 12, the following: "That all material used in the battleship or battleships authorized shall be purchased and secured in the United States."

Mr. PADGETT. Mr. Chairman, a point of order was reserved against the amendment, but I want to call attention to the fact that it can not be placed in the bill at that point, for the reason that the House has already adopted an amendment going at the end of line 12, page 53, following the word "each," so that it would have to be at the end of the amendment that has just been agreed to.

Mr. J. M. C. SMITH. Mr. Chairman, I ask, then, that it be transposed to the end of the substitute just adopted.

The CHAIRMAN. The gentleman from Michigan [Mr. J. M. C. SMITH] asks leave to modify his amendment so as to place it at the end of the Gray amendment. Is there objection?

Mr. PADGETT. I make a point of order against it as being legislation, and I ask for a ruling. We must make some progress. I ask for a ruling of the Chair on the point of order.

The CHAIRMAN. The Chair will hear the gentleman on the point of order.

Mr. PADGETT. I do not care to discuss it. I had just as lief the Chair would rule one way as the other.

The CHAIRMAN. The Chair would like to hear the gentleman.

Mr. PADGETT. It is subject to a point of order because it is limiting the department in its power to purchase material, and it is not authorized on the ship. This is a direction as to the purchase of material. It is legislation. I want to get along with this bill and have the committee vote on it one way or the other.

Mr. MOORE. Mr. Chairman, will the gentleman yield for a suggestion?

Mr. PADGETT. Yes.

Mr. MOORE. If this were made a part of the bill, it would limit the right of the Government to purchase from foreign countries materials entering into the ship, would it not?

Mr. PADGETT. Yes.

Mr. MOORE. Would it also prevent the Secretary of the Navy from buying abroad bunting or material of that kind that goes into the manufacture of American flags?

Mr. PADGETT. It would limit him in the purchase of all materials that go into the ship.

Mr. MOORE. The gentleman is aware of the fact that orders are now pending abroad for bunting out of which flags are to be made, is he not?

Mr. PADGETT. I do not know as to that.

Mr. MOORE. I call the gentleman's attention to the fact that that question is involved, and I hope it will have some bearing on the decision of the Chair.

The CHAIRMAN. The Chair is ready to rule.

Mr. STAFFORD. Mr. Chairman, I do not think there is any question but that it is in order, in consonance with the prior ruling of the Chair. It has been held that the paragraph of which this is a part is distinct legislation. This amendment is legislation, but it is a germane amendment, and therefore it is in order. From my standpoint, I do not think there could be any question, in view of the prior ruling of the Chair.

The CHAIRMAN. The Chair will say to the gentleman from Tennessee that, while the Chair is in sympathy with him as to his attitude toward the amendment, yet the Chair feels constrained to overrule the point of order. The point of order is overruled.

Mr. PADGETT. Now, Mr. Chairman, I simply want to say this with reference to the amendment, that it is simply taking a step in aid of the trusts. The Government of the United States ought to have an open market and be able to buy wherever it can get what it requires, and to limit the purchases to the United States is simply to provide that the Government shall be placed at the mercy of a few bidders.

Mr. CALDER. Mr. Chairman, a point of order. I make the point that debate on the amendment is exhausted.

Mr. HARDY. Mr. Chairman, I wish to offer an amendment to the amendment.

The CHAIRMAN. The Clerk will report it.

The Clerk read as follows:

Amend the amendment by adding: "*Provided*, That such material can be bought as cheaply in the United States as elsewhere."

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Texas to the amendment offered by the gentleman from Michigan [Mr. J. M. C. SMITH].

The question was taken, and the Chairman announced that the noes seemed to have it.

Mr. HARDY. Mr. Chairman, I ask for a division.

The CHAIRMAN. The question is on the adoption of the amendment offered by the gentleman from Michigan.

The affirmative vote was taken.

Mr. HARDY. Mr. Chairman, I called for a division on my amendment.

The CHAIRMAN. The Chair will say to the gentleman from Texas that in the first place he did not demand tellers soon enough, and in the next instance he made his request for tellers without rising.

Mr. HARDY. I have not made any request for tellers.

The CHAIRMAN. For a division the Chair means to say, and therefore the Chair must consider it as though no request for a division had been made. The question is on the adoption of the amendment offered by the gentleman from Michigan.

The question was taken, and the Chairman announced that the noes seemed to have it.

Mr. ROBERTS of Massachusetts and Mr. BROWNING demanded a division.

The CHAIRMAN. A division is demanded.

The committee divided; and there were—ayes 47, noes 79.

Mr. MANN. I ask for tellers, Mr. Chairman.

Tellers were ordered, and the Chairman appointed Mr. PADGETT and Mr. J. M. C. SMITH to act as tellers.

The committee again divided; and the tellers reported—ayes 52, noes 82.

So the amendment was rejected.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

Six torpedo-boat destroyers, to have the highest practicable speed, to cost, exclusive of armor and armament, not to exceed $925,000 each.

Mr. STAFFORD. Mr. Chairman, I reserve a point of order on the paragraph.

The CHAIRMAN. The gentleman from Wisconsin [Mr. STAFFORD] reserves a point of order on the paragraph.

Mr. STAFFORD. Mr. Chairman, my purpose in reserving the point of order is to obtain a ruling of the Chair as to whether this phraseology is in continuation of that carried in the prior paragraph. If it is an appropriation, it is not subject to a point of order; but if it is merely a continuation of the phraseology, then it must be considered that it is legislation and subject to a point of order. I inquire of the Chair whether this section is to be read in connection with the preceding paragraph. For instance, is it to be understood that the language in the first paragraph is to be considered as a part of all these succeeding paragraphs, or is it a distinct appropriation? That language is:

That for the purpose of further increasing the Naval Establishment of the United States the President is hereby authorized to have constructed—

And so forth. Then, continuing the words of the present paragraph—

six torpedo-boat destroyers, to have the highest practicable speed, to cost, exclusive of armor and armament, not to exceed $925,000 each—

And in the following paragraph—

one seagoing submarine torpedo boat—

And so on, down through the remainder of the page. If that language in the preceding paragraph is to be taken as a part of the present paragraph under consideration, then it is legislation. If it is merely an authorization of an appropriation for these six torpedo-boat destroyers, that style of ship having been previously authorized and being at present an established arm of the Navy, it is not subject to a point of order.

The CHAIRMAN. The Chair is of the opinion that the present language of the bill is subject to a point of order because it is an authorization; but if there was a direct appropriation for that purpose, it would not be subject to a point of order.

Mr. PADGETT. This is the same language that has always been carried in the bill, and it has always been considered to be a part of the program; and the authorization of the President to construct so many torpedo boats and to increase the Navy——

The CHAIRMAN. The Chair finds a slight distinction between the authorization and the direct appropriation, notwithstanding the fact that the same language may have been carried in former bills. The language carried in former bills would only make the law for those years.

Mr. PADGETT. But this is to authorize the President to increase the Naval Establishment.

That for the purpose of further increasing the Naval Establishment of the United States, the President is hereby authorized to have constructed—

Two battleships, six torpedo-boat destroyers, and one seagoing submarine torpedo boat.

The CHAIRMAN. Right there, if the gentleman will permit, the Chair will say to him that if it were simply an appropriation it would be in continuation, but this language is an authorization.

Mr. STAFFORD. We can readily make it an appropriation instead of an authorization.

The CHAIRMAN. The Chair has indicated to the gentleman from Tennessee that the Chair will hold a direct appropriation to be in order.

Mr. PADGETT. Will the Chair indulge me a moment?

The CHAIRMAN. The Chair has practically ruled upon the reservation of the point of order without the point of order being made.

Mr. STAFFORD. My purpose is to inquire first whether it is legislation——

The CHAIRMAN. Does the gentleman make the point of order?

Mr. STAFFORD. I make the point of order. I have no objection to an appropriation for this purpose, but I do object to the present phraseology.

The CHAIRMAN. Does the gentleman make the point of order?

Mr. STAFFORD. I make the point of order.

The CHAIRMAN. The Chair sustains the point of order.

Mr. PADGETT. Before the Chair rules let me make a statement. The appropriation for this is carried on page 55 of the bill under consideration. It has always been held in order to authorize, in the naval appropriation bill, the construction of battleships, the construction of torpedo boats, the construction of submarines, and the construction of the other craft in the Navy. The appropriation is carried on page 55 of the bill. This is a continuation of the authorization and is a part of the preceding paragraph authorizing the President to increase the Naval Establishment. It has always been held to be in order

to authorize, on the naval appropriation bill, an increase of the Naval Establishment by adding facilities to it.

Mr. STAFFORD. There will be no difficulty if the gentleman will merely make this an appropriation, rather than an authorization, which is legislation and subject to a point of order.

The CHAIRMAN. The Chair for information will ask the gentleman from Tennessee, if the appropriation is made on page 55, lines 5, 6, and 7, then what is the use of the paragraph we now have before us in lines 13, 14, and 15 on page 53?

Mr. PADGETT. Simply because there must be an authorization to the department to build the ships.

The CHAIRMAN. Then the gentleman is seeking to authorize and appropriate in the same bill.

Mr. PADGETT. Yes; we are authorizing in the bill, and that has always been done; and it has been held expressly in order.

The CHAIRMAN. Will the gentleman cite the Chair to some place where it has been held in order?

Mr. PADGETT. The point of order has not been raised of late years against authorizations in the naval appropriation bill.

The CHAIRMAN. The gentleman will bear in mind, however, that on a bill recently considered we received a very serious object lesson, where items had been carried in an appropriation bill for many years, and yet the gentleman from Illinois [Mr. FOWLER] made points of order against them, and they were all sustained.

Mr. PADGETT. That may be; but it has been held expressly that it is in order to increase the Naval Establishment. That is one of the well-recognized exceptions to the rule. It is the continuation of a public work. It is the continuation of a work in progress, that work being the creation of a navy. The increase of the Navy is an increase of an existing work or object.

The CHAIRMAN. Yes; but the gentleman is not now discussing the thing to which the mind of the Chair is directed, and that is the difference between an authorization and an appropriation.

Mr. PADGETT. But there must be an authorization, and it has been held to be in order——

The CHAIRMAN. Has the committee the right to authorize?

Mr. PADGETT. It has been held in order to authorize battleships and to authorize colliers and to authorize submarines, and that authorization is carried regularly in the naval bill.

The CHAIRMAN. Under section 823 of the Manual the Chair finds this language:

By a broad construction of the rule an appropriation for a new and not otherwise authorized vessel of the Navy is held to be for continuance of a public work; but this interpretation is confined to naval vessels and does not apply to vessels in other services, like the Coast Survey or Lighthouse Department.

This language says that by a "broad construction" of the rule an "appropriation" for a new and otherwise unauthorized vessel is in order; but the gentleman has sought to make, first, an "authorization," and, later, an "appropriation."

Mr. PADGETT. But, if the Chair please, this is to fix the limit of cost and to authorize the department to build these vessels, and later carries an appropriation. But as the construction of the vessel requires nearly three years we do not put into the bill in any one year the full amount of the authorization. We put in an appropriation adequate for the first year, and then the next year we put in the amount sufficient for that year, and then the third year we put in the remainder; and to destroy this language here is simply to bring confusion and to force us to put into the appropriation three times as much as we should. I hope the gentleman will not insist upon his point of order. This has been the custom, and it has been carried in the bill from time immemorial.

Mr. STAFFORD. If the committee is willing to consider this merely as an appropriation and not an authorization, I am willing to withdraw the point of order; but if it is to be considered as legislation to which can be attached all kinds of amendments, then for the purpose of expedition I am going to continue to press my point of order.

Mr. PADGETT. I do not know of any amendment to be offered to this.

Mr. MANN. Mr. Chairman, if the gentleman from Tennessee [Mr. PADGETT], chairman of the Committee on Naval Affairs, would do what no chairman of one of the appropriating committees ever does—that is, read the rules of the House—he would not have any difficulty about this matter. Now, the rule is:

No appropriation shall be reported in any general appropriation bill, or be in order as an amendment thereto, for any expenditure not previously authorized by law, unless in continuation of appropriations for such public works and objects as are already in progress.

Now, the ruling is that the appropriation for a battleship or vessel of the character used in the Navy for fighting purposes is an appropriation for a work and object already in progress, but, as the Chair has suggested, this item has no appropriation in it.

Mr. PADGETT. For the reason——

Mr. MANN. It is not in there, and it does not make any difference what the reason is. It is not an appropriation. Now, the gentleman referred to the fact that this is a work in progress, but that language of "work in progress" only occurs in the rule in reference to appropriations. This paragraph does not come within that, because it is not an appropriation. Now, the subsequent language that forbids legislation does not refer to work and objects in progress.

Nor shall any provision in any such bill or amendment thereto changing existing law be in order.

And then follows the Holman rule. The authorization is a change of existing law, because it makes law. The authorization is not in order upon a naval bill, and an appropriation is in order if the gentleman would offer an amendment for an appropriation. I am inclined to think—although I do not wish to commit myself on that subject—that the language in the bill might be considered as merely descriptive of the torpedo boats if the gentleman would add an appropriation to it, but there is no appropriation in this; it is a pure case of authorization.

Mr. MADDEN. Will the gentleman yield?

Mr. MANN. Certainly.

Mr. MADDEN. If the appropriation is made, as my colleague suggests, would it not be necessary to state definitely what it is for?

Mr. MANN. That is what this says. The language is:

Six torpedo-boat destroyers, to have the highest practicable speed, to cost, exclusive of armor and armament, not to exceed $925,000 each.

Now, the gentleman from Tennessee connects that with the language in the preceding paragraph which authorizes the President to have constructed six torpedo boats. It might be treated as a separate paragraph, simply making an appropriation, if the gentleman would add an appropriation, and then the Secretary of the Navy would have the power under the law to expend the money. But this as it is is purely an authorization—legislation, as suggested by the chairman of the committee.

Mr. PADGETT. I will ask the gentleman from Wisconsin if he will not withdraw the point of order and let us proceed?

Mr. STAFFORD. If there is going to be no amendment to this or the subsequent paragraph, I would not press the point of order.

Mr. PADGETT. I know of no amendment, and do not expect any.

Mr. STAFFORD. Could not we have this and the subsequent paragraph considered as one, providing for the increase of the Navy?

Mr. PADGETT. I am perfectly willing.

Mr. STAFFORD. Down to line 6, page 54.

Mr. PADGETT. I do not know of any amendment to be offered to these paragraphs.

Mr. STAFFORD. Well, Mr. Chairman, I do not see any Member on the floor who desires to offer an amendment, and I will withdraw the point of order.

Mr. BUCHANAN of Illinois. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Page 53, line 15, after the word "one," insert the following: "To be constructed in Government navy yards."

Mr. BUCHANAN of Illinois. Mr. Chairman, the Government is equipped with navy yards to do a great deal more work than they are doing. The overhead charges are enormous, and I believe it is to the interest and great advantage of the Government to have all the work done in the navy yards that they can take care of. It will result in work being done better and cheaper, and it seems to me there ought to be no objection to it.

Mr. PADGETT. I will ask the House not to adopt this amendment. We have provided for one battleship to be built in a Government yard. It involves an immense increase of cost. The present Secretary of the Navy has stated in a letter which I put in the RECORD that it was his purpose to place all the work he could in the navy yards, and do it judiciously, but to put an absolute direction that these shall be built in navy yards would involve a large increase in the cost.

Mr. BUCHANAN of Illinois. I would like to ask the gentleman if he thinks it is judicious to have the navy yards idle and let contract work out that could be done in those yards? That has been the practice in the past and will be in the future, unless Congress takes some action in regard to it.

Mr. PADGETT. The navy yards have not been idle. The gentleman assumes a state of facts that does not exist. I will ask the House to vote down the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois [Mr. BUCHANAN].

The question was taken; and on a division (demanded by Mr. BUCHANAN of Illinois) there were 26 ayes and 52 noes.

So the amendment was rejected.

Mr. PETERS of Massachusetts. Mr. Chairman, I move to strike out the last word.

Our Nation is about to pay its tribute to the memory of Commodore John Barry. In a few days the statue to Commodore Barry will be unveiled, and our National Capital will be enriched by the traditions which surround his memory.

Born in Wexford, Ireland, Barry was as a boy poor in worldly possessions but rich in the possession of the best of inheritances. His nature was strong and firm and full of the characteristic vigor of his race. His blood was red and never changed.

Barry was driven from home by the shortsighted policy of oppression which England adopted toward his native country. Like thousands of other Irishmen, he turned his eyes toward that haven of liberty that was looming up in the Western world. The immigrant ship brought Barry.

Deprived by law in his native land of all opportunity for study, John Barry found in America the chance for self-improvement. His keen mind soon mastered the arts of navigation. A born leader of men, he became, at the age of 30, master of the *Black Prince*, one of the finest merchantmen flying the American flag.

At the breaking out of the first movement for the Revolution Barry's services were offered without hesitation to his adopted country. His eager patriotism was rewarded by his securing the first prize. The first command by Barry, the *Lexington*, bears the distinction of being the first ship which bore the Continental flag to victory on the ocean.

Washington recognized the importance to the country of a well-organized Navy, and early picked Barry as a born commander. So great was Gen. Washington's confidence in him that in the last three years of the Revolution Barry was first officer of the Navy.

The honor of fighting the last as well as the first naval battle in the Revolutionary War fell to Commodore Barry. It was on the *Alliance*, the last and best ship of the Continental Navy, that Barry distinguished himself in this final engagement by personal bravery that will always be a model for the American Navy.

Seriously wounded, the valiant commander had been taken below. He was told that the *Alliance* was about to strike her colors. The shell of the enemy might maim the body, but it could never impair the valor of John Barry.

He ordered that he be carried to the deck. The appearance of their commander on deck, wounded and weak, but determined to fight, proved an inspiration for his powder-blacked crew. With their battle cry "We'll stick by Jack," they fought with a renewed vigor that saved the day.

It remained for the British commander, Gen. Howe, to bring out the staunch patriotism of our commodore. Appreciating the importance of Barry to the American cause, Gen. Howe sent to him an offer, giving him command of the best frigate in the British fleet and what amounted to $100,000 in cash. Maddened by this insult, Barry replied with all the indignation of his injured patriotism:

> I have devoted myself to the cause of my country, and not the value and command of the whole British fleet could seduce me from it.

At one time, without a ship, Barry enlisted on Gen. Washington's staff in New Jersey, and there fought until his new vessel, the *Raleigh*, was in commission.

After peace was declared Barry still gave his services to his country. To him President Washington turned when he wished to organize the Continental Navy, and the first act of Washington as President toward the establishment of a Navy was to commission John Barry commodore. Under his supervision the new Navy which Congress authorized took shape.

Of this new Navy John Barry was commander. Both Washington and John Adams early perceived the importance to our country of a well-established Navy, and to make that Navy effective they must have commanders who combined fearless character with good judgment and experience in handling vessels. That Barry combined these his record in the Navy will prove. Though dashing and reckless, he yet was an exceptionally skillful seaman, and his handling of his vessels in action brought praise from all sides. As a born fighter he inspired his crews with confidence that they had a leader who would handle them effectively and stick in the fight to the end. After one of his boldest victories Washington himself wrote to Barry as follows:

> I congratulate you on the success which has crowned your gallantry * * * in the late attack upon the enemy's ships. Although circumstances have prevented you from reaping the full benefit of your conquests, yet there is ample consolation in the degree of glory which you have acquired. With my wishes that a suitable recompense may always attend your bravery.

John Barry dedicated himself to his country's service, and never left it until he went to the last field of honor, wrapped in his country's flag.

The Irish race has furnished many distinguished warriors for our flag, and, great as their services are, to none have we more cause to show gratitude than to John Barry. Generous and loyal was Barry's response to the call of the Revolution. His services were offered among the first, and through all the war his generous spirit seemed to stimulate all around him.

Barry's daring exploits have been frequently celebrated in verse, especially his last fight of the Revolution, on the *Alliance*. The poetic description of Barry's reply to the hail of the *Alliance* deserves to be commemorated:

> This is the ship *Alliance*
> From Philadelphia town,
> And proudly bids defiance
> To England's King and Crown.
> As captain on her deck I stand
> And guard her banner true,
> Half Yankee and half Irishman,
> What tyrant's slave are you?

This shows the dashing spirit of Barry and shows that the love of his native country, which always remained with him, was the solid foundation for his devotion and loyalty to his adopted country.

This monument is a fitting recognition of the services of John Barry to his country. It will serve to stimulate study into the character and services of Barry. His memory can not fail to prove an inspiration to all who study his life. Commodore John Barry, by his life of service, welded one more link to tie together in admiration and friendship the people of Ireland and America. [Applause.]

Mr. SIMS. Mr. Chairman, I ask unanimous consent to extend my remarks in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Tennessee?

Mr. MANN. Reserving the right to object, I would like to ask the gentleman if he intends to insert his speech in the middle of the debate on the naval appropriation bill. The other day we gave some one leave to do something of this sort with the expectation that it would not interfere with the reading of the debate, and a long speech was sandwiched into the debate, just as though it had been delivered on the floor.

Mr. GARNER. Mr. Chairman, I would like to ask if we did not issue an order not long ago against that very thing?

Mr. MANN. No; we could not issue an order about it.

Mr. GARNER. It was generally understood that the extension of remarks should go in the latter part of the RECORD.

Mr. SIMS. I want mine to go in the latter part of the RECORD, where it will be read.

Mr. ROBERTS of Massachusetts. The gentleman ought to make it a part of his request that it shall follow at the end of the day's proceedings.

The CHAIRMAN. Is there objection to the request of the gentleman from Tennessee to extend his remarks in the RECORD?

Mr. MANN. I do not object.

The CHAIRMAN. The Chair hears no objection, and the leave is granted.

The Clerk read as follows:

> One seagoing submarine torpedo boat, to cost not to exceed $1,100,000; and the sum of $500,000 is hereby appropriated for said purpose.

Mr. BUCHANAN of Illinois. Mr. Chairman, I offer the following amendment, which I send to the desk and ask to have read.

The Clerk read as follows:

> Page 53, line 18, after the word "purpose," insert the words "to be constructed in a Government navy yard."

Mr. BUCHANAN of Illinois. Mr. Chairman, I am in favor of the Government manufacturing all its munitions of war—battleships, steel armor plate, and everything pertaining thereto—because I know that if the Government would do that and cut out the influence of these profit-seeking corporations throughout the country, influencing Congress to expend large sums of money for naval defense, which they do not now need or never will—if we could do that, and add to it a tax on large incomes to pay the expense for this naval defense, you would see some of these trust newspaper editorials and other influences that are

working for these extravagant expenditures turn tail and oppose these large and unnecessary expenditures instead of being in favor of them. If the Members of this House believe in work being done under conditions that are more favorable to labor, under conditions where we will get better work and more perfect work done, to greater advantage of the people of the country; if they are sincere in desiring this expenditure for the purpose of helping the working men, then they will support this kind of an amendment. If they are not, of course they will vote it down, as they did the other one. I note here that my good friends from New York, after they were satisfied in regard to one battleship, oppose the amendment that provided that two battleships might be built in some other navy yard. Is the Brooklyn Navy Yard the only navy yard this Congress is interested in, in utilizing the equipment with which they are prepared, for the manufacture of munitions of war? I favor the New York Navy Yard being kept employed in the manufacture of these battleships and other munitions of war, but I also believe that we ought to utilize other navy yards, those on the Pacific coast and elsewhere, at Boston, and throughout the country. As long as we have this work to do, let us employ that equipment that costs the Government so much money and which can do the work more efficiently and, in my judgment, much more cheaply.

Mr. MOORE. Mr. Chairman, I desire to oppose the amendment of the gentleman from Illinois [Mr. BUCHANAN]. I wish to do so upon the merits of the argument that he has presented. He wants Government ownership. He wants the Government to become the sole employer of everybody who works, whether he works in a shipyard or on the farm. I am not prepared to go that far with him. I do not think labor demands that of this Congress. When he speaks of those of us who have stood for the construction of one battleship or one transport in the navy yards, he refers to those who have done the best they could for the navy yards in their vicinity, as they ought to do as true representatives of the people. But the gentleman utterly fails to see the thousands of men employed, earning honest livings by honest toil, outside of the navy yards. I will stand for the navy yard in the city which I have the honor in part to represent as long as the navy yard is there, and men are employed in it, and I will do everything possible to get ships built there, but at the same time——

Mr. BUCHANAN of Illinois. Mr. Chairman, will the gentleman yield?

Mr. MOORE. Not now—but at the same time I have in mind a picture of a great hive of industry directly across the river, which employs 5,000 men, building ships, not only ships of the Navy but ships of commerce, and at the same time I have in mind a great shipyard in my own district, not far from the navy yard, where over 4,000 men are employed this very day building ships, not for the Government but for private enterprise, which I want to encourage. I do not propose at this time to vote out of employment 5,000 men employed in the New York Shipbuilding Co.'s yards, sustaining by the honest wage they earn 25,000 men, women, and children. I do not propose to vote with the gentleman from Illinois for the proposition to vote out of employment 4,000 employees working in Cramp's shipyard, sustaining by their honest wage, honestly earned outside of the Government employment, at least 20,000 people. The gentleman has a second think coming on this Government ownership business, and if he attempts to stampede this House, as he has frequently done on other occasions, he has got to take into account the independent voters of the land, whether they belong to labor unions or not—I am in favor of labor unions, which have a right to express themselves in favor of their own wages and their own employment—but I do not intend to vote 9,000 men out of work in this instance, nor any part of them.

Mr. BUCHANAN of Illinois. Mr. Chairman, will the gentleman yield?

Mr. MOORE. Yes.

Mr. BUCHANAN of Illinois. Is the gentleman in favor of the Government owning the navy yard at Philadelphia?

Mr. MOORE. Certainly.

Mr. BUCHANAN of Illinois. Would he be opposed to building this ship in that navy yard?

Mr. MOORE. I would, if it throws out of employment thousands of men who would not be employed otherwise.

Mr. BUCHANAN of Illinois. He would oppose it if it took away profits from contractors.

Mr. MOORE. Oh, does the gentleman favor the turning out of employment 9,000 men who are working for the New York Shipbuilding Co. and the Cramps? Does he propose to turn these men out of employment to carry on his fad of Government ownership? Let the gentleman rise and tell me whether he is in favor of our labor or not?

Mr. BUCHANAN of Illinois. Mr. Chairman, I am in favor of employing men in Government yards, under better conditions and for better wages, which the gentleman is opposing now when he is opposing this amendment. He is in favor of their being worked longer hours for the profit of corporations.

Mr. MOORE. Oh, I have heard the gentleman sing that song before, but he does not want to sing it to these people who are working in independent yards, who are members of labor unions, who are paying their dues to these unions, and who work under the eight-hour rule. How did the gentleman vote on the question of shipbuilding ways? Against it, did he not?

The CHAIRMAN (Mr. HOUSTON). The time of the gentleman from Pennsylvania has expired.

Mr. HENSLEY. Mr. Chairman, I desire to heartily support the amendment offered by my colleague, Mr. BUCHANAN of Illinois. It seems to me that the gentleman from Pennsylvania [Mr. MOORE] is shortsighted when he makes the character of argument he has just made. It does require a certain amount of labor in the construction of these ships, whether built in a Government yard or a private yard.

I can see no reason, no logic, to the drift of the gentleman's argument. However, the question of the amount of labor involved, whether constructed in a Government or a private yard, is not the real issue. That is a distinction without a difference. Mr. Chairman, I desire to call the attention of Members of the House to what these authorizations mean to these profit-making concerns who are pressing Congress all the time for increases. I believe in Government construction, as that will eliminate the tremendous profits from excessive war preparations. Even then we are warranted, at least comparatively speaking, in assuming that it will require the same amount of labor to construct a ship in a Government yard as in a private yard. I have before me a paper known as "The Navy," containing a picture of a magnificent banquet given by the Navy League at New York City at the Waldorf-Astoria. At that banquet was the present Secretary of the Navy of the United States. I desire to call the attention of Congress to some of the things the Secretary said on that occasion. He quoted from an examination made before the Committee on Naval Affairs, and in this connection I will read from his speech:

> I quote from page 617, hearings of the Secretary of the Navy before the House Naval Committee this year. I had mentioned meeting Gen. Porter at the Navy League meeting last spring. This prompted the following question from Congressman HENSLEY:
> "You do not realize the fact that that institution is organized for the very purpose of disseminating the sentiment in the country for bringing about a larger navy?"
> To which I answered:
> "Undoubtedly."
> Then this question follows:
> "Mr. HENSLEY. They insist all the time that they are actuated wholly and solely from patriotic and noble purposes as against fellows like Judge WITHERSPOON and myself and others who have not the good of our country at heart?"

I want the committee to note this, as it shows that these people who are urging increases in the Navy are at all times engaged in an effort to influence Members of this House and men in high positions in this Government.

Mr. ROBERTS of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. HENSLEY. No; I will not yield; I have not the time.

In this speech the Secretary of the Navy pleads for the support of the Navy League. He asked them to support him. He refers to the fact that they have been criticizing some of his policies, and in that connection I desire to say that I do not withhold my approbation of many things the Secretary has done, but, to the contrary, there are a great many things for which I give him my hearty approbation. But some of the things I do not approve and never will approve so long as I continue to think as I do. Now, then, let us go a little further. The Secretary said:

> I will not read the whole dialogue, but I want to call your attention to the remark later on by Congressman HENSLEY.
> Mr. HENSLEY. These people who are making that character of campaign are the ones who are being materially benefited, the fellows who expect to get something direct out of it. That is what I complain of.

And the Secretary, as the hearings will show you, replied:

> If that is true I complain of that as much as you.

At that banquet he did not quote this last sentence. Seated around the table at that banquet were gentlemen to whose names I will call your attention. There were present a number of admirals and rear admirals, Gen. Horace Porter, Col. Robert M. Thompson, representatives of great banking institutions, and

others. The connection of these gentlemen with the Navy League and their relation to the great supply concerns of the country was explained to this House a few days ago by the gentleman from Nebraska [Mr. BARTON], and I desire to refer to them more particularly later on.

There were a number of seats vacant at this banquet. On previous occasions I have observed among the list of guests of the Navy League the names of various Members of Congress, and if those gentlemen present at this banquet had thought that the Secretary of the Navy would in his speech place the stamp of disapproval upon a campaign of this kind there would have been more vacant seats at this banquet than this picture shows.

Mr. MANN. Will the gentleman yield for a question?

Mr. HENSLEY. In just half a second. Each Member of the House, I take it, has received a copy of this publication. If so, I ask you to read the speech made by the Secretary and the speeches made by the other gentlemen gathered at that banquet.

The CHAIRMAN. The time of the gentleman has expired.

Mr. WITHERSPOON. Mr. Chairman, I ask unanimous consent that the gentleman may proceed for five minutes.

The CHAIRMAN. The gentleman from Mississippi asks unanimous consent that the gentleman from Missouri may proceed for five minutes. Is there objection? [After a pause.] The Chair hears none.

Mr. HENSLEY. Now I yield to the gentleman from Illinois.

Mr. MANN. Did not the Secretary of the Navy in that banquet speech state that he had been defending the Navy League, and hence he thought in fairness they ought to support him in reciprocation of his defense?

Mr. HENSLEY. I think that is practically true, I will say to my friend from Illinois. I can not quote the entire speech, but I want to appeal to the membership of the House to read the speech carefully and then pass judgment upon it.

Mr. MANN. Fortunately the Navy League sent a copy of that paper to me, and I read the speech. A speech of that kind would be forgiven because it was made at a banquet, but it would not be at any other place.

Mr. HENSLEY. It is impossible to blow both hot and cold.

Mr. MADDEN. They do not drink at those banquets now, do they?

Mr. LANGLEY. They drink grape juice.

Mr. HENSLEY. I desire to say I am keeping a record of these magnificent banquets. I am trying to single out and know the Members of this House and men in high positions in this Government who are accepting invitations to these banquets and play the part that is carefully mapped out for them.

I think sometime it will be a very valuable contribution to some paper like the Saturday Evening Post, so that the people may know what is being done; what purpose these people connected with these banquets have behind them; what is intended to be accomplished by inviting Members of Congress; not because of their splendid talents; not because they want them to be present at these banquets for the enjoyment of their company and association, but it is because those gentlemen are Members of Congress and hold places here as members of important committees. Oh, we are told that they merely desire to be sociable and courteous and that they do not mean to improperly influence Members and others. Do you suppose that the magnificent banquets, which cost thousands of dollars, would be given by those paying the bills if they did not expect returns upon the investment? Do you suppose that those of us who receive invitations to these banquets would be noticed by these great bankers and others who are connected with the Armor Plate, Powder Trust, or some other supply concern if we were not Members of Congress and did not possess something they are looking for? No; not by any means. They are looking after "suckers"; and I am sorry to say that too frequently they string them through the use of just such bait. It is claimed there is no wrong intended. Oh, no. This reminds me of what an old Member told me a few days ago. He said, as I have previously stated, that when he first came to Congress a representative of certain railroads was stationed in Statuary Hall, issuing passes to Members and their families over those roads. They argued then that giving Members passes was not intended to influence them; but the people said, "We will put a stop to such transactions," and Congress put a law upon the statute books making it an offense for the railroad to issue or for a Member of Congress to receive a pass. I say to you that the people will not stand for such conduct as this on the part of our trusted officers any longer than they can get to them after they once understand the facts.

Mr. CALDER. Were any Members of Congress present at that banquet?

Mr. HENSLEY. So far as I have observed I believe not, but I am not sure. I will look that over further later on, I will say to my friend from New York.

Mr. CALDER. I have looked it over, and I did not see the names of any Members of Congress present.

Mr. HENSLEY. Now, Mr. Chairman, I desire to refer more particularly to the speech of the gentleman from Nebraska [Mr. BARTON], in which he called the attention of the House to the personnel of the Navy League and its purpose. Now listen:

Mr. J. Pierpont Morgan was until his death one of the directors, and intensely interested in the league's work, to which he was a liberal contributor. Mr. Herbert L. Satterlee, general counsel for the league, is a son-in-law and heir of Mr. Morgan.

Gen. Horace Porter is president of the league. He was for many years an officer of the Pullman Co., which is a Morgan corporation.

Mr. Charles G. Glover is treasurer of the league. He is president of the Riggs National Bank, which is closer to Wall Street than any other bank in Washington.

Col. Robert L. Thompson is chairman of the executive committee of the league. He is an eminent financier of New York, whose great interests generally coincide with the colossal undertakings of the Morgan group. He is also the head—being chairman of the board—of the International Nickel Co. and holds the honorable post of president of the New York Metal Exchange.

Mr. J. Frederick Pams is director of the league. He is a New York society and yachting man, a friend of Mr. Morgan and a member of Mr. Morgan's yacht club.

Mr. George von L. Meyer is a director of the league. Mr. Meyer was Secretary of the Navy in the Taft administration and on March 3 signed the remarkable contract for the *Pennsylvania's* armor that has been the subject for unpleasant comment in Congress and elsewhere. He is a considerable stockholder in the New Haven Railroad, which is a Morgan concern, and is also a director in the Amoskeag Manufacturing Co., at Manchester, N. H., and has on the board as his associates Mr. F. C. Dumine, who helped Mr. Morgan to incorporate the Boston Railroad Holding Co., by which the New Haven was enabled to hold the Boston & Maine in spite of certain provisions of the Massachusetts law. Mr. Dumine is also a director of the Fore River Shipbuilding Co., which is on friendly terms with the Morgan group and affiliated with United States Steel.

With a board of directors containing all of these wise and experienced men that are on terms of friendship with our greatest captains of industry our defenseless condition may be believed to be in safe hands and the activities of the Navy League to be unremitting.

Does anyone here believe that these gentlemen are actuated by altruistic motives? Whether these ships are constructed in Government or private yard, is not the labor item infinitesimal as compared with the amount expended for armor plate which is furnished by these great supply concerns?

Let me say right here that in the last Congress I called the attention of the House to the fact that J. P. Morgan, jr., was secretary and treasurer of the Navy League. Shortly thereafter he resigned from that position.

Gentlemen, my position is this: That if the honest sentiment of our country calls for 10 battleships to defend the Nation's honor, then I am ready to vote for them. But I say to you here and now, when pressure is brought to bear upon Congress by these gentlemen and by associations of this character to induce Congress to respond to increases because of the profits they derive out of the business, I stand here and say it is unpatriotic, it is un-American, for a Member of Congress to support such increases. [Applause.]

But aside from the question as to whether we really need additional battleships now, or whether wisdom and experience suggest that we make provision for arming and manning, making effective, the battleships we already have constructed and lying idle, certainly, in view of all the facts adduced, we should all cooperate in an effort to take private interests out of the construction of battleships. The tax burden, after having utilized every economy and provided every safeguard in behalf of the public, is even then heavy enough. My colleague, Mr. BUCHANAN of Illinois, submitted the other day a copy of a resolution from certain labor organizations in his State. He appealed to the House especially in behalf of the laboring people. I desire here to read the resolution:

DANVILLE, ILL., *February 28, 1914.*

Hon. FRANK BUCHANAN, M. C.,
Washington, D. C.

DEAR SIR: I notice by the papers that you voted in the negative on the two-battleship program.

Allow me to extend to you my heartiest congratulations for so doing, as that expresses the sentiments of the labor organizations in this community.

I have inclosed a copy of resolutions, which were passed by the Danville Trades and Labor Council, and unanimously indorsed by Vermilion Lodge 473, International Association of Machinists, which was in response to a circular letter sent out by Lodge 174, International Association of Machinists, Washington, D. C., requesting all local lodges to urge their respective Congressmen and Senators to support the two-battleship program.

Again thanking you for the support rendered in the interest of the working class as a whole, and assuring you that if the opportunity ever presents itself whereby we could give you any assistance we would be glad to do so, I am,

Yours, for anything that is to the interest of the working class,

[SEAL.] W. T. RIZER,
Recording Secretary Local 473, I. A. of M., Danville, Ill.

This is the resolution in response to the request:

INTERNATIONAL ASSOCIATION OF MACHINISTS,
VERMILION LODGE, NO. 473,
Danville, Ill., January 23, 1914.

Whereas the legislative committee, Columbia Lodge, No. 174, of the International Association of Machinists, has appealed to the Danville Trades and Labor Council and Local 473, International Association of Machinists, for moral support, wherein they ask that we favor the construction of more battleships instead of lessening battleship construction, giving as a reason to obtain said support that at a time when work is becoming slack throughout the country it is unwise to aggravate the condition by adopting a policy of naval construction that will throw thousands of workingmen out of employment; and

Whereas we know that the construction of battleships is intended for war purposes, and that all the expenses of all the wars in all the world in all times have been paid with the results of productive labor, always resulting in the working class paying all the expenses of all wars; and

Whereas we realize that in war soldiers cease to produce wealth, and finally soldiers actually destroy wealth; and

Whereas we believe that war appropriations could be applied in a more beneficial way to society in general; for instance, the cost of the Civil War amounted to $31,521,815,230.60. This sum, if applied to another way, would pay for a $1,700 home and also for $400 worth of furniture for each house for a total population of 90,000,000 people, estimating 6 per family in each home. Or this sum would pay all the salaries of 25,000 school-teachers, at $625 per year, from the birth of Christ to the year 1909, and leave sufficient to establish 50 universities, each institution provided with $10,000,000 worth of buildings and equipment, and each institution provided also with a $10,000,000 endowment fund for running expenses; and

Whereas we believe the members of the aforesaid lodge are promoting war, even though they would have it appear to the contrary, by asking for increased construction of battleships; and

Whereas we believe that whoever would understand war must give special attention, first, to the economic interpretation of history; second, to the class struggle, considered historically and currently; and, third, to surplus value, produced by the workers, but legally escaping from their control to the capitalist class, as a result of the institution of private ownership and private control of the collectively used means of production: Therefore be it

Resolved by the Danville Trades and Labor Council and Vermilion Lodge, No. 473, International Association of Machinists, That we disapprove of the appeal made by the aforesaid Lodge No. 174, believing that occasional literary and oratorical snowballs ignorantly, gracefully, and grammatically tossed in the direction of hell (for war is hell) will have no effect on the general temperature of that warlike region; and be it further

Resolved, That the two inclosed petitions intended for to be sent to our Congressmen and Senators be left blank, and that a copy of these resolutions be sent to Lodge No. 174 and the monthly journal of the International Association of Machinists for publication.

DANVILLE TRADES AND LABOR COUNCIL,
JOHN F. DEMLOW,
P. R. CHRISTENSON,
GEO. W. BERRY,
Resolution Committee.

Adopted by Local No. 473, International Association of Machinists, January 26, 1914.

H. A. WISE, *President.*
W. T. RIZER, *Recording Secretary.*
EDWARD M. METHE,
PERCY MOLYNEAUX,
FRED WITTIG,
Resolution Committee.

But, Mr. Chairman, for the comforting assurance and for the peace of mind of the gentlemen connected with these great supply companies, who profess such a deep concern regarding our national defense and who are financing these magnificent banquets, inviting Members of Congress, the Secretary of the Navy, and others, for the purpose of urging and promoting increases in the naval-construction program, the materials for which are furnished by their respective concerns, if they desire additional battleships after we have enacted the bill introduced by the gentleman from Pennsylvania [Mr. BAILEY] which provides for a battleship tax on incomes of over $20,000 annually, then I shall favor permitting these gentlemen to indulge their tastes to any extent whatsoever in battleships. But, Mr. Chairman, just as quickly as we can pass this bill, and I favor its passage, these identical gentlemen, like Judge WITHERSPOON, myself, and others, will then be found inquiring into the necessity for these authorizations. Under such a system these expenditures will have been transformed from a source of profit to them to a liability. You will then find fewer banquets, less agitation in favor of additional battleships, and no opposition to Government construction of the necessary ships for defensive purposes. Then, you will also find that our naval bill each year will be formulated with a view of obtaining the greatest possible efficiency in the Navy with the very lowest possible expenditure.

Mr. PADGETT. Mr. Chairman, I have only a word or two to say in addition to what I said a while ago in reference to the torpedo boats. These submarines are all under patent, and if the Government would undertake to buy them it would have to pay on each submarine somewhere from $50,000 to $75,000 for the use of the patent. There is no use in discussing the matter further. It means an additional cost of many hundreds of thousands of dollars.

Mr. BUCHANAN of Illinois. Will the gentleman yield?

Mr. PADGETT. Yes.

Mr. BUCHANAN of Illinois. Does the gentleman contend that this is a submarine?

Mr. PADGETT. Yes, sir. It is one seagoing submarine, subject to patents. Mr. Chairman, I ask for a vote.

Mr. BARTON. Mr. Chairman, I have sat through this bill up to this time without making any remarks, and I would like to be recognized for five minutes.

Mr. PADGETT. Mr. Chairman, I ask unanimous consent that debate on this paragraph and all amendments thereto close in 15 minutes, 5 minutes to the gentleman from Nebraska [Mr. BARTON], 5 minutes to the gentleman from Pennsylvania [Mr. GRAHAM], and 5 minutes to the gentleman from Illinois [Mr. MANN].

Mr. CARY. Mr. Chairman, I would like to ask unanimous consent to extend my remarks in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

The CHAIRMAN. The gentleman from Tennessee [Mr. PADGETT] asks unanimous consent——

Mr. BUCHANAN of Illinois. I would like to add to that three minutes if I should want to use them.

Mr. PADGETT. The gentleman has already discussed the matter.

Mr. BARTON. I will yield him two minutes of my time.

Mr. BUCHANAN of Illinois. I do not want to ask the gentleman's time. I want time of my own.

The CHAIRMAN. The gentleman from Tennessee [Mr. PADGETT] asks unanimous consent that all debate on the pending amendment close in 15 minutes.

Mr. BUCHANAN of Illinois. I object, Mr. Chairman.

Mr. PADGETT. I move that all debate on this paragraph and all amendments thereto close in 15 minutes.

The CHAIRMAN. The gentleman from Tennessee [Mr. PADGETT] moves that debate on this paragraph and all amendments thereto close in 15 minutes.

Mr. BUCHANAN of Illinois. Mr. Chairman, I desire to amend that motion by making it 18 minutes.

The CHAIRMAN. The gentleman from Illinois [Mr. BUCHANAN] offers to amend the motion by making it read 18 minutes. The question is on agreeing to the amendment.

The amendment was agreed to.

The CHAIRMAN. The question is on the motion of the gentleman from Tennessee as amended.

The motion as amended was agreed to.

Mr. BARTON. Mr. Chairman, I have regularly attended every session of this body since becoming a Member, and I have listened, as the membership will observe, much more than I have spoken. I recognize the fact that Members who have been here for a longer term of years hold over me in experience and maybe, sometimes, in judgment; but I will yield to no man, be he young or old, in this body, loyalty to my country and the right, if you may please to call it, to settle in my own mind and conscience matters that are for the good of my country.

There is one skeleton that has been trotted out here every time we have talked about doing any business for the Government. I have read back into the history of the fight of the powder factories, and found that skeleton was almost worn threadbare at that time, and it was that old bugaboo of Government ownership. We heard it when we were talking about the Alaskan railroad. We heard it when we were discussing the bill to provide for the making of our own powder, and we are now hearing about it when we contemplate building our own ships in our own navy yards. And the gentleman from Pennsylvania [Mr. MOORE], who is usually mighty clear in his reasoning, has not satisfied me yet as to how the erection of this ship by the Government is going to displace workmen.

The statement has been made on the floor of the House that all the men at the navy yards are now engaged and that those who work in private plants are engaged. If we build the ships ourselves, it will simply be the Government employing those laborers instead of the big shipbuilding companies employing them, so if I have my way as to whether or not the ships shall be built by the Government or by great organizations that we commonly call "trusts," I am in favor of the Government building them.

As to banquets, not long ago we received a very facetious lecture by the leader of the minority on the subject of banquets. I gave his statements serious consideration, although I said but little about it. I do not believe that a banquet would change any Member here who had settled convictions on a question. And yet there is in these banquets a subtle influence that has convinced me that the Government should pay the expenses on Government business and banquets by people who want Government money expended should be tabooed. [Applause.]

Mr. CALLAWAY. Mr. Chairman——

The CHAIRMAN. Will the gentleman from Nebraska yield to the gentleman from Texas?

Mr. BARTON. Yes, sir.

Mr. CALLAWAY. I want to know if the gentleman does not think that the men giving these banquets really believe they are a good investment or they would not put their money out in this way?

Mr. BARTON. I most certainly do. [Applause.] And as to the banquets of the Navy League, in the limited time I have here, and having listened to remarks that have been made relative to the Navy League, it seems to me that the actions of that body have been of such a nature that this body should look closely into the actions of the league through a committee that had nothing else to do. I believe that whenever a banquet is given, while it may not be intended to bribe men, there is an influence used to bring about the result the banquet is given for, and you are breaking bread with the men you intend to help or hinder. In my judgment, our public men should not receive favors from men or bodies that are seeking appropriations or favors from this Government.

I want to say another thing while I am discussing this matter, and that is as to the resolution introduced by my friend from Missouri [Mr. HENSLEY], which passed this body almost by a unanimous vote. I would like to know where that is reposing now. I would like to know why the voice of this body to the nations of this earth is not worth something. I would like to know where that resolution is at the present time, and whether anybody outside the confines of the office where it is now resting has ever heard of the Hensley resolution. We are entitled to have that resolution go to the countries of this world and do what we proclaim we want done—establish for the Governments of this world peace and stop the battleship business. [Applause.]

Mr. MANN. Mr. Chairman, I think I can tell the gentleman where the Hensley resolution is. It is at one of two places. It is either on one of the battleships down at Vera Cruz [laughter], or else it is transmitted to the new capital of the country in London to find out whether the British Government will permit us to suggest to the world that we have the right to make a request. [Applause.]

Now, I do not think that people are to be criticized for attending banquets. I do not think that the Navy League is to be criticized because it endeavors to build up a Navy. I wonder sometimes how it is that so many gentlemen in the House are approached, as they say, by these influences which they describe as improper. I have been here now nearly 18 years, and no one has ever endeavored to influence my action upon such matters. Sometimes somebody comes to see me about a private bill, but that is an easy matter to dispose of.

Mr. BARTON. Mr. Chairman, will the gentleman yield?

The CHAIRMAN. Does the gentleman from Illinois yield to the gentleman from Nebraska?

Mr. MANN. Very briefly.

Mr. BARTON. I simply say that I know the gentleman would not want to misquote me. I never made the remark that I had been approached during my service in this House.

Mr. MANN. I am not referring to the gentleman. I am not referring to improper approaches. I am speaking of the practice of gentlemen outside seeking you out to influence your judgment. I know that from my position in the House I have some influence in the House. The Navy League has never bothered me, and they have never known how I was going to vote. I received, I suppose, through their courtesy, a copy of the paper which the gentleman from Missouri [Mr. HENSLEY] held in his hand a moment ago, and I should have supposed that an enemy of the Navy League rather than a friend had sent it out, after reading part of it.

I do not believe that these people outside have so very much influence on the inside of the House. I see the page boys running around with a great many telegrams. I suppose I know what they are about, although I have instructed the people where I live to present me no telegrams except in the morning, and then they are brought over and are given to my secretary. I have instructed my secretary to give me no telegrams in reference to prohibition or suffrage. [Laughter.]

Now, that is an easy way out of it. Everybody knows that you can flood Congress with such things, but who pays attention to them who has nerve or backbone? A Member of Congress who has neither nerve nor backbone ought to be retired. [Applause.]

Mr. HENSLEY. Mr. Chairman, will the gentleman yield?

The CHAIRMAN. Does the gentleman from Illinois yield to the gentleman from Missouri?

Mr. MANN. Certainly.

Mr. HENSLEY. And it is the gentleman's opinion that these investments in banquets given by these men, like Thompson, who get profits out of them, are not good investments?

Mr. MANN. Oh, I am not afraid of a courtesy. The gentleman, if he rides on a street car with me, will pay my fare, or else I will pay his fare; but that does not mean that I am trying to bribe him or that he is trying to bribe me. That is courtesy. I go to a banquet or a dinner in this town very frequently. I do not consider that I am bound by any influence that could be brought to bear upon me, or that I am supposed to be bound, and nobody else does. It is only the gentlemen with vivid imaginations who are always afraid they will be corrupted. [Laughter and applause.] There is no such thing as corruption of Congress, either through attending banquets or otherwise. A gentleman ought to be able to extend courtesies and receive courtesies, to break bread and eat meat with friends, without feeling that thereby they have absolved themselves from the proper performance of their duty or that they have turned over their judgment to some man who has invited them to participate in that entertainment.

Mr. HENSLEY. Mr. Chairman, will the gentleman yield?

The CHAIRMAN. Does the gentleman from Illinois yield to the gentleman from Missouri?

Mr. MANN. I yield.

Mr. HENSLEY. Is not that the same character of argument that was made before we passed the law prohibiting the issuance of passes over railroads?

Mr. MANN. I did not hear the gentleman.

Mr. HENSLEY. Was not that the same character of argument that was made against the passage of the law prohibiting the issuance of passes by railroads—certainly not by my friend from Illinois, but by others?

Mr. MANN. I do not know. I never made an argument on the subject of passes one way or another. But that is an entirely different proposition. A pass under the present construction is not a courtesy. At one time it was. Does the gentleman believe that because gentlemen of the House accept the hospitality of the Government and go down to Panama, as most of them have done, they are obliged to do what the Government or the executive department wants in reference to Panama? Is that it? Not at all. Gentlemen who go have the right to receive that hospitality, but it is personal. It is much the same way with respect to banquets. I am not afraid of banquets. The gentleman need not be afraid to extend an invitation to me to a banquet. I might not go, but if I went I would still be able to do what I think is right, regardless of the banquet.

Mr. HENSLEY. I will say to the gentleman that I never will invite him to my home and after I get him there ask him to favor some proposition that means profit to me.

Mr. MANN. Well, the gentleman will never invite me, and under his conception of it I would be afraid to go, if I supposed that in inviting me the gentleman thought he could thereby influence my judgment. I would not let him think that. [Applause.]

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. GRAHAM of Pennsylvania rose.

The CHAIRMAN. The gentleman from Pennsylvania is recognized for three minutes.

Mr. GRAHAM of Pennsylvania. Mr. Chairman, I do not know that I care to occupy that much time. What has been so ably said by the gentleman from Illinois [Mr. MANN] has expressed fully the sentiment that was in my thought with reference to this discussion.

I would only add a word deprecating this style and manner of discussion in this great legislative body. Why is it that upon a question of this kind there must always appear to be such a diversity of interest that it looks as if it were almost a declaration of war between classes, sections, and interests in our country? Why can we not, as Americans, consider the welfare of the whole community, and not every man be grabbing for an advantage for the particular interest that he represents, or thinks he represents?

I wish to say, in answer to the gentlemen who referred to the Navy League, that I regard the Navy League as one of the patriotic institutions and voluntary gatherings of good people in this country who have only one thought in mind, and that is the maintenance of a navy that shall comport with the dignity and the greatness of this splendid Republic of ours. For many years before I became a Member of this House I was a contributing member of the Navy League, simply and solely from a sense of patriotic duty. I personally believe in a big Navy, because I believe it speaks for peace and that it will help to maintain peace.

Mr. TAVENNER rose.

Mr. GRAHAM of Pennsylvania. Mr. Chairman, I do not wish to be interrupted in the few minutes I have.

The CHAIRMAN. The gentleman declines to yield.

Mr. GRAHAM of Pennsylvania. I am for a big Navy, because I believe it helps to maintain the dignity of my country. I am for it in the interest of peace and as an American. I am also one of those who do not believe in the Government declaring itself at war with every big interest that may be created by thrift and skill in our midst. I am opposed to making war on everything because it simply has grown through the skill and ability of those who have had it in charge. European nations show us how they treat their successful business. We attempt to crush it at every step and in every stage. When citizens have been invited to invest their money in an enterprise like the great Cramp shipyard in Philadelphia, with a diversified stock ownership scattered through the community—upon which not one penny of dividend has been paid for 12 years, yet an organization has been kept up which has turned out battleships that are the pride and the glory of this country—why should we attempt to destroy an establishment like that and take the work from the workmen who are employed there and transfer it elsewhere simply upon the one cry against it that the contractor might make some profit out of the building of a ship. [Applause.]

Mr. BUCHANAN of Illinois. Mr. Chairman, I do not desire to take up much more time of the House, but I believe there ought to be something said in reply to the subterfuge in the form of an argument that has been made by the gentleman from Pennsylvania [Mr. MOORE] and also the gentleman from Pennsylvania [Mr. GRAHAM]. Some subterfuge is the only argument that anyone can make for profit-seeking criminal corporations.

Now, the gentleman from Pennsylvania [Mr. MOORE] has a navy yard in Philadelphia. I do not know whether it is in his district or not. I have heard him proclaim here what he wants to do for the people in that navy yard. I suppose his statements here have been printed in Philadelphia. We have to-day $100,000,000 invested in navy yards throughout the country, and the greater proportion of them are not being utilized. An amendment like this will help to make use of those navy yards on which the Government has expended so much money. I never heard the gentleman from Pennsylvania or any of the other gentlemen who are so much interested in keeping the profits in the pockets of these trusts and corporations make any protests against spending money in these navy yards to equip them; but after it is spent there, and oftentimes wasted to satisfy some one in those districts, then these gentlemen want them to lie idle and not be utilized.

Mr. MOORE. Mr. Chairman——

Mr. BUCHANAN of Illinois. I do not yield to the gentleman.

Mr. MOORE. I yielded to the gentleman from Illinois several times.

Mr. BUCHANAN of Illinois. I do not yield. You will find them all the time opposing remedial legislation for labor, such as the seaman's bill, eight-hour bills, and other measures of like sort that the laboring people throughout the country want. At least, if they can do it under cover, if they can do it by some subterfuge, you will find them everywhere and all the time exercising their influence to that extent. So it is that I expect such arguments from such men, making a subterfuge argument about Government ownership, when we have already got Government ownership of navy yards without any protest against it. But when it comes to putting something into those navy yards so that they may be utilized, to help to absorb some of the overhead charges and other useless expenditures, then you hear some one who is opposed to Government ownership. I favor it, as far as I am concerned. I favor the Government doing those things that it can do, and manufacturing its own supplies, and I repeat again, that if the Government would manufacture its own war munitions altogether and have an income tax on large incomes to pay expenses, you would see the gentlemen who are in this so-called Navy League turning tail, and opposing large expenditures; because they are the men with large incomes, and they are the people who are getting profit by these contracts that the Government is letting out for naval supplies.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois.

Mr. TAVENNER. Mr. Chairman, am I permitted to use the remaining time?

The CHAIRMAN. All time has expired.

Mr. TAVENNER. I ask unanimous consent for three minutes.

The CHAIRMAN. The gentleman from Illinois asks unanimous consent for three minutes. Is there objection?

There was no objection.

Mr. TAVENNER. Mr. Chairman, the gentleman from Pennsylvania [Mr. MOORE] is an able and conscientious Representative, and I have sincere admiration for him. But he has been on both sides——

Mr. MOORE. Mr. Chairman, I should like to hear the gentleman if he is going to address his remarks to me.

The CHAIRMAN. The committee will be in order.

Mr. TAVENNER. I desire to repeat that the gentleman from Pennsylvania has been on both sides of this argument.

Mr. MOORE. No; the gentleman from Pennsylvania has not.

Mr. TAVENNER. Only a short time ago the gentleman made a speech on the floor of this House asking that the Frankford Arsenal at Philadelphia be increased, so that it could do some work that is now going to private manufacturers. I have before me the figures that the gentleman from Pennsylvania [Mr. MOORE] placed in the RECORD, stating that at the Frankford Arsenal at Philadelphia they were manufacturing 3-inch shrapnel cases for $1.75 that under private contract had been costing $3.06; that they were manufacturing 3.8-inch common shrapnel for $7.94, and that the very lowest price at which private manufacturers had ever done that work was $17.50.

The speech of the gentleman from Pennsylvania [Mr. MOORE] showed on the whole that on a $2,000,000 contract given to the Frankford Arsenal the Government had saved $979,000, or practically $1,000,000 on a $2,000,000 contract. The gentleman from Pennsylvania did not contend at that time that if the Frankford Arsenal was increased it would take work away from private manufacturers. I think that when he was on the Government side he made the most convincing argument by far. [Applause.]

Mr. MOORE. Mr. Chairman, I ask unanimous consent to speak for two minutes.

The CHAIRMAN. The gentleman from Pennsylvania asks unanimous consent for two minutes. Is there objection?

There was no objection.

Mr. MOORE. Mr. Chairman, I have not been on both sides of the question. I did put some figures in the RECORD which I am perfectly willing to stand by, that munitions of war could be made at the Frankford Arsenal cheaper than by outside manufacturers. I have stood up for the Philadelphia Navy Yard and for a transport to be built there. I do not believe that the gentleman from Illinois [Mr. BUCHANAN] voted to give us building ways on which to construct a ship. I believe he voted against it. I believe that he hocus-pocused this proposition to build a ship and then took away from us the means for building it.

Mr. BUCHANAN of Illinois rose.

Mr. MOORE. I can not yield. The gentleman from Illinois, Mr. TAVENNER, and the gentleman from Illinois, Mr. BUCHANAN, fail to grasp the very substance of this proposition, which is that if there is a navy yard that builds a ship and a private yard or a private shipbuilding company that builds a ship the result is competition.

Mr. DONOVAN. Will the gentleman yield?

Mr. MOORE. No; I have refused to yield. If there is a navy yard to build a ship and a private yard to build a ship, and two ships to be built, there will be more workmen to be employed, and there will be resulting competition. The gentleman wants to build all the ships under Government direction and have everybody in the navy yard. He wants a monopoly of Government control, and I want a fair competition between the Government manufacturing shops and manufacturers making the munitions of war to which the gentleman from Illinois [Mr. TAVENNER] refers.

Mr. BUCHANAN of Illinois. Mr. Chairman, I ask unanimous consent for three minutes more for the gentleman from Pennsylvania.

Mr. PADGETT. I object. Mr. Chairman, I ask for only one minute.

The CHAIRMAN. The gentleman from Tennessee [Mr. PADGETT] asks unanimous consent for one minute. Is there objection?

There was no objection.

Mr. PADGETT. I want to invite the attention of the House to the amendment that is pending, which is to build submarines at navy yards. We have no organization for that purpose, and it would cost a great deal more to build them in navy yards, as shown by the estimates. These submarines are under patents, and we would have to pay the patentee from $50,000 to $75,000 on each boat. I hope the amendment will be voted down.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois.

The question was taken, and the amendment was rejected.

The Clerk read as follows:

Four submarine boats, in an amount not exceeding in the aggregate $1,500,000; and the sum of $800,000 is hereby appropriated for said purpose.

Mr. BUCHANAN of Illinois. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

On page 54, line 5, after the word "purpose" insert "to be constructed in Government navy yards."

Mr. BUCHANAN of Illinois. Mr. Chairman, there is no reason why the navy yards can not be organized to construct submarines as well as private yards can organize, and the patents which the chairman of the committee speaks of cuts no figure, because those who have the patents no doubt charge it into the contract price and the Government pays for the patent. That goes without saying.

The fact is, of course, that there has been no effort on the part of the Navy Department to organize for the purpose of utilizing the yards for the construction of the auxiliary vessels of the Navy. The management of these yards is not what it ought to be. If we had the proper management of the navy yards of the country there is no doubt that we would construct vessels cheaper than they could be constructed in private yards. We have already shown in the manufacture of powder and guns that we can manufacture cheaper, and there is no doubt in my mind, Mr. Chairman, that if a proper effort was made we could manufacture these auxiliary boats cheaper than in any private yard. As we all know, the working people there get better wages, work under better conditions; that they get time for vacations that those do not who work in private yards, and it seems that those who speak almost with tears in their eyes f their love for the working people and the large expenditures in the Navy that they are making to give those working people the benefit and which, they claim, is for their interest, when it comes to putting the work in the place where it can be done under the best conditions for the working people, they change their position in regard to the matter.

[Mr. WILLIS, by unanimous consent, was given leave to extend his remarks in the RECORD.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois [Mr. BUCHANAN].

The question was taken; and on a division (demanded by Mr. BUCHANAN of Illinois) there were 34 ayes and 61 noes.

So the amendment was rejected.

The Clerk read as follows:

The three coast-defense submarine torpedo boats herein authorized shall be built on the Pacific coast: *Provided*, That the cost of construction on the Pacific coast does not exceed the cost of construction on the Atlantic coast plus the cost of transportation from the Atlantic to the Pacific; and the Secretary of the Navy is requested to consider the advisability of stationing the four small submarine torpedo boats herein authorized on the coast of the United States in the Gulf of Mexico as a proper naval defense thereof.

Mr. MANN. Mr. Chairman, I reserve a point of order on the paragraph. I would like to ask what is the reason for inserting in the bill a request to the Secretary of the Navy to consider the advisability of stationing the four small submarine torpedo boats in the Gulf of Mexico. Since when did Congress commence to determine where naval vessels should be located in the service?

Mr. PADGETT. A provision of a similar character was inserted in the bill a year ago.

Mr. MANN. Where did the item get in?

Mr. PADGETT. In the House.

Mr. MANN. What were those, submarines?

Mr. PADGETT. Submarines.

Mr. MANN. What was the effect of that?

Mr. PADGETT. The boats authorized have not yet been completed.

Mr. MANN. Is not the Secretary of the Navy quite competent to determine these questions? At that time, I believe, I was in the Chair and could not raise the point of order. I can not conceive of anything more silly than to ask the Secretary of the Navy to take into consideration whether he will have a certain vessel put here or there. That is his duty.

Mr. PADGETT. I admit that it is the duty of the Secretary of the Navy, but people who felt interested in the matter asked for the location of these submarines.

Mr. MANN. Which particular gentleman had this done?

Mr. PADGETT. A number of gentlemen appeared before the committee, both from the Pacific coast and from the Gulf coast.

Mr. MANN. But these items are usually put in for the purpose of renominating or reelecting some Member of Congress; and, perhaps, if I knew who it is, I would not make any objection. [Laughter.]

Mr. PADGETT. If the gentleman will look in the hearings, he will see.

Mr. MANN. Yes; but I am not going to look in the hearings.

Mr. GARRETT of Tennessee. Is the gentleman going to make the point of order?

Mr. MANN. Mr. Chairman, I am trying to find out who the gentleman was. I thought, perhaps, the gentleman who was particularly interested would rise. However, I am not going to say that the Secretary shall not have the opportunity of receiving the combined wisdom of Congress requesting him to exercise his jurisdiction, which he is required to exercise anyway, and to think, which he is supposed to do in any event.

Mr. PADGETT. Mr. Chairman, does the gentleman make the point of order?

Mr. MANN. I have not made it.

Mr. FITZGERALD. Mr. Chairman, I reserve the point of order. I wish to inquire of the gentleman from Tennessee [Mr. PADGETT] whether these seacoast-defense submarine torpedo boats are to be constructed in private yards.

Mr. PADGETT. There is no limitation here.

Mr. FITZGERALD. That is the intention?

Mr. PADGETT. I do not know whether they will be or not. The Secretary has been talking about equipping the yard at Mare Island with a view of building submarines.

Mr. FITZGERALD. But the argument used against the amendments offered by the gentleman from Illinois [Mr. BUCHANAN] has been that these yards have not been equipped. The provision is that they shall be built on the Pacific coast, providing the cost of construction upon the Pacific coast does not exceed the cost of construction on the Atlantic coast, plus the cost of transportation.

Mr. PADGETT. Yes.

Mr. FITZGERALD. How is the cost of transportation from the Atlantic coast to the Pacific coast to be determined?

Mr. PADGETT. If the boat is constructed on the Atlantic coast, it would have to be carried around through the canal to the Pacific coast, and what the cost of carrying it around to the Pacific coast as a completed vessel would be would make the difference.

Mr. FITZGERALD. Can that be ascertained in advance?

Mr. PADGETT. I think so.

Mr. FITZGERALD. Particularly as there are no steamer lines routed through the canal from the Atlantic coast to the Pacific coast at this time, or within the time within which these boats will be authorized.

Mr. PADGETT. I understand that they can go through on their own steam.

Mr. FITZGERALD. Mr. Chairman, when the Union Iron Works were in existence at San Francisco and the Moran Bros. plant existed at Seattle, for some years it had been the custom to carry a provision that certain vessels authorized in the naval appropriation bill should be constructed upon the Pacific coast, if the bids did not exceed the lowest bids from builders on the Atlantic coast by more than 4 per cent.

Mr. PADGETT. Five per cent, I think.

Mr. FITZGERALD. No; 4 per cent. I took occasion to point out that the contracts for the construction of those vessels had been awarded for construction on the Pacific coast upon bids that were exactly 4 per cent higher than the lowest bid of the bidders on the Atlantic coast, and it was a notorious fact that that did not happen merely by accident, but that there was a prearrangement among the bidders in respect to the bids. Is this intended to help out some particular shipbuilding concern located in some particular part of the United States?

Mr. PADGETT. Not that I have any knowledge of.

Mr. ROBERTS of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. FITZGERALD. Yes.

Mr. ROBERTS of Massachusetts. The main purpose of this provision is to insure the stationing of these boats on the Pacific coast. If they are constructed on the Atlantic coast and then carried around, it will cost much more than it will if the boats are constructed originally on the Pacific coast, even if the price is a little greater for construction than on the Atlantic coast.

Mr. FITZGERALD. Oh, this whole paragraph is due to the vivid imagination of some gentlemen who think that unless we put submarines on the Pacific coast we will wake up some morning and find that Japan has captured the entire Pacific coast.

Mr. ROBERTS of Massachusetts. Is it not well to allay the alarm on the part of the people? I think I remember a time when the people of New York were somewhat alarmed.

Mr. FITZGERALD. Oh, the gentleman is thinking of the people of Boston, who moved their valuables into the Berkshire Hills because they were afraid the Spanish fleet would capture them. There was no such condition in New York.

Mr. MANN. The people of New York moved out of the city.

Mr. FITZGERALD. Oh, no; they did not.

Mr. CURRY. Mr. Chairman, I am from the Pacific coast, and I desire to say that I am not afraid of the Japs, whether there are torpedo boats stationed on the Pacific coast or not.

Mr. FITZGERALD. What I am trying to ascertain is whether this is designed to help some particular shipbuilding concern located in some particular part of the country.

Mr. MADDEN. Or some navy yard.

Mr. FITZGERALD. They do not build these vessels in navy yards.

Mr. MANN. The fact is that those ships are needed on the Pacific coast.

Mr. FITZGERALD. Yes.

Mr. MANN. And it may be cheaper to build them there than to take them around. It is not a matter that ought to be discussed very much on the floor of the House, but there are very good reasons for putting them there.

Mr. FITZGERALD. We might as well discuss it on the floor of the House, because naval attachés read these bills, and they understand their provisions just as well as we do.

Mr. MANN. Possibly they do.

Mr. FITZGERALD. Then why fool ourselves?

Mr. MANN. That is quite a little different, however, from a formal discussion here that may be reported in some other parliamentary body and excite too much feeling.

Mr. FITZGERALD. Well, too much attention should not be paid to statements made on the floor of parliamentary bodies, either in this country or others.

Mr. MANN. Oh, the gentleman is mistaken.

Mr. FITZGERALD. I said there should not be; I did not say it is not.

Mr. MANN. That is correct; it should not be.

Mr. STEPHENS of California. Mr. Chairman, I will say in answer to the gentleman from New York [Mr. FITZGERALD] that the first part of this paragraph was placed in the bill largely at my instance. It was done so that the three submarine torpedo boats, which are authorized in a previous paragraph, and which are intended for service on the Pacific coast, might be built where they are to serve. As the gentleman from Illinois [Mr. MANN] has just said, there are good reasons, which need not be gone into at this time, for additionally protecting the Pacific coast by placing battleships and more armored cruisers and more submarines of all kinds in our various harbors there. If we build them on that coast, we are sure of having them there. Again, we are entitled to have a fair share of the vessels authorized by this bill built and commissioned on the Pacific shores. Our Pacific coast shipyards, be they Government or private, can at small expense be fitted to construct these vessels. The Government shops at Mare Island can build one, the Bremerton yard another, and the third can go to some private shipbuilding firm if the bids so warrant.

Mr. Chairman, when I asked the committee to authorize this Pacific coast construction I had in mind only justice to the Pacific coast, and the keeping of our workmen busy throughout the year. No private shipbuilding concern had ever suggested anything of the kind to me. None are located in the congressional district which I represent in this House, yet, Mr. Chairman, I am patriotically interested in the continued growth of the three or four private shipbuilding concerns located near our largest cities. I had in view first the continued development of our western shipbuilding and repairing plants belonging to the United States Government, and next, additional work for our private concerns and their workmen. I hope the gentleman will withdraw his point of order.

Mr. PAYNE. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. PAYNE. Is there anything at all before the committee?

The CHAIRMAN. The point of order has been reserved.

Mr. PAYNE. The point of order has not been made?

Mr. FITZGERALD. It has been reserved.

Mr. PAYNE. I object to this discussion; it is out of order, and it has not added anything to the sum of human knowledge for some time.

Mr. MANN. It will be impossible to finish the bill by half past 3 o'clock.

Mr. PAYNE. I have had a number of offers to pair with me if I want to go to the ball game, if that is what the gentleman is getting at. I think the gentleman himself would pair with me if I desired it.

Mr. MANN. The gentleman will pardon my suggestion of going to the ball game. I was assuming that he would.

Mr. PAYNE. I will say to the gentleman from Illinois I am anxious to get through with this bill by Saturday.

Mr. FITZGERALD. Mr. Chairman, I withdraw the point of order so far as I am concerned.

The Clerk read as follows:

The Secretary of the Navy shall build any of the vessels herein authorized in such navy yards as he may designate, should it reasonably appear that the persons, firms, or corporations, or the agents thereof, bidding for the construction of any of said vessels have entered into any combination, agreement, or understanding the effect, object, or purpose of which is to deprive the Government of fair, open, and unrestricted competition in letting contracts for the construction of any of said vessels.

Mr. GRAY. Mr. Chairman, I want to say something on the question of Government construction, and I take advantage of this opportunity. We have repelled foreign foes, we have suppressed domestic insurrection, we have asserted our supremacy against the world, and yet to-day we are quailing before the Steel Trust and paying tribute to the monopoly engaged in the construction of warships and warship supplies.

Every taxpayer of this Nation should know of the extortionate profits which are wrung from the people on account of the increase of the Navy. Every taxpayer should know that the builders of warships and the manufacturers of armor plate, arms and armament, and warship supplies are all combined and operating under a trust agreement to avoid competition and to arbitrarily fix and maintain prices and that the Government is at their mercy and is compelled to submit to their charges, without regard to the value of the work performed or the materials or articles furnished.

Every taxpayer should know that upon the one article of armor plate alone the Government has been compelled to pay millions of dollars more than the fair and reasonable cost of producing armor plate and is to-day still paying these excessive profits and monstrous overcharges. They should know that when we build these two new dreadnaught battleships we will require 16,000 tons of armor plate; that we will be compelled to pay the Steel Trust for this armor plate at the rate of not less than $440 per ton, or not less than $7,040,000; that the Government can manufacture this armor plate at a cost not exceeding $279 per ton, or not more than $4,464,000, and thereby save to the taxpayers of this country $2,576,000, which the Steel Trust will otherwise levy and collect as a tribute off of the American people.

They should know that what is true of armor plate is true of other articles—materials, works, and equipments that go into the construction of battleships. They should know that the total cost of these two dreadnaught battleships will be when completed $15,000,000 each, or a total cost of $30,000,000, and that substantially one-third of this sum, excepting for such articles as the Government manufactures itself, will be excessive profits and overcharge, commonly known and understood in present-day language as "graft," which the taxpayers will be compelled to pay as a tribute to the Steel Trust to swell the millions of Carnegie, Schwab, and Frick.

The taxpayers should know that the Government has been at the mercy of these naval-supply companies for more than a quarter of a century, and I want to give here a table which I have prepared, showing these monstrous overcharges which the United States has been compelled to pay every year since 1887 on the one single item of armor plate alone, to say nothing of the tribute levied from other material and other articles of arms and armament and supplies and equipment used in the Navy during that time:

Year.	Company.	Tons.	Average charge.	Total charged.	$279 per ton, reasonable cost to manufacturer.	Overcharge or annual tribute collected off of taxpayer.
1887	Bethlehem	6,891	$604.85	$4,168,000	$1,819,589	$2,348,411
1890	Carnegie	6,054	671.15	3,475,000	1,688,066	1,786,934
1893	Bethlehem	3,882				
	Carnegie	3,120				
	Total	7,002	658.72	4,604,000	1,953,558	2,650,442
1896	Bethlehem	2,800				
	Carnegie	3,073				
	Total	5,873	550.23	3,232,080	1,637,567	1,594,513

Year.	Company.	Tons.	Average charge.	Total charged.	$279 per ton, reasonable cost to manufacturer.	Overcharge or annual tribute collected off of taxpayer.
1898	Bethlehem	3,965				
	Carnegie	3,712				
	Total	7,677	$400.00	$3,074,800	$2,241,883	$832,917
1899	Bethlehem	1,142				
	Carnegie	1,134				
	Total	2,276	400.00	910,400	635,004	275,396
1900	Bethlehem	18,588				
	Carnegie	18,588				
	Total	37,176	413.42	15,369,400	10,372,104	4,997,296
1903	Bethlehem	5,798				
	Carnegie	5,666				
	Midvale [1]	6,180				
	Total	17,644	406.82	7,173,502	4,922,676	2,250,826
1904	Carnegie	5,258	417.28	2,194,040	1,466,982	727,058
1905	Bethlehem	4,959				
	Carnegie	1,921				
	Midvale	1,041				
	Total	7,921	403.03	3,223,412	2,109,959	1,113,461
1906	Bethlehem	1,824				
	Carnegie	1,865				
	Midvale	3,690				
	Total	7,379	345.92	2,552,382	2,058,741	493,641
1907	Bethlehem	3,579				
	Carnegie	3,538				
	Midvale	2,259				
	Total	9,376	416.90	3,919,400	2,615,904	1,303,496
1909	Bethlehem	7,731				
	Carnegie	7,757				
	Midvale	6,914				
	Total	22,402	422.29	9,463,767	6,241,832	3,221,935
1911	Bethlehem	4,469				
	Carnegie	4,530				
	Midvale	4,476				
	Total	13,475	430.58	5,801,508	3,759,525	2,041,983
1912	Bethlehem	5,022				
	Carnegie	5,132				
	Midvale	5,189				
	Total	15,343	428.26	6,573,612	4,280,697	2,292,915
1913	Bethlehem	2,669				
	Carnegie	2,684				
	Midvale	10,462				
	Carbon Steel Co. [1]	61				
	Total	15,876	457.50	7,204,977	4,429,404	2,802,901
	Total overcharge					30,734,125

[1] New company.

The above total is the tribute levied upon this Government and collected from the American taxpayers during the last 25 years upon the one item of armor plate alone, and which could have been saved to the people by the Government manufacturing its own armor plate.

From the reports of the different investigations ordered by Congress and the disclosures made by the different Secretaries of the Navy relative to the cost of producing armor plate and the overcharges exacted of the Government, among other facts, it has been found that in 1894, when the steel companies were charging the United States $616.14 per ton for armor plate, the same companies were selling armor plate to the Russian Government for $249 per ton, or, in other words, they were charging the United States $367.14 per ton more than the foreign Government of Russia; that before the armor-plate manufacturers of the United States combined with the foreign armor-plate manufacturers under a world-wide trust agreement the United States manufacturers were selling armor plate to Italy, Japan, and other foreign Governments at prices far less than the prices they were compelling the United States to pay for armor plate; and that subsequent to this world-wide trust agreement among the armor-plate manufacturers Russia, Japan, and France have built armor-plate plants to avoid the excessive and extortionate charges for armor plate; and that by thus manufacturing their own armor plate these Governments have been able to obtain armor plate for about $200 a ton less than the manufacturers have been demanding.

It has also been found that at a hearing before the Senate Committee on Naval Affairs, ordered in January, 1896, to investigate the prices of armor plate with a view to building an armor-plate factory, and reporting February 11, 1897, that Lieut. Commander John A. Rodgers, among other witnesses and experts examined, stated:

I am of the opinion that the average cost of labor and materials will not be more than $250 per ton of armor.

From the report of Secretary of the Navy Herbert, made January 5, 1897, it is shown that armor plate can be manufactured at prices far less than the prices charged the Government, and ranging from $167.30 to $197.78 per ton, and from which report the following is quoted:

The Secretary called together a board composed of Lieuts. Karl Rohver, Kossuth Niles, and A. A. Ackerman, two of whom had been inspectors of armor at the Bethlehem Co.'s Iron Works; the other, Lieut. Ackerman, had been connected with the manufacture and use of steel in its different forms for a number of years, during which time he had spent several months at both the Bethlehem and Carnegie works. These gentlemen made an exhaustive report upon the cost of labor and material entering into a ton of armor, showing in detail every little item, beginning with the cost of the several ingredients charged in the furnace for casting the ingot preparatory to the forging process and ending with the work on the finished plate. The result of their calculations was that the cost of the labor and material in a ton of single-forged Harveyed nickel steel armor, the Government supplying the nickel (nickel at $20 per ton), was $167.30.

* * * * * * *

Lieut. Commander Rodgers, who had been an inspector at Bethlehem Iron Works, was called upon to make an estimate of the cost of manufacturing armor, and his report, based upon observation in the manufacture of armor, makes the cost of labor and material in a ton of single-forged Harveyed nickel steel armor $178.59.

* * * * * * *

The inspector of ordnance at the Carnegie Steel Co., Ensign C. B. McVay, was also called upon for an estimate, and his report, though made separately without consultation with the other officers, is that the labor and material in a ton of single-forged Harvey nickel steel armor is $161.54.

* * * * * * *

Average for single forged of above estimate is $185.38, and $197.78 for reforged armor.

It has been found from the report of every investigation made to ascertain the cost of producing armor plate that the fair and reasonable cost of producing such plate is far below the prices which the United States has been compelled to pay and is still paying, the highest estimate submitted being from Admiral Strauss, of the United States Navy, who fixes the limit of cost at $279 per ton in an armor-plate factory of 20,000 tons capacity, and it is from this estimate that the foregoing table has been made.

The means and methods through which the steel manufacturers maintain these extortionate prices for armor plate and which enable them to levy and collect this tribute of millions annually from the taxpayers of the United States are simple enough when the facts are known and understood. There has been only three companies engaged in producing armor plate in the United States—the Carnegie Steel Co., the Bethlehem Steel Co., and the Midvale Steel Co. The Carbon Steel Co. is a new organization just entering the armor-plate field. When bids are advertised for all these companies have made almost identically the same bid, and have frankly admitted that no matter which company is awarded the contract the business is divided among all the companies. Not only this, but these companies have been called upon by the Secretary of the Navy to show the figures and data as to why the prices for armor plate should not be reduced to the fair and reasonable cost of producing armor plate in accordance with the facts ascertained from the investigations made for that purpose. They have refused to reduce the price or to present any figure or any data whatever to show that their charges are not extortionate or that the cost of producing armor plate as ascertained by the many investigations made is not correct. In addition to this it has been found that this understanding among the armor-plate manufacturers is no longer confined to the United States, but has been extended to include all the armor-plate manufacturers of the world; that no foreign manufacturer will enter the United States to bid against the armor-plate companies here; that the Armor-plate Trust has been made world-wide; and that the United States, as well as foreign nations, is entirely at their mercy and is compelled to pay the prices fixed under this trust agreement regardless of the cost of production.

The history of these extortionate charges exacted of the Government for armor plate is almost incredible for belief. It has not only been proven, but it has been admitted by these companies themselves, that no competition exists among them; that their bids are not only always the same, but that the business is actually divided out among all of the companies, no matter

which company is awarded the contract. Repeated investigations have not only confirmed these charges that the prices exacted for armor plate are excessive and far above the reasonable cost of production, but when called upon by the Secretary of the Navy to give facts and data to show why these prices should not be reduced they have absolutely refused to make any showing whatever in justification. The facts are both affirmatively proven and admitted; and yet, in the face of all this, the steel companies have been permitted to destroy competition and to proceed unmolested from year to year to exact these vast sums of money from the United States Treasury.

An investigation of the record shows that attempts have been made from time to time to relieve the Government from these extortions and overcharges and to prevent the further collection of this tribute from the American taxpayers, by providing for the manufacture of armor by the Government, but that some mysterious influence has each time intervened to defeat these efforts and to frustrate the plans and prevent the same from being carried out. Both committees of Congress and Secretaries of the Navy have repeatedly reported these extortionate charges and recommended the construction of a Government armor plant to secure relief from the further exactions of the Steel Trust. The money to construct a Government armor plant has three times been appropriated and made available for that purpose, and still the United States is paying this tribute of millions of dollars annually to the armor-plate manufacturers.

We have now authorized two more dreadnaught battleships, calling for 16,000 tons of armor plate, for which we will be compelled to pay to the Steel Trust at the rate of not less than $440 per ton, or $7,040,000, of which $2,576,000 will be excessive overcharge.

It should be known that this vast sum of $30,734,125 could have been saved to the taxpayers of this country on the one item of armor plate alone by the Government manufacturing its own armor, and that there could be now saved to the taxpayers of this country in the building of these two dreadnaught battleships on the one item of armor plate over $2,576,000.

The authorization of these two battleships without providing for an armor-plate factory for the manufacture of the armor required is a surrender of the taxing power of this Government over to the Steel Trust to further extort from the people, and is a condonation of the pillage of the Federal Treasury for the last quarter of a century.

We boasted in the War with Tripoli that we had millions for defense, but not a dollar for tribute; but in the authorization of these two battleships to-day, if we refuse to build an armor-plate plant we not only say we have had $30,000,000 for tribute and are willing to pay more, but we will say we have not a dollar for the defense of the Treasury and the relief of the American taxpayer.

An amendment will be offered to this bill providing for the erection of an armor plant by the Government, and this House will not perform its duties to the taxpayers of the country nor vindicate the confidence of the people if that amendment is not adopted.

After this Government has paid a tribute of more than a million dollars annually to the Armor Plate Trust for a quarter of a century, and in all more than $30,000,000; after repeated investigations by congressional committees showing the monstrous extortions exacted of the United States and the saving which can be made, amounting to more than a million dollars upon every battleship authorized; after recommendations by two Secretaries of the Navy for the erection of an armor plant to escape these excessive charges of the Steel Trust; after three appropriations have been made for an armor plant without securing its construction; after a conclusive and undisputed showing that more than $2,576,000 can be saved to the taxpayers of the Nation upon this one item of armor plate in the construction of the two battleships just authorized, the provision in the bill providing merely for an investigation for a site for an armor plant, without any appropriation or provision for its construction, will show a disregard of good faith and our pledges for economy in the administration of the affairs of the Government.

The authorization of these two battleships, without an appropriation and proper provision for the erection of an armor plant for the manufacture of the armor which will be required in their construction, is a crime against the taxpayers of this country. It is a breach of faith with the people. It is an appalling national scandal. It is a criminal waste of the public funds. It is a surrender of the taxing power of the Government for monopoly to extort from the people. It is a condonation of the pillage of the Public Treasury for a quarter of a century. [Applause.]

Mr. FOWLER. Mr. Chairman, I desire to offer the following amendment.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Amend, page 54, at the end of line 23, by adding the following: "And the Secretary of the Navy is hereby authorized to offer and pay rewards to any person or persons who shall first furnish evidence that shall lead to recoveries in fines, penalties, or otherwise from such persons, firms, or corporations entering into such combinations, agreements, or understandings, such rewards to be 10 per cent of the amounts recovered by the Government, and to be paid therefrom."

Mr. MANN. I make the point of order against the amendment on the ground that it is legislation.

The CHAIRMAN. The point of order is sustained.

Mr. FOWLER. Mr. Chairman, before the Chair passes on the point of order I desire to be heard.

The CHAIRMAN. The Chair will hear the gentleman.

Mr. FOWLER. I desire to call the attention of the Chair to the fact that the paragraph itself is subject to a point of order, and had a point of order been made against it the Chair would have been compelled to have sustained it. That being true, then any amendment which is germane to the paragraph is not subject to a point of order. As the Chair will observe from the reading of the paragraph, it gives to the Secretary of the Navy some additional powers which are created by this paragraph and which the Secretary of the Navy does not have now. That being true, then an amendment which is germane to the paragraph for the purpose of perfecting it is certainly not subject to a point of order.

The CHAIRMAN. The Chair would be glad to hear the gentleman upon the question as to whether or not this amendment is germane.

Mr. FOWLER. The Chair will observe that the object of the paragraph is to confer a power upon the Secretary of the Navy to do certain things in the construction of war vessels, provided that in his opinion the circumstances are such as to justify him in believing that the persons, firms, or corporations who are the source of supply for the materials have entered into a combination or an agreement or an understanding for the purpose of preventing free and unrestricted competition in letting the contracts for the construction of these war vessels.

Now, Mr. Chairman, the paragraph dealing directly with the question of the combination in restraint of open, free, and unrestricted competition in letting these contracts imposes upon the Secretary of the Navy a duty which he must discharge before he can decide in what navy yard the warships shall be built. That is, that he shall collect in some way evidence sufficient for the purpose of arriving at a reasonable conclusion that these persons, firms, or corporations are engaged in an understanding, a mutual understanding, for the purpose of destroying unrestricted and free competition in the letting of the contracts for the construction of these vessels.

Now, Mr. Chairman, dealing with the question of evidence, it becomes necessary on the part of the Secretary of the Navy to collect the evidence which is sufficient to bring him to a just conclusion before he can act upon this section. The amendment seeks to aid the Secretary in getting at the evidence in order that he may arrive at a correct conclusion, and that is to offer a reward for the evidence. That is one of the most effective ways to secure evidence. Wherever the criminal has committed a deed and fled the country, or whenever the criminal has committed a deed in secrecy and covered up his crime so that it can not be detected readily, the most effective means of getting the evidence is to offer rewards. It is the weapon by which municipalities, States, and the Nation have procured the necessary evidence to convict the criminal.

Mr. Chairman, if this paragraph was originally subject to a point of order, which I presume nobody will deny, then the amendment is germane, because it deals with one of the essential elements in the paragraph, and that is with the question of evidence, and the reward which it proposes to offer is the very best means of securing the proper evidence upon which to determine as to whether there is an agreement or an understanding between the persons, firms, or corporations in restraint of a free and unrestricted opportunity for competition in letting these contracts. It may be said by some that that part of the amendment which seeks to limit the amount that may be paid in these rewards is new legislation. Mr. Chairman, that is just in harmony with the other part of the amendment, because it deals with a paragraph in itself subject to a point of order. It seeks nothing more nor less than the paragraph itself, with the exception of extending the powers of the Secretary of the Navy in order that he may procure the proper testimony.

I call the attention of the Chair to a recent ruling during this session of Congress. The Chair will remember that in the consideration of the executive, judicial, and legislative bill there

was an amendment offered by the chairman of the subcommittee, Mr. JOHNSON of South Carolina, in committee, to a certain paragraph which purported to repeal the laws inconsistent with the provisions of the bill. Those laws dealt with the salaries of various officers and employees of the Government. Mr. GARNER of Texas was in the chair, and when the amendment was offered it not only dealt with the question of repeal of laws fixing salaries, but it went to the extent of creating a new law fixing these salaries. And the Chairman, after listening to the debate, overruled the point of order.

Now, Mr. Chairman, in that instance the only thing the Chair in his ruling sought was the question as to whether the amendment was germane to the subject matter. He determined that the amendment which related to the question of the repeal of a law was germane to enact a new law instead of the laws that then existed on the statute books.

Now, Mr. Chairman, if the Chair on that occasion was correct in his rulings and it was accepted by the House, then this amendment to the paragraph under consideration only goes to the extent of perfecting that paragraph; and that is one of the rules, Mr. Chairman, that this House has always been governed by; that is, whenever a provision in a bill is subject to a point of order, yet no point of order being raised, then any amendment that is germane to the subject matter in the paragraph is not subject to a point of order. I have just gone through with and read over a long list of authorities passing upon this question, and in no instance have I found but that the rulings of this House present an unbroken line of authorities to the effect that whenever a paragraph in an appropriation bill carries with it new legislation subject to a point of order, then an amendment which is germane to that paragraph may be offered by any Member of the House, and it is not subject to a point of order.

The CHAIRMAN. There is no dispute between the Chair and the gentleman upon that subject. The question is, Is this germane?

Mr. FOWLER. Mr. Chairman, I think it is entirely germane. The paragraph—and I desire to get it in the RECORD—reads as follows:

The Secretary of the Navy shall build any of the vessels herein authorized in such navy yards as he may designate, should it reasonably appear that the persons, firms, or corporations, or the agents thereof, bidding for the construction of any of said vessels have entered into any combination, agreement, or understanding the effect, object, or purpose of which is to deprive the Government of fair, open, and unrestricted competition in letting contracts for the construction of any of said vessels.

Now, let us see what the amendment is. The amendment is:

Provided further, That no part of this——

The CHAIRMAN. The Chair has the amendment which the gentleman is looking for.

Mr. FOWLER. I thought I had a copy of it, Mr. Chairman. I will be glad to have the Clerk report the amendment again, Mr. Chairman.

The CHAIRMAN. The Clerk will report it.

The Clerk read as follows:

Amend, page 54, at the end of line 23, by adding the following: "And the Secretary of the Navy is hereby authorized to offer and pay rewards to any person or persons who shall first furnish evidence that shall lead to recoveries in fines, penalties, or otherwise from such persons, firms, or corporations entering into such combinations, agreements, or understandings, such rewards to be 10 per cent of the amounts recovered by the Government, and to be paid therefrom."

Mr. MANN. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. MANN. Is this amendment now being offered again?

The CHAIRMAN. It is being read again. The gentleman from Illinois [Mr. FOWLER] asked that it be read again.

Mr. FOWLER. Mr. Chairman, I thought I had a copy of the amendment with me, but I see that I have not.

Now, Mr. Chairman, the amendment deals with the same subject matter that the paragraph does. And what is that? It deals with the question of evidence which may be necessary to enable the Secretary of the Navy to determine the question as to whether these persons, firms, or corporations have entered into a combination or understanding the object and effect of which are to destroy free and unrestricted competition in letting contracts for the building of any of these vessels.

Now, Mr. Chairman, it is impossible for the Secretary of the Navy to know whether there is such an understanding between these persons, firms, or corporations without getting the evidence; and this amendment provides a method to get the evidence, and that is to offer a reward for the evidence, bearing directly upon the same subject matter, and the amendment itself refers to the same subject matter that is dealt with in this paragraph.

And, Mr. Chairman, I can not understand that there is an element in the amendment that is not carried, either directly or indirectly, in the paragraph. And as the paragraph itself is subject to a point of order, and no point of order having been raised against it, then any amendment that is germane to the subject matter is in order, although the amendment may go further than the paragraph itself.

The CHAIRMAN. The Chair will hear what the gentleman may further have to say on that subject.

Mr. FOWLER. If there is any part of the amendment as to which the Chair has doubt in his mind I would be very glad to have him indicate it, if he thinks it is not germane.

The CHAIRMAN. The Chair will say that upon a somewhat casual listening to the first reading of the amendment as reported by the Clerk he arrived very quickly at the conclusion that the amendment was not germane, and therefore ruled that it was subject to the point of order. The Chair does not know that he has changed his opinion, but upon a careful reading of the amendment the Chair sees in it more from the gentleman's standpoint than he first thought was in it. The paragraph of the bill to which this is an amendment says:

The Secretary of the Navy shall build any of the vessels herein authorized in such navy yards as he may designate, should it reasonably appear that the persons, firms, or corporations, or the agents thereof, bidding for the construction of any of said vessels have entered into any combination, agreement, or understanding the effect, object, or purpose of which is to deprive the Government of fair, open, and unrestricted competition in letting contracts for the construction of any of said vessels.

Now, the gentleman's amendment seems to be germane down to a certain point in that amendment. In other words, the gentleman's amendment seeks to give the Secretary of the Navy ways and means by which to ascertain whether or not it appears that there is such a combination. The Secretary of the Navy, under the wording of the bill, may or may not wait for voluntary information to come to him for the purpose of ascertaining whether or not there is such a combination. But the gentleman's amendment goes further than that, and in the latter part of it says:

Such rewards to be 10 per cent of the amount to be recovered by the Government, and to be paid therefrom.

First, it provides for the payment of rewards; and then, in the latter part of the amendment, the language I have just read occurs. The Chair is apprehensive that that part of the amendment is not germane, inasmuch as it imposes a penalty, indirectly, of course; and it also necessarily takes into consideration some judicial finding thereafter to be made. The Chair is inclined to the opinion that that is too remote in order to be germane.

Mr. FOWLER. Well, Mr. Chairman, there is only one way that the Secretary of the Navy can make up his mind as to whether there is a combination or understanding in restraint of free and unrestricted competition.

The CHAIRMAN. Yes; but the gentleman couples a probable judicial finding with the manner in which the Secretary of the Navy may reach that conclusion.

Mr. FOWLER. The amendment does not impose any judicial finding, as I understand it.

The CHAIRMAN. It imposes a penalty of 10 per cent upon conviction. There must be some penalty and a conviction before this reward can be paid.

Mr. FOWLER. Well, Mr. Chairman, the offering of the reward necessarily means the payment of money or something of value for the evidence. That being true, to fix in the amendment the way in which the reward can be paid is germane, just as much germane as though it left out the means or the way in which the reward might be paid.

The CHAIRMAN. The Chair does not know whether or not some direct means may be found, but is inclined to the opinion that this means is too indirect. In other words, in order to be germane it must "intimately and directly" relate to the subject matter of the paragraph. Therefore the Chair sustains the point of order. The Clerk will read.

Mr. FOWLER. Mr. Chairman, I desire to reoffer the amendment and leave out that portion of it which relates to the question of the means whereby the funds may be raised for the reward.

The CHAIRMAN. The gentleman will please change the amendment to suit himself and offer it in writing. The Clerk will read the amendment which the gentleman from Illinois [Mr. FOWLER] sends to the Clerk's desk.

The Clerk read as follows:

Amend page 54, at the end of line 23, by adding the following: "And the Secretary of the Navy is hereby authorized to offer and pay rewards to any person or persons who shall first furnish evidence that shall lead to recoveries in fines, penalties, or otherwise from such persons, firms, or corporations entering into such combinations, agreements, or understandings.

Mr. PADGETT. Mr. Chairman, I make the point of order that carries the same matter that you ruled upon awhile ago.

The CHAIRMAN. The Chair is in doubt whether it does or not.

Mr. PADGETT. I will ask for a ruling by the Chair.

The CHAIRMAN. Without further light being thrown upon it, the Chair overrules the point of order.

Mr. PADGETT. Now, Mr. Chairman, I will ask for a vote. All I want to say is that this amendment would still allow the Secretary of the Navy to obligate the Government for any amount to an unlimited reward. There is no limitation placed upon it. He can obligate the Government to pay a reward of $1,000, $10,000, or $100,000.

The CHAIRMAN. The Chair will say to the gentleman, however, that the amendment is germane.

Mr. FOWLER. Mr. Chairman, I desire to be heard on the amendment, and I understand that there are other gentlemen who desire to be heard upon it.

The CHAIRMAN. The gentleman from Illinois is recognized for five minutes.

Mr. FOWLER. Mr. Chairman, in 1894 there was a resolution passed in the House authorizing an investigation by the Committee on Naval Affairs. In that investigation it turned out not only that there were combinations for the purpose of stifling competition, but that there were combinations for the purpose of increasing the price of armor and for the purpose of putting off on the Government a very inferior armor for our war vessels.

In that investigation President Corey, of the Bethlehem Co., was before the committee, and he was asked this question:

Did you ever know of plugging being done without the knowledge of the inspector?

That is, the plugging of armor plates. It had been rumored and charged that it had been the custom of those manufacturing concerns from which we got our armor to use rotten material, if I may use the word "rotten," to the extent that they could not make a homogeneous plate; that there were great blowholes in the plates, which endangered the lives of our seamen and endangered the efficiency of our Navy. President Corey, of that company, when asked if he knew of the plugging of those plates having been done without the knowledge of the inspector, answered "yes." He was further asked:

Can you specify the time and what plate it was?

He answered:

No; I can not; I do not know.

Then Charles Schwab came on the stand. He was then the superintendent, and he was asked this question:

Do you know whether the company did really conceal the fact of blowholes in the plates?

He answered:

I think likely that was done.

Another question:

Was it done with your knowledge?

He answered:

Well, the concealment was not; no; but I had knowledge of this fact, that they did not make any plates that did not have blowholes.

Samuel Sheriff testified:

The plugging and doctoring of plates was generally done at night, when no inspectors were about, but I seen one fixed one day at noon.

T. F. Farley, in an affidavit concerning the plates of the *Monterey*, testified:

They were frequently imperfect, full of deep blowholes and defects. They were frequently taken off the planer in the daytime and hidden or covered up until night, so as not to be seen by the inspectors, and then worked upon in the nighttime.

He adds that the holes would be filled up and plugged by orders of those in authority about the mill.

G. W. Kountz made affidavit:

I have known of heavy plates being plugged of holes from 4 to 6 inches, unknown to the Government inspector. This fraud has been practiced upon the Government since long before November, 1892, and since September, 1893.

T. F. Farley testified:

I have seen them long enough for a person to run three fingers into them.

Q. How were they plugged?—A. When I first went there they were plugged by taking cuttings from the same plates, and with a small hand hammer those cuttings were taken, and by pushing or placing small cuttings into these blowholes until they were full, then hammering them in with a punch and placing more and more in the hole until it was level, until it could stand no more plugging. * * *

Q. Did you never try to search them?—A. Yes, sir; I have used a small flexible wire, and run it in. I have run wires in to the depth of 18 inches into the plates, and I know that plates that I run a wire into 18 inches passed and are now somewhere.

This evidence shows that after making a series of imperfect plates full of blowholes these plates were put off on the Government. That means that they were concealed during the daytime and plugged and surfaced over during the nighttime, in order to deceive the authorities inspecting for the United States.

The Secretary of the Navy offered a reward for the purpose of getting evidence to convict the Carnegie Steel Co., and the investigation went on, and there was a finding by reputable citizens, men who were experienced in the work, men who had worked for the Carnegies, men who had worked for the Government as inspectors of armor, and these men came to the conclusion that there was something like from $300,000 to $600,000 damages to the American people and the American Navy by the fraud which had been perpetrated.

The CHAIRMAN. The time of the gentleman has expired.

Mr. FOWLER. Mr. Chairman, I ask unanimous consent to proceed for 10 minutes.

Mr. PADGETT. Mr. Chairman, I shall have to object; and I move that all debate upon the paragraph and amendments thereto be closed.

The CHAIRMAN. It is moved that all debate on this paragraph and amendments be closed.

Mr. TAVENNER. I want to object to that. We are now coming to the point where the armor ring are going to get $16,000,000 worth of contracts, and the gentleman wants to rush it through.

Mr. PADGETT. This amendment has nothing to do with armor.

Mr. TAVENNER. It has a great deal to do with it.

Mr. FOWLER. I desire to be heard on the motion.

Mr. PADGETT. It is not debatable.

Mr. MANN. The gentleman knows as well as anybody that the motion to close debate is not debatable.

Mr. FOWLER. I move to amend, to close debate in 25 minutes.

Mr. MANN. That is a substitute motion, as I understand.

The CHAIRMAN. It is either an amendment or a substitute.

Mr. MANN. I move to amend the substitute by making it 1 hour and 25 minutes.

The CHAIRMAN. The vote will first be on the longer time. The question is on the amendment of the gentleman from Illinois [Mr. MANN] proposing 1 hour and 25 minutes.

The amendment was rejected.

The CHAIRMAN. The next proposition is that offered by the gentleman from Illinois [Mr. FOWLER], to close debate in 25 minutes.

The question being taken, the Chairman announced that the noes appeared to have it.

Mr. FOWLER. Mr. Chairman, I ask for a division.

The committee divided; and there were—ayes 15, noes 58.

Mr. FOWLER. Mr. Chairman, I ask for tellers.

The CHAIRMAN. The gentleman from Illinois asks for tellers. Those favoring tellers will rise. Evidently not a sufficient number, and the motion is rejected.

Mr. FOWLER. I ask for the other side, Mr. Chairman.

Mr. MANN. There is no other side on the demand for tellers. It takes 20.

The CHAIRMAN. There is no other side. The result has been announced.

Mr. FOWLER. I make the point that there is no quorum present.

The CHAIRMAN. The gentleman makes the point of order that there is no quorum present. [After counting]. One hundred and forty-three Members present, a quorum. The question is on the motion of the gentleman from Tennessee [Mr. PADGETT] to close debate on the paragraph and amendments thereto.

The motion was agreed to.

The CHAIRMAN. Was a point of order made against the pending amendment?

Mr. PADGETT. The point of order was made, and the Chairman overruled it.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois [Mr. FOWLER].

The amendment was rejected.

The Clerk read as follows:

Construction and machinery: On account of hulls and outfits of vessels and steam machinery of vessels heretofore and herein authorized, to be available until expended, $17,647,617.

Mr. VARE. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

Strike out the paragraph and insert the following:

"Construction and machinery: On account of building slips and equipment, hulls and outfit of vessels, and steam machinery of vessels heretofore and herein authorized, to be available until expended, $17,647,617."

Mr. PADGETT. To that I make a point of order.

Mr. VARE. Will the gentleman reserve the point of order?

Mr. MANN. What is the point of order?

Mr. PADGETT. That it is not germane to the bill. This is for the construction of the ship, and the amendment is for yard improvement.

Mr. MANN. It all has to do with the construction of the vessel, as far as that is concerned. I do not see what point of order there is to that. Of course this would not authorize the construction of any slip, unless authorized by law.

The CHAIRMAN. The paragraph is for the construction of hulls, outfits of vessels, and steam machinery of vessels heretofore and herein authorized, to be available until expended. The amendment is for building slips and equipment, and so forth. The additional language of the amendment would add to the paragraph the words "slips and equipment." The Chair is of the opinion that it is germane.

Mr. JONES. I would like to be heard a moment on that.

The CHAIRMAN. The Chair will hear the gentleman from Virginia.

Mr. JONES. This paragraph relates solely to hulls and steam machinery for vessels herein or heretofore authorized. It appropriates $17,000,000 for hulls and machinery for vessels, and this amendment, if adopted, will authorize the expenditure of a part of this sum for building ways for navy yards. It does not relate to the equipment of vessels, but, on the contrary, to the equipment of navy yards. The Chair has already ruled a similar proposition out of order. The language of this amendment is substantially similar, or similar in principle, to that of the paragraph for a building way at the League Island yard. It is clearly not germane and is also new legislation. It is to enable the Secretary of War out of this appropriation of $17,000,000 for hulls and machinery for vessels to construct slips or building ways at navy yards.

Mr. MANN. How can the gentleman claim that this is legislation when this is confined to vessels hereinbefore authorized?

Mr. JONES. It is not confined to vessels at all. It is confined to navy yards.

Mr. MANN. It is confined to what has been authorized.

This paragraph is on account of hulls, outfit of vessels, and steam machinery of vessels herein or heretofore authorized, and the language of the amendment is precisely the same; it is for building slips and ways heretofore authorized.

Mr. JONES. And the building slip is no part of the outfit or the steam machinery of a vessel, as the gentleman knows perfectly well. It is not germane to the subject matter of the paragraph, and it is new legislation.

The CHAIRMAN. The Chair would like to invite the attention of the gentleman from Virginia to the fact that this is for slips and equipment heretofore authorized. It refers to slips and equipment heretofore authorized as much as it refers to ships heretofore authorized.

Mr. JONES. What equipment and slips have been heretofore authorized?

The CHAIRMAN. That is not for the Chair to determine.

Mr. JONES. But the burden rests upon the author of the amendment to show that building slips have been authorized.

The CHAIRMAN. The Chair would say that whether the slips and equipment have heretofore been authorized is not for the Chair. If they have not been authorized, the Secretary of the Navy would not be authorized to make an expenditure for them.

Mr. JONES. I understand that it is the opinion of the Chair that unless there are building slips and equipment already provided——

The CHAIRMAN. Already authorized.

Mr. JONES. That this authorization could not possibly avail.

The CHAIRMAN. The Chair has not put it as strong as that, because he has not seen the necessity for so doing. This amendment provides for slips and equipment, hulls, outfit of vessels, and so forth, heretofore and herein authorized.

Mr. MANN. It is perfectly plain that it could not be expended unless the slip had been authorized.

Mr. JONES. Gentlemen ought to be able to point out some slips that have been authorized somewhere to which this would apply.

Mr. MANN. That has nothing to do with the point of order.

The CHAIRMAN. That is not a parliamentary question; it is one of fact to be ascertained hereafter by the Secretary of the Navy.

Mr. SAUNDERS. Mr. Chairman, it strikes me that the question of authority for the slips is vital. When the point of order is made to this amendment it puts the burden on this gentleman to show that his amendment is in order and that there have been slips authorized.

The CHAIRMAN. That would come directly up to the Secretary of the Navy. If they are not authorized, he has no authority to expend the money for them.

Mr. SAUNDERS. When any item of appropriation in this bill is under consideration and the point of order is directed to the item, you do not refer it to the department to show authority for the item, but to the chairman of the committee.

The CHAIRMAN. It is either a judicial or a quasi judicial question, which is not for the Chair.

Mr. JONES. I would like to ask the chairman if it is not true——

Mr. GREENE of Massachusetts. A parliamentary inquiry, Mr. Chairman.

The CHAIRMAN. The gentleman from Virginia can not be taken off his feet by a parliamentary inquiry.

Mr. SAUNDERS. Mr. Chairman, I believe I have the floor, because I was yielded to by the gentleman from Virginia [Mr. JONES].

The CHAIRMAN. The gentleman from Virginia will proceed.

Mr. SAUNDERS. I want to proceed with the argument on the point of order.

Mr. GREENE of Massachusetts. Mr. Chairman, I make a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. GREENE of Massachusetts. I make the point of order that this discussion is not allowable, as the Chair has already decided it.

The CHAIRMAN. The Chair will either withdraw or withhold his former decision for the purpose of hearing the gentleman from Virginia.

Mr. SAUNDERS. Mr. Chairman, I wish to repeat in connection with what I was saying, that it does seem to me that this is not a question of authority referable to the Secretary of the Navy, but a question of authority to be passed on by the Chair in connection with the proposed amendment. Suppose that with reference to a section of the bill offered by the gentleman from Tennessee, a point of order is made to the effect that the appropriation ordered is not supported by some existing authority of law, would not the burden fall upon the chairman of the committee to furnish the authority for the appropriation? That is precisely the situation here. The gentleman from Pennsylvania offers an amendment providing for an appropriation for a slip that has been authorized, and in that connection if he can furnish the authority for such a slip, his amendment is clearly in order.

But if he can not show anywhere that such a slip has been authorized, then how does he bring himself within the rule requiring authority of law to justify an appropriation? This question is not referable to the Secretary of the Navy at all. It is referable to the Chair, because the parliamentary status of the amendment is in question. This seems to me to be unquestionably the situation presented.

Mr. PADGETT. Mr. Chairman, will the gentleman yield?

Mr. SAUNDERS. Yes.

Mr. PADGETT. Under the language of the amendment it would apply not to any particular yard, but to slips in any yard in the United States.

Mr. SAUNDERS. Certainly.

Mr. PADGETT. Well, we have slips at other places.

The CHAIRMAN. Are there not slips authorized?

Mr. SAUNDERS. That is exactly what I wish to develop. I wish to develop by the gentleman who offers the amendment, the slips to which this appropriation may be appropriately applied. If there are any slips authorized to which it may be applied, then I concede at once that the amendment is in order, but when I raise the point of order to the gentleman's amendment, the burden is instantly put upon him, to show some slip or slips to which this appropriation can be properly applied.

Mr. PADGETT. There are a number of slips in New York.

Mr. LOGUE. Does the gentleman mean to say that it is within the power of the House to take away from the Secretary of the Navy the use of money and for us to designate it instead of him?

Mr. SAUNDERS. Unless there is authority for an appropriation, the appropriation can not be made.

Mr. LOGUE. Will the gentleman permit me to call his attention to the fact that this very day this committee has authorized such an appropriation.

Mr. SAUNDERS. An appropriation for something not authorized?

Mr. LOGUE. The committee authorized an appropriation of $200,000 for any yard to which the Secretary of the Navy may designate the construction of a battleship.

Mr. SAUNDERS. That was because there was authority for the appropriation. There is no legislative authority here. This is a direct appropriation of money for something said to be authorized by law. If there is a slip to which this appropriation can be applied and expended, then the gentleman offering the amendment should state where that slip or slips may be found. This statement will then determine the application of this appropriation. If there is a slip authorized by law somewhere in this bill, or elsewhere, then this $200,000 may be appropriately voted for the construction of that slip, but you can not vote an appropriation for a slip for which there is no authority, and then allow the Secretary of the Navy to apply the fund in a manner not authorized by law. The Chair passed on that question the other day. If these gentlemen have in mind that this appropriation can be applied to the slip in the navy yard at Philadelphia by the Secretary of the Navy, such an application would be in direct contravention of the ruling of the Chair. He held that there was no authority of law under which $200,000, or any other amount could be applied to the slip at the Philadelphia Navy Yard. Hence I am calling on these gentlemen to show the slip to which this appropriation could be applied.

The CHAIRMAN. There is no authority in this proposed amendment on which the Secretary of the Navy could expend any money on any slip not authorized.

Mr. SAUNDERS. No, and that is the reason why I call on the gentleman from Philadelphia to explain what slip there is on which this fund can be expended. As a result of the point of order, I have a right to require the gentlemen to furnish me with the whereabouts of the slip or slips to which his amendment can relate.

Mr. PADGETT. Mr. Chairman, I will state that there are slips in the New York Navy Yard and in the Mare Island Navy Yard and some at Boston.

Mr. SAUNDERS. Then it is developed that this money may be expended either at New York, or Mare Island, or at Boston, but no other application can be made of it. If that be true, I desire to offer an amendment.

The CHAIRMAN. The Chair is of opinion that this money can be used, in part at least, by the Secretary of the Navy, if there is an authorized slip; and the Chair has a recollection, only a few days old, that there is a slip at least at Boston, Mass.

Mr. SAUNDERS. Yes. I do not gainsay the proposition that this money may be expended at the Boston Navy Yard, but it can not be put into this bill to be expended at the Philadelphia yard.

The CHAIRMAN. The Chair is ready to rule.

Mr. JONES. Mr. Chairman, I yielded the floor to the gentleman, and I do not wish to take up any more of the time of the Chair. I simply wish to add that when a point of order is made against an amendment on the ground that the proposition which it embodies is not authorized by existing law, and that the burden is placed upon those who supported it to point out the existing law. If it is objected that the appropriation carried in the amendment is not to continue any work already in progress, then those who claim to the contrary must show that there is a work in progress.

The CHAIRMAN. This amendment provides for slips and other kinds of equipment that are heretofore or herein authorized.

Mr. JONES. Yes.

The CHAIRMAN. The Chair takes legislative, if not judicial, notice of the fact that a slip is authorized in this very bill.

Mr. JONES. At Boston.

The CHAIRMAN. Yes.

Mr. JONES. I understand that to be true, and yet I do not think that affects the rule that the burden rests upon the author of the amendment to show the law which, in his judgment, authorizes the construction of the building slip which his amendment seeks to provide the money to build.

The CHAIRMAN. The law happens to be in this bill, and it is in that part of the bill which has been passed on.

Mr. JONES. With the understanding that it has already been held by the Chair that there was no authorization for a slip at Philadelphia——

The CHAIRMAN. But the Chair does not decide that.

Mr. JONES. When the Chair ruled out the paragraph for the Philadelphia yard the Chair put it upon the ground that there was no law authorizing a building slip there.

The CHAIRMAN. That was a proposition for a naked appropriation.

Mr. JONES. Yes; and I can have no objection to this amendment if I correctly understand the ground upon which he would hold it in order.

The CHAIRMAN. Well, the Chair will base the ruling he now contemplates making for the reasons he has given and not upon the conclusions which the gentleman has reached.

Mr. JONES. Of course, I understand that perfectly well, Mr. Chairman, and I feel assured the Chair's ruling will be consistent with that he made in regard to the transport.

The CHAIRMAN. The Chair will endeavor to have it consistent.

Mr. MANN. I want to ask the gentleman from Virginia a question, and I would like to make one observation on the point of order.

Mr. JONES. I will be glad to answer it if I can.

Mr. MANN. I do not think the gentleman will be glad, and I do not think he can——

Mr. JONES. I said, "if I could." I have no doubt the gentleman can ask a great many questions I can not answer.

Mr. MANN. I am not endeavoring to criticize the gentleman. The gentleman's position is that the author of this amendment must show when and where a slip was authorized. If that be the case, then the chairman of the committee which reported the bill must show when and where and how outfits of vessels and the steam machinery of vessels, amounting to $17,647,617, was authorized. I would like to hear the gentleman answer that question.

Mr. JONES. My answer is that the chairman of the committee will have to show that they are authorized by law if a point of order is made against the paragraph, and I have no doubt but that he will be able to do so. But I do not understand that any point of order has been made against the paragraph, and therefore it is not necessary for him to show it. Had such a point been made, the burden would have been cast upon the chairman of the committee to show that the hulls and machinery had been authorized.

Mr. MANN. But that is in the same amendment, so that he would call upon the gentleman from Pennsylvania to show exactly how this $17,000,000 is to be expended—and the very reason that it is not done is because it is so absurd it can not be done. You put in a provision if it is authorized by law. You can not expend money unless it has been authorized by law. No one can tell exactly how this $17,000,000 will be expended—on hulls or outfits of vessels or steam machinery. All the information all the men in the world have will not answer that question in advance.

The CHAIRMAN. The Chair overrules the point of order.

Mr. SAUNDERS. Mr. Chairman, I desire to offer the following amendment. Mr. Chairman, it having been developed in the course of this discussion that there are slips which have been authorized by law and with respect to which therefore this money can be appropriately expended, I desire to offer an amendment to the amendment of the gentleman from Pennsylvania.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

To wit, at New York, Boston, or Mare Island.

Mr. SAUNDERS. Now, Mr. Chairman, a word in that connection——

Mr. MANN. Where does that come in?

Mr. SAUNDERS. At the end of the amendment offered by the gentleman from Pennsylvania.

Mr. MANN. The gentleman from Pennsylvania offered it to the paragraph.

Mr. PADGETT. That limits the appropriation of $17,000,000 that is for ships to those yards, and should have no application to it.

Mr. SAUNDERS. Oh, no.

Mr. PADGETT. Yes; it does; it limits the whole thing.

Mr. SAUNDERS. I will ask the Clerk to report the amendment again. Let us have the amendment read again.

The Clerk read as follows:

Add to the amendment the following: "To wit, at New York, Boston, or Mare Island."

Mr. SAUNDERS. I wish the Clerk to read the amendment offered by the gentleman from Pennsylvania.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Construction and machinery: On account of building slips and equipment, hulls, and outfits of vessels and steam machinery of vessels heretofore and herein authorized, to be available until expended, $17,647,617.

Mr. SAUNDERS. I see I will have to modify my amendment a little.

The CHAIRMAN. The Clerk will report the amendment and then report the amendment to the amendment.

The Clerk read as follows:

Amend the amendment by inserting after the word "equipment" the words "at New York, Boston, Mare Island, and."

The CHAIRMAN. So it will read when amended.

The Clerk read as follows:

Construction and machinery: On account of building slips and equipment at New York, Boston, Mare Island, and hulls and outfits of vessels and steam machinery of vessels heretofore and herein authorized, to be available until expended, $17,647,617.

Mr. PADGETT. Now, Mr. Chairman, I simply want the attention of the committee for just a minute or two. Under either the original amendment as offered, or if it should be amended as proposed by the gentleman from Virginia, you would make available the whole sum of $17,647,617 for building slips and equipment at the yards of this country mentioned, and they could use any amount of the $17,000,000 and then come back here next year and say they need all this money to finish the hulls and the machinery and the equipment of the ship.

Mr. MANN. Will the gentleman yield for a question?

Mr. PADGETT. Yes.

Mr. MANN. They do not expend any money unless they are authorized by law.

Mr. PADGETT. But they could expend it at these yards where they have these slips.

Mr. MANN. Not unless the slips were authorized or the equipment was authorized by law or in this bill.

Mr. PADGETT. That is true. There is one authorized in this bill, but there are slips at Brooklyn, there are slips at Mare Island and at Boston, and they could use any amount of this $17,000,000 to build any character of equipment and slips at those yards, and——

Mr. MANN. Will the gentleman yield for another question?

Mr. PADGETT. Yes.

Mr. MANN. And he could also use $17,000,000 for purchasing outfits of vessels if it was authorized, and not expend a dollar for hulls or steam machinery of vessels. He could make a fool of himself, but is he likely to do it?

Mr. PADGETT. He could spend it for vessels heretofore or herein authorized.

Mr. MANN. The gentleman's whole argument goes against the whole paragraph.

Mr. PADGETT. No. He must spend it upon vessels heretofore authorized or herein authorized, on the hulls, and those only that have been authorized or are herein authorized could he spend it upon—on the hulls and the machinery.

But I was calling attention to it to show that you are injecting into this appropriation matter that does not belong to it, and you are taking money that is available for the hulls and the machinery and the building of ships, and you could take any amount of this $17,000,000 and make yard improvements with it.

Mr. BUCHANAN of Illinois. Does the gentleman think the Secretary would use an unreasonable amount?

Mr. PADGETT. I do not know; but I do not believe in legislation of that character. When we define it in the bill we ought to define it as to the purposes for which it is intended.

Mr. SAUNDERS. Mr. Chairman, I do not take any issue with the gentleman from Tennessee [Mr. PADGETT] as to the contention which he raises. The amendment offered by the gentleman from Pennsylvania ought to be defeated. But if the amendment offered by the gentleman is to be adopted at all, it ought to be adopted with my amendment, which simply provides that if any portion of this $17,000,000 is to be used on building slips, it shall be used in the three yards designated in the amendment, these being the only yards in which there are slips at present. So that if the amendment is to be adopted, it should be adopted with the amendment that limits the application to the yards where the money may be properly expended.

Mr. BRYAN. Mr. Chairman, I am opposed to the amendment proposed by the gentleman from Virginia [Mr. SAUNDERS]. If, under this bill and under the interpretation of this naval appropriation bill, it is found that a building slip has been authorized, for instance, for the Puget Sound Navy Yard, there is no reason why the Secretary of the Navy should not use so much of this money as is necessary in connection with that slip as well as the Boston slip. The Puget Sound Yard can be equipped for the building of a dreadnaught for about $450,000 less than Mare Island. Estimates show that it will take about $650,000 to equip Mare Island, where a floating crane at a cost of $450,000 will have to be installed. This equipment already exists at the Puget Sound Yard. So that in fact Mare Island is away behind the Puget Sound Yard on this feature, as well as on so many others.

Under the amendment we adopted to-day it is provided that any yard that gets one of these contracts for the building of a battleship may be equipped with a building slip and building ways for the purpose of building that battleship, and so, if, on accepting estimates from the various yards, it should be found that the Puget Sound Naval Station, for instance, could construct one of these battleships in a manner satisfactory to the Secretary of the Navy and the Navy Department, a part of this $17,000,000 could be spent for building ways for that yard. I think it is absolutely unreasonable to think that the Secretary of the Navy is going to spend it all for building slips or hulls or machinery. Of course he has that authority, and he has a certain amount of leeway in the making of these expenditures, but there is no reason, so far as I can see, why we should limit it to two or three yards; and I hope the amendment to the amendment will be voted down and that the Secretary of the Navy will have discretion and authority to spend this money wherever building slips have been authorized. I want to commend this situation to the business interests and the people generally of Seattle, Tacoma, and the Puget Sound Navy Yard cities.

There is a great deal that can be done by cooperation among the friends of the Puget Sound yard, and I hope to see a new era instituted, which will cause that yard to come into its own and be recognized for what it is worth on its merits as one of the leading naval stations in the world.

Mr. PADGETT. Mr. Chairman, I move to close debate upon the paragraph and all amendments thereto.

Mr. MANN. Mr. Chairman, the gentleman who offered the amendment has not had an opportunity to get the floor at all yet.

Mr. PADGETT. I will say 10 minutes, then. The gentleman from Pennsylvania [Mr. VARE] wants five minutes and the other gentleman from Pennsylvania [Mr. LOGUE] five.

The CHAIRMAN. The gentleman from Tennessee moves that all debate on the paragraph and pending amendments be closed in 10 minutes. Is there objection? [After a pause.] The Chair hears none.

The gentleman from Pennsylvania [Mr. VARE] is recognized.

Mr. VARE. Mr. Chairman, I hope the amendment to the amendment offered by the gentleman from Virginia [Mr. SAUNDERS] will not prevail. Under the act of March 4, 1913, the Secretary of the Navy was authorized and directed to build certain transports. There was at that time an appropriation of $1,850,000 for that purpose. To-day we adopted an amendment on the ruling of the Chair in connection with our battleships, to the effect that there should be $200,000 set aside, under the direction of the Secretary of the Navy, to build shipways or slips. The authority for the building of this ship having been given in the appropriation last year, we are asking for legislation in order that the Secretary of the Navy can carry out the purpose of the Congress. The Secretary has awarded the building of it to the Philadelphia Navy Yard.

I as a Republican Member am willing to trust to the good judgment of the Secretary of the Navy as to where he should make these improvements and as to where he increases the facilities for shipbuilding purposes. And I am surprised that the gentleman from Virginia wants to deny the Secretary of the Navy the right to say which yard he shall equip and increase with additional facilities. I as a Republican Member and coming from a Republican district have sufficient confidence in the Secretary of the Navy to trust to his judgment, but I find on this floor the two gentlemen from Virginia, both Democrats, apparently lacking faith in the Secretary who represents the party to which they belong.

I hope there will not be any discrimination against the goodly city of Philadelphia. I might cite a few lines from the Philadelphia Inquirer of a few days ago, giving an account of the leaving of the marines for Vera Cruz on the ship *Morro Castle*. It said:

Ten thousand cheer as vessel departs from League Island. * * * The vessel manned, provisioned, and equipped in 22 hours at the local navy yard.

The commander of that yard, Capt. Benson, said that he did not want to appear boastful, but "I think it was pretty quick work, and I doubt if any other yard on the Atlantic coast could have accomplished the supplying of the ship in such a short time."

We have a great navy yard there. It was given to the Government for the purpose of making a shipyard, for the purpose of making a proper naval station, and I appeal to this committee that there should be fair play and there should be no discrimination against the goodly city of Philadelphia. There-

fore, I hope the amendment to the amendment will not prevail. [Applause.]

The CHAIRMAN. The gentleman from Pennsylvania [Mr. LOGUE] is recognized.

Mr. LOGUE. Mr. Chairman, I trust the amendment of the gentleman from Virginia [Mr. SAUNDERS] to the amendment of the gentleman from Pennsylvania [Mr. VARE] will not prevail. It is with exceeding regret that a Member on this side of the House finds special mention made time and time again in the debate and arguments this afternoon regarding the city of Philadelphia and the navy yard of Philadelphia in connection with an expression of fear upon the part of people that there may be some development at Philadelphia. As a Member of this side of the House I wish to say that Philadelphia need offer no apologies whateyer for its action toward the National Government.

It gave to the United States over 900 acres of land, worth to-day over $10,000,000; the free gift of the city of Philadelphia to the Federal Government for the establishment of the present League Island Navy Yard; and to find here to-day references to this yard and that yard and the other yard so as to inveigh against, so as to restrict against, so as to make impossible the exercise of the judgment of the head of the Navy Department as to what he shall do, strikes me as being in the line of class work, and strikes me as being in the line of departing from the wish and expection expressed by my good colleague [Mr. GRAHAM] to-day when he said that the spirit that ought to prevail here in this House touching legislation is a spirit animated for the country's good, and not for the benefit of any particular locality. And that is what I stand for. [Applause.]

I take it to be little short of an insult for the Secretary of the Navy, constituted head of a great department—the greatest department we have at this time in connection with our Government—to be restricted by an amendment thrown into the amendment of the gentleman from Philadelphia, coupled with it, so that it will not be possible for this work to be done at Philadelphia should he deem it best. For the purpose of this argument, I could say, I do not care whether it helps Philadelphia or advances it or not; it verges close to an insult when you try to hedge and restrict when you appropriate $17,000,000 and say to the Secretary of the Navy exactly where he must put certain sums of money that may be necessary for shipways.

I feel that this original amendment should prevail. I feel, as has been suggested by the gentleman from Illinois [Mr. MANN], that there is not an item in that $17,600,000 but that can be picked out and questioned as being authorized by law. It is closely and well coupled and well restricted to what has been herein or hereinbefore provided. Let us say that we exist in a time and in an hour when the Secretary of the Navy will not, especially for any particular city, go outside of the line of his duty and attempt to draw from the United States Treasury a single dollar unless in his judgment it is authorized by law.

I feel, therefore, Mr. Chairman, that this amendment to the amendment should be voted down. Let us rest satisfied, we of this side—and I say it as one humble in his position, but as a Member from the good old State of Pennsylvania and from the city of Philadelphia, that only occasionally and spasmodically sends one of our party here—let us be satisfied to rest upon the assurance that in the party, in the person of the Secretary of the Navy, we have a fair man, a just man, a discreet man, a careful man, and that not a single dollar will be drawn out of the United States Treasury by the Secretary of the Navy unless herein or hereinbefore authorized by law. The amendment to the amendment, sir, I say, should be defeated. [Applause.]

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired. All time has expired. The question is on agreeing to the amendment offered by the gentleman from Virginia [Mr. JONES] to the amendment offered by the gentleman from Pennsylvania [Mr. VARE].

The question was taken, and the amendment to the amendment was rejected.

The CHAIRMAN. The question now is on the adoption of the amendment offered by the gentleman from Pennsylvania [Mr. VARE].

The question was taken, and the Chairman announced that the "ayes" seemed to have it.

Mr. PADGETT. A division, Mr. Chairman.

The CHAIRMAN. A division is asked for.

The committee divided; and there were—ayes 64, noes 31.

Mr. JONES. I demand tellers, Mr. Chairman.

The CHAIRMAN. Tellers are demanded. [After counting.] Three gentlemen have arisen, not a sufficient number. The ayes have it, and the amendment is adopted.

Mr. CARY. Mr. Chairman, I offer an amendment, which I send to the Clerk's desk.

The CHAIRMAN. The Clerk will report the amendment offered by the gentleman from Wisconsin [Mr. CARY].

The Clerk read as follows:

Insert, after line 4, page 55, after the figures "$17,647,617":
"And the Commissioner of Corporations is hereby authorized and directed to make inquiry whether any persons, firms, or corporations furnishing armor, armament, or other materials for the Navy under the provisions of this act or any previous act of Congress have been or are engaged in any combination or conspiracy to violate the antitrust law of 1890, or to defraud the Government in the quality or price of armor, armament, or other materials, or to obtain extortionate or excessive prices for the same; and the Secretary of the Navy is authorized and directed to offer and pay rewards to any person or persons who shall first furnish evidence that shall lead to recoveries, in fines, penalties, or otherwise, for such violations of law, said rewards to be 10 per cent of the amounts recovered by the Government, and to be paid therefrom."

Mr. PADGETT. Mr. Chairman, I make a point of order against the amendment.

The CHAIRMAN. The Chair holds that the amendment is not germane to the section under consideration, and therefore sustains the point of order. The Clerk will read.

The Clerk read as follows:

Increase of the Navy; torpedo boats: On account of submarine torpedo boats heretofore authorized, to be available until expended, $1,685,617.

Mr. SAUNDERS. Mr. Chairman, I make a point of order against that.

The CHAIRMAN. The gentleman from Virginia [Mr. SAUNDERS] makes a point of order against the paragraph.

Mr. SAUNDERS. The language there, "to be available until expended," very clearly makes it contrary to law.

Mr. PADGETT. I will state, Mr. Chairman, that that language is usually carried in the bill. It takes three years to construct these boats. I appeal to the gentleman to withdraw his point of order.

Mr. SAUNDERS. It is bad policy to appropriate money in that way. So far as this House is concerned, and so far as the Congress is concerned, we ought to retain control over our appropriations. This is an exception to the way in which appropriations are usually made in other portions of this bill as well as in other bills.

Mr. PADGETT. Mr. Chairman, "Increase of the Navy" is a continuing appropriation, and I think it is not subject to a point of order. It is a continuing appropriation, and the Treasury has so held.

The CHAIRMAN. The Chair is inclined to the opinion that it is subject to a point of order. The point of order is sustained.

Mr. PADGETT. Then I move to amend, Mr. Chairman, by inserting, in line 5, the following:

Increase of the Navy; torpedo boats: On account of submarine torpedo boats heretofore authorized, $1,685,617.

The CHAIRMAN. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. BAILEY. Mr. Chairman, I ask unanimous consent to extend my remarks in the RECORD.

Mr. MANN. On what subject?

Mr. BAILEY. On this bill.

The CHAIRMAN. The gentleman from Pennsylvania asks unanimous consent to extend his remarks in the RECORD. Is there objection?

There was no objection.

The Clerk read as follows:

Increase of the Navy; equipment: Toward the completion of equipment outfit of the vessels heretofore and herein authorized, to be available until expended, $421,000.

Mr. SAUNDERS. Mr. Chairman, I make the same point of order.

The CHAIRMAN. The gentleman from Virginia makes the point of order against the paragraph.

Mr. PADGETT. The point of order is conceded.

Mr. SAUNDERS. In order to save time, I will make it only against the words "to be available until expended." That will save the necessity of offering an amendment.

The CHAIRMAN. The point of order is sustained. The Clerk will read.

The Clerk read as follows:

Increase of the Navy; armor and armament: Toward the armor and armament for vessels heretofore and herein authorized, to be available until expended, $14,877,500.

Mr. SAUNDERS. Mr. Chairman, I make the same point of order against the words "to be available until expended."

The CHAIRMAN. The point of order is sustained.

Mr. TAVENNER. Mr. Chairman, I desire to offer an amendment.

The CHAIRMAN. The gentleman from Illinois offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amend, by adding after the figures "$14,877,500," line 14, page 55, the following: "*Provided*, That the Secretary of the Navy is hereby authorized to procure by contract armor of the best quality for any or all vessels heretofore or herein provided for, provided such contracts can be made at a price which, in his judgment, is reasonable and equitable; but in case he is unable to make contracts for armor under the above conditions, he is hereby authorized and directed to procure a site for and to erect thereon a factory for the manufacture of armor and gun forgings, and the sum of $4,000,000 is hereby appropriated toward the erection of said factory and the purchase of a site therefor."

Mr. MANN. I make a point of order against the amendment.

Mr. TAVENNER. Will the gentleman reserve his point of order?

Mr. MANN. No; it is too late in the day. I make the point of order. We ought to finish this bill to-day, if possible. If we are going to adjourn before next August or September, we will have to finish these bills.

Mr. TAVENNER. Mr. Chairman, I move to strike out the last word.

The CHAIRMAN. That motion is not in order until the point of order is disposed of.

The Chair will say to the gentleman from Illinois that the item of the bill under consideration relates only to armor and armament. Laying aside whatever other objections there may be to the gentleman's amendment, it contains a provision for the acquirement of a site for an armor-building factory.

Mr. TAVENNER. Mr. Chairman, that is almost the exact language that has already been enacted into law in a naval bill. I copied it from the naval appropriation bill of June 7, 1900.

The CHAIRMAN. The Chair was about to say, when interrupted by the gentleman from Illinois, that part of his amendment is so clearly legislation that it is subject to the point of order, and the point of order is sustained.

Mr. TAVENNER. Mr. Chairman, I move to strike out the last word.

The CHAIRMAN. The gentleman is recognized for five minutes.

Mr. TAVENNER. Mr. Chairman, the amendment that I have offered is, as I have said, practically a duplicate of a provision contained in the naval appropriation bill of 1900, and the mere fact that that bill carried this provision resulted in the Government saving millions of dollars in the cost of armor plate. The Secretary of the Navy was able to say to the three firms having a monopoly of the manufacture of armor in this country that if they were not willing to sell armor to the Government at a fair and reasonable price he was authorized by law to go ahead and manufacture his own armor. Let us see whether the insertion of the amendment I have just offered proved of value in the naval bill of 1900.

Back in 1893 the Government was paying an average of $658 a ton for armor. Some time later Senator TILLMAN, of South Carolina, started in to fight the high price and to oppose the armor ring, and he forced the Armor Trust gradually to reduce its price, until in 1900 he got the price down to $413 a ton.

Then the naval appropriation bill of 1900 was amended to carry the provision I have just submitted, which provided that if the Secretary of the Navy were unable to obtain a square deal from the Armor Trust he was authorized and directed to build a Government armor plant.

What was the result? The three concerns manufacturing armor, rather than have Uncle Sam build a plant, gradually reduced their prices from $413 in 1900 to $345 in 1906, which meant a saving of millions of dollars to the Government. Such was the result of the insertion in the naval bill of 1900 of the provision that I have just presented. Without spending a dollar for a plant or doing anything further than simply providing that the Secretary of the Navy was authorized to build a plant if he could not obtain fair treatment from the trust, the Government saved millions.

But when Congress failed to continue the provision in the naval bill it gradually lost its moral effect upon the armor ring, and the price of armor plate to the Government was steadily advanced from $345 a ton in 1906 to $454 a ton at the present time.

If this Congress will replace this amendment in the naval bill, I predict it will save every penny of $1,000,000 a year, even if the Government never further considers the advisability of a Government plant.

If the Government builds an armor plant and a padlock is placed on its doors as soon as it is completed, and it is never used, it will, in the opinion of Secretary of the Navy Josephus Daniels, pay for itself simply by enabling the Secretary to obtain a square deal from the armor manufacturers.

This bill carries an appropriation of $14,877,500 for armor and armament alone. If the Government had its own armor and gun-forging plant I believe I am well within the bounds of conservatism when I say that 30 per cent of this sum, or, in round numbers, $4,000,000, could be saved to the taxpayers. Is $4,000,000 a year on armor and armament alone worth the saving? I, for one, believe it is.

The chairman of the Committee on Naval Affairs has admonished us to confine ourselves to facts.

The fact is the Secretary of the Navy, Hon. Josephus Daniels, in his annual report to Congress recommended an "appropriation" for a Government armor plant, and the committee provided only for an "investigation," which is wholly unnecessary, because there have been ample investigations in the past, each of which demonstrated the wisdom of a Government armor plant.

In his last annual report the Secretary of the Navy asked for an "appropriation" in the following words:

IMPORTANCE OF ARMOR-PLATE FACTORY.

I desire to recommend the passage at the earliest moment of a sufficient appropriation to begin the construction of a Government armor plant to relieve a situation which, in my estimation, is intolerable and at total variance with the principle of economy in spending Government money. It is evident that without an armor plant of its own the Government in time of war or impending war would be entirely at the mercy of these three manufacturers and obliged to pay practically whatever price they asked. History does not warrant an assumption that the patriotism of these companies would prove superior to their desire for profits, inasmuch as during the time that war with Spain was imminent these companies refused to accept the price fixed by Congress after investigation as a just rate, and declined to manufacture any armor until they got their own price of $100 a ton more than that which Congress had determined on. In this connection it is well to note that the love of country possessed by these companies did not prevent them from furnishing armor to Russia, as reported to Congress, in 1894 at $249 a ton, while they were charging the United States $616.14 a ton.

* * * * * * *

I do not see how it is possible for Congress to justify to the people a refusal to erect a Government plant, nor how it can answer the charge that will invariably be brought up—that the same mysterious Providence which saved this profitable business to the steel companies three times in the past, even after money for a Government plant had actually been appropriated, is not still at work exercising its beneficent protection over these lusty specimens of infant industries, who are even now under Government investigation as violators of the antitrust law.

I would favor enthusiastically the provision in the pending bill providing for an investigation of the cost of armor and a site for an armor factory but for the fact that numerous and adequate and very thorough investigations have been made in the past, and this provision for an unnecessary additional investigation impresses me as being merely an excuse to avoid making an appropriation in this Congress for an armor plant, as recommended by the Secretary of the Navy.

I hold in my hand a 464-page report of an investigation made in 1896–7, which shows that armor can be manufactured for $300 per ton, and in this estimate a profit of 33⅓ per cent was included for the manufacturers.

I also hold in my hand another very thorough report prepared by a board of naval experts in 1906 in response to the provision requiring an investigation of the cost of armor contained in the naval bill of 1905, which, by the way, in my opinion, was inserted to sidetrack an appropriation for an armor plant in that bill. This report found that armor plate could be manufactured by the Government for $230.36 per ton.

Nor were these all the investigations. The hearings of the Naval Affairs Committee on the pending bill, as any Member can ascertain for himself by sending for a copy of the hearings, contain a most exhaustive report as to the cost of armor, compiled by the Bureau of Ordnance of the Navy Department within the last six months, which estimates that the Government can manufacture armor in a plant of 20,000 tons capacity at a cost of $279 per ton.

The average of nine estimates made by various investigating committees of the Senate and Navy Department and of individual officers and experts of the Navy is that armor can be manufactured in a Government plant at a cost of $247.17 per ton.

Yet we are now paying the armor ring $454 per ton. In all, we have purchased 192,995 tons of armor from the armor ring at an average price of $441.42. I believe that it is a very conservative statement to say that of the $85,193,248 that we have paid the armor ring for this armor, at least $30,000,000 could have been saved to the taxpayers had this armor been manufactured by the Government itself.

I submit, therefore, it is time for Congress to stop dodging and to give the House an opportunity to vote on the proposition of an armor plant upon its merits. I feel confident a majority of the Members of this House are in favor of a Government armor-plate factory, but we can not get a vote on it. I believe there was a time when the armor ring dominated the House, but I do not believe it to-day dominates the membership of the Republican Party or of the Democratic Party, and it goes without saying that it does not dominate the members of the Progressive

Party. [Applause.] And yet, because there are a few men in this House who want the armor ring to remain in business we can not get a vote on it. I have done everything I could, and if I was not of an optimistic temperament I would be tempted to conclude that, regardless of what party is in power, the armor ring is going to stay in the saddle and that it is impossible to get it out. [Applause.]

I have prepared for extension in the RECORD a detailed account of the various investigations of the cost of armor.

Mr. DIES. Mr. Chairman, at the risk of trying the patience of the committee, I want to say a word about this attempted amendment for the Government to go into the armor-plate business. So far as I am concerned I am not controlled by any armor-plate trust, and yet I am not in favor of the Government going into the business of manufacturing armor plate.

Mr. TAVENNER. Will the gentleman yield?

Mr. DIES. Not in the five minutes; it is impossible. The other day one of these Progressives whom my friend has extolled so eloquently introduced a bill for the Government to own the mines of the country.

Mr. BRYAN. Has the gentleman any letters from his district about it?

Mr. DIES. Mr. Chairman, I hope the gentleman from Washington will address the Chair. The gentleman, as I say, introduced some sort of a resolution for the Government to go into the mining business throughout the country. I am not in control of the mine owners or the miners, and yet I would not vote for his proposition. Not long ago a gentleman proposed that the Government should go into the oil business and produce oil. I am not in control of the oil interests of the country, but it does not follow that I want the Government to become an oil producer.

Not long ago a Member introduced a bill to provide that the Government should own the radium mines. The radium people do not control me, and still I had the temerity to oppose Government ownership of radium mines.

There are gentlemen in this House who are in favor of the Government owning everything from railroads to hen's nests, and they imagine that all Democrats opposed to socialism, opposed to Government ownership in all the activities of the country are controlled by some special interest.

Why, I understand from what I consider is good authority, that the Navy requires a good deal of beef. Presently some modern statesman will rise and propose that the Government buy out the beef-packing business and go into the business of making pork sausage and canning liver. Why not? There is a Beef Trust, there is a Navy. The Navy requires beef, and without beef the armor plate would be practically useless.

Moreover, I am told that the sailors and jackies on these magnificent vessels require boots and shoes, and hats and caps and shirts. Why not let these Moseses of Democracy, who seek to lead the country into the camp of paternalism and socialism, propose that the Government should take over the boot factories and the shoe factories and the hat factories and the shirt factories. Some of these admirals wear glasses on their noses. It is a pity that they should be required to buy them of the Spectacle Trust. Why should not the Government go into the business of making spectacles?

I understand that on these battleships they use sweet potatoes and bacon, and they use corn meal, and it is said that in some sections of the country prices are too high. I have no doubt that the Government could raise corn cheaper than the farmers of Illinois. I have no doubt the Government, with its superior capital and organization, could make shirts cheaper than they make them at Lowell. Why should we not let the Government take over all business, raise the bacon, raise the corn, grind the coffee, make the shirts—do it all? Why leave anything to the individual in this country, if these modern Moseses of political economy are to be believed, and we are to lay aside the old democracy and the old republicanism based on the Constitution and representative democracy?

Mr. Chairman, this is all I wanted to say. I have secured an hour in the general debate on the pension bill, which will be called up in the morning, in which I shall enlarge somewhat on these socialistic tendencies, upon some of the false doctrines being taught to this country of the rights of labor and the rights of capital, and this miserable propaganda of paternalism and socialism that comes with the Dead Sea fruit of anarchy in its wake, offering itself to the stalwart democracy of this country as a substitute for our Constitution and representative democracy under the Constitution. [Applause.]

Mr. BROWNING rose.

Mr. PADGETT. Mr. Chairman, will the gentleman yield for a moment?

Mr. BROWNING. Yes.

Mr. PADGETT. Mr. Chairman, I move to close debate on the paragraph and all amendments thereto in—does the gentleman from Illinois [Mr. FOWLER] desire time?

Mr. FOWLER. Mr. Chairman, I desire to offer an amendment.

Mr. PADGETT. Will the gentleman accept five minutes?

Mr. FOWLER. I do not have to accept anything, because my amendment has not been offered. I would like to have 10 minutes.

Mr. PADGETT. Mr. Chairman, I move to close debate on the paragraph and all amendments thereto in 10 minutes.

Mr. FOWLER. Mr. Chairman, I raise the point of order against the motion because there is a motion already before the committee.

The CHAIRMAN. The motion is not debatable. The question is on the motion made by the gentleman from Tennessee.

Mr. FOWLER. But I raise the point of order against the motion.

The CHAIRMAN. The point of order is overruled.

Mr. FOWLER. But there is a motion before the committee, and under the rules we are entitled to debate.

Mr. PADGETT. We have already debated the paragraph. [Cries of "Vote!"]

The CHAIRMAN. The gentleman from Texas [Mr. DIES] just debated the question.

Mr. MANN. Mr. Chairman, a parliamentary inquiry. What is the paragraph before the committee?

The CHAIRMAN. Lines 11 to 14, page 55.

Mr. MANN. Mr. Chairman, my colleague from Illinois [Mr. TAVENNER] has already debated that.

Mr. FOWLER. But I have not debated it.

Mr. MANN. But the gentleman is not the only colleague I have from Illinois.

Mr. FOWLER. I have asked for recognition three different times to offer an amendment.

Mr. PADGETT. The gentleman can offer his amendment later. Mr. Chairman, I call for a vote.

The CHAIRMAN. The question is on the motion of the gentleman from Tennessee to close debate on the paragraph and all amendments thereto in 10 minutes.

The motion was agreed to.

Mr. BROWNING. Mr. Chairman, one of the reasons given on the floor of the House why battleships should be constructed in Government navy yards is that the navy yards build better ships than the private yards build. I have some figures in my hand, compiled by Admiral Watt, as to the cost of repairs upon sister ships since they were commissioned down to March 1, 1914.

The battleship *Connecticut* was commissioned in 1906. It was constructed in the New York Navy Yard. The repairs on that ship have amounted to $917,610.06. The *Louisiana*, her sister ship, was constructed at the Newport News yard, under contract, and the cost of repairs on that ship has been $885,915.75.

Mr. FITZGERALD. Mr. Chairman, will the gentleman yield?

Mr. BROWNING. Yes.

Mr. FITZGERALD. How much of the $917,610.06 expended for repairs on the *Connecticut* went to repair the hole in the *Connecticut* which was caused by her bumping on a rock?

Mr. BROWNING. I do not know. I am citing the actual repairs on the ship *Connecticut*.

Mr. FITZGERALD. How much of that was occasioned by the fact that the *Connecticut* ran on a rock?

Mr. BROWNING. I decline to yield further to the gentleman, as I have only five minutes.

Mr. FITZGERALD. I thought the gentleman wanted information.

Mr. BROWNING. I am giving information which I received from Admiral Watt.

The battleship *Florida* was commissioned in 1911. She was constructed in the New York Navy Yard. There has been expended for repairs on this ship $151,175.68. The battleship *Utah*, her sister ship, was constructed at the Camden, N. J., shipbuilding yard under contract, and the repairs on her have amounted to $95,363.03.

Mr. Chairman, it does not seem to me that there is much economy in building battleships in Government navy yards.

The gentleman from Illinois [Mr. BUCHANAN], in his remarks this afternoon, stated that the reason why our ships should be built in navy yards is because of better wages and shorter hours. I want to say to the gentleman that the New York Shipbuilding Co. have a wage scale equal to that of any establishment in the country, and the hours of labor there are eight hours a day, which has been the case for some years, not only on Government work, but on all work in the yard.

Mr. Chairman, I very much deplore the desire on the part of some Members of the House to build all our ships in Government yards. I believe such a course would be unwise from a business standpoint and unfair to those whose capital is invested in the shipbuilding industry of the country and a great hardship to the many thousands of men who depend on the industry for a livelihood if private concerns are driven out of business because of failure to receive Government contracts. Only a small percentage of these men could hope to find employment in the navy yards, as it has been stated many times during this debate that the object of those who favor Government construction is to keep the present employees of the yards busy.

Mr. FOWLER. Mr. Chairman, I offer the following amendment, which I send to the desk and ask to have read.

The Clerk read as follows:

Amend, page 55, at the end of line 14, by striking out the period and inserting a colon, and by adding the following:

"*Provided*, That no more than $14,500,000 shall be used for the procuring of armor or armament until after the Secretary of the Navy, through the Commissioner of Corporations, in public hearings shall have made an investigation to determine whether any persons, firms, or corporations are in a combination or conspiracy to defraud the Government of the United States in the price and quality of armor, armament, and other materials."

Mr. PADGETT. Mr. Chairman, I reserve the point of order against the amendment.

Mr. FOWLER. Mr. Chairman, if the amendment is subject to the point of order, I would be very glad to have the point made now, because I do not think it is.

Mr. PADGETT. Well, I will make the point of order, Mr. Chairman, and let the Chair rule on it.

Mr. FOWLER. Mr. Chairman, it is an absolute limitation upon the expenditure——

Mr. MANN. Mr. Chairman, I would like to be heard for a moment on the point of order.

Mr. FOWLER. I desire to say to the Chair that the gentleman from Illinois [Mr. MANN] was in the chair in 1910, and the gentleman from Wisconsin [Mr. STAFFORD] made a point of order against an amendment that the gentleman from Alabama [Mr. HOBSON] had offered to the naval appropriation bill. I presume that the Chair a few days ago——

The CHAIRMAN. What volume has the gentleman?

Mr. FOWLER. I read from series 45, Volume IV, page 4295, CONGRESSIONAL RECORD of 1910. An amendment was offered by Mr. HOBSON, as follows:

Provided, That no part of this appropriation shall be expended in experiments unless, in the development of armor-piercing projectiles and high explosives, an attack on heavy turret armor and heavy belt armor is made by armor-piercing projectiles at a battle range not less than 8,000 yards and by explosive gelatin in quantity not less than 200 pounds, exploded against the heavy belt armor and heavy turret armor of an actual vessel.

That was an amendment offered to an appropriation which provided simply for experiments. The amount provided for in the paragraph was not a very large sum, but a limitation was placed on its expenditure by the amendment which I have just read. The gentleman from Illinois [Mr. MANN] was in the chair at the time when the point of order was raised, and in passing upon the question——

Mr. MANN. If the gentleman is through——

The CHAIRMAN. The gentleman has not yielded the floor yet.

Mr. FOWLER. The Chairman at that time used the following language:

It is perfectly within the power of the House, under the rule, to adopt an amendment that is a limitation upon the appropriation, and it seems to the Chair that this is a mere limitation upon the appropriation. It is true that the department has authority to make any experiment it pleases, but the amendment may provide that the money of this appropriation shall be withheld from experiments in developing the armor-piercing projectiles which do not meet the specified conditions as to range and amount of explosive. The Chair therefore overrules the point of order.

Mr. Chairman, the paragraph here provides for $14,877,500. The amendment provides that no more than $14,500,000 of said appropriation shall be used to procure armor or armament until after the Secretary of the Navy, through the Commissioner of Corporations, in public hearings, shall have made an investigation to determine whether any persons, firms, or corporations are in combination or conspiracy to defraud the Government of the United States in the price or quality of the armor, armament, or other materials. The amendment undoubtedly, Mr. Chairman, is a limitation upon the expenditure only. It seeks only one thing, and that is that a certain portion of the money appropriated shall not be expended until it is determined as to whether there is an armor trust and acting in a way to defraud the American people either as to the quality or the price of the armor. Now, Mr. Chairman, that being a limitation upon the expenditure and dealing with the same subject matter as is dealt with in this paragraph, I can not understand but what it is perfectly germane in every sense of the word, because the only rule that applies to it is Rule XXI, and that rule provides that a limitation may be placed upon the expenditure in three different ways. If the amendment seeks a retrenchment on expenditures as to the number of officers of the United States or the salaries paid to them or the amount carried by the paragraph, then the amendment is not subject to a point of order. I think, Mr. Chairman, the amendment which was offered by me a few days ago, and against which the Chair overruled a point of order, with the gentleman from Illinois [Mr. MANN] at that time claiming that the point of order would lie against the amendment, is just like that amendment in effect. Its force and effect are just the same in this instance as in the other instance and as was urged by the amendment offered by Mr. HOBSON to the naval bill in 1910. And for these reasons, Mr. Chairman, I think the amendment is not subject to a point of order.

Mr. MANN. Mr. Chairman, I think the ruling my distinguished colleague has cited was a very good ruling. Considering the author, I do not see how it could otherwise have been [applause]; but there was a question where there was a requirement that the Navy Department should do something which it had the power to do, and the limitation was that unless the Navy Department did that, then the appropriation should not be available; but here is a purported limitation limiting the expenditure of money unless the Navy Department does something which it does not have the power to do unless this is legislation, because the Secretary of the Navy has no more jurisdiction over the Commissioner of Corporations than my colleague, the gentleman from Illinois.

The Commissioner of Corporations is the chief of the bureau in the Department of Commerce and is not subject to the directions or instructions of the Secretary of the Navy. Now, if the Secretary should construe that he could not expend the money, that might be very well; but the Secretary would have to take, and the Commissioner of Corporations would have to take, this special legislative enactment giving to the Secretary of the Navy authority to require the Commissioner of Corporations to make an investigation, and it would have to be considered as legislation, because the departments would not suppose we were inserting a limitation which meant nothing at all, and hence they would assume it was legislation and be right about it. And we would be conferring an authority which is not now given to the Secretary of the Navy and fixing a requirement on the Commissioner of Corporations which does not now exist.

The CHAIRMAN. The Chair is of the opinion that there is legislative direction in the amendment offered by the gentleman from Illinois [Mr. FOWLER], and therefore sustains the point of order.

Mr. FOWLER. Mr. Chairman, I move to strike out the paragraph.

The CHAIRMAN. The gentleman from Illinois [Mr. FOWLER] moves to strike out the paragraph. The question is on the motion——

Mr. FOWLER. I desire to be heard.

Mr. PADGETT. There is no debate on the paragraph.

Mr. MANN. My colleague has five minutes which he did not use.

Mr. PADGETT. That is right. He did not use his five minutes.

Mr. BROWNING. Mr. Chairman, I ask unanimous consent to extend my remarks in the RECORD.

The CHAIRMAN. Is there objection? [After a pause.] The Chair hears none.

Mr. FOWLER. Mr. Chairman, first, the trust furnishes the Government armor not up to the specifications; second, false reports of the treatment of the plates are made to the Government inspectors; third, deliberate suppression of facts as to most important tests of armor and shells at Government proving grounds; fourth, the Armor Trust by its monopoly exacts from the Government extortionate prices for armor of more than $200 per ton above what the armor is worth; fifth, the Armor Trust defrauds the Government of several million dollars annually by fraudulently furnishing inferior armor not made according to contract specifications.

VIOLATION OF ARMOR CONTRACTS.

[H. Rept. No. 1468, 53d Cong., 2d sess.]

Hon. Amos Cummings, of New York, chairman of the Committee on Naval Affairs, submitted the following report August 23, 1894, of its investigations since the House, on May 22, 1894, adopted the resolution ordering an investigation of the Carnegie Co.'s furnishing of inferior or damaged armor, etc., to the Government. "and the amount of compensation which should be paid to the Government in settlement for such damaged or inferior armor," etc. The report says:

"The committee has taken a large mass of testimony. It has visited the works of the Carnegie Co. and has carefully analyzed the testimony taken. The alleged frauds as elicited by the testimony are specific. They are as follows.

THE CHARGES AGAINST THE COMPANY.

"First. The plates did not receive the uniform treatment required by the specifications of the contracts. In many cases the treatment was irregular, and in other cases it was practically inefficient. The specifications of the contract of February 28, 1893, required that each plate should be annealed, oil tempered, and again annealed, the last process being an annealing one.

"Second. False reports of the treatment of the plates were systematically made to the Government inspectors. This was in violation of paragraph 95 of the circular concerning armor-plate appurtenances, dated January 16, 1893, which was made a part of the contract. Paragraph 95 says:

"'The contractor shall state for each article, in writing, the exact treatment it has received.'

"The specifications of the contract of November 20, 1890, paragraph 164, say:

"'A written statement of work and contractor's tests, to be commenced and in progress each day, must be furnished to the chief inspector.'

"Third. No bolts received the double treatment provided for in the specifications of either contract. A report of a double treatment, however, was made to the Government inspectors.

"Fourth. Specimens taken from the plates both before and after treatment, to ascertain the tensile strength of each plate, were stretched without the knowledge of the Government inspectors, so as to increase their apparent tensile strength when actually tested.

"Fifth. False specimens taken from other plates were substituted for the specimens selected by the Government inspectors.

"Sixth. The testing machine was repeatedly manipulated, by order of the superintendent of the armor-plate mill, so as to increase the apparent tensile strength of the specimens. These specimens were jugged in measurement, so as to increase their apparent ductility.

"Seventh. Various specimens selected by Government inspectors were re-treated without their knowledge before they were submitted to test.

"Eighth. Plates selected by the Government inspectors for ballistic test were re-treated, with the intention of improving their ballistic resistance, without the knowledge of the Government inspectors. In one case, at least, the conclusion is almost irresistible that the bottom of another plate was substituted for the top half of plate A 619 after it had been selected by the Government and while awaiting shipment to Indianhead. Upon this ballistic test a group of plates containing 348 tons, valued at about $180,000, were to be accepted or rejected. In three cases, at least, the plates selected by the Government inspectors were re-treated in this manner without their knowledge. These ballistic plates represented 779 tons of armor, valued at over $410,000. The groups represented by these three plates had all been submitted for premium of $30 per ton if they passed a more severe test than required for acceptance.

"Ninth. In violation of the specifications of the contact, pipes or shrinking cavities, erroneously called blowholes, in the plates were plugged by the contractors and the defects concealed from the Government inspectors. These cavities in some cases diminished the resistance and value of the plate.

"Tenth. The inspector's stamp was either duplicated or stolen, and used without the knowledge of the Government inspectors.

"Eleventh. The Government inspector in inspecting bolts was deceived by means of false templets or gauges."

On page 647, C. M. Schwab, superintendent of the Carnegie Works, testified: "I have knowledge of this fact, that they did not make any plates that did not have blowholes."

Mr. Corey testified, page 560: "The inspectors rejected the plates, and then we would turn them over to the Bureau of Ordnance, who would accept them."

The finding of the Navy Board, consisting of W. T. Sampson, Chief of the Bureau of Ordnance; Philip R. Alger, professor, United States Navy; and A. A. Ackerman, lieutenant, United States Navy, was: "We therefore conclude that the Government has been damaged by the Carnegie Co. to the extent of (p. 23)—

"(1) All premiums paid to this company, because wrongfully obtained.

"(2) Fifteen per cent of the value of all armor furnished by them.

"(3) The value of all plates containing serious blowholes, or other defects which have been concealed.

"This company was paid $7,682.79 in premiums and $1,846,445.16 for armor."

Report of the House Committee on Naval Affairs, page 16, says: "Criminality."

"If the criminality of the wrongful act is to be measured by the deliberation with which it is committed, the magnitude of the evil likely to result from its perpetration and the want of provocation with which it is done, the frauds which your committee have found are worthy to be called crimes."

Opinion of Attorney General Olney that an agreement on the part of the Secretary of the Navy to pay rewards of 25 per cent of the amounts recovered by the Government to the witnesses furnishing evidence is valid (p. 16).

The witnesses (informants) were paid a reward of $35,000, or 25 per cent of the $140,000 penalty recovered by the Government from the Carnegie Co. (Pp. 18–38, H. Doc. 160, 53d Cong., 2d sess.)

The Secretary of the Navy estimates damage to the Government by the Carnegie Co. between $300,000 and $400,000 (p. 18). I estimate total damage, according to the report of the Navy Board, to be:

Premiums	$7,682.79
15 per cent of armor furnished	276,966.75
Value of damaged plates (p. 18)	316,640.00
	601,289.54

The former investigation of the armor frauds was voted by the House of Representatives on May 22 1894, and finished and its report made to this House on August 23, 1894, finding the Carnegie Co. guilty of gross and criminal frauds on the Government on its armor contracts.

Now, if we turn to the table of armor contracts, page 839 of the Navy Yearbook, we find that previous to this investigation the Armor Trust, then composed of the Carnegie and the Bethlehem Cos., was charging the Government from $574 to $671 per ton for armor, and that immediately after the report of the investigating committee of this House the Government was able to contract for the great bulk of the armor for $411 per ton, an average of about $200 per ton less than we were paying before the investigation.

We find, then, the interesting fact that this saving to the Government on armor contracts, as a direct result of the investigation by a committee of this House, from 1894 to the present time, amounts in round figures to considerably over $30,000,000. A decidedly profitable investigation that; and since in recent years the Armor Trust has begun pushing up the price of armor on the Government, it is reasonable to suppose that another investigation might prove equally profitable to the Government. In fact, it is, I understand, asserted by competent experts that better armor than we are now buying for $440 per ton could be got for $240 per ton if another investigation is ordered by Congress, a saving of $200 per ton and a reduction of over $3,200,000 on the cost of two ships provided for in this bill alone.

Mr. Chairman, Secretary Daniels in the hearings before the Committee on Naval Affairs, in 1914, used the following language:

Though you can not establish it in black and white, there is no doubt of an Armor Plate Trust all over the world.

Secretary Daniels in speaking of his effort to secure competitive bids for certain material for the construction of the dreadnaught *Pennsylvania* found that the bids were absolutely identical, as he testified before the committee. He wound up on that subject with the following language:

In other words, they held us up.

Mr. Chairman, who was it that Secretary Daniels referred to when he said that "they held us up"? Who was it that they held up? This evidence reveals that it was the Armor Trust that had held up the American people in their efforts to secure competitive bids for furnishing armor and other materials for our Navy. Who is it that holds people up? Is it the man whose heart is bent on good or is it the man who has sold his soul to the devil? Who is it that holds up the passengers on the train? Who is it that goes into the house of the honest man at night and holds up the landlord? Who is it that stands in the dark corners on the streets in the dead of night and holds up the pedestrian?

It is the man who has sold his soul to Satan. And we can not excuse ourselves by hurrying over these trust paragraphs as is undertaken to be done by the chairman of this committee and allow such "holdups" to continue. If we are to have relief from the Armor Trust, I am persuaded that we will be compelled to look elsewhere than at the hands of the chairman of this committee. When we examine the paragraphs carrying these trust provisions, and find him actively trying to skip over them without giving an opportunity to discuss them, we are compelled to conclude that relief under his leadership is impossible. You can not cover up the crimes committed by this trust against the American people by saying that it is late and we want to pass this bill to-night. You can not evade the duty which we owe to the American people by saying we want to pass this bill and adjourn before next August. We can not cover up the solemn duty that we took upon our souls under oath when we became Members of this great body by haste and indifference, thereby allowing the slimy fingers of corporate greed to take hold of our work and deprive the American people of the legislation which we took upon ourselves to enact when we became Members of this body.

We can not, under the guise of rushing this bill through, exonerate ourselves before the people of this country when it is proven that Secretary Herbert and Secretary Daniels have both said in solemn form that there is a world-wide Armor Trust; that the three and the only armor-manufacturing plants in this country are in a combination in restraint of trade, in a combination to defraud the American people in the price and quality of the material furnished by them for our Navy. It is criminal, it is outrageous, for us to allow it to go on, and if we do not take the proper steps to check and prevent it we can not go back to the people, to our constituents, and tell them that we have done our whole duty. [Applause.]

The CHAIRMAN. The question is on the adoption of the amendment of the gentleman from Illinois [Mr. FOWLER] to strike out the paragraph.

Mr. FOWLER. Mr. Chairman, I withdraw the pro forma amendment.

The CHAIRMAN. Without objection, the amendment offered by the gentleman to strike out the paragraph is withdrawn. [After a pause.] The Chair hears none. The Clerk will read.

The Clerk read as follows:

The Secretary of the Navy is hereby authorized and directed to investigate and report at the next regular session of Congress upon the selection of a suitable site for the erection of an armor plant to enable the United States to manufacture its own armor plate and special-treatment steel capable of standing all ballistic and other necessary tests required for use in vessels of the Navy at the lowest possible cost to the Government, taking into consideration all of the elements necessary for the economical and successful operation of such a plant, such as the availability of labor, material, and fuel, and transportation facilities to and from said plant. Said report shall contain the cost of a site sufficient to accommodate a plant having an annual output capacity of 20,000 tons and a site for an output of 10,000 tons, and also an itemized statement of the cost of the necessary buildings, machinery, and accessories for each, and the annual cost and maintenance of each, and the estimated cost of the finished product.

Mr. MANN. Mr. Chairman, I make a point of order on the paragraph.

Mr. SHARP. Will the gentleman withhold his point of order?

Mr. PADGETT. I ask for a ruling, Mr. Chairman. The paragraph is subject to a point of order. I call for the regular order.

The CHAIRMAN. The gentleman from Illinois [Mr. MANN] makes a point of order, and the gentleman from Tennessee [Mr. PADGETT] asks for the regular order.

Mr. SHARP. Will the gentleman reserve it for a moment?

Mr. MANN. For what purpose?

Mr. SHARP. I want to speak upon it.

Mr. MANN. Oh, the gentleman will have an opportunity to speak to-morrow in general debate probably. What is the use in speaking on it when the chairman of the committee has conceded that it is subject to a point of order? This bill is a week later than it ought to be, anyway.

The CHAIRMAN. Does the gentleman insist upon his point of order?

Mr. PADGETT. I concede it is subject to a point of order.

Mr. MANN. I make the point of order.

The CHAIRMAN. The point of order is sustained.

Mr. FOWLER. Mr. Chairman, I hope the gentleman will not make a point of order on the paragraph. [Cries of "Vote!" "Vote!"]

Mr. MANN. I will. I am afraid the gentleman from Illinois [Mr. FOWLER] will detain us for another five-minute speech, and I am tired hearing from him.

Mr. FOWLER. It is the only paragraph, Mr. Chairman, that offers relief in this bill. I protest against a man taking it out on a point of order. [Cries of "Vote!" "Vote!"]

Mr. MANN. We are tired of hearing so much hot air. [Laughter.]

The CHAIRMAN. The Chair sustains the point of order. The Clerk will read.

The Clerk read as follows:

Total increase of the Navy heretofore and herein authorized, to be available until expended, $36,456,734.

Mr. SAUNDERS. I make a point of order against that paragraph, Mr. Chairman.

Mr. ROBERTS of Massachusetts. It is too late.

Mr. SAUNDERS. No; it is not too late. I can not outrun the Clerk in reading.

Mr. PADGETT. The gentleman makes the point of order against the language, "to be available until expended"?

Mr. SAUNDERS. Yes.

Mr. PADGETT. I concede that the point of order is well taken.

The CHAIRMAN. The point of order is sustained. The Clerk will read.

The Clerk read as follows:

Of each of the sums appropriated by this act, except such amounts as may be required to meet obligations authorized in previous acts and for which contracts have been made, no part shall be used to procure through purchase or contract any vessels, armament, articles, or materials which the navy yards, gun factories, or other industrial plants operated by the Navy Department are equipped to supply, unless such Government plants are operated approximately at their full capacity for not less than one regular shift each working day, except when contract costs are less than costs in said Government plants, and except when said Government plants are unable to complete the work within the time required, and except in cases of emergency.

Mr. BROWNING. Mr. Chairman, I make a point of order against the paragraph.

Mr. MANN. I do not think it is subject to a point of order.

The CHAIRMAN. The gentleman from New Jersey [Mr. BROWNING] makes a point of order on the paragraph. The Chair overrules the point of order. It is merely a limitation. The Clerk will read.

The Clerk read as follows:

That no part of any sum herein appropriated shall be expended for the purchase of structural steel, ship plates, armor, armament, or machinery from any persons, firms, or corporations who have combined or conspired to monopolize the interstate or foreign commerce or trade of the United States, or the commerce or trade between the States and any Territory or the District of Columbia, in any of the articles aforesaid, and no purchase of structural steel, ship plates, or machinery shall be made at a price in excess of a reasonable profit above the actual cost of manufacture. But this limitation shall in no case apply to any existing contract.

Mr. FOWLER. Mr. Chairman, I offer the following amendment: On page 57, line 5, after the word "plates", insert the words "armor, armament," so that the paragraph will read:

Ship plates, armor, armament, or machinery.

The CHAIRMAN. The Clerk will report the amendment offered by the gentleman from Illinois [Mr. FOWLER].

The Clerk read as follows:

Amend, page 57, line 5, by inserting after the word "plates" the words "armor, armament."

Mr. PADGETT. Mr. Chairman, I want to call the attention of the gentleman to the language at the beginning of the paragraph on page 56. If he will look there he will see that that is already in the paragraph—

That no part of any sum herein appropriated shall be expended for the purchase of structural steel, ship plates, armor, armament, or machinery from any persons, firms, or corporations who have combined or conspired to monopolize the interstate or foreign commerce or trade of the United States.

That is simply inserting what is already in the law.

Mr. FOWLER. Why do not you accept it, then, if it does not do any harm? [Cries of "Vote!" "Vote!"] Mr. Chairman, I desire to be heard on the amendment. [Cries of "Vote!" "Vote!"]

The CHAIRMAN. The gentleman from Illinois [Mr. FOWLER] is recognized.

Mr. FOWLER. Mr. Chairman, there is a provision in the first part of this paragraph to the effect that "no part of any sum herein appropriated shall be expended for the purchase of structural steel, ship plates, armor, armament, or machinery from any persons, firms, or corporations who have combined or conspired," and so forth. But the other part of the paragraph—and I shall read all of it—is:

Corporations who have combined or conspired to monopolize the interstate or foreign commerce or trade of the United States, or the commerce or trade between the States and any Territory or the District of Columbia, in any of the articles aforesaid, and no purchase of structural steel, ship plates, or machinery shall be made at a price in excess of a reasonable profit above the actual cost of manufacture. But this limitation shall in no case apply to any existing contract.

The two ideas are not alike at all. In effect the provision in the bill gives an opportunity to buy armor and armament at a price with unreasonable profits. [Cries of "Vote!" "Vote!"] And that is the reason I want this amendment placed in this paragraph. [Cries of "Vote!" "Vote!"] Now, gentlemen, we should not slip over this paragraph by yelling "Vote," and at the same time give a benefit to this trust that has already been shown to be a slimy, most obnoxious, and most villainous combination for the purpose of robbing the people of the United States, giving them an opportunity to sell their product, the most costly to the United States, at an unreasonable profit. We can not discharge our whole duty by treating this question lightly and refusing to consider this amendment. [Cries of "Vote!" "Vote!"]

Now, Mr. Chairman, I desire to say to the gentlemen who are yelling "Vote!" over this House, that I presume when Gabriel shall set one foot on the land and the other on the sea and summon mankind to final judgment, and when the great angel shall roll back the door of heaven like a mighty scroll, some fellow away down on earth who was once a Member of the Congress of the United States will not yell to the Eternal Judge "Vote!" but "Don't vote!" He will be afraid of the vote. [Laughter.] I want you gentlemen to understand that I am not here to kill time. Were it not for the responsibility which I feel hanging over me and hanging over every Member of this body I would not have opened my mouth, because to me personally it will not amount to anything. I am able to earn enough of this world's goods to keep me and my family as long as I expect to live, but I am working now for my constituency and for my country.

The CHAIRMAN. The time of the gentleman has expired.

Mr. PADGETT. Mr. Chairman——

Mr. MADDEN. Mr. Chairman, I ask unanimous consent that my colleague be given five minutes more.

The CHAIRMAN. The gentleman from Tennessee is recognized.

Mr. PADGETT. In order that we may finish this bill before the Angel Gabriel stands one foot on the land and one foot on the sea and blows his horn, I move to close debate on this paragraph and all amendments thereto now.

Mr. GREGG. Mr. Chairman——

The CHAIRMAN. For what purpose does the gentleman from Texas rise?

Mr. GREGG. I rose for the purpose of being recognized.

The CHAIRMAN. The Chair has recognized the gentleman from Tennessee, and he has moved to close debate. The question is on the motion made by the gentleman from Tennessee [Mr. PADGETT].

The motion was agreed to.

Mr. GREGG. Mr. Chairman, I move to strike out the last word.

The CHAIRMAN. The question is on the adoption of the amendment offered by the gentleman from Illinois [Mr. FOWLER]. The Chair will ask the gentleman from Texas [Mr. GREGG] for what purpose he now rises?

Mr. GREGG. I move to strike out the last word, if it is in order.

The CHAIRMAN. That is not in order. Debate is closed.

Mr. GREGG. I withdraw the pro forma amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois [Mr. FOWLER].

The question being taken, the Chairman announced that the noes appeared to have it.

Mr. FOWLER. Mr. Chairman, I ask for a division.

The committee divided; and there were—ayes 50, noes 66.

Accordingly the amendment was rejected.

The Clerk read as follows:

That no part of any sum herein appropriated under "Increase of the Navy" shall be used for the payment of any clerical, drafting, inspection, or messenger service, or for the pay of any of the other classified force under the various bureaus of the Navy Department, Washington, D. C.

Mr. GREGG. Mr. Chairman, I move to strike out the last word. The amendment that was proposed a few moments ago by the gentleman from Illinois [Mr. FOWLER] was not given proper consideration, and I am inclined to believe that a majority of this House voted under a misapprehension, growing out of the statement made by the chairman of the committee [Mr. PADGETT] that the substance of the amendment of the gentleman from Illinois [Mr. FOWLER] was already incorporated in the bill. Such is not true. Now, I want to call your attention for just a moment. The section which the gentleman sought to amend has two provisions, the first of which is:

That no part of any sum herein appropriated shall be expended for the purchase of structural steel, ship plates, armor, armament, or machinery from any persons, firms, or corporations who have combined or conspired to monopolize the interstate or foreign commerce or trade of the United States.

Or, in other words, from a trust.

It provides that armor and armament and the other items, structural steel, ship plates, and machinery, shall not be purchased from a trust. There is another provision of this section—and here is where the gentleman from Illinois [Mr. FOWLER] offered his amendment, which ought to have been adopted, and doubtless would have been but for the fact that the gentleman has consumed so much of the time to-day that due consideration was not given to his amendment—he offered his amendment to that provision of the bill which is as follows:

And no purchase of structural steel, ship plates, or machinery shall be made at a price in excess of a reasonable profit above the actual cost of manufacture.

You will notice it prohibits the purchase only of structural steel, ship plates, and machinery at an unreasonable price, but does not provide that armor and armament shall not be purchased at a price above a reasonable profit; and the object of the gentleman's amendment was to include armor and armament in this provision so as to prohibit its purchase at an unreasonable price. This Committee of the Whole House has made a mistake. Why should we say that the department shall not buy structural steel, ship plates, or machinery at an unreasonable price and permit them to buy armor and armament at an unreasonable price? I submit that to the consideration of this committee; and I say there is no reason why we should not limit the purchase of armor and armament to a reasonable price, but there is every reason why we should do it; because the records show and the hearings clearly demonstrate that on those particular items is where the Government has been robbed in the past. I submit that a great injustice has been done and that a wrong has been perpetrated by this committee. I submit further that the provision cited by the chairman of this committee does not apply, but that it simply prohibits this purchase from a trust. This provision here prohibits this purchase at an unreasonable price, and we ought to prohibit the purchase at an unreasonable price not only of structural steel, ship plates, and machinery, but also of armor and armament. [Applause.]

Mr. BURKE of Wisconsin. Mr. Chairman, to me it is a pleasure to support this naval appropriation bill. It contains among other essential things a provision for the increase of the Navy by authorizing the construction of two first-class battleships. These ships are to carry as heavy armor and as powerful armament as any vessel of their class, and are to have the highest practicable speed and the greatest desirable radius of action. Each is to cost, exclusive of armor and armament, not to exceed $7,800,000. The armor and armament of the proposed battleships herein provided for are to cost $8,438,750 each. Each vessel when completed, including its armor and armament, is to cost $15,238,750.

In addition to these two first-class battleships, the bill provides for the construction of six torpedo boat destroyers having the highest practicable speed and costing, exclusive of armor and armament, $925,000 each. Provision is also made for one seagoing submarine torpedo boat costing not to exceed $1,100,000, and also for three coast defense submarine torpedo boats costing not to exceed in the aggregate $1,860,000. Another provision is for four submarine boats costing in the aggregate $1,500,000.

INCREASE OVER NAVAL BILL OF 1913.

Last year's naval appropriation bill carried the following new construction for the Navy: One battleship, 6 destroyers, 4 submarines, 1 transport, and 1 supply ship, while the bill recommended this year carries 2 battleships, 6 destroyers, and 8 submarines; yet there is a reduction in this bill under last year's bill of $836,309.99, notwithstanding that the present bill contains provision for the construction of one additional battleship with armor and armament, and several minor increases.

TOTALS.

The total amount carried in the naval appropriation bill of 1913 amounted to $140,800,643.53. The Navy Department submitted estimates for this year, including supplemental estimates and all other estimates, amounting to $144,492,453.53. The amount recommended for all naval purposes in this bill is $139,964,433.61, a reduction in the estimates for this year, in round numbers, of $4,500,000. From this it must be apparent to all that the House Committee on Naval Affairs has not allowed itself to be blinded and rushed by the enthusiasm of the Navy Department. It also proves that our committee is thoroughly familiar with the naval situation of the Nation, and that its recommendations, in the whole and in detail, are based upon substantial facts.

FORMER NAVAL PROGRAM.

For several years prior to and including 1911, the Congress of the United States had in its annual naval appropriation bill made provision for the construction of two first-class battleships and for their armor and armament. In 1912 and 1913, in a spasm of economy, Congress made provision for only one first-class battleship, with armor and armament. Under the naval program, which provided for two first-class battleships annually, the strength of the American Navy increased and forged ahead until it ranked second among the naval powers of the world. Failure to continue that program of two battleships each year in 1912 and 1913 has reduced our rank to that of third among the naval powers.

MY PREVIOUS VOTES ON THE NAVY.

A caucus of the Democratic Members of the House of Representatives in 1912 decreed that the naval appropriation bill for that year should contain provision for the construction of no new battleships. At that caucus a dream of universal peace and adherence to an impracticable party platform declaration of economy seems to have blinded the Democratic membership to the necessity of upholding and continuing the Navy of the United States second in rank of naval powers. At that time I said to my party colleagues that when it came to the honor and defense of our Nation, I owed no allegiance to my party, but that my sole allegiance was to our country. I then and there bolted the decree of the Democratic caucus and voted upon this question of national defense as my conscience dictated, which was for two battleships. Finally, in that year a compromise was effected and provision was made for one battleship only. The party caucus, having learned something by experience, did not attempt in 1913 to dictate the number of battleships, if any, that should be built for that year. In 1913, however, I again had the pleasure and honor of voting for an amendment to the naval appropriation bill which provided for the construction, armor, and armament of two first-class battleships, but again cheap economy blinded the majority of my party colleagues to the necessity of an adequate Navy, and but one battleship, with armor and armanent, was provided for. My attitude and vote upon the last two annual naval appropriation bills were well known to my constituents and to the people of my State. No constituent and no paper in my district has criticized me for openly and boldly voting for such naval appropriations as were considered necessary by experienced naval officials for the maintenance of the second position in rank among the naval powers by the United States. On the other hand, I have received many favorable expressions of opinion for the position which I took upon those two measures.

GLAD FOR RETURN TO OLD NAVAL PROGRAM.

It was indeed a pleasure to me to learn early this year that the present Democratic Secretary of the Navy, Hon. Josephus Daniels, intended to include in this year's naval estimates a two-battleship program for the coming fiscal year. This pleasure was increased when I learned that his intentions to recommend such an increase in battleships, had the approval of our Democratic President. Here, at least, we have two Democratic officials high in authority who consider an adequate national naval defense far more important than mere economy. I am sure that the wisdom and patriotism of the country commend them for their wise and sound judgment and their patriotic attitude. History will place them in the ranks of patriots first and in economy second.

In view of this change of attitude on the part of the Democratic Party in favor of an adequate Navy, it is natural that I should rejoice. It is my fond hope that the Secretary of the Navy and the President may continue to urge the upbuilding and maintenance of an American Navy which will be suitable, efficient, and adequate to protect our national interests the world over. I feel that this turn in administration sentiment, justifies me in having previously bolted my party caucus on this matter, and in boldly and openly voting for the maintenance of the efficiency of the American Navy.

INTEREST OF CONSTITUENTS.

In 1912, when I bolted the decree of the Democratic caucus on the question of battleships and voted for two first-class battleships, I was accosted by one of my genial Democratic friends, who belonged to the small-Navy contingent, with the remark that my constituents were not interested in the Navy, and that not one in a thousand of them had ever seen or ever would see a battleship. I promptly told him that I represented an unselfish and patriotic district; I pointed out to him that at that very time the commandant of the Philadelphia Navy Yard was no less an official than Rear Admiral Albert Mertz, a native of my home county of Dodge and a legal resident of my native and home city of Beaver Dam; and I flushed with pride as I told him the additional fact that this admiral and his father before him were loyal and patriotic Democrats. I called his attention to the fact that my district was the district that for five terms had been represented in Congress by the distinguished patriot and Democrat Gen. Edward S. Bragg. I pointed out to him that at that very hour the corridors of the Capitol were being traversed by a lady in mourning, who was the daughter of Gen. Bragg and the widow of Commodore Sherman. Last, but not least, I told him of the two bright, gallant, and patriotic young men from my district that were then and now are cadets in the Annapolis Naval Academy, placed there by me, who are standing near the head of their respective classes, and whom I fondly look forward to see in due time occupying and enjoying high positions in our Navy; and then I asked him if he expected a district with such a record to be represented by a small-Navy Democrat, or by a Democrat who believed in the progress and enlargement of our Navy.

FARMERS HAVE AN INTEREST.

I am aware of, and view with pride, the fact that my dairy constituents now and for many years past have under contract, supplied all the condensed milk used by the United States Navy. It is a compliment of no small magnitude to be thus favored by the Navy, whose judgment is so sound and so excellent in such matters. It is appreciated by my constituents, and I know that they do not look with a frown upon my support of an adequate Navy.

NAVAL PROGRAM OF THE WORLD.

The naval programs of the leading powers of the world are and have of recent years been increasing in tonnage and power. Their programs even this year show a steady increase as compared with those of preceding years. The battleships now under construction are all to be equipped with the largest and most powerful cannon and of increased tonnage.

The 12-inch gun for new battleships has now been almost universally discarded in favor of a 13.4-inch or larger gun. England, Germany, and Italy have adopted a 15-inch weapon. France adheres to the 13.4-inch gun, but has increased the number in each turret to four. Submarines are receiving marked attention, and their size and speed have been greatly increased.

GREAT BRITAIN.

The total naval appropriations of Great Britain for the year ending June 30, 1914, amounted to $235,213,498, as compared with appropriations of that nation for naval purposes in the previous year of only $228,430,065. It will be remembered that the appropriation carried by this bill for naval purposes is, in round numbers, only $139,000,000.

GERMANY.

The total naval appropriations of Germany for the year ending June 30, 1914, amount to $112,037,576. This is an increase of nearly a million and one-half over the total German naval appropriations for the previous year.

FRANCE.

The total naval appropriations of France for the year ending June 30, 1913, amount to $90,164,989, an increase of $8,472,157 over the appropriations of that country for 1912.

JAPAN.

The total naval appropriations of Japan for the fiscal year of 1914 amount to $48,105,152, which is an increase over the naval appropriations of that country for the preceding year of $1,195,811.

RUSSIA.

The naval estimates for Russia for the year of 1913 amount to $118,643,820. This is an increase over the naval appropriations of 1912 of $36,624,187.

ITALY.

The naval estimates of Italy for the year 1914 amount to $49,550,147, an increase of $7,656,727 over the estimates for the preceding year.

It will be observed that there is a pronounced tendency to increase the naval strength of each nation. I venture at this time to include in these remarks the following statistics, in hope that the same may be instructive and interesting:

Relative order of warship tonnage.

Present order (tonnage completed).		As would be the case if vessels now building were completed.	
Nation.	Tonnage.	Nation.	Tonnage.
Great Britain	2,072,711	Great Britain	2,611,291
Germany	943,338	Germany	1,228,208
United States	760,002	United States	921,844
France	645,891	France	876,155
Japan	497,199	Japan	702,099
Russia	283,681	Russia	685,373
Italy	259,136	Italy	452,089
Austria	198,351	Austria	258,740

SEA STRENGTH.

[Office of Naval Intelligence, Navy Department, December 1, 1913.]

In order to answer the frequent inquiries of societies and persons throughout the country interested in the maintenance of the Navy and its relative strength and importance in comparison with foreign navies, the following information has been compiled:

SHIPS.

TABLE I.—*Vessels built.*

	Battleships, dreadnaught type.[1]	Battleships.[2]	Battle cruisers.[3]	Armored cruisers.	Cruisers.[4]	Destroyers.	Torpedo boats.	Submarines.	Coast defense vessels.[5]
England	18	40	9	34	72 (*k*)	143 (*k*)	49	72	.....
Germany	13	20	4	9	40	130	.....	24	2
United States	7	24	.....	11	14	46	18	25	4
France	2	18	.....	20	10	81	139	75	1
Japan	2	13	1	13	14	54	28	13	2
Russia	.....	8	.....	6	9	93	14	30	2
Italy	2	8	.....	9	7	28	68	19	.....
Austria	2	6	.....	2	5	15	36	6	6

[1] Battleships having a main battery of all big guns (11 inches or more in caliber).
[2] Battleships of (about) 10,000 tons or more displacement, and having more than one caliber in the main battery.
[3] Armored cruisers having guns of largest caliber in main battery and capable of taking their place in line of battle with the battleships. They have an increase of speed at the expense of carrying fewer guns in main battery, and a decrease in armor protection.
[4] Includes all unarmored cruising vessels above 1,500 tons displacement.
[5] Includes smaller battleships and monitors. No more vessels of this class are being proposed or built by the great powers.

TABLE II.—*Vessels building or authorized.*

	Battleships, dreadnaught type.	Battle cruisers.	Cruisers.	Destroyers.	Torpedo boats.	Submarines.
England[1]	14	[2]1	[2]20	[2]44	.....	[2]22
Germany[3]	6	3	4	12	.....	[4]12
United States	5	.....	.....	16	.....	26
France	9	.....	.....	5	.....	18
Japan[5]	4	3	.....	2	.....	2
Russia[6]	7	4	8	45	.....	25
Italy	7	.....	3	19	2	.....
Austria	2	.....	2	3	27	8

[1] England has no continuing shipbuilding policy, but usually lays down each year 4 or 5 armored ships with a proportional number of smaller vessels.
[2] Includes vessels of colonies.
[3] Germany has a continuing shipbuilding program, governed by a fleet law authorized by the Reichstag. For 1913 there are authorized 2 battleships, 1 battle cruiser, 2 cruisers, 12 destroyers. Eventual strength to consist of 41 battleships, 20 armored cruisers, 40 cruisers, 144 destroyers, 72 submarines.
[4] $4,760,000 authorized for experiments and further construction.
[5] $78,837,569 authorized to be expended from 1911 to 1917 for the construction of war vessels.
[6] Russian shipbuilding program provides for the completion by 1918 of 4 battle cruisers, 8 small cruisers, 36 destroyers, and 18 submarines.

The following vessels are not included in the tables:

Ships over 20 years old from date of launch, unless they have been reconstructed and rearmed within five years.

Torpedo craft over 15 years old.

Transports, colliers, repair ships, converted merchant vessels, or any other auxiliaries.

Vessels of less than 1,500 tons, except torpedo craft. Torpedo craft of less than 50 tons.

Recent battleships and armored cruisers of over 17,000 tons displacement built or proposed by the United States:

Names.	Type.	Tonnage.	Date of order.	Keel laid.	Launched.	Commission.
Delaware	B...	20,000	1907	Nov., 1907	Feb., 1909	Apr., 1910
North Dakota	B...	20,000	1907	Dec., 1907	Nov., 1908	Do.
Florida	B...	21,825	1908	Mar., 1908	May, 1910	Sept., 1911
Utah	B...	21,825	1908	Feb., 1909	Dec., 1909	Aug., 1911
Wyoming	B...	26,000	1909	Feb., 1910	May, 1911	Sept., 1912
Arkansas	B...	26,000	1909	Jan., 1910	Jan., 1911	Aug., 1912
New York	B...	27,000	1910	Sept., 1911	Oct., 1912	
Texas[1]	B...	27,000	1910	Apr., 1911	May, 1912	
Nevada	B...	27,500	1911	Nov., 1912	.....	
Oklahoma	B...	27,500	1911	Oct., 1912	.....	
Pennsylvania	B...	31,400	1912	Oct., 1913	.....	
No. 39	B...	31,400	1913	.....	.....	

[1] Trials, 1913.

ARGUMENTS OF THE OPPOSITION.

Those who are opposed to any increase of the Navy contend that it is a useless and wasteful expenditure of the public funds to provide for two battleships in this bill, or to provide for additional increases in construction and armament. This is so, they say, because there is no probability of our Nation becoming involved in war. They point to the increase in the number of advocates, and to the growing sentiments of peace among the civilized nations of the world. They refer to the work of the International Parliamentary Union, and to The Hague Tribunal as great instruments of peace. The increased use and popularizing of arbitration among nations is urged as a reason why a further increase in the American Navy should not be made.

I am aware that stronger, more numerous, and widespread sentiments of international peace exist on the part of both individuals and nations than ever before in human history. All sincere and right-thinking men are delighted to see the rapid advances made in the interest of the peace of nations, and we all hope that the time may come when war will be practically impossible and unknown.

I have no sympathy, however, with certain movements in the interest of peace. The dream of universal peace, near or remote, is a visionary thought and impracticable to realize. I have but contempt for those advocates of peace who allow their ideas of peace to be worked into dreams. Why, we have among us peace advocates who even urge the prevention of the singing by the youth of our country of its battle hymns and patriotic songs; we have dreamers of peace who would prevent the reading of the Declaration of Independence on the Fourth of July, because they fear that some of the stirring language of that glorious declaration may instill thoughts of war in young America. These belong to the class of mollycoddles that our Teddy has so frequently and justly referred to with contempt and ridicule. I have no use whatsoever for such peace societies as the Carnegie Peace Endowment Foundation, whose practical efforts in the direction of promoting peace lie, in a sort of treachery and treason to their own country.

POSSIBILITIES OF WAR.

All history has shown that the majority of wars have come unexpectedly. This has necessarily been so, because wars are the product of the collective passion of the people of a nation.

History shows us that up to less than a century ago, the most civilized nations of the world for centuries spent over one-third of their time in wars. From 1688 until 1815, a period of 127 years, 54 of those years were spent in savagery of 12 different wars between France and England. Other nations during the same time were engaged a good part of the time in warfare. Then we did not have great battleships with the greatest of armor and armament. For thousands of years previous to the building of modern battleships there were no battleships, and yet wars were more frequent then than in these days of battleships, and yet we have peace advocates among us who say that if we did not have any battleships we would not have any war. History shows us that in the centuries when there were no battleships, war was the rule instead of the exception. Wars will be prevented in the proportion that we are prepared to prevent them, and the time is rapidly coming when no nation can afford to go into a war. I believe and hope that the time is near at hand when some inventive genius will succeed in inventing some power, which will make it too dangerous and ruinous for any nation to go to war. But until that time we must prepare in the same proportion that other nations who are our rivals in commerce and power, are preparing.

In common with all right-thinking men, I believe in peace, and believe in the utmost efforts to preserve peace. It affords me pleasure and satisfaction to see the increasing diversified forces in the different civilized nations working in the interest of peace; but the forces of peace, like the forces engaged in all praiseworthy matters, may, and do, make mistakes and movements in the wrong direction at times. Until human nature shall have changed it will be necessary for us at all times to be prepared to meet those who may become our adversaries in war. It is true that man is improving and getting better and more peaceful, yet it is a slow process, and in my belief the time will never come when all dangers of the possibilities of war will be over. Dynamite of passion is planted in every human bosom by nature, and when the fuses of honor and patriotism are lighted, there will always be an uncontrolled explosion in both individuals and nations. You can not eliminate from human beings individually, or from human beings forming a nation, the fuses of honor and patriotism, and you can not avoid the consequences of this natural fact.

POSSIBILITIES OF WAR.

Our much-boasted civilization is and has been making progress, but it is still millions of years from the millennium. It is only skin deep. Until that is reached, brutal war will be the final arbitrator of our international troubles. At no time in the history of the world have the forces of universal peace been as strong as during the last six or seven years, and especially during the present administration. Peace treaties galore have been entered into by our State Department and have lined the vaults of the Senate. No such eloquent, forcible, and brilliant apostles of peace, has the world ever seen as in our present Secretary of State and our President. Their best efforts have been devoted to the preservation and maintenance of peace between our Nation and other nations. Yet where do we find ourselves to-day? We little thought a month ago that our Nation would be to-day with armed forces on the soil of Mexico. It shows that no matter how willing men may be to avoid the savagery, sorrow, and brutality of war, yet events and conditions in the most advanced civilization are much more forcible and controlling than the dreams of peace apostles. The world's history and our history, as well as our present unpleasant experience in Mexico, conclusively demonstrate the necessity of being prepared for war in order to keep at peace with the world.

TRUSTS, COMBINATIONS, AND FRAUDS.

The opponents of a well-prepared and adequate Navy, during the discussion of this bill, have alleged that in the purchase of armor and armament, the Steel Trust and other trusts have imposed upon the Government; and sold it armor and armament and other ship supplies at prices far in excess of those charged foreign nations. It is alleged that much of the domestic armor and armament, and other naval material sold to our Navy has been defective, and a combination is said to exist to extort unreasonable and exorbitant prices from the Government for this Navy material. These opponents hold up their hands in holy horror and denounce all appropriations in this bill which the Government may be forced to use in constructing battleships and purchasing material from American trusts and combinations as criminal waste and public robbery.

No one is more opposed to these trusts and combinations, as well as to other trusts and combinations, than I am. No one views with more indignation and remonstrance than myself the wicked imposition of these trusts and combinations upon the Government, not only in battleship matters, but also in other governmental directions. Whether these charges be true or not, I do not know. They have been repeated so often that it is time they were investigated and relief provided in case they are found to exist. It is strange that if such frauds are practiced upon the Government, that they have not been ascertained; but whether the Government is fleeced by these domestic trusts and combinations in purchasing armor and armament material, the remedy is not by abolishing the Navy or leaving it in a state of unpreparedness. It would be as sensible to advise the abolition of the entire merchant marine because disaster overtakes human life, as in the sinking of the *Titanic*, as to advise a small, unequipped, and unprepared Navy. It would be upon the same principle as advising a man to cut off his nose because at times it offends by detecting stench. It would be just as sensible to advise people to go naked because clothing is adulterated.

When our Democratic Department of Justice gets time and reaches this subject, the country may depend upon it that if there are any trusts and combinations which have been guilty of imposing upon the Government by selling it defective Navy material, or by selling Navy material at a greater price to this country than abroad, that there will be something done to promote justice on the one hand, and to prosecute criminals on the other hand. That department has been extremely busy since this Democratic administration came into power in investigating the

numerous criminal trusts and combinations, which during previous Republican administrations were permitted to grow so numerously and extravagantly in this country. All things, whether just or unjust, can not be done at once. I venture the prophecy, although I am not a prophet nor the son of a prophet, that before the present term of the Wilson administration shall have expired, a legal investigation into these alleged unlawful acts, extortions, and deceptions will have been made, and the guilty ones, if any, duly prosecuted, convicted, and sentenced.

ALLEGED WASTE.

The apostles of peace and the champions of little or no Navy find great satisfaction, however, in pointing out that in 15 or 18 years, as a rule, the most up-to-date battleships and Navy armor and armament will be worn out and become obsolete and out of date, and will be replaced by more modern and improved up-to-date battleships and naval armor and armament. They are forever ringing in our ears the present reduced power, rank, and effectiveness of the battleship *Oregon*. This historic battleship, once the greatest pride of the American Navy, has in 16 years, by reason of use, the elements, and age on the one hand, been reduced in power, rank, and effectiveness, and on the other hand, by reason of improved battleships, has been outranked, until now it is properly placed in the ranks of third-class battleships. Presumably for the same reasons it will soon be reduced to a still lower rank and to a less degree of power, rank, and efficiency. Our opponents say that in about the same length of time the present, and most effective and up-to-date battleships will be reduced in efficiency and class.

This condition of the battleship *Oregon*, and of other battleships, is true not only of such battleships in our own Navy, but of the navies of other civilized nations, and because of this natural decay on the one hand and natural improvement on the other hand, our opponents say that money invested in war vessels at the present time is only a criminal and needless waste, for they say there is nothing to show for these millions so spent in 18 or 20 years. But let these advocates of no Navy, and small Navy men be reminded that Government appropriations made for and used in the construction and maintenance of a Navy are not the only Government appropriations or private moneys that by reason of years of use and elements on the one hand and improvements on the other hand become, in a short time, apparently a needless waste. When we look back at the taxes paid in towns, cities, villages, counties, and States last year they all appear to be a waste. When we look back upon the clothing worn by ourselves in the last and previous years they all appear to be a waste in the sense in which our opponents contend present battleship appropriations are now a waste. The millions which we spend annually for river and harbor improvements appear also to be a needless waste, and in fact a good many millions spent by the Government on the last subject are actually waste all the time, yet these millions keep our harbors and rivers in a state of navigation sufficient to accommodate the commerce of the country and of the world. The millions spent upon the Army for this year, when looked upon in future years to come, will appear to be a waste in the same sense.

It is only by preparing and using the revenues of the Government in just proportions in the different branches, that the Government can be sustained and the Government itself live. All use is in time waste, but it is useful if it accomplishes the purpose for which it is designed and spent. The proudest and most magnificent merchant-marine ships of last year, are superseded and outclassed and reduced in tonnage, class, and rank by the improved leviathans of the present year. Is it a criminal waste for persons and corporations to invest their money in the construction this year of the most improved, efficient, and up-to-date steamships when in all probability next year or the year after steamships of greater tonnage and greater magnitude will probably be constructed and operated? No private concern looks upon these matters as a waste. This is true not only in the direction of building ships but in every other line of industry. How, then, can our opponents consistently say that we should not appropriate money at present for the construction of up-to-date battleships which may be out of date 15 or 18 years from now?

NAVY LEAGUE.

It appears that there is and has been for a long number of years past a society composed of retired and active officers of the United States Navy. They have formed this society for their own welfare. It is composed exclusively of officers and former officers of the Navy, who have in common the same likes and dislikes, aims, purposes, interests, and ambitions. It appears that among the matters that this society manifests an active interest in is the Navy of the United States. They are naturally as such interested in the Navy. It is not a crime that they are. It is not proof of indiscretion that they manifest an interest in their country's Navy. They would be unnatural and ungrateful if they acted otherwise toward our Navy.

At an expense of between $18,000 and $19,000 each of our naval officers who graduate from the Annapolis Naval Academy have been trained and educated by the Government. They have voluntarily entered this branch of the Government service. They do so because it is to their liking and for the reason that it affords an avenue for satisfying their activities and ambition. It is natural that they should form such a society among themselves and take an active interest in the future welfare of the Navy. They would be a most unnatural and ungrateful set of men who, after having been trained and educated at a great expense by the Government, would simply content themselves with their routine duties and the drawing of their salaries. The Nation expects them to not only perform their required duties, but to consider the present and future welfare of our naval service.

It is no more reprehensive for this branch of the service to unite and study, investigate, and publish their views of the necessities and methods of improving this branch of the Government's service, than it is for the teachers of every county, State, and Nation to form teachers' associations and to annually meet and discuss the problems of education and to make known to the country their views of education. Even the rural mail carriers and the employees of nearly every branch of the Government have their State and National organizations to study, consider, and improve not only their own conditions but the service of the Government in which they are engaged. The officers of the United States Navy, who, in their society, study, consider, and make known the necessities and methods of improving the defenses of the United States from a naval standpoint, are deserving of the congratulations of their countrymen, and not to condemnation, such as the no Navy or small Navy men attempt to bestow upon them.

PREPAREDNESS FOR WAR IS AN ASSURANCE OF PEACE.

About a year ago this Nation witnessed a humiliating spectacle. In all our history we can find no such spectacle of humiliation as confronted us at the time of the anti-Japanese land laws in California. Japan had made her protests in vigorous terms. We know what Japan can do in a naval war. We saw our naval forces, such as we had, divided by reason of there being no direct communication between the Atlantic and Pacific Oceans, owing to the canal at Panama not being completed. Fear of war with Japan was manifested by nearly everyone who had observed the trend of affairs. We witnessed the spectacle of that great apostle of peace, the honorable Secretary of State, tiptoeing to California to advise its legislature against the passage of land laws depriving the Japanese residents of that State of the right to own land. The Californians knew what they wanted, and they were right in it; yet the high officials of our own Government realized the dangers of war with Japan and the risks which this country would be running in case of such a war, because of the ineffectiveness of our Navy by reason of inability to concentrate it on the Pacific Ocean so as to be able to meet the forces of Japan. Every intelligent and impartial observer of national affairs realized that we were at the mercy of Japan. Why? Because we did not have a Navy large enough in power and so situated as to be able to overcome the navy of Japan at that time. We all remember the direful consequences of a war with that nation which were pointed out at that time. For myself, I have never witnessed nor have I read in all our history so humiliating a situation as that in which our Government was placed at that time. Such would not have been the case, however, if we had in the past maintained and carried out a naval policy sufficient to meet our responsibilities.

INEFFECTIVENESS OR INSUFFICIENCY OF LAND DEFENSES.

The advocates of a small or no Navy policy are continually calling attention to the strong natural defenses of the Nation. They point to the Atlantic Ocean on the east, separating us by over 3,000 miles from the nearest nation. They point to the Pacific Ocean on the west, separating us by 6,000 miles from Japan; to Canada on the north and Mexico on the south, with little or no navies. They preach eloquently and courageously that we could drive into the sea the armies of the strongest nation on earth which may land upon our shores, even if we had no Navy. That may be true. But at what an enormous and appalling cost and disgraceful and shameful humiliation.

While our foreign merchant marine is insignificant, yet on the other hand we have next to the largest coastwise merchant marine in the world, running in value to billions of dollars. It is true that we have a sufficient Army to protect our shores from invasion and that we can live in this country, at least for a time, without commerce with foreign nations; but while we

are so living and defending ourselves the navy of any first-class foreign power will capture and destroy our entire merchant marine, second in size in the world and valued at billions of dollars. What patriotic American citizen desires to defend and safeguard our Nation in such a humiliating manner? When our merchant marine shall have been swept from the ocean, when our unprepared and small Navy shall have been destroyed, it is then that the citizens of my district in far-off Wisconsin, who even if there may not be more than one in a thousand who ever sees one of our country's battleships, will bear their share of the Nation's disgrace and humiliation. What consolation will it then be to my constituents, or to the constituents of any Member of Congress on the floor of this House, to remember that the country may have saved the greater part of $140,000,000 a year for a score or more of years? In view of such deplorable and humiliating circumstances, the people will gladly and unanimously support a policy of insurance against war, consisting of an adequate Navy, even though it costs $140,000,000 a year.

GOVERNMENT ARMOR PLANT.

The pending bill contains, among other wise provisions, an authorization and direction to the Secretary of the Navy to investigate and report at the next regular session of Congress upon the selection of a suitable site for the erection of an armor plant to enable the United States to manufacture its own armor plate, and special-treatment steel required for use in vessels of the Navy. His report is to contain the cost of a site sufficient to accommodate a plant having an annual output of 20,000 tons, and another site for an annual output of 10,000 tons, together with an itemized statement of the cost of buildings, maintenance and accessories of each, and the annual cost of maintenance of each, and the estimated cost of finished product. This is a long step in the right direction. The Government for the last six or seven years has had, and now has, one or more navy yards properly equipped for the construction by the Government of some of its battleships and other war vessels. The experience of the Government with such navy yards has proven satisfactory from the standpoint of economy, efficiency, convenience, speed, and construction. The Government ought to have sufficient navy yards thus equipped to do the constructing and building of all its vessels.

Complaints have repeatedly been made of the extortions practiced upon the Government in the sale of armor plate by domestic trusts and combinations. Charges have been made that defective plate has been supplied the Government, and further charges have been made that our domestic armor-plate manufacturers are in a trust and combination, by means of which our Government is forced to pay more for armor plate than these same domestic trusts sell the same products to foreign nations for. All of these extortions, frauds, and impositions can be avoided by the construction, maintenance, and operation of a Government-owned armor plant. There is no reason why such a plant can not be operated as economically as one privately owned, and the product manufactured at such a plant will then be certain to be genuine and adapted to the purpose for which it is purchased. The Government should own all the navy yards and manufacturing plants necessary to build all the ships and produce all the material used in the manufacture of armor and armament of naval vessels. Government ownership and operation of such a plant is the true way in which to force the trust octopus to release its death hold on the manufacture of products necessary for building and equipping an adequate navy, free and purged from all extortion, fraud, and deception.

AN EFFICIENT NAVY IS A DEMOCRATIC DOCTRINE.

The Democratic national platform adopted at Baltimore in 1912 contains a warrant and express direction to the representatives of the Democratic Party upon naval matters. It is a clear, concise, and ringing declaration in conformity with the past history and traditions of the Democratic Party. There is no ambiguity or uncompleteness about it. It is direct and positive. It is not a newly created doctrine, but is found in the ancient faith and practice of the party.

All Americans remember with just pride the glorious victories won by our Navy in the Spanish-American War. Those victories cheered patriotic Americans, and will continue to be cherished by all loyal Americans for centuries to come. So long as the Stars and Stripes continue to float, the victories of Manila Bay and Santiago will be held in glorious remembrance by all true Americans. The American fleets that won these great naval battles were not the result of a hasty gathering of ships, but they constituted a Navy, the foundation of which was laid in the administration of President Cleveland by that able, genuine, and honorable Democratic statesman, Hon. William C. Whitney, then Secretary of the Navy. It is due to his genius that a plan for building an American Navy was devised and inaugurated. Without the work in naval matters and upon the naval program done by Whitney, there would have been no American fleet to win those glorious victories in the Spanish War; but, on the contrary, the American forces would have been at the mercy of the Spanish, according to all intelligent authorities upon that subject. In his great work of building an American Navy, Secretary Whitney had the active and loyal support of the Cleveland Democratic administration. Our party has just reason to feel proud of its share in the planning and building up of the American Navy, and the only regrets that are due from the Democratic Party on the subject of the American Navy, is its refusal to authorize the construction of two battleships in each of the years of 1912 and 1913. With such a patriotic history to its credit and in mind, at the time of the Baltimore convention, our party in that convention could not and did not forget its duty to the American Navy.

DEMOCRATIC PLATFORM, 1912—AN EFFICIENT NAVY.

We approve the measure reported by the Democratic leaders in the House of Representatives for the creation of a council of national defense, which will determine a definite naval program with a view to increased efficiency and economy. The party that proclaimed and has always enforced the Monroe doctrine and was sponsor for the new Navy will continue faithfully to observe the constitutional requirements to provide and maintain an adequate and well-proportioned Navy sufficient to defend American policies, protect our citizens, and uphold the honor and dignity of the Nation.

The present Democratic Secretary of the Navy and the President are to be congratulated by all Americans, and especially by Democrats, in faithfully adhering not only to the spirit but the letter of the Democratic platform upon the question of an efficient Navy. This bill, the first one presented under this Democratic administration, is clear notice to the people of America, that we have a Democratic administration that believes in providing for a Navy sufficient to defend American policies, protect our citizens, and uphold the honor and dignity of the Nation.

Mr. MANN. Mr. Chairman, I think the statement made by the gentleman from Texas [Mr. GREGG] deserves some consideration. This paragraph has been in the bill for a number of years. It does not amount to as much as the difference between tweedledum and tweedledee. Some bright genius suggested it some years ago, and some bright genius, perhaps, added to the provision that it should not apply to any existing contracts. What does it apply to? It has been in the law for years. What has it ever accomplished; what has it ever done? If anybody on the Naval Affairs Committee can find out or give us the information, I will yield for that purpose.

Now, the gentleman from Texas says that he wants to restrict the right of the Secretary of the Navy to purchase this armor. The Secretary of the Navy now has the authority to reject any bids for armor. He now has authority to refuse to buy armor.

I am very largely with the gentlemen who are sometimes called the "little Navy" men, and I do not take any exception to it, but I am unwilling to endeavor to strangle the Navy indirectly. The Secretary of the Navy now can reject a bid for armor or armament which he thinks is too high. But if you endeavor to fix it so that he can not buy armor at all, what is the use of making any provision for an armored vessel? It is an indirect effort to accomplish what my friend from Texas would prefer to accomplish directly—make no appropriation at all for the construction of armored vessels.

Mr. GREGG. Will the gentleman yield?

Mr. MANN. For a question.

Mr. GREGG. If the gentleman's proposition is true as to armor and armament, why is it not true as to structural steel, ship plates, and machinery?

Mr. MANN. It is true, the whole thing was put in as pure buncombe. It was buncombe in the beginning, and it remains in the bill as buncombe. It does not amount to a row of pins.

Now, the gentleman from Texas is on the Committee on Naval Affairs, and I will ask him if during all this time that it has been in the law it has effected any purpose?

Mr. GREGG. I am not a member of the Committee on Naval Affairs, I will say to the gentleman.

Mr. MANN. The gentleman used to be, and he was a member when this was put in the bill.

Mr. GREGG. I assume that the officers of the Government have acted honestly, and it has had some effect.

Mr. MANN. What does it apply to?

Mr. GREGG. It applies to what it specifies.

Mr. MANN. These appropriations in the main are for vessels already authorized for which contracts have already been let. You make an appropriation for it and say it shall not apply to contracts in existence. Bring in a provision some time as a matter of legislation and say that it shall not apply to any contracts to be made, and it will amount to something. [Applause.]

The Clerk completed the reading of the bill.

Mr. PADGETT. Mr. Chairman, I move that the committee rise and report the bill with amendments to the House, with the recommendation that the amendments be agreed to and that the bill as amended do pass.

Mr. FOWLER. Mr. Chairman, I ask unanimous consent to extend my remarks in the RECORD on this subject.

The CHAIRMAN. The gentleman from Illinois asks unanimous consent to extend his remarks in the RECORD. Is there objection?

There was no objection.

Mr. PADGETT. Mr. Chairman, on yesterday afternoon the gentleman from Wisconsin [Mr. STAFFORD] asked about the cost of the Arlington high-power radio station. I have a letter here which I want to put in the RECORD in regard to it.

Mr. MANN. How much did it cost?

Mr. PADGETT. Two hundred and sixty-seven thousand two hundred and four dollars.

The CHAIRMAN. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

The letter is as follows:

NAVY DEPARTMENT,
BUREAU OF STEAM ENGINEERING,
Washington, D. C., May 7, 1914.

Hon. LEMUEL P. PADGETT, M. C.,
Chairman Committee on Naval Affairs,
United States House of Representatives.

MY DEAR MR. PADGETT: The following is the cost of Arlington station:

Towers	$114,007
Buildings	72,883
Equipment	73,514
Ground wiring	2,300
Roads, grading, water and sanitary system	4,500
Total	267,204

I think I explained to you about six months ago that we don't contemplate building one of these high-power stations in Samoa, and that we couldn't build six stations for a million dollars; nor do I think that we could build five; but we are going to come pretty close to it if our hope is realized, which is that we may get long-distance communication between Honolulu and Manila and thus render unnecessary one of these expensive high-power stations for Guam.

Trusting that this covers the information you wish,

I am, very truly, yours,

R. S. GRIFFIN,
Engineer in Chief, United States Navy.

The motion of Mr. PADGETT was agreed to.

The committee accordingly rose; and the Speaker having resumed the chair, Mr. JOHNSON of Kentucky, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill (H. R. 14034) making appropriations for the naval service for the fiscal year ending June 30, 1915, and for other purposes, and had directed him to report the same back with sundry amendments, with the recommendation that the amendments be agreed to and that the bill as amended do pass.

Mr. PADGETT. Mr. Speaker, I demand the previous question on the bill and amendments to final passage.

The previous question was ordered.

The SPEAKER. Is a separate vote demanded on any amendment? If not, the Chair will put them in gross.

There was no demand for a separate vote, and the amendments were agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

Mr. WITHERSPOON. Mr. Speaker, I move to recommit the bill with instructions.

The SPEAKER. The Clerk will report the motion.

The Clerk read as follows:

Mr. WITHERSPOON moves to recommit the bill H. R. 14034, the naval appropriation bill, to the Committee on Naval Affairs, with the following instructions: To amend the bill as follows: In line 8, page 53, strike out the word "two" and insert the word "one"; strike out in the same line the word "battleships" and insert "battleship"; in line 10, same page, strike out "their" and insert "its"; line 12, same page, strike out the word "each"; and to report the same back to the House forthwith.

Mr. PADGETT. Mr. Speaker, I move the previous question on the motion to recommit.

Mr. MANN. Will the gentleman yield?

Mr. PADGETT. Yes.

Mr. MANN. Assuming that this motion might prevail, there are some other amendments that might go in, but I suppose that could be done afterwards. I refer to amendments of some language inserted to-day.

Mr. PADGETT. If this motion prevails, we can take care of that later.

The SPEAKER. The gentleman from Tennessee moves the previous question on the motion to recommit.

The question was taken, and the previous question was ordered.

The SPEAKER. The question now is on the motion to recommit.

Mr. WITHERSPOON. And on that, Mr. Speaker, I ask for the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 106, nays 202, answered "present" 13, not voting 112, as follows:

YEAS—106.

Abercrombie	Cramton	Henry	Saunders
Alexander	Crosser	Hensley	Sells
Allen	Cullop	Hill	Sharp
Aswell	Davenport	Igoe	Sherwood
Bailey	Decker	Johnson, S. C.	Sims
Barton	Dent	Kindel	Stafford
Beall, Tex	Dickinson	Kitchin	Stephens, Nebr.
Bell, Ga.	Dies	Lever	Stephens, Tex.
Blackmon	Difenderfer	Lieb	Stevens, N. H.
Booher	Dillon	Lindbergh	Stout
Borland	Donovan	Lloyd	Switzer
Bowdle	Faison	Maguire, Nebr.	Taggart
Brockson	Ferris	Mann	Tavenner
Browne, Wis.	Finley	Mondell	Taylor, Ark.
Brumbaugh	Foster	Moss, Ind.	Thompson, Okla.
Buchanan, Ill.	Fowler	Oldfield	Underwood
Buchanan, Tex.	Francis	Page, N. C.	Vaughan
Burgess	Garrett, Tenn.	Park	Watkins
Burnett	Garrett, Tex	Peterson	Watson
Byrnes, S. C.	Gillett	Quin	Weaver
Callaway	Gray	Rainey	Webb
Candler, Miss.	Gregg	Rayburn	Whitacre
Caraway	Hamlin	Reilly, Wis.	Wingo
Claypool	Hardy	Rubey	Witherspoon
Cline	Heflin	Rucker	Young, Tex.
Collier	Helm	Russell	
Connelly, Kans.	Helvering	Sabath	

NAYS—202.

Adair	Farr	Kinkaid, Nebr.	Ragsdale
Adamson	Fergusson	Kinkead, N. J.	Raker
Aiken	Fess	Knowland, J. R.	Rauch
Ainey	Fitzgerald	Konop	Reed
Anderson	FitzHenry	La Follette	Riordan
Austin	Flood, Va.	Langley	Roberts, Mass.
Avis	Fordney	Lazaro	Roberts, Nev.
Baker	Frear	Lee, Ga.	Rogers
Barkley	French	Lobeck	Rouse
Beakes	Gallagher	Logue	Rupley
Bell, Cal.	Gallivan	Lonergan	Scott
Borchers	Gard	McAndrews	Scully
Britten	Gerry	McClellan	Seldomridge
Broussard	Gilmore	McCoy	Shreve
Browning	Goldfogle	McDermott	Sinnott
Bruckner	Good	McGillicuddy	Sloan
Bulkley	Gorman	McKellar	Smith, Idaho
Burke, S. Dak.	Goulden	McKenzie	Smith, J. M. C.
Burke, Wis.	Graham, Ill.	MacDonald	Smith, Md.
Byrns, Tenn.	Graham, Pa.	Mahan	Smith, Minn.
Campbell	Green, Iowa	Maher	Smith, Saml. W.
Cantor	Greene, Mass.	Manahan	Stedman
Cantrill	Greene, Vt.	Mapes	Steenerson
Carr	Griest	Mitchell	Stephens, Cal.
Cary	Griffin	Montague	Stevens, Minn.
Casey	Hamill	Morgan, La.	Stone
Chandler, N. Y.	Hamilton, Mich.	Morgan, Okla.	Stringer
Church	Hamilton, N. Y.	Morrison	Sutherland
Clancy	Hammond	Murdock	Talbott, Md.
Coady	Haugen	Murray, Mass.	Talcott, N. Y.
Conry	Hawley	Murray, Okla.	Taylor, N. Y.
Cooper	Hayden	Neeley, Kans.	Ten Eyck
Copley	Hinds	Neely, W. Va.	Thacher
Curry	Hinebaugh	Nolan, J. I.	Thomas
Dale	Holland	Norton	Thomson, Ill.
Danforth	Houston	O'Brien	Towner
Davis	Howell	O'Leary	Townsend
Deitrick	Hull	O'Shaunessy	Tribble
Dixon	Humphrey, Wash.	Padgett	Tuttle
Donohoe	Johnson, Ky.	Paige, Mass.	Underhill
Dooling	Johnson, Utah	Parker	Vare
Doolittle	Johnson, Wash.	Patten, N. Y.	Walsh
Doremus	Jones	Payne	Walters
Drukker	Kahn	Peters, Mass.	Whaley
Dupré	Keister	Peters, Me.	White
Eagan	Kelley, Mich.	Phelan	Willis
Edmonds	Kennedy, Conn.	Platt	Wilson, N. Y.
Edwards	Kennedy, Iowa	Plumley	Winslow
Esch	Kennedy, R. I.	Post	Woodruff
Estopinal	Kent	Pou	
Falconer	Kettner	Powers	

ANSWERED "PRESENT"—13.

Bartlett	Guernsey	Madden	Wilson, Fla.
Carter	Harrison	Sisson	
Cox	Hughes, Ga.	Sumners	
Garner	Key, Ohio	Taylor, Ala.	

NOT VOTING—112.

Ansberry	Brown, W. Va.	Covington	Fairchild
Anthony	Bryan	Crisp	Fields
Ashbrook	Burke, Pa.	Dersham	Floyd, Ark.
Baltz	Butler	Doughton	Gardner
Barchfeld	Calder	Driscoll	George
Barnhart	Carew	Dunn	Gittins
Bartholdt	Carlin	Dyer	Glass
Bathrick	Clark, Fla.	Eagle	Godwin, N. C.
Brodbeck	Clayton	Elder	Goeke
Brown, N. Y.	Connolly, Iowa	Evans	Goodwin, Ark.

Gordon	Korbly	Metz	Slayden
Gudger	Kreider	Miller	Slemp
Hardwick	Lafferty	Moon	Small
Hart	Langham	Moore	Smith, N. Y.
Hay	Lee, Pa.	Morin	Smith, Tex.
Hayes	L'Engle	Moss, W. Va.	Sparkman
Helgesen	Lenroot	Mott	Stanley
Hobson	Lesher	Nelson	Stephens, Miss.
Howard	Levy	Oglesby	Taylor, Colo.
Hoxworth	Lewis, Md.	O'Hair	Temple
Hughes, W. Va.	Lewis, Pa.	Palmer	Treadway
Hulings	Lindquist	Patton, Pa.	Vollmer
Humphreys, Miss.	Linthicum	Porter	Volstead
Jacoway	Loft	Prouty	Walker
Keating	McGuire, Okla.	Reilly, Conn.	Wallin
Kelly, Pa.	McLaughlin	Rothermel	Williams
Kiess, Pa.	Martin	Shackleford	Woods
Kirkpatrick	Merritt	Sherley	Young, N. Dak.

So the motion to recommit was rejected.

The Clerk announced the following pairs:

For the session:

Mr. HOBSON with Mr. FAIRCHILD.

Mr. METZ with Mr. WALLIN.

Until further notice:

Mr. BROWN of West Virginia with Mr. WOODS.

Mr. ASHBROOK with Mr. ANTHONY.

Mr. BALTZ with Mr. BARCHFELD.

Mr. BARNHART with Mr. BARTHOLDT.

Mr. BATHRICK with Mr. DUNN.

Mr. BRODBECK with Mr. DYER.

Mr. BROWN of New York with Mr. HAYES.

Mr. CARLIN with Mr. HELGESEN.

Mr. CLARK of Florida with Mr. HULINGS.

Mr. CONNOLLY of Iowa with Mr. KIESS of Pennsylvania.

Mr. COVINGTON with Mr. KREIDER.

Mr. DRISCOLL with Mr. LAFFERTY.

Mr. EVANS with Mr. LANGHAM.

Mr. FIELDS with Mr. LEWIS of Pennsylvania.

Mr. GODWIN of North Carolina with Mr. LINDQUIST.

Mr. GOEKE with Mr. MCGUIRE of Oklahoma.

Mr. HARDWICK with Mr. MCLAUGHLIN.

Mr. HAY with Mr. MARTIN.

Mr. HOWARD with Mr. MERRITT.

Mr. MOON with Mr. MILLER.

Mr. LEVY with Mr. MOTT.

Mr. O'HAIR with Mr. MORIN.

Mr. PALMER with Mr. PATTON of Pennsylvania.

Mr. ROTHERMEL with Mr. MOSS of West Virginia.

Mr. SHACKLEFORD with Mr. NELSON.

Mr. SHERLEY with Mr. TREADWAY.

Mr. SMALL with Mr. PORTER.

Mr. SPARKMAN with Mr. PROUTY.

Mr. STEPHENS of Mississippi with Mr. TEMPLE.

Mr. TAYLOR of Colorado with Mr. VOLSTEAD.

Mr. WALKER with Mr. YOUNG of North Dakota.

Mr. GLASS with Mr. SLEMP.

Mr. TAYLOR of Alabama with Mr. HUGHES of West Virginia.

Mr. GUDGER with Mr. GUERNSEY.

Mr. SLAYDEN with Mr. BURKE of Pennsylvania.

On the vote:

Mr. GOODWIN of Arkansas (for one battleship) with Mr. REILLY of Connecticut (for two battleships).

Mr. HUGHES of Georgia (for one battleship) with Mr. LINTHICUM (for two battleships).

Mr. KEATING (for one battleship) with Mr. DERSHEM (for two battleships).

Mr. COX (for one battleship) with Mr. CALDER (for two battleships).

Mr. HUMPHREYS of Mississippi (for two battleships) with Mr. SISSON (against).

Mr. WILLIAMS (for two battleships) with Mr. DOUGHTON (for one battleship).

Mr. GORDON (for one battleship) with Mr. WILSON of Florida (for two battleships).

Mr. GARNER (for one battleship) with Mr. GARDNER (for two battleships).

Mr. BARTLETT (for one battleship) with Mr. BUTLER (for two battleships).

Mr. CARTER (for two battleships) with Mr. ELDER (for one battleship).

Mr. MOORE (for two battleships) with Mr. JACOWAY (against).

Mr. ANSBERRY (for two battleships) with Mr. HARRISON (against).

Mr. CAREW (for two battleships) with Mr. SMITH of Texas (against).

Mr. LEE of Pennsylvania (for two battleships) with Mr. SUMNERS (for one battleship).

Mr. BARTLETT. Mr. Speaker, did the gentleman from Pennsylvania, Mr. BUTLER, vote?

The SPEAKER. He did not.

Mr. BARTLETT. Mr. Speaker, I desire to withdraw my vote of "yea" and answer "present." I am paired with the gentleman.

The name of Mr. BARTLETT was called, and he answered "Present."

Mr. SISSON. Mr. Speaker, did the gentleman from Mississippi, Mr. HUMPHREYS, vote?

The SPEAKER. He did not.

Mr. SISSON. Mr. Speaker, I desire to withdraw my vote of "yea" and answer "present."

The name of Mr. SISSON was called, and he answered "Present."

Mr. COX. Mr. Speaker, did the gentleman from New York, Mr. CALDER, vote?

The SPEAKER. He did not.

Mr. COX. Mr. Speaker, I voted "yea." I have a pair with the gentleman, and I desire to withdraw that vote and answer "present."

The name of Mr. Cox was called, and he answered "Present."

Mr. BRYAN. Mr. Speaker, I desire to vote "no."

The SPEAKER. Was the gentleman in the Hall listening for his name to be called?

Mr. BRYAN. Mr. Speaker, I had stepped out of the Hall and was just coming in the door when my name was called.

The SPEAKER. The gentleman does not bring himself within the rule. He must be across the line.

Mr. WILSON of Florida. Mr. Speaker, did the gentleman from Ohio, Mr. GORDON, vote?

The SPEAKER. He did not.

Mr. WILSON of Florida. Mr. Speaker, I voted "nay." I desire to withdraw that vote and answer "present," as I am paired with the gentleman from Ohio.

The name of Mr. WILSON of Florida was called, and he answered "Present."

The result of the vote was announced as above recorded.

The SPEAKER. The question is on the passage of the bill.

The question was taken, and the bill was passed.

On motion by Mr. PADGETT, a motion to reconsider the vote by which the bill was passed was laid on the table.

MESSAGE FROM THE SENATE.

A message from the Senate, by Mr. Tulley, one of its clerks, announced that the Senate had passed bills of the following titles, in which the concurrence of the House of Representatives was requested:

S. 3886. An act to repeal sections 2588, 2589, and 2590 of the Revised Statutes of the United States; and

S. 5291. An act to authorize Edmund Richardson, or the parishes of East Carroll and West Carroll, La., or both, to construct a bridge across Macon Bayou, at or near Epps Ferry, La.

The message also announced that the Senate had passed without amendment bill of the following title:

H. R. 12291. An act to increase the limit of cost for the extension, remodeling, and improvement of Pensacola (Fla.) post office and courthouse, and for other purposes.

The message also announced that the President had approved and signed bills of the following titles:

On May 2, 1914:

S. 656. An act granting to the trustees of the diocese of Montana of the Protestant Episcopal Church, for the benefit of "Christ Church On-the-Hill," at Poplar, Mont., lots 5, 6, and 7, in block 30, town site of Poplar, State of Montana; and

S. 3403. An act to abolish the office of receiver of public moneys at Springfield, Mo., and for other purposes.

ENROLLED BILL SIGNED.

The Speaker announced his signature to enrolled bills of the following titles:

S. 540. An act for the relief of Joseph Hodges;

S. 1922. An act for the relief of Margaret McQuade;

S. 1808. An act for the relief of Joseph L. Donovan; and

S. 3997. An act to waive for one year the age limit for the appointment as assistant paymaster in the United States Navy in the case of Landsman for Electrician Richard C. Reed, United States Navy.

SENATE BILL REFERRED.

Under clause 2 of Rule XXIV, Senate bill of the following title was taken from the Speaker's table and referred to its appropriate committee as indicated below:

S. 5291. An act to authorize Edmund Richardson, or the parishes of East Carroll and West Carroll, La., or both, to con-

struct a bridge across Macon Bayou, at or near Epps Ferry, La.; to the Committe on Interstate and Foreign Commerce.

ENROLLED BILL PRESENTED TO THE PRESIDENT FOR HIS APPROVAL.

Mr. ASHBROOK, from the Committee on Enrolled Bills, reported that this day they had presented to the President of the United States, for his approval, the following bill:

H. R. 5998. An act authorizing the city of Montrose, Colo., to purchase certain public lands for public-park purposes.

PENSION APPROPRIATION BILL.

Mr. BARTLETT. Mr. Speaker, I call up the bill H. R. 15280, the pension appropriation bill, and ask for its immediate consideration.

Mr. MANN. Mr. Speaker, what will the Clerk report it for?

The SPEAKER. The Chair did not understand the gentleman from Illinois.

Mr. MANN. There is nothing for the Clerk to report. If the gentleman wishes to go into the Committee of the Whole House on the state of the Union, that is one thing.

Mr. BARTLETT. I will make that motion, and then I will move that the committee immediately rise.

The SPEAKER. The bill ought to be reported by title.

Mr. MANN. No; the gentleman can not call up the bill; all he can do is to make a motion.

Mr. BARTLETT. Then, Mr. Speaker, I move to go into the Committee of the Whole House on the state of the Union for the purpose of considering the bill H. R. 15280, known as the pension appropriation bill.

The SPEAKER. Before the Chair puts the question he wishes to announce that when this bill is out of the way the Chair will recognize the Rules Committee to call up the bill about the election of United States Senators, and after that is out of the way the Chair will recognize the gentleman from Virginia [Mr. FLOOD] to call up the diplomatic and consular appropriation bill.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the purpose of considering the bill H. R. 15280, the pension appropriation bill, with Mr. MURRAY of Oklahoma in the chair.

The CHAIRMAN. The House is in Committee of the Whole House on the state of the Union for the purpose of considering the bill H. R. 15280, the pension appropriation bill, which the Clerk will report by title.

The Clerk read as follows:

A bill (H. R. 15280) making appropriations for the payment of invalid and other pensions of the United States for the fiscal year ending June 30, 1915, and for other purposes.

Mr. BARTLETT. Mr. Chairman, I ask unanimous consent that the first reading of the bill be dispensed with.

The CHAIRMAN. The gentleman from Georgia asks unanimous consent that the first reading of the bill be dispensed with. Is there objection? [After a pause.] The Chair hears none.

Mr. BARTLETT. Mr. Chairman, I move that the committee do now rise.

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. MURRAY of Oklahoma, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill H. R. 15280, the pension appropriation bill, and had come to no resolution thereon.

ADJOURNMENT.

Mr. BARTLETT. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 26 minutes p. m.) the House adjourned to meet to-morrow, Friday, May 8, 1914, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS.

Under clause 2 of Rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1. A letter from the Secretary of War, transmitting, with a letter from the Chief of Engineers, dated May 6, copies of reports from Col. W. C. Langfitt, Corps of Engineers, dated July 7 and December 30, 1913, with maps of preliminary examination and survey of Ware River, Va. (H. Doc. No. 969); to the Committee on Rivers and Harbors and ordered to be printed with illustrations.

2. A letter from the Acting Secretary of the Treasury, transmitting additional estimates relative to public-buildings service in connection with projects for which there are not now sufficient funds on hand to carry on the work, etc. (H. Doc. No. 968); to the Committee on Appropriations and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII, bills and resolutions were severally reported from committees, delivered to the Clerk, and referred to the several calendars therein named, as follows:

Mr. GOLDFOGLE, from the Committee on Elections No. 3, to which was referred House resolution 504, relating to the contested-election case of Michael J. Gill against L. C. Dyer, from the twelfth congressional district of the State of Missouri, submitted a report thereon (No. 629), which said report was referred to the House Calendar.

Mr. QUIN, from the Committee on Military Affairs, to which was referred the concurrent resolution (H. Con. Res. 34) authorizing the Secretary of War to return to the State of Louisiana the original ordinance of secession adopted by said State, reported the same without amendment, accompanied by a report (No. 634), which said concurrent resolution and report were referred to the House Calendar.

Mr. SUMNERS, from the Committee on Public Buildings and Grounds, to which was referred the bill (H. R. 13815) to increase the limit of cost for the construction of a public building at Marlin, Tex., reported the same with an amendment, accompanied by a report (No. 636), which said bill and report were referred to the Committee of the Whole House on the state of the Union.

Mr. ADAMSON, from the Committee on Interstate and Foreign Commerce, to which was referred the bill (H. R. 16133) to amend section 20 of an act to regulate commerce, reported the same with an amendment, accompanied by a report (No. 637), which said bill and report were referred to the House Calendar.

Mr. HAMILTON of Michigan, from the Committee on Interstate and Foreign Commerce, to which was referred the bill (H. R. 1818) to regulate the interstate transportation of immature calves, reported the same without amendment, accompanied by a report (No. 638), which said bill and report were referred to the House Calendar.

Mr. TAYLOR of Colorado, from the Committee on Mines and Mining, to which was referred the bill (H. R. 15288) to provide for a commission to codify and suggest amendments to the general mining laws, reported the same with amendment, accompanied by a report (No. 639), which said bill and report were referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII, private bills and resolutions were severally reported from committees, delivered to the Clerk, and referred to the Committee of the Whole House, as follows:

Mr. SMITH of Maryland, from the Committee on Pensions, to which was referred the bill (H. R. 16345) granting pensions and increase of pensions to certain soldiers and sailors of the Regular Army and Navy, and certain soldiers and sailors of wars other than the Civil War, and to widows of such soldiers and sailors, reported the same without amendment, accompanied by a report (No. 628), which said bill and report were referred to the Private Calendar.

Mr. McKELLAR, from the Committee on Military Affairs, to which was referred the bill (H. R. 10271) to remove the charge of desertion from the record of Edward Whiteside, reported the same with amendment, accompanied by a report (No. 630), which said bill and report were referred to the Private Calendar.

He also, from the same committee, to which was referred the bill (H. R. 816) to correct the military record of Abraham Hoover, reported the same with amendment, accompanied by a report (No. 631), which said bill and report were referred to the Private Calendar.

He also, from the same committee, to which was referred the bill (H. R. 5474) to correct the military record of Patrick McGee, alias Patrick Gallagher, reported the same with amendment, accompanied by a report (No. 632), which said bill and report were referred to the Private Calendar.

He also, from the same committee, to which was referred the bill (H. R. 9615) correcting the military record of Benjamin F. Richardson, reported the same with amendment, accompanied by a report (No. 633), which said bill and report were referred to the Private Calendar.

Mr. POU, from the Committee on Claims, to which was referred the bill (S. 4053) for the relief of the Atlantic Coast Line Railroad Co., reported the same with amendment, accom-

panied by a report (No. 635), which said bill and report were referred to the Private Calendar.

Mr. KEY of Ohio, from the Committee on Pensions, to which was referred the bill (S. 4657) granting pensions and increase of pensions to certain soldiers and sailors of the Regular Army and Navy and of wars other than the Civil War, and to certain widows and dependent relatives of such soldiers and sailors, reported the same with amendment, accompanied by a report (No. 640), which said bill and report were referred to the Private Calendar.

He also, from the same committee, to which was referred the bill (S. 4260) granting pensions and increase of pensions to certain soldiers and sailors of the Regular Army and Navy, and of wars other than the Civil War, and to certain widows and dependent relatives of such soldiers and sailors, reported the same with amendment, accompanied by a report (No. 641), which said bill and report were referred to the Private Calendar.

CHANGE OF REFERENCE.

Under clause 2 of Rule XXII, committees were discharged from the consideration of the following bills, which were referred as follows:

A bill (H. R. 9127) granting a pension to John H. Caldwell; Committee on Invalid Pensions discharged, and referred to the Committee on Pensions.

A bill (H. R. 14016) granting a pension to Ebb Workman; Committee on Pensions discharged, and referred to the Committee on Invalid Pensions.

PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills, resolutions, and memorials were introduced and severally referred as follows:

By Mr. ALEXANDER: A bill (H. R. 16346) to amend section 4131 of the Revised Statutes of the United States of America as amended by the act of Congress approved May 28, 1896, relating to the renewal of licenses; to the Committee on the Merchant Marine and Fisheries.

By Mr. KETTNER: A bill (H. R. 16347) authorizing the preliminary survey of the Mojave River watershed, and for other purposes; to the Committee on Rivers and Harbors.

By Mr. CLAYTON: A bill (H. R. 16348) to establish a fish-cultural station in the State of Alabama; to the Committee on the Merchant Marine and Fisheries.

By Mr. BROUSSARD: A bill (H. R. 16349) to recognize the value of certain ingredients in baking powder, establishing standards therein, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. WATKINS: A bill (H. R. 16350) to authorize the construction of a bridge across the Sabine River in the States of Louisiana and Texas, about 2 miles west of Hunter, La.; to the Committee on Interstate and Foreign Commerce.

By Mr. ADAMSON: Resolution (H. Res. 505) to make privileged H. R. 16133; to the Committee on Rules.

By Mr. CARY: Resolution (H. Res. 506) authorizing and directing the Speaker of the House of Representatives to appoint a committee to investigate certain matters; to the Committee on Rules.

By Mr. HAY: Joint resolution (H. J. Res. 262) authorizing the President to detail Lieut. Frederick Mears to service in connection with the proposed Alaskan Railroad; to the Committee on Military Affairs.

PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. SMITH of Maryland: A bill (H. R. 16345) granting pensions and increase of pensions to certain soldiers and sailors of the Regular Army and Navy, and certain soldiers and sailors of wars other than the Civil War, and to widows of such soldiers and sailors; to the Committee of the Whole House.

By Mr. ANDERSON: A bill (H. R. 16351) granting a pension to Louisa M. Sabin; to the Committee on Invalid Pensions.

By Mr. ANSBERRY: A bill (H. R. 16352) granting a pension to Frank Clark; to the Committee on Pensions.

By Mr. AUSTIN: A bill (H. R. 16353) granting a pension to John G. Burns; to the Committee on Pensions.

By Mr. BROWN of West Virginia: A bill (H. R. 16354) granting an increase of pension to Allen J. Freeland; to the Committee on Invalid Pensions.

By Mr. CONRY: A bill (H. R. 16355) granting a pension to Mary Carroll; to the Committee on Invalid Pensions.

Also, a bill (H. R. 16356) granting an increase of pension to Catharine Doty; to the Committee on Invalid Pensions.

By Mr. EDMONDS: A bill (H. R. 16357) granting a pension to Mary C. Gulliford; to the Committee on Pensions.

By Mr. FESS: A bill (H. R. 16358) for the relief of Abraham Kauffmann; to the Committee on Military Affairs.

By Mr. FIELDS: A bill (H. R. 16359) granting an increase of pension to James McCue; to the Committee on Invalid Pensions.

By Mr. GOULDEN: A bill (H. R. 16360) granting an increase of pension to George D. Brooks; to the Committee on Invalid Pensions.

By Mr. HAMILTON of Michigan: A bill (H. R. 16361) granting an increase of pension to Lewis S. Goshorn; to the Committee on Invalid Pensions.

By Mr. HAYES: A bill (H. R. 16362) for the relief of Owen F. Barnes; to the Committee on Military Affairs.

Also, a bill (H. R. 16363) granting an increase of pension to George A. Kogle; to the Committee on Invalid Pensions.

By Mr. IGOE: A bill (H. R. 16364) for the relief of Reuben W. Pavey; to the Committee on War Claims.

By Mr. KENNEDY of Connecticut: A bill (H. R. 16365) granting a pension to Joseph Monaghan; to the Committee on Invalid Pensions.

By Mr. KEY of Ohio: A bill (H. R. 16366) granting a pension to Florence Woodward; to the Committee on Invalid Pensions.

By Mr. J. R. KNOWLAND: A bill (H. R. 16367) granting a pension to Carl Henry Epple; to the Committee on Pensions.

By Mr. LONERGAN: A bill (H. R. 16368) granting an increase of pension to Anna E. Corbin; to the Committee on Invalid Pensions.

Also, a bill (H. R. 16369) to remove the charge of desertion against John Starkey; to the Committee on Military Affairs.

By Mr. MONTAGUE: A bill (H. R. 16370) for the relief of the Richmond, Fredericksburg & Potomac and Richmond & Petersburg Railroad Connection Co.; to the Committee on Claims.

By Mr. MOSS of West Virginia: A bill (H. R. 16371) granting an increase of pension to John W. Bush; to the Committee on Invalid Pensions.

By Mr. NEELY of West Virginia: A bill (H. R. 16372) granting an increase of pension to Benjamin F. Sutton; to the Committee on Invalid Pensions.

Also, a bill (H. R. 16373) granting an increase of pension to Isaac W. Johnston; to the Committee on Invalid Pensions.

By Mr. O'HAIR: A bill (H. R. 16374) granting an increase of pension to Elizabeth F. Hannah; to the Committee on Invalid Pensions.

By Mr. PATTEN of New York: A bill (H. R. 16375) to correct the military record of Chester H. Southworth; to the Committee on Military Affairs.

By Mr. PLATT: A bill (H. R. 16376) granting an increase of pension to Catherine Terwilliger; to the Committee on Invalid Pensions.

By Mr. RAYBURN: A bill (H. R. 16377) for the relief of the heirs of Robert H. Burney and C. J. Fuller, deceased; to the Committee on Claims.

By Mr. SELLS: A bill (H. R. 16378) granting a pension to Alvin Rainbolt; to the Committee on Pensions.

Also, a bill (H. R. 16379) granting an increase of pension to William Trent; to the Committee on Invalid Pensions.

By Mr. J. M. C. SMITH: A bill (H. R. 16380) granting a pension to George Zederbaum; to the Committee on Pensions.

By Mr. SAMUEL W. SMITH: A bill (H. R. 16381) granting an increase of pension to G. W. Darling; to the Committee on Invalid Pensions.

By Mr. STEVENS of Minnesota: A bill (H. R. 16382) granting an increase of pension to Gilbert R. Whitbeck; to the Committee on Invalid Pensions.

By Mr. STONE: A bill (H. R. 16383) granting a pension to William S. Montgomery; to the Committee on Pensions.

By Mr. TAGGART: A bill (H. R. 16384) granting an increase of pension to Samuel Fox; to the Committee on Invalid Pensions.

Also, a bill (H. R. 16385) for the relief of Malinda Johnson; to the Committee on War Claims.

By Mr. VAUGHAN: A bill (H. R. 16386) granting an increase of pension to Martha A. Hardin; to the Committee on Invalid Pensions.

By Mr. YOUNG of North Dakota: A bill (H. R. 16387) granting an increase of pension to George Battey; to the Committee on Invalid Pensions.

By Mr. DICKINSON: A bill (H. R. 16388) granting a pension to Florence B. Eckert; to the Committee on Invalid Pensions.

By Mr. GRAHAM of Illinois: A bill (H. R. 16389) granting an increase of pension to Augustus I. Bronson; to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

By the SPEAKER (by request): Memorial of sundry citizens of Wheeling, W. Va.; Rockford, Ohio; Pittsburgh, Pa.; and New York City, protesting against the practice of polygamy in the United States; to the Committee on the Judiciary.

By Mr. ADAMSON: Petitions of sundry citizens of Columbus, Ga., protesting against national prohibition; to the Committee on the Judiciary.

Also, petition of sundry citizens of Talbot County, Ga., favoring national prohibition; to the Committee on the Judiciary.

By Mr. AINEY: Petition of sundry voters of Harford, Pa., favoring national prohibition; to the Committee on the Judiciary.

By Mr. ALEXANDER: Petitions of 55 citizens of Mount Moriah, Mo., and 85 citizens of Hatfield, Mo., favoring national prohibition; to the Committee on the Judiciary.

By Mr. ALLEN: Petition of William Boltz and several other citizens of Addyston, Ohio, favoring the passage of Bryan bill (H. R. 16096); to the Committee on Military Affairs.

By Mr. ANSBERRY: Petition of the Woman's Christian Temperance Union of Paulding County and Defiance and the Equal Suffrage League of Van Wert, all in the State of Ohio, demanding action by Judiciary Committee on woman suffrage; to the Committee on the Judiciary.

By Mr. ASHBROOK: Petition of the American Bottle Co., of Newark, Ohio, against national prohibition; to the Committee on the Judiciary.

Also, petition of the Tuscarawas Classes of the Reformed Church of the United States, favoring national prohibition; to the Committee on the Judiciary.

By Mr. BAILEY (by request): Petition of sundry citizens of St. Benedict and Johnstown, Pa., favoring national prohibition; to the Committee on the Judiciary.

Also (by request), petition of sundry citizens of Cambria County, Pa., against national prohibition; to the Committee on the Judiciary.

By Mr. BEAKES: Petitions of 10 citizens of the second district of Michigan, requesting a congressional investigation of the Cook-Peary polar controversy; to the Committee on Naval Affairs.

Also, petitions of 10 citizens of Adrian, Mich., and 11 citizens of Ann Arbor, Mich., in opposition to House bill 7826, the Sabbath-observance bill; to the Committee on the District of Columbia.

Also, petitions of 6 citizens of Adrian, Mich., and 11 citizens of Ann Arbor, Mich., favoring the passage of House bill 12028, to amend postal laws; to the Committee on the Post Office and Post Roads.

Also, resolution of the First Baptist Church of Adrian, Mich., favoring an amendment to the Constitution prohibiting polygamy in the United States; to the Committee on the Judiciary.

Also, petitions of 32 citizens of Ypsilanti, Mich., protesting against the passage of a bill denying certain negro fraternities the use of the mails; to the Committee on the Post Office and Post Roads.

By Mr. BROWNING: Petition of 250 citizens of Camden, city and county, N. J., opposing national prohibition; to the Committee on the Judiciary.

Also, petition of the County Sunday School Association of Gloucester, N. J., favoring national prohibition; to the Committee on the Judiciary.

By Mr. BRUCKNER: Petitions of 16 citizens of New York, against national prohibition; to the Committee on the Judiciary.

By Mr. BURKE of South Dakota: Petition of 112 citizens of Columbia, S. Dak., favoring national prohibition; to the Committee on the Judiciary.

Also, petition of I. D. Griedt, of Eureka, S. Dak., against national prohibition; to the Committee on the Judiciary.

By Mr. BURKE of Pennsylvania: Petition of Erie (Pa.) Foundry Men's Association, relative to legislation for regulation of interstate business; to the Committee on the Judiciary.

By Mr. COADY: Petition of 10,000 citizens of Maryland, protesting against national prohibition; to the Committee on the Judiciary.

By Mr. COPLEY: Petition of sundry citizens of Dupage County, Ill., favoring House bill 5308, to tax mail-order houses; to the Committee on Ways and Means.

Also, petition of sundry citizens of McHenry County, Ill., against national prohibition; to the Committee on the Judiciary.

By Mr. DICKINSON: Petition of 23 citizens of Clinton, Mo., favoring Clark drainage bill; to the Committee on Rivers and Harbors.

By Mr. DONOHOE: Petition of 1,500 citizens of the fifth congressional district of Pennsylvania, protesting against national prohibition; to the Committee on the Judiciary.

By Mr. DOOLITTLE: Petition of sundry citizens and the Highland Grange of the State of Kansas, favoring establishment of a bureau of farm loans (H. R. 11755); to the Committee on Banking and Currency.

By Mr. DRUKKER: Petitions of the Butler (N. J.) Methodist Episcopal Church and Bloomingdale (N. J.) Methodist Protestant Church, favoring national prohibition; to the Committee on the Judiciary.

By Mr. GARD: Petitions of 567 citizens of Montgomery, Butler, and Preble Counties, Ohio, favoring national prohibition; to the Committee on the Judiciary.

Also, petition of H. C. Wyatt, secretary, and J. G. Pieper, president, representing membership of the International Brotherhood of Blacksmith Helpers, Local No. 29, of Hamilton, Ohio, and petition of John Schwab, president, Henry Albertz, secretary, representing 50,000 members of the German-American Alliance in the State of Ohio, protesting against national prohibition; to the Committee on the Judiciary.

Also, petitions of 2,568 citizens of Montgomery, Butler, and Preble Counties, Ohio, protesting against national prohibition; to the Committee on the Judiciary.

Also, petitions of O. B. Randall, pastor, Mrs. Harry Evans, secretary, representing 200 members of First United Presbyterian Church, of Dayton; R. C. Moon, pastor, W. C. Moore, secretary, representing 135 members of the Methodist Episcopal Church of Lewisburg; R. C. Moon, pastor, E. J. Henry, secretary, representing 130 members of the Methodist Episcopal Church of West Alexandria; P. E. Zartmann, pastor, W. L. Mundy, secretary, representing 116 members of the Walnut Hills Christian Church of Dayton; C. C. Cowgill, pastor, representing 200 members of the Church of Christ of Middletown; Carrie S. Flatler, speaker, representing 1,500 members of the Woman's Christian Temperance Union of Montgomery County; S. N. Keithley, pastor, Evelyn Zeller, secretary, representing 200 members of the Methodist Episcopal Sunday School of Lewisburg; Mrs. F. E. Griffin, chairman, representing 40 members of the Woman's Christian Temperance Union of Oxford; Everett Roberts, president, representing membership of the Friends' Church of West Elkton; H. G. Rice, minister, I. D. Snively, secretary, representing 189 members of the Presbyterian Church of Seven Mile; Mrs. W. H. Johnson, representing 112 members of the Woman's Christian Temperance Union of Middletown; Rev. J. M. Replock, representing 300 members of the United Brethren Church of Middletown; Carrie Flatler, speaker, representing audience of 400 of the United Brethren Church of Brookville; Carrie Flatler, speaker, representing audience of 300 of the United Brethren Miami Chapel, of Dayton; Mrs. True Houser, representing audience of 400 at Germantown; Carrie Flatler, representing audience of 350 at Phillipsburg; U. B. Brubaker, representing 75 members of the Methodist Church of Bellbrook; W. E. Spurrier, pastor, representing 150 members of the Methodist Episcopal Church of Germantown, all in the State of Ohio, favoring national prohibition; to the Committee on the Judiciary.

By Mr. GEORGE: Petitions of 2,225 citizens of the twenty-first congressional district of New York, against national prohibition; to the Committee on the Judiciary.

By Mr. GRAHAM of Pennsylvania: Petition of the Methodist Episcopal Brotherhood of Westchester and sundry citizens of Rutledge and Mill Run, all in the State of Pennsylvania, favoring national prohibition; to the Committee on the Judiciary.

By Mr. GOOD: Petition of sundry citizens of Marion, Iowa, favoring national prohibition; to the Committee on the Judiciary.

By Mr. GRIEST: Memorial of the Board of Trade of Chester, Pa., protesting against Government ownership of the telephone and telegraph lines in the United States; to the Committee on Interstate and Foreign Commerce.

Also, petition of the Otterbein United Brethren in Christ Church, of Lancaster, Pa., favoring national prohibition; to the Committee on the Judiciary.

Also, memorial of the Church of the Brethren of Little, Pa., favoring national prohibition; to the Committee on the Judiciary.

By Mr. GUERNSEY: Petition of the citizens of Corinth, Me., favoring national prohibition; to the Committee on the Judiciary.

By Mr. HAMLIN: Papers to accompany House bill 16186, to pension Nancy C. McCurdy; to the Committee on Invalid Pensions.

By Mr. HAYES: Petition of sundry citizens of California, against national prohibition; to the Committee on the Judiciary.

Also, petition of the Epworth League Chapter of the Methodist Episcopal Church of Saratoga, Cal., favoring censorship of moving pictures; to the Committee on Education.

Also, petition of sundry citizens of San Jose, Cal., favoring House bill 13305, relative to fraud in gold-filled watches; to the Committee on Interstate and Foreign Commerce.

By Mr. HOWELL: Petition of Local Union No 189 of the Amalgamated Sheet Metal Workers' International Alliance, and V. C. Ford, William C. Janson, and other citizens of Salt Lake City, Utah, favoring the Bartlett-Bacon anti-injunction bills; to the Committee on the Judiciary.

Also, petitions of Local Union No. 325 of the International Union of Brewery Workmen of America, Ogden, Utah, and citizens of Ogden, Utah, against national prohibition; to the Committee on the Judiciary.

Also, petition of the board of directors of the Retail Merchants' Association of Utah, favoring House bill 13723, the Underwood anticoupon bill; to the Committee on Ways and Means.

Also, petition of the Salt Lake City Commercial Club, urging a more liberal policy in order to induce settlement of the public lands; to the Committee on the Public Lands.

By Mr. IGOE: Petition of the Kansas City (Mo.) Wholesale Liquor Dealers' Association and the Manufacturers Railway Co., of St. Louis, Mo., protesting against national prohibition; to the Committee on the Judiciary.

Also, petition of the Cigarmakers' International Union of America, of St. Louis, Mo., favoring passage of the Bartlett-Bacon bill; to the Committee on the Judiciary.

By Mr. JOHNSON of Washington: Memorial of Tacoma Council, No. 124, United Commercial Travelers, favoring passage of bill creating a coast guard (S. 2337); to the Committee on Interstate and Foreign Commerce.

Also, memorial of the Commercial Club of Juneau, Alaska, urging establishment of a night cable service at that point; to the Committee on Military Affairs.

Also, memorial of the Central Labor Council of Tacoma, Wash., favoring Federal action to end Colorado strike; to the Committee on the Judiciary.

Also, petition of sundry citizens of Tacoma and Seattle, Wash., protesting against national prohibition; to the Committee on the Judiciary.

By Mr. KAHN: Petition of the Methodist Ministers' Union of San Francisco, Cal., and the State Sunday School Convention, favoring legislation to establish a Federal motion-picture commission; to the Committee on Education.

Also, petition of the Knights of the Royal Arch of San Francisco, the German-American League of California, and J. C. Rettenmayer and E. E. Frederick, of San Francisco, all in the State of California, against national prohibition; to the Committee on the Judiciary.

By Mr. KEISTER: Petitions of the Methodist Episcopal Church of Eau Claire; the Methodist Episcopal Church of Cranberry; the United Presbyterian Church of West Sunbury; the Whiteside Organized Adult Men's Bible Class, of the Second Presbyterian Church, of Butler; the United Presbyterian Church of Clinton; and 155 citizens of Monessen, all in the State of Pennsylvania, favoring national prohibition; to the Committee on the Judiciary.

Also, petition of sundry citizens of Westmoreland County, Pa., against national prohibition; to the Committee on the Judiciary.

Also, petition of sundry citizens of Scottdale, Pa., favoring national prohibition; to the Committee on the Judiciary.

By Mr. KENNEDY of Iowa: Petitions of the Methodist and Baptist Churches and sundry citizens of Milton, Iowa, favoring national prohibition; to the Committee on the Judiciary.

Also, petition of Green Bay Grange, No. 2089, of Wever, Iowa, favoring Bathrick farm-credit bill; to the Committee on Banking and Currency.

Also, memorial of the board of directors of the Fort Madison First Association of Iowa, relative to desirability of region around Keokuk, Iowa, for factories; to the Committee on Rivers and Harbors.

By Mr. KENNEDY of Rhode Island: Memorial of the League of Improvement Societies of Rhode Island, protesting against change in the present taxation policy in the District of Columbia; to the Committee on the District of Columbia.

Also, memorial of the Merchants Association of New York, favoring adequate and frequent mail service between the United States and Pacific possessions; to the Committee on the Post Office and Post Roads.

By Mr. KINKEAD of New Jersey: Petitions of sundry citizens of Hudson County, N. J., protesting against national prohibition; to the Committee on the Judiciary.

Also, petition of various voters of the eighth congressional district of New Jersey, protesting against national prohibition; to the Committee on the Judiciary.

By Mr. J. R. KNOWLAND: Petition signed by numerous residents of Oakland, Cal., favoring the passage of certain resolutions now pending in Congress providing for the prohibition of the sale, importation for sale, and manufacture for sale of intoxicating liquors for beverage purposes in the United States; to the Committee on the Judiciary.

Also, petition signed by numerous residents of Oakland, Cal., favoring the passage of a constitutional amendment prohibiting the manufacture and sale of alcoholic liquors for beverage purposes; to the Committee on the Judiciary.

Also, resolutions passed by the Alameda County (Cal.) Central Labor Union, requesting the President to withdraw the State troops from the coal mines in Colorado; to the Committee on Mines and Mining.

By Mr. LANGHAM: Petition of various voters and the Lutheran Church of Indiana and sundry citizens of Apollo, Pa., favoring national prohibition; to the Committee on the Judiciary.

Also, memorial of the Erie (Pa.) Foundrymen's Association, favoring more time to consider bills to regulate interstate business; to the Committee on the Judiciary.

By Mr. LONERGAN: Petition of Union Grange, No. 25, Patrons of Husbandry, of Southington, Conn., favoring national prohibition; to the Committee on the Judiciary.

By Mr. McCLELLAN: Protests of James R. Hughes, James Purcell, P. J. Cunningham, John Rutz, Fred Barford, James Hogan, F. S. Becker, and Charles P. Drumm, all of Columbia County, N. Y., against national prohibition; to the Committee on the Judiciary.

Also, protests of P. A. Canfield, president Rondout National Bank, of Rondout; John G. Van Etten, of Kingston; W. M. Schwenker, of Woodstock; Sam Bernstein, president Chamber of Commerce, of Kingston, all in Ulster County, N. Y., against national prohibition; to the Committee on the Judiciary.

Also, petition of A. D. Pardu, of Kingston, N. Y., protesting against national prohibition; to the Committee on the Judiciary.

By Mr. MAGUIRE of Nebraska: Petition of the Men's Bible Class of the Bethany Bible School, of Lincoln, Nebr., favoring national prohibition; to the Committee on the Judiciary.

By Mr. MURRAY of Oklahoma: Petition of sundry citizens of Muskogee, Okla., and the Methodist University of Guthrie, Okla., favoring national prohibition; to the Committee on the Judiciary.

By Mr. NEELY of West Virginia: Petitions of Philip Moore and 124 others, of Shinnston, W. Va., favoring national prohibition; to the Committee on the Judiciary.

By Mr. O'LEARY: Petitions of sundry citizens of the second congressional district of New York, against national prohibition; to the Committee on the Judiciary.

By Mr. O'SHAUNESSY: Petition of the Old Colony Advertising Co., of Providence, R. I., against national prohibition; to the Committee on the Judiciary.

Also, petition of the League of Improvement Societies in Rhode Island, relative to half-and-half plan for the District of Columbia; to the Committee on the District of Columbia.

Also, petition of the Second Baptist Church of East Providence, R. I., favoring national prohibition; to the Committee on the Judiciary.

By Mr. PALMER: Resolution of the Erie Foundrymen's Association, of Erie, Pa., protesting against passage of measures intended to regulate the conduct of interstate business, etc.; to the Committee on Interstate and Foreign Commerce.

Also, petition of the Board of Trade of Chester, Pa., against Government ownership of public utilities; to the Committee on the Judiciary.

Also, petition of the churches of Delaware Water Gap, Pa., favoring national prohibition; to the Committee on the Judiciary.

By Mr. PETERS of Maine: Petitions of sundry citizens of the third congressional district of Maine, against national prohibition; to the Committee on the Judiciary.

Also, petition of sundry citizens of the third congressional district of Maine, favoring national prohibition; to the Committee on the Judiciary.

By Mr. PLATT: Petition of sundry citizens of Blue Bush, Clinton Corners, Bangall, Stamfordville, and the Woman's Christian Temperance Union and sundry citizens of Circleville, all in the State of New York, favoring national prohibition; to the Committee on the Judiciary.

Also, petition of Journeymen Barbers' Union, No. 332, Poughkeepsie, N. Y., protesting against national prohibition; to the Committee on the Judiciary.

By Mr. POU: Petition of 26 citizens of North Carolina, favoring national prohibition; to the Committee on the Judiciary.

By Mr. RAINEY: Petition of the Lick Creek General Baptist Church and 24 citizens of Lick Creek, Ill., favoring national prohibition; to the Committee on the Judiciary.

Also, petition of the Christian Endeavor Union of Jacksonville, Ill., favoring national prohibition; to the Committee on the Judiciary.

By Mr. REILLY of Connecticut: Petition of sundry citizens and the Woman's Christian Temperance Union of Meriden, Conn., favoring national prohibition; to the Committee on the Judiciary.

By Mr. ROGERS: Petitions of sundry citizens of Massachusetts, against national prohibition; to the Committee on the Judiciary.

By Mr. RUPLEY: Memorial of the Merchants' Association of New York, protesting against bills to regulate interstate business; to the Committee on the Judiciary.

Also, petition of the United Societies for Local Self-Government of Chicago, Ill., protesting against national prohibition; to the Committee on the Judiciary.

Also, petition of sundry citizens of Carlisle, Pa., protesting against passage of the Sunday observance bill; to the Committee on the District of Columbia.

Also, petition of the Erie (Pa.) Foundrymen's Association, relative to extending time for considering bills to regulate interstate business; to the Committee on the Judiciary.

Also, petition of sundry citizens of Carlisle, Pa., favoring passage of House bill 12928, retaining section 6, relative to Sunday work in post offices; to the Committee on the Post Office and Post Roads.

Also, petition of Washington Camp, No. 58, Patriotic Order Sons of America, of Johnstown, Pa., protesting against any change in the American flag; to the Committee on the Judiciary.

By Mr. SELDOMRIDGE: Petition of Kiowa County Grange, No. 206, Patrons of Husbandry, favoring passage of the Bathrick farm credit bill (H. R. 11897); to the Committee on Banking and Currency.

Also, petition of sundry citizens of La Junta, Colo., protesting against passage of the Sunday-observance bill; to the Committee on the Judiciary.

By Mr. SELLS: Petition of the Grand Army of the Republic Post of Greenville, Tenn., protesting against any change in the American flag; to the Committee on the Judiciary.

By Mr. SLOAN: Petition of the Spanish War Veterans of Beatrice, Nebr., favoring monthly payment of pensions; to the Committee on Pensions.

Also, petition of the Civil War Veterans of Beatrice, Nebr., favoring monthly payment of pensions; to the Committee on Invalid Pensions.

By Mr. SMITH of Maryland: Petitions of sundry citizens of Savage, Langham, Springfield, Bowie, Annapolis, Baltimore, Eastport, and Howard County, Md., favoring national prohibition; to the Committee on the Judiciary.

By Mr. STEPHENS of Nebraska: Petitions of 100 citizens of Wayne, 1,100 citizens of Fremont, and 400 citizens of Central City, Nebr., favoring national prohibition; to the Committee on the Judiciary.

By Mr. STEVENS of New Hampshire: Petitions and protests of Fred S. Crawford and sundry citizens of Woodsville, Manchester, and Benton; N. M. Nutte and sundry citizens of Woodsville, Bath, and Lancaster; 47 citizens of Keene; 107 citizens of Concord; Berlin Central Labor Union; 38 citizens of Hillsboro; 464 citizens of Nashua; 49 citizens of Franklin, all in the State of New Hampshire, against national prohibition; to the Committee on the Judiciary.

Also, petitions of the Congregational Church of North Weare; the St. James Protestant Episcopal Church, the Unitarian Congregational, the First Baptist, the Grace Methodist Episcopal, the First Congregational, and the Court Street Congregational Churches of Keene; and Congregational Church of Acworth, all in the State of New Hampshire, favoring national prohibition; to the Committee on the Judiciary.

By Mr. TUTTLE: Petitions of sundry citizens of Cranford and Chatham, N. J., favoring national prohibition; to the Committee on the Judiciary.

Also, memorial of the Essex County Bankers' Association, of New Jersey, relative to bill No. 15657; to the Committee on Banking and Currency.

Also, petition of sundry citizens of Plainfield, N. J., favoring national prohibition; to the Committee on the Judiciary.

Also, petition of various voters of the fifth congressional district of New Jersey, protesting against national prohibition; to the Committee on the Judiciary.

By Mr. UNDERHILL: Petitions of sundry citizens of Elmira and Elmira Heights; the Horseheads Methodist Protestant Church, of Arkport; sundry citizens of Ithaca; 1,421 citizens of Hornell; and 150 citizens of Wayne Village, all in the State of New York, favoring national prohibition; to the Committee on the Judiciary.

Also, petition of sundry citizens of Massachusetts, approving stand taken by the President relative to Mexican situation; to the Committee on Foreign Affairs.

Also, petition of 50 voters of the thirty-seventh New York congressional district, protesting against national prohibition; to the Committee on the Judiciary.

By Mr. WALLIN: Petitions of various residents of Amsterdam, N. Y., against national prohibition; to the Committee on the Judiciary.

Also, petition of various members of the Schenectady (N. Y.) Typographical Union, favoring the enactment of Senate bill 927, making lawful certain agreements, limiting injunctions, etc.; to the Committee on the Judiciary.

Also, petition of sundry citizens of Amsterdam, N. Y., favoring national prohibition; to the Committee on the Judiciary.

By Mr. WILLIS: Petition of John Buehrle, of Bellefontaine, Ohio, protesting against the adoption of House joint resolution No. 168, relating to national prohibition; to the Committee on the Judiciary.

SENATE.

FRIDAY, *May 8, 1914.*

The Chaplain, Rev. Forrest J. Prettyman, D. D., offered the following prayer:

Almighty God, we come to Thee in prayer that we may faithfully and well discharge the duties of this day. May we be enabled to establish and make permanent that which is true, change that which is false, and bring all facts and all ideals to the measurement of Thine own divine will as revealed to us in Thy Word. May we get Thy point of view, and as stewards of God discharge the duties which are upon us. Above all things, may we have the charm and blessing not only of fellow citizenship but of brothers in a common cause, working in the interests of humanity for the glory of God's Name. We ask for Christ's sake. Amen.

The Secretary proceeded to read the Journal of yesterday's proceedings, when, on request of Mr. GALLINGER and by unanimous consent, the further reading was dispensed with, and the Journal was approved.

MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by J. C. South, its Chief Clerk, announced that the House had passed a joint resolution (H. J. Res. 263) designating the second Sunday in May as Mothers' Day, in which it requested the concurrence of the Senate.

The message also announced that the House had passed a bill (H. R. 14034) making appropriations for the naval service for the fiscal year ending June 30, 1915, and for other purposes, in which it requested the concurrence of the Senate.

ENROLLED BILL AND JOINT RESOLUTIONS SIGNED.

The message further announced that the Speaker of the House had signed the following enrolled bill and joint resolutions, and they were thereupon signed by the Vice President:

S. 5445. An act for the relief of Gordon W. Nelson;

S. J. Res. 97. Joint resolution authorizing the President to extend invitations to foreign governments to participate in the International Congress of Americanists; and

S. J. Res. 142. Joint resolution authorizing the Vocational Education Commission to employ such stenographic and clerical assistants as may be necessary, etc.

PETITIONS AND MEMORIALS.

The VICE PRESIDENT presented petitions of sundry citizens of McKean, New Castle, Pittsburgh, and Verona, in the State of Pennsylvania; of New York City, N. Y.; of Rockford and Marietta, in the State of Ohio; of Cloquet, Minn.; and of

Wheeling, W. Va., praying for the adoption of an amendment to the Constitution to prohibit polygamy, which were referred to the Committee on the Judiciary.

Mr. GALLINGER. I ask that a telegram which I send to the desk may be read.

There being no objection, the telegram was read, as follows:

[Telegram.]

PORTSMOUTH, N. H., *May 7, 1914.*

Hon. JACOB H. GALLINGER,
Washington, D. C.:

Please oppose HOBSON'S proposed prohibition amendment to the Constitution, as it will confiscate great wealth and throw many people out of employment.

HARRY ROSE.

Mr. GALLINGER. I have also telegrams of a similar nature, all from Portsmouth, N. H., from George Klump, Charles Ingram, Seth Hanson, Joseph Hassett, Charles Eastman, Harry Wendell, George French, R. L. Costello, J. G. Parsons, Clifford W. Bass, Albert Tilton, Thomas Parsons, John Leary, Valentine Sett, August F. Neschke, Charles E. Johnson, C. H. R. Woodward, Frederick Drew, Arthur Freeman, D. J. Tracy, Fred Gray, Dr. M. A. Higgins, John Kilroe, James Whitman, James Harvey, George Murray, and Norman Beane, remonstrating against national prohibition.

I have also memorials opposing the proposed constitutional amendment for national prohibition of the manufacture and sale of intoxicating liquors signed by 1,647 citizens of Manchester, 102 citizens of Concord, 400 citizens of Nashua, 36 citizens of Walpole, 36 citizens of Hillsborough, 131 citizens of Somersworth, and 24 citizens of Rockingham and Strafford Counties, all in the State of New Hampshire.

I ask that the telegrams and memorials may be referred to the Committee on the Judiciary.

The VICE PRESIDENT. That action will be taken.

Mr. GALLINGER presented the petition of A. H. Thayer, of Monadnock, N. H., praying for the enactment of legislation making a liberal appropriation for the enforcement of the so-called migratory-bird law, which was ordered to lie on the table.

He also presented a petition of Concord Lodge, No. 537, Brotherhood of Railroad Trainmen, Concord, N. H., praying for the enactment of legislation to provide a literacy test for immigrants to this country, which was ordered to lie on the table.

Mr. ROBINSON presented a petition of sundry citizens of Prescott, Ark., praying for the adoption of an amendment to the Constitution to prohibit the manufacture, sale, and importation of intoxicating beverages, which was referred to the Committee on the Judiciary.

Mr. SHEPPARD. I present resolutions adopted at the sixth biennial convention of the Texas legislative boards and committees of the Brotherhood of Locomotive Firemen and Enginemen, Order of Railway Conductors, Brotherhood of Locomotive Engineers, Brotherhood of Railway Carmen, and Brotherhood of Railway Trainmen, held at Fort Worth, Tex., April 18, 1914, which I ask may lie on the table and be printed in the RECORD.

There being no objection, the resolutions were ordered to lie on the table and to be printed in the RECORD, as follows:

Whereas the dumping of more than a million of immigrants into this country annually is proving a menace to American institutions, the American home, and the American laborer, and the resulting competition with the working people of our land is causing bitterness and even anarchy in our industrial life; and

Whereas it has been well said that "charity begins at home," and while the United States has opened its gates to the earth's millions and offered an asylum to the oppressed and a home for the unfortunate, still this great country has no right to carry its hospitality one step over the line where American institutions and American workingmen and the American standard of wages and living are brought into serious peril; and

Whereas the National House of Representatives has passed the Burnett bill (H. R. 6060), containing a literacy test and other provisions which we believe will properly restrict immigration into this country, and will repeal the inadequate and farcical law now on the statute books relating to this subject: Therefore be it

Resolved by the sixth biennial convention of the Texas legislative boards and committees of the Brotherhood of Locomotive Firemen and Enginemen, Order of Railway Conductors, Brotherhood of Locomotive Engineers, Brotherhood of Railway Carmen, and Brotherhood of Railway Trainmen, at Fort Worth, Tex., April 18, 1914, That we respectfully ask our United States Senators and the President of the United States, Hon. Woodrow Wilson, to complete the enactment of this just and greatly needed measure.

Mr. GRONNA. I present petitions signed by a large number of citizens of Manfred, Stanley, Fargo, Park River, and Robinson, in the State of North Dakota, praying for the adoption of a national constitutional prohibition amendment. I ask that the petitions may be received and referred to the Committee on the Judiciary.

The VICE PRESIDENT. The petitions will be referred to the Committee on the Judiciary.

Mr. GRONNA. I present a petition signed by 200 citizens of Aneta, N. Dak., which I ask may be printed in the RECORD and referred to the Committee on the Judiciary.

There being no objection, the petition was referred to the Committee on the Judiciary and ordered to be printed in the RECORD, as follows:

Resolution suggested for adoption by churches, young people's societies, clubs, and other organizations, and by public meetings generally. Woman's Christian Temperance Union speakers are urgently requested to secure from all meetings which they address the adoption of this resolution:

"*Resolved,* That we are in hearty favor of national constitutional prohibition, and will do all within our power to secure the adoption of an amendment to the Constitution forever prohibiting the sale, manufacture for sale, transportation for sale, importation for sale, and exportation for sale of intoxicating liquors for beverage purposes in the United States, in accordance with the joint resolution introduced in the United States Congress by Congressman RICHMOND PEARSON HOBSON."

Adopted by mass meeting representing 200 people, April 2, 1914.

PEARL KIRK,
Aneta, N. Dak.

Mr. CHILTON presented the petition of J. M. Mason, of Charles Town, W. Va., praying for payment of damages caused to him by a preliminary injunction obtained by the United States under a mistake of facts, which was referred to the Committee on Claims.

Mr. GRONNA presented an affidavit in support of the bill (S. 5281) for the relief of Wiley W. Houston, which was referred to the Committee on Military Affairs.

Mr. WORKS presented a telegram in the nature of a petition from sundry citizens of Martinez, Cal., and a petition of sundry citizens of Oakland, Cal., praying for the adoption of an amendment to the Constitution to prohibit the manufacture, sale, and importation of intoxicating beverages, which were referred to the Committee on the Judiciary.

He also presented a telegram in the nature of a petition from Joseph Grinnell, Harold C. Dryant, and F. Martens, of the University of California, Berkeley, Cal., praying for a peaceful settlement of the difficulties between this country and Mexico, which was referred to the Committee on Foreign Relations.

Mr. POINDEXTER presented a memorial of the Trades Council of Everett, Wash., remonstrating against the conditions existing in the mining districts of Colorado, which was referred to the Committee on Education and Labor.

Mr. OLIVER presented petitions signed by members of the Young People's Christian Union of the Monongahela Presbytery of the United Presbyterian Church of North America, residing within the counties of Allegheny and Washington, and of sundry citizens of Pennsylvania, praying for national prohibition, which were referred to the Committee on the Judiciary.

He also presented memorials of sundry citizens of Pennsylvania, remonstrating against national prohibition, which were referred to the Committee on the Judiciary.

He also presented petitions of sundry unions of the United Mine Workers of Pennsylvania, praying for an investigation into the conditions existing in the mining districts of Colorado, which were referred to the Committee on Education and Labor.

He also presented a memorial of the Board of Trade of Chester, Pa., remonstrating against the enactment of legislation providing for Government ownership of the telephone and telegraph systems, which was referred to the Committee on Interstate Commerce.

Mr. LODGE presented memorials of 2,600 citizens of Boston, Mass., remonstrating against the adoption of an amendment to the Constitution to prohibit the manufacture, sale, and importation of intoxicating beverages, which were referred to the Committee on the Judiciary.

Mr. CRAWFORD presented petitions of the Epworth League of Elk Point, of the Sunday School of Athol, and of sundry citizens of White, all in the State of South Dakota, praying for the adoption of an amendment to the Constitution to prohibit the manufacture, sale, and importation of intoxicating beverages, which were referred to the Committee on the Judiciary.

Mr. JOHNSON presented petitions of sundry citizens of Corinth and East Hebron, in the State of Maine, praying for the adoption of an amendment to the Constitution to prohibit the manufacture, sale, and importation of intoxicating beverages, which were referred to the Committee on the Judiciary.

Mr. BURLEIGH presented petitions of sundry citizens of Maine, praying for the adoption of an amendment to the Constitution to prohibit the manufacture, sale, and importation of intoxicating beverages, which were referred to the Committee on the Judiciary.

Mr. NORRIS presented a petition of the Nebraska Church Federation, praying for the adoption of an amendment to the Constitution to prohibit the manufacture, sale, and importation of intoxicating beverages, which was referred to the Committee on the Judiciary.

Mr. PERKINS presented memorials of sundry citizens of California, praying for the adoption of an amendment to the Con-

stitution to prohibit the manufacture, sale, and importation of intoxicating beverages, which were referred to the Committee on the Judiciary.

Mr. BRANDEGEE presented petitions of the congregation of the Baptist Church of Stafford, Conn., and of Union Grange, No. 25, Patrons of Husbandry, of Milldale, Conn., praying for national prohibition, which were referred to the Committee on the Judiciary.

REPORTS OF COMMITTEES.

Mr. BRYAN, from the Committee on Claims, to which were referred the following bills, reported them each without amendment and submitted reports thereon:

H. R. 11040. A bill to carry out the findings of the Court of Claims in the case of James Harvey Dennis (Rept. No. 496); and

H. R. 11381. A bill for the relief of the estate of T. J. Semmes, deceased (Rept. No. 495).

Mr. LEA of Tennessee, from the Committee on Military Affairs, to which was referred the bill (S. 2472) to correct the military record of Herman von Werthern, reported it with an amendment and submitted a report (No. 497) thereon.

Mr. CLARK of Wyoming, from the Committee on Public Lands, to which was referred the bill (S. 819) providing for the homestead entry of certain lands in the State of Washington, and for other purposes, reported it with amendments and submitted a report (No. 499) thereon.

Mr. LANE, from the Committee on Fisheries, to which was referred the bill (S. 4946) to establish an additional fish-cultural station in the State of Texas, reported it without amendment and submitted a report (No. 498) thereon.

Mr. ASHURST, from the Committee on Indian Affairs, to which were referred the following bills, reported them each without amendment and submitted reports thereon:

S. 1758. A bill for the relief of Warren E. Day (Rept. No. 500); and

S. 2661. A bill for the relief of the administrator and heirs of John G. Campbell, to permit the prosecution of Indian depredation claims (Rept. No. 501).

MEMORIAL EXERCISES, BROOKLYN NAVY YARD.

Mr. WILLIAMS. From the Committee to Audit and Control the Contingent Expenses of the Senate I report back favorably without amendment House concurrent resolution No. 39, providing for the representation of the Congress at the exercises to be held at the navy yard in Brooklyn, N. Y., and I ask unanimous consent for its present consideration.

The VICE PRESIDENT. Is there objection to the present consideration of the concurrent resolution?

There being no objection, the concurrent resolution was considered by unanimous consent and agreed to, as follows:

"Resolved by the House of Representatives (the Senate concurring), That for the representation of the Congress at the exercises to be held at the navy yard in Brooklyn, N. Y., on Monday, May 11, 1914, in honor of the men of the Navy and Marine Corps who lost their lives at Vera Cruz, Mexico, there shall be appointed by the Vice President 7 Members of the United States Senate and by the Speaker 21 Members of the House of Representatives.

"SEC. 2 That the expenses of the committee shall be defrayed in equal parts from the contingent appropriations of the Senate and House of Representatives."

ON THE RETURN OF THE DEAD SAILORS AND MARINES WHO FELL IN MEXICO AND RESOLUTION FOR APPOINTMENT OF COMMITTEE OF SENATE AND HOUSE TO ATTEND CEREMONIES IN NEW YORK.

Mr. LEWIS. Mr. President, on yesterday afternoon my attention was attracted to a concurrent resolution brought into the Senate, having passed the House, requesting the appointment of Members of this body to accompany Members of the other House to attend the ceremonies incident upon the arrival of the ship bearing the bodies of the American seamen. The resolution is now reported for passage. I am sure that I lay no vain flattery to myself if I assume that in what I now purpose to say I speak for every Senator who is honored with a place in this Chamber. This morning there comes a favorable report upon that resolution.

Mr. President, the news of the hour brings us the intelligence that a United States warship is solemnly bearing to our shores the Nation's dead, who died at the command of duty in Mexico.

Mr. President, these men were of the many who from humble places in life's assignment stepped forth to dedicate their lives to their country's need. No sordid pursuit of money for riches' sake blighted their usefulness. No selfish purpose to prosper upon the sacrifice of others possessed their dreams. No undertaking promising ease, exempt from burdens, was their aspiration. No. These heard their country's trump calling for valiant sons to protect and defend their common mother. From the farm they leaped to obedience. From the workshop they came with hands outstretched for service. From humble and obscure homes each joyously went his way to dedicate his young life to the destiny of America. With a father's blessing and a mother's parting kiss, with a "God bless you, my boy," they came. No riches softened their lot. No birth gave them privilege. Their endowment was the consolation that their honest lives were worthy the love of those left behind them and their inspiration in the hope that their service might earn the approval of their countrymen.

In loftiness of soul but in humility of duty they consecrated their lives to the honor of their flag and to the glory of their Nation. At the command they stepped out and forward, then, with face to the foe, fell in death.

Behold them, the four who were the first to fall completing the ever-present mystic square, personifying the all: Daniel Haggerty, an Irishman, a descendant of those who marched with Patrick Cleburne from the South and Phil Sheridan from the North; John Schumacher, the German, the offspring of those who fought for us under Steuben; George Poinsett, of the race of those who marched with Lafayette; and then Samuel Meisenberg, the Jew, the child of a people without a country, but now a son claimed by a nation.

Mr. President, as the stately ship bearing their silent forms turned toward the motherland she was saluted by the dipped colors of the greatest nations of the world. This was the homage which power and glory ever pays to the high purposes and sublime uses of heroic lives. Nor monarchs nor captains ever had nobler tribute in death than these humble and valiant dead. The salutations of the powerful of earth, sanctified by the requiem of the moaning waves and sweetened by the chant of the singing winds, consecrated the grandeur of their sublime homecoming.

Now, sir, they are to be met on their own native shores by the outpouring of the thousands who will greet them as those who gave honor to American seamen and victory to American arms.

The President of the United States, the officers of the Cabinet, Members of Congress, and the officials of honor in every avenue of distinction all will assemble to receive these returning children of their proud mother. They are taken to the heart of their countrymen in tears, to remain revered by their Nation. Surely it is sweet and noble to die for one's country.

Now, sir, I as an American present this exhibition of the world's testimonial to these beloved sons as an answer to those who by false accusation demean patriotic defense of the flag and condemn as servile those who engage for the protection of the Republic. I present this majestic march of the Nation's mourners against the false assertions that to enlist for the Army of America is degradation and to fight for the country's honor is a service rewarded only with contempt. I present this array of historic tribute to refute the calumny sent about by those who would desert their country in its peril and sacrifice it in its danger as they perpetrate the slander upon our patriotism that to die for America is but to be ignored in rewards and buried in forgetfulness. Sir, as against the attempt to slay the ardor of the young and to cheat the Nation of the protection by her manhood through maligning the spirit of American valor and falsifying the gratitude of the American people I present these proofs of the Nation's sublime affection for her sons, and I tender the presentation of these glorifying honors paid to their memory and renown.

Mr. President, we summon the watching world to attest to mankind the attachment of America for her children and to witness the tribute and triumph she pays to the hero, however lowly, who serves her cause.

So to-day from the Senate we send to the sad ones who await their beloved dead our sympathy and sorrow, as we certify to civilization that these who have fallen fulfilled the complete measure of man—THEY LIVED FOR DUTY, GAVE SERVICE TO GOD, AND DIED FOR COUNTRY. May their souls rest in heaven.

MEMORIAL EXERCISES, BROOKLYN NAVY YARD.

The VICE PRESIDENT. In compliance with the provisions of House concurrent resolution No. 39, the Chair appoints Mr. SAULSBURY, Mr. ROBINSON, Mr. O'GORMAN, Mr. VARDAMAN, Mr. GALLINGER, Mr. KENYON, and Mr. BRADY as the committee on the part of the Senate to attend the exercises to be held in Brooklyn, N. Y., May 11, 1914, in honor of the men of the Navy and Marine Corps who lost their lives at Vera Cruz, Mexico.

EMPLOYMENT OF STENOGRAPHERS.

Mr. WILLIAMS, from the Committee to Audit and Control the Contingent Expenses of the Senate, to which was referred Senate resolution 350, submitted by Mr. O'GORMAN on the 6th

instant, reported it without amendment, and it was considered by unanimous consent and agreed to, as follows:

Resolved, That the provisions of resolution of April 6, 1914, authorizing the Committee on Interoceanic Canals to employ temporarily a stenographer, be extended for 30 days from the adoption of this resolution.

Mr. WILLIAMS. By direction of the Committee to Audit and Control the Contingent Expenses of the Senate, I report back favorably Senate resolution 348, submitted by the Senator from Wisconsin [Mr. LA FOLLETTE] on the 4th instant. I ask unanimous consent for the immediate consideration of the resolution. I will state, in explanation, that this is rather emergent, and it is for that reason I ask for its immediate consideration.

The VICE PRESIDENT. Is there objection to the present consideration of the resolution?

The resolution was read, considered by unanimous consent, and agreed to, as follows:

Resolved, That the Committee on Corporations Organized in the District of Columbia be, and hereby is, authorized to employ an additional stenographer, at the rate of $100 a month, the term of services of such stenographer to conclude two weeks after the final adjournment of the second session Sixty-third Congress.

SOUTHERN COALING STATION FOR NAVY.

Mr. WILLIAMS. By direction of the Committee to Audit and Control the Contingent Expenses of the Senate, I report back favorably, with amendments, Senate resolution 291, and I call the attention of the Senator from South Carolina [Mr. TILLMAN] to it.

Mr. TILLMAN. I ask unanimous consent for the immediate consideration of the resolution.

Mr. OVERMAN. As I understand, the resolution includes all the ports on the Atlantic from Norfolk to Jacksonville?

Mr. WILLIAMS. Yes.

Mr. OVERMAN. Very well.

The VICE PRESIDENT. Is there objection to the present consideration of the resolution?

Mr. LODGE. Mr. President, I do not object, of course, to having the resolution read, but it involves a very important matter, and I should like to reserve the right to object to its consideration.

The VICE PRESIDENT. The Secretary will state the amendment reported by the committee.

The SECRETARY. As reported originally from the Committee on Naval Affairs, all the text of the resolution was stricken out and the following inserted:

Whereas in view of the early completion of the Isthmian Canal and of its importance to the United States Navy and the national defense generally, and to the development of trade with Central and South American countries, the establishment of adequate coal-supplying facilities south of Cape Hatteras is deemed imperative; and

Whereas the usefulness and efficiency of any harbor as a coaling station must depend upon the facilities (first) of the coal producers for reaching it and (second) of the coal carriers in the matter of assembling the product at said port, including coal docks and other facilities for loading and handling, which should be accessible to all shippers and carriers alike on the same terms and conditions; and

Whereas it appears from numerous complaints now before the Interstate Commerce Commission, as well as from other sources, that the power and influence of the so-called Coal Trust is being persistently used through the management of the railroads reaching South Atlantic ports to prevent the free movement of coal not belonging to said Coal Trust, and it is alleged that practically all of such roads are actually dominated by the same financial interests that control the great coal combines finding outlet chiefly through New York Harbor, Philadelphia, and the Chesapeake Bay ports: Now, therefore, be it

Resolved, That the Committee on Naval Affairs be, and it is hereby, authorized and instructed to investigate the natural and strategic advantages for naval purposes of ports south of Hatteras as compared with Norfolk and other Chesapeake Bay ports as a permanent point for coal distribution, and included and embraced in the scope of said investigation the said committee is further authorized and instructed to investigate into the character and proximity of the coal supply, and the rates obtainable on coal from the coal fields near by; and the committee is further instructed to ascertain as far as it is practicable—

First. What quantity of bituminous coal is consumed or used at Charleston, Savannah, Brunswick, Fernandina, and Jacksonville, and in their vicinities, and what proportion of this coal is supplied from mines located on the Pennsylvania Railroad system, including the Baltimore & Ohio, Norfolk & Western, and Chesapeake & Ohio, and what proportion is supplied by mines on the Southern Railway.

Second. Whether the United States Navy, including the naval stations, now pays a higher freight rate for coal supply at any or all Atlantic seaports than is charged to commercial ships for bunkerage or for coastwise distribution; and whether all coal for naval supply, at the Atlantic seaports, is not supplied by the so-called Coal Trust; that is, by the mines that have a common ownership or control with the coal carriers; and whether present conditions prevent competitive bidding for the United States Navy coal supply, or any part thereof, by independent coal operators.

Third. The mileage from mine groups located on the Southern Railway in Virginia, Kentucky, Tennessee, Georgia, and Alabama to Wilmington, Charleston, Savannah, Brunswick, Fernandina, and Jacksonville; and the mileage to these same ports, the way the coal is moved from the mines on the Pennsylvania Railroad system and on the Baltimore & Ohio, Norfolk & Western, and Chesapeake & Ohio Railroads and all connecting lines in West Virginia; and in all cases show the freight rates on coals to the cities named, both by rail and rail and water; and where two or more carriers participate, ascertain the proportion of the rate (or service charge) each receives; and also compare these rates with those at seaport towns and cities from Norfolk to New York for local use, for tidewater shipment, and for naval use.

Fourth. Why the Southern Railway has built no wharves or made no provision for handling tidewater coal at any of the South Atlantic ports, and whether the riparian rights and water frontage of South Atlantic harbors is not now being bought up by the parties in the interest of the Coal Trust, while the Southern Railway is taking no active steps to build for itself an independent outlet.

Fifth. Whether trustees for the stockholders and members of the board of directors of the Southern Railway are financially interested in coal-mining industries on the Pennsylvania Railroad system, the Baltimore & Ohio, the Norfolk & Western, or the Chesapeake & Ohio, and to what extent; and whether they, or any of them, are financially interested in any coal-mining industries tributary to any of said railways. And if found to be interested, ascertain whether such mines have been allowed preference or advantages not allowed to all other shippers (shown by cases already decided by the Interstate Commerce Commission or State commissions). And in all coal-mining operations tributary to the Southern Railway in which any director of the Southern Railway or director of any railroad controlled by it, or allied with the Southern Railway, is financially interested, ascertain the division of through rates with other railroads, and in all cases where a coal operation tributary to the Southern Railway controls a local railroad, or when such local railroad is controlled in common with a coal operation, for assembling and distributing its own coal, ascertain just what proportion of rates it receives, if any, from the carriers, or what compensation other than a division of the rates it may receive.

Sixth. Whether the rate making for the Southern Railway, or other southern carriers of coal, is dominated by the Pennsylvania Railroad or Norfolk & Western; or whether the freight rates of the Southern Railway and any of the other southern coal carriers are made and fixed and maintained by the traffic men of the Southern Railway and other southern carriers; or whether the Pennsylvania Railroad, the Norfolk & Western Railway, the Baltimore & Ohio, and Chesapeake & Ohio, exercise any influence either through a rate-making or traffic association or otherwise, in the matter of making the rates for the Southern Railway and other southern carriers.

Seventh. Whether or not there is any discrimination now existing in favor of any one port on the Atlantic seaboard as against another port, and, if so, in what does such discrimination consist; and whether or not any coal trust or combination of railroads and coal companies control the coal tonnage to any port or ports, and, if so, how; and whether or not the coal supply of West Virginia, Virginia, Pennsylvania, Tennessee, and Kentucky flows naturally and without unnecessary obstruction to their respective natural ports upon the Atlantic seaboard; and whether or not there is any discrimination in rates against any coal operators.

Eighth. The coal rates to thirty or more representative cities on the Southern Railway in Virginia, North Carolina, South Carolina, Georgia, and Florida, and compare these rates with the rates enjoyed by the cities of relative importance and location, with regard to mines, in Pennsylvania, Ohio, Indiana, and Michigan on the Pennsylvania Railroad system, including the cities whose rates are compared in the letter read into the CONGRESSIONAL RECORD by Senator TILLMAN on April 8.

Ninth. What actual ownership each director of the Southern Railway Co. has in that company, and what ownership, if any, is held in it by the individuals composing the trustees for the stockholders.

Said Committee on Naval Affairs is authorized to sit during the sessions of the Senate and during any recess of Congress, and its hearings shall be open to the public, and it is authorized and empowered to employ counsel, coal experts, railroad-rate experts, and such other clerical and stenographic and expert assistants as it may deem necessary. Said committee shall have power to compel witnesses to testify, to send for persons and papers, to administer oaths to witnesses, and do anything necessary to arrive at all the facts.

The expenses incident to the investigation herein authorized, not to exceed $10,000, shall be paid out of the contingent fund of the Senate upon vouchers signed by the chairman of the Committee on Naval Affairs and approved by the Committee to Audit and Control the Contingent Expenses of the Senate. The said Committee on Naval Affairs may, in its discretion, conduct this investigation by a subcommittee of not less than five members, to be appointed by the chairman, and shall make its report as soon as possible.

The VICE PRESIDENT. Is there objection to the present consideration of the resolution?

Mr. GALLINGER. Let the amendments first be read as reported.

The VICE PRESIDENT. The Secretary will state the amendments to the amendment.

The SECRETARY. On page 9, line 4, after the word "employ," to strike out the word "counsel"; in lines 5 and 6, to strike out the words "such other clerical and stenographic and expert assistants as it may deem necessary" and insert "to employ a stenographer at a price not to exceed one dollar per printed page"; in line 11, before the word "exceed," to strike out the words "not to" and insert "shall not"; and in the same line, after the word "exceed," to strike out "$10,000" and insert "$5,000."

The VICE PRESIDENT. Is there any objection to the present consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution.

The VICE PRESIDENT. The question is on agreeing to the amendments.

The amendments to the amendment were agreed to.

The amendment as amended was agreed to.

The resolution as amended was agreed to.

HENRY LA ROQUE.

Mr. CLAPP. A few days ago there was received from the House of Representatives the bill (H. R. 14229) for the relief of Henry La Roque, and it was inadvertently referred to the Committee on the Judiciary. It is merely to give the man the

right to an appeal, and it clearly ought to go to the Committee on Indian Affairs. I would ask the Senator from North Carolina [Mr. OVERMAN], the acting chairman of the Committee on the Judiciary, to have that committee discharged from its further consideration, and to have the bill referred to the Committee on Indian Affairs, where it properly belongs. I think there can be no objection to that course.

Mr. OVERMAN. I move that the Committee on the Judiciary be discharged from the further consideration of the bill, and that it be referred to the Committee on Indian Affairs.

The motion was agreed to.

MOTHER'S DAY.

The joint resolution (H. J. Res. 263) designating the second Sunday in May as Mother's Day was read twice by its title.

Mr. SHEPPARD. I ask unanimous consent that the joint resolution be immediately considered and put on its passage. It authorizes the President to proclaim the second Sunday in May as Mother's Day throughout the United States, and it will have to be passed this morning if at all.

Mr. SMOOT. If the Senator will have it referred to the committee now, it can be reported right back, before the close of the day, and have unanimous consent granted for its consideration. I think that is the proper way.

Mr. SHEPPARD. If the Senator prefers me to take that course, I will do so. Does the Senator think that I may poll the committee on the floor?

Mr. SMOOT. There is not any question about it.

Mr. SHEPPARD. Very well. Let the joint resolution be referred to the Committee on Education and Labor.

The VICE PRESIDENT. It will be so referred.

Mr. SMITH of Georgia subsequently said: From the Committee on Education and Labor I report back with an amendment the joint resolution (H. J. Res. 263) designating the second Sunday in May as Mother's Day.

Mr. SHEPPARD. Mr. President, I have secured the signatures of a majority of the Committee on Education and Labor in behalf of the joint resolution which was received from the House of Representatives this morning, and I ask for its immediate consideration.

The VICE PRESIDENT. Is there objection to the present consideration of the joint resolution?

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the joint resolution.

The amendment of the Committee on Education and Labor was, in section 2, page 2, line 5, before the words "its observance," to strike out "require" and insert "request," so as to make the joint resolution read:

Whereas the service rendered the United States by the American mother is the greatest source of the country's strength and inspiration; and

Whereas we honor ourselves and the mothers of America when we do anything to give emphasis to the home as the fountainhead of the State; and

Whereas the American mother is doing so much for the home, the moral uplift, and religion, hence so much for good government and humanity: Therefore be it

Resolved, etc., That the President of the United States is hereby authorized and requested to issue a proclamation calling upon the Government officials to display the United States flag on all Government buildings, and the people of the United States to display the flag at their homes or other suitable places, on the second Sunday in May, as a public expression of our love and reverence for the mothers of our country.

SEC. 2. That the second Sunday in May shall hereafter be designated and known as Mother's Day, and it shall be the duty of the President to request its observance as provided for in this resolution.

The amendment was agreed to.

The joint resolution was reported to the Senate as amended and the amendment was concurred in.

The amendment was ordered to be engrossed and the joint resolution be read a third time.

The joint resolution was read the third time and passed.

The preamble was agreed to.

The title was amended so as to read: "A joint resolution designating the second Sunday in May as Mother's Day, and for other purposes."

BILLS AND JOINT RESOLUTION INTRODUCED.

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. OVERMAN:

A bill (S. 5511) for the relief of the heirs of Gaston H. Wilder, deceased (with accompanying paper); to the Committee on Claims.

By Mr. SHERMAN:

A bill (S. 5512) granting an increase of pension to Felix M. Wheat; and

A bill (S. 5513) granting a pension to John N. Calvin; to the Committee on Pensions.

By Mr. POINDEXTER:

A bill (S. 5514) granting an increase of pension to Loucette E. Glavis; to the Committee on Pensions.

By Mr. JOHNSON:

A bill (S. 5515) authorizing the Secretary of War to donate to the Caribou Board of Trade, in the town of Caribou, State of Maine, one bronze or brass cannon or fieldpiece, with its carriage and cannon balls; to the Committee on Military Affairs.

By Mr. BRADLEY:

A bill (S. 5516) granting an increase of pension to Leona B. Haucke (with accompanying papers); to the Committee on Pensions.

By Mr. LEWIS:

A bill (S. 5517) to reduce night work in post offices; to the Committee on Post Offices and Post Roads.

By Mr. MARTIN of Virginia:

A joint resolution (S. J. Res. 147) to provide for legally determining the ownership of and title to the fire-alarm system and appliances, apparatus, and connections heretofore placed and installed in the Government buildings of the Government Hospital for the Insane, and to determine such other questions as are provided for in the following resolution; to the Committee on the Judiciary.

AMENDMENTS TO APPROPRIATION BILLS.

Mr. JOHNSON submitted an amendment intended to be proposed by him to the river and harbor appropriation bill, which was referred to the Committee on Commerce and ordered to be printed.

Mr. SHERMAN submitted an amendment intended to be proposed by him to the river and harbor appropriation bill, which was referred to the Committee on Commerce and ordered to be printed.

Mr. SMITH of Maryland submitted an amendment intended to be proposed by him to the river and harbor appropriation bill, which was referred to the Committee on Commerce and ordered to be printed.

Mr. McCUMBER submitted an amendment intended to be proposed by him to the Agricultural appropriation bill, which was ordered to lie on the table and be printed.

Mr. OLIVER submitted an amendment intended to be proposed by him to the river and harbor appropriation bill, which was referred to the Committee on Commerce and ordered to be printed.

PANAMA CANAL TOLLS.

Mr. OLIVER. I submit an amendment to the Panama Canal tolls bill, which I ask to have read.

The VICE PRESIDENT. The Secretary will read as requested.

The Secretary read as follows:

On page 1, line 10, strike out the word "repealed" and insert "amended to read as follows: No tolls shall be levied upon vessels of the United States or of any of the citizens thereof."

Mr. OLIVER. I ask that the amendment may be printed and lie on the table.

The VICE PRESIDENT. That action will be taken.

MILL NOTES—BRADFORD'S EXPORTS.

Mr. GALLINGER. Mr. President, I have a brief article from the Daily Trade Record of May 2, 1914, in reference to the mill situation in the city of Fall River, Mass., and also a brief article showing the exports from Bradford, England. I ask that the two articles may be printed in the RECORD.

There being no objection, the matter referred to was ordered to be printed in the RECORD, as follows:

[From the Daily Trade Record, May 2, 1914.]

MILL NOTES.

FALL RIVER.

The mill situation: Mills are continuing to report further losses of skilled help and a more extended reduction of production. Idle machinery throughout the mills has been estimated this week at approximately 85 per cent, and it is expected that the enforced curtailment will reach one-fifth of the total production within a short time.

The exodus to outdoor employment has already begun, and it is affecting mostly the weaving department, where the skilled operatives are employed. Yet the treasurers are not apparently disturbed, and in many cases they are even satisfied to shut down a fifth of their machinery. They point out that goods are now piling up, and the idle machinery affords a curtailment that will keep down the accumulation. Conditions for the next few weeks will be watched with keen interest by the treasurers, because of the general feeling that failure to improve will result in a curtailment policy. Such a plan will be taken up only as a last resort, because the mill men realize that the labor shortage is a serious problem here, and every effort is to be made to keep all the skilled help possible in the mills and in the city.

Textile union officials are also viewing the situation with interest, but whatever plans were considered for a renewal of the agitation for a wage increase have been abandoned for a time at least. They realize that conditions do not warrant steps toward an increase in wages, and this matter will probably not be taken up by the textile council until some marked improvement in the trade is apparent.

BRADFORD'S EXPORTS TO UNITED STATES—INCREASE 280 PER CENT.

Writing under date of April 22, the regular Bradford, England, correspondent of the Daily Trade Record says:

"At last the figures relating to the Bradford exports to the United States for March are available. Augustus E. Ingram, the United States consul, explains the lateness of publication by the fact that there has been such a pressure of work in the preparation of the returns, and when one considers that both the total value of the exports and the total increase are easily the highest recorded since the new tariff took effect, one is compelled to admit that the consul has ample excuse for a few days' delay.

"The total value is £634,391, and the total increase over March of last year £470,238; in other words, an increase of over 280 per cent. The chief rise in the total is due to America's increased purchases of colonial and foreign wool, amounting to some £218,258 in value, and larger than the January and February exports of this description combined. The increase in this case is £183,192, or about 520 per cent; but English wools only show an increase of some £35,882, the total being £52,802.

"So much for the raw material. Tops have been sent out valued at £24,343, compared with none at all last March. In February the total was about £27,000. Noils and wastes are declared at £23,116, showing an increase of £21,825. It thus appears that England and the States are exchanging their noils. Worsted and mohair yarns (worsted, £21,704; mohair, £8,804) show a combined increase of £26,206, and about £13,000 worth more of these yarns has been exported than in February. Completion of the season's deliveries is given as the reason for lower values of stuffs (dress goods, £43,654; linings, £60,075), but worsted coatings seem to be affected very slightly by the season, as they have been about £40,000 value during the last three months.

"MARCH EXPORTS.

"The exports to the United States during last March, outside of those previously published in this paper, are:

Articles.	March, 1914.	March, 1913.
Cotton cloths:		
Dress goods	£18,116	£9,952
Linings	41,094	12,640
Yarns:		
Silk	17,733	16,026
Cotton	4,324	4,708
Wool tops	24,343	.....
Wool noils and waste	23,116	1,290
Silk noils and waste	13,057	1,062
Sheepskins, packed	2,781	6,444
Carpets and rugs	1,803	2,167
Hair:		
Mohair goat	978	3,212
Alpaca	148	.....
Hair cloths	728	87
Silk goods:		
Silk and silk and cotton piece goods	177	36
Silk seals, plushes, etc	414	98
Tapestry, damasks, etc	422	651
Total	634,391	164,152

"QUARTERLY RETURNS.

"It is interesting, also, to note the quarterly returns. The total is £1,739,286, which is easily £1,000,000 more than in 1913 or 1912, whose totals, respectively, were £540,871 and £696,315. In the quarterly returns the attitude of the American wool trade is clearly reflected. Tops, yarns, and pieces are going out, but the figures for wool overwhelm them all (£628,392). It is another indication that the new tariff has worked wonders in the Bradford trade."

ADDRESS BY EX-GOV. W. A. M'CORKLE.

Mr. CHILTON. I ask to have printed as a public document an address by ex-Gov. W. A. MacCorkle before the West Virginia Coal Mining Institute, at Charleston, W. Va., December 8, 1913, on the relation of West Virginia coals to the Panama Canal. I ask that the copy of the address, which I have, may be referred to the Committee on Printing, for the purpose of having it printed as a Senate document.

The VICE PRESIDENT. Without objection, that action will be taken.

FRUIT EXPORTATION.

Mr. CHILTON. I present a communication from William Campbell, of Charles Town, W. Va., secretary and manager of The Virginias Fruit Exchange, transmitting resolutions adopted at the last meeting of the Eastern Fruit Growers' Association. I ask that the communication and accompanying resolutions may be printed in the RECORD.

There being no objection, the communication and accompanying resolutions were ordered to be printed in the RECORD, as follows:

THE VIRGINIAS FRUIT EXCHANGE,
Charles Town, W. Va., April 27, 1914.

Hon. WILLIAM E. CHILTON,
United States Senate, Washington, D. C.

DEAR SIR: Inclosed I hand you a communication which I would like you to have read into the CONGRESSIONAL RECORD in its entirety as soon as you conveniently can. Thanking you, I am,

Faithfully, yours,

WM. CAMPBELL.

THE VIRGINIAS FRUIT EXCHANGE.
Charles Town, W. Va., April 27, 1914.

Hon. WILLIAM E. CHILTON,
United States Senate, Washington, D. C.

DEAR SIR: I beg to communicate the following excerpt from the minutes of the last meeting of the Eastern Fruit Growers' Association:

"Resolution offered by William Campbell, of Charles Town, W. Va., manager of The Virginias Fruit Exchange.

"Whereas the fruit planted acreage of the United States has been very largely increased within the past few years; and

"Whereas the orchards and groves which are beginning to come into bearing will increase the fruit output of the country to an extent which renders it both desirable and necessary that new outlets be found for the increased production; and

"Whereas the opening of the Panama Canal and improved trans-Atlantic and trans-Pacific steamship transportation offer great possibilities for the export of American fruits under quick transit and adequate refrigeration facilities, not only to South American, but to European, Asiatic, Australian, and African markets at present unavailable to the fruit growers of the United States: Be it

"*Resolved*, That we commend the efforts of the administration to extend our foreign commerce under the plans now being formulated, and respectfully petition the Congress of the United States to provide such fair and liberal appropriations as may be necessary for the accomplishment of that purpose.

"Indorsed by Eastern Fruit Growers' Association at meeting January 6, 1914.

"THOMAS B. SYMONS,
"*Secretary.*"

The resolutions are self-explanatory and indicative of the attitude of eastern fruit growers toward the efforts of the Government to increase the exportation of their product.

Kindly make such disposition of this report as may be helpful in the premises, and oblige,

Yours, very truly,

WM. CAMPBELL, *Secretary.*

PANAMA CANAL TOLLS.

Mr. SMOOT. Mr. President, I desire to give notice that on Tuesday, May 12, following the routine morning business, I shall address the Senate on the Panama Canal tolls question.

HOUSE BILL REFERRED.

H. R. 14034. An act making appropriations for the naval service for the fiscal year ending June 30, 1915, and for other purposes, was read twice by its title and referred to the Committee on Naval Affairs.

PANAMA CANAL TOLLS.

Mr. O'GORMAN. I ask to have the canal tolls bill laid before the Senate in order that the Senator from West Virginia [Mr. GOFF] may address the Senate.

There being no objection, the Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 14385) to amend section 5 of "An act to provide for the opening, maintenance, protection, and operation of the Panama Canal and the sanitation of the Canal Zone," approved August 24, 1912.

Mr. TOWNSEND. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Ashurst	Hollis	Norris	Smith, Md.
Borah	Hughes	O'Gorman	Smoot
Brady	James	Oliver	Sterling
Bristow	Johnson	Overman	Sutherland
Bryan	Kenyon	Page	Swanson
Burleigh	La Follette	Perkins	Thomas
Chamberlain	Lane	Pomerene	Thompson
Chilton	Lea, Tenn.	Robinson	Townsend
Clark, Wyo.	Lee, Md.	Root	Vardaman
Clarke, Ark.	Lewis	Saulsbury	Walsh
Crawford	Lippitt	Shafroth	Warren
Dillingham	Lodge	Sheppard	Weeks
Gallinger	McCumber	Sherman	West
Goff	McLean	Shively	Williams
Gronna	Martin, Va.	Simmons	
Hitchcock	Martine, N. J.	Smith, Ga.	

Mr. WALSH. I wish to announce that the absence of my colleague [Mr. MYERS] is due to illness.

Mr. TOWNSEND. I wish to announce the absence of my colleague [Mr. SMITH] on important business. He is paired on all votes with the junior Senator from Missouri [Mr. REED]. I desire this announcement to stand for the day.

The PRESIDING OFFICER (Mr. POMERENE in the chair). Sixty-two Senators have answered to their names. A quorum of the Senate is present.

Mr. GOFF. Mr. President, we are considering to-day a bill the object of which is to repeal legislation that has had the unqualified approval of the voters of this Nation. The people have fully considered, accurately weighed in the balance the domestic and international question involved, and have by an overwhelming majority—a regular avalanche of ballots—decided that they are not wanting in merit, that the Congress was wise and patriotic when it exempted from tolls our coastwise ships when passing through the Panama Canal.

Our situation as a Nation is most peculiar, altogether anomalous, really distressing, verging even on the pitiful. Like a

mighty vessel upon a stormy sea without a navigator, our Ship of State is drifting, carried along by a political current pregnant with disaster at home and frightful entanglements abroad.

In November, 1912, at a general election held throughout the Nation, 15,034,800 votes were cast, of which Woodrow Wilson received 6,293,120, William H. Taft 3,485,082, Theodore Roosevelt 4,119,588, Eugene V. Debs 901,839, Eugene W. Chafin 206,427, and Arthur E. Reimer 28,750. Of these votes 13,897,784—the Wilson, Taft, and Roosevelt votes—were polled openly, enthusiastically, patriotically, in approval of the act exempting our coastwise vessels from the payment of tolls, and I am warranted in saying that the other votes were cast with like intention. In fact, rather marvelous, most unusual, it was 15,034,800 unanimous votes polled in behalf of a great cause—a most unique and inspiring tribute to the loyal sentiment of the Nation.

Diverse and distracted as our citizenship was on other questions of political thought and economic policy, paradoxical as it may seem, the candidate who received 6,293,120 votes, and against whom 8,741,608 votes were cast, was elected, and is now our President. The convention that nominated him adopted a platform containing a plank which declared for free tolls, such declaration receiving the full approval of the candidate.

When the Democratic national convention met in Baltimore and promulgated that platform the situation was different from what it is now, for it was then popular and regarded as a patriotic duty to advocate the exemption from tolls of coastwise vessels. It was not then considered as a subsidy, but as an honest, legitimate effort to aid our merchant marine, and to restore our flag to the seas from which it had been driven. The Democratic Party solemnly pledged its policy and its candidates to the legislation that granted free tolls to coastwise ships. It was not an oversight; it was not a mistake; it was not "just slipped in." It was duly considered and regularly adopted. The distinguished gentlemen who composed that convention, shining lights in the management of that great party into the keeping of which the destinies of this Nation are now confided, are not highly honored by those who now say that when that convention read into its creed the words, "We favor the exemption from tolls of American ships engaged in coastwise trade passing through the Panama Canal," it did not appreciate the importance and magnitude of the matter involved.

It is with pleasure that I note quite a number of those to whom I have just made reference have emphatically repudiated this suggestion. The Democratic convention was right, wonderful as it may seem, when it incorporated those words into its platform. The Democratic candidate for President, speaking in favor of those words, was right; but when he, as President, says to the Congress in substance, that the words are vicious and that the provision should be ungrudgingly repealed, he is everlastingly wrong.

If the convention promises then so made are now to be disregarded, what confidence will the people have in the plighted faith of party platforms? In plain words, Mr. President, if they were made to be disregarded at will, if party platforms are not now binding as once they were, then our system of government for the people and by the people has received such a blow that it will require the adoption of other rules, of better methods, before the voters will again trust those who have so deceived them.

Mr. President, let me call attention to what some of our Democratic friends, some of them Members of the Senate, all of them men of character and well-earned renown, have said concerning this plank in their platform. I read from statements purporting to come directly from them, published in reputable journals, and, so far as I am advised, no one has denied or corrected them.

I find in the New York Evening Journal, March 30, 1914, the following interview with Senator J. K. VARDAMAN. I regret he is absent.

Senator J. K. VARDAMAN, of Mississippi, member of the Democratic platform committee at the Baltimore convention, made this statement in connection with the fight for free tolls:

"I have no more respect for the integrity of a man who will violate a pledge made in the performance of a public duty than I have for a man who accepts a bribe to control his official conduct.

"I agree with Mr. Bryan 'that a certain man who would win office on a platform and then violate it is an embezzler of power and guilty of a crime of as great moral turpitude as a soldier who would betray his country in time of war.'

"When the question of repealing the law permitting American ships engaged in the coastwise trade to pass through the canal free of tolls came up I was curious to know what the President was going to say in explanation of his change of front. I thought he would take the Congress into his confidence and that we would reason together about this matter.

"But when he simply said that we should do this because he asked us to do it, and do it ungrudgingly, I thought that message an affront to the intelligence and patriotism of every Member of Congress."

I see the distinguished Senator from Mississippi [Mr. VARDAMAN] now honors me with his presence, and if this publication is not correct I beg that he will advise me.

Mr. VARDAMAN. I do not know what the Senator reads.

Mr. GOFF. I read from what purports to be a statement of yours made March 30, published in the New York Evening Journal.

Mr. VARDAMAN. I did not hear the article. Will the Senator state what it is?

Mr. GOFF. I am reading it now.

Mr. VARDAMAN. I will listen to the Senator.

Mr. GOFF. I have already read a portion of it, which I will hand the Senator.

"It reminded me"—

Still quoting from my brother Senator—

"It reminded me of the schoolmaster who tells his pupils to go to their classroom, ask no questions, but leave the matter to the superior intelligence and patriotism of the professor.

"I was a member of the platform committee of the Baltimore convention"—

Pardon me for a moment when I say that I think the entire statement is an admirable one.

"This canal-toll question was considered carefully, and it was as much the mature judgment of the convention as any other plank in the platform.

"After the convention the President approved it. Mr. Bryan approved it. The American people approved it.

"Now, to ask Democrats elected on that platform to betray their constituents and violate instructions given by them in their votes at the Baltimore convention is asking a little more than my sense of right and loyalty to my constituents will permit me to do.

"It is most unfortunate that this great problem can not be discussed without imputing improper motives to the men who made it possible for Mr. Wilson to be elected President.

"I believe the Government has the right to pass through the canal free of tolls not only our coastwise shipping but our own ships engaged in international commerce. I do not believe free tolls to all American ships would be an injustice to any other nation.

"But I am much more interested in deserving the commendation of my own people than I am in earning the applause of foreign nations by maintaining 'our reputation for generosity.'

"The President's position—

Still quoting—

"is absolutely indefensible. The proposition to yield to the dictation of a European power in this matter is humiliating. Rather than violate the pledge I have made to my constituents, I would resign my seat in the Senate. I want to say that it is no justification for the perfidious and sycophantic betrayal of constituents to say that the President advises it. The President is as much the creature of the voter as I am, and he can never rise superior to his creator.

"I dissent emphatically from certain gentlemen that Senators and Representatives are called upon to follow the President. The ideas expressed by the President are accepted by me at their intrinsic value.

"I am not going to criticize Mr. Bryan. His great desire to work in harmony with the President seems to have operated as a kind of hypnotic spell. Instead of the strong voice I expected him to be, he seems to be content to play the part of the echo."

So endeth the chapter.

I quote now from another distinguished Member of the Senate, Senator WALSH, also a delegate to the Baltimore convention, who always is candid, knowing well how to clearly express his views. He is reported in the American Economist of March 6, 1914, in these words:

While I have regarded the transactions within the resolutions committee as more or less confidential, I am willing to give my recollection of the steps by which the free-tolls plank became a part of the Baltimore platform. Recent imputations in the newspapers may tend to create the impression that there was something disingenuous, mysterious, or sinister in respect to the matter. There was not. On the contrary, there was nothing connected with it which affords the slightest foundation for such a charge or suspicion. The plank was offered in the subcommittee of eleven by Senator O'GORMAN. Opinion in its favor seemed so unanimous that there was practically no debate. At the suggestion of Mr. Bryan, ships owned by railroad companies were barred from using the canal, and the fact that this latter suggestion was found in the Baltimore platform, along with the approval of free tolls for coastwise vessels, shows plainly that the subcommittee was fully cognizant of the existence of the free-tolls plank.

These matters—

Still quoting now from Senator WALSH—

along with others, were then referred to a subcommittee of four. The four were Mr. Bryan, Senator POMERENE, Senator O'GORMAN, and myself. We reported back on all the planks now in the Baltimore platform, and I was assigned to put the sections in their proper sequence. I did this, including the tolls provision. The subcommittee of four heard and approved them. The subcommittee of 11 heard and approved them, and then the entire resolutions committee was called together, the platform was read, approved, and later adopted by the convention. Thus each plank passed through several stages of preparation and could not have failed to be known to all attending the meeting of the committee or the various subcommittees.

Now, I want to read a statement that was made and submitted by the distinguished leader of the House of Representatives, Mr. UNDERWOOD. I quote:

I believe that the Democratic Party was both wise and patriotic when it announced a policy in favor of discriminating in favor of our coastwise ships in the Panama Canal.

There is no reason at this time why we should abandon a solemn promise made to the American people in one of the most prominent planks in our party platform.

But we are told that we are violating a solemn treaty made with another nation, and in good faith should abandon the canal to foreign rivals without contest or dispute in order that we may keep our standing in the family of nations.

Not for one moment do I believe that we have violated a treaty right and not for one moment do I believe that the English Government seriously contends that we have violated a treaty right.

Our whole difficulty in the matter arises from the un-American spirit of surrender.

A letter was written a short time since by a distinguished citizen of the Nation, the editor of a great Democratic journal. It is addressed to an unknown Senator, or, at least, the name of the Senator to whom the letter was sent has not been made public. Let me read it:

MY DEAR SENATOR ———:

You advocate cloture. All of the opponents of such a method call it gag rule. You believe, as you say, in the will of the majority, and maintain that it is only through cloture that the will of the majority can find expression.

Undoubtedly you are right in the abstract. We are all for majority rule in the abstract. But let us take a concrete case now before the Senate, and see if gag rule means majority rule.

Suppose, by a chain of circumstances, a party is in power which is in reality a minority party, which was elected by less than a majority of the votes cast, which was elected because the opposition was divided, which represents the sentiment of a minority of the voters and does not even accurately or, sometimes, even honestly, represent that sentiment.

Supppose that all three parties in the late election, representing the vast majority of the citizens, and practically the sum total of the citizens, had pledged themselves to a certain measure. Suppose that the party elected had pledged itself to that measure specifically and definitely and positively in its platform. Suppose that the leader of the party in his speeches had committed himself to that particular plank of the platform, and had distinctly stated that the plank was not inserted in the platform merely as molasses to catch flies, but to be honestly and sincerely carried out by the party if elected.

Then suppose that this traitorous party should repudiate its own platform, and this dishonest leader should ignore his own personal pledge. Suppose those elected representatives of the people should defy the will of the people as expressed in the platform of the three parties appealing to the people for their votes, and should act contrary to the will of the people and contrary to the specific pledges of the individuals elected and the definite declaration of their platform.

Ought not some obstacle be put in the way of this betrayal of public trust until the citizens of the country shall have an opportunity to express their opinion of such treachery, and to repudiate such a perjured party at the polls?

Personally I think that every effort should be made to prevent such a conscienceless party from violating its pledges and from betraying the people's trust and the people's interests, and I think that the party will have reason to thank the men who, by means of deliberate debate or any other method, can prevent this party from taking a course so suicidal to itself, so harmful and humiliating to the country.

Assuredly, if it is not prevented from taking such a course, every man in this country who believes in the sanctity of a party pledge or in ordinary honorable dealings between man and man, will do his best to punish such a party and rebuke such a betrayal of popular government, which is government in accordance with the will of the majority of the people.

I, too, believe in majority rule, in genuine majority rule, in a platform which appeals honorably to the support of the people and abides honorably by the expressed will of the people, and I am going to labor for such majority rule and for some party which honestly represents it, not only in its professions, but in its practice.

Sincerely,

WILLIAM RANDOLPH HEARST.

Ex-President Roosevelt, referring to this matter, said:

I believe that the position of the United States—as to the Panama Canal—is proper as regards this coastwise traffic. I think that this does not interfere with the rights of any other nation. No ships but our own can engage in coastwise traffic, so that there is no discrimination against other ships when we relieve the coastwise traffic from tolls. I believe that the only damage that would be done is to the Canadian Pacific Railway. * * * We are benefiting the whole world by our action at Panama, where every dollar of expense is paid by ourselves. In all history I do not believe you can find such great and expensive work as the Panama Canal, undertaken not by a private corporation but by a nation, as generously put at the service of all mankind.

In his message of August 18, 1912, written after receipt of the first formal British protest against tolls exemption, after the passage of the bill by the House of Representatives, President Taft said:

After full examination of the treaty and of the treaty which preceded it, I feel confident that the exemption of the coastwise vessels of the United States from tolls and the imposition of tolls on vessels of all nations engaged in the foreign trade is not a violation of the Hay-Pauncefote treaty.

I am sure that it is not the intention of Congress to violate the Hay-Pauncefote treaty or to enact anything inconsistent with its provisions, and that it certainly is not its purpose to repeal, by subsequent enactment, the treaty in so far as it represents the law of the land.

The President, then a candidate, had carefully considered this platform and found it to correctly enunciate the policy of the Democratic Party as well as his own views. I would not for one moment do him the injustice of intimating to the contrary. In his letter of acceptance he said:

They say—

Referring to the platform—

It is a very practical document. We are now about to ask the people of the United States to adopt our platform. We are about to ask them to intrust us with office and power and the guidance of their affairs.

I can but wonder why the President changed his views, why he discarded his platform as to this particular matter, why he asked for the repeal of the legislation the essence of which his party had approved. We all were surprised and we all continued to wonder, waiting for the President or for time to advise us of the urgent reasons that actuated him. From the fact that in his message to the Congress he declares that the legislation we are considering clearly violates the Hay-Pauncefote treaty, and that he asks for its repeal in support of the foreign policy of the administration, are we not justified in concluding that our differences with Great Britain had some connection with the "other matters of even greater delicacy and nearer consequence"?

In this connection, Mr. President, I also call attention to the action of the President recently, when a committee representing the suffragettes called upon him asking his assistance to their cause. He then said he was unable to grant the request of our petitioning sisters because the Baltimore convention was silent so far as woman suffrage was concerned. At that time he, as the head of his party, was bound also by the fact that the platform did not advocate suffrage—so he said—but on the question of tolls, though the platform favored their exemption, he refuses to follow it. "Consistency, thou art a jewel."

The message which the President submitted to Congress, to which I have just made reference, was eloquent, feelingly made, extremely smooth and graceful, superb in diction, strong in expression; all in all, it was decidedly the most remarkable state paper ever submitted to the judgment of this Nation.

The distinguished Senator from Missouri, the chairman of the Committee on Foreign Relations, judging from his recent address on this subject, is not in accord with the Executive. He does not believe that the act of the Congress exempting coastwise vessels from tolls is in violation of the treaty, and he is of opinion that under the treaty the Congress has the right to exempt from tolls all vessels that carry our flag; and he is right. I was surprised at one statement that the chairman of the Committee on Foreign Relations made, and that was this:

We have now taken up this question on our own initiative. No foreign country is making any effort or in any wise attempting to exercise an influence, so far as I know, intended to affect the legislation upon which we are now engaged.

Without detaining the Senate by reading it, let me state the fact that our diplomatic correspondence reveals, what the country well knows, that over a year since Great Britain made her personal protest against the Panama Canal act, insisting, in effect, that it discriminates against Canadian vessels doing business with Pacific ports, because Canadian shippers would send their goods to American ports and to American vessels, and also because it would increase the rates which all other vessels would have to pay in order to make the canal meet expenses.

Mr. President, what does our President mean when he says in his said message, speaking of the treaty—

Its meaning is not debated outside the United States. Everywhere else the language of the treaty is given but one interpretation, and that interpretation precludes the exemption I am asking you to repeal.

It is not often that President Wilson is mistaken on questions relating to existing facts, but when he says that "everywhere else the language of the treaty is given but one interpretation," it is quite evident that he has not been correctly advised. In England, in Germany, in France, eminent legal authorities have not hesitated in saying, in substance, that the tolls exemption is in entire harmony with our treaty obligations. The London Law Review, a publication of acknowledged authority in England, commanding the respect of the English bar, discussing this matter, concludes as follows:

To sum up, it is reasonably arguable:

(a) That the United States can support its action on the precise words of the material articles of the treaty; that its case is strengthened by reference to the preamble and context, and that its case is difficult to challenge on grounds of general justice;

(b) There is no international obligation to submit the construction of its legislative act by any process of arbitration; and

(c) That any aggrieved party has an appropriate, and impartial, and a competent tribunal in the Supreme Court of the United States.

Other authorities, learned lawyers, constitutional writers, international authors, in London and in Germany have expressed the same view.

Mr. President, the canal-tolls question, as it presents itself to me, is one of supreme importance to all of our industrial enterprises, for, if we pass this repeal bill, we strike a terrible blow to our home factories, mills, industries, and labor. President Wilson has inaugurated it, but all of the shipping interests of all foreign lands are interested, and are engaged in endeavoring to bring about the repeal of the tolls-exemption act. Why? Because it would give to foreign manufactures and foreign ships

the entire market of all the Pacific coast—ours and southward of ours. Why? Because it would enable them to reach Pacific coast ports and sell their products at prices that would make it impossible for our manufactures, for our industries of every kind and description, including iron, coal, lumber, and all the products of the factories and mills of our eastern States, of Virginia, West Virginia, Alabama, Texas, and Louisiana—and really the entire Mississippi Valley—to ever reach the markets of the Pacific coast, or to compete for the wonderful trade the construction of the canal will inevitably open up to the west thereof. Why? English, German, French, and other foreign shipowners are enlarging their tonnage, building new vessels, organizing new crews. Why? Because they are calculating to carry heavy cargoes from the Pacific coast and beyond over to Europe, cargoes from Pacific lands as well as our Pacific ports, consisting of wheat, flour, lumber, and fruit. When going for these cargoes it will pay them handsomely if they will carry the manufactured goods of England and the Continent at a very moderate rate on the outward-bound trip, expecting to reap a rich harvest on the homeward journey, and in addition to that, all those vessels will be aided by the fact that their governments pay their tolls, while our ships engaged in over-seas commerce will have to pay tolls for going through our canal. I hope such may not long be the result of our legislation.

Mr. President, for a short time I want to discuss the Clayton-Bulwer treaty, and what I shall say referring to it is equally applicable in many respects to the Hay-Pauncefote treaty. I am not going to read those treaties now, but I ask that certain portions of them may be incorporated in my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

The matter referred to is as follows:

EXTRACTS FROM THE CLAYTON-BULWER TREATY OF APRIL 19, 1850.

The Governments of the United States and Great Britain hereby declare that neither the one nor the other will ever obtain or maintain for itself any exclusive control over said ship-canal, agreeing that neither will ever erect nor maintain any fortifications commanding the same or in the vicinity thereof, or occupy, or fortify, or colonize, or assume or exercize any dominion over Nicaragua, Costa Rica, the Mosquito Coast, or any part of Central America.

The Governments of the United States and Great Britain, having not only desired, in entering into this convention, to accomplish a particular object, but also to establish a general principle, they hereby agree to extend their protection, by treaty stipulations, to any other practicable communications, whether by canal or railway, across the Isthmus which connects North and South America, and especially to the interoceanic communications, should the same prove to be practicable, whether by canal or railway, which are now proposed to be established by the way of Tehuantepec or Panama.

Mr. GOFF. Mr. President, by this treaty the United States departed for the first time from the principles enunciated in the Monroe doctrine, and I indulge the hope that no such deviation will ever hereafter be made. Had the treaty not included the language of the second extract from it, to which I have referred, the United States would have been relieved of a great deal of controversy and of a wonderful amount of vexatious correspondence. That doctrine, announced by President Monroe, but in fact formulated by John Quincy Adams, was simply a notice to all European powers that the United States would not permit any of them to interfere on this hemisphere and would not tolerate colonization by any of them on any portion of South American soil.

The fact is that the Clayton-Bulwer treaty, from the very time of the exchange of ratifications, has been persistently and continuously violated by Great Britain. Will anyone controvert it? The United States intended by this treaty to obtain from Great Britain a surrender of all her claims to territory in or sovereignty over any part of Central America, and yet almost immediately after the ratification of said treaty we find that Great Britain was extending her colony on the Honduras coast, as well on the Mosquito Islands, and was also claiming jurisdiction over the islands near by. The United States protested, Great Britain continued to disregard the treaty, and finally, in 1856, at the suggestion of the United States, a convention was held in London for the purpose of adjusting, if possible, the then existing differences. The claim of Great Britain was not sustained, and a new treaty substantially in accord with the insistence of the United States was prepared and ratified by the United States, but finally rejected by Great Britain, and the old controversy thus restored continued to disturb our diplomatic relations with that country.

On October 22, 1857, Lord Napier, in writing to Lord Clarendon concerning the Clayton-Bulwer treaty, said, relating to an interview he had had with President Buchanan:

The President commenced his observations by referring to the Clayton-Bulwer treaty as a fruitful source of misunderstanding between the contracting parties. Without that treaty the United States and Great Britian might long since have cooperated for the welfare of Central America. That treaty had never been acceptable to the people of the United States, and would not have obtained a vote in the Senate, had the least suspicion existed of the sense in which it was to be construed by Great Britain; yet if it were now the intention of Her Majesty's Government to execute it according to the American interpretation, that was as much as he could insist upon.

* * * * * * *

I added that his excellency was well aware of the convictions conscientiously held in England respecting slavery, and of the respect which Her Majesty's Government owed to public feeling on that subject. I might plainly affirm that a principal motive in framing securities for the after government of the Bay Islands had been the apprehension that, when relinquished by the English authorities, those islands would be settled by planters from the United States, who would bring their negroes with them, and thus establish slavery on soil which had, justly or unjustly been declared to be a colonial dependency of Great Britain.

This is what President Buchanan says about it in his message of December 8, 1857:

Since the origin of the Government we have been employed in negotiating treaties with that power, and afterwards in discussing their true intent and meaning. In this respect the convention of April 19, 1850, commonly called the Clayton and Bulwer treaty, has been the most unfortunate of all, because the two Governments place directly opposite and contradictory constructions upon its first and most important article. Whilst in the United States we believe that this treaty would place both powers upon an exact equality by the stipulation that neither will ever "occupy, or fortify, or colonize, or assume, or exercise any dominion" over any part of Central America, it is contended by the British Government that the true construction of this language has left them in the rightful possession of all that portion of Central America which was in their occupancy at the date of the treaty; in fact, that the treaty is a virtual recognition on the part of the United States of the right of Great Britain, either as owner or protector, to the whole extensive coast of Central America, sweeping round from the Rio Hondo to the port and harbor of San Juan de Nicaragua, together with the adjacent Bay Islands, except the comparatively small portion of this between the Sarstoon and Cape Honduras. According to their construction, the treaty does no more than simply prohibit them from extending their possessions in Central America beyond the present limits. It is not too much to assert, that if in the United States the treaty had been considered susceptible of such a construction, it never would have been negotiated under the authority of the President, nor would it have received the approbation of the Senate. The universal conviction in the United States was, that when our Government consented to violate its traditional and time-honored policy, and to stipulate with a foreign government never to occupy or acquire territory in the Central American portion of our continent, the consideration for this sacrifice was that Great Britain should, in this respect, at least, be placed in the same position with ourselves.

Whilst we have no right to doubt the sincerity of the British Government in their construction of the treaty, it is at the same time my deliberate conviction that this construction is in opposition both to its letter and its spirit.

Under the late administration negotiations were instituted between the two governments for the purpose, if possible, of removing these difficulties; and a treaty having this laudable object in view was signed at London on the 17th October, 1856, and was submitted by the President to the Senate on the following 10th of December.

Mr. Blaine, Secretary of State, writing to Mr. Lowell, minister to England, under date of November 19, 1881, says:

SIR: In pursuance of the premises laid down in my circular note of June 24 of this year touching the determination of this Government with respect to the guaranty of neutrality for the interoceanic canal at Panama, it becomes my duty to call your attention to the convention of April 19, 1850, between Great Britain and the United States, commonly known as the Clayton-Bulwer treaty.

According to the articles of that convention the high contracting parties, in referring to an interoceanic canal through Nicaragua, agreed "that neither the one nor the other will ever obtain or maintain for itself any exclusive control over said ship-canal, and that neither will ever erect or maintain any fortifications commanding the same or in the vicinity thereof." In a concluding paragraph the high contracting parties agreed "to extend their protection by treaty stipulations to any other practical communications, whether by canal or railway, across the Isthmus * * * which are now proposed to be established by way of Tehuantepec or Panama."

This convention was made more than thirty years ago under exceptional and extraordinary conditions which have long since ceased to exist—conditions which at best were temporary in their nature and which can never be reproduced.

The remarkable development of the United States on the Pacific coast since that time has created new duties for this government, and devolved new responsibilities upon it, the full and complete discharge of which requires in the judgment of the President some essential modifications in the Clayton-Bulwer treaty. The interests of Her Majesty's Government involved in this question, in so far as they may be properly judged by the observation of a friendly power, are so inconsiderable in comparison with those of the United States that the President hopes a readjustment of the terms of the treaty may be reached in a spirit of amity and concord.

The respect due to Her Majesty's Government demands that the objections to the perpetuity of the convention of 1850, as it now exists, should be stated with directness and with entire frankness. And among the most salient and palpable of these is the fact that the operation of the treaty practically concedes to Great Britain the control of whatever canal may be constructed.

The insular position of the home government, with its extended colonial possessions, requires the British Empire to maintain a vast naval establishment, which in our continental solidity we do not need, and in time of peace shall never create. If the United States binds itself not to fortify on land, it concedes that Great Britain, in the possible case of a struggle for the control of the canal, shall at the outset have an advantage which would prove decisive, and which could not be reversed except by the expenditure of treasure and force. The presumptive intention of the treaty was to place the two powers on a plane of perfect equality, with respect to the canal, but in practice, as I have indicated, this would prove utterly delusive, and would instead surrender it, if not in form, yet in effect, to the control of Great Britain.

The treaty binds the United States not to use its military force in any precautionary measure, while it leaves the naval power of Great Britain perfectly free and unrestrained; ready at any moment of need to seize both ends of the canal, and render its military occupation on land a matter entirely within the discretion of Her Majesty's Government.

The military power of the United States, as shown by the recent Civil War, is without limit, and in any conflict on the American continent altogether irresistible. The Clayton-Bulwer treaty commands this government not to use a single regiment of troops to protect its interests in connection with the interoceanic canal, but to surrender the transit to the guardianship and control of the British navy. If no American soldier is to be quartered on the Isthmus to protect the rights of his country in the interoceanic canal, surely, by the fair logic of neutrality, no war vessel of Great Britain should be permitted to appear in the waters that control either entrance to the canal.

In speaking of this treaty, ex-Secretary of State John W. Foster says (pp. 456-458, A Century of American Diplomacy, 1901):

Mr. Clayton, then Secretary of State, entered into negotiations with the British minister, the result of which was the treaty by which the two governments stipulated for a joint guaranty of the canal to be constructed; and agreed not to occupy, fortify, colonize or assume or exercise any dominion over any part of Central America. The treaty was ratified without much discussion, in the belief that it would insure at once the construction of the canal and would exclude British colonization and protectorates from Central America; but it was no sooner published than it began to be a source of dispute as to its scope and meaning. Secretary Blaine, in 1881, described it as "misunderstandingly entered into, imperfectly comprehended, contradictorily interpreted, and mutually vexatious." President Buchanan said, in 1857, that if in the United States the treaty had been considered susceptible of the construction put upon it by Great Britain, it never would have been negotiated, nor would it have received the approbation of the Senate. Mr. Cass, who was a member of the Senate at the time it was ratified, has made a similar declaration.

The American expectation as to the early construction of the canal, with the aid of British capital, was disappointed; and for the next ten years our secretaries of state were occupied in bringing the British Government to an observance of its engagements respecting colonization and protectorates. The treaty marks the most serious mistake in our diplomatic history, and is the single instance, since its announcement in 1823, of a tacit disavowal or disregard of the Monroe doctrine, by the admission of Great Britain to an equal participation in the protection and control of a great American enterprise. The wisdom of that doctrine is most signally illustrated in the effects of this single disavowal, the heated discussion engendered, and the embarrassments which the treaty has brought to this Government, and from which it still suffers.

The Clayton-Bulwer treaty was, in my judgment, a fearful mistake, as unfortunate in what it omitted to say as well as in what it did say. As I read it, the United States was bound not to use its military force in matters relating to the canal, while Great Britain was free and unrestrained as to the use of her naval power. Had the canal been built she could at any time have seized both ends of the canal with her battleships, but if an American soldier was needed to protect the interests of his country, he was prohibited from doing so.

Why that treaty was not declared abrogated is to me one of the mysteries of diplomacy. Likely our representatives deemed it best by convention and treaty distinctly to abrogate it rather than to submit to questions that might have been raised in an international controversy. But, nevertheless, the treaty was dead, and there are many who think it should have been so declared by congressional enactment. A careful consideration of the correspondence between Mr. Webster, Mr. Lawrence, Lord Malmesbury, Mr. Marcy, Mr. Buchanan, Lord Clarendon, Lord Napier, the Earl of Clarendon, Gen. Cass, Mr. Fish, Mr. Lowell, Lord Granville, and Mr. Blaine, commencing in 1851 and terminating in 1882, will, I think, compel concurrence with the view I have expressed—that it would have been entirely proper, eminently just and honorable, for the Congress to have so legislated.

Mr. President, there are a number of methods by which treaties may be abrogated or amended, and sometimes they work their own repeal. Charles Henry Butler, in his standard work entitled "Treaty-making Power of the United States," volume 2, page 129, section 384, discussing this matter, says:

In the cases cited which have involved treaty stipulations and Federal statutes, treaties have either been, or have not been, carried into effect by subsequent legislation of Congress; or statutes subsequently passed in conflict with treaties have been held to be constitutional, and to have superseded or modified the treaty, although in many instances clearly in violation of the stipulations therein contained. There are other instances, however, in which the court has held that the treaty is not superseded or modified, but is entirely abrogated and ceases to bind either nation or the citizens and inhabitants thereof. Treaties, which expressly so provide, may expire by limitation of time, determined by the treaty itself; they may also be abrogated, so far as the United States is concerned, by congressional action in several different methods.

First. Either by a formal resolution or act of both Houses of Congress approved by the President, or, in case of his refusal to approve it, passed over his veto by two-thirds of both Houses, in which case it becomes the latest expression of the Legislative department of the Government, and, therefore, the supreme law of the land, and the Executive department is bound to carry out the wishes of the Legislature in express terms.

Second. By legislation, not abrogating the treaty in terms, but terminating the relations existing thereunder, or rendering them impossible of continuance, by enacting legislation hostile thereto, or conflicting therewith, and which may supersede the treaty as to the special stipulations affected, or in effect abrogate it altogether.

Third. By legislation, which, while it does not directly, in terms, abrogate the treaty, either in whole or in part, or by direct words suspend the operation of any of the provisions, so conflicts therewith that the doctrine of repeal by implication applies thereto as it would to statutory provisions similarly affected; it having been held by the Supreme Court that when a statute can not be rationally construed without repealing conflicting clauses of a previously existing treaty, the treaty must fall and the statute must remain as the latest expression of the legislative will.

Fourth. By a declaration of war in which case treaties with the hostile power are either by force of the declaration suspended during the war or abrogated altogether.

In the same work, volume 1, page 405, section 266, the author, referring to treaties, quotes from "Story's Commentaries on the Constitution," a work that from 1833 has been a standard authority and guide, as follows:

It is, therefore, indispensable that they should have the obligation and force of a law, that they may be executed by the judicial power, and be obeyed like other laws. This will not prevent them from being canceled or abrogated by the Nation upon grave and suitable occasions; for it will not be disputed that they are subject to the legislative power, and may be repealed, like other laws, at its pleasure, or they may be varied by new treaties.

In "Treaties, Their Making and Enforcement," by Samuel B. Crandall, pages 116-7, it is stated:

That a treaty may repeal a prior act of Congress, has been frequently affirmed in individual opinions both of the justices of the Supreme Court and of the attorneys-general. Mr. Justice Harlan, in the recent case of the United States v. Lee Yen Tai, while holding the treaty of March 17, 1894, with China and the act of May 5, 1892, relative to judicial procedure in the deportation of Chinese laborers, to be not inconsistent, observed, "That it was competent for the two countries by treaty to have superseded a prior act of Congress on the same subject, is not to be doubted; for otherwise the declaration in the Constitution that a treaty, concluded in the mode prescribed by that instrument, shall be the supreme law of the land, would not have due effect. As Congress may by statute abrogate, so far at least as this country is concerned, a treaty previously made by the United States with another nation, so the United States may by treaty supersede a prior act of Congress on the same subject."

Another and perhaps the most notable example of the apparent violation of treaties by the United States through congressional action was the exclusion of the Chinese from our ports, notwithstanding treaty stipulations as to reciprocal rights of subjects of the Chinese Empire and citizens of the United States to freely come and go, each in the territory of the other. The Chinese exclusion acts were claimed by many to be in direct violation of these treaty stipulations, and the various acts were tested in the courts and numerous decisions were rendered as to their validity and constitutionality. The courts uniformly sustained the acts as constitutional. In 1889 Judge Field delivered a leading opinion of the Supreme Court on this subject in one of the Chinese cases, from which the following extract is taken:

The validity of this act, as already mentioned, is assailed as being in effect an expulsion from the country of Chinese laborers in violation of existing treaties between the United States and the government of China, and of rights vested in them under the laws of Congress. The objection that the act is in conflict with the treaties was earnestly pressed in the court below, and the answer to it constitutes the principal part of its opinion. Here the objection made is, that the act of 1888 impairs a right vested under the treaty of 1880, as a law of the United States, and the statutes of 1882 and of 1884 passed in execution of it. It must be conceded that the act of 1888 is in contravention of express stipulations of the treaty of 1868 and of the supplemental treaty of 1880, but it is not on that account invalid or to be restricted in its enforcement. The treaties were of no greater legal obligation than the act of Congress. By the Constitution, laws made in pursuance thereof and treaties made under the authority of the United States are both declared to be the supreme law of the land, and no paramount authority is given to one over the other. A treaty, it is true, is in its nature a contract between nations, and is often merely promissory in its character, requiring legislation to carry its stipulations into effect. Such legislation will be open to future repeal or amendment. If the treaty operates by its own force, and relates to a subject within the power of Congress, it can be deemed in that particular only the equivalent of a legislative act, to be repealed or modified at the pleasure of Congress. In either case the last expression of the sovereign will must control.

The effect of legislation upon conflicting treaty stipulations was elaborately considered in the Head Money Cases, and it was there adjudged "that so far as a treaty made by the United States with any foreign nation can become the subject of judicial cognizance in the courts of this country, it is subject to such acts as Congress may pass for its enforcement, modification, or repeal." This doctrine was affirmed and followed in Whitney v. Robertson (124 U. S., 190, 195). It will not be presumed that the legislative department of the government will lightly pass laws which are in conflict with the treaties of the country; but that circumstances may arise which would not only justify the government in disregarding their stipulations, but demand in the interests of the country that it should do so, there can be no question. Unexpected events may call for a change in the policy of the country. Neglect or violation of stipulations on the part of the other contracting party may require corresponding action on our part. When a reciprocal engagement is not carried out by one of the contracting parties, the other many also decline to keep the corresponding engagement. In 1798 the conduct toward this country of the government of France was of such a character that Congress declared that the United States were freed and exonerated from the stipulations of previous treaties with that country.

Relating to this treaty, Butler, in his work on "The Treaty-making Power of the United States," supra, says, on page 138, volume 2:

> This question may come before the people of the United States at any time, in regard to the Clayton-Bulwer treaty of 1850 with Great Britain. By this treaty this country and Great Britain are apparently pledged to a joint ownership and control of any trans-Isthmian canal connecting the Atlantic and Pacific Oceans. The treaty contains no provision for its abrogation. It was entered into under peculiar circumstances, at a time when the condition of this country was very different from what it is to-day, and the events which were anticipated in 1850, in view of which the treaty was made, have never transpired. It was undoubtedly a mistake on the part of the Executive to make the treaty and of the Senate to ratify it. The question of its abrogation, however, is one which involves consideration of all of the elements enumerated in the preceding section. To the author it seems as though it is purely a political act wholly within the domain of Congress; that if the Executive can not obtain the abrogation or proper modification of the treaty through friendly diplomacy, that Congress must eventually determine the question; and if, in the best judgment of the Legislative department of the Government, the present and future safety of the country demands the abrogation of that treaty, Congress has not only the legal power but also the moral right to abrogate it, and the judicial department of the Government could not, and would not interfere to prevent it.

Now we come to the Hay-Pauncefote treaty.

The part of that treaty really in controversy—and the controversy is a most serious one—reads as follows:

> The canal shall be free and open to the vessels of commerce and of war of all nations observing these rules, on terms of entire equality, so that there shall be no discrimination against any such nation, or its citizens or subjects, in respect of the conditions or charges of traffic or otherwise. Such conditions and charges of traffic shall be just and equitable.

This was an agreement between the United States and Great Britain; no other nation or country was a party to it. The United States stipulated with Great Britain that they, subject to the provisions of the present treaty, shall have and enjoy all the rights incident to such construction, *as well as the exclusive right of providing for the regulation and management of the canal.* The United States, therefore, had the sole and absolute control of the canal, and to me it is inconceivable that they should have deliberately taken into partnership with them concerning the canal—especially in the light of the Monroe doctrine and the experiences under the Clayton-Bulwer treaty—the one nation they had been endeavoring to eliminate from all rights and claims in Central America.

I think it entirely safe to say that the Hay-Pauncefote treaty would never have been ratified by this Senate had there existed the least doubt that the United States was to be master of the situation that would exist after the completion of the canal, with the exclusive right to establish the rules by which it was to be governed, subject only to the understanding that all nations observing said rules should be treated with entire equality in such way as would not discriminate against any of such nations in respect to the conditions or charges relating to traffic, which were to be just and equitable. Are not the rules established by the United States relating to tolls just and equitable to all the nations of the world?

Mr. President, there is only one Nation to which they are not just and equitable, and that Nation is the United States of America. At an enormous expense—in all, nearly $500,000,000—the United States have constructed the canal, and yet the tolls they have provided for its use will for years to come yield a revenue that will be but little more than what will be required to pay current annual expenses, ignoring even interest on the investment and utterly disregarding the matter of profit. Some of the nations of the world expected a toll rate that would not only have provided for the upkeep of the canal, but that also would have yielded an income to the United States at least sufficient to have paid a reasonable interest on the sum expended for its construction. But the United States, in building the canal, intended primarily to provide for their own national convenience and protection, the late Spanish-American War having conclusively demonstrated that it would be the part of wisdom so to do; and secondarily, the desire of the United States was to advance the interest of their own commerce, as also to accommodate and benefit the commerce of the world; hence the low rate of tolls imposed. I doubt if there is another nation that would have so acted. Great Britain, if we judge the present by the past, would not have done so, for she has imposed tolls for the use of the Suez Canal that not only pays all expenses but also handsome dividends. French money built the Suez Canal, but on its completion English money held a controlling interest in its stock and has always dominated it. But the United States, desiring to be fair and equitable, opens the Panama Canal to the vessels of the world, saying to them all, "Partake freely of the advantages we tender you, subject only to our right of absolute control, with the understanding that our flag is forever to float from the point where you enter to the place where you leave the canal and over its fortifications, a signal of ownership, of power, and of sovereignty."

My insistence is that, so far as her own vessels are concerned, her cruisers, transports, and battleships, as well as the ships of commerce carrying her flag, the United States have the right under the treaty to pass them all through the canal without imposing tolls on any of them. Mr. President, will you tell me, will any Senator here advise me, of the method that will or can be adopted for the United States to pay toll on their own vessels passing through their own canal? Will the officials of the canal impose the usual toll, then draw on the Treasury at Washington for the amount thereof, charging the canal with the same, and then at stated times remit to said Treasury the amount in the hands of said officials due the owner of the canal? By that process how much will it cost the United States to pay their tolls?

I can see how there is ground for difference of opinion as to the expediency of passing some of the vessels of commerce free, but I, for one, conclude that it is not only proper but absolutely necessary that we do so, for the purpose of encouraging our own commerce and building up our merchant marine. Unless we do this it is quite evident that our vessels engaged in the over-seas trade will soon disappear from all ports and all waters.

The statements of some of those who took part in and who had personal knowledge of what took place when the treaty was being formulated have been filed with the Committee on Foreign Relations and submitted for our consideration.

Such evidence has been heretofore offered when contentions similar to the one we are now to dispose of were before conventions and arbitrators. A rule has been established concerning them. They are only pertinent when the language of the treaty in question is confusing, when it forces the mind to doubt, and are never considered if the intent of the contracting parties can be ascertained without resorting to them. In our controversies with Great Britain we have heretofore encountered this same method of disposing of contentions relating to our treaties. In "Treaties, Their Making and Enforcement," by Samuel B. Crandall, we find on pages 225–6 the following:

> An interesting use of negotiators' testimony may be found in the proceedings of the mixed commission under Article V of the treaty of November 19, 1794, with Great Britain to determine the St. Croix River and its source under Article II of the treaty of peace. The boundaries of the United States as therein defined began with "that angle which is formed by a line drawn due north from the source of St. Croix River to the Highlands." There proved to be no river in that region then known by that name. Under these circumstances President Adams and John Jay, the surviving American negotiators, made depositions, which were duly admitted in evidence, as to the map used by the negotiators. Likewise a letter written by Franklin was introduced as evidence. Extrinsic evidence of intention can not, however, be accepted in contradiction of a literal and natural interpretation.

Another illustration as to the use of the testimony of those acting as negotiators is found in the action instituted to dispose of certain contentions of Great Britain relating to the Clayton-Bulwer treaty. After the ratification of this treaty, and preceding the exchange or communications of the respective governments relating thereto, statements were filed by the negotiators, in which it was said that the language of article 1 of that treaty was not understood to include the British settlement at Honduras and the small islands adjacent thereto. It was in substance held that such statements could not have the effect intended, as they were prepared after the ratification of the treaty by the Senate, and had not been considered by the treaty-making power. It was stated in said proceedings—which repudiated the claim of Great Britain—that if the facts desired to be ascertained could not be found from the language of the treaty that the statements by the negotiators would be considered, but as the words used clearly expressed the original intent the statements must be excluded. (Crandall, supra, p. 226.)

It will be interesting and instructive, I think, to quote from "Treaties, Their Making and Enforcement," supra, page 224, relative to still another controversy we have had with Great Britain as to the construction of a treaty:

> Article 1 of the treaty of June 15, 1846, between the United States and Great Britain for the establishment of a boundary between their territories west of the Rocky Mountains, provided for the continuation of the forty-ninth parallel westward to the middle of the channel which separates the continent from Vancouver's Island, and "thence southerly through the middle of the said channel, and of Fuca's Straits to the Pacific Ocean." As a matter of fact there proved to be two principal navigable straits—the Canal de Haro and Rosario Strait—leading from the middle of the channel through the archipelago to the Strait of Juan de Fuca. In favor of the British contention for the Rosario Strait, the one nearer the continent, was the fact that a line through the Canal de Haro must proceed for some distance in a westerly direction, instead of southerly, as provided in the treaty. In favor of the American contention was the

general purpose of the treaty, which, as indicated by the treaty itself, had without doubt been to adopt the forty-ninth parallel as the line for the division of the disputed territory, and to allow a deflection from that line only in order to avoid dividing Vancouver's Island. This view had been expressed in the Senate at the time of the ratification of the treaty. William I, German Emperor, acting as arbitrator under Article XXXIV of the treaty of May 8, 1871, after seeking the advice of eminent German jurists, rendered a decision favorable to the United States.

John Hay and Lord Pauncefote, who represented their respective Governments in the negotiation of the Hay-Pauncefote treaty, are dead, and can speak only by the record they have made. The Hon. Joseph H. Choate, who was ambassador to Great Britain, and who aided the two distinguished statesmen referred to in the preparation of said treaty, who is, I am glad to say, still living, has given us his recollection on the subject. Others somewhat familiar with the facts connected with the formulation of said treaty have advised with us concerning the same. It will be observed that respectively they give it as their *opinion* that if Mr. Hay and Lord Pauncefote were alive they both would say that the exemption of coastwise ships from the payment of tolls would be in conflict with the treaty. The *opinions* of such eminent men, able and honest as all will concede, are entited to great weight and due consideration, as also *are the words of the treaty* used to express the intent of the parties thereto, which, when taken in connection with the statement of Mr. Choate, which I now quote, "I venture to say that in the whole course of the negotiations of this particular treaty no claim, no suggestion, was made that there should be any exemption of anybody," demonstrates that the usual meaning of said words should be resorted to in order to properly construe the treaty.

Mr. President, let us bear in mind that the canal is not open to all nations, and never was intended to be open to all nations, but open only to those nations "observing these rules." How is that to be ascertained? I presume before the canal is thrown open to the traffic of the world that our Government will have some understanding relating to that subject with the nations desiring to use the canal. The nations of the world engaged in over-seas commerce will express to our Government their intention to observe these rules. Has any of them as yet done so? Not one; and under existing circumstances the only nation in all the world that will not be entitled to the use of the Panama Canal is Great Britain, because in advance she has objected to the rules and indicated that she does not intend to observe them.

Mr. President, as I read the Panama Canal act which we are asked to repeal, it was and is most commendable legislation. Its object, so far as it relates to tolls, is to force real competition in freights, which will aid our producers and shippers and assist in the reduction of the cost of living, at the same time fostering our domestic commerce and forcing the reduction of rates by excluding entirely from the canal all vessels owned and operated by railroads.

Now, Mr. President, it is quite apparent that but for this last provision relating to railroads Great Britain would never have raised this contention. As a matter of fact, she had acquiesced in the releasing of our coastwise vessels, stipulating only for proper regulations regarding them, and she had agreed that they should go through the canal free, but when the Congress in its wisdom saw proper to include with that to which she had so consented a provision that ships owned by Canadian railroads should be prohibited from entering the canal, Great Britain, on the appeal and demand of Canada, presented the contention we are now considering.

The Canadian railroads were affected and the Canadian managers thereof were greatly disturbed, as were those who controlled our own transcontinental railroads. They protested in vain. I commend the Congress for the wisdom it displayed in resisting them. Great Britain felt "constrained" in behalf of her Canadian Provinces to submit this contention, and the Congress felt constrained to decide that it was without merit.

As the law now stands, as it will remain, even should this repeal bill pass, the ships of the United States engaged in the commerce of the world—all of their ships excepting only those engaged in our coastwise trade—will be the only ships that sail "over seas" that will pay toll for passing through the Panama Canal. Why do I say that? Because England, Germany, France, and Italy now pay all tolls charged against the ships of their respective countries for using the Suez Canal and are arranging to do the same concerning like tolls imposed upon them for passing through the Panama Canal. And Japan is preparing to do the same, as the Senator from Utah [Mr. SMOOT] advises me, for which I thank him. Our ships are struggling now under a burden that I wonder they bear so well as they do. Yet they must pass through the canal owned by their country, and whose flag they carry, branded as the only vessels that, in fact, will pay tolls.

It seems, then, Mr. President, that we have built this canal for the benefit of all the nations of the earth, save only one; for the tonnage of all lands, save only one; for the glory of all flags, except only one, and that one the flag of our country. Mirabile dictu!

I believe the day is coming, Mr. President, fast coming, when all our ships will go through free. If this Congress does not so speak, then, after the people of this Nation have spoken, there will be a Congress that will.

You may call such legislation a subsidy if you please, which, technically, it is not, but it will not scare me, for I believe that by and through such governmental policy all other nations have prospered, and I know, also, that their prosperity has driven our ships from the waters of all oceans. I want to encourage our ships, to add to their number, so that in time they will equal in tonnage and dignity those of any other nation of the world.

I would aid our shipbuilders and our shippers as I have just indicated. I would encourage individuals and companies to employ their capital in building ships and in sending them out on the seas, and I would want them to indulge the hope that they would meet with success and be able to declare reasonable dividends on the money they so invest. Such legislation should not, and would not, be permitted to encourage the formation of trusts, for it will always be under the control of the Congress, and will be simply a just recognition of the difficulties under which our ships and our commerce now contend.

Mr. President, I, for one, believe that it is right that the policy of this Government should be such as to indicate to those of our citizens who have the daring to assume the risks of continuous struggles with nature's elements upon the seas, as also the dangers they will encounter upon the land at home by hostile legislation, that they will at least have the sympathy and encouragement of the Government whose flag their ships will float, as do the vessels of all other nations of civilization. If we but hasten the construction of additional ships, and then by legislation speed their going and their coming, then the Nation that built it will realize some of the advantages that the Panama Canal offers to the world.

Mr. President, am I wrong when I intimate that the time has come for us to speak plainly, to have no further misunderstandings? Is not our experience as to this matter, as shown by our diplomatic troubles relating thereto from 1850 to 1914, sufficient? For me it is. From the early formation of our Government we have been confronted with questions similar to this. By the adoption of our Constitution it became our duty to dispose of others very like them, to which we were obligated by colonial agreements. Is there no way by which we can escape them? Have we not faithfully endeavored to respect our promises? Our fathers knew how to proceed under like circumstances. Washington, Adams, and Jefferson approved of the abrogation of some treaties by congressional legislation. The Supreme Court has repeatedly held that method to be proper and constitutional. It may not be best to adopt such methods as a rule, but there are instances, and this is one of them, where the exhibition of patience has ceased to be a virtue and where additional delay will be a national crime.

I have already referred to the decisions of the Supreme Court sustaining the abrogation of treaties by congressional enactments. Has not the time come for another abrogation? I do not believe that it will be dishonorable to so act, as some have intimated it would be. That which is authorized by the Constitution of the United States and suggested by those who made it can but be honorable. If by our legislative acts anyone has cause of action against us, we will not endeavor to evade our responsibility, but will bow obedience to the decree of the Supreme Court of the United States or willingly yield to the judgment of a properly constituted international tribunal.

The time has come for us to declare that this contention with the subtle diplomacy of Great Britain, now over half a century old, should cease. We ought not longer to submit to the uncalled-for interference of a foreign nation in our domestic affairs. Let us throw off the yoke, the burden of which we never should have borne. Let us declare our commercial and industrial independence in a manner that will not admit of doubt, so that all the world will know that it is our intention to hereafter manage our own affairs as to us seems right and just, inviting no outside suggestions and permitting no foreign interference. Let us proclaim that the Monroe doctrine is not dead; that it is no longer sleeping; that it will in the future be en-

forced by the United States as they declared it would be when it was promulgated.

Let us abrogate the Hay-Pauncefote treaty by an act of this Congress. Should this Congress refuse so to do; should it, instead of so acting, repeal the provision of the statute of 1912, exempting coastwise vessels from the payment of tolls, thereby continuing our embarrassing and humiliating entanglements with a nation that has been unjust to us from the landing of the Pilgrims and the coming of the Cavaliers; that has been jealous of us from our Declaration of Independence; that has always sought to retard our progress as we have journeyed along the pathway leading from colonial weakness to national greatness, then the voice of the people will be heard when next the ballots fall and a Congress will convene here that will heed the demands made upon it.

Mr. President, if it be true that our Panama Canal tolls act is in conflict with the Hay-Pauncefote treaty, then that act, so far as that question is concerned, abrogates that treaty. You can not escape that conclusion. I submit it to the consideration of those who claim that the legislation of 1912 is in violation of the Hay-Pauncefote treaty. In that connection I have called attention to the decisions of the Supreme Court, in which that great tribunal has held that if a legislative enactment passed subsequent to the ratification of a treaty is in conflict with the treaty, the treaty stands abrogated. Suppose we repeal the act, would that restore the treaty?

Does the repeal of an act, without words in the repealing act, the effect of which is to restore former legislation, have such an implied effect? You can find no authority for any such contention. Mr. President, what a Pandora's box is to be opened up if this Congress indorses the request of the President!

Mr. President, from the time that Columbus landed on a point near where the city of Colon now is, in the year 1502, searching for the great passage about which he had dreamed; from the time the Portuguese navigator Galvão, after exploring the Isthmus, concluded that a canal could be constructed and presented his scheme to the King of Spain, and his majesty, profoundly impressed, as he was, felt himself constrained for political reasons to suppress that scheme, questions relating to a canal through the Isthmus have attracted world-wide attention. It seems strange to say, but it is a historical fact, that for long years in Spain the suppression of schemes looking to the construction of a canal across the Isthmus was resorted to, and the severest penalties imposed upon anyone who would dare suggest it. At that time Spain had dominion over the Isthmus, but Spain feared revolution, as well as interference by other nations. While she so hesitated, while she imposed these penalties, she was quietly working to commence the construction of the canal. In the history of Spain it clearly appears that a fund was being provided which the Government believed would justify it in commencing the construction of a canal in 1521.

Before that time arrived the revolution in the Isthmus resulted in the independence of New Granada, and Spain lost her possessions in Central America. For many years thereafter questions relating to a canal were not discussed. Then came the time when there were grants, subgrants, concessions, subconcessions, and treaties, here, there, and everywhere, relating to the construction of an isthmian canal.

After this, in 1878, Colombia gave permission for the construction of a canal virtually from the bay, where Colon is now located, to the Gulf of Panama. Recall that year, 1878, and remember that the Clayton-Bulwer treaty was supposed to be then in force. With that grant De Lesseps, under French auspices, commenced the work of the canal. There was no serious objection to that by either Great Britain or the United States. During that period of French effort we had the first hiatus in our contentions with Great Britain about the Clayton-Bulwer treaty, and that period of respite lasted down to the time when the French made a miserable failure of it; when the reorganized company also failed, and the courts appointed a receiver for it. The appointement of the receiver had a revivifying effect upon our British friends, relative to diplomatic correspondence. It has really always been a surprise to me, and I have been unable to account for the fact, that the authorities of this Government having in charge our foreign relations ever consented to the revival of that correspondence, or ever admitted that there was a breath of international life in the Clayton-Bulwer treaty.

Mr. President, we own the Canal Zone; it is ours for all time for purposes relating to the canal; and no nation will be permitted to question our right or our title to it. We will fortify and defend it against the world, and should there ever arise an issue concerning our right so to do, there are other nations that *quoad* that matter will be our allies. We will have but one flag there, but we will float many of that one kind. It will float as the ships enter, and will greet them all along the way. Let it fly, Mr. President, from that lofty summit now in the Canal Zone—then part of Darien, afterwards a portion of Panama—where in 1511 Balboa, traversing the interior of that wilderness, believing that he would find the way that led to the northwest outlet, stood upon a lofty peak, which he and his adventurous friends had ascended and in wonder and exaltation looked for the first time upon the waters of the great Pacific. That pinnacle should float our flag, and I trust it will. Our flag should not only greet the incoming vessel, but it should at the exit cheer it on its journey to the marts of the world.

Mr. President, think of the many ships that our flag will welcome, of the many salutes that it will receive! That flag, Mr. President, will speak to the men who man those ships as no other flag can speak. That flag is not dumb; it talks; it typifies much, and many understand what it says and what it means. There will be many men of many minds, of many lands and many climes, of many colors and of many creeds, passing on ships flying many flags, and many of them, seeing our flag for the first time, will greet it with bounding hearts and brimming eyes, for in the distant lands from whence they come they have heard talismanic legends and wonderful stories of it, for the glories of that flag are everywhere known, and its fame has gone forth to the uttermost parts of the earth.

Last summer, Mr. President, I found myself in Naples, that beautiful, busy port on the Mediterranean. To see and to learn and to know, I passed considerable time along its numerous docks and wharves, where many, many ships of all kinds come and go to many, many lands. I found numerous nationalities represented there, strange crafts with strange crews, and I heard a bewildering babel of voices. I gazed upon apparently a countless number of flags, floating from ships loading and unloading wonderful cargoes. I saw thousands of men toiling in that work that goes on day and night, season in and season out. I went here, there, and everywhere looking for a flag that my eyes were longing for, but were not permitted to gaze upon, for I found it not. In all that multitudinous array of ships and flags I did not see a vessel that carried our flag.

Why was that so? Mr. President, we will talk about the cause of it at another time.

But during one of my visits along the coast line of that wonderful harbor, admiring those magnificent quays where the commerce of the world is landed and exchanged, I realized that something was profoundly moving that great heterogeneous multitude, toiling that those composing it might live. I did not understand it. I could see nothing that explained it. I could hear nothing that would account for it. At last I understood it. Work ceased, whistles blew, bells were ringing, men were seeking positions controlling a view of the outer harbor of the Mediterranean Sea. A great steamer is approaching. I looked and the picture was lovely. It filled my soul with joy, for it was altogether beautiful and fair to gaze upon. High aloft, floating proudly, representing power and dignity, was the emblem of our Union, the starry banner of our country, the flag among flags, the one indescribable and indestructible!

I had heard that flag cheered before, but never, Mr. President, with wilder enthusiasm than that motley crowd gave it in that far-away port. They waved at it, they shrieked at it, they threw kisses at it; they were deeply moved, and so was I.

Mr. President, under such circumstances one's heart beats very loud, and his pulses are apt to run wild. Such tribute to his flag, such honor to his country, such recognition of its greatness and its justness indicated that in all lands there is appreciation of the fact that among all nationalities ours is the hope of civilization, and that there is one flag—your flag, Mr. President, our flag, my flag—that stands for all that is worth living for, that speaks for all that is grand of human thought and all that is great of human action. Glorious, exalted beyond description, is that flag—the only flag, Mr. President, that should control the destiny of the grandest gift that, since God said "Let there be light," and there was light, a nation has ever given to the nations of the world—the Panama Canal.

CHESAPEAKE & DELAWARE CANAL.

Mr. SAULSBURY. Mr. President, it has seemed to me that while we are all so much interested in matters relating to canals it might be well for us to familiarize ourselves somewhat with those canals in which we have a large interest which are nearer home. I have had the honor to introduce and have referred to the Committee on Commerce a proposed amendment to the river and harbor bill, which provides for the purchase by the Government of the United States of the present small canal between the Delaware and Chesapeake Bays and its enlargement to provide for the great commerce now existing there. It has been somewhat of a pleasure to me to go into the history

of this canal, and I feel it my duty to the people who reside in this great section of the country on the eastern seaboard that I should lay before the Senate the facts which justify the Government of the United States in acquiring this canal, if necessary, by process of condemnation.

Mr. President, the great desirability of connecting the Delaware and Chesapeake Bays was recognized in Colonial times. The second survey for a canal in the American Colonies was made of a route between the Chesapeake Bay and the Delaware River in 1764 and a new survey for this proposed canal under the auspices of the American Philosophical Society was made in 1769. In 1799 a charter was secured for a company to dig the canal, and some work was done, I think, in 1804, but this was suspended, a resurvey made in 1822, the work of constructing the present canal actively begun in 1824, and on July 4, 1829, water was let into the canal, which, when constructed, was 13§ miles in length, with a width at water line of 66 feet, at its bottom of 36 feet, and a depth of 10 feet. The canal had cost $2,250,000, and of this amount the United States Government had contributed $450,000, the State of Pennsylvania $100,000, the State of Maryland $50,000, and the State of Delaware $25,000, making a total of $625,000. The balance was obtained from citizens of these States.

CANAL GREAT TIMESAVER.

A mere glance at the map of the Delaware, Maryland, and the Virginia Peninsula and the location of the great cities of Philadelphia, of Wilmington, and of Baltimore will show how desirable this canal, less than 14 miles long, was for the purpose of trade and transportation. Railroads were yet to be constructed. The only method of travel between Baltimore and Philadelphia was by stage coach along the turnpikes or by water out and in the Delaware and Virginia Capes. The distance to Philadelphia from Baltimore by water was 420 miles. The route through the canal reduced this to 112 miles, shortening the distance by 308 miles, and the dangers of ocean navigation were avoided.

The saving of time, even now, in the transportation of freight through this canal between Philadelphia or Wilmington and Baltimore is almost as great as it was in 1829, for freight delivered to the small steamers in Philadelphia at 5 o'clock in the afternoon is carried through the canal and landed at Baltimore at 7 o'clock the next morning—only 14 hours—while the average delivery of freight by the railroads between Philadelphia and Baltimore is something like 3 days. It seems strange that, with all our modern appliances and the boasted management of two of the great railroad systems of the East, we have not been able in 80 years to better much the means of freight transportation in one of the most thickly populated portions of the Union and that we have failed to this time to take advantage of the natural opportunities for traffic and the easy distribution of the necessities of life which lie just at our doors.

On the Delaware Bay and tributaries and on Chesapeake Bay and its tributaries we have a combined traffic, as shown by the report of the Chief of Engineers of the United States Army, exceeding 50,000,000 tons annually; and if to this the undocumented and unregistered tonnage is added, which includes the vast amount handled daily by thousands of local trading boats, the tonnage is estimated to exceed 100,000,000 tons; and this tonnage is almost equally divided between the two bays, the tonnage of Delaware Bay and River and tributaries for 1912, as I compile it from the Engineer's report, aggregating 26,267,335 short tons, while the tonnage on the Chesapeake Bay and tributaries, which I am not sure is as accurate as the other figures, and in some respects is possibly duplicated, amounts to 36,333,489 tons.

In 1904 (H. Rept. No. 2725, 58th Cong., 2d sess.) the combined tonnage of the two bays and tributaries was stated to be almost exactly 50,000,000 tons, and from a statement of the Department of Commerce, Bureau of Navigation, the registered tonnage, represented by 4,391 sailing vessels, steam vessels, and barges, was six hundred and ninety-two thousand and some hundred tons.

The population of the States to be immediately benefited by the canal is about one-sixth of the total population of the United States and estimated at 14,092,627 people.

A LONG-CONSIDERED PROJECT.

The project of an adequate canal connecting the waters of Delaware and Chesapeake Bays has been considered so long that there is a vast mass of official information readily available from which to obtain all information desired on the subject. In 1812, when the Madison administration projected a comprehensive system of internal and coastwise canals, both for commercial and defensive purposes, such canal was approved.

A committee appointed at the first session of the Fifty-seventh Congress reported that the Chesapeake & Delaware Canal, as built in 1829, was encouraged and completed largely because of the realization at that time of the great advantage it would have been during the War of 1812, when the English fleets ravaged the shores of Delaware and Chesapeake Bays and destroyed this Capitol itself.

UNTOLD VALUE IN TIME OF WAR.

Its adaptation for national defense has never been questioned, and this line is now practically assured against attack by foreign fleets because on the Delaware end two new forts have been constructed with modern guns commanding the entrance to the Delaware River below the eastern terminus of the canal, while its western end is protected by the defenses of the Chesapeake Bay.

In 1886 Col. Craighill, of the United States Engineer Corps, reported:

> No argument is necessary to show the great value in time of war with a maritime power of such an interior line of communication between the great Chesapeake and Delaware Bays and their tributary streams as this canal would be.

The Committee on Railways and Canals of the House in that year said:

> Its entire feasibility has been definitely determined by three Government surveys ordered by Congress.

And President Arthur, in forwarding the report of the Secretary of the Navy, invited the attention of Congress to his recommendations, in which the Secretary said:

> To secure the combined commercial and military advantages which these avenues for merchant and naval vessels would afford, the work should be immediately begun and deliberately and economically prosecuted, and not left to be done hastily and expensively in an emergency.

The committee of the House in 1886 recommended the appropriation of $1,000,000 to begin the work on this canal, and in its report quoted from the report of Capt. Turtle, made to the Forty-second Congress, second session, as follows:

> It will be doubted by no one that a deep-water connection between the two bays would be of vast importance in the contingency of war with a maritime nation. Such a connection would provide a means of concentrating the floating defenses of the two bays, and, besides, would render more secure the communication between the naval stations at Philadelphia, Norfolk, and Washington. Vessels defending ports have two offices to perform, the one being to assist in the direct defense, or to prevent capture or occupation by a hostile force, the other being the prevention or breaking up of the blockades.
>
> Without a canal a blockade at the Capes of the Delaware would close the port of Philadelphia, or the blockade at the Capes of Virginia would close the outward commerce of Baltimore and the other ports of the Chesapeake. With the canal built where communication would be secure, neither the ports of Philadelphia nor of Baltimore would be closed, unless an effectual blockade were established both at the Delaware and Virginia Capes. It may be assumed that if a war with one of the great naval powers should arise, and the mere appropriation of the money could provide such a channel of communication between the bays, the amount would be at once provided without hesitation. That would, however, be too late.

Col. Craighill, in forwarding the report from which the above is quoted, said:

> The main objects of such a canal are supposed to be two—the greater facilitation of the defense of a part of the territory of the United States by the opening of an interior short line of communication between the great bays, Chesapeake and Delaware, and the shortening of a great route of foreign and coastwise commerce. Both of these objects seem to be of national importance.

In 1894 the President, under authority given by Congress, appointed a board, among the members of which were Brig. Gen. Casey, Col. Craighill, and Admiral Dewey, then a captain in the Navy, and this board, having exhaustively considered the subject, reported:

> The most feasible route * * * is substantially located upon the line of the existing Chesapeake & Delaware Canal. In the judgment of the board, this route will be best adapted for national defense and will give the best facility to commerce.

The Committee on Railways and Canals of the House, in submitting its report, April 21, 1904, on House joint resolution 137, reported:

> The construction of this ship canal would certainly be the least expensive and most effective method of improving the defense of this locality.

And while treating of the possibility of a coalition of the great naval powers in an attack on the United States with a giant consolidated fleet, reviewed the occurrences of April, 1861, when the present shallow and narrow Chesapeake & Delaware Canal played an important part in the defense of Washington and aided military operations during the whole Civil War.

What occurred in April, 1861, when the railroad bridges north of Baltimore were burned and troops could not be thus sent to Washington, was related before the committee of the Senate recently investigating the value of this canal, and was known to the committee reporting in 1904. Light-draft vessels able to pass through the canal were seized in Philadelphia and along the Delaware River; they were sent through the canal to Perryville, Md.; from there troops were taken by boat to

Annapolis, and thence Washington received reenforcements by rail, which possibly prevented its threatened capture by the Confederate forces. During the whole war the canal was utilized for military purposes and aided greatly in the prosecution of military operations. The committee on the commercial value of the Delaware Ship Canal reported as follows:

The importance and value of the Delaware Ship Canal to facilitate commerce, especially coastwise commerce, will be as great as its military and naval necessity.

WILL ENCOURAGE COASTWISE COMMERCE.

The report showed that 10,000 registered boats were engaged in commerce on the two great estuaries—Delaware and Chesapeake Bays and their tributaries—which had a shore line of 2,500 miles; that the canal would furnish the needed link between the Atlantic coast, north and south, to accommodate both sections, and would be a short and cheap route for the exchange of their products; that it would be of great benefit to the markets of both the North and the South, "stimulating production in the South and cheapening the cost of living in the North"; that it would cheapen the cost of coal to New England, and compared the traffic on the canal favorably with that on the great canals of the world. It showed that the tolls on the canal "are practically prohibitory to most of the commerce that would otherwise use the present canal," and cited the case of the purchase by the Government of the Monongahela Navigation Co., for which it paid the sum of $3,761,615.46 "to liberate the coal of the West Virginia and Connellsville Basin, and which was fully justified by the stimulus it gave to manufactures along the Ohio and Mississippi Rivers." And, continued the report:

The immense commerce involved, as shown by the above table, and which is overburdened or entirely obstructed by the high tolls or the lack of a ship canal of adequate size, would seem to justify Congress in appropriating sufficient money to immediately acquire the franchises and property of the Chesapeake & Delaware Canal, or rather the interests therein not now owned by the United States Government, which will cost much less than the Monongahela investment, and at once throw it open to all commerce free of tolls, so far as the same is carried in boats small enough to pass through the canal, thereafter treating the canal as a navigable stream, to be improved and enlarged by Congress until it assumes the rank of a ship canal of sufficient depth and width to pass the largest vessels afloat.

The committee recommended that action be taken without delay to secure all data and information available to guide such further action as might appear desirable.

By joint resolution of Congress (public resolution No. 37, 1906) the President was authorized to appoint a commission to examine and appraise the value and works and franchises of the Delaware & Chesapeake Canal, and an appropriation made for that purpose.

This caused the appointment of the so-called Agnus commission, which consisted of Gen. Felix Agnus, of Baltimore, as chairman; Maj. C. A. F. Flagler, now Col. Flagler, of the United States Army, who appeared before the Committee on Coast and Insular Survey at its recent investigation; and Mr. F. T. Chambers, civil engineer, of the United States Navy. The commission reported January 1, 1907. (S. Doc. No. 215, 59th Cong., 2d sess.)

AGNUS COMMISSION FAVORS PROJECT.

This commission obtained and brought together a vast amount of information and reported in favor "of acquiring the Chesapeake & Delaware Canal at an early date, if practicable, and if it can be done at a cost not to exceed $2,514,289.70," which sum was reached by appraisement of the works and franchises of the canal, and the commission considered the works and franchises of the canal in three ways:

The canal company valued its property at $5,348,071. The commission, basing its estimate on cost of reproduction, valued the property at $3,708,186. The itemized estimate of values found at page 18, Senate Document No. 215, Fifty-ninth Congress, second session, is as follows:

Dry excavation, 15,000,000 cubic yards, at 16 cents	$2,400,000
Dredging, 1,435,760 cubic yards, at 14 cents	200,906
Revetment, 80,000 linear feet	70,000
Masonry, 44,000 perches, at $3	132,000
Lock at Delaware City	120,000
Lock at St. Georges	118,220
Lock at Chesapeake City	147,970
Land holdings, 8,000 acres, at $50	400,000
Summit level supply	5,000
Bridges	31,000
Houses, offices, etc	30,000
Tools, machinery, etc	1,000
Telephone line	2,000
Total "cost of reproduction," 1907	3,708,186

The commission then valued the stocks, bonds, and securities of the canal company, but was unable to reach any satisfactory conclusion regarding value of the securities, and it seems certain now that these securities are so widely held and the market value thereof so uncertain that no satisfactory conclusion could then or can now be reached.

Its third method of valuation was the amount of capital required to earn at a reasonable percentage the net income of the company, and it reached the conclusion that on this basis, taking the net income at $104,118, a fair price for the canal would be $2,083,600.

It may be well here to state that the net earnings of the canal from figures obtained by the committee recently investigating the subject showed that the net income for the last year exceeded this amount by some $14,000.

The conclusion as to value reached by the Agnus committee was that the Government should not pay the amount stated as the cost of reproduction, $3,708,186, but at a fair valuation, deducting the outside holdings of securities by the company, the Government could profitably pay the amount recommended, $2,514,289.70.

The gross and net earnings of the canal and cost of operation are shown fully in the tables furnished by the Agnus report and in the supplementary report of the Committee on Coast and Insular Survey obtained at its hearings, and for the fiscal year of 1913 exceeded any year since 1888, before which date they averaged much higher than at present, for 1870 having reached $414,000, for 1880 being $189,000, as against $186,000 for the last fiscal year.

The time of the greatest prosperity for the canal, as shown by the short tons of freight passing through the canal, was from 1865 to 1888, when the traffic carried exceeded on an average a million tons per annum, which was carried in boats, barges, or vessels numbering from 16,394, practically the maximum, to 9,000, the minimum.

During the last fiscal year the total tonnage through the canal was 908,594 tons, the number of passages through the canal for the past year being 5,773 (p. 35, hearings, S. Res. 304).

The Agnus commission reported that for military as well as commercial advantage the line of the Delaware & Chesapeake Canal would be most advantageous, and that for military and naval purposes the proposed canal would be of "great strategic value as an adjunct to our land and naval forces." That—

It was the commission's opinion that the deep-water canal across the upper end of the peninsula would be of very great advantage to commerce. It would give the West a seaboard more than a hundred miles nearer the ocean than it now has. It would relieve hundreds of vessels of a dangerous sea route, which in years gone by has cost tens of millions of dollars in wrecks. It would save time and expense to the trade movements of the whole country. It would immediately affect the 11,000,000 people upon the two bays and their tributaries, and would contribute to the interests of all the population. In increasing commerce and reducing the cost of transportation it would stimulate production and be of direct financial benefit to American industries. The commission believes the commercial advantages will fully justify the expenditure of the funds necessary to complete the work.

Concluding its report, the commission said:

The present Chesapeake & Delaware Canal is the most important link in the proposed waterway from the Gulf to the city of Philadelphia for barge traffic, and its purchase and improvement by the Government would be a benefit of extraordinary value.

PURCHASE RECOMMENDED BY UNITED STATES BOARDS OF ENGINEERS.

On December 12, 1911, the Board of Engineers for Rivers and Harbors reported to the Chief of Engineers of the United States Army recommending the purchase of the Chesapeake & Delaware Canal for the sum of $2,514,289.70, and its condemnation if necessary. (H. Doc. No. 391, 62d Cong., 2d sess., pp. 273–275.)

It recommended the line of the present canal as the most available and that a tide-level canal, being cheaper to construct, operate, and maintain than a lock canal, would be the most desirable. No damage to banks or interference with navigation being apprehended on account of tidal currents, not even a guard lock is required. The saving in distance for all the water traffic of Baltimore to New York and points in New England would be 184 miles, and the saving by a free canal on existing commerce when the canal should be deepened to 25 feet would be $1,414,442 annually.

The Chief of Engineers of the Army, January 2, 1912, reported to the Secretary of War that the average saving of lives by the inside passage would be 10 per year, finding this fact from the reports of 32 vessels, in which 49 lives had been lost. During the five years reported on by the Chief of Engineers, 32 coastwise vessels had been lost, and the average annual loss in life was 10; average loss on vessels and cargo, $100,000.

Without considering savings in insurance, the Chief of Engineers stated that the average saving in coastwise commerce which would use a free canal would be not less than $1,229,242, and probably would be considerably in excess of that amount.

On February 14, 1912, a special board of engineers, consisting of W. M. Black, colonel, Corps of Engineers, senior member of board; Frederick V. Abbot, colonel, Corps of Engineers; J. C. Sanford, lieutenant colonel, Corps of Engineers; Mason M. Patrick, lieutenant colonel, Corps of Engineers; and R. R. Raymond, major, Corps of Engineers, reported to the Chief of Engineers United States Army (H. Doc. No. 196, 63d Cong., 1st sess.), on the cost of construction, maintenance, and so forth, of the Delaware River-Chesapeake Bay Canal as follows:

	Sea level.		2 locks.	3 locks.
	Width, 125 feet; depth, 25 feet.	Width, 90 feet; depth, 12 feet.	Width, 90 feet; depth, 12 feet.	Width, 90 feet; depth, 12 feet.
Cost of construction plus 10 per cent	$12,424,500	$7,902,007	$7,803,914	$7,767,380
Annual interest at 3 per cent on first cost of construction	$372,735	$237,060	$234,117	$233,021
Cost of annual maintenance	$104,220	$104,220	$306,420	$310,020
Annual expenditure	$476,955	$341,280	$540,537	$543,041
Comparative expenditures capitalized at 3 per cent per annum, taking cost of a sea-level canal 125 feet wide and 25 feet deep as 100 per cent.....per cent..	100	72	113	120
Time required for a boat with a draft of 10 feet and a beam of 36 feet to pass through the canal, calculated from formula, hours	1.2	2.9	3.9	4.4
Time required for a boat with a draft of 16 feet and a beam of 40 feet to pass through the canal—from formula.....hours..	1.3	Impassable.	Impassable.	Impassable.
Time required for a boat with a draft of 20 feet and a beam of 45 feet to pass through the canal—from formula.....hours..	1.7	Impassable.	Impassable.	Impassable.

Two-lock canal: The two-lock canal has locks at Chesapeake City and at St. Georges, the summit level being the same as in the existing canal. From St. Georges to the Delaware River the canal is at sea level. * * *

Three-lock canal: The three-lock canal has locks as above and one near Reedy Point, the lifts being the same as those of the existing locks.

The route followed is that heretofore selected for this section of the intracoastal waterway.

The first costs of the three types of a 12-foot canal considered are practically equal because of the great cost of locks and the pumping plant required to supply the water for the summit level.

Delaware River-Chesapeake Bay section: As shown by the estimates, the saving of cost by constructing a lock canal 12 feet deep, as compared with a sea-level canal of the same dimensions, is about equal to the difference between cost of operating and maintaining the lock and sea-level types for six months. The sea-level type is therefore much cheaper in the end.

Since a sea-level canal is preferable to a lock canal from every point of view, for the Delaware River-Chesapeake Bay section, there would be little gained by deepening the present lock canal to 12 feet as an intermediate step toward a 25-foot sea-level canal. Special barges for a 12-foot depth would not be built for temporary use. The existing locks will accommodate traffic during enlargement of the canal and the change to sea level.

Therefore the sea-level canal 12 feet deep should be the first step. Its construction involves:

(1) Deepening and widening the present summit level and bringing its bottom to the same level as that of the lower reach, including flattening the slopes in the Deep Cut.

(2) Removal of the lock at St. Georges (10-foot lift), making a single level throughout 10 feet deep, with locks of 7 feet lift at each end.

(3) Deepening the whole canal to bring its bottom to reference —12.

(4) Removal of the locks at both ends of the canal, making a 12-foot sea-level canal.

The depth and width can thereafter be increased to the maximum desired.

The board believes that as outlined above the work can be carried on progressively and recommends that early provision be made for its inception and completion to a depth of 25 feet.

On July 22, 1912, the Board of Engineers for Rivers and Harbors reported (H. Doc. 196, 63d Cong., 1st sess.) on the Chesapeake & Delaware Canal as follows:

The Board of Engineers for Rivers and Harbors in its report on the proposed work commented in part upon these two sections as follows (H. Doc. 391, 62d Cong., 2d sess.):

"The Board of Engineers for Rivers and Harbors concurs with the special board as to the desirability of a free waterway connecting Delaware River and Chesapeake Bay. Aside from its future value as a link in a through waterway connecting northern and southern ports, it will be of great value to existing commerce and will yield immediate benefits. The board therefore recommends the purchase of the Chesapeake & Delaware Canal, at a price not exceeding $2,514,289.70, or its acquirement by condemnation proceedings, if necessary. It believes that the question of the enlargement of this canal should receive further study with a view to determining whether a less depth than that proposed by the special board would not adequately meet the requirements of commerce and navigation, and recommends the preparation of an estimate of the cost of a 12-foot canal, which is the depth recommended by the special board, as well as by this board, for the Norfolk-Beaufort section. This can be done under the present authorization [p. 275]."

Delaware River-Chesapeake Bay Canal—Estimates of cost of construction and maintenance of 25-foot and 12-foot canal.

	Sea level.		2 locks.	3 locks.
	Width, 125 feet; depth, 25 feet.	Width, 90 feet; depth, 12 feet.	Width, 90 feet; depth, 12 feet.	Width, 90 feet; depth, 12 feet.
Cost of construction and purchase of Chesapeake & Delaware Canal	$12,424,500	$7,902,007	$7,803,914	$7,767,380
Annual maintenance	104,220	104,220	306,420	310,020
Annual interest at 3 per cent on cost of construction	372,735	237,060	234,117	233,021
Total annual cost	476,955	341,280	540,537	543,041

3. After discussing the advantages and disadvantages of a 12-foot waterway * * * the special board * * * recommends, for the Delaware River-Chesapeake Bay section, the construction of a sea-level canal 12 feet deep and its progressive enlargement and completion to a depth of 25 feet. * * *

The Board of Engineers for Rivers and Harbors, July 22, 1912, concurred in the views of the special board that—

The Chesapeake & Delaware Canal should be enlarged to a sea-level canal 12 feet deep and 90 feet wide at bottom, but it does not believe that the further enlargement to a depth of 25 feet should be undertaken until there has been an opportunity to observe the commercial changes resulting from the freeing of this canal and its first enlargement, and a new investigation has been made to determine the advisability of any further modification that may be suggested by the changed conditions. The board therefore does not recommend the 25-foot depth at the present time, but reports that in its opinion it is advisable to purchase the Chesapeake & Delaware Canal and enlarge it to a sea-level canal 12 feet deep and 90 feet wide at bottom at a total estimated cost of $7,902,007. The initial appropriation should be sufficient to buy the existing canal, whose value is estimated at $2,514,289.70.

And on August 9, 1913, Gen. W. H. Bixby, the Chief of Engineers, United States Army, reported to the Secretary of War (H. Doc. No. 196, 63d Cong., 1st sess.)—

(b) In favor of the immediate purchase of the existing canal between Chesapeake Bay and Delaware River and its early enlargement to about 12 feet in depth and appropriate width.

The report was submitted to Congress, August 12, 1913, by the Acting Secretary of War, and included the following:

REGARDING THE FURTHER IMPROVEMENT OF THE ALREADY RECOMMENDED WATERWAY BETWEEN CHESAPEAKE BAY AND DELAWARE BAY, THE CHIEF OF ENGINEERS CONCURS WITH BOTH THE SPECIAL BOARD AND BOARD OF ENGINEERS FOR RIVERS AND HARBORS IN THE OPINION THAT IT IS ADVISABLE FOR THE UNITED STATES TO BUY THE CHESAPEAKE & DELAWARE CANAL AT A COST TO THE UNITED STATES NOT EXCEEDING $2,514,290 AND TO THEN ENLARGE IT TO A SEA-LEVEL CANAL OF 12 FEET DEPTH AND 90 FEET BOTTOM WIDTH, WITH THE LEAST INTERFERENCE PRACTICABLE TO EXISTING TRAFFIC, FOLLOWING, IN GENERAL, THE METHODS INDICATED BY THE SPECIAL BOARD, AT A COST WHICH, INCLUDING THE FIRST YEAR'S MAINTENANCE, AMOUNTS IN ROUND NUMBERS TO $8,000,000, OF WHICH $3,000,000 SHOULD BE MADE AVAILABLE BY THE FIRST APPROPRIATION, AND ECONOMICAL WORK WILL THEN REQUIRE SUBSEQUENT APPROPRIATIONS OF FROM $500,000 TO $1,000,000 PER YEAR.

The Chief of Engineers concurs with the Board of Engineers for Rivers and Harbors in the view that further deepening to 25 feet of the Chesapeake & Delaware Canal at an extra cost of $4,500,000 should await further observation as to the commercial changes resulting from the first increase in canal depth and especially the release from canal tolls. Moreover, the Chief of Engineers is of the opinion that the general public benefit will be that due to the increase of commerce by use of barges in tows and of medium-draft boats; and that the added benefits accruing from heavy-draft boats will be mainly local and consequently should await cooperation by the local States or those most directly benefited. As the work to be done is progressive and, as under present Federal laws, the engineer department can always receive and expend local funds for such purposes, it will always be possible to increase the project depth above 12 feet up to 25 feet as fast as local cooperation furnishes the funds.

RIVER AND HARBOR COMMITTEE OF HOUSE REPORTS FAVORABLY.

On February 24, 1914, the House Committee on Rivers and Harbors reported (Rept. 300, pt. 1, 63d Cong., 2d sess.) on the Chesapeake & Delaware Canal, as follows:

The purchase and enlargement of this canal, however, are very strongly recommended by the engineers, which, in the opinion of the committee, is one of the most important links in the proposed system, as it connects two great highways of commerce, the Chesapeake and Delaware Bays, and would, if completed as outlined in the project, save in distance between Baltimore and Philadelphia, it is estimated, about 320 miles, and between Baltimore and the mouth of the Delaware Bay 184 miles, which, together with other advantages claimed, caused the committee to look with favor upon the proposition and to authorize the purchase of the canal at a cost not to exceed $1,300,000, which is believed to be a fair valuation of the property. There is an alternative route considered by the engineers which may be used if the canal can not be purchased within the above figures, or resort may, of course, be had to condemnation proceedings, as Congress may deem best. On account of engineering difficulties which may be encountered in the enlargement of the canal it may be even better to adopt this alternative route, but that is a feature upon which we will naturally look largely to the engineers for advice.

The canal is owned by the Chesapeake & Delaware Canal Co., and appears to have outstanding 37,618 shares of stock, par value $50, held by numerous parties, including the United States Government, which originally paid $450,000 on the project, and the States of Pennsyl-

vania, Maryland, and Delaware, which contributed, respectively, $100,000, $50,000, and $25,000 to the enterprise.

It should be added that the original estimates for the cost of this canal and its subsequent enlargement to a 12-foot depth, with suitable widths, were $8,000,000 to complete, but in those estimates the maximum cost of purchasing the canal was fixed at $2,514,290. As, however, the committee fixed the maximum amount to be paid for the existing canal at $1,300,000, the estimated cost by the engineers is thereby reduced to $6,785,710, the difference between $8,000,000 and the amount of the reduction in the cost of the canal.

REPORT OF COAST AND INSULAR SURVEY COMMITTEE OF SENATE.

The last report on matters concerning the Chesapeake & Delaware Canal is that of the Coast and Insular Survey Committee, made April 25, 1914 (Senate Rept. 452, 63d Cong., 2d sess.).

That committee was charged with investigating some of the corporate affairs and the value of the canal, having in view its possible acquisition by the United States, as recommended by the various boards of engineers from time to time.

The committee reported that the stock of the canal had no value, but its bonds, amounting to $2,602,950, have a real and substantial value, the interest on such bonds having been regularly paid at 4 per cent, and, continued the committee—

Unless some unusual and unexpected damage shall occur to the works and property of the canal, it may fairly be presumed that its earnings will be sufficient to pay the interest at 4 per cent on the outstanding bonds, although the average annual net income of the canal company from all sources during the past 10 years (after paying interest and its operating expenses) has been only $2,989.24. This gives to these bonds a real value which is in some degree indicated by the last sale referred to at 68 per cent of the par. Under the law of the State of Pennsylvania the insurance companies of that State are permitted by its insurance department to invest funds in these bonds at 64 per cent, as shown by a letter of the insurance commissioner of that State sent your committee, dated April 8, 1914.

The company has averaged annually for the past four years for tolls earned	$175,000
Its cost of operation has averaged during said year	65,000
Its average net income from operation has therefore been for four years	110,000
Interest on its bonds at 4 per cent	104,118
Leaving a net average annual income for last four years of	5,882

which by comparison with the income of the company for a period of 10 years shows a substantial increase in its net receipts from operation.

* * * * * * *

Many official reports concerning the canal and its value have been made from time to time by engineers of the United States Army and others. In 1906 a special commission was appointed for the purpose of ascertaining the most feasible route for a canal between the Delaware and Chesapeake Bays. Your committee had before them Gen. Felix Agnus, of Baltimore, the chairman of that commission; Col. C. A. F. Flagler, at the time engineer in charge of that district; and Gen. William H. Bixby (retired), late Chief of Engineers of the United States Army. These gentlemen have as close and intimate knowledge with the Chesapeake & Delaware Canal as it is possible for the officials who have been charged with the duty of ascertaining the value of the canal to obtain from close study of the physical condition of the canal itself and investigation of all its affairs and property, as well as the value of the canal to the Government for military and naval purposes and as an aid to commerce.

The Agnus commission, when Col. Flagler (then major of Engineers, United States Army) had charge of the Wilmington (Del.) district, made a detailed valuation of the works and property of the canal, which may be found at page 18, Senate Document 215, Fifty-ninth Congress, second session. The value there given is $3,708,186.

Gen. Bixby, in his testimony before this committee (p. 126), confirmed this valuation, and showed that no new appraisement was necessary, as the appraisement made in 1906 was confirmed by present cost prices of materials. Gen. Bixby's statement regarding the value of the canal was as follows:

"While the cost per unit might differ a little bit to-day, the total cost, if we were making a new appraisement based on the figures of quantities that the commission verified, would go over $3,000,000 all the same, which is a price that is greater than the price which has been previously recommended for payment to the canal company. In other words, the price at which the Agnus Board and the other boards have concluded was best to stand by as a payment to the canal company was a price based upon its value as a going concern, which is less than what it might cost to reproduce the properties, and therefore they have all concurred with them that the recommendation which has been made for $2,500,000 was not too high, and if it erred anywhere it was perhaps too low, because we know that to do the same work to-day in that locality we can not get it for any less money (p. 126)."

And at page 123 Gen. Bixby, referring to the benefits which would be derived to commerce by making the canal a free canal under governmental control, said:

"The board, in figuring out the net benefit of $1,414,000 a year, figured on shipments from northern points estimated at 1,430,000 tons, shipments from southern points estimated at 1,107,000 tons, making a total of 2,537,000 and odd tons."

The former Chief of Engineers in giving his testimony showed the great benefit which had been derived in various sections with which he was personally familiar, where somewhat similar improvements had been made.

Col. Flagler, in his testimony, stated that the cost of building another canal reasonably near the Chesapeake & Delaware Canal would largely exceed the estimates on which the purchase was recommended by the commission for the amount of $2,514,000, and stated (p. 117), "The distance from Baltimore to Philadelphia will be shortened by 323 miles; from Baltimore to the mouth of the Delaware Bay, by 184 miles," should the canal be properly deepened and controlled. To shorten the distance between Baltimore and the mouth of the Delaware Bay was given to show how much less the distance would be from Baltimore to New York and New England points.

Ever since the Agnus report in 1907, wherein the cost of reproduction, estimate of properties and appurtenances of the canal, and other elements entering into its value were carefully considered, the conclusion reached by that commission that the Government could afford to pay and should acquire the canal for the sum of $2,514,289.70 has been concurred in by all Government officials, Army engineers, and persons reporting on the canal as a fair price to be paid. This amount was reached by the commission after careful consideration given the matter, being shown on pages 17 to 20, inclusive, of the Agnus report.

After full consideration by your committee of all official reports on this canal, the testimony taken by it and information which it has obtained regarding the possible value of the canal to the owners and holders of its stock, bonds, and obligations, your committee has reached the conclusion that while the stock and obligations of the company by the expenditure of some millions of dollars might be made much more valuable, the present value of the canal, as shown by its earning capacity, does not exceed $2,100,000, and that its bonds are not worth, considering the value of the property by which they are secured and the present and prospective earnings of the property mortgaged to secure them, more than 80 per cent of their face value, which would be approximately $2,100,000.

* * * * * * *

Your committee believe that the acquisition of the canal by the Government without resort by it to condemnation proceedings is practically impossible, because in addition to holding the securities with the hope that the Government will at least pay the par value of the bonds, the owners and holders of the stock and bonds are so widely scattered as to render it impracticable to deal with them individually and thus acquire their holdings.

We therefore conclude that the appropriation carried in the present river and harbor bill will prove insufficient to acquire the canal, that condemnation proceedings must be resorted to ultimately and should be provided for in any appropriation made with the expectation of acquiring the canal, and that the amount necessary to pay an award in condemnation proceedings will not be less than $2,000,000 and may reach $2,500,000.

MANIFEST ADVANTAGES TO THE PEOPLE.

Of necessity, Mr. President, I have been compelled in proving by the opinions of the best engineers the advisability of the acquisition by the Government of the Delaware & Chesapeake Canal to quote extensively from the many official reports which have been made from time to time on this subject. The advantages of its acquisition by the Government to the people of a great section of the country appears so manifest that the work of bringing together the extracts from these opinions and reports seems almost unnecessary.

Those who labor upon the great Chesapeake Bay and its tributaries will have opened to them, by quick water transportation, the markets where millions of people in the great cities of Trenton, Camden, Philadelphia, Chester, Wilmington, and the surrounding territory purchase their food. The people of these great communities will have opened to them, by quick water transportation, the great markets where the people of Baltimore, Annapolis, Norfolk, and the South purchase the manufactured articles necessary for their daily use. Millions of tons of freight will be interchanged and enhanced in value by the readiness with which customers can obtain the necessaries of life. Millions of people will be benefited by the lessened cost of articles they daily use.

If those who know best about this great work are not absolutely and entirely mistaken, the military and naval defenses of a great portion of our eastern seaboard will be more than doubled and the strength of this Government can be readily concentrated at any point where attack is to be feared. The cost of making such concentration possible will only be that of one or two ships of war, and from 10 to 20 per cent—possibly a greater percentage than that—on its cost will be saved to the commerce of the country annually.

The canal completed in accordance with the estimate of the engineers will prove an automatic regulation of railroad rates, and at the same time relieve the railroads of their congested traffic, to the great benefit of all their customers.

Resolutions of public bodies have been passed year after year urging this improvement upon Congress.

FAVORED IN NATIONAL PLATFORMS.

The acquisition of this canal by the Government will be in accord with the last two platforms of the now dominant party in this country. In its platform at Denver, in 1908, the Democratic Party declared:

Water furnishes the cheaper means of transportation, and the National Government, having control of navigable waters, should improve them to their fullest capacity. * * * We favor, when practicable, the connection * * * of the navigable rivers with each other, by artificial canals, with a view of perfecting a system of inland waterways to be navigated by vessels of standard draft.

At Baltimore, in 1912, its declaration was as follows:

We favor the adoption of a liberal and comprehensive plan for the development and improvement of our inland waterways with economy and efficiency, so as to permit their navigation by vessels of standard draft.

SUMMARY.

There can be no better place found in the Union to test the value of a modern canal than by the purchase and enlargement of the now small waterway between the Delaware and Chesapeake Bays. A great traffic already exists, and the amount of its

interchange between producer and consumer will thoroughly test out the great project of an intracoastal waterway.

The Government, according to the letter of the Secretary of the Treasury of April 4, 1914 (S. Doc. No. 462, 63d Cong., 2d sess.), has already invested in this project $472,309.62. The Maryland Board of Public Works, as long ago as November, 1906, declared it to be the sense of that board that the State, owning $81,250 of the stock of the canal company, should contribute its holdings toward the project if the Government would purchase the canal and make it a free and open waterway.

Wide markets where millions of consumers will be benefited will open to the people of Maryland and Virginia engaged in producing the necessities of life. Exchange of manufactured goods for foodstuffs will be increased for the benefit of all.

It is difficult—indeed, impossible—to accurately estimate the great advantage which will flow from unfettering the commerce of the two sections and making easy the free interchange of between fifty and a hundred millions of tons annually, which is the combined commerce of the two bays.

The Government can obtain this waterway at less than its actual cost and with a certainty that no loss will be incurred. The character of the project is not a new one. A similar but smaller project of this character was carried through when the Government purchased the Chesapeake & Albemarle Canal, and the advantages of that purchase have already been proven in some measure.

The Seattle canal now being constructed from the Sound to a lake furnishes another example.

Another instance where the Government entered upon a more comprehensive and profitable project was in the case of the Monongahela Navigation Co., which opened the coal fields to the commerce of the Ohio River, and the wisdom of that project was quickly realized. Still another was in the case of the Soo Canal, where the United States instituted condemnation proceedings to unfetter the commerce of the Lakes, so that there is no new proposal here and no new field of national effort is proposed.

The entire project of linking together the North and the South by a system of intracoastal canals depends for its success upon the acquisition and improvement of this comparatively small canal in the most thickly settled portion of the Union. It has been recommended so often and its benefits so widely advertised by resolutions of boards of trade and waterways conventions that there are no two opinions among those who know the situation.

It is no small thing to take into consideration that approximately 10 human lives will be saved each year, now sacrificed to the fury of the sea on the outside passage between the Delaware and Virginia Capes, if this waterway should be properly opened.

Existing as it now does, it may be said to be almost an obstruction to commerce rather than a benefit, for if it did not exist at all the short barrier to the interchange of the great commerce of the two bays and their tributaries would not be allowed long to exist.

The people of my own State, while they are interested in the project, are not, in my opinion, those who will be the most greatly benefited. The great commercial center of Baltimore and the great body of wage earners at Philadelphia will obtain the chief benefits and advantages which will flow from this great but at the same time comparatively inexpensive public work. But I realize, I think, Mr. President, how great a benefit the people of the great middle section of the Atlantic seaboard will receive, and if, by agitating the project and bringing together in connected form the expert opinions, the technical knowledge, the expression of those of great experience, I may have been able in some slight degree to further this work, the labor which it has entailed will not be without its reward.

Mr. BANKHEAD. Mr. President——

Mr. GALLINGER. Will the Senator permit me to give a notice?

Mr. BANKHEAD. I yield for that purpose.

PANAMA CANAL TOLLS.

Mr. GALLINGER. Mr. President, I desire to give notice that on Tuesday, May 12, following the address of the Senator from Utah [Mr. SMOOT], I will briefly address the Senate on certain phases of the bill relative to Panama Canal tolls.

MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by D. K. Hempstead, its enrolling clerk, announced that the House had passed the joint resolution (S. J. Res. 145) authorizing the President to detail Lieut. Frederick Mears to service in connection with proposed Alaskan railroad.

The message also announced that the House agrees to the amendment of the Senate to the bill (H. R. 13770) to consolidate certain forest lands in the Sierra National Forest, Cal.

The message further announced that the House agrees to the amendments of the Senate to the joint resolution (H. J. Res. 263) designating the second Sunday in May as Mother's Day, and for other purposes.

ENROLLED BILLS SIGNED.

The message also announced that the Speaker of the House had signed the following enrolled bills and joint resolution, and they were thereupon signed by the Vice President:

H. R. 12291. An act to increase the limit of cost for the extension, remodeling, and improvement of the Pensacola (Fla.) post office and courthouse, and for other purposes;

H. R. 13770. An act to consolidate certain forest lands in the Sierra National Forest and Yosemite National Park, Cal.; and

H. J. Res. 263. Joint resolution designating the second Sunday in May as Mother's Day, and for other purposes.

EXECUTIVE SESSION.

Mr. BANKHEAD. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to, and the Senate proceeded to the consideration of executive business. After two hours and fifteen minutes spent in executive session the doors were reopened.

Mr. SHIVELY. I move that the Senate adjourn until to-morrow at 11 o'clock a. m.

The motion was agreed to; and (at 5 o'clock and 55 minutes p. m.) the Senate adjourned until to-morrow, Saturday, May 9, 1914, at 11 o'clock a. m.

NOMINATIONS.

Executive nominations received by the Senate May 8, 1914.

RECEIVERS OF PUBLIC MONEYS.

Edmund James, of Carson City, Nev., to be receiver of public moneys at Carson City, Nev., vice Earl W. Tremont, deceased.

William H. Edley, of Powell, Wyo., to be receiver of public moneys at Lander, Wyo., vice Marvin B. Rhodes, term expired.

CONFIRMATIONS.

Executive nominations confirmed by the Senate May 8, 1914.

UNITED STATES MARSHAL.

William R. Waller to be United States marshal for the middle district of Alabama.

POSTMASTERS.

KANSAS.

Celia Hughes, Weir.

KENTUCKY.

W. C. Sleet, Middlesboro.

LOUISIANA.

E. O. Lalande, Napoleonville.
Washington J. P. Prescott, Garyville.

MAINE.

Alfred T. Hicks, Auburn.
Morrill McKenney, Richmond.

MISSOURI.

Henry S. Hook, Jamesport.

MONTANA.

Samuel Hilburn, Kalispell.

NEBRASKA.

J. O. Blauser, Diller.
Claude J. Brown, Lynch.
Thomas T. Osterman, Blair.
Edward W. Roche, Kimball.

NEW JERSEY.

George N. Smith, Wildwood.

SOUTH DAKOTA.

J. W. Applegate, Edgemont.
E. W. Babb, Wakonda.
Matthew F. Ryan, Mobridge.

HOUSE OF REPRESENTATIVES.

FRIDAY, *May 8, 1914.*

The House met at 12 o'clock noon.

The Chaplain, Rev. Henry N. Couden, D. D., offered the following prayer:

We lift up our hearts in gratitude to Thee, our Father in heaven, for the intellectual, moral, and spiritual gifts with which Thou hast endowed us. Yet we realize how great is the responsibility in their use. The spirit is willing, but the flesh is weak; hence we seek Thee for light to guide, strength to sustain, and courage to do in all the relationships of life, private and public, the right as it is given us to see the right, that we may increase our talents and prove ourselves worthy of the trust reposed in us. May we realize that there are but two things worthy of a man, namely, service and character. May it be ours to serve, ours to grow after the manner of the Christ. Amen.

The Journal of the proceedings of yesterday was read and approved.

QUESTION OF PERSONAL PRIVILEGE.

Mr. MANAHAN. Mr. Speaker, I rise to a question of personal privilege.

The SPEAKER. The House will be in order, and the gentleman will state his question of personal privilege.

Mr. MANAHAN. When I filed House resolution No. 424, asking for an investigation of the grain exchanges of the Northwest, the Minneapolis Journal editorially accused me of being an interested party in a rival exchange, and questioned my motives in filing this resolution. I think my privileges have been impugned, and I desire to address the House briefly.

Mr. MANN. How much time does the gentleman want?

Mr. MANAHAN. About 10 minutes. I ask unanimous consent, in order that there may be no question as to time, for 10 minutes.

The SPEAKER. Is there objection? [After a pause.] The Chair hears none.

Mr. MANAHAN. Mr. Speaker, when I filed House resolution 424, asking for an investigation of certain grain exchanges in the Northwest, the Minneapolis Journal questioned the sincerity of my motives. In the editorial I refer to the following statements are made:

> It is doubtful if Mr. MANAHAN has been in Congress long enough to expect the House to repair his fences and build new ones by ordering a local investigation for which it can see no public reason.
>
> But if Congress really wants to investigate the Minneapolis Chamber of Commerce and the Duluth Board of Trade on a serious and sound basis, there is no reason, except useless expense of money and time, why it shouldn't. These are State corporations, have been under close State supervision, and have come with clean hands out of a series of legislative investigations provoked in the same spirit by politicians.
>
> Congress might save time and money, however, by first examining the report of the last legislative investigation instigated by Mr. MANAHAN and Mr. Loftus in behalf of the rival business in which they are interested. The motive actuating Mr. MANAHAN might well be investigated along with the organizations. An improper motive is to be feared as much in government as improper conduct in any other relation.

Mr. Speaker, my motive in urging an investigation of the Minneapolis Chamber of Commerce appears clearly in the resolution itself. That organization is an intolerable monopoly. It has controlled prices and robbed the farmers of the Northwest for many years. My purpose was and still is to destroy that monopoly. But, says the Journal, I do this "in behalf of a rival business" in which I am "interested." That charge is doubly false, and the writer knew it when he penned the lines. He knew that my whole public career had been one of unwavering hostility to monopoly in every form. He knew that the only "rival business" to be benefited by breaking up the grain combine was the farmers' cooperative concerns. He knew that I did not own a dollar's worth of stock in any of those cooperative concerns. He knew, of course, that these farmers looked upon me as their advocate and general counsel. They never gave me a retainer, never paid me nor promised me a fee. My connection as attorney was nominal, and so understood by everybody. My connection with these farmers as a public man, interested in protecting them from exploitation by either the grain combine or the railroads, was and is real and vital. My father was a farmer. My brothers are all farmers.

I am on their side in this fight for an honest and cooperative market. Every householder in the country is interested as well as I am. I hope I can impress it upon the aristocratic intelligence of the cultured proprietor of the Journal that I am very much "interested" in the farmers' cooperative movement for marketing their produce, and that I am very much determined to smash, if I can, the grain combine that stands in their way. I have asked this Congress to act. I have urged action by the Department of Justice. I expect to do what I can to get the State of Minnesota to exert all the power it has to destroy the vicious grain-gambling monopoly which for years, like a festering sore, has drained the resources and sapped the strength of agriculture in the Northwest.

But, Mr. Speaker, when a publisher uses the cruel weapon of the press to strike a public man, he invites a careful scrutiny of himself. The publisher of the Journal dare not accuse me of an improper or dishonest act, but resorts to the cowardly method of striking from behind and in the dark. He insinuates what he dare not say. Posing as a saint, he tries to suggest that I am a sinner. I am, sir, somewhat of a sinner, but Phariseeism is not my sin. Possibly that is the reason why the saintly Journal of Minneapolis does not like me.

My motives are questioned when I assault the Grain Trust and its gambling, and I am tempted to inquire into the motives of my critic in defending the gambling grain graft. Mr. Speaker, who is this H. V. Jones, the publisher of the Journal, who suggests that Congress should investigate my motives? Are his own motives above suspicion?

Has he any personal experience in this gambling and speculating about which he writes so glibly?

Is he in the service of selfish big business?

Does Jim Hill own his pen and his paper?

The Journal Printing Co. was capitalized at $200,000. There were 4,000 shares of stock at $50 per share. On August 31, 1908, H. V. Jones and his brother paid $1,000,000 in cash for these 4,000 shares of stock. Where did they get the money, and did they pledge their pens when they got it?

Just about a year before this purchase, H. V. Jones, Hal P. Watson, and Lou Watson, doing business in New York and Minneapolis as Watson Bros. & Co., were ruined by the slump in the stock of the Hill railroads. The firm had been James J. Hill's brokers, and their statement showed that they could not pay 50 cents on the dollar. What did they pay their creditors, either before or after H. V. Jones and brother paid $1,000,000 for the Journal? And who gave the bankrupt, while yet in mourning for his busted brokerage business, credit for one big million dollars with which to buy a paper and preach to the people like a Pharisee? Who gave the cash or the credit?

Will Mr. Jones specifically deny that it was Mr. Hill's credit that enabled him and his brother to pay $1,000,000 for the Journal? He has stated that the deal was financed by a trust company, but he has never given the name of that company. A trust company is a wonderful thing. It is like charity, "it covereth a multitude of sins." But whoever or whatever the trust that financed the Journal, the fact remains that ever since its invisible ownership has been represented by Mr. H. V. Jones, it has posed as a great moral force and has assumed a "holier than thou" attitude on all issues that do not affect the Hill interests or disturb the easy grind of the grain graft.

To meet the vice of the invisible ownership of the press, Congress has enacted a law requiring newspapers to make certain disclosures, and I am advised that under this law Mr. Jones has made affidavits to the effect that the Journal has no bonded indebtedness and that he and his brother own the stock. Under date of October 3, 1913, the Minneapolis Journal published its statement, which was sworn to as an affidavit, in which, in compliance with the request to state the paper's "known bondholders, mortgagees, and other security holders holding 1 per cent or more of total amounts of bonds, mortgages, or other securities," the answer was made, "There are none."

During the same month and a few days later—October 25, 1913—Mr. Clifford, the advertising manager of the Journal, in a speech before the Advertising Men's League, of New York, is quoted in the Editor, Publisher, and Journalist, as follows:

> The story of this publisher, Herschel V. Jones, epitomizes opportunity. A comparatively few years ago he came to Minneapolis from a stony farming country in New York State—Scoharie County. He went to work as a reporter on the paper he now owns. He was later assigned to market reports—not a much sought-for position on an editorial staff. But he saw in the market reporting opportunity. He put enthusiasm into it—honest enthusiasm. He became a market expert, later he became a national figure as a crop expert, so thoroughly did he do his market reporting. He founded a financial and commercial paper. Later he engaged in the grain-brokerage business; met with unfortunate reverses. He saw an opportunity to buy this paper on which he had started as a reporter. He went out and borrowed a million dollars with a stroke of the pen, because his integrity, his honesty, his ability, had been established with men of finance. Men believed in him.

And later in the same speech, Mr. Clifford said, after discussing certain kinds of advertising, which the Journal refused to take:

> Because we do not believe it is right to accept it and because we do not believe it is good business to accept it, even though a good, big piece of that borrowed million is staring this publisher in the face.

Now, I ask, who holds the "good big piece of that borrowed million" that is "staring this publisher in the face"? Does James J. Hill, whose railroads' extortion of freight-rate payers, whose railroads' underpayment of laborers and officers and trainmen the Minneapolis Journal has always defended, own any part of that "good big piece of that borrowed million" that is still staring Mr. H. V. Jones in the face? Or does the grain combine of Chicago—Armour and his crowd—control the trust company which Mr. Jones says financed his million-dollar deal? Mr. Clifford, his advertising manager, says that Mr. Jones became a "national figure as a crop expert." Had he, I wonder, furnished these Chicago wheat dealers the crop estimates and advice as a market expert on which they gambled in grain in the Chicago pit? Do these grain gamblers own any part of that "good big piece of that borrowed million staring this publisher in the face"?

Does the Journal refuse "tainted advertising" to make more effective its service to the selfish and invisible owners who still hold "a good big piece of that borrowed million" staring Mr. H. V. Jones out of countenance as a journalist and poisoning the pen with a stroke of which, Mr. Clifford says, he borrowed the million?

Mr. Clifford doubtless speaks the truth when he says that Mr. Herschel V. Jones borrowed a million dollars to buy the Minneapolis Journal, and that the largest part of that million has not yet been paid. Doubtless the capital stock is pledged or put in escrow by some sort of legal device undisclosed to secure the debt. The Minneapolis Journal obviously has evaded the clear purpose of the law requiring the publication of its real ownership.

Is this dummy proprietor of an invisibly owned newspaper in a position to question the motives of any public man?

His own motives are reprehensible. He seeks to discredit me as a Member of this House. But that is only incidental. His real purpose is to divert attention from the grain monopoly with which he was associated in the past and which he knows is still robbing the producers of the Northwest. He serves as a debtor the selfish purposes of the owners in hiding of his sanctimonious sheet.

Mr. Speaker, I deliberately state these facts concerning this publisher, who by miserable insinuation regarding my motives tries to defeat the reforms I am fighting for in Minnesota. The reform of the grain markets, which he and his paper strive to defeat, is of nation-wide importance, and therefore I place these facts in the permanent records of the Nation. [Applause.]

LIEUT. FREDERICK MEARS.

Mr. HAY, Mr. CHURCH, and Mr. SHERWOOD rose.

The SPEAKER. The gentleman from Virginia [Mr. HAY] is recognized.

Mr. HAY. Mr. Speaker, will the Speaker lay before the House the joint resolution of the Senate, No. 145?

The SPEAKER. The Chair will state that there are several little things here of some importance that we can get out of the way before we reach the pensions. We have plenty of time for pensions.

Mr. HAY. I am not asking for pensions.

The SPEAKER. I understand; but the Chair would rather clear these little matters up now. The Clerk will report the joint resolution.

The Clerk read as follows:

Senate joint resolution (S. J. Res. 145) authorizing the President to detail Lieut. Frederick Mears to service in connection with proposed Alaskan railroad.

Resolved, etc., That the President of the United States be, and he is hereby, authorized to detail and require Lieut. Frederick Mears, United States Army, to perform service in connection with the location and construction of the railroad or railroads in the Territory of Alaska provided for in act of Congress approved March 12, 1914.

Mr. HAY. Mr. Speaker, I will state that there is a similar joint resolution which has been reported by the Committee on Military Affairs of the House.

Mr. FOSTER. Mr. Speaker, will the gentleman permit an interruption?

Mr. HAY. I will.

Mr. FOSTER. Would the gentleman mind stating to the House the necessity for this joint resolution designating this Army officer for duty in Alaska in connection with the building of the railroad?

Mr. HAY. Under the law an Army officer of any rank now below that of brigadier general can not be placed on detached service. Lieut. Mears has been on detached service as chief engineer of the Panama Railroad, and under the law, unless this resolution is passed, he can not be used for the service of taking charge of the construction of this railroad. It is very important that he shall be detailed at once if any work is to be commenced on this railroad this season.

Mr. FITZGERALD. He is in the line, is he not?

Mr. HAY. He is in the line of the Army.

Mr. FITZGERALD. The Alaska railroad bill——

Mr. HAY. The Alaska railroad bill only provides for an officer of engineers. He is not an officer of engineers.

Mr. FOSTER. Is this officer to be transferred from the work in Panama to the work in Alaska because his work has been finished in Panama?

Mr. HAY. I understand this officer is now chief engineer of the Panama Railroad.

Mr. MANN. He is superintendent, is he not?

Mr. FITZGERALD. He is superintendent.

Mr. HAY. He is to be sent at once to Alaska.

Mr. FOSTER. Is he the officer or superintendent or engineer who was in charge of rebuilding the Panama Railroad?

Mr. HAY. He is.

Mr. MANN. I think not.

Mr. FITZGERALD. Mr. Speaker, if the gentleman will permit, he was appointed superintendent of the Panama Canal Railroad.

Mr. MANN. How long since?

Mr. FITZGERALD. Some two or three years ago, I think, and had charge of the building of the relocation of the Panama line and the concrete piers at Colon; and I think it was because of his work there that he was recommended to the Secretary of the Interior by Col. Goethals.

Mr. MANN. I understood that to be the case, but I did not understand that he was superintendent.

Mr. HAY. He is to begin the survey of the railroad in Alaska.

Mr. HAMILTON of Michigan. Has the line been selected which he is to survey?

Mr. HAY. He has to go there for the purpose of locating that line.

Mr. HAMILTON of Michigan. The gentleman stated he was to survey the line. I wanted to know if a line had been determined upon preliminary to the survey.

Mr. HAY. I do not think it has.

Mr. MANN. A commission has been appointed consisting of three members, of which this gentleman is one, for the purpose of locating where the line shall be.

Mr. HAY. Where it shall be.

Mr. BARTLETT. May I ask the gentleman a question?

Mr. HAY. Certainly.

Mr. BARTLETT. Is this Army officer to be given additional compensation?

Mr. HAY. He is not.

Mr. BARTON. I understand that Lieut. Mears is superintendent of the railroad at the present time, but previous to that time that he was a Cavalry officer; and I would like the gentleman to state the reason he is considered superior to a man who had worked for seven years, as did Col. Sibert.

Mr. HAY. Col. Sibert is an officer of engineers and is employed on the construction of the Panama Canal. This officer has been in charge of the Panama Canal Railway.

Mr. BARTON. Has he done any practical engineering on the railroad work?

Mr. HAY. For the last three years.

Mr. BARTON. On the Panama Railroad?

Mr. HAY. Yes.

Mr. FITZGERALD. Col. Sibert, the gentleman should state, is known as a builder of dams. This man, Lieut. Mears, every time the Committee on Appropriations has visited the canal, has had charge of the party when they went over the relocated line of the railroad. My impression is he had charge of the building of the relocated line.

Mr. BARTON. The reason I asked the question is that I have heard criticisms along the line that he was a Cavalry officer and had had but little to do with engineering, and that Col. Sibert had devoted his life to it.

Mr. HAY. I take it that he displayed a good deal of aptitude in this work; otherwise he would not have been thought of for taking charge of the work in Alaska.

The SPEAKER. The question is on the third reading of the Senate joint resolution.

The resolution was ordered to be read a third time, was read the third time, and passed.

On motion of Mr. HAY, a motion to reconsider the vote by which the resolution was agreed to was laid on the table.

The SPEAKER. Without objection, House resolution 262, of similar tenor, will lie on the table.

There was no objection.

MESSAGE FROM THE SENATE.

A message from the Senate, by Mr. Tulley, one of its clerks, announced that the Senate had passed bills and a joint resolution of the following titles, in which the concurrence of the House of Representatives was requested:

S. 5065. An act for the relief of Mirick Burgess;

S. 4373. An act to provide for a commission to codify and suggest amendments to the general mining laws; and

S. J. Res. 145. Joint resolution authorizing the President to detail Lieut. Frederick Mears to service in connection with proposed Alaskan railroad.

S. 1703. An act for the relief of George P. Chandler;

S. 5066. An act to increase the authorization for a public building at Osage City, Kans.; and

S. 4158. An act to reduce the fire limit required by the act approved March 4, 1913, in respect to the proposed Federal building at Salisbury, Md.;

The message also announced that the Senate had passed, with amendment, bill of the following title, in which the concurrence of the House of Representatives was requested:

H. R. 13770. An act to consolidate certain forest lands in the Sierra National Forest, Cal.

FOREST LANDS IN THE SIERRA NATIONAL FOREST, CAL.

Mr. CHURCH. Mr. Speaker, I ask unanimous consent that the bill (H. R. 13770) to consolidate certain forest lands in the Sierra National Forest, Cal., be taken from the Speaker's table, and that the Senate amendment be concurred in by the House.

The SPEAKER. The gentleman from California [Mr. CHURCH] asks unanimous consent that the bill H. R. 13770 be taken from the Speaker's table and the Senate amendment be concurred in. The Clerk will report the bill.

The Clerk read the title of the bill, as follows:

An act (H. R. 13770) to consolidate certain forest lands in the Sierra National Forest, Cal.

The SPEAKER. Is there objection?

There was no objection.

The SPEAKER. The Clerk will report the Senate amendment.

The Senate amendment was read.

The SPEAKER. The question is on agreeing to the Senate amendment.

The Senate amendment was agreed to.

LEAVE OF ABSENCE.

Mr. TALCOTT of New York, by unanimous consent, was granted leave of absence for five days on account of illness in his family.

PENSIONS.

Mr. SHERWOOD. Mr. Speaker, I desire to call up House bill 16294, reported from the Committee on Invalid Pensions, granting pensions and increase of pensions to certain soldiers and sailors of the Civil War and certain widows and dependent children of soldiers and sailors of said war.

The SPEAKER. The Clerk will report it.

The Clerk read the title of the bill, as follows:

A bill (H. R. 16294) granting pensions and increase of pensions to certain soldiers and sailors of the Civil War and certain widows and dependent children of soldiers and sailors of said war.

Mr. SHERWOOD. Mr. Speaker, I ask unanimous consent that the bill may be considered in the House as in Committee of the Whole.

The SPEAKER. The gentleman from Ohio [Mr. SHERWOOD] asks unanimous consent that the bill be considered in the House as in Committee of the Whole. Is there objection?

There was no objection.

Mr. SHERWOOD. Mr. Speaker, I ask unanimous consent that the first reading of the bill be dispensed with.

The SPEAKER. The gentleman from Ohio asks unanimous consent that the first reading of the bill be dispensed with. Is there objection?

There was no objection.

Mr. MANN. You would only read the bill for amendment, anyhow, when it is considered in this way.

The SPEAKER. The Clerk will read the bill for amendment.

The bill was read.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

On motion of Mr. SHERWOOD, a motion to reconsider the vote whereby the bill was passed was laid on the table.

The foregoing bill is a substitute for the following House bills referred to the Committee on Invalid Pensions:

H. R. 946. James M. Kirk.
H. R. 1043. Hans P. Nielson.
H. R. 1161. Mary A. Brown.
H. R. 1247. John Beazan.
H. R. 1388. Charles W. Bowman.
H. R. 1393. Isaiah Roberts.
H. R. 1395. Barney Stone.
H. R. 1398. William G. Miller.
H. R. 1400. Ezekiel Probus.
H. R. 1403. Harriet B. Gros.
H. R. 1549. Sarah M. Mitchell.
H. R. 2032. Lawson Drais.
H. R. 2393. John R. Stumpf.
H. R. 2395. Samuel E. Bish.
H. R. 3147. James Crawford.
H. R. 3154. Jeremiah R. Thornton.
H. R. 3181. William H. Castleberry.
H. R. 3501. Dora Evaline Brown.
H. R. 3504. George M. Anderson.
H. R. 4366. Sarah Haught.
H. R. 4561. John Herr.
H. R. 4784. Simon E. De Wolfe.
H. R. 4824. John H. Norman.
H. R. 4945. Harvey G. Van Horn.
H. R. 5032. Julia A. L. Brown.
H. R. 5036. Augustus A. Palmer.
H. R. 5280. Catharine Kistler.
H. R. 5324. James M. Vansant.
H. R. 5342. Henry C. Yates.
H. R. 5504. Esther McKean.
H. R. 5509. Annie Green.
H. R. 5513. Andrew Polston.
H. R. 6043. Lewis Kotchin.
H. R. 6259. Flora May Baker.
H. R. 6264. David S. Downey.
H. R. 6912. David M. Murray.
H. R. 7045. Katharina Brunn.
H. R. 7246. Charles Beckmann.
H. R. 7306. Lorenzo D. Crawley.
H. R. 7368. Augusta S. Roske.
H. R. 7782. Erastus L. Gilbert.
H. R. 7989. Alfred Richards.
H. R. 8025. Rufus M. Patterson.
H. R. 8104. William T. Beckett.
H. R. 8110. Mary Dougherty.
H. R. 8137. Jane H. Johnson.
H. R. 8154. John Finch.
H. R. 8177. Virinda J. Long.
H. R. 8270. William Stevenson.
H. R. 8396. John L. Johnson.
H. R. 8440. David B. Dromgold.
H. R. 8492. America Pippin.
H. R. 8621. Richard T. Turner.
H. R. 8626. Daniel Bales.
H. R. 8792. William Jones.
H. R. 8794. William D. Henderson.
H. R. 8873. Emeline Collins.
H. R. 8944. Granville Deems.
H. R. 9082. Hugh B. Neal.
H. R. 9096. Ellie Jacobs.
H. R. 9151. Robert N. Varley.
H. R. 9172. Edgar Van Horn.
H. R. 9259. Jacob R. Deardorff.
H. R. 9337. Millie V. Bennett.
H. R. 9354. Orrel Brown.
H. R. 9381. James N. Dikeman.
H. R. 9386. Mary Duggan.
H. R. 9396. Mary A. Elson.
H. R. 9548. Mary A. Missner.
H. R. 9808. Henry B. Norton.
H. R. 9863. Lewis Minix.
H. R. 9951. Joseph Johnson.
H. R. 9955. Olive E. Crocker.
H. R. 10044. John Lacey.
H. R. 10124. James T. McCartney.
H. R. 10220. Lucy A. Smith.
H. R. 10225. Anita Stone.
H. R. 10408. Thomas F. Dotson.
H. R. 10704. Bernard Daffner.
H. R. 10707. Isaac N. Storm.
H. R. 10712. Mary E. Greiner.
H. R. 10888. Nicholas Brady.
H. R. 10892. Alice Clapper.
H. R. 10976. Susanna Reitz.
H. R. 11044. Jennie L. Tallman, now Parker.
H. R. 11116. Zelotes B. Partridge.
H. R. 11150. Francis S. Altman.
H. R. 11164. David Tanyer.
H. R. 11186. George T. Kennamer.
H. R. 11259. Joseph S. Wiley.
H. R. 11368. Mary A. June.
H. R. 11369. Lyman Rutherford.
H. R. 11372. Michael Sheehy.
H. R. 11428. Mary J. Neary.
H. R. 11447. David Bowen.
H. R. 11471. Nabbie E. Ward.
H. R. 11489. James Hildrith.
H. R. 11549. John C. Denbo.
H. R. 11630. Michael H. W. Jameson.
H. R. 11668. William McCracken.
H. R. 11773. John N. Gill.
H. R. 11788. James T. McIntosh.
H. R. 11851. Martin Van Hughes.
H. R. 11946. Cyrus T. Bowman.
H. R. 11960. Annie M. Maratta.
H. R. 12021. Mary A. Bishop.
H. R. 12040. James T. Lott.
H. R. 12264. Rufus Martin.
H. R. 12268. John Murphy.
H. R. 12317. James K. Butler.
H. R. 12347. Alson W. Whipple.
H. R. 12524. Mary H. Ford.
H. R. 12689. Lovina M. Moore.
H. R. 12706. Allen Farley.
H. R. 12709. Ichabod S. Prosser.
H. R. 12733. Gilman D. Willey.
H. R. 12858. Thomas J. Clack.
H. R. 12908. John G. Purington.
H. R. 12977. James E. Smith.
H. R. 13018. George A. Orebaugh.
H. R. 13049. Edwin S. Palmer.
H. R. 13054. William G. Reppy.
H. R. 13073. Henry Tomer.
H. R. 13204. Cephas S. Stover.
H. R. 13214. Albert H. Shears.
H. R. 13242. James A. Hillhouse.
H. R. 13246. Thomas Nixon.
H. R. 13264. John Breeding.
H. R. 13290. Lewis C. Lawrence.
H. R. 13291. Louis Champagne, alias Louis Champion.
H. R. 13341. Marion N. Purdy.
H. R. 13998. Wilhelmina Wilser.
H. R. 13428. Caroline Junker.
H. R. 13469. Matthew S. Kinskern.
H. R. 13515. Suard D. Oskins.
H. R. 13516. Richard Riggs.
H. R. 13527. Similde E. Forbes.
H. R. 13564. John M. Tyree.
H. R. 13567. John P. Tomlinson.
H. R. 13568. Henry Mooneyham.
H. R. 13582. Tillie Bucklin.
H. R. 13588. Samuel W. Roney.
H. R. 13597. John K. Caldwell.
H. R. 13625. Martha Ayres.
H. R. 13647. Jereasy E. Odell.
H. R. 13657. Jeremiah M. McPherson.
H. R. 13691. Alwilda Wheeler.
H. R. 13750. George W. Oakley.
H. R. 13753. William Marshall.
H. R. 13823. Eva G. King.
H. R. 13839. John Winemiller.
H. R. 13887. Peter B. Daughters.
H. R. 13895. George W. Brown.
H. R. 13909. James Rauhn (insane); Helen Rauhn, guardian.
H. R. 13917. Alfred T. Wilson.
H. R. 13935. Joanna Elder.
H. R. 13959. Julius Kramer, alias Joseph Miller.
H. R. 13987. Simon Schweigert.
H. R. 14028. Amandes Ruth.
H. R. 14032. William Varian.
H. R. 14059. Ellie A. Hill.
H. R. 14060. Arminta Shinn.
H. R. 14074. William H. Williams.
H. R. 14087. Mollie Thomason.
H. R. 14108. John A. Hall.
H. R. 14122. Levi S. Tanquary.
H. R. 14127. Lydia E. Davis.
H. R. 14132. Oliver C. Howard.
H. R. 14137. James Roberts.
H. R. 14138. Cathrine E. Valentine.
H. R. 14147. Sarah E. Irwin.
H. R. 14160. Malinda Logsdon.
H. R. 14203. Augusta H. Wilson.
H. R. 14215. Carrie M. Peters.
H. R. 14218. Alexander Elcock.
H. R. 14245. Peter W. Frederick.
H. R. 14280. William A. Boyle.
H. R. 14281. Owen R. Everhart.
H. R. 14297. Agnes Mann and Mary Mann.
H. R. 14315. William H. Young.
H. R. 14343. Isaiah Albert.
H. R. 14355. Frank S. Cashion.
H. R. 14403. Regina Arentsen.
H. R. 14418. Hannah Phillips.
H. R. 14429. Darius Spitler (insane).
H. R. 14508. Sarah A. Slatten.
H. R. 14526. Ann Buchanan.
H. R. 14560. Henry C. Wolfe.
H. R. 14574. Jacob Witmer.
H. R. 14587. James K. Barkalow.
H. R. 14590. Frederick M. Halbritter.
H. R. 14593. Warren L. Lovell.
H. R. 14597. Benjamin S. Lunt.
H. R. 14602. William H. Phelps.
H. R. 14606. Etta F. Pickens.
H. R. 14634. Frances M. Dumenil.
H. R. 14636. Eli Mundorf.
H. R. 14637. Arthur Watson.
H. R. 14638. William H. Wilson.
H. R. 14648. Mary Jane Kinsey.
H. R. 14654. Jay Smith.
H. R. 14754. Jacob Miller.
H. R. 14773. Samuel Stalter.
H. R. 14781. James P. Walters.
H. R. 14782. Morton B. Fitts.

H. R. 14813. Phebe Ann Walls, now Pruitt.
H. R. 14851. Mary A. Robinson.
H. R. 14855. Daniel Miller.
H. R. 14873. Caroline Blom.
H. R. 14886. Roxiana Wells.
H. R. 14900. Eva Lochner.
H. R. 14914. James C. Wiedeman.
H. R. 15001. Henry C. Palmer.
H. R. 15029. James H. Tyree.
H. R. 15031. James Ferguson.
H. R. 15040. Clara Jane Priest.
H. R. 15066. Edward Welling.
H. R. 15084. Robert R. Moore.
H. R. 15085. Joseph M. Bratton.
H. R. 15094. Rebecca H. French.
H. R. 15099. John Fisher.
H. R. 15136. George Ellars.
H. R. 15138. Phineas L. Packard.
H. R. 15170. Mancil V. Root.
H. R. 15178. Fannie M. O'Linn.
H. R. 15189. John McDonough.
H. R. 15212. Edward T. Curtis.
H. R. 15228. Russell Davis.
H. R. 15272. William D. Moores.
H. R. 15294. Francis Gaines.
H. R. 15302. William A. Akins.
H. R. 15314. Sarah H. Dean.
H. R. 15328. Charles Foist.
H. R. 15338. Isaiah Upson.
H. R. 15340. Delia Keenan.
H. R. 15345. Hermanis L. Holmes.
H. R. 15371. Albert G. Daugherty.
H. R. 15372. Hosea G. Messersmith.
H. R. 15408. Sarah E. Vaughn.
H. R. 15421. Joshua Foulk.
H. R. 15423. Charles T. Owens.
H. R. 15424. Thomas M. Barton.
H. R. 15425. Mary A. Gorman.
H. R. 15427. James Quigley.
H. R. 15429. Joseph D. Heston.
H. R. 15445. Jerome Stoll.
H. R. 15448. Paphiras B. Keys.
H. R. 15492. Augustus P. Hallenbac
H. R. 15518. Ann Eliza Partch.
H. R. 15521. George W. Carr.
H. R. 15531. Daniel L. Ordway.
H. R. 15559. Lorenzo English.
H. R. 15560. Martina Neuhaus.
H. R. 15570. Harriet E. Hall.
H. R. 15583. Martha E. Stone.
H. R. 15591. Henry Brandenburgh.
H. R. 15595. James W. Jamison.
H. R. 15617. Clarinda Shipton.
H. R. 15619. Emma Gilbert.
H. R. 15620. Charlotte Mahaney.
H. R. 15621. Orange S. Church.
H. R. 15640. Nancy E. Rowland.
H. R. 15641. Marcus L. Farlow.
H. R. 15643. John Lesley.
H. R. 15664. Michael Fierstine.
H. R. 15674. Frank Bitney.
H. R. 15717. William Hodgkiss.
H. R. 15724. Andrew J. Jenney.
H. R. 15738. Benjamin F. Monticue.
H. R. 15774. Catherine A. Wood.
H. R. 15775. Henry Bowman.
H. R. 15776. Lucien Harbaugh.
H. R. 15785. Barnett T. Dillahay.
H. R. 15794. Samuel Wesley.
H. R. 15796. Rhoda O. Raynor.
H. R. 15820. James H. Mason.
H. R. 15821. George T. Murray.
H. R. 15832. George W. Roush.
H. R. 15844. William Otha White.
H. R. 15848. Peter Schnellbacker.
H. R. 15865. William J. Denney.
H. R. 15880. William Lloyd.
H. R. 15881. John E. Oyler.
H. R. 15898. Alletha Stewart.
H. R. 15901. Sylvanis Davis.
H. R. 15915. Horatio P. Smith.
H. R. 15935. Charlott E. Coplan.
H. R. 15941. Carrie Record.
H. R. 15947. William H. McCune.
H. R. 15952. William P. Wilson.
H. R. 15972. Elizabeth Aschermann.
H. R. 16104. Christina Demerath.
H. R. 16063. Anna C. Moore.
H. R. 16076. John Newhouse.
H. R. 16085. George Thomas.
H. R. 6670. Sarah J. Watson.
H. R. 9233. Benjamin H. Gilbert.
H. R. 10495. John L. Taylor.
H. R. 13344. Joseph G. McNutt.
H. R. 13835. William H. Hastings.
H. R. 13960. Joseph N. Weaver.
H. R. 15808. Charles Harris.

Mr. SHERWOOD. Mr. Speaker, I desire to call up Senate bill 4168.

The SPEAKER. The Clerk will report it.

The Clerk read the title of the bill, as follows:

S. 4168. An act granting pensions and increase of pensions to certain soldiers and sailors of the Civil War and certain widows and dependent relatives of such soldiers and sailors.

Mr. SHERWOOD. Mr. Speaker, I ask unanimous consent that the bill be considered in the House as in Committee of the Whole.

The SPEAKER. The gentleman from Ohio asks unanimous consent that the bill be considered in the House as in Committee of the Whole. Is there objection?

There was no objection.

The SPEAKER. The Clerk will read the bill for amendment.

The Clerk read as follows:

The name of Mary Hammack, widow of Andrew J. Hammack, late of Company H, Seventh Regiment Kentucky Volunteer Cavalry, and pay her a pension at the rate of $20 per month in lieu of that she is now receiving.

With a committee amendment, as follows:

On page 2 strike out lines 1 to 4, inclusive.

The SPEAKER. The question is on agreeing to the amendment.

The amendment was agreed to.

The Clerk read as follows:

The name of Norman P. Wood, late of Company D, Forty-ninth Regiment Wisconsin Volunteer Infantry, and pay him a pension at the rate of $30 per month in lieu of that he is now receiving.

With a committee amendment, as follows:

On page 7, line 1, strike out "$30" and insert in lieu thereof "$24."

The SPEAKER. The question is on agreeing to the amendment.

The amendment was agreed to.

The Clerk read as follows:

The name of Mahala E. Warmoth, widow of George M. Warmoth, late assistant surgeon Forty-first Regiment, and surgeon Fifty-third Regiment, Illinois Volunteer Infantry, and pay her a pension at the rate of $25 per month in lieu of that she is now receiving.

With a committee amendment, as follows:

On page 7, line 20, strike out "$25" and insert in lieu thereof "$20."

The SPEAKER. The question is on agreeing to the amendment.

The amendment was agreed to.

The Clerk read as follows:

The name of Mary A. V. Sanger, widow of Austin T. Sanger, late of Company B, Second Regiment New Hampshire Volunteer Infantry, and pay her a pension at the rate of $30 per month in lieu of that she is now receiving.

With a committee amendment, as follows:

On page 16 strike out lines 12 to 15, inclusive.

The SPEAKER. The question is on agreeing to the amendment.

The amendment was agreed to.

The Clerk concluded the reading of the bill.

The SPEAKER. The question is on the third reading of the Senate bill as amended.

The Senate bill as amended was ordered to be read a third time, was read the third time, and passed.

On motion of Mr. SHERWOOD, a motion to reconsider the vote whereby the bill was passed was laid on the table.

Mr. SHERWOOD. Mr. Speaker, I desire to call up Senate bill 4352.

The SPEAKER. The Clerk will report it.

The Clerk read the title of the bill, as follows:

S. 4352. An act granting pensions and increase of pensions to certain soldiers and sailors of the Civil War and certain widows and dependent relatives of such soldiers and sailors.

Mr. SHERWOOD. I ask unanimous consent, Mr. Speaker, that the bill be considered in the House as in Committee of the Whole.

The SPEAKER. Is there objection to the consideration of this bill in the House as in Committee of the Whole?

There was no objection.

The SPEAKER. The Clerk will read the bill for amendment.

The Clerk read as follows:

The name of Jacob A. Shrode, late of Company A, One hundred and forty-third Regiment Indiana Volunteer Infantry, and pay him a pension at the rate of $30 per month in lieu of that he is now receiving.

With a committee amendment, as follows:

On page 5, line 17, strike out "$30" and insert in lieu thereof "$24."

The SPEAKER. The question is on agreeing to the amendment.

The amendment was agreed to.

The Clerk read as follows:

The name of Julia A. Bachus, widow of Lucius A. Bachus, late second lieutenant Company C, Twentieth Regiment Kentucky Volunteer Infantry, and pay her a pension at the rate of $20 per month in lieu of that she is now receiving.

With a committee amendment, as follows:

On page 9 strike out lines 11 to 15, inclusive.

The SPEAKER. The question is on agreeing to the amendment.

The amendment was agreed to.

The Clerk read as follows:

The name of William G. Brown, late of Company G, One hundred and eighteenth Regiment Illinois Volunteer Infantry, and pay him a pension at the rate of $30 per month in lieu of that he is now receiving.

With a committee amendment, as follows:

On page 16, line 1, strike out "$30" and insert in lieu thereof "$24."

The SPEAKER. The question is on agreeing to the amendment.

The amendment was agreed to.

The Clerk concluded the reading of the bill.

The SPEAKER. The question is on the third reading of the Senate bill as amended.

The Senate bill was ordered to be read a third time, was read the third time, and passed.

On motion of Mr. SHERWOOD, a motion to reconsider the vote whereby the bill was passed was laid on the table.

Mr. SHERWOOD. Mr. Speaker, I call up Senate bill 4552.

The SPEAKER. The Clerk will report it by title.

The Clerk read the title of the bill, as follows:

S. 4552. An act granting pensions and increase of pensions to certain soldiers and sailors of the Civil War and certain widows and dependent relatives of such soldiers and sailors.

Mr. SHERWOOD. Mr. Speaker, I ask unanimous consent to consider the bill in the House as in Committee of the Whole.

The SPEAKER. The gentleman from Ohio asks unanimous consent that the bill be considered in the House as in Committee of the Whole. Is there objection?

There was no objection.

The SPEAKER. The Clerk will report the bill for amendment.

The Clerk read as follows:

The name of Abbie A. Upson, widow of Henry Upson, late chaplain, Thirteenth Regiment Connecticut Volunteer Infantry, and pay her a pension at the rate of $20 per month in lieu of that she is now receiving.

With a committee amendment, as follows:

On page 2, strike out lines 13 to 16, inclusive.

The SPEAKER. The question is on agreeing to the amendment.

The amendment was agreed to.

The Clerk read as follows:

The name of William Redding, late of U. S. S. *Great Western* and *Collier*, United States Navy, and pay him a pension at the rate of $30 per month in lieu of that he is now receiving.

With a committee amendment, as follows:

On page 3, line 19, strike out "$30" and insert in lieu thereof "$24."

The SPEAKER. The question is on agreeing to the amendment.

The amendment was agreed to.

The Clerk read as follows:

The name of John Marsh, late of Company B, Ninth Indiana Legion, and pay him a pension at the rate of $30 per month in lieu of that he is now receiving.

With a committee amendment, as follows:

On page 6, strike out lines 7 to 9, inclusive.

The SPEAKER. The question is on agreeing to the amendment.

The amendment was agreed to.

The Clerk read as follows:

The name of Daniel Sullivan, late of Company K, One hundred and fifty-second Regiment Indiana Volunteer Infantry, and pay him a pension at the rate of $30 per month in lieu of that he is now receiving.

With a committee amendment, as follows:

On page 8, strike out lines 13 to 16, inclusive.

The SPEAKER. The question is on agreeing to the amendment.

The amendment was agreed to.

The Clerk read as follows:

The name of Peter Prock, late of Company B, First Battalion Maine Volunteer Sharpshooters, and pay him a pension at the rate of $36 per month in lieu of that he is now receiving.

With a committee amendment, as follows:

On page 10, strike out lines 17 to 18, inclusive.

The SPEAKER. The question is on agreeing to the amendment.

The amendment was agreed to.

The Clerk read as follows:

The name of Austin Groninger, late of Company H, One hundred and fiftieth Regiment Indiana Volunteer Infantry, and pay him a pension at the rate of $30 per month in lieu of that he is now receiving.

With a committee amendment, as follows:

On page 14, strike out lines 19 to 22, inclusive.

The SPEAKER. The question is on agreeing to the amendment.

The amendment was agreed to.

The Clerk read as follows:

The name of John Johnson, No. 2, late of the U. S. S. *Saranac*, United States Navy, and pay him a pension at the rate of $12 per month.

With a committee amendment, as follows:

On page 17, strike out lines 23 to 25, inclusive.

The SPEAKER. The question is on agreeing to the amendment.

The amendment was agreed to.

The Clerk read as follows:

The name of George W. Berry, late of Company H, One hundred and sixtieth Regiment Ohio Volunteer Infantry, and pay him a pension at the rate of $30 per month in lieu of that he is now receiving.

With a committee amendment, as follows:

On page 19, line 11, strike out "$30" and insert in lieu thereof "$24."

The Clerk concluded the reading of the bill.

The SPEAKER. The question is on the third reading of the Senate bill as amended.

The Senate bill, as amended, was ordered to be read a third time, was read the third time, and passed.

On motion of Mr. SHERWOOD, a motion to reconsider the vote whereby the bill was passed was laid on the table.

Mr. KEY of Ohio. Mr. Speaker, I desire to call up the bill (H. R. 16345) granting pensions and increase of pensions to certain soldiers and sailors of the Regular Army and Navy, and certain soldiers and sailors of wars other than the Civil War, and to widows of such soldiers and sailors.

The Clerk read the title of the bill.

Mr. KEY of Ohio. Mr. Speaker, I ask unanimous consent that this bill be considered in the House as in Committee of the Whole.

The SPEAKER. The gentleman from Ohio asks unanimous consent to consider this bill in the House as in Committee of the Whole. Is there objection?

There was no objection.

The SPEAKER. The Clerk will read the bill for amendment.

The Clerk read as follows:

The name of Mrs. Joseph B. Milbee, widow of Joseph B. Milbee, late of Company A, Second Regiment, West Virginia Volunteer Infantry, War with Spain, and pay her a pension at the rate of $12 per month and $2 additional for each of the five minor children of the said Joseph B. Milbee until they reach the age of 16 years.

Mr. KEY of Ohio. Mr. Speaker, I offer a committee amendment.

The SPEAKER. The Clerk will report the amendment.

The Clerk read as follows:

Page 5, line 1, strike out the words "Mrs. Joseph B." and insert in lieu thereof the words "Esther A."

The amendment was agreed to.

The Clerk resumed and completed the reading of the bill.

The foregoing bill is a substitute for the following House bills referred to the Committee on Pensions:

H. R. 823. Camilla Chambers.
H. R. 921. Albert C. Pringnitz.
H. R. 984. Johanna F. Weand.
H. R. 2372. Albert G. Jenkins.
H. R. 2730. Emil G. Herman.
H. R. 2843. Archie E. Booth.
H. R. 4347. Curtin Kresge.
H. R. 4574. Linda S. Anderson.
H. R. 5516. James P. Johnson.
H. R. 6001. Margaret Duggan.
H. R. 6476. William S. Kemp.
H. R. 6875. Daniel B. W. Stocking.
H. R. 6946. Thomas Miller.
H. R. 6949. James M. Ballard.
H. R. 6977. Lawrence Dempsey.
H. R. 8040. William C. Roderick.
H. R. 8136. Carrie Crane.
H. R. 8220. David T. Kirby.
H. R. 8263. William C. Hathaway.
H. R. 9066. Noel M. Pursley.
H. R. 9128. Hester A. Milbee.
H. R. 10195. Francis M. Cooper.
H. R. 10561. James A. Stephen.
H. R. 10962. William Adamson.
H. R. 11436. Katherine Hempen.
H. R. 11964. James J. Boyd.
H. R. 12233. Emma J. Schneider.
H. R. 12607. Jules Toffler.
H. R. 12612. Benjamin L. Tubman.
H. R. 12647. Emily Smith.
H. R. 13366. Frank B. Gorman.
H. R. 13751. Samuel T. Grindell.
H. R. 13760. Charles H. Raymond.
H. R. 13778. Gustave W. Koschel.
H. R. 14019. William H. Shipman.
H. R. 14088. Eliza F. Greenwood.
H. R. 14265. George H. Duffany.
H. R. 14269. Hulda E. Bickham.
H. R. 14270. Mary Ann Foil.
H. R. 14718. Mary Fowler.
H. R. 14850. Edward East.
H. R. 15096. Rudolph B. Scheitlin.
H. R. 15642. Young W. Cordell.
H. R. 15720. Eliza Leedy.
H. R. 15862. Pharaoh A. Cobb.
H. R. 16030. Julia A. Robinson.
H. R. 16083. Mollie A. Crosswhite.
H. R. 16117. Sophie M. Walker.
H. R. 16245. Eliza Helton.
H. R. 16250. Anthony R. Small.

The bill was ordered to be engrossed and read a third time, and was accordingly read the third time and passed.

On motion of Mr. KEY of Ohio, a motion to reconsider the last vote was laid on the table.

Mr. KEY of Ohio. Mr. Speaker, I call up the bill (S. 4657) granting pensions and increase of pensions to certain soldiers and sailors of the Regular Army and Navy and of wars other than the Civil War, and to certain widows and dependent relatives of such soldiers and sailors.

The Clerk read the title of the bill.

The SPEAKER. This bill is on the Private Calendar.

Mr. KEY of Ohio. Mr. Speaker, I ask unanimous consent that the bill be considered in the House as in Committee of the Whole.

The SPEAKER. The gentleman asks unanimous consent to consider the bill in the House as in Committee of the Whole. Is there objection?

There was no objection.

The Clerk read as follows:

The name of Carrie H. Travis, widow of Pierce M. B. Travis, late major, Eleventh Regiment United States Infantry, and pay her a pension at the rate of $35 per month in lieu of that she is now receiving.

The following committee amendment was read, considered, and agreed to:

Page 1, strike out lines 6 to 9, inclusive.

The Clerk read as follows:

The name of Katherine D. Augur, widow of Jacob A. Augur, late colonel Tenth Regiment United States Cavalry, and pay her a pension at the rate of $40 per month in lieu of that she is now receiving.

The following committee amendment was read, considered, and agreed to:

Page 2, strike out lines 1 to 4, inclusive.

The Clerk read as follows:

The name of Sarah J. Burke, widow of Daniel W. Burke, late major, Twenty-third Regiment United States Infantry, and brigadier general, United States Army, and pay her a pension at the rate of $40 per month in lieu of that she is now receiving.

The following committee amendment was read, considered, and agreed to:

Page 2, strike out lines 9 to 13, inclusive.

The Clerk read as follows:

The name of Edward M. Stevens, late of Company E, Tenth Regiment Pennsylvania Volunteer Infantry, War with Spain, and pay him a pension at the rate of $12 per month.

The following committee amendment was read, considered, and agreed to:

Page 2, strike out lines 20 to 22, inclusive.

The Clerk read as follows:

The name of John Cooper, late of Company C, One hundred and sixty-first Regiment Indiana Volunteer Infantry, War with Spain, and pay him a pension at the rate of $16 per month.

The following committee amendment was read, considered, and agreed to:

Page 3, strike out lines 10 to 13, inclusive.

The Clerk read as follows:

The name of Zera F. Etheridge, late hospital apprentice, first class, United States Navy, and pay him a pension at the rate of $30 per month in lieu of that he is now receiving.

The following committee amendment was read, considered, and agreed to:

Page 3, line 20, strike out "$30" and insert "$12."

The Clerk read as follows:

The name of Annie La T. Romeyn, widow of Henry Romeyn, late captain, Fifth Regiment United States Infantry, and major, United States Army, retired, and pay her a pension at the rate of $40 per month in lieu of that she is now receiving.

The following committee amendment was read, considered, and agreed to:

Page 4, line 6, strike out "$40" and insert "$30."

The Clerk read as follows:

The name of Robert B. Courts, late of Company D, First Regiment North Carolina Volunteer Infantry, War with Spain, and pay him a pension at the rate of $12 per month.

The following committee amendment was read, considered, and agreed to:

Page 4, strike out lines 22 to 25, inclusive.

The foregoing bill is a substitute for the following Senate bills referred to the Committee on Pensions:

S. 79. Carrie H. Travis.
S. 83. Katherine D. Augur.
S. 386. Elizabeth K. Norton.
S. 534. Sarah J. Burke.
S. 743. Alfred Zemp.
S. 1007. Charles M. Baughman.
S. 1107. Edward M. Stevens.
S. 1382. Lulu E. Springer.
S. 2460. Barbara Henderson.
S. 2491. John Cooper.
S. 2502. James Henry Martineau.
S. 2519. Zera F. Etheridge.
S. 3138. Harry Wills.
S. 3407. Dallas Thurman.
S. 3859. Annie La T. Romeyn.
S. 3908. William H. Van Name.
S. 4029. Teresa Mindermann.
S. 4035. Kate W. Foster.
S. 4157. Robert B. Courts.
S. 4171. John C. January.
S. 4179. Eddy J. Workman.
S. 4194. William D. Jones.
S. 4223. Margaret R. Flynn.
S. 4299. Robert H. Cowan.
S. 4301. Henry C. Miller.
S. 4313. Fred Mayo.
S. 4355. Minnie C. Fealy.
S. 4356. James McMahon.
S. 4379. Charlotte Perry.

The bill as amended was ordered to a third reading, and was accordingly read the third time and passed.

On motion of Mr. KEY of Ohio, a motion to reconsider the last vote was laid on the table.

Mr. KEY of Ohio. Mr. Speaker, I desire to call up the bill (S. 4200) granting pensions and increase of pensions to certain soldiers and sailors of the Regular Army and Navy, and of wars other than the Civil War, and to certain widows and dependent relatives of such soldiers and sailors.

The Clerk read the title of the bill.

The SPEAKER. This bill is on the Private Calendar.

Mr. KEY of Ohio. I ask unanimous consent to consider this bill in the House as in Committee of the Whole.

The SPEAKER. The gentleman from Ohio asks unanimous consent to consider the bill in the House as in Committee of the Whole. Is there objection?

There was no objection.

The SPEAKER. The Clerk will read the bill for amendment.

The Clerk read as follows:

The name of Augustus R. Dixon, late of Company C, First Battalion, Twelfth Regiment United States Infantry, and pay him a pension at the rate of $12 per month.

The following committee amendment was read, considered, and agreed to:

Page 3, strike out lines 4 to 6, inclusive.

The Clerk read as follows:

The name of Henry F. Baldwin, late first lieutenant Company A, First Regiment Wisconsin Volunteer Infantry, War with Spain, and pay him a pension at the rate of $12 per month.

The following committee amendment was read, considered, and agreed to:

Page 4, strike out lines 3 to 6, inclusive.

The foregoing bill is a substitute for the following Senate bills referred to the Committee on Pensions:

S. 238. William Guhl.
S. 589. Mary E. Macklin.
S. 1083. William Llewellyn.
S. 1211. Buford E. De Vall.
S. 1312. Gilbert Barnett, jr.
S. 1566. Charles E. Stanley.
S. 1586. Arthur G. Bosson.
S. 2305. Henry Koehler.
S. 2432. Augustus R. Dixon.
S. 2537. William N. Russell.
S. 2566. Mary E. McAuley.
S. 2827. Sarah Ann Jones.
S. 3480. Elizabeth A. Tice.
S. 3481. Henry F. Baldwin.
S. 3670. Gertrude M. Phares.
S. 3857. Michael Reynolds.
S. 3896. Mary E. High.
S. 4010. George W. Goodman.

The bill as amended was ordered to a third reading, and was accordingly read the third time and passed.

On motion of Mr. KEY of Ohio, a motion to reconsider the last vote was laid on the table.

PRINTING AND BINDING FOR COMMITTEE ON ELECTION OF PRESIDENT, VICE PRESIDENT, ETC.

Mr. RUCKER. Mr. Speaker, I ask unanimous consent for the present consideration of a resolution which I send to the Clerk's desk, which relates to printing for the Committee on Election of President, Vice President, and Representatives in Congress.

The SPEAKER. The gentleman from Missouri asks unanimous consent for the present consideration of a resolution which will be reported by the Clerk.

The Clerk read as follows:

House resolution 509.

Resolved, That the Committee on the Election of President, Vice President, and Representatives in Congress be authorized to have such printing and binding done as may be necessary for the use of said committee during the Sixty-third Congress.

The SPEAKER. Is there objection to the present consideration of the resolution?

Mr. MURDOCK. Mr. Speaker, will the gentleman yield?

Mr. RUCKER. Yes.

Mr. MURDOCK. Has not this authorization been granted before?

Mr. RUCKER. No, sir. If it had been I would not ask for it now. I had overlooked it.

Mr. MURDOCK. What printing and binding do you want done?

Mr. RUCKER. I do not know that we want any binding done; but we have had some hearings, and the committee have ordered the hearings printed. They can not have them printed without the passage of a resolution authorizing it.

The SPEAKER. Is there objection to the present consideration of the resolution?

There was no objection.

The resolution was agreed to.

PENSION APPROPRIATIONS.

Mr. BARTLETT. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 15280) making appropriations for the payment of invalid and other pensions of the United States for the fiscal year ending June 30, 1915, and for other purposes; and pending that motion I wish to see if we can agree on some time for general debate. I would inquire of the gentleman from Minnesota [Mr. DAVIS] if he has any suggestions to make as to the time he will need on that side of the House for general debate, to see if we can agree before we go into Committee of the Whole.

Mr. DAVIS. Mr. Speaker, at the present time I have the small amount of seven hours and a half requested on this side, including one hour for the gentleman from Illinois [Mr. HINEBAUGH], who is a member of the subcommittee.

Mr. BARTLETT. I recognize the propriety of giving the gentleman an hour.

Mr. DAVIS. Aside from that hour, six hours and a half are apparently the least we can do with.

Mr. BARTLETT. Mr. Speaker, I will say to the gentleman that I have application on this side for about 2 hours and 40 minutes, not including any time for myself. I should say we wanted two hours and a half on this side. Can the gentleman get along with three hours on that side and give the gentleman from Illinois [Mr. HINEBAUGH] one hour; that is, say, three hours for your side, three hours for this side, and an hour for the gentleman from Illinois [Mr. HINEBAUGH]?

Mr. DAVIS. Mr. Speaker, this is a very important matter, a bill involving an appropriation of $169,000,000 and the final passage of the bill will not take very long. It would seem as if the gentleman ought to consent to a liberal time for general debate.

Mr. BARTLETT. The gentleman from Minnesota understands that, as far as I am concerned, I try to be liberal in dealing with Members of the House. I do not desire to be at all illiberal.

Mr. MANN. Let me make this suggestion. I think we ought to pass this bill before we adjourn to-morrow. I doubt if we would do anything else if we passed it early in the afternoon, for to-morrow is Saturday. Why not let general debate run without limit to-day and then agree to-morrow to close debate in time to pass the bill? There are a number of gentlemen who desire to speak, and it is undoubtedly true that you could not bring up anything new with satisfaction to-morrow afternoon.

Mr. BARTLETT. I realize that what the gentleman from Illinois says is true, and I also realize that Members ought to be permitted to have some leisure on Saturday afternoon. The gentleman's suggestion is that we do not limit debate to-day, but agree to limit it to-morrow?

Mr. MANN. Not to limit it now, but do it to-morrow.

Mr. BARTLETT. Can we agree as to the control of the time?

Mr. MANN. I think so. I think the gentleman from Georgia ought to control the time on that side.

Mr. BARTLETT. Can we agree that general debate shall close to-morrow afternoon at 3 o'clock?

Mr. DAVIS. It will not take over half an hour to pass the bill.

Mr. MANN. I think to-morrow you can fix the time for closing debate without any trouble.

Mr. RUCKER. Mr. Speaker, will the gentleman yield?

Mr. BARTLETT. Yes.

Mr. RUCKER. I do not want to make a useless objection, but I want to appeal to the good judgment of gentlemen here. Ten or fifteen hours' debate does not mean one hour of debate on the pension bill.

Mr. DAVIS. A part of it on our side will be on the bill.

Mr. RUCKER. I want to suggest, Mr. Speaker, that there are other matters of great national importance pressing for consideration in this House. It does seem strange that we must sit here hour after hour, day after day, listening to political debate at the sacrifice of public business.

Mr. MANN. I think that is hardly a fair statement.

Mr. RUCKER. Well, I mean to be fair; I do not mean to be unfair.

Mr. MANN. There are many Members of the House who have the right to be heard in debate in the House who do not interfere very much in the five-minute debate, and they ought to have an opportunity at some time to be heard on the many questions of public interest.

Mr. RUCKER. I heartily concur in that.

Mr. MANN. They ought to have an opportunity to be heard on personal, political, and other matters of public interest. The gentleman has a bill that I am as anxious should pass as he is, but I do not think it would pass to-morrow afternoon.

Mr. RUCKER. If the gentleman has the same apprehension I have, he must at least fear we will not get it passed at this session at all.

Mr. MANN. Oh, I do not think so.

Mr. RUCKER. We must pass it in time to get it to the Senate and give the Senate an opportunity to consider and pass it.

Mr. MURDOCK. If the gentleman will pardon me, the gentleman from Missouri may not have been present and heard the Speaker say yesterday that after the disposition of this pension appropriation bill the gentleman from Missouri was to have recognition.

Mr. MANN. Recognition of the chairman of the Committee on Rules.

Mr. RUCKER. He said he would recognize the chairman of the Committee on Rules.

Mr. MANN. To report a rule for the consideration of the gentleman's bill.

Mr. RUCKER. Unquestionably; but as far as that bill is concerned, the gentleman from Missouri will not consume more than 15 minutes. If time is consumed, it will be by others.

Mr. MANN. The gentleman might. We can not always tell.

Mr. RUCKER. If you will let the gentleman from Missouri have his way, he will not.

Mr. MANN. Mr. Speaker, I ask unanimous consent that time for general debate be equally divided between the gentleman from Georgia [Mr. BARTLETT] and the gentleman from Minnesota [Mr. DAVIS], with the understanding that the gentleman from Illinois [Mr. HINEBAUGH] gets at least one hour.

Mr. RUCKER. Mr. Speaker, I am going to do that which I never did before in my life and which I am ashamed to do.

Mr. MANN. Then do not do it.

Mr. RUCKER. I will do it. If the time of the House is to be wasted for the purpose, possibly, of defeating other legislation, I am going to have a quorum here to transact business.

Mr. MURDOCK. And hold it here all through general debate?

Mr. RUCKER. Yes.

Mr. MURDOCK. That is quite a job.

Mr. MANN. I hope the gentleman will not do that.

Mr. RUCKER. I want to say that I do not always answer the gentleman from Kansas seriously.

Mr. BRYAN. Mr. Speaker, will the gentleman yield? I want in a way to support the gentleman from Missouri as to important business pressing for consideration by reading a telegram from the governor of Washington to myself. It is as follows:

OLYMPIA, WASH., *April 30, 1914.*

Hon. J. W. BRYAN, M. C.,
House Office Building, Washington, D. C.:

Unless bill providing method for direct election of United States Senators is passed by Congress within a short time our State will be under necessity of calling special session of legislature to make proper provision. Will it be possible to get early action?

ERNEST LISTER, *Governor.*

Now, that is the situation. A number of States will have to call a special session of the legislature unless this measure of the gentleman from Missouri is passed.

The SPEAKER. The Chair has stated three different times that as soon as we get through with the pension appropriation bill he will recognize the chairman of the Committee on Rules to call up this bill, or bring in a rule providing for it, and after that is finished he will recognize the chairman of the Committee on Foreign Relations to call up the diplomatic and consular bill.

Mr. RUCKER. Mr. Speaker, I want to make this suggestion to the gentleman from Georgia and other gentlemen interested: The rule which the Committee on Rules will offer will provide for one hour's general debate. I do not believe anybody will want to extend that time. Would not the gentleman consent, under the circumstances, involving the interests of so many States, to dispose now of the Senate bill providing temporarily for the election of Senators? If that is done, I will not object to 20 hours' general debate.

Mr. MANN. The gentleman is not reasonable, and I know he does not want to be unreasonable.

Mr. RUCKER. I am glad the gentleman adds the latter part of his statement.

Mr. MANN. I did not think it was necessary.

Mr. BARTLETT. Mr. Speaker, I do not desire at the present time to say anything with respect to the bill referred to by the gentleman from Missouri [Mr. RUCKER].

Mr. RUCKER. Mr. Speaker, will the gentleman consent to the suggestion which I make?

Mr. BARTLETT. No; I will not consent. This bill has been on the calendar for a month, and it is an important appropriation bill and ought to be passed.

Mr. RUCKER. Mr. Speaker, will the gentleman yield?

Mr. BARTLETT. Yes.

Mr. RUCKER. Mr. Speaker, the bill which I have reference to has been on the calendar for more than a month, is a very important bill, and ought to be passed, and if it had not been for the exercise of the inalienable rights of certain gentlemen by virtue of which time has been absolutely wasted, it would have been a law to-day.

Mr. BARTLETT. Mr. Speaker, I do not consider that I have wasted any time.

Mr. RUCKER. Oh, I did not mention the gentleman. I am surprised that the gentleman thought I had reference to him.

The SPEAKER. Has the gentleman from Georgia any request to make?

Mr. BARTLETT. Mr. Speaker, I request that the time for general debate be divided equally between the gentleman from Minnesota [Mr. DAVIS] and myself, one hour of the time to be allotted to the gentleman from Illinois [Mr. HINEBAUGH].

The SPEAKER. How much time does the gentleman ask for?

Mr. BARTLETT. Mr. Speaker, I have not asked for any definite time.

The SPEAKER. The gentleman from Georgia asks unanimous consent that the time for general debate on the pension appropriation bill be controlled one-half by himself and one-half by the gentleman from Minnesota [Mr. DAVIS], with the understanding that the gentleman from Illinois [Mr. HINEBAUGH] is to have one hour out of the time of the gentleman from Minnesota [Mr. DAVIS]. Is there objection?

Mr. DAVIS. Mr. Speaker, I do not think it is the intention of the gentleman from Georgia to provide that the hour granted to the gentleman from Illinois should come out of the time that I shall control.

Mr. BARTLETT. No, Mr. Speaker.

The SPEAKER. Then the request is that the time be divided equally between the gentleman from Georgia and the gentleman from Minnesota, except that the gentleman from Illinois [Mr. HINEBAUGH] is to have one hour. Is there objection?

Mr. RUCKER. Mr. Speaker, reserving the right to object, that means that there is no limit fixed on general debate.

Mr. MANN. We will fix a limit to-morrow.

Mr. RUCKER. And to-morrow being Saturday, and few Members being on the floor, possibly, because nobody wants to hear some of this debate, therefore they will go on and probably fix the time to close debate some time next Saturday following.

Mr. MANN. Next Saturday is to-morrow. We will do that, and pass the bill.

Mr. RUCKER. Mr. Speaker, for the present I object.

Mr. MANN. Oh, I will ask the gentleman not to object. We will pass the bill to-morrow.

Mr. GARNER. Does the gentleman mean that we will pass the bill referred to by the gentleman from Missouri [Mr. RUCKER]?

Mr. MANN. Oh, no.

Mr. RUCKER. Mr. Speaker, I have some responsibility here, and I am trying to discharge my duties. I do not intend to allow the performances of gentlemen to prevent an effort on my part to discharge my public duty.

Mr. MURDOCK. The gentleman has gone to the limit now.

The SPEAKER. Is there objection?

Mr. MURDOCK. Mr. Speaker, I say to the gentleman that he has gone to the limit already. He has obtained the help of the Committee on Rules.

The SPEAKER. Is there objection?

Mr. RUCKER. Mr. Speaker, I have already objected.

The SPEAKER. The gentleman from Missouri objects.

Mr. BARTLETT. Then, Mr. Speaker, I ask unanimous consent that general debate be concluded not later than 3 o'clock to-morrow, and that the time be equally divided between the gentleman from Minnesota and myself.

Mr. DAVIS. Would not the gentleman make that 4 o'clock?

Mr. BARTLETT. Very well; I will make it 4 o'clock.

The SPEAKER. The gentleman from Georgia asks unanimous consent that general debate upon this bill shall close not later than 4 o'clock to-morrow afternoon, one-half of the time to be controlled by himself and one-half to be controlled by the gentleman from Minnesota [Mr. DAVIS], one hour of the time to go to the gentleman from Illinois [Mr. HINEBAUGH]. Is there objection?

Mr. RUCKER. Mr. Speaker, the gentleman from Illinois [Mr. MANN] is so very persuasive that I will withdraw my objection.

The SPEAKER. The Chair hears none. The question is on the motion of the gentleman from Georgia [Mr. BARTLETT] that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the pension appropriation bill.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H. R. 15280) making appropriations for the payment of invalid and other pensions of the United States for the fiscal year ending June 30, 1915, and for other purposes, with Mr. MURRAY of Oklahoma in the chair.

Mr. BARTLETT. Mr. Chairman, this is the annual pension appropriation bill and carries $169,000,000. The last general pension appropriation bill carried $180,000,000. There was a deficiency of some $15,000,000, caused by the enactment of the bill known as the Sherwood bill on June 12, 1912. According to the report of the Commissioner of Pensions there will be required for the fiscal year ending June 30, 1915, $169,000,000 for the payment of pensions. There will be required $150,000 for the payment of fees of examining surgeons. The decrease of $11,000,000 from the amount carried in the bill of last year is due to deaths, which number between 36,000 and 40,000 pensioners a year, or at the rate of 98 and a fraction a day. The decrease in the amount necessary for the fees of examining surgeons is due to the fact that under the service-pension bill and the age fixed for obtaining a pension or an increase in pension examining surgeons are not required to be consulted in order that a place upon the pension roll or an increase of pension may be secured. Ostensibly there will be an unexpended balance of about $6,000,000. We have not seen fit to reappropriate that, because the Commissioner of Pensions, before the Committee on Appropriations, stated that it might be that it would run the amount required too close, and we did not care to reappropriate the amount and then have to come to Congress at the next session and ask for a deficiency.

In the matter of fees of the examining surgeons, Mr. Chairman, the Secretary of the Interior desires a change in that method, and I will put that correspondence in the RECORD so as to show the correspondence, my reply, and while there has been no action of the committee upon it, the members of the committee who have been consulted do not feel inclined to permit the amendment to be incorporated in the bill.

Mr. Chairman, the gentleman from Alabama [Mr. HEFLIN] desires to leave the city at an early hour, and in order to accommodate him I yield him eight minutes, and will take up the discussion of the bill later.

The correspondence referred to is as follows:

DEPARTMENT OF THE INTERIOR,
Washington, May 1, 1914.

Hon. CHARLES L. BARTLETT,
Chairman Subcommittee on Appropriations,
House of Representatives.

MY DEAR MR. BARTLETT: I earnestly recommend that a change be made in the method of payment of examining surgeons of the Pension Bureau for examinations made at the homes of the claimants by substituting a fixed mileage allowance instead of the present method of payment of actual traveling expenses, for reasons which will be fully stated herein

It is suggested that an amendment be placed in the pension appropriation bill, H. R. 15280, reported by you on April 1, 1914, and now pending in the House of Representatives, by inserting on page 2, after line 11, the following:

"And hereafter the fee for each examination made at the claimant's residence shall be $5, and in lieu of actual traveling expenses there shall be paid 20 cents per mile for the distance actually traveled each way, but not exceeding the distance by the most direct route between the surgeon's office and the claimant's home."

The present law on this subject is found in the pension appropriation act approved May 28, 1908 (Stat. L. 35, p. 419):

"And the fee for each examination at the claimant's residence, provided his residence is outside of the corporate limits of the place of the regular meeting of the examining board or of the place of residence of the surgeon making the examination, shall be $5 in addition to the payment of the actual traveling expenses of the surgeon."

The reasons for the amendment desired are these:

As the law now stands, an examination fee of $3 is paid to a surgeon making an examination within the corporate limits either of the place of the regular meeting of the board or of the place of residence of the surgeon making the examination, and an examination fee of $5 is paid to the surgeon when the examination is made outside of said corporate limits.

Under this provision of the law it has been found that a surgeon sometimes travels from 16 to 20 miles to make an examination within the corporate limits and receives a fee of $3, and in other cases he travels less than a mile to make an examination outside of said corporate limits and receives an examination fee of $5. It would therefore seem equitable to fix a definite fee for every home examination and to allow, in addition thereto, a fixed sum for every mile of actual travel required to make the examination, to compensate the surgeon for his actual traveling expenses.

In a decision dated March 18, 1914, the Comptroller of the Treasury states that under the present law a surgeon can not lawfully be paid for the use of his own conveyance. He says: "Payment to the surgeon for the official use of his conveyance, which is not limited to expenses actually incurred by reason of such official use, is not a lawful charge against the United States."

Train schedules are often such that a surgeon in order to make the trip by railroad must be away from his practice for a full day or longer. If a fixed allowance per mile were made in lieu of "actual traveling expenses," the surgeon could travel by any means most convenient to him. Under the proposed law it would be necessary only to ascertain the total distance traveled in making the trip, and this would simplify matters in every way and enable the surgeon to save valuable time.

Under the present law the surgeons find it very difficult to render their accounts properly, as it requires the securing of subvouchers and making notes of every item of expenditure. Every item must be stated separately and the amount expended shown, for the reason that the bureau must report the amount expended for "transportation of persons," "subsistence and support of persons," "subsistence and care of animals," "miscellaneous items," etc., each amount to be reported separately.

I am aware of the growing inclination in Congress to avoid mileage allowances in lieu of actual expenses, and to substitute as far as practicable a per diem basis of payment, but the latter is wholly impracticable in the case of examining surgeons, because the home examination in nearly every case consumes less than one day, and in many cases only a few hours.

Obviously the proposed law would simplify the matter and much time would be saved in various ways. Unless the law be changed, it will probably be difficult to induce the surgeons to leave their practice to make home examinations, and it will be necessary for the bureau to depend upon surgeons who have had no familiarity with the requirements of the bureau.

Cordially,

FRANKLIN K. LANE.

COMMITTEE ON APPROPRIATIONS,
HOUSE OF REPRESENTATIVES,
Washington, D. C., May 2, 1914.

Hon. FRANKLIN K. LANE,
Secretary of the Interior.

MY DEAR MR. SECRETARY: I am in receipt of your letter of the 1st instant relative to a change in the law governing the traveling expenses of examining surgeons in the Pension Bureau.

The paragraph which you suggest is pure legislation and does not contain any provisions which would make it in order on an appropriation bill by retrenching expenditures. A point of order would eliminate it from consideration, and I feel quite certain that in view of the attitude of the House, such an objection would undoubtedly be made. Under these circumstances, I believe that it is not worth while for me to offer it as an amendment. I will, however, bring it to the attention of the committee, so that they may be familiar with it.

I would suggest that you take the matter up with the Committee on Pensions of the Senate, where the rules governing the consideration of appropriation bills are not so stringent as they are in the House.

Very truly, yours,

C. L. BARTLETT.

Mr. HEFLIN. Mr. Chairman and gentlemen of the House, on yesterday the House of Representatives passed unanimously the resolution introduced by me requesting the President to call upon the Government officials and the people of the United States to display the Nation's flag on next Sunday in honor of the mothers of our country. By that act this House has officially recognized and designated the second Sunday in May as Mother's Day. [Applause.] I want to compliment and congratulate the membership of the House for this tender and loving tribute to the mothers of our country.

Within a few minutes Senator MORRIS SHEPPARD, of Texas, will secure the passage of the resolution by the Senate, and before the day is done, Mr. Speaker, the President of the United States will affix his signature to this Mother's Day resolution. [Applause.]

With your indulgence I desire to speak briefly about the mother, the home, and the flag. [Applause.]

The world at times has beat me back in battles I have fought,
Not always has the god, success, touched tasks in which I wrought.
Full oft has fortune dealt a blow instead of bent to bless,
And heartaches followed close upon the heels of happiness.
And often when a solemn woe or grief my heart intoned,
And often when my spirit writhed and all my nature groaned,
There stole refrain that softened pain not born of mortal tongue,
But born of memories old and sweet, the songs my mother sung.

[Applause.]

Mr. Chairman, state government and church government derive their strength and glory from family government, and the good angel of the fireside, the queen of the American home, the American mother, is the most important and best beloved personage in all the world. [Applause.]

John Howard Payne uttered a great truth when he said, "Be it ever so humble, there's no place like home." [Applause.] The man who loves his fireside best is the Nation's best patriot.

The home man's heart turns to, though humble, 'tis fair.
'Tis yearned for the more because woman is there.

[Applause.]

Rome retained her power and prestige until she removed the emphasis from the home and the gods of the fireside fled. The South's eloquent and beloved son, Henry W. Grady, said truly, "The strength of the Republic is lodged in the homes of the people." [Applause.]

Gen. Fitzhugh Lee when asked what is the most beautiful thing in southern social life replied, "Family love in the home." [Applause.]

Mr. Chairman, his answer, though short, is true. The word "home" with us means more than a place to eat and a place to sleep. It is that sacred place where a woman dwells to comfort and to cheer; where husband and wife dwell together in the bonds of a loyal love, and their children are the priceless jewels of the household, where love for right principles is fostered and genuine affection is the wellspring of life. [Applause.] I care not whether it be in a cabin on the hillside or a marble mansion on the mountain top, if sobriety, love, and contentment are there all is well. [Applause.] It should be the ambition of every father and mother, of every son and daughter, to make home the happiest and most attractive place on earth. It is the duty of every man to be diligent in business, to provide well for those dependent upon him, but this alone will not constitute happiness in the home. A woman's heart hungers for more than food and shelter. It craves kind treatment, and the sweet little courtesies of life. It hungers for soul food—sympathy and love. [Applause.] Man delights to look upon the finished product of his own skill and genius. He is pleased to see all about him the evidences of material prosperity, but there is a hunger in his heart that these will not satisfy. It is that soul yearning for the soft exquisite music of a woman's voice and the tender touch of a woman's hand. [Applause.]

Mr. Chairman, beyond society's fashionable halls in the sacred precincts of home, there the real potency of her life is felt; there the splendor of her reign is brightest and best; there she plucks the white feather from the wing of truth and wears it in the crown of gentle modest womanhood. [Applause.]

The ideal home is the Christian home. It may not possess the costly furnishings that grace the palaces of the rich. It may not have in it the sculptor's masterpieces of marble. It boasts of things dearer far than these. It has in it the living statuary carved in God's own image—human beings voyaging toward eternity. [Applause.] The head of the family is a sacred person and the wife of that person, the mother of his children, is the noblest work of God. [Applause.]

If the time should ever come when religion is driven from the courts and capitals of the country, from all designated places of public worship, its last retreat will be the fireside, its last altar place a woman's heart, its last lovely scene a mother with an infant at her knee as she teaches him to lisp the eternal name of God. [Applause.]

The most beautiful thing this side of Heaven is the mother's love for her child. It is the only love amongst mortals that will suffer all things and endure all things. Through poverty and good fortune, through sickness and health, through life to death, it is the same beautiful, unselfish, unchangeable mother love. [Applause.]

And he who harking back to youth goes forth and nobly tries
To color life to match the light that shines from mother's eyes,
And he who with an earnest faith his after life attunes
To those old songs of honest love his mother softly croons,
Will not pride his faltering feet upon the race they've made,
But search his heart and bless the part that mother love has played.

[Applause.]

The mother service is the unheard whisper that speaks aloud in human character. The echoes of her gentle tongue have reached the highest peak and her smile has shed a radiance in the lowliest cabins of earth. [Applause.] All honor to the mothers of our country and all hail to our flag on Mother's Day. [Applause.]

Mr. Chairman, a few days ago some of the boys in blue died for that flag at Vera Cruz. Every one of them was the son of an American mother. They were her contributions to her country and her country's flag. [Applause.] If her boys can fight and die for Old Glory in a foreign land, we can put it to no higher use nor exalt it more than to unfurl it and reconsecrate it in the homeland on Mother's Day. [Applause.]

Mr. Chairman, this patriotic and loving act will give further emphasis to the fact that the strength of the Republic is lodged in the homes of the people; that the hearthstone is the true altar of liberty [applause]; that "the hand that rocks the cradle rules the world." [Applause.] Then, on next Sunday—Mother's Day—let us unfurl the Stars and Stripes, and from every rooftree fly the flag of the Republic. [Loud applause.]

Mr. BARTLETT. Mr. Chairman, I will now further proceed to discuss the bill.

The Secretary of the Interior, in the letter which I shall print, has requested that the committee shall change the manner of payment of fees to examining surgeons, which involves legislation upon this bill, and which, instead of paying them fees limited to $3 and $5, proposes to pay them 20 cents a mile for the distance that they should have to travel in going to see the person examined—the applicant for pension. I did not feel that I could offer that amendment for two reasons: First, because it was legislation upon a general appropriation bill, and therefore subject to a point of order; and, second, because I did not feel that I could call upon the House, which has so recently and on various occasions heretofore expressed its disapproval of that manner of payment for services rendered, even by Members of Congress. And I decline to offer the amendment or recommend its adoption by the committee or the House.

Mr. Chairman, this is a large amount of money to be appropriated for any purpose. We are now nearly 50 years away from the end of the Civil War, out of which the greater amount of pensions carried in this bill grew. It will be observed upon examination of the report that the amount we have paid since 1866 for pensions is $4,586,966,346.09. It is true that embraced in that sum are pensions which we paid up to eight years ago for the Revolutionary War, and up to last year to a pensioner of the War of 1812, and there now remain upon the pension roll 199 pensioners, widows and children of the men of the latter war. It is, Mr. Chairman, to say the least of it, rather peculiar to find myself in a position as reporting from the Appropriations Committee, as I have done heretofore since I have been a member of that committee, the bill which carries this large amount for the payment of pensions, the greater part of which are to be paid to soldiers or dependents for services rendered in the War between the States in 1861 to 1865.

It has always been the policy of the Government, demonstrated by the acts of Congress after the various wars in which we have engaged, to pay liberal pensions to those who have fought the war and to the children and the widows who may have survived them. For myself, Mr. Chairman, I do not carry in my heart any animosity, any dislike, for a real soldier of the Federal Army who fought against the Confederate forces. I am the son of a Confederate officer who gave four years of service to the war between the States upon the Confederate side. I realize it to be a fact that if the Confederate forces had succeeded there would have been no doubt liberal pensions provided for the survivors of that war. The various States composing the Southern Confederacy tax themselves very burdensomely in order to pay pensions to men who served in the Confederate Army and to their survivors. The people of Georgia willingly and cheerfully bear the burden of that taxation. I was myself a member of the legislature which provided for a constitutional amendment granting pensions to the widows of Confederate soldiers. We in the South—at least I believe that to be the sentiment—have no opposition to pensions being paid to real soldiers. It was my pleasure the other day to meet for the first time a Federal soldier who left both his legs upon a battle field in Virginia and who had to get about upon artificial limbs. He was a real soldier. I refer to the present register of wills, Corp. Tanner, whom I had never met before. I would not begrudge a dollar or vote against giving a soldier of that kind and that character a liberal pension. I think he is entitled to it and ought to have it. I would not vote against appropriating money that would pension a soldier who had re-

ceived wounds or incurred diseases or disability in the service of his country. I would not vote in the Legislature of the State of Georgia against giving pensions to Confederate soldiers who were of the one hundred and twenty and odd thousand that Georgia sent to the war. I do not believe, however, that the mere fact of a service of 60 or 90 days ought to entitle a man to a pension unless he is destitute or indigent. I do not know whether this pension roll is a roll of honor or not. I do know, from statements made and charges and evidence, that there are those upon it who were not entitled to be upon it by reason of the services that they rendered. I have nothing to say and no animosity in my heart against and nothing but admiration and love for the real soldier who bore the brunt of the fight for four years and who now receives a pension.

I resided in that locality which was swept by Sherman's march to the sea. My family and my friends suffered desolation and destruction of property and hunger and want by reason of that march. And yet I have no opposition to pensioning the real soldiers of the Federal Army who were wounded or received disabilities and who are indigent; but I do object and protest that those who were camp followers, destroyers, and plunderers, who received large bounties and then jumped them and were again enlisted in the Army, and who followed in the wake of the Army, should not by special provision or other provision be provided with a pension by this Government merely for enlisting and being on the rolls for 90 days.

The animosities of the war, so far as I am concerned and so far as my people are concerned, have died out, and this very week there is assembled in a southern city, near the sea, in Florida, the meeting of the United Confederate Veterans. And one of the things that is to be celebrated is the return of a Federal battle flag taken by a Confederate regiment or company in one of the battles, and the governor of Ohio has sent a special messenger to receive from that old Confederate company the battle flag of an Ohio regiment, to be returned to Ohio.

The real soldiers on both sides of that great struggle honor and respect each other. They march arm in arm and hand in hand when they meet together. It is only those who never smelt gunpowder except to run away from it who undertake to keep alive the animosities of the war.

Mr. CLINE. Mr. Chairman, will the gentleman yield?

The CHAIRMAN. Does the gentleman from Georgia yield to the gentleman from Indiana?

Mr. BARTLETT. Yes, sir.

Mr. CLINE. I want to inquire if another fact does not evidence the dying out of any animosity, and that is the fact that the governor of Ohio has invited the Confederate veterans to hold their next reunion at the city of Columbus?

Mr. BARTLETT. Yes; I was going to state that. That is a fact. I know the governor of Ohio personally, and I know that that sentiment comes from his heart, and that it is representative of the governor of Ohio and the old Union veterans of Ohio who really took active part in the Civil War.

Mr. Chairman, I do not know when this great pension roll will be decreased, except by the natural decreases in the death of those now upon the roll. I would be glad if I could see some suggestion that it would be decreased. But if we will have war, if we will have foreign wars and civil wars and civil strife, we must pay for them in pension rolls. The Spanish-American War to-day has been the cause of a pension roll amounting to something like $29,000,000. So, if we must have armies and navies, if we must fight wars, we must pay the penalty, not only in outright blood and treasure, but history shows that we must mortgage posterity as well to pay the pensions that men receive from having engaged in war or from receiving wounds or contracting diseases.

It has been the policy of the country to do that—to take care of them by pensions. I do not approve of the entire policy. I did not vote for the Sherwood bill. I did not vote for these other bills. My idea is that a pension should be based upon service, upon wounds and disease contracted, and should be given to those who are unable to make a livelihood for themselves. I do not believe that a pension should be paid to those who are not in want or in need. I do not believe that the American soldier would be less patriotic and perform his duty with less valor and heroism if he did not, as has been suggested sometimes, know that he was to receive a pension.

Mr. Chairman, there are some other things that I desire to say with reference to another matter, but I shall reserve my time, and now yield to the gentleman from Minnesota [Mr. HAMMOND]. I yield him 45 minutes. I will resume my remarks at some time later.

The report on this bill will give full information as to this bill.

[House of Representatives, Report No. 486, Sixty-third Congress, second session.]

PENSION APPROPRIATION BILL.

Mr. BARTLETT, from the Committee on Appropriations, submitted the following report, to accompany H. R. 15280:

The Committee on Appropriations, in presenting the bill making appropriations for the payment of invalid and other pensions for the fiscal year 1915, submit the following in explanation thereof:

The estimates on which the bill is based will be found on page 357 of the Book of Estimates for 1915, and amount to $169,150,000.

The accompanying bill appropriates $169,150,000.

The following statement gives, by appropriate title of expenditure, the amounts appropriated for 1914, the estimates for 1915, and the amounts recommended in the accompanying bill for 1915:

Title of expenditure.	Appropriations for 1914.	Estimates for 1915.	Recommended for 1915.
Payment of pensions	$180,000,000	$169,000,000	$169,000,000
Fees of examining surgeons	300,000	150,000	150,000
Total	180,300,000	169,150,000	169,150,000

The reduction, from $180,000,000 for 1914 to $169,000,000 for 1915, in the appropriation for payment of pensions is in accordance with the annual estimates submitted to Congress and is approved by the Commissioner of Pensions in statements made by him to the committee.

The reduction in the amount for payment of fees of examining surgeons in pension cases is also in accordance with the estimates and the recommendation of the Commissioner of Pensions from $300,000 for 1914 to $150,000 for 1915; this service is largely diminished, for the reason that many who are put on the pension roll now because of age and service are not required to submit to medical examination.

TOTAL EXPENDITURES FOR PENSIONS.

The following table, taken from the report of the Commissioner of Pensions, shows the amounts paid by the Government in pensions to soldiers, sailors, and marines, their widows, minor children, and dependent relatives, on account of military and naval service since the foundation of the Republic:

War of the Revolution (estimated)	$70,000,000.00
War of 1812 (service pension)	45,923,014.46
Indian wars (service pension)	12,241,273.61
War with Mexico (service pension)	47,632,572.34
Civil War	4,294,596,944.47
War with Spain and Philippine insurrection	42,185,230.84
Regular Establishment	28,461,369.52
Unclassified	16,499,419.44
Total	4,557,539,824.68

The following table, also compiled from the annual reports of the Commissioner of Pensions, shows the number of pensioners on the roll, the annual value of pensions, the disbursements on account of pensions, the number of original applications filed, and the number of original claims allowed each fiscal year from 1879 to 1913, inclusive:

Fiscal year.	Number of pensioners on the roll.	Annual value of pensions.	Disbursements on account of pensions.	Total number of applications filed, original.	Total number of claims allowed, original.
1879	242,755	$25,493,742.15	$33,664,428.92	57,118	31,346
1880	250,802	25,917,906.60	56,689,229.08	141,466	19,545
1881	268,830	28,769,957.46	50,583,405.35	31,116	27,394
1882	285,697	29,341,101.62	54,313,172.05	40,939	27,664
1883	303,653	32,245,192.43	60,427,573.81	48,776	38,162
1884	322,756	34,456,600.35	57,912,387.47	41,785	34,192
1885	345,125	38,990,985.28	65,171,937.12	40,918	35,767
1886	365,783	44,708,027.44	64,091,142.90	49,895	40,857
1887	406,007	52,824,641.22	73,752,997.08	72,465	55,194
1888	452,557	56,707,220.92	78,950,501.67	75,726	60,252
1889	489,725	64,246,552.36	88,842,720.58	81,220	51,921
1890	537,944	72,052,143.49	106,094,250.39	105,044	66,637
1891	676,160	89,247,200.20	117,312,690.50	696,941	156,486
1892	876,068	116,879,867.24	139,394,147.11	246,638	224,047
1893	966,012	130,510,179.34	156,906,637.94	119,361	121,630
1894	969,544	130,120,863.00	139,986,726.17	57,141	39,085
1895	970,524	130,048,365.00	139,807,788.98	45,361	39,185
1896	970,678	129,485,587.00	138,215,174.08	42,244	40,374
1897	976,014	129,795,428.00	139,949,717.35	50,585	50,101
1898	993,714	130,968,465.00	144,651,879.80	48,732	52,648
1899	991,519	131,617,961.00	138,335,052.95	53,881	37,077
1900	993,529	131,534,544.00	138,462,130.65	51,964	40,645
1901	997,735	131,568,216.00	138,531,483.84	58,373	44,868
1902	999,446	132,152,800.00	137,504,267.99	47,965	40,173
1903	996,545	133,029,090.00	137,759,653.71	52,325	40,136
1904	994,762	134,130,203.00	141,093,571.00	55,794	44,296
1905	998,441	136,745,295.00	141,142,861.33	52,841	50,027
1906	985,971	138,237,749.00	139,000,288.25	37,212	34,974
1907	967,371	140,850,880.60	138,155,412.46	43,619	29,945
1908	951,687	159,495,701.00	153,093,086.27	46,619	37,691
1909	946,194	160,682,870.32	161,973,703.50	35,789	45,086
1910	921,083	158,332,391.82	159,974,056.08	31,777	28,027
1911	892,098	154,834,237.80	157,325,160.35	30,601	25,519
1912	860,294	151,558,141.40	152,986,105.22	27,692	22,777
1913	820,200	171,490,784.82	174,171,660.80	27,856	19,346

The first payments made on new certificates each year for the past five years, with the averages, and the averages of first payments by classes during the past year are shown in the commissioner's report as follows:

First payments during the last five years.

Fiscal year.	Number.	Amount	Average.
1913	433,995	$18,250,225	$42.05
1912	78,781	4,096,502	53.00
1911	93,632	4,842,925	51.72
1910	91,448	4,858,504	52.13
1909	124,634	6,489,416	52.07

Average first payments in each class.

Average value of first payments:	
In original cases	$88.78
In original Regular Establishment cases	104.46
In original act May 11, 1912, cases	74.47
In original act Feb. 6, 1907, cases	192.98
In original general law, Civil War cases	136.45
In original act June 27, 1890, cases	261.20
In original act Apr. 19, 1908, cases	62.53
In original War with Spain cases	254.90
In increase and reissue cases	39.83
In original War with Mexico cases	150.03
In original Indian wars cases	192.54
In all cases	42.05

REFERENCES.

Navy pension fund: Section 4755 of the Revised Statutes provides that Navy pensions shall be paid out of the "Navy pension fund," upon an appropriation by Congress, so far as the same may be sufficient.

The naval pension fund at present amounts to $14,000,000, bearing interest at the rate of 3 per cent per annum, and is created under the provisions of sections 4751 and 4752 of the Revised Statutes.

The payments on account of Navy pensions during the fiscal year 1913 aggregated $6,021,684.84.

Number of pensioners in each State and Territory, each insular possession, and each foreign country on the rolls June 30, 1913, and the amounts paid therein during the fiscal year 1913.

[Report of Commissioner of Pensions, p. 27.]

State or Territory.	Number.	Amount.	Country.	Number.	Amount.
Alabama	3,230	$685,825.90	INSULAR POSSESSIONS.		
Alaska	80	16,986.40			
Arizona	895	190,035.35			
Arkansas	8,808	1,870,202.64	Canal Zone	2	$424.66
California	28,964	6,149,926.12	Guam	3	636.99
Colorado	8,049	1,709,044.17	Hawaii	84	17,835.72
Connecticut	10,003	2,123,936.99	Philippines	70	14,863.10
Delaware	2,601	552,270.33	Porto Rico	44	9,342.52
District of Columbia.	8,986	1,907,997.38	Total	203	43,102.99
Florida	5,085	1,079,698.05			
Georgia	2,995	635,928.35	FOREIGN COUNTRIES.		
Idaho	2,245	476,683.85			
Illinois	56,482	11,992,823.05			
Indiana	49,987	10,613,739.71	Argentina	13	$2,760.29
Iowa	27,821	5,907,232.93	Australia	101	21,445.33
Kansas	32,399	6,879,279.67	Austria - Hungary.	37	7,856.21
Kentucky	21,350	4,533,245.50	Belgium	23	4,883.59
Louisiana	5,373	1,140,849.09	Canada	2,879	611,298.07
Maine	14,261	3,028,038.13	Chile	11	2,335.63
Maryland	12,439	2,641,172.87	China	15	3,184.95
Massachusetts	34,124	7,245,548.92	Cuba	61	12,952.13
Michigan	34,298	7,282,494.34	Denmark	56	11,890.48
Minnesota	12,703	2,697,227.99	England	555	117,843.15
Mississippi	4,009	851,230.97	France	76	16,137.08
Missouri	39,490	8,284,911.70	Germany	520	110,411.60
Montana	2,364	501,948.12	Ireland	404	85,781.32
Nebraska	14,364	3,049,908.12	Italy	58	12,315.14
Nevada	399	84,719.67	Japan	33	7,006.89
New Hampshire	6,560	1,392,884.80	Mexico	136	28,876.88
New Jersey	20,624	4,379,093.92	New Zealand	14	2,972.62
New Mexico	1,896	402,577.68	Norway	73	15,500.09
New York	68,270	14,498,319.71	Peru	12	2,547.96
North Carolina	3,631	770,970.23	Russia	16	3,397.28
North Dakota	2,931	622,339.23	Scotland	75	15,924.75
Ohio	77,599	16,479,146.29	South Africa	10	2,123.30
Oklahoma	11,397	2,419,925.01	Sweden	69	14,650.77
Oregon	7,798	1,655,749.34	Switzerland	66	14,013.78
Pennsylvania	75,618	16,058,520.56	Wales	26	5,520.58
Rhode Island	4,482	951,663.06	Other foreign countries or possessions having less than 10 pensioners each and not classified	156	33,123.48
South Carolina	1,694	359,687.02			
South Dakota	5,392	1,144,883.36			
Tennessee	16,954	3,599,842.82			
Texas	8,402	1,783,996.66			
Utah	1,026	217,850.58			
Vermont	6,540	1,388,038.20			
Virginia	8,709	1,849,181.97			
Washington	9,942	2,110,984.86			
West Virginia	10,618	2,254,519.94			
Wisconsin	19,776	4,199,038.08			
Wyoming	839	178,144.87			
Total	814,502	172,950,861.51	Total	5,495	1,166,753.35

SUMMARY.

	Pensioners.	Payments.
Pensioners residing in States and Territories and payments to them	814,502	$172,950,861.51
Pensioners residing in insular possessions and Canal Zone and payments to them	203	43,102.99
Pensioners residing in foreign countries and payments to them	5,495	1,166,753.35
Total	820,200	174,160,717.85
Payments by Treasury Department (Treasury settlements)		10,942.95
Total payments on account of Army and Navy pensions, 1913		174,171,660.80

The number of Civil War survivors on the roll at the end of the fiscal year 1912 was 497,263, and at the end of the fiscal year 1913 was 462,379.

The number of Civil War survivors on the pension roll who died during the fiscal year ended June 30, 1912, was 33,891, and the number who died during the fiscal year ended June 30, 1913, was 36,064.

Disbursements for pensions and for maintenance of pension system, 1866 to 1913.

[Report of the Commissioner of Pensions, p. 9.]

Fiscal year.	Paid as pensions.	Cost, maintenance, and expenses.	Total.	Number of pensioners.
1866	$15,450,549.88	$407,165.00	$15,857,714.88	126,722
1867	20,784,789.69	490,977.35	21,275,767.04	155,474
1868	23,101,509.36	553,020.34	23,654,529.70	169,643
1869	28,513,247.27	564,526.81	29,077,774.08	187,963
1870	29,351,488.78	600,997.86	29,952,486.64	198,686
1871	28,518,792.62	863,079.00	29,381,871.62	207,495
1872	29,752,746.81	951,253.00	30,703,999.81	232,229
1873	26,982,063.89	1,003,200.64	27,985,264.53	238,411
1874	30,206,778.99	966,794.13	31,173,573.12	236,241
1875	29,270,404.76	982,695.35	30,253,100.11	234,821
1876	27,936,209.53	1,015,078.81	28,951,288.34	232,137
1877	28,182,821.72	1,034,459.33	29,217,281.05	232,104
1878	26,785,009.44	1,032,500.09	27,818,509.53	223,998
1879	33,664,428.92	837,734.14	34,502,163.06	242,755
1880	56,689,229.08	935,027.28	57,624,256.36	250,802
1881	50,583,405.35	1,072,059.64	51,655,464.99	268,830
1882	54,313,172.05	1,466,236.01	55,779,408.06	285,697
1883	60,427,573.81	2,591,648.29	63,019,222.10	303,658
1884	57,912,387.47	2,835,181.00	60,747,568.47	322,756
1885	65,171,937.12	3,392,576.34	68,564,513.46	345,125
1886	64,091,142.90	3,245,016.61	67,336,159.51	365,783
1887	73,752,997.08	3,753,400.91	77,506,397.99	406,007
1888	78,950,501.67	3,515,057.27	82,465,558.94	452,557
1889	88,842,720.58	3,466,968.40	92,309,688.98	489,725
1890	106,093,850.39	3,526,382.13	109,620,232.52	537,944
1891	117,312,690.50	4,700,636.44	122,013,326.94	676,160
1892	139,394,147.11	4,898,665.80	144,292,812.91	876,068
1893	156,906,637.94	4,867,734.42	161,774,372.36	966,012
1894	139,986,726.17	3,963,976.31	143,950,702.48	969,544
1895	139,812,294.30	4,338,020.21	144,150,314.51	970,524
1896	138,220,704.46	3,991,375.61	142,212,080.07	970,678
1897	139,949,717.35	3,987,783.07	143,937,500.42	976,014
1898	144,651,879.80	4,114,091.46	148,765,971.26	993,714
1899	138,355,052.95	4,147,517.73	142,502,570.68	991,519
1900	138,462,130.65	3,841,706.74	142,303,887.39	993,592
1901	138,531,483.84	3,868,795.44	142,400,279.28	997,735
1902	137,504,267.99	3,831,378.96	141,335,646.95	999,446
1903	137,759,653.71	3,993,216.79	141,752,870.50	996,545
1904	141,093,571.49	3,849,366.25	144,942,937.74	994,762
1905	141,142,861.33	3,721,832.82	144,864,694.15	998,441
1906	139,000,288.25	3,523,269.51	142,523,557.76	985,971
1907	138,155,412.46	3,309,110.44	141,464,522.90	967,371
1908	153,093,086.27	2,800,963.36	155,894,049.63	951,087
1909	161,973,703.77	2,852,583.73	164,826,287.50	946,194
1910	159,974,056.08	2,657,673.86	162,631,729.94	921,083
1911	157,325,160.35	2,517,127.06	159,842,287.41	892,098
1912	152,986,433.72	2,448,857.31	155,435,291.03	860,294
1913	174,171,660.80	2,543,246.59	176,714,907.39	820,200
Total	4,461,094,380.45	125,871,965.64	4,586,966,346.09	

SPECIAL ACTS.

[Report of Commissioner of Pensions, p. 9.]

Since 1861 there have been allowed by special acts of Congress 42,337 pensions and increases of pensions, of which 22,016 are now on the roll, with an annual face value of $6,699,096. Only a part of this is properly chargeable to special acts, as most of the beneficiaries had been previously pensioned under general laws at lower rates.

From June 30, 1912, and thereafter during the Sixty-second Congress, 2,871 persons were included in the special acts passed at the rates specified in the summary following:

Pensions granted by special act during the Sixty-second Congress subsequent to June 30, 1912.

Rates specified.	Number granted.	Rates specified.	Number granted.	Rates specified.	Number granted.
$100	3	$20	398	Inoperative:	
$50	98	$18	6	$50	8
$46	1	$17	6	$40	4
$45	2	$16	32	$36	9
$40	116	$15	20	$30	33
$36	164	$14	2	$24	16
$35	2	$12	403	$20	3
$30	972	$10	15	$16	4
$25	16	$8	9	$12	4
$24	518	$6	7	Total	2,871

Of the above, 461 were granted to persons not in receipt of a pension and 2,410 to persons then receiving smaller pensions.

The annual value of said special-act pensions is $864,624, and the annual increase due to the same is $407,157.

The following statement shows the number of pensions and increases of pensions granted by special acts during each Congress since March 4, 1861:

Number of pensions granted by special acts each Congress since Mar. 4, 1861.

Congress.	Number.	Congress.	Number.
Thirty-seventh (1861-1863)	12	Fifty-first (1889-1891)	1,388
Thirty-eighth (1863-1865)	27	Fifty-second (1891-1893)	217
Thirty-ninth (1865-1867)	138	Fifty-third (1893-1895)	119
Fortieth (1867-1869)	275	Fifty-fourth (1895-1897)	378
Forty-first (1869-1871)	85	Fifty-fifth (1897-1899)	694
Forty-second (1871-1873)	167	Fifty-sixth (1899-1901)	1,391
Forty-third (1873-1875)	182	Fifty-seventh (1901-1903)	2,171
Forty-fourth (1875-1877)	98	Fifty-eighth (1903-1905)	3,355
Forty-fifth (1877-1879)	230	Fifty-ninth (1905-1907)	6,030
Forty-sixth (1879-1881)	96	Sixtieth (1907-1909)	6,600
Forty-seventh (1881-1883)	216	Sixty-first (1909-1911)	9,649
Forty-eighth (1883-1885)	598	Sixty-second (1911-1913)	6,350
Forty-ninth (1885-1887)	856		
Fiftieth (1887-1889)	1,015	Total	42,337

The CHAIRMAN. The gentleman from Minnesota [Mr. HAMMOND] is recognized for 45 minutes.

Mr. HAMMOND. Mr. Chairman, before the passage of the Underwood tariff bill it was generally known that the rates would be reduced, and many importers ordered and purchased goods and produce for delivery after the passage of the legislation. The bill itself became a law on the 3d day of October, 1913, and for the next two or three months imports were exceedingly heavy.

I intend this afternoon to call your attention to some of the importations during the four months following its enactment—October, November, and December of 1913 and January of 1914—one-third of a year. I take it that I will not underestimate the importations for the year if I assume that they will be three times as great as the amount received during those four months, and upon that basis I have made some calculations to which I invite your attention.

Now, gentlemen, I suppose no political party can frame a tariff bill that will be satisfactory in all particulars to all of the people of the United States, or even satisfactory to all the members of the party fashioning it. There are things in the recent tariff bill objectionable to me. The bill was made for the entire country—for the West and the East and the South and the North.

The State of Minnesota differs in many respects from other States. It has different interests, and naturally they appeal strongly to one who comes from that State. For instance, during the last three years, both in quantity and in value, more than one-half of all the iron ore produced and marketed in the United States came from the State of Minnesota. It by far outranks any other State in the production of iron ore.

Minnesota, too, is a great agricultural State, not so great as the greatest agricultural State of all, Illinois, but a State that ranks high. I notice that in the production of oats last year Illinois stood first; Iowa, second; Minnesota, third; in the production of wheat North Dakota stood first; Kansas, second; and Minnesota, third; in the production of barley Minnesota stood first.

I speak of these things simply to indicate the importance that a representative from Minnesota may attach to the particular things in which that State is so prominent. It has been called the bread-and-butter State of the Union. Its flour, from which the bread is made, is sold all over the world, and its dairy butter is famous throughout the country. The largest flour mill in the world is located in the metropolis of the State—the Pillsbury A flour mill, with a capacity of 15,000 barrels a day, and actually making 11,000 barrels of flour every day. One-fourth of the entire flour output of the United States goes out of the city of Minneapolis. I spoke of its being the leading State in the production of barley. The enormous amount of 49,727,130 bushels of that cereal were produced there in 1913; more than the total production of Canada.

I said that the tariff bill was made for no particular State, but for all of the States of the Union. Of course there were a great many people who were dissatisfied with it because some privilege or some benefit or some favor that they had enjoyed under former tariff laws had been taken away. Some of us may have unduly exaggerated its importance because it was a measure of our political party. Others were bound to find fault with it, bound to quarrel with it, because it was a measure of our party and not of theirs. It has its enemies; and while I would not charge anyone, no matter how partisan he may be, with desiring panics, hard times, and business depression in order that some political advantage may be worked out of them, I can not but believe that the persistent attempts to decry the bill and to misrepresent its effects cause apprehension and distrust throughout the country, and apprehension and distrust usually breed industrial stagnation and disaster.

Out through the Northwest it has been stated repeatedly that it is a bill which discriminates against the North and favors the South. I take it no one really believes that the persons who made the bill attempted to favor any particular section of the country or attempted to injure any section of it.

An examination of the items of the bill gives little color for any such charge. For instance—and I shall refer to this but briefly, for I have other matters to discuss—an effort was made to put upon the free list the things entering into the production of manufactured products—the raw materials. Raw silk is not produced in this country. It is on the free list. Cotton in the South and wool in the North are on the free list. Flax in the North and hemp in the South have been treated just alike. They are on the free list. Iron ore produced in the North and in the South, lumber on the Pacific coast and in the South, and cattle raised in the West, the North, and the South were put upon the free list. The barley of Minnesota and the rice of Louisiana were treated just the same, the duty being reduced 50 per cent. The potatoes of Maine and the sweet potatoes of the South were treated exactly the same.

Not all of those who opposed tariff reduction gave themselves over to denunciation, however. It gives me pleasure to read here to-day the words of one who was perhaps as much opposed to the present tariff law as any one in this Chamber, and who is not converted yet. He accepted it as an American business man and patriotic citizen should accept it. I read what William M. Wood, head of the American Woolen Co., said concerning this tariff bill after its passage. He was opposed to it, is opposed to it to-day, but I commend to you the spirit in which he received the enactment of the American Congress:

OPTIMISTIC.

We have a new tariff. All criticism of the bill, pro and con, is of the past. The matter is settled—it is as desired by the majority—it is the law.

American people are accustomed to taking conditions as they find them and forcing their way to success. Our forefathers hewed the forests, quarried the rock, and dammed the streams. Their sons developed the land, raised their livestock, and manufactured what was required for their simple needs. Succeeding generations tilled the soil, worked the mines, and manufactured goods to a degree never before known to man.

American industry typifies a genius which has no equal throughout the world.

To excel in manufacture is a birthright handed down to every American by his forefathers—and to-day, with conditions changed, with temporary annoyances balking our endeavors, we mean to claim our birthright.

Now, after words such as these, it is refreshing to read this news item under date of March 26, 1914:

WOOLEN MILLS BOOM UNDER LOWER TARIFF.

BOSTON, *March 25.*

The American Woolen Co.'s gross business thus far this year is nearly twice that of a year ago, and although the prices named on its goods to stimulate this activity have been very close, the outlook is more promising than at any time since the new tariff came into being.

It is noticeable that the bulk of 1914 orders has been of staples which form the output of the big Lawrence mills.

[Applause.]

When you find a man who does not like tariff reduction, but realizes that it is the law of the land, and instead of barking and howling about it says, "I will do the best I can under it," it is pleasant to learn of his success and to hear that his business has nearly doubled.

Another thing that has been said about this tariff bill is that it discriminates against the farmer of the country, and that he suffers greatly because of it. Early in March of this year the steamship *Empress of Asia* brought 12,000 cases of eggs from China to Vancouver. Six thousand cases were consigned to San Francisco and 6,000 to Vancouver. During the months preceding there had been importations of eggs from China, and although I have made no investigation I believe there were few eggs imported from that country prior to the passage of the tariff act. This was not on account of the amount of the tariff duty, but because it was a specific duty. The eggs exported from China are very small and inferior. They command a low price in the market. Sixty per cent of them go to Germany. Our duty upon eggs was a specific duty of 5 cents a dozen; it made no difference whether the eggs were large and fair or whether they were small and inferior. The very duty itself, because it was a specific duty, discriminated against the poorer product. Had the duty of 5 cents a dozen been changed to 30 per cent ad valorem Chinese eggs would have come in here, because then there would have been no discrimination. Five cents a dozen on eggs worth 10 cents a dozen is 50 per cent

ad valorem; on eggs worth 30 cents a dozen only 25 per cent ad valorem. But the Payne-Aldrich tariff men thought they could make capital out of these importations of eggs. There went up a cry throughout the country "China with its millions of people, and presumably billions of hens, is attacking the United States egg market, and the American hen will be driven out of business." Not long after that the Philadelphia Public Ledger, on April 17 of this year, announced the loss by the western farmer of the corn trade in the East.

The article stated that the seaboard markets are either chockfull of corn from Argentina or that corn is coming in in large amounts. We produce in the United States 75 per cent of all the corn raised in the world, and yet because corn comes here from Argentina they tell us our corn trade is ruined. Argentina with a total population less than twice the population of a single American city. They will send their corn here and drive our farmers out of business. We are told that chilled or frozen beef is coming into the United States from Argentina at the rate of 9,000,000 pounds monthly. What a wonderful country that is, sending corn here to destroy our corn market and sending beef here to destroy our beef market.

Now, we do not export a large percentage of our corn, even though twice as many bushels as Argentina will send here. We feed it to steers, and market corn-fed beef. There is nothing better on the market. In Argentina they do not do it that way. They ship the corn—practically all of it—they do not themselves eat, and feed their cattle on alfalfa. We are in no serious danger from the competition of alfalfa-fed cattle against corn-fed cattle.

But I have some figures. I may as well confine myself to these three things—eggs, corn, and beef. Eggs carried a duty of 5 cents a dozen; now they are on the free list. Corn, 15 cents a bushel; now on the free list. Beef, 1½ cents a pound; also on the free list. On these products the duty was entirely removed. Wheat, from a duty of 25 cents a bushel, was reduced to 10 cents a bushel. Potatoes, from a duty of 25 cents a bushel, was reduced to 10 per cent ad valorem. Oats, from a duty of 15 cents a bushel, was reduced to 6 cents a bushel. Barley, from a duty of 30 cents a bushel, was reduced to 15 cents a bushel. Cleaned rice, from a duty of 2 cents a pound, was reduced to 1 cent a pound. Butter, from a duty of 6 cents, was reduced to 2½ cents. So I have selected the three that are on the free list where the greatest importations might be expected.

I am particularly struck with the fact that nearly all these dreaded importations come from Argentina. The Argentine Republic, with a large area, about one-third of the United States, has an approximate population of seven and a half million people. Thirty thousand of them are Indians and one million and a quarter of them live in one large city, the capital, Buenos Aires, where the cost of living is higher, I am informed, than in any other place in the western world. How many of the remainder of this population are farmers I do not know, but there are numerous cities and towns. The agricultural population is not very large. Do you think they can capture the American markets?

Now, gentlemen, we endeavored to make what is called a competitive tariff, and by a competitive tariff we mean one that will permit the importation into the markets of this country of things that will compete with things produced in this country but sold in noncompetitive markets. If a dozen men or a dozen corporations control the output of an article, and they make an agreement to sell it at a certain price, there is no competition, and we ought to have importations from abroad, if we can get them, in order to secure competition, so that there may be a fair and competitive market in which the American consumer can trade.

We admit that wherever prices are controlled by combinations or agreements or by monopoly and we can bring in like products from other countries uncontrolled by any such agreement or monopoly, there will be a tendency toward price reduction. But where we have competition at home, where there is strong domestic competition, then the importation of other products from abroad will not materially affect the prices unless the quantity is so great as to create an oversupply.

The farmers of this country are in no combination; they have no agreement; they constitute no monopoly; they are competitors and always have been competitors and always will be competitors. A man who raises wheat or who raises corn or who brings eggs to the market is in no combination, and he sells under no agreement as to price. There is full and free competition, and the price at which he sells is not affected by the increase or the decrease of importations unless such increase or decrease be large enough either to create an oversupply or to bring about a scarcity.

Mr. BURKE of Wisconsin. Will the gentleman yield?

Mr. HAMMOND. I will.

Mr. BURKE of Wisconsin. I want to call the attention of the gentleman from Minnesota to the fact that American beef this spring is as high as it has been for several years past, notwithstanding the importation of Argentine beef.

Mr. HAMMOND. I am going to give to the House what seems to me to be an absolute demonstration that the prices of beef and of farm products are higher this spring than one year ago.

Mr. GOOD. Will the gentleman yield?

Mr. HAMMOND. Yes.

Mr. GOOD. I want to ask the gentleman if he thinks that is a fair comparison?

Mr. HAMMOND. Yes.

Mr. GOOD. Take, for instance, corn. We had last year only about a three-quarters crop, and, as the gentleman well knows, when there is a shortage of a crop as a general rule it is followed by an increase in the price of that article. For instance, in Kansas last year they produced 23,000,000 bushels of corn. If it sold at 60 cents a bushel, that would mean $13,000,000. The year before they produced 180,000,000 bushels of corn, which, if sold at 60 cents, would have yielded them more than $100,000,000. Does the gentleman think that the farmers of Kansas ought to be satisfied last year with $13,000,000 for the corn crop when they had $100,000,000 the year before?

Mr. HAMMOND. Permit me to answer. There was a shortage of the corn crop last year, a shortage so great that it would take 30 years of the Argentine importations to make it up. The gentleman's reasoning is very good, but let me tell the gentleman that during the same year we did not have a shortage in the wheat crop, but we had a bumper crop, and the price of wheat is higher than it was a year ago. There is no shortage about that. Now, I will yield to the gentleman from Michigan.

Mr. HAMILTON of Michigan. Pardon me for calling attention to the Democratic platform, which has been somewhat discredited lately in spots, but was it not a declaration of that platform that protection was the cause of high prices and that you proposed to reduce high prices by reducing duties?

Mr. HAMMOND. I think I understand the gentleman's question. The Democrats have always claimed that the prices to the consumer would be reduced somewhat by the reduction of tariff duties.

Mr. HAMILTON of Michigan. But they have not been so reduced.

Mr. HAMMOND. I will come to that in just a moment, if the gentleman will wait.

Mr. CLINE. Mr. Chairman, will the gentleman yield?

Mr. HAMMOND. Yes.

Mr. CLINE. Mr. Chairman, I have taken occasion to make an investigation of the prices on 12 leading farm articles for the last 10 years in the markets of Chicago and New York, and of those 12 leading farm articles for 10 years, on the 1st day of March 9 of them are higher this 1st day of March than they have been any time in the last 10 years. I shall put that in the RECORD as soon as I have an opportunity.

Mr. HAMMOND. Mr. Chairman, I am very glad the gentleman intends to do that. I come to the gentleman from Michigan [Mr. HAMILTON] now. The question may be asked, in view of what I said, How is it that the farmers can get better prices for all of their products and still the high cost of living be reduced?

Mr. Chairman, I have stated our purpose was to write a competitive tariff bill, a bill that would restore competition where there is no competition. We do not expect, and can not expect by competition, to reduce prices where there is competition now, but we might expect that there would be a reduction of prices where there is no competition. There is a vast difference between the amount the farmer receives for his product and the amount the ultimate consumer pays for the same product. I think it was a Senator from North Dakota who made an estimate not very many years ago that, according to the prices charged to you and to me in the restaurant in this building, a $75 steer would bring about $2,000. Where market men get together and fix the prices to be charged the consumer of farm products, we hope by importation of products from abroad to beat the combination and make the price less to the man who has to buy. That does not affect the price at which the farmer sells.

Mr. KELLEY of Michigan. Mr. Chairman, will the gentleman yield?

Mr. HAMMOND. Yes.

Mr. KELLEY of Michigan. Referring to the question of the importation of beef from Argentina, the gentleman stated it was about 9,000,000 pounds per month?

Mr. HAMMOND. It has been so stated.

Mr. KELLEY of Michigan. That would be about 100,000,000 pounds of beef per year?

Mr. HAMMOND. I do not know how long it is intended to keep it up.

Mr. KELLEY of Michigan. That would be 1 pound per annum for each person in the United States?

Mr. HAMMOND. That is a mathematical computation. What is the gentleman's question?

Mr. KELLEY of Michigan. Does the gentleman think that would seriously reduce the price of beef to the consumer? Is that sufficient competition, in the gentleman's judgment, to reduce the price to the consumer?

Mr. HAMMOND. No; it is not sufficient competition to reduce the price materially to the consumer; neither is it sufficient competition or importation upon which the opponents of tariff reduction can base a claim that we are upon the verge of ruin because of importations from Argentina.

Mr. HAMILTON of Michigan. Mr. Chairman, will the gentleman yield?

Mr. HAMMOND. Yes.

Mr. HAMILTON of Michigan. Did not your Democratic President hold out to the people who live in cities the prospect of cheaper commodities to go into the market basket?

Mr. HAMMOND. Yes.

Mr. HAMILTON of Michigan. Was not that the constant argument in the last campaign; and did you not, therefore, pursuant to that policy, reduce duties on farm products in order to make the things that go into the market basket cheaper?

Mr. HAMMOND. Mr. Chairman, I will state again to the gentleman, as I have stated several times, that we endeavored to make a competitive tariff bill, a bill that would bring competition where no competition existed, a bill that would not seriously affect the prices for which our products were sold in markets where competition did exist.

Mr. HAMILTON of Michigan. One more question and then I shall not trouble the gentleman further. Does not the gentleman concede that the importation of Argentine corn, some of which has already gone to Chicago, the very heart of the corn belt, some of which has already gone to Oklahoma—does not the gentleman concede that the importation of this corn must force down the price of corn to the western farmer?

Mr. HAMMOND. No; I do not concede that. I answer the gentleman somewhat abruptly, if he will pardon me, simply because I wish to hurry on.

Mr. RAINEY. Mr. Chairman, is it not a fact that only one carload of corn has reached Chicago, and that was sent there for experimental purposes, to see if it could be fed to chickens?

Mr. HAMILTON of Michigan. Mr. Chairman, 240,000 bushels of corn have——

The CHAIRMAN. The gentleman must first get permission of the gentleman who has the floor. The gentleman is out of order.

Mr. HAMILTON of Michigan. I addressed the Chair.

The CHAIRMAN. Will the gentleman from Minnesota yield to the gentleman from Michigan?

Mr. HAMMOND. I yield to the gentleman.

The CHAIRMAN. The gentleman may proceeed.

Mr. HAMILTON of Michigan. I asked the gentleman to permit me to interpose at this place this statement in answer to the chicken-feed suggestion of the gentleman from Illinois [Mr. RAINEY], that already 240,000 bushels of Argentine corn has been contracted for to arrive in Chicago by way of Montreal, and that corn has also——

Mr. RAINEY. I said that only one carload has gone there.

Mr. HAMILTON of Michigan. The gentleman should first address the Chair, as the Chair is insisting upon it.

The CHAIRMAN. The Chair will state that when he rapped for order he was trying to prevent the gentleman from Illinois from interrupting the gentleman from Minnesota without permission.

Mr. HAMILTON of Michigan. I thank the Chair for his consideration.

Mr. GOOD. Mr. Chairman, will the gentleman yield for a brief question?

Mr. HAMMOND. Yes.

Mr. GOOD. Right along the line of the gentleman's answer to another question, in Cedar County, Iowa, a farmer wrote me that he had been offered 65 cents a bushel for his corn in the field early in November. In December, after notice had been published of the importations of large quantities of Argentine corn, he hauled it to town and sold it for 53 cents a bushel. He did not sell for 65 because he thought it was going to 75. Now, I would like to have the gentleman tell me why corn dropped that much in the course of a month in the face of the great shortage of the corn crop in the State of Iowa, if it was not due to the importation of corn from Argentina.

Mr. HAMMOND. The gentleman knows as well as I do that prices fluctuate from month to month. I have here a list of prices, and I think the gentleman sold his corn perhaps fairly well. I notice in a little country market——

Mr. GOOD. He did not think so.

Mr. HAMMOND. Well, I can not help that. I notice in a little country market in Minnesota the price of corn the 6th of March was 50 cents; on the 20th of March it was 53 cents. Now, I do not suppose any news had reached that market of the loss of a cargo of corn bound from Argentina to the United States, and that the reported loss of such a cargo caused corn to go up 3 cents. Markets fluctuate, but not on account of Argentine activity. The prices of farm products are much better since this tariff law went into effect than before. I am not going to deal in buncombe. I do not claim the tariff has made farm prices better, but I do claim that it has not affected them.

Mr. HAMILTON of Michigan. I would like to ask the gentleman a question——

Mr. HAMMOND. I think I will have to decline to yield to the gentleman. I am very sorry.

Mr. HAMILTON of Michigan. Very well.

Mr. HAMMOND. The Payne-Aldrich tariff advocates say when importations come into this country the supply is greater and the price is less. I will grant you that importations of any product would naturally decrease the price.

If, first, there is but one market for the domestic product, because if there are dozens of other markets then the product will find the market where the demand exists. If Argentina, for instance, should, instead of exporting her products to the countries of Europe, send them all here, then the countries of Europe would find some market in which to purchase the things formerly obtained from Argentina. Increased importations may reduce the price if there is but one market in which to sell the commodity. *If, second*, the supply is very largely increased—I might carry a cupful of water from Lake Champlain and throw it into Lake Superior. It would increase the amount of water in Lake Superior, but the result would not be appreciable. It would not affect navigation of the lake, and so it is true that infinitesimal importations are not going to affect prices. *If, third*, the demand or the consumption is not correspondingly increased, of course if there is a greater demand in the country than there was formerly, then the importations would not affect prices; they would simply meet the demand.

Mr. THOMAS. Will the gentleman yield?

Mr. HAMMOND. In just a moment. Will the chairman of the committee give me 15 minutes more?

Mr. BARTLETT. Yes; I will yield 15 minutes additional to the gentleman. I believe I told the gentleman that if it was needed I would give him an hour.

Mr. HAMMOND. I will now yield to the gentleman from Kentucky [Mr. THOMAS].

Mr. THOMAS. As I understand the gentleman from Michigan [Mr. HAMILTON], he complains that 240,000 bushels of corn are threatened to be imported into Chicago. That would be, upon the basis of about 3,000,000 of population which the city of Chicago has, a little over a quart of corn to each inhabitant of Chicago. I wish to ask the gentleman if he thinks that that quart of corn to each inhabitant would glut the market and decrease the price of corn?

Mr. HAMILTON of Michigan rose.

Mr. HAMMOND. I must decline to yield. I will answer the question of the gentleman from Kentucky by saying that I think——

The CHAIRMAN. Does the gentleman yield to the gentleman from Michigan.

Mr. HAMMOND. Mr. Chairman, I must decline to yield further.

Mr. HAMILTON of Michigan. I really would enjoy answering——

The CHAIRMAN. The gentleman declines to yield.

Mr. HAMMOND. I do not think that we will be seriously affected by the importation of corn from Argentina.

Mr. RAINEY. Will the gentleman yield for just one remark?

Mr. HAMMOND. I will.

Mr. RAINEY. I want to say I have investigated the question of the shipment of Argentine corn to Chicago, and it costs 22 cents a bushel for freight alone to ship from the upper Plate corn from the Argentine Republic to Chicago. I have investigated the question, and I find this feed store over on the

corner, which is the largest in the city, reports that they can not bring Argentine corn here and sell it as cheaply as they can bring in Ohio yellow corn, and this market in Washington is supplied at the present time with Ohio yellow corn cheaper than it can be brought from Argentina.

Mr. HAMILTON of Michigan. Will the gentleman yield?

Mr. HAMMOND. I will yield now.

Mr. HAMILTON of Michigan. Concerning first the observation of the gentleman——

Mr. HAMMOND. I can not yield for a statement.

Mr. HAMILTON of Michigan. Then I will ask the gentleman a question. Is it not true that the water rate on corn from Argentina to New York is from 5 to 7½ cents a bushel?

Mr. HAMMOND. Yes; I think so.

Mr. HAMILTON of Michigan. And the water rate on corn from Argentina to Chicago by way of Montreal is a little over 7 cents instead of being 24 cents. The gentleman from Illinois [Mr. RAINEY] is just the same sort of a lightning calculator as the gentleman from Kentucky [Mr. THOMAS]. Is it not true, also, that this Argentine corn has taken all the New England market away from the corn growers of the West, and that the New York, New Haven & Hartford Railroad has made a new freight rate from tidewater to New England ports? And is it not true that for several months past little corn has gone from the corn belt to New York? And is it not true, further, that the Corn Products Co. is buying 75 per cent of the Argentine corn?

Mr. HAMMOND. The gentleman is in error as to the rate from Argentina to Chicago. Argentine corn has not captured the New England markets. I can not remember all his questions, but with the exception of his first statement in reference to the rate from Argentina to New York the statements are incorrect.

Mr. HAMILTON of Michigan. And that is the only one you undertake to answer?

Mr. HAMMOND. I state that they are not so, and I know of no other way to answer incorrect statements.

Mr. HAMILTON of Michigan. Have you any figures with which to refute them?

Mr. HAMMOND. I have them; yes.

I proposed taking up as well as I might three things—eggs, corn, and beef. I am trying to be fair about this. I am assuming that the importations for the first four months after the tariff passed, for the reasons I have given, are as large or larger than they will be in any other four months of the year. So in calculating the importations for a year I have multiplied the amount for the four months by three. We imported in October, November, December, 1913, and January, 1914, 2,885,561 dozen eggs into this country. They were worth $612,759. At the same rate for the year the total value of our importations would be $1,838,277. Now, we exported in 1912 $3,395,953 worth. Our exports of eggs, therefore, are double our imports. The average price paid for the eggs we exported in 1912, the average price paid to us, was 22 cents a dozen, and the average import price on eggs brought into the United States was 13.7 cents a dozen. I submit there is not very much harm in importing eggs at about 14 cents a dozen if we can export twice as many at 22 cents a dozen.

But a little more in connection with this matter. The consumption of eggs in the United States in 1910 was an amount valued at $320,739,375. The imports for this year are about one-half of 1 per cent of our consumption. I said a little while ago that I could put more water in Lake Superior by carrying a cupful from Lake Champlain, but it would not materially affect Lake Superior. Now, gentlemen, do you think, with our consumption of $320,000,000 worth of a product, we are going to be seriously affected by importations of one-half of 1 per cent? Why, we produced in the United States in 1910 1,591,000,000 dozens of eggs. In 1900, 10 years before, we produced 1,293,000,000 dozens of eggs. The gain in 10 years was 297,000,000 dozens; and during that period the State of Missouri alone, which produced more eggs than any other State in 1910, gained in production 26,613403 dozens. The 26,000,000 dozens gained in the State of Missouri in 10 years is a greater number than the total exports of eggs from China to the entire world, and 60 per cent of those exports go to the German Empire.

In the course of marketing eggs in the United States three-tenths of them are damaged from bad handling and one-tenth are broken; that is, one egg out of every ten is broken; and we can not do what the king and all his men could not do—we can not put it together again. It is lost. If the American people would exercise a little more care and, instead of breaking as many eggs as they break now, would break only half as many we would save each year 79,000,000 dozen eggs, and it would take nine years for the importations of eggs coming from China and from all other places to this country to make up that number.

Now, in reference to corn. The total corn importations in October, November, and December, 1913, and January, 1914, were 7,034,159 bushels. That would make for a year 21,102,477 bushels. Our exports in 1912, including corn meal, were 41,797,291 bushels; so our exports are just about double our imports. In 1912 we had an enormous production—3,124,746,000 bushels. But while that production was enormous, it was not abnormal. Our exports and our imports combined are only about 2 per cent of that production.

The importations are about two-thirds of 1 per cent, so we are in no immediate danger of having our markets taken away from us. A gentleman asked me if it is not true that certain markets—I do not remember where they were—had been taken away from the western farmer by the Argentine corn. What nonsense! Taken away by some portion of two-thirds of 1 per cent. Of course it is not true. The statement is based upon some such article as that which appeared in the Philadelphia Ledger, stating that the seaboard markets are chock full of corn and more is on the way.

The gentleman from Iowa [Mr. GOOD] spoke about the corn shortage. Our shortage in 1913 was 677,748,000 bushels, a tremendous amount. But even with that shortage the United States of America produced 68 per cent of all the corn raised in the world.

In North and South America there are 130,000,000 acres of land planted to corn—105,000,000 in the United States, 13,000,000 in Mexico, and 10,000,000 in Argentina.

Argentine corn brings a less price in our markets than does American corn. I am told that it responds to chemical tests and is good corn. But in our country we like the yellow dent corn. It looks the best. I believe it is the best. Anyway it commands a price in the market that the Argentine corn does not often reach. Argentine corn is largely of the flint variety.

That is not alone true in the United States. We have been sending our corn to Great Britain and Argentina has been sending its corn to Great Britain, one the competitor of the other, and three years out of five the American corn brought the better price.

Before I refer to the importations of beef, let me say a word concerning wheat: Notwithstanding the statements industriously circulated by those who desire to create a prejudice among the farmers against the present tariff law, and who do not hesitate to use misrepresentations in their attempts to arouse such prejudice, wheat imported into this country is subject to a duty of 10 cents a bushel, except wheat from Argentina. Russia, including Asiatic Russia, is the greatest wheat-raising nation of the world, but should any of its product come to American ports a duty of 10 cents a bushel would be levied upon it. The Canadian wheat crop is, perhaps, one-third of our own, and the wheat raised in Western Canada is of excellent quality. During the past year, much of the time, the Canadian price was better than our own. Just how they compare now I can not say, but, generally speaking, the Minneapolis price is better than the Winnipeg price. American farmers, as a general thing, receive a better price for their wheat than do their Canadian neighbors. The difference in price, or the spread between the markets, is less than 10 cents a bushel, save in exceptional cases, but the Canadians can not bring their wheat into our markets without paying a duty of 10 cents a bushel on it. The tariff law levies a duty of 10 cents a bushel on wheat imported into this country from any country that imposes a duty upon wheat or products of wheat imported from this country into it. Now, under this provision wheat might be imported free of duty into the United States from Finland, the Netherlands, Denmark, Great Britain, and Argentina. The wheat raisers of this country were told that so valuable is the American market that the Canadian Government would hasten to remove all of its duties on wheat and wheat products, so that it might send its wheat free of duty into the United States. In a speech by me in April, 1913, in support of the present tariff law, I said:

> But certain gentlemen say: "Do not you know that just the moment this bill becomes a law Canada, through her governor general or some other official who has the power, with one stroke of the pen will strike out the duty now imposed on American flour, so that Canadian flour may come into the United States?" No, Mr. Chairman; we do not know it, nor does anyone else know it, but those acquainted with the history of recent tariff enactments have good reason to believe that Canada will do nothing of the kind.

Mr. Collins, the editor of an agricultural paper published in Minnesota, who champions the Payne-Aldrich tariff law and loses no opportunity to make statements he thinks may discredit the present tariff law, in a letter written to the American Economist—the organ of high protection—under date of December 27, 1913, stated:

> There is not one chance in a million of Canada's failing to remove her tariff on American grain, since it is protection only on paper and

not in reality, for, of course, we are not sending American grain over into Saskatchewan or Manitoba.

We might send wheat into Saskatchewan and Manitoba, but it would not ruin the Canadian wheat market if we did. So Argentina may send some wheat to the United States, but it would not ruin the American wheat market if it does.

But to continue with Canada. On January 30 of this year a free-wheat amendment was proposed to the address in reply to the speech from the throne in the Canadian Parliament and was defeated by a vote of 102 to 57. This was in the nature of a test vote and clearly indicated that the Canadians had no intention of removing their tariff duties in order to send wheat into the United States. On April 7 of this year the minister of finance of the Canadian Government made his annual budget statement, and the proposition to remove the duty on wheat and wheat products was finally rejected. So unless there is a decided change of opinion in Canada wheat coming from the Dominion into the United States will pay a tariff duty of 10 cents a bushel.

So free-wheat importations must come from Argentina. The wheat crop of Argentina for 1912–13 was 198,000,000 bushels. I can not give the exports for that year, but for 1911 83,993,460 bushels were exported. The wheat production of the United States for 1912 was over 730,000,000 bushels, and for 1913 it was 763,380,000 bushels. Our exports of wheat in 1912 were 30,160,212 bushels, valued at $28,477,584. Now, the wheat we exported was sold in the markets of the world in competition with the wheat from Argentina and wheat from other parts of the world. If we can sell over $28,000,000 worth of this cereal in the world's markets in competition with the wheat raised in other countries, is it not reasonable to suppose we can successfully market our crop in our own markets, even though we were obliged to meet such competition? The farmer who sells his wheat does not receive any less for it because it is exported; the market price of wheat is the same whether it is retained for home consumption or is sent abroad to supply a foreign demand.

The statistical department of the Argentine ministry of agriculture gives the production cost of wheat on a farm of 618 acres, 6 miles from a railroad; 484 acres of the farm were sowed to wheat and the balance was pasturage. The cost of production was 66 cents per bushel and the yield 15 bushels to the acre—a trifle less than the Minnesota yield for 1912, which was 15.5 bushels per acre. Farm labor in Argentina is nearly as high as it is in our wheat belt.

Of course, we may expect importations of wheat from Argentina and from Canada. We imported wheat before the enactment of the Underwood tariff bill, and we will continue to import it. Our consumption is increasing, and year by year we send less of our wheat abroad, and in the natural course of things the imports will be greater and greater as the consumption in this country increases, because the increase in production is not keeping up with the increase in consumption.

The gentleman from Iowa who referred to the shortage in the corn crop attributed the better prices of corn this year over last year to that shortage. The tables I am submitting show that wheat is selling at a better price this year than last year, and that can not be due to a wheat shortage, for we raised last year the biggest crop of wheat ever produced in this country.

The importations of wheat have not affected the price, nor have the importations of corn affected the price; that is, they have not affected the price the man who raises the wheat and the corn receives for his product. If wheat or corn in a given market place is cornered or monopolized, and the price thereby raised, then importations may tend to bring down that price. Then there will be competition where there was no competition.

Since Argentine wheat may come into this country free of duty we may look for increased importations from the southern Republic, but every bushel of the wheat, manufactured or unmanufactured, coming here, lessens Argentina's exports to other countries by just one bushel, and those other countries will seek to purchase that bushel somewhere else.

In 1911 the importations of wheat into the United Kingdom from Argentina were a little larger than from the United States, but the next year—1912—the Argentine importations, although considerably greater than the year before, were less than those from the United States. The United Kingdom must have wheat, either made into flour to feed the English people or for its great port mills, where it is made into flour. Let the importations from Argentina fall off, the greater will be the demand for American wheat; let the American supply fail, the greater will be the demand for the Argentine crop. As I said before, it matters not to the farmer, when he hauls his wheat to the elevator and receives his pay for it, whether that wheat remains in the United States or goes out of the United States; there is always a market somewhere for the staff of life.

Potatoes, too, like wheat, are subject to duty when imported into the United States, if they come from a country that imposes duties upon potatoes imported from the United States. Canada has a tariff upon potatoes, so when imported from Canada they are subject to an ad valorem tariff charge of 10 per cent. During the first four months under the new tariff law there were imported into the United States 3,261,705 bushels of potatoes. This would indicate a total annual importation of somewhat less than 10,000,000 bushels. The advocates of special privilege, in their attacks upon the Underwood law, will try to make the farmers believe that such a tremendous importation as 10,000,000 bushels will compel them to sell their potatoes for less than heretofore, and probably some farmers will believe them; but they would take little stock in the argument of these opponents of low tariff if they knew that during the year 1912 the United States imported nearly 14,000,000 bushels of potatoes. If the farmers could prosper with so large an amount of potatoes coming in here, it is quite likely they will get along comfortably under the new tariff law with importations nearly a third less.

I now present market statements of St. James, Minn., March 7, 1913, March 6, 1914, and March 20, 1914. They are taken from a weekly paper published there.

It appears that in nearly every instance the prices are better this year than last year. These are the prices the farmer receives:

Comparative statement of market prices for March, 1913, and March, 1914, at St. James, Minn., and market prices at Slayton, Minn., for April, 1913, and April, 1914.

	St. James market.		
	Mar. 7, 1913.	Mar. 6, 1914.	Mar. 20, 1914.
Grains:			
Wheat No. 1	$0.78	$0.82	$0.85
Wheat No. 2	.76	.80	.83
Wheat No. 3	.73	.77	.80
Oats	.26	.32	.32
Corn	.36	.50	.53
Barley	.40	.45	.45
Rye	.45	.48	.48
Flax	1.15	1.40	1.45
Produce:			
Eggs	.18	.24	.16
Dairy butter	.25	.25	.25
Potatoes	.35	.75	.75
Live stock:			
Hogs	$7.40 to 7.50	$7.90 to 8.00	$8.00 to 8.10
Steers	5.25 to 7.75	5.25 to 8.00	5.25 to 8.00
Heifers	3.50 to 6.50	4.00 to 6.75	4.00 to 6.75
Cows	3.50 to 6.50	4.00 to 6.50	4.00 to 6.50
Veal	4.25 to 7.75	4.00 to 8.50	4.00 to 8.50
Sheep	4.50 to 6.25	2.50 to 4.50	2.50 to 4.50
Lambs	4.25 to 6.25	5.25 to 6.75	5.25 to 6.75
Poultry:			
Chickens	.08	.10	.10
Ducks	.08	.08 to .10	.08 to .10
Geese	.08	.07 to .11	.07 to .11
Turkeys	.12	.10	.10

	Slayton market.	
	Apr. 17, 1913.	Apr. —, 1914.
Grains:		
Wheat No. 1	(1)	(1)
Wheat No. 2	$0.70 to $0.73	$0.79 to $0.82
Wheat No. 3		
Oats	.25 to .26	.32
Corn	.43	.55½ to .58½
Barley	.40	.47
Rye	(1)	(1)
Flax	(1)	(1)
Produce:		
Eggs	.14	.16
Dairy butter	(2)	(2)
Potatoes	(1)	(1)
Live stock:		
Hogs	(1)	(1)
Steers	(1)	(1)
Heifers	(1)	(1)
Cows	(1)	(1)
Veal	(1)	(1)
Sheep	(1)	(1)
Lambs	(1)	(1)
Poultry:		
Chickens	(1)	(1)
Ducks	(1)	(1)
Geese	(1)	(1)
Turkeys	(1)	(1)

[1] Not shown on report quoted. [2] Not quoted. [3] 3 cents lower than 1913.

Just a word about importations of meat. We must import meat, tariff or no tariff. The gentleman from Michigan [Mr. KELLEY] asked me if I thought the importations of meat would reduce its cost to the consumer, and I said that I feared they would not materially reduce the cost. I had in mind importations of beef from Argentina. The export business of that country is mainly controlled by American packers. There are nine establishments for slaughtering, chilling or freezing, and exporting beef located in or near Buenos Aires; five are owned or operated by Chicago houses. We would indeed be credulous were we to believe that these Chicago-controlled companies in Argentina will bring their Argentine beef to the United States for the purpose of lowering the price of their American beef. As I have stated several times, we may look for reduced prices when importations will give us competition, but there is no competition between Chicago packers in the United States and Chicago packers in Argentina.

Why do I say, "We must have importations"? This is the reason: In 1910 there were 41,178,000 meat cattle in the United States; in January, 1914, 35,855,000. During the last four years there has been an average annual decrease of 1,330,000, or 3.3 per cent. In 1910 there were in the United States 52,448,000 sheep; in January, 1914, 49,719,000; an average annual decrease since 1910 of 682,000, or 1.3 per cent. In 1910 there were in this country 58,186,000 swine; January 1, 1914, there were 58,933,000, an increase for the four years of 1.3 per cent. Now, during that time, from 1910 to 1914, the population of the United States increased from 91,972,000 to 98,646,000. Compared with our population—that is, taking into account the increase of population and the decrease of sheep and cattle and the small increase in swine, and comparing their number to each 100 of the population in 1914 with the number to each 100 of the population in 1910—there is a shortage in milch cows of 4.4 per cent; in other meat cattle, 19.2 per cent; in sheep, 11.6 per cent; and in swine, 5.2 per cent.

These statements, if not in themselves alarming, certainly are reasons enough why we must have importations of meat into the United States, and we may look for such importations from Argentina.

I have been unable to find reliable statistics of the number of cattle and sheep in Argentina during the last few years, but from December, 1909, to December, 1910, the number of neat cattle increased less than 4 per cent, but the number of sheep increased about 25 per cent.

I called the attention of the House a year ago to our great increase of exports of manufactured articles and the great decrease in our exports of farm products. Our urban population is increasing much more rapidly than our rural population, and unless we materially increase the yield per acre of our land the time is not far distant when we must look beyond our own boundary lines for food. Irrespective of tariff rates or tariff changes our importations of food products are likely to increase.

From 1900 to 1910 the United States increased in population 21 per cent. In that same period the average of our cereal production increased but 3.5 per cent, and the yield in 1909 was only 1.6 per cent greater than in 1899. In 1899 we produced of cereals 58.4 bushels per head, in 1909 49.1 bushels per head. The demand for importations will bring importations, but, as I have tried to show, it does not follow that on account of the importations of farm products the farmers will receive less for the things they raise.

I have already presented market reports from two small towns in Minnesota showing that practically everything the farmer raises brings a better price this year, after the enactment of the Underwood tariff law, than last year under the Payne-Aldrich tariff. I now present a table showing the Chicago market prices. They are taken from the files of the Daily Trade Bulletin in the office of J. R. Whitney & Co., and were prepared by the Carroll Times, an Iowa paper. The quotations of prices were taken for commodities on the Chicago Board of Trade on the dates specified.

February, 1913, came in on Saturday. The dates for which quotations are given are, therefore, February 1, 8, 15, and 21. There was no session of the board of trade on Saturday, February 22, a public holiday. The Saturdays of 1914 most nearly corresponding to these were January 31, February 7, 14, and 21. These are the dates for which the following quotations were reported in the Daily Trade Bulletin, and we invite doubters to consult the files themselves for verification or refutation of the figures given by us. The corn prices quoted are the cash prices for No. 3 mixed, on track, Chicago, which is selected as a standard grade. Any other grade might be chosen, but the lesson taught by the quotations would be the same. The prices given on wheat are for No. 2 spring. The prices quoted on hogs are the lowest and highest, including both light and heavy grades, but excluding "pigs." The quotations on cattle are for "steers, medium to choice."

CORN—NO. 3 MIXED, ON TRACK, CHICAGO.

	Low.	High.
1913.		
Feb. 1	48	50
Feb. 8	49½	50½
Feb. 15	47½	49½
Feb. 21	47½	49
1914.		
Jan. 31	60½	63
Feb. 7	60	64
Feb. 14	59½	63
Feb. 21	59½	64

WHEAT—NO. 2 SPRING.

	Low.	High.
1913.		
Feb. 1	88	90
Feb. 8	88	90½
Feb. 15	87	89
Feb. 21	87	89½
1914.		
Jan. 31	88½	90
Feb. 7	89½	91½
Feb. 14	91	92
Feb. 21	93	95

LIVE HOGS—LIGHT AND HEAVY.

1913.		
Feb. 1	7.30	7.70
Feb. 8	7.85	8.10
Feb. 15	8.00	8.35
Feb. 21	8.15	8.40
1914.		
Jan. 31	8.25	8.50
Feb. 7	8.45	8.72½
Feb. 14	8.25	8.60
Feb. 21	8.40	8.75

CATTLE—STEERS, MEDIUM TO CHOICE.

1913.		
Feb. 1	7.50	8.25
Feb. 8	7.60	8.25
Feb. 15	7.90	8.50
Feb. 21	7.90	8.50
1914.		
Jan. 31	7.85	8.85
Feb. 7	7.85	8.65
Feb. 14	7.75	8.65
Feb. 21	7.85	8.60

The Chicago prices for eggs in February, 1913, ranged from 15 to 24 cents. The prices for February, 1914, have thus far ranged from 24½ to 27 cents.

Next, I present a table showing the comparative wholesale prices of 12 commodities selected from 106. In connection with this table let me say that Bradstreet's index number of commodity prices has followed a downward course this year for the third time. The fall is only three-tenths of 1 per cent for the interval between February 1 and March 1. The present index number is the lowest reported since October, 1911, and it is lower than the numbers reported on March 1, 1913, 1912, 1910, and 1907.

Now, notwithstanding this general downward tendency of prices, the 12 articles selected, being all of the farm products listed, with the exception of butter, indicate prices this year higher than those of a year ago.

Comparative wholesale prices of 12 commodities.

TWELVE QUOTATIONS RULING FOR STANDARD GRADES AT THE HIGH POINT ON DEC. 1, 1912, MAR. 1, 1913, AND MAR. 1, 1914.

[From Bradstreet's.]

Commodities.	Dec. 1, 1912.	Mar. 1, 1913.	Mar. 1, 1914.
Wheat, No. 2, red winter, in elevator	$1.06	$1.10	$1.05
Corn, No. 2, mixed, in elevator	.66	.61	.725
Oats, No. 2, mixed, in elevator	.37	.38	.455
Barley, No. 2 (Milwaukee)	.72	.70	.70
Rye, western	.68	.70	.685
(All of above per bushel.)			
Beeves, best, native steers (Chicago)	11.00	9.00	9.65
Sheep, prime (Chicago)	4.65	6.85	6.25
Hogs, prime (Chicago)	7.65	8.50	8.55
(All of above per 100 pounds.)			
Milk (New York) per quart	.050275	.04275	.0475
Eggs, State, fresh (New York) per dozen	.42	.25	.31
Butter, creamery, State, best per pound	.37	.36	.315
Potatoes, eastern per 180 pounds	1.75	1.87	2.75

Last of all I present a table showing the prices paid to farmers for corn, wheat, oats, barley, rye, buckwheat, potatoes, flaxseed, hay, and cotton on the 1st day of April 1914, and the 1st day of April, 1913. The average for the United States shows higher prices this year for all of these products. This table has been prepared by the Department of Agriculture:

Prices to producers of agricultural products Apr. 1, 1914 and 1913.

[Cotton in cents per pound; hay, dollars per ton; other products, cents per bushel.]

State.	Corn.		Wheat.		Oats.		Barley.		Rye.		Buckwheat.		Potatoes.		Flaxseed.		Hay.		Cotton.	
	1914	1913	1914	1913	1914	1913	1914	1913	1914	1913	1914	1913	1914	1913	1914	1913	1914	1913	1914	1913
	Cts.	*Cts.*	*Cts.*	*Cts.*	*Cts.*	*Cts.*	*Cts.*	*Cts.*	*Cts.*	*Cts.*	*Cts.*	*Cts.*	*Cts.*	*Cts.*	*Cts.*	*Cts.*	*Dolls.*	*Dolls.*	*Cts.*	*Cts.*
Maine	84	68	100	116	58	49	80	72	.....	.....	65	70	55	40	.....	.....	12.80	13.70	.....	.....
New Hampshire	76	67	120	104	53	48	.....	95	115	.....	75	75	81	65	.....	.....	16.80	16.10	.....	.....
Vermont	75	67	101	100	53	46	87	85	70	.....	89	95	76	63	.....	.....	14.90	14.10	.....	.....
Massachusetts	79	69	.....	.....	56	46	.....	.....	93	97	86	72	85	70	.....	.....	20.50	19.80	.....	.....
Rhode Island	93	89	.....	.....	.....	.....	.....	.....	107	.....	.....	80	95	80	.....	.....	21.80	24.00	.....	.....
Connecticut	79	69	.....	.....	50	41	.....	.....	80	91	90	100	81	77	.....	.....	20.00	20.80	.....	.....
New York	77	64	97	101	48	43	70	69	72	73	81	67	85	57	.....	.....	14.80	12.90	.....	.....
New Jersey	77	64	97	100	47	42	.....	.....	75	70	75	82	83	67	.....	.....	18.70	17.80	.....	.....
Pennsylvania	74	61	95	101	48	42	65	68	76	74	73	66	81	61	.....	.....	14.50	13.50	.....	.....
Delaware	70	55	97	99	40	40	.....	.....	75	76	.....	.....	105	81	.....	.....	16.00	14.50	.....	.....
Maryland	74	58	95	100	50	45	65	65	74	78	80	.....	72	59	.....	.....	15.50	12.00	.....	.....
Virginia	85	73	101	106	55	54	72	75	84	82	86	82	85	75	.....	.....	15.80	15.60	.....	12.2
West Virginia	85	71	101	104	56	51	.....	.....	87	84	83	73	105	73	.....	.....	16.30	13.20	.....	.....
North Carolina	94	83	112	118	62	62	.....	.....	98	103	85	90	90	91	.....	.....	18.50	16.30	12.6	12.0
South Carolina	98	89	116	124	67	64	.....	.....	175	150	.....	.....	123	128	.....	.....	18.30	19.00	12.6	12.0
Georgia	94	90	122	122	65	64	134	.....	115	150	.....	.....	115	125	.....	.....	18.20	17.60	12.8	11.9
Florida	86	92	.....	.....	64	68	.....	.....	.....	.....	.....	.....	150	126	.....	.....	17.30	17.30	15.6	12.4
Ohio	64	51	93	99	39	33	57	50	68	72	80	68	80	56	.....	.....	12.20	10.30	.....	.....
Indiana	61	48	91	97	39	32	50	65	63	67	85	.....	83	53	.....	.....	12.70	10.80	.....	.....
Illinois	64	47	88	90	38	31	55	54	62	71	100	93	91	58	.....	.....	13.90	12.00	.....	.....
Michigan	64	51	92	99	40	32	64	63	60	57	68	64	50	36	.....	.....	12.00	10.70	.....	.....
Wisconsin	59	49	82	82	37	32	52	50	55	56	72	64	53	31	140	130	10.30	10.60	.....	.....
Minnesota	52	41	83	76	32	26	45	43	51	49	62	62	53	28	136	113	6.40	6.50	.....	.....
Iowa	59	41	79	79	34	29	52	51	62	60	84	81	93	51	120	110	9.80	9.60	.....	.....
Missouri	74	50	86	95	46	37	.....	60	74	78	96	98	99	74	145	112	14.20	9.40	11.6	9.5
North Dakota	51	47	81	72	32	23	39	34	48	47	.....	.....	57	31	137	106	5.80	5.20	.....	.....
South Dakota	57	39	79	73	33	26	44	41	51	57	.....	.....	75	39	132	114	7.00	5.60	.....	.....
Nebraska	63	44	75	74	37	31	52	40	57	56	75	.....	94	53	.....	.....	8.50	7.20	.....	.....
Kansas	73	48	80	78	46	40	57	42	65	67	.....	.....	98	77	133	130	12.10	7.60	.....	.....
Kentucky	81	64	98	103	54	49	72	82	84	88	.....	.....	103	66	.....	.....	17.20	14.10	.....	.....
Tennessee	82	67	101	107	56	54	82	75	102	100	73	75	112	75	.....	.....	17.40	15.10	12.0	11.9
Alabama	93	79	119	106	67	58	95	.....	150	150	.....	.....	116	118	.....	.....	16.20	14.20	12.6	11.9
Mississippi	82	75	.....	89	62	61	.....	.....	.....	.....	.....	.....	113	116	.....	.....	13.50	12.70	12.2	11.9
Louisiana	77	79	.....	.....	58	55	.....	.....	.....	.....	.....	.....	108	115	.....	.....	13.40	12.30	11.7	11.9
Texas	88	69	95	93	50	44	63	68	104	110	.....	.....	113	109	.....	.....	13.10	10.60	11.0	11.8
Oklahoma	74	50	81	77	48	39	68	50	93	87	.....	.....	109	91	.....	.....	11.50	7.40	11.2	11.5
Arkansas	82	72	88	94	54	55	.....	.....	65	95	.....	.....	114	102	.....	.....	15.20	14.40	11.3	11.8
Montana	81	59	71	65	33	39	52	48	61	68	.....	.....	60	52	123	129	8.00	9.70	.....	.....
Wyoming	88	62	86	94	46	46	70	80	64	70	.....	.....	70	80	.....	.....	8.60	6.80	.....	.....
Colorado	71	53	78	77	46	37	60	44	56	49	.....	.....	59	41	.....	.....	9.80	8.30	.....	.....
New Mexico	72	81	79	72	40	39	79	48	.....	.....	.....	.....	113	103	.....	.....	14.50	11.30	.....	.....
Arizona	112	95	109	101	67	80	79	77	.....	.....	.....	.....	150	95	.....	.....	12.00	15.00	.....	.....
Utah	73	70	73	72	41	42	50	53	55	67	.....	.....	62	44	.....	.....	10.00	9.00	.....	.....
Nevada	112	.....	90	101	50	52	77	88	.....	.....	.....	.....	64	45	.....	.....	10.00	11.00	.....	.....
Idaho	76	80	68	73	34	35	48	49	90	69	.....	.....	55	24	.....	.....	8.00	7.50	.....	.....
Washington	71	89	80	80	41	41	50	50	60	57	.....	.....	42	26	.....	.....	11.60	10.50	.....	.....
Oregon	70	78	86	79	40	41	62	58	85	73	.....	.....	43	36	.....	.....	9.00	8.30	.....	.....
California	83	77	97	95	52	51	66	64	110	86	.....	.....	73	45	.....	.....	11.00	14.00	.....	12.5
United States	70.7	53.7	84.2	79.1	39.5	33.1	51.7	48.5	63.0	62.9	76.9	68.3	70.0	50.3	132.8	113.6	12.20	11.15	11.9	11.8

From the tables which have been presented the conclusion reached is a conclusion of fact. Notwithstanding the reductions in the new tariff law and the importations which have followed its enactment, the farmers of the United States are receiving better prices for their products than they received a year ago. From the statistics which have been presented a conclusion may be reached based upon facts, and that is that there is no occasion for the farmers to fear that importations from other countries will affect the prices they can secure for their products.

The Payne-Aldrich tariff bill was denounced in the platform of the Democratic Party and in the platform of the Progressive Party; it received but faint praise in the platform of the Republican Party; it was repudiated by the people of the United States. The Democratic Party was delegated to write a new tariff law; it has accomplished its task. It promised to reduce the tariff duties; it has done so. Last October the question was squarely put to the Members of this body, "Will you vote for a tariff law reducing tariff duties, or will you stand for the Payne-Aldrich tariff schedules?" There was no other proposition; it was a choice between the Underwood tariff law and the Payne tariff law. Those who voted for the Underwood bill voted against the Payne bill, and those who voted against the Underwood bill voted for the Payne bill. The supporters of the Payne-Aldrich bill have heretofore attempted to make the farmers of the country believe that the Underwood bill discriminated against their products; they will probably continue their efforts. Some farmers may believe them, but those who read and those who think will not believe them. Here are the demonstrations proving that since the new tariff law was enacted the prices of the things they sell have increased and the prices of much that they buy have decreased, and they can look forward to the certainty of good markets without fear of low prices. [Applause on the Democratic side.]

Mr. AUSTIN. Mr. Chairman, may I ask the gentleman a question?

The CHAIRMAN. Does the gentleman from Minnesota yield to the gentleman from Tennessee?

Mr. HAMMOND. Yes; if the gentleman will be quick.

Mr. AUSTIN. Does the gentleman mean to tell us that the result of the tariff bill is to increase the cost of the necessaries of life?

Mr. HAMMOND. I explained that fully.

Mr. AUSTIN. I was not in the Chamber at the time. I simply wanted to know if that is the gentleman's opinion, that the result of the tariff bill has been to increase the cost of the necessaries of life?

Mr. HAMMOND. I made the statement that I was not trying to deal in buncombe.

The CHAIRMAN. The time of the gentleman from Minnesota has expired.

Mr. BARTLETT. Mr. Chairman, will the gentleman from Minnesota use some of his time?

Mr. DAVIS. Yes. I yield to the gentleman from Illinois [Mr. HINEBAUGH] one hour, or so much thereof as he desires to consume.

The CHAIRMAN. The gentleman from Illinois [Mr. HINEBAUGH] is recognized for one hour.

Mr. HINEBAUGH. Mr. Chairman, I would like to have it understood that the part of the hour which I do not use is reserved by me.

The CHAIRMAN. The Chair understands that the time belongs to the gentleman from Illinois in his own right.

Mr. DAVIS. That is the understanding.

Mr. BARTLETT. He has the hour to dispose of as he sees fit.

Mr. DAVIS. Yes.

Mr. HINEBAUGH. Mr. Chairman, I fully realize that the subject of the recall of judicial decisions and the growth of the power of the judicial branch of our Government is a dry subject, and that very probably I shall not be able to present it to you in an entertaining manner. But the platform of the Pro-

gressive Party, upon which I was elected to this body, provided among other things as follows:

THE COURTS.

The Progressive Party demands such restriction of the power of the courts as shall leave to the people the ultimate authority to determine fundamental questions of social welfare and public policy. To secure this end, it pledges itself to provide:

1. That when an act, passed under the police power of the State, is held unconstitutional under the State constitution, by the courts, the people, after an ample interval for deliberation, shall have an opportunity to vote on the question whether they desire the act to become a law, notwithstanding such decision.

Mr. Chairman, my purpose in addressing the House on this subject at this time is only to show that the basic principle of the doctrine of recall of decisions is very old, and that the protest against the ever-increasing power of the judicial branch of the Government originated with the Marbury decision, and has continued unabated ever since.

There are now eight States in which the recall has been adopted by constitutional amendment—Oregon, California, Arizona, Arkansas, Nevada, Idaho, Washington, and Colorado.

Two methods are used. The Oregon plan, which means that an official sought to be recalled appears on the ballot as a candidate for reelection. A plurality vote elects. The California plan under which the question of recall is voted on separately. If a majority of those voting vote for recall, the plurality candidate succeeds to the office. The voter, however, must vote on recall before voting for the candidate.

The doctrine of recall as applied to administrative offices is rapidly becoming popular in every State, and is not violently opposed by any political party.

The recall as sought to be applied to judges and judicial decisions is strenuously opposed by the two old parties as being revolutionary and subversive of good government. They say it is an attack on the check and balance theory of our forefathers, when they established the executive, legislative, and judicial branches of the Government with the view of constitutional independence for each department.

Alexander Hamilton, the brilliant leader of the Federalist Party, saw that his ideas of concentrating the powers of Government could not be carried out successfully under the Constitution by means of the executive and legislative departments, because they were too responsive to the people and too easily reached by them. Hamilton did not believe in the rule of the people. He did not believe they were capable of self-government.

The defeat of Adams and the triumphant election of Jefferson, who stood for the rule of the people and the sovereignty of the State, made plain to Hamilton that the Constitution was a "frail and worthless fabric," and he immediately turned to the judicial branch of the Government as to an ark of safety, which the Constitution had placed beyond the reach of public opinion and the people.

John Marshall, who had been Secretary of State for Adams, was selected for Justice of the Supreme Court as the strongest and best equipped Federalist to carry forward Hamilton's idea of a powerful judiciary. It should be remembered that the Federalists had just been expelled, root and branch, from all those departments of the Government which under the Constitution could be reached by the people, and that Hamilton, Adams, Marshall, and their followers actually believed that the rights of persons and property and all the interests which they regarded as sacred were put in jeopardy by the election of Jefferson. Jefferson believed in the people. They feared the power of the people at the ballot box.

It is only natural to suppose that under such impressions the leaders of the Federalist Party would make haste to strengthen that branch of the Government to which they now turned to preserve their theories. Immediately after it became certain that the people had turned them out of power they availed themselves of their authority under the Constitution to establish new courts in all the States of the Confederacy and in the District of Columbia. Adams appointed three judges for each court for life or during good behavior—21 judges in all outside of the District of Columbia—every one of whom was placed beyond the power of the new Government under Jefferson that had been selected by the people to succeed the Federalists. Among the midnight appointments which Adams made were 42 magistrates for the District of Columbia, all of whom were to hold their offices for a period beyond that for which the President himself had been elected.

Adams sent the nominations to the Senate on the 2d of March. They were confirmed during the night of the 3d and Jefferson found them on the table in the Department of State the next morning. The commissions had not been delivered. Jefferson held that delivery was necessary to make them effective, and at once directed Madison, his Secretary of State, to destroy them.

Jefferson's course in refusing to sanction the appointments made by Adams furnished the desired opportunity to the Federalists to institute proceedings for mandamus to compel Madison to deliver the commissions. Out of this controversy grew the celebrated case of Marbury *v.* Madison (1 Cranch, U. S. Reports, 137).

The judges of the Supreme Court were all Federalists and the Chief Justice was none other than President Jefferson's old-time political enemy, John Marshall, the ablest judge that ever occupied a seat upon the bench of the Supreme Court. No man perhaps was ever more strictly just or legally honest; but he entertained during his whole public life as a Member of Congress, Secretary of War, Secretary of State, and supreme judge Federal principles and prejudices of the most intense character, and consequently no man in the Nation better equipped to carry out Hamilton's ideas of government could have been found.

Jefferson was advised that steps would be taken by the friends of Adams to compel him to deliver the commissions to the judges who had been appointed, and he at once took measures to defend and maintain the dignity of the Executive Department of the Government. Madison, as Secretary of State, was advised not to make himself a party to any act which could be construed as a recognition of the authority of the judicial branch of the Government to meddle in the affair.

Hamilton directed a motion to be entered at the December term of the Supreme Court, asking for a rule on Madison to show cause why a writ of mandamus should not issue commanding him to deliver the commissions to the judges, whom Adams had nominated.

Notice of the motion was served on Madison, but he paid no attention to the matter and refused to appear in court. He also declined to answer any questions relative to the commissions, and did not in any manner recognize the right or power of the court to hear the questions involved, much less to pass judgment upon them.

The Supreme Court, however, with John Marshall as Chief Justice, proceeded to hold an "ex parte" hearing.

Three questions were presented for the consideration of the court: First, could the Supreme Court award the writ of mandamus in any case; Second, would the writ lie to a Secretary of State in any case whatever; Third, could the Supreme Court in the present case award a writ of mandamus to James Madison, Secretary of State?

Of course, every lawyer will now admit the very first question to have been determined was the question of jurisdiction. Did the Supreme Court have jurisdiction to hear and determine the case?

If the court determines that it is without jurisdiction to hear the case, then it should not attempt a hearing on the merits, and much less should the court attempt to render a decision on the merits.

Under the Constitution it was evident that the Supreme Court was without jurisdiction to try the case, and such was finally the unanimous opinion of the court; but Marshall reversed the order of consideration of the points involved in the case and actually wrote an opinion on the merits, in which he attempted to show that withholding the commissions was an act unwarranted by law and was a violation of a vested legal right, and then concluded by holding that the Supreme Court had no jurisdiction of the subject and no right to grant the writ of mandamus. The course pursued by Marshall in that case and sanctioned by all the associate judges was most exceptional and absolutely without precedent in English or American law. Under the Constitution it was certain that the court had no original jurisdiction of the subject matter and could not under any state of facts grant the writ of mandamus. Why, then, render a decision on the merits?

A decision on the merits, followed by a denial of the writ for want of jurisdiction, could have had no other purpose than to indicate to the courts of inferior jurisdiction what the Supreme Court would do if such a case was brought before it on appeal. The hearing had been "ex parte," and that was an additional reason for a determination of the question of jurisdiction without touching the merits. The truth is borne out by subsequent history—that the case of Marbury against Madison was a political legal battle between the Federalist and the anti-Federalist idea of government, with Marshall and Jefferson acting as the chief exponents of the contending political thought of the age.

It was the first inroad of the judicial branch of the Government on the power of the executive department, and it laid the foundation for a judicial superstructure that has become an

actual menace to the legislative and executive departments of the Government in State and Nation.

Hamilton, Marshall, and Adams foresaw the great power of the judicial department of the Government under such an interpretation of the Constitution as was laid down in the Marbury case, and knew it could not be checked by the people, for under the Constitution the people could not reach the judges.

The doctrine of the recall of judicial decisions and the limitation of the power of the judiciary found advocates then and there.

In the great fight of President Jackson against the Bank of the United States we see again a feeble effort to limit the controlling influence of the judiciary over the other departments of the Government in regard to questions of constitutional power. Andrew Jackson argued that the division of the powers of the Federal Government into distinct and independent departments was founded on well-established principles of tremendous importance to the welfare of the Nation, and his bank veto message contained the following language:

> If the opinion of the Supreme Court covered the whole ground of this act, it ought not to control the coordinate authorities of the Government. The Congress, the Executive, and the court must each for itself be guided by its own opinion of the Constitution. Each public officer who takes an oath to support the Constitution swears that he will support it as he understands it and not as it is understood by others.
>
> It is as much the duty of the House of Representatives, of the Senate, and of the President to decide upon the constitutionality of any bill or resolution which may be presented to them for passage or approval as it is of the supreme judges when it may be brought before them for judicial decision.
>
> The opinion of the judges has no more authority over Congress than the opinion of Congress has over the judges, and on that point the President is independent of both. The authority of the Supreme Court must not, therefore, be permitted to control the Congress or the Executive when acting in their legislative capacities, but to have only such influence as the force of their reasoning may deserve.

While we can not agree with all the reasoning of President Jackson in this declaration, it is nevertheless a notable fact that Webster assented to most of it, although bitterly opposing Jackson on his bank policy. Webster said:

> It is true that each branch of the legislature has an undoubted right in the exercise of its functions to consider the constitutionality of a law proposed to be passed. This is naturally a part of its duty, and neither branch can be compelled to pass any law or do any other act which it deems to be beyond the reach of its constitutional power. The President has the same right when a bill is presented for his approval, for he is doubtless bound to consider in all cases whether such bill be compatible with the Constitution and whether he can approve it consistently with his oath of office.

Webster, however, concluded, with great force and power, that the Constitution had constituted the Supreme Court a tribunal to decide great constitutional questions, and that when the court had decided such a question it was forever put at rest, and that every department of the Government must acquiesce. This was Hamilton's idea, and it was the principle sought to be established by Marshall in the Marbury case. The continued growth and development of this power of the judiciary has resulted in judicial legislation and a consequent demand by the people for a limitation of the powers of the judicial branch of the Government.

Senator White, in answering Webster, contended that the Constitution vests the judicial power in a Supreme Court and such inferior courts as Congress may from time to time ordain and establish, and that whenever a suit is commenced and prosecuted in the courts of the United States, of which they have jurisdiction, and such suit is decided by the Supreme Court—as that is the court of last resort—its decision is final and conclusive between the parties. But as an authority it does not bind either the Congress or the President of the United States. He argued that if either of these coordinate departments is afterwards called upon to perform an official act, and believes the performance of that act will be a violation of the Constitution, they are not bound to perform it, but, on the contrary, are as much at liberty to decline acting as if no such decision had been made. He declared that—

> If different interpretations are put upon the Constitution by the different departments of the Government, the people is the tribunal to settle the dispute. Each of the departments—executive, legislative, and judicial—is the agent of the people, doing their business according to the powers conferred; and where there is a disagreement as to the extent of these powers, the people themselves through the ballot boxes must settle it.

This is the true view of the Constitution. Beyond question it is the construction which those who framed and adopted it placed upon it. It was the origin of the doctrine of the recall of judicial decision by the people.

The more carefully the questions involved are examined the more apparent becomes the dangers to the well-being and the liberties of our people of the principle under which it is claimed that the judicial branch of our Government has a controlling power over the other departments of the Government relative to constitutional questions.

I contend that nowhere in the Constitution of the United States is the Supreme Court expressly authorized to declare an act of Congress unconstitutional. When it was proposed in the Constitutional Convention of 1787 to give the Supreme Court of the Nation a limited veto upon Congress, the convention refused four different times to permit it.

The Supreme Court for years claimed no such power and made no attempt to exercise it. Mr. Speaker, the Federal Supreme Court is the greatest court in the world. It enjoys jurisdiction and power not claimed by the supreme tribunal of any other nation on the globe. Such a court would not be tolerated in England, France, or Germany. When the legislative bodies of those nations enact a law no court can unmake that law. Measured by its tremendous power, our Supreme Court is unrivaled.

John Marshall, by his interpretation of our Constitution, made the Supreme Court of the United States the most powerful branch of our Government.

He was the Chief Justice of a court that Jefferson said was "advancing its noiseless steps like a thief over the field of jurisdiction," and yet Marshall as a lawyer in earlier years when arguing a case before the Supreme Court, in which the Virginia sequestration act was attacked as unconstitutional, used this remarkable language:

> The legislative authority of any country can only be restrained by its own municipal constitution. This is a principle that springs from the very nature of society, and the judicial authority can have no right to question the validity of a law unless such jurisdiction is expressly given by the Constitution.

The recall of judicial decisions is condemned by its enemies without rhyme or reason. Some men say it would lead to anarchy; that it is a new-fangled idea of Theodore Roosevelt, and, like all other theories of government advanced by Roosevelt and the Progressive Party, is inimical to the liberties of the people regulated by law. Harvey, who discovered the circulation of the blood in the human body, was almost burned at the stake by the enemies of human progress.

The direct primary, the initiative, the referendum, the recall, equal suffrage, and the short ballot have been and still are bitterly fought by the enemies of progress in government, by the men who fear the people, and yet those theories of government are as certain to become the practical means by which our people are to be governed as it is certain that our blood does circulate through our bodies.

Mr. Speaker and gentlemen, ridicule and unfair criticism will not answer the demand for the recall of judges or of judicial decisions.

Years after the Jeffersonian and Jacksonian contests for power between departments of the Government had ended, the doctrine of complete immunity from criticism of our courts took root and flourished until undeniable evils crept into the system and such outrageous wrongs were perpetrated by our courts in the name of justice that the people reluctantly came to believe the charge that their highest courts were influenced by great corporations and special interests. So many concrete examples and specific instances of laws being declared unconstitutional by our courts came to public notice that many men believed the supreme judges of our State and Federal courts were usurping powers that threatened the well-being of the people.

This usurpation has taken two forms: First, an attempt not merely to interpret the law, but to legislate; and, second, the exercise of the veto power on the lawmaking body—the too frequent exercise of the power to declare laws enacted by Congress and State legislatures unconstitutional and void. The solemn truth is we have too many courts and too much judge-made law. [Applause.]

It requires as much heart and brain for a judge to decide the fate of a poor devil charged with the theft of a loaf of broad as it does to determine what shall be done with the millionaire thief, whose manipulations of watered stocks have brought anguish and ruin to many homes.

The right of appeal is much too broad, and our legal procedure in nearly all our States is nothing less than an abomination.

The right to demur, to file special pleas and additional counts, the rebutter and the surrebutter have filled our reports with worthless technicalities and has cost litigants millions of dollars, for which they have received nothing, unless it was the knowledge that their lawyers were being educated in the intricacies and sophistries of technical pleading. Under our present judicial system a man of wealth and a cunning lawyer can delay the plainest and most simple lawsuit until the pocket and the patience of a poor man are exhausted.

A judge of the supreme court of one of our States, in a recent address, said:

Our laws are inadequate. They do not satisfy the popular conception of equal justice. The people clamor against the law, its delays, its discriminations, its inconsistencies; and with much reason. Something will happen. Unless judges will act, the people will act. If they do not resort to the recall, they will revise the Constitution; they will create new courts—courts to do rough justice, courts to do summary justice, courts close to the common people, courts without technicalities, sophistries, and delays, where substantial right prevails.

Mr. Taft said:

Of all the questions that are before the American people I regard no one as more important than this: The improvement of the administration of justice. We must make it so that the poor man will have, as nearly as possible, an equal opportunity in litigating as the rich man; and under present conditions, ashamed as we may be of it, this is not the fact.

Judge Clark, of the Supreme Court of North Carolina, has said that—

At the present time the supreme power is not in the hands of the people, but in the power of the judges, who can set aside at will any expression of the people's will made through an act of Congress or a State legislature. These judges are not chosen by the people nor subject to review by them. This is arbitrary power and the corporations have taken possession of it simply by naming a majority of the judges.

Mr. Speaker, this is strong language. Is it surprising that men in the shop and in the field should distrust our courts under these circumstances? And is it remarkable that the people should demand a change in the system? Let us examine the record more carefully and ascertain, if possible, whether or not there is any just cause for the recall of judicial decisions.

In 1884 the legislature of the State of New York passed an act entitled "An act to improve the public health by prohibiting the manufacture of cigars and the preparation of tobaccos in any form in tenement houses in certain cases." The New York court of appeals held the law unconstitutional. This decision, in effect, said to the people of New York, "You can not pass laws to safeguard the health and the lives of the citizens of your State where a question of property right is involved."

Gov. Aldrich, of Nebraska, in speaking of the decision in the well-known Minnesota rate case, said:

When any court, whether it be the United States Supreme Court or a court of inferior jurisdiction, continually makes effort by judicial decision to do that which the people and the people alone have a right to do, then I say that such a court is seeking to establish judicial tyranny. And if allowed to proceed unchallenged along the line of this unwarranted assumption of power, representative government will simply be that in name only.

Mr. DIES. Will the gentleman yield?

Mr. HINEBAUGH. Yes.

Mr. DIES. I should like to ask the gentleman who made the constitution of the State of New York, that he seems to think the courts ought not to protect the people in the enforcement of?

Mr. HINEBAUGH. Who made the constitution?

Mr. DIES. Who made the constitution of the State of New York, that the court was upholding for the people?

Mr. HINEBAUGH. It should have been made by the representatives of the people.

Mr. DIES. Well, who made it?

Mr. HINEBAUGH. I do not know. I was not there. Perhaps the gentleman can tell me who made it.

Mr. DIES. The people make all constitutions. Every constitution of a free State of this Union is made by the sovereign people of that State.

Mr. HINEBAUGH. I presume the people made it. They should have made it through their representatives.

Mr. DIES. Then the courts of New York merely sustained the people in upholding their organic law.

Mr. HINEBAUGH. I do not consider that the gentleman has asked me a question that I am to answer any further than I have answered it.

About 10 years ago the legislature of New York passed a law limiting the hours of labor in bakeries in that State in the interest of the health and lives of its citizens engaged in that work. The law had been given intelligent consideration by the members of the State legislature. It had been approved by the governor and sustained by the highest court of the State of New York, and yet in the case of Lochner *v.* New York, One hundred and ninety-eighth United States Reports, page 45, a divided court, five out of nine judges, declared that the law was unconstitutional.

Mr. Justice Harlan in a dissenting opinion said:

If there be doubt as to the validity of the statute, that doubt must therefore be resolved in favor of its validity, and the courts must keep their hands off, leaving the legislature to meet the responsibility for unwise legislation.

But the dissenting opinion of Mr. Justice Holmes strikes the very heart of the matter when he says:

This case is decided upon an economic theory which a large part of the country does not entertain. If it were a question whether I agree with that theory (limiting the consecutive hours of labor in bakeries which may be required of an employee), I should desire to study it further and long before making up my mind. But I do not conceive that to be my duty, because I strongly believe that my agreement or disagreement has nothing to do with the right of a majority to embody their opinions in law.

Mr. DIES. Mr. Chairman, will the gentleman yield?

Mr. HINEBAUGH. I yield for a question.

Mr. DIES. I understand the gentleman wants the Constitution of the United States enforced and interpreted; and since the Supreme Court is not to interpret it, according to the gentleman's statement, who is to interpret the written Constitution of the United States?

Mr. HINEBAUGH. If the gentleman will wait a few moments, I think I will answer that in my speech.

Mr. DIES. I am waiting patiently.

Mr. HINEBAUGH. Is there not just a gentle hint here that perhaps the majority of the court did not believe in the economic theory contained in the statute, and for that reason declared the act unconstitutional? In 1906 Congress passed an act, which was approved by the President, known as the employees' liability act. This law made common carriers engaged in interstate commerce liable for all damages resulting from the negligence of its officers, agents, or employees, or by reason of any defects, results from negligence in the cars, machinery, roadbed, and so forth. The Supreme Court, by a vote of 5 to 4, held this statute unconstitutional.

In August, 1894, Congress passed an income-tax law, which, in substance, provided for a tax of 2 per cent on net incomes above $4,000.

A man named Charles Pollock, a stockholder in the Farmers' Loan & Trust Co. of New York, brought an action to restrain or enjoin the collection of the tax, claiming that the law was unconstitutional.

When the first argument was made in the Supreme Court in March, 1895, Mr. Justice Jackson, on account of illness, took no part in the case. The lower court had held the act constitutional. The eight members of the court were equally divided on all questions involved in the constitutionality of the act with the single exception of the provision which imposed a tax upon rents and incomes from real estate. When the case was reargued Justice Jackson was present and voted to sustain the law, but for some reason one of the judges who at first had been in favor of sustaining the law changed his vote and the law was annihilated.

Justice Field, in his opinion declaring this law unconstitutional, said:

The present assault upon capital is but the beginning. It will be but the stepping-stone to others larger and more sweeping till our political contests will become a war of the poor against the rich.

Judge Clark, of the Supreme Court of North Carolina, in speaking of this decision, said:

One man nullified the action of Congress and the President and 75,000,000 living people. In 13 years that decision has taxed the property and labor of the country $1,003,000,000, which Congress in compliance with the public will, and relying upon previous decisions of the court, had decreed should be paid out of the excessive incomes of the rich.

Justice Jackson, in a dissenting opinion, said:

The decision (of the majority of the court) disregards the well-established canon of construction that an act passed by a coordinate branch of the Government has every presumption in its favor, and should never be declared invalid by the court unless its repugnancy to the Constitution is clear beyond all reasonable doubt.

And Justice Brown said:

While I have no doubt that Congress will find some means of surmounting the present crisis, my fear is that in some moment of national peril this decision will rise up to frustrate its will and paralyze its arm.

No matter which side of this controversy we may take, it is evident to any sensible man, from opinions of the judges which I have quoted, that the real question which controlled the court was the expediency or propriety of the income-tax law, and not whether it was in conflict with the Constitution.

Mr. Chairman, it is because of the growing belief that our courts declare laws unconstitutional, because they do not believe in the principle or economic ideas embodied in them rather than because they are in conflict with the Constitution, that the doctrine of recall of judges and judicial decisions has found a permanent place in the minds of our people.

Mr. Chairman, in conclusion I wish to refer briefly to two more decisions, The Trustees of Dartmouth College *v.* Woodward (4 Wheat., 517) and the case of Fletcher *v.* Peck (6 Cr., 87).

The Dartmouth College case was a great victory for the Federalists, but it was much more than that, for it established the doctrine that every charter, franchise, and privilege which any corporation could secure from a legislature was a contract and could not be impaired in any way by subsequent legislation.

Chancellor Kent, speaking with approval of the Dartmouth case, for he was an intense Federalist, said:

The decision in that case did more than any other single act proceeding from the authority of the United States, to throw an impregnable barrier around all rights and franchises derived from the grant of government.

And 50 years later Judge Cole, of the Iowa Supreme Court, said:

The practical effect of the Dartmouth College decision is to exalt the rights of the few above those of the many; and it is doubtless true that under the authority of that decision more monopolies have been created and perpetuated and more wrongs and outrages upon the people affected than by any other single instrumentality in the Government. (See Dubuque v. Rachard, A., 39 Iowa, 95.)

Mr. BARTLETT. May I say to the gentleman that it is a fact that the Dartmouth College case led every State in the Union, I believe, either to put in its constitution a prohibition against the granting of charters that were irrevocable, or to the putting into the act granting a charter to a corporation of the reservation of the right to alter, amend, or repeal?

Mr. HINEBAUGH. Yes.

Mr. BARTLETT. So that the decision in the Dartmouth College case is no longer law, either in the States or in the Nation.

Mr. HINEBAUGH. That is true. Under the rule laid down in the Fletcher case a charter or franchise procured by fraud can not be invalidated, no matter how brazen the fraud. Mr. Chairman, in view of all these things can we pretend surprise that the people should follow Theodore Roosevelt when he says:

I urge that in such cases, where the courts construe the Constitution as if property rights had a first mortgage on the Constitution, to the exclusion of human rights, the people, after careful deliberation, be given the right to vote and finally determine whether the law which was set aside shall be valid or not.

Mr. DIES. I should be glad to have a distinction drawn between human rights and property rights, if the gentleman will so favor us.

Mr. HINEBAUGH. If the gentleman can not draw a distinction between a human life and a mile of Pennsylvania Railroad track, why, I must confess that I fear I could not enlighten him.

Mr. DIES. I did not say human life. I said the distinction between human rights and property rights.

Mr. HINEBAUGH. It is common knowledge that the people have nothing to do with the appointment of a Federal judge or his retention in office; and it is just as generally understood that most Federal judges are nominated and appointed through the influence of special interests. Why should not the people, whose servants the judges are supposed to be, have power to recall them, and also their decisions, when those decisions are in conflict with a public need and a righteous public demand? Do you say the people will make mistakes in attempting to secure control of their judicial servants by means of the recall? I answer that throughout all history that same argument has been made against every attempt of the people to acquire some share in their government. Let the agents of special interests argue and protest as they may, the stubborn fact remains that the people intend to take such steps as may be necessary to compel the courts to serve the interests of the whole people, as was the original intent of the Constitution.

We have recently decided that United States Senators shall be elected by the people. The judges of our State supreme courts are elected by the people. Why should powerful special interests have the right to influence the appointment of Federal judges and the people, whose servants they are, be powerless to reach them or their decisions? [Applause.]

Mr. McKENZIE. Will my colleague yield?

Mr. HINEBAUGH. Mr. Chairman, how much time have I remaining?

The CHAIRMAN. The gentleman has 18 minutes.

Mr. HINEBAUGH. I reserve the balance of my time.

Mr. McKENZIE. Will my colleague yield for an interruption?

Mr. HINEBAUGH. I will yield for a question, although I would like to save the time for somebody else. I reserve my time unless the question the gentleman wants to ask is an important one.

Mr. McKENZIE. I want to ask a rather important question. We understand, of course, that all citizens stand on an equality before the law and the courts, the poor man as well as the great corporation. Now, the point I would like to have my colleague make plain to me, if possible, is this: In the case of the recall of judicial decisions does he believe that the poor and unfortunate of whom he has spoken in his excellent address would have an equal opportunity before the people in a contest with the powerful interests in the country that could use every means of advertising and carrying on a campaign in the interest of the recall of a decision that might be against them?

Mr. HINEBAUGH. I will answer that by saying that while the poor are always handicapped in a battle against the rich, still they would avail themselves of the opportunity to register their will, whereas under the present system they can not be heard at all.

Mr. McKENZIE. The point I am trying to have the gentleman make clear is——

Mr. HINEBAUGH. I do not concede, however, if the gentleman will pardon me, that before the law as it now exists, and under the present method of procedure in the most of the States, the poor man is on an equality with the rich man in our courts by any means.

Mr. McKENZIE. The gentleman has stated a few instances of where the court may be in error, but is it not true that in the thousands and thousands of cases that have been decided by the courts in the country but little criticism has been made?

Mr. HINEBAUGH. Undoubtedly that is so.

Mr. KELLEY of Michigan. Will the gentleman yield for a question?

Mr. HINEBAUGH. Yes; but I would like to reserve the balance of my time for my colleagues.

Mr. KELLEY of Michigan. I will take but a moment. Does not the gentleman think that the recall of judicial decisions would lead to the utter confusion of legal principles? For instance, under a certain state of facts there might be involved a certain legal principle, which, when submitted to the people, might receive favorable action. Under an entirely different state of facts, with the same legal principle involved, a totally different result might be reached when submitted to the popular vote. The same legal principle might thus be pronounced constitutional at one election and unconstitutional at another. Does not the gentleman think it would lead to great confusion of legal principles?

Mr. HINEBAUGH. No; I do not think it would any more than a question of public policy would if submitted to the people. I would like to add that it would not lead to any more confusion or hardship than the fact that more than one-half of the decisions rendered by the supreme courts on questions between litigants are decided, not upon the merits of the case in which the litigant is interested, but upon technical points of pleading for which the litigants pay and never know that the interests really involved in the case have been touched. In the State of Illinois one of the most eminent lawyers in the State has made the statement that out of 250 volumes of reports of decisions of the supreme court in that State the decisions on the actual merits of the cases could be put in one-third of the volumes; that the other two-thirds are decisions of the court on technical questions of pleading.

Mr. FITZHENRY. Will the gentleman yield?

Mr. HINEBAUGH. Yes.

Mr. FITZHENRY. I would like to clear up a point raised by the gentleman from Georgia [Mr. BARTLETT] referring to the Dartmouth College case not being the law in the United States on account of the State constitutions. In order that the gentleman's excellent speech may not be misinterpreted, I want to call attention to the fact that the Illinois constitution contains the provision prohibiting the making of an irrevocable grant or special privilege or immunity, and the Supreme Court of Illinois has held that that provision in the Bill of Rights or our Constitution applies to the legislature of a State, but that it does not apply to any of the agencies of the legislature. In other words, the legislature can not pass an act that will make an irrevocable grant or special privilege or immunity, but the Supreme Court of Illinois has held that a city council can do it.

Mr. HINEBAUGH. I am glad to have that go into the RECORD. I ought to state that it was not my idea in making this presentation of the Dartmouth College case to have anyone draw the conclusion from that that it was now the law in the different States, or that the different States had not taken action to the contrary, but as tending to show the development of that idea in our judicial system. [Applause.]

Mr. BARTLETT. Mr. Chairman, I will be recognized in my own time. I want to ask the gentleman from Illinois [Mr. FITZHENRY] a question. Does not the city in Illinois get its charter from the legislature?

Mr. FITZHENRY. They do.

Mr. BARTLETT. Could not the legislature prohibit the city from granting an irrevocable charter or special privilege or immunity?

Mr. FITZHENRY. It does not, and the supreme court has held that the legislature can not make an irrevocable grant or special privilege or immunity.

Mr. HINEBAUGH. Mr. Chairman, how much time have I remaining?

The CHAIRMAN. The gentleman has 12 minutes.

Mr. HINEBAUGH. I reserve the balance of that time.

MESSAGE FROM THE SENATE.

The committee informally rose; and Mr. HAMMOND having taken the chair as Speaker pro tempore, a message from the Senate, by Mr. Tulley, one of its clerks, announced that the Senate had passed without amendment the following resolution:

House concurrent resolution 39.

Resolved by the House of Representatives (the Senate concurring), That for the representation of the Congress at the exercises to be held at the navy yard in Brooklyn, N. Y., on Monday, May 11, 1914, in honor of the men of the Navy and Marine Corps who lost their lives at Vera Cruz, Mexico, there shall be appointed by the Vice President 7 Members of the United States Senate and by the Speaker 15 Members of the House of Representatives.

SEC. 2. That the expenses of the committee shall be defrayed in equal parts from the contingent appropriations of the Senate and House of Representatives.

PENSIONS.

The committee resumed its session.

Mr. DAVIS. Mr. Chairman, I yield 30 minutes to the gentleman from Kentucky [Mr. LANGLEY].

Mr. LANGLEY. Mr. Chairman, the proverbial ingratitude of Republics surely can not be charged against ours by the soldiers of the country and their dependents when it is remembered that we have paid them in pensions since the Government was established the vast sum of $4,500,000,000, aside from giving them nearly 69,000,000 acres of the public domain. Indeed, considering our population and resources and the size of our armies, it may be truthfully said that ours is the most liberal pension system of the world, notwithstanding the fact that it contains some inequalities and injustices, which I shall presently discuss. The legislative history of the evolution of that system, including the parts played in it by individuals and by parties, affords a most interesting illustration of political psychology and party expediency. I possess the somewhat unique status of one who has both an administrative and a legislative knowledge of the pension question, having had nearly a decade of training in the administration of the law and almost as long a period of service—part of the time as a member of the Invalid Pensions Committee—in a legislative body which deals almost constantly with the subject. I think, therefore, that I may be pardoned for assuming to speak with some authority.

Perhaps it would not be amiss for me to give at the outset a brief résumé of pension legislation. The Continental Congress, on the very threshold of our independence, realized what I regret to say some gentlemen do not seem to realize now—the unbounded debt we owe to the men who leave their homes and their families and endanger their health and lives in the hour of the country's peril.

Mr. DAVIS. Mr. Chairman, there was so much confusion I did not understand what the gentleman from Kentucky stated about his experience in pension matters. Did I understand him to say that he had had a good many years of experience in the executive branch of the pension work?

Mr. LANGLEY. I said that I had served in connection with the administration of the pension law for nearly 10 years.

Mr. DAVIS. What branch?

Mr. LANGLEY. I was an examiner in the Pension Bureau for over four years and a member of the Board of Pension Appeals for over five years.

CONTINENTAL CONGRESS.

One of the very first acts passed by that Congress, less than two months after the Declaration of Independence, was that of August 26, 1776, which promised half pay for life, or during disability, to every officer, soldier, sailor, marine, or seaman losing a limb in any engagement or becoming so disabled in the service as to render him incapable of earning a livelihood. Indeed, pensions were granted in this country long before the Declaration of Independence. While the first national pension law was the one to which I have just referred, many of the English colonies in America, early in the history of colonial legislation, provided for the relief of wounded and maimed soldiers.

PILGRIMS AT PLYMOUTH—FIRST PENSION LAW.

In 1636 the Pilgrims at Plymouth enacted in their courts that any man who should be sent forth as a soldier and returned maimed should be maintained competently by the colony during his life. According to history, this is the first pension law ever passed in America. Forty years later, in 1676, a standing committee of the General Court of Massachusetts Bay held regular meetings in "Boston toune house" to hear the applications of wounded soldiers for relief; and after this colony was united with Plymouth colony, under the charter of 1691, the province continued to make provision for the relief of disabled soldiers out of the public treasury. In 1644 the Virginia Assembly passed a disability pension law, and later it made provision for the relief of the indigent families of soldiers who were slain. Similar acts are found in the colonial statutes of Maryland and New York in the latter part of the seventeenth century. The colony of Rhode Island, in 1718, enacted a pension law which provided that every officer, soldier, or sailor employed in its service who should be disabled, by loss of limb or otherwise, for getting a livelihood for himself and family, or other dependent relatives, should have his wounds carefully looked after and healed at the colony's charge, and should have an annual pension for the maintenance of himself and family or other dependent relatives. This law further provided that if any person who had the charge of maintaining a wife, children, parents, or other relatives should be slain in the colony's military service, these relatives should be maintained while unable to provide for themselves.

Thus it will be seen that the custom of pensioning soldiers and sailors is not only as old as the English settlement on this continent, but that in some respects it went even further in the direction of liberality than the pension law of to-day.

BOUNTY LAND.

The same is true with regard to bounty-land legislation. From the earliest era of our history the policy of rewarding the defenders of the country by land bounties was marked with great liberality. Land bounties were even promised before the Nation possessed any public domain. Many instances are recorded of grants by the colonies before our independence. Enormous grants were made by the colonies of North Carolina and Virginia to that intrepid Yankee, Gen. Nathanael Greene, who became such an idol of the southern people. Gen. Lafayette was granted for his services and sacrifices the sum of $200,000 and one township of public lands, or about 23,000 acres, to be located by the President, which, however, as is well known, Gen. Lafayette declined to accept. A liberal annuity, payable semiannually, was also granted to the widow and each child, by name, of Commodore Perry.

The Continental Congress by resolution of September 16, 1776, provided a regularly graduated scale of land grants for service in the Revolutionary War, ranging from 800 acres for a colonel to 100 acres for a private. Later a major general was given 1,100 acres and a brigadier general 850 acres. Similar laws were passed for service in the War of 1812, Mexican War, and the various Indian wars, but no land grants have been made for service subsequent to 1855, legislation since that time giving preference to the country's defenders in connection with the public domain having been confined to the matter of shortening to the extent of the length of service the period of residence required to acquire a homestead, a minimum residence of one year being required in all cases, however. All these rights in connection with the public domain, it may be added, were also extended to the widow and other relatives practically in the same manner as title to pension is provided in the pension laws.

FIRST NATIONAL LAW PENSIONING WIDOWS AND ORPHANS.

The first national pension law in behalf of widows and orphans was the resolution of August 24, 1780, which extended to widows and orphan children the half-pay provision provided in the act of August 26, 1776, for officers, soldiers, sailors, and marines in cases where death was due to the service, although Margaret Corbin, a widow of a Revolutionary soldier, had been previously pensioned by the resolution of Congress passed July 6, 1779. This case is such an unusual and interesting one that I shall take the time of the committee to read the resolution by which that pension was given to her. It is taken from the Journals of the Continental Congress, and is as follows:

Resolved, That Margaret Corbin, who was wounded and disabled in the attack on Fort Washington, whilst she heroically filled the post of her husband who was killed by her side serving a piece of artillery, do receive, during her natural life, or the continuance of the said disability, the one-half of the monthly pay drawn by a soldier in the service of the States; and that she now receive out of the public stores one compleat suit of cloaths, or the value thereof in money.

On July 25 of the following year another resolution was passed for her relief, which read as follows:

Resolved, That Margaret Corbin receive annually, during her natural life, one compleat suit of cloaths out of the public stores, or the value thereof in money, in addition to the provision made for her by the act of Congress of July 6, 1779.

I mention these instances of the people's patriotic liberality in the early days of the Republic toward its defenders and their

dependents with the hope that they may teach a lesson to those gentlemen of to-day who are constantly inveighing against our present liberal pension system.

Congress from time to time passed laws for the relief of soldiers, sailors, and marines and their widows and orphans following the War of 1812, the Mexican War, and the various Indian wars in which the country was engaged prior to the beginning of the Civil War, and our pension system gradually grew more liberal during that period, although it is interesting to note the fact that a longer period of time elapsed after these wars before such relief was granted than was the case following the War of the Revolution.

THE CIVIL WAR.

The pension laws of the country did not, of course, assume very large proportions until the Civil War. This was necessarily true because of the enormous number of participants in that war as compared with previous wars. The act of July 22, 1861, authorizing the employment of volunteers to aid in enforcing the laws and protecting public property promised to those who were disabled in that service the same benefits that had been or might thereafter be conferred on persons disabled in the regular service, and to the widow and legal heirs of those who died or were killed in the service the sum of $100, "in addition to all arrears of pay and allowances." This was followed by the comprehensive act of July 14, 1862, which is the foundation of our present pension system. This act reenacted the provisions of the act of July 22, 1861, and specified the rates of pension for officers, soldiers, sailors, and marines disabled by reason of wounds received or diseases contracted in the service of the United States and in the line of duty.

These provisions were gradually broadened and liberalized by various subsequent enactments until the beneficiaries became entitled to rates varying from six to one hundred dollars a month, dependent upon the nature and extent of disability. That act also provided pension for the widow and minor children and in the absence of these for the dependent mother, father, orphan sisters and brothers, in the order named, where the death of the soldier, sailor, or marine was the result of his service. This is the first act that conferred a pensionable status upon dependent parents, sisters, and brothers. It may also be noted here that prior to the Civil War there never was any provision of law giving pensions to widows in cases where the death of the husband was due to his service in time of peace. All of the prior enactments for the relief of widows and orphans were confined to cases where death resulted from service during a war. This act of July 14, 1862, fixed the rate of pension for all of these dependent classes at the rate allowed invalids for total disability, which was $8 a month, except the higher rates provided for officers. The $2 additional for each minor child of the soldier under 16 years of age was added to the widow's pension by an act passed subsequent to the war, which became effective July 25, 1866. The rate of pension to the widow and to the minor children and dependent relatives in all cases, in which the act of July 14, 1862, limited it to $8 a month, was increased to $12 a month by the act of March 19, 1886. Pension for widows and minor children where the death of the husband was not due to his service was first provided in the act of June 27, 1890, which fixed the rate at $8 a month. This was increased to $12 by the act of April 19, 1908, the present law. A law has never been enacted granting a pension to dependent relatives other than widows and minor children unless death was due to the service.

FIRST GENERAL ACT FOR SERVICE ONLY.

The act of March 18, 1818, was the first general act passed which granted pension for service only, and it required proof that the beneficiaries were in indigent circumstances and in need of assistance. There were several later service-pension acts for participants in the earlier wars, but it was 25 years after the close of the Civil War before Congress departed from the rule that a pension for the participants in that war must be confined to disability of service origin. This was done by the act of June 27, 1890, which fixed the minimum pension at $6 and the maximum at $12 a month, regardless of rank, requiring proof only of inability to perform manual labor and without showing that the disability was of service origin. This was also a service pension in that a minimum service of 90 days was required.

Mr. BURKE of South Dakota. Will the gentleman yield?

Mr. LANGLEY. Certainly.

Mr. BURKE of South Dakota. Has the gentleman any figures or information as to how pensions ranged in the early history of the country with pensions that are granted now?

Mr. LANGLEY. The gentleman means the rates of pension then as compared with the rates of pension now?

Mr. BURKE of South Dakota. Yes.

Mr. LANGLEY. I should say that the rates of pension now, as a whole, are more liberal than they were in the earlier days of our history to which I have been referring, especially for disability contracted in service. There was not much difference as between different periods prior to the Civil War, but since then the rates have gradually grown more liberal. On the other hand, there was more liberality toward them in the earlier period with respect to the public domain, as I shall presently show.

AGE LAW.

The next important step in pension legislation was the act of February 6, 1907, known as the age law. The benefits of this act were confined to those who rendered the service. It was in fact both an age and a service pension act, because it fixed certain specific rates for certain ages and as in the act of 1890 a minimum service of 90 days was required. There was quite a division of sentiment in Congress on the question as to whether age or length of service should be the chief factor in fixing the rates of pension. This finally culminated in the enactment of the act of May 11, 1912, known as the Sherwood law, which was a compromise between the age and the service proponents, the act fixing rates which are governed both by age and by length of service.

Such in brief is what this Republic has done for its defenders and their dependents.

It is a splendid exhibit of the patriotism and generosity of a grateful people. I beg your indulgence now for a few moments while I discuss briefly the political history of this legislation. I earnestly desire that what I say may not be misunderstood. I speak with the utmost candor when I tell you that it always grieves me to hear the statement or the insinuation, in this body or out of it, that the thought uppermost in the minds of sworn public officials, as we are, who are dependent upon votes for retention in our places, or for advancement, as we are, is not what our duty is or what the right of the matter may be, but rather what is the most popular and calculated to get us the most votes. I undertake to say that there does not exist to-day a more insidious or a more dangerous enemy of the Republic than that sort of an estimate of public men, and I fear that it is not only too prevalent to-day for the good of the country, but that it is constantly growing. And, gentlemen, we are in a measure responsible for it ourselves—sometimes by merely indulging in a friendly and designedly harmless colloquy with each other and sometimes with sinister purpose. I share to an enthusiastic degree the estimate which our distinguished Speaker places upon the personnel of this body. It was my privilege as a public servant in an executive branch of the Government service to form the personal acquaintance of a majority of the Members of both branches of Congress, and during my service of nearly eight years here that acquaintance has necessarily been widened. I think I have had as good an opportunity as the average among you to know and to understand the motives of these men who are here earnestly toiling for the people who have honored them.

I am proud of the privilege of saying that I do not think I have come in contact with a single Member on either side of the House of any political party concerning whose honorable and patriotic purposes I have entertained the slightest doubt. I must admit that I have seen one once in awhile who was possessed of rather curious angles of vision, but they were always honest angles. I think, gentlemen, that if we were a little more just and a litttle more tolerant toward each other it would be better for us all and better for the country. So much by way of introduction to what I am now going to say on the political side of pension legislation. I shall endeavor to discuss it dispassionately, relying upon the cold facts of history to establish what I assert. I want to be fair to both sides. If there is one among us who can not appreciate the other fellow's side of a question, it is unfortunate that he was not broadened a little before he achieved the high honor of membership in this body.

DEMOCRATIC ANTIPATHY.

I am keeping in mind what I have just said when I make the assertion that the uniform, consistent, and unswerving course of the Republican Party has been in favor of liberal pension laws, and that since the Civil War the traditional, historical, and natural attitude of the Democratic Party as a party has been antagonistic to such laws.

Mr. BARTLETT. Mr. Chairman, will the gentlemen yield?

Mr. LANGLEY. Certainly.

Mr. BARTLETT. The gentleman does not think that applies to the Democratic majority of this House or of the last Congress?

Mr. LANGLEY. Mr. Chairman, if the gentleman will wait a few minutes, I think I will enlighten him on that very point. I think it does, to a large extent. I am coming to that directly.

I shall endeavor to show why this has been logically and necessarily true—the natural outgrowth of existing conditions and the inevitable result of human sympathies and passions. For many years succeeding the Civil War Congress in both branches consisted of men who had either participated in that war or whose opinions and sentiments were still strong on one side or the other. Naturally, therefore, the attitude of parties and of individuals on the subject of pensions—a subject so closely related to that conflict—was pronounced and well defined.

The bulk of the Republican membership, which was in the majority, came almost entirely from sections of the country that were loyal to the Union. A pension was a recognition of loyal service, and of necessity was originated and supported by Republicans. It is true that a very small minority of the Democrats, reflecting their individual sentiments, voted for these measures, but these did not reflect the sentiments of their party organization. This is conclusively evidenced by the fact that on 15 important pension measures passed between the close of the Civil War and 1890 every Republican vote, 1,068 in number, was cast for these bills and not a single Republican vote cast against them; while, on the other hand, there were 648 Democratic votes cast against them and only 417 votes for them. There was another incident during this period which corroborates the statement I have made regarding the attitude of the two parties on this question. The Forty-ninth Congress was Democratic in both branches and there was a Democratic President. The Hon. Courtland C. Matson, a northern Democrat, was chairman of the Committee on Invalid Pensions of the House. He brought in a dependent pension bill similar in its provisions to the act of June 27, 1890, enacted some three and one-half years later. This bill passed both Houses. Not a single Republican voted against it, the only votes that were cast against it having been cast by Democrats. President Cleveland vetoed the bill. An effort was made to pass it over the President's veto. Every Republican supported that effort, but enough Democrats voted the other way to sustain the veto, and the bill failed. When the Republicans regained control of Congress and the Presidency the act of June 27, 1890, was passed and signed by a Republican President.

The sad thought in that connection is that as a result of the delay in the enactment of that beneficent law many old soldiers and their widows suffered for the necessaries of life and many others passed on to the great beyond without the recognition and assistance which the Republican Party would fain have given them and which they were denied by the action of a Democratic President and the votes of Democratic Congressmen. If I had the time, I would like to refer to the language, so unfriendly to the old soldiers, used by President Cleveland in some of his veto messages and to the many instances that came under my personal observation where their pensions were reduced and many cut off entirely as a result of the rigid and unfriendly administration of the law during his incumbency of the Presidency. Suffice it to say that thousands of veterans still living remember all about that, and they remember, too, that these pension vetoes always emanated from the pen of a Democratic President.

After the failure of the Matson bill there was more discussion throughout the country on the pension question than had occurred in any previous period of the country's history. President Cleveland's veto aroused much criticism of him and his party. Grand Army posts all over the country took the matter up, and the question of the enactment of some additional relief for the veterans of the Civil War was fully discussed at its next national encampment. The matter figured extensively in the presidential election of 1888, and the attention of voters of all parties was sharply drawn to it. The vote in Congress on the act which was passed at the next session—act of 1890—is therefore quite significant. On the roll call on the original bill in the Senate, where the measure originated, not a single Republican vote was cast against it, while only 10 Democrats voted for it. On the roll call in the House not a single Republican voted against it, while only 38 Democrats voted for it. There were 71 Democratic votes cast against it, a majority of nearly two to one of that party in the negative. The Democratic vote in the Senate on the conference report was 3 ayes and 18 noes, while every Republican Senator who was present voted "aye." The vote in the House on the conference report was equally pronounced. Only 28 Democrats voted "aye," while 56, exactly two to one of those voting, were recorded against it. On the other hand, every Republican vote cast, 117 in number, was in the affirmative. There was no record vote in either House on the passage of the act of February 6, 1907, but the CONGRESSIONAL RECORD shows clearly that the opposition to the measure in both Houses came from Democratic sources.

Meanwhile the veterans of the Civil War were getting well advanced in years and less able to provide for themselves, while the cost of living was constantly increasing. As a result the conviction grew stronger and stronger, both in and out of Congress, that some additional relief should be given them. In the congressional elections of 1910 this question was made one of the leading issues, particularly in the northern and border States. It is well known to those of us who are familiar with the history of that campaign that the Republican Party lost many thousands of votes because of the prevalent opinion among many veterans of the Civil War and their relatives and friends that the Republican Party, then dominant in both the legislative and executive branches of the Government, had failed to preserve its previous record of being the special champion of these veterans in not giving them the relief which they needed. Whether there was any foundation for this I shall not stop here to discuss, except to say that, in view of all the Republican Party had done for them, I do not think they were justified in casting their votes for the party which had uniformly shown such unfriendliness to their cause.

Mr. MURDOCK. Mr. Chairman, will the gentleman yield?

Mr. LANGLEY. Certainly.

Mr. MURDOCK. Mr. Chairman, I am very much interested in this very thorough narrative history of pension legislation. The gentleman now speaks of the campaign of 1910, where the Republican Party was generally charged throughout the North with becoming a bit unfriendly to pension legislation. What I would ask the gentleman is this—and I am not sure whether I am right or not. Previous to 1910 was there not the appearance in Congress of Republican opposition to pension legislation, where it had not existed in the past?

Mr. LANGLEY. Mr. Chairman, perhaps that was the first time that any Republican in Congress showed opposition to pension legislation. I am going to show presently and frankly admit that there were a few—I will not say misguided Republicans, but a few Republicans who ought to have known better—who opposed the legislation which was then proposed, but they were merely a drop in the bucket as compared with the compact, organized opposition of Democracy, through all those years, to pension legislation.

Mr. MURDOCK. Is it not also true that as that slight showing on the part of some Republicans in opposition to pension legislation appeared simultaneously the solid phalanx of the Democracy which opposed pensions in the past began to break, and a great many Democrats stood for pension legislation?

Mr. LANGLEY. That was the political psychology and party expediency to which I referred in the outset. That was one thing I had in mind when I used that language.

Mr. MURDOCK. I want to say to the gentleman that I have been here a good many years, and I have never heard anyone give with completeness, such as he has, the history of pension legislation.

Mr. LANGLEY. Mr. Chairman, I thank the gentleman for that compliment. I have devoted much time and thought to the subject. In the last session of the Sixty-first Congress a bill known as the Sulloway bill, which, like the preceding enactments, was both an age and a service bill, a minimum service of 90 days being required, and which granted a very liberal increase in the rates allowed these veterans, was reported by the Committee on Invalid Pensions and passed by the Republican House. There was not a record vote on that bill, either, in the House, and I am willing to concede that there was less Democratic opposition to it than had been manifested toward previous pension bills. It has been contended by you Democrats that the Republican Party was responsible for the failure of that bill to pass the Senate, because, forsooth, that body had a Republican majority then; and you were able to convince many voters of the country that that contention was just. I here and now deny, and I can produce the record to sustain that denial.

It is true that there were a few Republicans in the Senate who were not favorable to the bill, just as there were in the House, but there were several test votes which showed clearly that the bill would have passed the Senate but for the rules of procedure which made it impossible with the formidable opposition to it in that body, which opposition I shall show emanated almost entirely from the Democratic membership. The CONGRESSIONAL RECORD shows repeated efforts of Republican

Senators to get the bill considered and passed and that these efforts were blocked by Democratic Senators. I ask you to look at page 2883 of the RECORD of February 18, 1911. Senator Scott, of West Virginia, a Republican, asked unanimous consent to take up the bill, and Senator OVERMAN, a Democrat, from North Carolina, objected. Thereupon Senator Scott moved to take up the bill notwithstanding the objection. There were 49 votes in favor of this motion, and 46 of them were Republicans; there were 35 votes against the motion, and 28 of them were cast by Democrats. The RECORD also shows that the action of the Democratic Senators prevented a final vote on the passage of the bill at that time. Again, on the 4th of March following (see pages 4320–4321 of the RECORD), the last day of the session, and the last chance the bill had to become a law in that Congress, a Republican Senator, Mr. Curtis, of Kansas, asked unanimous consent to take up the bill, and objection was made by Mr. GORE, a Democrat, from Oklahoma. A Republican Senator then moved to take it up notwithstanding this objection, and the vote on that motion showed practically the same political alignment as it did on the other occasion referred to, on February 18. I wish that every soldier in the country and their relatives and friends knew the exact truth about the entire procedure in connection with that bill.

But you Democrats say that these things are all in the past; that while it is true that in former years we were the friend and champion of the soldiers, we finally grew indifferent to their interests and that you are now their best friends; that you passed the Sherwood bill, which is more liberal than any bill we ever passed; and that in the future, if they expect anything more in the way of legislative and administrative favor, they must look to you and to your administration. Well, let us see about that. Let us examine the RECORD and see what it shows in connection with the passage of the Sherwood bill. You had 225 Democratic Members in the House at that time. You had a clear Democratic majority over all parties of 69. Keeping these figures in mind, I beg you to turn to pages 284 and 285 of the RECORD of the second session of the Sixty-second Congress. There you will find the roll call in the House on the passage of the original Sherwood bill. There were 229 votes cast in favor of it. Of these, 97 were Democrats, 1 Independent, 1 Socialist, and 130 Republicans. There were 93 votes cast against it, 90 of whom were Democrats. There were 6 who refused to vote and answered "present," all Democrats. There were 4 Republicans and 8 Democrats paired for the bill and 2 Republicans and 10 Democrats paired against it. In other words, counting the 8 Democrats paired in favor of the bill, you could only muster 105 out of your 225 Democratic votes in this House—less than half of them—who were willing to go on record as the friends of this measure; and I suspect from what I have heard since then that some of these afterwards wished that they had taken a different course.

Now, look at page 4015 of the Senate RECORD of the same session. There you will find the roll call on the House bill as amended in the Senate. Every Republican vote, 40 in all, was cast for the bill, while only 11 Democrats voted for it. There were 16 Democratic votes cast against it. There was no yea-and-nay vote in the Senate on the adoption of the conference report, but there was in the House. It appears on page 6242 of the RECORD. There was no longer any question about the adoption of the conference report, and there was a comparatively small attendance that day, but an analysis of the vote does not help the cause of Democracy any in this connection. Of the 176 votes cast for the report only 77 were cast by Democrats, while of the 57 negative votes 56 were Democrats. The other negative vote was cast by the gentleman from California [Mr. KENT], of whose present political alignment I am not advised. Every Republican who was present and voted voted for the report. There were 98 of these.

What a "magnificent and unanswerable" exhibit in support of your contention that you of Democracy have become the residuary legatee of the honor which once belonged to the Republican Party of being the special friend and champion of the soldier! Really, gentlemen, you ought to be ashamed of yourselves for having the effrontery to make such a claim and expect people versed in the history of our country to believe it, when the record shows that at no time when you had control of Congress could you muster enough votes to pass a pension bill without the aid of Republicans, and when it also shows that the Sherwood bill, for which you claim so much credit, received less than 100 Democratic votes, when it took 193 votes to make a quorum of the House, and that if the real friends of the soldiers, the Republicans, had not rallied to the support of the bill, it would have been overwhelmingly defeated in the House of its alleged friends.

Mr. AUSTIN. Mr. Chairman, will the gentleman yield?

Mr. LANGLEY. Certainly.

Mr. AUSTIN. Mr. Chairman, is it not a fact that while the House was Democratic the Senate was Republican and the President was Republican, and it was a Republican President who signed the bill?

Mr. LANGLEY. I am going to call attention to that in a moment in another connection.

The CHAIRMAN. The time of the gentleman from Kentucky has expired.

Mr. LANGLEY. Mr. Chairman, I will ask the gentleman from Minnesota to yield me 15 minutes more.

Mr. DAVIS. Mr. Chairman, I yield the gentleman 15 minutes more.

Mr. LANGLEY. I do not know what foundation you have for the contention that the soldiers of the country must look to a Democratic administration for favorable consideration hereafter. Surely there is nothing in the record of previous Democratic administrations to base it on. As to what the present Democratic President may do I can not, of course, foretell. He has not had occasion to do anything since he has been President to show his attitude on the pension question. He did, however, express himself upon it some years ago. Here is what he said in his book entitled "Division and Reunion" (p. 227):

> The other leading questions of those years were the granting of pensions and the regulation of immigration. Congress had hastened from one lavish vote to another in providing pensions for the soldiers who had fought in the Civil War, until at length generosity had passed into folly. President Cleveland, for the time, put a stop to the reckless process by a vigorous use of his veto power.

This is a little flash-light photograph of what was going on in the mind of Prof. Thomas Woodrow Wilson long after he had reached the age of maturity. I am tolerably familiar with his history during the ensuing years of his eventful progress from the college halls to the White House, and I know nothing that has occurred during that period that would reform the sentiments of his heart or revise the logic of his brain upon this question. [Applause.] He thought then that the pittance which was allowed these old heroes by the altogether too tardy action of Congress was "hastening from one lavish vote to another"; that the act of June 27, 1890, which he evidently had in mind and which allowed them 30 or 40 cents a day to support themselves and their families, was "generosity" to a degree that justified him in calling it "folly," and that Congress was engaged in a "reckless process" when it did this; and he was manifestly gratified over the fact that President Cleveland made such a "vigorous use of his veto power" in preventing them from getting a few more cents a day to help keep the wolf from the door. How proud I am that I never cast my vote for a man who could harbor in his heart such sentiments toward these helpless old men who did so much for our country.

I beg to remind you that not only the Sherwood bill would have failed to pass if it had not received the support of the Republicans, but that it was passed by a Republican Senate and signed by a Republican President. And yet you Democrats claim and made hundreds of thousands of people believe that President Taft was opposed to and would veto such a bill. I wonder if there is a soldier in the country, or anyone else for that matter, who believes that if the Sherwood bill had not been passed until Woodrow Wilson became President he would have signed such a bill, even if he had permitted Congress to pass it, which I very much doubt. [Laughter.]

No, Mr. Chairman; you can not change the facts of history any more than a leopard can change its spots, and those facts show beyond the possibility of contradiction that up to this good day your party as a party is not entitled to the credit which its leaders have claimed as the friend and champion of the soldiers of the country. They show, on the contrary, that the Republican Party, both in Congress and in the administration of the Pension Bureau, has steadfastly adhered to its unbroken policy of justice, equity, and liberality to the defenders of the Nation and their dependents, while the Democratic Party, as a party, has just as consistently adhered to its time-honored policy of opposition to pensions. As I have already conceded, there are some notable individual exceptions to this. These exceptions embrace several classes of Democrats. First, there are those Democrats who represent northern constituencies, where the soldier element and their relatives and friends are numerous. These men believe in pensions and honestly support a liberal pension system. They represent the wishes of their constituents, as it is their duty to do. Again, there are some old men from the South, whose views time has changed and whose hearts age has softened. These men have a genuine and hearty desire, unmixed with prejudice, to be just and liberal toward the old soldiers. Whatever of animosity these men may

have formerly felt has been buried. Then there are some young men from the South, who were either too young during the Civil War to remember its hardships and animosities or who were born since the war and are free, more or less, from its prejudices and passions.

These view the subject from a more practical standpoint and are actuated by mixed motives of generosity and political as well as governmental expediency. There is still another class who, while personally believing in the old-time Democratic policy of antagonism to pensions, are nevertheless willing for the sake of their Democratic brethren in soldier districts to yield their own judgment and forego their natural inclination to vote against pension measures for the supposed political advantage that will accrue to the Democratic Party as a whole. Such was not their attitude, however, when the great preponderance of Democratic voting strength came from the solid South. In making up this classification I have run across still another subdivision among the membership of this body. This consists of the gentleman from Texas [Mr. DIES], who on this subject is sui generis. [Laughter.] Judging from his various utterances, to which I have always listened attentively, he belongs in a class by himself. He has said many things in these pension debates with which I wholly disagree and some things that I thought were extremely unkind and unjust to the soldiers and pensioners of the country; but I am in hearty accord with what he has said about giving equal and exact justice to all of them, and if my time will permit me, I desire before closing to point out some instances in which this has not been done. There is another thing that I wish in all candor and fairness to say here. I want to give credit to the present Democratic régime in this body for not packing the Committee on Invalid Pensions, of which I have the pleasure and honor to be a member, so as to have a majority of it antagonistic to dealing justly and liberally with this question. Two or three of the Democratic membership of that committee have hardly ever attended any of its meetings and have taken practically no part in its work. As to these I can not speak with personal knowledge, but as to those who have actively participated with us in the work of the committee I cheerfully bear testimony that, almost without exception, they are men of broad and liberal minds and generous hearts, and in dealing with the various cases that have come before us they have exercised to the fullest the equitable jurisdiction with which the committee was vested when this House created it. I shall cherish throughout my life the memory of my cordial and most congenial association with them. [Applause.]

And, Mr. Chairman, I desire to be entirely just and fair toward all other Democratic Members of this body, and I should deeply regret it were I to inaccurately state any fact or draw any unwarranted conclusion as to their attitude on this great question. As in all other things, there are underlying conditions which account for the movements of congressional sentiment on this pension subject which are naturally and logically responsible for the results produced. I have already mentioned some of these—time's effect on the animosities and prejudices of the Civil War; the change in personnel, bringing a younger and newer element on the scene, and the obligation which some individuals feel to yield their personal inclination to party fealty. There are still other important and potential reasons for the changed attitude of individual Democrats. The population is shifting constantly and likewise the distribution of pension money, whereas formerly the beneficiaries of our pension law were nearly all located in the States that remained in the Union. Now they are scattered all over the land, the States of the South almost without exception containing thousands of pensioners, survivors and dependents of the soldiers of three wars. It may be surprising to some of you to know that there is nearly $400,000 more pension money paid to citizens of Texas than is paid to those of Vermont, more in Georgia than in Delaware, more in each of the States of Louisiana and Florida than in the State of Rhode Island, twice as much in the State of Virginia as in Rhode Island, and a million and a half more in Tennessee than in Connecticut. These figures show, I think, one reason for the greater liberality manifested toward the pension system by some of our younger Democratic friends from the South. They show, among other things, the political wisdom and economic foresight of some of our Democratic brethren either in voting for liberal pensions or else withholding their opposition thereto.

Mr. BARTLETT. Mr. Chairman, will the gentleman yield?

Mr. LANGLEY. Yes.

Mr. BARTLETT. Did I understand the gentleman to say that there were more pensions paid in the State of Georgia than in the State of Connecticut?

Mr. LANGLEY. No; I said that there was more pension money paid in Georgia than in the State of Delaware, and more in Tennessee by a million and a half dollars than in the State of Connecticut.

Mr. BARTLETT. And more in Texas than in what State?

Mr. LANGLEY. More in Texas than in the State of Vermont.

Mr. EAGLE. You could put the whole population of Vermont into one county in Texas.

Mr. LANGLEY. That may be, but it does not affect the point that I am making, however.

Mr. BARTLETT. The gentleman knows that in comparing Georgia with Delaware, it was very difficult to get soldiers into the Army from Delaware, and very few went into the Army from that State. It is a very small State.

Mr. LANGLEY. Oh, I take it for granted that everybody knows the geography of the country and the relative size of the various States and their population. I am not seeking to conceal anything about that.

Mr. BARTLETT. You could put Delaware in the county in which I live.

Mr. LANGLEY. That may be true also. I am not advised as to that. I am simply trying to show an excuse for some of you changing your minds lately. More of the money is going south.

But shift as Democratic sentiment may, like the sands of the sea; shift as population and pension disbursements may, to account for much of the eleventh-hour change of heart of individual Democrats on this question; shift as sectional Democratic strength may, creating political exigencies to harass those who act for the sake of expediency alone, the large, overshadowing, convincing fact of the history of pension legislation remains unchanged and unchangeable, that the Republican Party, in season and out, in good and evil report, in power and out of power, has been the constant advocate of and has held tenaciously to the doctrine, policy, and practice of liberal pensions to those who fought under the Stars and Stripes in every conflict into which our flag has been carried. [Applause.]

On the other hand, taking the Democratic organization as a whole, the fact that the dominant power and influence of Democracy is and has always been, particularly since the Civil War, wielded against pension legislation stands uncontradicted and incontrovertible. The Sherwood bill, even, was wrung by political exigency from the unwilling hands of those of you who were really against it and could have prevented its passage. Upon the faces of many of you I could see written that sullen determination born of the resolve toward your Democratic brethren of the North which, put into polite English, meant: "This time, but no more—thus far shalt thou go, and no farther."

MONTHLY PAYMENT BILL.

If I had the time I should like to cite some things that have occurred during this Congress which confirm my contention that the Democratic Party is not as friendly to the soldier as it professes to be. I will mention an instance or two in passing. Pensioners all over the country are put at a disadvantage because they have to wait three months before getting their pension checks. They have to discount their quarterly payments, often at excessive rates, or keep running accounts with merchants, and it goes without saying that they do not always get articles on a cash basis. Moreover, there are a great many people who do not understand that accrued pension due at date of death is available to pay the expenses of the last sickness and burial, and many times an old soldier does not get the benefits of his pension during the last days of his life, when he most needs it. They have asked for a monthly payment law, but your Democratic leaders are holding it back because they say it will cost too much. Again the law gives preference to honorably discharged soldiers and sailors and their widows in the matter of appointment and retention in office, and yet it is a matter of common knowledge that this law is being flagrantly violated under the present administration. I shall, however, take occasion at another time to discuss this and to give specific instances.

There is a lesson to be learned from all this by the soldiers of the country, their relatives, and friends. I might say rather that it is an object lesson of what they may expect from the Democratic Party in the years to come if it should remain in power. That party controls both branches of Congress, and perhaps the Presidency also, because of an almost solid Democratic South added to the inroads it has made in the Northern States. Indeed, the Democratic membership of this House is now almost equally balanced between the North and the South. No conservative, well-informed student of the political history of our country will deny that sooner or later the political pendulum

will swing the other way—in fact, it has already begun to swing—and that this will result in the reduction in the Democratic membership almost entirely from the Northern States. As this process of reduction goes on the relative power of the South, already in the saddle in the councils of Democracy, will necessarily be increased. The South being the seat of antipathy to pensions will, of course, control the policy of the party on that question, and in view of the rapid, and I might add alarming, growth of the power of King Caucus the continued control of Congress by Democracy bodes no good for the future of our pension system. My advice to the soldiers of the country and to all those who are interested in or are advocates of the continuance of our liberal pension policy is to exercise the power which they have and see to it that while the Democracy of the South is thus returning to supreme control in the councils of that party it be likewise put in the minority in this and the other branch of Congress where it can not do any harm. [Applause on the Republican side.]

If time permitted, I would like to reply to some of the unjust things that have been said in this House during this session about the soldiers and pensioners of the country. Shame upon you gentlemen, and especially you of Texas whose people have been the greatest sufferers from the brutality and inhumanity of Mexicans, for what you have said about pension grabbers and about the pension roll being a roll of dishonor and of graft. Scarcely had the echo of your bitter invective died away before the blood of our brave young men was crimsoning the soil of Mexico. Well may you cease this unjust criticism in the face of this new evidence of the patriotism and valor of our soldiers and sailors. [Applause.]

Mr. Chairman, every dollar that a government spends for pensions makes that government just that much stronger among its citizenship. The money goes into every channel of trade, and in numerous instances prevents a ward of the nation from being placed upon the charity of the community or State in which he lives. I can think of nothing more deplorable than for a man who has defended his country's flag in his young manhood and vigor to enter a poorhouse after he has, by reason of age or disability, become unable to earn a livelihood. I hope to live to see the day when every man who has been a soldier, sailor, or marine, who has offered or stood ready to offer his life—the supremest of human sacrifices—for his country's honor, will be allowed a pension when he is unable to labor for his support, whether that condition resulted from his service or otherwise. Many young men went to Cuba and the Philippines and came back broken in health and have been invalids ever since, but on account of the technical requirements as to proof, the absence of hospital records, and his inability to find his scattered comrades who were with him in those distant lands he has been denied a pension on the ground of his inability to prove that his disability was of service origin.

PRACTICE TOO RIGID.

Some gentlemen seem to think that it is a very easy matter to get a pension allowed in the Pension Office. I worked as a clerk in that office for several years and I know better. Thousands of claims are rejected when there is no record in the War Department of the disability alleged and no medical evidence showing its existence at date of discharge or for some time thereafter. Many a faithful soldier has been denied a pension that he deserved because he stayed out of the hospital and therefore has no hospital record to sustain his claim. For several years it has been the practice in the Pension Office to reject claims on the ground I have just stated.

Frequently a soldier's statement at discharge that he was not disabled is quoted in contradiction of his subsequent allegation that he was, and his failure to claim pension promptly after he left the service is also made the basis of a presumption adverse to his claim refuting evidence that would otherwise be sufficient to establish it. I look upon the Pension Office as a great court. It ought to be a court of justice and liberality. It decides more cases than any other court in our land. It is supposed to decide a case upon the evidence alone, but I can show you wherein it often fails to do that. For example, take a claim for rheumatism. The claimant waited 40 years before filing. He alleges that during the Garfield campaign in 1862, on the Big Sandy River, near Pikeville, Ky., he underwent great exposure, resulting in rheumatism; that it affected his legs and arms and shoulders; that at times he could not walk on account of it; that he was not treated in a hospital for it, but that he got liniment and applied it himself; that this disease troubled him at times during the remainder of his service and continued after he got home; that it prevented him from following his occupation regularly; that he got treatment from two or three physicians from time to time, but that they are all dead; that for the remainder of the time he used home remedies; that he delayed applying for a pension because he did not need it then.

The Pension Office gives him an order to go before a board of surgeons for examination and at the same time calls on him for proof to establish the claim. The board examines him and finds rheumatism. He finally locates two or three of his comrades, who swear that they remember that he had rheumatism in the service about the time he alleges; that his limbs and joints were swollen; that they saw him using liniment; that he was excused at times on account of this trouble, which still existed at the time of his discharge. He furnishes the affidavits of neighbors who have lived near him and have known him ever since the war, and they swear that he has been troubled with rheumatism every year since the war. In due time he will receive a letter which reads something like this:

Your claim based on rheumatism is rejected on the ground of no record in the War Department; no medical or other satisfactory evidence showing origin in service, existence at discharge, or continuance since, and your evident inability to furnish such evidence.

Feeling the injustice of this action, he gets still other testimony to corroborate that already filed, but he is curtly advised in reply that this additional evidence has been considered and does not warrant a reopening of the claim. If the witnesses in support of such a claim are shown to be persons of credibility I contend that it is unjust to reject such a claim. There are many disabilities, like rheumatism, as to the existence of which a layman is a competent witness as well as a physician. I do not underestimate the importance of getting the best testimony possible in such cases, nor do I overlook the rule of evidence requiring it, but I am convinced that thousands of just claims have been rejected and stand rejected to-day because of the enforcement of this altogether too rigid rule.

Many years ago Congress passed a law providing for the employment of special examiners whose duty it was supposed to be to aid the claimants in locating witnesses, they being oftentimes unable to provide the expense of doing so themselves, and thereby help them to establish the claim when it was just. I have no hesitancy in saying that in my judgment a majority of those special examiners failed to try to do what Congress intended. They would catechize a witness in such a way as to frighten him and make him forget what he really did know. I know of cases in which they would tell a witness that he was not a physician, and was therefore not capable of diagnosing a disease, and would finally get from him and put in the report of his testimony virtually an admission that he knew nothing about the case. In this way many meritorious cases have been defeated when if due weight had been given to the testimony of a man's neighbors and associates, who could recognize rheumatism, sore eyes, and various other disabilities that I could name, just as well as a physician could, they would have been allowed. Of course, many special examiners did not do this, but tried their best to get at the actual merits of the claims. I am not charging that these things have happened under any particular administration. I mention them in support of my contention that the Government in administering the pension laws has not been as liberal or as just in pension cases as a court of justice in the circumstances ought to have been.

Mr. Chairman, I believe that Congress in waiting 25 years, as it did, before granting pensions to disabled soldiers and sailors without requiring proof of service origin of disability waited entirely too long. Judging from what some of our Democratic friends have said on the subject, it is evident that they think we should wait at least that long before pensioning our soldiers, sailors, and marines who have fought our battles since the Civil War. It has now been 16 years since our War with Spain. I know of many who participated in that war who are now unable to earn a support and who can not prove that their disability was contracted in the service. I think we have waited long enough in their cases, and I for one am ready to vote for a bill to pension these men who served their country and are now unable to work and are in need of assistance without requiring them to prove the origin of their disability. I am aware that the edict has gone forth from Democratic leaders in this body that no more general pension legislation is to be considered at this session, and therefore it is useless to take the matter up now; but I give notice that we will do so next winter. Gentlemen say that it will cost too much. I do not know how much it might cost; I have not figured on that. The first question is, do they need it and do they deserve it? I say they do, and I am willing to give it to them, regardless of its cost, and thus show to the nations of the world that our Treasury stands back of our needy and disabled defenders. To

those who are worrying about the cost of it let me say that at each stage of the expansion of our liberal pension policy the same worrying has been indulged in, and yet the country has met it all and still prospers.

I have said before in this House, and I want to say it again, that if for the time being our revenues should not be sufficient to meet the expense of providing adequately for all those who are so richly entitled to the Nation's gratitude and bounty, I would gladly vote for the issue of bonds to meet it, and when the next generation reads the glorious story of the struggles of these men, and when their hearts swell with pride and patriotism as they think of the rich heritage of which our Republic is possessed in consequence of their service, I know they will thank us for giving them the privilege and the honor of paying their share of tribute to these heroes and their dependents.

In connection with the cost of paying all these pensions, I beg to remind you that more than a hundred of the old soldiers of the Civil War are dying every day. Nearly 40,000 answered the last roll call in 1913. Nearly all of them have now reached three score and ten, the allotted life of man in Holy Writ. The death rate will be much greater this year than last, and it will grow greater year by year so rapidly that within a decade there will be but a tottering remnant left of that magnificent band of young men who returned gallantly and triumphantly to their homes after the news from Appomattox foretold the matchless destiny of a reunited Republic. [Applause.] Already the effect of this rapid death rate is manifest by the amount carried by this bill, which is over $11,000,000 less than the appropriation of last year. When I think of the old fellows and their widows who have passed away without getting what they needed for their comfort in the closing days of their lives, and of those who are yet tottering on the brink of the grave in need of attention and the necessaries of life, it grieves me to see the pension appropriation reduced. I would like to see it kept high enough and long enough to not only keep the wolf from the door of every veteran of the Civil War, his widow, and dependents, but to bring the sunshine of comfort into the home of every one of these old heroes and keep it there so long as we are honored with his presence in this world.

PUBLIC LANDS.

Mr. Chairman, I have already referred to the fact that the policy of our Government, originating in colonial days, of granting public lands to the defenders of the country has been abandoned, and that the only advantage given for service in our wars since 1855 has been to credit the service on the period of actual residence required. In other words, a Civil War veteran, however old and feeble he may be, has to establish an actual residence on the land, and maintain it for at least a year, and in many instances much longer, before he can acquire title to it. It is impossible for him to do this now, and this provision of law is therefore a nullity so far as the veterans of the Civil War are concerned. We have hundreds of millions of acres of public unappropriated lands, much of which the Government could easily spare. I am in favor of returning to the earlier policy of the Nation by making some feasible distribution of a part of these lands among the veterans of the Civil War without requiring them to establish a residence thereon.

CHARGE OF DESERTION.

There is a class of soldiers of the Civil War who are unjustly denied a pension. I refer to those who are charged with desertion, because of their failure to return to their commands when, as a matter of fact, they had not the slightest intention to desert. Scores of such cases have come to my personal attention of men who were absent from their commands under proper military authority and were taken sick, or cut off by the enemy, or prevented by some other insurmountable obstacle from returning to duty. I know of many cases in the mountains of Kentucky where conditions were such as to render return to duty impossible and where a report to the commanding officer was equally impossible, and yet these men stand charged with desertion and can not get a pension. You may answer that there is a general law under which this charge can be removed by the War Department; but what is that law?

It provides, for instance, that where a soldier was prevented from returning to duty by disability he must not only prove the fact that such disability prevented him from returning, but that the disability was incurred in the service and line of duty. He might prove conclusively that it was beyond human possibility for him to return, and yet that will not avail him anything. He might prove that after he got home on furlough he contracted typhoid fever and was bedfast and helpless until his command was mustered out of service, and yet the War Department, under the law, would not remove the charge, because he could not prove that he contracted typhoid fever in the service, and he could not prove it because it was not true. I could cite cases where soldiers were unable to return to duty because they were prisoners of war at the time, and I know of one instance where it was shown that the reason the soldier could not return to his command was because he was dead, and yet the charge of desertion still stood. Such a law is ridiculous and absurd, and yet it seems impossible to get it amended or to get relief for these men in any other way, and whenever we make the effort the cry that we are proposing to pension deserters is raised. Mr. Chairman, I am opposed to pensioning deserters myself, just as much as anyone else is, but I do not concede that Congress can not draft a law which would do justice without rewarding anyone unjustly. I, for one, would rather see a score of those not entitled receive a pension than to have one who is entitled denied that right.

WIDOWS MARRIED SUBSEQUENT TO JUNE 27, 1890.

Another instance of injustice in our present pension system is the provision which denies pension to those widows who married the soldier or sailor subsequent to June 27, 1890. I remember very well the discussion which led up to the enactment of that provision. It was well known that in many instances young women married soldiers who were well advanced in years and whose physical condition made it evident that they would not live for a great while, so that these young women acquired a pensionable status without having made the sacrifices which constituted the primary purpose of Congress in providing widows' pensions. It was to stop this practice of taking advantage of these old men that the provision referred to was enacted. The very fact that this law existed when marriages since that date took place eliminates the real reason for its enactment. It has now been in force for nearly a quarter of a century and there are thousands of cases of widows like this where they have lived with the soldier for many years, and in some cases, of course, nearly a quarter of a century, and have nursed and cared for him to the end. To deny pension in such cases is a great injustice. Indeed, Congress has repeatedly acknowledged that injustice by granting pension in many such cases by special act. But to grant pensions in some cases and deny them in others equally deserving only adds the injustice of discrimination to the injustice which the law itself does. We ought to repeal that limitation and make provision for the deserving cases of widows which it denies a pension. Moreover, Mr. Chairman, I have never felt that $12 a month is enough pension to give to those widows of the Civil War who married the soldier before or during the service and who had all of the anxieties and burdens that fell upon them while the husband was absent in the service of his country.

Mr. BARTLETT. Mr. Chairman, will the gentleman yield?

Mr. LANGLEY. Mr. Chairman, I wish the gentleman would please excuse me at this time. At the conclusion of my remarks I would be very glad to yield to him.

The history of the Civil War is filled with soul-stirring instances of their trials and their heroism. We ought to give them a substantial increase. Indeed, I would support a proposition which would increase the pension of all Civil War widows, especially when they are disabled and needy and who therefore come within the class of those to whom we do grant relief by special act. That would be simply a matter of justice.

STATE MILITIA ORGANIZATIONS.

Mr. Chairman, I had intended to discuss the question of granting a pension to members of State militia organizations who aided in the suppression of the Rebellion, although never actually mustered into the service of the United States, and it is still my purpose to do so, but on a later date. I have addressed the House on this subject several times since I have been a Member of it, but I have always done so in connection with other pension matters. This time I propose to discuss that question alone, and in the near future I shall ask you to hear me upon it and I think I can convince you with the evidence that I have accumulated that the delay of Congress in recognizing the great service that these old men rendered the country is not only unpardonable, but an act of ingratitude that ought to put it to shame. [Applause.]

Now, Mr. Chairman, the gentleman from Georgia desired to ask me a question, I believe? I shall take pleasure in yielding, if I have any time left.

The CHAIRMAN. The gentleman from Kentucky has just half a minute remaining.

Mr. BARTLETT. Mr. Chairman, I can not ask the question in that time.

Mr. LANGLEY. Very well.

MESSAGE FROM THE SENATE.

The committee informally rose; and the Speaker having resumed the chair, a message from the Senate, by Mr. Tulley, one of its clerks, announced that the Senate had passed with amendments the following joint resolution:

H. J. Res. 263. Joint resolution designating the second Sunday in May as Mother's Day, and for other purposes.

PENSIONS.

The committee resumed its session.

Mr. BARTLETT. Mr. Chairman, I ask unanimous consent to etxend my remarks in the RECORD.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. DAVIS. Mr. Chairman, how much time has the gentleman from Georgia used?

The CHAIRMAN. One hour and thirty-six minutes.

Mr. DAVIS. Mr. Chairman, I yield 25 minutes to the gentleman from Michigan [Mr. J. M. C. SMITH].

The CHAIRMAN. The gentleman is recognized for 25 minutes.

Mr. J. M. C. SMITH. Mr. Chairman, I very much appreciate the opportunity to address the House at this late hour in the day, and while my remarks do not deal precisely with the bill we are now considering, they are upon a subject that is now engaging the attention of the American people and the American Congress, a subject that is not equaled by any other except the Mexican situation, and I refer to the contest now being waged for the repeal of the Panama tolls, with a slight reference to the bill we have just considered, the question of battleships.

PANAMA CANAL TOLLS.

Mr. Chairman, I am in favor of two battleships, and would vote for more. I do this in order to uphold our national dignity and to keep pace in a halting way with the leading nations of the earth which talk "peace" and build battleships. England at the present time is constructing 15 dreadnaughts and battle cruisers carrying large guns of the dreadnaught type and fit for first-line duty; Russia, 11; Germany, 9; France, 9; Japan, 7; and Italy, 7; while we are building and have under construction only 5 in the United States. As a sample of what negligence or inattention along this line means we have only to refer to China, with a population of 450,000,000 people and building no dreadnaughts. It is having its country divided and parceled out to the other stronger nations of the world.

I have another reason why I am in favor of more battleships. We are constructing the world's most famous engineering feat ever undertaken by the ingenuity of man. I want to see our battleships go through this canal tolls free, and then, according to the Hay-Pauncefote treaty, as voted by this House, under the claim of "entire equality" to all nations, have other nations try to get their battleships through this canal tolls free.

Mr. Chairman, I herewith incorporate the provisions of the Hay-Pauncefote treaty affecting the use of the canal, the law exempting tolls, and the bill to repeal that law, as a part of my remarks:

ARTICLE 3.

The United States adopts, as the basis of the neutralization of such ship canal, the following rules, substantially as embodied in the convention of Constantinople, signed the 28th October, 1888, for the free navigation of the Suez Canal, that is to say:

1. The canal shall be free and open to the vessels of commerce and of war of all nations observing these rules on terms of entire equality, so that there shall be no discrimination against any such nation, or its citizens or subjects, in respect of the conditions or charges of traffic, or otherwise. Such conditions and charges of traffic shall be just and equitable.

2. The canal shall never be blockaded nor shall any right of war be exercised nor any act of hostility be committed within it. The United States, however, shall be at liberty to maintain such military police along the canal as may be necessary to protect it against lawlessness and disorder.

3. Vessels of war of a belligerent shall not revictual nor take any stores in the canal except so far as may be strictly necessary; and the transit of such vessels through the canal shall be effected with the least possible delay in accordance with the regulations in force and with only such intermission as may result from the necessities of the service.

Prizes shall be in all respects subject to the same rules as vessels of war of the belligerents.

4. No belligerent shall embark or disembark troops, munitions of war, or warlike materials in the canal, except in case of accidental hindrance of the transit, and in such case the transit shall be resumed with all possible dispatch.

5. The provisions of this article shall apply to waters adjacent to the canal within 3 marine miles of either end. Vessels of war of a belligerent shall not remain in such waters longer than 24 hours at any one time, except in case of distress, and in such case shall depart as soon as possible; but a vessel of war of one belligerent shall not depart within 24 hours from the departure of a vessel of war of the other belligerent.

6. The plant, establishments, buildings, and all works necessary to the construction, maintenance, and operation of the canal shall be deemed to be part thereof for the purposes of this treaty, and in time of war, as in time of peace, shall enjoy complete immunity from attack or injury by belligerents and from acts calculated to impair their usefulness as part of the canal. (Entered into Nov. 18, 1901.)

Law passed by Congress:

SEC. 5. That the President is hereby authorized to prescribe and from time to time change the tolls that shall be levied by the Government of the United States for the use of the Panama Canal: *Provided*, That no tolls, when prescribed as above, shall be changed unless six months' notice thereof shall have been given by the President by proclamation. No tolls shall be levied upon vessels engaged in the coastwise trade of the United States. That section 4132 of the Revised Statutes is hereby amended to read as follows: (Approved Aug. 24, 1912.)

Section 1 of the act to repeal the exemption clause of the above statute passed the House March 31, 1914, and now being considered in the Senate provides:

An act to amend section 5 of "An act to provide for the opening, maintenance, protection, and operation of the Panama Canal and the sanitation of the Canal Zone," approved August 24, 1912.

Be it enacted, etc., That the second sentence in section 5 of the act entitled "An act to provide for the opening, maintenance, protection, and operation of the Panama Canal, and the sanitation and government of the Canal Zone," approved August 24, 1912, which reads as follows: "No tolls shall be levied upon vessels engaged in the coastwise trade of the United States," be, and the same is hereby, repealed.

I want to see if under the "entire equality provision" claimed by the majority, if we charge tolls to foreign battleships for passing through the canal whether we must also charge our own battleships tolls.

I want to see whether or not we can take tolls from our own battleships and merchantmen on entering the canal and pay that toll back to them at the other end when they come out, and then apply this rule of "entire equality" to all the nations of the earth, and see whether or not those nations will exact that this same ridiculous performance of charging vessels tolls on going in and giving it back to them on coming out will meet this "entire equality" to all nations in the use of our canal.

I want to see whether or not we can hold the warships of other nations for 24 hours before they will be permitted to pass through the canal, and we ad libitum under this "entire equality" of use to all nations of the canal pass our warships through.

I want to see whether or not under the "equalization" claim of the majority of this House if we can victual, unload, or embark soldiers on our boats in our canal and deny this right to other nations.

I want to see whether or not under the construction claimed by the friends of "equalization" we can land our troops in the Canal Zone from our own warships and unload our merchandise and war supplies in the zone and other merchandise belonging to the United States and deny this right to the other nations of the earth, conforming to the rules of the treaty. Mr. Chairman, it can not be done. In other words, who does the canal belong to anyway?

The President of the United States himself, before election, was unequivocally in favor of free tolls to our American coastwise shipping, and so stated.

Speaking of this provision in the Democratic platform, President Wilson, at Washington Park, N. J., on August 5, 1912, said:

"One of the great objects in cutting that great ditch across the Isthmus of Panama is to allow farmers who are near the Atlantic to ship to the Pacific by way of the Atlantic ports.

"Now, at present there are no ships to do that, and one of the bills pending—passed, I believe, yesterday by the Senate as it had passed the House—provides for free tolls for American ships through that canal, and prohibits any ship from passing through which is owned by any American railroad company.

"You see the object of that, don't you? We don't want the railroads to compete with themselves, because we understand that kind of competition. We want water carriage to compete with land carriage, so as to be perfectly sure that you are going to get better rates around the canal than you would across the continent.

"Our platform is not molasses to catch flies. It means business. It means what it says. It is the utterance of earnest and honest men, who intend to do business along those lines and who are not waiting to see whether they can catch votes with those promises before they determine whether they are going to act upon them or not."

It is no credit to the great President of the United States nor the high office he holds to change front, turn his coat, and want us to deliver up our sovereignty over the canal. To me it looks like a stain on our national honor and a blow at the dignity of the great American people.

I want to see what becomes of the plank in the Democratic platform upon which a great national election was won, which provides:

We favor the exemption from toll of American ships engaged in coastwise trade passing through the canal.

And this was the position of the other great parties supported strongly by the will and wish of a majority of the American people.

I would like to know whether or not the American people would have ever stood for the expense of building the Panama Canal at a cost of $400,000,000 if they knew it was to be supervised, dictated, controlled, or interfered with by any other nation on earth. The rate of tolls now charged will not pay one-half the upkeep; that is doing enough for other nations.

I want to know whether or not my colleague, Mr. SMITH of Maryland, would convey to Great Britain the Territory of Alaska in order to appease England or any other nation on earth to waive its interest in the Panama Canal?

Joint resolution (H. J. Res. 258) providing for the repeal of the Hay-Pauncefote treaty as one of the conditions of the proposed transfer of southeastern Alaska to Canada.

Whereas the Hay-Pauncefote treaty has proved to be, and will continue to be, a source of dispute, and therefore of irritation, to the people of the United States; and

Whereas the narrow coast strip of southeastern Alaska, keeping one-third of western Canada from free access to the Pacific, is a source of irritation to the people of Canada; and

Whereas in the interest of the peace movement, especially for the sake of example, it is desirable that all sources of international irritation be removed whenever possible: Therefore be it

Resolved, etc., That the President be, and he is hereby, requested to negotiate with the British and Canadian Governments regarding the transfer of southeastern Alaska to Canada by sale or exchange, or both, the repeal of the Hay-Pauncefote treaty being made one of the conditions of transfer.

Why does he not offer to convey or "cede" the great State of Maryland instead of Alaska? Maryland was named after a British Queen, and its principal metropolis, Baltimore, is named after one of the greatest of British lords, who obtained a proprietary right to this great State from Charles I. I do not think my colleague from Maryland voices the sentiment of all the "Smiths," not even of the "John Smiths." We bought Alaska from Russia for a mere pittance of $7,200,000, and we have already received from this rich Territory the stupendous sum of $464,000,000 in its products, without so much as even beginning to deplete its resources; in fact, the riches of Alaska are bewildering; and since it was ceded to us for such a pittance, it would be more in harmony with exact justice and "entire equality" to all nations on earth for us to give it back to Russia instead of to England.

I now see a merchantman loaded at New York or Galveston plying the Mississippi River duty free and unloading at St. Louis without tolls.

I want to see that same vessel and cargo loaded at the same ports and pass through the Panama Canal to San Francisco under "entire equality" to ourselves and to our own people, canal tolls free; that would look like "entire equality" to ourselves.

If a merchantman must pay tolls to ply the canal, then the rate paid must be added to the cost of the article and, in familiar Democratic vernacular, be paid by the consumer. The coastwise man can not pay the tolls of his ship and cargo out of his own pocket, but if he pays for transport through the canal he must get his money back, and this amount will be charged to the transport of the commodity and ultimately paid by the consumer.

I want to find out what nation, if any, is complaining about free tolls to our American coastwise shipping through our canal. I have listened attentively to the speeches and arguments made, and have concluded that there is not a nation on earth, England not excepted, that has made a formal protest against free use of the canal to our coastwise trade.

Mr. J. R. KNOWLAND. Mr. Chairman, will the gentleman yield for a moment?

Mr. J. M. C. SMITH. Yes.

Mr. J. R. KNOWLAND. I will also call to the gentleman's attention the fact that the Democratic chairman of the Foreign Relations Committee of the Senate in a speech the other day stated positively that there were no foreign complications, as far as he knew.

Mr. J. M. C. SMITH. I am very much obliged for the remark. I have read during the interim that a fund of $30,000 has been expended by Mr. Carnegie, and that 750,000 speeches of one of the most distinguished Senators in the Congress of the United States have been sent under Government frank, mailed free, broadcast throughout our land to work up a sentiment against free tolls to our coastwise American shipping. I would listen to the condemnation of the great American people if such a propaganda were carried on by the friends of free tolls; "it would resound to heaven."

I want to see how our Secretary of State, Mr. Bryan, can give free tonnage and free everything else to the State of Panama and to the State of Colombia, under this "entire equality" use of the canal to all nations of the earth, and deny this privilege to the United States.

I would like to know what nation on earth has subscribed to the rules allowing or permitting it to use the canal under the terms of the treaty on "entire equality," and what share of the expense and upkeep they agree to pay. It will not be Panama nor Colombia.

[From the Washington Post, Wednesday, May 6, 1914.]

COLOMBIA SPEEDS TREATY—PACT BY WHICH UNITED STATES IS TO PAY $25,000,000 PASSES FIRST READING.

BOGOTA, COLOMBIA, *May 5.*

The treaty between Colombia and the United States, settling the long-standing dispute over Panama, passed its first reading in the Colombian Senate to-day.

The treaty provides that Colombia shall enjoy freely and in perpetuity free passage through the Panama Canal for her troops and warships, and stipulates also that six months after the exchange of ratifications the sum of $25,000,000 shall be paid to Colombia.

Who is to determine and enforce these rules and requirements? Why should the American Nation construct the canal? Why should it police it, care for it, defend it in perpetuity, without sovereignty, privileges, or control?

Why did we permit 47,000,000 tons to pass through St. Marys Canal tolls free last year, and now complain because our American shippers would forsooth carry 1,000,000 tons duty free through the Panama Canal, which they likewise helped to construct?

Where is the exact and equal terms and that high and lofty justice, love of humanity, and regard toward all nations sitting, when England charges American vessels for entering her canal a much higher rate than we charge English merchantmen for entering ours? There were shipped through the Suez Canal 16,581,898 tons of merchandise in 1910. What great advantage, abuse, or hatred toward England is found in the fact that we pay $1.30 a ton for shipping merchandise through the Suez Canal and have fixed a rate of $1.20 a ton for merchandise to be shipped through our Panama Canal, although in that I might, if I adopt the "equalization" scheme, be more exact to call it "the American and English Panama Canal"? The question of ship subsidy has taken on great proportions in the consideration of the rates for this canal, but was voted without dissent in the Underwood tariff bill in allowing 5 per cent rebate to imports carried on American ships. Why is this not attacked for violation of ship subsidy?

That a discount of 5 per cent on all duties imposed by this act shall be allowed on such goods, wares, and merchandise as shall be imported in vessels admitted to registration under the laws of the United States.

Ship subsidy in 1914 was ship subsidy in 1912 when this tolls act was passed by a majority of this House voting for this bill, which it is sought to repeal now.

SUBSIDY.

Was it ship subsidy to expend $260,000,000 in the last six years for our rivers and harbors?

Is it river subsidy to expend $300,000,000 for the improvement of the Mississippi River?

Is it cotton subsidy to expend $1,000,000 for the eradication of the boll weevil?

Is it cattle subsidy to expend Government revenue for the eradication of the cattle tick?

Is expending $25,000,000 for highways an automobile subsidy?

Is everything a person opposes to be dominated "subsidy and graft"?

Is paying a duty to other nations on our exports while we admit their exports into our country free of duty a foreign subsidy?

When a State receives more revenue from the Government than the Government receives from the State, is that a State subsidy?

Is paying higher wages to American labor than is paid by foreign countries to their laborers a labor subsidy?

Mr. Chairman, much has been said about the way in which we secured the Panama Canal Zone. To those careful critics I refer them to a perusal of the way in which England secured control and sovereignty over the Suez Canal—to an article found in the Fortnightly Review of September, 1893, entitled "England's right to the Suez shares," by Mr. Whitehouse, which will tell the story. The canal strictly was an asset of the Egyptian Government. It was pawned in 1876 by Ismail Pasha, Khedive of Egypt, for the purpose of procuring a private loan, and taken over by England on a forfeiture of the pledge of $20,000,000. Mr. Whitehouse says the shares belonged to Egypt, but were pledged by Ismail, and further, that "the transaction of 1876 belongs to a class against which a court of equity has never failed to give relief." The use of public property to pay a private debt is not unquestionable, it can not be done. Mr.

W. S. Blunt, in his work entitled "Secret history of the English occupation of Egypt," in an eloquent plea for the rights of the Egyptians, denounces the robberies which the English Government has perpetrated on the Egyptians, and said:

If you do not think the Egyptian needs the money, which we as a nation have taken from him, go look at his ribs.

I would like to know what is secreted and covered up in the President's message to the great Congress of the United States when he told us to repeal the tolls law to our American coastwise shipping whether it is right or wrong, and I now insert that message:

PANAMA CANAL TOLLS—MESSAGE OF THE PRESIDENT OF THE UNITED STATES DELIVERED AT A JOINT SESSION OF THE TWO HOUSES OF CONGRESS MARCH 5, 1914.

GENTLEMEN OF THE CONGRESS: I have come to you upon an errand which can be very briefly performed, but I beg that you will not measure its importance by the number of sentences in which I state it. No communication I have addressed to the Congress carried with it graver or more far-reaching implications as to the interest of the country, and I come now to speak upon a matter with regard to which I am charged in a peculiar degree, by the Constitution itself, with personal responsibility.

I have come to ask you for the repeal of that provision of the Panama Canal act of August 24, 1912, which exempts vessels engaged in the coastwise trade of the United States from payment of tolls, and to urge upon you the justice, the wisdom, and the large policy of such a repeal with the utmost earnestness of which I am capable.

In my own judgment, very fully considered and maturely formed, that exemption constitutes a mistaken economic policy from every point of view, and is, moreover, in plain contravention of the treaty with Great Britain concerning the canal concluded on November 18, 1901. But I have not come to urge upon you my personal views. I have come to state to you a fact and a situation. Whatever may be our own differences of opinion concerning this much debated measure, its meaning is not debated outside the United States. Everywhere else the language of the treaty is given but one interpretation, and that interpretation precludes the exemption I am asking you to repeal. We consented to the treaty; its language we accepted, if we did not originate; and we are too big, too powerful, too self-respecting a Nation to interpret with a too strained or refined reading the words of our own promises just because we have power enough to give us leave to read them as we please. The large thing to do is the only thing we can afford to do, a voluntary withdrawal from a position everywhere questioned and misunderstood. We ought to reverse our action without raising the question whether we were right or wrong, and so once more deserve our reputation for generosity and for the redemption of every obligation without quibble or hesitation.

I ask this of you in support of the foreign policy of the administration. I shall not know how to deal with other matters of even greater delicacy and nearer consequence if you do not grant it to me in ungrudging measure.

Who would be so cowardly as to stand in the great halls of this the greatest legislative body in the world and say that he would vote in accord with that sentiment and to repeal a law that he knew to be right? Why does not the President come forward and take into his confidence the people whom he represents? Or else why not divulge his secret purpose to the great leaders of the affairs of our Nation? Why does he remain silent when one of the greatest legislative battles known to our history is being waged to maintain not only a law which Congress passed by a majority vote but a principle affecting the sovereignty of our Nation and our right to control our own affairs? It was Lincoln who said—

I stand with those who are right. I stand with them while they are right and leave them when they are wrong.

Mr. Chairman, I notice that the chairman of the Senate Committee on Foreign Affairs disclaims that the repeal of the exemption clause in any wise affects or pertains to the Hay-Pauncefote treaty. How does that square with the long, ardent, and patriotic speeches made in both branches of Congress that it does? This view is not shared in by those who voted or the public. How does that declaration coincide with the message of the President which expressly states:

Everywhere else the language of the treaty is given but one interpretation, and that interpretation precludes the exemption I am asking you to repeal.

It sounds irony and to me like a surrender, and that the honorable Senator from Missouri, as against the President, must be added to the list of the other distinguished and high authorities that we have a right to fix the toll rate of the canal irrespective of any treaty and for the very patent reason given by them. The construction of the treaty claimed by those wanting repeal is unworkable. When the statute fixing rates is repealed, under what law or right will they be fixed, and when?

I wish to put in the RECORD the explanation of the meaning of the Panama Canal treaty which John Hay gave to the Senate in transmitting the Hay-Pauncefote treaty to that body, taken from the Philadelphia Inquirer of April 13, 1914:

The whole theory of the treaty is that the canal is to be an entirely American canal. The enormous cost of constructing it is to be borne by the United States alone. When constructed it is exclusively the property of the United States and is to be managed and controlled and defended by it. The United States alone as the sole owner of the canal as a purely American enterprise adopts and prescribes the rules by which the use of the canal shall be regulated and assumes the entire responsibility and burden of enforcing, without the assistance of Great Britain or of any other nation, its absolute neutrality.

Look at the galaxy of great men championing the cause of free tolls.

Our distinguished Speaker, Mr. CLARK, who barely escaped sitting now in the White House [applause], and if he had been nominated would have saved much more than his annual salary in this very contest; besides, he would have sustained the dignity of our Republic; and the great leader of the majority, Mr. UNDERWOOD, takes the position that it is no violation of our treaty. The President himself, in his message, even half concedes that when he calls on us to "repeal the tolls law, whether it be right or wrong." It may be right. Our great Republican leader, Mr. MANN, yielding to no one in his forensic ability and legislative research, voted against repeal. And Secretary Bryan has already shattered the contention of the opponents of exemption by formulating a treaty for Panama, giving Panama the use of our canal in perpetuity for transport of all of its vessels and troops tolls free; and the able Mr. MURDOCK.

Article 19 of the treaty made with the Republic of Panama on November 18, 1903, provides:

The Government of the Republic of Panama shall have the right to transport over the canal its vessels, and its troops and munitions of war in such vessels, at all times, without paying charges of any kind.

This treaty was made after the ratification of the Hay-Pauncefote treaty, and discriminates in favor of Panama.

Add to the above eminent citizens the following distinguished and high authority as being in favor of free tolls—ex-Presidents Taft and Roosevelt, who do not think that we have violated the terms of the treaty by exempting our coastwise vessels.

I want to join in the imprecation by our honorable Speaker, in his great speech here on the floor of this House on this question, and with him, sink or swim, against all comers proclaim the sovereignty of the United States and their right to fix the charges for everything, animate and inanimate, that traverses the Panama Canal, which carries the Stars and Stripes, without the dictation or interference of any other nation on earth, or all the nations on earth.

Why must we divide the ownership of our canal? England has not asked this. No other nation has asked it. If done now, it is as a leap "in the dark." Who knows of any nation asking that we repeal the tolls act, or any portion of it? Let us set the canal to work first, and then see. [Applause.]

Mr. DAVIS. Mr. Chairman, I yield to the gentleman from California [Mr. J. R. KNOWLAND].

Mr. J. R. KNOWLAND. Mr. Chairman, I ask unanimous consent to extend my remarks in the RECORD.

The CHAIRMAN. Is there objection? [After a pause.] The Chair hears none.

Mr. BARTLETT. Mr. Chairman, I yield to the gentleman from Pennsylvania [Mr. CARR] such time as he may desire to consume.

Mr. CARR. Mr. Chairman, the bill now under consideration appropriates for invalid and other pensions for the fiscal year 1915 the sum of $169,000,000. To this amount should be added the sum of $150,000, the amount appropriated for the fees of examining surgeons. The appropriation last year amounted to $180,000,000, the amount this year being a reduction of $11,000,000.

Mr. Chairman, according to the report of the Commissioner of Pensions the number of pensioners on the roll December 31, 1913, was 805,887. This is a decrease of 14,313 since July 1, 1913, a period of six months. The number of Civil War survivors on the roll December 31, 1913, was 448,138. There were on the rolls at the end of the fiscal year 1913 462,379, showing a loss in six months 14,241.

Since 1861 there have been allowed by special acts of Congress 42,337 pensions and increases of pensions, of which 22,016 are now on the roll with an annual face value of $6,699,096. Only a part of this is chargeable to special acts, as most of the beneficiaries had been previously pensioned under general laws at lower rates. The detailed statement of the apportionment of the pension rolls among the several States and Territories will be found in the report of the Committee on Appropriations. This report shows that the average annual value of each pension is $209.08 and the average value of the Civil War pension is $240.69.

The acts of Congress now in operation governing the granting of pensions to soldiers of the Civil War and their dependents are the acts of May 11, 1912, known as the Sherwood Act, and the special acts to which I have referred.

The Commissioner of Pensions states that the maximum number of new applications under the act of May 11, 1912, was attained last year, and beginning with this year the number will decrease. While the loss by reason of death has been very large, there has been no corresponding decrease in the amount of the appropriation for pensions, due to the fact of the increasing value of each pension from year to year. Nearly all the Civil War soldiers are now under the act of May 11, 1912. The report shows that under this act there are 401,792 Civil War soldiers, 13,063 Navy pensioners, and 1,110 Mexican War soldiers on the rolls.

Mr. Chairman, I append the following table showing the total expenditure for pensions to soldiers, sailors, and marines, their widows and minor children and dependent relatives on account of military and naval service since the founding of this Government. I think that this total will be found very interesting.

War of the Revolution (estimated)	$70,000,000.00
War of 1812 (service pension)	45,923,014.46
Indian wars (service pension)	12,241,273.61
War with Mexico (service pension)	47,632,572.34
Civil War	4,294,596,944.47
War with Spain and Philippine insurrection	42,185,230.84
Regular Establishment	28,461,369.52
Unclassified	16,499,419.44
Total	4,557,539,824.68

In addition, Mr. Chairman, to the pensions paid in this country we have 5,495 pensioners who reside abroad, the most of whom are not citizens of this country. The total amount paid to these nonresidents is $1,166,735.

Mr. Chairman, there are now no pensioners on account of the Revolutionary War on the roll. The last widow pensioner of the war was Esther S. Damon, of Plymouth Union, Vt., who died November 11, 1906, aged 92 years. The last survivor of the Revolution was Daniel F. Bakeman, who died at Freedom, Cattaraugus County, N. Y., April 5, 1869, aged 109 years, 6 months, and 8 days.

The last surviving pensioned soldier of the War of 1812 was Hiram Cronk, of Ava, N. Y., who died May 13, 1905, aged 105 years and 16 days. The names of 199 widows of the War of 1812 remained on the pension roll June 30, 1913.

The committee had under consideration the present method of paying pensions. There was some discussion as to whether it was better to make payment under the certificate and voucher system or the check system. The commissioner stated that the present system of paying by check had worked very satisfactory to the department and to everyone concerned. Under the old voucher or certificate system the pensioner would first get his voucher, which he would have to make out at an expense to himself. That voucher would be sent in to be checked up to ascertain if it were correct. If not correct, it would be sent back for correction and the pensioner would get his check, in any event, from 10 to 15 days after the time when it was actually payable. As the vast majority on the pension rolls are dependent, this delay was a matter of serious consequence to them. Under the check system payments are being made when the pensions are actually due, and the system is so arranged that pensioners living on the Pacific coast receive their checks at practically the same time as those residing in the city of Washington. This new system seems to meet with the approbation of the vast majority of old soldiers, and the department is to be congratulated that this method has been adopted. The only objection that thus far has been urged in this method of payment arises from the fact that under the present law, in the event of a check being lost, the pensioner is required to wait six months before he can be paid. This matter should be remedied, and I suggest to the committee an amendment to the present law permitting the bureau to make this payment as soon as possible after notification that the check has been lost.

Mr. Chairman, there was another matter brought to the attention of the committee at the time the hearings were held concerning the time of payment of these checks. It was suggested that perhaps it would be well to pay these pensions monthly instead of quarterly. The commissioner, who had interviewed quite a number of soldiers at various reunions, was of the opinion that sentiment was so divided upon this subject that the committee did not feel justified in recommending a change in the present law. The committee, as will appear from the hearings, was satisfied that the present method was working with entire satisfaction. It therefore comes with poor grace from the gentleman from Kentucky [Mr. LANGLEY] to charge the Democratic Party with opposition to any change. Mr. Chairman, let me read from the testimony.

Mr. WILLIS. Mr. Chairman, will the gentleman yield for a question?

Mr. CARR. With pleasure.

Mr. WILLIS. What argument was given by anyone against the method of payment of pensions monthly? I will say to the gentleman frankly I have talked with a great many pensioners, and all of them with whom I have talked are strongly in favor of it. I judge from what the gentleman says that some arguments were produced before the committee in reference to that. What were the arguments?

Mr. CARR. I prefer to answer the gentleman's question by reading from the testimony of the Commissioner of Pensions, who appeared before the committee. Mr. DAVIS, the distinguished gentleman from Minnesota and a member of the committee, brought to the attention of the committee this question regarding the payment of pensions monthly, and finally the commissioner was asked by Mr. DAVIS:

Mr. DAVIS. There is some agitation of the question of paying pensions monthly instead of quarterly, and that agitation may appear upon the floor of Congress in time. That would necessarily cause some additional expense and would require some additional clerk hire; but, in your opinion as Commissioner of Pensions and as an old soldier, would the additional expense, if any, be overbalanced, so to speak, by the benefits that would accrue to the pensioners if they could receive their pension checks monthly instead of quarterly? I ask your judgment on that as an old soldier and as the Commissioner of Pensions.

Mr. SALTZGABER. The Commissioner of Pensions is very slow about giving his opinion on proposed legislation, because he believes that it is the duty of the bureau of which he has charge to administer the law, and it is for Congress to determine when pensions shall be granted or paid.

Mr. DAVIS. But Congress usually acts upon information furnished by the bureau.

Mr. SALTZGABER. The monthly payment of pensions was at first favored by me, knowing that some of my old comrades in my immediate neighborhood at home, as I believed, would be benefited by that mode of paying pensions, because whenever they received their pensions for a period of three months, by reason of improvidence or other causes, they soon spent their funds. When they first received their pensions, they would have a period of feasting, and when it came along toward the end of the three months they would have a period of fasting. My notion was that if this money would come along more frequently the situation might be better. Then, I went down to the Ohio State encampment, and, by request, made an address to the comrades gathered there, and in the course of the address I said we were in favor of the monthly payment of pensions, but instantly they began to call out, "No, no; we don't want it." "Well," I said, "I hope you will appreciate the spirit that prompts the suggestion." They said, "Oh, yes; you are all right; but we do not want pensions paid monthly; we want them paid as they are now." Now, I asked the chairman if I could submit the question to those present, and he said, "Yes; go ahead." So I propounded the question to them, and a majority of them voted against it. At Chattanooga I did not discuss the subject with very many, but I understand that the executive council, which is the highest body next to the grand encampment itself—I am referring now to the national encampment held at Chattanooga—that executive council, after consideration of the subject, which was discussed in the address of the commander in chief, unanimously decided against it.

Mr. DAVIS. Decided against monthly payments?

Mr. SALTZGABER. Yes, sir. So I find a very great division of sentiment, and I am unable to determine whether the majority lies on one side or the other.

Mr. DAVIS. It would seem at first glance as though they would prefer monthly payments, just as the ordinary civilian is paid by the month.

Mr. SALTZGABER. So it struck me. I asked Mr. Campbell, at the request of some Congressmen, to make up an estimate of the additional expense that would be involved, and his estimate is that it would require an additional appropriation of at least $1,000,000 a year.

Mr. BARTLETT. To cover the additional expense?

Mr. SALTZGABER. Yes, sir; to provide the necessary force and equipment to make the monthly payments.

Now, we thought, in view of such information, that the committee was not in a position to make a recommendation one way or the other and that the present method was satisfactory.

Mr. DAVIS. Will the gentleman permit an interruption?

Mr. CARR. Yes; but I had yielded to Mr. WILLIS.

Mr. DAVIS. I would like to ask the gentleman, my colleague on the committee, if he does not think that it would be better to distribute that million dollars to the old soldiers than for it to be expended in such expense? I certainly do.

Mr. CARR. I would answer that, Mr. Chairman, that if the soldiers desire to be paid that way, I should certainly think so.

Mr. DAVIS. Certainly.

Mr. CARR. But until there is some expression of sentiment on the part of the soldiers to have the payments made monthly, I do not see that the committee is in any position to take up this matter and make a recommendation to the Congress.

Mr. DAVIS. But if that million dollars were to be spent, and the soldiers not particularly desiring the money to be paid monthly, I say I would rather give that money to the old soldiers in the way of pensions than to have it go to the expenses of paying monthly.

Mr. CARR. I concur heartily in what the gentleman from Minnesota has said, and I would rather add this additional

million dollars to the pension fund than to have it paid out in unecessary expenses in sending the money out monthly.

Mr. WILLIS. Will the gentleman yield further?

Mr. CARR. Yes.

Mr. WILLIS. I want to say I fully concur with the gentleman's statement; I would rather pay the million dollars out to the pensioners by adding it to the amount of pensions than to have it go as clerk hire. I am greatly interested in the information which the gentleman gave of the action of the soldiers, especially at the Ohio encampment and the national encampment at Chattanooga. I did not get from the gentleman's reading and his very lucid statement any expression of the argument as to why they would be opposed to it. What were the arguments given?

Mr. CARR. I do not recall that before our committee there were any arguments given one way or the other, or any argument advanced by the Commissioner of Pensions when he appeared before the soldiers at these reunions; but I take it from what he had stated that the matter had been thoroughly discussed by them and that the arguments that had been advanced were not sufficient to impel a change in the present policy of Congress.

Mr. DAVIS. The council at Chattanooga was unanimously in favor of leaving it as it was?

Mr. CARR. Yes.

Mr. WILLIS. Mr. Chairman, I was curious to know what the arguments were, because I have received many letters from ex-soldiers and have had personal solicitation from them in favor of the monthly payment of pensions, and it surprises me to find the facts as the gentleman has stated them.

Mr. CARR. I appreciate the fact that the gentleman from Ohio is anxious, as the members of the committee are, that the very best method be adopted for paying these pensions.

Mr. ADAIR. Will the gentleman yield to me?

Mr. CARR. I will be very glad to do so.

Mr. ADAIR. In view of the fact that it costs the Government less than $100,000 a year to pay the pensioners of the country four times a year, can the gentleman tell us how the commissioner figures it would cost $1,000,000 extra to pay them twelve times a year?

Mr. CARR. The commissioner stated in his report that he submitted this question to Mr. Campbell. "I asked Mr. Campbell," he said, "at the request of some Congressman, to make up an estimate of the additional expense that would be involved, and his estimate is that the additional expense involved would be $1,000,000." Now, Mr. Chairman, I do not know, of course, how he arrives at that.

Mr. BARTLETT. May I interrupt the gentleman?

Mr. CARR. Certainly.

Mr. BARTLETT. Mr. Campbell is the disbursing officer of the Pension Office?

Mr. CARR. Yes; he is the disbursing officer.

Mr. BARTLETT. And an employee of long experience and familiar with his duties.

Mr. ADAIR. Will the gentleman yield for a suggestion?

Mr. CARR. Certainly.

Mr. ADAIR. It occurs to me that a man would not have to be an employee of long experience to know it would not cost a million dollars a year to pay pensioners monthly. Personally, I think it costs too much to pay them monthly. I am not in favor of it, on that account, but I would have to scrutinize the books pretty carefully before anyone could lead me to believe it would cost a million dollars to pay them 12 times a year when it only costs $100,000 to pay them 4 times a year.

Mr. CARR. Of course, Mr. Campbell is an officer of the Government, and the figures he submits are the best available in ascertaining this cost. Neither am I certain that the statement of the gentleman from Ohio that it costs $100,000 per year to pay pensions four times a year includes all the cost.

The vast labor necessary to make up a pension roll containing 800,000 names 12 times a year can hardly be realized. Prior to the abolition of pension agencies there were employed 307 permanent clerks, and 162 clerks were employed for 10 days during each quarterly payment period. When the agencies were consolidated with the Pension Bureau the number of clerks were 251. On September 19, 1913, the Comptroller of the Treasury decided that the disbursing clerk for the payment of pensions was the disbursing clerk of the executive department and subject to the provisions of all laws governing disbursing clerks of the executive department. It had been held before that time in the bureau, based upon the decision of the comptroller dated October, 1912, that the disbursing clerk whose fee was provided for in the act of August 17, 1912, was not included within the general provisions of the law with reference to disbursing clerks of the executive department, but rather that he should be regarded as a pension agent before that time had been regarded. Before the decision of the comptroller the disbursing clerk prepared all vouchers, schedules, and pay rolls and was in possession of all the records of all the former pension agents. After the preparation of the schedules and pay rolls the disbursing clerk certified their correctness to the Commissioner of Pensions. The correctness of the schedules was then certified by the Commisioner of Pensions, and said schedules, with the accounts current, were transmitted to the Auditor for the Interior Department.

Under the present system the pension roll is now in charge of the Finance Division, where are prepared all vouchers or pay rolls or schedules containing the names of the pensioners, the rates of pension, and other essential information, the correctness of which is certified by the Commissioner of Pensions, and the same is placed in the hands of the disbursing clerk as needed for the purpose of pension payments. The disbursing clerk prepares and sends out to all pensioners proper checks, and then makes the necessary notices and certifications of his payments upon the schedules and submits the same and all other papers properly constituting his accounts of pension disbursements to the Finance Division, where the payments are entered upon the roll and the accounts given an administrative examination, after which they are prepared and submitted for the necessary certification and transmission to the Auditor for the Interior Department in accordance with the provision of the acts of July 31, 1894, and August 23, 1912. When the duties of the Disbursing Office was thus changed the number of employees was reduced from 251 to 156.

The Pension Bureau is now one of the busiest of all the departments of the Government. Considering the vast amount of business done, the number of people with whom the bureau is in constant touch, the character and scope of the work, the wonder is that the bureau is able to transact its business with such skill and dispatch as has been evidenced by facts that have come to the knowledge of your committee.

Mr. Chairman, the pension system of the United States commends itself to every American. [Applause.] No Government in this world has treated its soldiers and sailors and their dependents so liberally as this Government has treated its soldiers, sailors, and dependents. We believe that these men who preserved the Nation in time of war are worthy of their country's gratitude. [Applause.] We believe that those who have lost life, limb, or health in the service of the Nation and those dependent should in their own right or that of their legal representatives receive a reward commensurate with the service rendered, so far as the Nation's bounty may be able to measure that service. [Applause.] The pension roll is still "a roll of honor." The nations of the world have recognized the worth of heroic and valiant deeds. They have realized that war is attended with every horror that the human body can experience or the human mind can know. In our own Nation the pension system originated with the Revolutionary War, and the pension policy has been constantly followed since that time. The willing and cheerful spirit with which these appropriations are made by Congress should be a guaranty to every soldier that the Nation which accepted his services in time of its peril has not forgotten him in the days of his adversity. [Applause.]

Mr. BARTLETT. Mr. Chairman, I move that the committee do now rise.

The motion was agreed to.

The committee accordingly rose; and the Speaker having resumed the chair, Mr. MURRAY of Oklahoma, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill H. R. 15280, the pension appropriation bill, and had come to no resolution thereon.

MOTHER'S DAY.

Mr. HEFLIN. Mr. Speaker, I desire to call from the Speaker's table the House joint resolution 263, designating the second Sunday in May as Mother's Day, and for other purposes, and move to agree to the Senate amendments.

The SPEAKER. The gentleman from Alabama calls from the Speaker's table House joint resolution 263, with Senate amendments. The Clerk will report the amendments.

The Senate amendments were read.

Mr. HEFLIN. Mr. Speaker, I move that the House agree to the Senate amendments.

The Senate amendments were agreed to.

On motion of Mr. HEFLIN, a motion to reconsider the vote by which the amendments were agreed to was laid on the table.

BESSIE M'ALISTER M'GUIRK.

Mr. FINLEY. Mr. Speaker, by direction of the Committee on the Post Office and Post Roads, I desire to report back the bill (H. R. 4423) for the relief of Bessie McAlister McGuirk, which we think was improperly referred to that committee, and I ask that it be referred to the Committee on Claims.

The SPEAKER. The Clerk will report the title.

The Clerk read as follows:

H. R. 4423. A bill for the relief of Bessie McAlister McGuirk.

The SPEAKER. The gentleman from South Carolina asks that the Committee on the Post Office and Post Roads be discharged from the further consideration of the bill, and that it be referred to the Committee on Claims. Is there objection?

There was no objection.

EXTENSION OF REMARKS.

Mr. FOWLER. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. FOWLER. Will it be proper for me to ask unanimous consent to extend my remarks in the RECORD on the pension bill that is now under discussion? I desire to do so, and ask that the remarks may follow those of the gentleman from Kentucky [Mr. LANGLEY].

The SPEAKER. What was the last remark?

Mr. FOWLER. I desire to ask unanimous consent to extend my remarks in the RECORD on the pension bill that is now under consideration, following the speech of Mr. LANGLEY, of Kentucky.

The SPEAKER. The Chair will put the first part of it. Of course, the House could locate the place for the speech by vote. The make-up of the CONGRESSIONAL RECORD is under the control of the Public Printer, and one of the regulations is to the effect that the speeches which are not delivered in the House shall be printed at the end of the RECORD.

Is there objection to the request of the gentleman from Illinois, that he may extend his remarks in the RECORD? [After a pause.] The Chair hears none. Now, the gentleman asks that his speech follow the speech of the gentleman from Kentucky [Mr. LANGLEY], made to-day.

Mr. WILLIS. Mr. Speaker, reserving the right to object, I want to suggest to my friend from Illinois that it seems to me that that request is hardly a proper one. All the rest of us follow the usual rule. Speeches that are not delivered in the House go in at the back of the RECORD. I hope the gentleman will not make that request. I hope he will withdraw it, and thus save me from the necessity of objecting.

Mr. FOWLER. If any Member of this House thinks it unfair, Mr. Speaker, or has any doubt whatever about the propriety of it, certainly I would not request it.

Mr. WILLIS. I do not say it would be unfair, but it is not a proper request. Everybody else who desires to publish an extension of remarks goes into the back of the RECORD, as the Speaker stated.

Mr. FOWLER. Certainly, Mr. Speaker, I shall not make that request if any gentleman objects.

The SPEAKER. It was never a formal rule, but it was a matter of common consent. The reason that agreement was entered into was that if a debate was going on and A would make a remark and B would make a remark in answer to it and then get leave to extend his remarks and put in his speech, sometimes covering five or six pages, anybody trying to find out what really happened in the House that day would be considerably muddled in regard to it. That was the reason for the agreement. It was a gentleman's agreement.

Mr. FOWLER. Mr. Speaker, in order that the House may not misunderstand me, I desire in my remarks to extend a letter from Secretary of the Interior Fisher in 1911, during the pendency of the Sherwood pension bill in the Senate.

The SPEAKER. Does the gentleman make that request?

Mr. FOWLER. Yes. If the Speaker thinks I do not have that authority already, I desire to make the request.

The SPEAKER. The gentleman has a perfect right to print the letter. The Chair was referring to that part of the gentleman's request to print his speech after the remarks of the gentleman from Kentucky [Mr. LANGLEY].

Mr. FOWLER. I do not make that request.

Mr. WILLIS. Mr. Speaker, if I may be permitted to do so, I wish to call the attention of the gentleman from Illinois to the rules governing the publication of the RECORD, which he will find contained in the back of the RECORD itself. The seventh rule provides——

The Public Printer will arrange the contents of the RECORD as follows: First, the Senate proceedings; second, the House proceedings; third, the speeches withheld for revision.

Mr. FOWLER. Of course, it could be done with unanimous consent. I knew that.

Mr. Speaker, the gentleman from Kentucky [Mr. LANGLEY] delivered quite a lengthy speech to-day reviewing legislation in the past for pensions to the soldiers and sailors, their widows and minor and helpless children, in this country, the burden of which was intended to convey the idea that the Republican Party always has been and still is the friend of the soldier and sailor, and wedded to a uniform policy of the most liberal pensions for them, and that, on the contrary, the Democratic Party always has been, and still is, the enemy of the soldier and sailor, and committed to a uniform policy of opposition to liberal pensions for them, their widows and helpless and minor children. Had he gone no further than to extol the constancy of his party to the defenders of our national honor, and to a liberal support for pensions for them and those dependent upon them, I should not have engaged in this controversy at all; but when he charges that the Democratic Party is the enemy of these honorable men, and opposed to granting liberal pensions to them and their widows and children, then I think, in justice to all concerned, a reply should be made, so that the real friend to the soldier and liberal pensions for him and his dependents should be made known.

I desire to place in the RECORD some of the laws which were passed by a Democratic House and approved by a Democratic President.

I am indebted to Representative ADAIR, of Indiana, for assembling a large part of the following acts:

First. Act of August 15, 1876, providing for the issuance of artificial limbs, or commutation therefor, to disabled soldiers and seamen, and providing transportation for the purpose of having the same properly fitted.

Second. Act of February 28, 1877, increasing the pension of those who lost both an arm and a leg.

Third. An act of March 9, 1878, granting pensions on account of service in the War of 1812 and the Revolutionary War, requiring a service of but 14 instead of 60 days on the part of the survivors of the War of 1812, and granting pensions to widows, regardless of the date of the marriage to the soldiers of this war. It also granted pensions to widows of soldiers of the Revolutionary War on a service of 14 days. Former laws required a marriage prior to the treaty of peace in the case of widows of the War of 1812.

Fourth. Act of June 17, 1878, increasing to $72 per month the pensions of those who lost both hands, both feet, or the sight of both eyes incident to the service.

Fifth. Act of March 3, 1879, increasing to $37.50 all pensions on account of amputation at the hip joint. This sum was afterwards increased to $45 per month by a Democratic House.

Sixth. Acts of January 25 and March 3, 1879, granting arrears of pensions from the date of discharge, generous measures which benefited more than 225,000 pensioners at once and caused the annual pension rate to leap from $33,708,526.19 to $57,240,540.14. The Republican Party had control of both Houses of Congress for more than 10 years after the close of the war, but passed no legislation of this character.

Seventh. Act of June 21, 1879, abolishing biennial medical examinations and providing that in no case shall a pension be withdrawn or reduced except upon notice to the pensioner and a hearing upon sworn testimony.

Eighth. Act of June 16, 1880, giving $72 per month to all those who became totally helpless for any cause incident to the service.

Ninth. Act of February 26, 1881, for the protection of pensioners in the soldiers' homes.

Tenth. Act of July 4, 1884, which established the proper relation which should exist between attorneys and clients and fixed by law the fees to be allowed in pension cases. By this act a Democratic Congress placed the strong arm of the law between the helpless applicant and the rapacious agent.

Eleventh. Act of July 14, 1892, establishing an intermediate rate of pensions between $30 and $72 per month, and fixing the rate of $50 for all who required frequent and periodical though not regular and constant personal aid and attention.

Twelfth. Act of August 5, 1892, granting pensions to Army nurses and forbidding the demanding of a fee by claim agents for prosecuting this class of cases. This was a generous recognition of the noble heroines who, leaving home and loved ones behind, in self-sacrifice braved pestilence and hardship to minister to the sick in the hospitals of the Army.

Thirteenth. Act of December 21, 1893, making a pension a vested right.

Here are some other contributions to the pension laws which were either approved by a Democratic President or passed by a Democratic House of Representatives:

Fourteenth. Act of April 18, 1884, making it a felony for any person to falsely or fraudulently represent himself to be an officer of the United States.

Fifteenth. Act of March 19, 1886, increasing from $8 to $12 per month the pensions of 79,989 widows and dependents on the roll at the time as well as tens of thousands who have since been placed thereon. These certificates were issued by a Democratic Commissioner of Pensions, without any expense or unnecessary delay to those deserving beneficiaries.

Sixteenth. Act of May 17, 1886, amending the reports of the War Department, which discriminated against a large and worthy class of soldiers, relieving thousands of unfortunate veterans of the hardships worked by the resting of the charges against them, based upon technical errors in the records.

Seventeenth. Act of August 4, 1886, increasing the pensions of 10,030 cripples—armless and legless veterans.

Eighteenth. Act of January 29, 1887, benefiting about 30.000 survivors and widows of the Mexican War.

Nineteenth. Act of June 7, 1888, granting arrears to widows from the date of the death of the husband, and providing that all United States officials authorized to administer oaths should administer all oaths required to be made in pension cases in the execution of vouchers for pensions free of charge. This arrearage act benefited at once more than 200,000 soldiers' widows.

Twentieth. Act of August 27, 1888, increasing pensions on account of deafness.

Twenty-first. Act of February 12, 1889, granting an increase of pension from $72 to $100 per month to all persons who lost both hands in the service and line of duty.

Twenty-second. Act of March 1, 1889, relating to the payment of pensions to widows or dependent heirs where subsequent to the issue of the check the pensioner dies.

Twenty-third. Act of March 2, 1889, removing certain technical charges in the record and relieving a large and meritorious class of soldiers.

Twenty-fourth. Act of March 2, 1895, which abolished the rate of $2 and $4 and fixed the lowest rate of pension at $6 per month.

Twenty-fifth. Act of May 11, 1912, granting a service pension to certain defined veterans of the Civil War, increasing the pension of more than 400,000 soldiers, and which is the best pension law ever enacted by Congress, thereby increasing the annual pension roll from $153,686,500 to $180,240,145.84.

Mr. Speaker, I think this is a magnificent showing for a party which has been in power only 9 years during the last 54 years. It reveals that the Democratic Party has always had the best interest of the soldiers and seamen at heart. It is true that the Republican Party has been instrumental in the passage of some very good laws for the relief of soldiers, but they have always had within their ranks many bitter enemies to the extension of the pension roll. The money power has always fought such extension, and it must be conceded that this factor has had much to do with the pension policy of Republican administrations of the past. I have some evidence which shows to what length Republican administrations have been controlled by the money power, and I desire to place some of it in the RECORD.

Mr. Speaker, we are told by the public press than Hon. D. I. Murphy, former Commissioner of Pensions, made the following statement:

> During the national encampment of the Grand Army of the Republic at Philadelphia, one year ago, the pension question and the attitude of this administration—
>
> Meaning President McKinley's administration—
>
> toward the Civil War veterans was the principal topic under consideration. A special committee, consisting of R. B. Brown, of Ohio, chairman; John W. Burst, of Illinois; John Palmer, of New York; C. C. Adams, of Massachusetts; and H. B. Case, of Tennessee, had been previously appointed to wait upon the President and protest against the policy being carried out in the Pension Office. This committee called on President McKinley on the morning of September 4, 1899. They presented to him the complaints of their comrades and urged a change in the pension policy. They even went so far as to tell the President that the Grand Army of the Republic might even ask for the removal of the Commissioner of Pensions.
>
> Replying to the committee, the President gave them plainly to understand that he would sustain the commissioner, no matter how strongly the encampment might condemn him, and added this astounding declaration: "There is no use denying the fact, gentlemen, that the money power of the country is against any further expansion of the pension roll." The amazement and discomfiture of the committee were so complete that they quickly withdrew from the Executive presence.
>
> The money power—
>
> Says Mr. Murphy—
>
> how does it strike the men who left homes and families and staked their all for the perpetuity of the Government? * * * What has become of that Government of the people, by the people, and for the people, that Washington founded and our veterans fought to preserve?

Mr. Speaker, we are told from a clipping from the Associated Press that Secretary of the Treasury Franklin MacVeagh, in an address at the opening session of the American Academy of Political and Social Science at Philadelphia, on the 7th day of April, 1911, used the following language:

> We have a perfectly enormous Civil War pension list, which is not a credit to us. It never had a scientific or just basis, although a worthy motive gave it origin. It has lost its patriotic aspect and has become a political list, costing the Government about $160,000,000 a year.

Mr. Speaker, these clippings tell the true story of disloyalty of the Republican Party to the old soldier in his declining years. The money power furnished the campaign "barrel" for the Republicans, and rather than lose this sweet morsel they decided to dump the old soldiers, their widows, their minor and helpless children, and it was the fights which the Democrats put up in Congress that bore rich fruit for them in the passage of the Sherwood bill. In the Sixty-first Congress, Republican in both Houses and Republican in the White House, with all power over legislation, the Sulloway bill was defeated, and if the Democrats had failed in the elections of 1910 and 1912 I have no doubt but what no new legislation would have been enacted for the relief of the brave men of the sixties. Why try to rob the Democrats of the glory of the passage of the Sherwood bill?

Mr. Speaker, there is record evidence which can not be disputed by anyone, and which will settle the question of loyalty of the Democratic Party to the soldiers and seamen and their dependents. It is a record which Congress has made annually since the Civil War. It is known as the annual appropriation bill for pensions. I invite the attention of the gentleman from Kentucky [Mr. LANGLEY] to this record so that he can compare the appropriations enacted by Republican Congresses with those of Democratic Congresses. When he does this, he will find that during Mr. Cleveland's last administration more money was paid out for pensions than has been paid for that purpose in any administration either before or after his administration, until after the passage of the Sherwood bill. And they will conclusively show that the appropriations for pensions during Mr. Cleveland's administration excel all other administrations in this respect except Mr. Roosevelt's last administration. The appropriations during the three years since the passage of the Sherwood bill falls but little short of the entire appropriations for four years of Mr. Roosevelt's first administration, being only $420,998.15 short.

It must be admitted that the Sherwood bill as it passed the House was much more liberal than it was after it passed a Republican Senate. Secretary of the Interior, Mr. Fisher, estimated that the increase would reach $184,000,000 the first year of its operation and $236,000,000 the second year according to its provisions as it passed the House. But we have seen that the increase fell much short of this sum under the law as it now stands. It was $180,246,145.84 for the first year and $180,300,000 for the second year, and for this year it is only $169,150,000. This reveals that if the bill had become a law as passed by a Democratic House it would have carried an increase of from $30,000,000 to $50,000,000, whereas the law as shaped up in a Republican Senate carries an increase of about $20,000,000, on an average, for the three years. Mr. Speaker, I insert in the RECORD the annual appropriations for pensions since 1887, which is as follows:

Total appropriations for 1887	$76,075,200.00
Total appropriations for 1888 (including all deficiencies)	86,667,500.00
Total appropriation for 1889 (including all deficiencies)	89,758,700.00
Total appropriations for 1890 (including all deficiencies)	107,080,607.35
Total appropriations for 1891 (including all deficiencies)	127,793,059.34
Total appropriations for 1892 (including all deficiencies)	143,189,117.00
Total appropriations for 1893 (including all deficiencies)	160,581,787.35
Total appropriations for 1894	166,531,350.00
Total appropriations for 1895	151,581,570.00
Total appropriations for 1896	141,381,570.00
Total appropriations for 1897	141,328,580.00
Total appropriations for 1898 (including all deficiencies)	149,598,752.46
Total appropriations for 1899 (including all deficiencies)	141,483,830.00
Total appropriations for 1900	145,233,830.00
Total appropriations for 1901	145,245,230.00
Total appropriations for 1902	145,245,230.00
Total appropriations for 1903	139,842,230.00
Total appropriations for 1904 (including all deficiencies)	143,847,600.00
Total appropriations for 1905 (including all deficiencies)	142,860,700.00
Total appropriations for 1906 (including all deficiencies)	141,750,100.00

Total appropriations for 1907 (including all deficiencies)	141,245,500.00
Total appropriations for 1908 (including all deficiencies)	156,143,000.00
Total appropriations for 1909	163,053,000.00
Total appropriations for 1910	160,908,000.00
Total appropriations for 1911 (including all deficiencies)	158,258,000.00
Total appropriations for 1912 (includes $4,500 in deficiency act for rent of New York agency)	153,686,500.00
Total appropriations for 1913 (including all deficiencies)	180,246,145.84
Total appropriations for 1914	180,100,000.00
Amount in this bill	169,150,000.00

Mr. Speaker, I also insert in the RECORD a copy of a letter which I received from Secretary Fisher during the consideration of the Sherwood pension bill, so that the gentleman from Kentucky can see what a Republican Secretary of the Interior thought of the Sherwood bill, and his opinion as to the increase carried in its provisions. It is as follows:

DEPARTMENT OF THE INTERIOR,
Washington, December 16, 1911.

Hon. P. J. MCCUMBER,
Chairman Committee on Pensions,
United States Senate.

SIR: I have the honor to acknowledge the receipt of your inquiries of the 11th and 13th instant, relative to the cost of the bill H. R. No. 1, entitled "An act granting a service pension to certain defined veterans of the Civil War and the War with Mexico."

The number of pensioners, together with the length of service, present rate of pension, proposed rate per month, annual increase per pensioner, and total increase per annum, as regards the survivors of the Civil War and the War with Mexico, should the proposed bill be enacted into a law, is as follows:

Length of service.	Number of pensioners.	Present rate per month.	Proposed rate per month.	Annual increase per pensioner.	Total increase per annum.
3 months	143	$6	$15	$108	$15,444
	205	8	15	84	17,220
	185	10	15	60	11,100
	20,422	12	15	36	735,192
	702	14	15	12	8,424
6 months	124	6	20	168	20,832
	183	8	20	144	26,352
	165	10	20	120	19,800
	18,234	12	20	96	1,750,464
	627	14	20	72	45,144
	8,255	15	20	60	495,300
	189	16	20	48	9,072
	1,908	17	20	36	68,688
9 months	206	6	25	228	46,968
	305	8	25	204	62,220
	275	10	25	180	49,500
	30,391	12	25	156	4,740,996
	1,044	14	25	132	137,808
	13,758	15	25	120	1,650,960
	315	16	25	108	34,020
	3,180	17	25	96	305,280
	8,971	20	25	60	538,260
	182	22	25	36	6,552
	3,893	24	25	12	46,716
1 year and over	1,169	6	30	288	336,672
	1,732	8	30	264	457,248
	1,564	10	30	240	375,360
	172,621	12	30	216	37,285,136
	5,932	14	30	192	1,138,944
	78,148	15	30	180	14,066,640
	1,787	16	30	168	300,216
	18,063	17	30	156	2,817,828
	[1] 52,351	20	30	120	6,282,120
	1,036	22	30	96	99,456
	22,113	24	30	72	1,592,136
	958	25	30	60	57,480
	471,336				75,651,548

[1] Includes 1,398 survivors of the War with Mexico.

The total number who would be entitled to the benefits of the proposed bill, based upon the roll as it existed June 30, 1911, is 471,336. The estimated decrease in this number, due to deaths from July 1, 1911, to January 1, 1912, is about 15,000. The average increase per annum per pensioner is $160.50. This would cause a reduction in the above estimate, due to deaths, of $2,407,500, leaving the net increase in the value of the roll $73,244,048.

The following summary shows the number of pensioners on the roll who would be entitled to the respective rates provided in this bill:

Number.	Rate per month.	Amount per annum.
21,657	$15	$3,898,260
29,685	20	7,124,400
62,520	25	18,756,000
351,474	30	128,690,640
471,336		158,469,300
Deduct $336.21 x 15,000		5,043,150
		153,426,150

Average annual value of each pensioner under this act, $336.21.

It will be observed that the foregoing estimate does not differ materially from that furnished by the department to the chairman of the Committee on Invalid Pensions of the House of Representatives under date of April 11, 1911. The estimate at that time was based upon a copy of a proposed bill, which did not provide a rate of $25 per month for those who served nine months and less than one year. The bill as it passed the House makes provision for nine months' service at $25 per month, and the increased cost due to this provision practically overcomes any reduction which would naturally be expected on account of deaths among the survivors of the Civil War since July 1, 1910.

In the former estimate the pensioners who were receiving less than $12 per month were omitted because of the small number involved, as were likewise those pensioned at odd rates, such as $16, $22, and $25 per month, for the same reason. However, in order to make this estimate as accurate as possible, it has been thought advisable to include as nearly as practicable all those pensioners on the roll who may have title under this bill. The former estimate did not include the survivors of the War with Mexico, as the bill then under consideration made no provision for that class of pensioners.

The actual cost of the bill for the first year after its passage would depend upon the number of certificates issued. If 200,000 should be issued within the first year, the increase in the disbursements for pension would reach approximately $32,100,000 and make the total expenditures for pensions amount to about $184,000,000 for the first year. The maximum cost of this bill would occur in the second year after its enactment, provided the Bureau of Pensions would be able to settle all claims filed under the act in that time. The claims allowed the second year would carry on an average about one year's arrears—the increased rate commencing from the date of filing the application in the Bureau of Pensions. The cost for the second year after the enactment of the bill would very largely exceed that of the first year, being about $87,000,000, which would make necessary a total appropriation for pensions for that year of probably $236,000,000. However, the estimates for the third year would show a marked decrease as the arrears carried by the claims adjudicated the second year would no longer appear as a factor. This, in connection with the death rate, would cause a probable reduction in the disbursements for the third year of $30,000,000.

In the estimated cost of this bill the death rate for the first, second, and third years has been fully taken into consideration.

The enactment of this bill into a law would not, by implication, repeal any existing law or cause a reduction in the rate of any pensioner.

In regard to section 2, you are advised that under the act of March 3, 1883, any person who is so disabled by reason of any wound or injury received or disease contracted while in the military or naval service of the United States and in line of duty as to be incapacitated for performing any manual labor, is entitled to a pension of $30 per month, while under section 2 of H. R. 1 any person who served in the military or naval service of the United States during the Civil War and received an honorable discharge, and who was wounded in battle or line of duty and is now unfit for manual labor, through causes not due to his own vicious habits, or who, from disease or other causes, incurred in line of duty, resulting in his disability is now unable to perform manual labor, would be entitled to a pension of $30 per month.

It is a very difficult matter to give any accurate estimate as to the increased cost which would result from the second section of this bill, in view of the fact that each person entitled to the $30 rate thereunder must have been wounded in battle or line of duty or must have been disabled from some disease or other cause incurred in the line of duty, and be unfit for or unable to perform manual labor. It is not believed, however, that the number of beneficiaries under this section would exceed 15,000. The increase in the disbursements due to this section would probably, therefore, not exceed $2,500,000 per annum. Before the allowance of a claim under this section it would be necessary to have the applicant examined by an examining surgeon or a board of examining surgeons, and the increased cost due to such medical examinations would probably reach about $200,000 per annum.

Very respectfully,

WALTER L. FISHER, *Secretary.*

DEPARTMENT OF THE INTERIOR,
Washington, December 29, 1911.

Hon. H. ROBERT FOWLER,
House of Representatives.

SIR: In response to your request of December 26, 1911, I have the honor to inclose herewith a copy of a communication addressed to the chairman of the Committee on Pensions, United States Senate, under date of December 16, 1911, relative to the cost of the bill (H. R. 1) entitled "An act granting a service pension to certain defined veterans of the Civil War and the War with Mexico."

Very respectfully,

WALTER L. FISHER, *Secretary.*

ENROLLED BILLS AND JOINT RESOLUTION SIGNED.

Mr. ASHBROOK, from the Committee on Enrolled Bills, reported that they had examined and found truly enrolled bills and joint resolution of the following titles, when the Speaker signed the same:

H. R. 12291. An act to increase the limit of cost for the extension, remodeling, and improvement of the Pensacola (Fla.) post office and courthouse, and for other purposes;

H. R. 13770. An act to consolidate certain forest lands in the Sierra National Forest and Yosemite National Park, Cal.; and

H. J. Res. 263. Joint resolution designating the second Sunday in May as Mothers' Day, and for other purposes.

ADJOURNMENT.

Mr. BARTLETT. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 48 minutes p. m.) the House adjourned until to-morrow, Saturday, May 9, 1914, at 12 o'clock noon.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII,

Mr. THACHER, from the Committee on the Merchant Marine and Fisheries, to which was referred the bill (H. R. 14950) to authorize the city of Louisville, Ky., to open a parkway through the United States fish station and hatchery in Jefferson County, Ky., reported the same with amendment, accompanied by a report (No. 645), which said bill and report were referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII, private bills and resolutions were severally reported from committees, delivered to the Clerk, and referred to the Committee of the Whole House, as follows:

Mr. COADY, from the Committee on the District of Columbia, to which was referred the bill (H. R. 12844) for the relief of Spencer Roberts, a member of the Metropolitan police force of the District of Columbia, reported the same with amendment, accompanied by a report (No. 642), which said bill and report were referred to the Private Calendar.

Mr. HAY, from the Committee on Military Affairs, to which was referred the joint resolution (H. J. Res. 262) authorizing the President to detail Lieut. Frederick Mears to service in connection with the proposed Alaskan railroad, reported the same without amendment, accompanied by a report (No. 643), which said bill and report were referred to the Private Calendar.

Mr. GREENE of Vermont, from the Committee on Military Affairs, to which was referred the joint resolution (H. J. Res. 230) to authorize the appointment of Clifford H. Tate as a cadet in the United States Military Academy, reported the same without amendment, accompanied by a report (No. 644), which said bill and report were referred to the Private Calendar.

PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills, resolutions, and memorials were introduced and severally referred as follows:

By Mr. BUCHANAN of Illinois: A bill (H. R. 16390) to regulate the hours of labor in continuous working plants of the United States; to the Committee on the District of Columbia.

By Mr. GREGG: A bill (H. R. 16391) to provide for the purchase of a site for customhouse at Galveston, Tex.; to the Committee on Public Buildings and Grounds.

By Mr. HARDY: A bill (H. R. 16392) to better regulate the serving of licensed officers in the merchant marine of the United States and to promote safety at sea; to the Committee on the Merchant Marine and Fisheries.

By Mr. ESTOPINAL: A bill (H. R. 16393) to repair, re-cover, and otherwise improve the public building at New Orleans, La., known as the customhouse; to the Committee on Appropriations.

By Mr. NORTON: A bill (H. R. 16412) authorizing the Secretary of Agriculture, in his discretion, to sell and convey a certain tract of land to the Meridan Town and Country Club; to the Committee on Agriculture.

By Mr. FLOOD of Virginia: Joint resolution (H. J. Res. 264) authorizing the President to accept an invitation to participate in the Sixth International Congress of Chambers of Commerce and Commercial and Industrial Associations; to the Committee on Foreign Affairs.

Also, resolution (H. Res. 507) providing for the consideration of H. R. 15503; to the Committee on Rules.

Also, resolution (H. Res. 508) providing for the consideration of H. R. 13667; to the Committee on Rules.

By Mr. BARNHART: Resolution (H. Res. 510) that the bill (H. R. 15902) to amend, revise, and codify the laws relating to the public printing and binding and the distribution of Government publications shall be held and recognized as privileged at evening sessions; to the Committee on Rules.

By Mr. ALEXANDER: Resolution (H. Res. 511) authorizing the printing of 500 copies of volumes 1, 2, and 3 of the Proceedings of the Committee on the Merchant Marine and Fisheries in the investigation of shipping combinations; to the Committee on Printing.

PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ALEXANDER: A bill (H. R. 16394) granting a pension to Martha Hutchings; to the Committee on Invalid Pensions.

Also, a bill (H. R. 16395) granting a pension to Maranda Perkins; to the Committee on Invalid Pensions.

Mr. BELL of Georgia: A bill (H. R. 16396) granting a pension to John H. Mathews; to the Committee on Pensions.

By Mr. EAGLE: A bill (H. R. 16397) for the relief of S. Aral; to the Committee on Claims.

By Mr. GILLETT: A bill (H. R. 16398) granting a pension to Frances L. Skillings; to the Committee on Invalid Pensions.

Also, a bill (H. R. 16399) granting an increase of pension to Edgar L. Newell; to the Committee on Invalid Pensions.

By Mr. GRIEST: A bill (H. R. 16400) granting an increase of pension to Walter Haldeman; to the Committee on Invalid Pensions.

By Mr. GUERNSEY: A bill (H. R. 16401) granting a pension to Walter E. Swett; to the Committee on Pensions.

By Mr. HAWLEY: A bill (H. R. 16402) granting an increase of pension to Abner R. Bradney; to the Committee on Invalid Pensions.

By Mr. HINDS: A bill (H. R. 16403) for the relief of Thomas T. Rideout; to the Committee on War Claims.

By Mr. HUMPHREY of Washington: A bill (H. R. 16404) for the relief of Fanny A. Crocker; to the Committee on Claims.

Also, a bill (H. R. 16405) for the relief of Samuel Deschamps; to the Committee on Claims.

By Mr. JOHNSON of Kentucky: A bill (H. R. 16406) granting an increase of pension to Thomas F. Lankford; to the Committee on Invalid Pensions.

By Mr. LEVER: A bill (H. R. 16407) granting a pension to Louis L. Jones; to the Committee on Pensions.

By Mr. O'SHAUNESSY: A bill (H. R. 16408) granting an increase of pension to Eliza Hutchinson; to the Committee on Invalid Pensions.

By Mr. PETERS of Maine: A bill (H. R. 16409) granting an increase of pension to Reuel A. Hollis; to the Committee on Invalid Pensions.

By Mr. REED: A bill (H. R. 16410) for the relief of George A. Tarbox; to the Committee on Military Affairs.

By Mr. WILLIS: A bill (H. R. 16411) for the relief of F. D. Bain; to the Committee on War Claims.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

By the SPEAKER (by request): Memorial of the Socialist Party of the District of Columbia, relative to mining troubles in Colorado; to the Committee on the Judiciary.

Also (by request) memorial of sundry citizens of New York City; New Castle, Pa.; Cloquet, Minn.; McKean, Pa.; Marietta, Ohio; and Verona, Pa., protesting against the practice of polygamy in the United States; to the Committee on the Judiciary.

By Mr. AINEY: Petition of 51 citizens of Warren Center, Pa., and 68 citizens of Laceyville, Pa., favoring national prohibition; to the Committee on the Judiciary.

Also, petition of the Manufacturers' Association and the Erie Foundrymen's Association, of Erie, Pa., protesting against passage of measures intended to regulate the conduct of interstate business, etc.; to the Committee on the Judiciary.

By Mr. ANSBERRY: Petition of the Woman's Christian Temperance Union of Napoleon, Ohio, favoring national prohibition; to the Committee on the Judiciary.

By Mr. ASHBROOK: Petition of C. C. Hayden and 30 other members of the Methodist Young People's Society of Wooster, Ohio, favoring national prohibition; to the Committee on the Judiciary.

Also, petition of the Edward H. Everett Co., of Newark, Ohio, against national prohibition; to the Committee on the Judiciary.

By Mr. BAILEY (by request): Petitions of Aaron Bechtel, J. B. Grace, Joseph R. Mock, D. R. Stayer, M. F. Myers, S. B. Finke, W. S. Schooley, L. W. Koontz, C. E. Miller, Frank Hoover, H. B. Hoffman, F. B. Hetrick, Chalmer Bechtel, T. M. Meyers, J. B. Myers, J. N. Byers, C. W. Bulger, I. H. Bulger, J. G. Kuch-

baum, D. N. Byers, George Y. Replogle, Amos Johnson, Irvin Stayer, M. D., C. B. Hetrick, J. T. Hetrick, C. R. Streamer, J. N. Smith, William Henry, jr., R. R. Stayer, Hiram Feltan, all of Woodbury, Pa, for passage of House joint resolution 168, relative to national prohibition; to the Committee on the Judiciary.

Also, (by request), petitions of Jacob D. Brown, Samuel Keagy, Jacob Detwiler, Adam Guyer, E. H. Wyles, George E. Croft, C. C. Ritter, D. J. Reininger, A. C. Negley, J. C. Kensinger, C. E. Little, H. H. Baker, A. B Hoffman, G W. Mertzer, Charles Miller, Luther Johnson, L. A. Croft, J. W. Reininger, Herman Clouse, John Ullery, all of Maria, Pa., for the passage of House joint resolution 168 relative to national prohibition; to the Committee on the Judiciary.

Also, petition of Chapter No. 721, Patriotic Order Sons of America, favoring literacy test in immigration bill; to the Committee on Immigration and Naturalization.

Also, petition of the Manufacturers' Association of Erie, Pa., relative to antitrust legislation; to the Committee on the Judiciary.

By Mr BAKER: Petition of sundry citizens of the second congressional district of New Jersey against national prohibition; to the Committee on the Judiciary.

Also, petition of sundry citizens of New Jersey, favoring national prohibition; to the Committee on the Judiciary.

By Mr. BARCHFELD: Petitions of the Ninth United Presbyterian Church, the Chartiers United Presbyterian Church, the Eleventh United Presbyterian Church, the Mount Washington United Presbyterian Church, all of Pittsburgh, Pa.; the United Presbyterian Churches of Woodville, Crafton Heights, Rennerdale, Ingram, Carnegie, and Oakdale; the First Baptist Church and sundry citizens of Homestead, all in the State of Pennsylvania, favoring national prohibition; to the Committee on the Judiciary.

By Mr. BURKE of Wisconsin: Petitions signed by 102 voters of Ozaukee County, Wis., protesting against the passage of House joint resolution 168 and Senate joint resolutions 50 and 88 and all similar prohibition measures; to the Committee on the Judiciary.

By Mr. CARTER: Petition of the Socialists of Byron County, Okla., protesting against war with Mexico; to the Committee on Foreign Affairs.

By Mr. CARY: Petitions of a large number of citizens of Milwaukee, Wis., against national prohibition; to the Committee on the Judiciary.

Also, petition of the Manitowoc Malting Co. and sundry citizens of Manitowoc, Wis., against national prohibition; to the Committee on the Judiciary.

Also, petition of the Merchants and Manufacturers' Association, of Milwaukee, Wis., against Johnson amendment to Federal pure-food law (H. R. 9418); to the Committee on Interstate and Foreign Commerce.

By Mr. COVINGTON: Petitions of sundry citizens of Rock Hill, 15 citizens of Chestertown, 80 citizens of Crisfield, and 33 citizens of Talbot County, all in the State of Maryland, favoring national prohibition; to the Committee on the Judiciary.

By Mr. DALE: Petition of the Sonoma Wine & Brandy Co., of Brooklyn, N. Y., and the Manufacturers and Dealers' League of New York City and State, protesting against national prohibition; to the Committee on the Judiciary.

By Mr. DEITRICK: Petition of Oscar II Lodge, No. 81, Order of Vasa, of Cambridge, Mass., favoring erection of memorial to John Ericsson; to the Committee on the Library.

Also, petition of sundry citizens and voters of the State of Massachusetts, protesting against national prohibition; to the Committee on the Judiciary.

Also, petition of sundry citizens of Massachusetts, approving position taken by the President relative to Mexican conditions; to the Committee on Foreign Affairs.

By Mr. DOOLITTLE: Petition of 966 citizens of Emporia, Kans., favoring national prohibition; to the Committee on the Judiciary.

Also, petition of sundry citizens of the State of Kansas, favoring passage of House bill 11755, relative to Bureau of Farm Loans; to the Committee on Banking and Currency.

By Mr. DRUKKER: Petition of the Italian Liquor Dealers' Association, of Ellison, N. J.; the Retail Liquor Dealers' Association; the German Retail Liquor Association of New Jersey; the S. J. Asbell Co., of Paterson, N. J.; and sundry citizens of the seventh congressional district of New Jersey, protesting against national prohibition; to the Committee on the Judiciary.

By Mr. EAGLE: Petitions of sundry citizens of Houston, Tex., against national prohibition; to the Committee on the Judiciary.

By Mr. EDMONDS: Petition of George Staehle, of Philadelphia, and other citizens, protesting against the prohibition amendments; to the Committee on the Judiciary.

By Mr. ESCH: Petition of the Racine (Wis.) Suffrage Association favoring equal suffrage; to the Committee on the Judiciary.

Also, petition of various members of the University Club of Racine, sundry citizens of Baraboo and La Crosse, all in the State of Wisconsin, relative to franchise for women; to the Committee on the Judiciary.

By Mr. FLOOD of Virginia: Petition of 25 citizens of Springwood, Va., and 140 citizens of Eagle Rock, Va., favoring national prohibition; to the Committee on the Judiciary.

By Mr. GALLIVAN: Petition of sundry citizens of Boston, Mass., protesting against national prohibition; to the Committee on the Judiciary.

By Mr. GARDNER: Petition of sundry citizens of Beverly, Mass., favoring national prohibition; to the committee on the Judiciary.

Also, petition of the Massachusetts Board of Trade against House bill 13492 to prohibit the labeling of any goods with any other name than that of the actual manufacturer; to the Committee on Interstate and Foreign Commerce.

Also, petition of the Massachusetts Board of Trade favoring House bill 12292, the Federal child-labor bill; to the Committee on Labor.

Also, petition of the Young Men's Literary Society of Tacoma Park, D. C., favoring immigration bill; to the Committee on Immigration and Naturalization.

Also, petitions of the Massachusetts Liquor League and sundry citizens of Massachusetts, against national prohibition; to the Committee on the Judiciary.

By Mr. GILLETT: Petitions of various churches representing 280 citizens of Springfield, 90 citizens of Deerfield, 40 citizens of Amherst, 25 citizens of Whately, all in the State of Massachusetts, favoring national prohibition; to the Committee on the Judiciary.

Also, petition of 850 citizens of the second congressional district of Massachusetts, protesting against national prohibition; to the Committee on the Judiciary.

Also, petition of 169 citizens of the second congressional district of Massachusetts, against national prohibition; to the Committee on the Judiciary.

Also, petition of 400 citizens of Springfield, Mass., and 35 citizens of Warwick, Mass., favoring national prohibition; to the Committee on the Judiciary.

By Mr. GILMORE: Petition of Local No. 914, Machinists' Helpers, of Hyde Park, Mass., relative to strike conditions in Colorado; to the Committee on the Judiciary.

Also, petition of the Massachusetts State Board of Trade, against House bill 13492, the Rogers misbranding bill; to the Committee on Interstate and Foreign Commerce.

Also, petition of the Massachusetts State Board of Trade, favoring House bill 12292, the Federal child-labor bill; to the Committee on Labor.

By Mr. GRIFFIN: Petitions of sundry citizens of the eighth congressional district of New York, against national prohibition; to the Committee on the Judiciary.

By Mr. HAWLEY: Petition of the Union Fishermen's Cooperative Packing Co., of Astoria, Oreg., relative to House bill 12292, to regulate employment of children; to the Committee on Labor.

By Mr. HINDS: Petition of the Maine annual conference of the Methodist Episcopal Church of Portland, various voters of Lebanon, the Methodist Episcopal Church of West Scarboro, 200 citizens of Wilton, and 100 citizens of Montswray, all in the State of Maine, favoring national prohibition; to the Committee on the Judiciary.

By Mr. HINEBAUGH: Petitions of sundry citizens of Rockford, Ill., and Local Unions Nos. 11 and 37, United Mine Workers of America, in Coal City, Ill., relative to strike conditions in Colorado; to the Committee on the Judiciary.

By Mr. JOHNSON of South Carolina: Papers to accompany House bill 16333, granting a pension to Joanna C. Roper; to the Committee on Pensions.

By Mr. KEISTER: Petition of sundry citizens of Westmoreland County, Pa., protesting against national prohibition; to the Committee on the Judiciary.

Also, petition of the United Presbyterian Church of Fairview, Pa., representing 129 persons, and the Salem Methodist Episco-

pal Church, of Pine Township, Allegheny County, Pa., representing 60 persons, favoring national prohibition; to the Committee on the Judiciary.

Also, petition of sundry citizens and the Men's Bible Class of the Methodist Episcopal Church of Scottdale, Pa., favoring national prohibition; to the Committee on the Judiciary.

By Mr. KENNEDY of Rhode Island: Petition of 650 citizens of the third congressional district of Rhode Island against national prohibition; to the committee on the Judiciary.

Also, petition of sundry citizens of Burrillville, R. I., favoring national prohibition; to the Committee on the Judiciary.

By Mr. KINKEAD of New Jersey: Petition of sundry citizens of Essex County, N. J., favoring national prohibition; to the Committee on the Judiciary.

Also, petition of sundry citizens of New Jersey against national prohibition; to the Committee on the Judiciary.

By Mr. LEWIS of Maryland: Petition of the First Brethren Church, Men's Bible Class of the First Christian Church, Men's Bible Class of Hagerstown, the Christ Worship Society of the Church of Brethren, the Senior Men's Bible Class of the Church of Brethren, the Sunday School of the Church of Brethren, the Young Men's Bible Class of Hagerstown, and sundry citizens of Hagerstown, all in the State of Maryland, favoring national prohibition; to the Committee on the Judiciary.

Also, petition of the Young Men's Bible Class of the Methodist Episcopal Church, of Eckhart; sundry citizens of Eckhart mines, Garrett County, and Selbysport; the Epworth League of Selbysport; the Methodist Episcopal Church of Carlos; and the Epworth League of Friendsville, all in the State of Maryland, favoring national prohibition; to the Committee on the Judiciary.

By Mr. LEWIS of Pennsylvania: Petition of sundry citizens of Pennsylvania, against national prohibition; to the Committee on the Judiciary.

Also, petition of the Manufacturers' Association of Erie, Pa., against antitrust legislation; to the Committee on the Judiciary.

Also, petition of the Board of Trade of Chester, Pa., against Government ownership of public utilities; to the Committee on the Judiciary.

Also, petition of sundry citizens of Pennsylvania, favoring national prohibition; to the Committee on the Judiciary.

By Mr. LLOYD: Petition of sundry citizens of Plevna, Mo., favoring national prohibition; to the Committee on the Judiciary.

By Mr. McKENZIE: Petition of the Woman's Christian Temperance Union of Polo, Ill., favoring national prohibition; to the Committee on the Judiciary.

By Mr. MAGUIRE of Nebraska: Memorial of the Nebraska Church Federation, favoring national prohibition; to the Committee on the Judiciary.

By Mr. MANAHAN: Petitions of churches representing 191 citizens of Madelia, 50 citizens of Hinckley, 55 citizens of Lafayette, 115 citizens of Fairmont, 75 citizens of Adrian, 125 citizens of Beaver Creek, 115 citizens of Lake Crystal, 50 citizens of Minneapolis, 75 citizens of Hills, all in the State of Minnesota, and the First District Lodge of the Scandinavian Independent Order of Good Templars, with a membership of 1,200, favoring national prohibition; to the Committee on the Judiciary.

By Mr. MAPES: Petition of sundry citizens of Byron, Kent County, Mich., protesting against the Sabbath-observance bill; to the Committee on the District of Columbia.

Also, petition of sundry citizens of the fifth congressional district of Michigan, favoring national prohibition; to the Committee on the Judiciary.

Also, petition of sundry citizens of Byron, Kent County, Mich., favoring passage of House bill 12928, retaining section 6; to the Committee on the Post Office and Post Roads.

By Mr. MARTIN: Petition of the directors of the Deadwood Business Club, protesting against national prohibition; to the Committee on the Judiciary.

Also, petitions of 25 citizens of Oelrichs, 15 citizens of Edgemont, 336 citizens of Hot Springs, and 25 citizens of Caste, all in the State of South Dakota, favoring national prohibition; to the Committee on the Judiciary.

By Mr. MERRITT: Petition of sundry citizens of Madrid, Burke, Gouverneur, Plattsburg, and the Woman's Christian Temperance Union of Richville, all in the State of New York, favoring national prohibition; to the Committee on the Judiciary.

By Mr. MITCHELL: Petition of sundry citizens and voters of the State of Massachusetts, protesting against national prohibition; to the Committee on the Judiciary.

Also, petition of 106 citizens of Natick, Mass., and 300 citizens of Waltham, Mass., protesting against national prohibition; to the Committee on the Judiciary.

Also, petition of 476 citizens of Marlboro, Mass., and 92 citizens of Framingham, Mass., protesting against national prohibition; to the Committee on the Judiciary.

By Mr. NELSON: Petition of sundry citizens of Dodgeville, Wis., favoring national prohibition; to the Committee on the Judiciary.

By Mr. J. I. NOLAN: Protest of the associate membership of the Knights of the Royal Arch, of San Francisco, Cal., representing the wholesale liquor, brewing, wine, and allied industries, against the Hobson nation-wide prohibition resolution; to the Committee on the Judiciary.

Also, protest of Max I. Koshland and 46 other members of the Grain Trades' Association of California, against the passage of the Hobson nation-wide prohibition resolution; to the Committee on the Judiciary.

Also, protest of the executive committee, representing 52 importers and wholesale liquor merchants of San Francisco, Cal., against the passage of the Hobson nation-wide prohibition resolution; to the Committee on the Judiciary.

Also, protest of the German-American League of California, representing 30,000 voters, against the Hobson nation-wide prohibition resolution; to the Committee on the Judiciary.

By Mr. O'BRIEN: Petitions of sundry citizens of the ninth congressional district of New York, against national prohibition; to the Committee on the Judiciary.

By Mr. O'LEARY: Petition of various voters of the second congressional district of New York, protesting against national prohibition; to the Committee on the Judiciary.

By Mr. O'SHAUNESSY: Petitions of 650 citizens of Rhode Island, against national prohibition; to the Committee on the Judiciary.

Also, petitions of sundry citizens of Rhode Island, against national prohibition; to the Committee on the Judiciary.

Also, petition of sundry citizens of Providence, R. I., favoring national prohibition; to the Committee on the Judiciary.

By Mr. PAIGE of Massachusetts: Petitions of various business men of Palmer, Winchendon, South Ashburnham, Gardner, Baldwinsville, Athol, Orange, Southbridge, and Gilbertville, all in the State of Massachusetts, favoring passage of House bill 5308, relative to taxing mail-order houses; to the Committee on Ways and Means.

By Mr. REED: Petitions of Alfred F. Howard and 998 others, of Portsmouth; W. L. Gibson, of Rye; E. S. Johnson, of Greenland; O. B. Marvin, of New Castle; W. Downing, of Greenland; W. W. Day and J. Reglan, of Exeter; W. I. Haywood, of New Castle; T. M. Weeks, of Greenland; T. W. Weeks, of Greenland; Louis P. Ladd, of Epping; S. L. Reed, of New Castle; John D. Martson, of Rye; W. C. Hansom, of Dover; H. W. Sheppee, of Manchester; Everett Stark, Edward O. Rouke, and George Mansfield, of Newington; R. Grimes, of Dover; Wallace S. Goss, of Rye; W. R. Weeks, of Greenland; J. W. Ernest, of New Castle; E. E. Sterling, of Rye; Fred W. Ray, jr., of Rye; Charles W Neal, of New Castle; K. J. Grimes, of Greenland; E. H. Drake, of Rye; Fred L. Morang, of Dover; O. O. Butterfield and John S. Kimball, of Dover; George Meloon, of New Castle; Fred Hudson, of Gonic; D. E. Sullivan, of Dover; F. M. Pickering, C. P. Yeaton, of Dover; C. C. Johnson, J. N. Libbey, J. Manscom, and G. W. Brackett, of Rye; D. Spinney, of Epping; J. N. Tarlton, of Rye; James Blinn, of New Castle; F. P. Towle and William Brewitt, of Hampton; J. Traversy, E. E. Sterling, F. L. Smart, and W. O. Jennis, of Rye; E. E. Chick, of Rye; Winthrop P. Hoyt and 16 others, of Greenland; all in the State of New Hampshire; also George E. Frany, W. C. Chick, and A. Whitham, of Kittery, Me.; Arthur R. Cason, of Sanford, Me.; and D. F. Fanagan, of Lawrence, Mass.; opposing national prohibition of liquor traffic; to the Committee on the Judiciary.

By Mr. SCULLY: Petitions of 107 citizens of the third congressional district of New Jersey, against national prohibition; to the Committee on the Judiciary.

Also, petition of sundry voters of the third congressional district of New Jersey, protesting against national prohibition; to the Committee on the Judiciary.

Also, petitions of 252 citizens of Matawan, 35 citizens of Dunellen, 30 citizens of Freehold, 500 citizens of Highlands, and the Methodist Episcopal Church of Lakehurst, all in the State of New Jersey, favoring national prohibition; to the Committee on the Judiciary.

Also, petition of the Newark (N. J.) Photo-Engravers' Union favoring the passage of the Bartlett-Bacon bill (H. R. 1873); to the Committee on the Judiciary.

By Mr. SHREVE: Petition of 4,100 voters of the twenty-fifth congressional district of Pennsylvania, against national prohibition; to the Committee on the Judiciary.

By Mr. SMITH of Idaho: Petitions of the Congregational Church and the Woman's Christian Temperance Union, of New Plymouth, Idaho, favoring national prohibition; to the Committee on the Judiciary.

By Mr. TAYLOR of Colorado: Petitions of the Christian Endeavor Society of Longmont, Colo., and the Woman's Christian Temperance Union, of Fruita, Colo., favoring national prohibition; to the Committee on the Judiciary.

By Mr. TREADWAY: Petition of sundry citizens of Massachusetts, against national prohibition; to the Committee on the Judiciary.

Also, petition of various business men of Greenfield, Shelburne Falls, Charlemont, and Ayre, all in the State of Massachusetts, favoring passage of House bill 5308, relative to taxing mail-order houses; to the Committee on Ways and Means.

By Mr. THACHER: Memorial of the Massachusetts State Board of Trade, protesting against House bill 13492—Rogers misbranding bill; to the Committee on Interstate and Foreign Commerce.

By Mr. TUTTLE: Petition of sundry citizens of Rahway, N. J., protesting against national prohibition; to the Committee on the Judiciary.

Also, petition of sundry citizens of Rockaway and Cranford, N. J., favoring national prohibition; to the Committee on the Judiciary.

By Mr. WILLIS: Petition of Charlie Eby and Jefferson Swank, both of Findlay, Ohio, protesting against the adoption of House joint resolution 168, relating to national prohibition; to the Committee on the Judiciary.

LE N 31